

“McCutcheon Money” Methodology

Data Sets

Our data sets were provided and cleaned by Public Campaign. For the purposes of this report, Public Campaign used federal campaign contribution data made public by the Federal Election Commission (FEC) and then refined and augmented by the Center for Responsive Politics (CRP). The data were downloaded in bulk from the Sunlight Foundation’s Influence Explorer tool on August 16, 2013.

Elite Donor Set (EDS) Defined

Using CRP’s unique donor identification codes, Public Campaign identified elite donors as those giving within 10 percent of the aggregate contribution limit over a two-year period in contributions to candidates, party committees, and PACs (not including Super PACs). Contributions made to joint fundraising committees were excluded to avoid double counting.

The number of donors in the EDS has grown in every election cycle since 1990 (with one exception). For presidential-year elections, the number of elite donors has grown from 127 in 1992 to 1,219 in 2012. For non-presidential-year elections, the number in the EDS rose from 82 in 1990 to 510 in 2010. (The number of elite donors in 2010 was slightly lower than the 540 elite donors in 2006.) We extrapolated from this 20 years of growth to estimate the number of elite donors in future presidential and non-presidential election years.

We chose to include donors within 10% of the overall aggregate limit for several reasons. First, many donors gave more than the aggregate limit (more on this below), suggesting that even elite donors are not precise about their giving and the fact that some have not given exactly to the cap does not indicate an inability or unwillingness to give more.

Next, while there is a separate limit for aggregate contributions to candidates and another to parties and PACs, donors who near the overall limit (to all candidates, parties and PACs) are those closest to maximizing the political influence they can garner from direct political contributions.

Third, because data from the FEC lack a unique donor identifier field, matching unique donors across contribution records is necessarily imperfect, especially given inconsistent data quality in what is filed with the FEC and then disclosed by the Commission. So, it is possible to miss a contribution from a donor that might have put that person at or above the aggregate limit.

Furthermore, some contributions, such as those to political parties’ recount funds, do not apply to a donor’s aggregate contribution limit. This and other contribution coding in the campaign finance records from FEC can be inconsistent, often resulting from filer errors. Similarly, some contributions to entities that the limit does not apply to, such as super PACs, are miscoded in the data. Hand checking every record would have been prohibitive, but contributions larger than the maximum hard money contribution for that year were scrutinized and removed if necessary.

As noted above, our data showed that many of the donors who come within 10% of the aggregate limit in a cycle actually have historically exceeded the aggregate limit. It is unclear exactly how this is happening. It could be errors in FEC coding, reporting mistakes on the part of the donors, use of various loopholes (including a loophole that allows parties to accept “recount” funds), or that the FEC is simply not enforcing the aggregate limit. Regardless of the reason, in 2006 the average elite donor exceeded the aggregate limit by 3.36%, in 2008 5.57%, in 2010 6.75%, and in 2012 8.83%. We assumed that this upward trend is not sustainable and that going forward the average elite donors would not exceed the aggregate limit more than the current 8.83% in future cycles.

Total Unique Number of Elite Donors Over Time¹

We projected out the number of donors in the EDS for each election cycle (see above sections). To estimate the total number of *unique* donors that would be responsible for the additional “McCutcheon Money” we are projecting to be contributed through the 2020 election cycle, we needed to determine how much overlap in the EDS there would likely be across election cycles. To do this, we calculated the overlap among the EDS from the 2006 through the 2012 election cycles (65%) and assumed the percentage overlap would be the same going forward.

To calculate the 2006-2012 overlap, we started with 3,090 total donors, collapsed to 2,363 unique donors based upon the Center for Responsive Politics’ donor identification number, and then ran an additional name-based match by combining donors’ last names and first two letters of their first names. We removed false-positives by comparing against their full first name and city (to ensure, for example, that John Doe and Joanna Doe are counted as separate donors and that John Doe from Cleveland, OH was counted as distinct from John Doe from New York, NY. We also eliminated a few false negatives based upon listing a first name differently (Jim v. James) or a stray initial inserted in front of the first name. This process yielded a total of 2,008 unique donors. Dividing 2,008 by 3,090, we get an overlap factor of 64.98%.

We then multiplied the total 4,283 donors in the projected EDS from 2014-2020 by 64.98% to get 2,783 unique donors.

Projections

We considered several scenarios for how members of the Elite Donor Set might have responded in the 2010 and 2012 election cycles had aggregate contribution limits been eliminated, and what giving by these elite donors might look like in coming years in the absence of aggregate limits.

Baseline Scenario (Projected Giving with Cap)

First, we created a baseline scenario of how much the EDS would give if the aggregate limits remain in place and are adjusted for inflation, counting projected growth of the EDS. To do this, we created data

¹ These calculations were performed by Kurt Walters at Public Campaign.

points based on two trend lines: presidential cycles starting with data from 2008 & 2012, and non-presidential cycles starting with data from 2006 & 2010. We then adjusted that figure to ensure that the average elite donor was not giving significantly more than the contemporary aggregate limit (adjusted for inflation), based on the average excess of 2012 set at 8.83% (see above “Elite donors exceeding the aggregate limit”).

Conservative Scenario

Next, we created a conservative scenario for growth in contributions among the EDS. For this scenario, we assumed that donors would give the maximum allowed contribution to candidates and committees they had already supported, but would not extend their giving to any additional entities.

We created one record for each pairing of contributor and recipient that included the total gift amount. This step consolidated refunds and multiple gifts from a particular contributor to a particular recipient into a single record. Some records showed zero or negative gift amounts, perhaps as a result of out-of-cycle refunds. We deleted those records (211 in 2010 and 269 in 2012).

