

Do Non-District Donors Reward Moderates? Evidence from the Senate, 1990-2014

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Abstract

Money from non-district donors represents a growing share of money raised in congressional elections. Yet little research has probed the links between this money and the behavior of legislators in office. I conduct a longitudinal study of the Senate (1990-2014) to understand the links between extremism in floor voting and receipts from out-of-state donors. I find that, among senators not facing reelection during a given two-year congress, there is a negative correlation between extremism and out-of-state donations, which suggests that non-district donors reward “centrists” who vote with the middle of the pack. However, this relationship disappears among senators facing reelection at the end of a congress. These results illuminate the ways in which non-district donors seek to influence the behavior of politicians through their gifts, during periods of electoral safety and suggest that senators behave strategically in order to win favor from non-state donors for support.

Money from outside of the district has become an increasingly vital part of financing congressional campaigns (Baker 2016). Because the cost of running a viable congressional campaign has increased exponentially over the past three decades, few candidates can rely upon money from within their district alone. Candidates under pressure to raise increasing sums of campaign funds are assisted by geographically concentrated support networks of affluent donors (Cho and Gimpel 2007), who distribute money across to candidates in races across the country. Today, money from “non-district donors” accounts for the bulk of the money raised by candidates in House elections, and in the typical House race money from outside of the district accounts for 2/3rds of their money raised (Gimpel, Lee, and Pearson-Merkowitz 2008).

Non-district donors appear to have distinct motivations in their giving. In contrast to the typical “access-seeking” donor who resides in the district, non-district donors are “strategic and politically sophisticated” in their choices (Baker 2019), and tend to support co-partisans in races where “they can make a difference for party control of seats” (Gimpel, Lee, and Pearson-Merkowitz 2008). Gimpel, Lee, and Kaminski (2006) show that these donors are geographically clustered in major urban areas, and that candidates from both parties rely on these networks of donors for support.

While the scholarship has illuminated the motivations of non-district donors, less is understood about the representational consequences of their giving. Gimpel, Lee, and Pearson-Merkowitz (2008), as well as Baker (2019), view non-district money flows as a form of “surrogate representation”, in which affluent donors distribute funds to gain representation from politicians who do not formally represent them. Because federal campaign finance law does not limit the number of campaigns an individual can finance, donating money to candidates across

the country provides the wealthy with an expanded form of representation, unavailable to the typical voter.

This raises important questions about the efficacy of localized representation in Congress, in an era when campaign money is essential for staying in power. A key rationale for district-based representation in Congress is that it provides a form of localized representation in which a legislator is intimately familiar with the members of her district and their interests. That congressional representatives are reliant upon large sums of inter-district money flowing from donors outside of the district undermines this ideal, and the normative expectation that representatives are to be accountable primarily to those who reside in their districts.

Does a greater reliance upon non-district money impact how an elected official represents their constituents? Baker's (2016) investigation of non-district donors in the 2006-2010 House elections suggests that non-district money undermines legislators' responsiveness to their constituents, and that the representatives who raised the most sums from non-district donors tend to be more ideologically extreme. However, beyond this study, there is little research that investigates the representational consequences of non-district money, or how it effects the behavior of legislators in office.

Indeed, much of the literature on non-district donors has employed survey data to investigate inter-district money flows, from the perspective of donors. Less is understood about the effects of this money from the perspective of elected officials, or their strategies for appealing to this base for support. Moreover, because the bulk of this scholarship focuses on cross-sectional analyses of House elections, we know very little about how politicians cultivate long-term relationships with these donor networks over the course of their careers in office.

