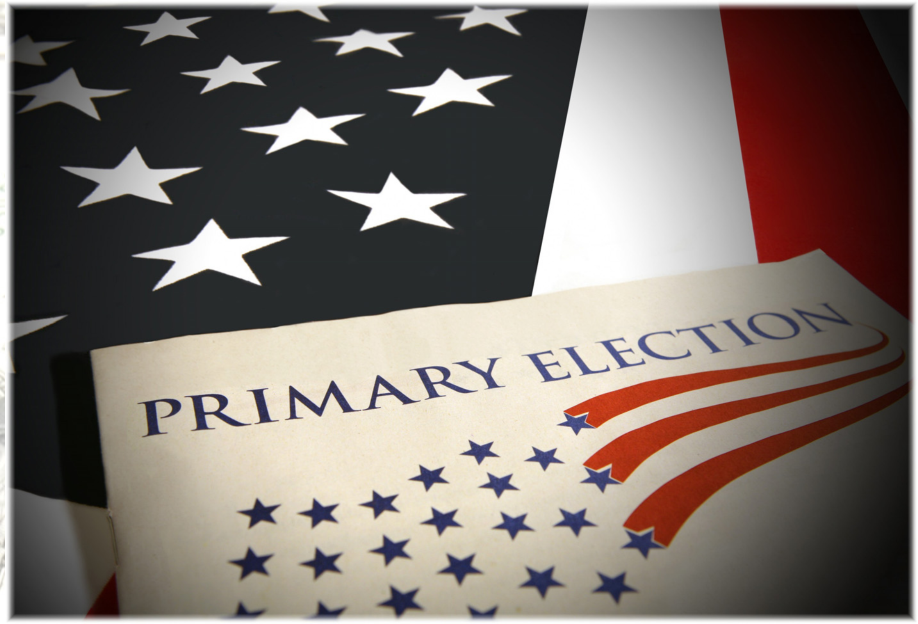

The Wealth Primary

The Role of Big Money in the 2006 Congressional Primaries

U.S. PIRG Education Fund • November 2006

THE WEALTH PRIMARY:

THE ROLE OF BIG MONEY IN THE 2006 CONGRESSIONAL PRIMARIES

U.S. PIRG
Education Fund

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Acknowledgements

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Table of Contents

Executive Summary

Despite the recent corruption scandals in Washington DC, the most significant problem with money in politics is that large contributions, which only a fraction of the American public can afford to make, unduly influence who runs for office and who wins elections in the United States. Money is a critical — and perhaps decisive — factor in determining election outcomes. Candidates who wish to present their views to the voters must first compete in the "wealth primary." Without personal wealth or the ability to raise large sums of money from well-heeled contributors, many aspiring officeholders are locked out of the process before the first vote is cast. Those voters who wish to express views that are not supported by wealthy donors are left without an outlet.

Our focus on primaries is particularly instructive. Partisan redistricting has ensured that fewer general elections for the U.S. House of Representatives are meaningfully competitive. This means that the primary election of the dominant party is often the most important race in many districts and makes primaries the best forum in which to examine the influence of money on winning and losing—free from the confounding factor of district makeup.

Our analysis of Federal Election Commission (FEC) campaign finance data for the 2006 primary elections shows that money played a key role in determining election outcomes and that most campaign contributions came from a small number of large donors.

- **Money was a key factor in determining primary election outcomes.** According to FEC data, major party congressional candidates who raised the most money won 92% of their primary races in 2006. Candidates who spent the most won 91% of the time. Winning candidates out-raised their opponents by a margin of 3.5-to-1, with the winners raising an average of $1.06 million and losers raising $304,000. This pattern held true for open seat races as well. The biggest fundraiser won 82% of the contests without an incumbent running for re-election in the district.

- **The vast majority of campaign contributions came from a small number of large donors.** FEC data indicate that while only 0.27% of voting age Americans made a contribution to a candidate of $200 or more, these large donations accounted for 82% of individual contributions received by primary candidates. More than a quarter (29%) of the contributions came at or above the $2,000 level, while only 0.03% of voting age Americans made a $2,000 contribution.

- **Large war chests hindered electoral competition.** Fully three quarters (76%) of 2006 congressional primary races featured only one candidate seeking his or her party's nomination, providing voters with no real choice on primary election day. One reason for this is that large financial advantages of either incumbents or "first-movers" (often party favorites) discourage meaningful competition. Incumbent candidates began the 2006 election cycle with about $188 million in cash on hand, for an average of more than $432,000 per incumbent. The average incumbent Senator started his or her reelection campaign with $1.43 million already on hand.

