Out-of-State Donors and Surrogate Representation in US Senate

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Abstract:

Since the 1970s, the financing of congressional elections has been dominated by a small network of wealthy donors who give to candidates across the country. Scholarship provides many insights into these donors and their influence, but less work has studied legislators and their mobilization of these donors. I exploit the design of the US Senate (where members serve six-year staggered terms) to investigate the fundraising effects of legislative behavior. Bringing together the literature on political behavior and legislative studies, I find that out-of-state donors flood senators with money during reelection, with the most money going to senators at risk of losing and those with higher legislative effectiveness scores. However, senators not facing reelection raise money from out-of-state donors through bill sponsorship. These results show that out-of-state donors respond to position taking by legislators, and implies that out-of-state donors reward legislators for the issues they prioritize through legislation.

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Outside money plays an outsized role in the financing of US elections. Since the 1970s, money from non-resident donors has accounted for most of the typical House representative's fundraising haul (e.g. Grenzke 1988; Gimpel, Lee, and Pearson-Merkowitz 2008). Most of this money flows from a small number of people, geographically concentrated in a handful of wealthy neighborhoods (Bramlett, Gimpel and Lee 2011; Gimpel, Lee, and Kaminski 2008). Candidates across the political spectrum living in districts across the country rely on this small network of wealthy donors to finance their campaigns (Cho and Gimpel 2007; Gimpel, Lee, and Kaminski 2008) in the context of increasing electoral competition (Lee 2009, 2016).

One of the consequences of the national flow of money across district lines is that it provides campaign donors—who tend to be older, richer, and whiter than the rest of the public (Francia et al 2003)—with an expanded form of representation, unavailable to the average citizen. Gimpel, Lee, and Pearson-Merkowitz (2008) liken this relationship to a form of "surrogate representation" where legislators "act for" people living outside of their constituencies (Mansbrige 2003; see also Baker 2020). Bramlett, Gimpel and Lee's (2011) analysis of high donor neighborhoods suggests that because the attitudes of this group of donors diverge from public opinion, they "may steer the national political agenda in unrepresentative directions". Indeed, legislators who rely more on the support of non-resident donors tend to be less responsive to their constituents in floor voting (Baker 2016) and more responsive to national donor preferences (Canes-Wrone 2022).

Although the scholarship on campaign donating has yielded invaluable insights into this small group of elite donors and their motivations for giving, less research has investigated the role that politicians play in the donor-legislator relationship. In particular, the literature on outside donors suggests that these donors are strategic investors who give to help their party win a legislative majority. This implies that legislators play a relatively passive role and respond retroactively to the interests of their donors. Yet a growing body of scholarship in legislative shows that legislators use position taking as a fundraising strategy, which implies that donors are responsive to appeals by politicians (e.g., Benson and Limbocker 2023; Curry and Taylor 2013; Ensley 2009; Hamel and Miller 2019; Keena and Knight-Finley 2019; Rocca and Gordon 1999).

A more complete understanding of the relationship between wealthy donors and politicians remains allusive in part due to data limitations. Much of the research on campaign contributions has focus on the US House, where legislators typically face reelection every two years. While this approach has several benefits, such as a large sample of candidates and a uniform election calendar, the rise of the "perpetual campaign" makes it difficult to observe the strategic behavior of legislators when they are not actively campaigning (Lee 2016).

As an alternative, I seek to understand the relationship between outside donors and legislators by focusing on the U.S. Senate. In contrast to the House members, senators serve six-year "staggered" terms with approximately 1/3 of the chamber elected every two years. This means that senators enjoy periods of safety at the beginning of their term when they are not immediately accountable to their constituents. This institutional feature of representation in the Senate makes it possible to observe the effects of changes in legislative behavior on fundraising while controlling for the powerful effects of reelection.

Using data on individual contributions reported to the Federal Election Commission (FEC), I compile a dataset that includes 30 years of campaign finance reports and legislative behavior in the Senate in order to model the effects of legislative behavior on money from out-of-state donors. I find that the effects of legislative behavior on money received from donors living out-of-state is conditioned by whether a senator is running for reelection. Out-of-state donors flood senators with money when they are running for reelection, with the most electorally vulnerable and the most effective lawmakers receiving the most. These findings support the view that out-of-state donors are strategic investors who seek access and influence. However, when senators are not up for reelection, out-of-state donors do not appear to be motivated by access or influence and instead reward senators for position taking. Senators who are more active in sponsoring legislation receive the most money from out-of-state donors, while legislative effectiveness actually reduces the predicted receipts from out-of-state donors.

