

OMAS JEFFERSON + GEORGE BERNETHY + JOHN KENDRICK  
ARTIN D'AGUILAR + ROBERT NEWELL + WILLIAM S HARNEY  
WILSON PRICE HUNT + JAMES W NESMITH  
K S WILLIAMSON + LAFAYETTE GROVER  
WILLIAM H WILLSON + MATTHEW P DEADY  
SAMUEL PAH... LOIS X MATTHIEU  
JOHN S NEWBERRY + THOMAS HENTON + CORNELIUS GIL  
SAMUEL R THURSTON + JO AINSWORTH + THOMAS CO

# Big Money in Oregon State Elections

The Need to Restore Balance to Democracy  
by Empowering Small Donors

**OSPIRG**  
Foundation

FRONTIER GROUP

# Big Money in Oregon State Elections

The Need to Restore Balance to Democracy  
by Empowering Small Donors



FRONTIER GROUP

Charlie Fisher, OSPIRG Foundation

Rachel J. Cross, Frontier Group

Winter 2018

# Acknowledgments

The authors wish to thank Courtney Graham of The Bus Project, Kate Titus of Common Cause Oregon, Tam Doan of Every Voice Center and Laura Friedenbach and Susan Mottet of Every Voice for their review of drafts of this document, as well as their insights and suggestions. Thanks also to Tony Dutzik and Elizabeth Berg of Frontier Group for editorial support, the Oregon Secretary of State's Elections Division for their compilation of the contribution data analyzed in this report, and the former candidates who took the time to speak with us about their experiences running for office. OSPIRG Foundation also thanks Color PAC and Main Street Alliance of Oregon for their support in identifying and connecting us with individuals featured in the report.

OSPIRG Foundation thanks Piper Fund, a Proteus Fund Initiative, for making this report possible. The authors bear responsibility for any factual errors.

Policy recommendations are those of OSPIRG Foundation. The views expressed in this report are those of the authors and do not necessarily reflect the views of our funders or those who provided review.

© 2018 OSPIRG Foundation. Some Rights Reserved. This work is licensed under a Creative Commons Attribution 4.0 International license. To view the terms of this license, visit [creativecommons.org/licenses/by/4.0/](https://creativecommons.org/licenses/by/4.0/).



With public debate around important issues often dominated by special interests pursuing their own narrow agendas, OSPIRG Foundation offers an independent voice that works on behalf of the public interest. OSPIRG Foundation, a 501(c)(3) organization, works to protect consumers and promote good government. We investigate problems, craft solutions, educate the public, and offer meaningful opportunities for civic participation. For more information about OSPIRG Education Fund or for additional copies of this report, please visit <https://ospirgfoundation.org/>.



Frontier Group provides information and ideas to help citizens build a cleaner, healthier, fairer and more democratic America. Our experts and writers deliver timely research and analysis that is accessible to the public, applying insights gleaned from a variety of disciplines to arrive at new ideas for solving pressing problems. For more information about Frontier Group, please visit [www.frontiergroup.org](http://www.frontiergroup.org).

*Layout: Kathy Fors, To the Point Collaborative, [tothepointcollaborative.com](http://tothepointcollaborative.com)*

*Cover photo: Wikimedia user Cacophony, CC BY 3.0*

# Table of Contents

Executive Summary .....	4
Introduction .....	8
Big Money Dominates Elections .....	10
Campaigns Are Increasingly Expensive.....	10
Large Donors Have Disproportionate Power .....	10
Big Money Distorts Our Democracy .....	11
Large Donors Drowned Out Small Contributors in Oregon 2016 Elections ...	13
Results Across All Oregon 2016 State Elections .....	14
Results by Campaign Type .....	15
Restoring the Political Impact of Small Donors.....	21
A Small Donor Matching Program in Oregon .....	22
Methodology .....	23
Notes.....	25

# Executive Summary

**T**he dominating influence of large political donors shapes elections from beginning to end – from an individual’s decision to run for office, to a candidate’s ability to get his or her message out to the public, to the makeup of the people with whom a candidate spends time while running for and serving in office.

A review of campaign finance data from the 2016 Oregon state elections shows that **just 723 large donors to electoral campaigns outgave all small donors by nearly 14 to 1** – overwhelming the voices of regular Oregonians in candidate and ballot measure races. In addition to drowning out regular voters, the dominance of big money may also affect who runs for office in the first place by deterring talented, committed, public-spirited people who don’t have access to wealthy donors.

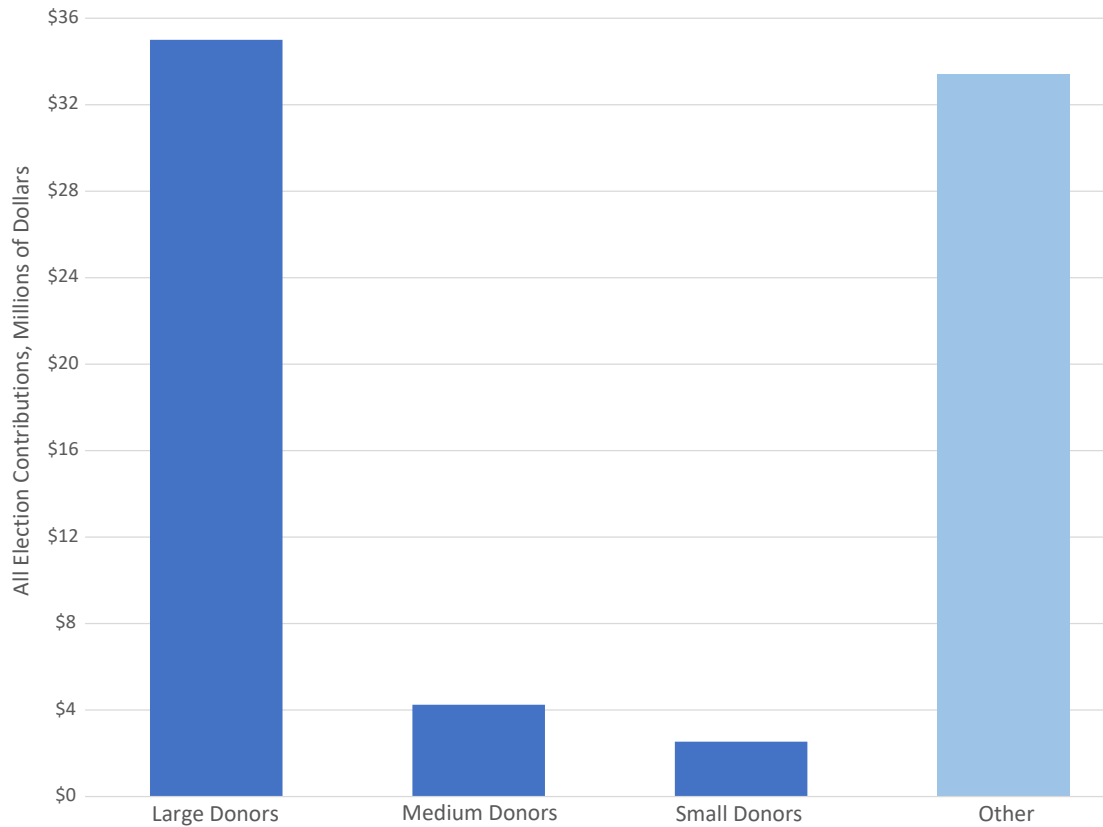
To ensure that elected office is open to those without access to deep-pocketed donors, and to amplify the voices of small donors, **Oregon should adopt**

**the proven strategy of matching small contributions to political campaigns.**

**Large donors dominated contributions to 2016 Oregon candidate and ballot measure campaigns.**

- In 2016, just 723 large individual and business donors (defined as those giving \$5,000 or more) collectively contributed \$34.9 million to Oregon candidate and ballot measure campaigns.
- In contrast, 31,112 small donors (defined as those giving \$250 or less) collectively contributed \$2.5 million, meaning large donors outspent small donors nearly 14 to 1. (See Figure ES-1.)
- It would have taken almost 270,500 small donors to match the amount of money contributed by the 723 large donors who gave to Oregon’s 2016 electoral campaigns.
- Even just the largest 25 donors to Oregon elections outgave all small donors by a ratio of 6.4 to 1.

