

**CAMPAIGN FINANCE AND THE 2010 MARYLAND  
GUBERNATORIAL ELECTION**

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**A Report by  
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## Executive Summary

Gubernatorial candidates in Maryland raised and spent more than \$22 million during the 2010 elections. This report details where this money was raised and how it was spent while identifying important differences among the candidates.

### Major Findings:

- The amount of money raised and spent by gubernatorial candidates in 2010 decreased by about \$8 million from 2006.
- The Democratic O'Malley-Brown ticket outraised the Republican Ehrlich-Kane ticket by nearly \$5.5 million during the election cycle.
- Combined, the gubernatorial candidates raised 64% of their funds from individual donors and 28% from organized interests. Martin O'Malley received more of his contributions from organized interests (35%) than Robert Ehrlich (23%), who relied more heavily on contributions from individuals.
- Both candidates raised the majority of their individual contributions from in-state donors, especially those located in the Baltimore-Washington corridor. However, significant amounts of money flowed in from a few metropolitan regions outside of Maryland, including Washington, D.C., New York City, Philadelphia, and Los Angeles.
- O'Malley and Brown formed a joint fundraising committee (slate) that raised \$6.9 million. Ehrlich and Kane did not have a slate committee.

## **Introduction**

The Governor of Maryland is one of the most powerful governors in the country. With broad appointment and removal powers and a line-item veto for all appropriations bills, the Governor has unrivaled power within the policymaking process. Maryland gubernatorial elections are held every four years, and recent elections have been dramatic and expensive affairs.

This report examines the campaign finances of the 2010 Maryland gubernatorial election. Specifically, it examines the fundraising and expenditures of the campaigns for the offices of the governor and lieutenant governor during the 2010 election cycle.

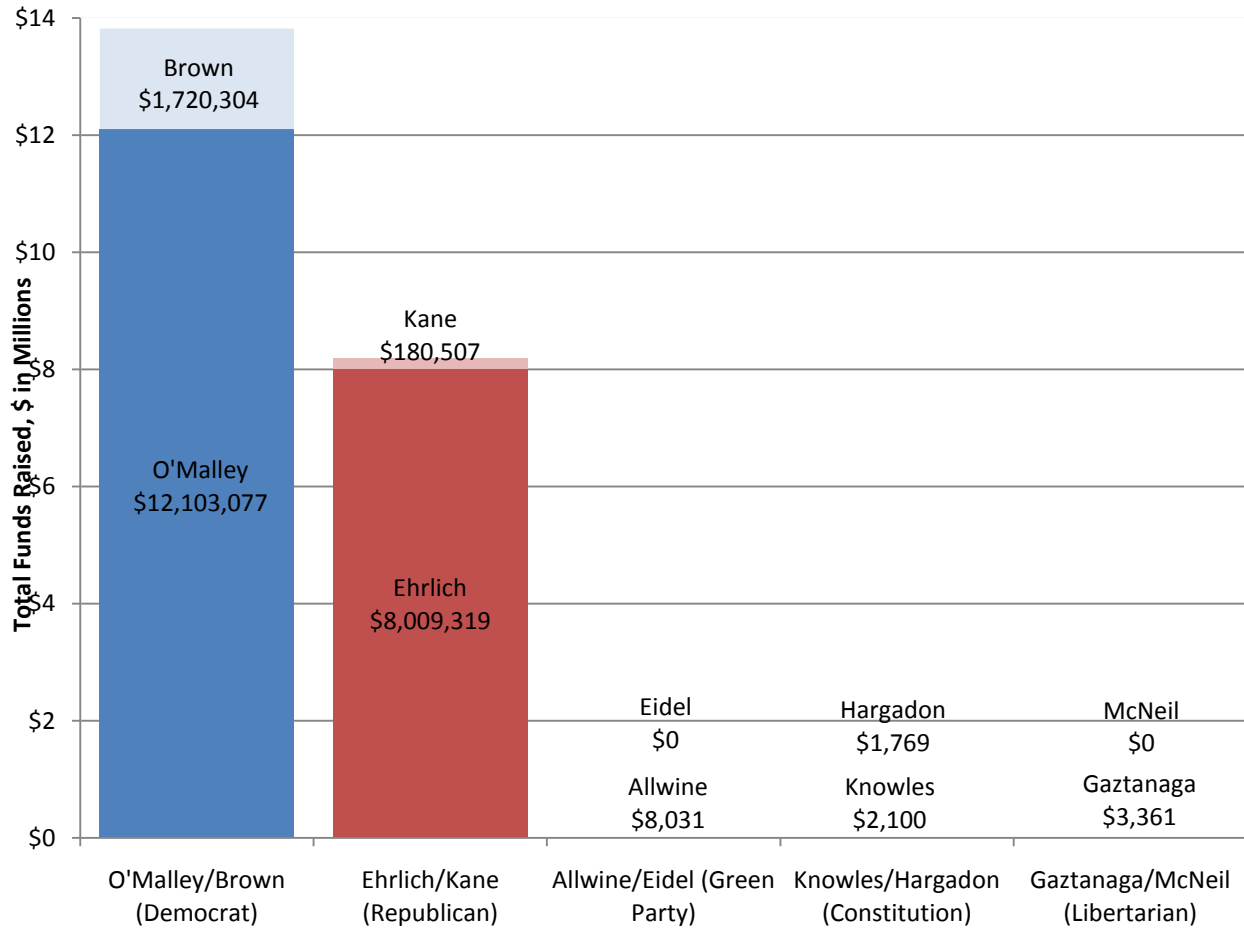
The 2010 gubernatorial election featured a rematch between Democratic incumbent Governor Martin O'Malley and former Republican Governor Robert L. Ehrlich. In 2006, Ehrlich lost narrowly to O'Malley in an election year that strongly favored Democrats nationally. The 2010 election, by contrast, was a year that favored Republican candidates nationwide, as Republicans picked up 11 governorships formerly held by Democrats. In the Democratic primary election, O'Malley faced competition from two candidates, neither of whom received more than 10 percent of the vote. In the Republican primary, Ehrlich faced Brian Murphy. Though he only received 20% of the vote, Murphy attracted a following and received an endorsement from former Alaska Governor Sarah Palin. In the general election, though three minor party candidates emerged, including Libertarian candidate Susan Gaztanaga, Green Party candidate Maria Allwine, and Constitution Party candidate Eric Knowles, the two major-party candidates received a combined 98% of the vote. In the end, O'Malley defeated Ehrlich with 56.2% of the popular vote, increasing his margin of victory by approximately 4% from 2006.

