

# **The Outsized Influence of Big Money in Seattle Elections**

## ***How Honest Elections Seattle Can Empower Regular Voters***

**By**

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## Executive Summary

The role of money in elections is typically discussed in the context of high profile races such as those for President, Congress, or Governor, but big money from a tiny sliver of wealthy donors has an outsized role even in cities like Seattle. The influence of money in smaller races like City Council is often underestimated.

This report looks at political giving in Seattle's first district elections – the August 4, 2015 primary. We found that:

- A very small percentage of elite donors, those giving contributions of \$500 or more, provides the majority of funding in city races,
- Big donors outside Seattle are a major source of funding for city races, and
- Small donors, giving contributions of \$100 or less, an amount that an average Seattleite can afford, provide a small share of the money raised in city campaigns.

More than half of the \$2.5 million raised by candidates came from 1,589 contributors whose individual contributions were worth \$500 or more. Candidates raised roughly one-fifth of all funds from 596 non-resident donors giving \$500 or more. Of all contributions given up to August 4, 2015, 32 percent were from donors who live outside of Seattle; 14 percent were from out-of-state donors.

Only 18 percent of the money raised by all Seattle city council candidates leading up to the August 4 primary came from small donors giving \$100 or less. In other words, some 82 percent of the money raised by candidates came from contributions of more than \$100.

On issue after issue at the local, state and federal level, politicians often favor the donors who funded their campaigns over the people they are elected to represent. If candidates can turn to a pool of roughly 1,600 donors, a significant percentage of whom aren't even constituents, to fund the bulk of their campaign, what does that mean for the hundreds of thousands of Seattleites who didn't give, many of whom couldn't afford a contribution of more than \$100?

If campaigns relied on small donors for financing, candidates would be encouraged to engage a large number of voters in the political process and would focus on appealing to a broad swath of the population they seek to represent.

Democracy works best when our representatives are focused on their constituents, not just an elite class of donors. Imagine a system in which more constituents were contributing to their elected officials, and 75 or even 90 percent of contributions were coming from constituents giving \$100 or less, in \$10, \$25 or \$50 contributions - amounts that the average person in Seattle might be able to afford.

Honest Elections Seattle, or Initiative 122, would improve our democracy by creating such a system. If approved, this initiative would lower contribution limits, decreasing the outsized role of large donors, while incentivizing more small donors and encouraging candidates to engage these donors, and likely a greater percentage of their constituents.

Ultimately, these reforms will help to return democracy to the people, empowering more people rather than an elite class of donors.

## **I. Elite Donors**

Donors who gave contributions of \$500 or more provided the lion's share of funding for Seattle's August 2015 primary election. Just 1,589 individual or unique donors gave at this level, making a total of 2,063 contributions of \$500 or more; they accounted for \$1.3 million of the \$2.5 million raised by candidates. The average contribution of these donors was \$843.

A smaller, and even more elite, class of donors gave contributions of \$700 or more. Of the 1,314 contributions of \$700 or more, there were only 1,011 individual contributors at this level, and they alone gave \$943,920.

Nearly 40 percent of all money raised by candidates came from the 1,011 contributors who gave contributions of \$700 or more. Candidates in city council districts 2, 3 and 7 received more than 40 percent of their funding from these donors, while candidates in most districts received at least one-third of funding from this elite class of donors.

**Table I. Percentage of Candidate Funding from Elite Donors Giving \$700 or more, by District**

	<b>Total \$ Raised</b>	<b>Total Funding from Contributors Giving \$700+ Contributions</b>	<b>Percentage of Candidate Funding from \$700+ Contributions</b>
<b>District 1</b>	\$ 292,417	\$ 98,600	34%
<b>District 2</b>	\$ 291,133	\$ 126,898	44%
<b>District 3</b>	\$ 554,686	\$ 239,653	43%
<b>District 4</b>	\$ 243,801	\$ 77,900	32%
<b>District 5</b>	\$ 268,629	\$ 103,100	38%
<b>District 6</b>	\$ 98,105	\$ 23,100	24%
<b>District 7</b>	\$ 102,395	\$ 46,200	45%
<b>District 8</b>	\$ 407,078	\$ 157,750	39%
<b>District 9</b>	\$ 264,618	\$ 80,270	30%
<b>TOTAL</b>	<b>\$ 2,522,862</b>	<b>\$ 953,471</b>	<b>38%</b>

## **II. The Outsized Impact of Elite Donors Living Outside Seattle**

How much are candidates paying attention to, and for that matter influenced by, people they don't even represent? If donors are any indication, the influence of non-constituents might be greater than the average voter is willing to stomach.

