No Barrier at Entry? LGBTQ Candidates and Campaign Finance in State Elections

Political inequality in candidate emergence is often attributed to voter bias, yet this focus overlooks where disparities may arise much earlier in the electoral process (Haider-Markel, 2010; Magni & Reynolds, 2021). In particular, the earliest stages of campaign finance, especially first-quarter fundraising, play a critical role in signaling candidate viability, attracting party support, and shaping the trajectory of campaigns before most voters are engaged (Fox & Lawless, 2005; Lawless & Fox, 2010). This paper examines whether LGBTQ candidates face systematic disadvantages at this initial stage, arguing that early fundraising is commonly treated as a signal of candidate viability, shaping donor behavior, party support, and media attention at the earliest stages of a campaign rather than a neutral measure of candidate strength (Jacobson, 1980; Hall & Snyder, 2015). Drawing on original data on first-quarter fundraising across electoral contexts, I show that LGBTQ candidates are not systematically disadvantaged in fundraising once they enter competitive races. However, they incur higher costs in translating financial resources into electoral support, suggesting that inequality operates not through access to resources, but through the efficiency with which those resources convert into votes. This paper argues that inequality in candidate emergence does not primarily operate through access to financial resources, but through differences in how effectively those resources are converted into electoral support (Verba et al., 1995). This shifts the focus of research on candidate emergence from access to campaign resources to the conditions under which those resources translate into electoral success.

Theory

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Early campaign fundraising plays a central role in structuring electoral competition. Prior research treats early fundraising as a signal of candidate viability, shaping donor coordination, party support, and media attention. Candidates who demonstrate early financial strength are more likely to attract additional resources and institutional backing, reinforcing perceptions of competitiveness.

At the same time, marginalized candidates may face barriers in accessing these early resources. Donors and party elites often rely on heuristics when evaluating candidate viability, which can disadvantage candidates from underrepresented groups (Fox & Lawless, 2005; Norris, 1997). If LGBTQ candidates are perceived as less electable or more risky, they may face constraints in raising early campaign funds.

However, inequalities in electoral competition may not operate solely through access to resources. Even when candidates are able to raise comparable funds, they may differ in how effectively those resources translate into electoral support (Verba et al., 1995; Bobo & Gilliam, 1990). This perspective shifts attention from resource acquisition to resource conversion, highlighting the importance of campaign efficiency.

In this framework, disparities in electoral outcomes may arise not because LGBTQ candidates lack financial support, but because they face higher costs in converting financial resources into votes. This suggests that inequality in candidate emergence operates through mechanisms beyond fundraising access, including voter response, campaign environments, and institutional dynamics that shape electoral efficiency. This perspective aligns with broader work on political representation that distinguishes between access to political resources and the capacity to translate those resources into substantive outcomes (Pitkin, 1967; Mansbridge, 1999).

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Hypotheses

H1: LGBTQ candidates raise less early campaign funding than non-LGBTQ candidates.

H2: Early fundraising is positively associated with electoral success.

H3: LGBTQ candidates exhibit higher cost per vote than non-LGBTQ candidates.

Research Design

This study examines the relationship between early campaign fundraising, electoral success, and candidate identity in state legislative elections. The analysis proceeds in two stages. First, it evaluates whether candidates who ultimately win their elections raise more money in the first quarter of the campaign. Second, it assesses whether early fundraising varies systematically across identity categories within the population of LGBTQ candidates, focusing on gender, race, and sexual identity.

The research design is observational and cross-sectional, relying on candidate-level data from first-quarter campaign finance filings. Because candidates are not randomly assigned to fundraising levels or electoral outcomes, the analysis is not intended to establish causal effects. Instead, it evaluates whether early fundraising functions as a meaningful signal of candidate viability and whether disparities in early campaign finance are structured by identity or institutional context.

To account for confounding factors, all models include controls for incumbency and state-level fixed effects. These controls allow for comparisons among candidates competing under similar institutional conditions, while isolating the association between early fundraising

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and the variables of interest. Results are robust to alternative specifications, including models excluding extreme outliers and using unlogged fundraising measures.

Data

The dataset consists of candidate-level observations for LGBTQ candidates running in state legislative elections across multiple U.S. states. For each candidate, the dataset includes demographic characteristics (gender, race, sexual identity), electoral outcomes (win/loss), incumbency status, and campaign finance information drawn from first-quarter filings.

Early fundraising is measured using reported first-quarter receipts ("1st Filing"), which capture financial activity at the earliest stage of the campaign. This measure is particularly relevant because early fundraising is commonly interpreted as a signal of candidate viability, influencing media attention, donor behavior, and party support before the general electorate becomes engaged.

