

**THE TIMING OF CAMPAIGN CONTRIBUTIONS AND EXPENDITURES  
AND THE 2006 MARYLAND STATE ELECTIONS**

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**A report by**

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## Executive Summary

This report analyzes when candidates for the Maryland General Assembly and Governor raised and spent campaign funds during the 2006 election cycle. The contributions and expenditures discussed in this report were made between January 1, 2003 and December 31, 2006. Comparisons are made among candidates for different offices, between Democrats and Republicans, and between incumbents and nonincumbents.

### Major Findings:

- Between 1998 and 2006, spending by General Assembly candidates increased 60 percent and spending by gubernatorial candidates increased 118 percent.
- Candidate fundraising peaked in intensity in August 2006, before the primary elections, and in October 2006, before the general election. Spending also peaked near the end of the election cycle, with approximately 62 percent of spending occurring between July and November of 2006.
- Gubernatorial candidates Robert Ehrlich (R) and Martin O'Malley (D) spent most of their funds at the end of the cycle, spending \$5.3 million and \$3.5 million, respectively, in October 2006 alone.
- Candidates for the House of Delegates raised the most money in August 2006, prior to the primary election. State Senate candidates raised large amounts prior to both the primary and general elections.
- General Assembly incumbents began fundraising much earlier in the election cycle than challengers. However, incumbents and nonincumbents both saved most of their spending for the last six months of the cycle.
- Democratic candidates for the General Assembly typically raised funds earlier in the election cycle than Republicans.
- Incumbent members of the General Assembly and the Governor may not raise funds during the legislative session.

## **Introduction**

Elections in Maryland have become increasingly-expensive affairs, with fundraising and spending totals in campaigns for Maryland state offices sky-rocketing since the mid-1990s. Candidates need to spend more time than ever fundraising in order to raise enough to be competitive.

Both fundraising and spending increase as Election Day approaches, however both occur throughout a four-year election cycle. Raising funds early can help candidates accrue large war chests to scare off challengers and run effective campaigns, however not all candidates are able to raise funds early or often.

This report analyzes the timing of campaign contributions and expenditures during the 2006 election cycle. The 2006 election cycle began on January 1, 2003 and ended on December 31, 2006. The data analyzed in this report include all fundraising and spending by candidates for the General Assembly and for Governor in 2006. Additionally, historical data from the past several election cycles are presented to compare the increased cost of elections in Maryland.

The report highlights general trends in both the fundraising and spending of candidates. More specifically, the report analyzes fundraising and spending by candidates on a month-by-month basis, looking at differences across offices, parties, and incumbency status. The report shows that, generally, candidates begin fundraising years before the election, but save most of their spending until the months directly preceding Election Day.

### *When Can Candidates Raise and Spend Money?*

For the most part, candidates can raise and spend funds in support of their election throughout the four-year cycle. However, there are some rules that restrict campaign finance activity.

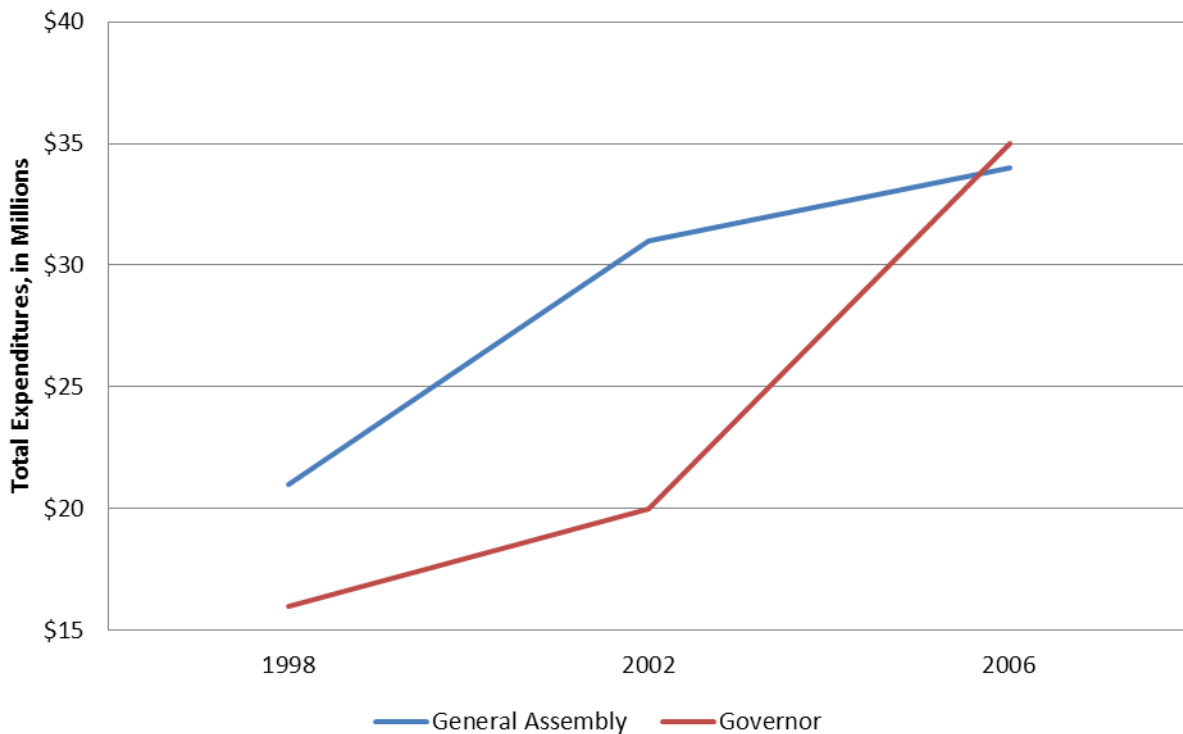
During the regular session of the Maryland General Assembly, incumbent candidates for the Governor, Lieutenant Governor, and the General Assembly must abide by certain restrictions. During this time period they are not allowed to receive campaign contributions, conduct fundraising events, solicit or sell tickets to fundraising events, or deposit or use any contribution that was not deposited prior to the session. Effectively, this restricts the fundraising activities of incumbents, beginning with the second Wednesday in January and continuing for 90 days each year. Any candidate that receives a contribution during the prohibited period has to refund the contributor and pay a civil penalty equal to \$1,000 plus the sum of the contribution.

