CHAPTER 14

Corporations, Capitalists, and Campaign Finance*

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Financial contributions to political parties and candidates are an important source of political influence in many societies. This is, perhaps, nowhere more true than in the United States, where candidates' need to raise and spend vast sums of money is accentuated by a system of weak and decentralized parties, single-member-district elections, nomination by party primaries, limited public funding, and media intensive campaigns that emphasize image and personality over clear policy differences. Given the vast inequalities in wealth in the U.S., rich contributors — including wealthy capitalists and giant corporations — play a dominant role in campaign finance and, thereby, exercise disproportionate influence over politics and public policy (Clawson, Neustadtl, & Weller, 1998; Domhoff, 2006; Mills, 1956).

Money may be the "mother's milk" of politics, as former California State Assemblyman Jesse Unruh famously quipped. But, precisely because of its universality, money can also be seen as a "tracer element in the study of political power" (Alexander, 1984). Transfers of money in the political arena are not always transparent; however, they are potentially measurable in a way that many other forms of political action are not. This has made the study of campaign finance an important topic for social scientists who are interested in understanding the flow of power and influence within the political system.

In this chapter I present an overview of the social scientific research on campaign finance, with a focus on the implications of different patterns of political contributions for

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theorizing the relationship between corporations, capitalists, and the state. In the first section I begin with a brief discussion of the role of money in American politics, historical changes in the laws regulating political contributions, and some of the pioneering studies of corporate involvement in campaign finance. The second section takes up the most extensive sub-genre of recent campaign finance research: studies that analyze the contributions of corporate sponsored political action committees (PACs) and the relationship between the growth of corporate PAC spending and the "right turn" in U.S. state policy in the late 1970s and 1980s. The third section examines the research on non-PAC political contributions by individual corporate officers and shareowners and how these differ from (and complement) the political spending of corporate PACs. The fourth section reviews the research findings on the legislative impact of corporate (and other) PAC contributions. The concluding section addresses some of the limitations of existing studies and potential areas for future research.

MONEY AND ELECTIONS IN AMERICAN POLITICS

Money provided by candidates themselves, together with assessments levied on federal officeholders, were the main sources of funding for America's earliest election campaigns (Overacker, 1932) . Following the Civil War, however, contributions from large corporations and the officers and shareowners of large corporations became the leading source of political money. This trend was accelerated by the passage of Civil Service Reform Act of 1883, which restricted the solicitation of campaign funds from federal officeholders. Public concern over the corrupting influence of political contributions from powerful corporations and wealthy capitalists was a recurrent theme in the late 19th and early 20th centuries, leading to numerous initiatives for campaign finance reform. These included the Tillman Act of 1907, which banned corporations from directly contributing to political campaigns, and subsequent legislation that established disclosure requirements and limits (later overturned) on the amount candidates could spend on their own campaigns. These reforms had little effect on the flow of corporate cash to political parties and candidates, other than to drive some contributions underground and redirect others into alternate channels. Between the passage of the Tillman Act in 1907 and the Federal Election Campaign Act of 1971, contributions from wealthy industrialists and financiers remained a key source of campaign funds. Corporations, although prohibited from making direct contributions to candidates for federal office, faced little difficulty in channeling donations through gifts made in the name of individual officers or shareowners, substituting in-kind contributions for monetary payments, laundering donations through bogus fees paid to politically connected law firms or public relations firms, or simply making clandestine contributions.

The earliest social scientific research on corporate involvement in campaign finance originated in the 1930s. One of the pioneers in the field was Lundberg (1937), who assembled and analyzed data on campaign finance to document the dominance of corporate interests over American electoral politics from the 1890s through the 1930s, as well as the competition among different segments of capital for political advantage. Overacker (1933, 1937, 1941, 1945) assembled and summarized data on corporate affiliations of major contributors to the Republican and Democratic parties in each of the presidential election years between 1932 and 1944. Heard (1960) reported selected data of this kind for the 1952 and 1956 elections, as did Alexander (1962, 1966, 1971, 1976) in a series of monographs on the financing of presidential campaigns, beginning with the 1960 election and continuing through 1992. Domhoff (1972) used campaign finance data from the 1960s to analyze elite support for the Democratic Party. With the exceptions of Lundberg (1937) and Domhoff (1972), these early studies tended to be mainly descriptive, although the data they assembled has been useful to later researchers with stronger theoretical ambitions (Allen, 1991; Ferguson, 1995; Webber, 2000).

The Federal Election Campaign Act of 1971 and subsequent amendments transformed both the nature of corporate involvement in campaign finance and the possibilities for research on the relationship between business and the state. The legislation imposed limits on campaign contributions by private individuals, but it also created a major loophole in the Tillman Act by sanctioning the use of corporate funds to establish and administer political action committees. The full implications of this legislation were only made clear through a series of amendments, court decisions, and administrative rulings that occurred between 1971 and 1976. Under the new system, corporations are allowed to solicit donations from company executives and supervise the distribution of that money to candidates. By establishing payroll deduction plans that skim off a small fraction of the lavish salaries of top managers, large corporations are thus able to amass huge war chests for campaign spending. Although it is still illegal for businesses to donate money to candidates *directly* out of corporate funds, it is legal for them to pay all of the expenses of a political action committee, including the salaries of employees who work on PAC business as part of their company duties. The decision as to which candidates will receive company support is typically made by a committee appointed by and responsible to the top officers of the corporation. Hence, PAC contributions can be taken as representing the political will of those who control the corporation, rather than simply the choices of individual employees.