In this project, I draw upon a longitudinal dataset of campaign financing in the Senate in order to understand how money from individual donors living outside of a senator's statewide constituency covaries with their vote positioning in Senate roll call votes. My findings suggest that the links between fundraising and political posturing varies with the electoral calendar. Among senators who are not running for reelection, those with centrist voting records tend to collect more out-of-state donations. For senators who are facing reelection at the end of given two-year congress, political posturing does not meaningfully affect the number of contributions from out-of-state donors. Indeed, consistent with the findings of previous work, which suggests that non-district donors allocate funds strategically to maintain partisan control of seats (Gimpel, Lee, and Pearson-Merkowitz 2008), the senators who receive the most contributions from out-of-state donors during election season are those from swing states, who are at risk of losing their seats. However, among senators *not* facing reelection, posturing can make a substantial difference in the contributions collected from donors residing outside the state, with the most moderate senators collecting the most contributions. These findings add new wrinkles to our understanding of how non-district donors impact political representation in Congress.

The Links between Money and Legislative Behavior

How might contributions from donors living out-of-state impact a senator's behavior while in office? This question raises fundamental questions about the nature of the donor-candidate relationship—do public officials respond, retroactively, to the preferences of their donors? Or, do politicians behave strategically, in order to appeal to donors for support?

On of one hand, because legislators must be reelected in order to stay in power, they must maintain favorable ties with those who have supported them in the past. In the US Congress,

where most legislators rely upon the support of non-district donors, we would expect that legislators would need to maintain good faith relationships with their donor bases in order to raise money to campaign and stay in power. Yet, on the other hand, politicians are active agents in their fundraising strategies. As a general rule, members of Congress do not receive donations spontaneously – they must ask donors for their support (Francia et al 2003). La Raja and Wiltse (2012) posit that “the direction of causation” between donors and candidates “appears more likely to run from politicians to donors”, while Keena and Knight-Finley (2019) find that senators can raise significant sums from small donors by positioning themselves to the extremes during floor votes. Thus, it is also possible that, rather than responding to the demands of their donor base, legislators strategically cultivate out-of-state donor networks and attempt to win gifts through political posturing on the floor. In order to investigate the potential causal links between out-of-state money and legislative behavior, both possibilities must be considered.

Research Design

In order to investigate potential effects of out-of-state money on a senator’s behavior in office, I rely upon publicly available records published by the Federal Election Commission (FEC). Because all candidates are required to report “itemized” individual contributions from donors who have given more than \$200 during a two-year election cycle, the FEC provides information that allows me to tally donations from outside of a candidate’s state, using the state listed in a contributor’s postal address. To compare the number of donations per two-year election cycle between senators raising money in multiple election cycles, I referenced the master “itemized individual contributions” dataset, published by the FEC on their website, which includes all contributions received by a candidate from individual “large” donors (those who

have given more than \$200 during a two-year election cycle). Using this data, I counted the number of out-of-state individual contributions received by a senator for each two-year election cycle in which they served in the Senate and reported receipts, going back to the 1989-1990, when the FEC first required public disclosure of itemized donations from donors who had given \$200 or more during an election cycle. I decided to count the number of out-of-state donations, rather than use the dollar amount received from these donors, because the value of the dollar has changed considerably since the 1990s, and because the FEC's maximum contribution limit is tied to inflation and tends to increase every election cycle. This means that the potential impact of raising \$1 from an out-of-state donor has decreased over time. For these reasons, I have chosen to take the raw number of donations received as my variable of interest, as opposed to the gross receipts in US dollars.

To measure a senator's voting behavior in office, I relied upon roll call vote scaling estimate data that was first compiled by Poole and Rosenthal (1997), NOMINATE scores. However, because a senator's NOMINATE score during a given congress reflects their *entire* legislative voting history, I used a variant of the NOMINATE score published by Nokken and Poole (2004) – the “one-congress-at-a-time”, first dimension NOMINATE scores – that provides a unique score for each senator during each two-year senate in which they served. This allows me to track dynamic changes in legislators' voting behavior across two-year congresses throughout their careers. In short, if there is a link between out-of-state contributions received and a senator's record of floor voting in roll call votes, then these Nokken-Poole scores will provide a window into this variation.