Additionally, there are limits on the amount that individuals and interest groups (which include businesses and PACs) can contribute to campaigns. Individuals and business entities may contribute no more than \$4,000 to a candidate and a grand total of \$10,000 to all candidates throughout a four-year election cycle. Additionally, PACs may contribute no more than \$6,000 to each candidate during an election cycle.

## The Rising Cost of Campaigning in Maryland

The costs of campaigns in Maryland have increased dramatically over the past few election cycles. As shown in Figure 1, spending by General Assembly candidates rose steeply between 1998 and 2006, with an increase of \$13 million spent. This represents a 60 percent increase in the cost of running for the General Assembly. Spending by gubernatorial candidates has increased even more dramatically. Between 1998 and 2006 spending increased by \$18 million, or 118 percent. These rising costs mean that candidates must raise and spend more to be competitive. It also means that candidates must spend more time on fundraising activities.

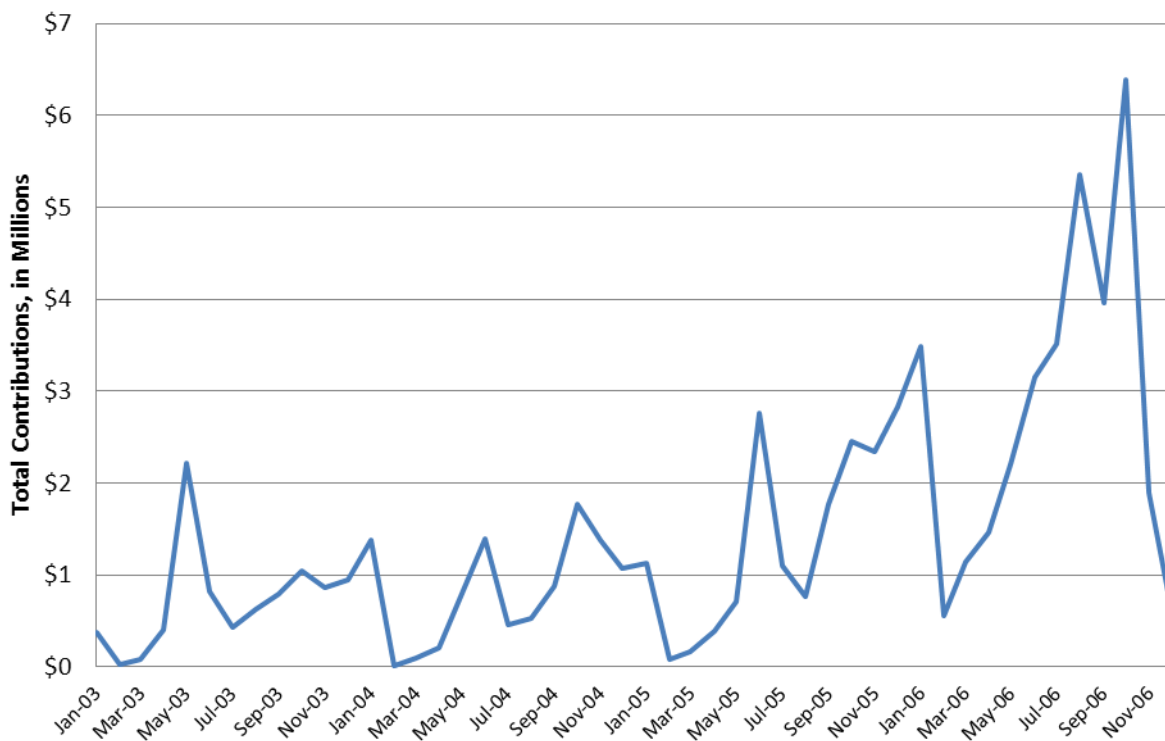
**Figure 1: Total Spending by Candidates for General Assembly and Governor, 1998-2006 (in 2006 constant dollars)**



## Fundraising and Spending During the 2006 Election Cycle

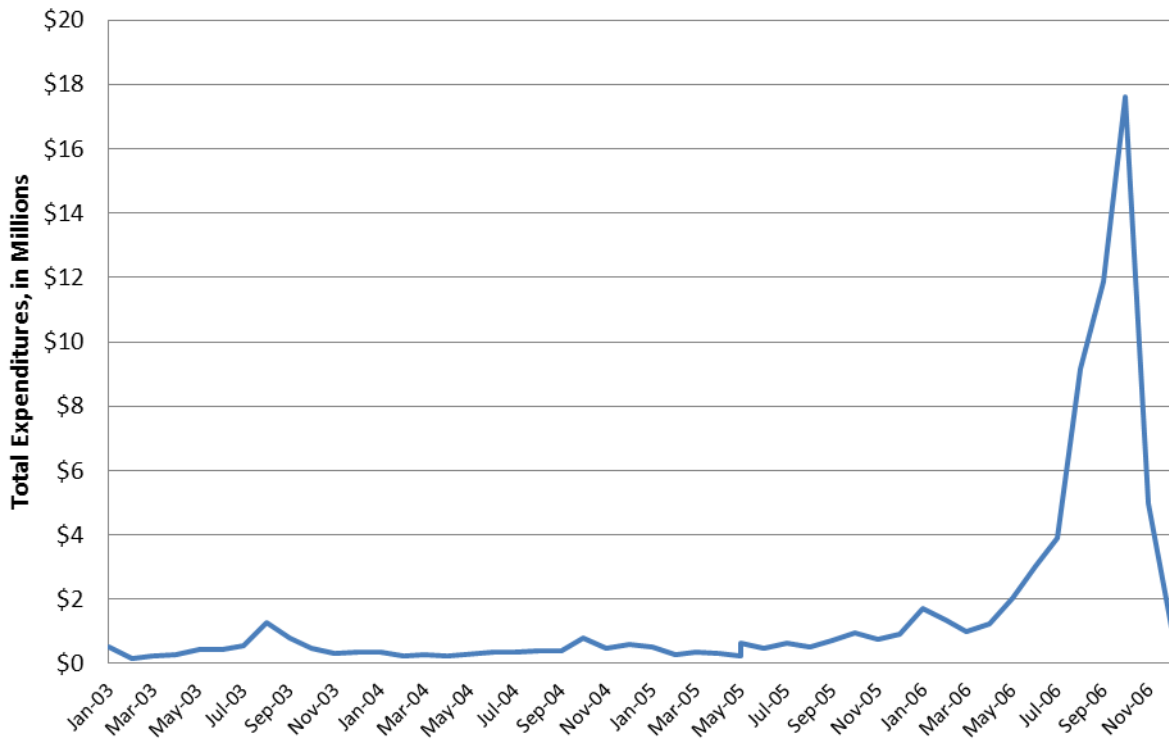
Candidates for state elected offices, including the General Assembly and Governor, begin fundraising long before Election Day. Figure 2 shows the monthly fundraising totals for General Assembly and gubernatorial candidates throughout the 2006 election cycle. The figure demonstrates that as the election draws closer, candidates generally increase their fundraising. However, there were clear dips in fundraising totals during the first few months of each year. These depressions in fundraising totals coincide with the General Assembly's legislative sessions, during which incumbent candidates for the Assembly and Governor are forbidden from raising funds. At the end of the election cycle there were two peaks in the fundraising totals, occurring before the September primary election and the November general election. Many candidates face competitive primary and general election contests, and consequently raise large sums of money leading up to both elections.

