Poles Apart?

Party Polarization and Industrial Structure in American Politics Now –

A Preliminary Quantitative Assessment

Thomas Ferguson, Paul Jorgensen, and Jie Chen[1]

Institute for New Economic Thinking Annual Conference

Hong Kong, April 2013

[1] Thomas Ferguson is Professor of Political Science at the University of Massachusetts, Boston, Director of Research at the Institute for New Economic Thinking, and Senior Fellow at the Roosevelt Institute; Paul Jorgensen is Assistant Professor of Political Science at the University of Texas Pan American and a non-resident Fellow of the Edmond J. Safra Institute, Harvard University; Jie Chen is University Statistician at the University of Massachusetts, Boston.

Only a few years ago, comparisons of American politics to opéra bouffe were not outrageously farfetched – at least if you were not poor or sick. For all the zany characters prancing on the national stage or their often stunning antics – such as forcing endless Congressional votes on hot button issues with zero chance of passage – Doomsday never quite arrived. Somehow, at the end of the day, as the two major parties glared at each other across the aisles on Capitol Hill, some continuing resolution or grumpy compromise would be struck to keep the show going.

But the onset of the Great Recession amplified already powerful tendencies toward partisan stalemate. For a long time, majority rule in the Senate had been gradually decaying into super-majority rule with 60 votes required to pass just about anything. Party line voting, filibusters, Senatorial holds, and plain refusals to vote on candidates for federal posts nominated by presidents of the other party had been increasing for years. In 2009, however, partisan discord reached new levels of rancor. Republican leaders threw up a virtual blockade to measures proposed by the new president. Lawmaking increasingly came to resemble war on the western front during World War I: Months of sterility and boredom, in a climate of high propaganda, broken sporadically by vast offensives that mostly went nowhere.

In the summer of 2011 relations between the two major parties began a descent into hell. Stalemated over raising the ceiling on the national debt, the President and Congressional leaders concluded a bizarre multistage agreement. They agreed on spending cuts that were advertised as amounting to $900 billion over ten years. More importantly, however, they agreed to erect a Doomsday Machine that – so they proclaimed – would finally force them to make much larger reductions in the deficit. They created a special bipartisan panel charged with identifying at least $1.5 trillion dollars' worth of spending cuts and tax rises. The panel was to report by November 23, 2011. Congress was to vote its recommendations up or down by December 23. In the event the panel failed to agree or Congress rejected its recommendations, a package of automatic across the board budget cuts was to go effect at the start of January, 2013. The idea was that these were so Draconian and devoid of sense that both sides would prefer some compromise package.[1]

Alas, the panel deadlocked. The deadline expired, raising the specter of the U.S. plunging over a "fiscal cliff" at the end of December, 2012, when the automatic cuts were supposed to kick in, the Bush tax cuts were due to expire, and a temporary reduction of Social Security taxes passed after the 2010 election would lapse.

With the economy still very fragile, going over the fiscal cliff would probably plunge the US back into full throated recession. That prospect was so dreadful that even analysts who had been skeptical about the 2011 follies thought there was some likelihood of a last minute accord.

In December, 2012, however, the whole world watched in stunned disbelief as the fiscal cliff loomed dead ahead and the world's self-proclaimed "sole superpower" lurched toward debt default and a partial government shutdown. On January 2nd, amid wild talk of "trillion dollar coins," appeals to the 14th Amendment to the Constitution, and other desperation ploys, 84 House Republicans split off from the majority of their party and followed their Speaker (whose job for a time appeared to be at risk) in supporting a measure providing for a two month postponement of the budget cuts (or "sequester"), another temporary rise in the debt ceiling, and a modest tax rise on the highest incomes that permanently enshrined most of the Bush tax cuts into law.

As this paper goes to press, the final resolution of this drama is quite open. Republican leaders are again threatening not to raise the debt ceiling, while the Doomsday Machine appears to have broken down completely. Both parties seem to prefer the sequester, possibly adulterated by a last minute dashs of administrative discretion over exactly where they fall, to any larger "Grand Bargain."[2] As for action on climate change, Too Big To Fail Banks, or appointments to the National Labor Relations Board or most other federal agencies, don't ask.

Not surprisingly, the roots of this paralysis have been widely debated. All kinds of factors have been cited as causes: Congressional redistricting, growing partisan divisions within the electorate, even the persisting legacy of the Civil War or, more precisely, the persistence of a uniquely reactionary South. Virtually all of these, when closely examined, look hopelessly inadequate. Redistricting, that favorite chestnut of editorial writers, surely happens but cannot be anywhere near the whole story: the Senate is not that different from the House in partisanship and no one has messed with state boundaries.[3] And the public opinion surveys are conclusive: By enormous majorities, the American population rejects the Ryan Budget and notions of cutting Social Security or even Medicare. On those issues, the electorate is not divided; it's united to a rare degree.[4]

Two years ago, in a paper for NET's second annual conference at Bretton Woods, one of us suggested that the accelerating polarization of American politics was not really that mysterious.[5] What explains it is political money, or, more precisely, changes in the way major investors behave in politics. Essentially, the Republican Party's trajectory from Nixon through Reagan to Gingrich and George W. Bush was driven by a vast, constantly growing corps of ever more extreme business blocs determined to roll back the New Deal as a whole. The mantras of these groups – note that mantras scarcely exhaust real behavior – are precisely the watchwords of Beltway discourse in the last generation: deregulation, cuts in high bracket taxes, free enterprise, anti-unionism, gigantic levels of "defense" spending.

With unions in precipitate decline and big money directly propelling more and more of political life, the Democrats responded by chasing political money, too.[6] They continue appealing preeminently to capital intensive, free trade oriented businesses, especially in finance, telecommunications, defense, and other sectors prepared to defend federal initiatives, especially for themselves, and willing to temper deregulation, tax cuts (which they, too, favor) and bigger defense outlays with a leavening of social welfare expenditures. With both parties essentially transformed into business parties, party leaders increasingly mount campaigns by striking deals with blocs of major investors for enormous sums of money that fund highly stylized appeals on a few hot button issues that promise to mobilize cliques of increasingly turned off voters.

In Congress, in particular, party leadership slots and major committee chairs and place are sold like so many pig futures, with the Democrats actually compiling Sears catalogs of prices as the bulging purses of major party national campaign committees put more and more power in the hands of national party leaders.[7] Within the Republican Party, the willingness of far right groups to subsidize challengers to more main line incumbents keeps pressure on the Party to move ever further to the right.

This paper shares this broad "investment approach" to political party competition, but it has a different object. It is a first, preliminary report on our attempt to construct tools for analyzing money in politics appropriate to the twenty-first century and then to use them to throw new light on the investor blocs at work in the 2012 election, not only between but within the major political parties. The roles played by small donations in presidential campaigns, relations between big business and the Tea Party, and exactly what kinds of industries and firms support "no new taxes" and fiscal austerity in the GOP are all topics we examine here.

For reasons of space, we cannot consider the wide range of possible objections and alternative approaches. Our focus has to be almost entirely on our empirical findings. But, obviously, our results depend crucially on the tools we have fashioned. Though we cannot detail these either, they require brief explanation.

Methods

In our view, studies of money and politics have for some time been stuck on a plateau, despite some notable individual accomplishments. We consider most of the literature in political science excessively preoccupied with formal-legal considerations. It is easy to understand why: a generation of court decisions, Federal Election Commission rulings, and legislation has erected an exhausting maze of different kinds of political money, with often jarringly inconsistent rules regarding allowable amounts, uses, and reporting requirements. It goes without saying that most legal scholarship only accentuates this tendency to lose track of the forest in the trees.

