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A New Political Player: The Role of Super PACs in Congressional Elections

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A New Political Player: The Role of Super PACs in Congressional Elections

Riley Hasson

Honors Thesis

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Abstract:

The campaign finance landscape has changed significantly since the enactment of the Bipartisan Campaign Reform Act of 2002 and after the *Citizens United v. FEC* and *Speechnow.org v. FEC* rulings were handed down in 2010. I examine the role of super PACs—a new type of outside spending group—which emerged following the aforementioned court rulings) by using campaign finance data from the Federal Election Commission. I compare super PAC and traditional PAC spending on four key campaign-related factors: political party, candidate status, tone of spending, and race competitiveness. The results indicate that super PACs are more active in competitive races and spend more on negative campaigning than traditional PACs, that candidate status matters most for positively toned expenditures, and that political party is not typically a significant factor in determining spending behavior.

Introduction:

In 2010, the Supreme Court made a ruling on *Citizens United v. Federal Election Commission*, which fundamentally altered the way outside spending groups may participate in elections. The Court ruled that corporations, unions, and other organizations could spend unlimited sums of money from their general treasuries, independently of political candidates, to expressly advocate for or against a candidate. These newly established, independent expenditure-only groups are called super PACs. Super PACs began to engage in congressional campaigns during the 2010 election cycle and since then their financial impact has continued to increase.

After *Citizens United*, 83 super PACs were established. In the 285 days between the Court's ruling and Election Day, these 83 groups spent \$62.6 million on congressional elections. Since 2010, the number of super PACs rose to 1,310 in 2012, and then to 1,360 in the 2014 cycle. During the 2014 cycle, super PACs raised \$696 million and spent \$345.1 million whereas political parties only spent \$234.7 million (Outside Spending, 2015). The prevalence and importance of funds contributed by these outside spending groups over the last decade is demonstrated by the dramatic increase in both the number of super PACs and the average dollar amount each super PAC contributes. Money is increasingly important in congressional campaigns, and the ability to garner financial support is a key characteristic of successful candidates.

Congressional candidates need money and the support of interest groups with money to win, and interest groups need money to influence elections (Herrnson, 2016). Super PACs allow special interest groups new ways to influence elections with only limited financial restrictions. This simultaneously helps candidates by improving their visibility to the public through a super PAC's use of express advocacy.

What is the role of these super PACs in congressional elections? Is their spending behavior different from the traditional political action committees that existed before *Citizens United*? Super PACs cannot donate directly to campaigns or parties, but they can make unlimited independent expenditures and raise unlimited sums of money from individuals, corporations, unions, etc. Traditional PACs can both contribute directly to candidates and make independent expenditures, but there are limits on the amount that they can raise and spend, as well as limits on who they can accept money from (Herrnson, 2016). How have the legal changes to the capabilities of unions and corporations changed the campaign finance landscape? With the intention of achieving the same goal—influencing election outcomes and ultimately public policy—how is the spending behavior of newly formed super PACs different from traditional PACs?

In the next section I review scholarly reactions to *Citizens United*, the institutionalization of super PACs, and the implications for the campaign finance landscape. Then I proceed to propose my hypotheses explaining the distinct role of super PACs in congressional elections and how typical campaign finance trends related to candidate status, political party, race competitiveness, and expenditure tone are involved in the distinction between traditional PACs and super PACs. I compare the spending behavior of traditional PACs and super PACs based on these campaign-related factors using various statistical tests and run multiple regressions for each type of PAC. A comparison of the statistically significant results reveals that the distinct role of super PACs is largely determined by their involvement in competitive races and negatively toned expenditures. I also find that competitiveness is the greatest predictor of super PAC spending in

congressional campaigns. Overall, the results show that the spending behavior of super PACs is different from traditional PACs.

Literature Review:

Legislation related to campaign finance dates back to 1907 with the Tillman Act, which banned corporations from making contributions in connection with a federal election. The Smith-Connally Act followed in 1943 and banned labor union contributions. Then in 1947, the Taft-Hartley Act prohibited both corporations and labor unions from using their general treasuries to finance electioneering communications. More recently, in 1974, amendments were added to the Federal Election Campaign Act, which defined the modern standard political action committee—i.e. a multi-candidate committee (La Raja & Schaffner, 2014). The final major change to the campaign finance landscape in the 20th Century was the 1996 ruling in *Federal Election Commission v. Colorado Republican Federal Committee*. The ruling said that political parties could make unlimited independent expenditures and use soft money on issue advocacy advertisements. The regulation changes that followed in the 21st century are the focus of this study.

To clarify this discussion of campaign finance, several terms must be defined. An *independent expenditure* is an expenditure made by a person or group to support or oppose a candidate without the knowledge or consultation of the candidate. *Soft money* is “unregulated funds that flow outside of the federal campaign finance system...used to finance independent media campaigns and coordinated grassroots campaigns intended to affect federal elections (Herrnson, 2016, p. 17).” *Hard money* is contributions regulated by the Federal Election Commission. *Express advocacy* is advertising that explicitly argues for or against the election of

a candidate. *Outside spending groups* are organizations that make independent expenditures (Herrnson, 2016).

The increasing relevance of these terms is representative of the fact that politics in the United States has shifted away from political parties strictly controlling the outcomes of elections and is increasingly focused on individual candidates (Herrnson, 2016, p. 7). Partisan groups outside of political parties are partially responsible for this, and the increase of partisan polarization in the United States government is creating an incentive structure for such partisan groups. Each side of the political spectrum desperately seeks to control policy decisions. Due to the Federal Election Campaign Act of 1974 (FECA), and subsequent court rulings and legislation, both liberals and conservatives are turning to outside spending sources to gain this control (Skinner, 2007). Since FECA, changes in the campaign finance system “thwarts collective action through formal party organizations” (La Raja, 2013, p. 93). The natural reaction of those who want to influence elections is to find ways around the financially limiting regulations (Franz, 2010). Outside spending groups are incentivized to find avenues to impact elections and since *Citizens United*, super PACs have become an effective way for outside spending groups to do this. Super PACs have developed in some sense, to compensate for the strict regulations on party committees (Franz, 2010; La Raja, 2013).