**Figure 2: Monthly Fundraising Totals by Candidates for Governor and the General Assembly**



While candidates raise funds throughout the entire election cycle, most spending does not begin to occur until just prior to the September primary election. As shown in Figure 3, it is not until July of 2006 that candidates began to spend heavily on their campaigns. Thereafter, spending increased and peaked in October, just before the general election. Altogether, 62 percent of campaign spending occurred between July and November of 2006, with 38 percent occurring in October alone.

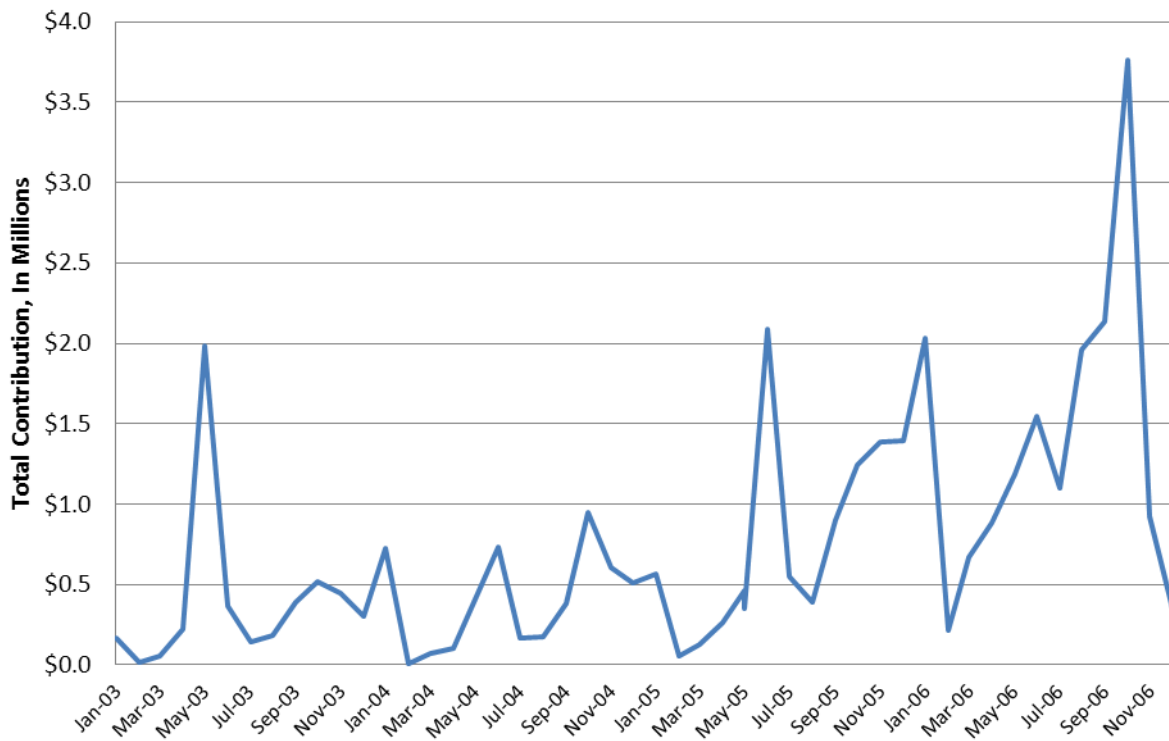
**Figure 3: Monthly Spending Totals by Candidates for Governor and the General Assembly**



