Campaign Contributions in Gubernatorial Elections

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Abstract

Among the less explored areas of political participation are decisions by individuals to give money to state gubernatorial campaigns. Fortunately for those interested in state elections, the digital revolution has created important data resources such as the Follow the Money project by the National Institute of Money in State Politics. With the collection of donation records from elections in the fifty states, today there are abundant opportunities for those interested in campaign contributions. The focus of this research is directed to state races for governor. With controversy surrounding the role of money in state elections, questions are asked about the relationships between individual contributions and the attributes of candidates, elections, political environments, and state elections laws. This research uses individual-level data from gubernatorial general elections between 2010 and 2013 to explore these relationships. As with studies of alternative state elections, the results establish that decisions by contributors to give money are related to the background of candidates, the closeness of elections, each state's history of political competition, and institutional structures that shape the electoral environment. As a form of political participation, political contributions too infrequently receive attention in the scholarly literature. The results of this investigation, however, indicate that like voters, contributors are responsive to the features of election contests.

Today, the large majority of states have adopted limits on campaign contributions. With those limitations, the most active contributors to state campaigns now face significant restrictions in how much money they can donate to campaigns in which they care about the outcome. By 2014, 37 states had placed restrictions on individual contributions, 30 states placed some limit on state party contributions, 36 states placed a limit on political action committee contributions, 44 states limited corporate contributions, and 42 states had limited contributions by labor unions. In addition, corporations and trade unions were banned from making contributions to state campaigns in 21 and 16 states, respectively.[1] Continuing a national trend that started in the mid-1970s with the passage of the Federal Election Campaign Act and later expanded in 2002 with the Bipartisan Campaign Reform Act, states have placed important limitations on the ways that citizens, parties, and groups may participate in elections.

While state contribution limits vary considerably from state to state, there has been a general goal to address inequality by limiting the influence of large contributors on the outcomes of elections (Ramsden 2002).   Through explicit limitations on donations and reporting and disclosure requirements, many of these reforms affect campaigns' ability to fundraise and the ease by which contributors can give their money to campaigns. For contribution law reforms across the United States, La Raja (2008) reasons they were less motivated by political corruption, which may be the conventional wisdom, rather he suggests that reforms (at least at the federal level) were passed due to concerns about leveling the

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[1] Information about state limits on contributions was collected by the National Conference of State Legislatures (NCSL) and can be found at http://www.ncsl.org/research/elections-and-

playing field among partisan interests. Following their passage, contribution limits at the

national level led to unease among some about the burdens placed on candidates (Sorauf 1992)

and whether incumbents were assisted by such constraints on contributors (Cox and Munger

1989; Snyder 1993). Additionally, some suggest that environments were formed where

wealthier candidates gained an advantage over candidates not able to fund their campaigns

(Steen 2006).

To consider how contribution limit reforms affect political campaigns at the state-level,

this study considers the impact of state contribution limits, as well as candidate characteristics,

election characteristics, and state environments on the sum donated by individual contributors

to gubernatorial campaigns. In this paper, 55 gubernatorial general elections (27 with

incumbents and 31 open seat elections) from 2010 to 2013 are examined. Further, only

contributions to candidates from the major two parties (Republicans and Democrats) are

evaluated.[2] Analysis of the total amount donated to gubernatorial campaigns demonstrates

that contributions are strongly related to a variety of factors including state contribution limits

that allow for larger donations, incumbents seeking reelection where the powers of office are

more substantial and where unified government is present, as well as a variety of candidate and

election specific factors. The results demonstrate the contributors are well-informed electoral

participants that give money in predictable ways.

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[2] While third party candidates are active in most gubernatorial elections and successful

occasionally, this study directs its focus to candidates of the major two parties.

