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February 5, 2007

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**CAMPAIGN FINANCE LAW (BCRA) CONTINUES TO PUSH
PARTIES, CANDIDATES TO RAISE MONEY FROM INDIVIDUALS IN 2006**



WASHINGTON, DC –Candidates and congressional committees had a banner cycle in money raised in 2005-2006, according to a major new report by the Center for the Study of Elections and Democracy at Brigham Young University. The report, *War Games: Issues and resources in the battle for the control of Congress*, is the complete summary of the CSED 2006 research project which used over twenty academics and scores of monitors on the ground to gather information about twelve competitive Senate and House races.

For only the fifth time in U.S. history, the 2006 midterm election resulted in the president's party losing control of both houses of Congress, something that few anticipated early in the election cycle. Candidate recruitment and fundraising were important elements in the Democratic success in 2006. Public opinion about the Iraq war, the government's mismanagement of Hurricane Katrina, and scandal created an environment that some described as "toxic" for Republicans in the 2006 election cycle. Democrats had positioned themselves well to ride this wave of discontent through few incumbent retirements, strong candidate recruitment, and aggressive fundraising.

The 2006 midterm election cycle was also the first midterm cycle conducted under the rules of the Bipartisan Campaign Reform Act (BCRA), which largely banned party soft money and redefined issue advocacy. Parties targeted a hard money bonanza into ground war activities and independent expenditures. All six party committees set new records for hard money receipts in a midterm election cycle and the congressional campaign committees all raised more hard money than in any previous cycle, midterm or presidential. As Election Day neared, however, more and more races became competitive. The expanding field forced the Republicans to spread their forces thin to defend more seats; consequently, the Democrats had more opportunities for gain than resources.

BCRA doubled the contribution limit for individuals, and in 2006 as in 2004, candidates in both parties aggressively raised money for their own campaigns. Candidates not involved in competitive races also played a role in helping fund their parties efforts. U.S. House candidates in 2006 gave their party campaign committees in excess of \$62 million dollars with the DCCC getting \$32 million from its candidates and the NRCC getting \$30 million.

Individual contributions came in both small and large amounts. In 2006, the DSCC and DCCC saw further growth in individual contributions over 2004 and a more than four fold increase over 2002. The NRSC saw a modest increase in money raised from individuals, up from \$59 million in 2004 to \$64 million in 2006. This figure was well below the DSCC total contributions from individuals of \$86.5 million in 2006. The growth in individual contributions is both among donors giving under \$200 and those who give the maximum amount under BCRA. The DSCC and DCCC saw growth particularly among those who give \$25,000 or more to a party committee. The NRCC continues to lead all congressional campaign committees in receipts from individuals but saw a drop in total receipts from individuals in 2006. In 2006 the NRCC raised \$109 million from individuals, down from \$135 million in 2004.

Interest groups and parties continue to display an impressive amount of election communications activity in targeted congressional elections. In the 2006 elections, political parties rivaled, and in some cases surpassed candidates for the amount of unique campaign pieces disseminated. In the contests monitored by Magleby and Patterson's reconnaissance network, interest groups produced an aggregate of 642 unique campaign ads (mail, billboards, newspaper ads, etc.) with Democratic-leaning groups outperforming Republican allies two to one.

Both parties have become skilled in targeting independent expenditures into competitive House and Senate contests. In 2006 \$220,400,185 was spent independently by the party committees in particular races. This compares to a high of \$121,901,666 spent independently in House and Senate races in 2004. In some races the party committees rival and may exceed what is spent by the candidates. One of the unanswered questions that came with passage of BCRA was whether party committees would be able to continue to expend substantial resources in battleground contests. The data from 2004 and 2006 demonstrate that they are using hard dollars to do what they previously had done with soft dollars.

In total receipts the Republicans raised about \$125 million more than the Democrats in 2006, but the biggest advantage for the Republicans came in the differential between the RNC (\$238 million) compared to the DNC (\$129 million). The DSCC raised \$30 million more than the NRSC, a substantial advantage and a continuation of a trend that began in 2004. Prior to that the NRSC had a substantial fundraising advantage over the DSCC.

The DCCC exceeded its own fundraising projections, raising far more money than expected. This increase allowed the DCCC to enter more races than it had originally budgeted for, which helped expand competition in the House. The DCCC raised an additional \$10 million after Labor Day over original projections.

Many Democratic challengers were surprisingly successful in their fundraising efforts, exceeding what challengers had done in the past. Forty Democratic challengers exceeded \$1 million dollars in total receipts, compared to twenty in 2004 and seventeen in 2002. Comparatively, Republican House challengers' fundraising has plateaued over the last three cycles. Eleven Republican challengers raised more than \$1 million in 2006, which is the exact same number as in 2004 and 2002. House Democratic challengers as a group more than doubled the amount raised in the 2006 cycle compared to those of 2002 and 2004. House Republican incumbents in 2006 raised in the aggregate nearly \$58 million more than in 2004 and more than \$100 million more than in 2002.

Looking Ahead

Looking ahead, the razor thin party majority in the U.S. Senate will intensify the battle for control of that chamber in 2008. Candidate recruitment, minimizing retirements, and fundraising by candidates and party committees will all remain high priorities in 2007 and 2008. The expectations that members help by contributing to their party committee will likely continue at the DSCC, and we assume they will become more important at the NRSC.

About CSED

The Center for the Study of Elections and Democracy (CSED) is a non-partisan academic research center operating under the auspices of the Department of Political Science at Brigham Young University (BYU). Beginning in 1998 CSED has conducted several research projects to examine the impact of noncandidate campaigning in federal elections. For more information see <http://csed.byu.edu>.

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