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Analysis of the Super PAC Donor Pool and Contribution Behavior

Frederick V. Augur

Super PACs, since their inception in 2010, have played a significant role in federal campaign finance. In 2016 alone, super PACs spent over \$1 billion trying to influence elections.¹ In particularly close contests with significant disparities in independent expenditures (the main tool of super PACs), this money can play an important role in the outcome.² Despite the prominent role of super PAC money in federal elections, limited research has been conducted on the sources of this money. While speculation about mega-donors, corporations, unions, nonprofits, and shell companies has dominated the news media and political punditry, these sources of funds have yet to receive a rigorous quantitative treatment. Individual contributions to super PACs, which constitute over half of super PAC funds, are particularly under-studied, with the exception of a few extremely large donors. On the flip side of the exchange, the strategies through which super PACs go about raising such funds have been similarly under-researched. This project sought to shed light on both of these areas, relying on data from the Federal Elections Commission (FEC) combined with interviews with seven super PAC officials and legal consultants.

This undertaking would not have been possible without help from numerous individuals. My work on this project was overseen by Professor Paul Herrnson of the University of Connecticut's Political Science department, who provided me with access to FEC data and the technical guidance required to complete such an endeavor. Professor Douglass Spencer of UConn's Law

¹ Center for Responsive Politics. "2016 Super PACs: How Many Donors Give?" *OpenSecrets.org*.

https://www.opensecrets.org/outsidespending/donor_stats.php?cycle=2016&type=B (October 26, 2017).

² Interviews conducted by author. Permission for attribution was not granted.

School and Department of Public Policy also provided indispensable help in managing the massive data sets analyzed in this project. I extend special thanks to Mr. Robert Holster, upon whose beneficence this project was conducted. In addition, I would like to thank Mr. J. Tuscano, who arranged several of the interviews conducted in this project. Lastly, I extend my thanks to Dr. Vincent Moscardeli of UConn's Office of National Scholarships and Fellowships and my colleague Kyle Adams of the Political Science department for their assistance throughout the endeavor.

I. Individual Super PAC Contributions

Super PACs receive a majority of their funding from individuals.³ Individual contributions to super PACs differ from those to conventional "hard-dollar" campaign finance organizations in that they are not subject to any monetary limits. Extremely wealthy donors, otherwise limited in their donations to PACs, parties, and candidates, can pour millions into the coffers of super PACs. In 2016, these donors' contributions made up at least 58% of all super PAC funding.⁴

Major concerns about these developments center around how unrepresentative this money and these donors are of the American public. Seeing that super PAC funds potentially influence race outcomes, many fear that an unrepresentative few are undermining democratic processes. Furthermore, there is concern that elected officials, recognizing the importance of super PAC money in securing reelection, will direct efforts to produce favorable policy outcomes for

³ Center for Responsive Politics. "2016 Super PACs: How Many Donors Give?" *OpenSecrets.org*.

https://www.opensecrets.org/outsidespending/donor_stats.php?cycle=2016&type=B (October 26, 2017).

⁴ Individual contributions that are filtered through non-disclosure organizations, such as certain types of 501(c) non-profit organizations, are reported as contributions from those organizations as a whole. As such, individual contributions likely constitute a higher percentage of total super PAC funds.

wealthy donors. Before these mechanisms can be fully understood, the population in question – the super PAC donor pool – must be identified and studied. It was this task, a rigorous quantitative description of the demographics and contribution patterns of super PAC donors, that I undertook.

Data

Data for this project primarily originate from the Federal Election Commission (FEC). As per campaign finance regulations, donors who contribute \$200 or more to super PACs are required to disclose their name, occupation, employer, city, state, and gender. For each contribution, the FEC also records the size of the transaction, the election cycle, and the name, type, and political affiliation of the recipient super PAC.

Unfortunately, the data as provided by the FEC are not prepared for the rigorous quantitative analysis that this project entails. These data, on account of clerical errors, contain a number of blank entries, duplicate entries, and contradicting entries (e.g. the super PAC and individual reporting different contributions given). Consequentially, much of the work for this project took the form of combing through campaign finance data and refining it to a condition ready for software analysis. Through cross referencing data among different online sources, including the FEC, the Center for Responsive Politics, and online accounts of individuals matching donor profiles, many, but unlikely all, of these discrepancies in the data were resolved. Such work was necessary to ensure a high degree of accuracy for subsequent analyses.

