

CAMPAIGN FUNDRAISING AND EXPENDITURES
BY MARYLAND POLITICAL PARTIES IN 2006

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A report by

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Executive Summary

Political parties in Maryland raised and spent almost \$11 million during the 2006 elections. This report details where this money was raised and how it was spent. It identifies important differences across parties and between county-level and statewide committees.

Major Findings:

- The Republican Party raised and spent more money in 2006 than any other political party in Maryland.
- The Democratic and Republican parties raised significant portions of their money from individual donors.
- The Democratic Party raised more money through direct contributions from business entities while the Republican Party raised more money by selling tickets to fundraising events.
- There was wide variation in the amounts county central committees raised and spent.
- The Democratic and Republican parties in Maryland spend large proportions of their funds on generic ‘party building’ activities and on organizational expenses.

Introduction

This report examines the campaign finances of Maryland political parties during the 2006 elections cycle. Specifically, it examines the fundraising and expenditures activities of party committees in the state of Maryland with a focus on the two major parties.

The Democratic Party has dominated state politics and elections in Maryland for decades. In 2006, the Democrats expanded on their already sizeable majorities in both chambers of the General Assembly and won back the governor's office. Though the Republican Party has not controlled either chamber of the Assembly since 1918, it held the governor's office from 2003-2007 under the auspices of Robert Ehrlich, finds widespread support in parts of eastern and western Maryland, and provides vigorous opposition to Democratic Party candidates and policies.

Besides the two major parties, Maryland has an active Green Party, Libertarian Party, and Constitution Party. Each of these parties fielded candidates and raised and spent money in support of them in the 2006 elections, though none of the candidates running under those banners won.

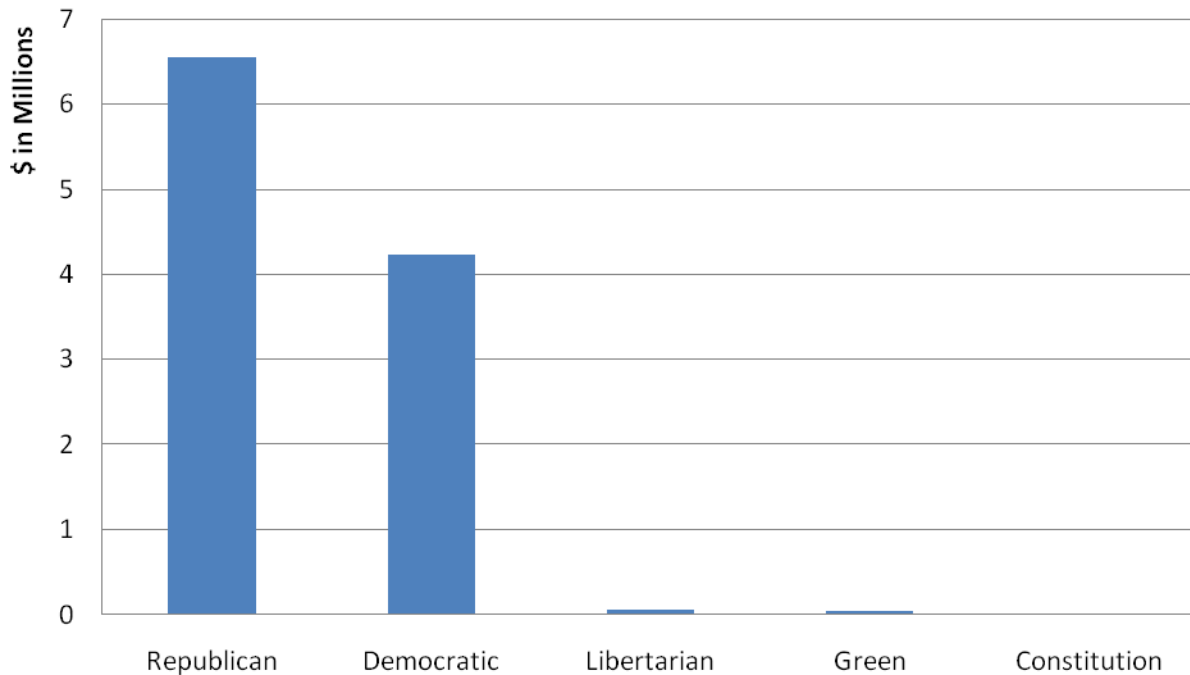
In Maryland, parties have both state central committees and county central committees for raising and spending money. The Democratic and Republican parties have committees for each of the counties in the state. Twenty-four Republican county central committees raised money in 2006, while twenty-three Democratic committees did so. Among the minor parties, only some counties have their own active party committees.

