ONE

The Importance of Outside Money in the 2002 Congressional Elections

DAVID B. MAGLEBY

The relative role of candidates, parties, and interest groups in competitive congressional elections has undergone a dramatic transformation since 1996. Before 1996, and in noncompetitive races since, candidates were the primary loci of activity in raising and spending campaign money.[1] The vast majority of congressional contests are not competitive, but those few competitive races have become battlegrounds for control of Congress. The close party balance at all levels of government and in the electorate has also amplified the importance of competitive elections.

We began monitoring competitive races in 1998, in response to the dramatic transformation of individual donors, political parties, and interest groups that began in 1996. The first campaign finance watershed in 1996 was the use of party soft money for candidate promotion or attack. Democratic political consultant Dick Morris, with the approval of party lawyers, developed a strategy that "by the end of the race . . . had spent almost $35 million on issue-advocacy ads (in addition to the $50 million on conventional candidate-oriented media)."[2] The Republicans followed suit, and the widespread use of soft money to attack and promote candidates was in full swing.

In our 1998 and 2000 studies we documented the surge in party soft money for candidate-specific electioneering purposes. In both election cycles, party campaign committees made the raising and spending of soft money a high priority. Unlike contributions and coordinated spending, soft money can be spent in unlimited amounts. In 2000 the parties went a step further and made it easier for donors to contribute hard and soft money simultaneously by establishing joint fund-raising committees with candidates (sometimes called victory committees). These devices allow donors in a single check to designate contributions to candidates (hard dollars), party committees (hard dollars), and party soft-money accounts. The growth of joint fund-raising committees for candidates and party committees readily permits donors to signal their candidate preferences.[3] Some of the most important advantages of soft money are that it can be raised and spent by the parties in unlimited amounts, and corporations and unions can contribute treasury funds as soft money.

The second campaign finance watershed in 1996 was the use of issue advocacy for specific candidate promotion or attack purposes. The American Federation of Labor–Congress of Industrial Organizations (AFL-CIO) was the first group to mount a large-scale campaign effort, while avoiding disclosure and contribution limits. The Supreme Court in the *Buckley* v. *Valeo* decision defined election-related communications as ads that use words like "vote for," "elect," "support," "cast your ballot for," "Smith for Congress," "vote against," "defeat," and "reject."[4] The AFL-CIO avoided these words but, as the National Republican Congressional Committee (NRCC) contended in a complaint with the Federal Election Commission, the ads advocated "the defeat of a clearly identified candidate in the 1996 congressional election."[5] In 1996 the AFL-CIO spent $35 million, much of it on television, aimed at defeating 105 members of Congress, including 32 heavily targeted Republican freshmen.[6] Labor ran television ads in forty districts, distributed over 11.5 million voter guides in twenty-four districts, and broadcast radio ads in many others.[7]

Following labor's lead, the business community mounted its own unlimited and undisclosed campaign named The Coalition–Americans Working for Real Change. Groups involved in this campaign included the National Federation of Independent Business, the U.S. Chamber of Commerce, the National Association of Wholesaler-Distributors, the National Restaurant Association, and the National Association of Manufacturers. The coalition was active in thirty-seven House races, spent an estimated $5 million on over 13 thousand television and radio ads, and mailed over 2 million letters.[8] Another Republican-leaning group using this tactic in 1996 was Triad Management Services.[9]

The absence of action by the Federal Election Commission to bar issue-advocacy electioneering created the climate for expanded activity by these and other groups, which we have documented in past studies.[10]

In competitive races since 1996, spending by noncandidate entities, or outside money, has grown to rival and sometimes exceed spending by candidates. How that money is spent has also diversified to include a greater emphasis on nonbroadcast communications. We define outside money to include party soft money, election issue advocacy, independent expenditures, and internal communications.

This book documents all forms of campaign communications in competitive congressional elections in 2002, including soft money and issue advocacy. In addition we include observations made while monitoring spending in a set of noncompetitive control races to establish a baseline against which to compare campaign spending in more highly charged environments.[11]

Much of the research in this book is the result of systematic monitoring of campaigns by knowledgeable academics from within the states or districts in our sample. Our common objective was to better understand the dynamics of campaigns and elections in highly contested environments with substantial campaigning not controlled by candidates. Each academic team created a reconnaissance network of individuals who collected mail and logged phone calls and personal contacts about the election.[12] Data on political mail, phone calls, personal contacts, e-mail, and other contacts were systematically gathered. Local academics also gathered ad-buy data from radio and television stations, including cable stations, in all of our sample and control races. As a supplement to our ad-buy data, we purchased the Campaign Media Analysis Group's (CMAG) data for television advertising in our sample and control races.[13] In addition, the participating academics interviewed scores of local experts, campaign staff, party professionals, and interest-group leaders in their states and districts. Likewise we conducted 134 interviews with party officials, interest-group leaders, and other experts in Washington. As a rule, these interviews were "on the record" and are cited in this book. Our 2002 project also measured voters' reactions to highly competitive campaign environments in comparison to a national baseline survey. In a separate survey voters logged their political mail and campaign contacts and provided us with all their political mail. These surveys enabled us to validate the data collection of the reconnaissance networks and to accurately measure the volume of campaign communications with voters as well as to gauge their reactions to the deluge of mail, phone calls, and in-person contacts.[14] Table 1-1 lists the congressional contests included in our 2002 study and notes the four races

Table 1-1. *U.S. Senate and House Races Studied in 2002*[a]

Congressional races	*Focus race(s)*	*Control race(s)*	*Democrat*	*Republican*
Senate				
Arkansas	x[b, c]		**Mark Pryor**	*Tim Hutchinson*
Delaware		x	***Joseph Biden***	Ray Clatworthy
Iowa	x		***Tom Harkin***	Greg Ganske
Michigan		x	***Carl Levin***	Andrew Raczkowski
Minnesota	x[c]		*Paul Wellstone* / Walter Mondale	**Norm Coleman**
Missouri	x[b]		*Jean Carnahan*	**Jim Talent**
Montana		x	***Max Baucus***	Mike Taylor
New Hampshire	x		Jeanne Shaheen	**John Sununu**
New Mexico		x[b]	Gloria Tristani	***Pete Domenici***
South Dakota	x[c]		***Tim Johnson***	John Thune
House				
Arkansas	4[b, c]		***Mike Ross***	Jay Dickey
		1	***Marion Berry***	Tommy Robinson
Arizona	1		George Cordova	**Rick Renzi**
California		29	***Adam Schiff***	Jim Scileppi
Colorado	7[b]		Mike Feeley	**Bob Beauprez**
		1	***Diana DeGette***	Ken Chlouber
Connecticut	5[b]		*Jim Maloney*	***Nancy Johnson***
		1	***John Larson***	Phil Steele
Iowa	1		Ann Hutchinson	***Jim Nussle***
	2		Julianne Thomas	***Jim Leach***
	3		***Leonard Boswell***	Stan Thompson
	4		John Norris	***Tom Latham***
Indiana	2		Jill Long Thompson	**Chris Chocola**
Maryland	8		**Christopher Van Hollen**	*Connie Morella*
		5	***Steny Hoyer***	Joe Crawford
Minnesota	2[c]		*Bill Luther*	**John Kline**
Mississippi	3		*Ronnie Shows*	***Chip Pickering***
		2	***Bennie Thompson***	Clinton LeSueur
Montana		At-large	Steve Kelly	***Dennis Rehberg***
North Carolina	8		Chris Kouri	***Robin Hayes***
		9	Ed McGuire	***Sue Myrick***
New Hampshire	1		Martha Fuller Clark	**Jeb Bradley**
		2	Katrina Swett	***Charlie Bass***
New Mexico	1[c]		Richard Romero	***Heather Wilson***
	2[c]		John Arthur Smith	**Steve Pearce**
		3[c]	***Tom Udall***	No nominee
Pennsylvania		4	Stevan Drobac Jr.	***Melissa Hart***
	17		***Tim Holden***	*George Gekas*
		6	Dan Wofford	**Jim Gerlach**
South Dakota	At-large[c]		Stephanie Herseth	**Bill Janklow**
Utah	2		***Jim Matheson***	John Swallow
		1	Dave Thomas	**Rob Bishop**
		3	Nancy Jane Woodside	***Chris Cannon***

a. Names in italics are incumbents; those in bold are winners. Numbers denote the congressional district number within the state.
b. Part of a three-wave panel survey. For details, see appendix A.
c. Part of a campaign communication voter log survey. For details, see appendix A.

in which we did polling on public perceptions of the campaign and the four races in which we asked random samples of voters to record their campaign contacts and forward to us their political mail. For a more detailed description of our methodology for the 2002 studies, including the methodology for our public opinion surveys, see appendix A. For a complete list of national-level elites interviewed for this study, see appendix B.

This book builds upon similar collaborative research efforts in 1998 and 2000. In the aggregate we have now monitored eighty-one congressional general elections or presidential primary contests in 1998, 2000, and 2002. Having collected data on the full range of campaign communications over three cycles allows us to identify trends and broader patterns. A systematic monitoring of campaign finance in 2002 was important because the 2002 election marked potentially the last hurrah for soft money and at least some interest-group electioneering before the Bipartisan Campaign Reform Act takes effect in the 2004 election cycle. The extent to which BCRA changes the campaign finance system depends on what parts of the act survive constitutional challenge,[15] how the law is interpreted during the rule-making process at the FEC[16] and FCC, and the ability of interested parties to find ways to circumvent the act.[17] BCRA has the potential to transform campaign finance in ways that are not yet clear to political operatives, candidates, and scholars.

