

Sifry, M & Watzman, N. (2006). *Is that a politician in your pocket? Washington on \$2 million a day.* New York: John Wiley & Sons. (pp. 1 – 22).

Introduction

Ouch! How Money In Politics Hurts You

The alarm clock rings. You hit the snooze button. Get out of bed. Pull on some clothes. Make coffee. Transfer some chicken from the freezer to the refrigerator so it will defrost during the day. Feed the baby some mashed peaches. You make a mental note to yourself: tonight you have to pay bills. You got a notice from the cable company yesterday, you're overdue. Afterwards, you round up the kids and climb into the SUV to take them to school. You have to remind your fifth grader to bring her asthma inhaler, as she's always "forgetting" it at home because she's embarrassed about it.

What does your morning have to do with politics? With elections? With democracy? With the CEO of the media conglomerate who lives several miles away in a palatial home, who dined last night on truffled foie gras and champagne with the local candidate for the U.S. Senate, while you and the kids were chowing on macaroni and cheese?

Plenty.

You may not think about it much as you go through your day, but our campaign finance system, in which special interest cash governs who runs for office, how they conduct their campaigns, and what they do (and don't do) once elected, touches on nearly every aspect of our lives. The air we breathe, the food we eat, the health care we receive (or don't receive), all of these are affected, and for the worse, by the influence of money in politics.

That teaspoon of sugar you stirred into your coffee? It's overpriced, thanks to a decades-old federal sugar subsidy program. For years, sugar interests have beaten back attempts to reform the system, and they've gotten their way, thanks to more than \$20 million in campaign contributions since 1989.

The chicken you are defrosting? It may be infected with deadly bacteria, such as salmonella or listeria. If it is, there's a good chance that the feds know that the plant that processed it has had a list of sanitary violations a mile long—but it doesn't matter, because they lack the authority to shut it down. The livestock, poultry, and food processing industries, who have contributed more than \$101 million since 1989, have successfully fought all attempts to give the government this power.

Those mashed peaches that you fed the baby? They contained chlorothalonil, a fungicide classified by the Environmental Protection Agency (EPA) as a likely carcinogen, as well as a dose of methomyl, a neurotoxin. Consumer groups charge that the agency is not setting standards for pesticide exposure that are protective enough for kids, whose small bodies are more vulnerable to harmful effects from the chemicals than adults are. Agriculture chemical manufacturers have contributed \$7.1 million since 1989.

The cable bill? It has climbed at three times the rate of inflation since Congress passed the Telecommunications Act of 1996, which was supposed to open up competition within the communications sector and bring prices down for consumers. Instead, the deregulatory law encouraged a handful of large companies to continue to monopolize the market. Cable companies have contributed more than \$32 million since 1989.

The SUV? There is a glut on the market of these huge cars, which get notoriously poor mileage. More gas burned means that more carbon dioxide, a major contributor to the greenhouse effect, gets pumped into the atmosphere. The technology exists to improve the fuel efficiency of SUVs. However, for years, the automotive industry, the source of more than \$90 million in campaign contributions since 1989, has successfully blocked efforts to raise fuel efficiency standards for SUVs and other light trucks.

And the asthma inhaler? Studies show that as air pollution increases, children's asthma rates increase. President George W Bush, who has collected more than \$1.1 million from electric utilities for his two presidential campaigns, has issued regulations that weaken the Clean Air Act, by permitting utilities to update their plants without installing new, more efficient, emissions controls. Over all, electric utilities have contributed more than \$86 million to federal campaigns since 1989.

OUCH!

In 1998 Public Campaign launched "OUCH! How Money in Politics Hurts You," an e-mail bulletin covering the everyday outrages that result when the only way to run for office is either to be rich, or to know lots of rich people to finance your campaign. After six years of publication, we have a pile of OUCHes tall enough that we feel pretty bruised and battered. In this book we gather them together and elaborate upon them to show how the campaign finance system affects all of us in our everyday lives.

We will show you how a couple hundred million dollars in campaign contributions from the securities, accounting, banking, and high-tech industries defanged the government regulators and ripped out the stops on corporate greed, enriching a handful of insiders at the top and trashing the retirement plans of millions of small investors. We will show you how Americans pay more for cable TV, prescription drugs, and basic commodities; how the safety of our food, children's, health, and travel is, compromised; how we shell out more in taxes to prop up timber and mining industries and banking moguls—even how we're less safe than we could be from terrorist attacks.

