

BROOKINGS INSTITUTION

CAMPAIGN EFFECTS IN THE 2008 ELECTION:
MONEY, ADS AND MOBILIZATION

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MR. MANN: Welcome to Brookings, and Happy Halloween. We decided to really scare you by coming as ourselves up here. But I think we ought to have a note of appreciation to our crack communications staff for genuinely dressing up for Halloween. I hope you all were duly impressed.

We're delighted to have you here, many of you back for the fourth in a series of election seminars that my good friend and colleague, Larry Bartels, and I have been running. These seminars are cosponsored by the Brookings Opportunity 08 Project and Princeton's Woodrow Wilson School, and in particular its Center for the Study of Democratic Politics.

Larry and I did a similar series four years ago. We had sufficient fun doing it and interest that we have decided to repeat it. The objective really is to see if we can't bring a little social science research to bear on the current election and see if it's possible to contribute something, a little value added to the discussion of the election and the understanding of it. Our first session back in early September focused on parties and partisanship. The next one dealt with election fundamentals, the economy, the war, the President's standing. Last session we delved into how issues, ideology, gender, and race affect elections. And today, just days before Election Day, although weeks after voting has begun, we are looking specifically at campaign effects, money, ads, mobilization.

We have a terrific group of people joining us. You, of course, already know Larry. But I do want to mention that, for our C-Span audience, and he's written a terrific book called *Unequal Democracy, the Political Economy of the New Gilded Age*, available on Amazon, if not your favorite book store. Larry is a professor – the Donald E. Stokes professor at Princeton University.

I'm going to introduce our participants in the order in which they

will speak. After Larry, we will hear from Tony Corrado, who is the Charles Dana Professor of Government at Colby College, as well as a Nonresident Senior Fellow here at Brookings, and perhaps the country's most respected expert on campaign finance.

We will then hear from Lynn Vavreck, here to my right. Lynn is a faculty member in the Political Science Department at UCLA. Her most recent book is called, *The Message Matters, the Economy and Campaign Effects in Presidential Elections*, mighty relevant to our discussion today. Then we are going to be turning to Diana Mutz, who is off here on my left. Diana is the Samuel A. Stouffer Professor of Political Science and Communication at the University of Pennsylvania; also directs the Institute for the Study of Citizens and Politics in the Annenberg Public Policy Center; also a Nonresident Senior Fellow here at Brookings. She's the author of *Hearing the Other Side: Deliberative Versus Participatory Democracy*.

And finally, I'm delighted to welcome Mike Allen, who is the Chief Political Correspondent for Politico. We've come to know him at Politico, and before that at *Time* magazine, where he was the White House Correspondent, and, of course, at the *Washington Post* for a number of years.

Each of these seminars has had presentations by scholars and then a reaction by a knowledgeable journalist who raises questions, tells us we don't know what we're talking about, and invariably gets the conversation going in the right direction.

One other just stage-setting observation, the two first sessions really stressed the powerful forces at work in our elections, and this election in particular, of partisanship, the economy, and the President's political standing. And we argued these provided a huge advantage for the Democrats well before the financial meltdown that many have felt has transformed the election, but we

argued it was there well in advance.

Since then, the meltdown, the candidates' reactions to the meltdown, the three debates, the campaign narrative is actually reinforcing those election fundamentals rather than departing from it.

We found in our last session that the mix of issues and ideology and race did little to alter that pattern of reinforcement. But now we're here, as I said, days before the election to really ask the question about how campaigns can have an influence on the election, how the relative resources available to the campaigns and their strategic use through advertising and mobilization efforts might alter the results of the election. So that's what's on track for today. We begin with Tony.

MR. CORRADO: Thank you, Tom. At the start of this election cycle, a number of observers predicted that this would be the first \$1 billion race for the presidency. That prediction was predicated on the assumption that the two major party nominees were going to opt out of the public funding system in both the primary and the general election, and that, consequently, each would raise about \$500 million during the course of this campaign. Part of that prediction proved to be false. While it was the case that the two nominees opted out of the public funding system and its accordant spending restraints during the primary, John McCain chose to take the public subsidy and the general election campaign and accept the \$84 million that was provided for him to spend, and thus, we had a campaign where one of the candidates opted out of general election public funding for the first time, but one of the candidates stayed in.

As a result, we still have a billion dollar presidential race. In fact, what we have found is that, as of mid October, \$980 million has been raised by the candidates, and the vast majority of this sum was raised by Senator Obama,

so I have no doubt that we're going to see a billion dollar election by the time it's all said and done.

We have Senator Obama having already raised over \$640 million, essentially twice the \$337 million that John McCain has managed to raise in his various campaign accounts, including some of his legal and compliance funds. So as a result, we have an extraordinarily well funded campaign, which is often cast as an insuperable advantage by Barack Obama. But I think, you know, if we take some perspective on this, we should say that John McCain has not run a poorly funded campaign. In fact, if you look at the McCain campaign, he has done extraordinarily well. He has raised more money than John Kerry raised in 2004, he has raised only slightly less than the amount of money that President Bush put together in 2004.

The problem is that he has faced this financial juggernaut in the form of the Obama campaign, which has essentially rewritten the fundraising record books. Obama is likely to raise as much as Bush and Kerry raised combined in 2004.

Obama has exceeded Bush's record sum in 2004 by more than \$300 million. He has, as a result, been able to spend more money, and in the general election alone, during these last ten weeks or so, will probably spend twice the amount that McCain is able to spend in the general election.

As of mid October, Obama had already raised about \$229 million for the general election as compared to \$120 million in public and private money from McCain, so that he has had a considerable general election advantage. When you add in the money that he went into the general election with in terms of cash still able to spend, he's at the point of having about \$130 million advantage in the general election. As a result, the McCain campaign, like Bush in 2004, like Kerry in 2004, has had to rely on the party to try to balance out and

equalize the field. And the Republican Party has undertaken significant efforts on his behalf along lines that look like they will spend much more than they did in 2004 in support of their presidential nominee.

But the role of the parties and the role of the campaign is very different. In 2004, the national party spent \$240 million in direct support of their presidential candidate, either in advertising or in coordinated expenditures with the candidate or in some other form that directly supported the candidate. Most of that advertising was done by the Democrats, who overall put \$160 million behind John Kerry as opposed to \$80 million that the Republicans put behind George Bush.

I expect, given where we are now, that the Republicans will spend much more in support of John McCain, and the Democrats have spent little in support of Obama. In fact, right now they're at \$1.8 million. Essentially where we are is that Obama is taking on McCain and the Republicans and he's still winning the race. And, in fact, even after all the party spending is accounted for, is probably going to have a substantial financial advantage in the general election.

One of the reasons why he has this advantage is that he's had extraordinary success raising money on both ends of the donor spectrum, what you might call – what I like to think of as the classic hourglass configuration of presidential fundraising.

He's done extremely well at the low end amongst the small donors, he's done extremely well at the high end amongst the larger donors, to the point where, on both sides of the scale, he's in a position where he is basically setting whole new standards for fundraising amongst both large donors and small donors.