This study did not attempt to decipher how much money candidates raised from constituents in the districts they are running to represent, compared to those outside of their districts. But we did assess whether candidates are raising funds from residents of the City of Seattle. One complicating factor is that it is not always clear whether donors are noting a home or business address for their contribution. But, based on their filing, this study found that a significant number of donors and large contributions came from people who don't live in the city. Of all contributions given up to August 4, 2015, 32 percent were from donors who live outside of Seattle; 14 percent were from out-of-state donors.

**Table II. Percentage of Contributions that were from Outside Seattle and Outside WA State**

	<b>Total Contributions</b>	<b>Contributions from Outside Seattle</b>	<b>% from Outside Seattle</b>	<b>Contributions from Outside WA</b>	<b>% from Outside of WA</b>
<b>District 1</b>	1447	431	30%	172	12%
<b>District 2</b>	1148	321	28%	71	6%
<b>District 3</b>	2739	884	32%	455	17%
<b>District 4</b>	1241	335	27%	81	7%
<b>District 5</b>	1237	597	48%	126	10%
<b>District 6</b>	662	72	11%	23	3%
<b>District 7</b>	380	61	16%	13	3%
<b>District 8</b>	2312	946	41%	670	29%
<b>District 9</b>	1245	337	27%	147	12%
<b>TOTAL</b>	<b>12411</b>	<b>3984</b>	<b>32%</b>	<b>1758</b>	<b>14%</b>

Among donors giving larger contributions, the percentage of non-resident donors is even greater. For those who gave \$700 or more, 369 of 1008 donors, or 37 percent, were from outside of Seattle; for those giving \$500 or more, 596 of 1,589 donors, or 38 percent, were from outside of Seattle. Candidates raised more than \$450,000, or roughly one-fifth of all funds, from the 596 non-resident donors who gave contributions greater than \$500.

When you subtract these non-constituent donors, you are left with an even smaller pool of large donors from Seattle. There were 993 Seattle donors who gave contributions of \$500 or more, representing 35 percent of the all funds raised by candidates.

### **III. The Minute Percentage of Seattle's Voting Population that was an Elite Donor**

Thus far, this report has focused its analysis on contributions of and donors giving \$500 or more – more than the average Seattleite can afford. What about the average Seattleite?

According to the American Community Survey, there are 479,650 eligible voters in the City of Seattle. As already noted, a pool of 993 Seattleites gave contributions of \$500 or more. These donors represent 0.2 percent of the eligible voting population. The vast majority of Seattleites cannot afford to make \$500 contributions, and when candidates are dependent upon just 0.02% of the voters for the funding that makes their campaign viable, the system is leaving out the vast majority of voters.

<b>Number of Eligible Voters in City of Seattle</b>	<b>Number of Seattleites who have Contributions of \$500+</b>	<b>% of Seattle Voters who gave \$500+</b>
479,650	993	0.21%

Seattle’s August primary for city council illustrated once again how a few large contributors account for the majority of campaign contributions, giving a mega-phone to those who can afford to make large contributions at the expense of the vast majority of constituents whose voices get drowned out.

When candidates are raising the majority of their funds from less than 1 percent of the voting population, who are they listening to? Which voices are heard and who do they represent? The overall amount of money spent on elections is less important than where the funds are coming from. If campaigns relied on small donors for financing, candidates would be encouraged to engage a large number of voters in the political process and would focus on appealing to a broad swath of the population they seek to represent.