Each gubernatorial candidate was joined on his ticket by a candidate for Lieutenant Governor lieutenant governor. O'Malley's running mate was incumbent Lieutenant Governor Anthony Brown. Ehrlich's running mate was Mary Kane, an attorney and the former Maryland Secretary of State.

### **I. Campaign Financing by Gubernatorial Candidates**

In 2010, both major-party tickets for the office of Maryland's governor raised significant amounts of money; third-party candidates raised comparatively small sums. As shown in Figure 1, incumbent governor Martin O'Malley and his running mate, Anthony Brown, raised a combined total of nearly \$14 million, and challenger Robert Ehrlich and his running mate, Mary Kane, raised more than \$8 million. The remaining candidates for the office raised a combined total of \$15,000. Though O'Malley and Brown raised nearly the same amount in the 2006 election, the Ehrlich-Kane ticket raised less than half as much money as the Ehrlich-Cox ticket in 2006. Brown raised about 14% percent of the Democratic ticket's total funds, while Kane only raised about 3% of the Republican ticket's total funds.

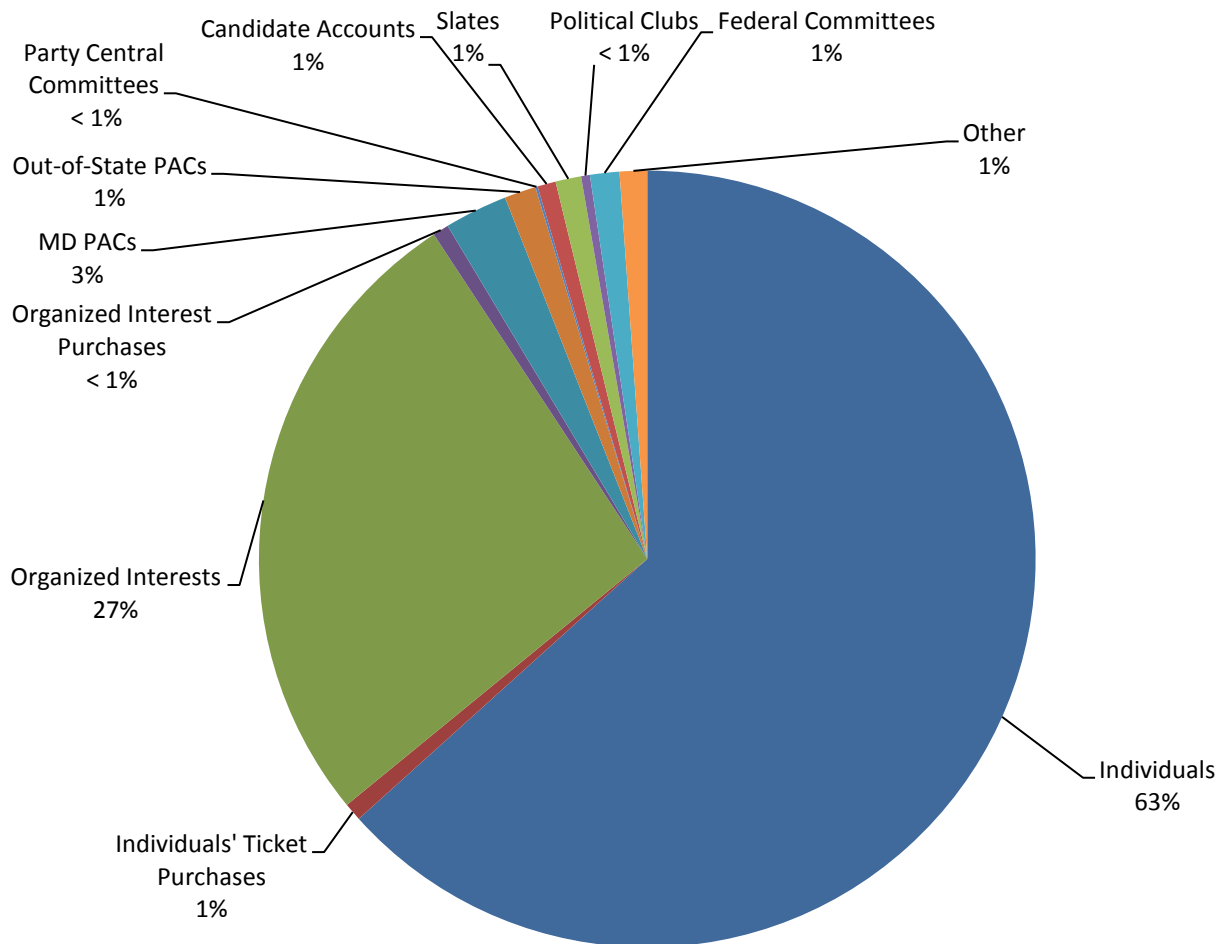
**Figure 1. Total Amounts Raised by Maryland Gubernatorial Candidates**



