

CLASS JOURNAL

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PSC 300

SYRACUSE UNIVERSITY

MONEY AND

POLITICS

POLITICIANS AND VOTERS, PART 2

EXAM

- **Tuesday (March 5): Exam 1**
- **Possible exam questions are posted on BB (under Assignments)**
- **I'll randomly pick 2 of them**
 - **You have to answer both**
- **Can bring one letter-size cheat sheet (front and back)**
 - **What you put on it is up to you, as long as you yourself prepare it (we'll collect it)**
- **Don't forget to sign up at CDR**

GUEST

- **Thursday (March 7): William Magnarelli**
 - **New York State Assembly Member**
- **Think about questions you want to ask him**

WHERE WE ARE

- **Who is involved in money and politics, why, and how?**
 - **Bureaucrats**
 - **Special interests**
 - **Lobbyists**
 - **Politicians**
 - **Voters**

POLITICIANS

- **Money in politics and personal enrichment**
- **Money in politics and campaign spending**

KEEPING SCORE

- **Businessmen become politicians**
 - Has positive effect on business profits, at least in countries with weaker rule of law
- **Politicians get a job after leaving office**
 - Common and lucrative, even in countries with strong rule of law
- **Politicians take bribes or steal in office**
 - Happens in countries with weak rule of law, weak oversight

WEALTH GROWTH

- How about other countries?
- Possible to reconstruct wealth of U.S.
Congressmen in 19th century
 - Census data
 - Wealth, number of servants (focus on non-Southern states)
- Querubin and Snyder (2013): *The Control of Politicians in Normal Times and Times of Crisis: Wealth Accumulation by U.S. Congressmen, 1850-1880*

WEALTH GROWTH

- **Interesting comparison**
 - **1861-1865: Civil war**
 - **At other times: peace**
- **Is wealth accumulation different in times of war and times of peace?**

WEALTH GROWTH

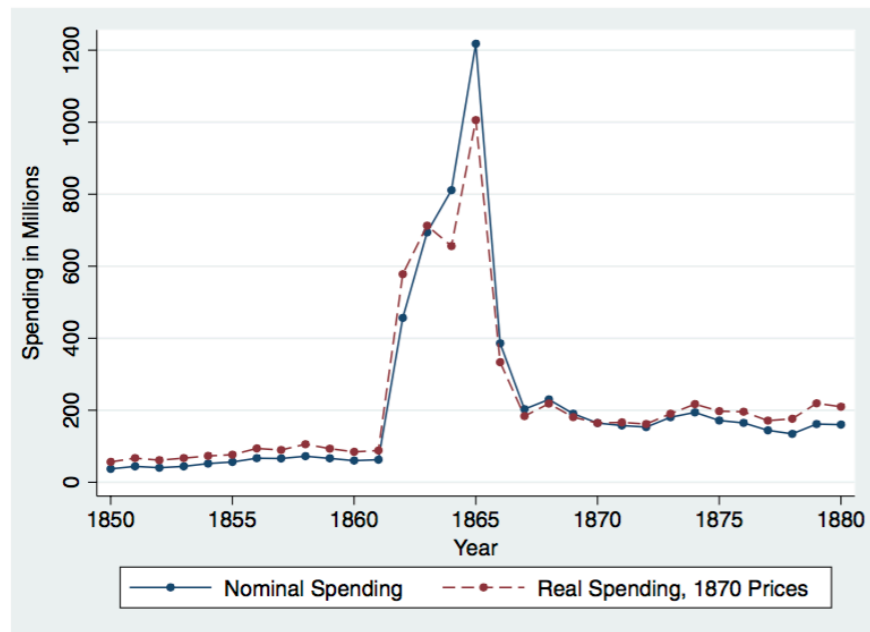


Figure 1A. Federal government spending before, during, and after the Civil War.