Outside Money in the 2002 Election

Battleground races once again experienced extraordinary levels of spending, especially by the parties. In ten of the twenty-six competitive races we studied in 2002, noncandidate spending exceeded candidate spending; in one case, the Pennsylvania Seventeenth Congressional District, noncandidate spending more than doubled candidate spending. The candidate spending in these contests is already high, creating a campaign environment where voters face a barrage of political communication. In the South Dakota Senate race, for instance, candidates, parties, and interest groups spent over $24 million, which amounted to $70.50 per voter.[18] This made South Dakota in 2002 one of the most expensive elections in dollars per voter in U.S. history.

The convergence of high levels of candidate, party, and interest-group campaigning again meant that voters faced a barrage of TV and radio ads, mail, and phone calls. Based on a survey we commissioned in the

Minnesota Senate race, for example, registered voters received an average of eighteen pieces of mail in the last three weeks of the campaign, and one voter received eighty pieces of political mail.[19]

With outside money, voters often cannot determine the source of the money spent in a race. Party soft-money contributions often come from large donors, many of whom have a vested interest in particular races. Contributing through a political party permits issue activists or interest groups to mask their identity while still targeting money to a particular race. With issue advocacy it is even more difficult to know who is funding the communication.

Noncandidate campaigns are highly professional, using pollsters, field staff, and media, telephone, and mail consultants.[20] Many interest groups and their political action committees have long retained professional pollsters and other campaign professionals. But in 1996, as parties and groups started to mount issue advocacy campaigns, they significantly expanded their investment in consultants of all types.[21]

Tone and Volume of Outside-Money Advertising

In the competitive races where candidates, parties, and interest groups all participate, the tone of the campaign is more likely to be negative. The primary source of this negativity is the outside money because of "an implicit division of labor, with outside money used to attack one candidate or the other in hope of helping the favored candidates."[22] As Kathleen Hall Jamieson has observed, "Candidates don't have to attack because others will do it for them."[23] Mark Mellman, an experienced pollster, concurs that money spent by outside groups "increases the negative tone of races," and in his view "the public blames the candidates."[24] In surveys conducted in cooperation with a bipartisan panel of pollsters, we found that voters in battleground environments blame the parties and interest groups for the greater negativity in campaigns. We review the tone of party and interest-group advertisements in chapters 2 and 3 and the voter survey results in chapter 12.

Mike Lux, who helped design the hate-crimes ad run by the NAACP Voter Fund against George W. Bush in 2000, said that in 2002 both parties started being more "aggressive with the truth," operating on the assumption that campaigns "weren't going to get called on it." Lux believes that the media are playing a less active role in commenting on the accuracy and fairness of ads, including issue ads.[25] However, ads were challenged by opposing candidates and parties in 2002 and some were pulled. In Indiana's Second District in early September 2002, the Indiana Democratic Party ran an ad claiming that Republican candidate Chris Chocola held "Enron values" rather than "Hoosier values" and showing the Enron logo. After Chocola made formal complaints, the television stations decided to pull the ad. Soon thereafter the NRCC ran an ad for Chocola, asserting that "Long Thompson had voted to cut the military, opposed stopping Saddam Hussein, and had taken money from a radical group that opposes the war on terror." Again the television stations pulled the ad. This practice also occurred in 2000.[26] The assertion that groups have broad leeway in their independent communications is not new. In 1980 National Conservative Political Action Committee (NCPAC) founder John Terry Dolan once bragged that his organization "could lie through its teeth and the candidate it helps stays clean."[27]

Absent some assessment as to the truthfulness of party and interest-group ads, voters are left to the constant charges and countercharges of the candidates, parties, and groups about the other side being misleading or untruthful. As discussed in chapter 12, voters have a variety of reactions to these high-intensity campaigns. Their awareness of the campaign is heightened, but this interest does not necessarily lead to higher turnout. When faced with daunting volumes of political communication, voters are more likely to indicate that they have seen too much mail and advertising, are less likely to view the campaigns as "fair" or "accurate," and are more likely to view the campaign as more negative compared to recent political contests. Under these conditions voters turn to trusted sources of information such as family and friends, groups they affiliate with, or objective sources like newspapers or television news.[28]

The Growing Importance of the Ground War

Outside-money campaigns in 1996 were primarily run on television and radio, but since then they have been increasingly diversified to include direct mail, live and recorded telephone calls, personal persuasion (face to face), and get-out-the-vote (GOTV) efforts.[29] This shift to less reliance on broadcast advertising and increased use of ground-war tactics continued in 2002.

The 2002 case studies demonstrate the importance of the ground war, paid for with outside money, to voter activation and mobilization efforts. Both parties and several allied groups waged expanded ground-war campaigns. Republicans, pointing to the successes of the Democrats and their interest-group allies in voter mobilization in 1998 and 2000, invested heavily in voter mobilization in 2002. The Republican National Committee (RNC), under the leadership of the White House, initiated the 72 Hour Task Force, and the Republican leadership in the House initiated the Strategic Taskforce to Organize and Mobilize People (STOMP). A major element of their program included visits by President Bush or other Republican luminaries, including Vice President Dick Cheney, First Lady Laura Bush, or former New York Mayor Rudy Giuliani to energize the paid and volunteer workers and dominate news coverage. The GOP ground war included direct contact with voters, telephone calls, mail, and GOTV activities on Election Day. Interest in voter mobilization on the part of Republican-allied groups such as the Business Industry Political Action Committee (BIPAC), the Chamber of Commerce, the National Federation of Independent Business (NFIB), and the National Rifle Association (NRA) provided significant help for Republican ground-war efforts. Organized labor has long worked side by side with the Democratic Party and Democratic candidates in key races. We examine the ground war in greater detail in chapter 4.

Outside Money Unlimited and Targeted at Competitive Races

Decisions on where to invest soft money and election issue advocacy funds are "driven by the numbers"; races that are competitive see activity, and noncompetitive races do not.[30] Because they are not subject to Federal Election Commission (FEC) contribution limits, interest groups and parties spend their noncandidate campaign funds in much larger chunks, often allocating large amounts to a single race. Since the parties and interest groups control the expenditure of outside money, they can allocate it in contests and at times that suit their strategic purposes. Groups vary in when they allocate their outside money. Some groups that tend to favor particular candidates for ideological or gender reasons, like EMILY's List and the Club for Growth, contribute in primaries. Groups sometimes sequence their investments in the general election to monitor the reaction of voters to their ads and, if the race remains competitive, invest even more. Outside money has the advantage of fungibility; it can be held centrally until late in the campaign and then spent in the most competitive races, where it can have the most impact.

Our research has shown that outside money flows almost exclusively to competitive races. As AFL-CIO political director Steve Rosenthal testified in *McConnell* v. *FEC,* "issue ads work best if they are run in a place where there is a competitive political environment."[31] Most con-

Table 1-2. *Number of Unique Campaign Communications in Sample Races, 2002*

Type of communication	*Senate battleground race*	*Senate control race*	*House battleground race*	*House control race*
Candidate TV	29[a]	9[a]	9[a]	2[a]
Noncandidate TV[b]	30[a]	3[a]	11[a]	1[a]
Candidate radio	6	17	2	1
Noncandidate radio[b]	13[a]	1[a]	2	1
Candidate mail	13	10	9[a]	1[a]
Noncandidate mail[b]	105[a]	19[a]	42[a]	9[a]

Source: David B. Magleby, J. Quin Monson, and the Center for the Study of Elections and Democracy, CSED 2002 Soft Money and Issue Advocacy Database [dataset] (Center for the Study of Elections and Democracy, Brigham Young University, 2002).

a. Using an *F* test, the difference between battleground and control races is significant at $p < .05$.

b. Noncandidate includes communications funded by party soft money, interest-group issue advocacy, and independent expenditures.

gressional contests in 2002 did not see outside money activity because they were not competitive. For example, in 2000 the contest in California's Twenty-Seventh Congressional District was among the most intensely fought House races in history, with parties, groups, and candidates spending an estimated $18.5 million. Two years later, in the contest involving Republican incumbent Adam Schiff and much of the same congressional district, David Menefee-Libey found that the "political parties and outside interest groups spent practically nothing to contest this extremely safe seat."[32] In another race that was significantly affected by outside money in 2000, Pennsylvania's Fourth Congressional District, Chris Carman found in 2002 that there was almost a "complete absence of 'outside' money and influence."[33] Carman, having watched the same district across two election cycles, concludes: "We should think of outside organizations as strategic actors that weigh their investment choices and stay out of competitions where they perceive that they cannot influence the outcome."[34]

Evidence of outside money being directed to competitive races is found in table 1-2, which provides a comparison of the average numbers of unique TV ads, radio ads, and mail pieces for candidate and noncandidate groups in sample and control House and Senate races in our 2002 study. A control race is one in which we did not expect significant outside money activity. Control races also establish a baseline against which to compare the contests where outside money is injected.