While there is some question about the validity of NOMINATE scores as a measure of “ideology” (for example, see Lee 2009), here I simply assume that the measure captures

“extremism”—that is, it provides a reliable gauge of how an individual legislator’s voting record during a two-year congress differs from her peers and with their record in past congresses. In operationalizing a senator’s positioning on roll call votes, I have taken the absolute value of a senator’s Nokken-Poole score, which represents the distance from the median point, based upon scaling in all roll call votes during a two-year congress. Accordingly, the senators who are most extreme, who tend to take unpopular positions on the floor, will tend to have the higher scores, while senators who tend to vote with the crowd will tend to have lower scores. I include scores for all senators who served between 1989-2014.

In order to study the relationship between out-of-state donations and extremism, while controlling for a number of other variables that may impact this relationship, I employ cross-classified regression analysis with random individual and congressional session effects. This modeling approach is necessary given the challenges of a longitudinal studies of the modern Senate, which has seen a precipitous rise in both polarization and in campaign expenditures. A cross-classified model allows me to control for the unique (and random) institutional effects of a two-year congress on a legislators’ behavior, as well as the violation of the assumption of uncorrelated standard errors that arises from senators serving multiple terms (e.g. observing the same units over time).

In the baseline model, I include a number of independent variables to control for the potential effects of constituency preferences, electoral security, and seniority on fundraising and legislative behavior. To estimate the role of constituency effects, I include the variables *Partisan Advantage* and *Ideology*. *Partisan Advantage* represents the vote share that a senator’s presidential candidate received in the most recent election above or below the national average. In this regard, it provides a baseline measure for a state constituency’s partisan preferences. For

example, in a state like West Virginia, where voters have supported Republican presidential candidates by large margins in recent elections, a Democratic senator, like Joe Manchin, is estimated to have a disadvantage, while a Republican senator is estimated to have an advantage. The *Ideology* variable represents the percentage of self-reported liberals or conservatives (based on whether the senator is a Democratic or Republican) within a senator's state, based on Enns and Koch's (2013) database on state political ideology.

In order to control for the potential effects of seniority, I include the variable *Senate Experience*, which represents the number of whole years in which a senator has served in the senate at the beginning of the two-year congress. I also included three variables to control for electoral security: *Victory* represents the margin of victory in the senator's last general election; *Reelection* is a dummy variable that indicates whether a senator is facing reelection at the end of a two-year congress; and *At Risk* is a dummy variable that signifies whether a senator has been predicted by third-party analysts to be in a tight reelection battle.

Results

In my first analysis, I consider whether variation in the number of out-of-state donations has a discernable impact on a senator's roll call vote positioning. Here, the assumption is that a senator is responding retroactively to out-of-state donors. As such, in this model the Dependent Variable is a senator's folded Nokken-Poole score, measuring extremism in roll call vote scaling, while the independent variable of interest is the log number of donations from received from out-of-state donors. I also include the controls for constituency preferences, seniority, and electoral security. As reported on Table 1, I do not find strong evidence that a senator's vote positioning covaries with the number of donations they have received from out-of-state donors. While the

model estimates that senators who receive more donations from outside their state tend to be less extreme in floor votes, the standard error is quite large and the effect falls outside the range of statistical significance ($p=0.117$). However, each of the control variables appears to be correlated with a senator's floor positioning, and the model as a whole tends to perform intuitively as a model of senator extremism. For example, the *Partisan Advantage* and *Ideology* variables are both associated with positive, statistically significant effects on extremism, which suggests that Republican senators from states with predominantly Republican and self-identified “conservative” populations tend to be more extreme, which is hardly surprising. On the other hand, other variables appear to negatively impact extremism on floor votes. When senators are facing reelection, they appear to moderate their behavior. This also the case when a senator is at risk of losing their seat.

