

To: Mayor's Blue Ribbon Commission on Clean Elections

From: Ken Mayer, Chair

Date: March 13, 2009

## **Summary of Electoral Competitiveness and Fundraising**

My goal in writing this report is to offer some basic information about the competitiveness of Madison Common Council and Mayoral elections, to assist us in our deliberations about whether we regard a public funding program appropriate. I will limit my remarks, as much as possible, to basic empirical questions without making specific recommendations (which are the Committee's prerogative).

To assess the state of Madison elections, we collected data on campaign spending since 2001, relying on reports filed with the City Clerk. We also analyzed election returns back to 1987, although in this report we limit the analysis to post-1981 cycles.

My empirical conclusion is that there are two forces at work in Madison. At the Common Council level, elections remain reasonably competitive, low-cost affairs. Levels of competition have remained roughly the same over the past 30 years. Incumbents retain substantial advantages, a common feature of elections at all levels of government. But candidates continue to rely largely on small contributions, and use campaign funds on grass-roots activities such as mailers and yard signs.

Mayoral elections, however, have become much more expensive over the past few election cycles, forcing candidates to raise large amounts of money. The 2007 race was by far the most expensive in city history, with total spending of nearly \$800,000. This, too, is not unusual, but it represents a break from earlier election cycles, and puts Madison above the per-capita spending levels seen in other medium-sized cities. My conclusion is that no serious candidate will be able to run without raising at least \$200,000-\$300,000, perhaps far more.

### I. Electoral System Structure

Madison is governed by a part-time 20-member legislative body, called the Common Council and elected in districts, and a full time Mayor elected citywide. Terms are 2 years for the council and 4 years for the mayor. The estimated 2008 population is 226,650.<sup>1</sup> Campaign finance is governed by state law, which sets limits on contributions and requires disclosure.<sup>2</sup>

Municipal candidates run in a primary election when there are more than 2 candidates for a position, with the top 2 moving on to the general. In races where there are only 2 candidates, only a general election is held.

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<sup>1</sup> State of Wisconsin, Department of Administration Population and Housing Estimates, <http://www.doa.state.wi.us/subcategory.asp?linksubcatid=96&locid=9>

<sup>2</sup> Contribution Limits - \$0.01 times population according to most recent census. The 2000 census put the city population at 208,054, resulting in a individual contribution limit of \$2,081. PACs or other candidate Committees - \$0.0075 times latest census (or \$1,560). The total amount of money raised from all committees, including political parties, is limited to \$28,031

## II. Common Council Elections

Tables 1 and 2, and figures 1 and 2, show basic information about fundraising and competition in Common Council races. Figure 1 shows three common measures of election competitiveness for incumbents. At all levels, incumbents have substantial advantages over challengers; this is true whether the race involves a school board or the United States Senate. Incumbents typically have better organization, higher name recognition, and more experience than challengers. The ability to challenge incumbents, moreover, is one of the basic features of electoral responsiveness. How incumbents do, therefore, is a key element of electoral structure.

I calculated three measures of incumbent performance: the percentage of incumbents who face a challenger, the percentage of incumbents who receive less than 60% of the vote in the general election (signifying a competitive race), and the percentage of incumbents who are reelected. Generally, of course, higher incumbency reelection rates, and fewer contested or competitive races, are indicators of an uncompetitive electoral system.

Figure 1 shows these measures since 1981 for the Common Council. What stands out is the general stability of competitiveness over the past 28 years.

### **Common Council: Spending Patterns Across Time**

The average level of spending in Common Council races has risen across time from \$4,090.95 in 2003 to \$5,762.58 in 2007 (a 41 percent increase). This aggregate pattern also disguises important differences based upon the nature of the race, as between 2003 and 2007:

- Challengers' average spending decreased from \$10,818.39 to \$8,351.35 (a decrease of 23 percent)
- Incumbents' average spending increased from \$2,251.18 to \$3,475.76 (an increase of 54 percent)
- Open seat candidates' average spending increased from \$4,312.60 to \$6,284.92 (an increase of 46 percent)

Paradoxically, there appears to be a negative correlation between average levels of spending and average vote totals. As incumbents spent more across time, their average share of the vote declined from 72 percent to 58 percent (a decrease of 19 percent) in contested races. For challengers, as their average spending declined, their average share of the vote increased from 28 percent to 42 percent (an increase of 50 percent) in contested races.