- **During civil war:
More government
spending, less
monitoring by
media**

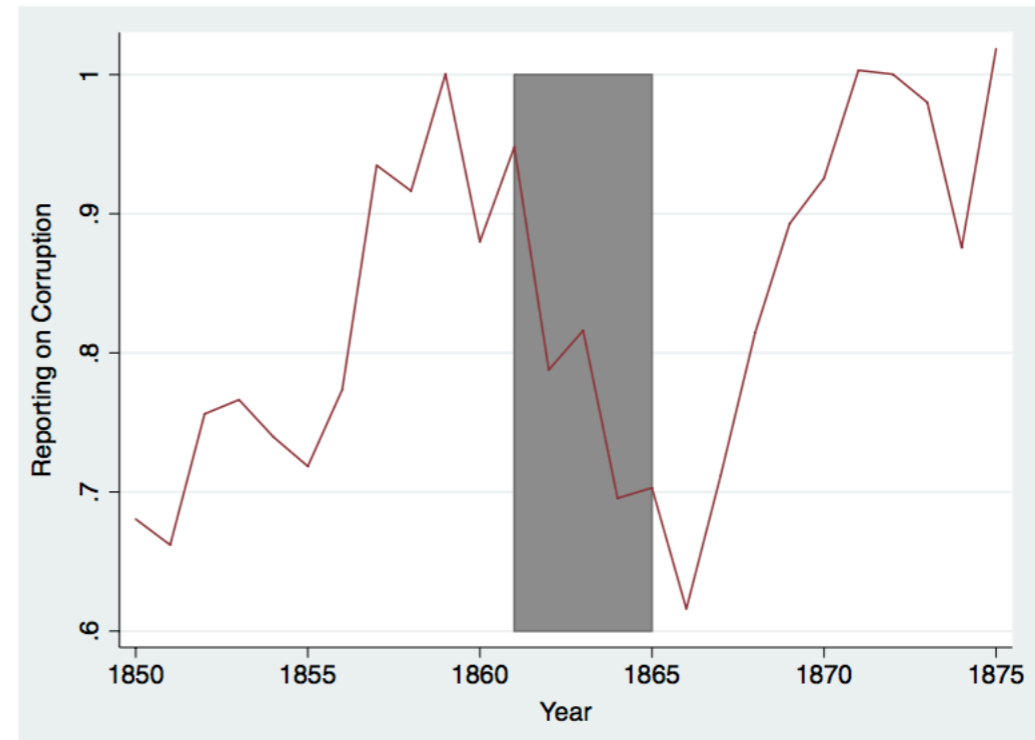
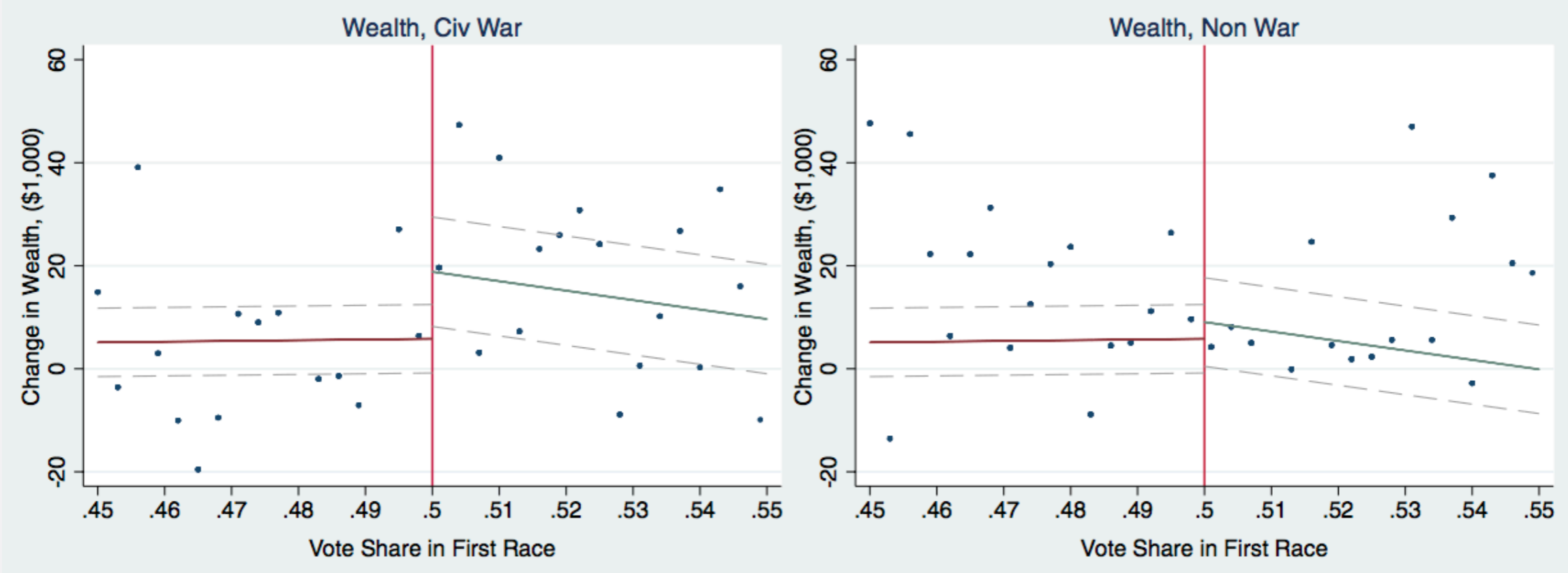
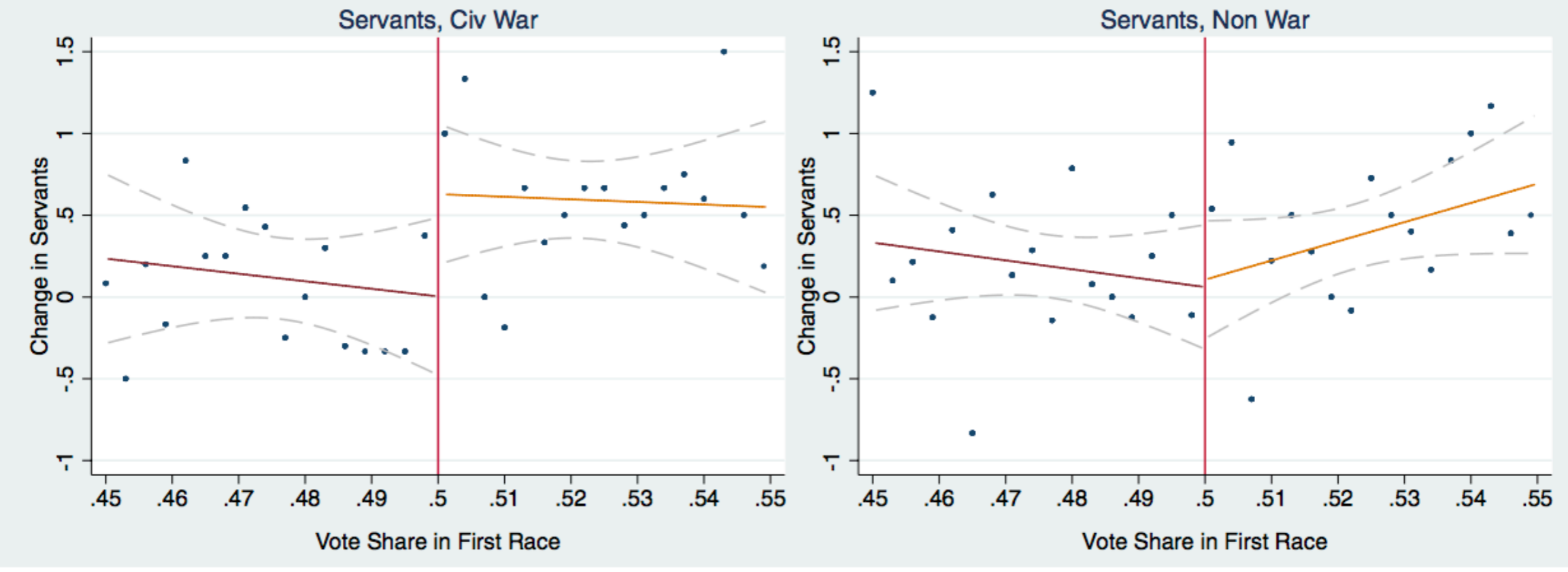


Figure 1B. Reporting on corruption, before, during and after the Civil War.

WEALTH GROWTH



WEALTH GROWTH



WEALTH GROWTH

- **Enrichment in times of:**
 - **Little monitoring**
 - **Lots of money**
 - **Also find more wealth accumulation for congressmen from states that provide more supplies for war**
 - **And for congressmen on committees responsible for military appropriations**
- **No enrichment in normal times**

KEEPING SCORE

- **Businessmen become politicians**
 - Has positive effect on business profits, at least in countries with weaker rule of law
- **Politicians get a job after leaving office**
 - Common and lucrative, even in countries with strong rule of law
- **Politicians take bribes or steal in office**
 - Happens in contexts with weak rule of law, weak oversight, lots of government spending

POLITICIANS

- **Money in politics and personal enrichment**
- **Money in politics and campaign spending**