All of this happens because wealthy special interests buy favors from Congress and the White House with their campaign contributions. Do you have a politician in your pocket? Unlikely, unless you have lots of cash in there too. Campaign money is the fuel that politicians need to run their campaigns, and if you are not contributing, then they are less likely to pay attention to your concerns, especially when your interests are competing with wealthy special interests.

Every day, they pump another \$2 million into the bank accounts of our elected representatives and their political party committees—hence the subtitle of our book, *Washington on \$2 Million a Day*. This money isn't coming from people like you and me—95 percent of all Americans can't afford, or don't bother, to make campaign contributions. The bulk of the real money, donations of \$200 or more, comes from an even tinier fraction of the country, just one-quarter of one percent of the population. No wonder so many of the benefits of government—tax breaks, regulatory relief, subsidies and boondoggles—flow into their laps. Meanwhile, the rest of us pay in all kinds of real ways.

But don't despair. In this book, we will also show you how we can treat ourselves for these OUCHes with the Clean Money/Clean Elections approach to elections. Under Clean Money/Clean Elections, candidates who meet certain strict requirements to prove their support qualify to receive public funds if they promise to refuse private contributions and abide by spending limits. Versions of Clean Money/Clean Elections have already passed in Arizona, Maine, Massachusetts, North Carolina, New Mexico, and Vermont, with more states on the way. Clean Money is hardly a cure-all, but it could do a great deal to help heal our body politic.

Primer / The Basics

Who's Buying Whom: How Money In Politics Really Works

Money has always played a prominent role in American politics. Reasonable people may disagree over whether its influence is greater or less than in the past, but today, thanks to laws requiring extensive disclosure of campaign contributions, we can clearly document how money, not votes, is the primary currency of democracy.

Why does money play such an important role in who gets elected and in what policies they will champion? The answer is simple: candidates need money to run effective campaigns—to hire staff, print materials, run ads on TV and radio, and coordinate volunteers. It cost \$5 million, on average, to win a Senate seat in 2002. It cost just over \$966,000 to win a House seat. Six years earlier, the average Senate winner spent \$4.7 million, the average House winner \$674,000. If you were a challenger running against an incumbent in 2002, you needed even more money to win—almost \$1.6 million for House candidates. In the House the average challenger had less than one-quarter the funding of the average incumbent in 2002. In the Senate the average challenger had barely one-sixth the war chest. That's one big reason so few incumbents ever lose their seats, along with the partisan gerrymandering that guarantees most of them a safe ride to reelection if they aren't challenged in a primary. (The same dynamic occurs at the state level, by

the way, where a winning candidate for state senate or assembly can spend over \$ 1 million.)

So say you want to run for Congress. If you aren't wealthy yourself, like Senator Jon Corzine (D-NJ), an investment banker who spent over \$60 million of his own money on his 2000 election campaign, you have to collect the cash from other sources. Any idea where you might find a million dollars to finance a competitive bid for the House? Think about how hard it is for your local neighborhood group to raise money for its activities. Then imagine trying to do this for yourself. After you've tapped your family and friends, whom else will you turn to? Since there is no public financing available for federal candidates, the only sources for the kind of cash you will need are wealthy economic interests: the oil companies, the banks, the insurance companies, the securities firms, the utilities, the airline industry, the pharmaceutical companies, real estate interests, and so on.

Economic Interests Give the Most

Of the more than \$ 11 billion contributed to federal candidates and parties since 1989, it's instructive to look at where most of it comes from and where it goes. The chart on the next page is based on data developed by the Center for Responsive Politics, a nonprofit, non-partisan organization that has been tracking campaign finance contributions for the last twenty years. The center downloads the raw data reported by candidates, Political Action Committees (PACs), and party committees to the Federal Election Commission (FEC), and then codes those contributions by industry and interest. By law, every contribution of more than \$200 is supposed to include the donor's name, address, occupation, and employer. The center supplements that data with its own careful tracking of spouses and family members, since big donors often add to their giving by seeing to it that their relatives also make contributions. (That's totally legal, by the way.) The center also does its best to classify corporate conglomerates that may have interests in several sectors of the economy, and to separately code contributions from clearly identified subsidiaries wherever possible.