## Sources of Campaign Contributions

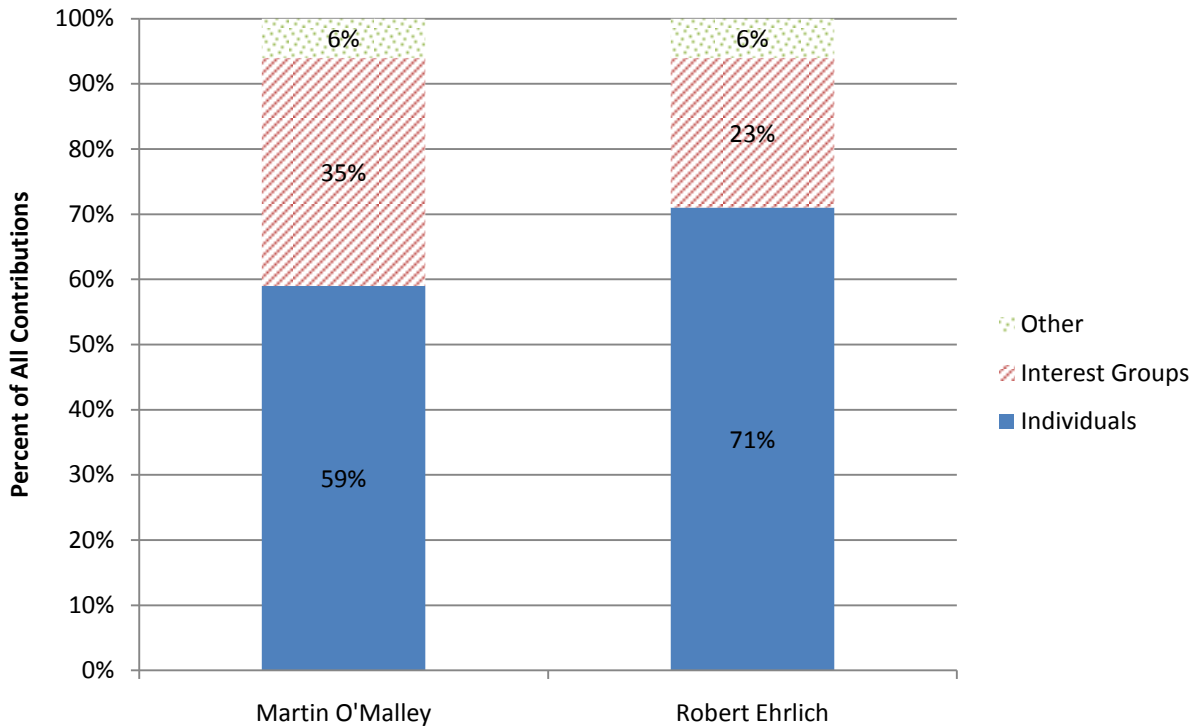
The two major-party candidates, O'Malley and Ehrlich, and their running mates raised campaign funds from a variety of different sources (see Figure 2). As in past elections, individual donations constituted the majority of all contributions, with 64% of all funds coming from direct contributions or tickets purchased by individuals. Interest groups – including organized interests such as business entities and labor organizations, as well as political action committees (PACs) – also contributed a significant amount to candidates, with almost 32% of the money coming from interest group contributions or ticket purchases. Together, individual and interest group contributions comprised 96% of all contributions to the two major-party candidates and their running mates. The remaining 4% of funds came from various political organizations, slates, and other political entities.

**Figure 2. Sources of Campaign Funds for Gubernatorial Candidates**



The sources of funding for O'Malley and Ehrlich's campaigns differed slightly in the 2010 election. As shown in Figure 3, both candidates raised a majority of their funds from individual donors, but O'Malley relied less heavily on contributions from individuals than Ehrlich. In all, O'Malley received 35% of his campaign funds from organized interests and 59% from individuals. Ehrlich received 23% of his campaign funds from organized interests and 71% from individuals. Despite these differences, the sources of funding for the two major candidates were very similar.

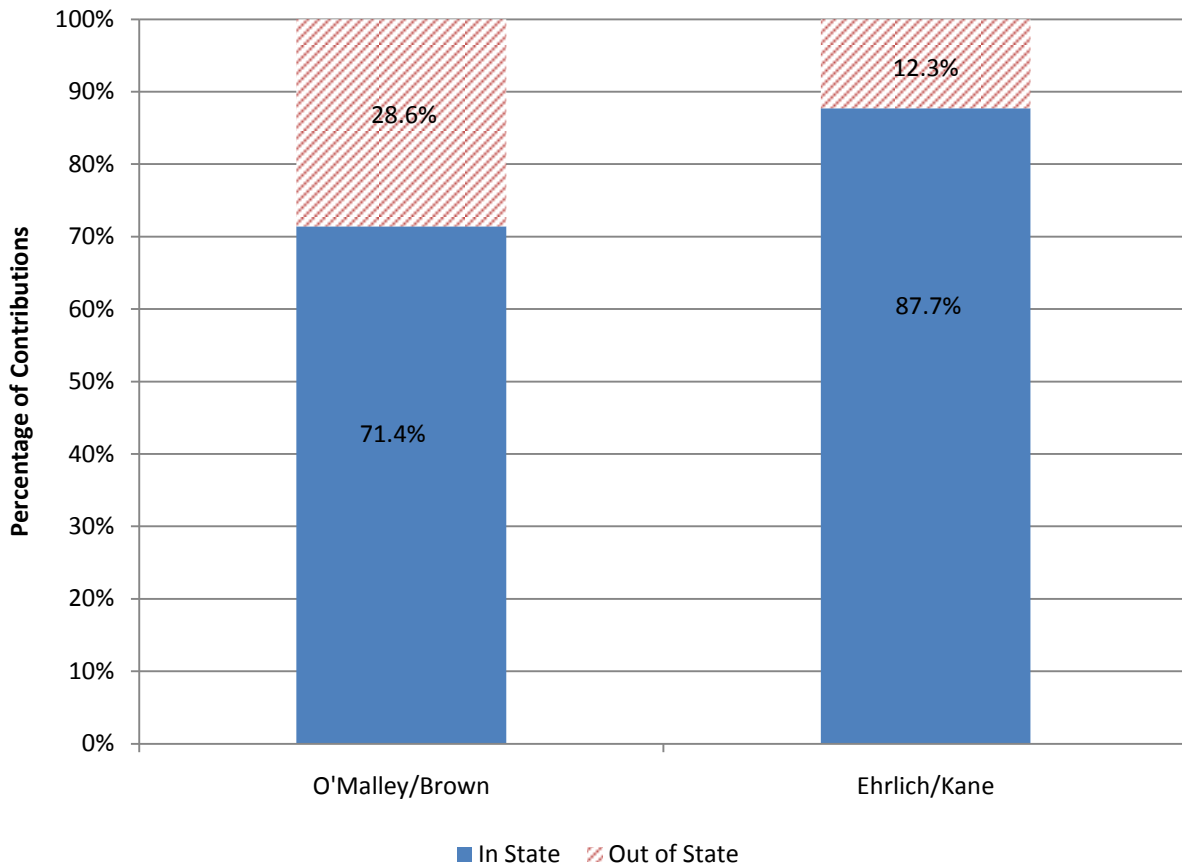
**Figure 3. Differences Between Sources of Funds for O'Malley and Ehrlich**