These results advance the scholarship on campaign finance, money, and legislative politics in important ways. First, they unify the literature on donor behavior and legislative studies to provide a more complete picture of the motivations of wealthy donors and the representational consequences of giving to politicians across state lines. Second, these findings illuminate the role of legislators in driving the cycle of increased campaign expenditures. Lastly, the results underscore the importance of electoral context in understanding fundraising outcomes.

Theories of Campaign Giving

Since the enactment of federal campaign finance disclosure laws of the 1970s, scholarship has sought to understand campaign donors, their motivations, and the representational consequences of the private financing of elections, largely through the lens of political behavior. Within this literature, there are two broad views on the motivations of campaign donors. Each of these frameworks has different implications for understanding the relationship between donors and the politicians they support. One view holds that political giving is a form of "investment", wherein donors seek some future benefit such as access and influence. A second view sees political giving as a "consumption good" that donors value in and of itself—

for example, as an expression of support for a politician or their ideas, or as a form of social capital (see Ansolabehere, Figueiredo, and Snyder 2003).

One of the key differences between the investment and consumer models of political giving is the role of politicians. Whereas the investment model views politicians as delegates in a transactional exchange with access-seeking donors, the consumer model sees legislators as strategic actors who posture to donor constituencies for support.

The Investment Model

The investment model for understanding campaign contributions sees donors as strategic investors in the political marketplace whose gifts purchase future access, attention, and influence. The donor-politician relationship is transactional: in exchange for their gifts, donors receive an expanded form of representation that often entails access to legislators and prioritization of their interests (Kalla and Brookman 2016). Accordingly, the investment model of campaign giving assumes that donors are the instigators in the donor-politician relationship. Donors give money to politicians in the hopes of a future return on their investment. In exchange for their gifts, politicians provide donors with special privileges, such as access, policy representation, interest prioritization.

The literature on campaign donations shows that groups operating through Political Action Committees (PACs) tend to invest for access and influence. Barber's (2016) survey of campaign donors during the 2012 Senate election finds that PACs tend to be access-oriented when giving money to candidates. Similarly, Box-Steffensmeier and Grant's (1999) finding that committee chairs and more effective legislators tend to receive more contributions implies that a subset of the donor population is investment-oriented in their giving. Although there is little evidence that campaign contributions have a direct effect on the decisions made of public officials—for example, by shifting a legislator's position on a roll call vote (Ansolabehere, Figueiredo, and Snyder 2003)—the cumulative effects of money on legislative politics are evident in the disproportionate influence the rich have on public policy outcomes (Gilens and Page 2014).

The Consumer Model

An alternative model for understanding the motivations of campaign donors holds that donors are consumers who reward candidates for their position taking. Although donors' policy and ideological preferences inform how and to whom they allocate their gifts, they are not investment-oriented in the sense that they expect a return. Rather, the value of the gift is as a form of political expression—for example, as a gesture of support for a candidate with whom they agree or admire or whose ideas they endorse.

This view of campaign giving departs from the investment model in that it implies the politician, rather than the donor, is the first-mover. Politicians appeal to donors for support through their behavior and position taking, either directly or indirectly via mass media, and donors respond. This model implies that politicians (rather than the donors) are the strategic investors who use their public posturing to mobilize donors.

In their study of the causes of ideological polarization, La Raja and Wiltse (2012) find that "the direction of causation" between donors and candidates "appears more likely to run from politicians to donors" and conclude that politicians are "*strategic* in mobilizing ideologues in pursuit of resources and electoral goals" (emphasis theirs). Other work has shown that legislators can raise significant sums from donors simply by voting with the extremes on the legislative floor (Keena and Knight-Finley 2019), or by appearing on cable TV news (Benson and Limbocker 2023). Donors, in turn, give to candidates based on their legislative record and behavior in office (Barber, Canes-Wrone, and Thrower 2017).

In a legislature, elected officials have a number of position-taking tactics at their disposal, which they use to influence the behavior of citizens. A large volume of literature on roll-call voting shows that citizens weigh and respond the floor voting positions of legislators (e.g., Carson et al 2010; Crisp and Driscoll 2012; Keena and Knight-Finley 2019; Koger and Lebo 2017; Lindstädt and Vander Wielen 2014; Mayhew 1974; McDermott and Jones 2005; Shapiro et al 1990). Bill sponsorship is an alternative position taking tactic that is often used by legislators. In contrast to floor votes, bill sponsorship is a voluntary activity, and legislators have greater discretion about which bills they sponsor and why (Highton and Rocca 2005). Rocca and Gordon (1999) have shown that members of Congress' bill sponsorship activities can lead to increased campaign contributions from interest groups.