While describing a large body of literature is a difficult task, studies of gubernatorial elections and elections more generally provide several explanatory pathways for understanding the behavior of contributors. Previous studies suggest that varying forms of political context and government structures are important for understanding the elements of elections. Citizen participation in elections, such as voter turnout, is known to be a function of contextual forces (Cox and Munger 1989; Key 1949; Powell 1986; Wichowsky 2012) and institutional arrangements (Engstrom 2012; Schaffner, Streb and Wright 2001) that strengthen the quantity and quality of information available to voters.   Stronger levels of political competition provide powerful incentives for encouraging turnout (Engstrom 2012; Key 1949). As such, where information is readily available and incentives to vote are reinforced, citizens are found to be more active, especially where voters might feel their vote is pivotal to the outcome of an election (Cox and Munger 1989). As a result, competition is found empirically to increase voter turnout (Engstrom 2012; Hill and Leighley 1993; Powell 1986), as well as alternative forms of political participation like campaign contributions (Rosenstone and Hanson 1993).

Much of the literature on citizen participation has evaluated trends in voting in presidential (Holbrook and McClurg 2005; Krupnikov 2011) and congressional elections (Caldeira, Patterson, and Markko 1985; Engstrom 2012). However, studies of participation of state and local-level elections have created a more thorough understanding of state and local elections with distinct political environments (Hill and Leighley 1996; Jewell 1977). With environments that make elections more (or less) salient to voters, formal structures both encourage and discourage elections to have more citizen participation. Of the relationship between state laws/structures and election outcomes, the formal powers of office (Holbrook

1993; Berry, Berkman, and Schneiderman 2000; Weber, Tucker, and Brace 1991) and state laws that restrict spending and contributions (Bardwell 2003; Eom and Gross 2006) have received modest to significant attention. A theme that develops from studies of institutional context is the perceived safety that some formal rules allow incumbents. With those basic considerations, the following explores the candidate, contextual, and institutional factors that shape citizen involvement in the area of contribution making.

Understanding Contributions as a Form of Participation

With the intent of exploring the theoretical foundation of contributions to gubernatorial campaigns, it is important to understand contributions as a form of behavior – in campaigns for governor and elsewhere. As an initial matter, much of what we know about contributors comes from studies of contributions to congressional (e.g., Francia et al. 2003) and presidential candidates (e.g., Panagopoulos and Bergan 2006). While about 10 percent of the electorate makes contributions (Rosenstone and Hansen 1993), of this group, the "[m]ost significant donors are drawn from a narrow slice of American society: they are primarily wealthy, white, male, business executives who are middle-aged or older" (Francia et al. 2003, p. 42). Together, research shows that the variables that have the strongest association with contributions are one's income, education, and age (Rosenstone and Hansen 1993).

Though contributors may donate funds for more than one reason, Francia et al. (2003) separate individual contributors into four groups: investors, ideologues, intimates, and incidentals. "One-fourth of all donors—the *investors*—are most strongly motivated by material incentives. *Ideologues*, comprising more than one-third of donors, give for purposive reasons. *Intimates*, which make up one-quarter of the donors, give primarily for social reasons. Lastly,

about 15 percent of the donors are labeled '*incidentals*.' Despite the fact that they make contributions, incidentals do not have strong motives to do so" (p. 48-49).

Research Design

To explore contributions as an essential form of political participation, this study examines fifty-five gubernatorial elections between 2010 and 2013. Data on contributions was collected by the National Institute of Money in State Politics' (NIMSP) Follow the Money data archive (www.followthemoney.org). A benefit of that NIMSP data is the systematic inclusion of all contributions by individuals, businesses, interest groups, political parties, and candidates throughout the period of the analysis. The focus of this research is on direct donations by individuals to election campaigns. The dependent variable (*Contribution*) is the natural log of the total amount contributed by an individual to a gubernatorial election campaign.[3] Further, this study explores contributions at the contributor-campaign level of analysis to better understand how the cumulative amount donated to a gubernatorial campaign by an individual relates to the features of candidates, elections, and state environments surrounding elections. As a result of the level of analysis, specific contributors are found throughout the data where donations are directed to different candidates and contributors are active in multiple years. Only one contributor observation, however, is ever matched with an election campaign.

Hypotheses

[3] Self-contributions by candidates are excluded from the data. It can be expected that the incentives for candidate contributions are quite different from other non-candidate contributors. Further, the amount directed to campaigns by candidates is often much larger than non-candidates.