A few political scientists and economists do try to test hypothesis, but their efforts are almost entirely defeated by data problems, and they only occasionally touch on core issues of political power. The major sources of data on political money are the Federal Election Commission and the U.S. Internal Revenue Service (the latter is responsible for compiling data on so-called "527" committees that have become prodigious sources of funds). Partly for understandable reasons, neither agency makes any serious effort to standardize names or addresses of people on their rosters. For less comprehensible reasons, though, both agencies routinely accept seriously incomplete reports and obviously inaccurate or misleading reports. For example, they let many business executives who are still active on the boards of large concerns get away with claiming to be "retired." The two agencies also present their data in different formats that makes record linkage difficult. And, as we discovered, the FEC sometimes deletes data that it has.[8]

Into this breach have stepped the Center for Responsive Politics, a handful of related organizations such as the Sunlight Foundation, and a few private, for profit, subscription services. Everyone concerned with political money owes the Center and Sunlight a great debt for the efforts they make to translate the forbiddingly complex FEC and IRS data into usable form. Their data (most of it originating from the Center for Responsive Politics) has nourished a generation of journalists and a few scholars.

But the shortcomings of the data have long been apparent. The biggest problem is fragmentary presentation. Every source compiles different subsets of data; none integrate them, with the result that a single file of clean, research quality data that reflects true totals is unavailable from anyone. Coupled with some occasionally mystifying gaps in coverage and the rolling disappearance of records for many past elections from the Center's website, the deeply engrained habit of serving up data like Swiss cheese makes it virtually impossible to test broad hypotheses. It also tempts scholars to rely overmuch on the data subseries that are easiest to use – such as PAC contributions – and neglect the far less tractable, but more revealing, data on individual contributions, independent expenditures, and 527 donations. When these woefully incomplete easy sources are tapped to construct indices of the political orientations of contributors and politicians, confusion is only compounded; at times we wonder if a kind of Gresham's Law of bad data driving out the good holds.

What might be termed "flow of funds" inconsistencies in the FEC data (after the Federal Reserve's well known summary of financial funds sources and uses) pose further obstacles. Much political funding resembles the inter-bank market for loans before 2008. Donor A gives to Organization B, which shuffles it over to Conveyer Organization C, which hands it off to Final Recipient D to finally spend it. In theory, all these transactions are traceable via Federal Election Commission (FEC) records. In practice, they often fail to add up. Among the most important cases are those involving PACs and candidates which separately report donations. We isolate original PAC donations by sorting through reports from both.

Perhaps the greatest data stumbling block, though, is the complexity of the individual contribution rosters. Investors who make multiple contributions rarely use exactly the same form of their name. Many maintain several different offices and residences in different parts of the country. When reporting contributions, they list first one and then the other in no consistent fashion. "Mr." and "Mrs.", and "Senior" and "Jr." also flit back and forth like the grin of Cheshire Cat. Hyphenated names bounce people into entirely different parts of the alphabet, depending on whether they use the hyphen or not. And so on.

These problems are at least dimly recognized and the object of all kinds of expedients. But the bottom line is that existing data management tools that try to match these up commonly fail to recognize multitudes of contributions coming from the very same sources. This, of course, has weighty consequences: It nourishes illusions that small donors play bigger roles in campaigns than they really do and hides the reality of just how concentrated American political finance really is. The incompleteness of individual records also masks important structure in much of the data, especially where firm data and occupation are incomplete or misleading.

The data we use for this paper come from our "Political Money Project," which tries to remedy all these shortcomings and others that we lack space to discuss here. Starting from the original FEC and IRS data, we have intensively applied modern data base management methods to sort out the name problems; solving that problem has the collateral benefit of substantially raising the percentage of contributors we can identify, since one correct identification allows completion of many missing entries. Sifting flows of funds also identifies many previously lost or doubtful contributions. In 2008, for example, these methods allowed us to identify some $237 million dollars of additional contributions.

Our data set also tries to overcome what we consider the Achilles Heel of most data sets for studying political money: They don't include enough economic data to reveal many obvious patterns. We have made a determined effort to integrate economic data about firms and individuals (including SIC codes for members of the Forbes 400) that we believe are vital for finding the golden needles that are scattered all through the hay stacks of big data on money in politics.[9] Because we think major firms and investors in many respects live in a different political universe than most other political contributors, we also separately break out donations from "big business" from our larger sample.

Money's Role in Elections: The Value of a Comprehensive Approach

The utility of a comprehensive approach along these lines becomes clear as soon as one considers the controversies about political money engendered by the 2012 election. In our view, few elections have so vividly shown the decisive importance of big money as last year's record breaking slugfest. Considering the Super Pacs and the way Mitt Romney kept entering one primary after another trailing in the polls, only to unroll his mighty bankroll, and then win or sharply close the gap, one might think that almost everyone might entertain suspicions that what sounded like the voice of the people often was mostly money talking.

Nevertheless, within hours after the polls closed on Election Day, a wave of commentary began downplaying the role of big money. Even a study by the Sunlight Foundation, which has a lively awareness of how money distorts American democracy, investigated "the emerging post-campaign narratives" according to which "all the outside money (more than $1.3 billion) that poured into the 2012 election didn't buy much in the way of victories." It concluded that "the story holds up: we can find no statistically observable relationship between the outside spending and the likelihood of victory." [10]

Our dataset allows us to brush past artificial efforts at separating "outside" from "inside" spending, where the latter refers simply to expenditures by candidates' formal campaign committees. We can go straight to the jugular and look at total spending by or on behalf of candidates and then ascertain whether *relative*, not absolute, differences in total outlays were related to vote differentials. The result is shown in the top graph in our Figure 1. This shows a strongly linear relationship between Democratic candidates' shares of total spending in House elections and the percentage of votes they won. (At the bottom left Democrats spend no money and get no votes; at the top right, they spend all the money and garner all the ballots, calculated as proportions of totals for both major parties.)

Figure 1 About Here

When we first stumbled across this result, we were somewhat taken aback. It struck us as uncomfortably close to a paranoid version of an investment approach to political party competition. We simply did not believe that other variables were not also important. Thus in our first presentation, we took pains to recite the litany of qualifications customary whenever anyone approaches the delicate subject of money in politics, especially the admonition that correlation does not necessarily imply causation. On a more technical plane, as fast as we could locate a spatial matrix for House districts in 2012, we also tested to see if spatial autocorrelation might affect our results. Our Moran tests showed that spatial autocorrelation was indeed present, but that the relationship remained strong. (All three graphs in Figure 1 take account of spatial dependence.[11])

Fairly soon, however, we began having second thoughts. As one scholar commented to us, the approximately linear relationship was far more interesting than any of the qualifications. We thus ventured to examine some other elections. We looked first at the earliest one for which we had the requisite data, the House elections of 1980, and then for an election at the midpoint of the interval between 1980 and 2012, 1996.[12] Both showed essentially the same linear pattern despite quite different numbers of marginal districts involved in close elections.

The next query was whether the pattern holds for Senate elections. Many fewer senators run for reelection than House members, so we knew that results for a single year would likely be less reliable. Nevertheless our study of 2012 showed basically the same pattern with more scatter, just as one might expect. Not long after we published our study of 2012 House elections, Nate Silver of the *New York Times* published a graph for Senate elections between 1990 and 2010. This used exactly the same proportional approach we took to analyze relations between Democratic spending and vote shares except that Silver used total receipts, presumably of Senatorial campaign committees, rather than total spending per se. He arrived at similar linear results.

Our own study of 2012 Senate races, which includes not only formal campaign committees but outside expenditures by parties and interest groups on behalf of candidates shows that spatial autocorrelation is present, making us think that that is very likely to be present in Silver's sample, too. But we think that all these results point rather clearly in the same direction.

Quite possibly a broadly linear approach to spending in both House and Senate races is a sensible working hypothesis.