**Figure ES-1. Campaign Contributions by Donor Size/Type in Oregon 2016 State Elections\***



\*Large donors are those who contributed \$5,000 or more to electoral campaigns, small donors those who gave \$250 or less, and medium donors those who gave between those values.

- A significant portion of large donor money came from out of state. Of total money given to campaigns by large donors, only 44 percent came from donors in Oregon; of campaign contributions made by small donors, almost 80 percent came from state residents.

**Disparities between small and large donors exist in both candidate and ballot measure campaigns.**

- Large donors to candidate campaigns gave 3.7 times as much in total as small donors, while large donors to ballot measure campaigns outgave small donors by a ratio of 190 to 1.

Not every contributor to a candidate or ballot campaign can be readily categorized as a “large” or “small” donor. While labor unions typically pool a large number of small contributions, non-profit organizations and political action committees may be used either to channel individual large contributions to candidates or to aggregate contributions from many smaller donors. To acknowledge the potential ambiguity surrounding the original sources of these contributions, any contributions made by such entities are categorized in this analysis as “other.”

- Over a third (35%) of funding for candidate campaigns came from just 424 large donors, while over half (52%) of ballot measure contributions came from just 349 large donors. (See Table ES-1.)

**The dominance of large contributions in campaigns makes access to big-money donors a key criterion for success and can discourage Oregonians with an interest in public service from competing for office.**

Potential and previous candidates for local, regional or state office shared their experiences with us:

- Ozzie Gonzalez has considered running for multiple local offices, including most recently that of Metro Council President: “One of the first advisors I reached out to ... immediately said, ‘The first thing you need to do is start a PAC. You’ve got to get a good fundraising agency.’ It

shifted my perspective so quickly. ... When I realized you have to set up a PAC, a fundraising mechanism, find a fundraising partner, and you’ve got to quit your job to focus on reaching out to the key donors that are going to get your political campaign off the ground ... it dissuaded me altogether.”

- Moses Ross ran for a seat on the Portland Community College Board of Directors: “The only way you’re going to be able to make a strong impact is through mass communication. And that meant phones, mail, canvassing. And I didn’t have the money for the ground game. That was the challenge.”
- Jamila Singleton ran for a seat on the Portland Board of Public Education: “The fundraising part was really challenging. ... I probably spent only 5 percent of my time canvassing, compared to 80 percent of my time fundraising.”

**Table ES-1. Small and Large Donors to Candidate and Ballot Measure Campaigns**

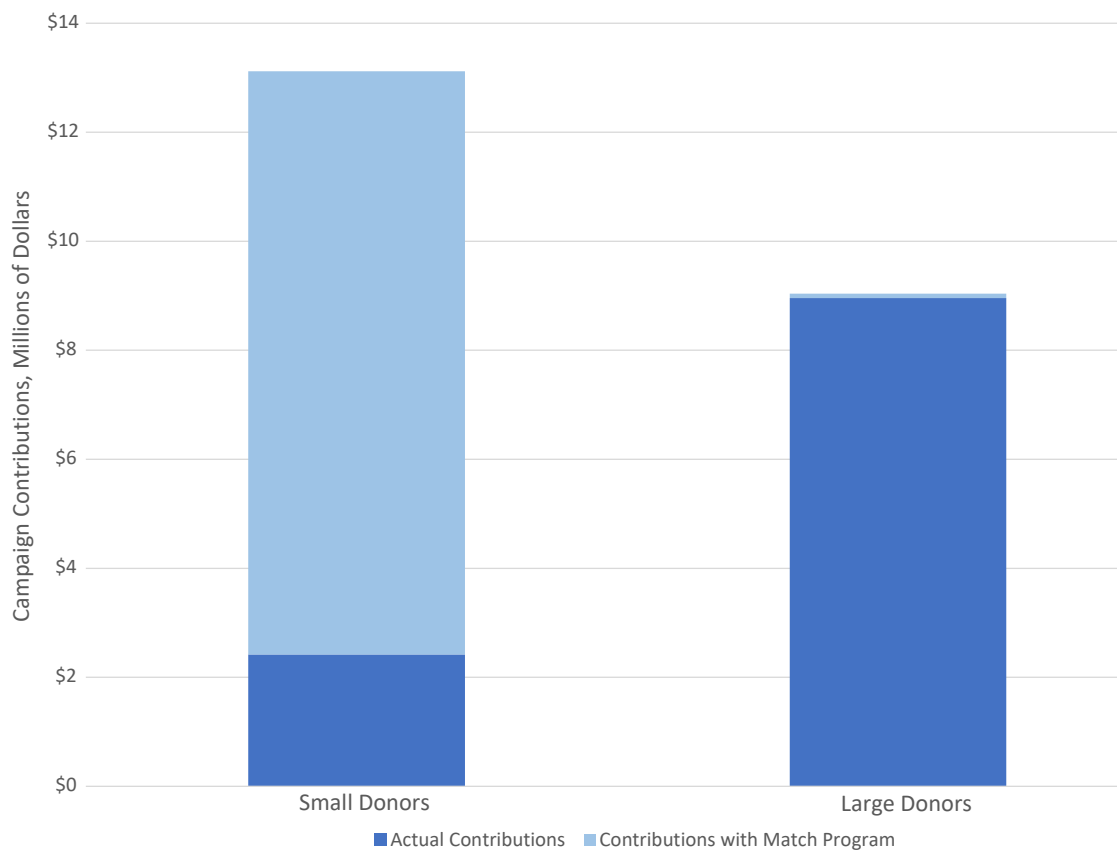
Donor Type	Number of Donors	Total Amount Donated	Average Contribution	Ratio of Large Donor to Small Donor Contributions
Small Donors to Candidate Campaigns	29,479	\$2,423,547	\$129	--
Large Donors to Candidate Campaigns	424	\$8,964,159	\$21,142	3.7
Other Donors to Candidate Campaigns	526	\$10,069,782	\$19,144	--
Small Donors to Ballot Measure Campaigns	1,633	\$135,828	\$134	--
Large Donors to Ballot Measure Campaigns	349	\$25,895,324	\$74,199	190.6
Other Donors to Ballot Measure Campaigns	78	\$23,338,948	\$299,217	--

**Oregon can restore balance to its elections by adopting a policy proven to amplify the voice of small donors in elections** – matching small contributions with public funds. The country’s largest city – New York – has seen encouraging results from such a program, which matches small contributions from city residents up to \$175 at a six-to-one ratio. During the 2013 general election, the winners of 54 out of the 59 elected positions in New York City participated in the city’s small donor matching program.<sup>1</sup> As a result of the program, funds raised from small donors accounted for over 60 percent of all campaign contributions, and made donors to city elections more reflective of residents of New York City.<sup>2</sup>

Had Oregon had a small donor matching program like that of New York City’s in place for the 2016 elections, with a 6-to-1 match on contributions from in-state donors of \$250 per candidate or less, the dominance of large donors would have been significantly curtailed. Instead of large donors outgiving small donors by a ratio of 3.7 to 1, funding from small donors and small donor-related matching funds would have exceeded contributions from large donors by \$4.1 million. (See Figure ES-2.)