In order to strengthen the voices of ordinary non-wealthy Americans in the political process and break the stranglehold of a small minority of well-heeled donors over who runs for office and who wins elections, we recommend the following policy proposals:

- **Offer candidates who demonstrate sufficient community support a full public funding option in exchange for accepting a voluntary spending limit and forgoing private funds;**

- **Provide free media for qualified candidates;**

- **Provide incentives for small political contributions such as tax credits, refunds, and vouchers;**

- **Lower campaign contribution limits to a level that average Americans can afford to give; and**

- **Limit campaign spending to make elections contests of ideas, not battles for dollars.**

Introduction

The current year has been particularly significant for those concerned with the role of money in American politics. On June 26, 2006, the United States Supreme Court struck down key provisions of Vermont's campaign finance law—mandatory campaign spending limits and contribution limits set at levels that average Americans can afford to give.[1]

At the same time, corruption in Washington, DC was becoming a bigger story than at any time in recent memory. The various scandals involved favors for campaign contributions and even direct bribes. Lobbyists and other interests were using large sums of money to buy access, influence, and even official action from federal officeholders, and it was all detailed on the front pages for the public to see.

There is a danger, however, in focusing too narrowly on scandal and *quid quo pro* corruption; we may miss the forest for the trees. After all, the vast majority of members of Congress are not on the take. Looking only at influence-peddling masks a far deeper and more profound impact of money on our political system. What the Supreme Court has failed to see is that the most pernicious role of large contributions in American democracy is the pervasive political inequality that results from a narrow minority of wealthy individuals exerting disproportionate influence over who is placed in positions of power and authority. This report examines the influence of money on *elections*, rather than on *politicians*. It examines the role of money in determining who is able to mount viable campaigns for federal office and who wins election contests.

[1] *Randall v. Sorrell*, 126 S.Ct. 2479 (2006).

Our Focus on Primary Elections

Our focus on primary elections is particularly instructive for several reasons. First, primaries play a critical role in our two-party system. Due to our winner-take-all voting system, parties must aim to capture a broad sector of the electorate rather then a specialized niche. This means that many critical policy compromises must be negotiated *within* parties rather than *between* them—and that policy outcomes depend not just upon whether Democrats or Republicans are elected, but upon what *type* of Democrats or what *type* of Republicans hold office.

Next, partisan districting bolstered by sophisticated technology has ensured that fewer and fewer general elections for the U.S. House of Representatives are meaningfully competitive. This means that in many districts the primary of the dominant party is the most important race. It also means that primaries are the best forum in which to examine the role of money. Although the biggest fundraisers almost always win general elections as well, it is difficult to determine the relative significance of financial advantages and district makeup. In many extreme cases, it is fair to say that virtually no amount of money behind the minority party's nominee could lead to his or her election in a district where the vast majority of voters are registered with the opposing party. Party primaries allow us to examine the role of money without the distorting effect of district makeup.

Money can play both a more important and a more subtle role in primaries than in general elections. Without the benefit of party labels, name recognition is likely more critical in primaries than in general elections. This is the type of pure exposure that can be bought with large sums of campaign cash.

In addition, the early stages of primary elections, which take place well before most citizens are paying attention to electoral politics, tend to be dominated by an influential few seeking to set the agenda for later consideration by the broader public. One of the most effective ways that they accomplish this is by giving large contributions to primary candidates at the time when aspiring officeholders are deciding whether it makes sense to mount a campaign.

This highlights the least visible but perhaps most profound role of money in the political process. By providing a critical financial boost to favored candidates, wealthy donors can help filter the candidate pool and shape future contests.

This filtering is often extreme. Nearly all general elections are at least formally contested—giving voters some semblance of choice on Election Day. As this report demonstrates, however, a significant percentage of primary candidates run unopposed. The aggressive fundraising of incumbents, party favorites, or simply early movers may discourage other candidates from entering the fray. The high cost of winning a primary election becomes an effective barrier to entry for many non-wealthy potential candidates.

The Role of Incumbency

Incumbency, of course, is another significant factor in determining election outcomes. In spite of the current low public opinion of Congress, few incumbents lost their primaries, and polling suggests that few will be turned out of office in November. High incumbency rates in general elections are often related to district makeup, while in primaries other incumbency advantages come to the fore.