Since FECA, another important piece of legislation that bolstered the relevance of outside spending groups is the Bipartisan Campaign Reform Act in 2002 (BCRA). By reversing the 1996 decision made in *FEC v. Colorado Republican Federal Committee*, it outlawed the use of party soft money and issue advocacy ads (La Raja & Schaffner, 2014). This hindered the campaign activities of political parties by denying their right to explicitly advocate for or against the election of a particular candidate. These new regulations have incentivized donors to find other

avenues to contribute funds that allow them to utilize their preferred method of express advocacy (Franz, 2010; La Raja, 2013).

Apart from super PACs and traditional PACs, donors can choose to contribute to 527s and 501(c)s. 527s are established primarily for political purposes, issue advocacy, and voter mobilization. They cannot engage in express advocacy, but have no contribution or spending limits. In addition, 527s must disclose their donor lists. 501(c)s are tax exempt, politically active nonprofit organizations. These groups can only spend up to half of their funds on elections but can receive unlimited contributions. They do not have to disclose their donors (OpenSecrets).

Non-party groups are distinct from party organizations because they do not face “restrictions on the source and size of contributions” (La Raja, 2015). The ability to raise money and gather the support of various outside spending groups has become an important factor for a successful campaign. Even prior to the ruling in 2010, PAC money was becoming a major player influencing election outcomes. In fact, a candidate with support of outside spending groups tends to be more attractive to a political party when party leaders are deciding on which candidate to endorse (Koger, Gregory, Masket, & Hans, 2009).

More money generally means a successful run for office (Herrnson, 2016), and this is an increasingly prevalent phenomenon. This means candidates, political parties, and interest groups must adapt to changes in federal regulations by creating new organizations to participate in new activities (H. Alexander, 2003; B. Alexander, 2005; Heberlin, 2012, La Raja & Schaffner 2014). Since *Citizens United* and the application of that ruling in *Speechnow.org v. FEC*, individuals and interest groups have adapted by establishing super PACs. These independent expenditure-only groups are a new way to spend money in elections in a way that avoids both fundraising and spending limits.

Fundamentally, as long as super PACs are making expenditures independently of a candidate, they are unlimited entities. As long as these groups spend their funds without colluding with a candidate or campaign, they are free to raise and spend however they please (Farrar-Myers & Skinner, 2012). Therefore, interest groups have the ability to directly support or oppose a candidate and arguably have a more direct path to influence elections.

It is important to note that *Citizens United* did not result in the formation of a slew of new interest groups. Rather, it led to organizations already associated with traditional PACs, 501(c)s, and/or 527s, establishing super PACs. As a new legal entity, super PACs can perform different activities with their funds—due to their fundraising and spending advantages—than the other outside spending groups. Super PACs engage largely in grassroots organizing and the creation and promotion of advertisements, and organizations establish them to adapt to the changed campaign finance landscape and further their interests. Subsequently, they have become an institutionalized part of the campaign finance system (La Raja, 2015), and it is important to assess their role in congressional campaigns.

Some scholars claim that the money spent by super PACs since 2010 has not been as influential on elections as the initial reaction to the court rulings predicted (Franz, 2010; La Raja & Schaffner, 2014). La Raja and Schaffner (2014) wrote:

It is most often the case that the first dollar spent on an election has much more value than the millionth dollar spent. This fact provides us with a reason to doubt that unlimited spending from corporations and labor unions will have a major effect on election outcomes. (p. 104)

If this is true, is the role of super PACs in congressional elections that much different from the role traditional PACs? Analyzing the spending behavior of each type of PAC shows that super

PACs spend their funds differently than traditional PACs. This indicates that super PACs are making a notable impact because of their distinct role and the sheer volume of money being spent.

Money matters in congressional elections. This is clear based simply on the high rate of reelection for incumbents. Money means the ability to promote a candidate's message and platform to the masses. This increases visibility and improves the likelihood of a successful run for office (Herrnson, 2016). Super PACs are major assets to candidates attempting to broaden their base of support in this regard because they can engage in express advocacy. Advertisements funded by super PACs can effectively spread the message of one candidate while simultaneously attacking that candidate's opponent—something traditional PACs and the candidates themselves are not able to finance. Therefore the financial support of a super PAC can provide an advantage to a candidate during their campaign. So now that this new source of money in congressional campaigns has been institutionalized, what is their role and are they more impactful in different areas of campaigns than the traditional PAC?

Research Design and Methodology:

To examine the role that super PACs play in congressional elections, this study analyzes the spending data from the 2014 general election for the House of Representatives for both super PACs and traditional PACs. I compare these data because both traditional PACs and super PACs have similar goals for their involvement in congressional elections but are legally obligated to achieve those goals in different ways.

To limit the data in this study, the focus is on general election, major party-contested races for the House only. I chose these classifications because there are more House races, Senate races tend to be more idiosyncratic and involve significantly more money, there are often

many irrelevant candidates involved in the primaries (so groups will spend more in general elections), and because major party candidates—Republicans and Democrats—are typically the most relevant candidates and therefore attract more funds from outside spending groups (Herrnson, 2016). With over 68,000 independent expenditures made in the 2014 congressional election cycle, limiting the data creates a more accessible approach to studying the differences in PAC behavior. The unit of analysis is classified by the expenditures made by each type of PAC for each individual, general election candidate.

To compare the spending behavior of each type of PAC, I measured spending across four campaign-related factors: political party (Republican or Democrat), candidate status (incumbent, challenger, or open-seat), tone of spending (positive/support or negative/against), and race competitiveness (competitive/non-competitive)¹. These independent variables were tested against the spending behavior of super PACs and the spending behavior of traditional PACs.

