

## Explaining the Unpopularity of Public Funding for Congressional Elections

Raymond J. La Raja  
Associate Professor  
Department of Political Science  
University of Massachusetts, Amherst  
200 Hicks Way, Thompson Hall  
Amherst, MA 01003-9277  
(413) 545-6182  
fax (413) 545-3349  
[laraja@polsci.umass.edu](mailto:laraja@polsci.umass.edu)

Brian F. Schaffner  
University of Massachusetts, Amherst  
  
Associate Professor  
Department of Political Science  
University of Massachusetts, Amherst  
200 Hicks Way, Thompson Hall  
Amherst, MA 01003-9277

Corresponding author is Raymond J. La Raja

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### Abstract

This article uses data from the 2008 Cooperative Congressional Election Study to explain weak support for public financing of congressional campaigns. Previous studies lack theory to explain variation in support and use a flawed measure of the dependent variable. We argue that low support reflects a failure resulting from a collective action dilemma. Citizens desire a campaign finance system that weans politicians from private donors, but are unwilling to pay a small amount in taxes to support public financing. In contrast to conventional wisdom, we show that support for public financing is highest among those perceived to benefit the most from the current system. Our results suggest that most Americans would rather not pay for politics, and that reform proposals must avoid incurring transparent costs on individual citizens to pay for reform.

Key words: congressional elections, campaign finance reform, money in politics

The recent Supreme Court ruling in *Citizens United v. Federal Elections Commission* has once again put campaign finance reform in the public spotlight. This decision allows corporations and unions to spend unlimited amounts of money to influence elections. Liberals decry the decision as a political gift to corporate America while conservatives hail it as a victory for free speech (Kirkpatrick 2010). In the wake of this decision, proposals to begin publicly financing congressional election campaigns have drawn renewed interest, such as the Fair Elections Now Act.<sup>1</sup> Yet, as we show in this paper, the public does not appear inclined to support reforms such as public funding of elections, which would make politicians less reliant on private political contributions. Logically, this position seems puzzling given that the public believes overwhelmingly that political contributions distort the policy process and cause politicians to ignore the public interest (Gierzynski 2000; McChesney 1997; Verba, Schlozman, and Brady 1995).

The conventional explanation for the unpopularity of this reform proposal is that voters hate the idea of giving candidates public money, which some have called “welfare for politicians” (Samples 2006). While there might be some truth to this argument, two findings from public polls suggest that citizens are open to the idea of weaning politicians away from private contributions through subsidies. First, citizens are highly displeased with the current campaign finance system, believing that private contributions influence policy. A Gallup poll shows that just 1 in 4 Americans are satisfied with how U.S. campaigns are funded (Jones 2008). Second, and more importantly, surveys indicate that support for public financing is highly sensitive to question wording, depending on who is asked to bear the costs (Weissman and Hassan 2005). When voters are asked whether they would favor public financing of congressional campaigns, without reference to where the money would come from, support

typically exceeds 40% compared to less than 10% when respondents are told “taxes” will pay for campaigns (Weissman and Hassan 2005). This difference suggests that many citizens are not necessarily averse to government subsidies, but they do not like the fact that they will be asked to pay taxes to support reform. We argue that aversion to public financing reflects a classic collective action problem. Voters want the widespread benefit of having officeholders who are not beholden to special interests, but they would rather someone else pay the costs of campaigns.

While there have been numerous surveys to measure support for public financing of elections, there have been few efforts to explain public attitudes (Garrett 2009). Two broad studies about campaign finance include an analysis of attitudes toward various kinds of reform (Francia, Wilcox, Herrnson, Green, and Powell 2003; Grant and Rudolph 2004). These studies conclude that partisanship and group affect determine preferences for various political reforms because individuals are more likely to desire reforms that hamper groups they oppose. Our findings, however, do not support this conclusion.

At the mass level, it is not political preferences that drive attitudes toward campaign subsidies but rather public disgust with the current system, regardless of partisan or ideological leanings. Voters, however, are reluctant to support a campaign finance system that imposes individual costs on them. For this reason, we observe support for campaigns subsidies plummet when voters are cued that the program will be funded through tax dollars. Additional evidence of a collective action dilemma is demonstrated by the seemingly paradoxical finding that the popularity of campaign subsidies is strongest among those who make political contributions. The conventional wisdom is that political donors should prefer the current system that gives them opportunities to influence politicians through campaign contributions. Yet donors would rather have the government pay for elections through a tax-supported fund than bear the burden

themselves. (This finding suggests that many political contributors give money because they are asked to give, not necessarily because they are “pushing” money into politics to receive individualized benefits.)

This study improves on previous empirical work in at least two ways. First, we demonstrate the utility of applying the collective action dilemma to reform policy. The two previous studies of campaign finance reform focus on elite preferences and group ties to explain public support or opposition to different types of proposals. By framing the question about reform in terms of a public good, we can explain why reform is unlikely even when the public is unhappy with the status quo. We argue that institutional reforms will be “under-produced” when the cost to each individual is transparent and the benefits diffuse. So, in spite of strong concerns about the influence of special interest money in politics, most Americans are sufficiently averse to paying taxes so that they prefer to “free ride” and let someone else pay for elections, even if it means continuing a system they dislike. These findings have broader implications for policies to reform politics, particularly when voters are asked through referenda to support various institutional reforms.