But this poses anew the question of how to square this finding with common sense about the myriad other factors that also plainly affect elections. Here we have two observations. Firstly, the fit between money and the House elections appears to be substantially tighter than in Senate contests, where correlations evidently run lower. Because presidential elections are one-offs, they do not easily brook comparison with elections in either chamber. But to the extent the comparison makes any sense, the fit between money and direct voting results appears to be even looser in presidential races. Our conjecture is that these differences reflect, in part, substantial differences in press attention, which we believe is greater for Senate and, a fortiori, presidential elections.[13]

Secondly, however, there is a perfectly sensible way to reconcile the evidence of linear effects with the efficacy of non-monetary factors. We refer to it as a "Plains of Troy" approach to money in elections. A special case of a broad investment approach, this model likens the intervention of major investors in politics to the ways the gods chose up sides and interfered as Odysseus, Achilles, Hector, Aeneas and the other mortals battled before the walls of Troy. Watching from on high, Zeus, Athena, Apollo, and the other immortals carefully gauged how their pets and favorites were doing on their own, but then over and over again selectively threw their weight into the scales in decisive fashion.

So, as Charles Schumer, Mitch McConnell, John Boehner, and the other solons scramble in the sub-lunary spheres for advantage, they also implore and hope for divine assistance. Quite like Apollo or Athena, major investors watching from on high are moved by conspicuous displays of devotion (think Democratic efforts to produce weak financial reforms; Republican efforts to abolish same; or each party's equivalents in health care, telecom regulation, taxation, and the rest of public policy – there is a reason why representatives running with no or very weak opponents nevertheless have no trouble raising millions of dollars and why that level keeps rising over time). As Odysseus found out, gods also severely punish transgressions. This does not mean that rational expectations holds for them – that is too much even for the immortals. Gods occasionally fall victim to their own passions. They lose their heads, miscalculate, and fail. Nor do their interventions deter Odysseus or Hector from playing every angle they can dream up on their own. Or efface the importance of fighting skills, sheer numbers, or experience and training – at least not all the time. All such factors matter, even as the Olympians super-charge races with showers of money and their relations with legislators often bring to mind Titian's famous painting of Zeus and Danae.

But if you are trying to explain broad patterns, the rule of thumb is that, in elections, as on the plains of Troy, the favor of the gods matters hugely, unless you are able to summon an equivalent power, such as a genuine mass political movement. And that efforts to curry the favor of the divine ones will preoccupy real life legislators, with predictable effects on the direction of public policy.[14]

Big Money and American Politics: Aggregates

So much for theory. Now let us see what actual data suggests about the realities of 2012. We look first at a fundamental point: the relative importance of large vs. small contributors. In other words, just how much real Olympians mattered in the election.

Here our data point to a striking conclusion. Analysts of political money have known for a long time that comparatively few Americans contribute any money at all to campaigns. More or less clearly, they also recognize that the number of Americans contributing any substantial amounts – say, donations of $250 or more – is even smaller. Yet, virtually every election, some journalists and political scientists carry on as though the humans are carrying it off mostly by themselves. They excitedly talk up the importance of "small donations" in propelling one or another candidate's campaign.

In 2008, for example, the Obama campaign trumpeted its support from small donors. Most of the press played along. Eventually, however, reports circulated that the campaign was nourishing this illusion by encouraging big contributors to break their donations into smaller subventions. Some analysts began to become suspicious. They started questioning the claims and looking harder at the evidence.[15] But after pondering the question, many continued to treat the reports respectfully.[16]

When we analyzed the data for 2008, however, we were surprised by what we found. Campaigns are required to itemize contributions totaling more than $200 dollars from donors.

Below that level no information about contributors is required. The Obama campaign did collect about $276 million dollars in unitemized contributions below that limit; those are reported as lump sums and no further analysis is possible.[17] But we can analyze all the itemized contributions by individuals with our data management programs. Our best estimate is that less than ten percent of the record breaking sums the Obama campaign raised in individual itemized contributions came from donors contributing less than $250. By contrast, we found that fully 61% of the campaign's money came from donations totaling above $500, with 38% coming from donations of a $1000 or more. For comparison, in that election, 40% of John McCain's money represented donations totaling at least $1000, while contributions over $500 made up 63% of his totals.

These figures come with a major qualification: They include donations to the each candidate's national party committees once they clinched the nomination, but they do not include the enormous amounts spent on both sides by so-called "527" committees and other "independent" campaign vehicles. These donors were mostly far more concentrated. Even these figures, though, make it is obvious that neither candidate relied chiefly on small donations.

For 2012, we have included the 527s and Super Pacs in our analysis of individual contributions. We thus are working with essentially complete files for the first time. This more comprehensive view alters the picture dramatically. At various point in the campaign, but especially in its final weeks, the Obama camp once again pointed with pride to what it claimed were large numbers of small contributions. Some analysts puffed up these claims by sliding past the fact the President's formal campaign, like the GOP, used its national party committee, with its much higher limits, as an auxiliary piggy bank for large donors to make substantial supplementary contributions. They reported only results for the candidate's principal campaign committees.

In 2012, the Obama camp did indeed again tap a vein of donors whose contributions are too small to require itemization. A total for these can be approximately estimated by comparing reports from the campaign and the national committee (at some risk of double counting, but that can be allowed for). Our estimate is that they amounted to about $234 million. But, again, the significant story is the distribution of the itemized contributions. The entries for the campaign in Table 1 show the remarkable result. Barely 4% of Obama's itemized money (we are counting total amounts, not numbers of contributions) came from donors who gave $250 or less. By contrast, fully eighty-two percent of his funds came from donors who gave at least $1000, with almost half (48%) arriving in batches of $10,000 or more.[18]

Table 1 About Here

This is not all that different from the size distribution of the famously concentrated Romney campaign, as the statistics for that campaign in Table 1 show. The two campaigns resemble each other in another way, too – contrary to what we at one time expected, the two campaigns ended up fairly close together in total spending. The wide range of secondary committees that modern presidential campaigns employ makes a single estimate treacherous and double counting an occupational hazard. But a reasonable summary that takes a wider view of total receipts than we do here suggests that the differences between the campaigns in the end may have amounted to as little as $6 million dollars out of nearly $3 billion spent between them.[19]

The close parallels between the entries in the table for the two major candidates' campaigns persuade us that both are probably best viewed as opposing wings of the famous 1% -- or to be more exact, perhaps the 1.5% of the population who are comfortable tossing off campaign donations of a thousand dollars or more. The relatively thin stream of small contributions simply does not suffice to float the campaign and all insiders know it.[20] This of course immediately raises questions about the precise nature of each campaign's base, which is the subject of the next section.

The next two tables contain important information relevant to one of the most hotly discussed topics in American politics – whether the right wing of the Republican Party, in particular, its Tea Party component, represents a popular upsurge from below or is instead a cat's paw of major investors, big business, or some other segment of the 1%.

Here our discussion needs to be hedged with several qualifications. Firstly, the famous moment in the Republican debates in which all 8 candidates on stage pledged to reject a budget package raising even a single dollar in new revenues for every ten dollars in spending cuts is a warning. Assessments of whether the March Hare or the Mad Hatter truly stands further to the right of the other are hazardous in the extreme.[21]

But we think enough facts are clear to hazard a few judgments. For all his elephantine efforts to dance to the right, Mitt Romney was not a candidate beloved by the Tea Party. By contrast, Michelle Bachmann was a certified member of the House Republican Tea Party Caucus and appealed regularly to communicants. Gingrich and Santorum also vigorously represented themselves as opposed to Romney's brand of Republicanism. Both, but especially Gingrich, memorably portrayed themselves as champions of Main Street Republicanism in contrast to what they implied was the vulture capitalism associated with Wall Street. To the extent that he offered any appeal beyond the number 9 repeated three times ("9-9-9" – said to be a tax "plan"), Herman Cain came from this wing of the party, too. Ron Paul's appeal transcended the Tea Party, but it also embraced that movement and, with its sharp critique of the Federal Reserve and aggressive foreign policies, definitely distinguished itself from the gigantic naval build up and muscular foreign policy Romney claimed to champion at least until the final debates.