These factors were selected in order to test typical trends in campaign finance. Generally, incumbents are more successful in gaining financial support because they have established track records and existing connections to outside spending groups. Republican supporters are generally wealthier and therefore have more money to raise and spend (Carroll, 2014; Herrnson, 2016, p. 135). Negative advertisements typically have a greater impact because it is much easier to undermine a candidate than it is to gather support for a candidate (Herrnson, 2016). Also, competitive races attract more outside spending because interest groups want to help ensure the success of those candidates who will further their interests.

¹ A competitive race is one that is decided by a margin of less than twenty points (Herrnson, 2016, p. 25)

To address the role of super PACs in regard to these campaign-related factors, I propose the following hypotheses based on the pretense that, because of varying legal capabilities, the spending behavior of traditional PACs is different than the spending behavior of super PACs.

Competition Hypothesis: Super PACs are more focused on competitive races than traditional PACs and therefore spend more in competitive races because they want to ensure the winner supports their interests.

Party Hypothesis: More money is spent to help Republican candidates than Democratic candidates, i.e. $R > D$, because their supporters are wealthier and more conservative super PACs were involved.

Candidate Status Hypothesis: More money is spent to help incumbents, than open-seats candidates, than challengers, i.e. $I > O > C$, because incumbents already have a solid base of support. In addition, open-seat races are more important to super PACs because support for their interests is not guaranteed.

Tone Hypothesis: Super PACs are more likely than traditional PACs to spend more money against candidates than to support candidates, i.e. more money is spent with a negative tone, because negative advertising is more effective and super PACs are legally able to engage in express advocacy.

The independent expenditure data comes from the Federal Election Commission, the Center for Responsive Politics, and various polls. The data set used for analysis includes: candidate name, state, district, political party, candidate status, if the race was considered competitive, the money spent to support the candidate by traditional PACs, the money spent against the candidate by traditional PACs, the money spent to support the candidate by super

PACs, and the money spent against the candidate by super PACs.² The candidate's political party variable is coded as 1= Republican, 0=Democrat. Candidate status is coded using two dummy variables: as 1=incumbent, 1=challenger, and open-seat is the comparison group (coded 0). Competitiveness is coded as 1=competitive, 0=non-competitive. The tone of each expenditure is determined from the database, as outside spending groups self-report whether each individual expenditure was made in support of or against a candidate. These variables allow for an empirical analysis across candidate party, status, tone, competitiveness, and traditional and super PAC expenditures simultaneously. Any statistically significant difference in results between traditional PACs and super PACs supports the claim that super PACs do have a role in congressional elections distinct in some way from the role of traditional PACs.

An overview of the data is provided with bar graphs to give a visual representation of the cumulative independent expenditures made by super PACs and traditional PACs. The graphs show a dramatic difference in spending behavior between the two types of PACs, and for this reason, they should only be relied upon as an aid to visualizing the statistical results.

Independent sample t-tests are used to test the significance of the political party and competitiveness variables because they are designed to compare the mean score on some continuous variable³ when there are two groups. Specifically, they are for when the independent variable involves two different groups, i.e. Republicans and Democrats and competitive and non-competitive races (Pallant, 2013, p.109).

² These totals were found by classifying each active outside spending groups in the general election, then by aggregating all expenditures made by traditional PACs to support a candidate, all expenditures made by tradition PACs against a candidate, all expenditures made by a super PAC to support a candidate, and all expenditures made by a super PAC against a candidate.

³ A continuous variable is one that can take on any value between any two numbers.

A one-way ANOVA test was used to test the significance of the candidate status variable because the variable has more than two levels. Candidate status involves three groups; incumbent, challenger, and open-seat candidates. The ANOVA compares the variance between the different candidate statuses with the variability within each candidate status (Pallant, 2013, p.258-260).

This study relies upon multiple regression analysis to show how a culmination of various campaign-related factors impact the spending behavior of super and traditional PACs. (Pallant, 2013, p.154). This study will use four standard multiple regressions: one for traditional PAC money spent to support candidates, one for traditional PAC money spent against candidates, one for super PAC money spent to support candidates, and one for super PAC money spent against candidates. Multiple regression analysis is useful because this study sought to find the difference in spending behavior of traditional PACs and super PACs, which is determined by the specific campaign-related factors⁴. The results of the regressions show which factors are the best predictors of PAC spending behavior. This will help predict the spending behavior of independent expenditure groups in future congressional elections.

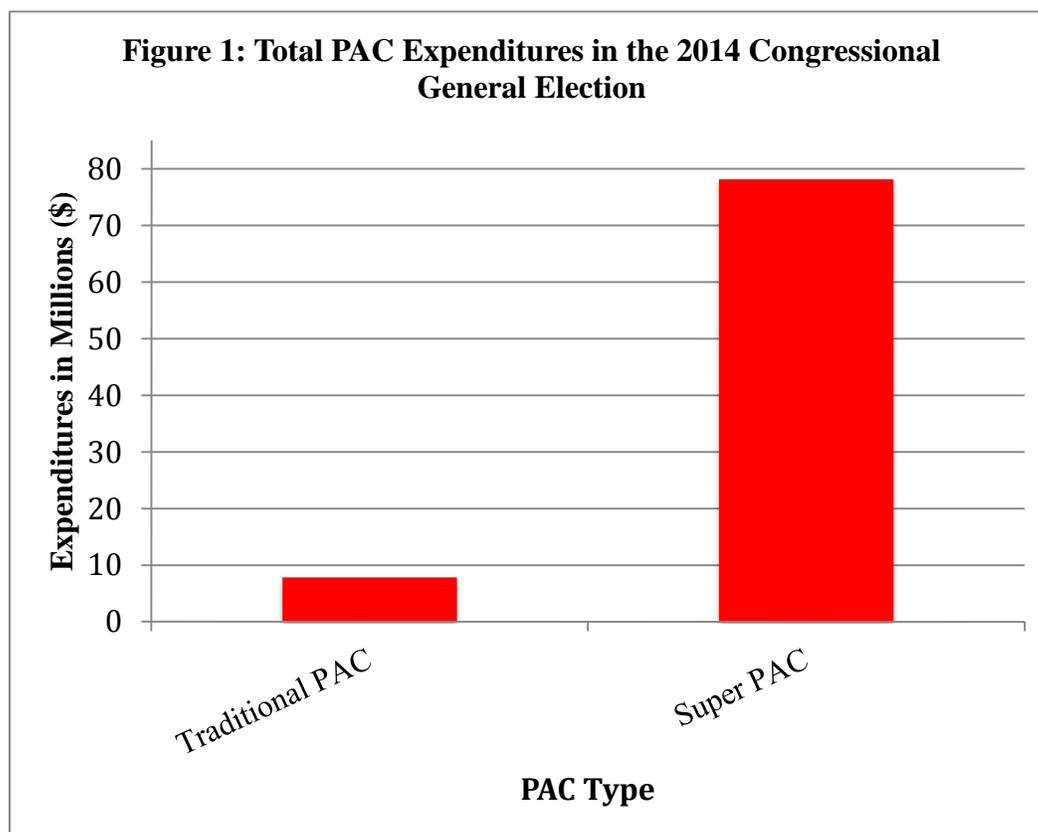
Findings:

Overview:

The data reveals that in the 2014 General Elections for the House, super PACs made significantly more independent expenditures than traditional PACs. Traditional PACs spent \$7,841,909.61 and super PACs spent \$78,159,659.22 to expressly advocate against or in support of candidates. There were 714 total candidates; 357 Republicans, 357 Democrats, 315 incumbents, 315 challengers, 84 open-seat candidates, 486 in uncompetitive races, and 228 in

⁴ The independent variables: political party, campaign status, competitiveness, tone.

competitive races. Traditional PACs made thirty-eight expenditures⁵ against candidates and 330 expenditures to support candidates. Super PACs made 119 expenditures against candidates and 170 expenditures in support of candidates. Figure 1 shows the total expenditures of each type of PAC.



Source: Federal Election Commission

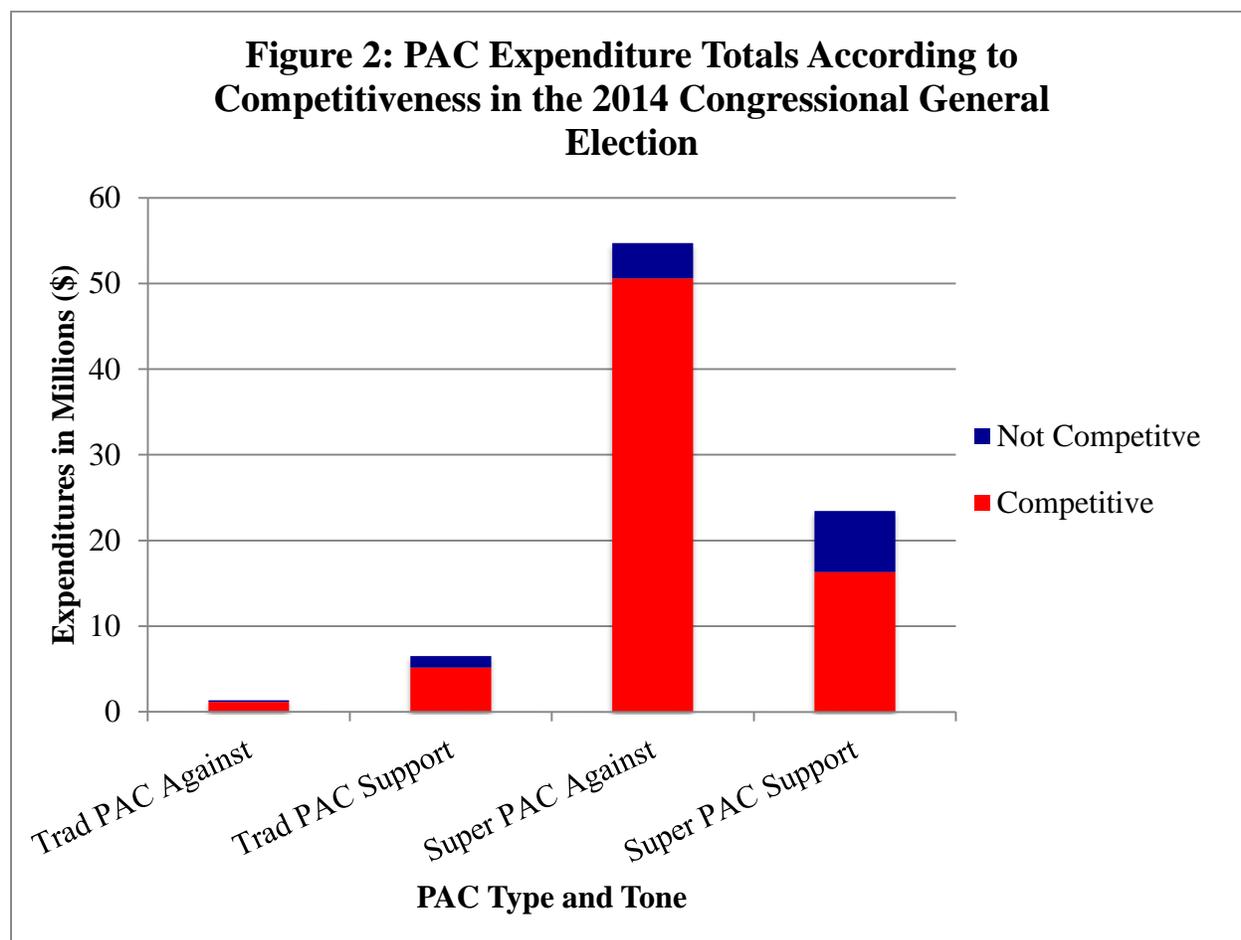
Super PACs spent nearly ten times traditional PACs. This supports the general claim that the PAC types do have varying spending behaviors because spending such a large sum of money is a difference in and of itself.