Candidate-Specific Context

Across the discipline of political science, attention has been directed to the attributes of candidates and their impact of voter choice. In studies evaluating elections in both the contexts of fundraising and voter turnout, there are well documented advantages held by incumbent candidates for Congress (Krasno, Green, & Cawden 1994), state legislatures (Engstrom and Monroe 2006), state courts (Hall 2001), and governors (King 2001). Petrocik and Desposato (2004) frame this advantage as one where the benefits of office and name recognition diminish short-term political tides. With the benefits of increased name recognition (Jacobson 2009), incumbents are able outraise their challengers when necessary leading frequently to overmatched challengers (Krasno, Green, and Cowden 1994). I expect that contributors will give larger donations to incumbent candidates, rather than non-incumbents, all else being equal (*Incumbent*). To measure the effect of incumbency, incumbents are coded 1 where there is an incumbent governor seeking reelection and 0 where a candidate is not an incumbent.

From studies of multiple political offices, we know that candidate gender has the potential to affect election outcomes (Atkeson 2003; Herrick 1996; Streb, Frederick, and LaFrance 2009). Recent studies of gender in gubernatorial elections however note that the novelty of female candidates may negative affect election outcomes (O'Regan and Stambough 2011). Yet, the literature has been equally inconsistent in tracing the relationship between gender and success in campaign fundraising (Gaddie and Bullock 1995). While noting inconsistencies within the literature, it is possible that female candidate are sometimes disadvantaged electorally in statewide elections. I expect that donations may be, on average,

smaller for female rather than male candidates (*Female*). In the empirical model, the variable is operationalized 1 for female candidates and 0 for male candidates.

Among the features of candidates expected to affect the perception of contributors is a candidate's performance in prior gubernatorial elections. Where candidates win by a smaller margin, they may appear to be more vulnerable to challengers. Carrying the logic of vulnerability to contributors, I expect that contributors will evaluate candidates more poorly where they have failed to exceed 55 percent of the general election vote in the most recent gubernatorial election.[4] As such, where candidates fail to meet that threshold, contributions are expected to be smaller (*Prior Close Election*). Prior close races are operationalized 1 if a candidate received less than 55 percent of the vote in the most recent general election campaign and 0 if equal to or greater than 55 percent was received.

Regarding the partisan identification of candidates for governor, it is a common assumption that Republican candidate have superior access to campaign contributions than Democratic candidates (Papagopoulos and Bergan 2006; though Gimpel, Lee, and Kaminiski (2006) suggest that donor bases for the major political parties are actually quite similar in terms of where they originate geographically). I expect larger campaign contributions, on average, where candidates are attached to the Republican Party (*Republican*). Republican candidates are coded 1 and Democratic candidates are coded 0.

Election-Specific Context

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[4] While there is debate about the appropriate threshold for "safe" elections, I use the 55 percent marker advocated by Ray and Havick (1981).

The closeness of elections is known to affect both voters and elites in elections (Cox and Munger 1989). For voters, close elections provide a motivation to participate since they may view their vote as helpful in the election's outcome (Cox and Munger 1989; Hill and Leighley 1993; Engstrom 2012). Within gubernatorial contests, I expect that electoral competition will create stronger incentives to give larger sums of money. I hypothesize that contributors, like voters, should respond positively where their donations are perceived to affect the outcomes of elections (*Vote Margin*). The distance by percentage between the first and second place candidates is used to measure the closeness of elections. Smaller percentages represent more closely contested elections and larger percentages identify less competitive contests.

Beyond the marginality of elections, Gaddie and Bullock (2000) suggest open seat races have been neglected in the scholarly literature. They suggest that while open seat races are closer contests than those featuring an incumbent and challenger, only a third of open-seat congressional races are marginal victories. In terms of fundraising, Gaddie and Bullock suggest that donors have a more difficult time identifying their preferred candidate in open seat races. In gubernatorial elections, Squire (1992) finds that while open seat contests are expensive, a candidate's ability to raise money in open seat contests is not affected by the characteristics of candidates. Rather, contributors are less concerned about the characteristics of candidates but more idiosyncratic features of states that lie beyond the control of candidates. I expect that open seat races will receive smaller donations than incumbent-challenger elections (*Open Seat*). A dichotomous measure is utilized where open seat races are coded 1 and incumbent-challenger races are coded 0.