As a rule throughout this book, wherever you see statistics for a particular company, industry, or individual's campaign contributions, our source is the Center for Responsive Politics, unless otherwise noted. One important note: when we state that a particular company or industry gave a certain dollar amount to candidates and party committees, we are using shorthand to refer to the company's or industry's executives, their family members, and related Political Action Committee(s). The only exception to this rule is in soft money totals. Until soft money contributions to federal parties were recently banned, companies often gave such donations directly to party committees. The figures quoted in this book for the 2004 election cycle were downloaded by CRP from the FEC in January-March 2004. You can do your own money-in-politics research by going to the center's award-winning Web site www.opensecrets.org.

As you can see from this chart, one sector of the economy—the finance, insurance, and real estate sector—towers over all the others, contributing well over \$1 billion since 1989. Think "Wall Street" as shorthand for this sector, though not just the part that is based in lower Manhattan. We're talking about many of the richest and most powerful businesses in the country—commercial banks, insurance companies, securities traders, accountants, real estate developers and brokers, and a group of wealthy people who modestly list their occupation as "investor." Taxes are an all-consuming interest for these people, as are government regulation of their deal making and, for some, the prospect of privatizing Social Security (and driving more lucrative stock-brokering commissions their way).

"Miscellaneous business," which comes next in the big money game, is a catchall category that includes everything from steel, textile, and chemical manufacturers to casinos and tourism, but is dominated by the food, beverage, and alcohol business; general business service providers; and small manufacturers. Each of these industries has its own narrow concerns, but in general they all care a great deal about corporate and environmental regulation, taxes, and labor issues like workplace safety, health insurance, and the minimum wage. And in case there's any doubt about the meaning of that last sentence—they care about those things because they want less of all of them.

Next in our political bestiary is another catchall: "lawyers and lobbyists." Lawyers constitute one of the few sectors that regularly give more money to Democrats than Republicans. That's largely because this group includes many trial lawyers who oppose business-backed efforts to limit damage awards in lawsuits, so-called tort reform. Lobbyists, by contrast, give to both sides pretty freely, essentially because they need to maintain access with whoever is in office. If anything, lobbyists tend to shower their money on incumbents,

since they're the ones with power. Furthermore, the \$79.3 million attributed to lobbyists is undoubtedly an under-count, since the federal definition is too narrow and leaves out people who conduct public relations campaigns to pressure Congress, as well as so-called strategic advisors, often former members of Congress or other ex-government officials, who give guidance on lobbying campaigns but personally don't register as lobbyists.

The next sector isn't an industry at all—it's organized labor. Historically, unions have been closely allied with the Democratic Party, and their contribution patterns prove that. Ninety-three percent of the nearly half a billion dollars that labor has contributed to parties and candidates since 1989 has gone to Democrats. That may sound like a lot of clout, but as you'll see from later chapters on the minimum wage and worker safety, labor is outspent by business by over 14 to 1 and rarely gets its way.

After labor, but still in the half-billion-dollar heavyweight category, is communications and electronics. This is the fastest growing of all the different industry sectors in terms of political contributions, in part due to the rise of the computer industry, which has quadrupled its giving since 1998. The different components of this sector show different patterns in their contributions. Hollywood—TV movie and music producers—tilts 2 to 1 Democratic. Silicon Valley, which includes companies like Seattle-based Microsoft and Texas-based Dell, splits its money evenly. So do telecom, cable, and satellite TV—all of whom want less government regulation of their businesses (and more regulation of their competitors). Some TV and radio broadcasters, like Rupert Murdoch's News Corporation and Clear Channel, tilt 2 to 1 Republican in their giving.

The last of the half-billion-dollar donors is health care, a giant part of the economy and one that benefits in all sorts of ways from government programs and policies. Doctors, hospitals, and nursing homes are all huge recipients of Medicare and Medicaid money, and they are all highly sensitive to any proposed changes in those arrangements. The pharmaceutical companies are eager investors in politicians, since they have so much at stake in keeping drug prices unregulated. Interestingly, as HMOs and other insurance companies have gained power over doctors and other health care providers, the latter group has started shifting its giving toward the Democrats. But overall, this sector, like every other industry, still gives more of its money to Republicans.