From the mid-1970s to the present, corporations and capitalists have thus had two main channels for contributing money to political campaigns. The first is through contributions collected and distributed by corporate political action committees. Under current law, PACs can donate up to $10,000 to an individual candidate and $30,000 to a national party committee in each two-year election cycle, with no limit on total contributions. The second is through contributions made by individual corporate officers, shareowners, and other wealthy persons. As of 2008, individuals are able to donate up to $4,600 to an individual candidate and $57,000 to a national party committee in each two-year election cycle, up to a limit of $108,200 in total contributions (limits that are indexed to inflation). In this chapter I discuss research on each of these two main forms of what are known as “hard-money” contributions — i.e., money that is used directly by parties and candidates to influence the outcome of the election. Other channels for contributing to electoral campaigns also exist. Corporate PAC expenditures are matched by nearly equal expenditures by PACs operated by trade and business associations. For much of the recent period, loopholes in the law have also allowed virtually unlimited donations to political parties in the form of “soft money.” This is money that is purportedly used only for party building or get-out-the-vote activities rather than the election or defeat of specific candidates, although the distinction is easily blurred. Following the McCain-Feingold campaign finance reform of 2002, much of this soft money has been redirected from political parties to nominally independent “527 groups,” which circumvent federal election regulations under the pretext that they promote only issues rather than specific parties or candidates. However, none of these alternate channels of political spending have been researched as extensively as the two main types of hard-money contributions coming from corporate PACs and wealthy individual donors. In the case of 527 groups, this can partly be attributed to weak and poorly enforced disclosure requirements that have made it extremely difficult to obtain systematic data on contributors.

CORPORATE PAC CONTRIBUTIONS

Following the campaign finance reforms of the 1970s, the number and size of corporate PACs increased dramatically. In 1974 there were only 89 corporate PACs registered with the

Federal Election Commission (FEC). By 1980 there were 1,206 and by 1984 there were 1,682. Since then the number has fluctuated slightly from one election to the next and now stands at roughly 1,600. Corporate PAC expenditures grew steadily from $31 million in 1980 to $101 million in 1990 to $158 million in 2000, and then mushroomed to $278 million in 2006 (Federal Election Commission, 2008). The biggest share of this money has always gone to candidates for the U.S. House and Senate, where contributions from corporate PACs typically account for 8-10 percent of the total money raised by candidates. Business affiliated trade association PACs account for another 6-8 percent. These percentages are small compared with the amount of money candidates receive in large donations from individual corporate elites and other wealthy persons; however, the impact of corporate PAC dollars is magnified by the strategic manner in which it is distributed and the coordination between PAC spending and lobbying activities.

The largest corporations were typically among the first to form PACs and tend to contribute more money to political campaigns than smaller firms. Among large corporations (commonly defined as *Fortune* 500 firms) additional factors have been shown to influence the level of PAC activism. Generally speaking, firms with the greatest stake in governmental action were among the early leaders. In the 1970s and early 1980s, firms in highly regulated industries were among the first to establish PACs. So also were firms in highly concentrated industries, where the dominance of a few giant corporations with common interests in state action affecting their industry reduced the temptation to free riding (Andres, 1985). Among corporations that have formed PACs, firms with a pronounced material interest in state action have also been among the biggest PAC spenders. These include major defense contractors, firms with high levels of regulatory violations, and firms most exposed to anti-trust sanctions because of an aggressive history of mergers and acquisitions (Boies, 1989).

Apart from studying which firms have organized PACs or how much they spend, the greater part of corporate PAC research has been concerned with examining which candidates receive support from which corporations. This question has been addressed from two complementary angles: (1) How unified are large corporations in the candidates they support? and (2) When spending patterns diverge, how is that divergence manifested and what underlying factors cause firms to adopt one spending strategy rather than another?

Researchers quickly recognized that corporate PACs tended to follow one or another (or some combination) of two basic strategies in deciding which candidates to support (Handler & Mulkern, 1982). The historically more prevalent strategy can be described as *pragmatic*. Corporations adopting this strategy contribute heavily to likely winners in the hope of gaining privileged access to legislators for lobbying purposes. This results in a profile of PAC spending that is weighted toward incumbents (since incumbents win the vast majority of congressional races) and includes nontrivial donations to Democratic incumbents and not just Republicans. The second strategy can be described as *ideological*. Corporations adopting this strategy place a lower priority on legislative access and show a greater willingness to oppose incumbents with the aim of altering the composition of Congress in a direction more favorable to the *general* interests of business. This results in a profile of PAC spending that contributes almost exclusively to Republicans and targets incumbent Democrats for defeat by providing substantial sums to Republican challengers, including many on the far right of the political spectrum. Many corporate PACs adopt a mix of these two strategies, making nuanced choices about which incumbent Democrats are most vital for them to support, but also willing to back Republican challengers if and when the costs are low or the prospects for victory promising.