Two additional factors affecting the size of individual donations relate to the timing of gubernatorial elections. Where gubernatorial elections are scheduled to occur in non-presidential election years, I expect that greater attention by contributors will be directed to gubernatorial contests. Given that gubernatorial elections occur during both the midterm election cycle and during odd years, dummy variables are included in the model to identify midterm elections (*Midterm Election*) and odd year elections that occur the year following and prior to a presidential election (*Odd Year Election*).

Last among the expectations relating to state context is the effect of unified government on the decisions of contributors. For many, there is an assumption that unified government, at both the state and national levels, confers important advantages for a state's majority party (Engstrom and Ewell 2010). For governors, I anticipate larger contributions where governors are part of a state's unified partisan majority (*Unified Government*). To consider this effect, a multiplicative term (*Incumbent X Unified Government*) is added to the regression to distinguish the conditional effect of incumbent status for governors where operating under unified and divided government environments.

Institutional Context

State rules and power structures may also affect the decisions of contributors. Two factors, the formal powers of governors and contribution limits affecting gubernatorial candidates, are considered. First, the formal powers of governors, which vary considerably across the states (Ferguson 2013; Holbrook 1993; Schlesinger 1965), are expected to be related to contribution decisions. In particular, where governors possess more significant powers, this may translate into increased electoral safety for incumbents. Research has considered the

relationship between incumbent safety and more significant powers held by governors and state legislators. In those studies, a relationship is identified for state legislators (Berry, Berkman, and Schneiderman 2000; Weber, Tucker, and Brace 1991), however incumbent governors appear to benefit less from their authority (Holbrook 1993). To consider whether the electoral safety of incumbent governors extends to positive decisions by contributors, I use the governor's personal powers index score (*Formal Powers*) created by Ferguson (2012) to capture the degree of executive power in state government. Anticipating that incumbent governors will benefit from more substantive executive powers, the regression includes a interaction variable (*Incumbent X Formal Powers*) to determine the impact of executive powers where a candidate is the incumbent governor.

Following Eom and Gross (2006), the impact of contribution limits on the amount donated by individual to a campaign is considered. Eom and Gross find that state contributions rather than increasing disparity between incumbent and non-incumbent candidates, actually decrease the bias that would otherwise favor incumbents. I expect that smaller contribution limits will lead to reduced contributions by individuals (*Contribution Limit*). To explore the impact of state rules that limits an individual's contribution, the natural log value of each state's contribution limit is included in the regression. Where states do not limit contributions by individuals, the value of contributions at the 90th percentile is used.

Attributes of Contributors

Lastly, a series of control variables relating to the attributes of contributors are included in the model of contributions. The first consideration is directed to whether a contributor lives in the state in which they contribute. Unlike decisions to vote, contributors are generally free

to assist campaigns whether they live in that state or not. To capture this effect in the regression model, a variable for instate contributors (*Instate Contributor*) is included.

Further, a variety of control variables are added for several of primary groups of contributors by category of profession. Generally, each category is associated with contributors that give more on average to gubernatorial campaigns. These control variables include the agricultural, electronic, construction, energy, finance, general business, legal, and transportation professions, as well as a variable for contributors that are issue advocates. Groups of contributors not receiving a control variable and thus acting as the base category include interests attached to defense, state employees, health, and labor.

General Patterns

To understand patterns relating to contributions to gubernatorial campaigns, Table 1 illustrates the central tendencies of direct individual contributions to campaigns for state governor from 2010-2013.[5] First, the mean contribution for all states throughout the period of the analysis was $505 and the median contribution across the states was $100. Table 1 also provides information about characteristics observed in each of the fifty states, including the fifty-five gubernatorial elections that occurred between 2010 and 2013. With scholars and the popular media alike noting the unique political environments of the states, it should come as no surprise the wide variation that is observed among contributions. In many states, contributors are highly active giving large contributions to campaigns and yet other states display a less energetic group of contributors.

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[5] While the natural log of the total contributions by an individual is used in the regression analysis, the non-transformed values are used in Tables 1 and 2.

