

The Money Primary

Money in the 2015 Chicago Aldermanic Elections

The role of money in elections is typically discussed in the context of high profile races such as those for Congress, Governor, or big city Mayors. The influence of money in smaller races, however, is just as big if not bigger. The 2015 Chicago Aldermanic elections produced eighteen runoffs, an unusually large number in a city accustomed to little competition in city races. But while voters have their say on Election Day, a candidate's performance on Election Day is largely predicted by their fundraising performance in the weeks and months before voters have a chance to weigh in via the ballot box.

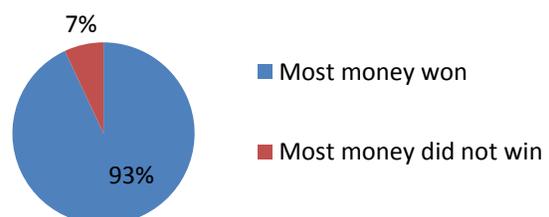
The strong correlation between fundraising success and election results would not be troubling if campaigns were financed by constituents giving relatively small and relatively equal amounts. In such circumstances, candidate fundraising would reflect the strength of their campaign and appeal to the constituents they wish to represent. However, because the Chicago aldermanic campaigns are financed as most all contemporary campaigns are, by an increasingly small number of big donors, Chicagoans should be concerned about the role of money in the aldermanic elections.

This report analyses the role of money in the February 24th aldermanic elections, as well its ongoing role in the eighteen runoffs set to be decided on April 7th.

Our analysis finds:

- Candidates with a fundraising advantage won a majority or plurality 93 percent of the time in the February municipal election.

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- For the period we have complete reporting (2014), only 11 percent of money contributed came from donors giving less than \$150. This percentage will almost

certainly go down once we have complete reporting for 2015 because a significant number of large contributions come in close to the municipal and runoff elections.

- Candidates with a larger fundraising advantage were more likely to win outright than face a runoff.
- Incumbents have a significant fundraising advantage, out-fundraising their closest challengers by almost \$7 million by the February election.

<u>As of 2/23/15</u>	
Total Incumbent (with challenger)	\$ 8,594,992.61
Total Top Challenger (by votes)	\$ 1,682,408.48
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Difference	\$ 6,912,584.13

- All but one of the candidates with a fundraising advantage in the municipal election has a fundraising advantage going in to the runoffs. Mostly those advantages have increased.
- If Chicago were to adopt a small donor matching system, as endorsed by 79 percent of Chicago voters in the February election, candidates relying on small donors would be more competitive, and aldermanic elections would be more competitive in general.

The contest for fundraising dollars is oftentimes referred to as the “money primary,” because it filters out candidates who lack access to a network of large donors and therefore cannot successfully compete for campaign contributions. Similar to other elections, a candidate for Chicago Alderman does not have to win the money primary to win on Election Day, but they do need to be a competitive fundraiser to have a chance.

This is a problem for our democracy when the vast amount of money fueling campaigns comes from a small number of big donors and political action committees. The money primary in its current form is not a reflection of a candidate’s level of support within their district, but of their access to and ability to appeal to big donors. This undermines the principle of one person, one vote, where we all have an equal say over who gets elected.

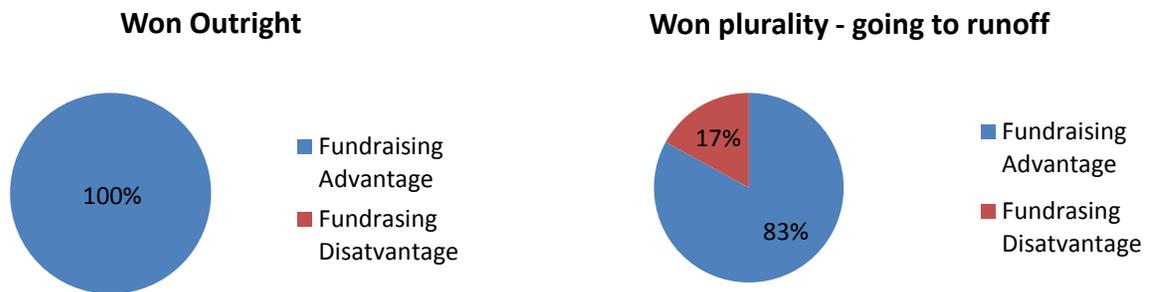
Because of the nature of campaign finance reporting in Illinois, a full accounting of money in the aldermanic races is not possible at this time, and will not be available until well after the April 7th election. For example, we do not have a record of any contributions less than \$1,000 made to candidates since December 31st 2014. Despite this limitation, the analysis in this report

is valuable and timely. In order to determine fundraising totals we combined quarterly reports from 2014, reports of contributions of over \$1,000 in 2015, and reports of independent spending of over \$1,000 directly for or against candidates in 2015. Most of our analysis deals only with the 43 contested races. A full explanation is included in the methodology section.

