

# McCutcheon Money

## The Projected Impact of Striking Aggregate Contribution Limits

**T**his term, the Supreme Court is considering a challenge to aggregate contribution limits in a case called *McCutcheon v. FEC*. The current limit on what one person may contribute to all federal candidates, parties and PACs is \$123,200.<sup>1</sup> Absent this limit, one wealthy donor would be permitted to contribute more than \$3.5 million to a single party's candidates and party committees (plus a virtually unlimited amount to supportive PACs).<sup>2</sup>

Under current case law, the Supreme Court should uphold aggregate contribution limits as a decades-old protection against corruption, the appearance of corruption, and circumvention of base contribution limits.<sup>3</sup>

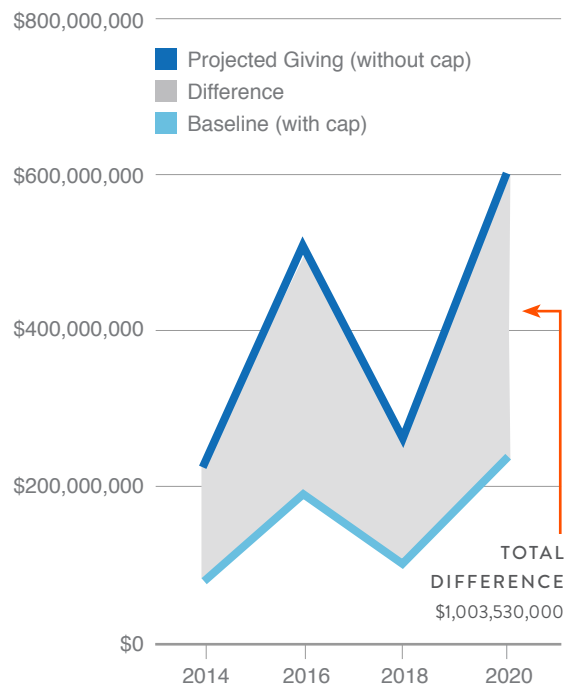
But the Roberts Court has been willing to toss precedent aside to gut campaign finance laws in the past. So it's worth asking, what would be the practical effect if the Court strikes a federal contribution limit for the first time?

### “McCutcheon Money”

We project that striking aggregate contribution limits would bring more than \$1 billion in additional campaign contributions from elite donors through the 2020 election

cycle. Elite donors are defined here as those who gave (or are projected to give) at, over, or within 10% of the aggregate contribution limit.

**Figure 1.** Projected “McCutcheon Money”: Giving by Elite Donors



Source: Demos, U.S. PIRG

This figure does not represent a sea change when compared with existing spending levels, but it would significantly strengthen the power of a tiny number of elite donors

compared with small contributors. And striking aggregate limits would increase elite donors' influence over elected officials by making officeholders increasingly dependent upon this small slice of the population for campaign funds.

### More Power for Elite Donors

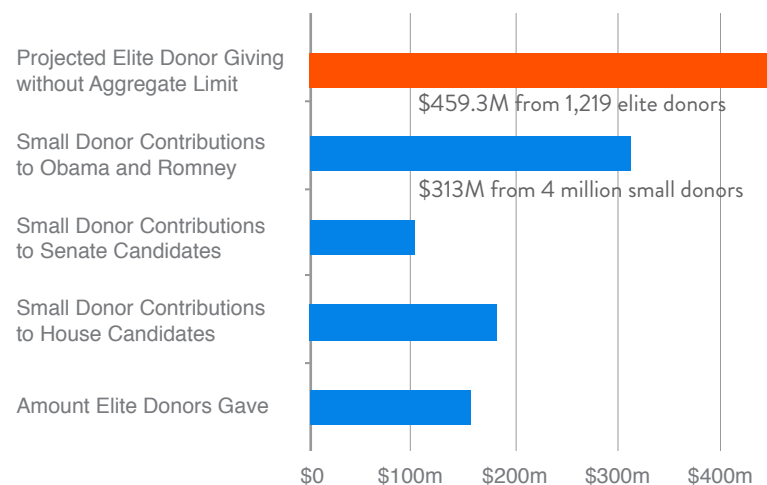
In 2012, just 1,219 elite donors contributed \$155.2 million to candidates, parties, and PACs. Without an aggregate contribution limit, we estimate that these donors would

have contributed \$459.3 million in the 2012 cycle. As a point of reference, this projected sum is 47% more than all of the funds that President Obama and Governor Romney raised combined from at least 4,040,442 small donors.

The undue and increasing power of large donors fuels the public's mistrust of government and the widespread appearance of corruption that aggregate contribution limits are intended to combat.

Government in the U.S. is strongly respon-

**Figure 2. Elite Donor Power in 2012 Without Aggregate Limits**



Without aggregate contribution limits, we estimate that in 2012 just **1,219 elite donors** would have given nearly **50% MORE** money to parties, candidates, and PACs (**\$459.3M**) than President Obama and Governor Romney raised combined from more than **4 MILLION SMALL DONORS** (**\$313.0M**).

sive to the public policy preferences of those who can afford to make large campaign contributions, and almost completely unresponsive to the priorities of the general public.<sup>4</sup> Americans recognize this,<sup>5</sup> and believe it is due to the influence of large campaign contributions.<sup>6</sup> This has fed the widespread belief that our government is corrupt and contributed to the lowest levels of confidence in Congress on record.<sup>7</sup>

To view Demos' and U.S. PIRG's amicus brief to the Supreme Court showing how government's responsiveness to large donors fuels the appearance of corruption, visit [http://www.demos.org/sites/default/files/publications/mccutcheon\\_sc\\_demos\\_cwa\\_amici\\_brief.pdf](http://www.demos.org/sites/default/files/publications/mccutcheon_sc_demos_cwa_amici_brief.pdf).