Hypothesis Testing:

Figure 2 address the competitiveness hypothesis and is a visual representation of the expenditures made by each PAC type based on competitiveness. Most notable about these

⁵ Traditional PACs did not spend money against the other 676 candidates (\$0.00).

aggregations is that traditional PACs spent \$1,166,483.13 against candidates in competitive races and super PACs spent \$50,591,383.32 against candidates in competitive races—nearly fifty times traditional PACs.



Source: Federal Election Commission

An independent samples t-test was conducted to compare the spending behavior of traditional and super PACs based on competition. There was a significant difference between money spent by each type of PAC in competitive races. The difference was more significant in the spending behavior of super PACs. Table 1 shows the results of the t-test.

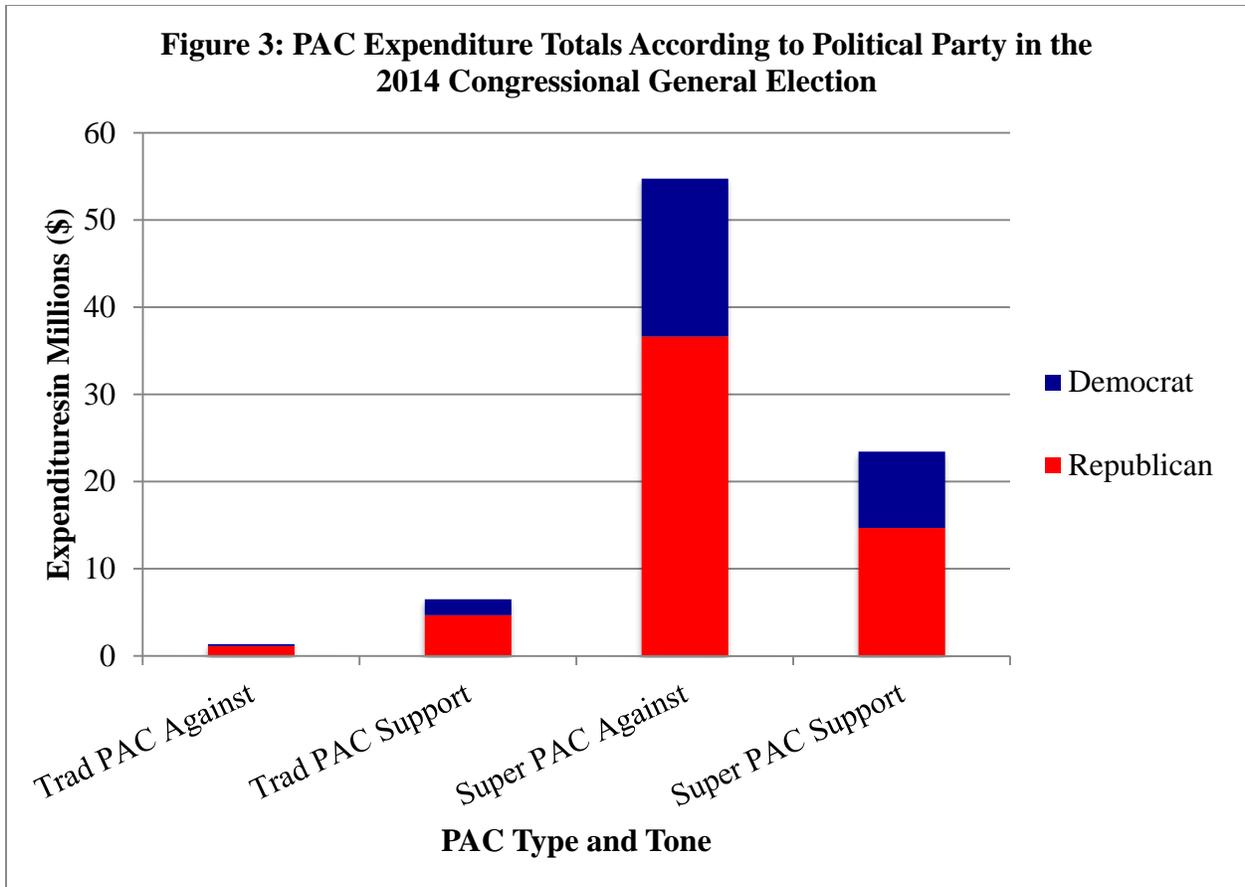
Table 1: Independent Samples T-test of Competitiveness

<u>Dependent Variables</u>	<u>t-value</u>	<u>df</u>	<u>Significance (1-tailed)</u>
TRAD_IE_AGAINST ⁶	-2.252	230.543	.0125
TRAD_IE_SUPPORT	-4.110	261.432	.000
SUPER_IE_AGAINST	-6.266	229.913	.000
SUPER_IE_SUPPORT	-3.581	257.902	.000

Each dependent variable produces a significant result with a p-value of less than 0.05. The negative t-values are only a result of the coding of the competitiveness variable. These results show that both PAC types are more active in competitive races, but that super PACs are more active, specifically in expenditures made against candidates. The results reported in Figure 1 and Table 1 support the competitiveness hypothesis.

Figure 3 is a graphical representation of the expenditures made by each PAC type based on political party. Super PACs spent \$36,637,101.87 against Republican candidates and approximately half of that against Democrats. Traditional PACs spent only \$1,126,721.72 against Republican candidates and made more expenditures in general to support candidates based on their political party. This figure reiterates how much more active super PACs are in negative spending.

