

**ANALYSIS OF THE 2010 PRE-PRIMARY FILINGS BY CANDIDATES  
FOR GOVERNOR OF MARYLAND**

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**A report by**

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## Executive Summary

This report analyzes the pre-primary finance reports filed by candidates campaigning to be Maryland's Governor in 2010. Specifically, the report analyzes the overall fundraising and spending by candidates during the pre-primary filing period, as well as how the candidates raised and spent the money. Particular attention is paid to the finances of Martin O'Malley (D) and Robert Ehrlich (R).

### Major Findings:

- Republican candidate Robert Ehrlich out-raised incumbent Governor and Democratic candidate Martin O'Malley by more than \$350,000 during the past seven months. However, the O'Malley campaign out-spent the Ehrlich campaign by more than \$1 million during that same period.
- Roughly 94% of all funds were raised from individuals and businesses, with individual donors, alone, making up nearly 72% of the funds.
- The O'Malley campaign finished the pre-primary period with more cash on hand than the Ehrlich campaign with more than \$5.3 million in the bank compared to Ehrlich's \$2 million.
- During the past seven months Ehrlich raised a larger proportion of his funds from individuals than O'Malley, while O'Malley has raised more of his money from businesses.
- More than two-thirds of contributions to the major candidates came from donors located in the Baltimore-Washington corridor, with about 10% coming from the rest of Maryland. Significant amounts of money also flowed in from a few metropolitan regions outside of Maryland, including the District of Columbia, New York City, and Philadelphia.
- The candidates have spent more than 54% of their funds on their campaign organizations since January, spending \$1.3 million on staff salaries, alone. About 44% of the money was spent on campaigning activities including nearly \$900,000 on media advertising.
- Nearly 35% of O'Malley's expenditures were spent on media advertising, while Ehrlich spent just over 5% of his funds this way during the pre-primary period.

## **Introduction**

In April 2010, former governor Robert Ehrlich (R) announced his attention to run against incumbent Governor Martin O'Malley (D). The announcement followed weeks of rumors that the former governor would seek a rematch with O'Malley for the most powerful office in the state. On August 17th, the candidates filed their first major finance reports since Ehrlich formally launched his campaign. The details of the reports provide insight into how the candidates have fared financially, and how the race is shaping up in the run up to the general election.

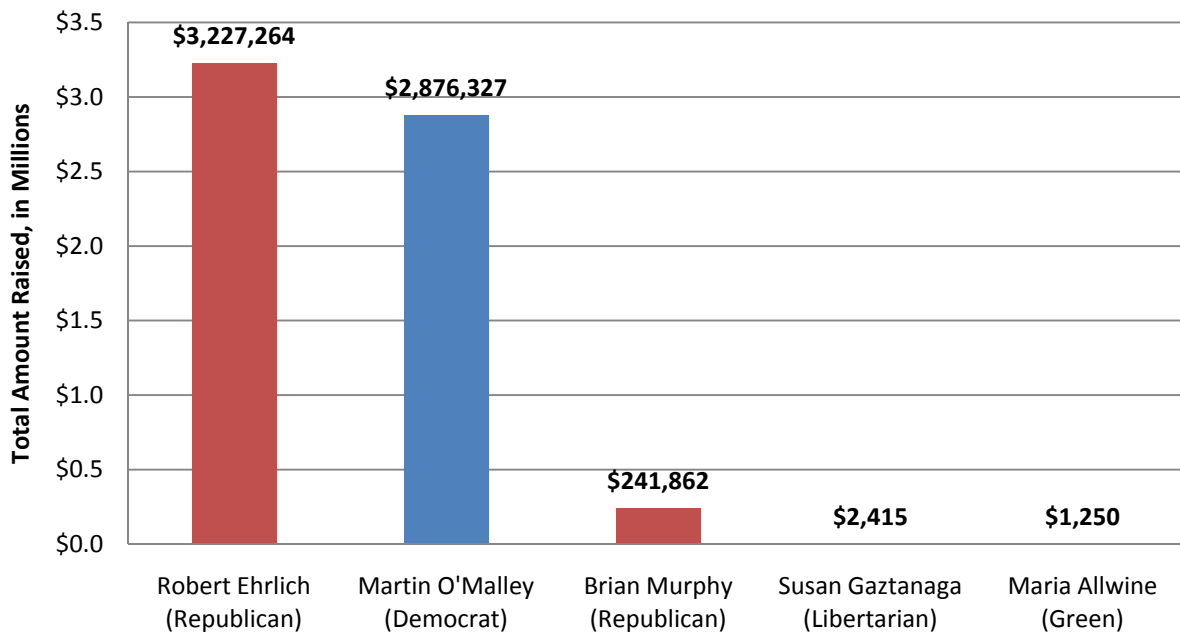
The data analyzed in this report are the contents of the candidate's 2010 pre-primary filings. These reports contain information on the money raised, spent, and saved by candidates between January 14, 2010 and August 10, 2010, the official filing period for the pre-primary reports. Any candidate who raised more than \$1,000 during the filing period was required to file a report.

This report discusses the finances of all the gubernatorial candidates who filed a report on the August 17th deadline, but pays particular attention to the finances of O'Malley and Ehrlich. These funds raised by these candidates account for more than 95% of all the money raised during the filing period. As the candidates head towards a rematch of their highly competitive 2006 race, this report finds there are many similarities in differences in how they have raised and spent their money.