THE RACE FOR CAMPAIGN MONEY



This American Life

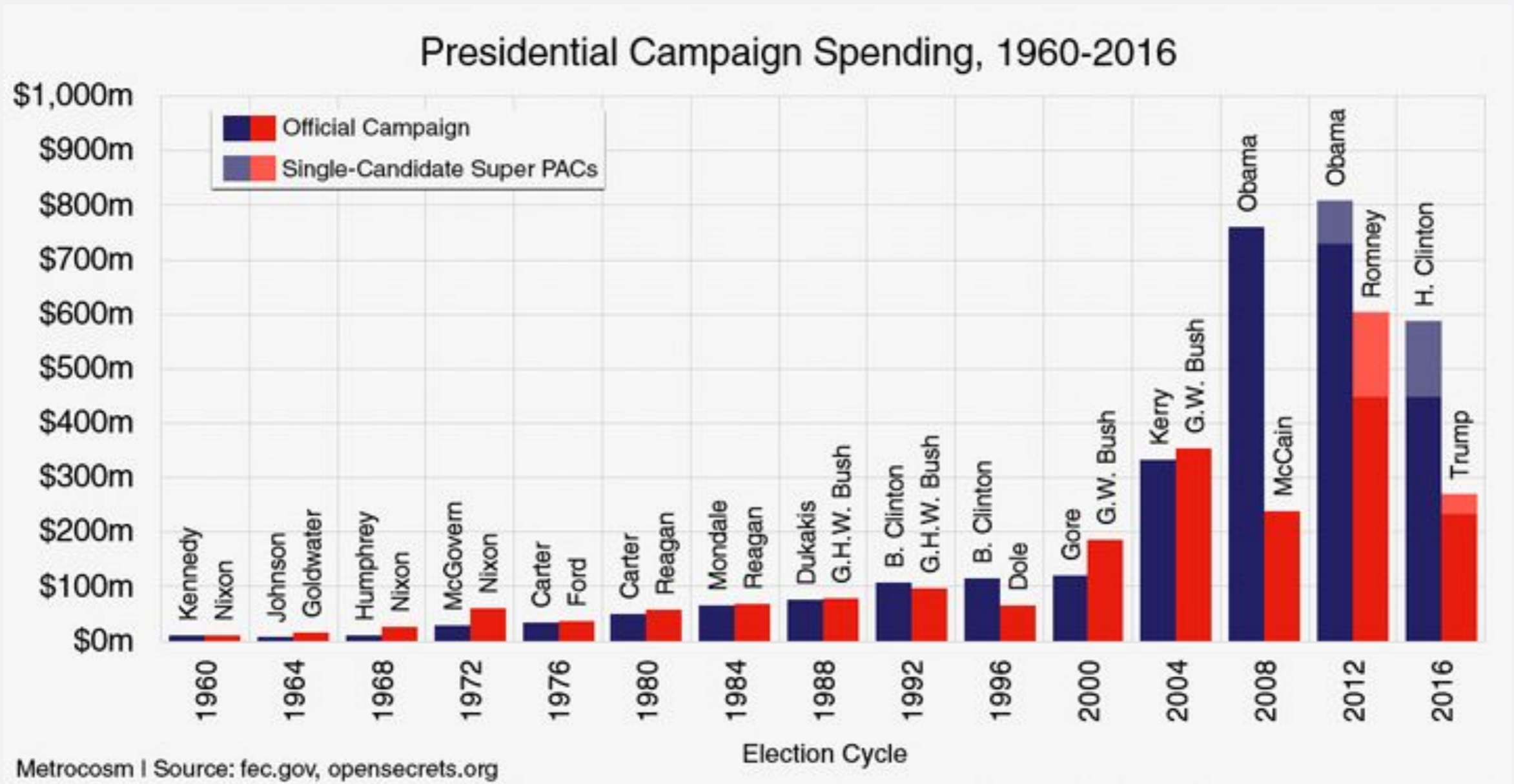
461 | March 30, 2012



Take the Money and Run for Office

For anyone who has ever heard the term "Washington insider" and felt outside — we are with you. So this week, we go inside the rooms where the deals get made, to the actual moment that the checks change hands — and we ask the people writing and receiving the checks what, exactly, is the money buying?

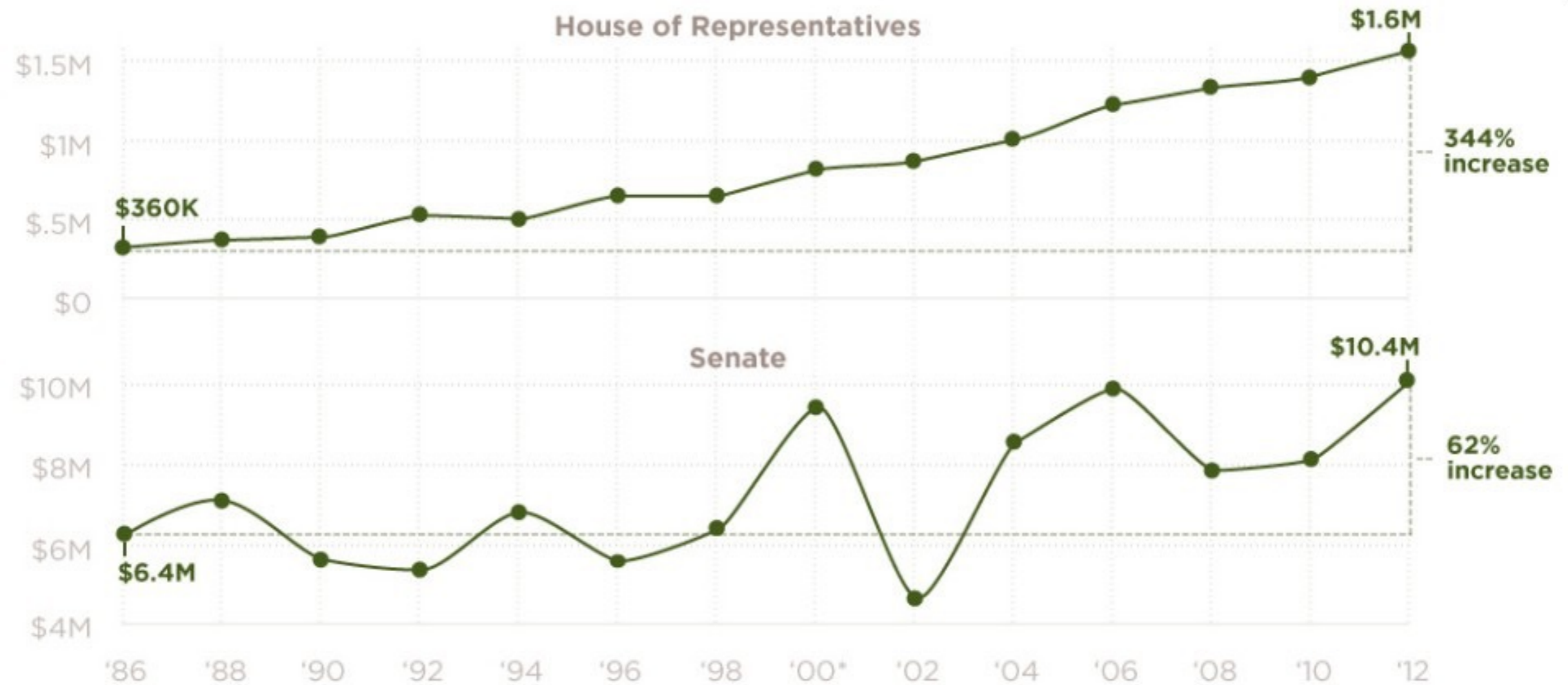
THE RACE FOR CAMPAIGN MONEY



THE RACE FOR CAMPAIGN MONEY

The cost of winning congressional elections

Here is the average cost of winning elections in the House and Senate since 1986 in 2012 dollars.