Oregon’s elections are no exception to the influence big donors have over U.S. political elections. Small donor programs provide campaign finance reform models that enhance the voice

**Figure ES-2. Donations to 2016 Candidate Campaigns under Small Donor Matching Program**





# Introduction

**F**our decades of federal court decisions, including the 2010 *Citizens United* case, have struck down efforts to limit the size of contributions and independent expenditures on political campaigns. These laws had been the primary means by which the influence of large corporations and wealthy donors had been balanced against the interests of the vast majority of Americans without the resources

to provide meaningful financial support to the candidates of their choice.

The dominance of large contributors over every aspect of the political process – from decisions regarding which candidates run for office to the ability of those candidates to convey their messages to the public – makes our democracy poorer. It can exclude from participation candidates who

## **The Dominance of Big Money Shapes Who Runs for Office**

**T**he influence of money in politics is felt from the federal level all the way down to local elections. Many qualified candidates for office at all levels may find lack of access to large donors a significant enough barrier to deter them from running for office; others may discover the difficulty of running for office without large donor support in the midst of their campaign.

Six Oregonians who have run for, or considered running for, local, regional or state office shared their experiences with campaign fundraising and thoughts about the influence of big money with us. Their thoughts are included throughout the report.

might bring new policy ideas or a deeper understanding of their communities by making it difficult or impossible to vie for office without access to deep-pocketed donors. And it can leave ordinary Oregonians feeling politically disempowered.

The majority of Americans, regardless of political affiliation, find the outsized influence of big money in campaigns troubling. According to a 2015 CBS News poll, 84 percent of Americans believe money has too much influence over the nation's political campaigns and almost 78 percent favor limiting the amount of money both individuals and non-affiliated groups can donate to a candidate.<sup>3</sup> In a poll from the same year, 75 percent of Oregonians said they believe that those without access to networks of wealthy donors face significant barriers to running for office.<sup>4</sup>

The influence of money and politics over election outcomes is not limited to races for federal seats; state and local politics are inundated with money from large donors as well. But, while the *Citizens United* decision has closed off many opportunities to limit contributions from wealthy interests, it has also sparked cities and states across the country to develop new efforts to empower small donors.

As the data in this report show, Oregon elections are currently dominated by those with the resources to make large contributions to candidates. But it doesn't have to be that way. By adopting proven models of small donor empowerment, Oregon can balance the scales of our democracy and ensure that every Oregonian is able to compete for the privilege of serving their community in public office.

# Big Money Dominates Elections

“ The only way you’re going to be able to make a strong impact is through mass communication. And that meant phones, mail, canvassing. And I didn’t have the money for the ground game. That was the challenge.”

– Moses Ross, former candidate for Portland Community College Board of Directors

The high cost of running competitive political campaigns has created a less representative democracy by influencing almost every step of the electoral process, including who runs for office and who candidates spend time with in the course of their campaigns. Increasingly, in Oregon and around the country, big money dominates elections.

## Campaigns Are Increasingly Expensive

Running for office is often an immensely expensive undertaking, and one that has only gotten more expensive over time. In 1986, running a winning campaign for a seat in the U.S. House of Representatives cost an average of about \$787,000 in 2016 dollars; by 2016, the cost had doubled to \$1.5 million.<sup>5</sup>

The expense of running for office is not limited to federal elections. In 2016, the most expensive campaigns for the Oregon state legislature topped \$1 million.<sup>6</sup> Just the top two candidates for the 2014 Multnomah County Commission Chair race raised a combined \$500,000.<sup>7</sup>

## Large Donors Have Disproportionate Power

As the price of running a competitive campaign increases, so too does the power of large donors, and the importance of potential candidates having access to networks of people willing and able to make large contributions to campaigns.

The expense of modern political campaigns provides power to those who are

“ It takes a lot of money to win a campaign, for the mere fact that you’ve got to be able to throw money into advertising and getting your message out there. ... If we could take the burden off of politicians of having to depend on fundraising to communicate their ideas, I think we would get much better ideas, more honest ideas, on the table.”

– Ozzie Gonzalez, considered running for Metro Council President

capable of financing them. In the 2012 federal elections, the wealthiest 0.01 percent of Americans accounted for over 40 percent of campaign contributions.<sup>8</sup>

Given the dominance of large contributors, ordinary Americans may feel as though their political contributions are unlikely to make a difference in most elections. Fewer than 10 percent of Americans have ever given to political candidates at any level.<sup>9</sup> This sparse participation is more keenly felt in state and local level elections. In 2014, the state with the highest participation in state-level election giving was Rhode Island, with just 4.6 percent of the voting age population making campaign contributions; that same year, only 1 percent of eligible Oregonians contributed to state campaigns.<sup>10</sup>

“ Our community in east Portland is very diverse with a lot of immigrants and refugees. And many are wary of our government. So, asking for money is very hard there. Sometimes people do give you what they can, and sometimes it’s \$10, \$20. Very few give you \$1,000. But I was able to reach out to folks who have never been involved in the election process at all, and that was very important for me.”

– Thuy Tan, former candidate for State Representative, District 47

“ One of the first advisors I reached out to ... immediately said, ‘The first thing you need to do is start a PAC. You’ve got to get a good fundraising agency.’ It shifted my perspective so quickly. ...When I realized you have to set up a PAC, a fundraising mechanism, find a fundraising partner, and you’ve got to quit your job to focus on reaching out to the key donors that are going to get your political campaign off the ground ... it dissuaded me altogether.”

– Ozzie Gonzalez, considered running for Metro Council President

## Big Money Distorts Our Democracy

The ability to raise money for campaigns has become a “make or break” criterion determining who can run for office. Without access to networks of deep-pocketed donors, low- and middle-income people may find it difficult to even launch a campaign. The cost of campaigns has been identified as leading to fewer candidates from historically unrepresented groups; in a 2014 survey of people of color, two-thirds said that limited access to donor networks represented a substantial barrier to electing representative candidates from communities of color.<sup>11</sup>

The importance of fundraising in political campaigns also affects how both candidates for office and elected politicians spend their time. In the months leading up to the 2014 mid-

“As a person of color running for a seat in a position of power, there was a very deep, unchecked bias in assuming the worst about me. ... As much as I tried to articulate what I'm about, other people continually spoke for me. ... So, I needed to reshape my own narrative. I had to work harder, and I had to raise more money.”

– Jamila Singleton, former candidate for Portland Public Schools Board of Education

term elections, President Obama – who was not then running for office – attended a political fundraising event an average of once every five days.<sup>12</sup> A 2015 report by U.S. PIRG and Demos found that a candidate hoping to run for a seat in the federal House of Representatives would have to raise almost \$1,800 every day for an entire election cycle – including weekends and holidays – to run a competitive campaign.<sup>13</sup> The time-intensive nature of fundraising also forces candidates to focus their outreach on large donors, as opposed to outreach to average voters.

“Fundraising is especially time-consuming if you don't have big donors to pay your way. It hurts our whole political system to be so dependent on money.”

– Kevin Marr, former candidate for State Representative, District 2

“The fundraising part was really challenging. Between making calls and hosting house parties ... I probably spent only 5 percent of my time canvassing, compared to 80 percent of my time fundraising.”

– Jamila Singleton, former candidate for Portland Public Schools Board of Education

The influence of money in politics has created an environment in which the primary criterion for candidates at all levels of office is their ability to fundraise – making other valuable attributes, such as good policy ideas or rapport with would-be constituents, little more than secondary concerns.

“We have gone askew, and what candidates have to do to be viable, is truly unrepresentative of the voters. I still have faith in the system, in democracy, in the voter. But we have put such an unnecessary weight on the system, the scale has moved away from favoring the voters to favoring the special interest. And until we equal out that scale, it's going to be challenging for us to have a representative democracy.”