## Overall Fundraising and Spending by Gubernatorial Candidates

Every four years the race to be Governor of Maryland becomes a high-profile, big-money affair. With broad executive and policymaking powers at his or her disposal, the Governor is a major force in the state's politics. Five gubernatorial candidates reported raising and spending money during the pre-primary filing period. Most prominent among these candidates are sitting Governor Martin O'Malley (D) and former-governor Robert Ehrlich (R). These two candidates led the fundraising pack having raised \$2.9 million and \$3.2 million, respectively (see Figure 1). Another major party candidate, Brian Murphy (R), filed a report showing that he raised more than \$241,000. In addition, two third-party candidates, Susan Gaztanaga of the Libertarian Party and Maria Allwine of the Green Party reported raising \$2,145 and \$1,250, respectively. Altogether, Ehrlich and O'Malley dominated the fundraising during this filing period raising 96% of all the money reported as raised.

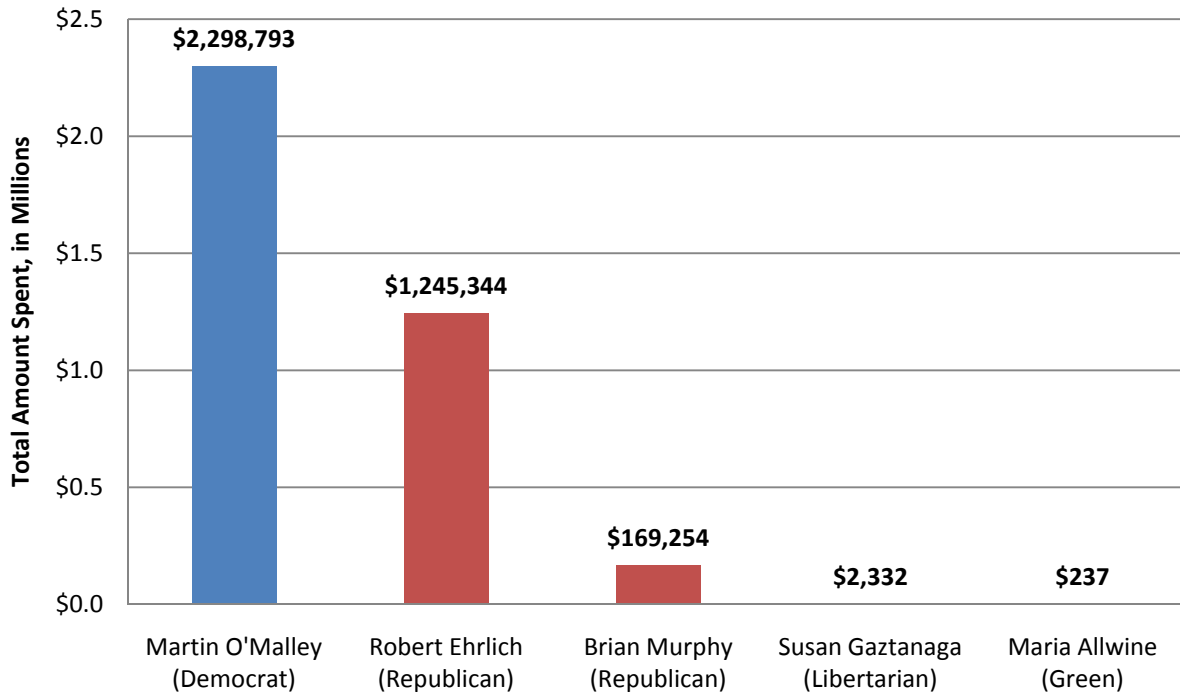
**Figure 1: Total Funds Raised by Gubernatorial Candidates During the Pre-Primary Filing Period**



During the pre-primary filing period in 2006, O'Malley had reported out-fundraising Ehrlich by raising \$3 million (\$3.2 million in 2010 constant dollars) compared to Ehrlich's \$2.4 million (\$2.6 million in 2010 constant dollars). This cycle, however, Ehrlich reported out-fundraising O'Malley by nearly \$400,000. Combined the candidates reported raising \$6.1 million this filing period, nearly \$800,000 more than the amount they raised during the same filing period in 2006. When taking inflation into account, the increase is still substantial at a more than \$400,000 increase.

The candidates spent substantial sums of money during the pre-primary period, as well. Specifically, the five candidates reported spending a total of \$3.7 million on their campaigns. Just as with fundraising, O'Malley and Ehrlich led the pack in spending. Specifically, O'Malley spent \$2.3 million while O'Malley spent \$1.2 million (see Figure 2). Thus, while Ehrlich outraced O'Malley during the filing period, O'Malley spent more. This is likely due, in part, to Ehrlich's relatively late entry into the race. The other three candidates have spent only small sums compared to the front runners. Murphy spent about \$170,000 on his campaign and each of the third-party candidates reported spending less than \$2,500. Altogether, O'Malley and Ehrlich accounted for 95% of the total money spent during this period.