Winning the money primary is critical to success on Election Day

Winning the money primary is a strong indicator of whether or not a candidate will win on Election Day: 93 percent of candidates with a fundraising advantage won either a majority or plurality of votes on February 24th.

While this one fact alone demonstrates the power of money in the aldermanic elections, it is reinforced by looking at the differences between races with an outright winner and races going to a runoff. One hundred percent of candidates that won an outright majority had a fundraising advantage, while 83 percent of candidates that won a plurality had a fundraising advantage.



We know that only 11 percent of money contributed to aldermanic candidates in 2014 came from donors giving less than \$150. There is good reason to believe that this percentage will decline once full reporting is available for 2015 as significant large contributions come in close to the municipal and runoff elections. Therefore, appealing to big donors becomes critical to running a successful campaign for alderman.

The size of the fundraising advantage matters

Candidates with a larger fundraising advantage are more likely to win outright than face a runoff. Of the candidates that won either a majority or plurality in the February election, the candidates with the 10 biggest fundraising advantages won their race outright 80 percent of the time, while candidates with the 10 smallest fundraising advantages won outright 50 percent of the time.

Candidates that won a majority or plurality of votes in February had an average fundraising advantage of \$182,178. In the three races where the candidate won a plurality despite being at a fundraising disadvantage, the average difference in fundraising totals was much closer: \$33,519. The largest fundraising disadvantage a candidate overcame to win a plurality of votes was \$44,468.

Table 1: Candidates that won a plurality while at a fundraising disadvantage

Candidate	Ward	Incumbency	\$ Advantage
HOPKINS	2	Open	\$ (44,467.54)
CURTIS	18	Challenger	\$ (23,281.00)
AQUINO	36	Open	\$ (32,809.14)

Incumbents have an advantage in the money primary

The vast amount of money going into the aldermanic races goes to incumbents. By the February election, incumbents in contested races held a total fundraising advantage of close to \$7 million over their closest challengers by vote count. Money being spent independent of candidate committees that directly supported or opposed a candidate also heavily favored incumbents, with an incumbent advantage of over \$850,000.

Incumbents had a fundraising advantage in all but one race, the only race an incumbent lost outright. In the 35th ward, Alderman Rey Colon lost to challenger Carlos Ramirez-Rosa. While Ramirez-Rosa’s victory is largely credited to his running an effective grassroots campaign, he also had a slight money advantage, primarily due to over \$100,000 spent independently of his campaign on his behalf.

Table 2: 35th Ward challenger out-fundraised incumbent and won outright

Candidate	All fundraising in 2014	Direct contributions reported 1/1 through 2/23	Outside \$ spent on behalf of candidate 1/1 through 2/23	Outside \$ spent against opponent 1/1 through 2/23	Total
RAMIREZ-ROSA	\$ 18,834.00	\$ 43,000.00	\$ 97,059.60	\$ 8,094.49	\$ 166,988.09
COLON	\$ 91,428.98	\$ 37,500.00	\$ 15,905.00		\$ 144,833.98

Incumbents with no challenger have, on average, large war chests. This may in fact be why some do not face challengers. The seven incumbents with no challengers have brought in over \$2 million since the beginning of 2014 and close to \$400,000 in 2015 alone, after it was definite they would face no challenger.

Table 3: Incumbents with no challenger

Candidate	Ward	All fundraising in 2014	Direct contributions reported 1/1 through 3/27	Total 2014 - 3/27/15
CARDENAS	12	\$ 227,943.00	\$ 99,400.00	\$ 327,343.00
QUINN	13	\$ 500.00	\$ 2,000.00	\$ 2,500.00
BURKE	14	\$ 528,983.33	\$ 62,000.00	\$ 590,983.33
ERVIN	28	\$ 154,878.12	\$ 40,000.00	\$ 194,878.12
REBOYRAS	30	\$ 63,082.91	\$ 15,380.00	\$ 78,462.91
REILLY	42	\$ 586,857.55	\$ 165,700.00	\$ 752,557.55
OSTERMAN	48	\$ 81,218.01	\$ 4,500.00	\$ 85,718.01

Advantages continue to the runoffs

Fundraising advantages in the February elections have continued and mostly increased going in to the runoffs. Fifteen of the eighteen candidates that won a plurality in February did so with a fundraising advantage; all fifteen still have an advantage. Thirteen of the fifteen have increased their advantage, while two have seen their advantage decrease.