Our data thus permit an interesting test. If the Republican Also Rans, as they and their adherents frequently claimed, truly represented a groundswell of ordinary Americans, then the profile of their donations by size should be shaped rather like a pyramid – with most money streaming in from small contributors. Over that wide base might then rise ever smaller layers of bigger contributions. If, by contrast, these candidates reflect preeminently the interest of a handful of larger donors, we should expect to find the reverse – a structure resembling the Seattle Space Needle or even perhaps an upside down pyramid. An interesting half way situation might be a barbell, in which a bloc of large contributors perch at the top of a distribution reflecting serious input from many smaller contributors. This would inevitably raise suspicions that what looks like a mass, or at least, a popular movement, really reflects the disproportionate influence of a bloc of deep pocketed donors.

Table 2 displays the additional facts needed to assess these possibilities. The only GOP candidate with a base that really resembles a pyramid was also one of the least successful: Michelle Bachmann. Her unitemized contributions (i.e., those totaling less than $200) are twice the size of her haul from contributors on whom the candidate had to report. The size profiles of

Gingrich, Cain, Santorum, and Paul are rather far from true pyramids, but they do show substantial interest from small donors. Huntsman's and Perry's contributions from that quarter are plainly derisory.

Table 2 About Here

When one looks above candidates' bases, the picture gets more interesting. For some, it is devastating to pretensions to populism or roots in Main Street. Newt Gingrich is almost in a class by himself. As Table 1 shows a fantastic 68% of his funds from individuals come from a handful of big donors who contributed a $100,000 or more. The qualification "almost" is necessitated by the figures for Rick Santorum. His appeals to religious values were almost as narrowly funded by a handful of super-rich supporters who gave $100,000 or more – fully 42% of his itemized funds stem from such donors, with another third coming in the form of donations totaling more than $1000. The size distributions of both campaigns are top heavy barbells, which, considering the equivocal relative size of their bases to begin with, is telling.

The size profiles of the other Republican candidates are a bit less top heavy, though all display marked barbell characteristics. Ron Paul, for example, often claimed to be leading an insurgent movement. There is something to that, but not too much: Over half of his itemized individual contributions came in the form of donations totaling $10,000 or more, with another fifth (18%) streaming in until they totaled at least a thousand dollars. Our summary of Paul's campaign in the Table is also importantly incomplete. It takes no account of a Super Pac backed by PayPal cofounder Peter Thiel and other large contributors.[22] Because this group also spent substantial sums on Congressional races, we did not count it. Were it counted, the amount of money coming from donors giving more than $100,000 would rise substantially; Thiel himself donated more than $2.5 million. This evidence suggests to us that the stereotype of libertarians representing an affluent strand of anti-mainstream thinking (that is also strongly anti-union) has something to it.

The campaign contribution profiles of Rick Perry and John Huntsman, by contrast, are barbells pure and simple. Both are top heavy, with essentially no mass base. Huntsman's profile, indeed, embodies the stereotype of GOP moderates – essentially they are few and far between. His campaign was top heavy with donations from a handful of supporters almost as wealthy as his family, which operates a major chemical company and holds a place on the Forbes 400 list. What the table suggests about Perry's campaign is interesting. Though some press reports suggested the opposite, his campaign did not succeed in attracting large sums of really big contributions; evidently the Olympians had reservations about the Texas governor's attacks on the Fed or, perhaps, his problems with short term memory in the debates. Our table is less informative about Herman Cain, who was forced out of the race before any voting by, let us say, unfortunate publicity, not long after Ralph Reed proclaimed him and Bachmann as the choice of the religious right.[23] His campaign clearly piqued the interest of a relatively small number of the faithful, but it also looks extensively like a vanity operation, though we cannot tarry to explain why.

Looking Deeper: Sectoral Breakdowns

On the evidence so far, the evidence is weak that far right Republicans or the Tea Party represent a revolt of ordinary Americans. The two strongest challengers to Romney, in the sense that for brief moments each injected at least some suspense about the outcome of the race, Gingrich and Santorum, almost caricature an investment theory of party competition, in that politically extreme 1%ers and other, almost equally affluent Americans were clearly furnishing funds for political appeals that mostly disguise their origins. But the discussion is perhaps not dispositive, since we have not yet considered any evidence about Congress.

Before we tackle that topic, we consider the obvious question raised by these extensively top heavy campaigns: To what extent do their affluent political bases differ?

This is yet another topic whose surface we can only scratch here. Many methods can potentially shed light on this question, including comparisons of geographic origins and analyses involving both amounts and sheer numbers of contributions. This paper has to cut the Gordian Knot and present only selective results obtained from what we consider the most generally revealing of all the methods.

This analyzes contributions by “firms,” where that term embraces not only business executives, but their enterprises themselves when these avail themselves of the privilege the Supreme Court conferred upon them of writing checks directly to what are hilariously described as “independent” committees. Both the executives and the firm’s direct contributions are lumped together under a single rubric; it is important for statistical reasons not to multiply contributors artificially. Independent private investors with no other controlling firm affiliations are also treated as “firms” in this sense. [24]

We first break out average levels of contributions for each candidate in Table 3. Then, in Table 4, we compare percentages of support for various candidates by firms across sectors.[25] In both tables we report (some) results on two different data sets: One for the whole sample and another limited to big business exclusively, where that is defined as the top 350 concerns of all types, including privately held firms, along with the Forbes 400 wealthiest Americans.[26] This second data set, obviously, amounts to a direct cross-section of Olympus itself and, for reasons spelled out elsewhere, we think it is uniquely useful for understanding politics and policy, though this paper has no hope of demonstrating this.[27] Depending on exactly what question is being asked, the number of firms in the sample varies, because we do not have complete information on all.[28]

In Table 3, as one might expect, the percentages for President Obama and Governor Romney tower over the rest of the field. We are particularly impressed by three facts the table discloses. Firstly, Romney does splendidly across many sectors; in that sense, the cliché that the Republicans are the party of business comports with the facts. But we are also impressed by how well the President did, even though the customary pattern of patchier Democratic strength across business as a whole holds this time as well. Nothing in all the commentary about the antipathy between “business” and the Obama administration really prepares one for these results. Though the evidence is less than perfect, it appears that the President probably enjoyed substantially higher levels of support within business than most other modern Democratic presidential candidates.[29]

When one examines differences between the two candidates in specific sectors, the picture becomes more subtle and interesting. Here we have far more evidence than we have space to present. Accordingly, Table 4 breaks out three sets of sectors that we think are particularly important to understand. Firstly, support for Romney is extremely high in a bloc of industries that have been heavily engaged in battles over climate change, alternative energy, and regulatory policy, including oil (where the Romney advantage approaches Himalayan dimensions), mining, including many coal companies, chemicals, paper, and utilities.[30]

Tables 3 and 4 About Here

Our statistics allow us pin down an answer to a question that intrigued many from the moment Romney emerged as the President's prime challenger: exactly how much did the financial sector and Wall Street support each candidate? The former Bain Capital executive's appeal to finance was obvious, but many analysts also pointed to repeated interventions by the administration that strongly favored Wall Street and Too Big To Fail Banks. To treat this issue with the precision that its importance merits, we coded firms in the financial sector very carefully. We separated, as far as possible, private equity and similar enterprises from general investment banks and hedge funds; we believe the distinction is important because the former actively manage companies and thus are routinely engaged with a wide range of labor issues.

As Table 4 shows, the former Massachusetts governor's advantage among private equity firms was huge. It narrowed among hedge funds and investment houses, though in sharp contrast to 2008 and many previous elections, where major financiers disproportionately supported Democratic candidates, the President's levels of support in these sectors was markedly lower than in the whole sample, though his standing rebounded a touch among insurers. Interestingly, banks in the "big business" sample – which for sure includes all the Too Big to Fail Banks – show a substantially higher rate of support for the President than in the larger sample. Our conclusion is thus nuanced: Romney was the clear favorite of high finance last year, but in sharp contrast to sectors such as oil, many people on Wall Street appear to have remembered who appointed Tim Geithner and reappointed Ben Bernanke.

