CCE-070 | How Much Influence Does Money Have on Elections, and How Should It Be Regulated?

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How Much Influence Does Money Have on Elections, and How Should It Be Regulated?

1. The issue is not simply whether money can buy votes

Campaigns must pay for organization, transportation, advertising, staff, and the costs of reaching voters. Money can increase a candidate's chances of being seen, but a correlation between having more money and winning does not by itself show that money caused the victory: popular candidates can raise funds more easily, while incumbency and safe districts affect both campaign finances and outcomes. Researchers must separately examine funding sources, uses of funds, electoral competition, access to policymakers, and ultimate policy outcomes. Direct contributions, candidates' spending of their own funds, independent expenditures, party spending, and political action committee activity are different categories; they must not be treated as a single variable.

2. Why U.S. law distinguishes contributions from expenditures

The Federal Election Campaign Act of 1971 and its 1974 amendments established contribution limits, disclosure, and public-financing arrangements. In the 1976 case *Buckley v. Valeo*, the U.S. Supreme Court upheld limits on direct contributions and disclosure requirements, but held that broad restrictions on independent expenditures, candidates' spending of their own funds, and overall campaign spending violated the political-expression protections of the First Amendment. That ruling established an important boundary for current U.S. campaign-finance regulation: preventing quid pro quo corruption can justify

limits on direct contributions, while spending on political expression receives stronger protection. This describes the Court's legal judgment; it does not mean empirical research has proved that unlimited spending can never cause social harm.

Case: https://supreme.justia.com/cases/federal/us/424/1/

3. Reform legislation and later rulings

The Bipartisan Campaign Reform Act of 2002 sought to restrict soft money at the national party level and certain electioneering communications, while raising and indexing individual contribution limits for candidates. The 2010 ruling in *Citizens United v. FEC* overturned several restrictions on independent political spending by corporations and labor unions, but did not permit corporations to make unlimited direct contributions to candidates; disclosure rules were not overturned wholesale either. The unlimited-fundraising structure of Super PACs also involved the subsequent *SpeechNow.org v. FEC* case and should not be attributed entirely to *Citizens United*. The 2014 ruling in *McCutcheon v. FEC* struck down the two-year aggregate limit on an individual's contributions to all federal candidates, parties, and PACs, while retaining the base limits for contributions to a single recipient. Critics argue that this made it easier for large sums of money to concentrate political influence; supporters argue that the government cannot suppress protected expression in the name of political equality.

Official explanation: https://www.fec.gov/legal-resources/court-cases/mccutcheon-et-al-v-fec/

4. What do the numbers actually represent?

The Federal Election Commission's (FEC) filings for the full 24-month 2023–2024 cycle show that 109 presidential candidates reported approximately $1.7967 billion in combined spending, 2,152 congressional candidates reported approximately $3.7042 billion, and reported independent expenditures totaled approximately $4.4265 billion. These figures come from different filing categories and may involve transfers and overlap. In particular, PAC receipts and disbursements cannot simply be added again to produce a "total cost of the 2024 election." In the 2019–2020 cycle, 149 presidential candidates spent approximately $4.0719 billion, congressional candidates spent approximately $3.7652 billion, and independent expenditures were approximately $3.1 billion. The FEC cautions that some paper reports from that cycle may not have been fully included. It is therefore incorrect to claim broadly that every election

expense rises steadily year after year. Comparisons must specify the reporting period, filer categories, and currency units.

FEC 2024: https://www.fec.gov/updates/statistical-summary-of-24-month-campaign-activity-of-the-2023-2024-election-cycle/

FEC 2020: https://www.fec.gov/updates/statistical-summary-24-month-campaign-activity-2019-2020-election-cycle/

5. Money and policy outcomes: powerful but limited research

In 2014, Gilens and Page analyzed 1,779 U.S. policy issues from 1981–2002, comparing the preferences of average-income people, higher-income people, and interest groups with policy outcomes. The authors reported that economic elites and business-interest groups had stronger independent associations with outcomes, while ordinary citizens had a very weak independent association after controlling for other preferences. The study did not directly measure the causal effect of campaign contributions on policy; it cannot be reduced to the claim that "donations bought the U.S. government." Bashir (2015) and Branham, Soroka, and Wlezien (2017) raised criticisms concerning model-based inferences, preference overlap, and the influence of ordinary citizens. The papers are not simply a true-versus-false dispute: they interpret variable construction, overlapping preferences, and statistical inference differently.