The Motivations of Wealthy Outside Donors

The literature on campaign donors shows that different types of donors have different motivations in giving. Scholarship finds that PACs give to secure access and influence (the investor model). The political behavior literature shows that individuals reward politicians for their ideology and policy congruence, which is consistent with a consumer theory of giving. Although less work has focused specifically on the motivations of the small group of wealthy individuals who donate to candidates in races across country, the scholarship implies that these donors behave more like investment-minded PACs in their giving than the typical individual donor. Rather, they are "politically sophisticated" in their giving (Baker 2020). Although they represent a tiny portion of the broader donor base, they "spread their dollars widely" to influence legislators living outside of their electoral jurisdictions (Rhodes, Schaffner, and La Raja 2018: 514), and support co-partisans in races across the country where "they can make a difference for party control of seats" (Gimpel, Lee, and Pearson-Merkowitz 2008).

This work implies that politicians play a relatively passive role in their relationship with this subset of the donor population: candidates running in tight races can expect support from the outside donor network of wealthy individuals, by virtue of their party identification and their potential to contribute to the party's legislative majority. From the perspective of donors who are invested in the success of the party, the posturing of co-partisan candidates matters less than the collective success of the party, which depends on incumbent candidates winning (and thus contributing to the party's majority). Incumbents in competitive races often use their public position taking to appeal to voters as part of an electoral strategy (e.g. "to shore up the base").

However, the nature of the relationship between wealthy out-of-state donors and the legislators they support is less clear outside of election season, when legislators are not actively campaigning for reelection. A more complete picture of the role legislators play in driving spending by outside donors is hindered because the most widely-used data is not well suited for observing the strategic behavior of politicians. The dominant focus within the empirical literature on campaign finance has been on US House elections, through cross-sectional studies of specific election cycles. This approach is methodologically convenient because it yields a large sample of candidates and because House members follow a uniform, two-year election cycle. However, the reelection effects make it difficult to investigate the role of legislative behavior in influencing campaign contributions. If candidates position themselves strategically to activate support among out-of-state networks of wealthy donors, these behavioral changes may be difficult to observe among legislators in the House, where fundraising has become a year-round activity in the era of the "perpetual campaign" (Lee 2016).

Moreover, studies of campaign finance tend to be donor-focused. Large sample surveys, such as CCES/CES or ANES, allow researchers to draw inferences about the political behavior of the donors based on their responses. This approach has yielded invaluable insights into the motivations and backgrounds of donors and the influence of ideology and wealth, but tends to place the politicians within a box, obscuring a more systemic view of the money cycle in Washington.

A few studies have overcome this problem by painstakingly matching donor behavior with legislative records, such as roll call votes and committee membership (e.g., Baker 2016; Barber, Canes-Wrone, and Thrower 2017). This work underscores the critical role that legislators play in the confluence of donor interests and legislative outcomes. Yet many questions remain about the causal relationship between legislative behavior and donor giving, as well as the role that politicians play in the cycle of increased campaign spending.

Investigating Out-of-State Money in the Senate

Do legislators use their office to appeal to mobilize out-of-state donors? In order to answer this question, I investigate fundraising in the context of the US Senate. Studying the Senate offers several advantages to analyses of House elections. Firstly, because senators normally run for reelection every third congress (i.e. every six years), they are for long periods of times free from the burdens of facing reelection. This expanded electoral calendar makes it possible to observe how legislators moderate their behavior when reelection imminent (and they are immediately accountable to voters for their actions) and when reelection distant (and they enjoy a degree of job security). Because senators are free to solicit campaign contributions "off-cycle" during election cycles when they do not face reelection, it is possible to model the effects of changes in legislative behavior on campaign receipts while controlling for the powerful effects of reelection, which typically results in a surge in campaign receipts. Moreover, Senate elections have the added advantage of being generally more expensive and more competitive than House elections. The Senate has a smaller chamber size and each race carries considerably more import for a political party than the average House election. Consequently, more donations flow to Senate elections and House elections, allowing for greater variation in receipts from outside donors.

In order to estimate the flow of money to senators from out-of-state donors, I draw upon 30 years of campaign finance records published by the Federal Election Commission (FEC). Since the 1970s, all federal candidates have been required to report "itemized" individual contributions from donors who have given more than $200 cumulatively during a two-year election cycle. These itemized reports include information about the donors that can be used to trace the source of each donation.

To compare the campaign receipts of 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 all federal candidates from individuals who have given more than $200 during a two-year election cycle (e.g. "large donors").

Using this data, I estimated the total amount of money received in contributions from individuals living out-of-state (based on the donor's home address) for each senator for each two-year election cycle in which they served in the Senate and reported receipts. I include data going back to the 1989-1990 cycle, when the FEC lowered the public disclosure of itemized

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donations threshold from $500 to $200 or more during an election cycle, through the 2017-2018 cycle. I adjusted these estimates for inflation based on the value of the US dollar in 2018.