At the federal level party committees raise and distribute large sums of money on specific candidates and races. However, in Maryland political parties distribute only a very small proportion of their funds to their candidates. This distribution of funds is instead managed by party leaders in the General Assembly who raise and redistribute millions of dollars to their fellow candidates. Instead, parties in Maryland spend their money largely on party building activities, their organizational expenses, and hosting fundraising events.

I. Fundraising by Parties in 2006

Five political parties raised money to support candidates for public offices in Maryland during the 2006 elections. These parties were the Republican Party, the Democratic Party, the Libertarian Party, the Green Party, and the Constitution Party. The Republican Party raised the most bringing in a total of \$6,549,064 (see Figure 1). The Democratic Party, which has long dominated Maryland politics, raised the second most, collecting a total of \$4,224,418. The other three parties collected considerably less money, with the Libertarian Party raising \$51,638, the Green Party raising \$47,735, and the Constitution Party raising \$11,832. Altogether, Maryland political parties raised a combined total of \$10,884,686 in 2006.

Figure 1. Total Amount Raised by Maryland Political Parties



Note: The numbers in this figure exclude transfers between statewide and county parties.

That the sums raised by the state's two major parties during the 2006 elections were overshadowed by the sums raised by its minor parties is not unusual. Minor parties typically raise a fraction of the amounts that majority parties raise. However, what is very unusual is that the Democratic Party, which has prevailed in Maryland politics for almost a century, collected less funds than its Republican counterpart. The fact that Governor Robert Ehrlich, the Republican incumbent, was up for reelection in 2006 to some degree accounts for the GOP's fundraising advantage.

There were similarities and differences in how the two major parties raised their funds (see Figures 2 and 3). Both the Democratic and Republican parties raised large proportions of their funds from individual donors, with the Democrats raising 29% of their money in this way and the Republicans raising 32%. Committees from both parties also raised very small proportions of their money from political action committees (PACs), slates, and political clubs. The Democratic Party, however, collected a much larger proportion of their funds directly from business entities, totalling 26% of their funds, compared to just 6% for Republican Party committees. Contributions from business groups tend to flow toward power and the Democrats' long-time majority status works to their advantage in this regard. The Democrats also received more money from federal candidates and federal committees than Republicans, collecting 9% of their funds their way compared to less than 1%. Lastly, Republican Party committees raised a much larger proportion of their funds through selling tickets to fundraising events than Democratic Party committees. Republicans raised almost exactly half of their money in this way. Comparatively, Democrats raised 18% of their money from selling tickets to fundraisers.