Generally this is due to the scope of his campaign. With 3.1 million

donors, a number that is continuing to grow substantially, he's in a position now where he will have more than twice as many donors as any presidential candidate in the past. In fact, he's at a point where he has more donors to his campaign than the national parties each have as donors to their national party. So essentially he has become a party unto himself. And as a result, he has been able to tap into an enormous base of support to generate a remarkable number of small contributions. In fact, he's had unparalleled success, whether you think of it in terms of the share of his money that comes from small donors or the amount of money he gets from small donors, as a new model of how to, on a wide scale, solicit large amounts of support.

To give you some idea, of the \$638 million he has raised from individuals, \$310 million has come from donors who have given less than \$200. That means that he has raised more just from individuals who get \$200 or less than the total amount either George Bush or John Kerry raised from all individuals in the last campaign.

He has reached a point now where his small donor fundraising is almost half of his total campaign take. It was about 53 percent for his primary money, it's up over 40 percent in the money he's raised in the general election overall, it's about 48 percent of his money comes from small donors.

What's remarkable is that he's had just as much success on the high end. If you look at donors who give \$1,000 or more, he's taken in \$215 million from donors of \$1,000 or more. That makes up about 30 percent of his primary money, about 38 percent of his general election money. To give you a comparison, George Bush, who was considered the king of the large donor fundraisers, took in \$147 million from gifts of \$1,000 or more in 2004, which made up about 57 percent of his individual contributions.

So whether you look at it as a proportion of the money or

whether you look at it as the total amount of money, small donors have been the hallmark of his campaign, and this has led him to a significant strategic advantage in this race, and I think that strategic advantage can be cast in a number of ways.

First, the \$200 million more that he raised than John McCain during the primary season and the nature of the Democratic race allowed Obama to invest tens of millions of dollars into battleground states early in this election cycle. He developed field organizations, he was out registering voters, he was spending millions of dollars on advertising as a result of the battle with Hillary Clinton, and that all ended up being investments for the future of his campaign.

Second, because he was able to keep financing a national campaign, he was able to essentially run a permanent campaign. In most of these states, Barack Obama did not face the decision that other candidates have faced in the past, where they had to close down, pull out, rest for a while, shift operations to the national party, come back again in August to start again. Instead, they went to Iowa and they stayed in Iowa, they set up in Virginia and they stayed in Virginia, and as a result, they have had the opportunity to use the summer to build their organization, register voters, invest tens of millions of dollars into voter registration and contacting key states that has set them up for the position they're in today.

Third, it's allowed him to develop a much more extensive and expansive field organization than we have ever seen on the Democratic side and probably ever seen for a presidential candidate.

To give you just some idea, I looked at six battleground states, Florida, Iowa, Pennsylvania, since they're everybody's favorites, and Indiana, North Carolina, and New Mexico, since they're my current favorites, and looked

at how many offices does Obama have, how many field offices does he have, how many offices does McCain have, and how many offices does the Republican Party have. If you look in those six states, Obama has 345 field offices, at the time I counted; McCain and the Republican Parties of those states have 177. That gives you some idea of the difference in scope on the ground. I think the final strategic advantage is, obviously, in the advertising campaign. And there's been a lot of discussion in the press and in the public about the fact that Obama has been able to outspend Senator McCain two to one over the air waves.

Even if you include the Republican Party advertising, there's a significant gap in disparity in the advertising campaigns, and some of these battleground states running to four to one, even eight to one in some crucial moments in the general election.

But I think the advantage extends to more than that. I think in terms of advertising, what's happened is, first of all, the Obama campaign has had the funding to use every available platform for delivery that they think makes sense. They buy national television, they buy local television, they buy broadcast, they buy cable, they are wide on the internet in their advertising, they're even advertising in video games. That's about as expansive as you've ever seen. In the half hour road block, the half hour of prime time that he bought across seven networks this week that gave him an audience of more than 26 million indicate the scope to which they're using media to deliver their message. The other aspect of the campaign media advertising that's important is that it's given him much greater flexibility. He is able to respond to any surges that have occurred in some of these battleground states. When McCain starts to catch up in Virginia, the Obama campaign responds by just spending more money, buying the bigger markets, building up its media edge in order to respond to any

shifts in the battleground at any given time.

It's also giving them the opportunity to advertise across an expansive electoral field. The Obama campaign has not had to face the resource decisions about where do we spend our limited dollars, where do we want to concentrate our advertising, how do we extend our dollar, so that he hasn't had to face the types of decisions that Al Gore had to face in 2000, where he had to decide to stop advertising in the final days in Ohio to put more money in Florida. He hasn't had to face the decisions John McCain faces on how to stretch a very limited campaign advertising dollar. Instead, he can keep advertising everywhere, keeping McCain thin, preventing McCain from being able to concentrate resources in a couple of states here at the end. And I think the other thing that's been important is that it has allowed him to have a better mix of advertising and a clearer message.

The Obama campaign controls their advertising and message. They centrally finance all their ads, all their ads can talk about why you should elect Obama or not support John McCain. The campaign makes the decisions about what the message is.

Because McCain has to rely on the party, has to rely on technicalities and campaign finance law like hybrid advertising, McCain has been forced to a point where there's certain ads, the ads by his campaign and the ads that are done in coordination with the RNC, that he's able to control the message. Otherwise, he's at the whims of the party.

And the Republican National Committee independent expenditures, which are the loudest voice for McCain at this point, have to be largely partisan messages, the ads have all been negative or critical ads of Obama, therefore, they support this notion of the negative tone of the McCain campaign. Obama has so much money that he's able to match all of the McCain negative ads one

for one where he wants, and then he lays over two positive ads on top, so that the general impression is that he has a positive advertising campaign. The other problem that McCain faces, that he's had to have ads that have a partisan tone. Because he's using these hybrid ads with the party, you see these very odd ads where you get part William Ayers and then part an attack on the Democrats and Congress, where you get messages that have to include attacks on Harry Reid, where you get messages that talk about Obama and his allies in Congress, and therefore, you get a much more partisan message at a time when a campaign is trying to advocate a bipartisan theme, so that the financial issues have affected the strategic component of the campaign in a number of different ways, all to Obama's advantage, even though, in the end, the financial gap will not be as deep as the candidate fundraising figures suggest.

MR. MANN: Tony, thank you very much. I was so anxious to get to the money issue, and you can understand why, but now I want to turn back to my colleague, Larry Bartels, for some more general observations on the subject before us. Larry.

MR. BARTELS: Thanks, Tom. I want to make I guess three general interpretive points about campaign effects. I'll start with money since that's where Tony left off. It's clearly something new and important that there is as much money in the campaign this year as there is. I think that's something that worries many Americans. It doesn't worry political scientists and I think shouldn't worry people.

If you think about the scope of governments and what's at stake, the amount of money that we're spending to decide who's going to run the thing is really pretty modest, right. So we're spending a billion dollars or \$2 billion to decide who's going to be in charge of a \$700 billion bailout plus lots of other stuff that the government does. So I think in any absolute sense, or by

comparison with the amount of money that major corporations spend on trying to sell you trivial stuff, the amount of money that's spent on politics is really not problematic.

The second thing that's big and important and new this time around is the big advantage that Obama has that Tony has described. That may be problematic insofar as the advertising advantage is going to affect the outcome of the election. You might think that it would be better to have an even balance between the two sides as the design of the campaign finance regulations that were instituted in the early 1970's suggest. To put that in some historical comparison, though, if you go back to before the reforms of the 1970's, it was quite common for Republican presidential candidates to have two to one funding advantages over their Democratic opponents. Insofar as it's possible to gauge the effect of that on the election outcomes, it looks like that contributed something like three percent points to the average Republican vote margin over the entire period since the late 1940's.

