

PRESIDENTIAL PARTIAL PUBLIC FINANCING PROGRAM IS BROKEN

With both major candidates for president opting out and raising huge sums of money from a tiny swath of the U.S. population, clearly the partial public financing program established in the wake of Watergate is broken.

Every single major presidential nominee for president from 1976 through the 2000 elections accepted public financing for the presidential general elections. With one exception, all of them also accepted public financing for their primary elections. Overall, during this time period, 46 Democrats and 29 Republicans accepted public financing for the presidential primaries. Three Republicans and two Democrats were elected President under the system, and challengers won three of the five races involving an incumbent president.

Most of the candidates themselves realize the system is broken. Seven out of ten of the major party candidates for president, including Sen. Kerry but not President Bush, endorsed a pledge in November 2003 committing themselves to “making reform of the presidential public financing system a priority” and embracing public financing as the “most effective means for preserving the integrity of our electoral process, reducing undue special interest influence and creating a fair playing field for qualified candidates.”¹²

A coalition of campaign finance reform groups, including Public Campaign Action Fund, Public Citizen, Common Cause, the League of Women Voters, the National Association of State PIRGs, and Democracy 21, are calling on candidates in congressional races this fall to take a pledge to reform the presidential public financing system if elected. The coalition is asking candidates to promise among other things to increase public matching funds for presidential candidates and to limit spending in the primary and general elections to \$75 million.

CLEAN MONEY/CLEAN ELECTIONS

Ultimately, full public financing of elections provides the best antidote to the inequities of the current campaign finance system. In Arizona, Maine, New Jersey, North Carolina, New Mexico, and Vermont, citizens are trying a bold new model for electing their representatives. Instead of fine-tuning the system by which candidates collect private money, candidates are given another option for running a viable campaign, one that does not make them beholden to special-interest contributors.

Under Clean Money campaign reform, also known as Clean Elections, candidates who voluntarily agree to limit their spending and to reject campaign contributions from private sources can qualify for full public financing for their campaigns. Primaries are covered as well as general elections, opening up the possibility for real competition within the parties, which is a critical element in reducing the dominance of money in elections. Additional funds are also made available, up to a limit, if a Clean Money candidate is outspent by a privately financed opponent.

In Arizona, nine out of eleven statewide elected officials, including the governor, secretary of state, attorney general, treasurer, and mine inspector, and four out of five members of the corporations commission, got elected running “clean” in either 2000 or 2002. Aside from a very modest infusion of seed money at the start of their campaigns, the largest campaign contribution these public

representatives could collect was a \$5 check. Once they qualified, by collecting a large number of these \$5 contributions, they agreed to abide by spending limits and appear in debates, in return receiving public funds—up to \$2.3 million in the case of the winning gubernatorial candidate, Janet Napolitano.

In Maine, 77% of the state senate and 55% of the state house is made up of Democrats and Republicans who ran “clean,” along with one Green and three independents. The Arizona state house is 45% “clean,” as is 17% of the state senate. Overall, 152 out of 287 state elected officials in the two states, or 53%, who take office next year will have participated in Clean Elections.

Versions of Clean Money have also passed in Massachusetts, New Jersey, New Mexico, North Carolina, and Vermont, and more states are considering it. Reformers in California, Connecticut, Hawai’i, Illinois, Maryland, Minnesota, and Wisconsin are well on their way to winning similar systems for their states.

In Congress, Rep. John Tierney (D-MA) has introduced the Clean Money/Clean Elections Act, H.R. 3641, which has attracted 34 cosponsors. In the Senate, similar legislation is expected to be introduced soon. (In past congressional sessions, Sen. Kerry was a lead sponsor of Clean Money/Clean Elections systems, along with the late Sen. Paul Wellstone (D-MN)).

THE ARIZONA EXPERIENCE: MORE EQUITABLE ELECTIONS

The important distinction between Clean Money systems and those that provide public matching funds to candidates (as is the case in the ailing partial presidential public financing system) is that in the former the link between candidates and large donors is severed. Our Color of Money analysis shows that contributions over \$200 come overwhelmingly from wealthy, non-Hispanic white neighborhoods. Systems that would match contributions at \$500 or \$250 perpetuate this inequity. In contrast, under the Clean Elections law in Arizona, gubernatorial candidates must collect 4,000 \$5 contributions to qualify for public funding of their races.

Analysis of the Arizona experience shows that, under Clean Elections, the pool of small donors (\$5) contributing to gubernatorial candidates is far more diverse geographically, economically, and ethnically than has been the case for candidates accepting private contributions for their campaigns.

A study by the Arizona Clean Elections Institute of gubernatorial races in the 1998 and 2002 election cycles shows that Clean Money candidates were able to seek these \$5 contributions in communities where they had the closest ties, not those where the most wealth is concentrated.¹³ The study found that:

- Candidate Alfredo Gutierrez was able to qualify for Clean Elections funding while collecting 59% of his qualifying contributions from zip codes where the number of Latino residents was above average.
- Overall, the source of contributions in Arizona largely shifted from wealthy counties and other states to Arizona counties with greater diversity. For example, candidates raised more of their \$5 contributions in rural counties, as opposed to urban, wealthy counties. In contrast, candidates

COLOR OF MONEY : 2004

who accepted private funds collected most of their campaign contributions in the two counties where wealth is most concentrated—Maricopa and Pima—with their next largest source being out-of-state donors.

- Clean Elections more than tripled the number of contributors to gubernatorial campaigns, from 11,234 in 1998 to 38,579 in 2002.
- Contributions from low to middle income zip codes increased significantly while those from the wealthiest zip codes decreased. In contrast, candidates who raised their funds from private sources secured less than 30% of their contributions from zip codes with per capita incomes below \$40,000, and an average of 13% of their contributions from zip codes with per capita incomes above \$100,000.