### *Fundraising and Spending by Gubernatorial Candidates*

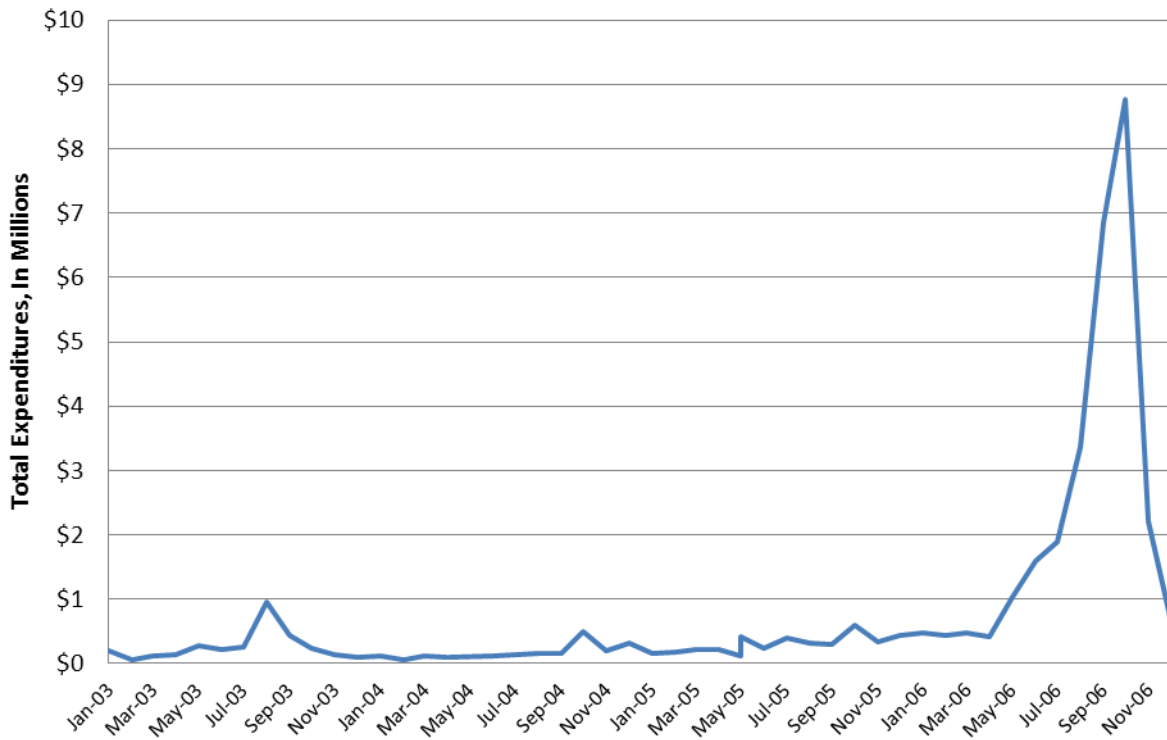
Gubernatorial candidates start fundraising for their campaigns long before Election Day. Figure 4 shows the monthly fundraising totals by gubernatorial candidates during the 2006 election cycle. As the election draws closer, the candidates increased their fundraising. However, as with Figure 2, Figure 4 also shows prominent dips in fundraising totals during the first few months of each year. These depressions correspond with the General Assembly's legislative sessions, during which Robert Ehrlich, as sitting governor, was prohibited from raising funds. Gubernatorial fundraising peaked at \$3.8 million in October 2006.

**Figure 4: Monthly Fundraising Totals by Gubernatorial Candidates**



Gubernatorial candidates typically do not start spending significant funds until just prior to the primary elections. Figure 5 shows the overall spending, by month, for gubernatorial candidates. In July 2006, the candidates began spending heavily and continued to increase their spending through the primary election and into October. Altogether, 62 percent of spending occurred between July and November of 2006, with nearly \$9 million, or 30 percent of all spending, occurring in October alone.

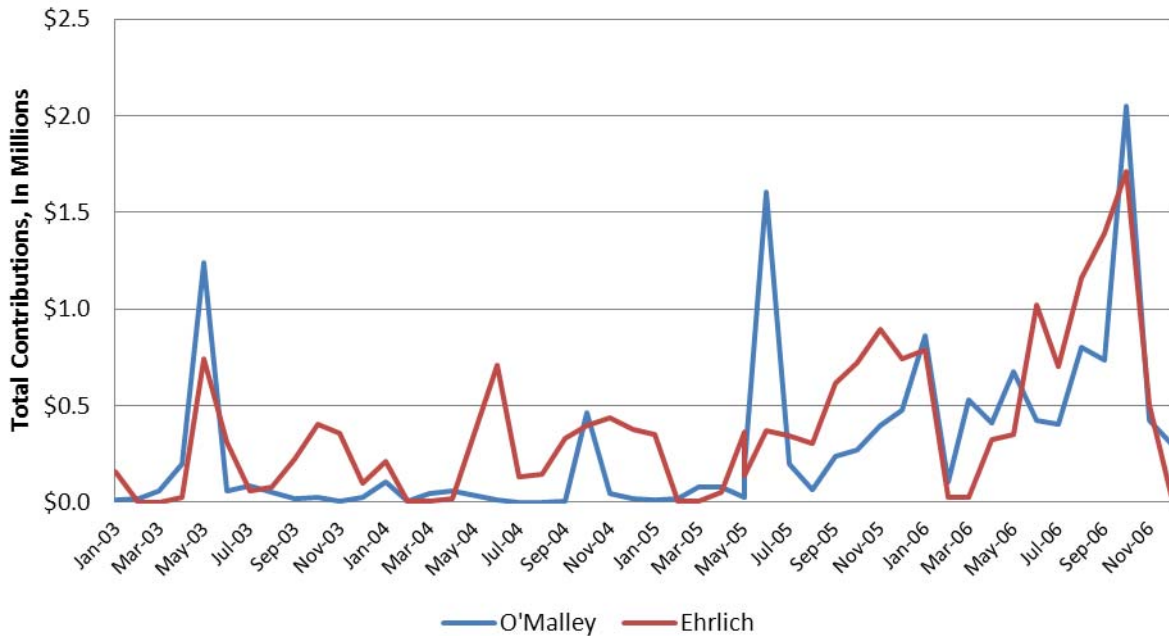
**Figure 5: Monthly Spending Totals by Gubernatorial Candidates**



Martin O’Malley (D) and Robert Ehrlich (R) both began fundraising for their highly publicized and competitive gubernatorial race well before the year of the election. Figure 6 shows the monthly fundraising totals of O’Malley and Ehrlich. Ehrlich’s fundraising, shown in red, increased with each passing year but dipped during the General Assembly’s annual legislative session, when he was legally barred from accepting contributions. Ehrlich’s fundraising peaked in October 2006, just before the general election.