The pattern of presidential choice within various parts of the health care industry is interesting. Romney did very well within the pharmaceutical industry, but Obama did even better, especially by comparison with his general level of support across business as a whole. Evidently, the famous deal that eased passage of the President's health care legislation has a legacy. By contrast, Romney led the president in the most other parts of the health industry, with his margin widening among the smaller firms that more heavily populate the full sample.

Results for the final set of industries we consider here are extremely suggestive about the future of American politics. The patterns they display likely differ from those by these firms in earlier elections, though the evidence is less than ideal. Both candidates attracted wide support among firms in telecommunications, computers, telecom equipment manufacture, electronics, and software, but the President nosed out Romney in all of these.[31] Given the importance of these sectors in the American economy, the famous Romney remarks that associated political support for the Democrats with the 47% of the population supposedly intent on government handouts or press spins that Republicans promote business while Democrats protect anxious voters look vapid. On the basis of the thin evidence available, the President also appears to have done better than most recent Democratic presidential aspirants across manufacturing as a whole, while his support from defense and aircraft producers was essentially as high as Romney's. It should surprise no one that producers of guns and ammunition, by contrast, favored the GOP candidate lopsidedly, though the number of firms in the industry is small and we do not include it in our table.

We have more data about the GOP Also Rans than we can possibly display here. Generalizations are necessarily limited because of much smaller numbers of contributions, so we do not summarize them in a table. No one will be surprised to learn that Gingrich did especially well among casino operators; he also attracted significant support from defense firms and some real interest in telecommunications (he has long excitedly talked up the industry and for a long time enjoyed close relations with parts of it). [32] He also drew support from a bloc of major real estate developers, though the large number of lesser firms in that sector in our full sample showed much less interest.

Santorum shows a pattern similar to Gingrich's in real estate, being popular only with some major operators. Otherwise his appeal was distinctly limited; he drew some support from the coal industry, which, of course has long operated in his home state that he represented as a Senator. He also attracted some oil money and, consistent with some protectionist appeals he made, mustered minor support from glass, steel, and other manufacturers.

Bachmann and Cain attracted so little support that their statistics look almost like random outcomes, but the case of Ron Paul is more interesting. Perhaps most striking is a dog that did not bark in a party where its voice is typically one of the loudest: Finance. Paul has been heavily critical of the Federal Reserve and long championed a move to a gold standard. Judging from the evidence of his presidential campaign committee and principal Super Pac, this prospect attracted scarcely anyone in finance, especially its largest operators. Regulated transportation industries apparently found his libertarian appeal interesting; so did some firms in coal, paper, chemicals, and oil, which all face regulatory challenges, especially on climate change. Certain parts of telecommunications also appear to have found the siren song of total deregulation to be attractive. In general, we think Paul's sectoral appeal in a twenty-first century business structure merits more attention than it has received.[33] It is likely wrong to see his emergence simply as an atavistic revival.

The Right Stuff

The findings about the relative weakness of far right and Tea Party primary challengers would by themselves raise questions about fault lines within the Republican Party. But post-election efforts by Karl Rove and others Republican leaders long associated with big business to organize a political action committee in opposition to Republican candidates the organizers regard as too far to the right lend interest to such an inquiry. This, too, is something our dataset should be able to illuminate, but we have to acknowledge at the outset that our findings are less than complete.

Only in part is this because the topic can be usefully investigated in more ways than we have space to present here. Or because of the peculiar features of Congressional elections, in which candidates routine form joint committees to fundraise. Alas, a much weightier problem shadows research into this nest of issues: Many Tea Party donors appear reluctant to disclose their identities. They try to conceal themselves, using vehicles that the Supreme Court and the

Federal Election Commission have teamed up to create for them. While the problem is not unique to the Tea Party, it does cut with special force here.

In principle, the most obvious way to investigate the GOP's fissures is to emulate the earlier sections of our paper – compare the financing of Tea Party and related right wing groups with that of more "mainstream" Republicans. But there are at least two different ways this could plausibly be done. The first would be to compare contributors to Tea Party Republicans with those of other House Republicans. Another is to look directly at major outside groups that finance Tea Party challenger candidates and have helped to organize the movement.

The second avenue, unfortunately, is much easier said than done. Several groups with large budgets, including the Club for Growth, Americans for Prosperity, and FreedomWorks have played prominent roles in supporting right wing insurgencies.[34] The Club for Growth, which is connected to an array of related committees using the name, is extensively involved in financing Tea Party campaigns and reports its activities. An analysis of its filings for the 2012 election cycle show that it spent over $1.5 million dollars on behalf of Tea Party supported candidates and over $750,000 trying to defeat what we will term more mainstream Republicans.[35] An unwary observer, indeed, might jump to the conclusion that it is the Tea Party's ATM, given its ubiquitous support of movement candidates.

But this is not correct. Close reading of sometimes patchy reports indicate that other groups, notably Americans for Prosperity and Freedom Works also expend millions of dollars. An observer who tries to follow this money, however, does not get very far. The Super Pac Freedom Works for America, for example, lists some donors, but also reports millions of dollars in contributions from another entity with virtually the same name on which no further information is supplied. Such devices, sometimes called "Dark Money," are legal, but they mock efforts to analyze the sources of contributions such as those in the previous sections of this paper. Other large sums appear to originate from what unsympathetic observers might term shell corporations.[36] It is known that some very large corporations, including Philip Morris, MetLife, and conservative foundations controlled by the Scaife family have supported FreedomWorks, but many of its donors remain unknown.[37.]

Americans for Prosperity claims to have mounted an independent expenditure campaign against the reelection of the President in 2012, but it has a long history of involvement with local organizations protesting the Obama administration policies. Its ties with various oil interests, notably some members of the Koch family, have received wide publicity, though we would caution that some reports about the Kochs appear to be extravagant.[38]

We have, accordingly, put off to another time a direct comparison of the specialized political committees. Instead we have pooled all contributors we can identify to members of the House Tea Party Caucus, the handful of Tea Party Senators, and a few other political committees obviously affiliated with the Tea Party and the far right, such as Sarah Palin's. Then we compare these with a similar list for more "main line" Republicans in the House.

Once again we break out our results by sector. They are quite intriguing. The much larger group of mainstream Republicans attracts substantially more money across most sectors than the Tea Party's candidates in both of our samples – the full one and that for big business alone. As Table 5 shows, average rates of contributions differ sharply.

Table 5 About Here

But as the table also shows, in a number of sectors support for the Tea Party and similar far right candidates runs much higher. Many of these, once again, almost caricature a list of sectors that have noisily mobilized against the Obama administration, including mining, oil, and gas, and utilities. A substantial number of firms in health care also supported Tea Party candidates, though the pharmaceutical industry shows a most interesting pattern: firms in the sample of big businesses in that industry support the Tea Party at high rates, although in the full sample, the industry displays an unusually low rate of support. We are interested to see that firms in defense and aircraft production appear to like the Tea Party, along with various parts of construction. Recalling that the Tea Party took off after Fox News let commentators rant about proposals for mortgage relief, we are less surprised by some signs of support for the far right in communications. The precise significance of the evidence on insurance will have to be discussed another time, but health care is unlikely not to figure in that; the rest of finance, but especially investment houses and private equity shows no affinity for the Tea Party at all.