Second, our study employs a measure of support for public subsidies that is clear and consistent. Past research combines support for “free media” and “public funds” into one variable. Although both free media and public funds subsidize campaigns they are very different from the perspective of a taxpayer. In the latter instance, the respondent will likely view the costs as being borne by media corporations (if they view any costs at all.) In the former, they will more likely view the proposal as being subsidized by the government. Some respondents will assume government subsidies are supported by their tax dollars while others may not even think about where the funds come from. The problem is that the survey question does not make

it clear how campaigns will be subsidized, which is one reason why these studies do not explain much of the variation in attitudes.<sup>2</sup> We correct for this measurement problem by making it explicit where funds would come from. The survey question asks, “Would you favor or oppose having a system of public funding for congressional campaigns *if it cost each taxpayer a few dollars a year to run?*” Using new data from the 2008 Cooperative Congressional Election Study, we are able to identify sources of support for subsidized financing of congressional campaigns.

### **Explaining Support for Public Financing**

Four explanations have been offered to explain public support or opposition to public subsidies. First, *partisanship* appears to matter, with Democrats more supportive than Republicans for subsidizing campaigns (Francia et al. 2003). This finding does not appear surprising given that Democrats tend to see government intervention in markets as a viable solution to perceived policy failures. A second factor is support for particular *democratic values*. Citizens who prize equality over free speech tend favor reforms such as public subsidies to even the playing field (Grant and Rudolph 2004).<sup>3</sup> A third proposed factor is *self-interest*, although the evidence appears mixed. Specifically, political donors should not want public subsidies since it is assumed that their contributions buy them influence and access to politicians. Thus, political donors who view contributions as “investments” are generally against subsidies (Francia et al. 2003). However, the Grant and Rudolph (2004) study, which includes both donors and non-donors, indicates that political contributors are no more or less likely to support subsidies. A fourth factor is *trust in government*, although the direction of the effect is unclear. One study shows that lack of trust in the political system leads to greater support for subsidies to avoid

corrupt behavior (Grant and Rudolph 2004) while another analysis suggests that untrusting voters perceive campaign subsidies as self-serving for politicians and would be opposed to them (Hibbing and Theiss-Morse 2002).

While these studies offer insights about public attitudes related to reform, they suffer from a number of problems. First, we believe that previous research has failed to provide a general theory to explain support for political reform. Instead, scholars rely heavily on a behavioral model that focuses on individual-level factors, e.g., partisanship, ideology, education, age, etc. Given the limited research on public attitudes about reform, it is not surprising that initial studies try to incorporate the “usual suspects” in explaining public opinion. However, we view low levels of support for public financing -- and perhaps other kinds of reform -- as rooted in structural dilemmas related to cooperative behavior. Rather than reflect only partisanship or other individual-level characteristics, public attitudes toward reform may be rooted in a classic collective action problem. Citizens do not want to contribute a small amount of their tax dollars to create a widely shared benefit. Instead, they would rather free ride and let others pay. The theory is widely applied to other aspects of political behavior but has never been used to explain limited support for reform. For example, studies have usefully drawn attention to the collective action problem in getting citizens to comply with paying taxes (Scholz and Lubell 1998) and supporting pro-environment plans (Lubell and Vedlitz 2006).

The financing of elections reflects a potential market failure because political campaigns are a non-rival public good. Campaigns provide important information to voters about political parties and candidates and that information is generally available to all voters (Freedman, Franz, and Goldstein 2004). Thus, while each voter benefits from campaigns, they benefit even more if someone else pays the cost. Political contributors might be expected to oppose reform because it

would diminish their influence; but extensive research has failed to consistently demonstrate that contributions have strong effects on congressional behavior (Smith 1995).

Most studies, in fact, indicate that donors face considerable uncertainty about what they expect to receive from making political contributions. Even Political Action Committees (PACs), which are organized to influence government, do not contribute the maximum they are allowed to give under the law because it is not clear what they will gain from these strategies. One study indicates that if PACs gave the maximum amount to all incumbents running for re-election to Congress, then total PAC contributions would have been \$10 billion in the 2000 elections, or 40 times as much as PACs actually gave to incumbents (Ansolabehere, deFigueiredo, and Snyder 2003). The same study did a meta-analysis of 40 studies on the effect of political contributions on roll call votes, showing that 3 out of 4 studies show no effect of contributions. The remaining studies indicate that the effects are so minimal as to be swamped by the impact of the incumbent's partisanship and preferences of her district (see, for example, Ansolabehere, Snyder, and Stewart 2001).

The logic of PAC behavior also applies to individual contributors, whose behavior has been under-theorized in the literature. Most individual donors give a relatively small contribution. The typical donor gave \$115 to a candidate, party or PAC in the 2000 elections (Ansolabehere, deFigueiredo, and Snyder 2003). It strains credulity to believe that the average contributor believes he can buy a politician and receive a particularized benefit. The fact that the 98% of donors give much less than the maximum allowed to a candidate in an election (a limit of \$2300 in 2008), suggests they are not expecting high returns on their contributions.<sup>4</sup> Thus, while it may be true that some major donors expect material benefits from their contributions, this group represents a very small slice of all political

contributors. To be sure, political entrepreneurs might “bundle” small contributions and deliver them *en masse* to officeholders. And yet, assuming that a bundler represents a particular constituency of interests, there still remains the uncertainty that the “hired” politician can succeed in getting the policies passed. Moreover, the politician likely discounts bundled donations to the degree she can find alternative resources from other potential donors.<sup>5</sup>

Given the empirical evidence that political contributions are not good investments, we believe Tullock (1972) had it exactly right when he asked, “why is there so *little* money in politics?” We argue that the collective action dilemma applies to the financing of politics and helps address Tullock’s puzzle. Indeed, our analysis provides some theoretical underpinning for understanding individual donor behavior in a literature that has been dominated by the study of PAC behavior.