Figure 1: Senators running for reelection: Mean campaign contributions from out-of-state donors (in 2018 dollars)

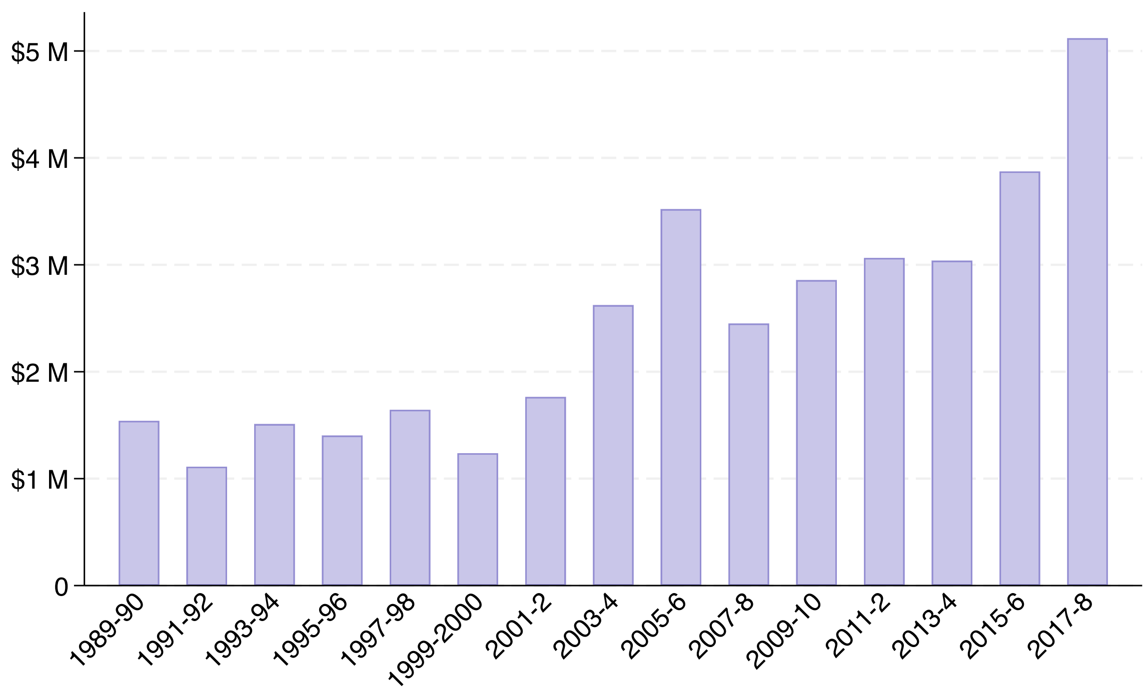

Figure 1 shows the average total receipts from donors living out-of-state reported by senators running for reelection. Consistent with the scholarship on outside giving in House elections, the average received from individuals living out-of-state state has increased over the past three decades. Although inflation adjusted receipts during the 1990s were relatively stable, with the average amount raised between $1-2 million, there is a marked increase in average receipts after the 2001-2 election cycle, with spikes occurring in the 2006 and 2018 midterm elections. These surges in out-of-state dollars coincided with “wave” elections when the minority

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party won control of Congress. This is consistent with view of out-of-state donors as investors who give to help the party win. With the exception of these two years, there doesn't appear to be a noticeable difference between presidential and midterm election cycles.

Figure 2: Senators not up for reelection: mean campaign contributions, out-of-state donors (in 2018 dollars)