Table 4: Change in Fundraising Advantage 2/23-3/27

Candidate	Ward	Place 2/23	\$ Advantage 2/23	\$ Advantage 3/27	Increase
ARENA	45	1	\$ 243,995.61	\$ 417,787.73	\$ 173,792.12
GRAHAM	29	1	\$ 110,248.36	\$ 258,934.36	\$ 148,686.00
POPE	10	1	\$ 351,008.87	\$ 492,358.87	\$ 141,350.00
THOMPSON	11	1	\$ 204,733.48	\$ 324,993.48	\$ 120,260.00
SMITH	43	1	\$ 353,140.81	\$ 422,340.81	\$ 69,200.00
BROOKINS JR	21	1	\$ 208,755.83	\$ 257,755.83	\$ 49,000.00
FOULKES	16	1	\$ 235,363.66	\$ 274,998.66	\$ 39,635.00
SCOTT JR	24	1	\$ 13,806.00	\$ 49,298.00	\$ 35,492.00
CAPPLEMAN	46	1	\$ 208,134.15	\$ 234,519.15	\$ 26,385.00
COCHRAN	20	1	\$ 143,860.75	\$ 165,360.75	\$ 21,500.00
LANE	18	2	\$ 23,281.00	\$ 38,781.00	\$ 15,500.00
LOPEZ	15	1	\$ 1,133.37	\$ 16,211.37	\$ 15,078.00
HOLMES	7	1	\$ 85,227.18	\$ 95,727.18	\$ 10,500.00
SUAREZ	31	1	\$ 186,775.15	\$ 197,017.16	\$ 10,242.01
OCONNOR	41	1	\$ 159,834.00	\$ 148,559.00	\$ (11,275.00)
MITTS	37	1	\$ 24,799.59	\$ 3,150.39	\$ (21,649.20)
PATTISON	2	2	\$ 44,467.54	\$ 22,567.54	\$ (21,900.00)
VILLEGAS	36	2	\$ 32,809.14	\$ (9,690.86)	\$ (42,500.00)

Of the three candidates that had a fundraising advantage yet did not win a plurality of votes, one has increased their advantage, one has seen their advantage decrease yet still holds an advantage, and one, Gilbert Villegas, has lost their advantage.

If candidates with a fundraising advantage win at the same rate in April as they did in February, seventeen of eighteen races will be won by the candidate with a fundraising advantage.

A small donor matching program could shake up Chicago campaigns

In February, Chicago voters voted on an advisory question as to whether Chicago should implement a small donor campaign finance matching program. Seventy nine percent of voters approved.

New York City has such a system in place for its City Council elections, wherein participating candidates -- participation is voluntary -- are eligible to receive public matching funds for small contributions. Once a candidate meets a set of viability criteria, they are eligible to receive matching funds for contributions up to \$175. The program has been a success: candidates are more likely to run campaigns funded by small donors and small donor driven candidates can more effectively compete. In the last election, 61 percent of participating candidates' funds came from small donors, when the match is factored in. This compares to 11 percent in the current Chicago aldermanic elections. In the last election, all but one winning New York City Council candidate participated in the program.

Predicting what would happen in current Chicago races if such a system were in place is difficult, as campaigns would adopt a different fundraising strategy. We also lack small and medium donor data for all of 2015. With those important qualifications in mind, we investigated the potential impact a small donor match would have had on several 2015 aldermanic races.

We examined the four races where challengers raised the largest aggregate amount from small donors -- those giving less than \$150 -- in 2014. We calculated the amount of money both the challenger and incumbent would have received in matching funds from small donors, using a six to one match for contributions up to \$150. A six to one match of \$150 is \$900, which added to the original contribution becomes \$1,050 total for a candidate.

We also assumed that all medium size donors -- those giving between \$150 and \$1050 - would opt to instead give \$150. It makes a greater impact to give a \$150 contribution that becomes \$1,050 with matching funds than it does to give a \$500 contribution, for example.