The average Republican advantage in that period in presidential elections is about three percentage points. So the net Republican advantage is, in that sense, at least entirely attributable to the fundraising advantages that they've consistently had through that period.

Since the post Watergate reforms, the Republican advantages have been less because the presidential candidates have been limited to take the same amount of public funding, but the Republicans have generally had an advantage in terms of party spending even in that period. So there's a big shift here, it's important in terms of the relative ability of the two candidates to compete, but it's kind of redressing of a historical imbalance in the overall scheme of things. The third point about money is about where it's coming from. Tony has talked about the fact that Obama has had

unprecedented success in raising money from small donors. But the thing you should keep in mind here is that the small donors are small by comparison with big donors, but they're not small in the absolute sense of representing the American public as a whole.

Since it seems pretty likely that elected officials are mostly responsive to the kinds of people who give them money, it's probably good news that they're less reliant this time around than in the past on large individual contributions from identifiable people.

But you shouldn't conclude that the money is now so evenly distributed, the sources of money are so evenly distributed that politicians have an incentive to pay the same kinds of attention to people who are making less than average incomes as they do to people who are sufficiently economically comfortable to make even those \$200 contributions that Tony was talking about.

A couple other points about campaign effects, one is about the distinctions between the way political scientists think about this and the way journalists do. We talked in some of our other sessions about how political scientists have tended to emphasize structural factors like the state of the economy, and the President's popularity, and to downplay the impact of what goes on in the campaign, things like the advertising messages of the competing candidates. That's partly because we think the structural factors are bigger and more important, but it's also because it's very difficult for us to analyze the impact of campaigning.

And one of the important advances in political science over the last decade or so is that we've really just now begun to make progress on estimating the concrete impact on electoral outcomes of advertising and get-out-to-vote efforts and so on, because it's a very hard problem. The effects are fairly small in the global scheme of things. They're subtle to get at. We need large,

ambitious research projects in order to try and identify those effects. And so we're making some progress on it now, but there's still a lot to be learned.

In particular, I think it's important to note that the political science literature that you'll be hearing about focuses almost entirely on estimating the magnitudes of effects of activities, how much does advertising matter, but not on what journalists typically care much more about, which is, whose advertising is more effective, does it matter that a candidate is pressing one message rather than another message, is one campaign team better organized in getting out the vote, and what kind of effect does that have. That's a second order effect that we suspect is a good deal smaller even than the effects that we've begun to focus on of advertising in general, but it's not something that political scientists are very well equipped to study.

And so we're mostly skeptical about the accounts that you'll be hearing a week from now about how one side was superbly well organized and run by strategic geniuses and the other side was run by a bunch of dolts who didn't understand anything about what was going on. And maybe that's true, we won't be able to tell, but we doubt it, in part, because we think those differences in the effectiveness of the two sides campaigns are likely to be small, and because we recognize that the strategic decisions that campaigners make are affected by these contexts that they find themselves in.

If you're in a situation where running a typical campaign is going to lose the election for you, then you're going to try and do something that may not pan out, but that has some chance of producing enough support that you'll actually win. After the fact, it's likely that that's going to look like a bad campaign, but it may make perfect sense given the strategic circumstances that a candidate finds himself in.

And finally, we recognize that there's a huge impulse on

everyone's part, but especially on the part of journalists who try – have to make sense of something after it's happened, to assume that because one candidate won, his campaign must have been better, and because another candidate lost, his campaign must have been worse.

Often that's probably the case, but in many cases it's not, and it's very hard to tell. Even with lots of elaborate research, it's very hard to judge the effectiveness of the competing campaigns, and so you should take all of the interpretation you hear about that with a grain of salt.

And then finally, about how to think about the implications for democracy of these campaign effects. Is it a good thing or a scary thing that the candidate who gets to spend more money is likely to win more support, to win people over, what does that say about the voters? The romantic notion of electoral politics that we inherited from the progressive era had the ideal voter being somebody who would pay careful attention, learn a lot about the campaigns and the issue positions of the candidates, weigh the issues all the way through the campaign, listen carefully to what the candidates were saying, remain undecided, and then at the end, finally come to a decision. And the people who had already made up their minds early were the kind of not very well informed partisans who supported one party rather than the other and were voting for the party rather than the man because they had some ethnic attachment to the party or because they had inherited party loyalty from their families.

That turns out to be pretty much the opposite of the way things actually work. The better informed and more intensive people tend to be more partisan and tend to have made up their minds before the campaigning has really even gotten underway. What they get from the campaign is most reinforcement of what they already believed and rationalizations, explanations

that they can tell themselves and tell their friends about why they're behaving the way they are.

On the other hand, the people who are likely to remain undecided and who are most likely to be affected by campaign events and campaign ads and the efforts of the competing candidates are people who are not very well informed, who haven't been paying very much attention and whose views are subject to shift in the last days of the campaign. So you may think it's kind of frightening that those are the people who are likely to hold the outcome of the election in their hands. On the other hand, at least they're learning something from all this campaigning that's going on.

People denigrate these 30 second ads, what a waste of money, people are being misled by all this stuff that doesn't have anything to do with the real issues. But if you look at where these undecided voters are actually learning about the candidates' positions and coming to conclusions about which ones they ought to support, mostly they're learning things from the ads. They're not paying a lot of attention to news reports; they're not listening to the campaign speeches; they're not spending a lot of time on web sites.

The ads come to them, even if they're not very interested, and so that's what they use to gauge what the election is about and to make their decisions. That's the way democracy works.

MR. MANN: Thank you, Larry. Lynn.

MS. VAVRECK: Thanks, Tom. I'm going to pick up on many of the things that Larry just talked about and try to put maybe just a little more detail around some of them. I'm going to start with a number, 80 percent, okay, so this is the number that I want you to think about. That's the percentage of election outcomes you would get right if your guess depended only on the change in GDP from the quarters close to the election. Okay. So if you knew only that, only

that single number, you would get the aggregate election outcome right 80 percent of the time. Okay. So that's the puzzle, right.

What role can campaigns play in an environment where the structure is so powerful? Okay. And so my answer to this question is very similar to the argument that Larry just laid out, that the campaigns actually can play quite a big role in the election outcome, but a very specific role and on very specific types of people.

So if you're John Kennedy or Jimmy Carter or Richard Nixon in 1968, and you beat an advantaged incumbent party, you probably think your campaign made a difference, and it did, it probably did. And the question is, can we say anything about why and how those campaigns matter? Sometimes they matter in very small ways, small in magnitude. But I want to suggest that small in magnitude is not synonymous with inconsequential. And, in fact, very small changes in support for candidates can be decisive. So we shouldn't think that just because advertisements might move people only a point or two, that that means we should move on and study something else. Sometimes a point or two is very important.

So I'm going to talk about three ways that advertising in particular affects people in elections. The first way has to do with the composition of evaluations that voters will give you about candidates, about presidential candidates, in their own words.