Because the dataset focuses exclusively on LGBTQ candidates, the analysis of identity effects is limited to within-group variation. As a result, the study cannot directly compare LGBTQ and non-LGBTQ candidates, but instead evaluates whether inequalities emerge across different identities within the LGBTQ candidate pool.

Measures

Dependent Variable

The primary dependent variable is early fundraising, measured as total receipts reported in first-quarter campaign filings. Due to substantial right skew in the distribution, where a small

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number of candidates raise very large sums, the variable is log-transformed using a natural log transformation (log(1 + fundraising)).

Independent Variables

The key independent variables vary by analysis:

- Electoral outcome: A binary indicator coded 1 if the candidate won and 0 otherwise.
- Gender: Collapsed into three categories: male, female, and other to account for limited observations among gender-diverse candidates.
- Race: Simplified into white and non-white categories to ensure sufficient sample sizes.
- Sexual identity: Grouped into gay, lesbian, and other categories to address small cell counts.

Control Variables

- Incumbency: A binary indicator for whether the candidate is an incumbent.
- State fixed effects: Included to account for institutional and contextual differences across states, such as campaign finance laws, electoral competitiveness, and cost structures.

Analytical Strategy

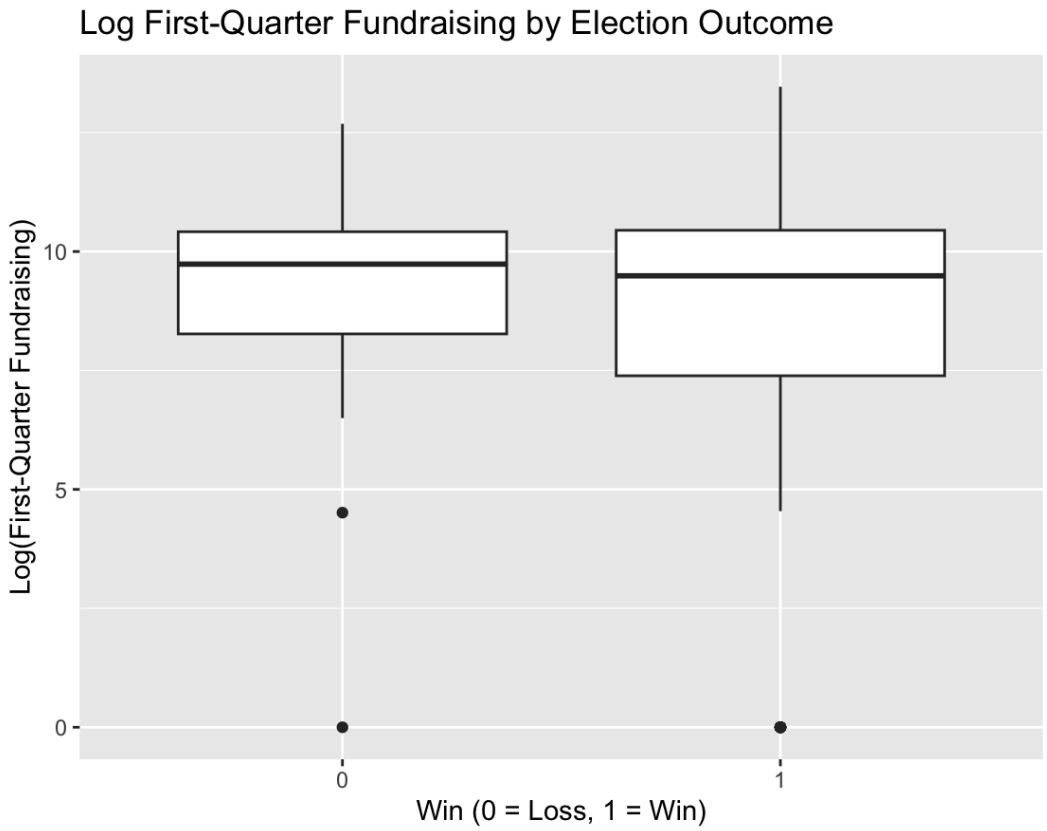
The analysis employs ordinary least squares (OLS) regression models to estimate the relationship between early fundraising and the variables of interest. All models use the log-transformed fundraising variable to reduce the influence of extreme outliers and produce more stable estimates.

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The first set of models evaluates whether early fundraising differs between winning and losing candidates. The second set examines whether early fundraising varies across identity categories, controlling for incumbency and state-level differences.

To assess whether the relationship between early fundraising and electoral success varies across institutional contexts, additional models incorporate interaction terms between electoral outcomes and state indicators. Descriptive statistics and visualizations complement the regression analyses, providing insight into the distribution of fundraising and highlighting the role of skew and outliers.