* Jon Corzine spent \$63,209,506 to win the U.S. Senate seat in New Jersey; Hillary Clinton spent \$29,941,194 on her Senate win in New York. The remaining Senate winners spent an average of \$4,737,365. • Inflation adjustment based on average 2012 Consumer Price Index.

Source: Campaign Finance Institute

WHY DO THIS?

- **Why put so much effort into raising campaign money?**

WHY DO THIS?

- **Why put so much effort into raising campaign money?**
 - Presumably it increases chances to win
- **What is the effect of campaign money on voter behavior?**

GROUP WORK

POLITICS >

Biden raised \$42 million in January, his campaign says

President Biden raised over \$42 million in January and entered February with over \$130 million in cash on hand, his campaign says – a record-setting total for a Democratic candidate at this point in a presidential election cycle.

GROUP WORK

- **If you were Biden's campaign manager, how would you spend this money?**
 - **What methods of campaigning do you think are most effective?**

TV ADVERTISEMENT

- **How did the reading try to measure effect of TV and radio ads on voter behavior? What did it find?**

RICK PERRY



CNBC



NEWS

★ THE REPUBLICAN PRESIDENTIAL DEBATE ★

TV ADVERTISEMENT

- **Random volume of TV/radio ad buys in different media markets in Texas**
 - **~\$2 million**
 - **~9 months before election**
- **Effect in tracking polls conducted at the same time**
 - **hypothetical vote choice if election was tomorrow**
 - **Favorability rating of candidate/opponent**

TV ADVERTISEMENT

- **TV ads increase candidate's standing**
 - **"The maximum dosage of television advertising apparently boosted Perry's relative standing by approximately six percentage points."**

TV ADVERTISEMENT

- **But effect disappears very quickly**
 - **“we see that the current week’s advertising raises Perry’s vote share by 4.73 percentage points per 1,000 GRPs; a week later, the effects of these ads have receded to -0.17 percentage points”**

CAVEATS

- **Early in campaign: voters have paid little attention so far, partisan identities not activated yet**
- **Almost no campaign spending by opponent**
- **No saturation effect yet**
- **Laboratory experiments: negative ads are more effective than positive one's**
- **etc.**

COST EFFECTIVENESS

- **“To shift opinion 5 percentage points among an electorate of 14 million people means persuading 700,000 voters. To expose the electorate to 1,000 GRPs of television at a rough average cost of \$150 per point amounts to approximately \$3 million per week. At *less than \$5 per vote*, this expenditure is a bargain, but the difficulty is that there is little to show for one’s money a week or two later.”**

OTHER CAMPAIGN TECHNIQUES

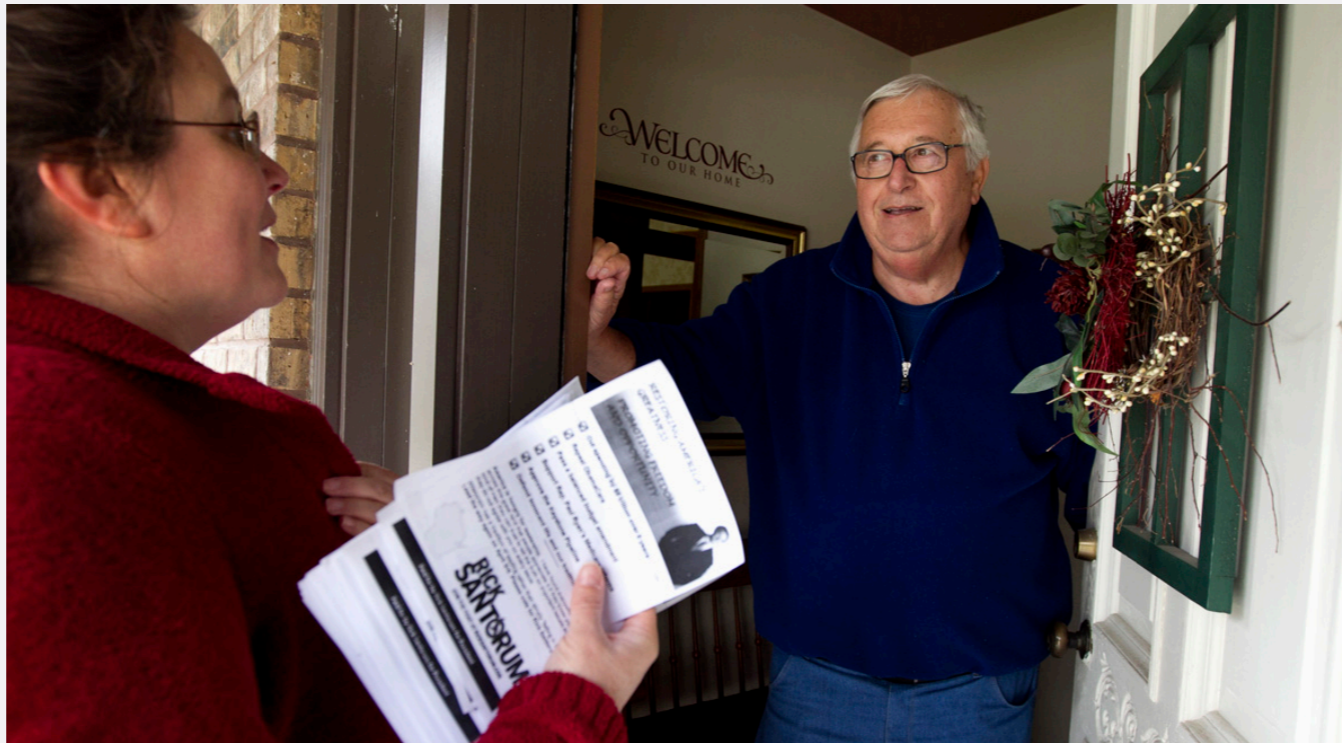
- **Face-to-face mobilization (door-to-door canvassing)**
- **Phone calls**
- **Mailings**
- **Online**