The difference in the numbers of party and interest-group ads run in battleground races compared to control races is especially large. Except for radio advertisements, all the differences between battleground and control races for noncandidate communications are statistically significant.[35] However, the differences in candidate communications between battleground and control races are less pronounced, and fewer of the differences are statistically significant. For example, there were five times as many pieces of noncandidate mail in battleground Senate races as in control races, while the difference in candidate mail for the Senate was not significant. We found a staggering average of 105 unique noncandidate mail pieces in our battleground races, a sign of the intense ground war, which we explore in more detail in chapter 4. The discrepancy in noncandidate radio ads was even greater in battleground Senate races, with an average of thirteen in battleground races and only one in control races. In sum, even more than among candidates, the noncandidate campaigns focus on the competitive, or battleground, districts.

How Money Is Used in Congressional Elections

The money chase by candidates has been a long-standing element of seeking federal office and a factor in the relative competitiveness of the candidate. Incumbents have long enjoyed advantages in this candidate-centered system.[36] Incumbents also have consistently raised more money than they needed, in hopes that these war chests would scare away challengers.[37]

Federal election law limits the ways in which individuals, political parties, and interest groups can contribute, raise, and spend money on federal elections. Individuals have limits on how much they can contribute to candidates and parties in an election cycle. Candidates are subject to disclosure and limitations on how they raise money. Parties operate with disclosure and limits on their fund-raising and contributions, except for soft money, which can be raised in unlimited amounts. Interest groups have more options, including some that are neither limited nor disclosed. Table 1-3 provides the contribution limits in force during the 2001–02 election cycle.

Hard Money

Under the Federal Election Campaign Act (FECA), individuals and political action committees (PACs) can make limited and disclosed contributions to candidates and political parties. These contributions are

Table 1-3. *Contribution Limits, Election Cycle 2001–02*

	Recipients				
Donors	*Candidate committee*	*PAC*	*State, district and local party committee*	*National party committee*	*Special limits*
Individual	$1,000 per election	$5,000 per year	$5,000 per year combined limit	$20,000 per year	$25,000 per year overall
State, district, and local party committee[a]	$5,000 per election combined limit	$5,000 per election combined limit	Unlimited transfers to other party committees		
National party committee (multicandidate)[b]	$5,000 per election	$5,000 per year	Unlimited transfers to other party committees		$17,500 to Senate candidate per campaign[c]
PAC (multi-candidate)	$5,000 per election	$5,000 per year	$5,000 per year combined limit	$15,000 per year	
PAC (not multi-candidate)	$1,000 per election	$5,000 per year	$5,000 per year combined limit	$20,000 per year	

Source: Federal Election Commission, Campaign Guide for Political Party Committees, 1996.

a. State and local party committees share limits unless the local party committee can prove independence.

b. A party's national committee, Senate campaign committee, and House campaign committee are commonly called the national party committees and each has a separate limit. See special limits column for the exception.

c. The Senate campaign committee and the national committee share this limit.

called *hard money* (they are also called *federal money* because they are subject to federal limitations). Individuals can give up to $2,000 and PACs up to $10,000 each election cycle to any one candidate.[38] Individuals have an aggregate contribution limit, while PACs do not. In addition to spending their own funds, federal candidates can only spend hard money on their campaigns. Interest groups may also make in-kind contributions, including providing paid staff to campaigns.[39]

Republicans enjoyed a substantial hard-money advantage over Democrats in 2002, with the three GOP national committees raising $442 million in hard money, compared to $217 million for the Democrats.[40] The gap is smaller for the senatorial campaign committees. The National

Table 1-4. *Contribution Limits under Bipartisan Campaign Reform Act, 2004*

	Recipients				
Donors	*Candidate committee*	*PAC*	*State, district and local party committee*	*National party committee*	*Special limits*
Individual	$2,000 per election	$5,000 per year	$10,000 per year combined limit	$25,000 per year	Biennial limit of $95,000 ($37,500 to all candidates and $57,500 to all PACs and parties)
State, district, and local party committee	$5,000 per election combined limit	$5,000 per election combined limit	Unlimited transfers to other party committees		
National party committee	$5,000 per election	$5,000 per year	Unlimited transfers to other party committees		$35,000 to Senate candidate per campaign
PAC multi-candidate	$5,000 per election	$5,000 per year	$5,000 per year combined limit	$15,000 per year	
PAC not multi-candidate	$2,000 per election	$5,000 per year	$10,000 per year combined limit	$25,000 per year	

Source: "BCRA Campaign Guide Supplement," Federal Election Commission, vol. 29, January 2003.

Republican Senatorial Committee (NRSC) raised $59 million in hard money in 2001–02, compared to $48 million for the Democratic Senatorial Campaign Committee (DSCC).[41] One of the most significant changes of BCRA is the higher individual contribution limits found in table 1-4. Under BCRA an individual can give $95,000 to parties or candidates in the aggregate and $4,000 to each candidate in each election cycle, compared to $50,000 hard plus unlimited soft under FECA.[42] These higher limits, at least in the short run, will benefit the Republicans.

Soft Money

FECA has been amended and interpreted to permit political parties to raise and spend unlimited amounts of money for generic "party building" purposes. These nonfederal funds are also called *soft money*. As is typical of midterm elections, the lack of a presidential contest in 2002 led to a decline in soft-money receipts for the Republican National Committee (RNC) and the Democratic National Committee (DNC). However, soft-money receipts for three of the four congressional campaign committees rose to new highs. The average soft-money growth between 2000 and 2002 for the NRCC, the NRSC, and the DSCC was 47 percent.[43] As we discuss in chapter 2, the Democratic Congressional Campaign Committee (DCCC) did not keep pace in soft-money fundraising with the other congressional campaign committees. BCRA bans soft money contributions and expenditures by national party committees, while permitting state party committees to engage in limited soft-money-funded voter registration and mobilization activities.[44] Yet, even with the enactment of BCRA, it remains to be seen whether soft money may find new avenues through quasi-party interest groups and other entities.[45]

Electioneering Issue Advocacy

Political consultants, like Republican Douglas Bailey, testified in the 2002 *McConnell* v. *FEC* litigation that "it is rarely advisable to use such clumsy words as 'vote for' or 'vote against.'"[46] As we have demonstrated in past research, groups and parties can effectively communicate an election message by showing the image or likeness of a candidate, mentioning the candidate by name, and broadcasting the advertisement during the weeks shortly before an election. The call to action in an issue ad is typically through other action words, like *call, phone,* or *write,* rather than the words of express advocacy. However, in the context of a campaign the content of the message is much more important than the call to action.[47] Election issue advocacy is more likely to oppose than endorse a candidate, partly because it is easier to avoid legal scrutiny for coordination when attacking an opponent than when supporting a candidate of your own party. The timing of ads is often critical, with candidates, parties, and groups often planning from Election Day backward, with the most intense advertising coming at the end of the race. Issue advocacy and soft-money-funded ads again tend to appear late in the election. As Republican National Committee political operations director Terry Nelson testified in *McConnell* v. *FEC*, "issue advocacy is not as effective in August of an election year as it is in October or early November."[48] Voters, especially undecided or swing voters, are presumed not to focus on an election until after Labor Day and for some not until the last few weeks of the campaign. In addition, as outside money has funded more and more political mail, it is presumed that direct mail is most effective in the last week or even the last few days of a campaign.

Some of this activity is conducted by groups called 527 and 501(c) organizations. These groups are organized under section 527 of the Internal Revenue Code and until July 2000 did not report their activity to any government regulatory agency. In 2002 disclosure of the activities of these groups was not timely, complete, or easily available through the Internal Revenue Service.[49] We explain these groups more fully in chapter 3.

BCRA restores the FECA prohibition on corporations and trade unions from using treasury funds for electioneering issue advocacy on broadcast or cable, and from contributing these funds to political parties.[50] Corporate and treasury funds have been a component of party soft-money receipts and a major source of electioneering issue advocacy since 1996. Unions and corporations fought hard to overturn BCRA's ban on using treasury funds for issue ads. In *McConnell* v. *FEC* Judge Henderson concluded that the PACs "cannot finance more than a small fraction of the electioneering communications corporations and unions have been able to fund from their treasury funds."[51]

Occasionally groups, parties, and individuals wish to communicate about issues without referring to a particular candidate running in a particular race. Genuine issue ads were run against the Clinton administration health care reforms (the so-called Harry and Louise ads) and later against the proposed tobacco tax legislation. Generally very little genuine issue advocacy occurs in the period between Labor Day and Election Day.[52] This was true in 2002, where in our sample only 5 percent of the ads detected by the researchers between Labor Day and Election Day were genuine issue advocacy.

Independent Expenditures

The Supreme Court ruled in *Buckley* v. *Valeo* that groups and individuals could spend unlimited amounts of money on the election or defeat of a candidate, as long as those expenditures were not coordinated with the candidate or party campaigns. The Court also held that the individual or group making the independent expenditure could be required to disclose its identity, as well as how the money was spent, to the FEC. With the advent of issue advocacy in the 1990s, some groups shifted away from independent expenditures because engaging in issue advocacy does not require disclosure. Groups that continue to engage in independent expenditures tend to be membership organizations, like the National Right to Life, the National Rifle Association (NRA), the League of Conservation Voters (LCV), or the American Medical Association (AMA). We discuss why some groups continue to prefer independent expenditures in chapter 3.

The Supreme Court later ruled in *Colorado Republican Federal Campaign Committee* v. *FEC* that political parties might also engage in independent expenditures.[53] Party independent expenditures must be made with hard dollars and have therefore been used less frequently than soft-money expenditures. We examine party independent expenditure activity in chapter 2 and the more common interest-group independent expenditure activity in chapter 3.