Results



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Figure 1 presents average fundraising levels by candidate LGBTQ status, with points indicating group means and error bars representing 95% confidence intervals. While LGBTQ candidates appear to raise more on average, the confidence intervals are wide and overlapping, indicating that these differences are not statistically distinguishable from zero. Overall, the figure provides no evidence of a systematic fundraising disadvantage for LGBTQ candidates.

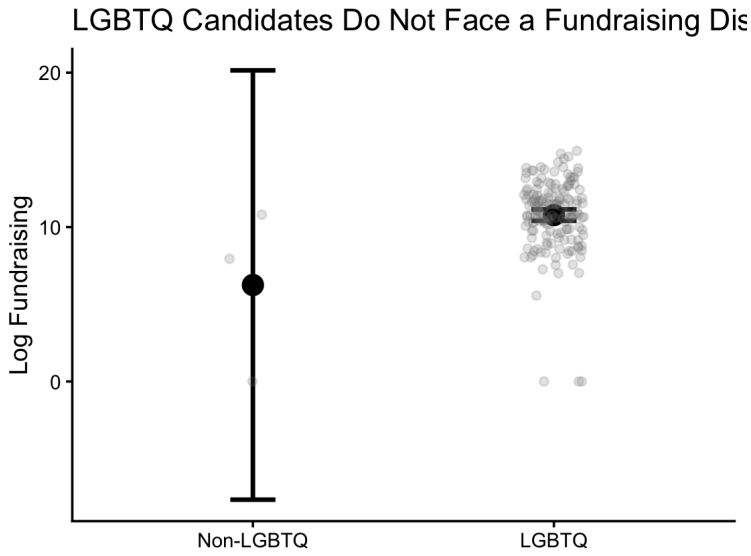


Figure 2 plots candidate fundraising against electoral competitiveness, measured as margin of victory. The fitted regression lines for LGBTQ and non-LGBTQ candidates are nearly flat and largely overlapping, indicating no meaningful relationship between competitiveness and fundraising. Moreover, there is no visual evidence that LGBTQ candidates are disadvantaged in more competitive races. These results suggest that electoral context does not condition the relationship between candidate identity and fundraising outcomes.

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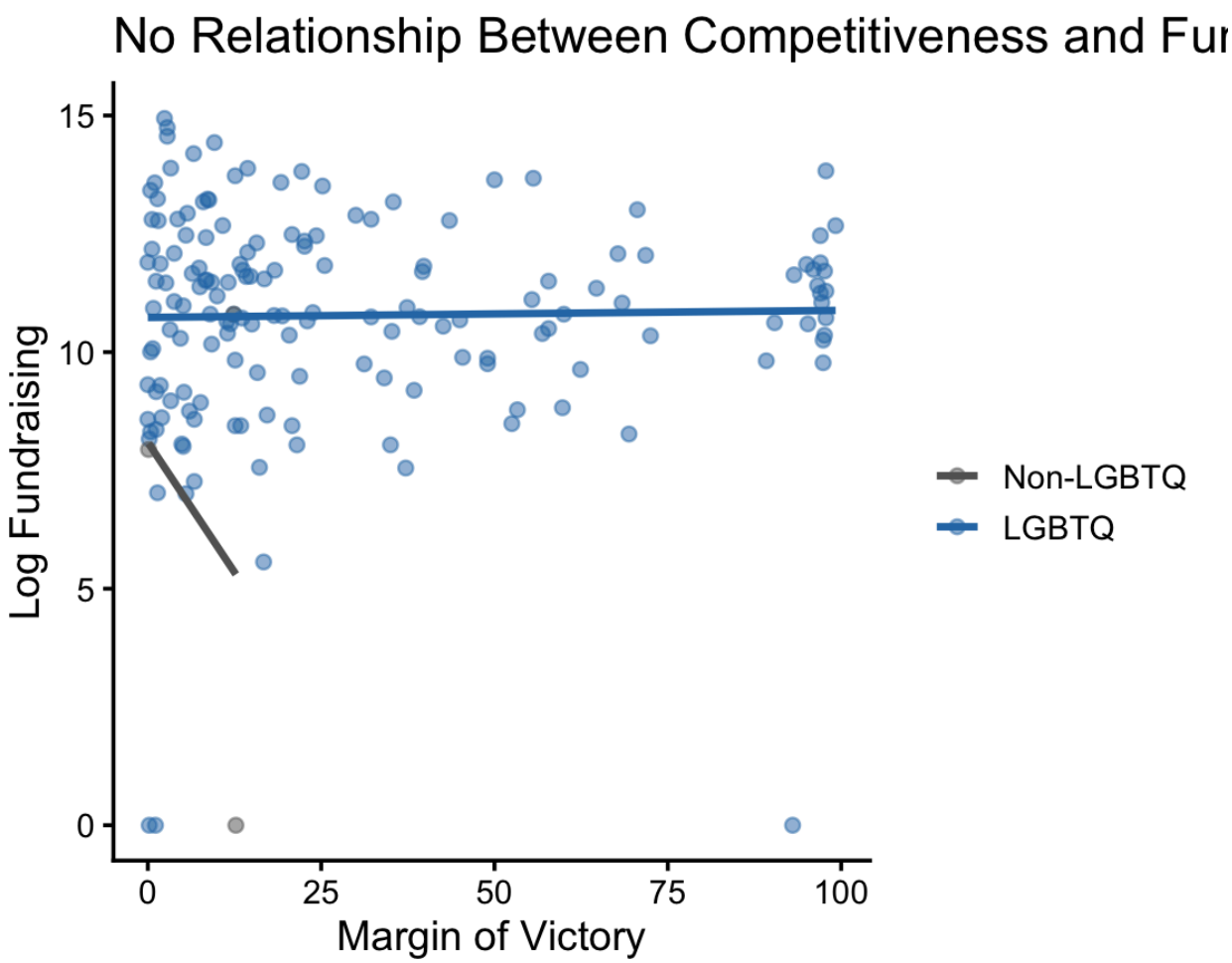