– Moses Ross, ran for Portland Community College Board of Directors

# Large Donors Drowned Out Small Contributors in Oregon 2016 Elections

A review of campaign finance data from the 2016 Oregon state-level elections shows

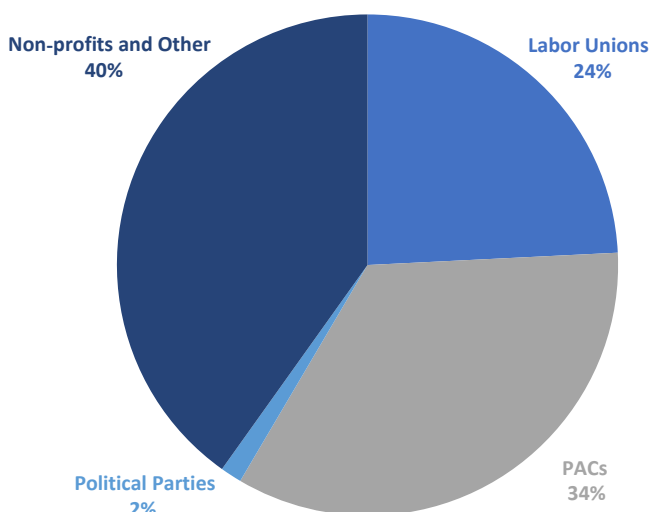
that large donors dominated fundraising for both candidate and ballot measure campaigns.

## Large, Small and “Other” Donors

In this report, we analyze contributions to Oregon state elections by “large” and “small” donors, based on data from the Oregon Secretary of State’s office. For the purposes of this analysis, large donors are those individuals and businesses that contributed \$5,000 or more to all candidate and ballot campaigns during the course of calendar year 2016 prior to the November 8 general election. Small donors are considered those who gave \$250 or less to all candidates or ballot campaigns combined. Small donors also include individuals and businesses who made contributions of \$100 or less. These donors are not required to disclose their identity to the state of Oregon. As a result, it is possible that some of these small donations may have been made by individuals or businesses giving more than \$250 in total during the election, who would otherwise not be classified as “small donors” in this analysis.

Not every contributor to a candidate or ballot campaign can be readily categorized as a “large” or “small” donor. While labor unions typically pool a large number of small contributions, non-profit organizations and political action committees may be used either to channel individual large contributions to candidates or to aggregate contributions from many smaller donors. For simplicity’s sake and to acknowledge the potential ambiguity surrounding the original sources of these contributions, any contributions made by such entities is categorized in this analysis as “other.” Giving from additional groups categorized as “other” includes donations made by other difficult-to-classify groups such as private trusts and Tribes. (See Figure 1.)

**Figure 1. Total “Other” Contributions to 2016 Oregon State Elections by Entity Type**



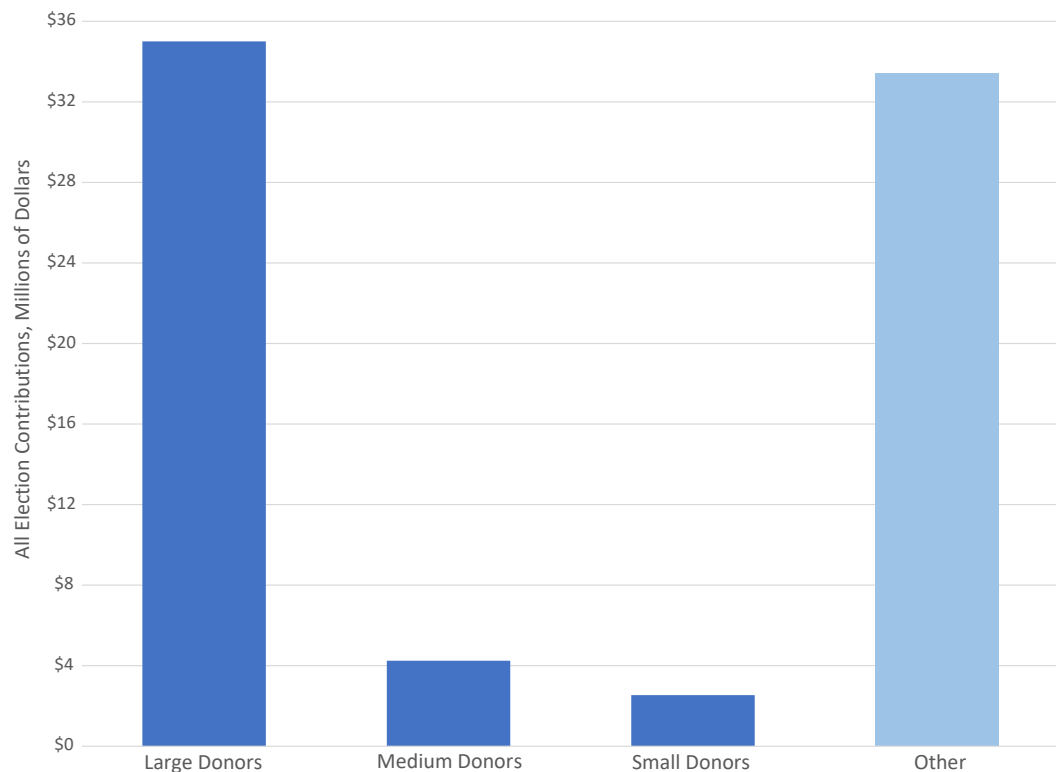
## Results Across All Oregon 2016 State Elections

Candidate and ballot measure campaigns received significantly more funding from large donors than small donors, with small donors accounting for 3.4 percent of campaign contributions and large donors accounting for 46.5 percent. Overall, large donors to electoral campaigns gave 13.8 times as much as the combined contributions of all small donors.

There were 723 large donors who together contributed \$34.9 million to 2016 state candidate and ballot measure campaigns. In order to match the amount contributed by large donors, it would have taken more than 270,400 small donors making campaign contributions. Instead, only an estimated 31,112 small donors contributed to campaigns, being outspent by large donors by more than \$32.4 million.

Just the top 25 donors to Oregon elections contributed \$16.3 million

**Figure 2. Campaign Contributions by Donor Size/Type in Oregon 2016 State Elections**



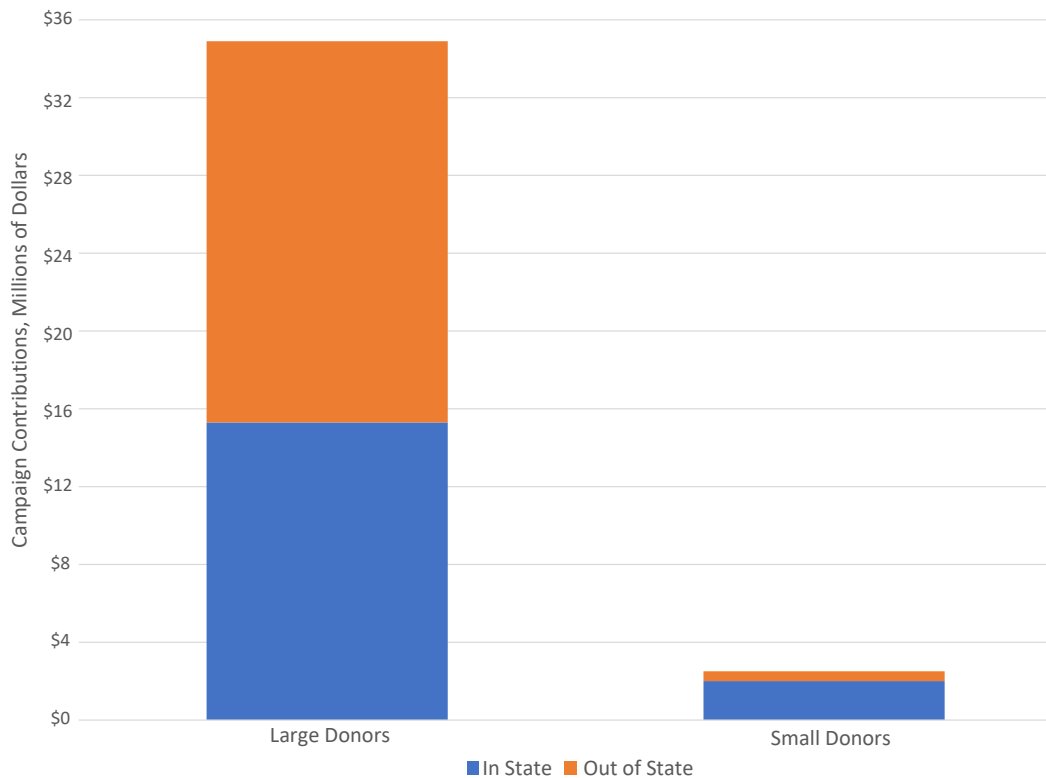
to ballot measure and candidate campaigns, accounting for almost a quarter of all campaign contributions. In order to match the amount contributed by the top 25 donors, it would have taken more than 126,000 small donors making the average contribution of \$129.