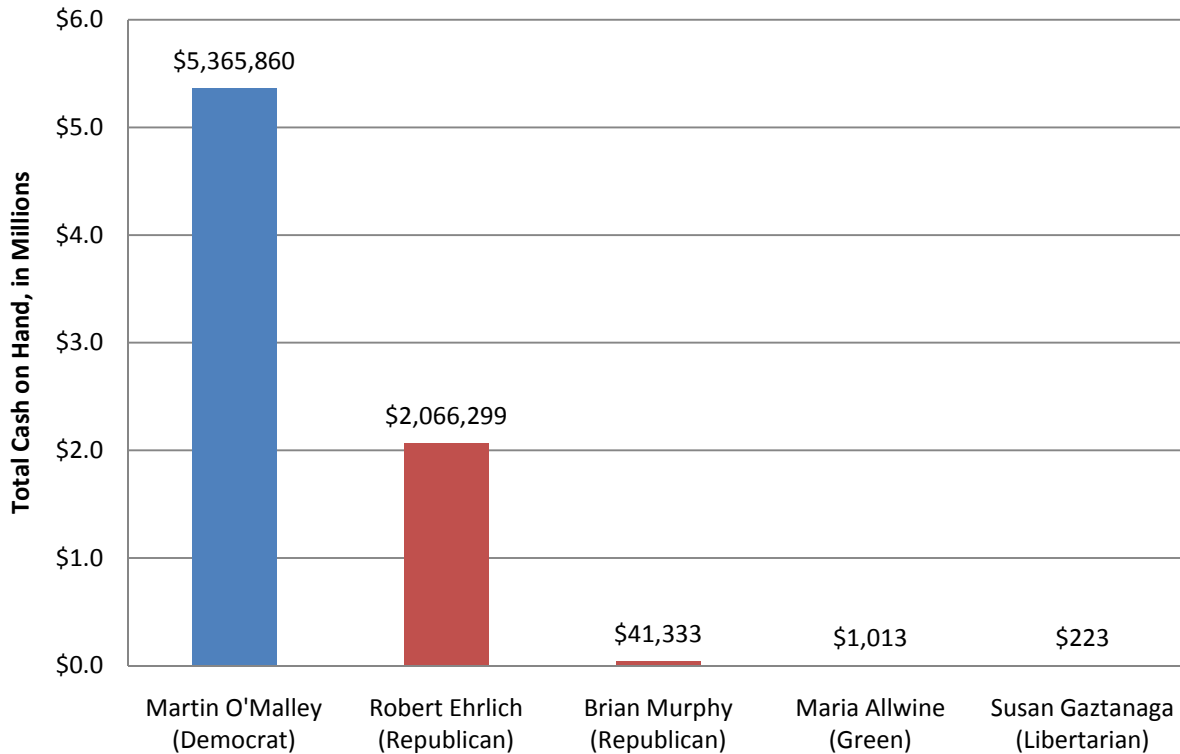
**Figure 2: Total Spending by Gubernatorial Candidates During the Pre-Primary Filing Period**



While the fundraising during this most recent filing period outpaced that of the 2006 pre-primary period, O'Malley and Ehrlich actually spent less in 2010. During the 2006 pre-primary period, O'Malley spent \$2.7 million (\$2.9 million in 2010 constant dollars) and Ehrlich spent \$2.3 million (\$2.5 million in 2010 constant dollars) for a combined \$5 million spent (\$5.4 million in 2010 constant dollars). By contrast, O'Malley and Ehrlich have spent just a combined \$3.5 million this filing period. Ehrlich's late entry into the race is undoubtedly a factor in the spending totals. O'Malley spent only slightly less than he did during this filing period in 2006, while Ehrlich spent just half as much.

O'Malley and Ehrlich ended this filing period with significant amounts of money still in their coffers. O'Malley, in particular, has accumulated a substantial war chest for the general election with more than \$5.3 million in cash on hand (see Figure 3). Ehrlich, while having raised more during the pre-primary filing period than O'Malley, has a substantial cash disadvantage as of this latest filing with just over \$2 million in the bank. Combined O'Malley and Ehrlich hold 99% of the cash on hand as of this most recent filing.