The primary unit of analysis was the sum of contributions given by one individual donor to a particular super PAC in a particular election cycle. For each of these units, the following variables were provided in the data set used for analysis: donor ID (an alphanumeric string assigned by the FEC that is unique to each donor), gender, ZIP code, election cycle (an even-

numbered year between 2010 and 2016, inclusive), contribution size, recipient ID (a similar string given by the FEC to each super PAC), super PAC ideology (conservative or liberal, based on the leaning of the super PAC's activities), and super PAC type (single-candidate, multi-candidate, or hybrid).⁵

Findings

From 2010 to 2016, 78,267 donors contributed \$1.9 billion to super PACs (Fig. 1). Notably, 2016 and 2012 are the first and second largest years with regard to funds raised, respectively, which suggests that donors will give substantially more in years where there is a presidential contest. Looking at midterm and presidential elections separately, there is a trend for the amount of money given by donors to increase substantially as a function of time.

Looking at the distribution of donors' total contributions (Fig. 2), it is clear that there is an extreme skew towards extremely large donors, with a skewedness of 132 (a skewedness of zero represents a normal Gaussian distribution). The maximum observation of the data set, aggregated to the donor, was Miriam Adelson, who contributed over \$180 million since 2010.

Looking at the relation between donor gender and how much money they give, it is observed that the typical male donor gives slightly more than the typical female donor (Fig 3). Because this is a quantitative analysis of the entire population of donors, this conclusion can be made with full statistical confidence. Of the 78,267 donors, 49,291 were men and 28,976 were women. In total, male donors gave \$1.4 billion and women gave \$490 million. Notably, despite there being fewer than two male donors for each female donor, men gave nearly three dollars for every

⁵ Given the wide variety of occupations and employers present in the FEC data, a meaningful analysis of these variables is left to the future research agenda.

For descriptions of each type of super PAC, see Appendix A

dollar given by women. Given that the median contribution sizes are only \$25 apart, this disparity is likely a result of a disproportionate number of the “mega-donors” being men.

Male donors gave more money than female donors, exceeding 80% of all money given by individual donors for every election cycle (Fig. 4). Interestingly, the disparity between male and female giving is greater during midterm election cycles than it is in presidential contests. From the data available, it does not appear that there is a clear temporal trend in the gender composition of individual contributions. In any case, the super PAC donor pool and, in particular, super PAC contributions are disproportionately dominated by men.

Looking at the political leaning of the super PACs to which donors give, no immediate gender trends are apparent (Fig. 5). Rather, taken as a whole, these data support purported historical observations about super PACs donors. Conservative donors, and, consequentially, conservative super PACs, were the first to take full advantage of the changes to the campaign finance frameworks established by *Citizens’ United v. FEC* and *SpeechNow.org v. FEC*. By 2016, contributions to conservative and liberal super PACs appears to have equalized for both males and females. In all cases, donors did not contribute a substantial amount of money to ideologically independent super PACs.

Analysis of the relationship between donor gender and the type of super PAC to which donors contribute shows no significant differences, but provides insights on how the presence of a presidential contest affects how donors give (Fig. 6). In particular, during 2014, a midterm election, a vast majority of all donors’ contributions (85% and 87% for male and female, respectively) went to multi-candidate super PACs. By contrast, in 2012 and 2016, contributions were broken down roughly 50-50 between single and multi-candidate super PACs. The one exception to this trend is female contributions in 2016, which is closer to a 60-30-10 breakdown

between single-candidate, multi-candidate, and hybrid groups, respectively. Female donors' greater giving to SCSPs in 2016 can likely be explained by the appeal of the single-candidate super PAC backing Hillary Clinton, the first major female nominee for President, to female donors. The trends described above support the hypothesis that the amount of money donors give to a SCSP is highly dependent on the presence of a presidential contest. Presidential contests are particularly expensive, and every major presidential candidate in 2016, with the exception of one, had a SCSP backing him or her. In all cases, Hybrid PACs received a relatively small amount of donor contributions, with only female donors in 2016 giving more than 8% of their contributions to hybrid PACs.

For the purposes of analyzing the relationship between donor geography and contribution behavior, donors from the 2016 election cycle were broken down into five geographic regions by ZIP code (the protocol for this is described in appendix B). While not uniformly spread, the super PAC donor population is distributed across the United States, with a plurality of donors in the Pacific region (Fig. 7). Looking towards the funds contributed by donors in each region, however, there is a greater distortion than the distribution of donors would suggest (Fig. 8). Donors in the Pacific and Northeast regions are particularly overrepresented monetarily, with their contributions constituting over 50% of all individual contributions. The Southwest, Midwest, and Southeast make up 19%, 17%, and 11% of money given, respectively.

The relationship between donors' region and the political affiliation of the groups to which they give is vaguely reminiscent of the political leanings of those regions, though distorted to various levels (Fig. 9). Donors from the Southeast and, in particular, the Southwest gave significantly more to the conservative groups than they did to liberal groups. Conversely, donors in the Pacific gave more of their money to liberal groups. Of the five categories, donors in the

Midwest and Northeast were closest to a 50-50 split in their giving, but each slightly favored conservative and liberal groups, respectively. Looking at the relationship between the donors' geographical location and the types of super PACs to which they gave, no immediate patterns emerge (Fig. 10).

