

Strategic Resources

Potential candidates are not the only strategic political activists whose decisions structure the choices faced by voters in congressional elections. Equally important are the people who control campaign resources—money and other valuable forms of assistance. The level of resources available for a campaign is critically important for congressional challengers and the other nonincumbent candidates for open seats. This is no secret; and one important strategic consideration weighed by rational candidates entertaining thoughts of running for Congress is the availability of money and other kinds of help. In a complementary way, suppliers of campaign resources are attracted to potentially formidable candidates. Their strategies are also strongly affected by estimates of probable electoral success or failure. As a result, the same forces that influence candidates' decisions influence contributors' decisions in a way that reinforces the systematic consequences of their strategic choices. The next three sections develop a theory of how congressional campaign finances serve to reinforce the effects of candidate strategies on choices presented to voters at the district level.

CAMPAIGN CONTRIBUTORS: MOTIVES AND STRATEGIES

The motives and strategies that underlie campaign contributions' are more varied and complex than most theoretical speculations allow,* but they can be sorted into three broad cate-

gories, with corresponding contribution strategies. The mix of motives and strategies differs among the principal types of contributors-private individuals, interest groups, and parties—but the actual choices of whether to contribute and, if so, to whom, converge sharply. Although contribution decisions may be made on rather different grounds, money from all sources pours into contests that are expected to be close.

The most notorious motive for contributing to campaigns is to buy favors, influence, or access to the winner. Economic interest groups-corporate political-action committees, professional and trade associations, labor unions-are commonly assumed to be motivated by hopes of tangible, if unspecified, payoffs, as are private individuals who donate substantial sums. Their rational strategy is to contribute to candidates who are likely to be in a position to help or harm them. Since electoral odds favor incumbents so heavily, most of this money goes to them. But such contributors also invest in campaigns of nonincumbents who have a reasonable chance of ending up in Congress. They thus give to candidates of both parties, sometimes in the same district.

Contributions intended to curry favor are not made with an eye to electoral utility; the idea is to buy influence, not to affect the outcome. If an incumbent is certain to win, so much the better. This explains the behavioral law that much more of this money is available to incumbents certain to win than to challengers certain to lose. How much any particular incumbent collects depends largely on what he is prepared to solicit and accept.³

Broader political or ideological aims are typical of other interest groups and of political parties. The rational strategy of groups and parties that desire to maximize their ideological or partisan cohort in Congress is to contribute to preferred candidates in close elections where the marginal effects of the contribution are most likely to influence the outcome. The AFL-CIO, for example, invests most of its campaign money and other campaign resources-which can be formidable-in campaigns of Democrats, incumbents and nonincumbents alike, who share at

least some of labor's policy preferences and who find themselves in close contests. Conservative ideological groups have contributed most heavily to nonincumbent candidates with the requisite ideological credentials whose chances look promising,⁴ but they also support conservative incumbents who face serious challenges. One company's explanation of its political action committee's policy on targeting contributions described this strategy succinctly: "Target races are those regarded as most important to the interests of the company and our employees. They involve the replacement of a business-oriented incumbent who is retiring, the defeat of a legislator hostile to business views and vulnerable to a strong challenger, or support of a favorable incumbent facing a difficult reelection fight."⁵

It might be expected that political parties would follow a strategy aimed at maximizing the party cohort in Congress, and to some extent they do. But this tendency is weakened by the fact that a good deal of party money is controlled by incumbent members of Congress, who find the congressional campaign committees a relatively painless source of funds for themselves and are unwilling to forgo their share in order to pursue the collective interests of the party. In recent years, the national Republican committees have raised money much more effectively than their Democratic counterparts and have, since 1976, paid somewhat more attention to challengers and candidates for open seats.

Despite some bias toward incumbents, the parties do support candidates according to how close the election is anticipated to be. Past election results and current circumstances are carefully studied to ascertain which seats are likely to be marginal, and contributions are made accordingly. Although the proportionate amount of money they provide to campaigns is small (5–10 percent, normally), party contributions are a signal to other potential contributors that this is a campaign worthy of funding.