[Insert Table 1 here]

Across the states, the average total contribution to gubernatorial campaign ranges from $132 in Arizona to $2,449 in California. While a variety of factors likely affect incentives to contribute large sums of money, the differences observed reflect distinct political environments that differently motivate contributors. With the median contribution, a similar story unfolds whereby there are stark differences in terms of the typical contribution to election campaigns. In Louisiana, the median contribution was a very small $30 in the 2011 general election contest between Republican incumbent Bobby Jindal and his Democratic challenger Tara Hollis. However, the median contribution in New Jersey in the 2013 race between Republican incumbent Chris Christie and his Democratic challenger Barbara Buono was $1,000. Together, the patterns observed for both the mean and median values demonstrate distinct state-level characteristics with the possibility state political and institutional environments, candidate and election features, and the attributes of contributors may be important factors for explaining decisions to give smaller or larger donation sums.

Among election and candidate characteristics that are commonly tied to political outcomes are the closeness of races and the incumbency status of candidates. While candidates are more insulated by political currents than in prior years (Chubb 1988), the outcomes of elections are affected by a variety of factors connected to the closeness of elections (Matsusaka 1993), the experience of candidates (King 2001; Holbrook 1993), top-down political factors (Carsey and Wright 1998), and economic conditions (Atkeson and Partin 1995; Carsey and Wright 1998). Of those, Table 2 directs attention to the status of a race as an open seat and the impact of incumbency status for a candidate. Table 2 reports in columns two

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and three the contribution patterns for individual contributors by open and incumbent seat

from 2010-2013. Overall, the mean contribution totals where seats are open versus where

seats are held by an incumbent candidate vary with contributions to open seats greater in 2010,

2011, and 2012. In 2013, when only two gubernatorial elections were held (New Jersey and

Virginia), the mean contribution was greater for the incumbent seat.

[Insert Table 2 here]

Comparing the performance of incumbent and non-incumbent candidates in columns

four and five of Table 2, however, shows a less consistent descriptive pattern where

incumbents received larger contributions in 2010 and 2013, while non-incumbents performed

well with contributions in 2011 and 2012. Of note, contributors were less generous with their

money, on average, during the presidential election year of 2012 and fairly generous during the

odd year elections of 2011 and 2013.

Estimation Technique

Following the descriptive evidence described in Tables 1 and 2, the following empirical

analysis explores the connections between individual direct contributions to gubernatorial

campaigns and various attributes of candidates, campaigns, state environments, and

contributors. With the total sum of contributions by an individual to a general election

campaign (*Contribution*) used as the dependent variable, a generalized least squares regression

(GLS) is used to estimate the impact of the explanatory variables on individual contributions.

Further a random effects estimator is used due to the cross-sectional time series structure of

the data. Random effects designs are appropriate when variation across cross-sectional units is

random and not correlated to the covariates. Table 3 describes the attributes of the dependent and independent variables used in the empirical model.

[Insert Table 3 here]

Findings

In the empirical model reported in Table 4, results for individual contributions to gubernatorial campaigns between 2010 and 2013 are reported. A large majority of the explanatory variables reach the conventional level of statistical significance ($p<0.05$). Variables affecting the total sum of an individual's contribution relate to each of the different categories of explanatory variables. Otherwise, while the model includes a large number of observations (966,865), more than one-quarter of the variance (r-squared statistic=0.255) is explained by the empirical model.

[Insert Table 4 here]

Among the factors expected to impact contribution amounts by individuals is a candidate's status as the incumbent governor. Table 4 indicates that *Incumbency* is statistically discernible and positively associated with the amount of direct contributions. Outwardly contributors appear to react more favorably to incumbents than challengers and candidates seeking open seats, however, incumbency may explain relatively little since it is a constituent variable for the interaction between incumbency status and the formal powers of governors (see Brambor, Clark, and Golder 2006). The interaction term for the conditional relationship of incumbency status and the formal powers of governors further explains how contributors respond to candidate (and office) stimuli. As hypothesized above, incumbents with substantial executive powers should appear to be attractive targets for contributor's campaign donations.