In further research on this donor population, focus should be placed on rigorously categorizing and analyzing the representation of different economic sectors in the donor pool and the relationship between economic sector and donor behavior.

II. Interviews

To supplement the findings of the above quantitative analyses, several interviews were conducted with officials and consultants from a variety of super PACs and other outside spending committees. The purpose of these interviews was to, by sampling a variety of different categories of super PACs, assemble a general understanding of the “story” behind the quantitative analysis above. In total, seven interviews were conducted with individuals who were presently working with or had worked with seven different super PACs. Given the small sample size and unscientific sampling method (primarily snowball and convenience sampling, which resulted in a 6-1 liberal to conservative breakdown), no steadfast conclusions can be drawn about the population as a whole. That being said, many of the individuals interviewed had significant experience in a larger community of super PACs, and could speak knowledgably about super PACs in general. Interview questions encompassed a wide range of topics, including super PAC financing, programming, and functional organization. Some of the interviewees, however, on account of their specialized role within their organization, could only speak knowledgably to one or two of these categories. Interviewees also varied in how detailed their responses were with respect to their organization's functioning. Notwithstanding, the general knowledge of many of

these individuals in the strategies and logics behind super PAC activity provided insight into many facets of these organizations. As such, the findings of these interview, as they pertain to fundraising, are presented below.

For the purposes of raising money, all super PACs participating in the study had either a fundraising director or a development committee. This individual or committee, depending on the group, was either a part of the super PAC or of the organization with which the super PAC is affiliated. This individual or committee was responsible for setting fundraising goals each election cycle and for organizing the entire fundraising operation. Those super PACs not a part of a larger organization often outsourced portions of their fundraising operations to consultants.

When soliciting donors, super PACs varied their strategy depending on the expected size of the contribution. For smaller donors, super PACs often used demographic-based messaging in their solicitations. Women, for example, would be targeted by appeals to reproductive healthcare rights. When making these solicitations, super PACs would often mention the races, candidates, and issues that the funds will support. These solicitations were usually made through mass communications, such as email lists and digital advertising. By contrast, larger donors were solicited through more personalized encounters, such as phone calls and face-to-face conversations. Larger donors gave money for a wide variety of reasons, and one-on-one solicitations allowed for super PACs to appeal to each donor's particular motivations. Such strategies were influenced by the lack of contribution limits: because donors can give ad infinitum, super PACs strived to establish strong relationships with large donors early on so they could return to the donor later during the election cycle if funding ran low. Lastly, and most tellingly, this greater emphasis on developing enduring relationships suggests that super PAC fundraising efforts are primarily targeted at these larger donors. Indeed, the remarks of super

PAC officials support this line of thinking. Given that super PACs are not allowed to coordinate their spending with candidates or parties, who better know where money is most needed in a contest, contributions up to a few thousand dollars are better spent with “hard-dollar” committees (campaigns, parties, PACs). Super PACs, as a result, have become a repository for contributions once donors have “maxed out” their giving to parties, PACs, and candidates. Once again, this strongly supports the thesis that super PACs have become an instrument through which the ultra-wealthy disproportionately influence elections.

This focus on wealthy individuals has implications on how certain super PACs, especially congressional single-candidate super PACs, went about soliciting money. In particular, these groups would often avoid more traditional solicitation efforts like mass calls and grassroots fundraising. Fears that these efforts might have competed with the candidate’s campaign for funds or confuse voters, who do not understand the differences between a SCSP and a campaign committee, discouraged such activities.

When raising money, some super PACs collaborated in solicitation efforts. Amongst high-level super PACs, donor lists were occasionally exchanged. Certain super PACs, such as For Our Future, took this collaboration one step farther and orchestrated the raising and exchanging of funds across different super PACs. This both ensured that super PACs were focusing on the subset of donors most sympathetic to the super PAC’s cause and minimized instances of several super PACs from the “same side” bombarding donors with solicitations.

While super PAC coordination with other super PACs is a relatively easy and permissible practice, coordination with candidates is legally forbidden. That being said, candidates have shown a great deal of creativity when it comes to pushing the limits of what constitutes coordination. Strategies of doing such include candidates calling potential donors with a super

PAC official on the line, introducing the donor to him or her, and then hanging up, leaving the two to arrange solicitations. Other candidates have also pushed the line by speaking at fundraisers for super PACs, but leaving the room while any contributions are made. Perhaps the most creative in circumventing laws preventing coordination was Jeb Bush, who had founded, organized, and fundraised for his own super PAC, Right to Rise, prior to officially announcing his candidacy, at which point he stepped down from the organization. Such anecdotes demonstrate how candidates have undermined coordination laws and helped create links between super PACs and potential donors.