In its origins, the distinction between pragmatic and ideological PAC strategies presumed and appeared to support a pluralist view of the role of business in American politics. The pluralist view is premised on the idea that, despite the overwhelming economic and political resources at the command of large corporations, their competing interests and conflicting strategies often cancel out, thereby preventing big business from being the dominant force it might be if it were more politically unified. However, a closer examination of the alignment of corporate PAC spending casts doubt on the pluralist view — at least with regard to the period of the early growth of corporate PACs in the late 1970s and 1980s. Despite undeniable variation in the mix of strategies adopted by different firms, these two strategies are sufficiently compatible and spending decisions are sufficiently coordinated among firms that corporations rarely *oppose* one another in the candidates they support. In the 1980 election, for example, 90 percent or more of corporate money went to the same candidate in three out of four congressional races; in only 7 percent of congressional races did less than two-thirds of corporate money go to a single candidate (Clawson, Neustadtl, & Bearden, 1986).

Although corporate PACs rarely oppose one another in the candidates they support, the extent to which they unite behind the same or similar candidates varies across the corporate community. Pragmatic considerations tend to unify numerous small and overlapping clusters of firms in support of the same or similar candidates. For example, firms located in the same state or region often overlap in the candidates they support, at least partly because of their shared pragmatic interest in maintaining good relations with local incumbents (Mizruchi, 1989, 1992). Firms in the same industry also share pragmatic interests that lead them to support similar candidates. These geographic or industry-based clusters may not be sharply opposed to one another in the candidates they support, but neither do they generate any large subgroups of corporations that are strongly united behind a common slate of candidates. Where this occurs it is mainly a result of the strength and pervasiveness of *ideological* motives in the choices firms make about which candidates to support. For example, in the 1980 election the single, most cohesive subgroup of any size within the business community (encompassing roughly 40 percent of large corporations) was defined neither by region nor industry nor any other discernable basis of shared pragmatic interests, but by a common commitment to an ideological strategy of supporting right-wing, Republican challengers (Neustadtl & Clawson, 1988). This ideological bloc grew rapidly in both size and the intensity of its partisan commitment in the years between 1976 and 1980 — a trend that can be seen as an integral part of the broader, right-wing political mobilization of business in that period and a key factor in explaining the electoral and legislative victories of conservatives in the early Reagan era (Su, Neustadtl, & Clawson, 1995).

Understanding which corporations follow a pragmatic PAC strategy and which follow a more ideological strategy has been a key question for corporate PAC research. In these studies, pragmatism is commonly measured in terms of support for incumbents, support for Democrats, or support for candidates favored by liberal groups, whereas commitment to an ideological strategy is measured in terms of support for Republicans, especially Republican challengers, and support for candidates favored by ultraconservative groups. By analyzing such variations in PAC spending, researchers have hoped to learn more about broader political alignments within the corporate community and also to identify which segments of big business were most instrumental in financing the rightward turn of American politics in the late 1970s and 1980s.

For guidance, this research has drawn on a range of theories that purport to distinguish the more moderate from the more conservative fractions of the capitalist class. One of the more popular such theories is the theory of “corporate liberalism,” which argues that pragmatism and political moderation are more characteristic of the economically dominant segment of corporate capital (Kolko, 1963; Weinstein, 1968). According to this view, the economic security of large, oligopolistic, capital-intensive firms gives them the luxury of being able to compromise on issues of government regulation, unions, taxation, and social spending, whereas smaller, competitive, labor-intensive firms confront more stringent economic constraints that push them to be more militantly conservative on these issues. In multiple studies, using different samples and measures, none of the firm characteristics cited by corporate liberalism theory have proven significant in differentiating the more pragmatic and more ideologically conservative corporate PACs (Burris, 1987; Burris & Salt, 1990; Clawson, Kaufman, & Neustadtl, 1985; Clawson & Neustadtl 1989). Whatever the validity of this theory in other contexts or historical periods, it has thus proven to be of little value in predicting corporate PAC behavior.

A related theory is the theory of the corporate “inner circle” (Useem, 1984). This theory also distinguishes between the dominant or central firms and the subordinate or peripheral firms. However, rather than defining dominance in terms of size, market power, or capital-intensity, the inner-circle theory classifies firms by their prominence within intercorporate networks. Firms that are highly interconnected with other firms through director interlocks are hypothesized to follow a political strategy that is more sensitive to the “classwide” interests of business as a whole, whereas less connected firms are thought to embrace a narrower, company-specific set of political priorities. In its original formulation, a classwide perspective was understood as one that was less preoccupied with short-term profits, more attentive to long-term concerns of the stability and legitimacy of the economic system, and therefore more *pragmatic* and open to compromise (Useem 1984). Others advanced the contrary argument that, in the context of the late 1970s and 1980s, a classwide perspective was one that was less preoccupied with company-specific access to legislators and more willing to follow an ideologically *conservative* strategy that sought to alter the composition of Congress and restructure business-state relations on terms more favorable to capital generally (Clawson et al., 1986). Several studies have found that firms with the greatest number of director interlocks are more pragmatic and less conservative — thus lending support to the first interpretation — although these findings are sensitive to variations in sampling and model specification and readily lend themselves to a number of alternative interpretations (Burris, 1987, 1991; Clawson & Neustadtl, 1989).