Figure 2. Sources of Campaign Contributions – Democratic Party Committees

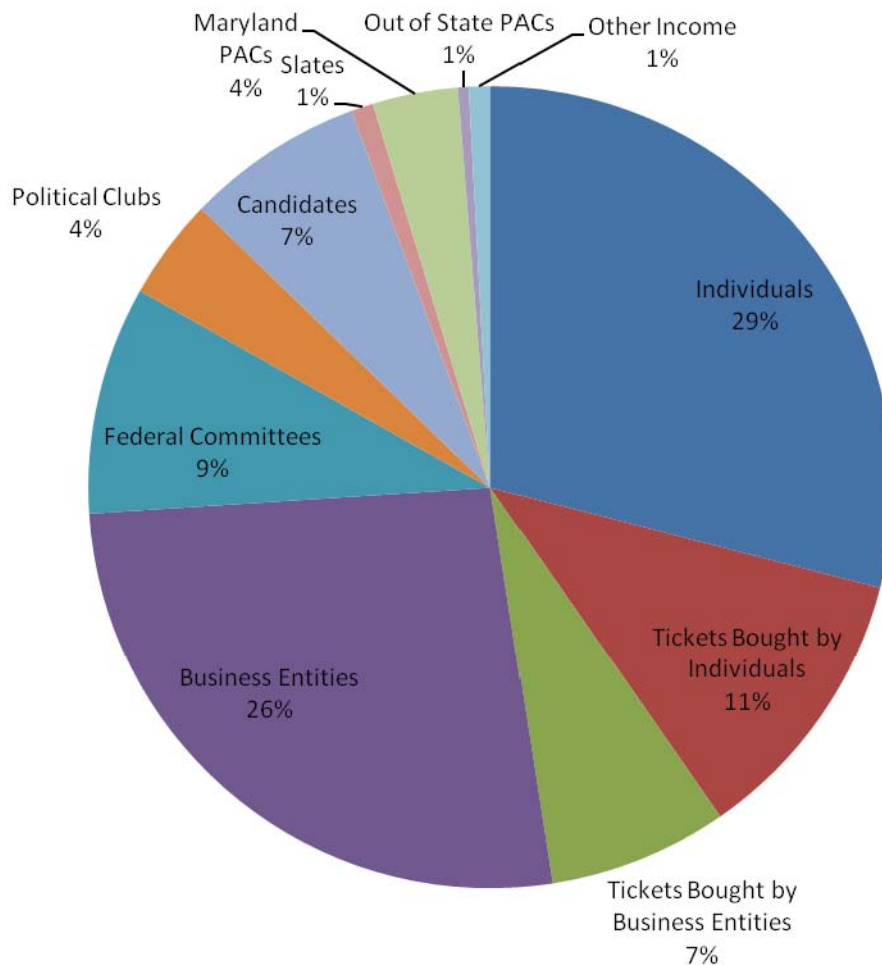
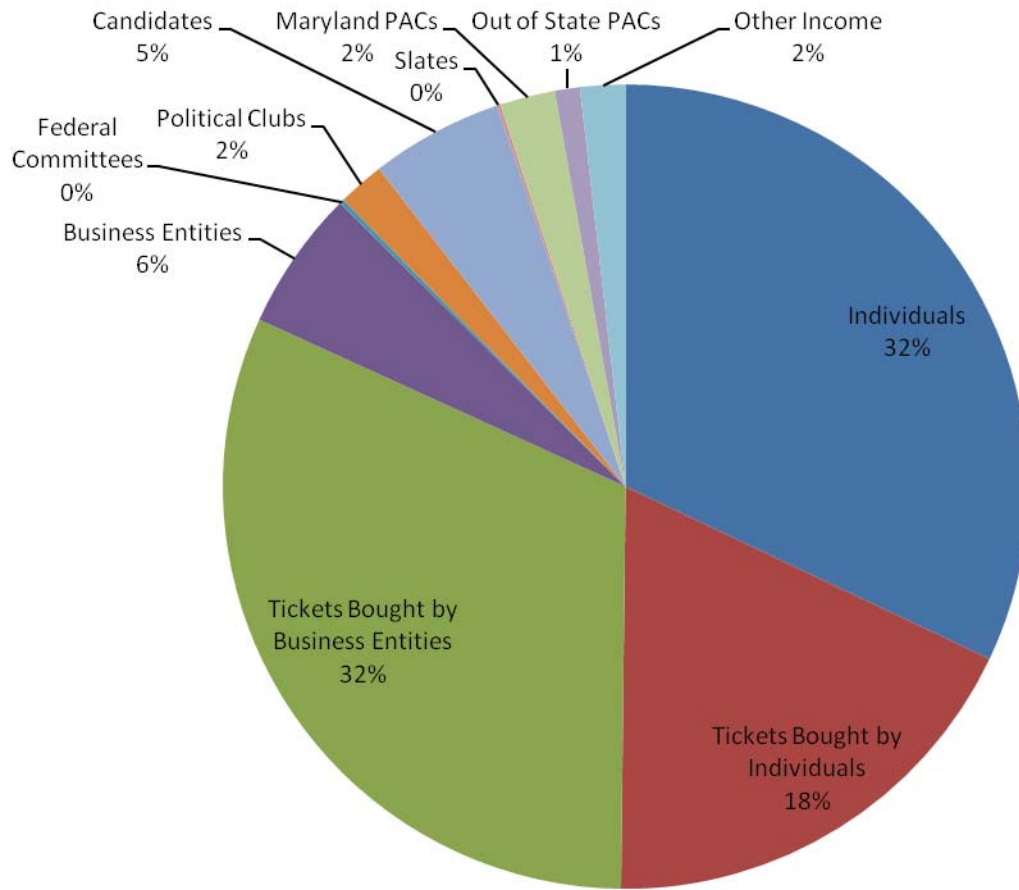