As such, contributions are expected to be greater where powerful incumbent governors vie for

reelection. The empirical results in Table 4 support that expectation. Recognizing that the

coefficient for interaction terms between categorical and continuous variables can be difficult

to interpret, Figure 1 plots the marginal effect of the coefficient for *Incumbent*Formal Powers*

with the y-axis representing the natural log value for contribution value and the x-axis the range

of formal powers granted governors.   Figure 1 demonstrates incumbent governors serving in

states that bestow greater executive authority receive larger donations than challengers though

contributions increase for both types of candidates as the powers of office increase. The plot

displays the linear prediction of contribution amount per campaign increases from 5.15

($172.43 In real value) to 5.46 ($235.10) where executive power increases and the candidate is

an incumbent. With non-incumbent candidates, the effect of office power is also positive yet

by a smaller magnitude. The linear prediction of contribution sum for non-incumbents vying for

the weakest offices of governor is 4.70 ($109.95 in real value) compared to 5.26 ($192.48) for

the most powerful executive offices. Thus, the effect of office power is statistically significant

and generally positive for the sum of political donations, yet incumbents experience a marked

advantage. While contributions increase with formal executive power, incumbents uniformly

experience a fundraising advantage over other candidates.

[Insert Figure 1 here]

The impact of incumbency on contributions is also expected to vary where states have

unified or divided governments. Drawing from expectations about the benefits of unified

government for voters and the transmission of signals, incumbents serving with a partisan

government majority here are expected to outraise governors sharing state government with

the opposition political party. With the coefficient for *Incumbent*Unified Government,* Table 4

demonstrates the effect of incumbency is conditioned by whether states have unified or

divided partisan control of the state's government. Where incumbents seek election in states

with a unified government, contributors donate much larger sums of money than under divided

government. Considering the marginal effects of the interaction, incumbent candidates during

unified government received contributions that were about 8.6% larger than non-incumbents.

Alternatively, where considering divided government, the difference is barely perceptible and

slightly favors the non-incumbent by 0.1%.

Considering alternative effects attached to candidates, candidates that experience close

elections in prior efforts to win gubernatorial office (*Prior Close Race*) received smaller

donations than those having experienced landslide victories. Also consistent with expectations,

Republican candidates (*Republican*) more than Democratic candidates receive larger

contributions from individuals. As for the effects of gender, the model suggests that women

(*Female Candidate*) running for the office of governor receive on average smaller contributions

than male candidates.

Of the variables attached to the features of elections, state environments, and rules

structuring elections, *Vote Margin* receives empirical though not directional support. Elections

won by a larger margin receive significantly larger donations than those won by more narrow

margins. Perhaps, as observed in one-party dominant states like California and Texas,

incentives to donate move beyond the closeness of elections to commitment by contributors to

their party and its candidates. As for the *Open Seat* variable, there is no observed connection

between open seat status and the donations of contributors. The timing of elections (*Midterm*

Election and *Odd Year Election*) also affects the size of direct contributions by individuals.

Elections not timed to coincide with presidential elections receive larger contributions. States

with larger or no caps contributions encourage larger donations (*Contribution Limit*), while

those with more restrictive rules on contributions see smaller donations on average. Two

additional variables also reach statistical significance, yet both *Formal Powers* and *Unified*

Government are included in multiplicative terms, so their results have little substantive

significance beyond their role in the interaction variables described above.

Last among the categories of explanatory variables is the type of contributors relating to

instate status and profession. The results reported in Table 4 demonstrate that instate

contributors (*Instate Contributor*) are more likely to give larger sums to gubernatorial

campaigns. Likewise, each profession category is discernibly connected to larger individual

donations. Individuals attached to agriculture, technology, construction, energy, finance,

general business, issue advocacy, the legal profession, and transportation are important

financial supporters to gubernatorial campaigns and more active financial participants than

alternative professions in the areas of defense, education, public employment, and health.

Conclusion

The results of the empirical analysis demonstrate that contributors are highly responsive

to campaign and election signals, as well as the laws and institutional features that structure

voting and the value of office. Like voters, contributors are attentive to the performance of

candidates and the context in which office holders find themselves when running for reelection.