In terms of electoral outcomes, in contested races, the higher spending candidate only won 51.4 percent of the time. Compared to races at the state legislative level and the Congressional level, this is a very low percentage. There are important across time trends, however:

- In 2003, only 14 percent of the candidates who spent the most in contested races won
- In 2005 and 2007, these percentages were in 67 and 64 percent, respectively

The bulk of the money raised by Common Council candidates during the 2000s was spent on get out the vote (GOTV) related activities. Just under-70 percent of the funds spent by these candidates was used for printing and postage. In contrast, only 6 percent was spent on consulting and 4 percent on advertising.

This distribution of spending suggests that although the amount of money raised and spent in these races has increased over the last decade, they remain relatively un-professionalized affairs that feature small, relatively direct campaigns.

### **Common Council: Fundraising Patterns Across Time**

A major concern about campaign fundraising is that candidates will become dependent on large contributions, which could both shut out candidates without access to deep-pocket donors, as well as raise fears that officials become biased toward the interests of those contributors.

The total number of individual contributions given in Common Council races rose significantly during the 2000s. Between 2003 and 2007:

- The number of small dollar (\$0-\$20) contributions remained relatively constant
- The number of midsize contributions (\$20.01-\$99.99) rose by 83 percent, from 978 to 1,789
- The number of large contributions (\$100-\$250) rose by 87 percent

These trends were paralleled in the dollar amount of these contributions, with the amount coming from small donations remaining constant and the amounts coming from midsize and large donations increasing by over 80 percent.

These two findings together also suggest that the average and median contributions from individuals are unlikely to have changed dramatically across time. This was indeed the case, as between 2003 and 2007:

- The average contribution rose only from \$59.39 to \$62.81 (an increase of five percent)
- The median contribution remained flat at \$50

The majority of individual donations came from just four ZIP codes within the city: 53703, 53704, 53705, and 53711. Over 61 percent of individual donations to Common Council candidates came from these areas.

The total amount raised by candidates rose from an average of \$4,551.93 in 2003 to \$6,133.53 in 2007 (an increase of 35 percent). This aggregate pattern disguises important differences based upon the nature of the race, as between 2003 and 2007:

- Challengers' average fundraising declined from \$8,982.50 to \$8,315.90 (a seven percent decline)
- Incumbents' average fundraising remained relatively flat (increasing from \$4,102.96 to \$4,424.49, only a eight percent increase)
- Candidates in open seats increased their average fundraising from \$4,175.54 to \$6,278.82 (a 50 percent increase)

It is important to note that in all three cycles between 2003 and 2007, challengers on average outraised incumbent candidates.

Political action committee (PAC) donations were far less consequential in Common Council races than donations from individuals. They also experienced less change across time, between 2003 and 2007:

- The average PAC contribution declined from \$188.46 to \$166.58 (a 12 percent decline)
- The average PAC contribution to incumbents declined from \$200 to \$173.04 (a 13 percent decline)

- The average PAC contribution to challengers rose from \$150 to \$160.71 (a 7 percent increase)
- The average PAC contribution to open seat candidates declined from \$185.71 to \$165.15 (a 11 percent decline)

We collected data on spending since 2001, using reports candidates file with the City Clerk. We also collected election information back to 1967, although report competition date only since 1981.

Mayor Cieslewicz has suggested a voluntary public funding program, in which individuals can make contributions to a central fund, which would be used to make grants to eligible candidates. This idea has some appeal, as it resolves the concern over taxpayers making involuntary contributions to a clean elections fund that might go to unpalatable candidates. But we see no way that such a voluntary system could raise enough money to be viable. Every indication – from the checkoff process that designates money to public funding programs at the federal or state levels, to the experience of analogous voluntary programs for deficit reduction – is that few people would participate. A viable clean elections program

Our general conclusion is that Madison elections remain reasonably competitive, low-cost affairs. In table 1, we show three measures of competitiveness related to the fate of incumbents:

The percentage of incumbents who face at least 1 challenger

The percentage of incumbents who win with less than 60% of the vote

The percentage of incumbents who are reelected

The data show that all levels of competitiveness declined sharply in 2001 and 2003, but have returned to roughly the historical average since 1981. Most local elections are low-salience, with relatively low turnout and minimal voter awareness. Despite a 100% incumbency reelection rate in the past two cycles, more incumbents faced serious challenges.