DOOR-TO-DOOR CANVASSING



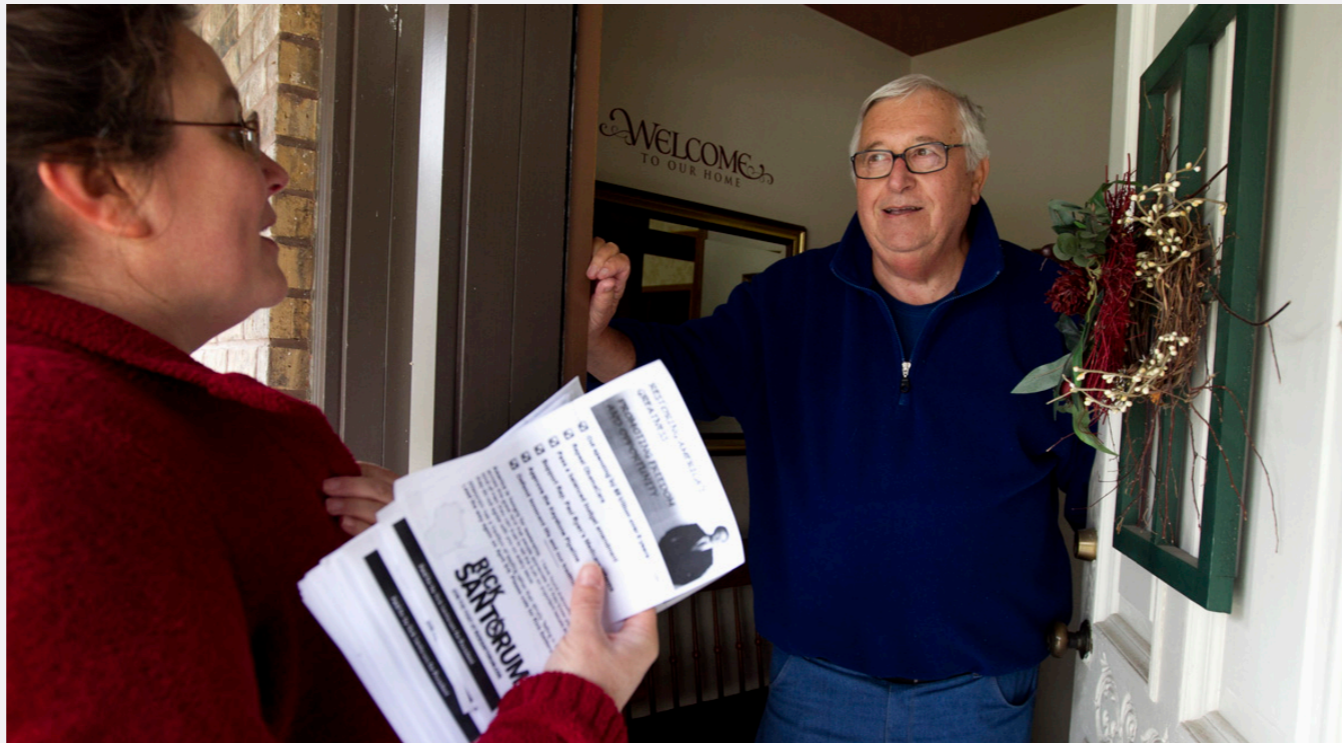
- **What is involved?**
 - Decision who to target
 - Recruit activists, volunteers
 - Make sure canvassers are safe
 - Train canvassers what to say (and how)
 - Supervise canvassers

DOOR-TO-DOOR CANVASSING



- **What have we learned from experiments**
 - **Difficult to contact eligible voters**
 - **Canvassing increases turnout**
 - **Effectiveness depends on election and voters**
 - **Canvassing works better close to election day**
 - **Who delivers the message matters**
 - **Canvassing has spillover effects**

DOOR-TO-DOOR CANVASSING



- **How effective is it?**
 - **Best estimates: 14 direct contacts needed for one additional vote, 23 indirect contacts needed for one additional vote**

DOOR-TO-DOOR CANVASSING



- **How cost-effective is it?**
 - Canvasser wage: \$10-\$16/hour. Assume \$16.
 - Canvassers speak with 6 household/hour (1.5 voters per household)
 - so: 6 direct contacts, 3 indirect contact per hour
 - \$29 for an additional vote given 1-14/1-23 successes
 - Cheaper: volunteers, but probably need more supervision etc.

PHONE BANKING



- **What is involved?**
 - Find volunteers, hire professionals, find location, training
 - Create script for callers
 - Phone list of people to call
 - Supervise callers

PHONE BANKING



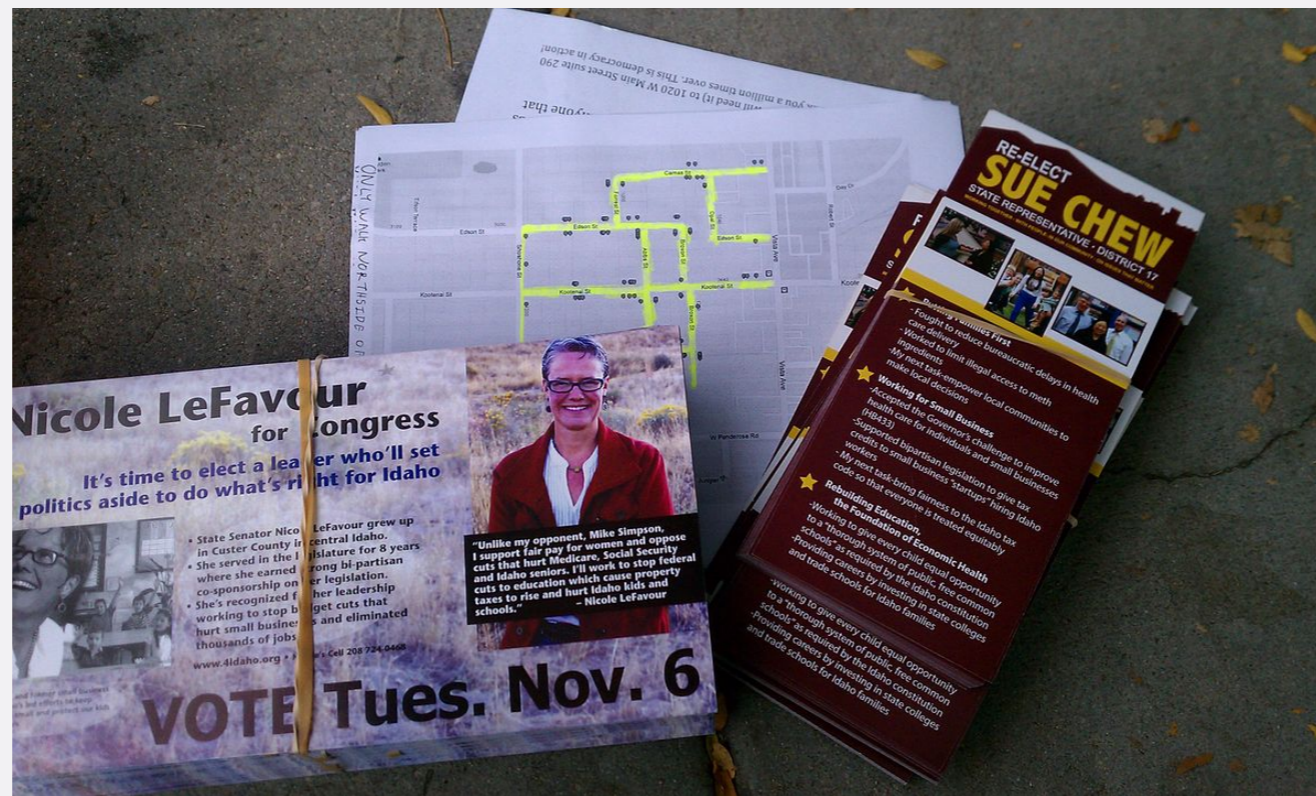
- **What have we learned from experiments**
 - Robocalls are cheap, but ineffective (1-1000)
 - Commercial phone banks: weak effects (1-180)
 - Commercial phone bank not paid by # of calls: more effective, but only close to election: 1-35
 - Volunteer phone bank often effective: 1-38