The other big money-givers—agribusiness, energy and natural resource companies, transportation, construction, and defense—all tilt heavily toward the Republicans. That's because Republicans are in power and the owners and executives from these industries tend to agree with Republicans on issues like taxes and regulatory policy. But until the mid-1990s, when Democrats lost control of the House of Representatives, most industries weren't quite so partisan in their giving. Congressional Democrats had gotten quite good at wooing—some might say extorting—contributions from business, since they had a great deal of power over legislation. But since the GOP rise in the House, and especially since its sweep of both chambers in recent years, big money from business has gone where the power is.

Speaking of going where the power is, in several places in this book, you'll find charts showing how a particular industry has been funneling campaign cash to major party candidates in the 2004 presidential race. These charts show three things: first, that wealthy special interests are continuing to try to curry favor with whoever will occupy the White House; second, that the general rule holds that the incumbent collects the lion's share of the campaign cash because moneyed interests are attracted to power and need to buy access; and third, that all the candidates are sadly dependent on money from wealthy interests in order to run competitive campaigns. These charts demonstrate yet again why comprehensive campaign reform is sorely needed.

One surprise about this overall picture: where are those "special interest" groups that we hear so much about? A lot of people tend to think of special interests as any organized, politically active group they personally disagree with, whether it's the Sierra Club or the ACLU on the one hand or the National Right to Life Committee and the Eagle Forum on the other. But while a few of these ideological groups are modest-sized players in the campaign contributing game, it is important to remember that they are utterly, totally, undeniably dwarfed by the economic interests described above. Reasonable people may have different opinions about ideologically charged issues such as gay marriage or abortion or foreign policy. But the banks, insurance companies, hospitals, HMOs, chemical manufacturers, and so forth are the real special interests, because they are working from a strict profit motive. They are buying politicians because it helps their bottom line, not because they genuinely believe that tax shelters are good for the public interest.

Do they always triumph? Of course not. Once in a blue moon, especially if the media focus on a

particular travesty, they lose. The defeat of Big Tobacco, which tried to get Congress to give it tens of billions of dollars to defray the cost of its quarter-trillion-dollar settlement with the states, is one such example. But most of the time, public interest groups are vastly outgunned on Capitol Hill. So when you hear the words *special interest*—perhaps it would be wisest to look primarily at those narrow interests who lobby Washington every day, and who paper it with the most money.

Demographics of the Donor Class

So far, we've looked at big money in politics by categorizing the givers of money by the industry they come from. But just who are the people who actually write the checks, the ones who get to "vote" before anybody else gets a chance, and who, to paraphrase George Orwell in his classic *Animal Farm*, are "more equal than others"? Here's what we know about the demographics of political givers: they're more likely to be white, wealthy, older, and more conservative than the average American.

Odds are excellent that you, dear reader, are not a big campaign contributor. Just about one-quarter of one percent of the total U.S. population, that is, just 651,739 out of a population of some 288 million, made a contribution of over \$200 to a federal candidate or party in the 2002 elections, according to the Center for Responsive Politics. Turn that around and you see that means that 99.8 percent of the population did not make a political contribution of this amount. If you did:

- *You're probably richer than most. One out of five political donors makes \$500,000 a year, and another three out of five make over \$100,000, according to a 1998 survey of big givers done by a group of academic experts supported by the Joyce Foundation. Fewer than one out of ten Americans make over \$100,000.*
- *You are probably white. Ninety-five percent of political donors are white, according to the same survey.*
- *You are also probably male. Eighty percent of political donors are male.*
- *Chances are, you live in Washington, D.C., New York City, or Los Angeles. The zip code 20005, in Washington, D.C., is home base to many well-heeled lobbyists and, as such, provided more campaign cash during the 2002 elections than did contributors from thirty-three different states. Other zip codes that are big sources of campaign money include 10021, in Manhattan's Upper East Side, and 90210, in Beverly Hills, California.*

Small Donors Scarcely Count

Some trends in political money giving are also important to note. Perhaps the most important one is this: small donors matter less and less. In 1996 "hard money" (see glossary) donations of \$200 or less—the kind that don't require the disclosure of individual donor information by the FEC—amounted to \$734 million. That was one-third of all the money raised for that election cycle, which amounted to \$2.4 billion. Four years later, in 2000, small hard money contributions amounted to only \$550 million. Not only was this an absolute drop of 25 percent in the amount coming from "the little people," it also was a smaller proportion of the total amount raised in the 2000 election cycle; that is, contributions from small donors amounted to barely 19 percent of the \$2.9 billion raised that year.