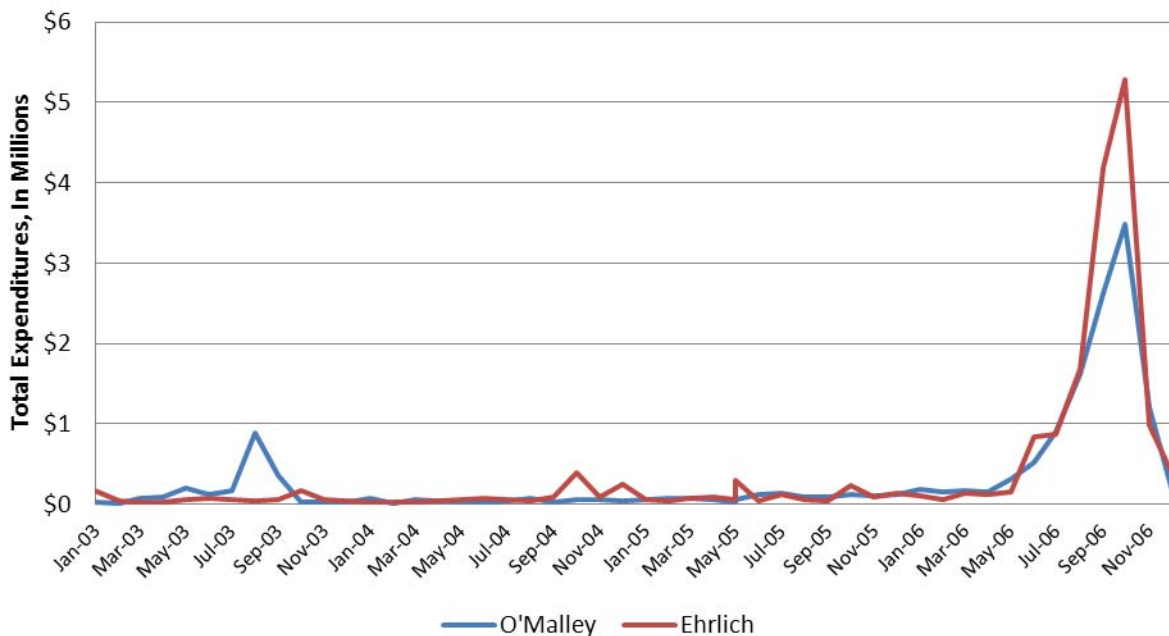
O’Malley had a much more sporadic pattern of fundraising than Ehrlich. Figure 6 shows spikes in O’Malley’s fundraising totals between May and June of 2003, September and November of 2004, May and June of 2005, and during January and October of 2006. The largest spike in O’Malley’s fundraising coincides with Ehrlich’s peak in October 2006, with both candidates making substantial fundraising efforts just before the general election.

**Figure 6: Monthly Fundraising Totals by O'Malley and Ehrlich**



Candidates for the governor’s office didn’t begin to spend heavily until the months preceding the September 2006 primary election. Figure 7 shows the monthly spending totals of O’Malley and Ehrlich. Spending by both candidates began to increase in July 2006 and peaked in October 2006, when Ehrlich spent about \$5.3 million and O’Malley spent about \$3.5 million. Altogether, 72 percent of Ehrlich’s spending occurred between July and November 2006, with 40 percent occurring in October alone. O’Malley spent 64 percent his funds between July and November 2006, with 54 percent occurring in October.

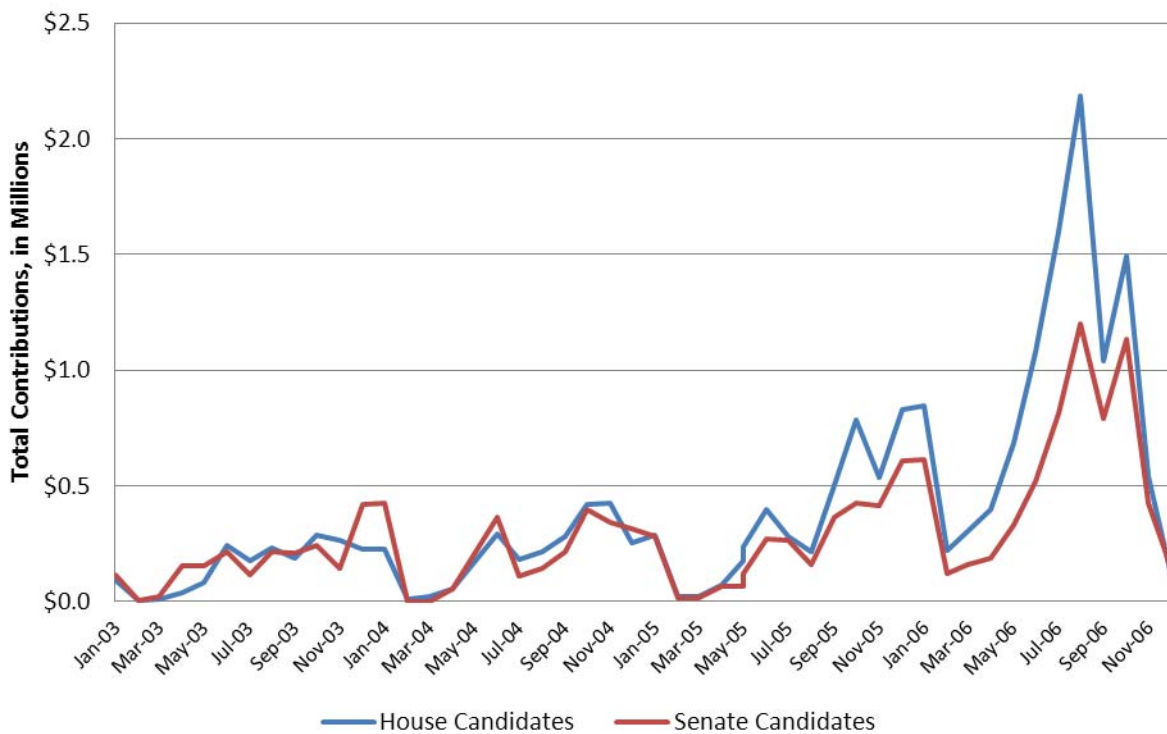
**Figure 7: Monthly Spending Totals by O'Malley and Ehrlich**