Another popular theory is the “Yankee-cowboy” theory, which argues that extreme, right-wing partisanship is mainly characteristic of rising Sunbelt firms of the South and West, whereas more established firms of the East and Midwest tend to adopt a more moderate and pragmatic political stance (Davis, 1981; Dye, 1995; Sale, 1975). The ultraconservatism of Sunbelt firms is attributed to the cultural climate of the region and the distinctive conditions of capital accumulation in key Sunbelt industries like oil exploration, aerospace, discount merchandising, real estate, and construction. This theory has received mixed support in the research on corporate PACs. Some studies report modest support for the regional differences hypothesized in the theory (Burris, 1987; Burris & Salt, 1990), whereas others find none (Clawson & Neustadtl, 1989). The best evidence suggests that region may, indeed, be a factor differentiating between more pragmatic and more ideologically conservative firms, but that the regional alignments proposed by the Yankee-cowboy theory are simply mistaken (Salt, 1989). Eastern firms do appear to be more pragmatic than average and southern firms are more conservative, but mid-western firms are among the most ideologically conservative of any region, and western firms occupy an intermediate position on the spectrum between pragmatic and ideological spending. The magnitude of these differences, however, is relatively small.

If there is any generalization to be drawn from this checkered pattern of research findings, it is that the distinction between pragmatic and ideological PAC strategies is not reducible to differences between moderate and conservative political views or predispositions. Theories that originated to account for the latter have therefore proven to be of limited value in explaining the former. Across numerous studies, only two factors have *consistently* been shown to differentiate between more pragmatic and more ideological corporate PACs. These are the extent of government regulation and corporate dependence on defense contracts, both of which increase the likelihood that corporations will adopt a pragmatic PAC strategy (Burris, 1987, 2001; Burris & Salt, 1990; Clawson et al., 1985; Clawson & Neustadtl 1989). In both cases, firms that have the greatest economic stake in the details of governmental action are constrained to seek favor with incumbents and eschew contributions that might jeopardize their good relations and privileged access to key legislators. The officers and directors of these pragmatic firms may be no more moderate or less conservative than those of corporations that follow an aggressively ideological strategy; they simply confront a different set of opportunities and constraints in seeking to advance the interests of their firm. Differential exposure to these constraints, rather than any underlying differences in political preferences or ideologies, appears to be the strongest factor influencing the campaign strategies followed by corporate PACs.

CAMPAIGN CONTRIBUTIONS BY INDIVIDUAL CAPITALISTS

The research on campaign contributions by individual capitalists and corporate elites can be summarized in terms of the same questions that I examined in connection with corporate PAC spending: (1) Who contributes to political campaigns? (2) How unified are individual elites in the parties and candidates they support? and (3) When patterns of elite political spending vary, what are the underlying correlates or sources of this variation? To explore these questions, researchers have drawn upon many of the same theories and explanatory variables used in the PAC research; although, given the difference between individual and corporate actors, additional factors have also been incorporated in the analysis. Because of the major changes in campaign finance laws enacted in the early and mid-1970s, it will be helpful to divide the discussion of the evidence on these questions into two parts. First I discuss those studies that deal with elections prior to the mid-1970s; then I turn to the research on more recent elections.

Among the research on the earlier period, two particular elections have received the most scrutiny. The 1936 election has attracted considerable attention because of its importance as an indicator of elite reaction to the New Deal and because of the centrality of the New Deal to broader theories of capital-state relations. The 1972 election has also been widely studied, owing to the fact that it was the final election conducted without any limits on the size of individual contributions and because of the relative completeness of contributor data on this election, which was the subject of the Watergate investigations.

The 1936 election was examined in some of the classic studies of campaign finance, but it has also been a focus of more recent research. All of the research indicates that 80 percent or more of capitalists who made political contributions supported the Republicans in 1936, but judgments vary on which capitalists supported Roosevelt and the Democrats. The consensus of the early literature was that the New Deal was supported mainly by capitalists in light industries like department stores, textiles, cigarettes, food, and beverages, whose revenues depended on state efforts to prop up the retail market; whereas big banks and heavy industries like steel, auto, oil, chemicals, mining, and utilities were overwhelmingly opposed to Roosevelt and the New Deal by 1936 (Lundberg, 1937; Overacker, 1937). This view was challenged by several contemporary scholars, who advanced an interpretation more in line with the theory of corporate liberalism (Ferguson, 1984, 1995; Ferguson & Rogers, 1986). In the latter view, capitalist support for the New Deal was strongest among internationally oriented, capital-intensive firms — partly because of party differences over free trade, but mostly because capital-intensive industries were less sensitive to changes in labor costs and therefore more able to make concessions to organized labor. By the same logic, labor-intensive industries, especially those that were dependent on the domestic market, were seen as the main opponents of the New Deal.