General conclusion: common council races relatively low-cost affairs, with challengers able to mount credible campaigns for less than \$5,000. Still, incumbents retain significant advantages in what are low-salience races

Mayoral elections are another story. These elections have become more high-cost, with the last two cycles the most expensive in city history. In 2003, four candidates spent \$487,382. In 2007, Three candidates spent a total of \$783,429. Based on this history, it seems improbably that a mayoral

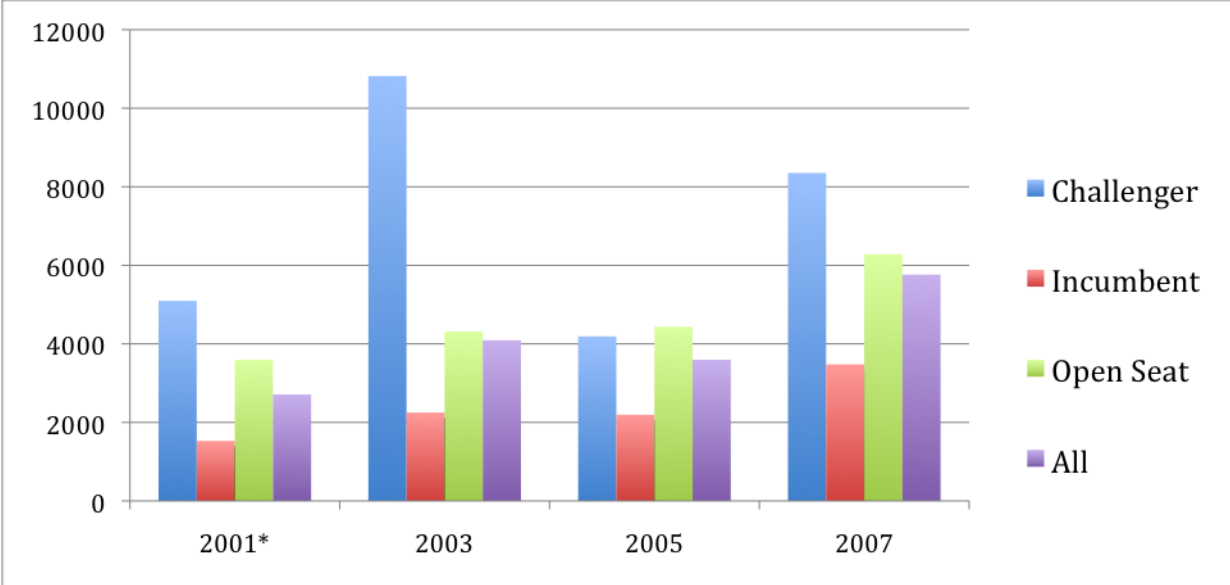
candidate will be able to campaign with less than \$200,000; that represents a major change in the electoral environment.

On a per-capita basis, recent mayoral spending is at the high end of other cities of comparable size (or two cities that recently moved to full public funding).