### *Fundraising and Spending by General Assembly Candidates*

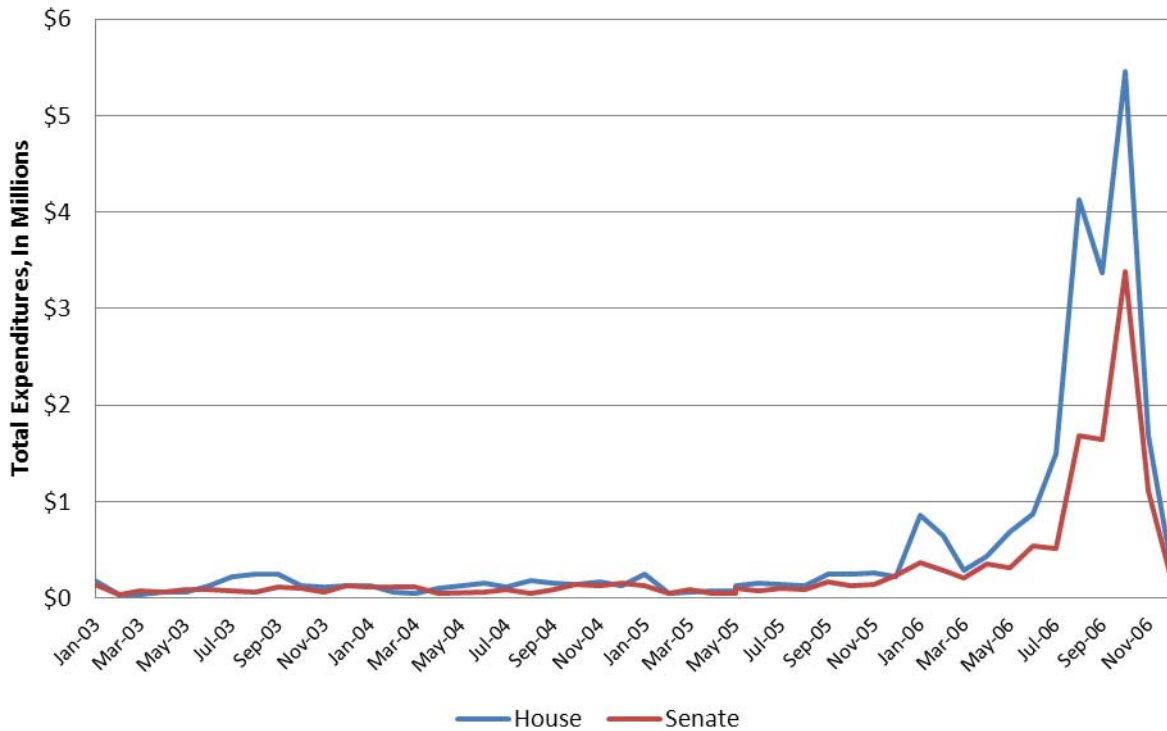
Like gubernatorial candidates, candidates running to win or retain a seat in the Maryland General Assembly must begin fundraising long before Election Day. Figure 8 shows the monthly fundraising totals by candidates for the House of Delegates and the State Senate. As shown, both House and Senate candidates increased their fundraising each consecutive year into the election cycle, peaking between August and October of 2006. Dips in the fundraising totals, again, coincide with the legislative sessions, when incumbents are barred from fundraising. The graph shows dual peaks for both sets of candidates in August (before the primary election) and October (before the general election). House candidates have a significantly higher peak for fundraising prior to the primaries, whereas Senate candidates peaked before the primary and general elections fairly evenly. This is likely due to the fact that many more House candidates face challenging competition during the primary elections than do Senate candidates.

**Figure 8: Monthly Fundraising Totals by Candidates for the House of Delegates and State Senate**



Also like gubernatorial candidates, House and Senate candidates spend very little until Election Day nears. Figure 9 shows monthly spending totals for House and Senate candidates. Starting around June 2006, candidate spending began to dramatically increase. House candidates peaked in their spending twice, spending approximately \$4.1 million in the month before the primary election, and approximately \$5.5 million in the month before the general election. Overall, 64 percent of their spending occurred between July and November of 2006. Candidates for Senate had a smaller spending spike during the month prior to the primary election (\$1.7 million), and spent a total of \$3.4 million in October 2006. Overall, 59 percent of Senate candidate spending occurred between July and November 2006.

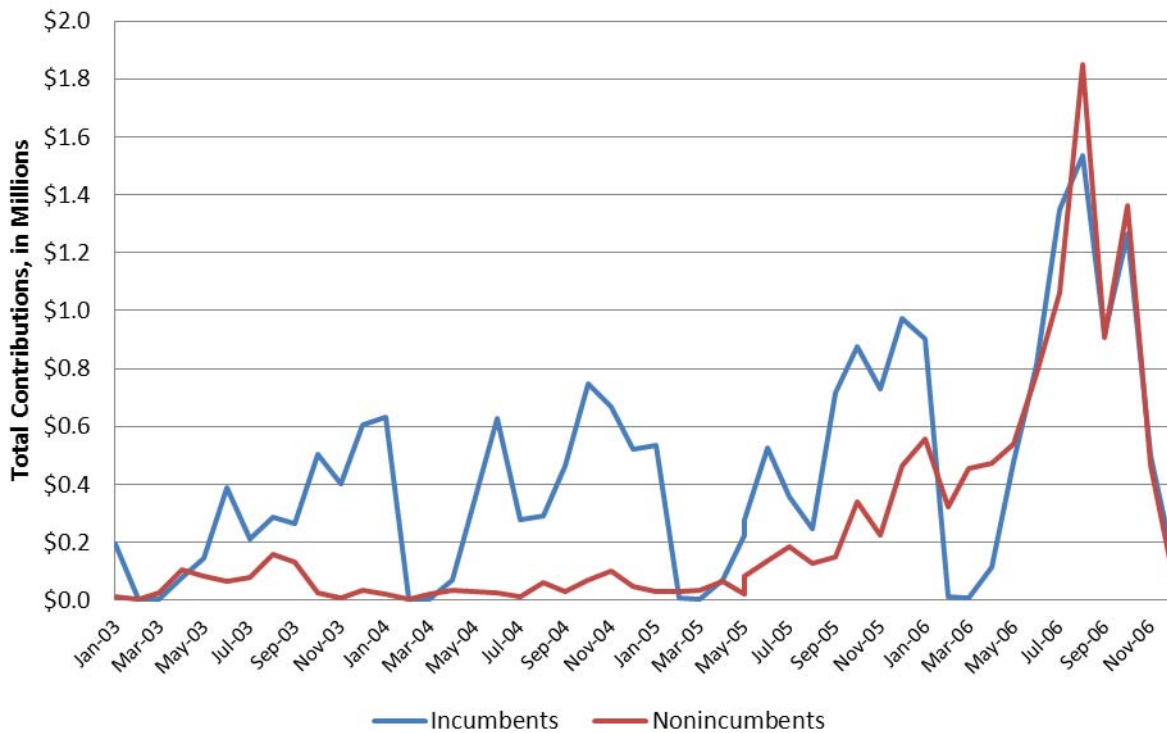
**Figure 9: Monthly Spending Total by Candidates for the House of Delegates and State Senate**



