Financing Local Elections: The Impact of Institutions on Electoral Outcomes and Democratic Representation

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The financing of political campaigns has been extensively studied on both the national and state levels. With the advent of campaign contribution and expenditure databases, scholars have a wealth of data to use in examining the importance of money for electoral success, the influence of campaign contributions on legislative roll call voting, and the effects of campaign finance reforms. Much less research has been conducted on the local level, largely because of a lack of available data. Research on local campaign finance is necessary, however, because local governments are not just smaller versions of their state and federal counterparts, but rather have unique political and cultural institutions that create idiosyncratic electoral dynamics. Furthermore, variation across local jurisdictions generates opportunities to study campaign finance in different contexts, allowing for a deeper understanding of how contextual variables influence the role of money. In this article, I outline an agenda for local campaign finance research that addresses central questions in the campaign finance and urban politics literatures.

One promising line of local campaign finance research is the exploration of the effects of electoral rules on the importance of campaign spending. Variation in how elections are organized can influence the amount of money candidates need to run competitive campaigns. For example, some city council members are elected at-large, while others are chosen from districts. How much more expensive than district campaigns are at-large campaigns? One hypothesis is that at-large elections would exponentially increase campaign costs, but one of the few studies on this topic found that they are only marginally more expensive in absolute terms and significantly less expensive on a per-voter basis than district elections (Adams 2010). This research suggests that the power and prestige of the office and not the number of voters drive campaign costs, but further analysis is needed to explore these relationships. Another factor that may influence campaign costs is the role that political parties play in local elections. Unlike national and state elections, significant variation in the level of party involvement exists on the local level, both formally (nonpartisan versus partisan ballots) and informally (whether parties actively recruit, finance, and campaign for candidates). We do not know whether less active parties alter fundraising dynamics. Perhaps the absence of extensive and active partisan networks makes it more difficult for candidates to raise funds, leading to less expensive campaigns. On the other hand, a candidate-centered campaign system may prompt wealthier individuals to run for office, which in turn pushes up campaign costs. These are just two examples of how the institutional variation present at the local level provides a unique venue for examining how electoral structures affect campaign finance patterns.

The local level also presents opportunities for studying the impact of campaign finance reforms. We have learned a great deal about the effects of reform through federal- and state-level research, but these studies are limited by the relatively small number of states that have implemented comprehensive reforms. Examining localities can further advance our knowledge, because the number of cases and the extent of variation is greater, ranging from full public financing ("clean money" regimes) to a virtual absence of regulations. Local governments are truly "laboratories" of policy experimentation when it comes to campaign finance. This variation allows scholars to examine the effects of campaign finance reforms in different institutional and political contexts. For example, does public financing work better when elections are formally nonpartisan or when parties play no active role in campaigning for candidates? Does public funding have a greater impact on prompting more candidates to run when jurisdiction size is smaller? Contribution limits have been found to have a minimal effect on aggregate fundraising on the state and federal levels—does this finding also hold true on a local level, where the limits are lower and the average contribution sizes smaller?

Studies of local fundraising and expenditure patterns can also illuminate aspects of coalition building and power dynamics, two central concerns of the urban politics literature for the past 50 years. Campaign contributions play an important role in forming and maintaining governing coalitions, and regime theorists have identified them as a selective incentive that forms bonds between regime partners and facilitates cooperation (Stone 1993, 9). We know little, however, about the specifics of this process. Do most campaign funds come from regime partners? How dominant is the business elite in campaign finance? Do different types of regimes lead to distinctive fundraising coalitions? Do fundraising demands prompt elected officials to expand the size of their governing coalition? Research to date has revealed some surprising findings. For example, despite a bias toward business, the donor pool is more pluralistic than regime theorists initially predicted (Fleischmann and Stein 1998; Krebs 2005; Adams 2010). These studies have just scratched the surface of the issue—understanding

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the composition of the donor pool is an important first step, but it needs to be followed by studies probing the role that campaign contributions play in forming and maintaining governing coalitions.

A central concern of campaign finance scholars is to assess the relative weight of campaign funds and voter preferences in determining electoral success. Critics of the current system argue that candidates can "buy" an election by raising extensive funds from wealthy donors, essentially bypassing the will of the voters. Defenders of the status quo argue that the ability to raise funds is an indication of community support, and that, ultimately, voters choose their representatives. Scholars have adopted different approaches to analyzing this issue, focusing on questions such as whether the best financed candidates usually win, whether candidates need a minimum amount of money to be competitive, or whether campaign spending changes voter opinions. An additional approach is to examine jurisdictions that are small enough to not require candidates to spend money to communicate with voters.

One problem of past research is that it has focused on congressional and gubernatorial races in which paid advertising (e.g., direct mail, television commercials, newspaper advertisements) is essential for disseminating a candidate's message, because the number of voters is too great to contact enough of them in face-to-face meetings. In such an environment, having money to pay for advertising is indispensable, and thus, it is no surprise that campaign financing is a critical influence on electoral success, even though the best-financed candidate does not always win. But is money also an important determinant of electoral success when there are a small number of voters? Some research suggests that even in local races, money plays an important role (Strachan 2003; Adams 2010), although further research is needed to fully explore the extent to which raising funds is necessary for electoral success.

Whether money influences electoral success on the local level has important implications for our assessment of how well the American political system reflects voters' choices. Even if national elections are dominated by "moneyed interests," the presence of open and accessible local elections could render the influence of money on the national level less problematic. Running for president, senator, or governor will always be an expensive endeavor, but candidates for these higher offices frequently start their political careers locally. If money is less influential in local races, then the pool of potential candidates for higher office will be populated by individuals who have achieved that status through their appeal to voters. Even if the capacity to raise funds influences who is able to win a governorship or a seat in Congress, at least some candidates will be recruited from local offices in which they had to prove their mettle by knocking on doors and interacting with voters directly. In other words, a robust and healthy local electoral system can mitigate some of the flaws of state and federal elections. From what we know about local elections, they do not match this description. Yet, we only have the broadest outlines of how they work; a more detailed and nuanced analysis is needed to provide a better understanding of whether local elections suffer from the same campaign finance problems that plague state and federal elections.

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The research agenda described above requires a large-N dataset that allows researchers to deal with the extensive structural and political variation across localities. Previous studies have been hampered by too few cases and an inability to isolate the effects of specific variables. The creation of a dataset with a large number of cities would open up vast possibilities for answering new research questions, adding to both the urban politics and the campaign finance literatures. Furthermore, addressing the issues described previously will enhance our understanding of the health of American democracy, as local governments are an important institution for maintaining and promoting democratic values. ■

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