Internal Communications

Membership organizations, like trade unions, teachers' associations, business organizations, and environmental, gun, and other issue groups, communicate with their members about candidates via internal communications.[54] This form of electioneering is rarely noted by the media because it is aimed at members only. Unions and corporations may use general or treasury funds to pay for these communications. Expenditures on internal communications are to be reported to the FEC when the entity making the communication expressly advocates the election or defeat of a candidate, the communication costs exceed $2,000 per election, and the election information is the primary purpose of the communication. Since many internal communications are not primarily about an election or otherwise fail to meet the disclosure requirement, many go unreported to the FEC. We examine the extent and nature of internal communications in chapters 3 and 4. Under BCRA, unions, corporations, and interest groups may still engage in unlimited internal communications with their employees or members.

Candidate Self-Financing

The Supreme Court ruled in *Buckley* v. *Valeo* that candidates may contribute as much personal wealth as they wish to their own campaigns. This is sometimes called the millionaire's exception to contribution limits and has led both parties to actively recruit wealthy candidates willing to finance their own campaigns. Self-financed candidates permit parties to direct their soft- and hard-money resources to other races.

One candidate for the House of Representatives in our sample races, Bob Beauprez, loaned his campaign $455,000.[55] Under BCRA there are no limits to candidate self-financing, but it increases individual contribution limits by 300 to 600 percent for the candidate facing the self-financed candidate, depending on the amount of money the self-financed candidate gives to his or her own campaign.

The 2002 Election in Context

There has been remarkable regularity in midterm elections since the Civil War. With only 1934, 1998, and now 2002 as exceptions, the party of the president has lost seats in the House of Representatives. During this election cycle, public approval of President Bush grew as a result of his leadership after the terrorist attacks of 2001. Before September 11, 2001, President Bush's approval ratings were at about 50 percent, as measured by CBS/*New York Times* and Gallup/CNN/*USA Today* polls. Those ratings rose to unprecedented levels, between 86 and 90 percent, after the attacks; by Election Day his ratings had fallen to between 61 and 63 percent, still relatively high approval ratings.[56] Even with such high popularity, standard political science models based on factors such as the state of the economy, the level of incumbent presidential popularity, and polling questions measuring the "generic" vote for the U.S. House of Representatives predicted that the Democrats should have gained between four and fourteen seats in the House and maintained control of the Senate.[57]

The Role of President Bush

President Bush used his popularity to help Republican candidates in the 2002 elections. In the final five days he visited fifteen states and seventeen cities on behalf of Republican candidates. The tone and feel of the final days were reminiscent of a presidential election, with substantial press coverage of his activities. Table 1-5 summarizes the number of visits between January 21, 2001, and Election Day 2002 by President Bush, Vice President Cheney, Al Gore, Joe Lieberman, Tom Daschle, and Dick Gephardt to our sample races in 2002.

While frequent trips to important fund-raising centers like California and key presidential nomination states like Iowa are not particularly unusual, the frequency of President Bush's visits to the 2002 battleground Senate states is noteworthy. For example, he visited Missouri

Table 1-5. *Visits by National Leaders to Sample Races, 2001-02*[a]

State	*Bush*	*Cheney*	*Gore*	*Lieberman*	*Daschle*	*Gephardt*	*Total*
California	5	1	9	5	2	13	35
Pennsylvania	17	5	1	3	0	6	32
Iowa	10	1	2	2	4	3	22
Colorado	3	3	4	3	3	3	19
New Hampshire	3	0	2	6	0	6	17
Michigan	3	3	1	4	0	5	16
Minnesota	5	4	2	1	2	1	15
Missouri	7	2	1	1	2	. . .	13
Arizona	4	1	0	3	1	3	12
North Carolina	5	2	1	1	0	2	11
Maryland	2	0	2	3	0	3	10
Arkansas	4	4	0	0	0	1	9
Indiana	3	3	0	2	0	0	8
New Mexico	4	2	1	1	0	0	8
Connecticut	3	1	1	. . .	0	2	7
South Dakota	5	2	0	0	. . .	0	7
Utah	1	2	1	0	1	0	5
Delaware	1	1	1	1	0	0	4
Mississippi	1	1	0	0	0	0	2
Montana	1	1	0	0	0	0	2
Total	87	39	29	36	15	48	254

Source: "White House 2004: Candidate State Visit Tallies," *National Journal,* December 30, 2002 (http://nationaljournal.com/pubs/hotline/extra/wh2004/04statetally.htm [30 December 2002]).

a. These visits were made from January 21, 2001, through November 5, 2002. List does not differentiate between campaign-related visits and "official" visits. This may explain, for example, the high number of visits to Pennsylvania by President Bush.

seven times and South Dakota and Minnesota five times each. These visits generally boosted the standing of Republican candidates, and in the case of Rick Renzi, the GOP candidate in the Arizona First District, his standing in the polls shot up eleven points following President Bush's visit to Flagstaff on September 27, 2002.[58]

The pattern used by the White House and national GOP committees was to send the president in as early as April 2001, but more typically in March and April of 2002, to speak at fund-raisers intended to both help the state party and stimulate fund-raising and positive publicity for the preferred candidate. For example, on March 18, 2002, President Bush visited Missouri for Jim Talent, where he raised $1.3 million.[59] One estimate credits President Bush with raising at least $140 million for Republican Party committees and candidates.[60]

In the critical closing weeks of the campaign, the White House orchestrated high-profile visits by not only President Bush, but also by

First Lady Laura Bush, former New York Mayor Rudy Giuliani, and Vice President Cheney. In the Minnesota Senate race, for example, these four individuals visited the state on successive days at the end of the campaign.[61] This blitz of visits by the White House was seen by several observers as forcing extensive local news coverage and "sucking the oxygen out" of the Democratic candidates.[62] One analysis of local news calculated the number of appearances in a random sample of news stories by prominent political figures during the seven-week period leading up to Election Day. President Bush appeared in more than twice as many (351), compared to Bill Clinton (160), Rudy Giuliani (90), and Dick Cheney (77).[63]

The story of presidential involvement in 2002 started long before Election Day. President Bush, Vice President Cheney, and the White House political operation headed by Karl Rove and Ken Mehlman, together with the NRSC and NRCC, helped recruit candidates for several Senate and House races. For example, in Minnesota a call from Vice President Cheney on the day of the filing deadline convinced Tim Pawlenty, a U.S. Senate hopeful, to run for governor instead, clearing the field for former St. Paul Mayor Norm Coleman.[64] The White House also played a role in recruiting John Thune to run in South Dakota, Saxby Chambliss in Georgia, and Elizabeth Dole in North Carolina. As Ken Mehlman put it, "Once they announce, half your battle is over [because] candidate quality is the most important factor in elections."[65]

Democrats also involved party leaders in candidate recruitment and found success in recruiting incumbent Governor Jeanne Shaheen in New Hampshire and Attorney General Mark Pryor in Arkansas to run for the U.S. Senate. House Minority Leader Dick Gephardt called Mike Feeley to recruit him to run in the new Colorado Seventh Congressional District.[66] Party failures to attract the right candidate to the race are just as important as their successes. In Montana the Republicans' failure to recruit former governor and current RNC chair Marc Racicot to contend the re-election bid of Senator Max Baucus made this race less competitive.[67] Likewise in Oregon the failure of Democrats to recruit former Governor John Kitzhaber to challenge first-term incumbent Republican Senator Gordon Smith made this a less competitive race.

Last-minute Senatorial candidate recruitments were also important in 2002. Democrats not only substituted former Senator Frank Lautenberg for Robert Toricelli in New Jersey but, following the accidental death of Senator Paul Wellstone in Minnesota, also ran former vice president and former U.S. Senator Walter Mondale in Wellstone's place.[68] Lautenberg won, and Mondale lost to Republican Norm Coleman, former mayor of St. Paul. Chapter 5 examines how parties, interest groups, and candidates in Minnesota responded to the late change in nominees.[69]

Participation in 2002

Nationally, voter turnout in 2002 was 39 percent, up slightly from 1998 but well below 2000 levels.[70] With lower rates of participation in midterm elections, the candidate and outside-money-funded campaigns adjust to a more targeted strategy of voter identification and mobilization. Some states with traditionally high turnout rates, like Minnesota and South Dakota, were battlegrounds for control of the U.S. Senate and House and also had competitive gubernatorial elections. In both Minnesota and South Dakota, turnout was over 61 percent, the highest in the country.[71] But not all battleground races had high turnout. Colorado, Arizona, and New Mexico saw record low levels of turnout for a midterm election, despite the intense advertising and mobilization efforts by candidates, parties, and allied groups.[72] We explore voter mobilization in greater detail in chapter 4.[73]

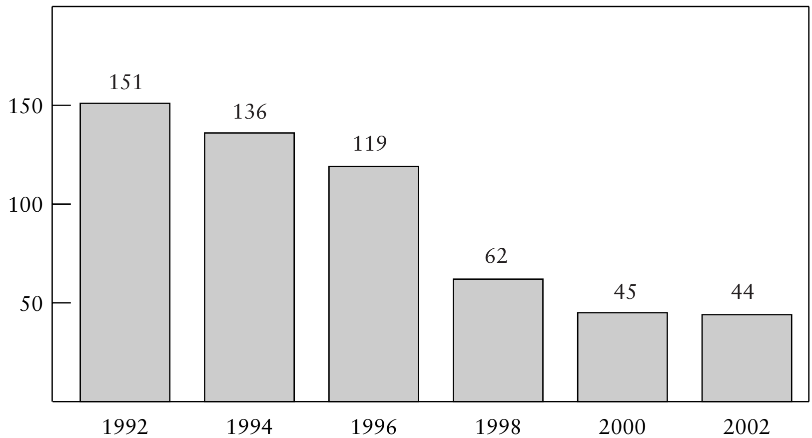
Relatively Few Competitive U.S. House Races

The fact that most congressional seats are safe has made the relatively few competitive contests more important in determining party control in both houses. For the past three election cycles the average number of seats needed to reverse the majority in the House has been seven and in the Senate only four.