It's possible that the close presidential contest of 2004 and the growing role of the Internet in political fund-raising will moderate that trend somewhat. When Democratic candidate Howard Dean was riding high, raising a record amount of over \$47 million, the experts were astounded by the fact that 60 percent of his money came from donors giving \$200 or less. He talked often of finding two million people who would give \$100 each, an unheard-of achievement if he could have pulled it off. But while small contributors may be coming back in larger numbers this time around, the early data suggest that the overall trend won't change much and most of the money raised will actually come from big check-writers.

Indeed, while President Bush was vastly outraising Senator John Kerry—\$158.8 million to \$41.4 million reported as of March 20, 2004, a \$100 million-plus advantage that even Kerry supporters admitted couldn't be closed—there was one similarity between the two men's fund-raising. Both were heavily dependent on people who were giving the maximum allowable individual contribution to their campaigns. In Bush's case, two-thirds of his money had come from donors giving \$2,000 each. In Kerry's case, just under half of his money had come from those givers.

The Color of Money

A second critical fact about the donor class is how unrepresentative it is of America's diverse population. An examination of individual contributions to federal candidates, parties, and Political Action Committees (PACs) in the last two elections shows that 9 out of 10 dollars of those contributions exceeding \$200 came from majority non-Hispanic white zip codes.

Yet nearly one out of three Americans is a person of color. Just 1.8 percent of those campaign funds came from predominantly Latino zip codes,

2.8 percent from predominantly African American zip codes, and 0.6 percent from predominantly Asian Pacific American neighborhoods. These facts come from "The Color of Money," a groundbreaking study that Public Campaign conducted with two civil rights groups, the Fannie Lou Hamer Project and the William Velasquez Institute. By comparing U.S. Census data on the racial, ethnic, and class makeup of more than 25,000 zip codes in the country to the more than \$2 billion in itemized campaign contributions made in 2000 and 2002, we also found that:

- The top contributing zip code nationwide—10021, on Manhattan's exclusive Upper East Side—was the source of \$28.4 million for federal campaigns in the 2002 and 2000 elections, and is home to 91,514 people ages 18 and over, 86 percent of whom are non-Hispanic white. Nearly 40 percent of the households have incomes of \$100,000 or more.

- The neighborhoods supplying most of the money for federal campaigns in this country are also among the nation's wealthiest. Nearly one out of two federal individual campaign dollars (\$200+)—\$991 million—came from a person living in a wealthy zip code (defined as one where the percentage of households making over \$100,000 per year is twice the national average).

- Just 12 percent of the adult population lives in these neighborhoods. Meanwhile, just 5.9 percent of individual campaign dollars—\$118.8 million—comes from poor neighborhoods (defined as those where the percentage of households below the poverty level is twice the national average). Nearly 9 percent of adult Americans live in these communities.

Another way to look at it: individuals living in wealthy neighborhoods supply eight dollars for every one dollar that people living in poor communities give to federal campaigns.

These disparities play out starkly across America's states and cities. In California, where nearly one out of two residents is a person of color, 85 percent of the campaign cash comes from zip codes that are predominantly non-Hispanic white. In New York City, more than half the population is people of color, but 93 percent of the campaign cash comes from non-Hispanic white zip codes. (To find out how your zip code shapes up, go to our interactive Web site at www.colorofmoney.org.)

Everyone Is on a Money Chase

When a candidate is forced to spend so much time hunting for money in the nation's wealthiest neighborhoods, it also affects his view of the nation and public policy. "Inevitably, as the politician enters into the endless round of coffees, meals, and receptions among the networks of the wealthy, his view of the world is refrained," wrote former labor secretary Robert Reich in a 1997 piece for the *New Yorker*.

Increasingly, the politician hears the same kind of suggestions, the same voicing of concerns and priorities. The wealthy do not speak in one voice, to be sure, but they share a broad common perspective in which such things as balancing the budget, opening trade routes, and cutting taxes on capital gains are of central importance. Meanwhile, the politician hears only indirectly and abstractly from the less comfortable members of society. The pollster shows him how focus groups of average, working-class people have answered a blizzard of questions. But the less comfortable are not at the coffees and dinners with the politician. They do not play golf with him. They do not tell the politician directly and repeatedly in casual banter or through personal stories, how they view the world. They do not speak continuously into the politician's ear about such concerns as job security, wages, child care, the cost of housing and health insurance, and

mounting credit card debt.