Source: Demos, U.S. PIRG

## Brief Methodology

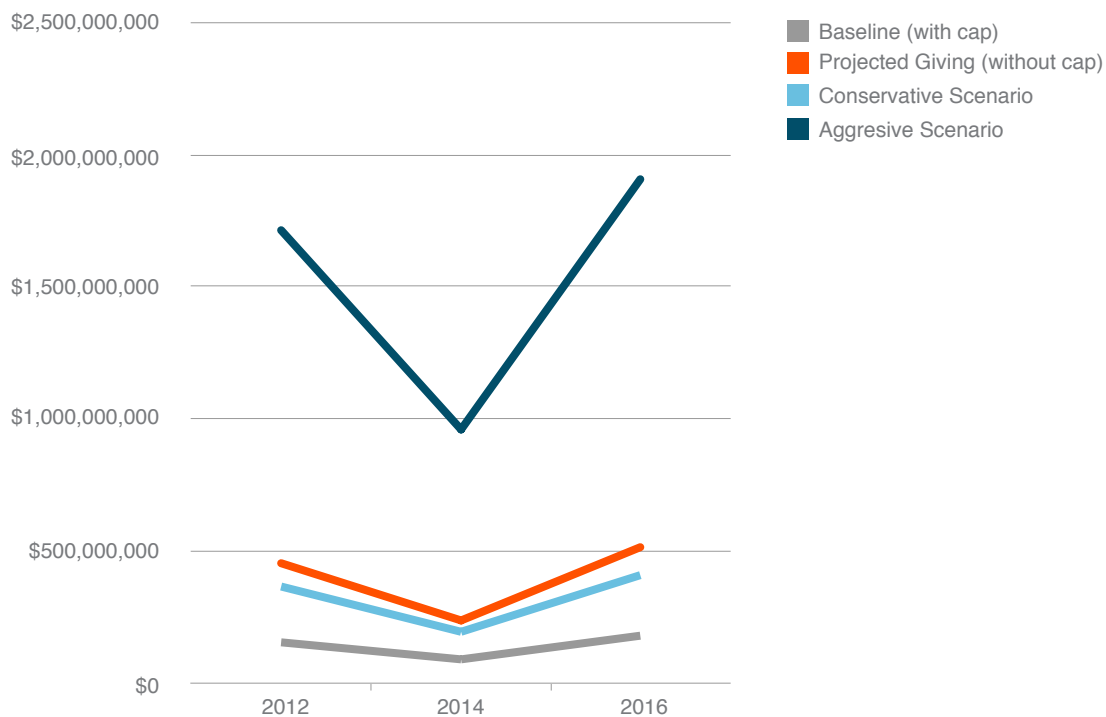
Our projections are an attempt to estimate the effect of eliminating aggregate contribution limits on the behavior of a set of 1,219 elite donors who are already over, at, or near these limits. Our actual estimates are grounded in projections about how many of these donors have both the ability and the motivation to significantly increase their giving and how many would likely do so more moderately. In practice, this projection falls in between two simpler scenarios—one more aggressive and one more conservative.

If parties aggressively solicit large checks we may see donors maxing out both to party

committees and all competitive House and Senate races (aggressive scenario). The more conservative scenario has donors maxing out only to the candidates and parties they already supported in 2012, projecting no expansion in the number of entities they will support. Given the sharp rate of growth in campaign spending in recent cycles, however, there is every reason to expect that savvy officeholders, party officials, and donors will pursue every available fundraising avenue.

For a detailed explanation of the methodology used for these projections, visit <http://www.demos.org/publication/mccutcheon-methodology>.

**Figure 3.** Aggressive, Conservative, and Projected Scenarios



Source: Demos, U.S. PIRG

## Endnotes

1. <http://www.fec.gov/pages/brochures/contrib.shtml#Chart> This does not include Super PACs.
2. A donor could contribute this amount by giving the base limit to all of a party's candidates for House and Senate, each of the party's three national committees, and each of the party's 50 state committees.
3. See e.g. Campaign Legal Center, *Citizens United II? Background Memo on McCutcheon v. FEC*, available at [http://www.campaignlegalcenter.org/images/McCutcheon\\_v\\_FEC\\_Background\\_Memo\\_-\\_Website\\_FINAL\\_\\_9-26-13.pdf](http://www.campaignlegalcenter.org/images/McCutcheon_v_FEC_Background_Memo_-_Website_FINAL__9-26-13.pdf)
4. See generally, MARTIN GILENS, *AFFLUENCE & INFLUENCE: ECONOMIC INEQUALITY AND POLITICAL POWER IN AMERICAN* (2012).
5. Memorandum from Celinda Lake et al., Lake Research Partners & Brian Nienaber & Ashlee Rich, Tarrance Group, *National Polling on Support for a Proposal to Tackle Big Money in Congressional Elections 2* (Feb. 1, 2009)
6. Common Cause, *Fair Elections Poll, Money in Politics* (Feb. 2009).
7. Elizabeth Mendes & Joy Wilke, Gallup, *Americans' Confidence in Congress Falls to Lowest on Record*, Gallup Poll (June 13, 2013)

### **[www.demos.org](http://www.demos.org)**

220 Fifth Avenue, 2nd Fl.  
New York, New York 10001  
P: 212.633.1405

### **media contact**

Elektra Gray  
[egray@demos.org](mailto:egray@demos.org)  
P: 212.485.6014