Large, out-of-state donors pose a particular threat to state elections. When out-of-state donors contribute large amounts to state elections, their influence may drive candidates and elected officials to divert their attention

away from the needs of their constituents. In Oregon’s 2016 elections, out-of-state donors outgave small, in-state donors by a factor of 10.

Additionally, a significant portion of large donor money came from out of state; of total money given to campaigns by large donors, only 44 percent came from donors in Oregon. Small donors, however, were primarily state residents; of campaign contributions made by small donors, almost 80 percent came from in-state donors. (See Figure 3.)

**Figure 3. Contributions to All Campaigns by In-State Donors and Out-of-State Donors by Donor Type<sup>14</sup>**





## Results by Campaign Type

Large donors dominated contributions made to both candidate and ballot measure campaigns. However, differences exist between the two campaign types, with almost three-quarters of all large donor money contributed in Oregon's 2016 elections having flowed to ballot measure campaigns.

## Giving to Candidate Campaigns

Our analysis examined campaign contributions made to candidates running for Oregon statewide seats, such as governor and attorney general, as well as state legislative seats.

**Table 1. Small and Large Donors to Candidate and Ballot Measure Campaigns**

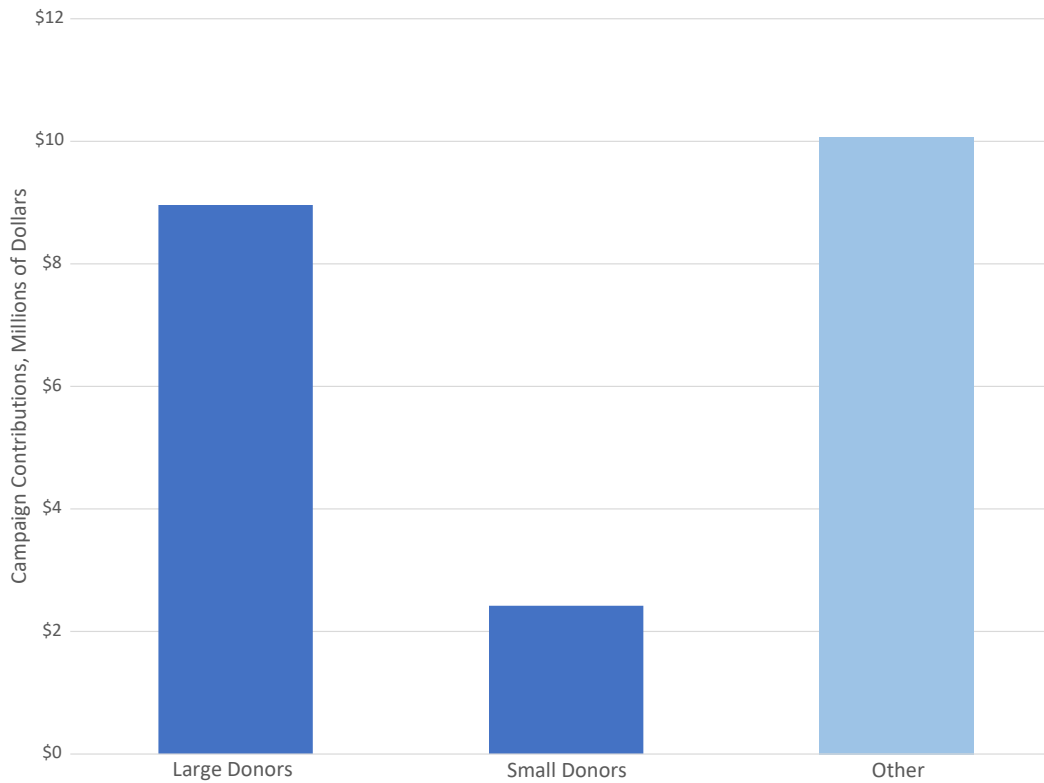
Donor Type	Number of Donors	Total Amount Donated	Average Contribution	Ratio of Large Donor to Small Donor Contributions
Small Donors to Candidate Campaigns	29,479	\$2,423,547	\$129	--
Large Donors to Candidate Campaigns	424	\$8,964,159	\$21,142	3.7
Other Donors to Candidate Campaigns	526	\$10,069,782	\$19,144	--
Small Donors to Ballot Measure Campaigns	1,633	\$135,828	\$134	--
Large Donors to Ballot Measure Campaigns	349	\$25,895,324	\$74,199	190.6
Other Donors to Ballot Measure Campaigns	78	\$23,338,948	\$299,217	--

## Large Donors to Candidate Campaigns

Large donors gave 3.7 times as much as small donors to candidate campaigns, accounting for over a third of total fundraising. It would have taken more than 69,200 small

donors to match the amount contributed by the 424 large donors that gave to Oregon's 2016 candidate campaigns. Instead, only an estimated 29,500 small donors made contributions.

**Figure 4. Contributions Made to Candidate Campaigns by Donor Type**



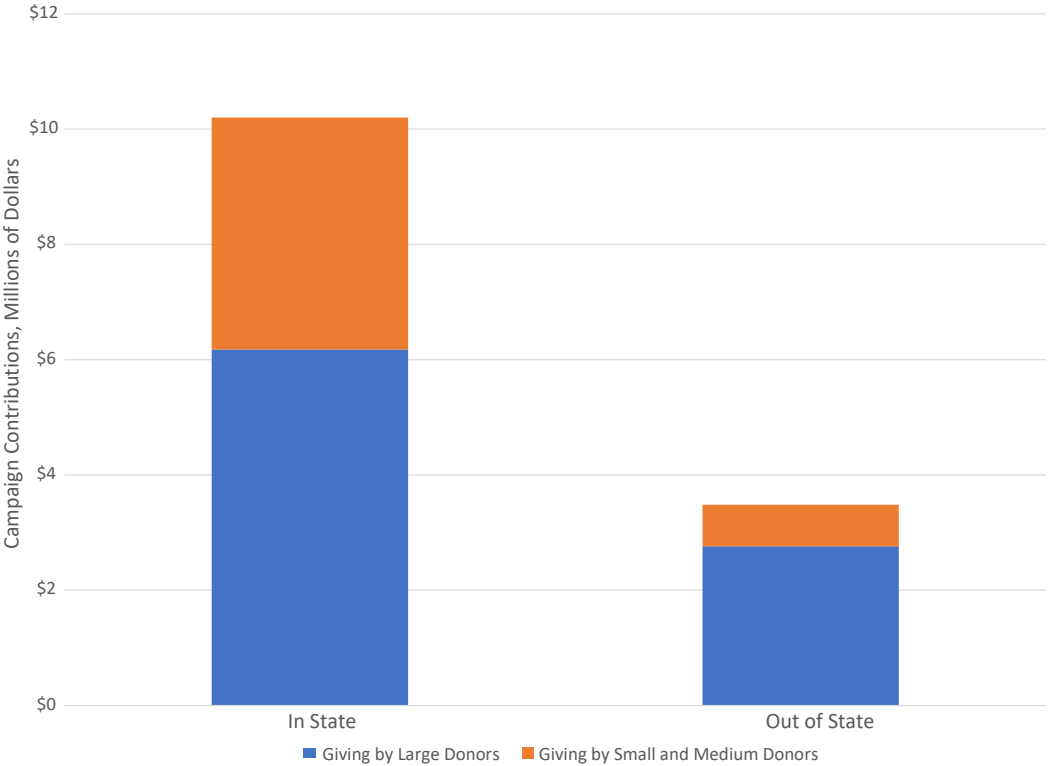
### Out-of-State Donors to Candidate Campaigns