Table 5: The potential impact of matching funds in four races

Candidate	Ward	% \$ in 2014 from Small Donors	Total Increase from Small Donor Match	New 2/23 Total	New Advantage	Change in Advantage
MORENO	1	3%	\$ 111,000.00	\$ 434,534.99	\$ 175,971.99	\$ (77,443.00)
SHAW	1	35%	\$ 203,642.00	\$ 258,563.00		
ZALEWSKI	23	1%	\$ 11,025.00	\$ 247,274.32	\$ (42,384.93)	\$ (225,526.50)
ARTEAGA	23	66%	\$ 269,724.25	\$ 289,659.25		
MALDONADO	26	2%	\$ 53,640.00	\$ 413,358.57	\$ 188,107.72	\$ (93,399.30)
IRIZARRY	26	35%	\$ 161,340.85	\$ 225,250.85		
ARENA	45	21%	\$ 261,689.00	\$ 676,079.36	\$ 326,624.61	\$ 82,629.00
GARRIDO	45	39%	\$ 167,155.00	\$ 349,454.75		

The most dramatic impact would be in the 23rd Ward where challenger Martin Artega would go from a significant fundraising disadvantage to an advantage. Challengers Anne Shaw in the 1st Ward and Juanita Irizarry in the 26th Ward would both see their fundraising disadvantage reduced by roughly one third, a difference that may have resulted in both wards going to a runoff. Alderman Moreno won with 51 percent of the vote, while Alderman Maldonado won with 52 percent.

In all these examples, the challenger raised a greater percentage of their funds from small donors than the incumbent did in 2014. In the 45th Ward, Alderman John Arena raised a smaller percentage of his money from small donors than his challenger, but because he has such a significant small donor and medium donor base – more than any other candidate listed above – he would have strengthened his fundraising advantage if a small donor match were in place.

Conclusion and Recommendations

If we want our elections to be contests of ideas and qualifications rather than contests of access and appeal to big donors, Chicago should reform campaign finance. First and foremost, Chicago should pursue small donor campaign finance reform as was endorsed by 79 percent of Chicago voters in the February elections. The New York City model provides a tried and tested model Chicago could adapt and adopt. Montgomery County Maryland also recently adopted such a system, and Cook County can and should follow their lead.

The state should also consider requiring more frequent and timely campaign reporting, so that citizens, journalists, and advocates can better scrutinize campaign finance in a timely fashion.

Methodology

Without complete campaign finance reports, which are reported on a quarterly basis, we had to piece together information to arrive at the best possible estimate of candidate fundraising as of 2/23/15 and 3/27/15. The next quarterly report will cover 1/1/15 through 3/31/15.

We counted fundraising going back to 1/1/14. For 2014 we used quarterly reports, accessed through www.followthemoney.org, a project of the National Institute on Money in State Politics. For the purpose of this report we counted individual contributions, transfers in, and non-itemized contributions.

For 2015, first we downloaded A-1 reports from the Illinois State Board of Elections between 1/1/15 and 2/23/15 and 2/24/15 through 3/27/15. A-1 reports include all campaign contributions of \$1,000 or more. For the purpose of this report, we included individual contributions and transfers in.

Finally, we downloaded B-1 reports for the same timelines in 2015 from the Illinois State Board of Elections. B-1 reports track independent expenditures of \$1,000 or more directly supporting or opposing candidates. For the purpose of this report, we considered B-1 contributions against a candidate as a contribution in support of their closest competitor.

In circumstances where we had trouble finding information on candidates we referenced the Aldertrack Racing Form as a cross reference. In most circumstances, the Racing Form also reported no fundraising data. There are two instances where we did not independently find a record of fundraising and used Aldertrack data:

- Ward 3, Patricia Horton: Horton appears to not be doing any fundraising but has a fund balance in her committee from previous campaigns. We used Aldertrack's figure of cash on hand at the end of 2014.
- Ward 11, John Kozlar: We used Aldertrack's figures of cash on hand at the end of 2014 as well as A-1's reported as of 3/27.

In order to calculate the hypothetical small donor match in Table 5, we first calculated the match amount for small donors each candidate had in 2014. We multiplied the aggregate amount given by all small donors by six to calculate the increase the match would produce.

Second we calculated what would happen if all 2014 medium donors, those giving more than \$150 and less than \$1050, instead gave \$150, which would give their chosen candidate a bigger contribution once the matching funds were calculated in. To calculate this increase, we considered only individual contributions from human persons to the candidate's primary campaign committee. If a donor gave multiple contributions which added up to less than \$1050, we counted them as one donor for the purpose of calculating the match. Once we

counted the number of medium donors, we multiplied this number by \$1050 to get the new fundraising total from these donors. We then subtracted the amount those donors actually gave to arrive at the increased amount a candidate would have received.

We added these two increases to the candidates' estimated fundraising total as of 2/23 to arrive at a new total.

Detailed charts available upon request: contact abe@illinoispirg.org

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The author bears any responsibility for factual errors. The recommendations are those of Illinois PIRG Education Fund.

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