We suspect that most contributors are “pulled” into the campaign finance system by social pressure rather pushing their money into politics on their own (Boatright, Malbin, Rozell, Skinner, and Wilcox 2003). If political contributors make donations reluctantly because they are asked by a friends and neighbors, or because they do not receive significant benefits from their donations, they will likely support a policy of campaign subsidies. Such a policy implies that the costs of financing congressional elections would not fall overwhelmingly on their shoulders. The problem, however, is that the vast majority of citizens do not want to pay for congressional campaigns, so they oppose reforms that would spread out the costs of congressional elections through tax-payer funded systems.

Our model tries to demonstrate the nature of this collective action problem in several ways. First, we contrast political contributors and non-contributors. Our hypothesis is that

support for subsidies will be strongest among those who currently pay for politics, even after controlling for other factors that typically predict support for reform. Contributors to congressional campaigns will be more likely to support subsidies because this policy would make it less likely that politicians and their friends will call them to ask for money. In contrast, non-contributors have minimal incentive to support a policy that would compel them to pay an additional tax, particularly when they know that others will continue to pay the costs of elections.

Second, we contrast citizens who are frequently *solicited* for contributions with those who are not. Previous research indicates that candidates and parties tend to solicit money from citizens who are men, older, wealthier, and more educated (Brady, Schlozman, and Verba 1999; Grant and Rudolph 2002). Our hypothesis is that citizens who are pestered for campaign contributions are more likely to desire that all citizens pay a small amount in taxes to pay for campaigns. If our theoretical argument is correct, we should observe greater support for public financing among demographic groups that are called upon more frequently to cover the costs of elections. This finding would challenge some of the conventional wisdom that donors are motivated to give money for self-interested reasons such as material benefits, policy goals or social status (Verba, Schlozman, and Brady 1995). Indeed, we believe that many donors are reluctant to give contributions and only do so when asked.

Third, we contrast voters who are sensitive to taxes with those who are not. Overall, we expect voters who think politicians are influenced by special interests to support campaigns funded by taxpayers. This finding would indicate that voters perceive a collective benefit to subsidizing congressional campaigns. However, among these same “distrusting” voters, those who are averse to paying taxes will be less likely to support campaign subsidies. In other words,

being sensitive to taxation makes the proposed reform less palatable. Voters want the collective benefit of “clean” government but they are not willing to pay for it.

### **Analyzing Support for Public Financing**

Our study utilizes a representative survey of 1,000 American adults conducted as part of the 2008 Cooperative Congressional Election Study (CCES). Appendix 1 includes additional information about the survey. Respondents to our module of the survey were asked whether they supported public funding of congressional elections. Specifically, our question read, “Would you favor or oppose having a system of public funding for congressional campaigns if it cost each taxpayer a few dollars a year to run?”<sup>6</sup> It is important to note that the question includes the clause indicating that it would cost taxpayers “a few dollars a year” to enact such a system. Thus, this question is not simply gauging support for a public funding system in the abstract; instead, the instrument is determining whether respondents are willing to pay a small amount for this reform.

Respondents were provided with the options to respond “strongly favor,” “somewhat favor,” “somewhat oppose,” “strongly oppose,” or “don’t know.” For the most part, support for public funding was limited. Only 10.9% of respondents strongly favored the reform with an additional 18.5% offering more tempered support. Strong opponents of public financing made up 35.2% of the sample, while 15.6% said that they somewhat opposed the reform. One-fifth of respondents did not register an opinion in either direction, perhaps because they were unsure about the details of public financing or had not thought enough about the issue to express an opinion on it.

Table 1 compares the results from our survey with previous polls asking about support for public funding of congressional campaigns. The results from the CCES follow the general

pattern found in earlier surveys; while levels of support and opposition for this reform vary, opponents outnumbered supporters in every poll. Otherwise, the level of support registered by any particular survey appears to be influenced by how the question is worded. For example, compare the results from a pair of polls conducted two months apart in 1997. The CBS News poll conducted in March made no mention of how publicly funded elections would be financed while the *Washington Post* survey noted that the program would be financed by tax dollars. Lending some support for our expectations that citizens are not willing to pay for reforms, support for public funding was just 9% in the survey that mentioned that funding would come from tax money, compared to 43% in response to the other question.