"Access to the network of the wealthy does not buy a politician's mind; instead, it nibbles constantly, sweetly, at his ear," Reich concluded.

Former U.S. senator and presidential candidate Bill Bradley (D-NJ) agrees. Constant fund-raising, he told journalist Matt Miller, "drains people's time and energy from being able to focus on these issues and fills it up with catering to the rich." And all that time spent among rich people subtly alters their worldview. "By raising money, they associate with a whole new class of people and they like it. They personalize their political bank account, and it comes in their subconscious to be their own personal bank account. They've raised \$10 million. Here's this guy they're with on a family yacht. There's a certain comparability there." Bradley concludes: "That is the most corrupting aspect of this process."

Most candidates also have to spend a ridiculous amount of time raising money. About one-quarter of candidates running for the U.S. House or statewide offices say they spend more than half their time raising money. A similar percentage said they spend between one-quarter and one-half of their time on fund-raising. That's time not spent talking to average voters over their kitchen tables. And it can't help but have an invidious effect.

The Wealth Primary

Because money is so important in most high-level elections, there is a kind of "wealth primary" that occurs before anyone gets to cast a vote. Candidates who raise a lot of cash early are considered "viable." Those who don't, aren't, and often the media simply write those candidates out of the picture. As a result, the narrow class of people who give substantial sums of money to candidates for office gets to subtly shape the field of people running. Not only that, their interests are bound to count more than the interests of average voters.

Consider the presidency. In 1999 then-candidate George W Bush shocked the political establishment by raising an unheard of \$37 million by the end of June, a full six months before anyone in Iowa, New Hampshire, or anywhere else would be voting. He opted not to participate in the partial public financing system for presidential races, which would have required him to abide by spending limits, and went on to raise \$101 million for his primary race, more than twice the amount raised by his most serious rival, John McCain. The other Republicans, such as Dan Quayle, John Kasich, and Elizabeth Dole, who also had dreams of calling the White House home, didn't stand a chance.

They knew it, too. Here's what John Kasich, whose experience included nearly a decade in Congress, several of those as chairman of the powerful House Budget Committee, had to say the day he realized his campaign wasn't going anywhere: "When you raise \$600,000 in one quarter and someone else raises \$30 million, it's a wake-up call. With such limited resources, we couldn't have competed."

When former labor secretary Elizabeth Dole dropped out of the race for the presidential nomination, she said: "I've learned that the current political calendar and election laws favor those who get an early start and can tap into huge private fortunes, or who have a preexisting network of political supporters." She added that her campaign made her *realize*, that ideas meant nothing without money. (She learned her lesson: in her successful run for North Carolina's open Senate seat in 2002, she spent \$13.7 million, a hair more than her opponent, Erskine Bowles, who spent \$13.2 million.)

Tennessee governor Lamar Alexander, whose bid for the presidency also failed to catch on, said after quitting, "If there were something we need to change in the process ... it would be to make it less reliant on money."

The experience of 2000 made a profound impression, and candidates in 2004 have followed the Bush blueprint. To be "viable," presidential hopefuls such as John Kerry, Joe Lieberman, John Edwards, Richard Gephardt, and Howard Dean spent most of 2003 trying to raise the \$25 million political pros all said was necessary to survive the early presidential primaries. The candidates who failed to clear that money hurdle never got serious attention from the press. And in the end, faced with President Bush's precedent-busting decision to opt out of the partial public financing system for presidential campaigns and thus not have any limits on how much he could spend on the primaries, both Democratic front-runners, Dean and Kerry, opted out too.

The Bottom Line

At the end of the day, there are only two questions that you need to ask about money in politics. First, what does it cost us? The rest of this book will give you answers to that in detail. But consider this. No one disputes that Washington wastes huge sums of taxpayer money on corporate welfare. Estimates vary: The libertarian Cato Institute says about \$65 billion a year; the liberal group Public Citizen says \$150 billion a year. A few years ago, Money magazine estimated that each household pays nearly \$ 1,600 per year for legislation benefiting corporations and the wealthy—some \$160 billion in special tax breaks, subsidies, and other cushy deals—purchased by our system of privately financed campaigns.

