

# Public Election Funding

## Recent Research on Participation and Competition

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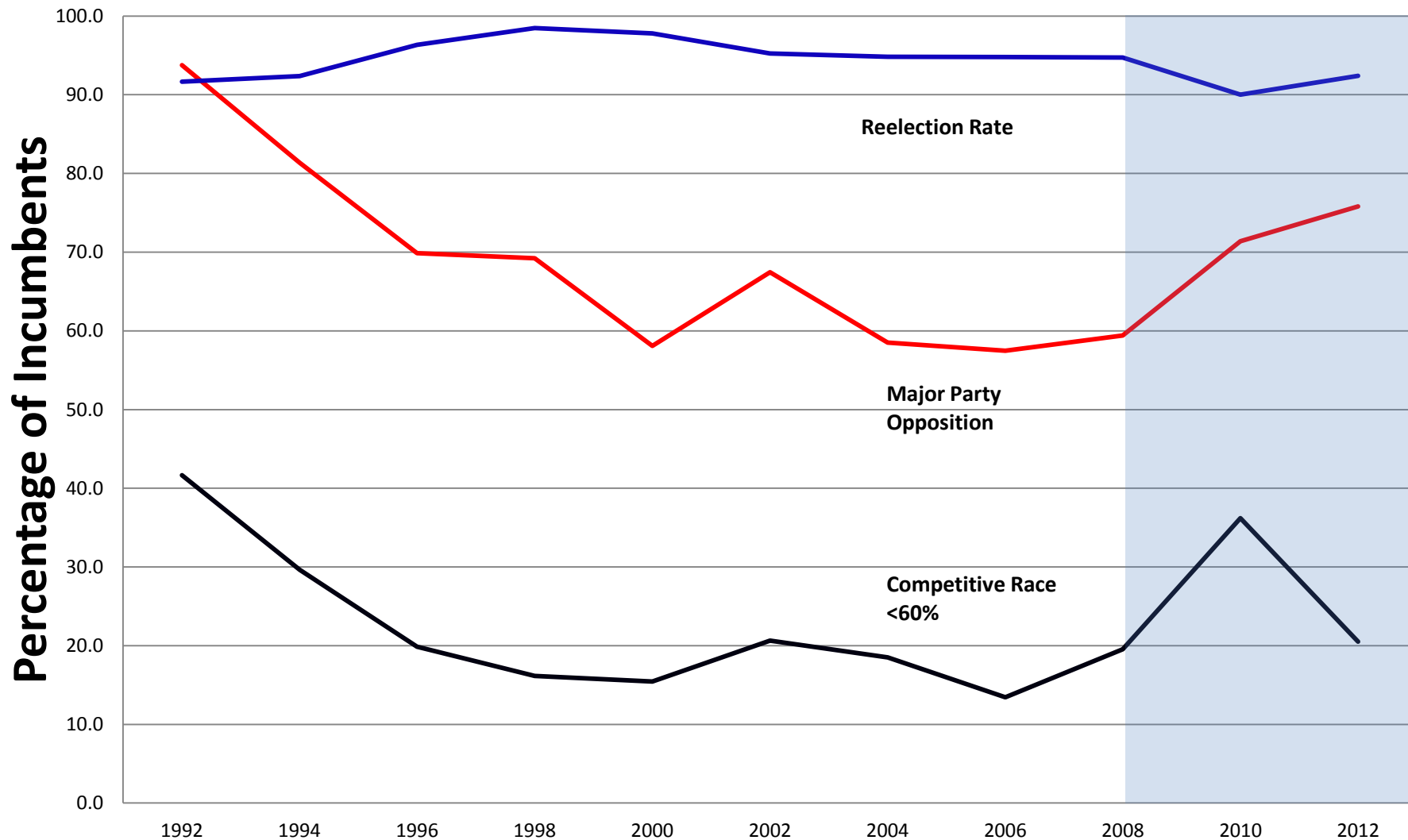
# Policy

- Options for public funding
  1. Full public funding (“clean elections”), now without spending triggers for additional funds (*Arizona Free Enterprise PAC*)
  2. Partial public funding – fixed grants
  3. Small contribution matching (often in multiples)
  4. Tax credits or refunds for small contributions
  5. Subsidies for parties
  6. Combinations of 2-5
  
- Requirements vary: qualifying thresholds, grant sizes and caps, spending limits, funding sources

# Electoral Effects

- Clean elections programs increase competition, but the effects are small
  - More contested races (effect strongest in Maine)
  - evidence that clean elections increases the number of candidates
  - Smaller incumbency advantage ( $\approx 2$  percentage points)
  - Not much effect on incumbent reelection rates
- Clear evidence that challengers are more likely to accept clean elections funds when anticipating a close race
- partial programs have no significant effect

# Competition Levels - CT State House Elections Incumbents



Source: author's calculations from Connecticut State  
Elections Enforcement Commission data

# Participation Effects

- Women are more likely to accept clean elections grants, but clean elections does not increase the number of women who run, or the number who win
- No clear effect on the diversity of candidate pool
- Effects on candidates
  - Participants express high satisfaction
  - Dramatic reductions in time spent fundraising
  - Evidence that this time is replaced with other forms of voter contact

# Effects of Matching Funds

- Typical structure:
  - Small contributions are matched
  - NYC: participating candidates receive a 6:1 match of first \$175; that contribution gives the candidate \$1,225
  - Total amount of matching funds capped (\$92,400 in NYC for a council candidate), though candidates can raise and spend as much as they like
- Provides incentive to seek small contributions

# Diversity of Donor Pool

- Contribution matching has a major effect on fundraising patterns and the composition of donor pool
  - In NYC, participating candidates have 50% more donors,
  - Increases the number of small donors (>\$250) by as much as 62%
  - increases the fraction of total money raised from small donations by up to 74%
  - Effects are strongest for challengers
- Increases the number of donations and amounts contributed from neighborhoods with high minority concentrations
- Malbin et al. (2012): “There can be little doubt that bringing more small donors into the system in New York City equates to a greater diversity in neighborhood experience in the donor pool”

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