Figure 3. Sources of Campaign Contributions – Republican Party Committees



State and County Central Committees

The Maryland Democratic State Central committee raised \$2,888,345 compared to the \$4,042,382 raised by the Maryland Republican State Central Committee. Democratic county central committees raised \$1,336,073 compared to \$2,506,682 raised by their Republican counterparts. Within both parties, some county central committees raised significantly more funds than others (see Table 1). Within the Democratic Party, the Prince George's County and Montgomery County central committees raised more than \$100,000 more than any other Democratic county committees. Within the Republican Party, the Montgomery County Central Committee was also a big fundraiser, raising more than twice as much as any other Republican county central committee. The Prince George's County central committee is also near the top of the list, and is joined by the Howard County, Anne Arundel County, Baltimore County, and Harford County central committees.

Table 1. Total Amount Raised by County Central Committees

Democratic Party County Central Committees		Republican Party County Central Committees	
Prince George's County	\$248,866	Montgomery County	\$531,693
Montgomery County	\$214,012	Howard County	\$243,430
Fredrick County	\$104,862	Anne Arundel County	\$222,599
Howard County	\$96,092	Baltimore County	\$216,364
Charles County	\$87,164	Harford County	\$165,277
Anne Arundel County	\$85,924	Prince George's County	\$124,354
Calvert County	\$82,738	Carroll County	\$117,206
Carroll County	\$74,508	Calvert County	\$94,652
Worcester County	\$61,436	Talbot County	\$89,895
Washington County	\$54,243	Fredrick County	\$84,227
Cecil County	\$42,054	Charles County	\$68,505
Allegany County	\$37,763	Allegany County	\$68,500
Wicomico County	\$32,210	Washington County	\$66,983
Harford County	\$31,743	Worcester County	\$61,613
St. Mary's County	\$29,880	Baltimore City	\$60,112
Baltimore City	\$21,377	St. Mary's County	\$58,217
Baltimore County	\$16,521	Queen Anne's County	\$56,230
Talbot County	\$16,174	Dorchester County	\$50,170
Dorchester County	\$14,386	Wicomico County	\$48,945
Queen Anne's County	\$12,518	Cecil County	\$48,306
Kent County	\$5,908	Garrett County	\$35,878
Caroline County	\$1,629	Somerset County	\$22,013
Garrett County	\$878	Caroline County	\$18,908
Somerset County	--	Kent County	\$12,586