The most rigorous research on capitalists' contributions in the 1936 election provides much stronger support for the classic view, although it also paints a more complex picture. One study of 589 of the most powerful capitalists of the New Deal era found stronger support for the Democrats among those associated with consumer-goods industries, but not among those linked with monopoly-sector or capital-intensive industries (Allen, 1991). A second study, using a different methodology, came to similar conclusions; however, it also demonstrated that these industry differences largely disappeared once controls were introduced for region and ethnicity (Webber 2000). Specifically, the evidence suggested that capitalist support for the Democrats in 1936 was strongest among southerners and ethnic minorities like Catholics and Jews — two groups that were relatively marginal to the predominantly northern and Protestant national elite structure and who invested in the Democratic Party as the only channel of political influence open to them. Additional patterns identified in the 1936 election included the fact that corporate CEOs and members of the corporate "inner circle" (capitalists who held directorships in four or more major corporations) contributed relatively more to Republicans than did other capitalists.

Studies of 1972 election yield surprisingly similar findings to those of the New Deal era, but also explore a number of additional issues. On the question of which individual capitalists were most involved in campaign finance, the evidence shows that wealthy entrepreneurs donated more in 1972 than the inheritors of family fortunes, and that capitalists who were corporate directors or foundation trustees contributed more than those who were less active or less visible in economic or civic affairs (Allen & Broyles, 1989). Capitalists who were officers, directors, or major shareowners of firms in highly regulated industries or firms with large government contracts also contributed more (Allen & Broyles, 1989; Pittman, 1977). However, in contrast to the findings on corporate PAC contributions, individual capitalists associated with these industries were no more pragmatic or bipartisan in the candidates they supported (Burris & Salt, 1990). As during the New Deal, southern and Jewish capitalists contributed relatively more to Democrats in 1972 than non-southern or non-Jewish capitalists (Allen & Broyles, 1989), and members of the corporate inner circle contributed relatively more to Republicans than did other capitalists (Burris, 1991; Burris & Salt, 1990). The expectations of corporate liberalism theory received no more support in 1972 than in 1936. Capitalists associated with larger and/or more capital-intensive firms contributed more heavily to Republicans in 1972 than did capitalists associated with mid-sized or more labor-intensive firms (Burris & Salt, 1990).

The research on campaign contributions by individual capitalists in elections after 1972 is relatively sparse. With the legalization and rapid growth of corporate PACs in the 1970s, much of the research on capitalist involvement in campaign finance has shifted from individual contributions to PAC contributions. The relative dearth of research on individual capitalists' contributions in recent elections is unfortunate for several reasons. First, despite the growth of corporate and other PACs, large contributions from individual donors remain the single biggest source of campaign money in most elections. In congressional races, large individual donations account for roughly 35-40 percent of the money raised (Francia, Green, Herrnson, Powell, & Wilcox, 2003); in presidential primaries they account for 70-90 percent of candidates' receipts

(Brown, Powell, & Wilcox, 1995). Second, it has become clear that, under the campaign finance laws enacted during the 1970s, political spending by corporations and by individual capitalists follow different logics as a result of the different legal, institutional, and strategic contexts in which they occur (Burris 2001). Research is therefore needed on both forms of political spending if we are to form a comprehensive and balanced view of corporate and capitalist involvement in campaign finance.

Evidence on political spending by individual elites in more recent elections comes from two kinds of studies: random samples of political contributors, and targeted studies of wealthy individuals and/or top corporate officers. Studies of the first type provide some sense of the disproportionate influence that persons of great wealth exercise over campaign finance. For example, in a random sample of donors to the 1996 congressional election, 78 percent of all donors of $200 or more had annual incomes in excess of $100,000 and 38 percent had incomes in excess of $250,000 (Francia et al., 2003). Narrowing the focus to donors who made aggregate contributions of $8,000 or more to all congressional races combined, nearly half had annual incomes of more than $500,000 and almost all had incomes above $250,000, suggesting that top corporate officers and other capitalists were heavily represented among this elite group.

Changes in the campaign finance laws made in the 1970s may have altered either the propensity or the motives of individual capitalists to contribute to political campaigns. Under the old system, corporations seeking political influence had little choice but to funnel contributions through donations made in the names of individual officers or shareowners, whereas now they can contribute more directly through a corporate PAC. Formerly, there was no limit on the size of donations that individuals could make, whereas now there are contribution limits that are sufficiently restrictive (especially for donations made directly to individual candidates) that one might question how much influence a contribution to a particular candidate might buy. One study directly compared presidential campaign contributions by 590 members of 100 wealthy capitalist families before and after the campaign finance reforms of the 1970s and found that there was a decline in the propensity to contribute in 1984 compared with 1972, especially to Democratic Party candidates (Allen & Broyles, 1991). More research is needed before we can conclude that this pattern applies to other elections and other types of candidates, but the fact that Democratic contributions (which are more likely to be pragmatic) declined relative to Republican contributions (which are more likely to be ideologically motivated) suggests that capitalists under the new system may be less likely than before to make individual contributions for purely pragmatic reasons.

