

CAMPAIGN SPENDING BY MARYLAND GENERAL ASSEMBLY CANDIDATES IN THE 2002 ELECTIONS

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Executive Summary

Maryland General Assembly candidates spent more than \$28 million in the 2002 elections. In addition, the candidates' slate committees also spent in excess of \$4 million. An analysis of the Maryland campaign finance data shows that candidates' campaign finances nearly doubled between the 1998 and 2002 elections and that the following factors were important in determining the distribution of campaign funds in both years: incumbency, party, competition, and election outcomes.

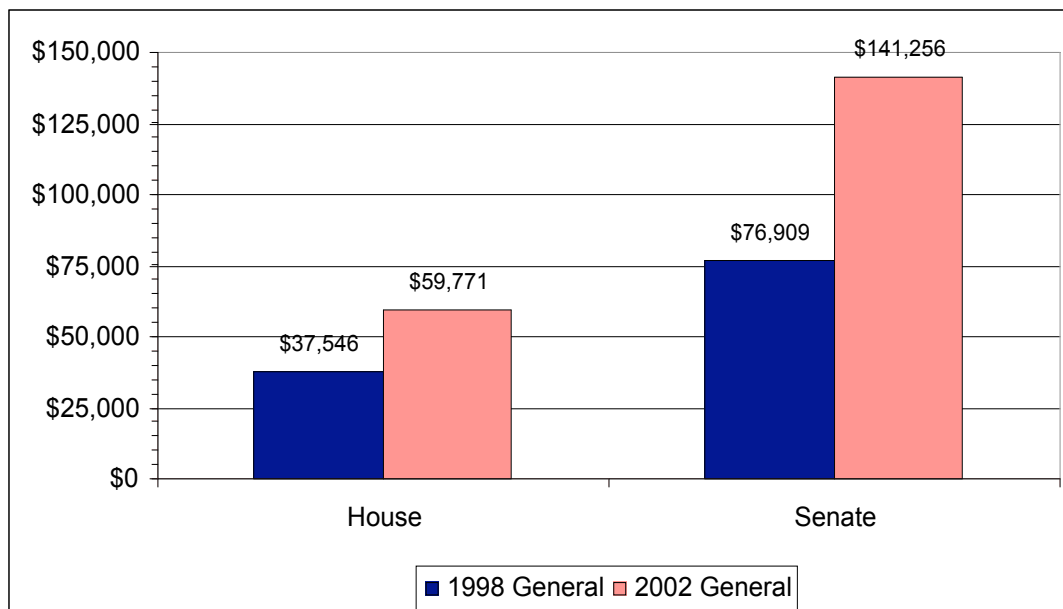
Major Findings:

- Fundraising in the 2002 elections nearly doubled over fundraising in the 1998 elections.
- Incumbents spent nearly twice as much as did challengers.
- Democratic party leaders typically spent nearly twice as much as rank and file incumbents who held no leadership positions.
- Democratic candidates for the House, on average, spent twice as much as Republicans, but spending by Democratic and Republican Senate candidates was nearly equal.
- House candidates in uncontested races typically spent more than House candidates in contested races.
- Senate candidates in uncontested races typically spent more than those in contested uncompetitive races.
- Slate committees are formed primarily by Democratic candidates.

I. Growth in Fundraising

Candidates for seats in the Maryland General Assembly raised nearly twice as much money in the 2002 elections as they did in the 1998 elections. Candidates in the 2002 elections raised more than \$30 million, whereas 1998 candidates raised \$16.6 million. The candidate's average campaign receipts display a similar trend, indicating the growth in fundraising is not due to a larger number of candidates running for office following redistricting. General election candidates for the Maryland House of Delegates raised an average of \$37,546 in the 1998 elections compared with \$59,771 in the 2002 elections (see Figure 1). General election candidates for the Maryland Senate raised an average of \$76,909 in the 1998 elections, compared to \$141,256 in the 2002 elections.