⁶ TRAD_IE_AGAINST= Traditional PAC expenditures made against candidates
 TRAD_IE_SUPPORT= Traditional PAC expenditures to support candidates
 SUPER_IE_AGAINST= Super PAC expenditures made against candidates
 SUPER_IE_SUPPORT= Super PAC expenditures to support candidates



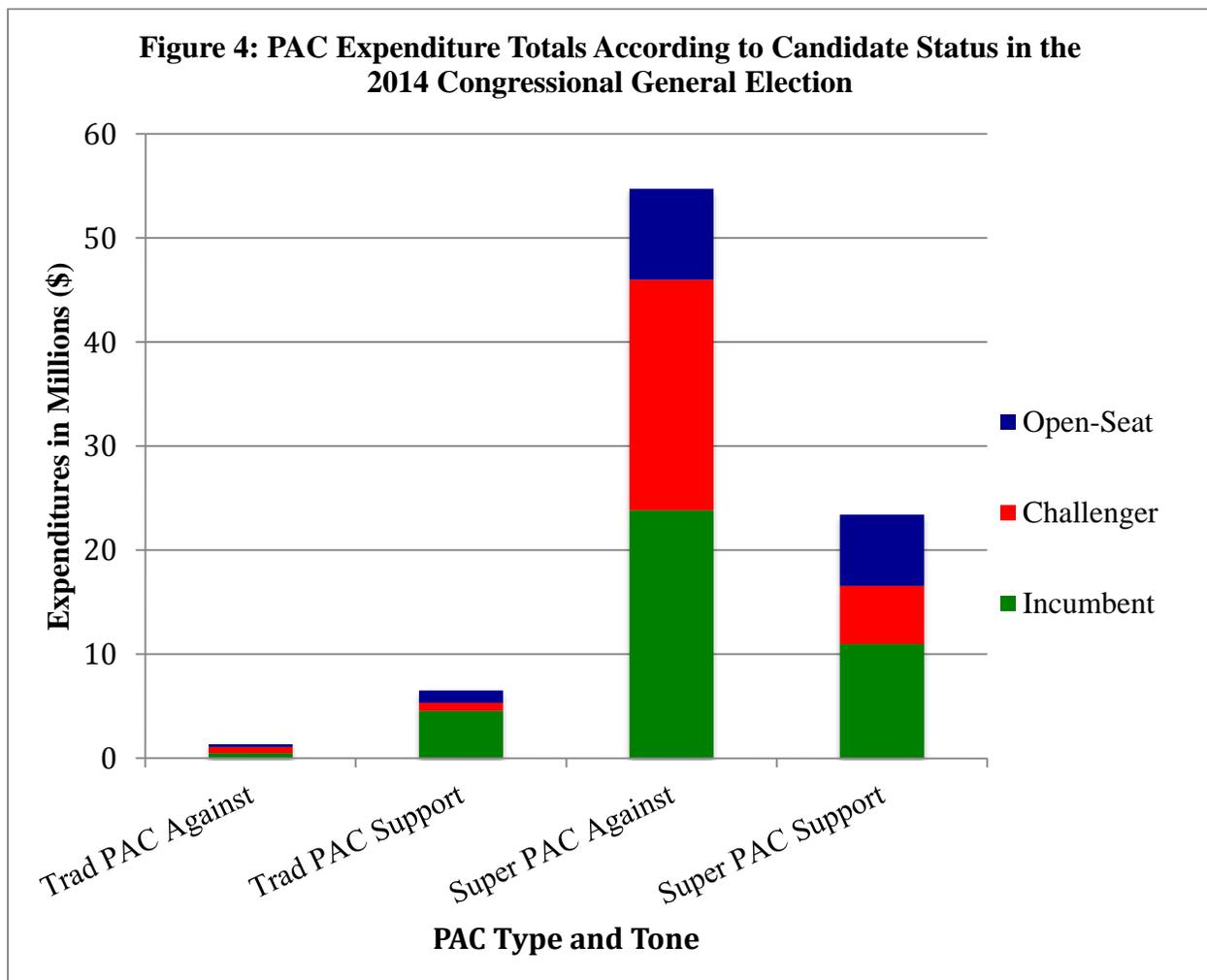
Source: Federal Election Commission

Another independent samples t-test was conducted to compare the spending behavior of each type of PAC based on political party. At a p-value less than 0.05, all results except for those expenditures made by super PACs to support candidates were significant. It is important to note that with more candidates, it is likely that all the results would be significant. Table 2 shows the results of the t-test. The most significant results were from expenditures based on party made by super PACs against candidates and by traditional PACs in support of candidates, which follows the trends found in the analysis of the party hypothesis.

Table 2: Independent Samples T-Test of Political Party

<u>Dependent Variables</u>	<u>t-value</u>	<u>df</u>	<u>Significance (1-tailed)</u>
TRAD_IE_AGAINST	-1.853	393.100	.0325
TRAD_IE_SUPPORT	-2.287	624.472	.0225
SUPER_IE_AGAINST	-2.246	615.837	.0125
SUPER_IE_SUPPORT	-1.459	602.007	.0725

Figure 4 addresses the candidate status hypothesis and shows the breakdown of expenditures made by each PAC based on candidate status.