Some analysts present fundraising and incumbency as two independent variables and even suggest that the former is the best way to counteract the influence of the latter. This is misleading. In fact, fundraising is probably the single greatest advantage of incumbency. Sitting officeholders have greater access to contributions by those seeking to influence legislative outcomes such as political action committees (PACs); effective advocates always want to "bet on a winner." Elected officials can use their name recognition and ability to perform constituent services to their advantage. And, as this report shows, incumbents often have large sums of available cash left over from previous campaigns. For these reasons, recent academic research has shown that measures such as contribution limits that democratize the influence of money on the political process tend to help challengers become more competitive.[2]

The Wealth Primary

As with past editions of this report, our analysis of Federal Election Commission (FEC) data for the 2006 congressional primaries shows that the vast majority of candidates who raised the most money won their elections and that a significant percentage of primaries were uncontested.

The dominance of the largest fundraisers might not be a problem if candidates were raising their campaign money in small increments from average citizens. In this scenario, the amount of money someone is able to raise would be an approximate proxy for his or her level of support in the community. It would therefore follow that those with more grassroots support would both raise more money and win most elections.

[2] *See e.g.* Thomas Stratmann and Francisco J. Aparicio-Castillo, *Competition Policy for Elections: Do Campaign Contribution Limits Matter?*, 127 PUBLIC CHOICE 177 (2006).

As our analysis demonstrates, however, this is far from the case. In fact, congressional candidates are raising a large portion of their funds from a small percentage of the population who are giving at levels that most citizens cannot afford.

This forces candidates into a "wealth primary." Before they earn the chance to present their ideas to the voters, aspiring officeholders must, with rare exceptions, either be personally wealthy or appeal to a narrow segment of Americans who can afford to write checks in the $1,000-$4,000 range. Because it is this donor class—and not the general public—that candidates need to please in the early stages of their campaigns, the interests and concerns of this distinct segment of Americans often drown out those of average, non-wealthy citizens.

In fact, a study of the 1996 election cycle by four well-known political scientists showed that the group of people who make large political contributions is not representative of the U.S. population at large.[3] Large political donors are more likely to be white, male and wealthy. Their interests—while not necessarily less valid—are likely to be different from their fellow citizens. This helps explain why many observers perceive public policy outcomes on issues ranging from environmental preservation to consumer protections to be out-of-step with public opinion.

In the end, those who perform well in the "wealth primary" earn the right to compete for citizens' votes in primary and general elections. Those who are not wealthy and fail to attract support from wealthy donors almost always lose their races; pack up and go home before the first vote is cast; or simply never run in the first place. This financial filtering process may limit the pool of people who are willing and able to enter public service by running for office and may leave many voters without candidates who represent their views.

[3] John Green, Paul Herrnson, Lynda Powell, and Clyde Wilcox, *Individual Congressional Campaign Contributors: Wealthy, Conservative and Reform-Minded*, 1998.

Findings:
Winning the Wealth Primary

Money Influences Primary Election Outcomes

The 2006 congressional primaries confirm a strong trend in modern politics. Money is a key factor in determining who wins elections. Our analysis of FEC data shows that 92% of major party primary candidates who raised the most money won their races; 92% of House candidates and 89% of Senate candidates who raised the most money earned their parties' nominations.

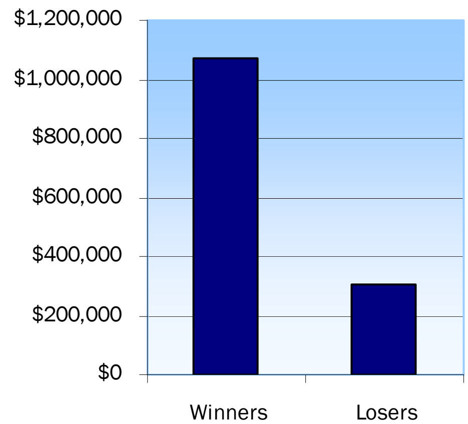
This is consistent with our findings in the previous two election cycles. In 2002, 90% of the biggest fundraisers won their primary elections. In 2004, 91% garnered their parties' nominations.[4]

Not surprisingly, fundraising and spending are closely related. For the 2006 primaries, 91% of the candidates who spent the most money won their elections.