So one of the things that we know is that voters are very good at reflecting changes in the composition of campaign messages, presidential campaign messages. So that means, as John McCain stops talking about political experience and starts talking about being a change agent and a maverick, if we ask people to tell us what they think about John McCain, their comments will reflect that change in his message.

Voters are pretty good at this. They don't get the overall composition right. They're bad at the recipe, right, it's 60 percent the economy, 20 percent foreign policy, 20 percent traits. They can't get that right. But they are very good, they're very, very sensitive to changes in campaign messages over the typical election period, Labor Day to Election Day. They're better at it than the news media.

And the question there is, what drives that; why do voters have more of a fidelity? There's sort of a higher level of fidelity between voters evaluations and what the candidates are saying compared to media coverage of the campaigns and what the candidates are saying. And the answer there is exactly what Larry just talked about, it's the direct effect of political campaign advertising on the voters. So voters are very moved by the messages in these advertisements. Okay.

So that leads me to my second point about advertising. How long do the effects of advertising last? In 2000, George Bush out advertised, I should say, Al Gore in the week – the last week of the campaign, right before the election. So that kind of an imbalance in advertising is what we need as political scientists to be able to say something about the effects of the balance of advertising. And we don't need it just once, we actually need it in a whole bunch of media markets over a whole range of days, so that we can try to pinpoint what the imbalance in advertising might mean to voters in terms of who they might support. And luckily in 2000, we had the situation over and over again in different media markets at different times throughout the summer and leading into the fall.

And so with some of my colleagues at UCLA, what we've been able to pinpoint is, the duration of the effectiveness of the balance of advertising content in the presidential election, and we estimate that for many people, most

of the effects of the advertisements are gone within three to five days of exposure. Okay.

So the effects of advertisements are fleeting. This doesn't mean that candidates should only advertise at the end, right, it depends on what your end goal is. If your end goal is name recognition, you need to be doing that in the beginning. Certainly, if your end goal is winning the election, then you also need to be dominating the advertising market, the balance of ads in the end. Okay.

So here we are in the last week of the campaign, the last couple of days even, three to four days, so what's happening right now is very important in terms of people who are, you know, left to go vote on Tuesday. So I want to make my third point about the effectiveness of advertising, which is, what do we know about actual behavior, is there anything that we can say about how ads actually affect peoples' behavior, not just their attitudes, or their evaluations of the candidates, and the answer to that is, yes, there is evidence that advertising can affect behavior.

In 2004, with Don Green at Yale University, we did a randomized field experiment of cable advertising in which we bought local cable advertising time in 85 cable systems around the country, non-battleground states, and partnered with Rock the Vote, and aired their 30 second ad called "The Draft," which was – sort of gained a little notoriety in that campaign.

So a very popular ad targeted at young people. And the point of the ad is to encourage people to turn out, get out to vote, right. So we did a randomized experiment, and in the cable systems where we showed the ad, on USA, TNT, TBS, Lifetime, and ESPN, five times in prime time for a week before the election, so it's a pretty decent size ad buy. We were able to increase turnout among 18 to 19 year olds by 3.1 percentage points; among 18 to 22 year

olds by 2.7 percentage points.

Okay. Older folks, not so much. We can't – the effects are very small, we can't distinguish them from zero. But that targeted message at that specific demographic group, young people, was able to drive young people to the polls, okay, and that is a result from a randomized experiment in the field during an election, when there were lots of other advertisements going on, lots of other voter mobilization efforts underway, and during a highly competitive, high stakes presidential election.

So my sense is that if you can boost turnout with one week of advertising in that environment, you've got a pretty chance of doing it in sort of less competitive or down ballot elections. Okay.

So what does this mean? Here we are, the last week of the election, and I'll just summarize the set of findings by saying that we do see an imbalance in the advertising, okay, and the 30 minute advertisement the other night by Barack Obama, certainly well within the time frame for the persuasion effect, but the effects of these advertisements are small in magnitude and they don't last very long, particularly for the kind of people that Larry just talked about, the people with lower levels of political information, who are not as attentive to the campaign as all of you sitting in this room.

MR. MANN: Thank you, Lynn. Diana.

MS. MUTZ: Thanks, Tom. I'm currently serving as a principal investigator on something called The National Annenberg Election Study Panel, and this panel of people has been in the field now since October of 2007, before the primary season started, and what we've been doing is tracking 20,000 people during the course of this campaign, the same 20,000 people we attempted to recontact at five different points during the campaign.

When we talk to them during the campaign is randomly assigned

within each wave so that we have a unique opportunity to look not only at tracking data over time, but also at how individuals who thought one thing last October have changed their minds now.

So we're currently in the fourth wave of that data collection, and our fifth wave will be a post-election wave that starts next week. Our goal in doing this is to really provide a much richer picture of what's happened during the course of an election year than has been possible with a series of individual polls done over time of different individuals. So we think this is going to provide really unique opportunities to study the American electorate, and those who choose not to participate in the process, as well. As I mentioned, we started pre-primary, so we had some idea of where peoples' preferences were back then, and we're ending – I think our data collection will wrap up by the time of the inauguration.

By virtue of our funding agreement, we are not allowed to talk about campaign effects on the horse race during the election itself. So unlike some of the other speakers today, I can't tell you what we see in our patterns of data at this point suggest who's being advantaged by what in terms of who'll win the outcome of the election.

But I think that gives me a nice opportunity to talk about the fact that there are actually other outcomes of elections that have nothing to do with who wins or loses that we also care about, things that have to do with the legitimacy of the process or the types of effects that campaigns may have that are not purposeful, but that happened nonetheless, and so that's really what I'd like to focus on briefly today.

One of the things we found that pertains to the whole issue of money that Tony and Larry have both spoken about is that we found a very nice, very clear effect during the course of the pre- to post-primary season, where

peoples level of cynicism about the influence of money on politics and political outcomes became far less cynical. And this was equally true among Republicans and Democrats, and interestingly, you know, it makes some sense when we think about the course of the primaries, that is, the candidates who were best funded at the very beginning were not the ones who ultimately walked away with the nominations. And that fact seems to have registered with the American public.

So when we ask them questions about whether the best funded candidate wins or the best candidate wins or some mix of the two and so forth, although the American public is still cynical about the influence of money, at least as of the end of the primary season, the beginning of the general election season, they were far less so.

We had unexpected outcomes from the primaries, and that seems to have not only riveted peoples attention, but also made them somewhat less cynical about the process itself.

Another really interesting pattern that we're observing that's very recent, we have had items on various waves of this panel study asking about peoples perceptions of race relations in this country. And, in general, we have found the same thing that has always been true, and studies have been done of this, that is, whites tend to be far more positive about race relations than our blacks. However, we also have a question about their perception of the future of race relations in this country. And just as of the last month or so, we've actually seen those lines among blacks and whites coincide in a way that suggests that, if we're talking about the future of blacks and whites, seem to be equally optimistic about the future of race relations right now.

Now, obviously, race and gender and issues of representation have been really widely discussed during both the primaries and the general

election given the unusual candidates that we've had relative to past presidential elections. And one of the things that we've been tracking is what we call perceived favoritism.