Despite the inordinate amount of attention that is paid to parties and interest groups as sources of funds, the most important suppliers of campaign money are without question private

individuals. They donate nearly two-thirds of the money raised and spent in congressional campaigns. Although a few of them might expect personal favors in return for their contribution, the great majority make donations that are so small a proportion of the total that they can hardly expect to buy influence with the candidate. The candidate's victory, therefore, takes on the characteristics of a public good for most individual donors. They stand to benefit whether or not they pay any of the cost, and whether or not they actually contribute can have no perceptible effect on the outcome. Thus their motives for giving must center on psychological rewards, which depend on such things as the attractiveness of the candidate, ideological predilections, partisan loyalty, and a sense of citizen duty. Or an acquaintance simply asks for the contribution and it is easier to comply than to refuse. But even these noninstrumental rewards are more gratifying when the donor can be convinced that the outcome is in doubt and that others are also making contributions.

Although objectively any individual contribution has no perceptible effect on the outcome, the individual sense of satisfaction from making it—from doing one's share—is stronger if there is some faith that, at least when aggregated with other contributions, money might help determine who wins or loses. People inspired by partisanship or ideology usually have more than one representative of the cause to choose from; it makes sense to contribute to the tightest races where others are also likely to contribute and where the money is most likely to make some difference. It is also harder to turn down a request for a contribution without the excuse that the candidacy is hopeless.

Divergent motives, then, lead to behavior which is highly convergent. Contributors of all kinds follow strategies that put more money into campaigns expected to be close. This is not mere speculation; the data collected since 1972 on contributions to congressional campaigns confirm that much more money is given to campaigns when there are indications that the contest is likely to be close.⁶ The relationship is strongest for contributions to nonincumbents. A fundamental considera-

tion is whether or not the nonincumbent is running against an incumbent; candidates for open seats typically raise the most money of all because open seats are assumed—quite correctly⁷—to be most competitive. But contributions to challengers are also greatly affected by electoral expectations. With minor modifications (interest group contributions to incumbents are, as we would predict, less sensitive to the level of expected competition), the same pattern holds for contributions from all sources.

NATIONAL CONDITIONS AND CAMPAIGN CONTRIBUTIONS

Among the things influencing contributors' judgments about which contests are likely to be close and therefore worthy of investment are their perceptions of short-term partisan political forces. They, no less than potential candidates, accept the conventional wisdom that national as well as local political conditions affect congressional election prospects. Signs that strong short-term forces favor one party's candidates over the other's result in an aggregate pattern of campaign contributions that arises directly and predictably from normal contribution strategies.

Contributors seeking influence or access will give more than is usual to challengers and other nonincumbents of the favored party because more look like potential winners. Less than usual is contributed to the party's incumbents, not because they are bad investments—the contrary is true—but because the incumbents think they need less and therefore solicit and accept less. Candidates of the disadvantaged party are treated in the opposite way. Nonincumbents have worse electoral prospects and so are less attractive investments. Incumbents facing serious challenges because of contrary national trends solicit and receive more money. Their need enhances the exchange value of the contribution; help in a close race earns more gratitude.

Partisan and ideological contributors also give more money than usual to nonincumbents-particularly challengers-of the right persuasion when their party is favored by national forces and to comparable incumbents when it is not. Organized labor provided unusually large amounts of money to Democratic challengers in 1974, for example; Watergate and a weak economy were expected to give them better than normal chances of defeating Republican incumbents. In 1976, by contrast, labor's strategy was to help freshman Democrats hold on to the seats they had won from Republicans in 1974. Republican strategies were just the opposite. Officials of the Republican National Committee, while making ritual displays of optimism, pursued an openly defensive strategy in 1974. "The first priority is incumbents," said the head of the party's political division in February, "the second is open seats, and the third is challengers."⁸ "For challengers," reported the executive director of the party's finance committee, "it is going to be very hard to get seed money this year."⁹ And so it was.

The logic behind such a strategy may seem unassailable. Mounting a successful challenge is difficult under the best of circumstances; against a strong national tide, it appears hopeless. Hence contributions to challengers of the disadvantaged party would be wasted. At the same time, the party's incumbents may be hard pressed by experienced, well-financed candidates fielded by the favored party. If the goal is to maximize the party's cohort in Congress, it should obviously be more effective to shore up the campaigns of members already holding office than to try to take seats from the opposition.