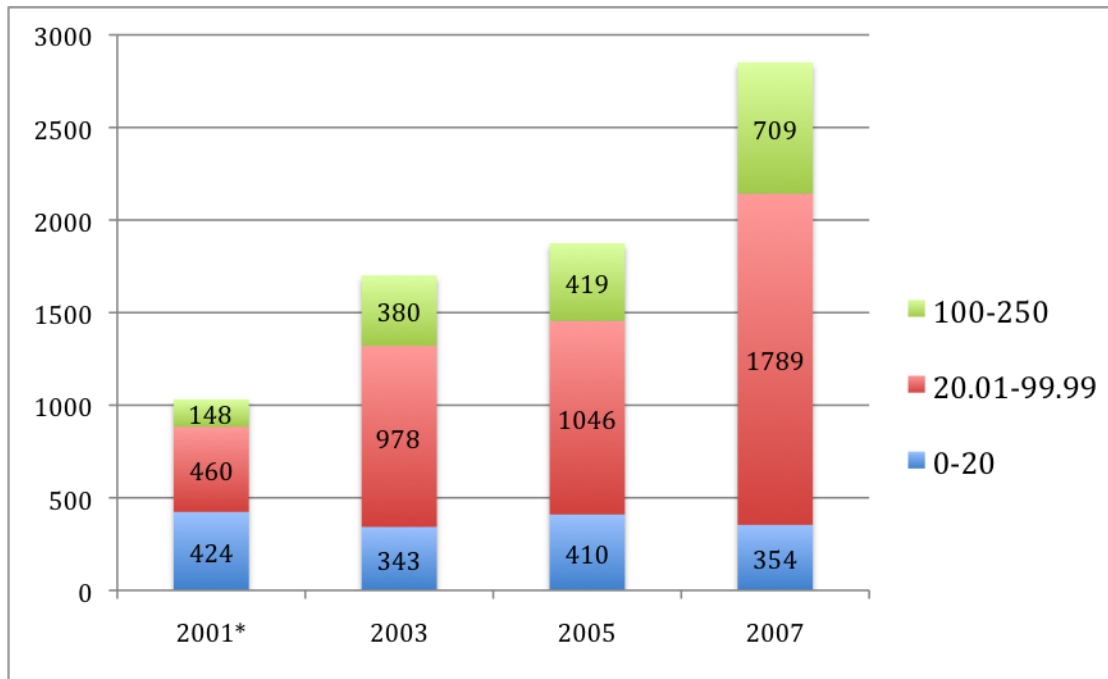
	population	Spending	Spending per capita
Albuquerque 2005	448,607	\$ 1,321,458	\$ 2.95
Portland 2004	586,380	\$ 594,862	\$ 1.01
<b>Madison 2007</b>	<b>226,650</b>	<b>\$ 786,429</b>	<b>\$ 3.47</b>
<b>Madison 2003</b>	<b>208,054</b>	<b>\$ 487,382</b>	<b>\$ 2.34</b>
Lincoln, NE 2003	225,581	\$ 494,637	\$ 2.19

These data show that Common Council campaigns are relatively low-cost affairs, particularly for incumbents. Figure 1 shows the average spending since 2001, broken down by candidate type. Incumbents spend, on average, less than \$4,000, while challengers spend, on average, more than twice as much (\$8,351 in 2007). Open seats occupy a middle-ground, with campaigns spending more than incumbents but less than challengers. Of the 25 highest-spending campaigns since 2001, only two were incumbents. This pattern is not unusual, given the salience of most Common Council campaigns and the benefits of incumbency. Challengers have to spend money to overcome the incumbency advantage, even to reach minimal levels of name recognition and voter awareness, and many incumbents run unopposed.

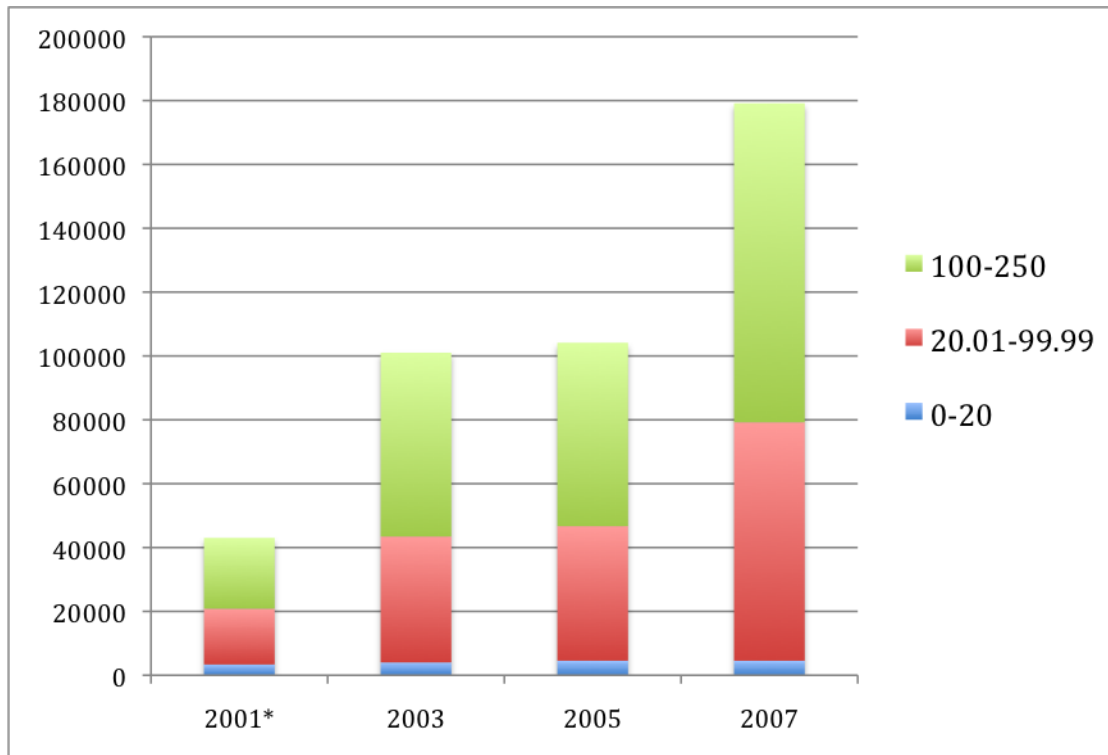
**Figure 1 - Common Council: Average Total Amount Spent by Candidate Type**