#### **IV. The Role of Small Donors in Seattle’s Primary Election**

There were many “small donor” contributions – defined in this report as being \$100 or less – given to candidates leading up to the August primary. The question is: what is their impact when candidates are raising the bulk of their money from a minute percentage of the voting population?

While there were 7,245 contributions of \$100 or less, only 18 percent of the money raised by all candidates came from these small donors. That means 82 percent of the money raised came from large contributions above \$100.

**Table III: The share of total money fundraised from small contributions**

	<b>Total \$ Raised</b>	<b>Total \$100 or less</b>	<b>Percentage of funding from small contributions of \$100 or less</b>
<b>District 1</b>	\$ 292,417	\$ 53,092	18%
<b>District 2</b>	\$ 291,133	\$ 40,249	14%
<b>District 3</b>	\$ 554,686	\$ 102,241	18%
<b>District 4</b>	\$ 243,801	\$ 46,062	19%

<b>District 5</b>	\$ 268,629	\$ 46,756	17%
<b>District 6</b>	\$ 98,105	\$ 27,986	29%
<b>District 7</b>	\$ 102,395	\$ 13,229	13%
<b>District 8</b>	\$ 407,078	\$ 83,003	20%
<b>District 9</b>	\$ 264,618	\$ 45,752	17%
<b>TOTAL</b>	<b>\$ 2,522,862</b>	<b>\$ 458,369</b>	<b>18%</b>

## V. Honest Elections Seattle

Honest Elections Seattle - Initiative 122 - will limit the influence of big money and increase the power of ordinary people in our politics.

The rise of election spending by mega donors in our elections generally means candidates spend more time chasing checks from big donors than listening to their constituents.

The good news is that it's possible to enact programs that will help bring more small donors into our elections and increase their impact. Honest Elections Seattle would implement the following policies:

- Limit corporate and wealthy interests' influence on elections by lowering contribution limits,
- Increase participation of everyday people by creating a democracy voucher program that empowers everyday people to engage in elections and encourages qualified candidates to focus on regular voters,
- Keep elected officials honest by closing the revolving door of top officials and their aides taking lobbying jobs immediately after leaving office and require they disclose conflicts of interest, and
- Increase transparency, accountability, and fines on rule breakers.

If enacted, Honest Elections Seattle will help to ensure candidates listen to the people, not just their biggest donors.

## VI. Conclusion

Democracy works best when our elected officials are focused on their constituents, rather than dialing for dollars from out-of-district contributors or focusing on an elite set of donors who can afford to give more than the average voter. Instead, even in Seattle, an elite class of donors plays an outsized role in financing campaigns.

Taking steps to advance small donor reforms such as Honest Elections Seattle would help to return our democracy to the people and help build the movement for reform both in Seattle and beyond.

## Methodology

### *Source of the data:*

The source of the fundraising and donor data for this report was the Public Disclosure Commission (PDC) online candidate database ([http://pdc.wa.gov/MvcQuerySystem/Candidate/sw\\_candidates](http://pdc.wa.gov/MvcQuerySystem/Candidate/sw_candidates)). The donor data was compiled from a search of any contributions to the Seattle City Council candidates from January 1, 2014 up to August 4, 2015, the day of the primary election. To pull the August 2015 primary data from the database, we chose year "2015," filtered the "location" column to show all rows that contain "Seattle," and filtered the "office" column to show all rows that contain "city council." All candidate fundraising information was then exported. We excluded candidates for which "position" was "u" for "undecided" and candidates that had not raised any funds.

The percentage of contributors from Seattle and from Washington State is based on the City that contributors noted in their filing with the PDC.

The number of eligible voters in the City of Seattle is from the American Community Survey.

### *Analysis:*

The analysis compiled all candidate fundraising by district. For each district, the contributions were ordered by amount, and compiled into categories of: contributions of \$700 or more, \$500 or more, and \$100 or less. In order to compile data regarding donors giving contributions of \$500 or more, and \$700 or more, a separate database of contributions of \$500 or more, and \$700 or more was created. These lists were deduped and the total amount contributed by each individual donor was calculated.