[TABLE 1 ABOUT HERE]

While overall support for the public financing reform was low, our primary interest is in understanding what leads some individuals to support the reform while others oppose it. The key variables we use to test our hypotheses are those gauging a respondent's concern about the role of special interests in the political system and her financial stake in public funding reform. We take a relatively simple approach to measuring concern about special interests in our analysis. Respondents were asked successive questions about whether each presidential candidate (Barack Obama and John McCain) was likely to be influenced by lobbyists and special interests if he became president.<sup>7</sup> Many respondents approach these questions through a partisan frame as evidenced by the fact that a majority said that the candidate they opposed was likely to be corrupted while the one they supported was not. However, 26.8% of the sample thought it was likely that either candidate would be influenced heavily by lobbyists and special interests if he won. We identify these respondents as being particularly concerned about the role of special

interests since they view the influence of lobbyists and special interests as fairly certain regardless of which party controlled government after the election.

With regard to capturing an individual's financial stake in public financing reform, we rely on three sets of variables. First, we include two indicators of whether the respondent reported contributing money to a candidate for the U.S. House during the 2008 election cycle. Congressional contributors made up 7.5% of the sample. We divided these contributors into small contributors and large contributors based on the amount the respondent reported giving to political candidates. Respondents who reported total contributions totaling less than \$200 were coded as small contributors, those donating more than \$200 were coded as large contributors. Small contributors were 3.1% of our CCES sample while large contributors made up 4.4%. We are particularly interested in how large contributors evaluate the public funding proposal. On one hand, this group may oppose public funding since they may view it as diminishing their political influence. On the other hand, contributors may actually support this reform as a way to reduce the financial burden that they carry in funding congressional campaigns.

Second, we include a number of demographic characteristics that previous research has shown to be related to the frequency of being solicited for political contributions (Grant and Rudolph 2002; Verba, Schlozman, and Brady 1995). We expect that people who are solicited frequently for contributions will be more supportive of public financing because they are tired of being asked for money. These variables include indicators for gender (1 for female), age, education and income. We expect that citizens who are men, older, more educated and wealthier will be more supportive of public financing. Education ranges from 1 for respondents without a high school degree to 6 for those with a post-graduate degree, and the measure of income takes on 14 values ranging from respondents earning less than \$10,000 per year to those earning more

than \$150,000. We also include a variable for race (1 for nonwhites), even though research has not demonstrated a difference in solicitation for nonwhites.

Finally, for respondents who do not contribute to congressional campaigns, the public funding proposal they were asked to evaluate entails a small increase in cost (the “few dollars” in taxes referenced in the question). While the question implies that this cost would be administered uniformly to “each taxpayer,” this does not mean that the cost would influence all individuals equally. Indeed, some individuals are far more opposed to tax increases than others and may therefore weigh that consideration more heavily. To measure tax aversion, we use a question on the CCES that asked respondents:<sup>8</sup>

“If your state were to have a budget deficit this year it would have to raise taxes on income or sales or cut spending, such as on education, health care, welfare, and road construction. What would you prefer more, raising taxes or cutting spending? Choose a point along the scale from 100% tax increases (and no spending cuts) to 100% spending cuts (and no tax increases). The point in the middle means that the budget should be balanced with equal amounts of spending cuts and tax increases.”

Respondents were given a slider on the screen to locate their taxing vs. spending preferences and these responses were then placed on a scale with 0 indicating that the respondent endorsed making up the deficit entirely from tax increases and 100 representing a preference for no tax increases and just spending cuts. The average respondent's location on this scale was 61.6.

We expect that respondents who are more concerned about the role of special interests will also be more supportive of public financing reforms; however, we also expect this effect to be moderated by one's aversion to taxes. In particular, support should be greatest among citizens who are concerned about special interest but are not averse to taxes. As one's aversion to taxes

increases, considerations of cost will begin to trump concern about special interests, leading to a significant reduction in support for public financing. To capture this effect, we include an interaction term in the model that is the product of one's view of the role of special interests and their aversion to taxes.

In addition to the variables capturing the effects we are most interested in, we also include a number of controls for factors we expect to influence views on public financing reform. First, we include the respondent's approval of Congress since individuals who are less approving of the institution may be more interested in reforming it. This variable ranges from strongly disapprove (coded 0) to strongly approve (3). Second, we include a respondent's reported interest in politics since individuals who pay more attention to politics may be more motivated to support reform.

## **Results**

Table 2 presents the results from the logit model estimating support for public financing.<sup>9</sup> The adjusted count R-squared indicates that our model explains approximately 31 percent more of the variance in respondents' views toward public funding than a naïve model. Stated another way, one could correctly predict 57% of the cases by just guessing that everyone in the sample opposed public funding; however, our model increases the percentage of cases predicted correctly to 71%. With regard to the variables included in the model, the coefficient for congressional approval was small and did not approach conventional levels of statistical significance, indicating that one's approval of congress does not appear to be an important predictor of their support for public financing of congressional elections. The coefficients for

partisanship and ideology also lack statistical significance; thus, after controlling for an individual's views on taxes, ideology and partisanship do not appear to provide additional leverage on understanding support for public financing.<sup>10</sup>

With regard to the demographic variables in the model, the race of the respondent did not exert significant effects (consistent with prior research), but the coefficients for gender, age, education and income were statistically significant. Women were less supportive of public financing than men; holding other variables in the model at their means, women were about 10 percentage points less supportive of public funding than men. Some prior research has observed that women tend to favor deregulatory reforms without offering a theoretical argument for this finding (Grant and Rudolph 2004). We argue, however, that this difference is related to the fact that women do not make campaign contributions as frequently as men (Grant and Rudolph 2002) and are less likely to be asked to make such contributions (Verba, Schlozman, and Brady 1995). For this reason, women do not feel as burdened by the current campaign finance system and are therefore less likely to view public subsidies as a relief.