### *The Geography of Campaign Contributions*

The O'Malley/Brown and Ehrlich/Kane tickets raised funds both inside and outside of Maryland (see Figure 4). O'Malley raised more money from Maryland sources than Ehrlich, however, Ehrlich raised a larger percentage of his funds in-state. O'Malley raised \$9.5 million, or 71.4% of his funds, in state, while Ehrlich raised \$6.8 million, or 87.7% of his funds, from Maryland sources. O'Malley raised both more money and a higher percentage of his funds from out-of-state sources than Ehrlich did, comprising 28.6%, or \$3.9 million, of his total funds. By comparison, out-of-state contributions represented 12.3%, or \$1.0 million, of Ehrlich's total funds.

**Figure 4. In State vs. Out-of-state Sources of Funding for Gubernatorial Candidates**



The gubernatorial candidates raised funds in every county in Maryland, but some areas contributed more heavily than others. Table 1 presents the combined contributions the two campaigns raised in each of Maryland’s counties (including Baltimore City), as well as from out-of-state. In 2010, individuals from outside of Maryland collectively gave more money, or 23.1% of all funds raised, to the candidates than individuals in any single county. Donations from individuals in Baltimore County totaled to the second-largest source of contributions, at 18.1%, and represented the most money given by a county in Maryland. Contributions from individuals in Montgomery County, accounting for 17.4% of all funds, Baltimore City, at 11.3% of funds, and Anne Arundel County, at 8.2%, rounded out the top of the list. Altogether, these four counties, along with the rest of the Baltimore-Washington corridor (Howard, Prince George’s, and Harford counties) and out-of-state sources, account for 90.9% of all individual contributions to the gubernatorial candidates during the 2010 election cycle.

**Table 1. Contributions to Gubernatorial Candidates by Location**

	Amount	Percent
<i>Out-of-state</i>	\$4,949,619	23.1%
Baltimore County	\$3,871,390	18.1%
Montgomery	\$3,737,775	17.5%
Baltimore City	\$2,430,850	11.4%
Anne Arundel	\$1,771,184	8.2%
Howard	\$1,112,103	5.2%
Prince George's	\$1,055,226	4.9%
Harford	\$570,709	2.7%
Frederick	\$230,873	1.1%
Carroll	\$226,811	1.1%
Talbot	\$216,267	1.0%
Calvert	\$177,824	0.8%
Queen Anne's	\$165,661	0.8%
Worcester	\$144,234	0.7%
Washington	\$142,610	0.7%
Charles	\$130,068	0.6%
Dorchester	\$90,223	0.4%
Cecil	\$75,630	0.4%
Kent	\$65,181	0.3%
St. Mary's	\$65,746	0.3%
Allegany	\$38,915	0.2%
Wicomico	\$40,041	0.2%
Somerset	\$37,101	0.2%
Garrett	\$35,124	0.2%
Caroline	\$16,410	0.1%

There were both similarities and differences in the geography of O’Malley and Ehrlich’s fundraising. Both candidates raised the largest percentages of their funds from out-of-state, Baltimore County, and Montgomery County. However, Ehrlich raised the largest percentage of his donations in Baltimore County, while O’Malley raised the largest percentage of his contributions from out-of-state donors. Contributions from Montgomery County comprised about 17% of all individual contributions for both candidates. O’Malley and Ehrlich both relied heavily on contributions from the Baltimore-Washington corridor, which includes Anne Arundel County, Baltimore City, Baltimore County, Harford County, Howard County, Montgomery County, and Prince George’s County. O’Malley received 64.4% of his contributions from the Baltimore-Washington corridor, and Ehrlich received 73.3% of his contributions from the Baltimore-Washington corridor.