**Common Council: Total Number of Individual Contributions by Size**



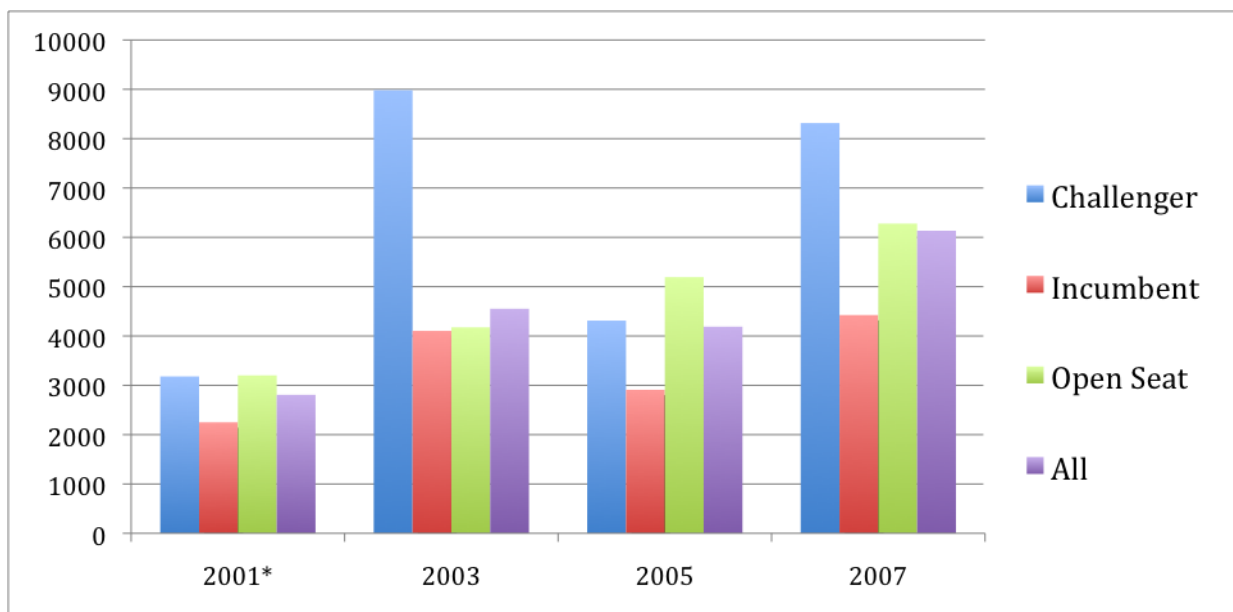
**Common Council: Total Amount of Individual Contributions by Size**



**Common Council: Average and Median Contributions from Individuals by Cycle**

	Average Contribution	Median Contribution
2001*	41.69	25
2003	59.39	50
2005	55.55	40
2007	62.81	50