Figure 1. Average Campaign Receipts for Candidates Competing in the 1998 and 2002 General Elections

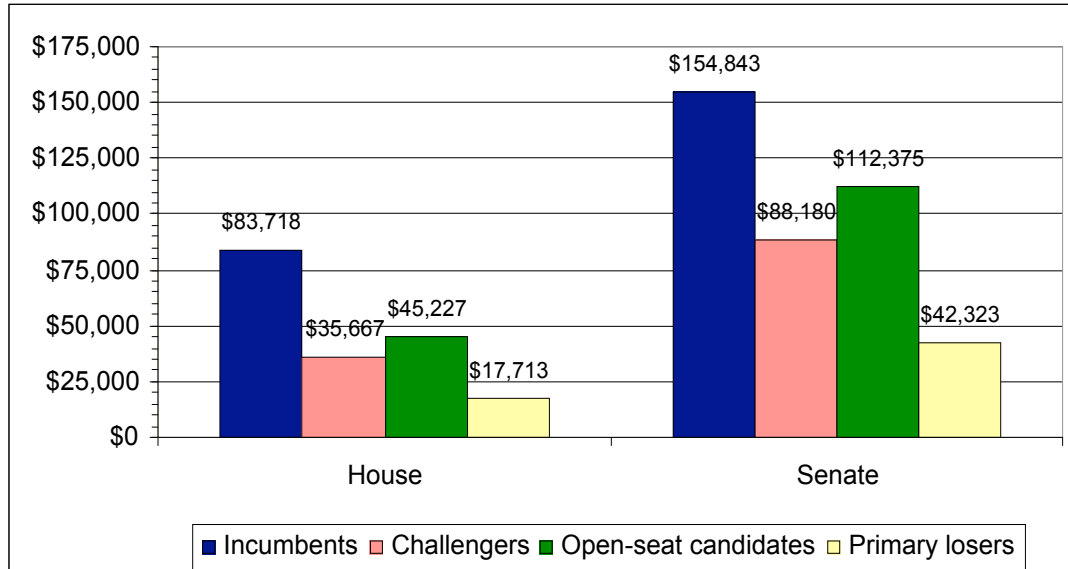


II. Incumbents' Spending Advantages

Incumbents are able to outspend their opponents because they enjoy a number of advantages when it comes to fundraising. Incumbents are in a position to influence public policy, they have a base of contributors from previous campaigns, and they are much more likely to win than other candidates. Challengers, on the other hand, suffer serious fundraising disadvantages. They have little-to-no influence over policy making, typically do not have an established base of supporters, and have slim prospects of winning. Moreover, most challengers do not declare their candidacies or begin fundraising until the year of the election. Open-seat candidates have much better fundraising prospects than do challengers. Their races tend to be competitive, and they usually benefit from the financial support of political parties and ideological groups who see their elections as a prime opportunity to influence the composition of the legislature.

House incumbents spent an average of \$83,718, more than twice as much as House challengers (see Figure 2). Senate incumbents spent an average of \$154,843, nearly twice as much as challengers. These incumbent advantages are not unusual for elections to the state legislature or Congress. Open-seat candidates for the House of Delegates and the state Senate spent an average of \$45,227 and \$112,375, respectively. Primary losers in House and Senate races spent the least: \$17,713 and \$42,323, respectively.

Figure 2. The Impact of Incumbency on Candidate Spending in the 2002 Elections

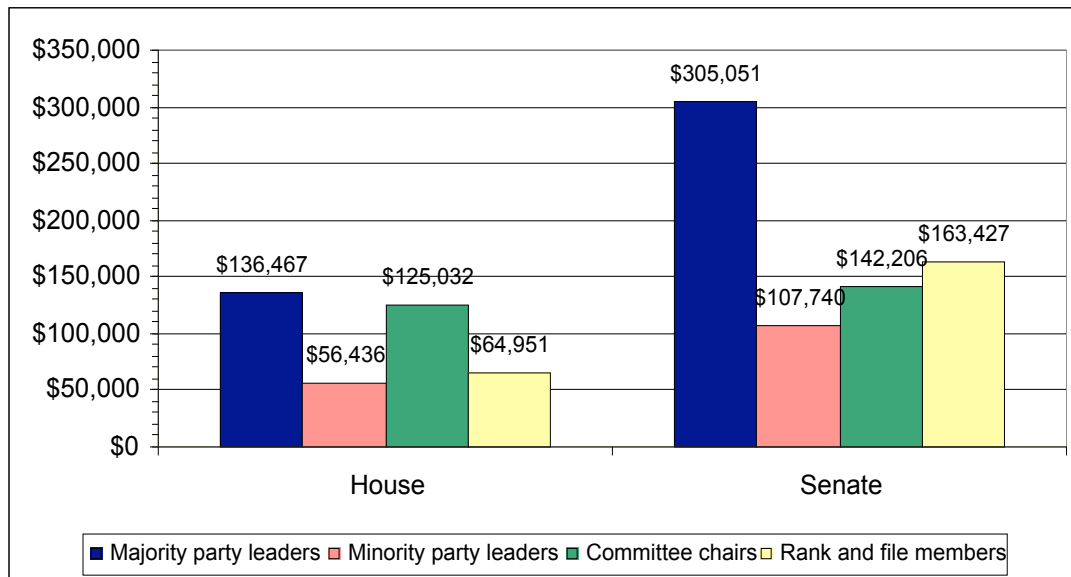


Note: Figures represent average expenditures.