**Table 2. Contributions to O’Malley and Ehrlich By Location**

Martin O’Malley			Robert L. Ehrlich		
County	Amount	Percent	County	Amount	Percent
<i>Out-of-state</i>	\$3,947,377	29.3%	Baltimore County	\$2,025,818	25.6%
Montgomery	\$2,376,243	17.6%	Montgomery	\$1,361,532	17.2%
Baltimore City	\$2,006,324	14.9%	<i>Out-of-state</i>	\$1,002,242	12.7%
Baltimore County	\$1,845,572	13.7%	Anne Arundel	\$967,876	12.3%
Prince George's	\$827,907	6.1%	Howard	\$488,109	6.2%
Anne Arundel	\$803,308	5.9%	Baltimore City	\$424,527	5.4%
Howard	\$623,995	4.6%	Harford	\$327,067	4.1%
Harford	\$243,642	1.8%	Prince George's	\$227,320	2.9%
Frederick	\$113,536	0.8%	Carroll	\$163,995	2.1%
Talbot	\$110,401	0.8%	Frederick	\$117,337	1.5%
Calvert	\$96,065	0.7%	Queen Anne's	\$111,520	1.4%
Worcester	\$88,912	0.7%	Talbot	\$105,866	1.3%
Carroll	\$62,816	0.5%	Washington	\$102,103	1.3%
Charles	\$59,836	0.4%	Calvert	\$81,759	1.0%
Queen Anne's	\$54,141	0.4%	Dorchester	\$74,725	0.9%
St. Mary's	\$54,331	0.4%	Charles	\$70,232	0.9%
Cecil	\$49,927	0.4%	Worcester	\$55,322	0.7%
Washington	\$40,507	0.3%	Kent	\$37,368	0.5%
Kent	\$27,813	0.2%	Somerset	\$34,586	0.4%
Allegany	\$17,386	0.1%	Garrett	\$29,334	0.4%
Wicomico	\$17,165	0.1%	Cecil	\$25,703	0.3%
Dorchester	\$15,498	0.1%	Wicomico	\$22,877	0.3%
Caroline	\$5,646	< 0.1%	Allegany	\$21,529	0.3%
Garrett	\$5,790	<0.1%	Caroline	\$10,765	0.4%
Somerset	\$2,515	<0.1%	St. Mary's	\$11,416	0.1%

Out-of-state sources of funding came primarily from a small set of metropolitan areas. The Washington, D.C. metro area, which includes counties in northern Virginia, was responsible for more than 40% of all out-of-state contributions to O'Malley and Ehrlich (see Table 3). The proximity of Washington, D.C. to Maryland, as well as it being a home to a large population of active politicians, likely accounts for the large amount of contributions originating there. Another 13% of contributions came from the New York City area, and 6% came from Philadelphia and its surrounding environs. Again, the proximity of these areas to Maryland, as well as their wealth, likely accounts for the contribution totals. In total, the top six contributing metropolitan areas accounted for about 70% of all out-of-state contributions.

#### **Out of State Contributions to Gubernatorial Candidates, 2010**

Metropolitan Area	Total Contributed	Percent of Out-of-State Contributions
Washington, D.C.	\$2,086,040	42.10%
New York City	\$681,177	13.80%
Philadelphia	\$330,274	6.70%
Los Angeles	\$151,792	3.00%
Boston	\$125,400	2.50%
Miami	\$99,995	2.00%
Other	\$1,474,941	29.79%
<b>Total Out-of-State Contributions</b>	<b>\$4,949,619</b>	

The out-of-state locations in which O'Malley and Ehrlich raised their funds differed somewhat in the 2010 election. Both candidates raised the largest percentage of their out-of-state contributions from Washington, D.C. Though O'Malley raised nearly three times more money from this region than Ehrlich did, donations from Washington, D.C. comprised only one third of O'Malley's total out-of-state contributions. In contrast, funds from Washington, D.C. accounted for nearly half of Ehrlich's out-of-state contributions (see Table 4). Both candidates also raised a substantial amount of their funds from the New York City area. O'Malley also raised significant contributions from Philadelphia, Los Angeles, and Boston, while Ehrlich's list featured Miami, Philadelphia, and Richmond.

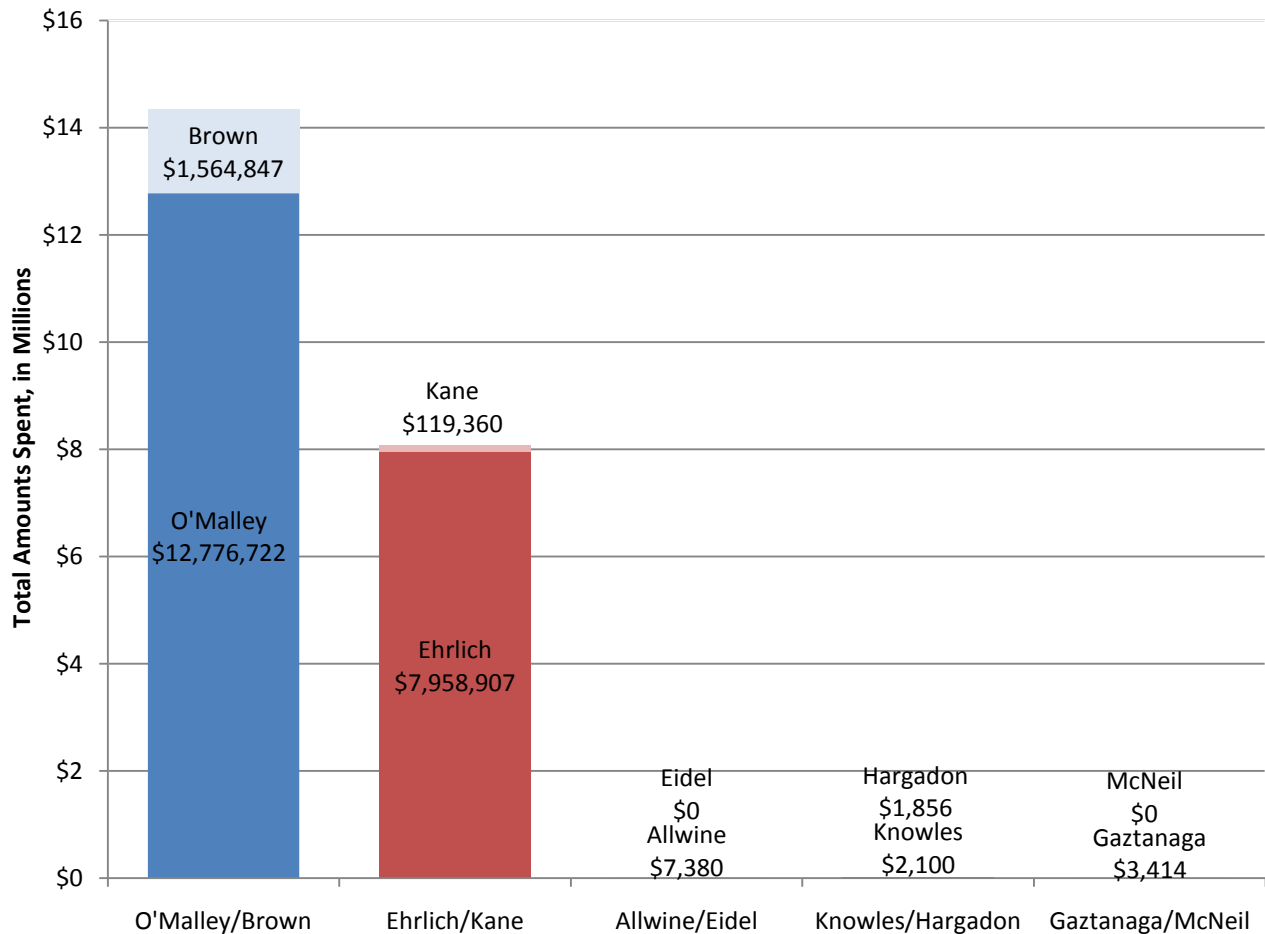
**Table 4. Out of State Contributions to O'Malley and Ehrlich by Location**