One of the explanations people will provide for, you know, why it is they think a female or a black won't represent the country as a whole, that they'll systematically favor their own group, policies that favor their own group at the expense of others and so forth. So we have an index of favoritism that we've been tracking throughout. And for the most part, it's been pretty flat, I'll tell you, it hasn't moved a lot. But what's very interesting about that to us is, again, during wave four in particular, the wave that we're in the midst of right now, there's been a significant decline in the extent to which whites believe that black politicians will favor the interests of blacks over the collective.

So we've tracked perceptions of favoritism both with respect to race and with respect to gender. And, again, as I said, in general, we haven't seen a lot of movement, but we definitely have in this current period of data collection that we're in right now.

Another interesting – a tidbit that comes out of the same line of work on perceptions of favoritism has to do with the whole gender effect that's been so widely discussed in the primary, and this has been something that I think, because it was – it's dated from the primary period primarily, on whether female Democrats were really more likely to support Hillary simply because she was female. And this is something where, you know, you can look at, well, was it really about having closer issue agreement with her, closer ideology relative to her and so forth, and I can tell you that no matter how many things you look at, you still find an effect from gender. But here's what's interesting, the story that I've heard and that probably most of you have heard from the press thus far is the story about women being more likely to support women. And what we find in

our analysis of perceptions of favoritism is, it's not that women are more likely to support – more likely to support in the Democratic primary Hillary Clinton because they thought she would favor female interests or issues that were of greater concern than women and so forth, it was really the gender gap that we saw was based on the fact that men, the more likely they thought Hillary would be likely to favor the interests of women over men were less likely to support her.

So male Democrats is really what the story was about, not about female Democrats believing that their own interests or the interest of their group would be advanced by a female candidate.

So in a lot of ways I think the story that eventually comes out of that will be a quite different one from the one we understand now.

Finally, another very interesting pattern that we've observed, again, a very sharp and clear distinction in perceptions of John McCain happened right around the time of the Republican Convention, and in particular, as soon as Sarah Palin was selected as his nominee, what we saw, what was a very consistent perception of John McCain as a moderate conservative jumped to one where he was perceived as far more conservative as a result of that particular choice for vice president. So perceptions of his ideology changed very quickly as a result of that choice that he made. And, again, we are assuming that was on purpose, but it did fundamentally change his ideological proximity to people in the middle of the voting population. I will stop there.

MR. MANN: Thank you, Diana. Tony mentioned the extraordinary resources Obama has invested in ground operations, get-out-the-vote, and Lynn made reference to a very interesting experimental study that demonstrated ads can have an impact, as much as three percentage points in turnout. Those two

observations raised the issue that is perhaps the one element of uncertainty going into Election Day, occasioned by the very diverse likely voter models used by different polling organizations as to who's actually going to turn out.

Now, we have some evidence with early voting, we know something about at least the reported votes of those who say they have voted early. We know something about the registration, party registration of those who have cast their ballots. In a number of early voting states, there's even a few that keeps track of some other information, and we have some handle on that, as well.

But there remains great uncertainty as to who will turn out. And I want to suggest to you, and just a few minutes of observations before Mike offers his reaction overview is that in thinking about turnout, we ought to have three categories in mind.

The first is the, if you will, the stable element of turnout, the sort of demographically induced turnout patterns, one in which – I think it's fair to say political scientists have concluded there is a modest Republican Party advantage, that is, people with higher education, greater incomes, that are older, that are married, that have deeper roots in the community, that have higher information levels, stronger attachments to party, and greater sense of citizen duty, all of those people are more likely to turn out in any election year than those who do not have those characteristics.

And while the demographic composition of the two parties is, each of the parties is highly diverse, nonetheless, you begin with the presumption that the Republican Party has a turnout advantage in the ordinary election year. Then the second category is the broad political environment of a particular election year. Now, sometimes there are no tides running either way, it's fairly neutral at the national level, in which case this category doesn't end up being

very important at all, and the first category is more significant.

Well, needless to say, this is one of those election years in which it matters enormously. It is an election year of a strong negative referendum on the party of the White House, driven by the economy, the war, and a general sense of discontent.

This tends to produce relative enthusiasm among the out-party supporters and – for their parties candidate and for the ticket as a whole and produces higher levels of interest and engagement and campaign contributions and the rest. We've seen that throughout the election year, the Democrats have had this clear advantage, and it – we would presume it would carry through the general election, through the pattern of early voting, on to Election Day.

And sure enough, if we look at the indicators and the polls, we continue to see this advantage for the Democratic Party, so that if the first party produces a modest Republican advantage, the second election year political environment almost certainly produces a Democratic advantage.

Then the third level, which is the only one we tend to talk about in the campaigns, is the effect of campaigns on mobilizing voters.

Now, that first begins with party registration. And there again, we've seen the evidence is pretty clear, the changes in party registration, for those states that allow registration by party from 2004 to 2008, has produced an increase of 1.3 million Democratic registrations and a decline of 700,000 Republican registrations.

Well, there's a clear advantage for the Democratic Party. Now, of course, the question is, are these new registrants susceptible to turning out at the polls at high rates comparable to others who have been registered before, or is there bound to be some fall off, and is there some noise in the

system of registering such that Donald Duck probably isn't going to show up on Election Day, in any case; nonetheless, there is a clear Democratic advantage. Then we have early voting, and clearly, the campaigns have been geared toward early voting opportunities as they have increased dramatically over the last two decades. But this affects their advertising strategy, their travel strategy, and obviously their investment in get out to vote. And what we have seen thus far, and we have, again, two bits of information, we have the reports from the secretaries of state and some county election officials, and then we have survey reports of – and the former tends to lag before you get those results in.

Michael McDonald, a Nonresident Senior Fellow here, has the definitive web site on this called Early Voting, that you can see, and thus far he's up to about 15 percent of the total vote is cast already.

The other indicators by survey suggest it's pushing 20 already, and the best estimates are, it will be from the high 20's to the mid 30's, really a substantial increase in turnout.

And from what we can see, there is a strong Democratic tilt in terms of party registrations, in terms of reporting votes for Obama. It varies by state, so we don't know; and the other thing we don't know is, are these simply substitution votes? Are these people who are going to turn out anyway and are just getting there earlier? That has been the past pattern of early voting. Or are we seeing an addition factor here? In a state like North Carolina, where you can show up at an early voting booth and both register and vote at the same time, it may well be an addition effect. But we don't know that for sure, and that keeps uncertainty going.

And finally we have the Election Day get out to vote operations. We can look at dollars invested, at the number of offices in battleground

states; we can look at patterns of staffing, of volunteers versus paid help; we can look at the efficacy of the Republican 72 hour program, and from all of that, try to draw some conclusions.

Now, I think it would be fair to say, and I'll end with this, that political scientists would believe on the basis of the research they've done that the second category in an election year like this is more important than the third, that is, the inherent advantage accruing to the Democrats because of the political environment will be more important than the incremental votes produced by the GOT effort, but they – in this case, everything is working in the same direction, you know, the broad forces, the campaign effort itself, when that happens, the best guess is that the net turnout advantage will be on the Democratic side this time. With that, I turn to our colleague from Politico, Mike Allen.

MR. ALLEN: Well, Tom, thank you for that nice, fat pitch, and I'm going to pick right up on what you said about uncertainty in turnout, because in the next 72 hours, that is the story, nothing else matters, right. John McCain is going to go on Saturday Night Live, both candidates are going to tape conversations with Chris Berman that will air on Monday Night Football, but are those sorts of things going to – the election, no, it's the structural factors that we've been talking about here.