**Figure 3: Total Cash on Hand for Each Gubernatorial Candidates At the Pre-Primary Filing**

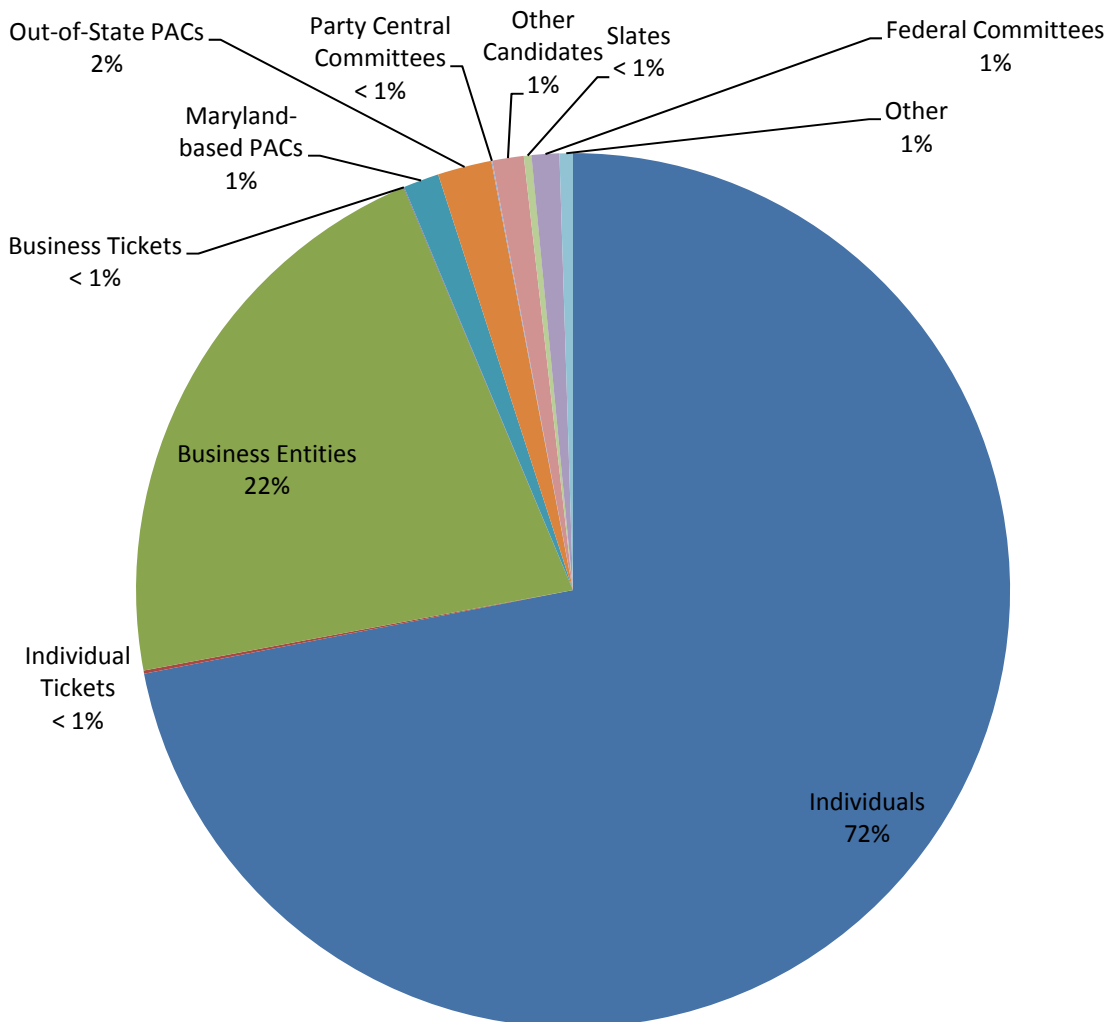


At this end of the pre-primary period in 2006, O'Malley and Ehrlich had far more substantial amounts of money on hand, with a combined \$13 million (\$14 million 2010 constant dollars) in their coffers compared to the combined \$7.4 million they currently hold. In 2006, it was Ehrlich who had the most cash on hand, having accrued more than \$8.5 million (\$9.2 in 2010 constant dollars) to O'Malley's \$4.4 million (\$4.8 million in 2010 constant dollars). Ehrlich's current disadvantage in savings is undoubtedly related to his late entry into the race. O'Malley, by contrast, has amassed a larger war chest this time around putting him in a strong financial position heading into the general election.

## The Sources of Gubernatorial Fundraising

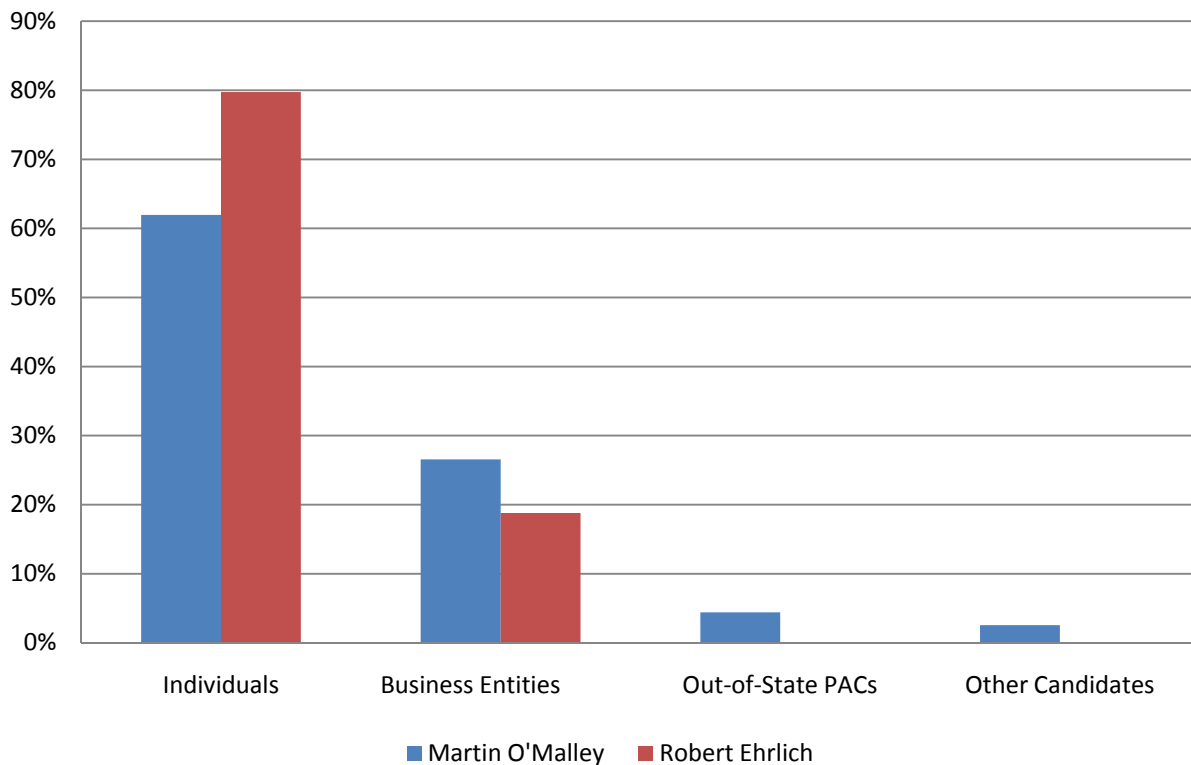
During the pre-primary period, gubernatorial candidates raised their campaign funds from a variety of sources (see Figure 4). However, individual donors have been the biggest contributors to the campaigns. Altogether, 72% of all money raised by the candidates came in the form of direct contributions or tickets purchased for fundraising events by individuals. Business entities also contributed significant amounts to the candidates—about 22% either through direct contributions or tickets purchased for fundraisers. Together, these sources of money accounted for 94% of the money reported as raised by the candidates. The remaining 8% of funds came from political action committees (PACs), party central committees, slates, and other political sources.