Martin O'Malley			Robert L. Ehrlich		
Metropolitan Area	Total Contributed	% of Out of State	Metropolitan Area	Total Contributed	% of Out of State
Washington, DC	\$1,334,297	33.8%	Washington, DC	\$491,864	49.1%
New York City	\$496,843	12.6%	New York City	\$78,930	7.9%
Philadelphia	\$239,508	4.8%	Miami	\$51,450	5.2%
Los Angeles	\$122,836	3.1%	Philadelphia	\$38,266	3.8%
Boston	\$87,760	2.2%	Richmond	\$19,126	1.9%
Other	\$1,717,109	43.5%	Other	\$321,719	32.1%

## Campaign Spending by Gubernatorial Candidates

The amounts spent by the gubernatorial candidates in the 2010 election reflect the amounts they raised. O'Malley and Brown spent the most money, totaling over \$14 million, while Ehrlich and Kane spent about \$8 million. The two major-party tickets spent about \$22 million on the 2010 election, which is far less than the \$33 million they spent on the 2006 election. In 2006, O'Malley spent \$15 million and Ehrlich spent \$18 million. While O'Malley and Ehrlich spent large sums of money in this election, none of the third-party candidates for governor spent more than \$8,000.

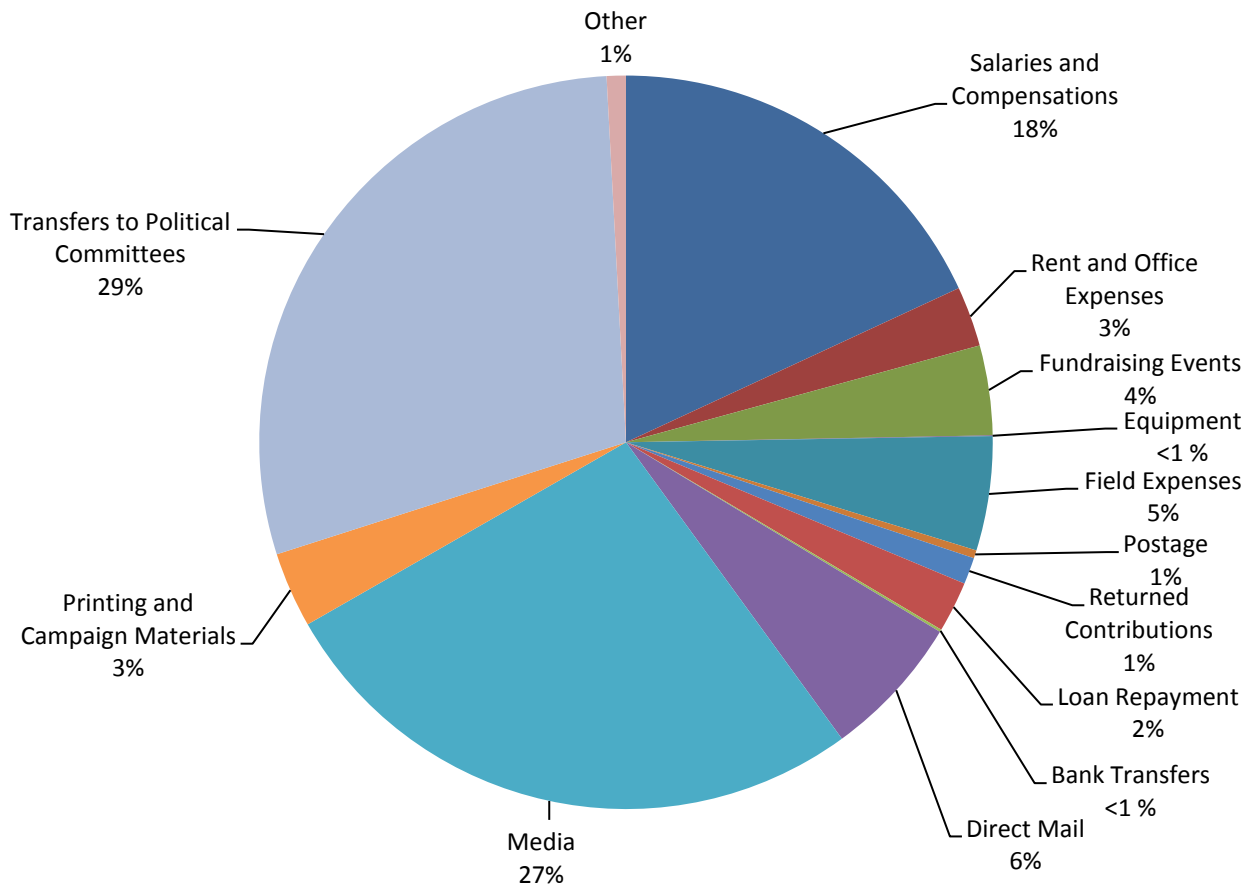
**Figure 5. Total Campaign Expenditures by Gubernatorial Candidates**