I first want to thank our friends at the Brookings Institution for this great treat. I can tell you that if it weren't for Brookings, White House reporters would not know what to write on their foreign trips, because one of the secrets of Brookings is that before a foreign trip with the president, reporters, who know nothing about trade or anything like that, come to Brookings and get quick tutoring, and they go out and they put it in their stories from – and thanks Tom and Larry for their hospitality in setting this table. I'm going to start with a word of

humility, and that is – maybe discount factor is a better way to put it. If exactly what happens over the next four days is what we expect, it'll be the first time in eight years, right, nothing leading up to this election has happened the way we thought. Also, it's very easy to sort of take pot shots at both the campaigns. And I'm reminded of something that Kevin Madden, who worked for Governor Romney during the primaries used to tell us, when we would call him up and tell him what Governor Romney should be doing in his campaign, he would always say, you think you can run a better campaign, I think I can write a better story, and it's a little hard to push back and –

This question of uncertainty, the question of uncertainty is whether or not John McCain is going to win, right? If the polls are reflecting reality, he's toast, right? This was one of the lessons of 2004, for political reports that – going into that election, the Bush/Kerry election, all the stories were written saying there was a very close margin of error toss up, and that was true, but what we saw in retrospect was that every poll had President Bush slightly ahead.

And so what we learned from that is that any given poll is wrong, but every poll is not wrong, and that's the difficult situation that Senator McCain faces. Now, we're getting a lot of very like emotional, passionate email and input into *Politico* on the questions of these polls, because as been referred to, they are so widely different. There's polls that show a 13 point difference and polls that show a three point difference, so you wonder what good they are.

And a lot of you know that Gallup, to make the situation even worse, this year, every day, is publishing two daily tracking polls, one with what they call the traditional turnout model, which is what it would be in another cycle, and another one that tries to, and in the way that Tom refers to, it's very difficult to do, tries to take account for this amazing potential change in the electorate,

and there's about an eight point difference in those, and whichever one you use, you're going to get a lot of hate mail about it.

Matt Drudge, America's assignment editor, has – the one that shows it very close. And so any time you write anything that suggests that Senator McCain is having trouble, you get a lot of nasty mail from him.

And so what I urge you to do is not look at polls, but look at what's happening in these states, what's happening on the ground, and what suggests real trouble for Senator McCain, and what suggests that his staff, both at the campaign and at the Republican National Committee are trying to stave off disaster, is the fact that the Republican National Committee is spending money in West Virginia, Montana, and they are doing very nasty robo-calls in Arizona, where media polls have shown Senator McCain within two points of losing his own state.

Now, nobody thinks he will, but that speaks to the fact that if the campaign is willing to pull a slight amount of money, and Montana, of course, is not very expensive; North Dakota, they're also spending money in North Dakota; like Virginia has not gone Republican since 1964; so these are the signs that were on the verge of something very historic.

Now, the McCain campaign will tell you that it's closer than it looks, and they've been telling you – they put out a memo saying that all these red states that we've been writing about, Virginia, North Carolina, Indiana, that these states are in play. Well, red states in play are not good for John McCain, despite what his campaign memos say.

And they said – they also, in this same memo, said that we were going to have astonishing record turnout in 2004, which was a record percentage turnout of the eligible voting population, 122 million, the McCain campaign is saying there will be 130 million this time, there's some estimates that put it more 140

million or even more – would know exactly. In a change election, big turnout is not good for John McCain either.

So that's why you've seen him putting these resources into Pennsylvania, even though he's very far down there, because they said, okay, let's look at where something might be going on that's not picked up on in polls, and if something is going on that the polls are not catching, where would it do us the most good.

And Pennsylvania is an older state, a lot of the working class white vote where Senator McCain sort of banking his hopes, Senator Clinton did well there, so they're saying, okay, let's focus on that state, and it's a big enough state that, if they're right, and if there's something going on, and if his campaign pays off, it's enough to put them over.

So they will tell you that they still have a path, the problem is, they just have to draw an inside straight as they go along, and they haven't. Now, I will say a quick word about the very different way these two campaigns have approached the problem of how do you win the White House in 2008, because in addition to a great candidate, which is important, and a great message, and the environmental factors that we've talked about today, running a presidential campaign is a skill, or a game, or it's, in part, a battle of the wits, and Senator Clinton's people will tell you that they were basically outwitted, they were out-thought in the primaries.

The Obama campaign recognized the importance of these smaller contests; the caucus states which came between the big marquee contest, and that's where they racked up their delegate lead that was, frankly, too large to overturn.

Well, the Obama campaign is starting to look like it also, in general, outwitted the McCain campaign, and that is – the McCain campaign did

not foresee the possibility, and, as Tony has talked about, really didn't have the resources to deal with it even if they did, they did not foresee the possibility that they would be in a battle for their life in states that President Bush had won once or twice.

And so as a result, the McCain campaign did not build an organization in Indiana, where polls now show Senator Obama ahead. He went months and did not visit North Carolina. Even though his campaign headquarters is in Virginia, he went months, a couple months, and did not do a campaign event there. And Senator Obama was on television in Florida for weeks basically unanswered, and that takes a toll. And now trying to walk that cat back is very difficult.

Now, the McCain theory of the case is, and why they're still hopeful, and there's young people in that campaign that are still battling very hard, and I get emails, outreach for the McCain campaign at midnight, 2:00 in the morning, 5:00 in the morning, they're working very hard, and they do have hope for this, but their theory was that they could win this a little bit the way Senator McCain won the primaries, and that is the more gorilla approach.

They talk about – they talk affectionately about the McCain campaign as a pirate ship, because it's sort of rollicking, and it's fun, and it's adept, and it takes these sort of untraditional tactics.

Now, during the primaries, that was a matter of necessity, because he didn't have as much money or the large staff of some of the other Republican campaigns. Now, adapting that to the general has proved problematic, because the Obama campaign was able to beat them in so many states and on so many fronts at once. The amazing range of media that Tony talked about, including video games, the Obama campaign thinks of everything.

When you went on Google before a primary and put in primary

locations, an ad would pop up that took you to a McCain site that would give you the location of your primary. The four big primaries, Texas, some other states, Ohio, I've never even seen a web ad like this. They had a web ad; if you went to the Cincinnati Inquirer or the Houston Chronicle, they had a web ad that dropped down like a shower curtain over the whole front of your screen and was an Obama ad, very expensive and very sophisticated.

And so that's all the ways that they've made John McCain fight. Despite that – I didn't know, I thought that it was very fascinating what Tony said, that Senator McCain had raised roughly the same as Kerry and Bush in '04, and that's a very like constructive metric which I had never heard, but it showed how out gunned the McCain people are.

Their spokespeople – MTV – those guys, there's six or eight of them that sit around a little table, they call it the "table of joy" – all day long, and there's at least 20 McCain people that do the job that they do, and they all have desks, by the way.

MS. VAVRECK: Obama people.

MR. ALLEN: Yeah, 20 Obama people that do that. And so they got in this place where they're – despite being out gunned, after the Republican primary, it was close, or a lot of people would have told you that Republicans had it won, and we forget how quick this has changed.