Further, winning candidates out-raised losing candidates significantly. Over all major party primaries, winning candidates averaged $1.06 million in total receipts while losing candidates averaged $304,000 (see Figure 1). Thus, winners out-raised losers by a 3.5-to-1 margin. The discrepancy was most dramatic in Senate races, in which winners out-raised losers 8.5-to-1.

[4] U.S. PIRG Education Fund, *The Wealth Primary: The Role of Big Money in the 2002 Congressional Primaries*, October 2002; U.S. PIRG Education Fund, *The Wealth Primary: The Role of Big Money in the 2004 Congressional Primaries*, October 2004.

Figure 1. Average Receipts: 2006 Primary Winners vs. Losers



Even if we eliminate the effect of many lopsided races by removing the advantage of incumbency, winners' fundraising advantage remains significant. In open seat races,[5] the biggest fundraisers won 82% of the time, and winners out-raised losers by an average of $1.56 million to $424,000, or a 3.7-to-1 ratio.

Large War Chests Hinder Competition: Incumbents Perform Well in the "Wealth Primary" System

Political theorists differ on the relative importance of electoral competition to a robust democracy, but most would agree that at least nominal competition is necessary to provide voters with choice and a mechanism for holding

[5] Open seat races are defined as those for which there is no incumbent running in the district (not just the particular primary).

elected officials accountable. This competition is sorely lacking in races for the U.S. Congress. Three-fourths (76%) of 2006 major party congressional primary races were uncontested—meaning that only one person sought his or her party's nomination in a given district.

There are three plausible explanations for uncontested races. First, the district could be heavily tilted towards one party, making the opposing party's nomination worth very little. Second, the power of incumbency could be so complete that newcomers find it futile to challenge a sitting officeholder.

The third explanation, however, is that large financial advantages of either incumbents or "first-movers" (often party favorites) discourage meaningful competition. The average unopposed candidate for a U.S. Senate nomination raised $6.2 million; the average unopposed candidate for a House seat raised about $550,000.

The incumbency factor is likely more significant and difficult to isolate. Fundraising, however, is one of the primary advantages of incumbency. For example, 99% of incumbents out-raised their opponents, and the average incumbent primary candidate raised $1.42 million in 2006, compared with $190,000 for the average challenger—a difference of 7.4-to-1.

Further, incumbent candidates began the 2006 election cycle with about $188 million in cash on hand, for an average of more than $432,000 per incumbent. House incumbents started the 2006 cycle with an average of $361,000 in cash on hand, and Senate incumbents started with $1.43 million on average. Large incumbent war chests almost certainly deter many would-be challengers from entering races that might otherwise be competitive.

In spite of low public regard for Congress due in large part to national corruption scandals, 99% of incumbents won their primary elections in 2006. Incumbents' significant financial advantage was likely a large factor in this set of outcomes.

U.S. Primaries are Funded Predominantly by Large Contributors

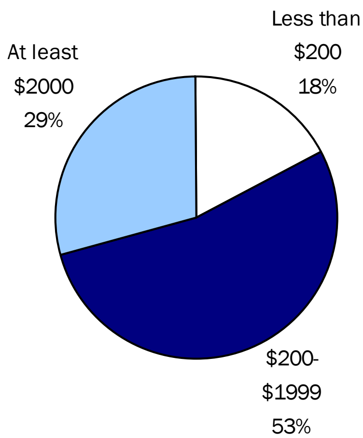
The fact that the candidate who raises the most money almost always wins his or her race might not be noteworthy if candidates were raising money from average citizens. In this scenario, the amount of money someone raised would be an approximate proxy for his or her level of support in the community. It would therefore follow that those with more grassroots support would win most elections.

In fact, this is far from the case. Instead of a broad financial base composed of ordinary, non-wealthy individuals, most candidates for federal office depend upon the support of a relative handful of donors who can afford to give substantially to their campaigns. As shown in Figure 2, 82% of funds raised by candidates from individuals came in contributions greater than or equal to $200; 83% of funds raised by House candidates and 82% of funds raised by Senate candidates came in these large contributions. Contributions of at least $2,000 accounted for 29% of total individual contributions.[6] These contributions accounted

[6] The current individual contribution limit is $2,100 per election, or $4,200 per election cycle. This means that an individual may contribute $2,100 to a candidate's primary campaign and then another $2,100 to the same candidate's general election campaign. As noted in our methodology, we counted all contributions to candidates made through the second quarter of 2006 for this report, including contributions of more than $2,100 from a single donor. By law, the candidate would only be allowed to spend $2,100 of each of these contributions on his or her primary race.

for 31% of House candidates' and 28% of Senate candidates' individual contributions.