One last common theme from interviews with super PAC officials was the existence of “Scam PACs” – super PACs that raise money but make no independent expenditures. These super PACs’ treasuries go entirely to operating costs, usually in large fees to consultants. In reality, these super PACs were established by these consultants for the purposes of financial gain in the name of campaign finance. While there is some speculation that the Department of Justice or FEC will crackdown on these types of groups in the near future, legal action against Scam PACs thus far has been limited to state fraud laws.

III. Conclusions

From the data acquired through the quantitative analysis and case study interviews, several long-standing fears about the roles of super PACs in American elections can be definitively confirmed. First, it is clear that donors give more to single candidate super PACs in presidential election cycles than midterm election cycles. This further reinforces the hypothesis that SCSPs are primarily the tools of presidential candidates. Indeed, some of the interviewees noted that the costs and effort involved in running a super PAC make it sensible for smaller races to rely on MCSPs for outside spending.

Most saliently, it is clear that the pool of super PAC donors and the money they contribute do not represent all parts of the American public equally. As was seen empirically, men, for one, are highly overrepresented in super PAC giving. Notably, men tend to be more overrepresented in midterm election cycles, meaning that females are closer to (but by no means near or at) equal contribution levels when presidential contests are involved. This more broadly suggests that giving in congressional contests tends to be more gendered than giving in presidential contests. Most importantly, however, are the clear and conclusive signs that the extremely wealthy are highly overrepresented in super PAC funding. Such a conclusion is supported by both the skewedness of the data and the admittance of super PAC officials that super PAC framework is designed to capitalize on extremely large contributions. The geographic distribution of contributions also illustrates how these extremely wealthy donors have used super PACs to nationalize their influence. While donors are allowed to contribute to candidates across the country, contribution caps require that a candidate have numerous national supporters to receive a substantial amount of money from outside their state. In the limitless world of super PACs, a single wealthy donor can financially flood contests on the other side of the country.

What makes the unrepresentative nature of super PAC spending increasingly concerning is how connected and impactful some super PACs are. Given the ways that candidates have worked around coordination prohibitions, it is naïve to believe that elected officials are unaware or disconnected from donors who contribute a large sum of money to the official's election and re-election. Through the interviews, it is clear that candidates are aware of the outside forces working in their favor. This effect is magnified by how integral outside spending can be in some contests. While nobody interviewed went so far as to assert that their super PAC was the deciding factor in a particular contest, officials noted that their organizations were an important

element in the outcome of several races. The general consensus among those interviewed was that a large disparity in outside spending (2:1 or more) in particularly close races will dramatically increase the chances that the side with more spending wins. It is not a stretch, then, to suggest that a few extremely wealthy donors could have possibly swayed electoral outcomes since 2010. The threat that this poses to democracy is readily apparent.

Steps Forward

Significant changes in current federal legislation and jurisprudence are required to address underlying issues that give rise to the situation described above. First, it is clear that the FEC is lacking in both financial and legal resources when it comes to enforcing standing regulations. The incidence of “Scam PACs” and the poor state of record keeping at the FEC are illustrative of this. Second, there is need for dramatic changes in the Supreme Court’s understanding of what constitutes coordination and the appearance of corruption. Clearly, the current definition and enforcement of coordination violations are insufficient to prevent candidates for working with super PACs, at least in cases of fundraising. Similarly, the role that super PACs play in financially supporting, albeit indirectly, the election and reelection of elected officials gives rise to legitimate fears that politicians are at the whims of big donors. Given the influential role of super PACs in elections and the dominance of big donors in super PAC fundraising, these concerns are not ill-informed. As such, it is only appropriate that the court see such perceptions as a compelling government interest, which would legally permit a new round of much-needed campaign finance regulations.

APPENDIX A

I have followed the practice of the FEC in classifying super PACs into three broad categories

1. Multi-candidate super PACs: Independent Expenditure-only committees that will raise and spend money in support of multiple candidates in multiple races
2. Single-candidate super PACs: Independent Expenditure-only committees that will raise and spend money in support of a single candidates. This includes super PACs that spend money in opposition to a single candidate's opponents.
3. Hybrid PACs: A conventional, hard-dollar PAC that has a segregated fund for making independent expenditures

APPENDIX B

For grouping donors by geographic region, the first digits of their reported ZIP code were used to assign them to their following categories:

- ▶ 0-1 Northeast
- ▶ 2-3 Southeast
- ▶ 4-6 Midwest
- ▶ 7-8 Southwest
- ▶ 9 Pacific

APPENDIX C – GRAPHS AND FIGURES

2010	\$37,036,322
2012	\$520,681,124
2014	\$376,021,361
2016	\$972,841,940
Total	\$1,906,580,747