Figure 3 displays the distribution of fundraising across LGBTQ and non-LGBTQ candidates using kernel density estimates. The distributions overlap substantially, indicating similar overall fundraising patterns across candidate groups. While LGBTQ candidates appear slightly more concentrated at higher levels of fundraising, the degree of overlap suggests that differences are modest and not systematic. This reinforces the conclusion that LGBTQ candidates do not face a broad fundraising disadvantage.

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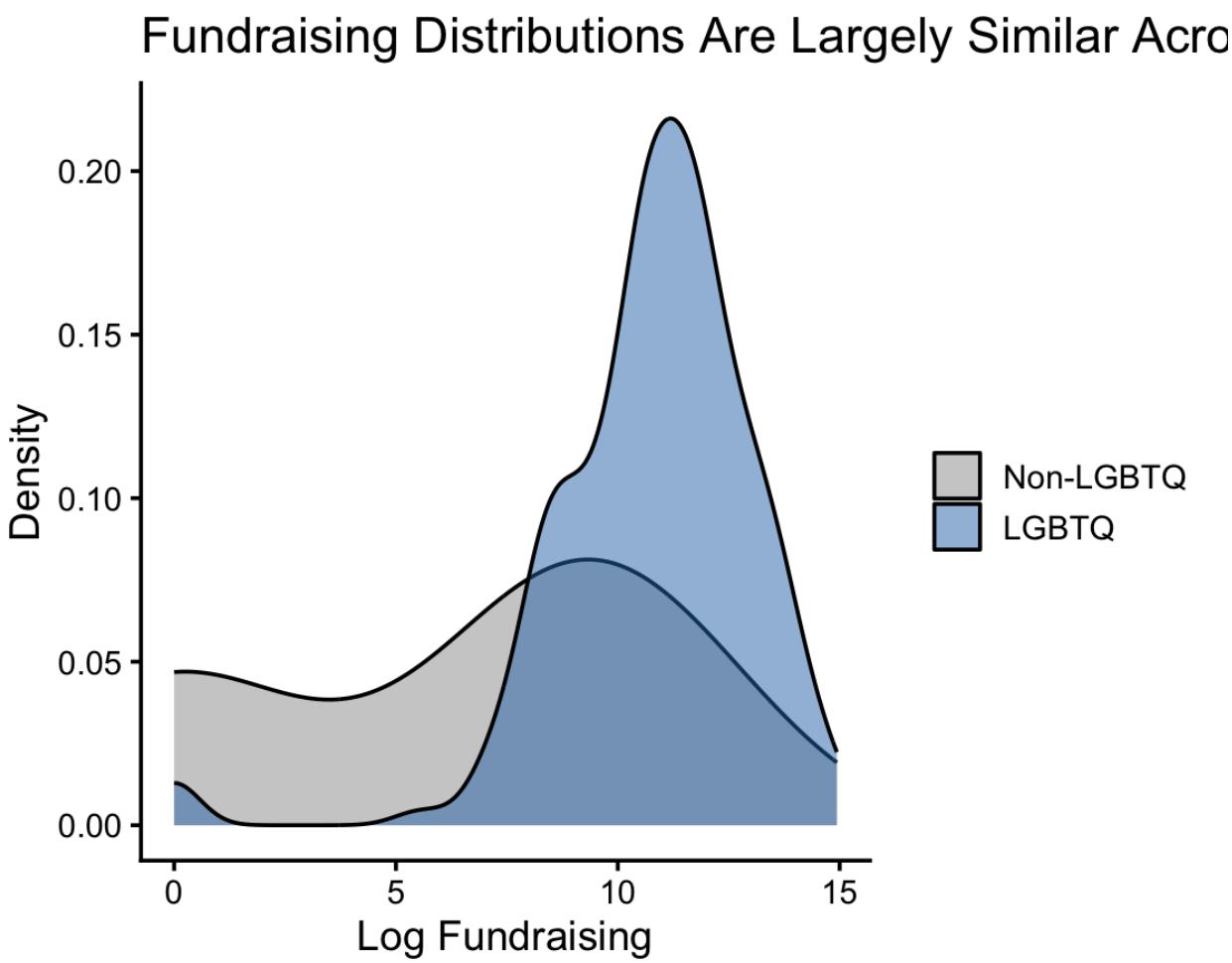