### How the Money Was Spent

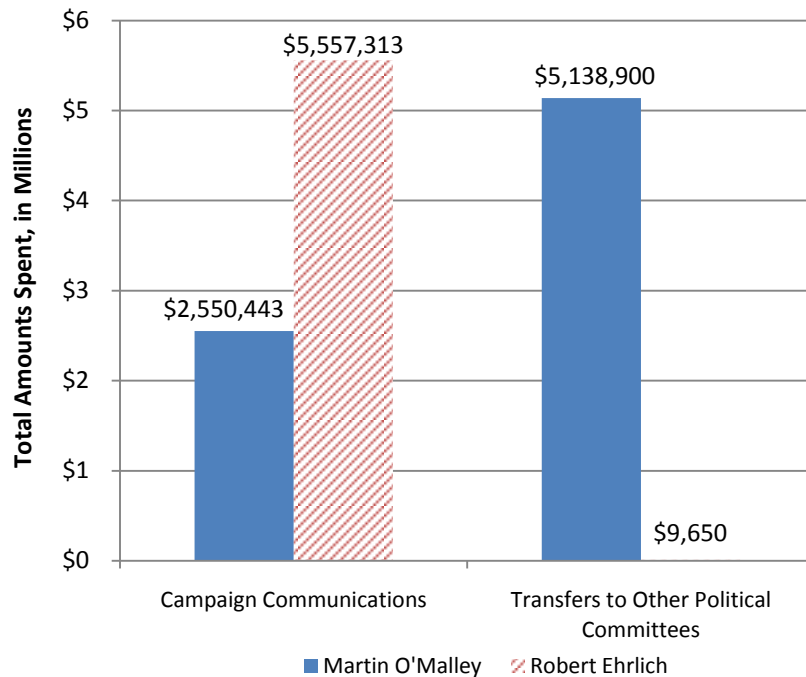
The candidates for governor spent their money in a variety of ways. Eighteen percent was committed to salaries and compensations (see Figure 6). Another 15% was spent on overhead costs, including rent and office space, loan repayment, fundraising events, equipment, bank transfers, and field costs. The candidates spent the largest proportion of their funds, or 36%, on campaigning costs such as direct mail, media costs, and printing and other campaign materials. They also spent a substantial amount, or 29% of all funds spent, on transfers to political committees.

**Figure 6. Distribution of Campaign Spending by Gubernatorial Candidates**



The analysis of O’Malley and Ehrlich’s campaign expenditures is complicated by the fact that only the Democratic candidates for Governor and Lieutenant Governor had a slate committee/ Am examination of the candidates’ principal campaign accounts suggests Martin O’Malley and Robert Ehrlich spent their money in very different ways in the 2010 election (see Figure 7). Ehrlich spent \$5.5 million, nearly 70% of his total spending, on campaign communications, while O’Malley spent \$2.5 million, only 20% of his total spending, on campaign communications. Ehrlich spent only \$9,650 on transfers to other political committees, while O’Malley spent \$5.1 million, or 40% of his total spending, on transfers to other political committees.

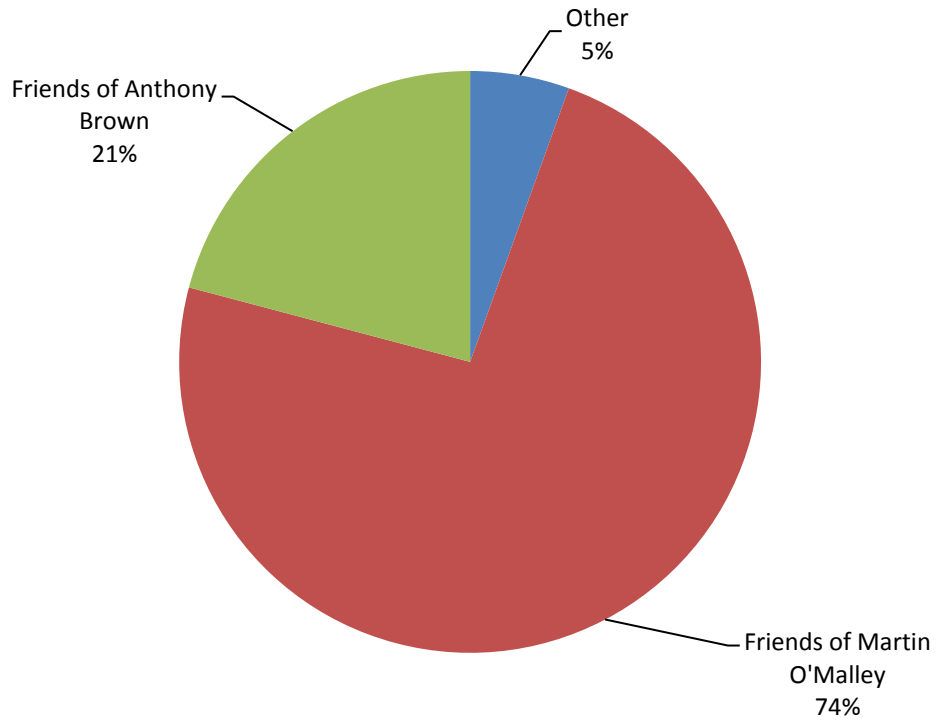
**Figure 7. Differences Between Campaign Spending of by O’Malley and Ehrlich**