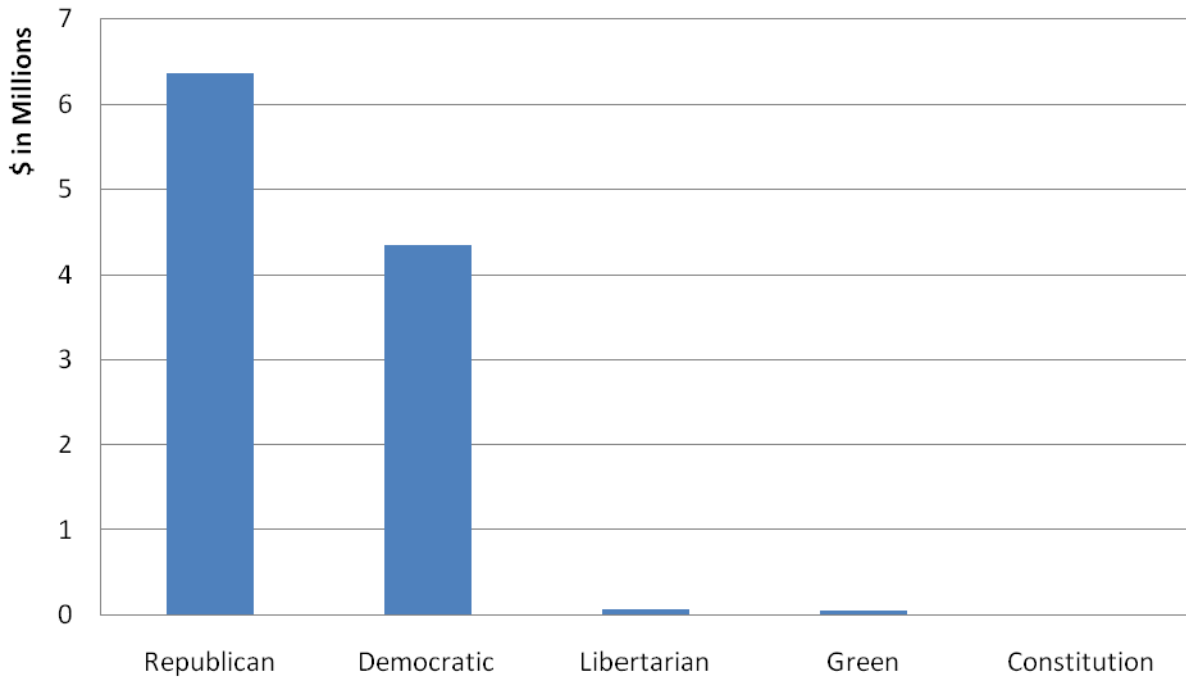
Note: The Somerset Democratic County Committee reported raising no funds.

There are a number of possible explanations for the rankings of county party organizations. First, counties with large populations that have been experiencing significant growth and development are likely to have financially healthy parties. Second, the number of federal, state, county, and other elected officials in a county stimulates party fundraising efforts. Third, the partisan allegiances of county residents influence a county central committee's fundraising success. Fourth, affluent counties provide a financial base from which party organizations can raise funds. Fifth, counties with high levels of educational attainment have relatively large numbers of residents that are interested in and willing to participate in politics, including making political contributions. Sixth, counties that are located in proximity to major centers of government, such as Montgomery and Prince George's counties (near Washington, D.C), Baltimore and Howard counties (near Baltimore), and Anne Arundel county (home to the state's capitol in Annapolis) are likely to have more residents that work for a government agency or a nongovernmental organization with strong interests in politics, which stimulates their contributions. A plausible seventh explanation is informed by the considerable overlap in the rankings among Republican and Democratic county committees that collect the most receipts (six of the eight top-ranked central committees of both parties are located in the same counties). It is based on the axiom that organization begets counter-organization in democratic politics.

II. Party Expenditures in 2006

All five parties spent money in Maryland during the 2006 elections. The Republican Party spent the most spending a total of \$6,354,045 (see Figure 4). The Democratic Party spent the second most, spending a total of \$4,338,056. The other three parties spent considerably less money with the Libertarian Party spending \$76,710, the Green Party spending \$49,138, and the Constitution Party spending \$9,576. Altogether, Maryland political parties spent a combined total of \$10,827,525 in 2006.