The effect of age is fairly strong; the model predicts that an individual who is 60 years old has a predicted probability of .51 of supporting public funding, while the predicted probability for a 35 year old citizen would be just .35. This finding is consistent with previous research that suggests the experience of Watergate by the older cohort continues to influence opinion about political reform (Grant and Rudolph 2004). This explanation may be true, but we argue that the response by older people is better explained by the fact that they are more likely to be asked to contribute money (Grant and Rudolph 2002). Finally, income and education were also positively related to support for public funding. College graduates were about 10 percentage points more likely to support public funding reform than those with only a high school degree, a

finding that is also consistent with previous research (Grant and Rudolph 2004). Furthermore, individuals earning between \$30,000 and \$40,000 had a predicted probability of just .4 of supporting public funding, while the probability of support increased to .47 among those earning between \$90,000 and \$100,000. Again, we argue that these differences reflect the likelihood that the educated and wealthier citizens are asked frequently to contribute money to political campaigns and causes (Grant and Rudolph 2002) and, consistent with our main argument, would rather not be bothered.

[TABLE 2 ABOUT HERE]

Two findings are particularly important for demonstrating the significance of an individual's financial stake in affecting support for public financing. First, the variable indicating whether a respondent had contributed to a congressional campaign in 2008 and gave more than \$200 was positive and statistically significant, indicating that large contributors are more supportive of public financing than those who do not give. Interestingly, the dummy variable for whether the respondent was a small contributor to congressional campaigns did not achieve statistical significance, indicating that we cannot be confident that small contributors would hold different opinions on public funding compared to non-contributors.

Figure 1 presents the predicted probability of supporting reform depending on whether an individual contributed to congressional campaigns while holding all the other variables in the model at their mean values. The figure demonstrates that large contributors had a probability of supporting public financing that was over .25 greater than non-contributors and .1 more than small contributors. The small proportion of contributors in our model means that the predictions entail a significant range of error, but the confidence intervals do not overlap, indicating that we can be confident that the difference between larger contributors and non-contributors exists

among the population of American adults. Perhaps because they view public financing as a way to reduce their significant financial stake in congressional elections, larger contributors express substantially more support for public financing than non-contributors.

[FIGURE 1 ABOUT HERE]

The other key finding relates to the role of cynicism as moderated by an individual's aversion to taxes. Figure 2 plots the predicted probabilities to present these effects. The relatively minor slope of the broken line and the overlapping confidence intervals associated with it indicate that respondents who were less concerned about the role of special interests expressed roughly similar levels of support for public funding regardless of their views on taxes. However, aversion to taxes plays a far more important role for conditioning support among people who are concerned about the role of special interests. Concerned individuals who are not averse to raising taxes are overwhelmingly supportive of public financing for congressional elections. However, as aversion to taxes increases, the support for public financing among this group drops precipitously.

[FIGURE 2 ABOUT HERE]

Ideally, we would have the benefit of a survey experiment to better determine whether introducing the notion of paying “a few dollars a year” to the question about public funding activates those who are more averse to taxes to oppose public financing reforms that they might otherwise support. However, our review of previous survey questions (presented in Table 1) combined with the analysis of the CCES data strongly suggest that even the prospect of paying just “a few dollars a year” to support publicly financed means that one's views toward taxes becomes an important consideration in affecting support for the reform. It is not enough for an

individual to be concerned about the role of special interests to support public financing; that person must also be willing to accept the possibility of tax increases.

## **Conclusion**

According to proponents of public financing, it is in everyone's interest to chip in a small amount to pay for political campaigns. Not only would this guarantee the provision of the public good (political campaigns) but it would also more closely approximate the principle of one-person, one vote (Feingold 1988) and improve trust in politicians (Hibbing and Theiss-Morse 2002). If the costs of congressional campaigns were spread to all American citizens the average contribution would be less than \$10 per adult per election. However, for a citizen to support such a spreading of costs, she must place sufficient value on the public good that will be provided (i.e. greater equality of influence) to make it worth the costs that she will incur to enact the reform.

Our results suggest that support for this reform may suffer from a classic market failure linked to the collective action dilemma. Even many of those who are concerned about the role of special interests are unwilling to pay this cost because of their aversion to taxes. Instead, those who presently contribute to congressional elections are the most supportive of a reform that would presumably lessen their political influence. (This finding may provide additional reason for citizens to eschew public funding; after all, if contributors are so supportive of this reform, it may be because they are not actually receiving a significant return on their investment.) For proponents of public financing, these findings suggest that public support will be difficult to attain unless the funding for such a system can be attained without raising taxes.<sup>11</sup> Without an alternative source of funding, even citizens who are most concerned about the role of special interests will hesitate to lend support to publicly funded campaigns.

While some voters may view campaign subsidies as “welfare for politicians” this attitude does not explain why public support for subsidies swings wildly, depending on question wording in surveys. Many citizens probably assume that elections are costless or, at the very least, that they cost less than they actually are. Based on our findings, we surmise that citizens who fail to appreciate the true cost of elections are more likely to support publicly-financed campaigns.<sup>12</sup> As we demonstrate here, when citizens are forced to recognize individual costs *to them*, they appear unwilling to pay for the collective good and would rather free ride. Indeed, those who do face the costs of elections – either because they contribute money or get asked to make donations – are most likely to desire cost-shifting of elections to the broader public.