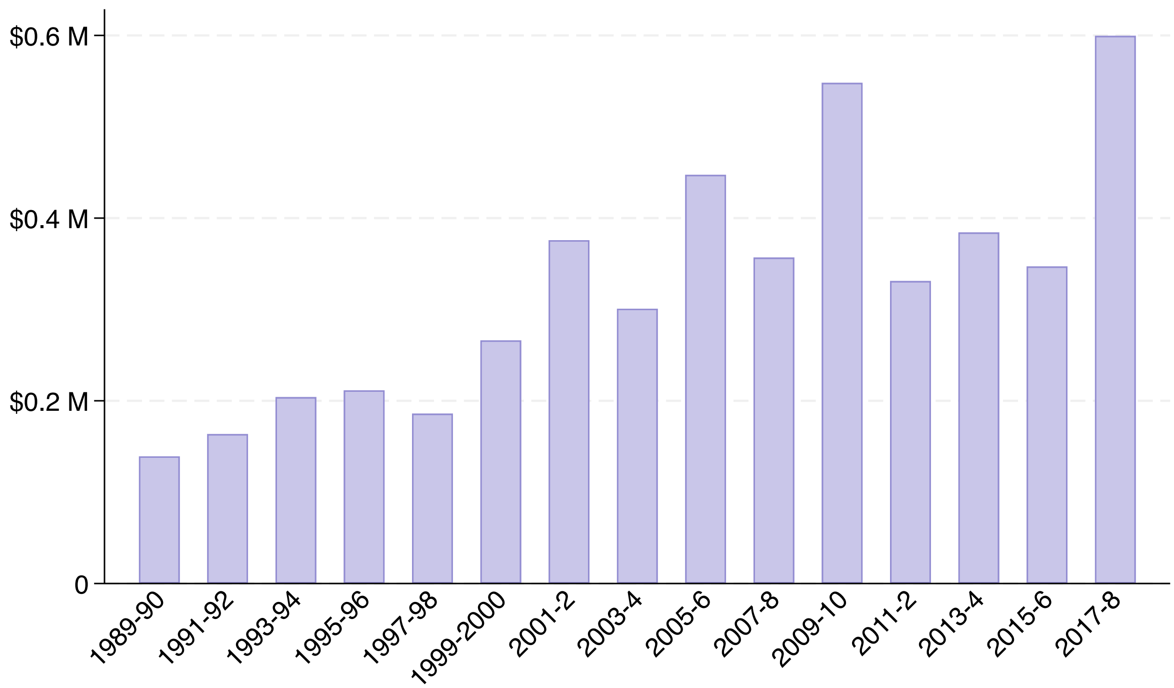


Figure 2 shows the average out-of-state receipts from "off-cycle" senators who did not face reelection. As evident, since the 1990s senators off-cycle have received substantial sums of money from out-of-state donors. The average amount received has increased at a faster rate for senators off-cycle than for senators up for reelection. In the 1990s, the receipts reported by senators off-cycle ranged between $100,000 - $200,000. Averages in the 2000s and 2010s were between \$300,000 - \$600,000. This represents a 300% increase over 30 years that cannot be attributed to inflation.

Among off-cycle senators, election timing appears to factor into the amount of money contributed by out-of-state donors. Since the 1990s, each midterm election is associated with a spike in giving by out-of-state donors. The biggest increases occurred in the 2005-6, 2009-10, and 2017-18 election cycles, with smaller increases occurring in the 2001-2 and 2013-4 cycles.

Empirical Model of Out-of-State Giving

That most of the money from out-of-state donors is given to senators facing reelection is consistent with the "investor" model of giving and corroborates the view that outside donors give to help the party win elections. However, that out-of-state donors give money to legislators when they do not face reelection is a phenomenon that has no direct parallel in the House, which has been the focus of much of the research on campaign finance.

Why exactly do outside donors give to senate candidates when they are not up for reelection? If wealthy donors are motivated to give purely for party control, the tactic of giving to a senator who is not currently facing reelection makes little sense, particularly when this money could be spent supporting other candidates running in competitive races. However, if donors give to "reward" legislators for the positions they have taken, then it shows that legislators play a more active role in mobilizing wealthy out-of-state donors than previously understood.

Investigating the effects of legislative behavior on giving by out-of-state donors requires an empirical model that controls for the powerful effects of reelection, in addition to idiosyncratic variation in fundraising across legislators and over time. Although there are many possible approaches, one I employ here is multilinear regression with legislator and senate fixed effects. This allows me to control for variation in fundraising between senators and across election cycles. The dependent variable in the model is inflation adjusted receipts from out-of-state donors (in 2018 dollars), converted to log 10 scale. I include a number of independent variables to test the investor and consumer theories of giving.

In order control for the effects of reelection, I exploit the “natural” design of the Senate, which features senators with six-year staggered terms. In the model, I include the binary variable “reelection”, which is coded 1 when a senator ran for reelection during a given congress and coded 0 in all other circumstances. I interact this “reelection” variable with each variable of interest. For example, in the model I include a control variable, *Midterm*, which is a binary variable that is coded 1 for senates during which a midterm election was held. As Figure 2 suggests, there appears to be a midterm election effect for off-cycle senators, but for senators running for reelection (Figure 1) there is evidently no similar effect. Accordingly, I include in my model *Midterm* and *Midterm* x *Reelection* to estimate the fundraising effects of a midterm election for both off-cycle senators and reelection senators.

To test the investor model, I follow the approach of Box-Steffensmeier and Grant (1999) and include a binary variable *Committee Chair*, which is coded 1 for all senators who chaired a committee during a given two-year senate. I also include legislative effectiveness scores for each senator in each senate, based on the data published by the Center for Effective Lawmaking (Volden and Wiseman 2014). The Legislative Effectiveness measure is a composite of 15 separate metrics that quantify a legislator’s success in advancing their bills through the legislative process. Higher values are associated with greater legislative effectiveness (and greater success at getting legislative priorities signed into law). If the investor model is valid for explaining variation in senators' out-of-state campaign contributions, it would imply that being a committee chair and having a higher legislative effectiveness score would increase money received from out-of-state donors.

