

# Economists uncover hidden influence of top campaign donors

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The death of a top donor during an electoral cycle decreases the likelihood that a candidate will be elected by more than three percentage points, according to an innovative new study by Cornell economists and

colleagues.

"Interestingly, we found that the effect on that candidate's election probability continues if they run in the next electoral cycle after the death," said Marco Battaglini, the Edward H. Meyer Professor of Economics in the College of Arts and Sciences and a co-author of "Unobserved Contributions and Political Influence: Evidence From the Death of Top Donors," published as a [working paper](#) on the *National Bureau of Economic Research* in July.

To examine this effect and several others they identified, the researchers created a new dataset with hand-collected [biographical information](#) on candidates in U.S. House of Representatives electoral campaigns in eight election cycles from 2008 to 2018. They looked at the top 1,000 donors per electoral cycle in these races, ranked by the size of their total observable contributions.

The researchers also found that the death of a top donor affected a Congress member's legislative agenda. After such a death, the congressperson focused on fewer topics in the bills they sponsored, which implies that they were freer to pursue policies they, rather than the donor, were interested in. Second, the researchers consistently found that a top donor's death reduced the ideological distance between that congressperson and the median in their own party.

"Taken together, these results provide compelling evidence that it is restrictive to measure top donors' influence on donors relying exclusively on observable monetary contributions," wrote the researchers.

"Our findings suggest that the observable monetary contributions should be considered as only the proverbial 'tip of the iceberg': the gap between the 'stakes' and the amount of resources devoted to promoting electoral candidates and influencing their policies may be much larger than what

is observed."

The deaths of top donors is not unusual, they found: Of the more than 3,200 donors they examined, they observed 278 deaths.

They also found that large donors' influence on the campaign depends on what the researchers call the donors' "prominence." They measure this prominence in two ways: by a high search volume of queries on Google; and by the donor's name appearing at least once in their lifetime on the Forbes 400 list.

The greater the prominence of the donor who dies, the larger the decline in electoral performance. And prominence seems to have more of an impact on the candidate than the observable amount of money contributed by that donor.

"We suspected that these large donors were making 'stealth' monetary contributions, perhaps to political action committees that aren't required to disclose the names of donors funding the advertising," said co-author Eleonora Patacchini, the pStephen and Barbara Friedman Professor of International Political Economy (A&S).

To identify whether such stealth contributions were being made, the researchers tracked what happened to advertising after top donors died and their contributions, of whatever kind, presumably ceased. The [death](#) of a top donor was indeed associated with a reduction in ads from PACs backing the candidate, and which were presumably supported by the deceased top [donor](#).

That ad reduction was associated with negative effects on the campaign—but there was no such reduction in ads funded by the candidates themselves, which the researchers could easily track because of required transparency regarding funding sources for candidate ad

purchases.

Co-authors include Mengwei Lin, Ph.D. '23 and Valerio Leone Sciabolazza, of the Sapienza University of Rome.

Provided by Cornell University

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