**Figure 4: Sources of Campaign Contributions to All Gubernatorial Candidates**



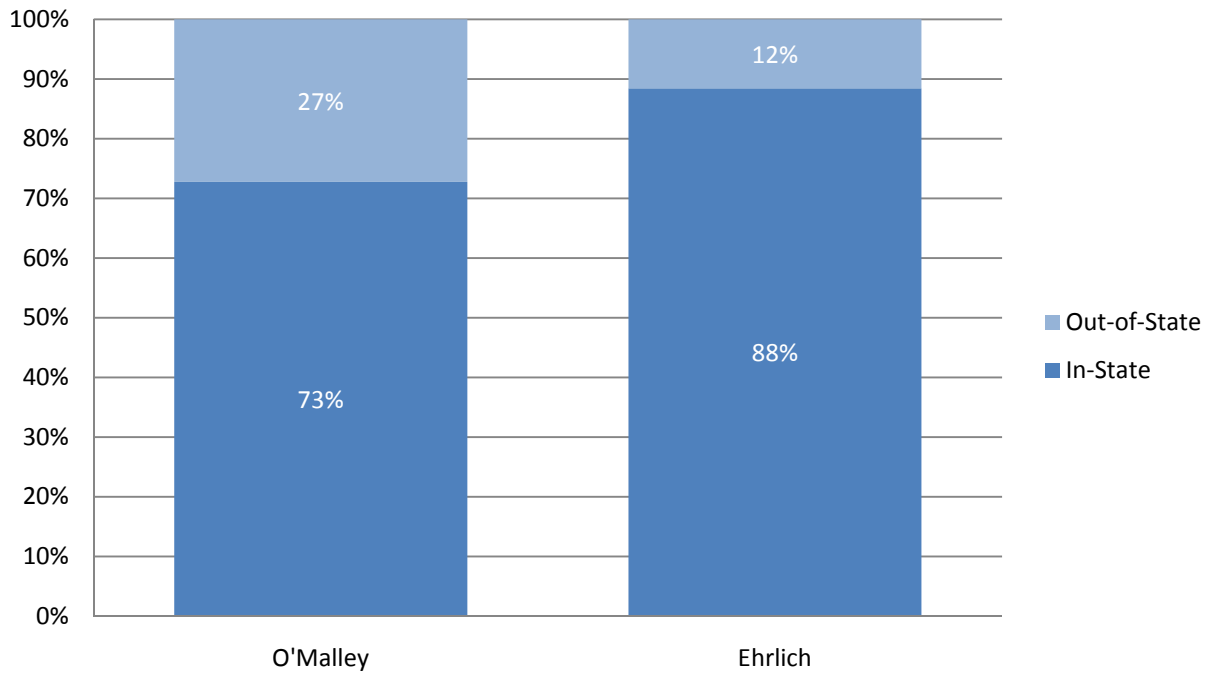
Ehrlich and O'Malley reported raised their funds in similar ways. Both raised most of their funds from individuals and business entities. However, there were some differences. For one, Ehrlich raised a significantly larger proportion of his funds from individual donors, raising nearly 80% of his funds from individuals compared to just over 60% by O'Malley (see Figure 5). O'Malley, by contrast raised a larger proportion of his funds from business entities, raising nearly 27% of his funds in this way. By contrast, Ehrlich has raised 19% of his funds from businesses. O'Malley also raised smaller but significant totals from PACs based outside of Maryland and from other Maryland candidates. These are two sources Ehrlich did not raised any cash from during the pre-primary period.

**Figure 5: Comparing the Sources of Contributions to O'Malley and Ehrlich**



O'Malley and Ehrlich also raised money from both inside and outside of Maryland during the pre-primary period. Figure 6 shows the proportion of money coming from inside and outside of the state among contributions the candidates raised from individuals, businesses entities, and PACs (accounting nearly 97% of the money raised by the candidates). During the filing period, O'Malley raised a larger proportion of his funds from out-of-state raising 23% of his funds outside of Maryland. Ehrlich, by contrast raised 12% of his funds from sources outside of Maryland. This pattern is reflective of 2006 when O'Malley also raised a larger proportion of his money outside of Maryland.