Legislative Leaders. Contributors who seek access to legislators in order to influence the policy-making process give most of their contributions to committee chairs and party leaders. House committee chairs spent an average of \$125,032, nearly twice as much as nonleaders, and Democratic party leaders spent an average of \$136,467, more than twice as much as nonleaders whose ranks include both Democrats and Republicans (see Figure 3). House minority party leaders spent less than half as much as majority party leaders and even less than members of the majority party that did not hold leadership posts.

Individual senators enjoy more influence over the legislative process, making committee chairs comparatively less influential in the Senate. Senate committee chairs spent an average of \$142,206, which is slightly less than the average of \$163,627 spent by nonleaders. Minority leaders in the Senate spent less than nonleaders. Senate majority party leaders spent an average of \$305,051, nearly twice as much as nonleaders.

Figure 3. Legislative Leadership Posts and Incumbent Spending in the 2002 Election

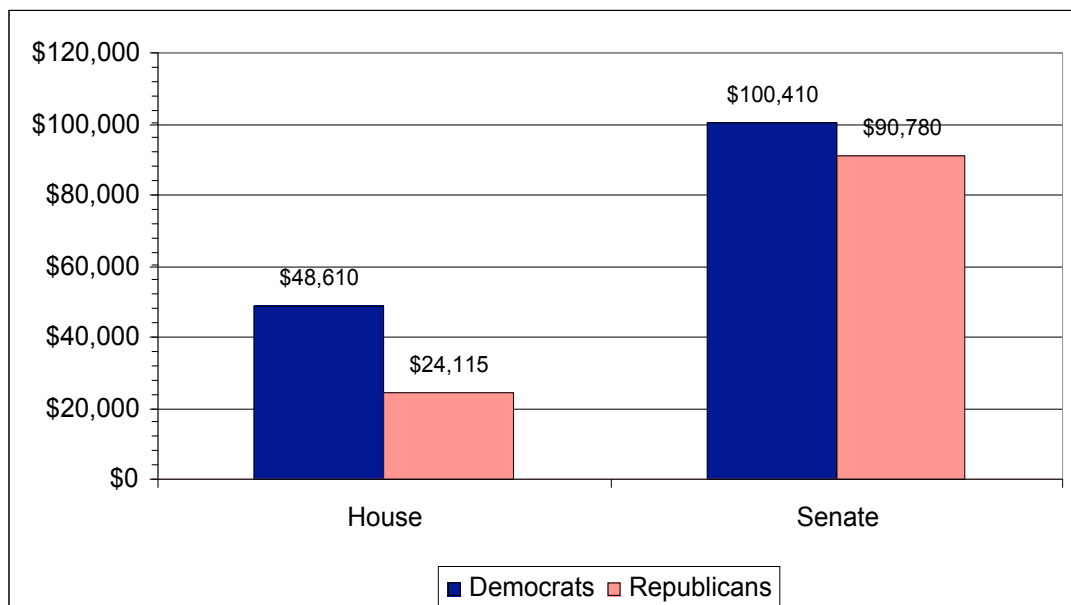


Note: Figures represent average expenditures.

III. Partisan Advantages

Members of the majority party typically raise and spend more money because they have greater control over the legislative process. In Maryland the Democrats have long held substantial majorities in both chambers of the legislature and, not surprisingly, Democratic candidates enjoy a strong financial advantage over Republican candidates. Democratic House candidates spent an average of \$48,610, more than twice the amount that Republican House candidates spent (see Figure 4). Democrats have a much smaller financial advantage in the Senate. Democratic Senate candidates spent \$100,410, compared to the average of \$90,780 spent by Republican Senate candidates.