[Insert Table 1 Here]

One drawback of this approach to modelling the links between out-of-state money and floor positioning is that it does not adequately account for the complex interactive effects of the electoral calendar on campaign receipts. While legislators in the modern Senate tend to raise money throughout their six-year terms, for most the bulk of their receipts come as they approach reelection, in the final two years of the term. Thus, it is possible that there is a correlation between out-of-state contributions received and vote positioning, but this is conditional on whether a senator is facing reelection. To account for this possibility, I modeled the conditional effects of reelection by interacting the dummy variable “reelection” with each of the independent variables in the model. The results of this analysis, which are reported on Table 2, provide some evidence that senators behave differently, with regard to their floor voting, when they are facing reelection. Among senators who are not facing reelection during a given two-year congress, there

is a negative correlation between the number of out-of-state donations received and their extremism. In other words, the senators tend to be closer to the median in their roll call votes as they receive more out-of-state contributions. However, this effect falls outside the range of statistical significance ($p=0.058$). This negative correlation between out-of-state donations received and vote positioning disappears among senators who face reelection, although the standard errors are too large to reject the null hypothesis that there is no link between out-of-state donations and vote positioning. In sum, the results from these analyses provide only mixed evidence, at best, that out-of-state donors have a causal impact on how legislators position themselves. While there appears to be a weak, negative relationship between the number of outstate donations received and vote positioning, this effect is not significant and the null hypothesis cannot be rejected.

[Insert Table 2 Here]

Whereas the previous analysis investigated the claim that out-of-state donors causally impact senators' floor voting decisions, in the next analysis I evaluate the opposite claim: that donors respond to the behavior of legislators—in other words, that legislators position themselves strategically in order to mobilize donors. Accordingly, I must reverse the independent and dependent variable used in the previous model. Instead of attempting to model senator extremism, here I attempt to predict the number of out-of-state receipts *based on* a senator's voting patterns. This approach assumes that legislators are strategic and seek to activate support of donor networks in order to maximize their electoral security. Like the previous analysis, here we assume that reelection plays a fundamental role in structuring this strategic behavior: because senators serve three two-year congresses in each term, their electoral security changes over time. Thus, I expect distinct patterns of behavior when a senator is safe, and when they are at risk.

To investigate the potential effect of senate floor voting on out-of-state receipts while accounting for conditioning effects of reelection, I use the model from the previous analysis, in which the independent variables are interacted with “reelection”, with out-of-state donations as the dependent variable and senate extremism as the primary variable of interest. The results of this analysis, reported on Table 3, suggest that there is a strong, negative relationship between a senator’s vote positioning on the floor and the number of donations received from outstate donors. However, this effect is only present among senators *not* running for reelection during a given two-year congress. The model estimates that, among this group, a shift from the most extreme position to the median point in floor voting nets a senator an additional $e^{1.93}$ donations from out-of-state large donors, which is an increase of about 600%. In short, these results suggest that out-of-state donors appear to reward senators with voting records that place them in the middle-of-the-pack and withhold donations to senators with extreme voting records.

[Insert Table 3 here]

However, this relationship disappears among senators facing reelection at the end of a two-year congress. Among senators facing reelection, we see a different story altogether. First, senators facing reelection tend to receive more donations overall than those not facing reelection. This is hardly surprising, because while many senators appeal to donors for support throughout their six-year terms, the bulk of their fundraising activities occur in the final two years, when they run for reelection. The model estimates that the effect of facing reelection alone are such that a senator running for reelection can expect an additional $e^{1.69}$, which represents a roughly 450% increase. Likewise, the model also estimates a small boost in donations among senators who are predicted to be “at risk” of losing their seats by forecasters. However, the magnitude of the increase associated with running for reelection is greatest among the most extreme senators

(because they tend to receive fewer donations to begin with during non-election years). Figure 1 plots the margin effects of senate extremism on out-of-state donations, and demonstrates that the correlation between extremism and out-of-state donations disappears once a senator is faced with reelection.