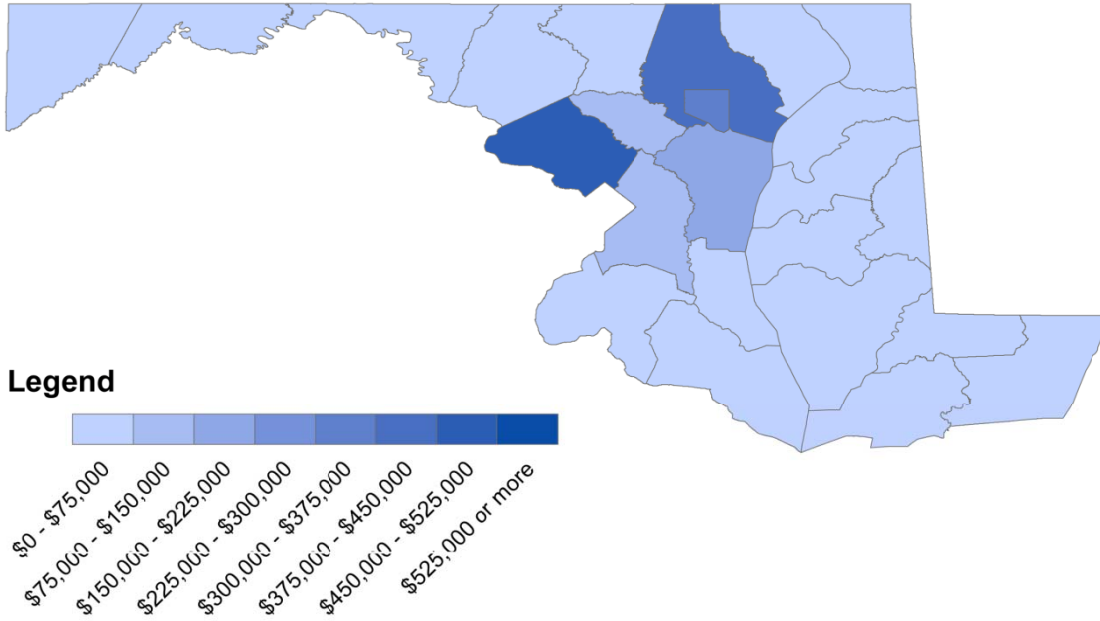
**Figure 6: In-State vs. Out-of-State Funds Raised by O'Malley and Ehrlich**



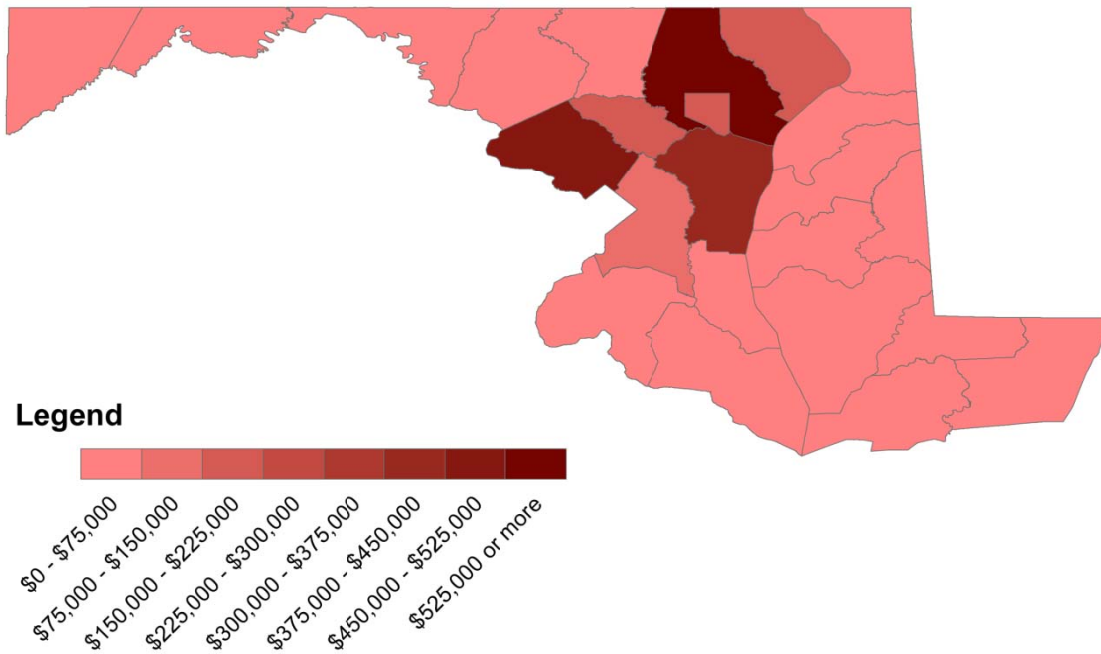
Within the state, however, the candidates raised their money from similar areas. Both candidates raised the largest proportion of their individual, business, and PAC contributions from the counties comprising the Baltimore-Washington corridor: Anne Arundel, Baltimore, Harford, Howard, Montgomery, and Prince George's counties along with Baltimore City (see Figure 7). O'Malley, specifically, raised 65% of his contributions and Ehrlich raised 73% of his contributions from this part of the state. Among these jurisdiction, however, there were differences. O'Malley raised his biggest total from Montgomery County, raising over \$508,000. O'Malley also raised a significant amounts of money in Baltimore County, where he raised nearly \$430,000, and in Baltimore City, where he raised more than \$370,000. Ehrlich, raised his biggest total from Baltimore County where he raised over \$800,000, but raised much less than O'Malley from Baltimore City, where he raised \$165,000. Altogether, O'Malley and Ehrlich raised just 7% and 13% of their funds, respectively, from areas in Maryland outside of the immediate Baltimore-Washington corridor. While Ehrlich raised almost twice as big a proportion from these areas, both candidates focused their fundraising in the same areas during the pre-primary filing period.