6. Money may buy access

Campaign contributions may affect whom politicians are willing to meet. But the opportunity to meet, a change in a legislator's position, a change in policy, and the outcome of an election are different endpoints. Kalla and Broockman's randomized field experiments provide evidence about the relationship between donor identity and access, but they do not prove that policy was actually bought; nor can they be used directly to determine that independent expenditures necessarily constitute quid pro quo corruption as defined by the courts. Other studies identify complex relationships between campaign contributions, lobbying, candidates' interests, and political participation. The magnitude of money's influence must be estimated in relation to specific mechanisms.

7. The case for strict regulation

Advocates of strict regulation argue that large sums of money may give a small number of high-income people disproportionate access, that candidates' fundraising demands reduce their interaction with ordinary voters, and that

independent expenditures can make funding sources difficult to trace. Even without provable quid pro quo bribery, the public may reasonably worry that political representation is distorted. Common proposals include real-time disclosure, limits on direct contributions, stronger anti-coordination rules, matching funds for small contributions, and public financing. Each tool has legal limits, administrative costs, and potential avenues for evasion; transparency should not be equated with limits on amounts.

8. The case for protecting freedom of political expression

Opponents of broad spending restrictions argue that campaign communication is political expression. Spending limits may protect incumbents who already have name recognition, weaken newcomers and small civic groups, and shift political activity into channels that are harder to regulate. Private funding can also support marginalized views and give the opposition a voice. This position does not necessarily oppose disclosure or efforts to combat direct bribery; rather, it requires regulatory purposes and means to have clear, reviewable constitutional boundaries. Its weakness is that formal freedom of expression does not ensure that people with different incomes have equal ability to communicate.

9. Canada offers a different combination of rules

Canada's federal political-finance system generally allows only eligible individuals to make political contributions to parties and other entities; corporations and labor unions may not make direct contributions. According to Elections Canada's official handbook, in 2026 an individual's annual limit for contributions to a single registered party is 1,775 Canadian dollars, with a separate applicable combined limit for electoral district associations and candidates affiliated with the same party. Canada also imposes spending limits on candidates, parties, and third parties for certain election activities. In the 2025 general election, the national limit on regulated third-party expenses was 602,700 Canadian dollars, and the limit for a single electoral district was 5,166 Canadian dollars. These amounts are tied to specific years and scopes and must not be applied to other years. Canada and the United States are both federal democracies, yet they balance political expression and electoral equality differently. This shows that the current U.S. judicial boundary is not the only choice available to democracies.

Official handbook:
https://elections.ca/content.aspx?section=pol&dir=pol/fin/ec20231&document=p1&lang=e

10. Four kinds of regulatory tradeoffs

First, disclosure and auditing can help voters identify financial relationships, but must protect small contributors from harassment and cannot eliminate lawful influence by large donors. Second, direct contribution limits can reduce dependence on any one donor, but may increase fundraising through indirect channels and the cost of enforcement. Third, public financing or matching funds for small contributions may lower barriers to fundraising, but require public spending, eligibility rules, and anti-fraud safeguards. Fourth, spending caps are used in Canada, but under the current U.S. framework established by *Buckley* and subsequent rulings, mandatory limits on independent expenditures and candidates' own spending face constitutional obstacles. When comparing reforms, two questions must be kept distinct: whether current U.S. law permits them and whether they are effective as policy.