Fig. 2 – Distribution of Total Donor Contributions

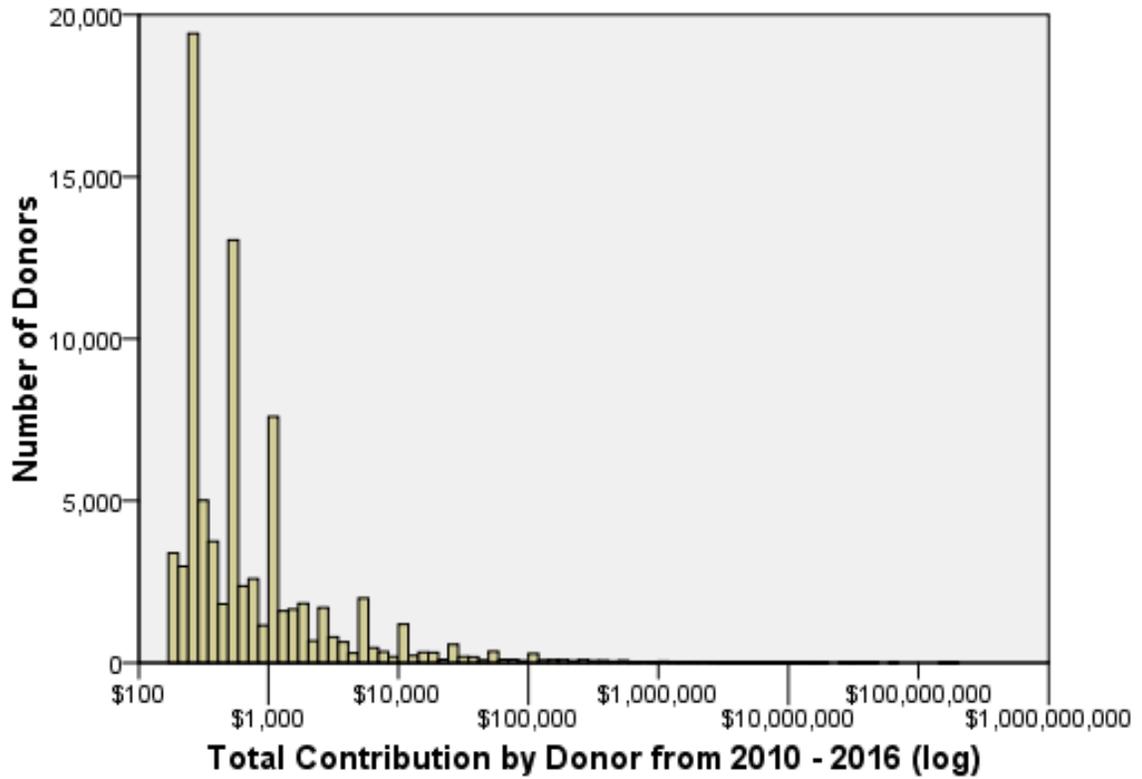


Fig. 3 – Overview of Gender Giving			
	Number of Donors	Amount Given	Median Contribution Size
Male Donors	49,291	\$1,411,147,483	\$500
Female Donor	28,976	\$489,946,030	\$475