PHONE BANKING



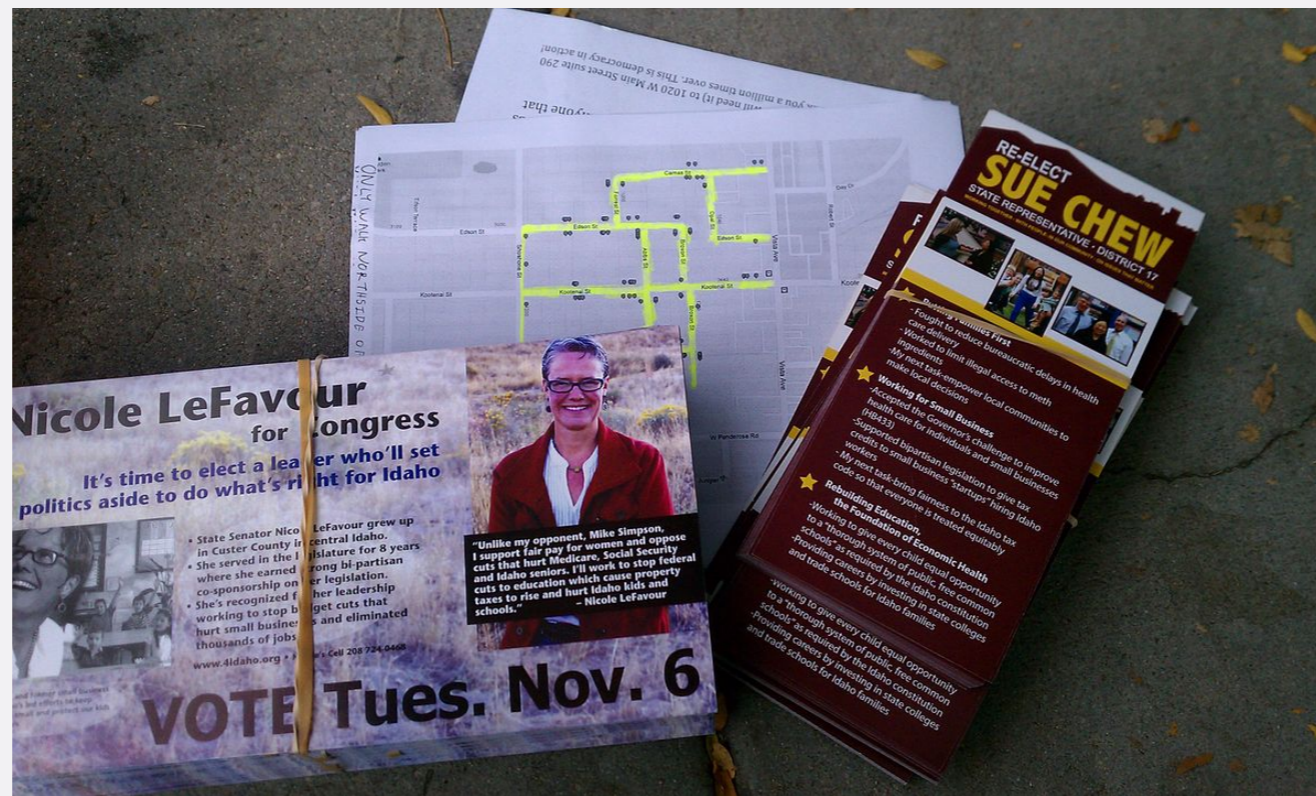
- **How cost-effective is it?**
 - **Commercial phone bank: \$0.50 per call, roughly \$90/vote**
 - **Top commercial phone bank: \$1.50 per call, roughly \$53/vote**
 - **Volunteer phone bank: If paid \$16/hour, then \$38/vote**
 - **Unpaid volunteers: \$20/vote**

