Campaign Spending: A Meta-Analysis for Incumbents and Challengers

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Executive Summary

This study, the first of its kind, brings together the revolutionary method of met-analysis (a tool to compile all former literature on a given subject) with the controversial issue of campaign finance. We study the effect of both incumbent and challenger spending on the challenger's percentage of the two-party vote. This important analysis comes at a time when the campaign finance reform debate is in full swing.

Many believe that money plays an unfair role in elections, arguing that victory goes to the candidate who can raise the most money, who is not necessarily the candidate with more popular ideas. Proponents of campaign finance reform believe that spending should be limited, so as not to give an advantage to candidates who can raise more money. The underlying assumption in this debate is that increased candidate spending increases candidate vote share. Since previous research has yielded seemingly inconsistent results, a tool is needed that can combine the statistical power of all earlier research on this topic.

Through a thorough literature collection process, we gathered all former statistical analyses that sought to address the effect of candidate spending on challenger vote share. Then we extracted coefficients and indicators of significance levels from all pertinent articles, entering this data into a codebook. We then completed a meta-analysis by calculating weighted averages

of the effect of spending on challenger vote share, for both challengers and incumbents. We found that for every additional $100,000 that incumbents spend, challenger vote share *increases* by 0.1292, and for every additional $100,000 that challengers spend, challenger vote share increases by 1.3099. Both of these results were significant at the .001 level.

These results have strong implications for the policy debate surrounding this subject. They indicate that it is really only challenger spending that matters. Thus, while challengers fare better if they have more money, the necessity for spending lots of money is not out of a need to catch up with incumbents with big war chests. Incumbents, who fight so adamantly against limitations on campaign spending, should in fact be the ones advocating them, as it is only their opponents who gain from spending. These results also have very real implications for campaign finance reform. Many proponents of campaign finance reform believe that campaign spending should be limited in a way that affects incumbents and challengers equally. Such policies would not level the playing field; instead, they would systematically hurt challengers, and take away one of the few advantages they have. Contrary to one's intuition, in order to have fair campaign finance laws, they must be unequal in nature. Because the playing field is already so uneven for challengers, in order to balance it, their funding must not be limited in the same way as incumbents' funding. For truly fair elections, the campaigns of viable challengers should be publicly funded to the extent that is necessary to counteract the inherent advantage that incumbents have. This amount will vary depending on office. For example, it is less expensive to run for a state legislative office than it is to run for U.S. Senate. Such policies would help create an environment where challengers have a viable chance of holding office.