Fig. 4 – Gender and Total Giving Over Time

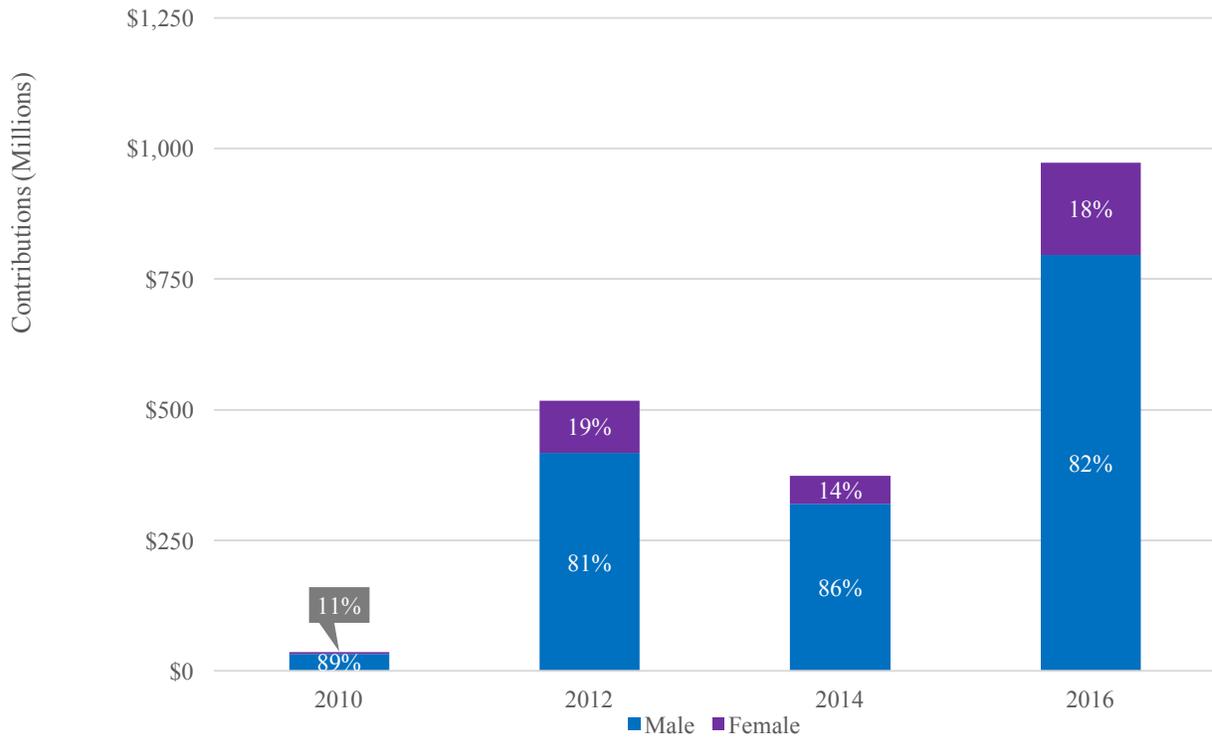
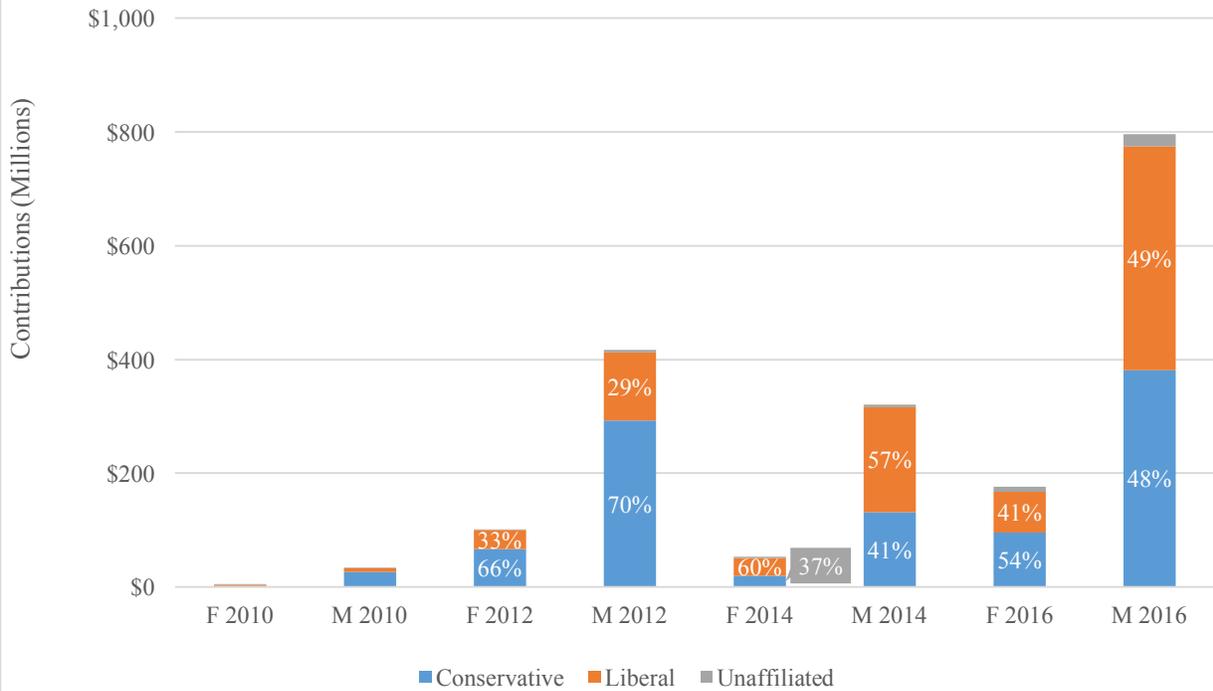