A major difference in O’Malley and Ehrlich’s transfers to other political committees can be explained by slates, which are campaign finance committees formed by two or more candidates so that they can coordinate campaign fundraising and spending activities. The benefit of slates is that candidates can transfer unlimited amounts of money between the slate and its members. While Ehrlich and Kane were not involved in any slates for the 2010 election, O’Malley and Brown formed a joint slate called the “O’Malley Brown Committee Slate.” Of the \$5.1 million that O’Malley transferred to other political committees, \$5.07 million, or 98.7%, went to the O’Malley Brown Committee Slate. O’Malley also transferred \$500 to Team 21 Slate, a slate formed to support Jim Rosapepe, and \$3,000 to the Future of Baltimore Slate, which was composed of Baltimore Democrats. Brown transferred \$1,448,137 to other political committees, of which \$1,439,073 (or 99.3%) went to the O’Malley Brown Committee Slate.

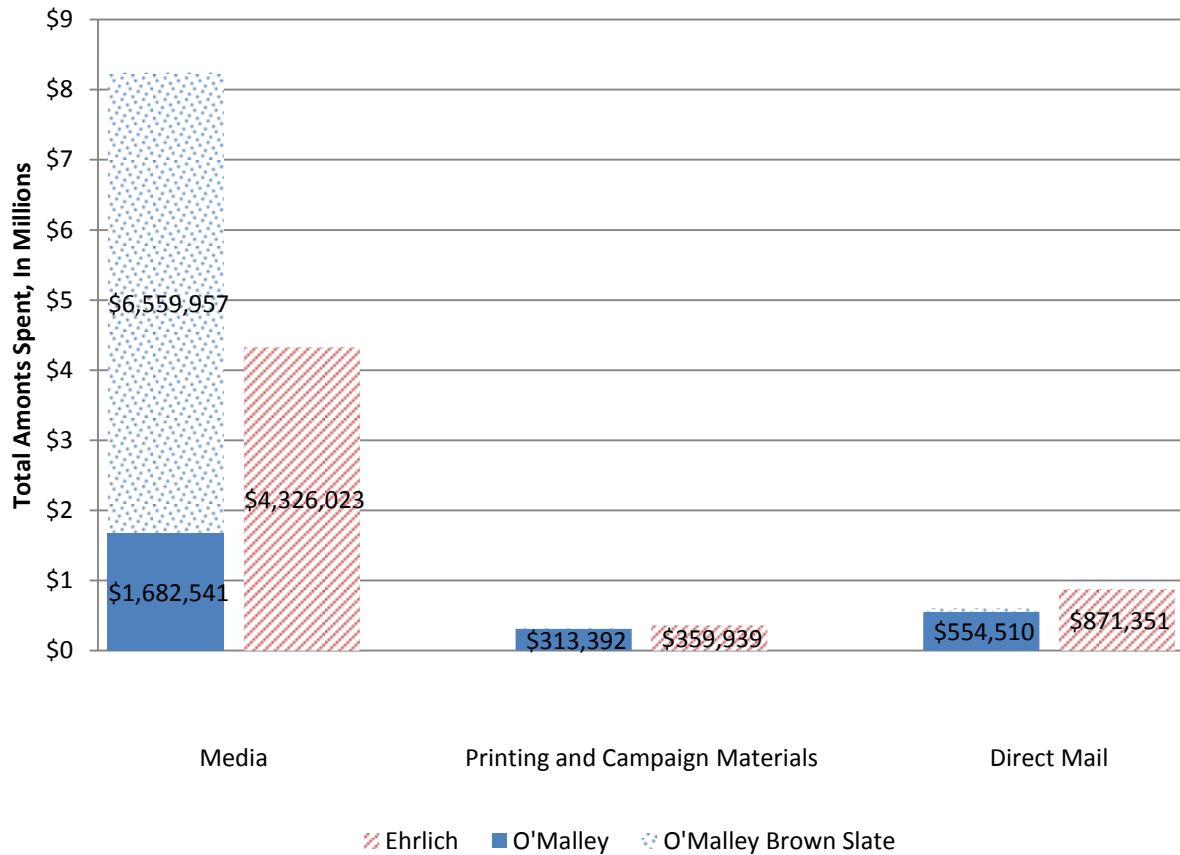
In all, The O'Malley Brown Committee Slate raised \$6,908,173 in contributions. Friends of Martin O'Malley contributed 74% of all funds, and Friends of Anthony Brown contributed 21%, accounting for 95% of all contributions to the slate (see Figure 8).

**Figure 8. Sources of Contributions to the O'Malley Brown Committee Slate, 2010**



The biggest expenditure for the O'Malley Brown Committee Slate was for media: of the \$7,002,850 spent by the slate, \$6,559,957 (96%) was spent on media purposes. Though O'Malley's candidate account spent only about a quarter of what Ehrlich's spent on media, when added to the amount that the O'Malley Brown Committee Slate spent on media, the O'Malley-Brown campaign actually spent approximately twice as much on media as the Ehrlich-Kane campaign did (see Figure 9).

**Figure 9. O'Malley and Ehrlich's Spending on Campaign Communications**



## **Appendix:**

### **The Study**

The campaign finance data used in this report were obtained from the Maryland State Board of Elections and cover the full 2010 election cycle, defined as the period between January 1, 2007 and December 31, 2010. The data are compiled from all contributions received and all expenditures made by all campaign accounts belonging to candidates for governor 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.

### **About the Authors**

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### **About the Center for American Politics and Citizenship**

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