**Common Council: Average Total Amount Raised from Individuals by Candidate Type**



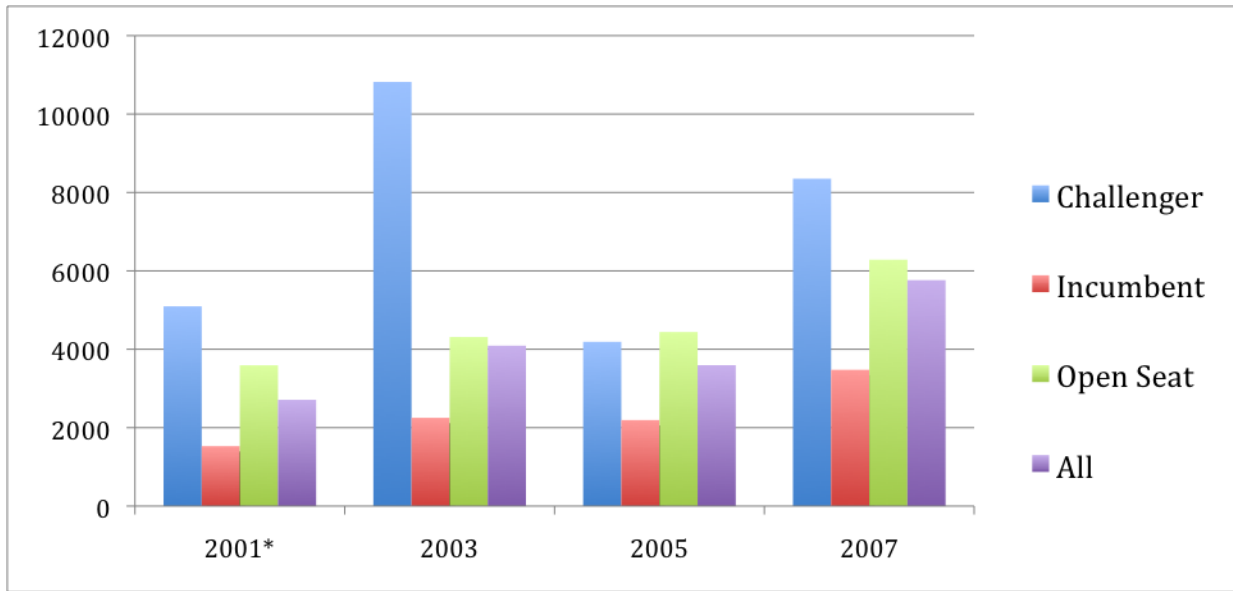
**Common Council: Average and Median Contributions from PACs by Cycle**

	Average Contribution‡	To Incumbents	To Open Seat Candidates	To Challengers
2001*	174.38	205	143.75	-
2003	188.46	200	185.71	150
2005	169.59	189.29	167.97	141.67
2007	166.58	173.04	165.15	160.71

‡ Median contribution was \$200 across all cycles



**Figure 1 - Common Council: Average Total Amount Spent by Candidate Type**



**Common Council: Average Vote Percentage and Spending (Contested incumbent-challenger races only)**

	Incumbents		Challengers	
	Vote (%)	Total (\$)	Vote (%)	Total (\$)
2001*	56.67	1,528.46	43.33	5,095.75
2003	71.55	2,251.18	28.48	10,818.39
2005	65.17	2,194.14	34.83	4,190.10
2007	57.78	3,475.76	42.22	8,351.35

