

Campaign Contributions and Electoral Competitiveness in State Elections: The Effects of Florida's 2013 Campaign Finance Reforms

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Research Question

How do state-level campaign finance reforms impact elections and electioneering in the wake of the *Citizens United v. FEC* decision?

Rationale and Background

- In 2013 Florida passed HB 569, reforming campaign finance law
 - Intended to comply with *Citizens United* decision and increase transparency / accountability
 - Eliminated committees of continuous existence
 - Removed \$500 per election limit, allowing unlimited contributions to all forms of political committees
 - Increased individual campaign contribution limit from \$500 per election to \$1000 per election
- Florida was one of the first seven states to increase individual limits following *Citizen's United* (Kulesza, Miller, and Witko, 2017)
- Law predicted to shift electioneering activities towards "soft money" mechanisms (LeRoy Collins Institute, 2015) similar to the impact of *Citizens United* (Klump, Mialon, and Williams, 2016)

Methodology

Descriptive Regression

$$y_{i,d,t} = \alpha_{i,d,t} + \beta HB569_t + \phi_d + X_{i,t}\Lambda + u_{i,d,t}$$

- Treated Election Cycles: 2014, 2016, 2018, 2020
- Control Election Cycles: 2010, 2012
- $HB569_t$ – Election cycles following HB 569 passage (2013)

Difference-in-Differences

$$y_{i,d,t} = \alpha_{i,d,t} + \delta(incumbent_{i,d,t} * HB569_t) + \phi_d + \phi_t + X_{i,t}\Lambda + u_{i,d,t}$$

- Treatment Group: Incumbents
- Control Group: Newcomers
- $(incumbent_{i,d,t} * HB569_t)$ – Incumbents in election cycles after HB569 passage

Event Study

$$y_{i,d,t} = \alpha_{i,d,t} + \sum_{p \neq i} \delta_p 1(t - HB569 = p) + \phi_d + \phi_t + X_{i,t}\Lambda + u_{i,d,t}$$

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Political Committee (PC) Usage and Associated Fundraising Increases