[Insert Figure 1 Here]

Discussion

These results add new wrinkles to our understanding of the effects of non-district donors on congressional representation. First, my findings that the relationship between out-of-state money and extremism varies depending on election calendar emphasizes the importance of electoral context. Because senators are elected to six-year terms, they enjoy prolonged periods of “safety” that their counterparts in the House do not. This allows me to observe how the behavior of legislators changes when they are not immediately accountable to the voters in the district, and when they must prepare for reelection. My findings suggest that motivation of out-of-state donors varies depending on whether or not a senator is up for reelection. Among senators who are running for reelection during a given congress, the results of my analysis are consistent with previous research, focusing on the House. Like, Gimpel, Lee, and Pearson-Merkowitz (2008) who find that non-district donors are “strategic in nature” and “direct funds where they can make a difference for party control of seats”, I too find that out-of-state donors tend to contribute the most to candidates from “swing states” who are at risk of losing their seats, and I do not find evidence that these donors distribute funds with an eye toward a senator’s voting behavior.

However, my focus on the Senate illuminates a distinct pattern of non-district donations that is not easily observable through studies of House elections—that non-district donors give to candidates during non-election years, when they are not immediately accountable to their constituents. Presumably, during these periods of time, a senator is free to deviate from the preferences of their constituents without repercussion. And it is here when we see the most meaningful relationship between inter-district funding flows and senate behavior. That non-district donors reward moderate donors who are not up for reelection suggests that, while the bulk of their activities are aimed at protecting co-partisans, they also strive to influence the behavior of senators who are not running for reelection. It is possible that out-of-state donors act as investors who seek to secure long-term relationships with politicians, and to reward legislators who vote with the crowd, who do not take up extremist preferences when it is not necessary for electoral survival. This may illuminate one pathway in which the wealthy influence politicians in the Senate, when senators are not at risk of losing their seats and can afford to support “centrist” legislation that supports the status quo.

Yet is also clear that senators are active participants in this relationship, and that their behavior on the floor can make a difference in the number donations they receive from outside their state. In this way, Senators appear to behave strategically in order to raise money, long before Election Day approaches, insofar as posturing toward the median is a viable tactic for securing long-term relationships with out-of-state donors at a minimal cost.

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Table 1: Senator Extremism (Folded Nokken-Poole Scores)

AIC	BIC	logLik	deviance	df.resid
-2258.5	-2205.8	1140.2	-2280.5	876

Scaled residuals:

Min	1Q	Median	3Q	Max
-3.3075	-0.5458	-0.0050	0.5189	4.9940

Random effects:

Groups	Name	Variance	Std.Dev.
icpsr_id	(Intercept)	1.499e-02	0.122440
ses	(Intercept)	2.516e-05	0.005016
Residual		2.026e-03	0.045014

Number of obs: 887, groups: icpsr_id, 218; ses, 13

Fixed effects:

	Estimate	Std. Error	df	t value	Pr(> t)	
(Intercept)	3.148e-01	1.521e-02	5.326e+01	20.699	< 2e-16	***
log_n_outstate_donations	-2.129e-03	1.357e-03	6.864e+02	-1.569	0.11710	
reelection	-1.699e-02	5.411e-03	5.452e+02	-3.140	0.00178	**
partisan_advantage	4.763e-01	5.613e-02	6.116e+02	8.485	< 2e-16	***
ek_perc_ideo	1.294e-03	3.833e-04	1.684e+01	3.376	0.00363	**
sen_exp	9.002e-04	4.270e-04	3.170e+01	2.108	0.04301	*
victory	-2.961e-04	1.352e-04	6.863e+02	-2.190	0.02885	*
atrisk	-2.232e-02	7.386e-03	6.775e+02	-3.022	0.00261	**

Table 2: Senator Extremism (Folded Nokken-Poole Scores), with interaction effects

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      AIC      BIC  logLik deviance df.resid
-2256.3 -2174.9  1145.2 -2290.3     870