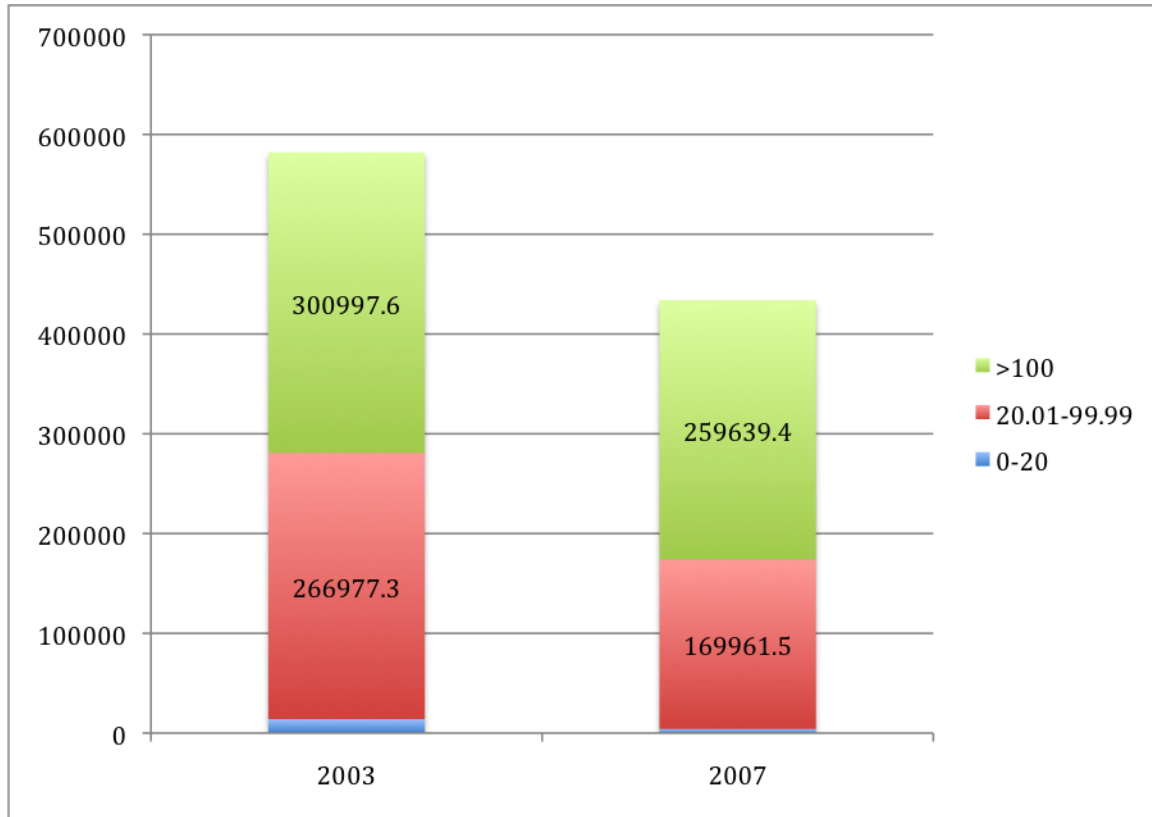
**Common Council: Average Vote Percentage and Spending (Contested races only)**

	Winners Total (\$)	Losers Total (\$)
2001*	4,384.38	6,516.76
2003	4,681.43	9,646.88
2005	5,774.37	4,190.10
2007	7,348.51	6,661.10

**Common Council: Total Spending (2001-2007) by Category (Top 10 categories)**

	Total (\$)
Printing & Postage	309,931.47
Yard Signs	32,042.85
Consulting	25,112.12
Food	21,117.86
Advertising	17,166.22
Unitemized	15,307.84
GOTV	10,356.50
Internet Site	9,204.35
Mailing Lists	3,959.96
Phone Lines	3,605.67

**Mayor: Total Amount of Individual Contributions by Size**



**Mayor: Average and Median Contributions from Individuals by Cycle**

	Average Contribution	Median Contribution
2003	91.60	50
2007	118.76	50

**Mayor: Average and Median Contributions from PACs by Cycle**

	Average Contribution	Median Contribution
2003	1048.46	1000
2007	686.11	500

**Mayor: Vote Percentage and Spending****2003**

<b>Candidate</b>	<b>Primary Vote (%)</b>	<b>General Vote (%)</b>	<b>Total Spent</b>
Bert Zipperer	16.26	-	27,291.25
Dave Cieslewicz	35.25	51.01	165,556.10
Paul Soglin	34.8	48.99	194,080.60
Susan Bauman (Inc)	11.52	-	100,455.50

**2007**

<b>Candidate</b>	<b>Primary Vote (%)</b>	<b>General Vote (%)</b>	<b>Total Spent</b>
Dave Cieslewicz (Inc)	57.72	62.09	442,888.40
Peter Munoz	9.92	-	12,355.05
Ray Allen	29.97	37.91	328,186.20

**Mayor: Total Spending (2003 & 2007) by Category (Top 10 categories)**

	<b>Total (\$)</b>
Printing & Postage	457,815.07
Advertising	325,921.70
Consulting	287,010.29
Rent	24,009.12
Staff	21,193.10
Food	20,769.61
Phone Line	19,084.40
GOTV	18,714.32
Internet Site	16,440.11
Yard Signs	10,657.16