More broadly, our findings suggest that conventional explanations for opposition to campaign subsidies are either incomplete or incorrect. The desire for, or opposition to, public financing of campaigns is not necessarily driven by partisanship or narrow calculations of political self-interest (at least among the mass public). Paradoxically, support for reform is driven primarily by those perceived as benefitting the most from the current system, namely, Americans who make large contributions, and those who are wealthy, educated, older and male (Brady, Verba, and Schlozman 1995). Support for reform among these groups should not be surprising if one does not assume that individuals give only to pursue their self-interest. Individuals often give because they are asked; and sometimes they are tired of being asked. Thus, they view public financing as a way to shift some of the responsibility for funding elections elsewhere. Surprisingly or not, other Americans appear willing to let this select group of fellow citizens pay for elections, even though they are not happy with the current system. The alternative of them chipping in through tax dollars seems less palatable.

In addressing the question of citizen support for public financing, we also shed light on Tullock's puzzle of why there is so little money in US politics. By arguing that the financing of politics reflects a collective action problem we can infer that there is an underproduction of a public good. In other words, there is so little money in politics – money that might go toward informing and mobilizing more voters -- because individuals would prefer to free ride in the provision of this public good.

Our findings have implications for political reforms more generally, such as installing new voting machines or compelling the use of voter identification cards. Voter attitudes about political reform will be subject to at least three criteria: an appraisal of the current political system (“is the system broken?”), an evaluation of the remedy (“will this proposal work?”) and economic self-interest (“do I have to pay to fix it?”). Assuming reform advocates can convince the public about the first two questions, they still face a collective action obstacle if their proposal requires small sacrifices by everyone to achieve the public good. Ongoing efforts to pass legislation for public financing of campaigns should keep this in mind when crafting reform proposals.

## Appendix 1: Information about the Cooperative Congressional Election Study Survey Data

The CCES was conducted over the Internet by YouGov/Polimetrix using a matched random sample design where a subset of respondents recruited for online surveys were selected by matching them on demographic characteristics to a randomly selected set of American adults. The pre-election survey was conducted from October 8<sup>th</sup> to November 3<sup>rd</sup> for the pre-election survey and the post-election battery was in the field from November 5<sup>th</sup> to December 1<sup>st</sup>. Individuals are recruited onto the YouGov/Polimetrix Internet panel using targeted online advertisements designed to assure a large and representative group of panelists. The online advertisement leads individuals to a gateway survey; at the end of this initial survey, respondents are asked if they would like to join the panel. Propensity score weights were developed to ensure that the sample represented the characteristics of the adult population according to the 2004 and 2008 Current Population Survey. The CCES samples were drawn from the YouGov/Polimetrix panel using a sample matching technique to ensure a nationally representative sample. The within panel response rate (RR3) for this study was 47.1%.

## Appendix 2: Information about the Survey Data Referenced in Table 1

CBS News Poll, Mar, 1997. Methodology: Conducted by CBS News on March 9, 1997 and based on 724 telephone interviews. Sample: national adult.

Washington Post Poll, January 1997. Methodology: Conducted by Washington Post, January 24 - January 28, 1997 and based on 1,007 telephone interviews. Sample: national adult.

CBS News/New York Times Poll, Sep, 1994. Methodology: Conducted by CBS News/New York Times, September 8 - September 11, 1994 and based on 1,161 telephone interviews. Sample: national adult.

U.S. News, June 1993. Methodology: Interviewing conducted by The Tarrance Group and Mellman, Lazarus & Lake, June 15 - June 16, 1993 and based on 1,000 telephone interviews. Sample: national registered voters.

NBC News/Wall Street Journal Poll, December 1990. Methodology: Interviewing conducted by Hart and Teeter Research Companies, December 8 - December 11, 1990 and based on 1,002 telephone interviews. Sample: national registered voters.

ABC News/Washington Post Poll, January 1990. Methodology: Conducted by ABC News/Washington Post, January 11 - January 16, 1990 and based on 1,518 telephone interviews. Sample: national adult.

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<sup>1</sup> The Fair Elections Now Act for publicly funded elections (H.R.1826/S.752) was introduced March 31, 2009 in the House by Representatives by John Larson (D-CT) and Walter Jones (R-NC) and in the Senate by Dick Durbin (D-IL) and Arlen Specter (D-PA). There are currently 130 co-sponsors.

<sup>2</sup> Asking respondents about these proposals separately results in very different outcomes, and it likely one reason why the Grant and Rudolph (2004) study explains only 8 percent of the variation in attitudes on public campaign subsidies.

<sup>3</sup> Additionally, among those who contribute money, the less one is concerned about civic participation the more likely they support subsidies that conceivably curtail the number of citizens who make political contributions Francia, P. L., C. Wilcox, P. S. Herrnson, J. C. Green, and L. W. Powell. 2003. *The Financiers of Congressional Elections: Investors, Ideologues, and Intimates*. New York: Columbia University Press..

<sup>4</sup> See data from Center for Responsive Politics at <https://opensecrets.org/bigpicture/DonorDemographics.php?cycle=2008>, visited February 12, 2011.