Fundraising patterns throughout the election cycle differ for incumbent and nonincumbent candidates. Incumbents can use their institutional status, experience, and name recognition to raise more funds early in the election cycle. Nonincumbents, by contrast, often do not enter the election until late in the cycle, and do not enjoy the name recognition and donor bases of incumbents. Figure 10 shows the monthly fundraising totals by incumbent and nonincumbent candidates for the General Assembly. Generally, incumbents began fundraising significant sums of money earlier than challengers. Even with restrictions placed on their fundraising during the legislative sessions, incumbents far outraised nonincumbents from 2003 through 2005.

Nonincumbents often do not begin fundraising until much closer to Election Day. Nonincumbent fundraising totals began to pick up following the legislative session in 2005 and continued to steadily increase throughout the rest of the election cycle. Nonincumbents reached their peak in August 2006, raising \$1.8 million in the month prior to the primary election, and then peaked again in October 2006, with \$1.4 million raised during the month preceding the general election. Fundraising for incumbents also peaked in August (\$1.5 million) and October (\$1.3 million) of 2006. Although nonincumbents raised more during the final months of the campaign, the early start enjoyed by incumbents gave them great financial advantages.

**Figure 10: Incumbency and Monthly Fundraising Totals by General Assembly Candidates**



While incumbents raise funds earlier and more often, incumbents and nonincumbents tend to spend their funds similarly. Figure 11 shows the monthly spending totals of incumbent and nonincumbent candidates for the General Assembly. The overall trends for spending by incumbents and nonincumbents are very similar. Both types of candidates show a small spike in their spending in January 2006, just prior to the final legislative session of the cycle. Subsequently, starting in June 2006, spending increased dramatically, peaking just prior to the primary and general elections. In October 2006 alone, incumbents spent around \$7.8 million and nonincumbents spent around \$6.5 million. Altogether, both incumbents and nonincumbents spent the majority of their funds between July and November 2006 (61 percent and 65 percent, respectively).

**Figure 11: Incumbency and Monthly Spending Totals by General Assembly Candidates**

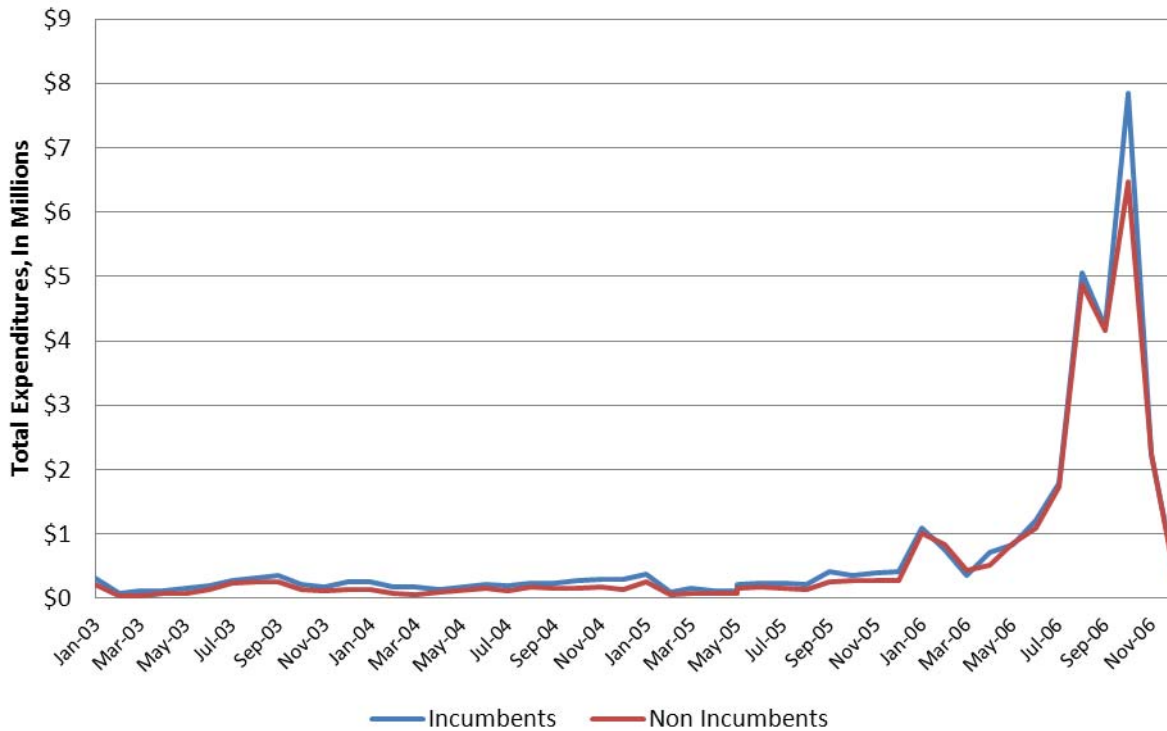
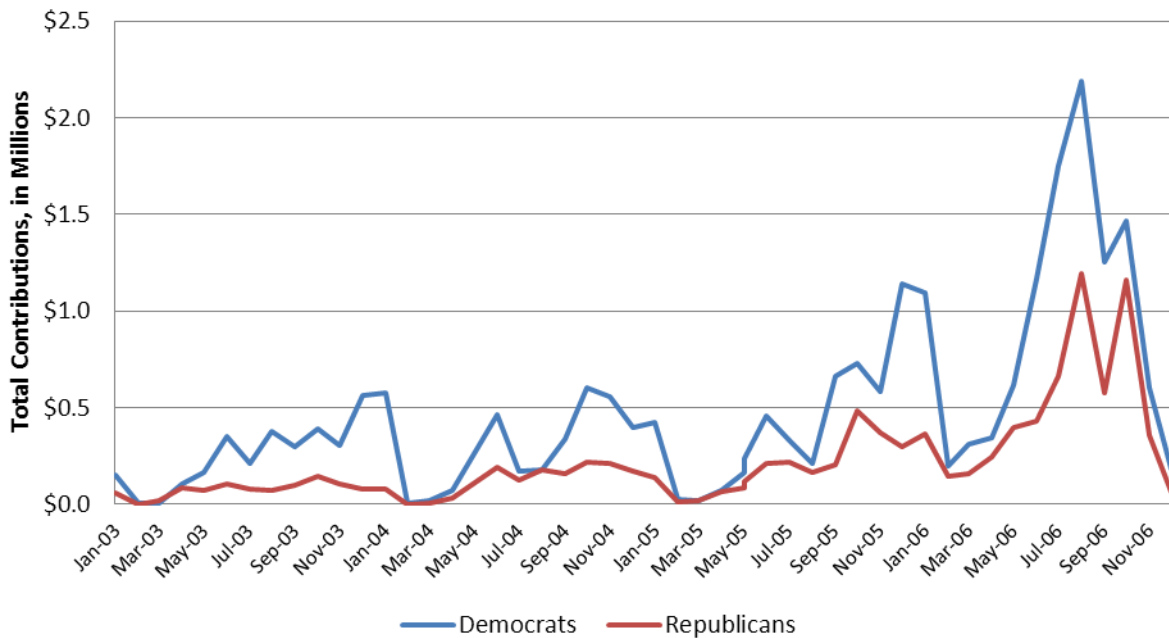