This interpretation is consistent with other research that shows that campaign contributions by individual capitalists tend to be much less pragmatically motivated than the contributions by corporate PACs. The clearest evidence of a divergence between the spending strategies pursued by corporate PACs and those followed by individual capitalists comes from a study that directly compares the PAC contributions of 394 large corporations in 1980 with the individual contributions of 592 top officers of those same corporations (Burris, 2001). Compared with corporate PACs, which contribute mainly to congressional races and spread their contributions over a large number of candidates, individual capitalists direct a larger share of their contributions to presidential primary candidates and to both party and nonparty (e.g., ideological and single-issue) committees. On average, individual capitalists' contributions are more skewed toward Republicans, whereas corporate PAC contributions are more bipartisan. These patterns reflect the fact that corporations are typically more interested in buying access or influence with incumbents, whereas individual capitalists are more concerned with bolstering the election prospects of favored parties and candidates. Factors that predispose a corporation to adopt a pragmatic PAC strategy, such as dependence on defense contracts or being in a highly regulated industry, have no similar impact on the campaign spending of the top officers of those same corporations. For example, in an election year in which Democrats controlled Congress, many of the biggest defense contractors gave 60 percent or more of their PAC dollars to Democrats, whereas the presidents and CEOs of those same firms gave 95-100 percent of their individual contributions to Republicans (Burris 2001). The first pattern reflects the pragmatic interest of firms with large government contracts to maintain good relations with incumbents of both parties, whereas the second reflects the partisan interest of defense industry executives to favor candidates who are ideologically committed to high military spending.

There are other instances in which seemingly similar factors yield opposite effects on the contributions of corporations and those of individual corporate officers. For example, as noted earlier, there is modest but relatively consistent evidence that corporations that are most strongly embedded in director interlock networks tend to adopt a more pragmatic PAC strategy. The most plausible explanation for this is that highly networked firms are positioned to extract the biggest benefits from legislative lobbying (Burris, 2001). On the other hand, inner-circle members — i.e., capitalists who hold directorships on multiple corporate boards —have consistently proven to be less bipartisan and more ideologically conservative in their campaign spending than other capitalists. This pattern has been demonstrated for 1980 and 1984, but also for 1972 and 1936 (Allen, 1991, Broyles, 1993; Burris, 1991, 2001). On the assumption that inner-circle members are more in tune with the hegemonic view of what defines the collective interests of capitalists as a class, we can only assume that political liberalism or moderation have rarely been strong elements in that hegemonic view.

Because corporations and individual capitalists are different kinds of political actors, research on the latter has identified a number of influences on the campaign contributions of individual capitalists that are either irrelevant or inconsequential for the PAC spending of corporations. For example, contrary to the conventional wisdom, there is strong evidence that capitalists who are members of the old-rich, upper social class tend to be more uniformly conservative in their campaign contributions than new-rich entrepreneurs (Burris, 2000, 2001). The relatively stronger propensity of Jewish capitalists to support Democrats in 1936 and 1972 has remained robust through the 1980 election, although it must be stressed that this is a *relative* propensity and that the majority of Jewish capitalists' individual campaign contributions go to Republicans. The relatively stronger propensity of southern capitalists to support Democrats in 1936 and 1972 also persisted through the 1980 election. This is best understood as a lingering remnant of the tradition of Bourbon Democracy and not as an indication of greater liberalism. When southern capitalists support Republicans, they tend to favor the more extreme, right-wing candidates to a degree that is matched only by the traditionally arch-conservative capitalists of the Midwest (Burris, 2001). Whether the longstanding pattern of stronger Democratic support among Jewish and southern capitalists has persisted beyond the 1980s has not been studied.

Compared with the research on corporate PAC contributions, there has been relatively little research on the degree of *unity* in campaign contributions by individual capitalists and the factors associated with greater or lesser unity. On the relatively easy-to-measure question of party unity, we know that individual corporate elites give more consistently to Republicans than do the corporations with which those elites are affiliated. From this standpoint it might appear that capitalists as individual donors are more unified than corporate PACs. There are several reasons why this conclusion is likely mistaken. As previously noted, corporate PACs donate mainly to individual congressional candidates, and, by choosing which races to contribute to, they are generally able to avoid supporting opposing candidates. Individual corporate elites contribute proportionally less to Democrats, but they also target much of their money to presidential candidates and party committees, where it is almost certain that their donations will be used to oppose candidates supported by other corporate elites. Equally important, we have only limited information on the contribution patterns of capitalists who are not themselves top corporate officers, and what evidence we have is skewed toward capitalists of extreme wealth (Broyles & Allen, 1991; Burris, 2000). Such evidence as we do have indicates that a nontrivial minority of wealthy individuals contribute heavily to Democratic candidates, and not just out of a pragmatic interest in securing access but as an expression of partisan commitment and liberal ideology. For example, a study of the *Forbes* 400 richest Americans identified such billionaires as Hollywood mogul David Geffen and investors George Soros and Warren Buffett as both major Democratic Party donors and supporters of numerous liberal causes (Burris, 2000).

Although it would be hazardous to speculate about whether individual capitalists are more or less unified in their political spending than corporate PACs, we do have evidence on some of the factors that contribute to greater or lesser unity in the candidates supported by individual elites. As with corporate PACs, geographic proximity and common industry are associated with similarity of campaign contributions among individual elites (Burris, 2005). More interesting is the fact that interpersonal networks appear to have stronger effects on the similarity of political spending among corporate elites than inter-organizational networks have on the similarity of corporate PAC spending. Specifically, whereas director interlocks among firms have limited effects on the likelihood that firms will contribute to the same or similar candidates, and even then only for particular types of director interlocks (Mizruchi, 1992), board ties among individual corporate elites have very pronounced effects on the similarity of those elites' campaign contributions. For example, the fact that two elites are connected through a board interlock has 20-25 times the impact on the similarity of their political spending than either geographic proximity or common industry (Burris, 2005). This suggests that further progress in understanding the sources of unity or cleavage in the campaign spending of individual capitalists is likely to come through a deeper study of social networks and not just through research framed in terms rational calculations of economic interest or ascriptive social characteristics.