The 2002 election was also the first election following the 2000 reapportionment of U.S. House seats and redistricting to accommodate population shifts over the past decade. Typically in the first election after reapportionment and redistricting there is a surge in the number of competitive U.S. House seats, but 2002 was an exception to this pattern.[74] In 1992, for example, there were 151 competitive U.S. House races, more than three times the 44 competitive races in 2002 (see figure 1-1).

Since the ascendancy of outside money in congressional elections in 1996, there have typically been comparatively few competitive U.S. House elections. The number of districts at play influences how outside resources are allocated. If more districts were competitive, parties would have more difficulty allocating their resources, having to decide whether to concentrate most of their resources in a small number of House races

Figure 1-1. *Number of Competitive House Races, 1992–2002*



Source: Charlie Cook, "National Overview," *Cook Political Report*, October 4, 2002, p. 6. The numbers of competitive races were tallied in early October of each year and are those classified as toss-ups or leaning toward one party.

or distribute the resources more broadly in hopes of making gains. Similarly interest groups might be able to find more compatible candidates in the larger pool of competitive races. But the reality has been that the numbers of competitive races in 1998, 2000, and 2002 have been very low compared to previous years, which has limited the options for parties and interest groups.

The implications of there being so few competitive districts are widely debated by party and interest-group professionals. Most Democrats and their allies saw 2002 as having too few races at play. To pick up seats, they argued, the Democrats needed more opportunities to compete. Sheila O' Connell of EMILY's List asserted that "redistricting did not provide the kind of opportunities that it had in the past. It was very much an incumbent protection program."[75] This school of thought sees the incumbent protection emphasis in 2001–02 as clearly benefiting Republicans. However, some also contend that, since Democrats and their allies typically have fewer resources, they benefit from fewer races at play. Fewer competitive races, so the argument goes, allow Democrats to spend enough to stay competitive with Republicans in those races.

The narrow field of competitive general election races has meant that interest groups and parties are more likely to invest in primary elections and more inclined to clear the field for a preferred candidate. The consequences of not fielding the best candidate in a competitive race are more severe when there are fewer potential competitive races in an election cycle, as was the case in 2002. One group that pursued an aggressive strategy in the 2002 primaries was the Club for Growth, which successfully backed candidates in at least six primaries.[76] They see primaries as an economic investment of their resources, claiming that "One dollar in a primary carries three times the weight [compared to] one dollar in the general election."[77] EMILY's List also aggressively worked for prochoice Democratic women in at least nine primaries in 2002 but was unsuccessful in six of them. Despite criticism about injecting themselves into primaries, their involvement is consistent with their goal of "bringing newcomers into politics."[78] The NRCC also injected themselves into primaries in 2002 to an extent that they have not done in previous years, taking sides in the primaries in Ohio's and Kansas's Third Congressional Districts.[79]

It is important to note that, even with this push by groups to get involved early, the bulk of activity still occurs right before the election. In 2002, 60 percent of interest-group electioneering activity came in the last two weeks, slightly more than the 58 percent we observed in 2000.[80]

A Greater Focus on Senate Elections

In 2002 all the key players devoted more time and money to the battle for control of the U.S. Senate than they did to House races. Greater attention to U.S. Senate races is understandable in the context of the evenly divided Senate coming out of the 2000 elections, the subsequent switch in party control of the chamber as a result of Vermont Senator James Jeffords leaving the Republican Party, and the particular constitutional roles the Senate plays, including confirming judicial nominations.

Part of the reason the Senate became the more important battleground was the widely shared perception that a switch in party control was more likely there. Speaking of the Democrats, Linda Lipsen of the Association of Trial Lawyers of America said, "By the last two weeks people had given up on the House,"[81] an assessment shared by Mike Matthews of the DCCC, who felt that the Democrats were challenged throughout the cycle by perceptions that they could not retake the House.[82] Democratic groups have also tended to give more attention to Senate races because they are higher profile and accompanied by additional media attention.[83] The White House also made winning back control of the Senate their highest 2002 election priority.[84]

Issues, Themes, and Messages

Outside money is generally spent to reinforce candidate themes and messages and to help define the campaign agenda.[85] In 1998 the NRCC emphasized a different set of issues than did Republican candidates, a strategy many saw as a failure.[86] Table 1-6 presents the most frequent themes used by candidates, parties, and interest groups in their communications in our sample races.

THE ECONOMY. Past studies found that voters hold the president and his party responsible for the state of the economy.[87] Our panel survey of voters in a national sample and four of our battleground contests found that voters were not pleased with the state of the economy. Roughly three out of four voters said the state of the economy was only fair or poor in the mid-October and post-election waves of our panel survey.[88] Without prompting, respondents consistently volunteered "economy and jobs" as the most important issue, followed by education.

The public saw economic conditions in 1994 in much the same way as they saw them in 2002. In 1994, 69 percent said economic conditions were either fair (49 percent) or poor (20 percent), and in 2002 the number was 71 percent, with 45 percent saying fair and 26 percent saying poor.[89] But in 1994 President Clinton's party lost thirty-four representatives and two senators. How did Republicans avoid such losses in 2002? The popularity of President Bush is part of the answer. They were successful in avoiding blame for the economy and in elevating issues like safety, security, and taxes. In 2002 Republican candidates and party committees both emphasized taxes in their mail and television advertising.

SAFETY AND SECURITY. One factor that militated against Democrats exploiting the economy as an issue was that the public in part blamed the terrorist attacks of September 11, 2001, for the economic problems in 2002.[90] The potential for war also affected the saliency of other issues. Andy Grossman of the DSCC, in the aftermath of September 11, said, "The Republican issue of safety and security was more salient to [voters'] lives . . . [because] facing war supersedes facing some economic pain." Thus the potential for war was not only the most salient issue but also "crowded out time" for competing issues.[91] The security issue was amplified by the perceived threat from Iraq, and the protracted debate in Congress over a resolution on possible war with Iraq served as a backdrop for the election. The series of sniper shootings in the Washing-

Table 1-6. *Themes of Campaign Messages in Sample Races, by Frequency, 2002*

	Candidates		*Political parties*		*Interest groups*	
Party	*Mail*	*TV*	*Mail*	*TV*	*Mail*	*TV*
Democrat						
Education	57	42	79	21	106	2
Health care	47	28	63	16	23	1
Social Security	38	41	80	34	41	3
Prescription drugs	37	30	81	27	20	0
Medicare	27	10	33	16	7	1
Environment	25	9	29	1	55	15
Senior citizens	17	15	32	17	6	1
Corporate fraud/Enron	16	32	52	30	12	11
Taxes	16	27	38	24	3	2
Economy/economics	11	20	29	9	8	1
Employment/jobs	16	13	47	11	20	6
Labor/unions	0	0	3	1	51	3
Abortion	6	5	22	4	43	3
Children	16	7	16	1	21	0
Campaign finance reform	3	0	0	2	0	5
International trade globalization	1	0	1	2	11	3
Women's health/rights	1	0	6	1	10	3
Republican						
Taxes	39	40	146	41	50	10
Education	33	39	74	16	4	3
Defense/military/ national security	22	15	65	20	4	0
Social Security	20	46	111	17	33	7
Employment/jobs	16	29	50	15	14	4
Prescription drugs	15	29	75	10	50	20
Environment	14	7	25	1	5	0
Senior citizens	14	28	64	13	38	12
Health care	9	26	50	10	18	12
Medicare	13	21	51	10	42	11
Government ethics/trust	3	10	3	20	0	0
Abortion	3	0	26	0	36	2
Gun control	9	3	24	0	36	0

Source: David B. Magleby, J. Quin Monson, and the Center for the Study of Elections and Democracy, 2002 Soft Money and Issue Advocacy Database (Brigham Young University, 2002).

ton, D.C., area for nearly three weeks in October heightened concern about domestic security.

SOCIAL SECURITY AND PRESCRIPTION DRUGS. The predictable agenda of issues for 2002 included prescription drug benefits for seniors and a proposal by Republicans to allow individuals more say over how their Social Security retirement funds are invested. Seniors' issues have typically advantaged Democrats, but Republicans in recent years have neutralized the impact of Social Security or prescription drug benefits for seniors.

During the 2000 election, President Bush and the Republicans made proposals regarding Social Security reform that included talk of partial privatization. But growth in the stock market, which seemed a constant in the 1990s, dropped sharply in 2001 and 2002, affecting many Americans. Democrats and their allied interest groups, including labor unions, attacked Republicans for advocating privatization. Republicans quickly responded by claiming that the privatization term was inaccurate and instead candidates should describe their proposal as "personal accounts."[92] Republicans also worked aggressively and successfully to get Democratic Party ads on this issue pulled. The success of the GOP and allied groups in redefining the Social Security issue was not lost on other interest groups. As Jack Polidori of the National Education Association (NEA) said, "The way they buried the president's recommendation on Social Security, I mean Houdini would have been proud."[93] In our panel study, where respondents in the national sample indicated the most important issue influencing their vote, only 4 percent of respondents said Social Security in the postelection wave, and prescription drugs were mentioned by only 2 percent of respondents.