LEAFLET/MAIL CAMPAIGN



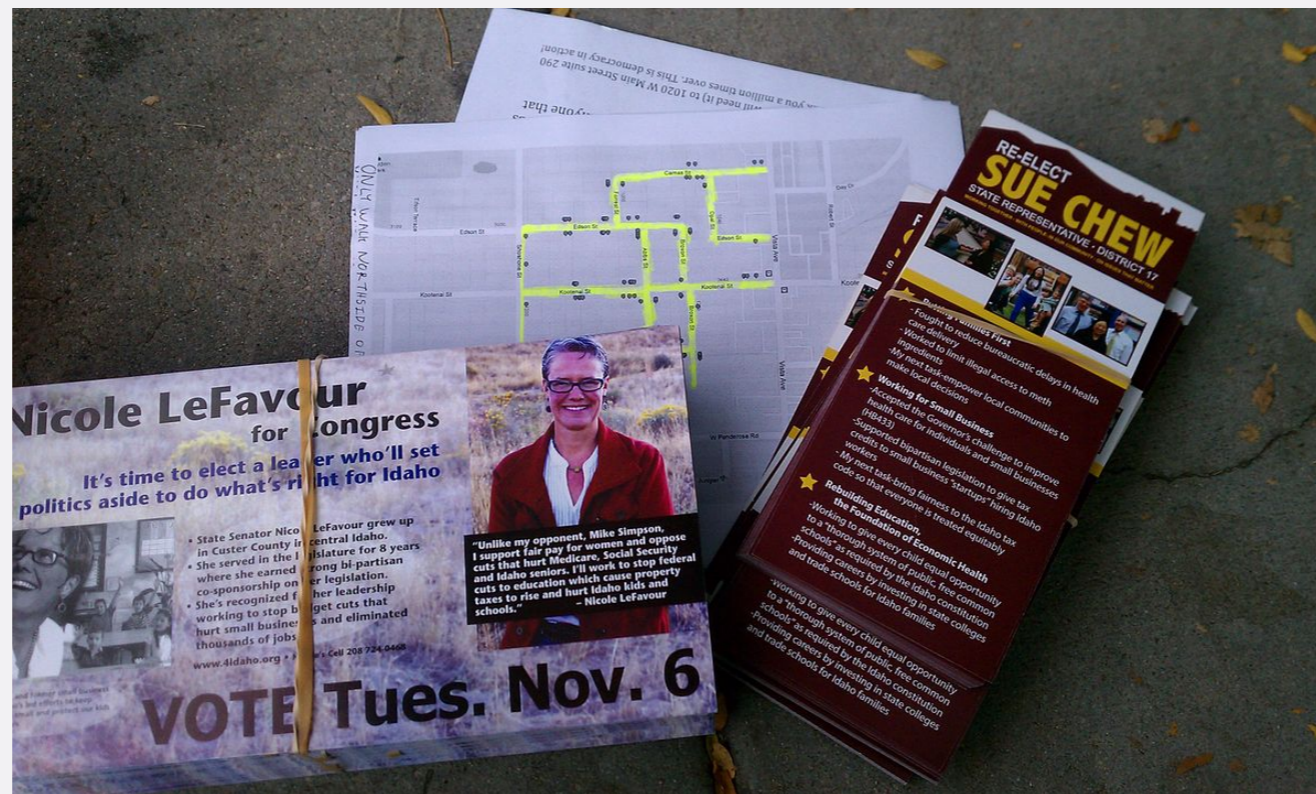
- What is involved?
 - Design the leaflet
 - Decide who to send it to (addresses, names)
 - Mail it or have canvassers distribute them?

LEAFLET/MAIL CAMPAIGN



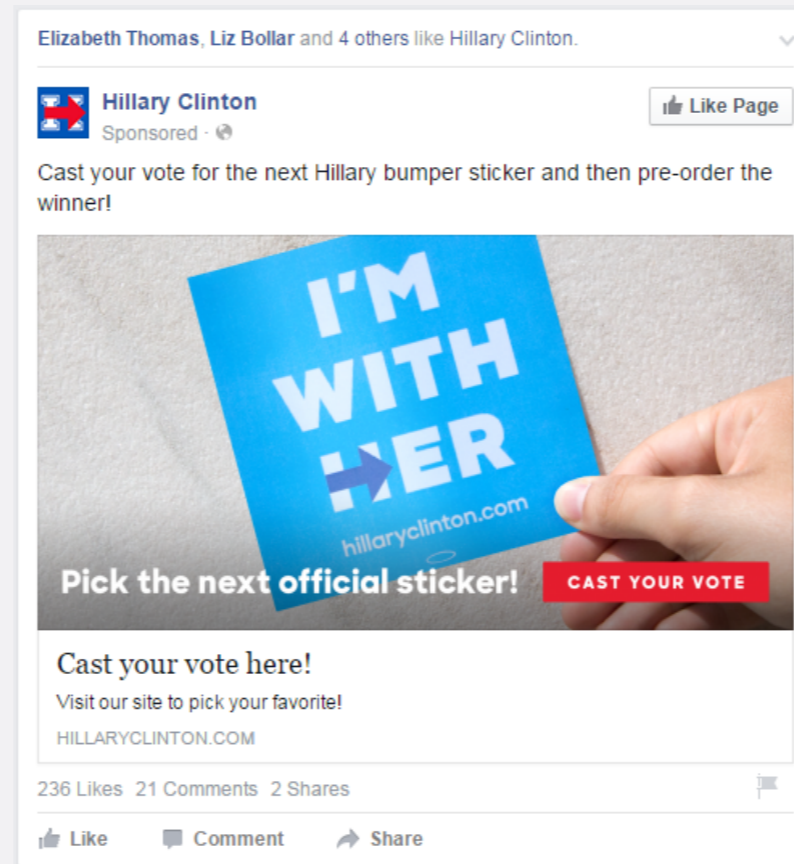
- What have we learned from experiments
 - Leaflets/door hangers have weak effect: 1-189
 - Partisan leaflets seem to be more effective (1-127 vs. 1-500)
 - Leaflets that provide information about candidates and polling locations are more effective

