



The "Money in Politics" Debate and Effective Ways to Improve Local Democracy in America

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Ideally, local governments as the smallest jurisdictions in the American political system allow citizens to engage in a direct and substantive way. Local elections are one way this happens, as citizens select about half a million elected officials, one for every 450 adults, to serve in more than 85,000 U.S. local governments. But despite their potential to serve as entry points for average citizens, local elections suffer from the same campaign issues as state and national elections, including issues about the role of money in politics. And reform efforts to date have not done enough to limit the impact of resource disparities among contending candidates.

The Role of Money in U.S. Elections – Including Local Elections

Past research on money in U.S. electoral politics has concluded that raising campaign money is a necessary but not sufficient condition for success. Very few candidates win without spending at least some threshold amount, but spending more than the opponent does not guarantee victory. Candidates cannot actually “buy” an election by spending exorbitant amounts.

These patterns hold true for most local elections as well. Even though the raw dollar amounts are less, on a per-voter basis local elections are just as expensive as state or national contests. In other words, local candidates spend just as much money communicating their message to each voter. In most mid-sized and large cities, candidates need to assemble campaign funds to be competitive. Only in the smallest cities and towns – those with less than 10,000 registered voters – do candidates routinely run successful campaigns without campaign funds. Similarly to state and national elections, though, raising more money than opponents is not decisive. Wealthy, high-spending candidates are common on a local level, but they do not have a great track record of electoral success. A sizable minority of local election victors – perhaps slightly over one-third – prevail despite being outspent by their opponents.

Although it's easier for candidates to jump into races, local elections are not more competitive than state or national elections – and most local as well as higher-level incumbents win re-election (in one study, 80% of city council incumbents win). In general, local elections resemble state and national contests. Except in scattered small places, they do not live up to their potential to be grassroots, citizen-driven affairs where money has little relevance.

Campaign Finance Reforms at the Local Level

Some cities have implemented campaign finance reforms to limit the influence of money – but without much-proven success:

- New York and Los Angeles have **public matching fund programs** lauded by reformers to provide public funding to candidates who accept voluntary expenditure limits. The intent of these programs is to reduce the amount of money in elections, level the playing field, and encourage more candidates to run. However, there is scant evidence that public matching funds have much effect. After a typical “novelty effect” in the first election reforms were put in place, similar numbers of candidates run in contests that are about equally competitive. Incumbents win just as often. And candidates circumvent limits by relying on independent spending by outside groups.
- Similarly, although legal contribution limits may reduce the number of large donations given directly to local candidates, there is little evidence that they reduce the overall amounts of money in local elections. Candidates find ways around such limits through independent group expenditures or by “bundling” contributions from multiple donors.
- It is still too early to draw firm conclusions from Seattle’s “democracy voucher” program, which provides four twenty-five dollar vouchers to every registered voter, so that he or she can donate to participating City Council candidates. The program started in 2017, and after the novelty effect wears off, it may run into the same problems as public funding programs: many candidates may choose not to participate; the funding may not be enough to run competitive campaigns; and independent expenditures may be used to skirt the intent of the law.

Better Paths Forward

So what can be done to reduce harmful influences of money in local elections? To answer this question, problems must first be accurately diagnosed. Local candidates need money to pay for advertising, the single largest expenditure for most local candidates. Because so few voters pay much attention to local races, candidates really do need resources to get their messages out. Realistic and effective reforms could aim to reduce, not just donations, but candidates’ need to pay for advertising. Efforts to limit money in local elections are bound to fail without addressing the underlying reasons candidates must raise and spend campaign funds in the first place.

Public funding – whether matching funds, “clean elections,” or Seattle’s Democracy Vouchers – addresses the need to pay for advertising by providing taxpayer subsidies to candidates. Even though this is a reasonable approach, the voluntary nature of these programs limits their effectiveness. Some candidates may join these programs and accept their rules to get public funding so they can advertise, but many may choose to rely on private donations instead. What is more, there is little public appetite for diverting taxpayer money to candidates who fill voters’ emails and mailboxes with appeals and flyers.

A better approach is to reform campaign finance not by limiting the amount of money candidates raise and spend, but by reducing the need for candidates to pay for advertising. This means finding ways to engage citizens in local elections or providing more, and better, information to those who are engaged – or both. So far, efforts such as registration drives and voter information websites have not shown much promise. But there are other experiments that can be tried to enhance local democracy. For example, elections might become more interesting if they involved events to let citizens deliberate over contentious local issues or hear solutions to local problems offered by community groups. Candidates could be asked to reply. Even though it is not clear what can be done to reduce the need for candidates to use paid advertising, reformers should turn their attention to that key expense. Maybe money donated in local politics is not as much the issue as how money is used – and should be used – to maximize citizen interest and engagement.

Read more in Brian Adams, *Campaign Finance in Local Elections: Buying the Grassroots* (First Forum Press, 2010).