House Republicans skillfully defused the prescription drug issue in June 2002 by passing legislation providing for limited benefits.[94] In many of our campaigns, Republicans like Nancy Johnson in Connecticut's Fifth District race claimed credit for enacting prescription drug benefits for seniors. Democrats countered that the legislation was only a limited benefit and that it was meaningless because the Senate had not acted. This then gave Republicans the chance to blame the Democratic-controlled Senate for inaction. Later the Senate passed a bill expediting the approval time for generic drugs, giving Senate Republicans a claim to action in this area, even though nothing was signed into law.[95]

An ally in this effort to neutralize the Democrats' claim on seniors' issues has been the pharmaceutical industry, which campaigned through groups like Citizens for Better Medicare (CBM) in 2000,[96] and the United Seniors Association in 2002.[97] In some House races United Seniors spent over $500,000.[98] Using a catchy name like United Seniors is an effective way to dodge negative fallout, because voters infer different agendas from "pharmaceutical and drug companies" than from the "United Seniors Association." In our panel survey, 58 percent of respondents across the nation had an unfavorable view of pharmaceutical or drug companies, while only 5 percent had a negative impression of the United Seniors Association.[99]

EDUCATION. Republicans worked to at least neutralize the longstanding Democratic advantage on issues like education, as well.[100] Enactment of the No Child Left Behind legislation in 2001 helped Republicans neutralize the Democrats' claim to the education issue.[101] This legislation tied increased funding, especially for early childhood education, to reaching predetermined targets as measured in standardized tests. Speaking more generally about the emphasis on Social Security, prescription benefits, and education, DNC political director Gail Stoltz said, "If you had closed your eyes you would have thought all the ads on the air were for Democratic issues."[102]

Plan for the Book

To help set the stage for our case studies and to emphasize our major findings, we begin by looking at party activity. In chapter 2, Nicole Carlisle Squires and I document party hard- and soft-money activity in the 2002 election cycle. The party committees in the aggregate fought to a draw in total soft money receipts. The RNC and House Republicans raised and spent more than their Democratic counterparts, while the reverse was true for the DSCC and NRSC. Republican committees raised much more hard money than Democratic committees, again with the exception of the DSCC. As we demonstrate, however, the story becomes more complicated and interesting when we examine party hard- and soft-money spending at the level of individual races.

In chapter 3 Jonathan Tanner and I examine interest-group behavior in 2002. Groups have a wide array of ways they can seek to influence the outcome of competitive congressional races, including PAC contributions, independent expenditures, internal communications, and issue advocacy. Although interest groups remained important in competitive races in 2002, they were not as visible as, nor did they keep pace with spending by, the parties. Some liberal groups spent significantly less overall in 2002 than in 2000. Several factors, including the recession, party soft money's last hurrah, and an economy that reduced the willingness or ability of large donors to spend heavily, may account for interest groups' failure to keep pace with the party soft-money spending.

Quin Monson examines the 2002 ground war in chapter 4. Democrats and their allies, especially the AFL-CIO, continued to make voter registration and mobilization a major emphasis. The GOP invested heavily in its 72 Hour Task Force and related voter mobilization efforts. Both sides placed a major emphasis on the ground war. The growth in 2002 is especially evident among the political parties. Which voters were targeted and how they were activated are important parts of the outside money story in 2002.

In chapters 5 through 11 we present several of our most important and interesting case studies from 2002. In chapter 5 William Flanigan and colleagues examine the hotly contested Minnesota Senate race between Democratic incumbent Paul Wellstone and Republican challenger Norm Coleman. Both parties and allied interest groups made this a high-priority race. The contest took a tragic turn when Wellstone died in an airplane accident and former Vice President Walter Mondale replaced Wellstone in the closing days of the campaign. Both sides of the Minnesota race drew on the Missouri experience in 2000, where Missouri Governor Mel Carnahan also died in an airplane accident. His widow, Jean, was appointed to the Senate after Mel Carnahan posthumously received more votes than his opponent, John Ashcroft.[103] Just as it did in 2000, the 2002 Missouri Senate race between Jean Carnahan and Republican Jim Talent involved substantial noncandidate activity. Martha Kropf, Terry Jones, Matt McLaughlin, and Dale Neuman, largely the same team who monitored Missouri in 2000, present the 2002 Missouri case study in chapter 6.[104] The South Dakota Senate race in 2002 was not only a battle between Democratic incumbent Tim Johnson and Republican Congressman John Thune, but it was a battle between South Dakota's other Democratic senator, then Majority Leader Tom Daschle, and President George W. Bush, who visited sparsely populated South Dakota five times to campaign for Thune. Jim Meader and John Bart examine this contest in chapter 7.

We then turn to competitive contests for the House of Representatives. The closest race in 2002, decided by just 121 votes, took place in a new Colorado district between Republican Bob Beauprez and Democrat Mike

Feeley, is analyzed by Daniel Smith in chapter 8. Our next two case studies pitted incumbents against each other because of reapportionment and redistricting. In chapter 9 Sandra Anglund and Sarah Morehouse examine the Connecticut Fifth Congressional District race between Nancy Johnson (R) and Jim Maloney (D). We have examined this district for three consecutive election cycles, with party and outside groups consistently involved in the race.[105] Connecticut's state ban on soft money makes this race doubly interesting because parties had to adapt their strategies. In chapter 10 Stephen K. Medvic and Matthew M. Schousen examine another incumbent matchup between George Gekas (R) and Tim Holden (D). This is a case where party money clearly dominated the campaigns. In chapter 11 Kelly D. Patterson examines a contest between Jim Matheson (D) and John Swallow (R), which involved a Democratic incumbent running in a redrawn district with a larger Republican majority. This district, like Connecticut's Fifth, was the focus of intense issue advocacy for three cycles. After intense opposition from both the NRA and U.S. Chamber of Commerce in his 2000 contest, Matheson successfully defused issue-advocacy opposition from both groups in 2002. An example of the policy implications of issue advocacy, Utah's Second Congressional District was also one of the few contests in 2002 where a party committee mistakenly failed to invest enough soft money and perhaps missed an opportunity to gain an additional seat.

Finally Quin Monson and I examine the implications of our findings for congressional elections and the institution of Congress. Our 2002 study includes substantial measurement of how voters perceive campaigns with extensive party and interest-group campaigning. We summarize these data in chapter 12. Enactment of BCRA made the dynamic world of congressional campaign finance even more uncertain. We explore the implications of BCRA on future elections in this concluding chapter.

Notes

1. See David B. Magleby and Candice J. Nelson, *The Money Chase: Congressional Campaign Finance Reform* (Brookings, 1990); and Gary C. Jacobson, *Money in Congressional Elections* (Yale University Press, 1980). See also Frank J. Sorauf, *Inside Campaign Finance: Myths and Realities* (Yale University Press, 1992).

2. Dick Morris, *Behind the Oval Office: Getting Reelected against All Odds* (Los Angeles: Renaissance Books, 1999), pp. 141, 624.

3. David B. Magleby, ed., *The Other Campaign: Soft Money and Issue Advocacy in the 2000 Congressional Elections* (Lanham, Md.: Rowman and Littlefield, 2003), p. 3. See also Paul S. Herrnson and Kelly D. Patterson, "Financing the 2000 Congressional Elections," in David B. Magleby, ed., *Financing the 2000 Election* (Brookings, 2002), p. 112.

4. *Buckley* v. *Valeo*, 424 U.S. 1, 44 n. 52 (1976).

5. See *In the Matter of AFL-CIO Project '95* (complaint filed with the Federal Election Commission, February 13, 1996). The FEC did not pursue this complaint.

6. Deborah Beck and others, "Issue Advocacy Advertising during the 1996 Campaign: A Catalog," Report 16, Annenberg Public Policy Center, September 1997, p. 10. See also Paul Herrnson, *Congressional Elections: Campaigning at Home and in Washington* (Congressional Quarterly, 1998), p. 123.

7. "Labor Targets," *Congressional Quarterly Weekly Report* 26, October 1996, p. 3084; Jeanne I. Dugan, "Washington Ain't Seen Nothing Yet," *Business Week Report*, May 13, 1996, p. 3

8. Paul Herrnson, "Parties and Interest Groups in Postreform Congressional Elections," in Allan Cigler and Burdette A. Loomis, eds. *Interest Group Politics* (Congressional Quarterly, 1998), pp. 160–61.

9. Center for Public Integrity, "The 'Black Hole' Groups," *The Public-I*, February 9, 2001 (www.publicintegrity.org/adwatch_02_033000.htm [July 15, 2002]).

10. David B. Magleby, ed., *Outside Money: Soft Money and Issue Advocacy in the 1998 Congressional Elections* (Lanham, Md.: Rowman and Littlefield, 2000); Magleby, *The Other Campaign*; and David B. Magleby, ed., *Getting Inside the Outside Campaign: Issue Advocacy in the 2000 Presidential Primaries* (Center for the Study of Elections and Democracy, Brigham Young University, 2000).

