



POLICYPOINTS

Quick Facts from the Commonwealth Foundation

Campaign Finance Limits & Public Funding

Pennsylvania lawmakers are considering legislation that would limit campaign contributions and would allow for taxpayer financing of gubernatorial campaigns. This legislation is based on the “Clean Election” model passed by Arizona in 1998, New Jersey in 2005, and the Federal laws passed in the mid 1970s. While appealing at first blush, these laws fail to lead to the benefits touted by proponents and, in the process, curtail citizens’ free speech.

ISN'T THERE TOO MUCH MONEY IN POLITICS?

- ▶ Voters need and want **more information** about candidates for all offices, **not less**.
- ▶ The amount spent on campaigns is relatively **small in comparison with corporate advertising**. The top spending presidential candidate may spend \$400 million in 2008. By comparison, in 2003, General Motors spent \$3.43 billion, and Proctor & Gamble spent \$3.1 billion on advertising.
- ▶ In 1994, spending on all Congressional races averaged about \$3.00 per eligible voter, about the cost of a single movie rental. In 1996, total spending was **less than what was spent annually on Barbie dolls**.
- ▶ Private fundraising gives some assurance that the candidate’s position makes an important contribution to the policy debate by forcing them **to appeal to an array of supporters**. Taxpayer subsidies do not provide this kind of market test, and can lead to taxpayer money being given to “irrelevant” candidates.

CITIZENS DON'T SUPPORT TAXPAYER FINANCING OF CAMPAIGNS

- ▶ **Only 7.3% of taxpayers** agreed to the \$3 presidential public financing check-off in 2006—compared to 29% in 1980, according to the IRS.
- ▶ By 2008, about **half as many Americans** will participate in the presidential public financing system as those who give private donations to candidates or parties.
- ▶ According to a study of “typical check-off programs” in states, participation went from 20% to 11% from 1980 to 1994.

CAMPAIGN FINANCE LIMITATIONS INCREASE INCUMBENTS' ADVANTAGES

- ◆ According to Arizona House and Senate data, the **incumbent re-election rate in 2004 was substantially higher** than those before the “Clean Elections” law was put in place.
- ◆ **Turnover due to electoral defeats has declined** in the U.S. House of Representatives since federal campaign finance limits were enacted.
- ◆ The spending limits put in place by campaign finance laws **reinforce incumbents' advantages** in the form of greater name recognition, staffing, media exposure, and state office budgets.

TAXPAYER-FUNDED CAMPAIGNS LEAD TO FEWER CHOICES IN CANDIDATES

- ◆ Since the passing of the “Clean Elections” law in Arizona, ***the number of statewide candidates in primary elections dropped from 39 to 7, and legislative candidates dropped from 208 to 188.***
- ◆ The seven nationwide elections prior to taxpayer funding of candidates averaged 10.7 candidates with at least 1% of votes per primary elections, versus an average of 7.8 candidates since.
- ◆ New Jersey's public financing of gubernatorial campaigns is pointed to as a model for campaign finance reform for Pennsylvania. Yet neither Gov. Corzine nor his opponent participated in the publicly financed system in 2005, each bankrolling their own campaigns with tens of millions. **This system advantages multi-millionaires**, who can use their own money, against candidates whose spending is limited by law.

TAXPAYER-FUNDED CAMPAIGNS WILL NOT INCREASE ACCOUNTABILITY

- ◆ **Individuals have no choice about who their tax money will support**—their taxes will be used to finance the campaigns chosen by law and by a government agency.
- ◆ Candidates will no longer have to appeal to a broad range of supporters to find donors for their campaigns. They will **only have to appeal to one funding source**—the government.
- ◆ Current ***disclosure laws provide greater public information*** that can prevent or reveal corruption and special interest influence than would spending limits.
- ◆ In Arizona, privately funded candidates must file 37 financial reports, while government-funded candidates file only three. The candidate who refuses government subsidies is more accountable to the public than those who take them.
- ◆ **There is little evidence that “special interests” have less influence in taxpayer-funded campaigns.** Despite decades of federal campaign finance limits, Congress is plagued by scandals, earmarks, and corruption.

While the intent of cleaning up state government is commendable, expanding the power of elected and appointed officials is not the way to achieve it. Encouraging, rather than restricting, free speech is vital, and campaign finance laws such as those proposed only perpetuate the problems of decreased competition and public participation in elections.

###

For additional information on **Campaign Finance Laws**, go to CommonwealthFoundation.org, or call 717.671.1901.