In order to test the consumer model, I include the variable *Floor Vote Extremism*, which draws upon the "one-congress-at-a-time" DW-NOMINATE scores developed by Nokken and Poole (2004). Like the DW-NOMINATE roll call vote scaling estimates of Poole and Rosenthal (1997), the one-congress-at-a-time measure captures a legislator's relative positioning on floor votes. However, in contrast to the original DW-NOMINATE scores, which reflects a legislators' entire legislative voting history, Nokken-Poole scores are dynamic to variation in positioning across congresses. In order to model the behavior of liberal and conservative senators together, I include in my model the absolute value of a legislator's first dimension score. For a non-roll call-based measure of positioning, I include the number of substantive bills sponsored by a senator during a given two-year congress, based on the data published by the Center for Legislative Effectiveness.[1] Including the floor vote extremism and bill sponsorship variables in my model will provide insight into whether out-of-state donors reward senators for their position taking, and specifically the types of positioning that they respond to.

Drawing upon the work of Lee and Oppenheimer (1999), I also include state voting age population estimates to control for the structural demands that pressure large-state senators to be more active in fundraising off-cycle. As well, I include the binary variable *At Risk*, which has a value of 1 for senators facing reelection who were been projected by election forecasting organizations to be in a competitive race, based on CQ's Voting and Elections database (for the

[1] Although legislative effectiveness is positively correlated with being a committee chair and the number of substantive bill sponsorships, this does not appear to affect the results of the model. The results are of the model largely consistent when the legislative effectiveness variable is omitted, when the committee chair and bill sponsorship variables are omitted from the model, and when all three variables are included in the model.

1990-2002 elections) and the forecasts published by the Center for Politics at University of Virginia (for the 2004-2018 elections).

Results

The results of the model, which are reported on Table 1, suggest that the motivations of out-of-state donors vary based on whether or not a senator is up for reelection. Among senators facing reelection, the results are consistent with an investment model of donor behavior. The variables *Reelection* and *At Risk* are each associated with a significant increase in out-of-state receipts. The model estimates that senators running for reelection receive a boost in outside dollars of approximately $10^{0.865}$ (an increase of about 600%). This effect reflects the considerable differences in average receipts reported by senators facing reelection (Figure 1) versus senators not up for reelection (Figure 2). Senators who are forecasted to be at risk of losing their seats receive an addition boost in out-of-state money of approximately $10^{0.207}$ (an increase of ~61%). These findings are consistent with the findings of previous research, which shows that wealthy out-of-state donors give to candidates as part of a broader strategy of giving to win power in Congress (Gimpel, Lee, and Pearson-Merkowitz 2008). Indeed, a senator can receive considerable sums of money from out-of-state donors simply by running for reelection, with those in competitive races receiving the most money.

Table 1: Campaign contributions received (in 2018 dollars) from out-of-state donors

	b	*S.E.*
Reelection	0.865*	(3.24)
At risk	0.207*	(2.79)
Committee chair	0.0810	(1.30)
Committee char * reelection	0.0205	(0.19)
Legislative effectiveness	-0.0561*	(-2.01)
Legislative effectiveness * reelection	0.102*	(2.20)
Bills sponsored	0.00519*	(3.70)
Bills sponsored * reelection	-0.00512*	(-2.84)
Floor voting extremism	-0.131	(0.46)
Floor voting extremism * reelection	-0.0965	(-0.44)
Midterm election cycle	0.0739*	(2.18)
Midterm election cycle * reelection	0.0226	(0.34)
Voting Age Population	2.73*	(5.40)
Voting Age Population * reelection	0.0983	(1.30)
Constant	-4.40*	(-2.58)
Number of observations	1439	
Number of senators	271	
Number of senates	15	
Fixed member effects	yes	
Fixed senate effects	yes	
R^2 within	0.556	
R^2 between	0.0685	
R^2 overall	0.120	