Central to the findings, incumbency is established to be a powerful asset for seeking reelection.

Where incumbents hold office in states that deliver greater authority over the other branches

and allow longer terms and careers, they appear highly attractive to those individuals funding their campaigns. For contributors, financial support is more forthcoming where they have the opportunity to help candidates that can effectively shape the policies of the state. Alternatively, where candidates do not enjoy the power of office in strong governor states, they experience a disadvantage that must overcome when fundraising.

Incumbent governors also benefit financially from unified political environments. Where acting with a legislative majority, governors receive larger donations from contributors than those serving under divided government. For incumbency's effect where states are politically unified and the powers of office stronger, we receive greater insight into the advantage that incumbents posses (Ansolabehere and Snyder 2004; Beyle 2005). Incumbents are better situated to give signals that contributors will accept and respond.

The results of this study lead to an extension of what we know about citizen participation and ability of citizens to receive information from elites. In total, contributors appear to be very sophisticated citizens that behave in generally identifiable ways and work within the parameters of state law as the result for contribution limits suggests. From the individual level results presented in this empirical analysis, contributors are able to maneuver through otherwise complex political environments to make important decisions about something essential to most individuals – choices about their money and where to direct their interests.

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Table 1: Average Contribution in State Gubernatorial Elections, 2010-2013

State	Mean	Median	Std. Dev.	N
Alabama	$886	$250	$3875	7490
Alaska	$237	$150	$226	6064
Arizona	$132	$140	$164	775
Arkansas	$670	$250	$832	5269
California	$2449	$250	$6849	16554
Colorado	$314	$100	$347	13304
Connecticut	$410	$100	$1004	2809
Delaware	$574	$500	$411	3355
Florida	$240	$100	$246	37409
Georgia	$1158	$450	$2215	11105
Hawaii	$1019	$400	$1533	5680
Idaho	$476	$200	$1081	3445
Illinois	$1676	$500	$10530	6065
Indiana	$642	$100	$5580	16395
Iowa	$805	$100	$4416	12449
Kansas	$514	$250	$698	4645
Kentucky	$735	$750	$461	5274
Louisiana	$350	$30	$1059	24246
Maine	$282	$100	$296	2600
Maryland	$431	$121	$786	30328
Massachusetts	$337	$250	$290	49330
Michigan	$587	$200	$909	12889
Minnesota	$559	$300	$542	5068
Mississippi	$1803	$700	$5467	2717
Missouri	$807	$150	$4604	7214
Montana	$256	$100	$324	12040
Nebraska	$1409	$550	$2584	820
Nevada	$997	$250	$2054	2988
New Hampshire[1]	$313	$100	$705	14154
New Jersey	$1916	$1000	$1903	5579
New Mexico	$437	$100	$4232	15296
New York	$1652	$250	$5048	10252
North Carolina	$821	$250	$1313	16078

North Dakota	$1158	$500	$2493	1642
Ohio	$719	$100	$2156	39266
Oklahoma	$820	$250	$1371	7726
Oregon	$1034	$250	$6505	5710
Pennsylvania	$1455	$400	$7277	14844
Rhode Island	$519	$300	$470	3728
South Carolina	$572	$200	$992	11994
South Dakota	$1028	$500	$1161	2882
Tennessee	$1285	$500	$1472	10700
Texas	$788	$50	$8855	65361
Utah[2]	$577	$100	$2528	5751
Vermont[1]	$582	$250	$664	4468
Virginia	$1043	$250	$7265	18751
Washington	$278	$100	$557	63271
West Virginia[3]	$544	$500	$478	5838
Wisconsin[4]	$166	$50	$1890	333183
Wyoming	$330	$200	$342	2064
ALL STATES	$505	$100	$3544	966865

[1] New Hampshire and Vermont hold gubernatorial elections every two years.
[2] Utah held a special election in 2010 and a regular election in 2012.
[3] West Virginia held a special election in 2011 and a regular election in 2012.
[4] Wisconsin held a regular election in 2010 and a recall election in 2012.