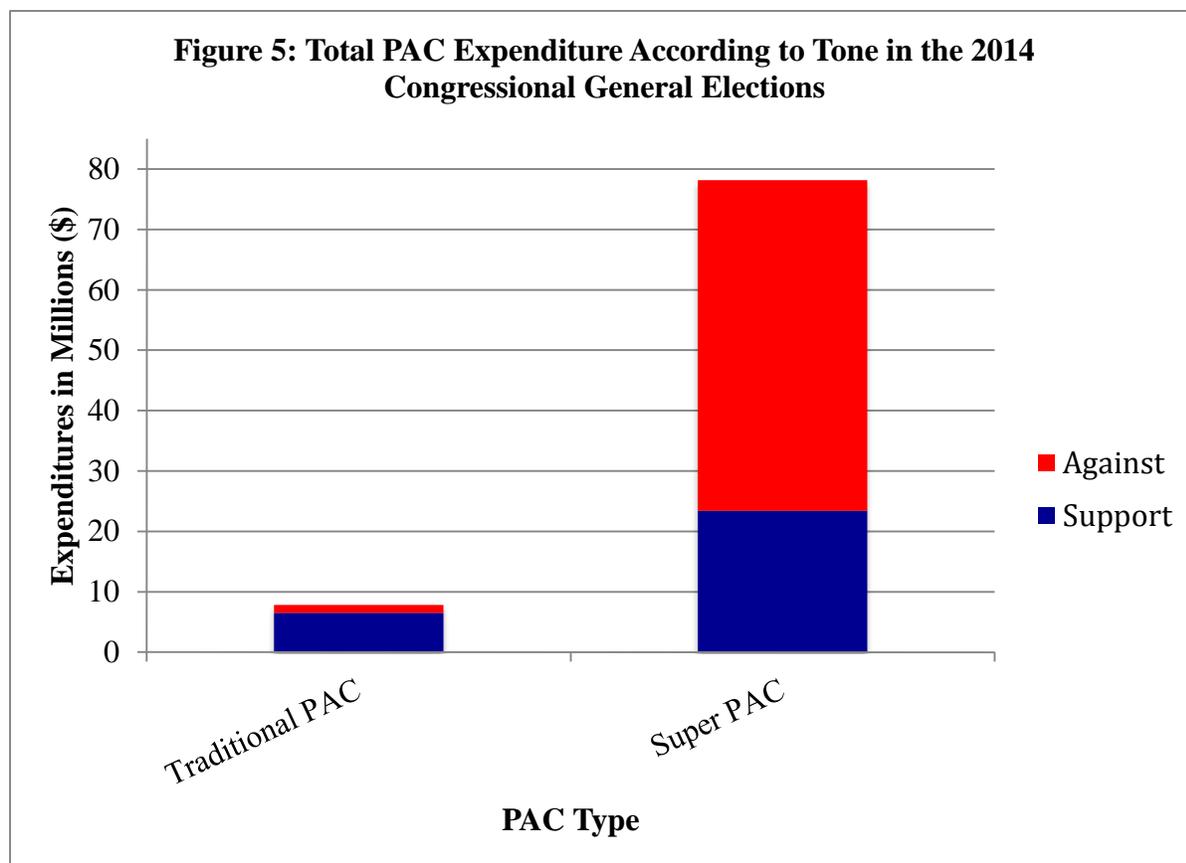


Source: Federal Election Commission

The bar graph indicates that super PACs are more active based on status. Whether a candidate is an incumbent or a challenger does not seem to be entirely relevant to super PACs as they spend against candidates. Super PACs spent \$23,835,342.79 against incumbents and \$22,161,671.80 against challengers. Incumbency does visually appear to matter slightly more when super PACs spend to support candidates as they spent \$10,967,056.70 to support incumbents and only \$5,584,966.05 to support challengers. These observations were supported by the empirical analysis.

A one-way ANOVA tested the significance of the effect of candidate status on PAC expenditures. The results of the ANOVA show a significant difference ($p < 0.05$) somewhere among the different statuses for money spent by traditional PACs to support candidates as well as money spent by super PACs to support candidates. A multiple comparisons test shows a significant difference between incumbents and challengers for expenditures made by traditional PACs to support candidates, and a significant difference between expenditures made by super PACs to support incumbents versus open-seat candidates, and challengers versus open-seat candidates. For traditional PACs, $p = .003$, and for super PACs the p -values are .031 for incumbents/open-seat candidates and .002 for challengers/open-seats.

The results of the t -tests and ANOVA collectively provide support for the tone hypothesis. Figures 2, 3, and 4, and the results of the significance tests show that super PACs spend significantly more money against candidates (with a negative tone) than to support candidates (with a positive tone). This was not true for traditional PACs. Figure 5 shows the total expenditures based on tone, i.e. expenditures made to support candidates or expenditures made against candidates.



Source: Federal Election Commission

Regressions:

Four multiple regressions were run to test the predictive ability of each independent variable on the dependent variables: traditional PAC spending against candidates, traditional PAC spending to support candidates, super PAC spending against candidates, and super PAC spending to support candidates. In the regressions, the independent variables are political party, candidate status⁷, and competitiveness.

The results of the regressions for expenditures made in opposition of candidates are reflected in Table 3.

⁷ Candidate status is divided into two variables: Incumbent (coded 1=incumbent, 0=else) and Challenger (coded 1=challenger, 0=else).

Table 3: The Impact of Political Party, Candidate Status, and Competitiveness on Super PAC and Traditional PAC Expenditures in Opposition of House Candidates

	Traditional PAC	Super PAC
Political Party (Democrat or Republican)	2587.105 (SE=1366.934) p=0.059	51889.273 (SE=22008.116) p=0.019
Incumbent	-540.150 (SE=2267.873) p=0.812	25269.223 (SE=36513.569) p=0.489
Challenger	78.092 (SE=2267.873) p=0.973	24733.089 (SE=36513.569) p=0.489
Competitiveness (Competitive or Uncompetitive)	4714.576 (SE=1484.416) p=0.002	216457.018 (SE=23099.625) p=0.000
Constant	-707.557 (SE=2251.401) p=0.753	-40466.686 (SE=36513.569) p=0.265
N	714	714
Adjusted R-squared	0.014	0.106

The regression for traditional PAC expenditures against candidates produced an adjusted r-squared value of 0.014 compared to an adjusted r-squared value of 0.106 for the super PAC regression. Therefore, the first model explains 1.4% of the variance in expenditures against candidates by traditional PACs and the second explains 10.6% of variance for super PACs. The independent variable with the largest unstandardized coefficient is the one with the most predictive power over the dependent variable. For both PAC types the largest coefficient is produced by the competitiveness variable so competition makes the strongest unique contribution to explain the money spent against candidates by both traditional PACs and super PACs when the variance explained by the other variables is controlled for. In the traditional PAC regression, competition produces the only significant coefficient, if there were more candidates, political party would most likely be significant. In the super PAC regression, both the competition and political party variables produced significant results. These results demonstrate

that a competitive race is more likely to lead to negatively toned independent expenditures than candidate status and party affiliation. This effect is more significant for super PACs.