*p<0.05

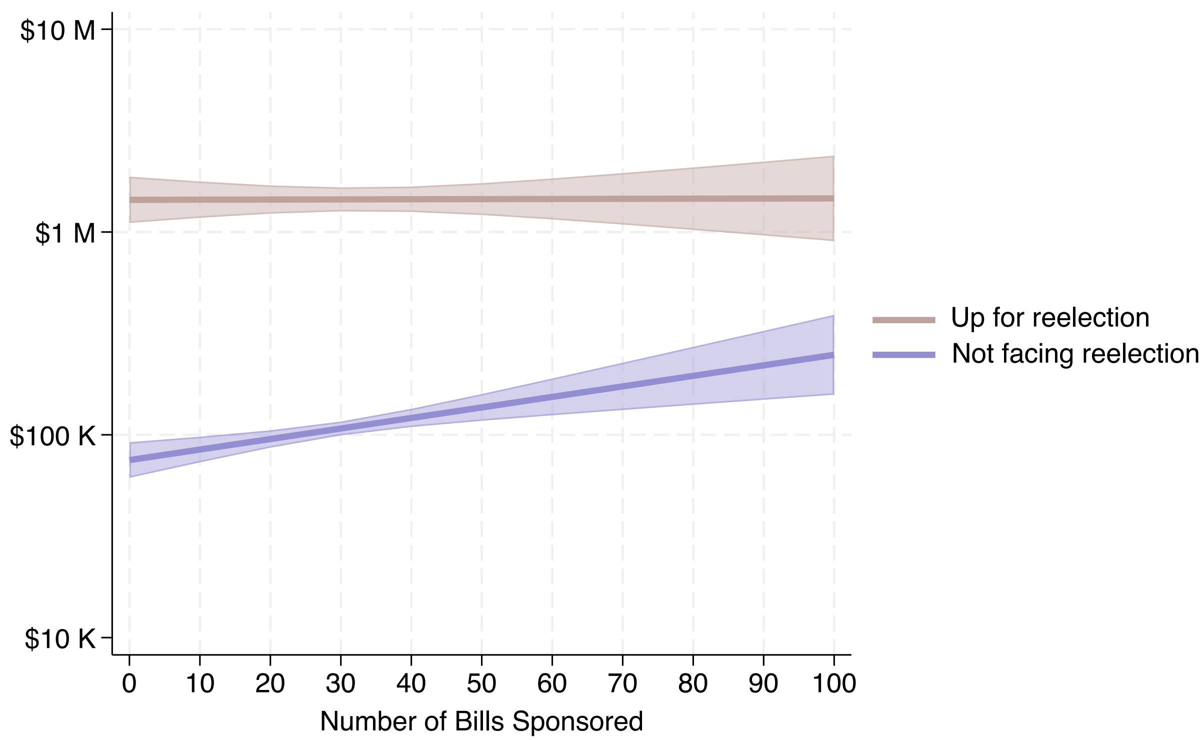
However, the model does not support an investment theory of giving when senators are not running for reelection. Although the effect associated with being a committee chair is positive, it is not statistically significant, nor is the interaction effect. That out-of-state donors do not give more money to committee chairs suggests that they are not donating to senators in order to obtain access or influence. As well, legislative effectiveness is associated with a negative effect on out-of-state receipts for senators off-cycle, which implies that the most productive and successful senators actually raise less money off-cycle than their peers, all else equal. However, the interaction effect is positive, which indicates that the most effective legislators see a substantial boost in out-of-state receipts when they are running for reelection that more than makes up for the decrease in off-cycle funds raised. Thus, it appears that while effective legislators receive less money when they are not facing reelection, they receive a substantial increase in receipts relative to their less-effective colleagues once they are up for reelection.

In short, out-of-state donors act like investors when they give to senators seeking reelection. However, they do not behave as investors when they give to senators not up for reelection. Instead, the evidence suggest they behave more like consumers who respond to legislative position taking. Senators who are active in sponsoring legislation receive more money from out-of-state donors during off-cycle years. The model estimates that sponsoring one substantive bill will yield a $10^{0.0052}$ increase in dollars from out-of-state donors (an increase of about 1%). While this return is modest compared to the powerful effects associated with running for reelection, the effects of bill sponsorship on fundraising are considerable when scaled up. Figure 3 shows the marginal effects of bill sponsorship on out-of-state receipts. Whereas the marginal effect of not sponsoring any legislation for off-cycle senators is an estimated out-of-state receipts haul of about $76,000, sponsoring just 10 bills increases the predicted receipts to approximately \$85,000 while sponsoring 50 bills increases the predicted haul to about \$136,000. Thus, bill sponsorship represents a potentially lucrative strategy for legislators hoping to mobilize wealthy out-of-state donors to give money to them. Yet this effect does not extend to senators when they are facing reelection. The interaction effect (which is statistically significant) shows a comparable reduction in out-of-state receipts. These results suggest that senators are rewarded by out-of-state donorships for sponsoring legislation when they are not running for reelection. However, because the effect of bill sponsorship is effectively neutralized by the interaction variable, the model implies that the number of bills sponsored has no impact on money received during reelection.