From the perspective of the party favored by national trends, the situation is reversed. It looks like an unusually fine opportunity to mount successful challenges. Furthermore, few of the party's incumbents are likely to face serious challenges. Therefore funds that under less auspicious circumstances would be used to protect endangered seats may be redirected into the campaigns of nonincumbents.

When national conditions clearly favor one party at the

expense of the other, then, the former's contributors follow an offensive strategy, the latter's a defensive strategy. The aggregate effects on campaign finances are predictable and clearly evident in table 4.1. Table 4.1 lists the average campaign expenditures reported by House candidates, by party and incumbency status, from 1972 through 1978.¹⁰ In the more normal election years of 1972, 1976, and 1978, incumbent Democrats and Republicans spent, on the average, rather similar amounts of money. Republicans display a tendency to spend somewhat more but in none of these three years is the difference greater than 25 percent. The same is true of Democratic and Republican challengers. The 1974 election is strikingly different. Democratic challengers spent, on the average, nearly three times as much as Republican challengers; they even outspent Democratic incumbents for once. Republican incumbents, in contrast, spent 76 percent more than Democratic incumbents and more than four times as much as Republican challengers. Put another way, in the normal years, Democratic incumbents spent between 57 and 63 percent more than Democratic challengers; in 1974, they spent 22 percent less. Republican incumbents spent between 62 and 90 percent more than Republican challengers in the nor-

TABLE 4.1. Average Campaign Expenditures by Candidates
for the U.S. House of Representatives, 1972-1978

Year and Party	Incumbents	Challengers	Open Seats
1972			
Democrats	\$49,249	\$30,176	\$96,762
Republicans	52,263	32,340	91,352
1974			
Democrats	46,331	59,331	103,091
Republicans	81,436	20,744	79,903
1976			
Democrats	79,100	44,646	144,060
Republicans	90,184	55,484	97,687
1978			
Democrats	111,424	70,947	212,671
Republicans	138,765	73,043	193,514

SOURCES: 1972 and 1974, Common Cause; 1976 and 1978, FEC reports.

mal years, 293 percent more in 1974. The pattern could not be clearer. Campaign contributions—and therefore expenditures—were sharply responsive to perceived political trends in 1974.¹¹

It is also instructive to compare the campaign spending figures for challengers and open-seat candidates in table 4.1 to the figures in table 3.2 on the proportion of experienced nonincumbents from each party running in these election years. The similarity of patterns is unmistakable, as it must be if both potential contributors and potential candidates respond to the same perceptions of electoral odds. But a further point needing emphasis here is that the patterns are interrelated and mutually reinforcing. The availability of money attracts strong, experienced candidates; good candidates attract contributions.

Contributions also attract contributions. That is, one important criterion used by people who control campaign funds in deciding where to send them is what other contributors are doing. One reason for this is uncertainty; contributors want to fund challengers who have some chance of winning, an outcome that is often not clear. The fact that other groups and individuals are contributing funds to a campaign provides some independent evidence and thus reduces uncertainty.¹² Another is that, under the present limits on the size of campaign contributions (\$2,000 from individuals, \$10,000 from interest groups), contributors can only expect their donations to be effective if they can be confident that others will be giving to the same campaigns. Coordination is essential.

Potential candidates and their potential supporters thus develop a system of mutually reinforcing expectations and actions. They respond as much to one another as to national and local political circumstances. Their strategic decisions reinforce and augment each other and together structure the voters' choices in ways that can be predicted from short-term national conditions.

When conditions inspire counterposed defensive and offensive strategies by respective partisan congressional elites, the consequences are by no means neutral. The defensive in-

stinct to circle the wagons is self-defeating because of the peculiar way money works in congressional elections.

EFFECTS OF CAMPAIGN SPENDING IN CONGRESSIONAL ELECTIONS

Among the many important findings concerning congressional campaign finance uncovered in research since the first usable data became available (following the 1972 elections) one discovery clearly stands out: the electoral consequences of campaign spending are strikingly different for incumbents and challengers. Spending by the incumbent has little apparent effect on the outcome. In fact, in simple terms, the incumbent's share of the vote is inversely related to how much is spent on his campaign; the more incumbents spend, the worse they do. The apparent paradox is explained by two things. One is that the challenger's level of spending has a very substantial effect on how well he does in the election. Challengers' expenditures are strongly and positively related to their share of the vote. The other is that incumbents adapt their spending to the strength of the challenge they face. The more the challenger spends, the more the incumbent spends. With the challenger's spending controlled, the incumbent's spending is unrelated to the outcome. What matters, then, is the amount spent by the challenger.