Figure 4. Total Spending by Maryland Political Parties



There were similarities and differences in the spending activities of the two major parties. Those filing campaign finance reports for the parties categorized the largest proportion of their spending in the category of “other” (see Figures 5 and 6). The Democratic and Republican parties categorized 46% and 29% of their respective expenditures in this manner. Most party spending in this area consisted of generic party-building activities allowed for under the Levin Amendment to the Bipartisan Campaign Reform Act of 2002. These expenditures include generic issue polling, town meeting expenses, get-out-the-vote activities, and voter registration drives, as well as spending related to organizational maintenance, such as bank fees and legal fees. Both parties also spent large proportions of their funds on salaries and other compensation for their employees. The Republican Party, however, committed a much larger proportion of its funds, about 20%, to fundraising events. The GOP also spent a larger proportion of its funds on rent and office expenses. It is noteworthy that both parties allocated only a miniscule proportion of their funds to candidates and other political organizations. The Democratic party committees allocated just 2% of its funds as transfers to candidates and party organizations. Their Republican counterparts distributed just 4% of their funds in this manner.

Figure 5. Expenditures by Type – Democratic Party Committees

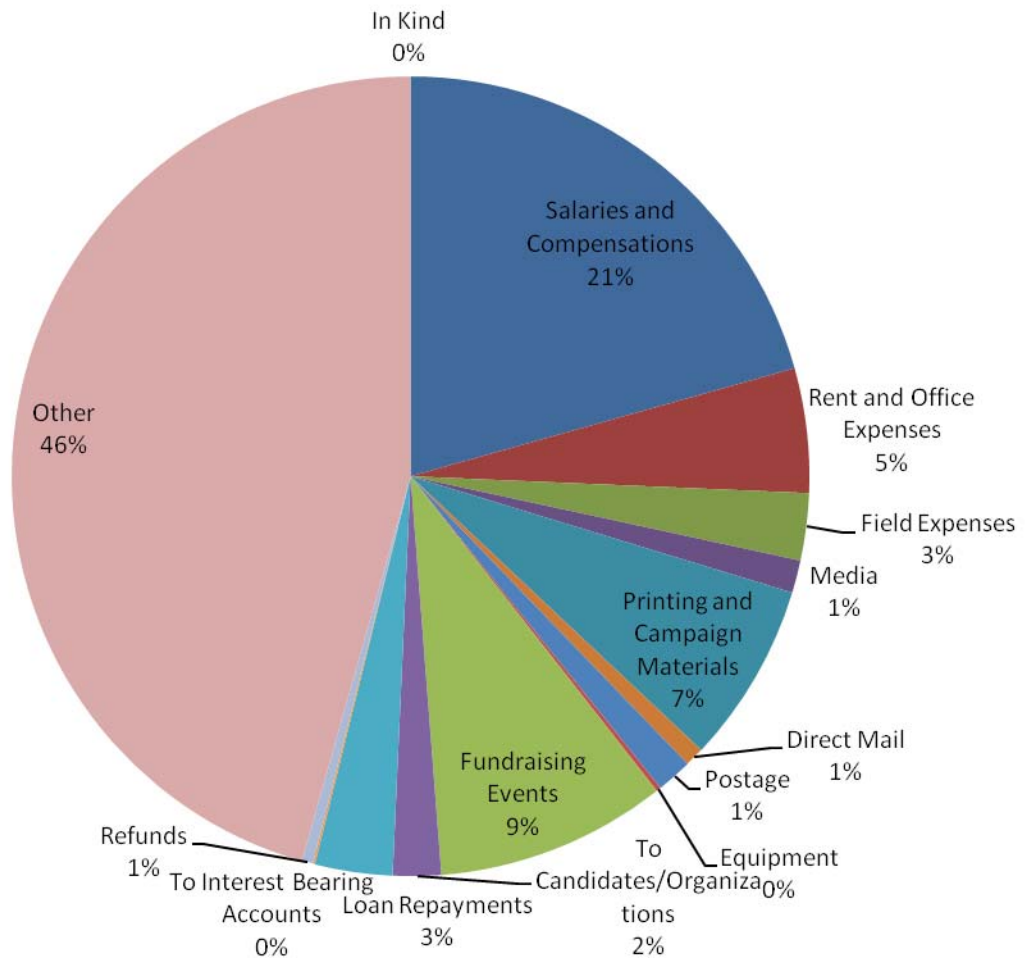
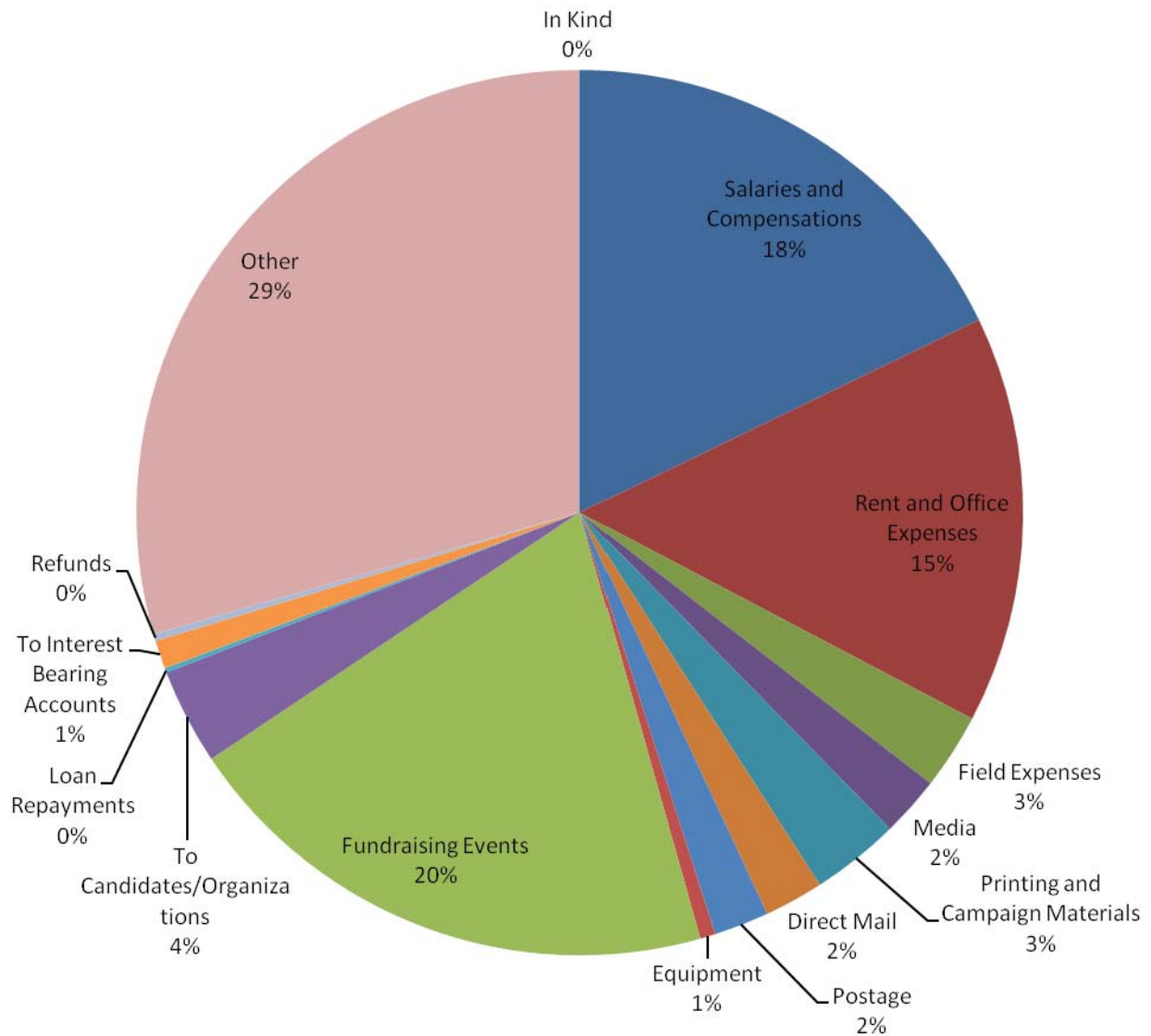