Figure 2. Individual Contributions to 2006 Congressional Primary Candidates: By Contribution Size



Large Contributors Represent a Small Fraction of Voting Age Americans

Few Americans make large political contributions. According to FEC data, not more than 608,000 Americans made an itemized political contribution of $200 or more to a 2006 federal primary candidate.[7] This amounts to 0.27% of the voting age population of the United States. Just 78,000 people, or 0.03% of voting age Americans, contributed $2,000 or more to a 2006 congressional primary candidate.

[7] This number represents the number of contributions of $200 or more. Since many individuals contribute to more than one candidate, this overestimates the actual number of people making donations at this level—and therefore is a conservative estimate for our purposes.

If money is a key factor in determining election outcomes, a small number of Americans making the bulk of contributions enjoy disproportionate influence over who runs for office and who wins elections in the United States.

These large donors are not representative of the larger population as a whole. According to a nationwide survey funded by the Joyce Foundation during the 1996 congressional elections, 95% of those who gave contributions of at least $200 were white; 80% were male; 50% were more than 60 years of age; and 81% had annual incomes greater than $100,000. This stood in stark contrast to the general population at the time, where 17% were non-white, 51% were women, 13% were over 60, and only 5% declared an income of more than $100,000 on their tax returns. The study also found that 65% of these donors were affiliated with a business organization.[8] Because this segment of society does not reflect the United States population as a whole, its interests may differ from those of society at large.

[8] John Green, Paul Herrnson, Lynda Powell, and Clyde Wilcox, *Individual Congressional Campaign Contributors: Wealthy, Conservative and Reform-Minded,* 1998.

Conclusion

Our analysis of the 2006 congressional primary elections demonstrates that the candidates who raised and spent the most money won their parties' nominations the vast majority of the time. Furthermore, a large portion of the money raised by primary candidates comes from a tiny fraction of the American public. This segment of society does not reflect the United States population as a whole, and its interests may be distinct from those of society at large.

These findings are consistent with our studies of the 2002 and 2004 congressional primaries. In the end, the disproportionate financial influence exerted by a small percentage of the American population has a profound impact on the democratic process in several ways.

First, the "wealth primary" serves as a filter, sharply limiting the pool of candidates for federal office. Because money is a key factor in determining election outcomes, candidates who are not wealthy themselves are forced to appeal to wealthy donors in order to compete effectively in election contests. Many qualified candidates who are unable or unwilling to raise funds from this segment of society struggle to mount viable campaigns for federal office. Many of these candidates drop out of races, lose in the primary, or decide not to run in the first place. In effect, our big money system may limit the diversity of public service talent available for solving society's most pressing problems.

Second, candidates are running election campaigns differently than they might be with a more democratic campaign finance system. Currently, fundraising and campaigning are largely separate activities. Rather than meeting with voters, candidates—and elected officials—must spend much of their time dialing for dollars and interacting with a narrow segment of wealthy donors—many of whom do not even live in their districts or states.

In addition, members of Congress may not be representative of—and often may not be representing—average, non-wealthy voters in their districts. Because of the important role large contributors play in financing campaigns, legislators may feel more accountable, at least in part, to the wealthy donors that determine their chances of re-election.

Finally, and most importantly, because elected officials may be more accountable to donors than ordinary Americans, public policy decisions on issues ranging from the environment to consumer protection may reflect the interests of large contributors at the expense of average citizens.

Our research has shown that wealth plays an important role in American democracy, specifically by influencing who is elected to federal office. This, however, is not a given; it is the result of our particular campaign finance system. On the following page, we recommend several policy reforms that will help strengthen the voices of ordinary citizens in our democracy and break the stranglehold of well-heeled donors on the American political process.

Recommendations

Measures to reform the role of money in politics must provide ordinary citizens with an equal opportunity for political participation. A comprehensive campaign finance reform plan should include the following provisions:

1. **Provide candidates with a full public financing option.** Candidates who agree to limit their campaign spending and forgo private funds, and who demonstrate sufficient support in the community by raising a threshold number of low-dollar qualifying contributions, should be given the option of accepting a public grant to fund their campaigns. Publicly financed elections would bolster the role of ordinary citizens in determining who is able to mount effective campaigns for office; place candidates on a level playing field; free aspiring officeholders from the constant burdens of fundraising; and ensure that elected officials are accountable to their constituents.