<sup>5</sup> Theory predicts donors can plausibly receive high rates of return if they are monopoly providers of contributions and legislators have to compete for them (see Dal-Bo, 2001, Helpman and Persson, 2001), but this assumes lack of entry by other donors. In reality,

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the campaign finance system has relatively lower barriers to entry and politicians can appeal to new donors across the nation.

<sup>6</sup> The question text is modeled after a question asked on a survey of California adults conducted by the Public Policy Institute of California in 2003.

<sup>7</sup> Specifically, these questions asked respondents: “If elected President, how likely is it that Barack Obama/John McCain will be influenced heavily by lobbyists and special interest groups?” We rely on this approach to gauging concern about the influence of special interests since the CCES did not include questions asking about special interest influence on Congress more generally.

<sup>8</sup> The question regarding tax aversion was asked on the post-election survey while the question regarding public funding was asked on the pre-election battery. Most respondents answered these two surveys at least a month apart. Thus, it is unlikely that a respondent’s answer to one of these questions would have been influenced by how they had answered the other question.

<sup>9</sup> The dependent variable equals 1 for respondents who answered that they “strongly” or “somewhat” supported public funding and 0 for those who “strongly” or “somewhat” opposed it. Respondents who answered “don’t know” were excluded from the analysis. Estimating a multinomial logit which included the respondents answering “don’t know” did not alter our substantive findings.

<sup>10</sup> Since ideology and partisanship tend to be highly correlated, multi-collinearity may be partly responsible for the failure of these coefficients to attain statistical significance. To test this possibility, we estimated the model once removing the party identification variables and a second time removing the ideology variable. When the party variables were removed, the coefficient for

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ideology was -.226 with a p-value of .049. This coefficient indicates that conservatives were about 10 points less supportive of public financing compared to liberals. When ideology was removed from the model, the party variables still did not attain statistical significance.

<sup>11</sup> The drafters of the Fair Elections Now Act (H.R.1826/S.752) for publicly-funded congressional elections (introduced in March 2009) appear to understand this point. The proposed funding for Senate elections will come from fees on large government contractors and for House races it would come from ten percent of revenues generated through the auction of unused broadcast spectrum.

<sup>12</sup> An interesting experiment would be to ask respondents their best estimate for the cost of a congressional campaign, to see whether differences in cost expectations affect attitudes toward government subsidies of campaigns.



Table 1: Previous Poll Results on Public Financing of Congressional Campaigns

Date	Organization	Wording	Support	Oppose	Don't Know
Oct. '08	CCES	Would you favor or oppose having a system of public funding for congressional campaigns if it cost each taxpayer a few dollars a year to run?	29%	51%	20%
March '97	CBS News	In order to reduce Congressional campaign contributions from special interests, would you favor or oppose public financing to help Congressional candidates in their campaigns?	43%	46%	11%
Jan. '97	Washington Post	Would you favor or oppose the federal government financing presidential and congressional campaigns out of tax money, or don't you have an opinion on this?	9%	52%	37%
Sept. '94	CBS News	In order to reduce Congressional campaign contributions from special interests, would you favor or oppose public financing to help Congressional candidates in their campaigns?	38%	54%	8%
June '93	US News & World Report	Thinking now about the issue of public financing of Congressional elections--do you favor or oppose using taxpayer dollars to pay for the political campaigns of candidates running for Congress?	18%	77%	5%
Dec. '90	NBC/Wall Street Journal	Would you favor or oppose public financing of Congressional elections?	38%	55%	7%
Jan. '90	ABC/Washington Post	Would you favor or oppose public financing of congressional elections, or don't you have an opinion on this?	20%	31%	49%

Source: Other than the first entry, the survey results reported in this table were obtained from searches of the iPOLL Databank and other resources provided by the Roper Center for Public Opinion Research, University of Connecticut. Additional information on these surveys is reported in Appendix 2.