Large donors were the predominant givers among both in-state and out-of-state donors; 61 percent of in-state contributions came from large donors, and 79 percent of out-of-state contributions came from large donors.

### Giving to Ballot Measure Campaigns

During the 2016 elections, Oregon residents voted on Measure 97, an initiative that aimed to raise state taxes on corporations with annual sales of more than \$25 million.<sup>15</sup> With total spending topping \$47.3 million, Measure 97 became the most expensive ballot measure campaign in state history.<sup>16</sup>

**Figure 5. Contributions Made to Candidate Campaigns by In-State Donors and Out-of-State Donors by Donor Type**

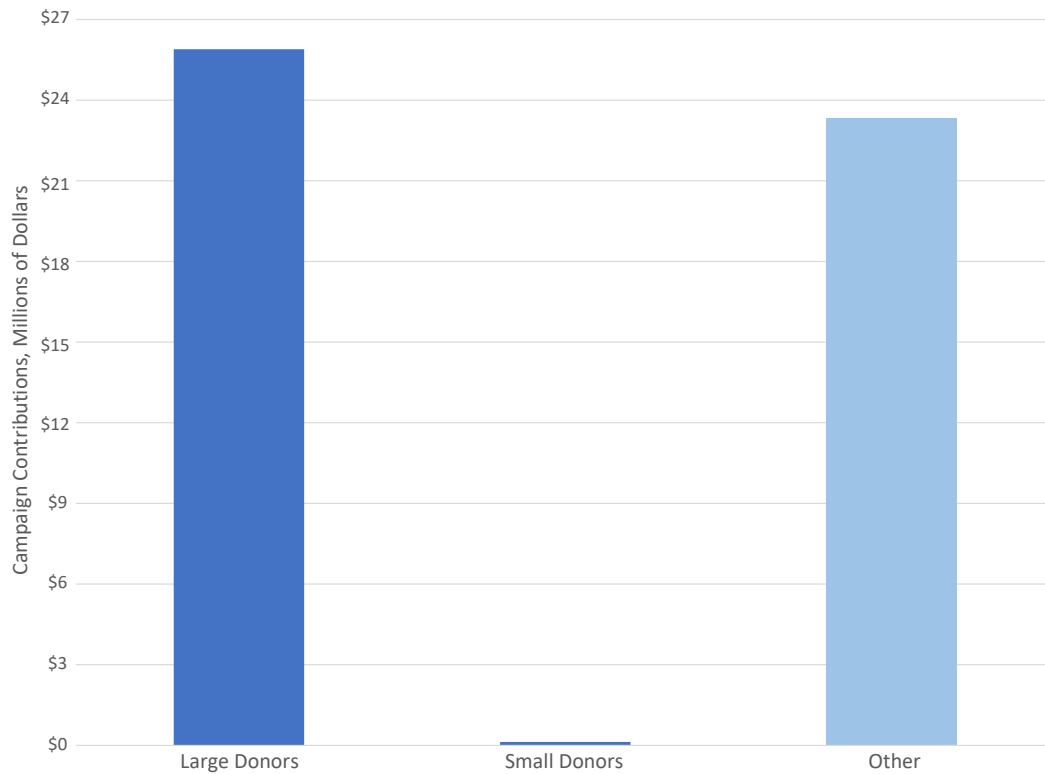


## Large Donors to Ballot Measure Campaigns

Excluding giving from union groups and political actions committees (see Methodology), large donors dominated ballot measure campaigns; over half of total funding came from large donors.<sup>17</sup> It

would have taken more than 193,000 small donors to match the amount contributed by the 349 large donors that gave to Oregon's 2016 ballot measure campaigns. Instead, only an estimated 1,633 small donors made contributions.

**Figure 6. Contributions Made to Ballot Measure Campaigns by Large Donors vs. Small Donors**

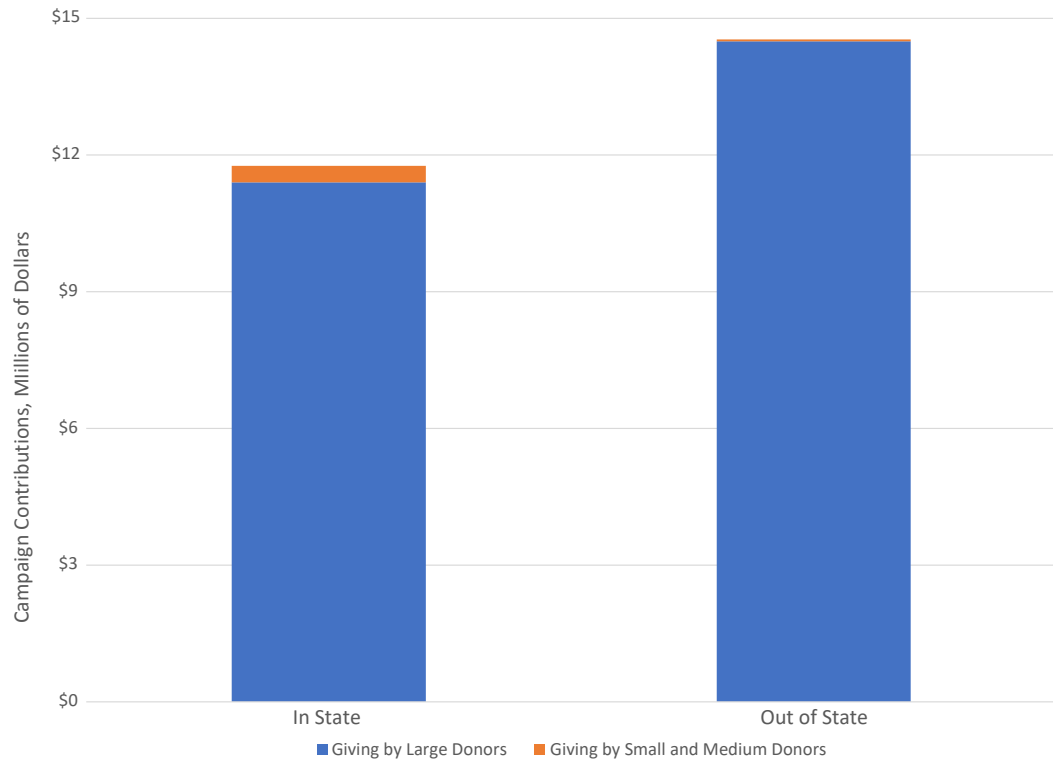


### Out-of-State Donors to Ballot Measure Campaigns

Out-of-state contributions to ballot measure campaigns exceeded those from in-state donors, giving 1.2 times as much as in-state donors. Of contributions for which the state of the original donor could be determined (i.e., excluding donations from “other” entities), large donors made up 96.9 percent of in-state contributions, and 99.7 percent of out-of-state contributions.