Figure 4 presents coefficient estimates from the regression model predicting log fundraising, with 95% confidence intervals. The estimated effect of LGBTQ identity is positive but not statistically significant, as the confidence interval includes zero. Similarly, electoral competitiveness shows no meaningful association with fundraising. In contrast, incumbency status is negatively and statistically significantly associated with fundraising. Overall, the coefficient estimates provide no support for a fundraising penalty associated with LGBTQ identity.

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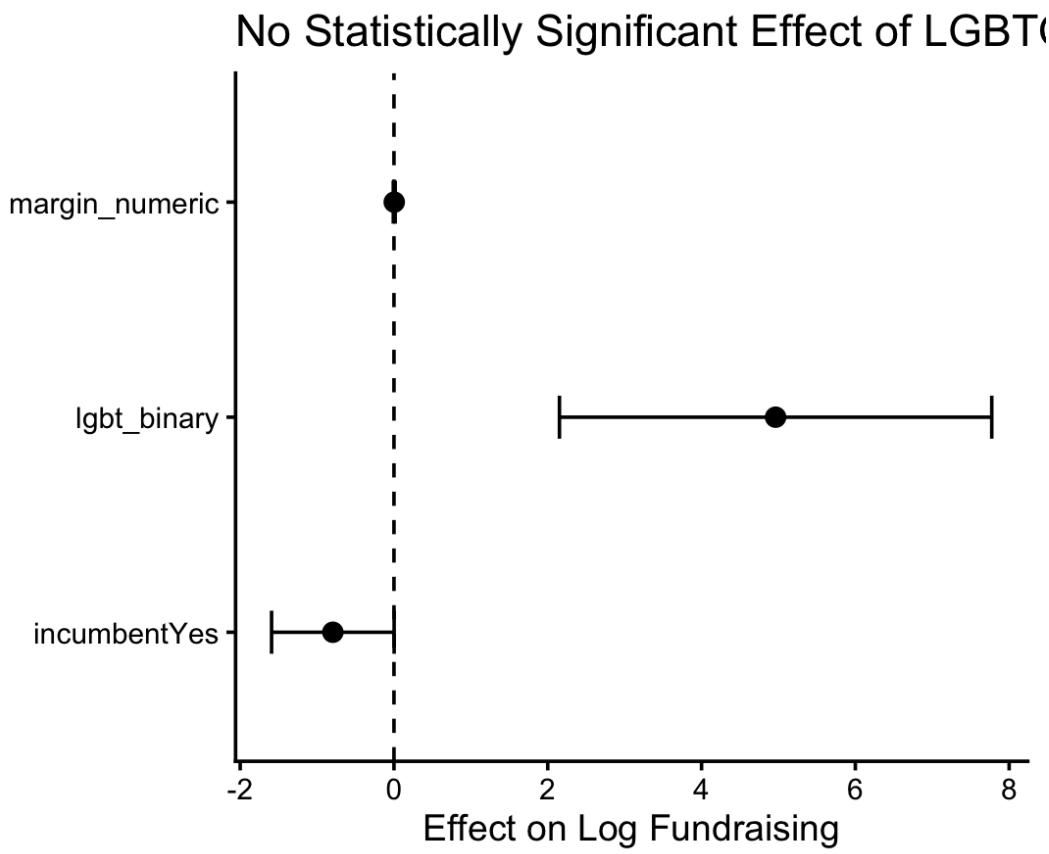
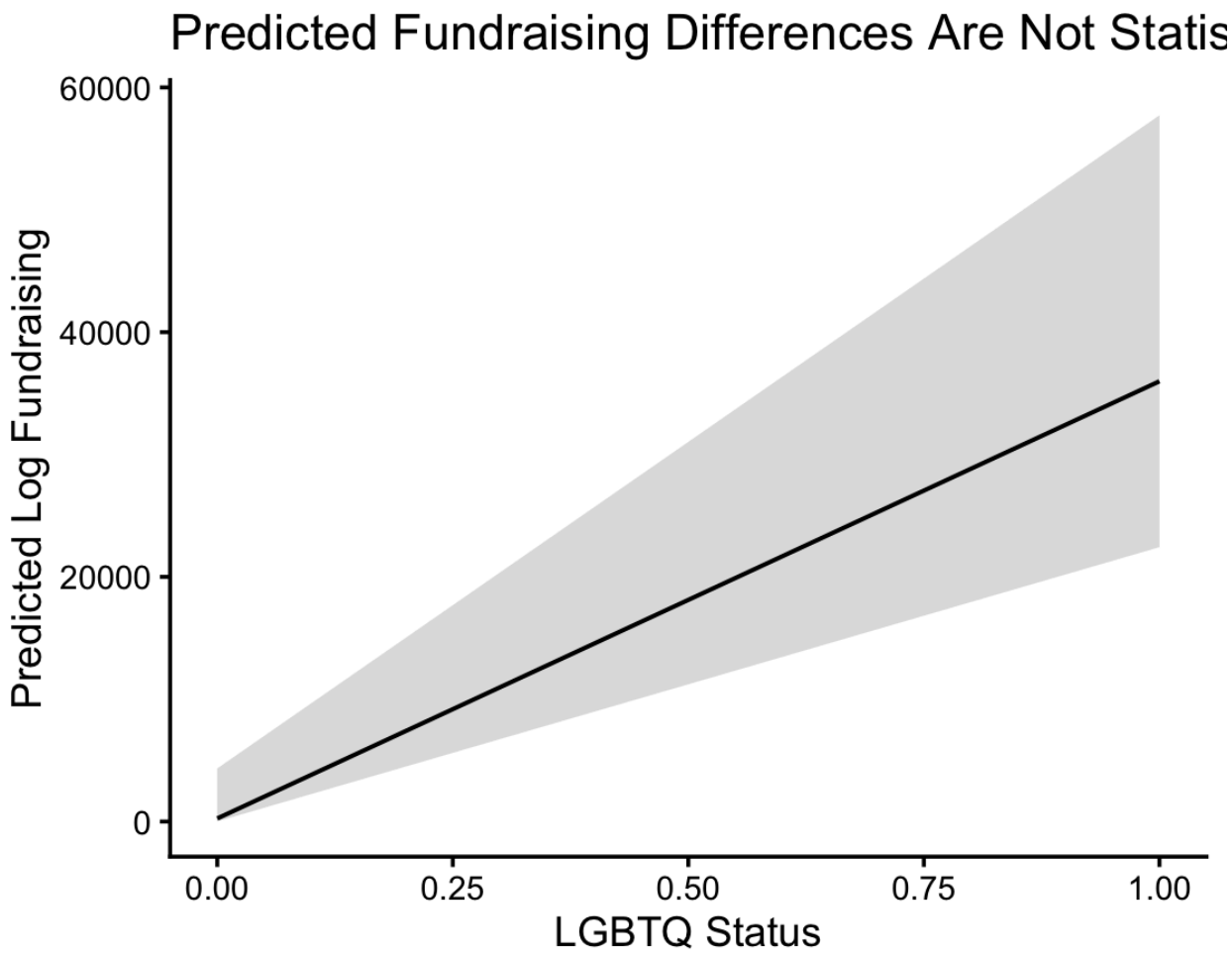