Conclusion

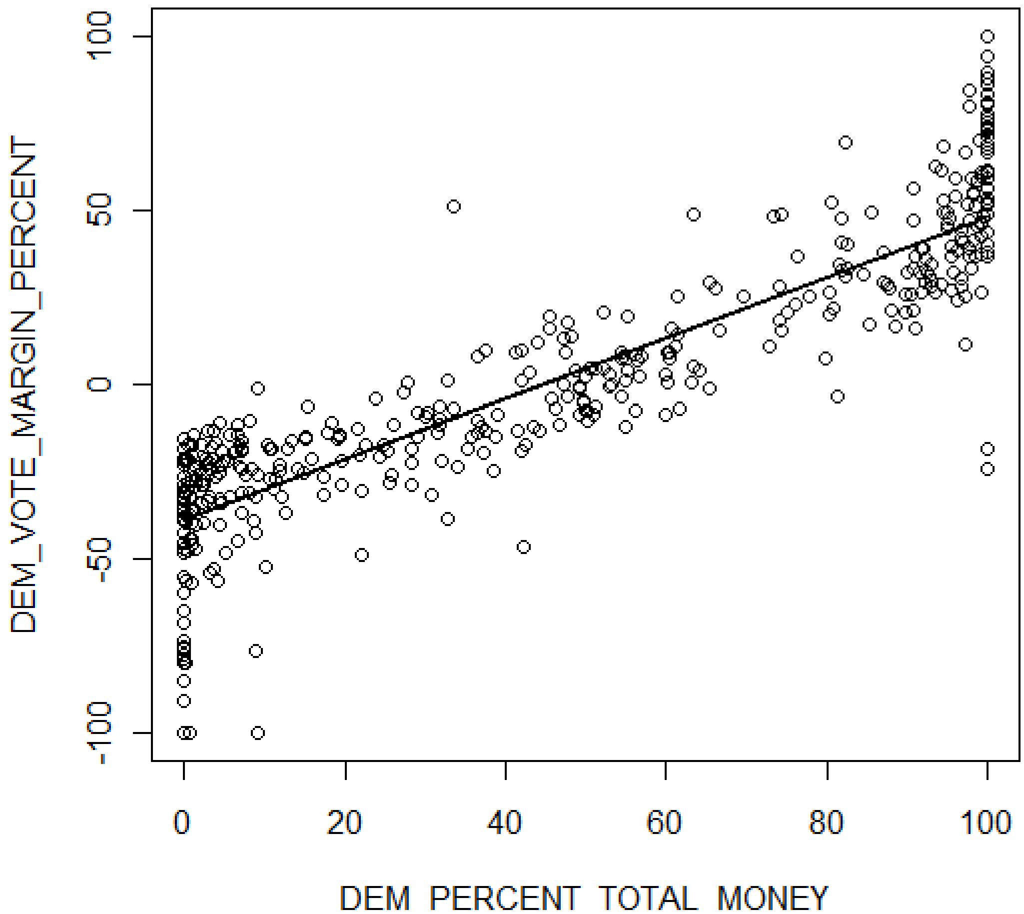
Our survey of money in the 2012 elections has been anything but exhaustive. Plenty of work remains to be done in this area, especially on intra-industry and larger bloc alignments. But some conclusions appear unlikely to change. Firstly, 2012 was an election in which two exceedingly well financed candidates clashed. Both campaigns were substantially carried by major investors; and most of these represented one or another form of business, though to be sure labor unions made some substantial contributions that we intend to analyze in a future paper. Mitt Romney's business support was broad based, but far more backing for the President's reelection came from major businesses than most pre-election commentary led us to anticipate. Many of these are plainly enterprises in leading sectors; in no way does a description of them as marginal or backward looking make sense.

Within the Republican Party, a rather clear line of division runs between Tea Party Republicans (and related right wing groups) and the rest of the GOP. In both our samples, more businesses supported main line Republicans than backed Tea Party candidates. But support for the Tea Party from businesses, big and small, is far from negligible. In our full sample, more than a third of businesses contributed to Tea Party candidates, while among big business that percentage ran higher still – just under a half, though the Tea Party draws exiguous support from the top rungs of the financial sector, save for some insurers. In addition, the admittedly imperfect evidence shows that businesses in a number of important sectors, such as oil, chemical, or utilities, provide much higher levels of support. In this sense, we think this paper contributes to answering a key question about polarization in American politics: On the evidence of the 2012 election, far right groups clearly represent distinctive blocs of businesses, both big and small. The Tea Party and its allies cannot sensibly be treated solely in terms of mass politics.