In early September, there was – the AP did a story about Obama being on the defensive, but he picked this sort of cool approach; somebody told me that Obama's approach when donors or staff is freaking out is to basically say, it's okay, I got this, and that is the approach that he took, and as soon as we had the financial crisis, that was the catalyst for all these structural factors here that we're talking about to really take their toll. So thank you for being here and we look forward to your questions.

MR. MANN: Thank you, Mike. We're going to turn to your questions in just a minute. I'd like to raise one question, it's come up in a variety of ways, and that goes back to money. Looking at both the Obama/Clinton battle over the primaries and now the general election, is money – is money a source of electoral strength or is it an indicator of strength? That is, which way does the arrow mainly go here? Is it a barometer of how the candidates are doing in some other respect? Certainly, we probably see that in the relative balance of resources between the parties. Is that its most important role, or, in fact, is it producing and it's the expenditure of those resources? Are they producing some major outcomes that are effecting the election itself?

I raise that question because, once again, we will be returning to the public financing system at this election and ask whether it should be amended, brought up to date, retrieved in any way, or allowed to die a natural life. Tony, would you get us into that set of issues?

MR. CORRADO: I guess I would begin a couple of ways, Tom. One is, I agree with all the assessments here, about this is an election driven by the economy. I mean Larry's favorite thing is, I don't look at GDP and GNP, these types of things, what I look at is, state-by-state mortgage foreclosure rates, relative changes in unemployment, and that gives you a pretty good sense of why some of these states like Indiana have become battlegrounds. But that having been said, I think, you know, what we've seen in this election is really all of the complexities of trying to sort out money. On the one hand, money has become an important indicator of whether or not you're a viable candidate. That proved to be the case this year again. Obama's rise really started with the fact when he shocked people with how much he raised in the first quarter of 2007, and suddenly they decided, maybe this is someone we

need to watch.

His continued financial success has been important because, particularly as Mike noted in the primaries, Barack Obama, I truly believe, essentially won the Democratic nomination battle because of money, because he was able to do something no one thought physically possible, he financed Super Tuesday, and was able to campaign in 20 of the 21 states, and go on the air in 21 of the 21 states and take advantage of all the rules in the Democratic Party that say basically, if you show up some place, you can win some delegates, and he showed up in a lot more places.

I also think, however, that what we have seen, on specifically the Republican side, that, you know, the money wasn't the determinative factor in the primaries. So there is the over-riding aspects of other factors of the race. But what we have seen, and I think what we have seen in 2004 and in 2008 is that the world of campaign finances changed in a fundamental way, and it's something actually that Diana Mutz wrote about years ago, which – that there is a relationship between campaign momentum and money. And she documented this, boy, probably ten years ago now, Diana.

And primaries, once you start becoming a front runner and winner, you start picking up more money. And I think what's different now is that, with the internet and online capacities and the ability of anyone to even make an impulse campaign contribution from their cell phone while sitting in a subway has created a situation now where you can build momentum in a campaign and that generates even more money.

And I think that is exactly what we saw in 2004 with John Kerry, in the summer of 2004; it's exactly what we have seen with Barack Obama in this election. In fact, at the start of this election, once Obama opted out, I was very torn about what was going to happen, because I didn't know if what we would

see is kind of a big surge at the beginning, and then people would kind of get disinterested and it wouldn't continue on, or we would see spikes in money, where there would be a big spike after the convention, maybe there would be a big spike after the debates if he did well, and that most of the money would come in there.

And I was amongst the group that thought, well, boy, if he could raise \$50–\$60 million a month, that would really be something. And instead, what we have seen is, the model has been this momentum model that has built on itself, in part, because it gets more and more expansive. The base of the pyramid, the number of people being asked for donations gets broader and broader and broader each week, and as a result, he has been able to scale up his fundraising in a way we've never seen before.

So I think that the lesson is, money is important, but it's clearly secondary. But that money is important, especially when you're talking about close contests like primaries, where candidates are less well known, and money is important on the margins.

I think in this general election, while it's the economy that's driving this, the money has been essential in allowing Obama to create the structure to capture the new support that comes his way, get it into the telephone and voter contact lists, and turn it out to vote, and I think that's really where, on the margin, the money will make the difference this year.

MR. MANN: Anyone else like to weigh in on this?

MR. CORRADO: Yeah. If you look historically at the balance of spending between the two parties, you see a strong relationship with these fundamental factors that we've been talking about, like the state of the economy. When the economy is good, the incumbent party candidate generally does much better relative to the challenger in terms of fundraising, and when the economy

is bad, the reverse is the case.

That suggests, as Tom suggested, that the difference in money is, in some ways, an indicator of the conditions, the circumstances, more than it is a causal factor. But there's also this long term imbalance between the two parties that I referred to with the Republicans generally raising much more money than the Democrats even in years that should be bad for them, and that presumably has some impact.

As for the public funding system, I don't know what the future of it is. I think the problem with how it's worked so far is that we've tried to run it on the – partly because people have this bad reaction when they hear big numbers and partly because they have the cynical view that putting money into the system is just kind of welfare for politicians. But it seems to me that an effective public funding system would be one that would pump enough money into the campaigns that the additional money that candidates might raise on their own would not have all that much impact on the margin. If both candidates have enough money to get their messages across, then eventually they're going to run out of places to buy TV spots and internet ads and video game ads, or it simply won't make all that much difference.

One of the things that we know very little about as political scientists is what that frontier looks like when the diminishing marginal returns of money set in. We have a pretty clear sense now that money matters, but how much money matters and when it stops mattering very much is something that we know less about.

MR. MANN: All right. We'd be happy to take your questions. We have Mike's, let's start right here.

MR. GARRISON: Hi, Dave Garrison, one of Brookings's Fellows. Tony, a question about the amount of time that the candidates have to spend

raising the money. McCain took the public money, which presumably meant it didn't have to spend a lot of time raising money, Obama didn't take the public money. Did he have to spend a lot of time raising the money, or did the role of the internet offset that in that he was actually able to raise money without having to take a lot of his personal time? And does time spent in raising money matter in the – because it takes away from the times you can spend out on – giving speeches?

MR. CORRADO: With respect to time and fundraising, I think we can generally make the case that candidates spend more time than ever before raising money, and on the Hill, they are spending dramatically more time than ever before raising money.

One of the ideas of the public funding system, one of the cores of the general election public funding was that we will give you the money so that you don't have to go out and spend time raising money during the general election campaign.

Now, what we have seen in this election cycle is that the presidential candidates, particularly McCain, is spending more time than ever before raising money, because in order to try to fight this balance, they have done an enormous amount of joint fundraising with the party, more joint fundraising than I've ever seen before in the last 24 years or so that I've been looking at this, and therefore, there are lots of fundraising events, lots of events that McCain or Palin have attended to get the \$28,500 check that the parties can get, which is the only way to try to raise money quickly.

Obama has also been doing some fundraising. But what's extraordinary about the Obama campaign is two things: number one, so much of the money is coming in over the internet and online. You know, even last month in his \$150 million take, I think if you look at the small contributions he raised,

the vast majority were online contributions; that takes no time at all. He's doing mail and other traditional advices that take no time at all.