LEAFLET/MAIL CAMPAIGN



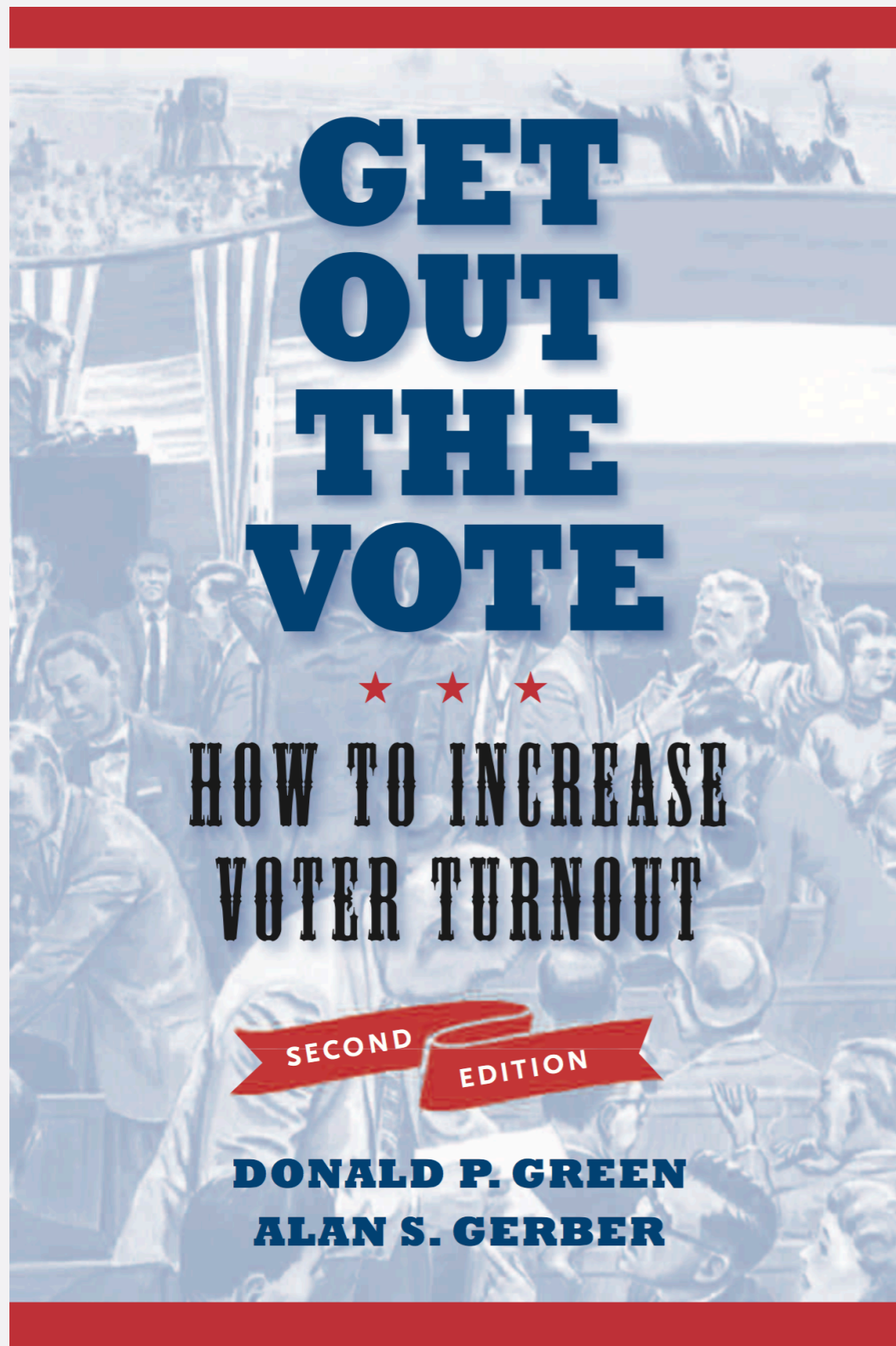
- **How cost-effective is it?**
 - Printing: \$0.10 per leaflet
 - "Leafleteers" wage: \$12
 - Leafleteers distribute 45 household/hour (1.5 voters per household)
 - so: 67.5 leaflets per hour
 - \$46 for an additional vote (assuming 1-189)
 - If send by mail: \$67-\$100 per vote

ONLINE CAMPAIGNING



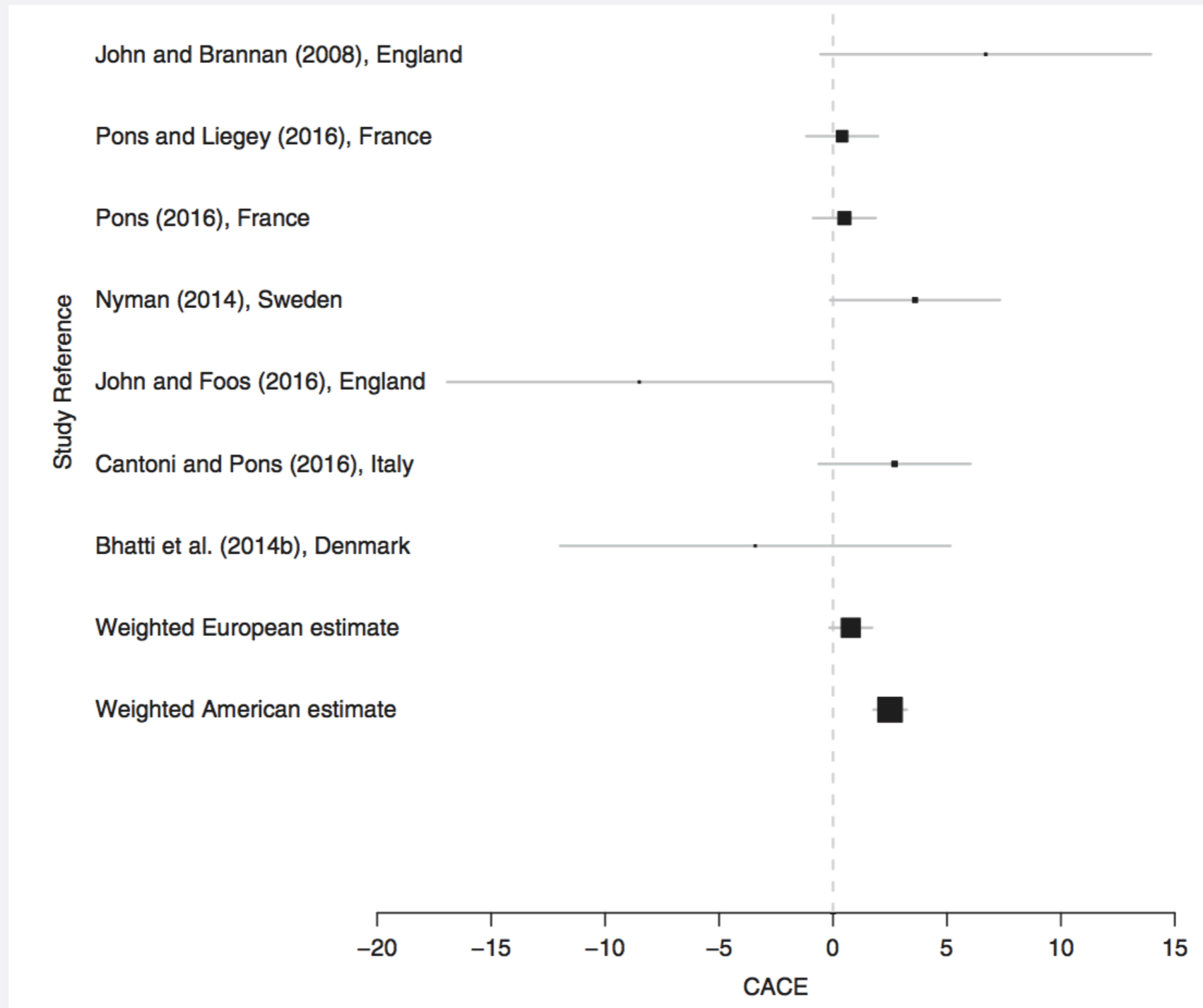
- **E-Mail: Pretty much no effect on turnout**
- **Facebook ads: also not very effective...**

TURNOUT



- **Caveat: This all about the U.S.**
- **Why might this apply less to other countries?**

EFFECT ELSEWHERE



Bhatti et al. (2016)

TAKING STOCK

- **Common campaign techniques seem to “work”**
 - **Improve vote share/intention of candidate, mobilize citizens to turn out**
 - **esp. TV ads, face-to-face canvassing**
 - **At least in U.S.**
- **So more campaign spending should lead to greater vote share for candidate that does it, right?**