Fig. 5 - Gender and Political Leaning of Super PAC



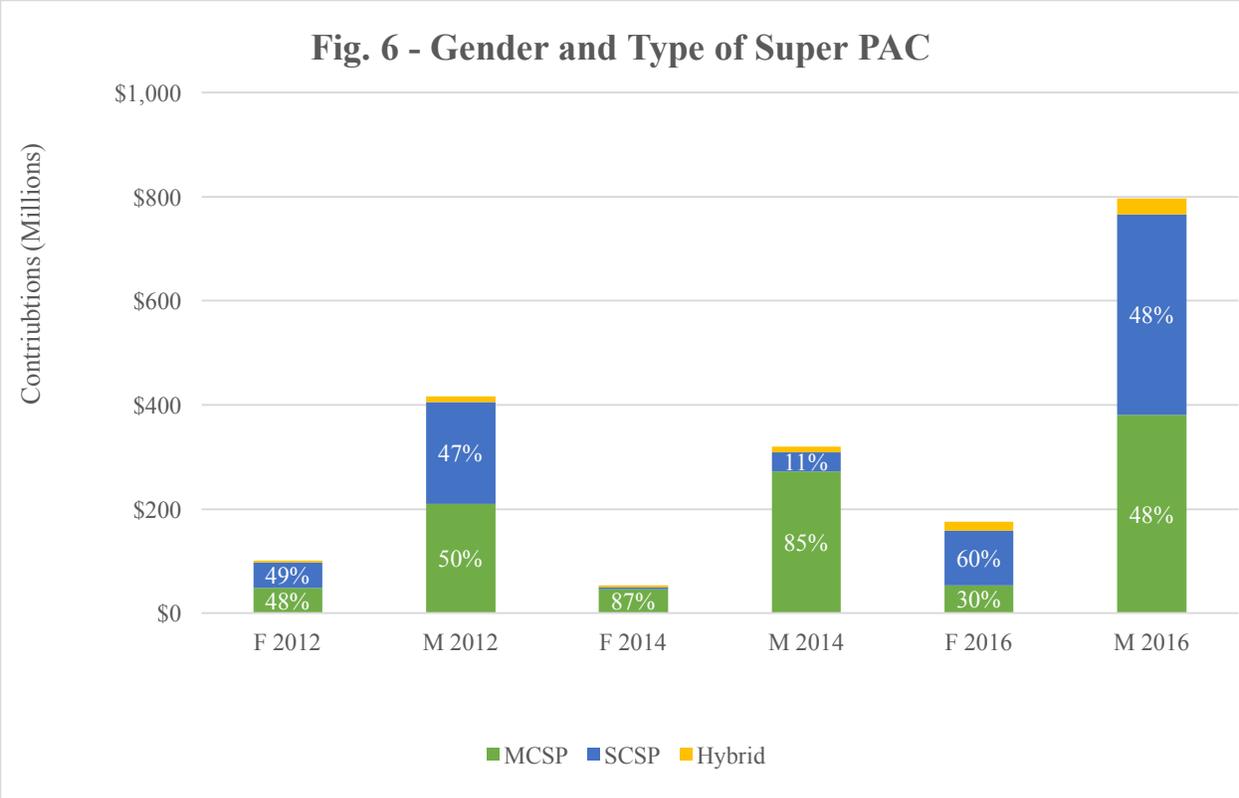


Fig. 7 – Geographical Distribution of Donors

Region	Number of Donors
Northeast	7,381
Southeast	8,181
Midwest	6,619
Southwest	7,359
Pacific	8,688