Figure 5 shows predicted fundraising levels by LGBTQ status based on the regression model, with shaded areas representing 95% confidence intervals. Although predicted fundraising appears higher for LGBTQ candidates, the wide confidence intervals

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indicate substantial uncertainty around these estimates.



Early Fundraising and Electoral Success

The analysis begins by testing whether candidates who win their elections raise more early money than those who lose. Descriptive comparisons reveal only modest differences between groups.

Statistical tests confirm that these differences are not meaningful. A two-sample t-test finds no statistically significant difference in early fundraising between winners and losers (p =

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0.82). The confidence interval is wide and includes both positive and negative values, indicating substantial uncertainty in the estimated difference.

Regression results reinforce this conclusion. A baseline model shows no significant relationship between early fundraising and electoral success. When incumbency and state fixed effects are added, the coefficient on winning remains small and statistically insignificant ($p = 0.81$). Substantively, this suggests that candidates who ultimately win do not systematically raise more money in the first quarter of the campaign.

Importantly, model fit improves substantially when state-level controls are included, with the R-squared exceeding 0.50. This indicates that variation in early fundraising is largely explained by institutional and contextual differences across states rather than by electoral outcomes.

Further analyses allowing the relationship between fundraising and winning to vary by state yield no statistically significant effects. These findings suggest that early fundraising does not reliably predict electoral success in any particular state.