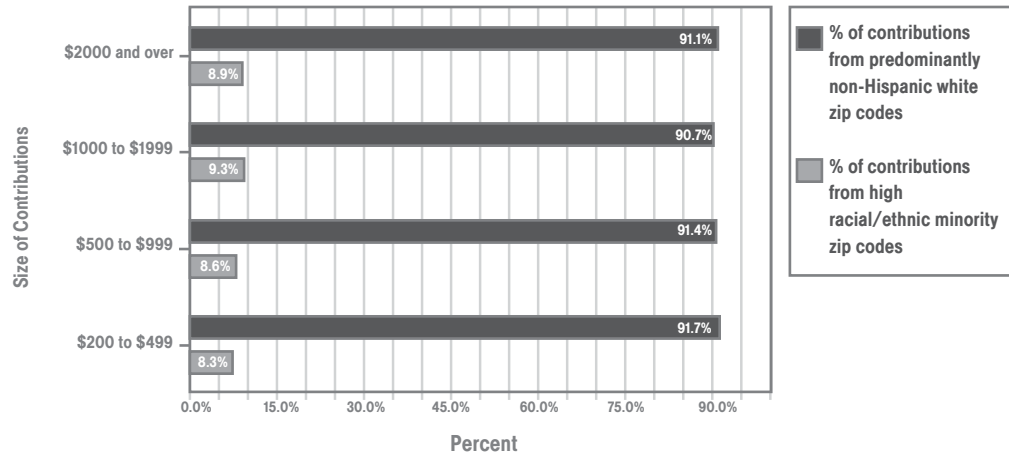
CHARTS AND GRAPHS

2004 PRESIDENTIAL CANDIDATES (INDIVIDUAL FEDERAL CONTRIBUTIONS (\$200+))

Presidential Candidate	Total individual (\$200+) federal contributions	Per capita (population 18 and over)	Percent from predominantly non-Hispanic white zip codes	Percent from zip codes where people of color predominate	Percent from wealthy zip codes	Percent from zip codes with high levels of poverty
			(Non-Hispanic white population is equal to or more than 50% of the population)	(people of color population is equal or more than 50% of the population)	(more than 24.6% of households making \$100,000/year or higher, twice the national average)	(more than 23.5% of households in poverty, twice the national average)
George W. Bush (R)	\$154,091,704	\$0.74	91.7%	8.3%	50.6%	3.6%
John Kerry (D)	\$106,243,368	\$0.51	89.3%	10.7%	57.8%	4.5%
Howard Dean (D)	\$19,390,984	\$0.09	89.0%	11.0%	50.0%	4.1%
John Edwards (D)	\$17,991,816	\$0.09	86.5%	13.5%	42.7%	7.9%
Joe Lieberman (D)	\$12,428,250	\$0.06	88.7%	11.3%	67.7%	3.6%
Richard A. Gephardt (D)	\$11,883,670	\$0.06	89.0%	11.0%	53.8%	6.0%
Wesley Clark (D)	\$11,161,875	\$0.05	89.8%	10.2%	57.1%	4.3%
Bob Graham (D)	\$3,701,630	\$0.02	78.3%	21.7%	40.9%	5.2%
Dennis J. Kucinich (D)	\$2,215,801	\$0.01	87.5%	12.5%	32.9%	5.4%
Carol Moseley Braun (D)	\$367,622	\$0.00	62.5%	37.5%	43.7%	14.6%
Al Sharpton (D)	\$366,440	\$0.00	63.8%	36.2%	42.7%	17.5%
All Democrats	\$185,751,456	\$0.89	88.6%	11.4%	55.2%	4.9%
Ralph Nader (3)	\$522,729	\$0.00	87.1%	12.9%	41.9%	3.8%

COLOR OF MONEY : 2004

CONTRIBUTION SIZE BY NEIGHBORHOOD GEORGE W. BUSH INDIVIDUAL CONTRIBUTIONS, \$200+



TOP CONTRIBUTING STATES TO GEORGE W. BUSH (INDIVIDUAL FEDERAL CONTRIBUTIONS (\$200+))

State	Total individual (\$200+) federal contributions	Per capita (population 18 and over)	Percent from predominantly non-Hispanic white zip codes	Percent from zip codes where people of color predominate	Percent from wealthy zip codes	Percent from zip codes with high levels of poverty
			(non-Hispanic white population is equal to or more than 50% of the population)	(people of color population is equal or more than 50% of the population)	(more than 24.6% of households making \$100,000/year or higher, twice the national average)	(more than 23.5% of households in poverty, twice the national average)
Texas	\$18,942,787	\$1.44	84.8%	15.2%	47.7%	4.2%
California	\$16,086,780	\$0.72	84.6%	15.4%	64.7%	3.0%
Florida	\$13,981,493	\$1.22	89.1%	10.9%	35.5%	3.0%
New York	\$10,343,169	\$0.88	93.9%	6.1%	75.2%	2.5%
Virginia	\$6,686,140	\$1.51	94.7%	5.3%	65.6%	1.3%
Ohio	\$6,495,225	\$0.98	95.1%	4.9%	46.8%	4.8%
Illinois	\$5,739,319	\$0.79	96.3%	3.7%	73.9%	1.4%
Georgia	\$5,492,097	\$1.07	91.5%	8.5%	44.5%	4.8%
New Jersey	\$4,890,708	\$0.87	94.8%	5.2%	77.3%	0.1%
Michigan	\$4,281,315	\$0.72	95.6%	4.4%	56.2%	4.7%