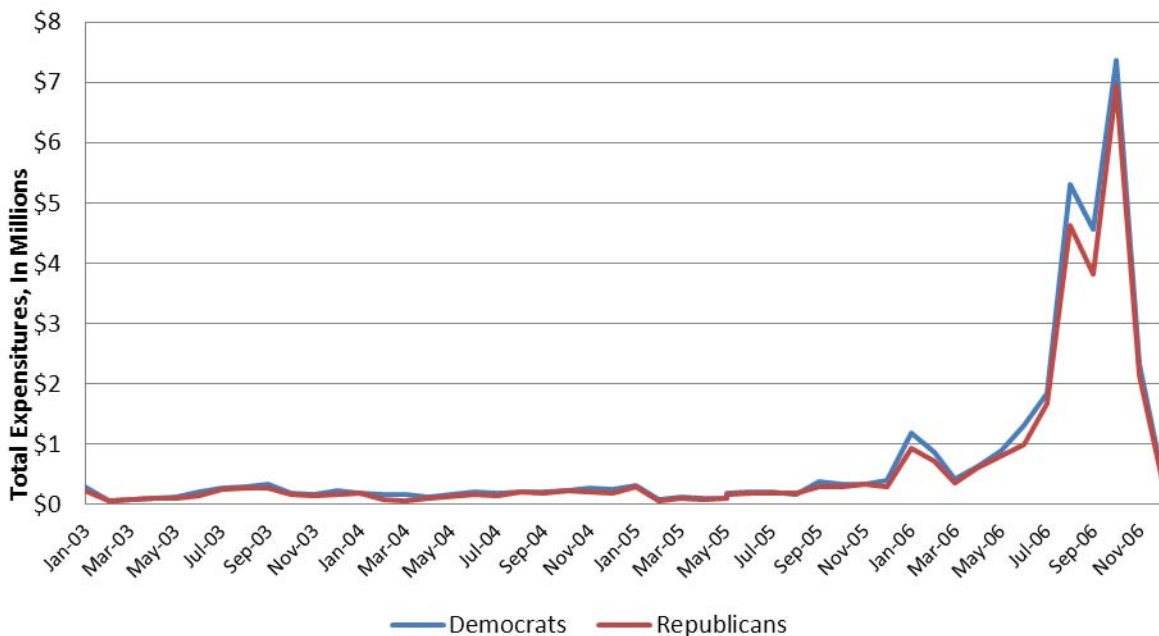
Figure 12 compares the monthly fundraising totals of Democratic and Republican candidates for the General Assembly. Democrats have long enjoyed majority status in both chambers of the General Assembly, which has traditionally given Democratic candidates a financial edge over their Republican opponents. Across the cycle, Democratic candidates raised more than Republicans. Again, the large dips in fundraising that appear at the beginning of each year can be accounted for by the fact that incumbent candidates cannot fundraise during the General Assembly session. Both Democrats and Republicans peak in their fundraising in August (before the primary election) and again in October (before the general election). Democrats show the largest fundraising peak of \$2.2 million before the primary election and a smaller fundraising peak of \$1.5 million before the general election. This reflects the highly competitive Democratic primaries that occur in many legislative districts each cycle. Republicans have nearly-equal fundraising highs before the primary and general elections.

**Figure 12: Partisanship and Monthly Fundraising Totals by Candidates for the General Assembly**



The spending patterns of Democrats and Republicans were very similar. For the most part, candidates spend very little prior to the final year of the cycle (see Figure 13). Following the 2006 legislative session, spending increased dramatically, peaking for both Democrats and Republicans prior to the primary and general elections. Democrats spent 62 percent of their funds between July and November 2006. During the same period, Republicans spent 64 percent of their funds.

**Figure 13: Partisanship and Monthly Spending Totals by Candidates for the General Assembly**



## **Appendix**

The campaign finance data used in this report were obtained from the Maryland State Board of Elections. The data were accessed in August 2010 and reflect the status of the filing reports at that time. 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**

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