Figure 4. Party Affiliation and Spending in the 2002 General Election

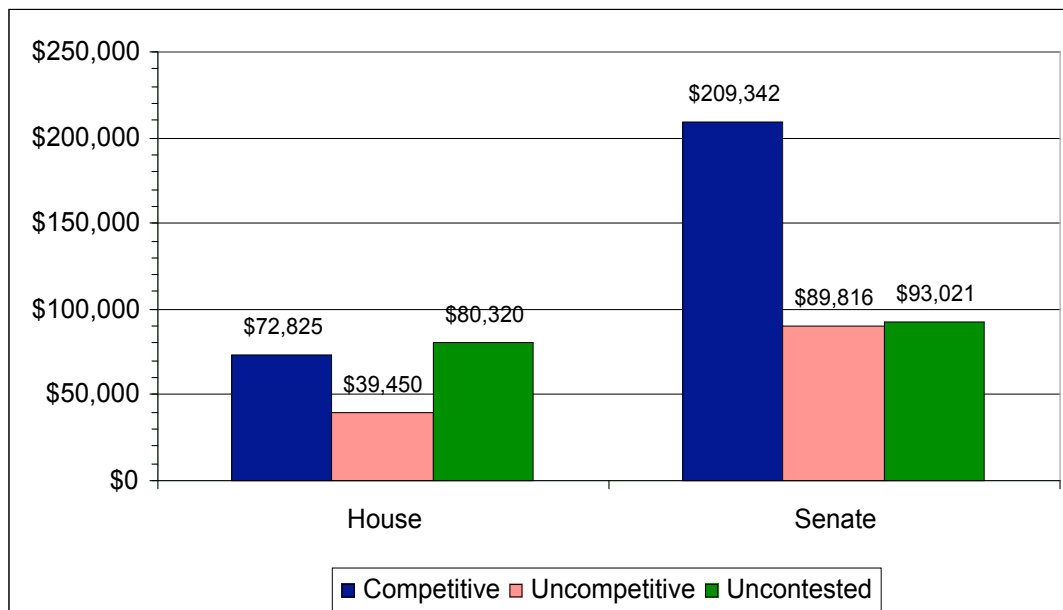


Note: Figures represent average expenditures.

IV. Electoral Competition

Candidates need adequate resources to wage competitive campaigns. However, as is frequently the case in legislative elections, many candidates for the Maryland General Assembly involved in uncontested races spent more than candidates who faced opponents. House and Senate candidates who faced no opponents in the general election spent \$80,320 and \$93,021, respectively, whereas candidates in contested but uncompetitive races* spent an average of \$39,450 and \$89,816 (see Figure 5). House and Senate candidates in competitive races, spent averages of \$72,825 and \$209,342. House candidates in uncontested races spent more than those in contested races.

Figure 5. Electoral Competition and Candidate Spending 2002 General Election



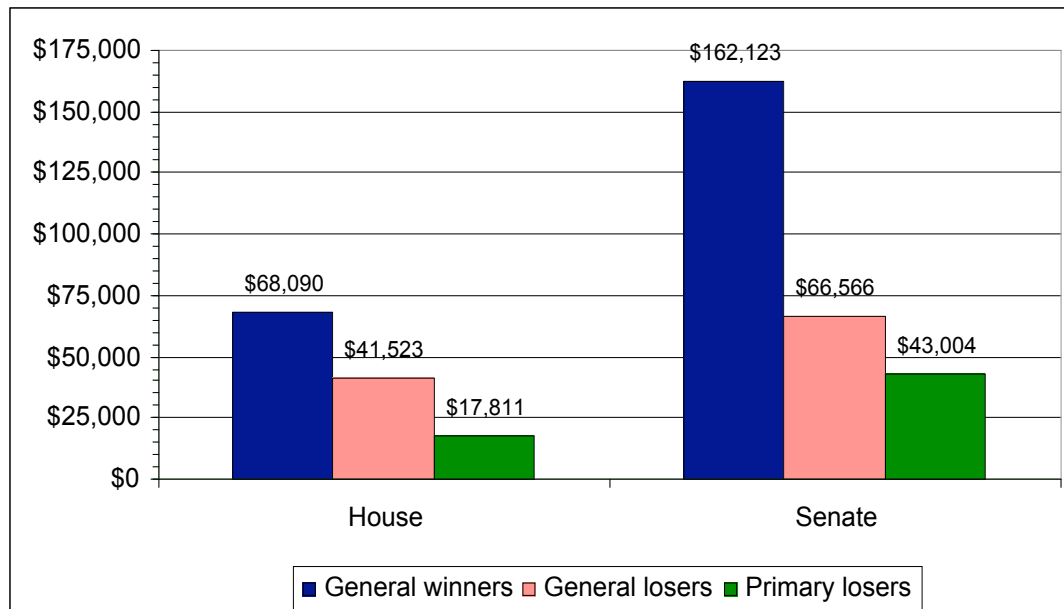
Note: Figures Represent Average Expenditures.

V. Spending and Election Outcomes

Election outcomes are closely connected to fundraising. Winners typically spend much more money than do losers. General election winners in the House spent an average of \$68,090, about a third more than general election losers and over four times as much as primary losers (see Figure 6). The spending gap between winners and losers is even larger in the Senate. General election winners in the Senate spent an average of \$162,123, over twice as much general election losers and nearly four times as much as primary losers.