One of us (Jacobson) has presented the full evidence for this conclusion in earlier writings,¹³ so there is no need to repeat it here. The findings are very consistent; the challenger's level of spending is regularly and strongly related to the outcome of the election even when the challenger's party and district-party strength are taken into account.¹⁴ Only in 1974 is the incumbent's spending significantly related to the vote, and even in that year the marginal effects of the challenger's spending are much greater.

The striking difference between the electoral effects of

spending by challengers and incumbents is easily explained. We noted in chapter 2 that individual voting choices are affected most strongly by knowledge and evaluations of the candidates. Incumbents, it is well known, control a variety of resources that come with the office: staff, the frank, travel allowances, district offices, communications allowances, WATS lines, and many more. They use these resources to conduct what amounts to a permanent campaign for reelection.¹⁵ Campaigning of any kind is subject to diminishing returns. Because incumbents use official resources so extensively between campaigns, the increment of favorable propaganda added by the campaign has no additional effect on how well voters know and like them.

For most nonincumbents, the opposite is true. Most of them are unfamiliar to voters at the outset of the campaign. They have not received the exposure and publicity that members of Congress routinely enjoy. So the attention they are able to acquire through the campaign is crucial to their chances of winning.¹⁶

The effects of campaign spending are asymmetrical. The vigor of the challenger's campaign is crucial; that of the incumbent makes relatively little difference. This ensures that the defensive strategy arising from the converging expectations of the handicapped party's elites will not begin to offset the offensive strategy developed by candidates and supporters of the favored party. Money and other resources redirected into the campaigns of threatened incumbents are much less effective in generating voter support than the resources redirected into the campaigns of the fortunate challengers. If the marginal effects of campaign spending were the same for incumbents and challengers, offensive and defensive strategies could cancel one another out. They are not, so they do not; the offensive strategy is much more effective.

This does not mean that the defensive strategy is necessarily irrational. Even if contributors were convinced that the marginal returns on campaign spending by incumbents are very small at best, they might still rationally favor incumbents in a bad year. A large investment may generate a small return in

terms of votes, but if the contest is very close (as are most contests in which an incumbent is defeated), it may be enough to provide a margin of victory. Conversely, the same large investment in a challenger's campaign may increase his share of the vote much more substantially, but if he is far behind to begin with, the gain goes for nothing. Raising the incumbent's vote from 49 percent to 51 percent is preferable to raising the challenger's vote from 30 percent to 45 percent.

Among both candidates and contributors, then, expectations about the effects of national trends lead directly to the kind of behavior that would fulfill those expectations. If it portends to be a difficult year, the party fields less experienced and more poorly financed challengers, and they do just as poorly as expected. The other party produces unusually effective challengers with unusually vigorous campaigns, and they do well, again as expected. The political prophecies are, to an important degree, self-fulfilling. The conventional wisdom leads to its own confirmation and so maintains its conventionality.

Voters, under these circumstances, need not respond to national-level phenomena for the effects of these phenomena to be impressed on aggregate election outcomes. Some of course may act on their assessments of the president or the economy, but it is not essential for many to do so to account for the aggregate connections between presidential evaluations or economic conditions and election results. All voters need do is respond to the choices they are offered at the district level (which they do; see table 2.1). One party then does well and the other poorly, in aggregate, because the first has a substantially greater proportion of formidable candidates and campaigns.