**Fig. 8 – Geographic Breakdown of 2016 Super PAC Fundraising:
Money Given**

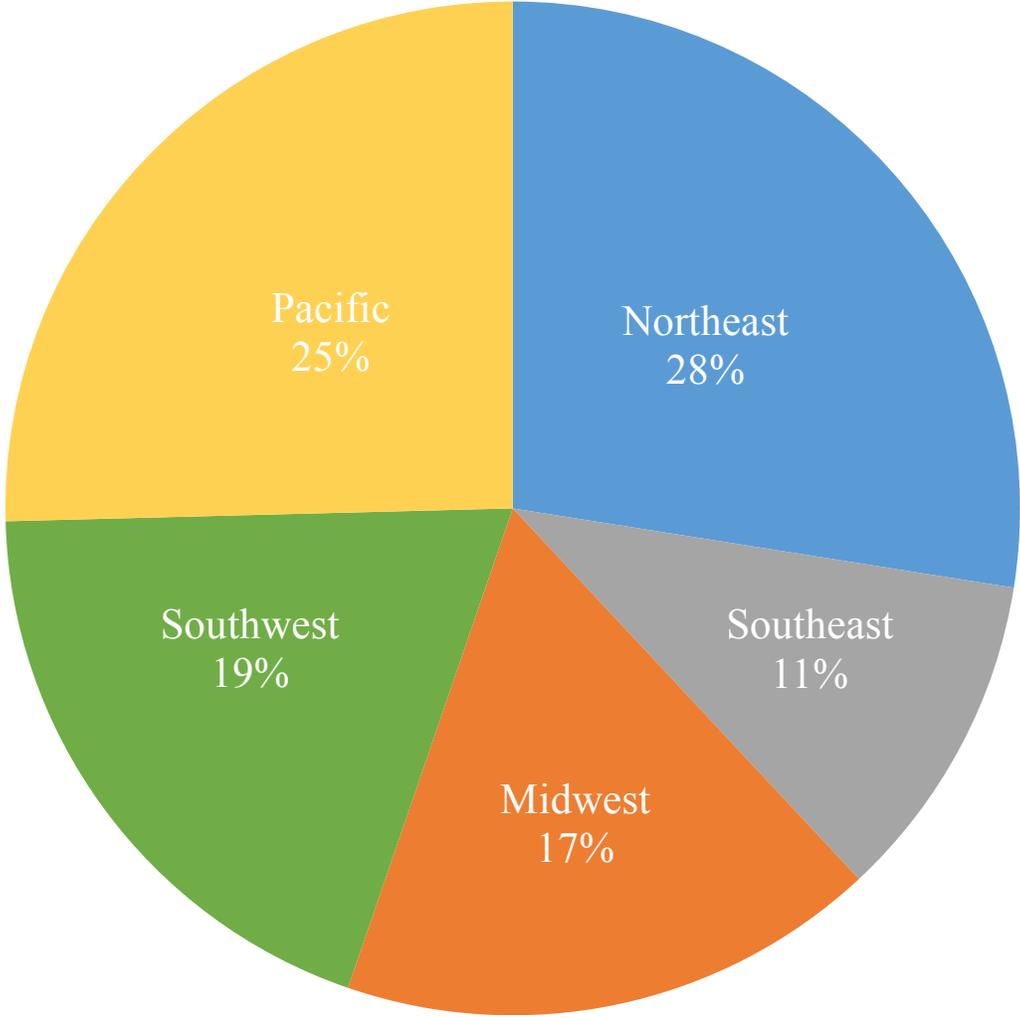


Fig 9 – Geography and Political Leaning of Super PAC

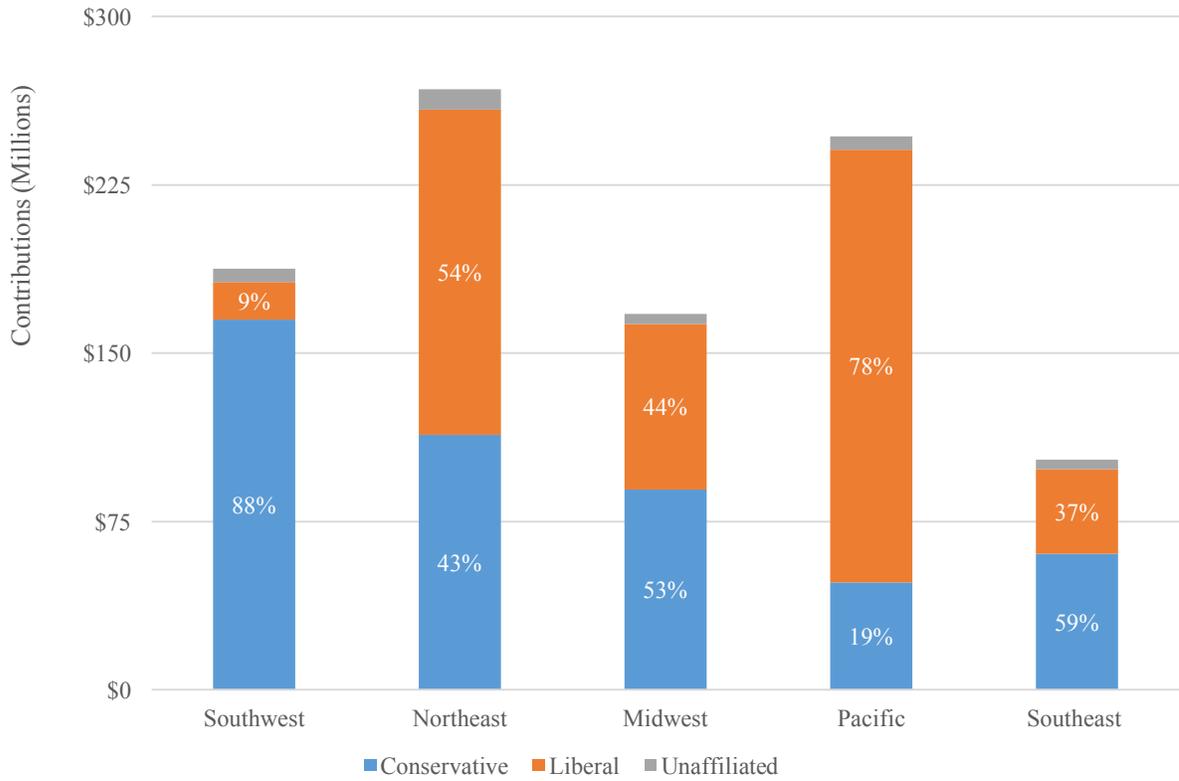


Fig. 10 – Geography and Type of Super PAC