Figure 7: Individual, Business, and PAC contributions to O'Malley and Ehrlich by County

## Martin O'Malley (D)



## Robert Ehrlich (R)



Both candidates raised substantial sums of individual, business, and PAC contributions outside of Maryland during the pre-primary filing period. Table 1 shows the metropolitan areas outside of Maryland where O'Malley and Ehrlich raised the biggest proportions of their out-of-state funds. Both candidates raised the largest proportion of their out-of-state funds from donors in the Washington, DC metropolitan area. Specifically, 36% of out-of-state funds raised by O'Malley, and 47% of out-of-state funds raised by Ehrlich came from this area. The New York metro area also accounted for a lot of the money raised by O'Malley and Ehrlich outside of the state with the candidates raising 16% and 13% from this area, respectively. Beyond these metro regions, few areas accounted for more than 5% of the funds raised by either candidate.

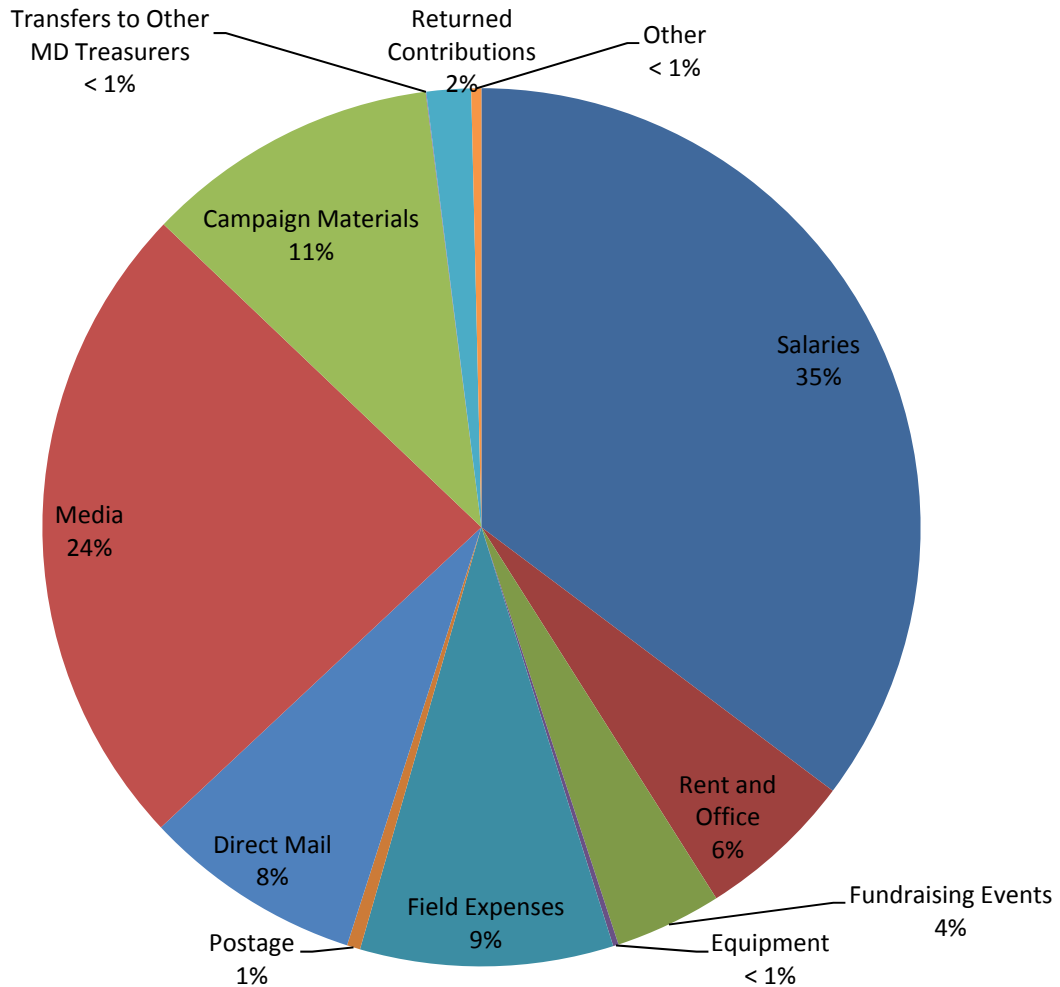
**Table 1: Top Contributing Out-of-State Metropolitan Areas to O'Malley and Ehrlich**