Across all Oregon state elections in 2016, large donors gave 13.8 times as much as small donors. In ballot measure campaigns in particular, small donors were dwarfed by large donors, with large donors outgiving small donors by a factor of 190. This discrepancy in contributions made by large and small donors shapes Oregon politics.

**Figure 7. Contributions Made to Candidate Campaigns by In-State Donors and Out-of-State Donors, and by Donor Size**



# Restoring the Political Impact of Small Donors

“ I’d like to see a system where candidates are encouraged to ask more people for donations, and not just hoping one person will give them \$1,000 or more. That would level the playing field for people who want to enter a race but don’t have money or access to money.”

– Thuy Tran, former candidate for State Representative District 47

**B**ig money in elections has affected democracy at all levels of governance. Establishing small donor giving programs can help encourage qualified candidates lacking access to networks of large donors to run for office, as well as restore access to the political process for those without the means to give large contributions.

One proven model for restoring balance to political donations is matching small donor contributions with public funds. The country’s largest city – New York – has seen encouraging results from such a program, which matches small contributions from city residents up to \$175 at a six-to-one ratio. During the 2013 general election, the winners of 54 out of the 59 elected positions in New York City participated in the city’s small donor matching program.<sup>18</sup> As a result of the program, funds raised from

small donors accounted for over 60 percent of all campaign contributions. This program has encouraged candidates to focus on their own constituents rather than expending energy on wealthy donors that live outside of their districts. The program has also demonstrably increased the diversity of donors giving to candidates running for city office, compared to donors to statewide races.<sup>19</sup>

Another such program recently went into effect in Seattle. The first-in-the-nation program provides residents with four \$25 “democracy vouchers” which they can give to candidates in city-level elections. In the program’s first year, a record 25,000 people gave to city elections, three times more than the number of donors in the previous election cycle. More than 80 percent were first-time donors to city campaigns. Meanwhile, 87 percent of the support for city

“When there is something like the 6-1 match, the messaging around the ask [for campaign donations] becomes a lot easier... I would actually do the legwork to get donations from 10 people rather than just going to one of the big restaurant owners that feel like they have access and that I'm beholden to them.”

– Matthew Mičetić, former candidate for North Clackamas Parks and Recreation District Commissioner

council and city attorney seats came in the form of donations under \$250; in the previous election, only 48 percent did.<sup>20</sup> Shifting the source of campaign funding can shift the people to whom candidates feel accountable once elected to office.

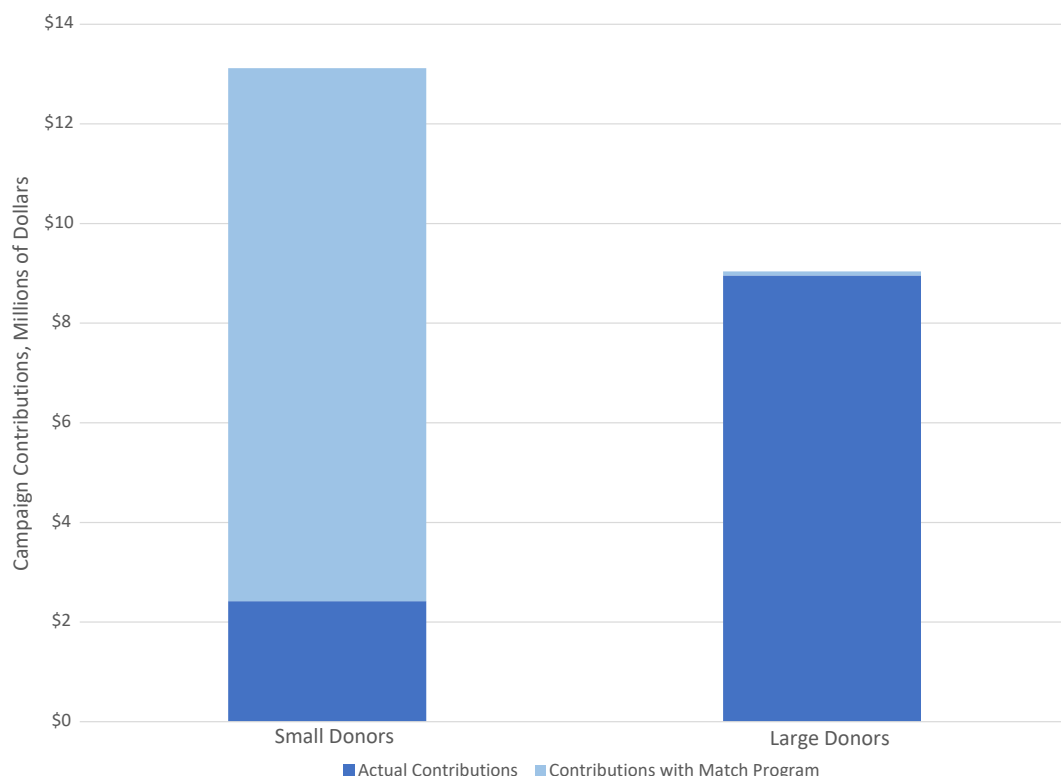
## A Small Donor Matching Program in Oregon

Had Oregon had a small donor matching program like that of New York City's in place for the 2016 elec-

tions, additional funds to candidate campaigns would have totaled an estimated \$12.5 million.<sup>21</sup> Instead of being out-raised by large donors by a ratio of 3.7 to 1, under a small-donor matching scenario, small donor and matching funds would have exceeded contributions from large donors by a ratio of 1.5 to 1. (See Figure 8.)

A small donor matching program could have allowed ordinary citizens more opportunities to run for office and bolstered their power in the political process. As campaigns become more expensive and federal regulation of campaign finance continues to favor large donors, programs such as small donor matching and democracy vouchers provide tools to ensure that the needs of the majority of Oregonians are not drowned out by a tidal wave of money from large contributors.

**Figure 8. Hypothetical Donations to 2016 Oregon Candidate Campaigns under Small Donor Matching Program**



# Methodology

Data for this report were obtained for the Oregon Secretary of State's office for contributions made to candidate and ballot measure campaigns from January 1, 2016 to November 8, 2016, in an effort to capture the majority of fundraising done for the 2016 state elections. Candidate data and ballot measure data were provided in separate files.

## Exclusions from the Dataset

In order to get the clearest snapshot of campaign contributions, multiple classifications of data were excluded from the report.

- Contributions labelled as “in-kind” or any other classification outside of “cash contribution” were excluded in order to avoid double-reporting expenditures required by the Secretary of State's office to be reported twice among coordinating organizations.
- Contributions from labor organizations, political party committees, political action committees and non-profits (represented by “other” in the Secretary of State's dataset) were separated from the calculations in our analysis that required detailed report-

ing, such as the large and small donor and in-state and out-of-state giving calculations.

- In order to avoid double-reporting contributions made by political action committees that funnel money to one another and are required to report such interactions to the Secretary of State's office, any contributions made to a political action or political party committee from a candidate's political action or political party committee also reported as a filer in the data were removed from the analysis.

## Candidate, Ballot Measure and Election-wide Campaign Data

In order to analyze donors to both candidate and ballot measure campaigns, we first standardized the addresses in the each of the contribution files. We then de-duplicated entries by address to obtain the final amount donors contributed across candidate and ballot measure races respectively.