Scaled residuals:
    Min       1Q   Median       3Q      Max
-3.2530 -0.5225  0.0087  0.4921  4.8838

Random effects:
Groups   Name             Variance Std.Dev.
icpsr_id (Intercept)  0.015336  0.12384
ses      (Intercept)  0.000000  0.00000
Residual                    0.002001  0.04473
Number of obs: 887, groups: icpsr_id, 218; ses, 13

Fixed effects:
              Estimate Std. Error      df t value Pr(>|t|)
(Intercept)    3.348e-01  1.506e-02  8.076e+02  22.223 < 2e-16 ***
log_n_outstate_donations -2.636e-03  1.386e-03  6.912e+02  -1.901  0.05769 .
reelection     -4.681e-02  2.631e-02  6.896e+02  -1.779  0.07564 .
partisan_advantage  4.430e-01  6.104e-02  8.068e+02   7.258 9.24e-13 ***
ek_perc_ideo    8.213e-04  3.553e-04  7.641e+02   2.312  0.02106 *
sen_exp        8.393e-04  4.288e-04  7.898e+02   1.957  0.05069 .
victory       -4.882e-04  1.692e-04  6.914e+02  -2.886  0.00403 **
atrisk        -6.065e-02  9.370e-02  2.253e+02  -0.647  0.51815
log_n_outstate_donations:reelection  2.051e-03  3.243e-03  6.967e+02   0.632  0.52734
reelection:partisan_advantage  8.169e-02  5.932e-02  6.654e+02   1.377  0.16894
reelection:ek_perc_ideo  1.839e-04  3.744e-04  6.699e+02   0.491  0.62342
reelection:sen_exp  2.992e-05  4.138e-04  6.622e+02   0.072  0.94238
reelection:victory  4.228e-04  2.221e-04  6.625e+02   1.903  0.05743 .
reelection:atrisk  4.371e-02  9.401e-02  2.282e+02   0.465  0.64241

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Table 3: The Log Number of Out-of-State Donations Received

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      AIC      BIC   logLik deviance df.resid
3119.6    3201.0  -1542.8   3085.6     870

Scaled residuals:
    Min       1Q   Median       3Q      Max
-3.3070 -0.4647  0.0465  0.5597  3.8442

Random effects:
 Groups   Name      Variance Std.Dev.
icpsr_id (Intercept) 0.5767   0.7594
ses       (Intercept) 0.2233   0.4726
Residual                1.4873   1.2195
Number of obs: 887, groups: icpsr_id, 218; ses, 13

Fixed effects:
              Estimate Std. Error      df t value Pr(>|t|)
(Intercept)    5.826281   0.347121 234.160384  16.785 < 2e-16 ***
abs_np_1d     -1.929453   0.595268 548.414526  -3.241  0.00126 **
reelection      1.693709   0.404418 800.685643   4.188 3.13e-05 ***
partisan_advantage 2.080735   1.343144 731.441659   1.549  0.12178
ek_perc_ideo   -0.011030   0.008562 484.307084  -1.288  0.19829
sen_exp        -0.008232   0.008785 523.513211  -0.937  0.34919
victory        -0.026797   0.003983 873.417503  -6.728 3.10e-11 ***
atrisk         2.594329   1.027019 665.166346   2.526  0.01177 *
abs_np_1d:reelection 2.000459   0.806705 803.259902   2.480  0.01335 *
reelection:partisan_advantage -4.359667   1.783369 789.401294  -2.445  0.01472 *
reelection:ek_perc_ideo -0.003375   0.009669 799.184639  -0.349  0.72715
reelection:sen_exp    0.005464   0.010857 781.944472   0.503  0.61492
reelection:victory    0.024766   0.005787 788.600835   4.280 2.10e-05 ***
reelection:atrisk     -1.896098   1.044359 678.793070  -1.816  0.06988 .
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Figure 1