Table 2: Average Contributions by Seat and Candidate Status,
All Races, 2010-2013 (Even Years)

Year	Open Seat	Incumbent Seat	Incumbent	Non-incumbent
2010	$736	$591	$823	$673
2011	$1739	$399	$428	$1228
2012	$409	$178	$189	$300
2013	$1043	$1911	$2089	$1041
All Elections	$681	$374	$394	$573

Table 3: Variable Descriptions for the Models of Contributions in Gubernatorial Elections

Variable		Variable Description
Dependent Variable		
Contribution	=	-3.91 to 14.23, natural log of total contribution from individual
Explanatory Variables		
Contribution - Agriculture	=	1 if contributor is from agricultural industry 0 otherwise
Contribution - Business	=	1 if contributor is employed generally in business 0 otherwise
Contribution - Construction	=	1 if contributor is from construction industry 0 otherwise
Contribution - Energy	=	1 if contributor is from energy industry 0 otherwise
Contribution - Finance	=	1 if contributor is from finance industry 0 otherwise
Contribution - Legal	=	1 if contributor is from legal industry 0 otherwise
Contribution - Technology	=	1 if contributor is from technology and electronics industry 0 otherwise
Contribution - Transportation	=	1 if contributor is from transportation industry 0 otherwise
Contribution – Issue Advocacy	=	1 if contributor is described as an issue advocate 0 otherwise
Contribution Limit	=	6.21 to 10.86, natural log of maximum contribution amount for individual contributor
Female Candidate	=	1 if candidate is female 0 otherwise
Formal Powers	=	2.3 to 4.3, score of formal powers of governor
Incumbent	=	1 if candidate is an incumbent 0 otherwise
Incumbent*Formal Powers	=	2.6 to 4.3 if candidate is an incumbent 0 if candidate is not an incumbent
Incumbent*Unified Government	=	1 if candidate is an incumbent and serves during unified government 0 otherwise
Instate Contributor	=	1 if contributor lived in the same state as candidate 0 otherwise
Midterm Election Year	=	1 if election was held in a midterm election year 0 otherwise
Odd Year Election	=	1 if election was held in an off year 0 otherwise
Open Seat	=	1 if an open seat election 0 otherwise
Prior Close Election	=	1 if candidate won her prior election with 55% of less of the vote 0 otherwise

Republican	=	1 if candidate is a Republican 0 if candidate is a Democrat
Unified Government	=	1 if state government is controlled by same party 0 otherwise
Vote Margin	=	.02 to .29, difference in vote percentage between the first and second place candidates

Table 4: Generalized Least Squares Estimation of Contributions by Individuals, 2000-2012

Variables	Coefficient (Std. Err.)	Expectation
Incumbent	.326* (.032)	β>0
Female Candidate	-.028* (.008)	β>0
Prior Close Election	-.903* (.074)	β<0
Republican	.082* (.003)	β>0
Open Seat	.062 (.076)	β>0
Vote Margin	1.443* (.417)	β<0
Midterm Election	.115* (.046)	β>0
Odd Year Election	.098* (.031)	β>0
Unified Government	-.077* (.041)	β>0
Contribution Limit	.143* (.056)	β>0
Formal Powers	.222* (.117)	β>0
Instate Contributor	.102* (.003)	N.E.
Contributor - Agriculture	.887* (.013)	β>0
Contributor - Technology	.942* (.012)	β>0
Contributor- Construction	1.189* (.010)	β>0
Contributor – Energy	1.333* (.012)	β>0
Contributor - Finance	1.149* (.006)	β>0
Contributor - Business	1.373* (.030)	β>0

Contributor – Issue Advocacy	1.004* (.030)	β>0
Contributor – Legal	.994* (.006)	β>0
Contributor - Transportation	1.136* (.015)	β>0
Incumbent*Unified Government	.433* (.011)	β>0
Incumbent*Formal Powers	-.099 (.009)	β>0
Constant	2.969 (.672)	-
Number of obs	966865	
Number of groups	50	
Wald chi^2	157061.10*	
R^2	.255	

* $p \leq .05$, one-tailed test
N.E. – no expectation

Figure 1

The Conditional Effect of Formal Powers on Contributions