11. How should the success of a reform be evaluated?

Observable indicators include the concentration of candidates' funding sources; socioeconomic differences between donors and the general electorate; the competitive opportunities available to first-time candidates; transparency about advertising funds; access to legislators; policy responsiveness; and implementation costs. Before-and-after comparisons of reforms must account for changes in districts, levels of competition, media-market prices, and reverse causation when money follows expected winners. Public dissatisfaction may motivate reform, but polling alone cannot prove that a particular restriction will necessarily improve policy quality.

12. Civic exercise: test three common claims

Claim one: "The 2024 U.S. election cost more than the sum of every FEC category." Examine overlap among PAC, candidate, and independent spending, and explain why they cannot simply be added that way. Claim two: "Gilens and Page proved that donations bought policy." Review the preference variables used in the study and identify that it did not directly measure campaign contributions. Claim three: "*Citizens United* allowed corporations to make unlimited direct contributions to candidates." Distinguish direct contributions from independent expenditures, and investigate the different role of the *SpeechNow* case. For each question, list the primary source, date, scope, and possible counterevidence.

13. Conclusion

Campaign funding supports political expression and voter mobilization, but it may also amplify unequal access and risks to representation. Existing evidence is insufficient to claim that "money necessarily determines who wins office," and even less sufficient to attribute every policy divergence directly to campaign contributions. U.S. constitutional case law and comparison with Canada show that the feasibility of disclosure, contribution limits, public financing, and spending caps varies across legal systems. A defensible regulatory proposal should specify its objective, the categories of funds it covers, potential side effects, and measurable outcomes, rather than relying only on total spending figures or slogans.

14. From "influencing elections" to "influencing governance": a testable causal chain

The effects of campaign finance can be divided into five links to avoid mistaking correlation for causation. First, resource flows: do donors choose candidates because of policy preferences, or do they follow candidates because they are likely to win? Second, information dissemination: does increased advertising actually change the minds of undecided voters, or does it mainly mobilize existing supporters? Third, access: does donor identity increase the probability of obtaining a meeting with a legislator? Fourth, agenda setting: does a meeting cause an issue to be discussed earlier by a committee or government agency? Fifth, policy outcomes: does the final bill, budget, or regulatory decision change? Each link requires different evidence; one cannot infer from an outcome at the last link that bribery at the first link must have occurred.

For research design, districts with similar levels of competitiveness can be compared while controlling for incumbency advantage, district income, media markets, candidate name recognition, and the timing of contributions. Randomized voter-advertising experiments can estimate the marginal effect of a specific advertisement, but may not generalize to national elections. Randomized experiments on contact with legislative offices can identify differences in meeting probabilities, but cannot directly prove that policy votes changed. Natural experiments and before-and-after comparisons of institutional reforms must also explain parallel trends, simultaneous institutional changes, and missing data. All methods should report uncertainty in their estimates rather than selecting only statistically significant results.

Institutional reform also involves two competing conceptions of fairness. Advocates of political equality emphasize that disparities in financial resources may give some citizens greater agenda-setting power, and therefore support matching funds for small contributions, transparent disclosure, and strict anti-coordination rules. Advocates of freedom of political expression emphasize that government restrictions on independent advocacy may suppress emerging groups, challengers, and minority views, and warn against selective enforcement by regulators. Both sides may support combating bribery, timely disclosure, and reviewable enforcement procedures, while disagreeing about spending limits and the boundaries of anonymous political expression. Canada's spending restrictions cannot be directly transplanted to the United States without accounting for First Amendment case law; U.S. constitutional limits must not be misrepresented as universal standards for all democracies.

It is advisable to maintain a three-layer public evidence table. The legal layer should record the specific statute, decision date, scope of the ruling, and a link to the original text. The statistical layer should record FEC filing categories, cycle, units, and whether any amounts are double-counted. The research layer should record the sample, identification strategy, estimand, competing explanations, and limitations. Quotations that have not been checked against the original text should not be placed in quotation marks, and statistical figures that have not been reverified should not be upgraded to Grade A evidence.

Other language editions

This article is also available in Simplified Chinese.