* Competitive races are defined as those that were decided by a margin of 20 points or less for single member districts, and uncompetitive races are those that were decided by more than a 20 point margin. For multi-member districts we multiplied the margin (expressed as a percentage of the vote) by the number of seats to produce a measure of the vote comparable to single member districts for the purposes of assessing electoral competition (see Malcolm E. Jewell, *Representation in State Legislatures*, Lexington: University of Kentucky Press, 1982).

Figure 6. Campaign Spending and Election Outcomes in the 2002 Election



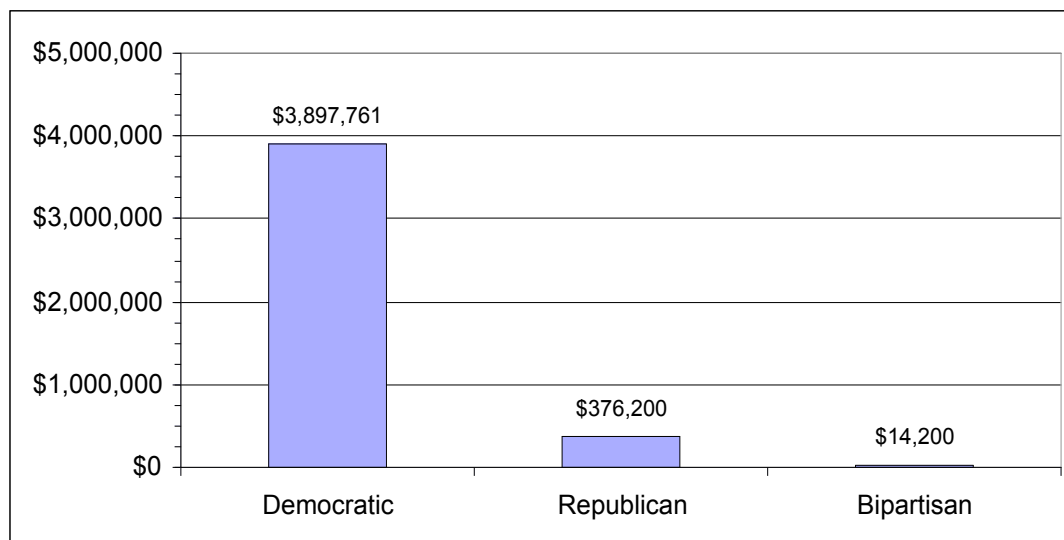
Note: Figures represent average expenditures.

VI. Slate Committees

In addition to candidate campaign accounts, candidates also may form slate committees. Slate committees are formed jointly by two or more candidates, traditionally House and Senate candidates from the same district. Like candidate committees, slate committees can accept contributions and transfer funds to other committees, but unlike other types of committees, slate committees can make unlimited transfers to their members. In the 2002 elections, sixty slate committees organized by candidates for the state legislature spent a total of \$4,288,161.

Although candidates of either party can legally organize slate committees, they are primarily used by Democratic candidates. Slates formed by Democratic candidates spent a total of \$3,897,761, whereas Republican slates spent a total of \$376,200 (see Figure 6). Democratic Party leaders use slate committees to avoid limits on transfers to their party members. Democrats in the House of Delegates organized the House Democratic Unity Committee, and Democrats in the Senate organized the Democratic Senatorial Committee. The Republican legislative campaign committee, the Maryland Republican Legislators Committee, is organized as a political action committee rather than a slate and is subject to limits on transfers to candidate committees. One slate committee consisted of a Democratic House incumbent and a Republican challenger from another district. This slate spent \$14,200.

Figure 6. Spending by Slate Committees in the 2002 Elections



Note: Figures represent total expenditures.

The Study

The campaign finance data in this report cover 1999 through January 15, 2003. Our previous study on campaign finance in the 1998 Maryland state legislative elections reported candidate receipts. This study focuses on expenditures, because we found many discrepancies between candidates' summary and itemized reports for receipts. We analyze candidate receipts only for the purposes of comparison with the 1998 election cycle. Some candidates have multiple campaign accounts, including accounts for party offices and accounts previously used in another election. This report includes the financial activity of all campaign accounts controlled by state legislative candidates.

We would like to thank the Maryland Board of Elections for providing the campaign finance data and for answering our many inquiries. This research was funded by grants from The Pew Charitable Trusts and Progressive Maryland. The opinions expressed in this study are those of the authors and do not necessarily reflect the views of either The Pew Charitable Trusts or Progressive Maryland.

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