THE IMPACT OF CAMPAIGN CONTRIBUTIONS

Much of the research on corporate and capitalist involvement in campaign finance uses monetary transfers as "tracer elements" to reveal underlying patterns of political partisanship and the articulation of capitalist class interests within the arena of electoral politics. Obviously, campaign contributions are also important from the standpoint of their impact on political outcomes of one kind or another. There is an immense literature on this topic, and I shall limit myself here to research that most directly bears on the political impact of campaign contributions by corporations and wealthy capitalists. Four types of evidence will be discussed: (1) evidence on the impact of money on election outcomes; (2) surveys of individual campaign contributors about the motives and perceived benefits of their contributions; (3) interviews with corporate PAC officers that help flesh out the notion of "access" and the benefits it confers; (4) analyses that seek to measure the impact of PAC contributions on the votes cast by members of Congress.

It is a truism that money, including money from big business or wealthy capitalists, does not automatically determine the outcome of elections. For example, Roosevelt defeated Landon in 1936 despite the opposition of most wealthy capitalists and being outspent by a ratio of more than 3-to-2. In both presidential and congressional contests, additional factors, such as the power of incumbency, the state of the economy, voter turnout, and coat-tail effects of other candidates or issues on the ballot play a key role in election outcomes. When these conditions are right, however, a major shift or infusion of money from corporations and wealthy capitalists can have a significant impact on election outcomes. This appears to have happened, for example, in the unusually high number of Democratic incumbents who were defeated in the congressional election of 1980, giving Republicans control of the Senate (Ashford, 1986). More commonly, however, donations by corporations and wealthy capitalists have their greatest impact at the prenomination stage, during the primaries or before, where access to early money can boost the visibility and credibility of candidates, especially nonincumbents, who would otherwise never have become viable candidates (Alexander, 1984). This same dynamic also places a premium on a candidate's ability to finance his or her own campaign, thereby increasing the number of multi-millionaires among major party candidates.

Surveys of individual campaign contributors consistently find that large majorities of donors emphasize the goals of influencing the outcome of an election and bolstering the election prospects of ideologically appealing candidates as the main motives for contributing (Brown et al., 1995; Francia et al., 2003). A lesser, but still substantial, number mention pragmatic goals such as the expectation of receiving more sympathetic treatment for their business or industry, and the proportion who mention pragmatic goals increases among high-income donors. What impact an individual contribution may have on the actions of a particular legislator is a matter for speculation. What is undeniable, however, is the *cumulative* impact that money and fundraising activities have on constraining the range of people and viewpoints that legislators regularly encounter (Francia et al., 2003). Large donors represent a narrow cross-section of the public that is overwhelmingly affluent and disproportionately from business backgrounds. As fundraising activities come to absorb an ever larger portion of the typical legislator's job, it follows that they will spend ever more of their time interacting with this narrow segment of the public, listening to their concerns, and seeking to appeal to their interests. Large donors are much more likely than other citizens to contact members of Congress; a majority are personally acquainted with their congressional representative; and roughly half know one or both of their senators personally. As a class, therefore, campaign donors have vastly greater access to members of Congress, creating a representational distortion that tends to marginalize other voices and points of view.

Compared with individual donors, corporate PACs are more pragmatically oriented. Although some target their contributions with the aim of influencing the outcome of elections, a majority are more interested in achieving access for lobbying purposes. Both anecdotal evidence and more systematic research suggest that investments in candidates can reap benefits in terms of altering votes on legislation before Congress. However, interviews with PAC officials and lobbyists suggest that the more important and reliable benefits of access occur elsewhere. Campaign contributions by pragmatically oriented corporate PACs are viewed as long-term investments that, together with ongoing social contact between corporate lobbyists and congressional staff, create a symbiotic relationship of trust and reciprocity (Clawson et al., 1998). Pragmatic corporations recognize that legislators are constrained by obligations to party and constituents and will not always be able to vote the way the company wants, least of all on high-visibility issues. Behind the scenes, however, there are many things that legislators will do to please a corporate supporter: insert an amendment or loophole into legislation as it moves through committee; maneuver to prevent a bill from coming up for a vote; lobby colleagues to vote in a way consistent with the contributor's interests; or voice a concern on behalf of the company to a regulatory agency (Clawson et al., 1998; Hall & Wayman, 1990). Just as important are the many things that legislators refrain from doing — namely, pushing for legislative action on issues they know will strain relations with corporate supporters.