Figure I

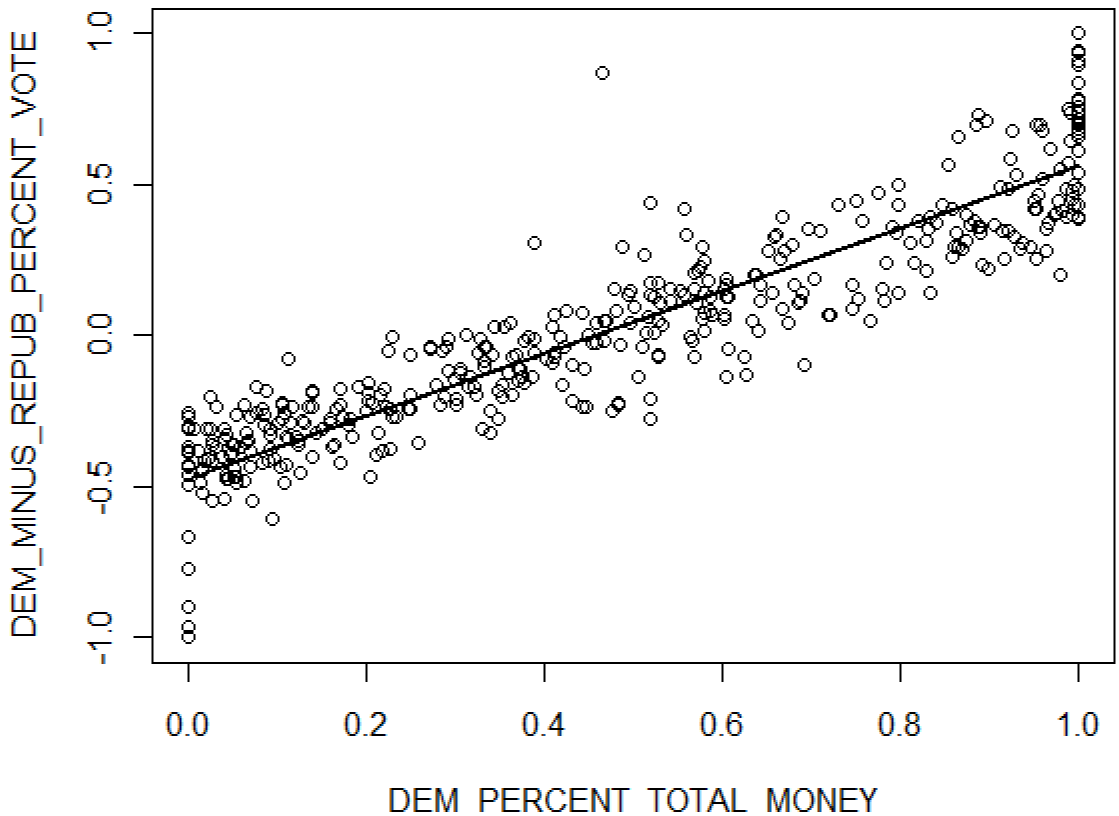
Spatial Regressions for House Elections

2012



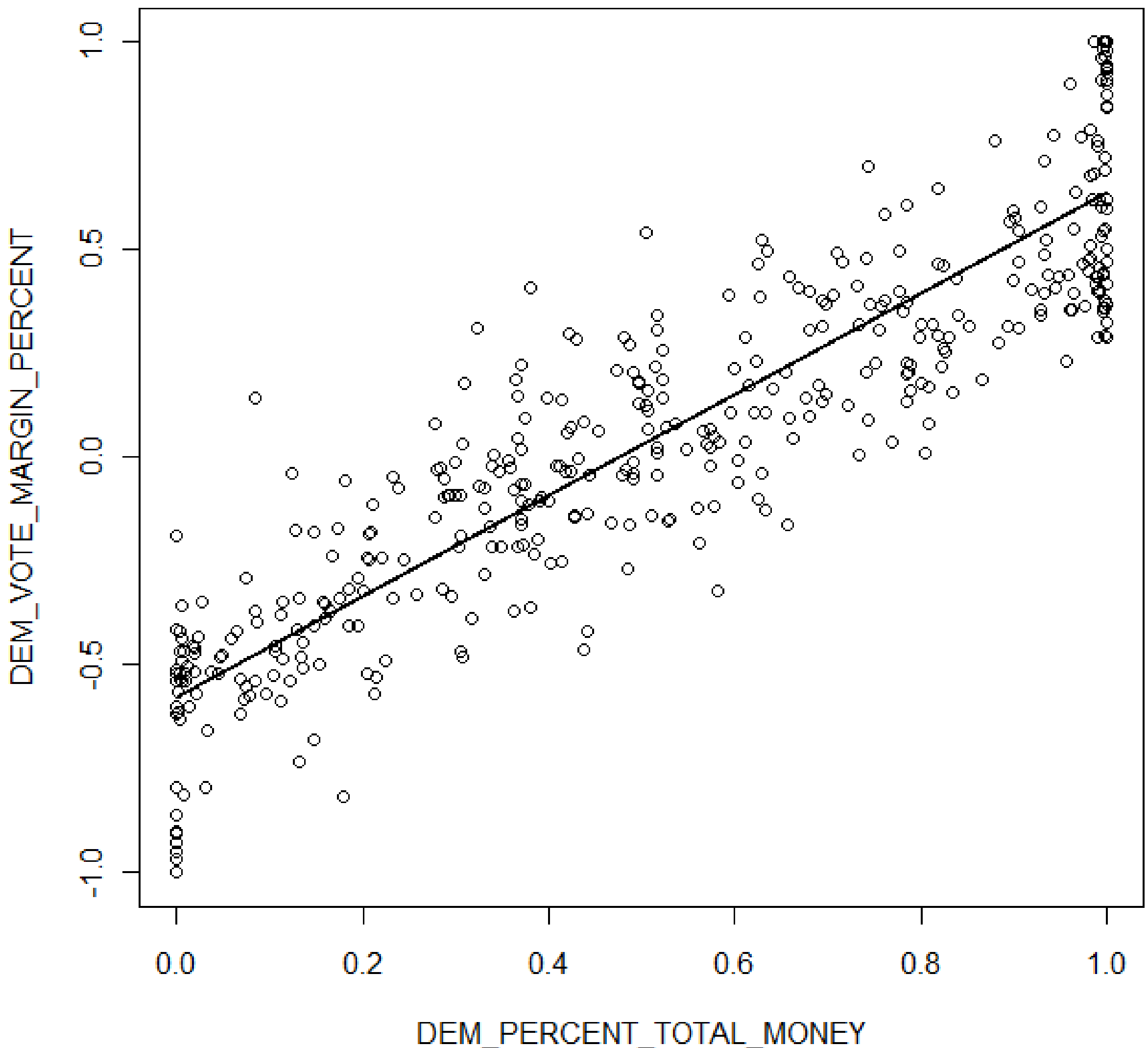
Spatial Regression; Pseudo R = .80

1996



Spatial Regression; Pseudo R = .83

1980



Pseudo R = .82

Table 1

Itemized Individual Contributions by Size

Total Money	Obama	Romney
≤ $250	4.25	2.60
$ 250-5000	5.57	3.56
$500 – 1,000	7.48	5.96
$1,000 – 10,000	34.23	32.13
$10,000 –100,000	37.40	38.66
>$ 100,000	11.07	17.08

Money	Santorum	Perry	Paul	Huntsman	Gingrich	Cain	Bachmann
≤ $250	6.86	1.43	13.07	2.72	3.57	16.44	13.00
$ 250 -5000	8.42	2.58	13.32	3.43	4.64	20.18	16.38
$500 – 1,000	10.31	7.24	17.63	9.08	5.55	23.07	17.68
$1,000 – 10,000	27.51	73.30	53.85	35.26	17.70	39.13	50.56
$10,000 – 100,000	4.69	2.99	2.13	6.15	.53	1.17	2.38
>$ 100,000	42.21	12.46		43.35	68.01		

Source: Calculated From FEC and IRS Data, See Text

.

Table 2

Totals – Amounts Coming From Small and Large Contributions

2012 GOP Also Rans

Donations Directly to Candidate Campaign Commitee **and Candidate's Top Fundraising** Super PAC

Candidate	<$200	≥$200	Super PAC	<$200	≥$200
Bachmann	$4,920,955	$2,541,117	Keep Cons. United	$135	$27,052
Cain	$8,929,459	$7,094,939	9-9-9 Fund	$492,151	$125,519
Gingrich	$11,520,142	$12,483,211	Winning Our Future	$99,530	$23,809,014
Huntsman	$506,246	$3,220,253	Our Destiny PAC	$700	$3,165,544
Paul	$18,009,455	$21,946,605	Revolution PAC	$311,236	$927,266
Perry	$1,064,963	$18,982,773	Make Us Great Again	$791	$5,460,174
Santorum	$11,336,363	$11,124,953	Red White and Blue	$12,825	$8,375,722

Sources: FEC and IRS Reports

Table 3

Support for Candidates

Full Sample and Big Business Only

Percentage of Firms Contributing

Candidate	% All	% Big Bus
Obama	63	63
Romney	80	85
Bachmann	5	8
Cain	8	12
Gingrich	10	15
Huntsman	4	8
Paul	22	29
Perry	9	15
Santorum	10	17
Pawlenty	5	10
	N=2590	N=828

Table 4

Sectoral Differences in Major Party Candidate Support 2012

BB only = Only Firms in Big Business in the Sector Just Above

Sector (N =)	Obama	Romney
Mining (18)	33%	94%**
Coal Mining (23)	22%	91%**
Paper (29)	52%	82%**
Chemicals (28)	71%	80%
BB only (12)	75%	92%
Oil (174)	44%	89%**
Utilities (66)	74%	88%*
Insurance (90)	62%	88%**
Private Equity(88)	44%	83%**
Inv Bk & Hdg Fds (109)	52%	78%**
Com Bking (78)	44%	91%**
BB only (16)	69%	100% **
Health (133)	69%	84%*
Pharma (139)	81%	57%**
Defense & AirCrft (27)	81%	93%
Electronics (124)	74%	68%
TeleCom (108)	75%	71%
Software and Web (180)	82%	69%**
Computers (41)	90%	73%*
Mfgr for Web (34)	88%	79%.

** = Significant at .01 Level and *Significant at .10 level, Based on both McNemar Test and Repeated Logistic Model

Table 5

Tea Party vs. More Main Line Republicans

Average Levels of Support by Firms

Full Sample: Main Line GOP – 62%; Tea Party – 35%

Big Business Only: Main Line GOP – 76%; Tea Party – 47%

Sectors Where Tea Party Support Is Much Higher Than Average

(Significance Level for Binomial Proportions Test For Difference From Tea Party Mean in Parentheses)

Full Sample	Big Business Only
Mining – 73% (.00)	
Residential Const. – 86% (.00)	
	Heavy Construction – 88% (.02)
Chemicals – 47% (.03)	Chemicals – 75% (.04)
Oil – 49%	Oil – 62% (.00)
Defense & Aircraft –52% (.04)	Defense & Aircraft –73% (.07)
	Pharma – 67% (.10)
Telecom – 48% (.00)	Telecom – 62% (.02)
Health Care – 40% (.11)	
Transportation – 47% (.10)	
Airlines – 63% (.01)	
Utilities – 53% (.00)	Utilities 66% (.03)
Insurance – 42% (.09)	Insurance 68% (.02)

Source: See Text

Notes and References

The authors are grateful to Francis Bator, Walter Dean Burnham, Robert Johnson, Benjamin Page, and Peter Temin for helpful discussions.

---

[1] See the timeline and explanations at http://www.nytimes.com/interactive/2011/07/22/us/politics/20110722-comparing-deficit-reduction-plans.html?ref=politics#panel/11th-hour-deal

[2] There has been some last minute talk of agreement on cuts in Medicare; the Obama administration has talked as though it would accept something along those lines in the past.