The unstandardized coefficients allow for a dollar for dollar comparison. In competitive races, super PACs spend \$211,742.44 more against a candidate than traditional PACs. Super PACs also spent \$24,654.99 more against a challenger than traditional PACs do. The coefficient for the incumbent variable indicates that if a candidate is an incumbent, traditional PACs will spend less money against them, but this is not significant.

The results of the regressions for expenditures made in support of candidates are reflected in Table 4.

Table 4: The Impact of Political Party, Candidate Status, and Competitiveness on Super PAC and Traditional PAC Expenditures in Support of House Candidates

	Traditional PAC	Super PAC
Political Party (Democrat or Republican)	7058.263 (SE=3418.363) p=0.039	15343.784 (SE=11221.502) p=0.172
Incumbent	5165.813 (SE=5671.366) p=0.363	-34318.854 (SE=18617.545) p=0.006
Challenger	-6214.935 (SE=5671.366) p=0.274	-49992.254 (SE=18617.545) p=0.007
Competitiveness (Competitive or Uncompetitive)	19749.112 (SE=3712.141) p=0.000	51784.430 (SE=12185.944) p=0.000
Constant	-277.297 (SE=5630.173) p=0.961	45796.767 (SE=18482.321) p=0.013
N	714	714
Adjusted R-squared	0.054	0.038

The adjusted r-squared values reflect that the respective models explain 5.4% of the variance in expenditures to support candidates by traditional PACs and 3.8% of the variance for positively toned independent expenditures made by super PACs. The most predictive variable is

competitiveness for both traditional and super PACs. The regression for super PACs indicates that candidate status is also a significant variable in determining positively toned spending behavior. The only significant variables for traditional PACs are competitiveness and political party, as opposed to all variables for super PACs. These results indicate that competitiveness has the most predictive power, but that candidate status matters more for super PACs when independent expenditures are made in support of House candidates.

The coefficients indicate super PACs are noticeably more active in negatively toned campaigning. Despite this, super PACs are still more active than traditional PACs in competitive races, spending \$32,035.32 more to help a candidate than traditional PACs. The negative coefficient for the incumbent variable indicates that being an incumbent decreases the chance that a super PAC spends to support that candidate.

Discussion and Conclusions:

My findings support the general claim that the spending behavior of the newly formed outside spending groups—super PACs—is different than traditional PACs. Further, the unique role of super PACs is most visible in competitive races specifically involving negatively toned expenditures. The regressions indicated that the competitiveness of a race has the most predictive power when determining where PACs spend their money. Competitiveness is more significant for super PACs, so this factor is a notable difference in spending behavior based on PAC type. Super PACs also spend significantly more against candidates than do traditional PACs. These two findings were expected based on the legal advantages of super PACs over traditional PACs and on observations of general trends in campaign finance. If a race is competitive, there is likely to be more outside spending involved, and therefore the impact of those funds will be most noticeable. So, since super PACs can make unlimited independent expenditures, it should be

expected that they play a more active role when a congressional race is competitive. Super PACS also engage more in negatively toned expenditures than traditional PACs. This is a logical financial decision because they can employ express advocacy and because an attack advertisement will most likely be more effective than a positively toned advertisement. It is easier to undermine a candidate than garner support for one, so this legal advantage creates a different role for super PACs.

The candidate status variable had a larger effect on positive expenditures made by both types of PACs, but more so with super PACs. This was expected because status matters for a candidate when they fundraise and seek the support of outside spending groups. Incumbents have a naturally higher level of visibility than challengers or open-seat candidates, so incumbency should have a significant effect on the amount of money outside spending groups use to support a candidate.

The results from the effect of political party on expenditures were also expected, in terms of supporting expenditures. Republican supporters are generally wealthier and able to raise more money, which gives a conservatively aligned super PAC increased access to donors. Though a significant campaign-related factor, spending by party should not be considered to be a part of the distinguishable role of super PACs in congressional elections. This was not a surprising result because regardless of smaller general wealth trends among party supporters, the reality is that there are an equal number of wealthy liberal and wealthy conservative donors.

These results give reasons to doubt the claim made by Franz (2010) and La Raja and Schaffner (2014) that super PACs are not significantly impactful on congressional elections. Based on their involvement in competitive races and the significance of their independent expenditures made against congressional candidates, super PACs play a role in congressional

elections that is distinct from traditional PACs. Competitive races are the most important during election season, and negative advertisements are more successful in swaying voters, so substantial spending in these areas plays a significant role.

This study has taken the first steps towards understanding the role of super PACs in congressional elections, but there is a very important next step in future research: analyzing the impact of money on the outcomes of individual races. This should involve data collection based both on specific polling results and independent expenditures organized along a timeline to track when money came into a race, how it affected polls, and how the race ultimately ended. This analysis will hopefully allow for a more thorough interpretation of the tangible effects of super PAC spending throughout an election. Future researchers could use this to illuminate the effects of timing and emphasize the findings of this study as far as the role of super PACs based on candidate status, tone of expenditure, and in competitive races in general. This research will help to fully address La Raja and Schaffner's (2014) claim that unlimited spending will not have a major impact on election outcomes.

The effect of the unique spending behavior of super PACs on congressional campaigns and elections cannot be ignored. The amount of money that super PACs are pouring into competitive races can create an election scenario that ignores public opinion and allows large organizations to alter the landscape in favor of their 'chosen' candidate. Super PACs can create frontrunners out of House candidates that do not have the funds or the experience to put themselves in that position on their own. The ability of super PACs to make unlimited independent expenditures is now a reality of our political system and it is affecting the role of traditional democracy in elections.

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