Whether and how often corporate PAC contributions achieve more than the benefits enumerated above and actually cause members of Congress to alter their votes on proposed legislation is a matter of debate. Numerous studies have examined this question (for both corporate and non-corporate PACs) and come to different conclusions. The obvious problem for empirically adjudicating this question is that corporate and other PACs, although they are often willing to support legislators with whom they have disagreements on policy or ideology, tend to contribute more heavily to candidates they perceive to be sympathetic to their interests. When a legislator votes in a manner that is consistent with the interests of a PAC supporter, the question arises as to whether the PAC contribution can be seen as influencing the vote or whether, conversely, the contribution was made because of the perception that the legislator was already sympathetic to the interests of the contributor. Studies have employed a variety of methods to control for "friendly giving" in assessing the relationship between PAC contributions and roll call votes. Usually this involves introducing controls for such factors as the legislator's political party, ideological rating, or characteristics of their constituency — either in a single multivariate model or in some variant of two-stage modeling. One recent review identified 33 such studies that collectively produced 357 tests of the contributions-roll call link (Roscoe & Jenkins, 2005). Of these, 36 percent yielded a significant association between PAC contributions and roll call votes, even after controlling for friendly giving — a percentage that was relatively consistent across different methods and model specifications. This suggests that legislators modify their position in deference to the interests of PAC contributors in slightly more than a third of roll call votes; although, it should be stressed that these studies address the effects of both corporate and non-corporate PAC contributions and typically address only the votes of individual legislators, rather than the passage or defeat of the legislation in question. Another approach has been to use network analysis to compare the *similarity* of PAC support between dyads of legislators with the similarity of those legislators' roll call votes (Peoples, 2009). This research also supports the conclusion that PAC dollars can influence roll call votes even after controlling for other factors that might promote similar voting behavior. Additional research shows that industries that are strongly unified in their PAC spending are more effective in achieving their legislative goals (Mizruchi, 1992). Finally, individual case studies show that a concerted campaign of corporate PAC spending combined with intensive lobbying can turn the tide in favor of legislation that initially faced majority opposition both in Congress and in the electorate. A good example is the corporate sponsored campaign to secure passage of permanent normal trade relations with China in 2000 (Public Citizen, 2000). However, such cases also demonstrate the more general principle that corporate PAC spending has the impact it does only because of the hegemonic position big business occupies within the political arena and the other forms of political pressure it is able to bring to bear on the legislative process.

CONCLUSION

Research on campaign spending by corporations and capitalists has made important contributions to our understanding of patterns of political alignment within the capitalist class and the articulation of capitalists' interests within the arena of electoral politics. Systematic and quantifiable data on campaign contributions has allowed for the testing of various theories of the politics of the capitalist class, the extent and sources of its political unity, the reach of its political influence, and the dimensions along which segments of capital sometimes compete for political advantage. In the process, some theories that were once widely accepted on the basis of anecdotal evidence or selective case studies have been disproved or modified, while others have gained additional credibility. Despite these impressive gains, the literature on this topic remains limited in a number of important respects.

One of the chief limitations is the small number of elections that have been studied, especially with regard to corporate PAC contributions. The legalization of corporate PACs in the 1970s, together with the strengthening of disclosure requirements and easier access to machine-readable, campaign finance data beginning in 1978, led to an outpouring of new research, especially on corporate PACs. The greater part of this research was published between the mid-1980s and the mid-1990s and deals almost exclusively with elections between 1978 and 1986. Given the exhaustiveness with which corporate PAC spending was studied in this period, there has been an understandable fall-off in new research in the area. However, even if one assumes the most fruitful topics for research have all been explored, this is still an unfortunate development. Replicating existing studies is not highly valued in social science, but there are reasons to believe that revisiting some of the questions examined in the existing literature would yield new and important findings. By all indications, the late 1970s and 1980s were a relatively distinctive period in terms of the intensity corporate political mobilization. Since the 1980s there have been major changes in the campaign finance laws, as well as changes in the issues that have been at the top of the corporate political agenda. Many of the existing findings on corporate PAC spending are likely to be replicated for more recent elections, but it would be a mistake to assume that no important changes have taken place in the last two decades.

Despite its limitations, the existing research on corporate PAC spending is arguably more extensive and detailed than the research on other channels of political contributions. As noted previously, research on campaign contributions by individual capitalists in post-1972 elections is extremely sparse. Corporate and capitalist contributions to state and local campaigns have also largely been neglected. And there is, as yet, almost no systematic research on soft-money contributions by corporations and capitalists, despite the fact that this has been a major channel of campaign finance for the last 20 years. Until recently, these gaps in the research might have been explainable in terms of the substantial barriers to assembling data on individual campaign donors, state-level campaign contributions, and soft-money contributions. In recent years, however, the availability of machine-readable data on each of these channels of campaign spending has improved greatly. Comprehensive databases of individual campaign contributors are now no more difficult to obtain from the Federal Election Commission than data on PAC contributions. Many states have strengthened disclosure requirements and made data on campaign contributions available online (National Institute on Money in State Politics, 2009). Soft-money 527 groups have thus far eluded regulation by the FEC, but they have become subject to stricter reporting requirements by the Internal Revenue Service, and campaign watchdog groups have mined these IRS filings to create more comprehensive databases of soft-money contributions than were ever available before (Center for Responsive Politics, 2009). In sum, there are many unexplored questions and much that remains to be known about corporate and capitalist involvement in campaign finance, and the data for exploring these questions has never been more plentiful.

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