We then identified the individual contribution limit to which each candidate and committee is subject. The limits for 2010 and 2012 are shown in Table 1. We used the Center for Responsive Politics’ (CRP) classification system of PACs to identify the contribution limits affecting each PAC. CRP uses the same code for all local, district, state and national party committees, but national committees are subject to higher contribution limits than are state, local and district committees. We manually reviewed the list to identify national committees (three committees each for the Democratic and Republican parties, and one each for the Constitution and Libertarian parties).

State, district and local party committees are subject to a combined limit of \$10,000 per year per state. To model a scenario in which each donor gives a combined \$10,000 per year to state, district and local party committees, we first identified the state in which each committee is located. For any committee whose state affiliation wasn’t obvious, we looked up the committee’s information on CRP’s website.

Table 1. Biennial Contribution Limits Modeled (assumes candidates face both a primary and general election)

Type of Committee	2010	2012	2014
Candidate committee	\$ 4,800	\$ 5,000	\$5,200
PACs	\$ 10,000	\$ 10,000	\$10,000
State, district and local party committees	\$20,000 per state	\$20,000 per state	\$20,000
National party committees	\$ 60,800	\$ 61,600	\$64,800

Once we had identified the contribution limit that applied to each recipient of a donation from an elite donor, we summed what the total contributions might have been in 2010 and 2012 in the absence of an aggregate cap and with contributions capped at the committee level.

Some elite donors gave more than the maximum amount to individual candidates and committees in the 2010 and 2012 cycles, likely in support of recount efforts. We assume that gifts above the contribution limit would continue to occur for exceptional situations and therefore included actual higher gift amounts in our scenario for those donors.

Aggressive Scenario

Next we created a high-end aggressive scenario, detailing what would happen if all elite donors were to give to all competitive races, defined as those races with \$5 million or more in total spending by candidates.

We totaled potential contributions as if elite donors had given:

- 1) The maximum allowable amount \$5,000 to one candidate in every competitive race in 2012. We defined “competitive” as a race with more than \$5 million in total spending by candidates. Data on spending by race came from our previous analysis in [Billion-Dollar Democracy](#). We assumed that elite donors donated even to the two competitive races where one of the leading candidates was not a Republican or Democrat.
- 2) The maximum allowable amount (\$20,000) to a state, district or local party in each state with a competitive race in 2012 (38 states).
- 3) The maximum allowable amount (\$61,600) to national party committees. Both the major political parties have three national committees each.
- 4) The maximum allowable amount to all PACs that these elite donors contributed to in 2012.

Moderate Projection

We determined that the actual scenario would likely be a hybrid of the two laid out above. So, we created a third projection by assuming that most of the EDS would follow the conservative scenario, but that a subsection of them (the “Top Donor Set” or TDS) would give to all competitive races.

Within the elite donor set there is a subset of individuals whose giving patterns have demonstrated either an ability to give significantly more than the cap or a willingness to do so. To count the number of donors who have demonstrated the *ability* to give more than the cap, we tracked the number of elite donors in 2010 and 2012 who had given more than \$1 million to a Super PAC. This gave us a low estimate of how many donors might be reasonably assumed to be able to significantly raise their giving. There were 50 such people. Additionally, we estimated how many donors have shown a *willingness* to give more. We calculated how many donors in the elite donor set in 2010 and 2012 had given significantly more than the national party cap to one party or another, likely by using a loophole that allows donors to double their party contributions by giving to a recount committee. There were 114 such people. We believe that this pool of donors has been heavily targeted by the parties to give more using this loophole and therefore, in the event that the aggregate limit is lifted, would be solicited by the parties to give the highest possible amount of \$1.2 million to their various party committees.² These are donors who have demonstrated a willingness to go above and beyond for the parties. To create a conservative estimate of how many donors would be able to and would be willing to significantly increase their giving should the cap be lifted, we took the average of these two figures for 2010 (which was 18 donors) and 2012 (which was 82 people). This seemed to be a reasonable top donor estimate given that we also knew from Public Campaign that 69 people in the 2012 EDS are billionaires.

To project the number of individuals in this Top Donor Set in future elections, we used the ratio of top donors to all elite donors in 2010 for off-presidential years and 2012 for presidential years.

² Democracy 21. <http://www.democracy21.org/wp-content/uploads/2013/09/McCutcheon-Democracy-21-Fact-Sheet.pdf>

For those top donors, based on their ability and demonstrated willingness to give more, we assumed they would be aggressively targeted by the parties and might give as described in the “Aggressive Scenario,” above.

For the remaining elite donors, we assumed they followed the “Conservative scenario” (described above) in which they give the base limit to all of the candidates, parties, and PACs to whom they currently give. We totaled giving by top donors and other elite donors to estimate total donations in the absence of aggregate contribution limits.

Small Donor Figure

To determine how many small donors were responsible for the \$313 million raised in unitemized contributions by President Obama and Governor Romney in 2012, we did the following:

Obama small donors = total Obama donors (4,454,270 according <http://l.barackobama.com/our-journey/>) minus itemized Obama donors (812,858, according to Campaign Finance Institute at http://www.cfinst.org/pdf/federal/president/2012/Pres12_30G_Table5.pdf) = 3,641,412.

Romney small donors (conservative estimate) = Romney small donor fundraising (\$79,806,091 according to Billion Dollar Democracy) divided by \$200 = 399,030.

Total small donors = 3,641,412 + 399,030 = 4,040,442