The other thing is that he has had remarkable success with using surrogates to raise money. They do a lot of fundraising events, where Obama doesn't have to appear, because they've got someone else, whether it's President Clinton or Hillary Clinton or John Kerry or other – Warren Buffett, who have been doing fundraising events on his behalf. Even so, he is still spending some of his time raising money. And, you know, as I always like to say, the most valuable resource in a presidential campaign is not money, it's the candidate's time. Every hour you allocate of a candidate's time is an hour that you can't get back, so it does cut into what they do. I think it has been cutting into what John McCain has been able to do in the last 90 days or so more than it's been the case for Obama.

MR. MANN: And I think it's important to underscore that this has been happening already even with the acceptance of the public grant, because that has more and more become a small part of the total budget because of the possibility of independent party spending and hybrid spending. As Tony said, the presidential candidates who accept the public grant nonetheless feel obliged to help raise large amounts of money through their political party. So, if you will, the system was broken well before this particular cycle.

MR. ALLEN: I think the down side for the Democrats is not the amount of time that they spend fundraising, but the fact that they seem incapable of avoiding saying dumb things when they're talking to their contributors in what they think are private settings.

MR. MANN: Exactly; here, please.

MR. MITCHELL: Thanks; Gary Mitchell from the Mitchell Report. I want to pose a question and precede it by what I understand to be a fact, but

maybe Mike or Tony would know the answer to this. Mike talked about the notion that – one story of this may simply – one story of this campaign may simply be summarized by the word “outwitted,” and I would suggest that one of the other words that could describe it, and in this case I’m talking about Obama, is ubiquitous that the Obama campaign has been literally everywhere.

Part of that, of course, is a function of money. Now, here’s what I – here’s the fact that I’ve been told, and I’m not sure it’s true. It’s my understanding that in ’04, Bob Shrum made his money on commissions. As a consequence, every penny that he could direct into advertising went into advertising, that Axelrod and whoever else has been involved this year is on fee.

So as a consequence, that speaks to the point that when it came to making choices about spending money, the principal media advisor wasn’t conflicted by the fact that the only way he made his money was on a media commission as opposed to a fee. So my question is, do you know whether – A, do you know whether that’s true or not, the ’04 versus ’08 model; and second, how important has this ubiquity factor been in your judgment?

MR. CORRADO: I would prefer ubiquity rather than outwitted. I disagree with the assessment that the McCain campaign has been outwitted. I think the McCain campaign has been extraordinary in terms of how they’ve gotten through this thing and the tactical decisions that they have made. And I think that looking at the general election campaign, they had a very logical clear game plan, which was that between the party and them, they were going to put together \$240 million, and it would be very difficult to compete with that.

What happened was, it just proved to be that no one expected a presidential candidate could raise \$150 million in one month. I think that in terms of the payment on advertising, you’re right, it used to be generally that there was a commission paid or a certain percentage of the advertising, but after

2004, when we started to get into the world of \$100 million ad campaigns instead of \$20 million ad campaigns, in this model, not just Obama, but a number of candidates have gone to just having a basic payment or fee structure rather than a percentage.

And I think with respect to the McCain campaign, what we have seen also, and what we're likely to see, is that campaigns are getting much, much more efficient in their media buying. They have focused on the small markets to try to stretch their dollar. They've focused on markets that border two battleground states to double the bang for their buck. I expect that we will see, based on some obscure FEC rulings eventually, that they will allocate five percent of their media buy to their general election legal and accounting fund, as considering that five percent of the media is the disclaimer, which is compliance activity, and therefore, they'll stretch another couple million dollars out of their ad budget.

So I think it's been a very well run campaign in that sense, but they have just been faced with a force that \$84 million, even stretched out the way grandma would have you stretch it out, doesn't compete with a couple hundred million.

MR. MANN: Diana.

MS. MUTZ: If I could follow up on that; I agree, I would also – not that they haven't run a good campaign, but I would caution you against just assuming they were outwitted, and the reason is that, again, to – back to the structural factors, we know from decades and decades of research that when you have an incumbent president that's this unpopular and an economy that's perceived in as much decline as ours is currently, you already have the deck stacked against you. And, you know, even large amounts of money and a very smart staff will have a difficult time under those circumstances, and obviously

getting the money is going to get much more difficult under those circumstances, as well.

So I think it's easy to point to the particulars of a campaign or a campaign staff, and to neglect the fact that some of these things are just so persistent in their effects and so consistent over time and presidential elections that we can't ignore them.

SPEAKER: Just in thinking about the way that Obama has spent his money, I think a more important factor than who's getting what slices of the money is the amount of money there is to be spent. And a useful comparison here I think is with the beginning of the public financing system after the Watergate scandal.

In 1976, Gerald Ford spent about half as much money as Richard Nixon had spent in 1972, but he spent the same amount that Nixon had spent on television ads, because the perception was that that was really what was going to be the effective tool in winning the election.

And from that point on, candidates spent an increasing proportion of their money on television ads. Now we have a candidate who can spend as much as he wants on television ads and still have huge amounts of money left over to send on other things. And so the ingenuity of finding things to spend money on has spread it around much more widely than has been the case in past campaigns, but I think that has to do with the amount of money there is to be spent by the Obama campaign.

MR. MANN: Lynn.

MS. VAVRECK: I was just going to pick up on Diana's point. In the last 14 years, there have only been four cases in which candidates in John McCain's position have been able to overcome these strong structural conditions, Kennedy in '60, Nixon in '68, Carter in '76, and then depending how

you feel about the 2000 election, you know, perhaps.

But – so Diana’s right, it’s very, very hard. So the McCain campaign, they were going to have a very hard job going in. The other thing about those four elections, they are the closest elections in that 60 year time period, so it’s hard.

MR. MANN: And just remember, it’s – some election years you get different things working. You know, you might have a health economy for the – but you have an unpopular war underway and an unpopular outgoing president. What’s unusual is to have all of those factors converge. An unpopular president, a costly war, an economy in turmoil. That presents the candidate of the incumbent party of the White House with such a weak hand to play that it’s hard to see how they could have acted differently in a way that would alter the outcome. We can tend to produce poor play.

MS. VAVRECK: If I could comment on the ubiquity, I think that’s a really interesting issue, because on one hand, yes, huge amounts of spending, but do people have the sense that the candidate is everywhere, given the kind of media situation we’re in now where it is much harder to reach people than usual, in part, because we zapped the ads. I know – I live at a battleground state of Pennsylvania, I have seen a few ads. But in general at our house, there’s the – so we don’t see them.

Beyond that, we also have a situation where you can always find something else to watch, if you are one of these people who’s really not that interested in politics. It’s not the case that you’re forced to watch the debate or whatever the case might be. Now, what I think is amazing is, despite that, we’ve had such high viewership and so forth, and that tells us something else is going on. It’s increasingly hard to get people who are those low information voters to pay attention, and yet it’s happened.

MR. MANN: All right. Our 90 minutes has gone very quickly. I wish we could entertain more questions, but it's time to bring it to the close. Does any one of our participants have some final closing observation they'd like to make that they've been holding back, you know, to tell us that, in fact, John McCain is going to win a landslide election on Tuesday, something surprising? Mike, no?

MR. ALLEN: Don't forget, the election is Tuesday.

MR. MANN: And vote. Thank you all and thank you for coming.

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