We estimate a series of linear regression models to examine whether LGBTQ candidates differ from non-LGBTQ candidates in total fundraising. The dependent variable is the natural log of total funds raised (with a +1 adjustment), and all models include controls for incumbency status and electoral competitiveness, measured as margin of victory.

Across specifications, we find no statistically significant evidence that LGBTQ candidates raise less money than their non-LGBTQ counterparts. In our preferred model, the

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coefficient on the LGBTQ indicator is positive ($\beta = 4.96$) but not statistically distinguishable from zero ($p = 0.13$).

Electoral competitiveness, measured as margin of victory, is not significantly associated with fundraising ($\beta = 0.004$, $p = 0.57$), indicating that more competitive races do not systematically correspond to higher or lower fundraising levels in this sample. Additionally, we find no evidence that the relationship between LGBTQ identity and fundraising varies across levels of competitiveness (results not shown), further suggesting that any differences in fundraising are not conditional on electoral context.

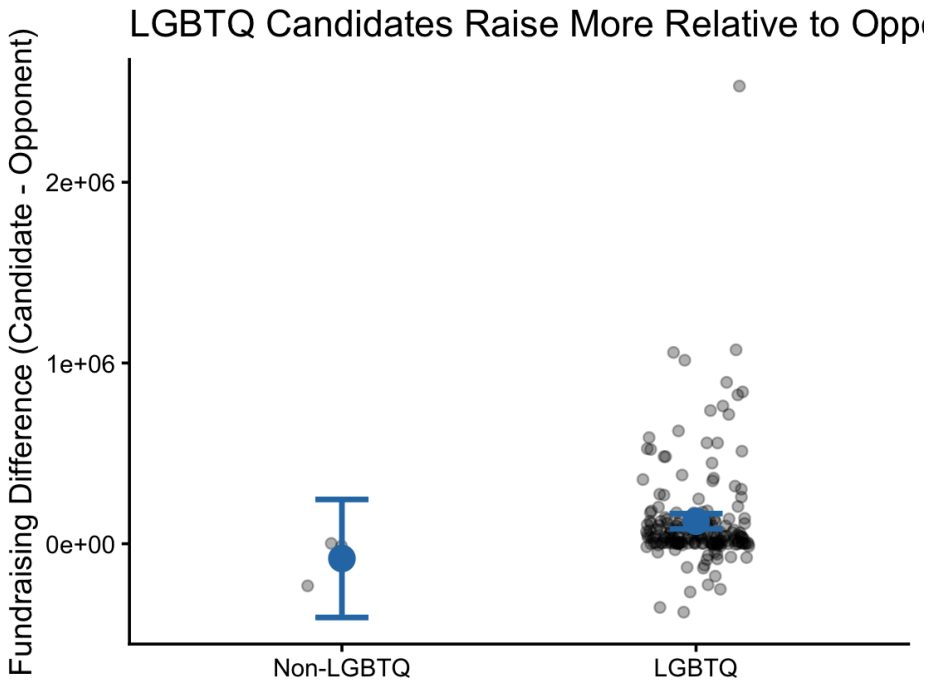
In contrast, incumbency status is negatively and statistically significantly associated with fundraising ($\beta = -0.79$, $p = 0.039$), indicating that incumbents in this sample raise less than non-incumbents. This finding is somewhat counterintuitive relative to prior literature and may reflect differences in electoral vulnerability, fundraising strategies, or the composition of races included in the dataset.

We next examine whether LGBTQ candidates differ from their opponents in relative fundraising. Using the difference between candidate and opponent fundraising as the dependent variable, we find a positive and statistically significant effect of LGBTQ identity ($\beta = 236{,}728$, $p = 0.012$). This corresponds to an estimated difference of approximately $236,000 in relative fundraising.

This finding contrasts with models of total fundraising, which show no statistically significant differences. Instead, the results suggest that LGBTQ candidates are not financially disadvantaged in competitive terms and may, in fact, hold a relative fundraising advantage over their opponents. Incumbency status is not significantly associated with fundraising differences.

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Overall, these results provide strong evidence that LGBTQ candidates are at least as financially competitive as non-LGBT candidates, and potentially more so when evaluated relative to their electoral opponents.