11. For a discussion of how the sample of competitive and control races was drawn, see appendix A of this book.

12. We are grateful for the help of the League of Women Voters and Common Cause, whose local membership helped with this data collection effort.

13. We acquired the CMAG data through the Wisconsin Advertising Project at the University of Wisconsin–Madison, and acknowledge the assistance of Ken Goldstein, Joel Rivlin, Travis Ridout, and Timothy Wells. For a discussion of our methodology in using the CMAG data, see appendix A.

14. See appendix A for descriptions of the methodology of these surveys.

15. For briefs, expert reports, and other materials relating to *McConnell* v. *FEC,* see the Campaign Legal Center website (www.campaignlegalcenter.org).

16. See the Campaign Legal Center website for information on the FEC's rule-making on BCRA (www.campaignlegalcenter.org).

17. Examples of efforts at circumvention are abundant in the ongoing process by the FEC to implement BCRA. See Editorial, "Overhauling the FEC," *Washington Post,* July 11, 2003, p. A20.

18. See chapter 7 of this volume.

19. J. Quin Monson and David B. Magleby, 2002 Campaign Communication Study [dataset] (Center for the Study of Elections and Democracy, Brigham Young University, 2002). See chapter 12 for more discussion of these data. This number is in line with findings from our earlier studies. In 2000, for example, voters received over twelve pieces of mail a day in the Washington Second Congressional District race. See Todd Donovan and Charles Morrow, "The 2000 Washington Second Congressional District Race," in Magleby, *The Other Campaign,* pp. 220.

20. Groups that have done independent polling in past election cycles include the NEA, AFL-CIO, Trial Lawyers, NAACP, NRA, Chamber of Commerce, and all four congressional campaign committees. See David B. Magleby, "The Impact of Issue Advocacy and Party Soft Money Electioneering," in Kenneth Goldstein, ed., *The Message and the Medium* (Prentice Hall, forthcoming).

21. Paul S. Herrnson, "Hired Guns and House Races: Campaign Professionals in House Elections," in James A. Thurber and Candice J. Nelson, eds., *Campaign Warriors: Political Consultants in Elections* (Brookings, 2000), pp. 65–90.

22. Magleby, *The Other Campaign*, p. 49.

23. Remarks by Kathleen Hall Jamieson, CQ Post Elections Conference, Washington, D.C., November 2, 1998.

24. Mark Mellman, phone interview by Marianne Holt, March 23, 1999.

25. Mike Lux, president, Progressive Strategies, telephone interview by David Magleby and Quin Monson, January 9, 2003.

26. John Roos and Christopher Rodriguez, "The Indiana 2nd Congressional District Race," in David B. Magleby and J. Quin Monson, eds., *The Last Hurrah: Soft Money and Issue Advocacy in the 2002 Congressional Elections,* monograph version (Center for the Study of Elections and Democracy, Brigham Young University, 2003), pp. 223–35.

27. Penny M. Miller and Donald A. Gross, "The 2000 Kentucky Sixth Congressional District Race," in Magleby, *The Other Campaign*, p. 177; and Adam J. Berinsky and Susan S. Lederman, "The 2000 New Jersey Twelfth Congressional District Race," in David B. Magleby, ed., *Election Advocacy: Soft Money and Issue Advocacy in the 2000 Congressional Elections* (Center for the Study of Elections and Democracy, Brigham Young University, 2001), pp. 217–18.

28. Myra MacPherson, "The New Right Brigade: John Terry Dolan's NCPAC Targets Liberals and the Federal Election Commission," *Washington Post,* August 10, 1980, p. F1; see also Magleby, *Outside Money*, p. 45.

29. For further details, see chapter 12 of this volume; and David B. Magleby and J. Quin Monson, "Campaign 2002: 'The Perfect Storm' " (Center for the Study of Elections and Democracy, Brigham Young University, November 13, 2003).

30. This shift first occurred in 1998 by the labor unions. See David B. Magleby and Marianne Holt, eds., *Outside Money: Soft Money and Issue Ads in*

Competitive 1998 Congressional Elections (Center for the Study of Elections and Democracy, Brigham Young University, 2001); and Magleby, *Outside Money*.

31. Diana Dwyre and Robin Kolodny, “Throwing Out the Rule Book: Party Financing of the 2000 Elections,” in Magleby, *Financing the 2000 Election*, pp. 153–55.

32. Karen L. Henderson, Memorandum Opinion in *McConnell* v. *FEC*, Civ. No. 02-581, p. 119.

33 Drew A. Linzer, David Menefee-Libey, and Matt Muller, “The 2002 California Twenty-Ninth Congressional District Race,” in Magleby and Monson, *The Last Hurrah*, monograph version, p. 321.

34. Christopher J. Carman, “The 2002 Pennsylvania Fourth Congressional District,” in Magleby and Monson, *The Last Hurrah*, monograph version, p. 355.

35. Ibid.

36. To test for statistical significance, we conducted F tests for each difference between battleground and control races. In all cases these were significant ($p < .05$).

37. See Magleby and Nelson, *The Money Chase*; and Magleby, *Financing the 2000 Election*. See also Frank J. Sorauf, *Money in American Elections* (Glenview, Ill.: Scott, Foresman, 1988); and Paul Herrnson, *Congressional Elections: Campaigning at Home and in Washington,* 3d ed. (Congressional Quarterly, 2000).

38. There is a debate in the literature on the impact of war chests. For a summary of the view that war chests matter, see Janet M. Box-Steffensmeier, “A Dynamic Analysis of the Role of War Chests in Campaign Strategy,” *American Journal of Political Science,* vol. 40 (1996), pp. 352–71. For a more recent article critical of the war chests theory, see Jay Goodliffe, “The Effect of War Chests on Challenger Entry in U.S. House Elections,” *American Journal of Political Science, v*ol. 45 (2001), pp. 830–44.

39. The actual individual contribution limit to candidates is $1,000 per election. Primaries, general, runoff, and special elections each count as one election. The limit for PACs is $5,000 per election.

40. Allan J. Cigler, “Interest Groups and Financing the 2000 Elections,” in Magleby, *Financing the 2000 Election*, p. 171.

41. Federal Election Commission, “Party Committees Raise More than $1 Billion in 2001–2002,” press release, March 20, 2003 (www.fec.gov/press/20030320party/20030103party.html [April 29, 2003]).

42. Ibid.

43. Under FECA, individuals could give unlimited amounts of nonfederal or soft money.

44. Federal Election Commission, “Party Committees Raise More than $1 Billion.” Adjusted by CPI (ftp://ftp.bls.gov/pub/special.requests/cpi/cpiai.txt [January 15, 2003]).

45. This exception to the soft money ban is called the Levin Amendment.

46. See Anthony Corrado, Thomas E. Mann, and Trevor Potter, eds., *Inside the Campaign Finance Battle: Court Testimony on the New Reforms* (Brookings, 2003); Michael J. Malbin, ed., *Life after Reform: When the Bipartisan Campaign Reform Act Meets Politics* (Lanham, Md.: Rowman and Littlefield, forthcoming); prepublication draft available at www.cfinst.org/studies/bcra-book/index.html.

47. Henderson opinion in *McConnell* v. *FEC*, p. 82.

48. Magleby, *The Other Campaign*; David B. Magleby, *Dictum without Data: The Myth of Issue Advocacy and Party Building* (Center for the Study of Elections and Democracy, Brigham Young University, 2000).

49. Henderson opinion in *McConnell* v. *FEC,* p. 85.

50 For a discussion of legal regulations for groups like this, see Elizabeth Garrett and Daniel A. Smith, "Veiled Political Actors: The Real Threat to Campaign Disclosure Statutes," working paper (USC-Caltech Center for the Study of Law and Politics, 2003) (http://lawweb.usc.edu/cslp/pages/papers.html [July 21, 2003]).

51. Federal election law has long prohibited unions and corporations from using treasury funds for electioneering purposes (express advocacy).

52. Henderson opinion in *McConnell* v. *FEC*, p. 111.

53. Jonathan S. Krasno and Daniel E. Seltz, *Buying Time: Television Advertising in the 1998 Congressional Elections* (New York: Brennan Center for Justice, 2000), p. 22; see also Craig B. Holman and Luke P. McLaughlin, *Buying Time 2000: Television Advertising in the 2000 Federal Elections* (New York: Brennan Center for Justice, 2001), p. 56.

54. *Colorado Republican Federal Campaign Committee* v. *Federal Election Commission*, 116 S.Ct. 2309 (1996).

55. Cigler, "Interest Groups and Financing the 2000 Elections," p. 175.

56. See chapter 8 of this volume.

57. AEI Election Watch, "2002 Evaluation of President Bush," November 7, 2002, (www.aeipoliticalcorner.org/KB%20Articles/EW_Handout_November.pdf [May 16, 2003]).

58. For a collection of these models that were assembled just before the 2002 election, see "Elections, Public Opinion, and Voting Behavior Archives," American Political Science Association, January 4, 2003 (www.apsanet.net/~elections/archives.html [January 21, 2003]).

59. Renzi and Cordova were each tied with 37 percent of the vote in a poll conducted just after the primary election. But in a poll taken October 17–20, Rienzi's lead had grown to 48 to 36 percent. See "Arizona CD 1 Election: Cordova and Renzi Tied in Support," press release, Northern Arizona University Social Research Laboratory, September 17, 2002 (www.nau.edu/srl/09-17-02.pdf [April 29, 2003]); and "Renzi Surges ahead of Cordova," press release, Northern Arizona University Social Research Laboratory, October 21, 2002 (www.nau.edu/srl/10-21-02.pdf [April 29, 2003]).