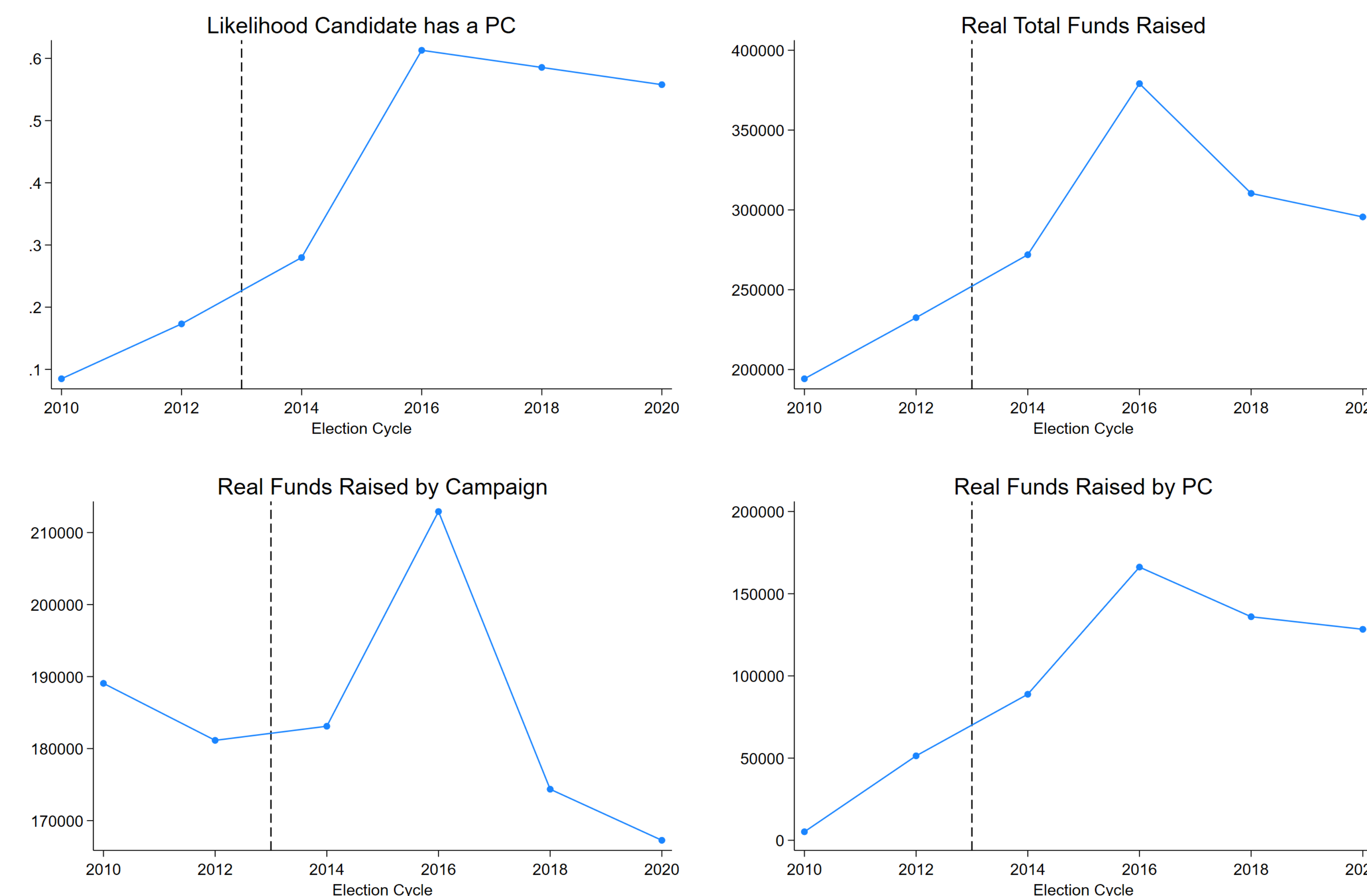


Figure 1: Mean Plots of Fundraising Outcome Variables

Incumbents Utilize PCs More Frequently and Shift Campaign Strategy

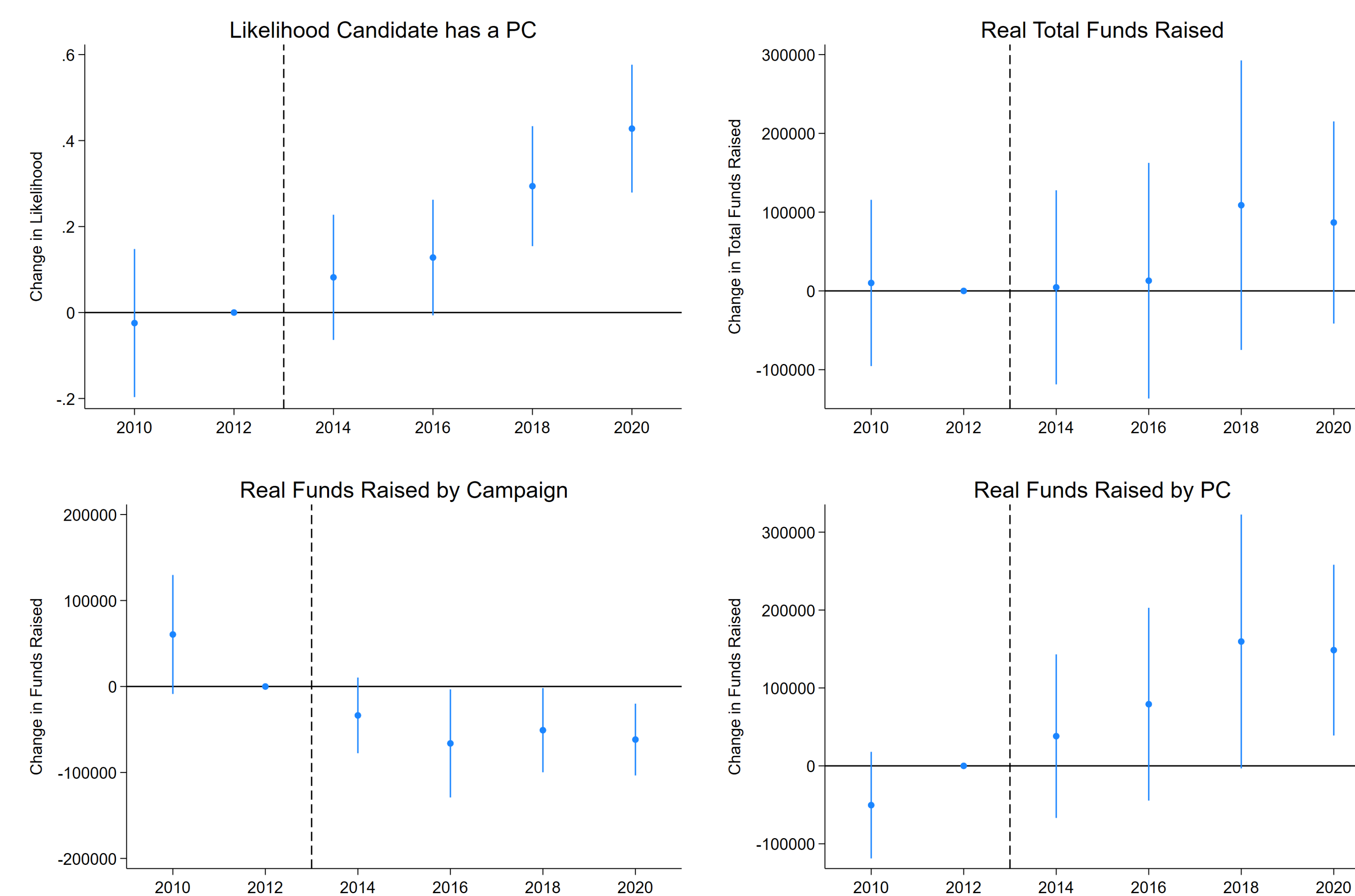


Figure 2: Event Study Comparing Incumbents to Newcomers

Key Results

- Candidate political committee (PC) usage increases by 35 percentage points
- Campaigns become more expensive, primarily through a 242% increase in PC fundraising and a 180% increase in PC spending
- Incumbents are more 26 percentage points likely to have a PC, and shift their fundraising operations to their PC
- No observable impact on candidate winning margins or incumbent electoral advantages

Contributions

- Campaign finance reforms designed to comply with *Citizens United* increase the flow of money into political committees
- Increased flow into political committees correlates to more expensive races, increasing electoral barriers to entry
- The changes structurally advantage incumbents, even without directly impacting electoral results

Data

- 2010-2020 Elections Data from Florida Department of State, Division of Elections Data, including:
 - Campaign Contributors, Contributions and Expenditures
 - Political Committee Contributors, Contributions and Expenditures
 - Election Results
- Data assembled on 1351 candidates including
 - Incumbency status
 - Party affiliation
 - Opposition from a major party candidate

Contact Information

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