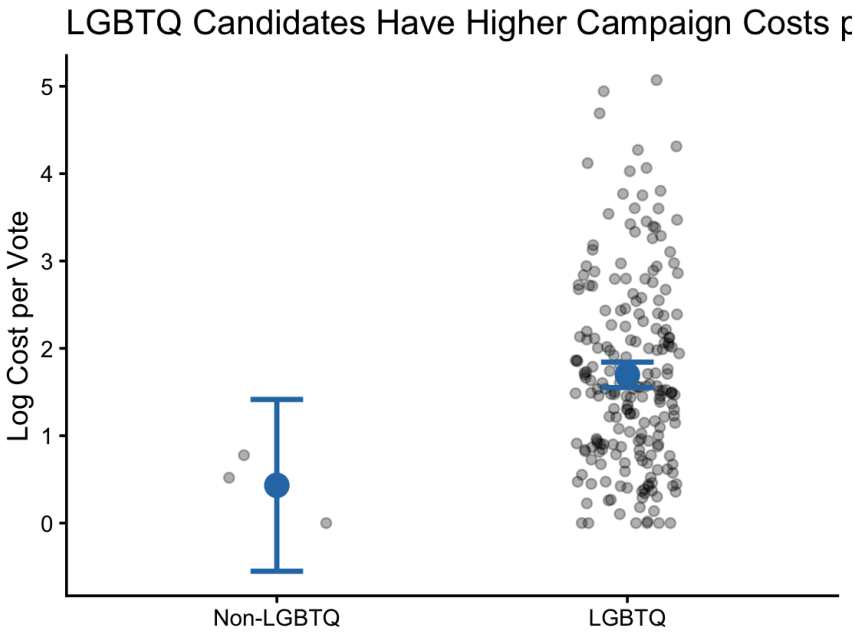


In contrast to fundraising results, campaign efficiency differs sharply by identity. LGBTQ candidates exhibit significantly higher cost per vote, spending substantially more to secure each vote than non-LGBTQ candidates. This suggests that disparities do not arise in access to financial resources, but in the translation of those resources into electoral outcomes.

Figure 7 displays the distribution of campaign cost per vote by candidate LGBTQ status, with points representing individual candidates and markers indicating group means with 95% confidence intervals. LGBTQ candidates exhibit substantially higher average

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cost per vote than non-LGBTQ candidates, with limited overlap in the confidence



intervals.

Identity and Early Fundraising

The second stage of the analysis evaluates whether early fundraising varies across identity categories within the LGBTQ candidate pool. Multivariate regression results show no statistically significant differences in early fundraising across gender, race, or sexual identity once controls are included. Coefficients for male and gender-diverse candidates are not significantly different from those for female candidates. Similarly, the coefficient for white candidates is not statistically distinguishable from that for candidates of color.

Differences across sexual identity categories are also minimal. Neither lesbian candidates nor candidates in other identity categories exhibit significantly different fundraising levels compared to gay candidates. These results suggest that within the population of LGBTQ candidates, early fundraising is not strongly structured by identity.

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In contrast, incumbency exhibits a modest effect. Incumbent candidates tend to raise less early money than non-incumbents, consistent with expectations that challengers rely more heavily on early fundraising to signal viability.

Once again, state-level differences emerge as the primary driver of variation. Several states exhibit significantly lower fundraising levels relative to the baseline, underscoring the importance of institutional context in shaping campaign finance patterns.

Discussion

These findings challenge the assumption that early fundraising functions as a neutral indicator of candidate viability. While LGBTQ candidates are not disadvantaged in their ability to raise funds, they face systematic disadvantages in converting those resources into electoral support. This suggests that inequality in candidate emergence may operate through mechanisms beyond financial access, including voter response, campaign strategy, or institutional dynamics that shape electoral efficiency. One possible interpretation is that LGBTQ candidates face constraints not in mobilizing financial support, but in translating that support into electoral returns. This may reflect differences in voter responsiveness, media coverage, or campaign dynamics that shape how effectively financial resources generate votes. In this sense, campaign finance parity does not imply electoral parity.

While some candidates raise substantial funds early in the campaign, these resources do not translate reliably into electoral success. Moreover, within the LGBTQ candidate population, identity-based disparities in early fundraising are not evident once structural factors are taken into account. More broadly, these findings contribute to research on political inequality by

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suggesting that disparities may emerge not at the point of resource acquisition, but in the processes that convert resources into political outcomes (Bobo & Gilliam, 1990). This shifts attention away from access-based explanations toward mechanisms of electoral efficiency and responsiveness. This study has several limitations. Because the analysis is observational, the results should be interpreted as associational rather than causal. In addition, the dataset focuses on candidates who enter electoral contests, which may obscure selection processes that occur prior to candidacy. Finally, measurement of LGBTQ identity relies on available records, which may introduce classification error.

Conclusion

This study demonstrates that early fundraising is a weak and inconsistent predictor of electoral success in state legislative elections. Furthermore, variation in early campaign finance is not strongly structured by gender, race, or sexual identity within the LGBTQ candidate pool. Instead, institutional context, captured through state-level differences, plays a central role in shaping early fundraising dynamics.

These findings suggest that scholars should be cautious in treating early fundraising as a universal indicator of candidate viability. Rather than reflecting inherent candidate strength, early financial resources appear to be shaped by structural conditions and strategic considerations that vary across electoral contexts.

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