Figure 6. Expenditures by Type – Republican Party Committees



The parties' lack of direct contributions to candidates, in large part, can be explained by the fact that party leaders in the General Assembly are major fundraisers and contributors to their fellow legislators. During the 2006 election cycle, General Assembly leaders distributed well over \$1.5 million in campaign funds to candidates and various organizations that supported their campaigns.

State and County Central Committees

The Maryland Democratic State Central Committee spent \$3,062,444 in the 2006 election cycle, substantially less than the Republican State Central Committee, which spent \$3,806,704. This is not surprising, given the GOP committee raised more than its Democratic counterpart.

As was the case, with campaign receipts, some county central committees of both parties spent significantly more funds than others (see Table 2). Among Democratic Party county central committees, the Prince George's County and Montgomery County central committees spent significantly more than the other Democratic committees. Among Republican Party committees, Montgomery County spent more than twice as much as any other Republican county central committee. Several other county central committees, including the Prince George's County central committee, also spent significantly large sums. Overall, these lists very closely match the rank-order for campaign receipts presented in Table 1.

Table 2. Total Amount Spent by County Central Committees

Democratic Party County Central Committees		Republican Party County Central Committees	
Prince George's County	\$251,129	Montgomery County	\$501,367
Montgomery County	\$177,145	Anne Arundel County	\$230,241
Fredrick County	\$107,738	Baltimore County	\$215,430
Charles County	\$93,890	Harford County	\$212,959
Howard County	\$91,815	Howard County	\$208,285
Calvert County	\$83,912	Carroll County	\$121,548
Carroll County	\$75,965	Prince George's County	\$108,881
Anne Arundel	\$71,839	Calvert County	\$106,698
Worcester County	\$59,011	Talbot County	\$102,390
Cecil County	\$56,166	Frederick County	\$92,212
Washington County	\$55,097	Washington County	\$68,170
Allegany County	\$38,367	Allegany County	\$67,490
Harford County	\$31,785	Charles County	\$65,156
St. Mary's County	\$28,206	Worcester County	\$60,622
Wicomico County	\$27,771	Queen Anne's County	\$56,598
Talbot County	\$15,887	St. Mary's County	\$55,762
Baltimore City	\$13,220	Baltimore City	\$55,290
Queen Anne's	\$11,949	Wicomico County	\$46,049
Baltimore County	\$11,663	Cecil County	\$43,318
Dorchester County	\$11,000	Dorchester County	\$41,971
Caroline County	\$1,753	Garrett County	\$33,378
Garrett County	\$1,307	Somerset County	\$22,170
Kent County	\$445	Caroline County	\$20,190
Somerset County	\$393	Kent County	\$11,166

Appendix

The Study

The campaign finance data used in this report were obtained from the Maryland State Board of Elections and cover the full 2006 election cycle, defined as the period between January 1, 2003 and December 31, 2006. The data are compiled from all expenditures made by all campaign accounts belonging to candidates for the General Assembly during the election cycle. Some of the figures in this report may not perfectly match the figures generated by the Maryland Elections Center website because the data on the website are subject to updating and corrections by the Maryland State Board of Elections. The campaign finance data were supplemented with other information collected by the Center for American Politics and Citizenship.

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About the Center for American Politics and Citizenship

The Center for American Politics and Citizenship (CAPC) is a nonpartisan, non-profit research institution within the Department of Government and Politics of the College of Behavioral and Social Sciences at the University of Maryland. CAPC provides citizens and policy-makers with research on critical issues related to the nation's political institutions, processes, and policies. For more information see <http://www.capc.umd.edu> or write the Center for American Politics and Citizenship, University of Maryland, 3102 Morrill Hall, College Park, MD 20742.

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