

# Do campaign finance reforms truly help make elections more competitive?

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Proponents of campaign finance reform claim that putting limits on how much money can be raised and spent to support a political candidate leads to more competitive elections by helping level the political playing field between incumbents—the people holding the political office—and challengers. However, a new study by two social scientists at the University of Missouri finds state campaign finance reforms actually have no beneficial effect on the competitiveness of state legislative elections. Instead, some reforms, such as limits on corporate political spending and public financing of elections, advantage incumbents.

Jeff Milyo, a professor and chair of the Department of Economics in the MU College of Arts and Science, said the study improves on previous studies conducted prior to the ruling in the U.S. Supreme Court case, "Citizens United v. Federal Election Commission." The ruling struck down state laws prohibiting corporations from using their money for political advertising as a violation of the First Amendment's guarantee of freedom of speech.

In the study, researchers examined the competitiveness of state legislative elections before and after various changes in [state laws](#), such as this ruling, Milyo said.

"Our analysis of nearly 66,000 state contests over 30 years—from 1986 to 2018—reveals that most campaign finance reforms have little impact on state legislative elections," Milyo said. "But if anything, the much-maligned Citizens United decision has led to an increase in electoral competitiveness. That decision, which struck down regulations in a number of states, provides a kind of natural experiment to examine the relationship between corporate political spending and the incumbency

advantage in state legislative elections."

Milyo said the study also demonstrates that full public financing of legislative elections, or "clean money" reforms that provide a set amount of financing to candidates, may also favor the reelection of an incumbent state legislator. He said it can be difficult for challengers to be successful in winning an [election](#) over a longtime state legislator.

"Challengers need to be able to raise and spend money to overcome the many advantages that incumbent legislators enjoy in elections," Milyo said. "That's why campaign finance reforms that limit political spending do not increase competitiveness in elections and sometimes have the opposite effect as might have been intended."

**More information:** Jordan Butcher et al, Do Campaign Finance Reforms Insulate Incumbents from Competition? New Evidence from State Legislative Elections, *PS: Political Science & Politics* (2020). [DOI: 10.1017/S1049096520000256](#)

Provided by University of Missouri

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