[3] See the discussion in Thomas Ferguson, "Legislators Never Bowl Alone: Big Money, Mass Media, and the Polarization of Congress." Bretton Woods Conference: Institute for New Economic Thinking, 2011; http://ineteconomics.org/bretton-woods/paper-presented-bretton-woods-conference-thomas-ferguson Redistricting certainly happens; for some striking cases, see http://www.bloomberg.com/news/2013-03-18/republicans-foil-what-most-u-s-wants-with-gerrymandering.html; note that Democrats also redistrict and definitely win seats in some states via this mechanism.

Many proponents of the redistricting view confuse the small turnouts in GOP primaries with redistricting effects. The former are in part effects of long term GOP efforts to hold down turnout generally, which are not at all identical with redistricting. In effect, GOP elites sought a miniature electorate and now suffer from it. See the discussion in http://www.alternet.org/story/153676/the_devil_and_rick_santorum%3A_dilemmas_of_a_holy_owned_subsidiary and the discussion by Walter Dean Burnham and Thomas Ferguson in http://www.alternet.org/story/154917/why_poorer_states_aren%27t_buying_what_romney%27s_selling

[4] See e.g., Benjamin Page's discussion in http://www.alternet.org/news-amp-politics/new-research-deficit-hawks-reflect-views-wealthy-not-majority

[5] Ferguson, "Legislators Never Bowl Alone."

[6] Nevertheless, direct political contributions are but one major form of political money. See the discussion of the full "spectrum of political money" in Ferguson, ibid.

[7] Ibid.

[8] See our discussion in http://www.alternet.org/story/156329/revealed%3A_key_files_on_big-ticket_political_donations_vanish_at_federal_election_commission and http://www.alternet.org/story/156355/cover_ups_are_worse_than_vanishing_data%3A_the_facts_about_the_fec%E2%80%99s_data_downloads The FEC replied that the deletions were an error, see our comment: http://www.alternet.org/story/156368/response_to_the_fec_on_missing_big_ticket_money_data We expect to return to this topic in the near future.

[9] More precisely, a modified form of the SIC codes. These suffer from several serious defects when used for political analysis. For example, they don't distinguish sharply enough between the various forms of high finance, notably private equity, from hedge funds. No less seriously, the SIC classification and their more modern avatars spread oil and other industries around in various parts that are widely separated, even at the two digit level of aggregation. Our data set begins with four digit codes, modifies them in a few cases, but then uses the two digit scheme developed by Ferguson to aggregate at politically meaningful levels. Our oil industry, for example, includes many industry branches at both the 13 (drilling) and 29 (refining) levels. We lack the space to dismiss various issues related to classification. But see the discussion in Thomas Ferguson, *Golden Rule: The Investment Theory Of Party Competition And The Logic Of Money-Driven Political Systems* (Chicago: University of Chicago Press, 1995). Beginning, as we do in this paper, with sectors does not mean that analyses should end there. We are clear that intra-industry analyses are extremely important for political dynamics. It is obvious that several cases discussed later in the paper cry out for such analyses; particularly where partisan splits occur within an industry, one very reasonably wants to know more.

[10] Quoted in Ferguson, Jorgensen, and Chen, http://www.alternet.org/news-amp-politics/revealed-why-pundits-are-wrong-about-big-money-and-2012-elections

[11] The top graph thus differs unimportantly from the ordinary least squares regression we published ibid.

[12] These years are comparable in an important respect: they represent years in which incumbent presidents ran for reelection. There is a clear four year cycle in total political contributions; some of this money may spill over as a kind of "overhead" factor in individual races. We can't discuss this question here, but wanted to take some account of it.

[13] If our conjecture is correct, the implication for races below the federal level is potentially troubling. If not offset by local ties, then money may have a truly splendid reign.

[14] See the discussion of committee assignments and contributions in Paul Jorgensen, "Campaigning on Fruits, Nuts, and Wine" *Political Research Quarterly* 2010 63 (1): 16 – 28.)

[15] See, e.g., the Campaign Finance Institute discussion of Nov. 24, 2008, http://www.cfinst.org/press/releases_tags/08-11-24/Realty_Check_-_Obama_Small_Donors.aspx, but see also its later discussion http://www.cfinst.org/press/releases_tags/10-01-08/Revised_and_Updated_2008_Presidential_Statistics.aspx

[16] See, again, the Campaign Finance Institute revision of its earlier statistics for 2008, published early in 2010http://www.cfinst.org/press/releases_tags/10-01-08/Revised_and_Updated_2008_Presidential_Statistics.aspx

[17] This is our estimate obtained from cross-checking various filings that do not directly report the figure.

[18] These figures, again, refer to itemized individual contributions from whatever source among what we regard as campaign vehicles, including Super Pacs and 527s.

[19] See the discussion by Paul Blumenthal in http://www.huffingtonpost.com/2012/12/07/obama-fundraising-campaign_n_2257283.html

[20] This requires a technical elaboration of great importance: this generalization is relative to the issues and position the campaign chooses to run on. Campaigns that offered more to the population could reasonably expect to raise more money from the base. See the discussion in Ferguson, "Deduced and Abandoned: Rational Expectations, the Investment Theory of Political Parties, and the Myth of the Median Voter," in Ferguson, *Golden Rule*, Pp. 377-419.

[21] See the memorable video at http://www.washingtonmonthly.com/political-animal/2011_08/tentoone_isnt_good_enough_for031484.php

[22] See, e.g., http://www.dailypaul.com/216219/paypal-founder-peter-thiel-throws-26-million-at-ron-paul-super-pac?sss=1

[23] See http://www.rightwingwatch.org/content/reed-cain-and-bachmann-will-be-religious-rights-candidates-choice

[24] These topics are infinitely complicated. Essentially we are adapting for big data the approach outlined in Ferguson, *Golden Rule.*

[25] See the discussion in Ferguson, *Golden Rule* and our earlier remarks about the pitfalls of SIC codes. In this procedure, amounts are not the object of inquiry. One other remark. We limit our discussions mostly to sectors for reasons of space. But we would not want to be understood as recommending stopping there. At several points in the discussion below, it should be apparent that within sector differences are likely important. Those we will save for another time. See, e.g., the role of insurance in several tables.

[26] We include everyone who made the Forbes list in either 2011 or 2012, including the "near misses," so there are a few more than 400 entries. There are lots of issues here we lack the space to pursue. For evidence on past elections, see Ferguson, *Golden* Rule and Ferguson, "Blowing Smoke: Impeachment, the Clinton Presidency, and the Political Economy." In William Crotty, ed., *The State of Democracy in America* (Washington, D.C.: Georgetown University Press, 2001), pp. 195-254,

[27] Ferguson, *Golden Rule*.

[28] This has a corollary that we underscore. Our results are preliminary, in the sense that we hope to fill out some more of the dataset over time. Subsequent versions of the paper will probably look a bit different, though major conclusions are unlikely to change, especially for the big business sample, which is very well defined.

[29] Compare the figures, which use a somewhat different procedure, and, perhaps importantly, smaller samples in Ferguson, *Golden Rule.*

[30] The Obama administration's support for nuclear power made many friends for it among utilities. This is an intra-industry issue we cannot address here.

[31] Big entertainment firms are a subset of this bloc; thus "Hollywood" shows up there. Not all the differences reach statistical significance, but the consistency of the pattern among the bloc as a whole is worth attending to.
[32] See, e.g., the discussion and references in Ferguson, "Legislators Never Bowl Alone."
[33] Paul's support from servicemen and women attracted some interest; he also attracted some interest from certain defense firms. Another time we will consider how these fit into his views on foreign policy.
[34] Along with the political action committee run by former Senator Jim DeMint.
[35] Both amount to only a small fraction of its total spending; but these are relevant here.
[36] See, e.g., http://articles.washingtonpost.com/2012-12-25/politics/36015740_1_freedomworks-tea-party-matt-kibbe
[37] See the discussion in http://www.washingtonpost.com/wp-dyn/content/article/2009/08/15/AR2009081502696.html
[38] See, e.g., http://www.washingtonpost.com/wp-dyn/content/article/2009/08/15/AR2009081502696.html or http://www.sourcewatch.org/index.php?title=Americans_for_Prosperity