Although position taking through bill sponsorship increases the predicted receipts among off-cycle senators, positioning through roll call votes does not appear to help senators raise money. The effect reported by the model estimates that senators who vote with the crowd on roll-call votes tend to receive more receipts from out-of-state donors; however, the margin of error is too large to draw firm conclusions about this effect. The evidence does not support the claim that out-of-state donors act like ideological donors, who reward senators for their extremism, as research on small dollar donors has found (e.g. Bonica and Shen 2014; Keena and Knight-Finley 2019).

Lastly, the model shows that election timing and state size affect out-of-state receipts for senators not running for reelection. The most lucrative periods for fundraising off-cycle occur during midterm elections, when there is not a concurrent presidential election and wealthy donors presumably have more money to spend. During midterm elections, off-cycle senators receive an increase of about $10^{.078}$ in out-of-state receipts (an increase of about 20%). One possible explanation for this midterm effect is that donors are simply more generous when there is not a concurrent presidential race and more apt to spread their money to legislators whose seats are not immediately at risk. As well, consistent with previous literature, senators from large population states appear more active in fundraising off cycle, presumably because campaign are more expensive as constituency population increases (Gerring and Veenendaal 2020; Keena 2019; Lee and Oppenheimer).

Figure 3: Predicted marginal effects of bill sponsorship on campaign contributions, out-of-state donors (in 2018 dollars)



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Discussion

In this paper I have asked, do legislators use their office to mobilize wealthy out-of-state donors? Answering this question sheds light on the motivations of this unique subset of the donor base and promises a more complete picture of the representational benefits they receive in return for their giving. If the answer is "no", it suggests that donors are investors in the cycle of increased spending that pressures legislators to fundraise, and that legislators are passive consumers in this relationship. However, if the answer is "yes", then it forces a revision of the view that legislators play a relatively minor role in this arrangement.

The findings of this investigation show that out-of-state donors are investors when giving to senators facing reelection, but they act as consumers when they give to senators not up for reelection. Senators receive a flood money from out-of-state donor when they are running for reelection, with the most money going senators those at risk of losing and senators with higher legislative effectiveness scores. Thus, when they are giving money to senators running for reelection, donors behave like investors, seeking power, influence, and party control.

However, when giving to senators who are not up for reelection, out-of-state donors behave more like consumers who reward legislators for their position taking. In this context, it is the legislators, rather than the donors, who behave like strategic investors. For "off-cycle" senators, position taking is an effective strategy for mobilizing out-of-state donors when reelection is not imminent. Senators can increase their yields substantially through bill sponsorship, though not necessarily through their positioning on roll-call votes.

These findings have important implications for understanding the self-reinforcing cycle of increasing campaign expenditures that has occurred over the past three decades.

Much of the scholarship on campaign finance has drawn upon data from U.S. House elections to understand the causes and consequences of the rise of campaign spending through a political behavior lens. This approach has emphasized the role of wealthy donors, who use their gifts to invest in the success of political parties, as the catalysts for the increase in spending. However, a focus on fundraising in the House (where legislators typically face reelection every two years) obscures the role that legislators play in mobilizing wealthy donors when they are not actively campaigning for votes. As a solution to this problem, I have instead studied fundraising in the Senate, where the unique electoral calendar makes it possible to observe the links between legislative behavior and giving by outside donors outside of context of reelection. That the strategies and tactics of legislators and donors are conditioned by reelection underscores the importance of controlling for election context when investigating the dynamics of fundraising and spending.

These findings provide insight into the representational surrogacy that the wealthy gain through their gifts to out-of-state legislators. That these donors flood incumbent senators with money when they are running for reelection corroborates the concerns raised by scholars that such an arrangement undermines the value of representation for ordinary (non-wealthy) citizens (e.g. Baker 2020; Gimpel, Lee, and Pearson-Merkowitz 2008; XXX) and create barriers for the candidate entry. However, that senators are able to raise considerable sums from out-of-state donors when they are not running for reelection simply by sponsoring legislation implies that the legislators actively invest in these relationships with wealthy, non-constituent donors. Yet, these findings raise questions about what exactly the wealthy gain when they contribute to legislators who are not in immediate danger of losing power. On the one hand, bill sponsorship is a symbolic form of representation because it doesn't require that legislation is actually enacted.

Rather, it is a signal that a legislator values their interests. On the other hand, position taking via legislative sponsorship is substantive in that it signifies that a legislator prioritizes these interests. The findings of this article underscore the need of future scholarship to explore further the links between wealthy donors, issue prioritization, and surrogacy representation.

Lastly, these findings suggest that legislators have played a key role in reinforcing the long-term cycle of increased campaign expenditures that has occurred since the 1990s. By posturing to and mobilizing out-of-state donors, senators are able to raise considerable sums of money off-cycle. This ensures that fundraising and spending in subsequent election cycles will continue increase, ensuring that a small group of wealthy donors will remain key players in the financing of congressional elections.

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