Shifts in Political Spending Behavior after Citizens United

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Research Question
Are major independent spenders acting like political parties in the wake of Citizens United?

Why Spend Money?
- Interest groups use political spending as a tool to gain access to policymakers.
- Parties seek to maximize seats and/or defend majorities.
- Expenditures increase when control of the chamber is at stake.
- Incumbent seats are usually safe (and often unchallenged).
- Interest groups and corporations prioritize incumbents and candidates for open seats.
- Parties prioritize open seats, challengers when race is close, and threatened incumbents.

Citizen’s United v. Federal Election Commission
2010 Supreme Court decision enabling individuals, corporations, unions, and advocacy organizations to spend unlimited amounts to advocate for political candidates independently of the candidate’s campaign.
- 25 states had bans or limits on independent expenditures.
- Individuals, corporations, and organizations can now give unlimited amounts to advocacy groups (SpeechNow.org v. FEC).
- Independent Spending (IS) significantly increased in states with and without limits in 2010.

Majority Control
13 states with IS data (2006-2016) included in analysis.

Parties
- State and local party committees
- Legislative Caucus Campaign Committees
- PAC’s operated by state politicians
- Leadership/Candidate Committees

Independent Spending
- Interest Groups (e.g., NRA)
- Super PAC’s (e.g., Spirit of Democracy)
- Dark Money Groups (Undisclosed contributors)
- Little direct spending from corporate treasuries

Analysis includes those that spent in at least 3 races each year and accounted for at least 1% of spending in states’ election cycle (21% of spenders account for 80% of spending).

Dependent Variable: Total Amount Spent by Organization on Candidate (Log Transformed)
3 treatment types: Pre-Citizens United Independent Spending (N=2043), Party Contributions (N=23615), and Post-Citizens United Independent Spending (N=5423)

Mixed Effects Model: Random intercepts account for state-level cost variance

\[ y_i = \alpha_j + \beta_{comp} + \beta_{majSeat} + \beta_{incumb} + \beta_{type} + \beta_{competition} + \beta_{margin} + \epsilon_i \]

\[ \alpha_j \sim N(\mu_{incumb}, \sigma) \]

Incumbency’s Impact Findings
Incumbency plays a significant role in how funds are allocated.
- Most independent spending targets open seat races while party contributions are more evenly distributed.

Impact on State Politics
The American people also have the right to know when some group like ‘Citizens for a Better Future’ is actually funded entirely by ‘Corporations for Weaker Oversight.’

- Pres. Obama 2010
- Outside (non-party) groups tend to support candidates from only one party and can exercise power within the party
- Taking over traditional party functions and contribute to the increasing professionalization (and cost) of legislative campaigns
- Reduced access for non-elites

Why Spend Money?
- Organizations will spend more in more competitive districts.
- Organizations will spend more as chamber competition increases.
- Independent Spenders will prioritize incumbency similarly to parties after Citizens United.
- Independent Spenders will be more likely to support challengers after Citizens United.

Conclusion
- Prior to Citizens United, IS was significantly focused on open seats but now spending targets challengers in competitive districts to an even greater degree than parties.
- Spending increasing with both margin and competition supporting theoretical expectations from legislative literature.
- Significant difference after Citizen’s United on outside spending behavior after Citizens United with relation to incumbency and majority seat status. Though not uniformly in the hypothesized directions, outside groups’ spending behavior changed after Citizens United.