2. **Provide free media for candidates.** Free TV, radio, and mail should be provided to candidates. This would decrease the cost of campaigns and would provide an opportunity for those who are not favored by wealthy donors to get their messages out. The American public owns our airwaves, which are supposed to be operated "in the public interest," so this requirement would not impinge upon the rights of commercial broadcasters.

3. **Provide incentives for small political contributions.** Incentives for small political contributions (up to $100) such as tax credits, refund programs, and vouchers, would move us toward a small donor democracy by encouraging more ordinary citizens to participate in the political process. This would increase the voice of average Americans, enable candidates to run campaigns geared toward non-wealthy citizens, and provide a counterweight to the big money flooding into the process from large donors.

4. **Lower contribution limits.** Contribution limits for all candidates and all races should be set at a level that average Americans can afford. Given that only 0.03% of voting age Americans made a $2,000 contribution for the 2006 primary elections, Congress should dramatically lower contribution limits, not increase them as they did in the Bipartisan Campaign Reform Act of 2002.

5. **Limit campaign spending.** Elections should be contests of ideas, not battles of dollars. The use of personal wealth in campaigns should be limited through spending caps so that no candidate has an unfair financial advantage. Given the Supreme Court's recent ruling striking Vermont's spending limits, this measure will require a constitutional amendment.

Methodology

Data Sources

All fundraising and expenditure data are from spreadsheets emailed directly to Adam Lioz by FEC Press Officer Bob Biersack except: a) candidate fundraising data for 2001-2004 for Senate candidates;[9] and b) data regarding cash-on-hand before the 2006 election cycle for House candidates.[10]

We obtained the United States 2006 voting age population (226,357,772) from Professor Michael McDonald's United States Election Project.[11]

General Methodological Notes

It is important to note that FEC data files are far from perfect. In some cases candidates who appeared on the ballot are not in FEC files. This may be because candidates failed to file reports, filed reports later than the period covered by this study, or did not raise enough money to require filing. In other cases candidates who have filed with the FEC may not have appeared on the ballot. Finally, FEC coding of party affiliation, winners and losers, and candidate status (incumbent, challenger, open seat, etc.) contained errors. We made as many corrections as possible and in all cases made methodological decisions that would lead to conservative results with respect to the message of this report. We used the *National Journal* website to verify party affiliation and winner/loser status.

The FEC files also contained data for many candidates who were not running as Democrats or Republicans. Given that this study examines the role of money in major party primaries, we eliminated these candidates to the best of our ability.

For the purposes of this report, incumbents are candidates who are currently holding office. Challengers are candidates who are directly challenging an incumbent of the same party in their party primaries. Open seat candidates are candidates running in districts with no incumbent of either party. Candidates running in districts in which the incumbent is of the other major party are counted as none of the above.

Calculations

Total Primary Fundraising, House Candidates. For each House candidate, total primary fundraising includes all receipts in 2005 and all receipts in 2006 through the candidate's filing of his or her pre-primary report to the FEC. This includes fundraising until 20 days before the primary. It is possible that some races saw significant fundraising changes in the final 20 days, but out of nearly 900 primaries, it is unlikely this would have a significant effect on our aggregate data. Louisiana does not have a conventional primary; we included fundraising data for Louisiana through 7/22/06.

Total Primary Expenditures, House Candidates. For each House candidate, total primary

[9] FEC, "Six Year Financial Summary for 2006 Senate Campaigns Through June 30, 2006," accessed at www.fec.gov/press/press2006/20060803can/13sen6182006.xls on October 27, 2006.
[10] FEC, "House General Election Candidates Financial Activity January 1, 2003 through December 1, 2004," last accessed October 27, 2006 at www.fec.gov/press/press2005/20050609candidate/house.xls.
[11] United States Election Project, "2006 Voting-Age and Voting-Eligible Population Estimates," data current as of October 19, 2006. Available at http://elections.gmu.edu/Voter_Turnout_2006.htm.

expenditures includes all disbursements in 2005 and all disbursements in 2006 through the candidate's filing of his or her pre-primary report to the FEC. This includes disbursements until 20 days before the primary.