CANDIDATE AND CAMPAIGN SPENDING EFFECTS IN 1974

How large are the aggregate effects of opposite offensive and defensive strategies? Again using 1974 as the best-documented example, it is possible to estimate the minimum aggregate con-

sequences of candidate and contributor strategies. Democratic challengers won an average of 43.1 percent of the vote, an increase of 6.9 percentage points over 1972. Republican challengers won an average of 28.7 percent, a decrease of 5.4 percentage points from 1972. How much of the difference between the vote percentages of Democratic and Republican challengers is explained by the quality of candidates and the vigor of their campaigns? An answer is provided by comparison of the two regression equations found in table 4.2.¹⁷

The first equation estimates the effects of the challenger's

TABLE 4.2. Campaign Expenditures, Candidate Experience, and the Partisan Vote Shift for Challengers in the 1974 House Elections

	Regression Coefficient	t Ratio	Beta ^a
Dependent Variable			
Challenger's vote (N = 320)			
Independent Variables			
Equation 4.1			
Challenger is a Democrat	13.3	14.63	.57
Strength of challenger's party	.477	9.73	.38
Constant	12.5		
R ² = .52			
Equation 4.2			
Challenger is a Democrat	9.6	10.96	.41
Strength of challenger's party	.341	7.58	.27
Challenger has held office	1.9	1.96	.07
Challenger's expenditures	.144	9.95	.45
Incumbent's expenditures	-.025	-2.12	-.10
Constant	15.6		
R ² = .66			

SOURCE: Jacobson, *Money in Congressional Elections*, pp. 38–39, 115.
^aStandardized regression coefficient.

party on the share of votes won in 1974, controlling for the strength of the challenger's party in the district. The second equation introduces variables for campaign spending by both candidates and our measure of candidate quality into the analysis. The additional variables reduce the difference accounted for strictly by party by 3.8 percentage points. But the additional variables increase the explanatory power of the equation substantially as well. The differences between Republican and Democratic values for the prior office and campaign expenditure variables, combined with their estimated parameters, indicate that they account by themselves for a difference of 4.5 percentage points in the vote for the challenger.

This estimate is on the low side. It does not take into account differences in candidate quality which are not measured by experience in office, and, similarly, it does not include measurements of campaign vitality other than expenditures. If elite strategies work in the way suggested here, these things should operate to reinforce the pattern. But in any case, at least one-third of the aggregate difference between the share of the vote won by Democratic and Republican challengers is directly explained by the candidate and campaign variables.¹⁶

A CONCLUDING NOTE: SOME CROSS-SECTIONAL EVIDENCE

The evidence offered so far in this chapter has been highly aggregated. But the effects of decisions by congressional campaign elites are also apparent in district-level data. An excellent example is provided by a reexamination of Gerald C. Wright, Jr.'s study of the fates of Republican members of the House Judiciary Committee, who had been at the highly visible center of the impeachment process that led to Nixon's resignation.¹⁷

Wright showed that Republican members of the committee who favored impeachment did better in the 1974 elections than the average Republican (compared to a calculated "expected vote"). Only one of the six running for reelection was defeated.

Those who opposed impeachment and supported Nixon did worse than expected in the general election; four of the nine lost. Wright's quite reasonable conclusion is that Republicans loyal to Nixon were punished by constituents who had turned against the president. But analysis of the campaign spending patterns in these contests suggests that this is by no means the whole, or even most important, story.

The Judiciary Committee members who favored impeachment were opposed by Democratic challengers who spent an average of about \$53,000, which is less than the mean for all Democratic challengers. The four opponents of impeachment who lost faced challengers spending an average of \$113,500; none spent less than \$70,000. Their average vote was 7.9 percentage points lower than expected. Democrats challenging the five members who won spent an average of only \$22,500; none spent more than \$70,000; these Republican incumbents did better than expected. In the absence of well-financed opposition, then, loyalty to Nixon was not translated into defeat at the polls. The intervention of candidates and contributors was necessary for the expected consequences of supporting Nixon to be realized.

Reduced to its simplest terms, the story is that you cannot beat somebody with nobody. A remarkable illustration of this fact is offered by the reelection of Robert Leggett to represent the Fourth District of California in 1976. Although Leggett was a principal subject of the "Koreagate" investigation, he was not considered sufficiently vulnerable to merit serious Republican opposition. By the time it came out that he had fathered two children by an aide, had been supporting two households for years, and had even forged his wife's name on a deed for the second house, the nominations had already been set. His Republican opponent was an obscure, retired state civil servant who thought that the outcome of the election "was mostly up to God"²⁰ and spent only \$10,674 on the campaign. A write-in opponent entered the contest after the scandal broke. The opposition was so weak that Leggett kept his seat for another term. He then retired in the face of certain defeat.