60. Judy Keen, "Bush Isn't on the Ballot, but His Influence Is," *USA Today,* April 28, 2002, p. 7A.

61. Eric M. Appleman, "President Bush on the Money Trail," Democracy in Action, January 16, 2003 (www.gwu.edu/~action/2004/money/bushmoney.html [January 21, 2003]).

62. Patricia Lopez, "Coleman Edges Mondale; Pawlenty Rides GOP Wave," *Minneapolis Star Tribune,* November 6, 2002, p. 1A.

63. Mike McElwain, political director, NRCC, interview by David Magleby and Jonathan Tanner, Washington, D.C., December 2, 2002; and Karen Ackerman, political director, Mike Podhorzier, political department assistant director, David Boundy, political department assistant director, James Chiong, analyst, and Ellen Moran, campaign operation analyst, AFL-CIO, interview by David Magleby and Jonathan Tanner, Washington, D.C., December 2, 2002.

64. The Lear Center Local News Archive, "Local TV Coverage of the 2002 General Election," The Norman Lear Center at the University of Southern California Annenberg School and the Wisconsin News Lab at the University of Wisconsin, Madison (www.localnewsarchive.org/pdf/LocalTV2002.pdf [July 29, 2003]), p. 15.

65. Judy Keen, "GOP Strategy Charted in Early '01," *USA Today,* November 8, 2002, p. 5A.

66. Kenneth B. Mehlman, deputy assistant to the president and director of political affairs, interview with David Magleby and Jonathan Tanner, Washington, D.C., November 15, 2002.

67. See chapter 8 of this volume.

68. Baucus instead faced Republican candidate Mike Taylor, who withdrew from the race after the state Democratic Party ran an attack ad funded by the DSCC but then reconsidered and returned to the race twelve days later. Craig Wilson, "The Montana Senate and At-Large Congressional District Races," in Magleby and Monson, *The Last Hurrah*, monograph version, pp. 342–43; see also David B. Magleby and J. Quin Monson, "The Noncandidate Campaign: Soft Money and Issue Advocacy in the 2002 Congressional Elections," *PS: Political Science and Politics* online e-symposium, July 2003 (www.apsanet.org/PS/July03/toc.cfm [July 30, 2003]).

69. Toricelli, under an ethical cloud and having been "severely admonished" by the Senate, dropped out of the race. See Jim VandeHei and Helen Dewar, "Senate Ethics Panel Rebukes Torricelli: Reprimand over Gifts Could Have Political Consequences for N.J. Democrat," *Washington Post,* July 31, 2002, p. A1.

70. For a discussion of this same phenomenon in the 2000 election, see Martha E. Kropf and others, "The 2000 Missouri Senate Race," in Magleby, *Election Advocacy,* pp. 75–91.

71. Edward Walsh, "Election Turnout Rose Slightly to 39.3%; GOP Mobilization Credited; Participation Was Down in Some Democratic Areas," *Washington Post,* November 8, 2002, p. A10.

72. Ibid.

73. See Curtis Gans, "Turnout Mostly Higher, Democrats in Deep Doo Doo, Many Questions Emerge," press release, Center for the Study of the American Electorate, November 8, 2002 (www.fairvote.org/turnout/csae2002.htm [May 16, 2003]).

74. For a discussion of how campaign spending increases information and turnout, see Bradley Smith, *Unfree Speech: The Folly of Campaign Finance Reform* (Princeton University Press, 2001). Others, like Curtis Gans of the Center for the Study of the American Electorate, dispute this claim. Curtis Gans, interview by David Magleby and Jonathan Tanner, Washington, D.C., May 7, 2003.

75. Herrnson, *Congressional Elections,* 3d ed., p. 26.

76. Sheila O'Connell, political director, EMILY's List, interview by Quin Monson and Jonathan Tanner, Washington, D.C., December 11, 2002.

77. Stephen Moore and David Keating, "Election Results Review," memorandum to Club for Growth Members, November 15, 2002 (www.clubforgrowth.org/members-only/021115.php [January 21, 2003]).

78. Stephen Moore, president, Club for Growth, interview by David Magleby and Jonathan Tanner, Washington, D.C., December 2, 2002.

79. Amy Schatz, "Men Cry Foul over EMILY; Despite Critics, Group Expects Big Win Nov. 5," *Atlanta Journal-Constitution,* September 15, 2002, p. 4C.

80. Richard L. Berke, "G.O.P. Gives Help to House Hopefuls," *New York Times,* March 3, 2002, p. A26.

81. David B. Magleby, Election Advocacy Database 2000 [dataset] (Center for the Study of Elections and Democracy, Brigham Young University, 2000); Monson and Magleby, 2002 Campaign Communication Study [dataset].

82. Linda Lipsen, senior director of public affairs, Association of Trial Lawyers of America, telephone interview by David Magleby and Quin Monson, December 19, 2002.

83. Mike Matthews, political director, DCCC, interview by David Magleby and Nicole Carlisle Squires, Washington, D.C., November 12, 2002.

84. Lipsen interview, December 19, 2002.

85. Jim VandeHei and Dan Balz, "In GOP Win, a Lesson in Money, Muscle, Planning," *Washington Post,* November 10, 2002, p. A1.

86. On the issue agenda in congressional elections more generally, see Owen Abbe and others, "Agenda Setting in Congressional Elections: The Impact of Issues and Campaigns on Voting Behavior," *Political Research Quarterly* (forthcoming). See also John Petrocik, "Issue Ownership in Presidential Elections, with a 1980 Case Study," *American Journal of Political Science,* vol. 40 (August

1996), pp. 825–50; Jon K. Daloger, "Voters, Issues, and Elections: Are the Candidates' Messages Getting Through?" *Journal of Politics,* vol. 58 (May 1996): pp. 486–515; and Constantine J. Spiliotes and Lynn Vavreck, "Campaign Advertising: Partisan Convergence or Divergence," *Journal of Politics,* vol. 64 (Winter 2002), pp. 249–61.

87. Speaker-elect Gingrich said, "We underestimated the degree to which people would get sick of the scandal through repetition. . . . We did what we thought would be effective, but our expectations did not fit with what happened on Election Day." See Marc Birtel, "Democrats' Victories Buck History of Midterm Elections," *Congressional Quarterly* 5 (November 1998), p. 7.

88. Gary C. Jacobson, *The Politics of Congressional Elections,* 5th ed. (Addison-Wesley Longman, 2001), p. 142.

89. Monson and Magleby, 2002 Campaign Communication Study [dataset]. A brief description of the panel survey methodology is included in appendix A.

90. These data are drawn from the Gallup/CNN/*USA Today* poll, as provided by the AEI Election Watch. The Gallup percentages are quite consistent with surveys done by ABC News in the same years. "AEI Election Watch," press release, November 7, 2002.

91. David E. Rosenbaum, "But It's Not the Economy, So Far," *New York Times,* October 11, 2002, p. A17.

92. Andy Grossman, political director, DSCC, interview by David Magleby, Quin Monson, and Jonathan Tanner, Washington, D.C., November 8, 2002.

93. Steve Schmidt and Carl Forti, "Words Matter in the Social Security Debate," NRCC Communications Office memorandum to GOP incumbents and candidates, August 26, 2002.

94. Jack Polidori, political affairs specialist, NEA, interview by David Magleby and Jonathan Tanner, Washington, D.C., November 15, 2002.

95. Robert Pear, "House Votes to Place Prescription Drugs under Coverage by Medicare," *New York Times,* June 28, 2002, p. A16.

96. See Robert Pear, "Democrats Start Petition to Force Vote on Drug Bill," *New York Times*, September 19, 2002, p. A30.

97. See discussion of Citizens for Better Medicare as well as the California Twenty-Seventh District case study in Magleby, *The Other Campaign,* p. 158; and Magleby, *Election Advocacy,* p. 139.

98. Robin Toner, "The 2002 Campaign: The Drug Industry: Democrats See a Stealthy Drive by Drug Industry to Help Republicans," *New York Times,* October 19, 2002, p. A20.

99. See chapter 9 of this volume.

100. Magleby and Monson, "Campaign 2002: 'The Perfect Storm.' "

101. Thomas B. Edsall, "The Sum of Its Parts No Longer Works for the Democratic Party," *Washington Post*, November 24, 2002, p. B4.

102. Mike Allen, "Bush Steps into the Classroom to Tout New Education Law," *Washington Post*, May 7, 2002, p. A4.

103. Gail Stoltz, political director, DNC, interview by David Magleby and Jonathan Tanner, Washington, D.C., November 13, 2002.

104. Kropf and others, "The 2000 Missouri Senate Race."

105. Sandra M. Anglund and Clyde McKee, "The 1998 Connecticut Fifth Congressional District Race," in Magleby, *Outside Money*; and Sandra M. Anglund and Joanne M. Miller, "Interest Group and Party Election Activity: A Report on the 2000 Connecticut Fifth Congressional District Race," in David B. Magleby, ed., "Outside Money," *PS: Political Science and Politics,* online e-symposium, June 2001 (www.apsanet.org/PS/june01/anglund.cfm [May 15, 2003]).