Total Primary Fundraising, Senate Candidates. For each Senate candidate, total primary fundraising includes all receipts in the 2001-2002 and 2003-2004 election cycles, all receipts in 2005, and all receipts in 2006 through the candidate's filing of his or her pre-primary report to the FEC. This includes fundraising until 20 days before the primary. In some cases, Senate candidates with primaries before 6/30/06 did not file a report for the first quarter of 2006, but did file reports covering the first two quarters. In order to make calculations that are as accurate and conservative as possible, we used the numbers for the first two quarters only for candidates who lost their primaries. This avoids inflating our fundraising numbers for winners, and losing candidates are unlikely to have raised much money after the primary.

Total Primary Expenditures, Senate Candidates. For each Senate candidate, total primary expenditures includes all disbursements in the 2001-2002 and 2003-2004 election cycles, all disbursements in 2005, and all disbursements in 2006 through the candidate's filing of his or her pre-primary report to the FEC.

Percentage of Individual Contributions of at Least $200, House Candidates. For each House candidate, we added up the total itemized ($200+) individual contributions received in 2005 and the first two quarters of 2006 and divided this sum by the total amount received from individuals over this time period. Note that we included the first two quarters of 2006 in our calculations even if the candidate had an early primary.

Percentage of Individual Contributions of at Least $2,000, House Candidates. For each House candidate, we added up the total individual contributions of at least $2,000 received in 2005 and the first two quarters of 2006 and divided this sum by the total amount received from individuals over this time period. Note that we included the first two quarters of 2006 in our calculations even if the candidate had an early primary.

Percentage of Individual Contributions of at Least $200, Senate Candidates. For each Senate candidate, we added up the total itemized ($200+) individual contributions received in 2001-2005 and the first two quarters of 2006 and divided this sum by the total amount received from individuals over this time period. Note that we included the first two quarters of 2006 in our calculations even if the candidate had an early primary.

Percentage of Individual Contributions of at Least $2,000, Senate Candidates. For each Senate candidate, we added up the total individual contributions of at least $2,000 received in 2005 and the first two quarters of 2006 and divided this sum by the total amount received from individuals over this time period. Note that we included the first two quarters of 2006 in our calculations even if the candidate had an early primary. Because the contribution limits changed after the 2002 elections and we were unable to obtain data on $2,000+ contributions for the 2004 cycle, we used only 2005-2006 data for this calculation rather than the full six-year fundraising cycle.

Determining Primary Winners. We obtained primary winner/loser information from FEC and verified the information by referring to *National Journal*'s website.

Percentage of Time in Which Biggest Fundraiser/Spender Won Primary. We added up the total number of times the candidates who raised/spent the most money won their races and divided by the total number of primaries for which we had reliable information on this subject. Uncontested races in which the "winner" raised/spent money are counted as races in which the biggest fundraiser/spender won. Uncontested races in which the "winner" raised/spent no money are counted as races in which the biggest fundraiser/spender did not win. Given that Louisiana does not have a traditional primary, Louisiana races were not included in this calculation.

Percentage of Time an Incumbent Won/Raised Most Money. We divided the number of times an incumbent won or raised the most money by the total number of primaries featuring an incumbent. Again, Louisiana is not included in this calculation.

Percentage of Uncontested Races. We divided the number of races in which there was only one candidate in the primary who both filed with the FEC and appeared on the ballot with the proper party designation by the total number of primaries for which we had reliable information. Races in which only one candidate filed with FEC are considered uncontested (even if other candidates actually appeared on the ballot). Conversely, if candidates appear in the FEC database but not on the ballot as Democrats or Republicans, we removed them from our calculations. Although this is not conservative with respect to the percentage of primaries uncontested, it allowed us to avoid deflating the fundraising statistics of losing candidates and is therefore conservative with respect to the primary inquiry of the study.

Incumbent War Chests. An incumbent's "war chest" is equal to the amount of his or her "cash on hand" at the end of the 2004 election cycle (obtained from FEC). To calculate average incumbent war chest, we added up the total cash on hand for all incumbents and then divided by the number of incumbents running for office in 2006.

Percentage of Voting Age Americans Making Large Contributions. To estimate the percentage of the voting age population (VAP) that made a contribution of at least $200 or $2000 to a 2006 major party primary candidate, we counted the total number of such contributions and then divided by the VAP. This overestimates the number of Americans making contributions because many donors make several contributions. Hence this is a conservative estimate for our purposes.