In order to get a clearer picture of the influence of big donors across all 2016 Oregon state elections, we then combined the donations given to candidate



campaigns and ballot measure campaigns by address.<sup>22</sup>

Some national businesses made contributions to Oregon campaigns from multiple offices across the country. For these businesses, we combined their giving first by address and then by name. If any of a business' contributions came from an out-of-state office, we counted the entirety of that business' campaign contributions as coming from out of state.

## Determining Number of Small Donors

Oregon law does not require those making donations of \$100 or less to disclose their identity. In order to estimate the number of small donors giving to Oregon's 2016 state elections, we assumed an average donation for those donors of \$66, the average political tax credit claimed by Oregon households on 2014 personal income taxes according to the state's tax expenditure report, and divided the total amount given in sub-\$100 contributions by this figure.<sup>23</sup> We then combined this estimated number of donors giving under \$100 with the number of donors that gave between \$100 and \$250 to arrive at a total number of "small" donors. As a result, it is possible that some of these small donations may have been made by individuals or businesses giving more than \$250 in total during the election, who would otherwise not be classified as "small donors" in this analysis.

## Estimating the Impact of a Small Donor Matching Program

In order to estimate the additional money that would have funded Oregon's 2016 state-level candidate elections un-

der a small donor matching program, we assumed a program structured similarly to the one in New York City, with eligible contributions from in-state donors of \$250 or less per candidate assumed to receive a 6-to-1 match.

For donations between \$100 and \$250, we included only those contributions from in-state donors and those made by individuals. As Oregon does not require detailed reporting of an individual's name or state of residence for donations under \$100, we assumed that 20 percent of these total donations originated from out-of-state donors and would not be eligible for a match. (It is possible that individuals may have made multiple sub-\$100 contributions to a single candidate, thereby exceeding the amount eligible for matching. This possibility was not accounted for in our methodology.)

Many small donor matching programs include eligibility requirements for candidates to receive matching public funds, such as agreeing only to accept funds from small donors, and having raised a certain amount of money from a certain number of individual small donors within a qualifying window. For our calculation, we required candidates for state representative seats to have raised at least \$6,000 from small donors, state Senate candidates to have raised \$10,000, and candidates for statewide seats to have raised at least \$25,000 in order to qualify for the match.

As some of the matching funds may have originated from donors other than those giving less than \$250 across all campaigns – our definition of a small donor – we analyzed both the amount given to a particular campaign by address as well as total amount given by an address across all campaigns. We used this to separate matching public funds by donor type.

# Notes

1. New York City Campaign Finance Board, *By the People: The New York City Campaign Finance Program in the 2013 Elections*, 2014.
2. Elisabeth Genn et al., Brennan Center for Justice and the Campaign Finance Institute, *Donor Diversity Through Public Matching Funds*, 2012.
3. “Americans’ Views on Money in Politics,” *The New York Times* and *CBS News Poll*, 2 June 2015. Accessed at: <https://www.nytimes.com/interactive/2015/06/02/us/politics/money-in-politics-poll.html>.
4. Data provided by Every Voice. Gerstein Bocian Agne Strategies poll from November 4-8, 2015 in Oregon.
5. The Campaign Finance Institute, *The Cost of Winning an Election, 1986-2016*, 2017. Accessed at: [http://www.cfinst.org/pdf/vital/VitalStats\\_t1.pdf](http://www.cfinst.org/pdf/vital/VitalStats_t1.pdf).
6. Follow the Money, “Winning State House/Assembly or State Senate Candidates in Oregon,” accessed on 22 January 2018. Archived at: [web.archive.org/web/20180123002752/https://www.followthemoney.org/show-me?s=OR&fc=2&c-exi=1&c-t-sts=1&c-r-ot=S,H](http://web.archive.org/web/20180123002752/https://www.followthemoney.org/show-me?s=OR&fc=2&c-exi=1&c-t-sts=1&c-r-ot=S,H).
7. The Oregonian Editorial Board, “Multnomah County Campaign Finance Measure Misses Mark, Sherriff Should be Appointed: Editorial Endorsements 2016,” *The Oregonian*, 27 October 2016.
8. Adam Bonica et al., “Why Hasn’t Democracy Slowed Rising Inequality?” *Journal of Economic Perspectives*, 27(3): 103-124, doi: 10.1257/jep.27.3.103, Summer 2013. Accessed at: [pubs.aeaweb.org/doi/pdfplus/10.1257/jep.27.3.103](http://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.27.3.103).
9. Center for Responsive Politics, “The Top Ten Things Every Voter Should Know About Money-in-Politics,” *OpenSecrets*, archived on 22 January 2018 at <https://www.archive.org/web/20180123011055/http://www.opensecrets.org/resources/dollarocracy/04.php>.
10. The Campaign Finance Institute, “CFI’s Analysis of How Many Gave, and the Sources of Candidate’s Funds, in the State Elections of 2014,” [press release], 18 December 2015. Accessed at: [www.cfinst.org/Press/PReleases/15-12-18/CFI%E2%80%99s\\_Analysis\\_of\\_How\\_Many\\_Gave\\_and\\_the\\_Sources\\_of\\_Candidates%E2%80%99\\_Funds\\_in\\_the\\_State\\_Elections\\_of\\_2014.aspx](http://www.cfinst.org/Press/PReleases/15-12-18/CFI%E2%80%99s_Analysis_of_How_Many_Gave_and_the_Sources_of_Candidates%E2%80%99_Funds_in_the_State_Elections_of_2014.aspx).
11. David Binder Research, “Reflective Democracy,” *Women Donors Network*, October 2014.
12. Philip Bump, “President Obama is Going to a Fundraiser Every Five Days this Year,” *The Washington Post*, 16 September 2014.

13. Adam Lioz et al., Demos and U.S. PIRG, *The Money Chase: Moving from Big Money Dominance in the 2014 Midterms to a Small Donor Democracy*, 2015. Accessed at: [uspirg.org/sites/pirg/files/reports/TheMoneyChase-Report\\_0.pdf](http://uspirg.org/sites/pirg/files/reports/TheMoneyChase-Report_0.pdf).

14. Small donors giving \$100 or less are not required by Oregon law to disclose their name or address. In order to determine what amount of money contributed by small donors originated from in the or out of the state, we assumed 20 percent of all donations made by these donors came from out of state.

15. Hillary Borrud, "Oregon Corporate Tax Measure 97 Defeated: Election 2016 Results," *The Oregonian*, 8 November 2016.

16. Ballotpedia, "Oregon Business Tax Increase, Measure 97 (2016)," accessed at: [ballotpedia.org/Oregon\\_Business\\_Tax\\_Increase, Measure\\_97\\_\(2016\)](http://ballotpedia.org/Oregon_Business_Tax_Increase, Measure_97_(2016)).

17. Labor unions spent approximately \$6.8 million on Oregon's 2016 ballot measure campaigns.

18. See note 1.

19. See note 2.

20. Win Win Network and Every Voice Center, *First Look: Seattle's Donor Democracy Program*, 15 November 2017.

21. While New York City's small donor program matches contributions of up to \$175, our scenario matches contributions up to \$250.

22. The amount of money contributed by donors spending between \$250 and \$5,000 across all elections was \$4.3 million.

23. While individuals can only claim a \$50 tax political donation tax credit, the state of Oregon included joint filings as individuals in their calculation, allowing for the average donation to be \$66. Oregon Department of Revenue Research Section, *2017-2019 Oregon State Tax Expenditure Report*, 2016. Accessed at: [www.oregon.gov/DOR/programs/gov-research/Documents/full-tax-expenditure\\_2017-19.pdf](http://www.oregon.gov/DOR/programs/gov-research/Documents/full-tax-expenditure_2017-19.pdf).