Martin O'Malley (D)			Robert Ehrlich (R)		
Metropolitan Area	Total Raised	Percent	Metropolitan Area	Total Raised	Percent
Washington, DC	\$250,543	33.5%	Washington, DC	\$173,458	47.0%
New York City	\$122,810	16.4%	New York City	\$48,150	13.0%
Philadelphia	\$53,890	7.2%	Miami	\$28,050	7.6%
Boston	\$50,200	6.7%	Richmond, VA	\$12,220	3.3%
Chicago	\$17,423	2.3%	York-Hanover, PA	\$11,440	3.1%
Los Angeles	\$16,590	2.2%	Houston	\$9,775	2.6%
Worcester, MA	\$16,000	2.1%	Seaford, DE	\$9,645	2.6%
Pittsburgh	\$12,600	1.7%	Naples-Marco Island, FL	\$8,205	2.2%
Miami	\$12,500	1.7%	Taos, NM	\$8,000	2.2%
Houston	\$11,600	1.5%	Philadelphia	\$7,276	2.0%

## How the Money was Spent

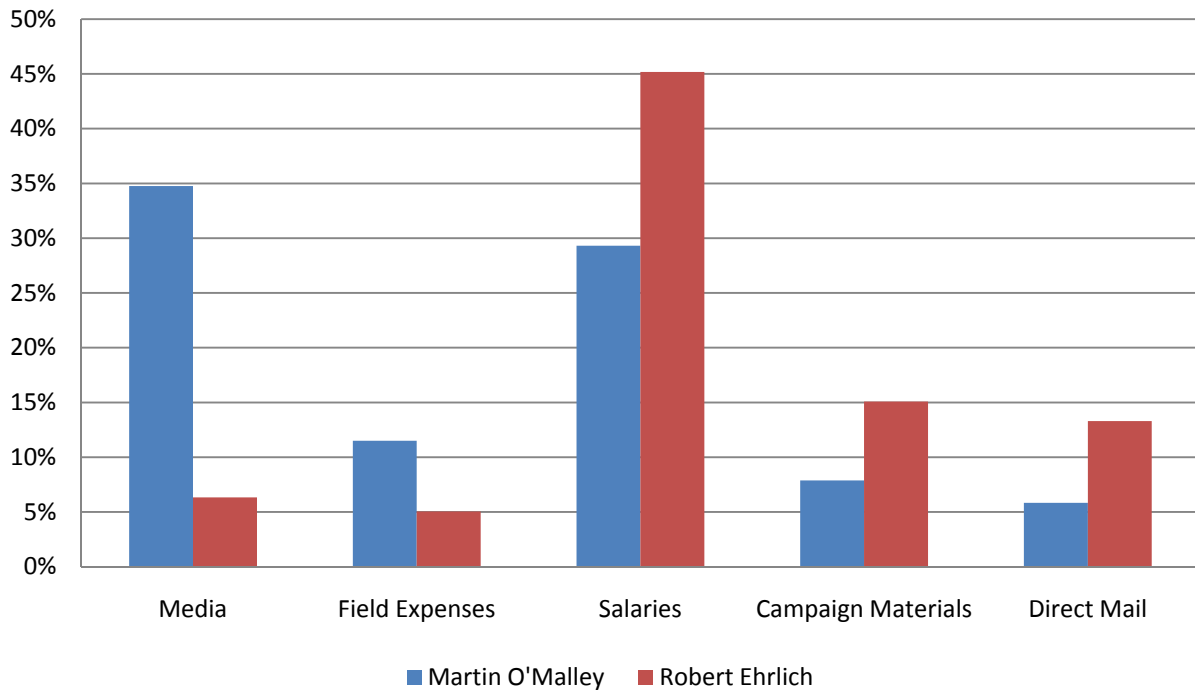
Candidates for governor spend their money in a variety of ways. During the pre-primary period, candidates spent 54% of their funds on their campaign organization—staff salaries and overhead costs that include office space, fundraising events, equipment, and field costs (see Figure 8). That so much was spent on organizational purposes suggests that the candidate spent much of the pre-primary period building campaign organizations. The next biggest portion of money was spent on direct campaigning costs, including direct mail, media advertising, printing, and other campaigning costs. So far the candidates have spent 44% of their total expenditures on these costs. In 2006, the candidates ending up spending 65% of their funds on campaigning costs including 55% just on media advertising. That they spent less on such campaigning and advertising during the pre-primary period suggests that the election will heat up in the coming months. The remaining 9% of expenditures have been spent on miscellaneous costs such as transfers to other campaign finance committees and returned contributions.

**Figure 8: The Distribution of Campaign Expenditures During the Pre-Primary Filing Period**



During the pre-primary period, there were some important differences in how O'Malley and Ehrlich spent their campaign funds. For one, O'Malley spent much larger proportions of his funds on media advertising than Ehrlich. O'Malley spent nearly 35% of his funds on media advertising during the pre-primary period while Ehrlich spent just over 5% of his funds in this way (see Figure 9). O'Malley also spent a much larger proportion of his funds, almost 12%, on field expenses compared to the 5% spent by Ehrlich. Ehrlich, by contrast spent a much larger proportion of his funds on staff salaries, spending over 45% of his money on his campaign staff compared to the 29% spent by O'Malley. Ehrlich also spent roughly twice as much of his money on campaign materials and on direct mail than did O'Malley.

**Figure 9: Comparing the Distribution of Expenditures by O'Malley and Ehrlich**



## **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 pre-primary filing period, defined as the period between January 14, 2010 and August 10, 2010. The data were received on August 18, 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.

### **About the Authors**

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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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