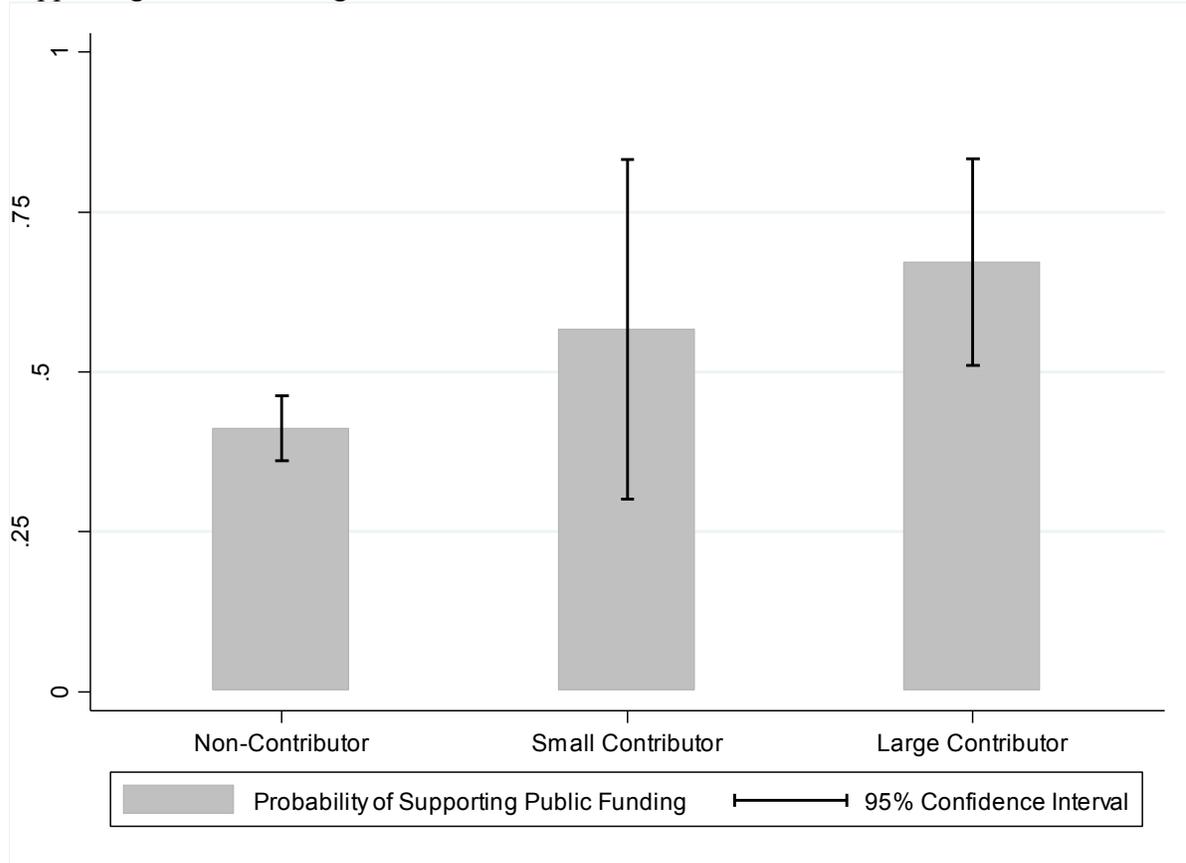
Table 2: Logit Model Estimating Probability of Supporting Public Funding for Congressional Campaigns

Variables	Coefficients	Std. Errors	P-values
Concerned about Special Interests	1.636	0.687	0.018
Opposition to Tax Increases	-0.009	0.006	0.128
Concerned X Opposition to Tax Increases	-0.028	0.010	0.005
Small Contributor	0.624	0.564	0.269
Large Contributor	1.0714	0.387	0.006
Approval of Congress	0.011	0.154	0.942
Political Interest	0.555	0.225	0.014
Ideology	-0.191	0.126	0.129
Democrat	0.003	0.297	0.993
Republican	-0.019	0.288	0.947
Income	0.057	0.037	0.130
Education	0.143	0.069	0.039
Nonwhite	-0.389	0.332	0.242
Female	-0.493	0.232	0.034
Age	0.027	0.008	0.001
Intercept	-2.008	0.883	0.023

N = 640 respondents who provided an opinion on public funding. Log-likelihood = -372.219. Adjusted Count R-square = .314.

Figure 1

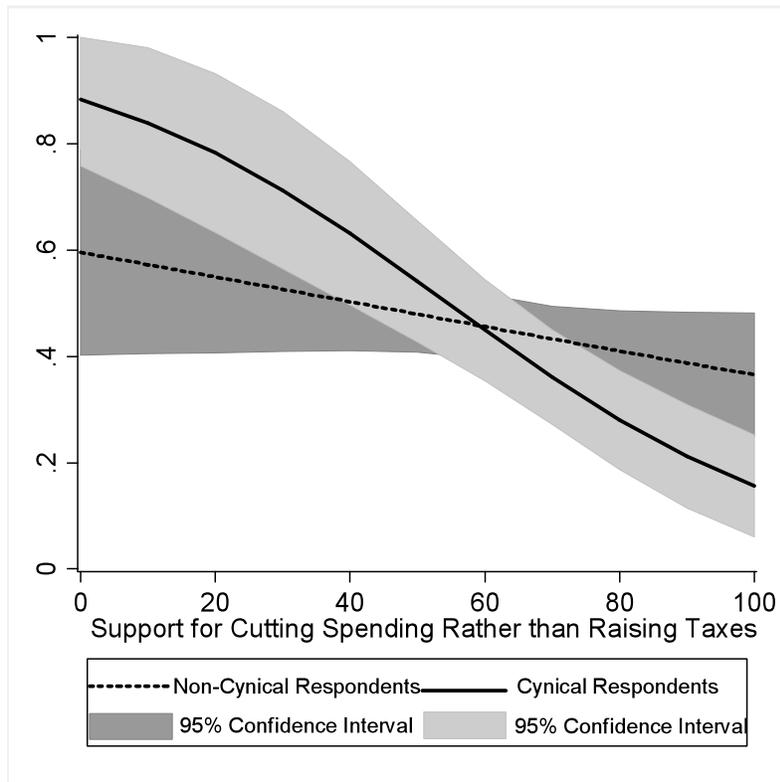
Figure 1: Effect of Contributing to Congressional Campaigns on Probability of Supporting Public Funding



Note: Predicted probabilities generated from the model in Table 2 with all other variables in the model held at their mean values.

Figure 2

Figure 2: Effect of Views on Taxes and Cynical Outlook on Politics on Probability of Supporting Public Funding



Note: Predicted probabilities generated from the model in Table 2 with all other variables in the model held at their mean values.