The second question is, whose money is going to be in politics? No one claims, anymore at least, that there's any way to get money out of politics. It will always search for paths to influence. Nor should we imagine that getting all the money out of politics is a necessary goal. The real issues are, where is the money coming from and what kinds of strings are attached to it? In our opinion, the best solution to all the problems raised by private money in politics isn't to try to write tighter and more complicated regulations on its use; it is to create an alternative source of clean, disinterested public money for candidates who want to be able to run a viable campaign for office without being dependent on any private donors. That idea isn't a pipe dream, by the way. Known as "Clean Money/Clean Elections," or "Voter-Owned Elections" or "Impartial Justice" (when it's applied to the financing of judicial elections), it's already the law in five states, with more on the way. In our concluding chapter, we'll explain how it works and why it is the wave of the future.

Five Myths about Money in Politics

Myth No. 1. The public doesn't care about campaign finance reform. We're told—usually by those with a vested political or ideological interest in preventing reform—that campaign finance is of no concern to most people, and therefore lawmakers don't need to act. It's true that as an abstract issue, campaign finance reform ranks lower than the economy or health care or improving education as a priority for most Americans. But when people make the connection between issues like tax fairness or the quality of health care, they understand the need for reform. Numerous polls have found overwhelming majorities who want a fundamental overhaul of the way political campaigns are financed.

Myth No. 2. All we need is full and immediate electronic disclosure. Disclosure is the bedrock of our current system. That's how we know who's trying to buy whom. And though it could be improved by mandating electronic filing (a no-brainer in the current age of computer technology), without additional analysis, voters would be buried in a blizzard of data. As Mark Schmitt, policy director for former U.S. senator Bill Bradley, has noted, "Instant disclosure is useless to voters without a lot of additional information to put it in context. A lot of related information, such as what legislative action a contributor is interested in, doesn't become available until well after the election."

Myth No. 3. More, not less, money should be spent on campaigns. If we count cliches alone, this should be better known as the Potato Chip Argument, as in, "More money is spent by Americans buying potato chips than is spent on elections." Enemies of reform love to make this argument, which was first popularized by an academic named Bradley Smith in a libertarian magazine. Smith is now the Republican-appointed chair of the Federal Election Commission. This is a classic apples-and-oranges trick. Such comparisons ignore the fact that the market for potato chips is a lot bigger than the market for votes. America's 100 million or so adult voters are offered a choice of their representatives only once every two years, whereas a far larger pool of consumers buys millions of bags of potato chips every day. Besides, if more money was spent on campaigns, would voters be better informed? Not likely. With negative advertising, more money would likely lead to increased voter alienation. Most important, since the vast majority of money that finances campaigns comes from special interests, this "deform" would increase their hold on lawmakers.

Myth No. 4. The problem was solved by eliminating party soft money. It's true, the unlimited donations from corporations, unions, and rich individuals to the parties had become an endless funnel of special interest money that undermined all the limits in the law. Shutting national party soft money down, which was achieved by the Bipartisan Campaign Reform Act of 2002, was a critical first step. But eliminating it did not address the day-to-day special interest financing that has corrupted Congress and its lawmaking. Even with soft money's extraordinary explosion in 2000, it still accounted for only 16 percent of the total amount of money spent. The other 84 percent also came overwhelmingly from wealthy individuals and corporate interests—as did most of the money fueling political campaigns before the soft money loophole was invented. And while one \$2,000 hard money donation may comprise a small percentage of a candidate's total war chest, the combined effect of one such contribution bundled with many others from donors representing the same industry or interest group is significant indeed.

Myth No. 5. Ideology matters more than money in affecting votes on policy. Many members of Congress don't need to be persuaded by a timely contribution from a special interest in order to vote with that interest's position. Politicians who are probusiness and anti-regulation are going to attract contributions from industries and individuals who favor those policies. The money can't be said, in the strict sense, to have bought their vote. But this misses the point in two ways. First of all, the need to raise money to run a viable campaign, and its availability from a narrow, skewed portion of the electorate, means that the pool of successful candidates will invariably tilt toward the interests of big money. Second, on many votes a member of Congress may not be hearing much from the public at all (because the media pay little attention most of the time), but he or she is hearing a lot from the special interests who are seeking some favor or subsidy. It's when we the people are paying the least attention that big money matters the most. Even FEC chair Bradley Smith, who opposes most campaign finance regulation, has admitted that "campaign contributions have [a] meaningful effect on legislative voting behavior... on a limited number of votes that are generally related to technical issues arousing little public interest." Of course, one person's "technical issue" can be someone else's boondoggle or tax break.