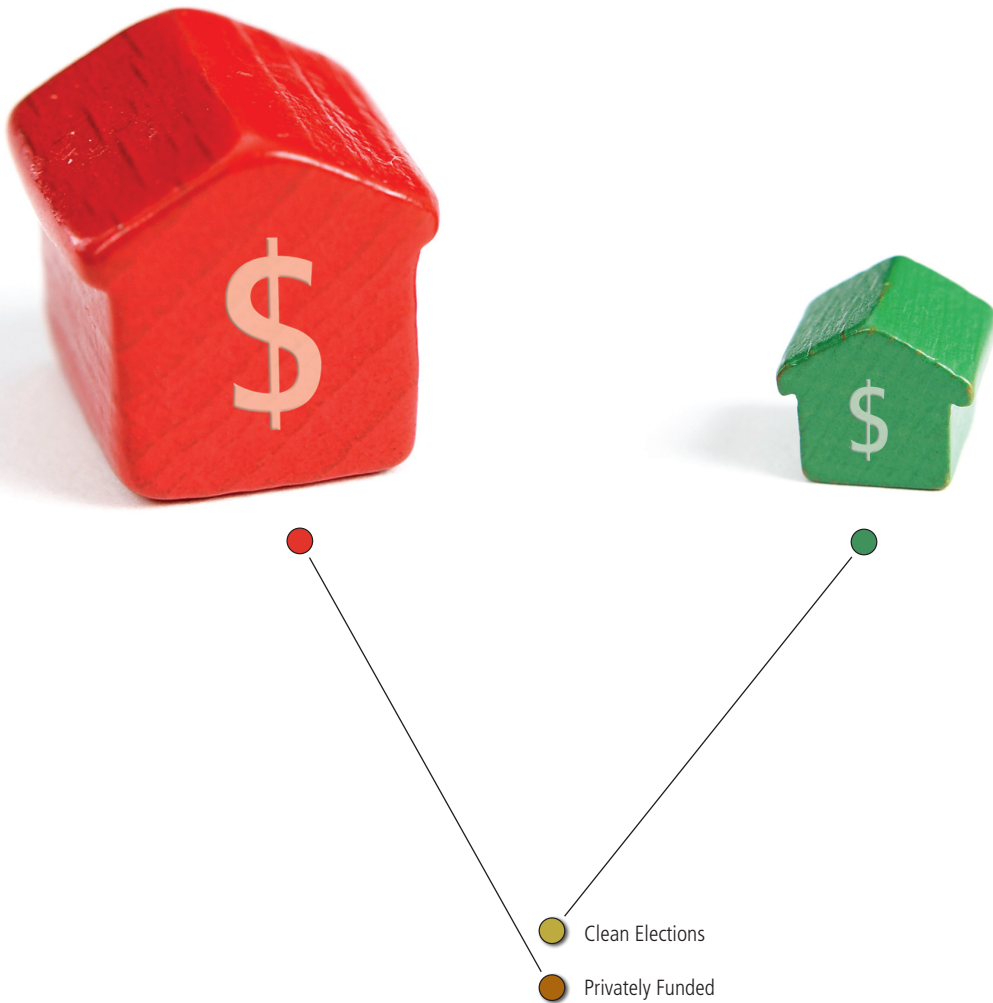


All Over The Map:

Small Donors Bring Diversity to Arizona's Elections



CLEAN
MONEY
CLEAN
ELECTIONS

by NANCY WATZMAN

ALL OVER THE MAP

Small Donors Bring Diversity to Arizona's Elections

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Dr. Brian J. Stults conducted the statistical analyses underlying this report. He holds a Ph.D. in sociology, and is currently a professor in the College of Criminology and Criminal Justice at Florida State University. He has published extensively using U.S. Census data on topics including residential segregation, exposure to neighborhood crime, and language retention among third generation immigrants.

Eric Ehst, executive director at the Arizona Clean Elections Institute, provided invaluable advice for this analysis. The Institute's report, "Reclaiming Democracy in Arizona: How Clean Elections has expanded the universe of campaign contributors," which analyzed the 1998 and 2002 gubernatorial races, provided a model for this new report.

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EXECUTIVE SUMMARY

There is a buzz in the air among those who follow politics about the increasing importance of small donors in elections. It's true that in some races in some places, small donors are contributing at greater levels than they have previously. This can only help engage more people in politics. However, the larger story is that the great bulk of campaign contributions still come from big donors.

In sharp contrast, under Arizona's Clean Elections law, candidates may build their entire campaigns on the participation of small—\$5—donors.¹ Candidates who wish to take part in the system must raise a set number of these \$5 contributions from Arizona residents. They then qualify to receive a public grant to run their campaigns. Once they accept this grant, they must abide by strict spending limits and can no longer raise any private money for their campaign.²

This study for the first time examines the demographic profile of \$5 qualifying contribution donors in Clean Elections gubernatorial campaigns in Arizona over the course of two election cycles. We demonstrate that Arizona's qualifying contribution donors have a different profile than typical big donors giving to Arizona campaigns for those candidates who opt into the private system. They are more diverse racially and ethnically, as well as economically and geographically. This makes intuitive sense. We know that overall big donors to political campaigns tend to be wealthier and less diverse than the rest of the population.³ It would follow that small donors to campaigns would be more widely spread out among neighborhoods where people tend to have lower- to mid-level incomes.

These findings underscore the importance of public financing systems in encouraging wider political participation by such donors. To conduct this analysis, we examined the \$5 qualifying contributions collected by Arizona gubernatorial candidates in the 2002 and 2006 elections, comparing and contrasting them with contributions raised by candidates running with funding from private sources—more than 67,000 contributions in all. We analyze these data by zip code alongside U.S. Census data to determine the racial, ethnic, geographic, and economic characteristics of these donors.

In nearly every category we looked at, Clean Elections \$5 donors more accurately represent the diversity of the state than the private system does:

RACIAL/ETHNIC DIVERSITY

- **Race/ethnicity.** Clean Elections small donors are more racially and ethnically diverse than big donors giving to privately funded candidates. In particular, areas where Latino populations are concentrated provide more contributions from Clean Elections small donors than they do to privately funded campaigns. Clean Elections candidates collected twice as much, proportionately, of their contributions from zip codes with the highest

1 In 2006, gubernatorial candidates were required to collect at least 4,200 \$5 contributions in order to qualify for the Clean Elections program.

2 While they work to collect their qualifying contributions, Clean Elections candidates may raise a small, set amount of “seed money” from private contributors. They may also contribute a set, small amount of their own money to their campaigns.

3 See, for example, this 1998 study on donors to congressional campaigns: www.opensecrets.org/pubs/donors/donors.asp.

percentages of Hispanics than did privately funded candidates. In the zip codes with the lowest percentages of Hispanics, privately funded candidates raised proportionately better than a third more of their campaign cash than Clean Elections candidates did—9.5 percent versus 6.8 percent. Zip codes with the highest percentages of American Indians in the state also provided more contributions, proportionately, for Clean Elections candidates than for privately funded candidates.

ECONOMIC DIVERSITY

- **Income.** Clean Elections small donors are drawn from populations on the lower and middle parts of the income scale as compared to big donors giving to privately funded candidates. Neighborhoods with median household incomes up to \$50,000 were a larger source of contributions for Clean Elections candidates than for privately funded candidates. In contrast, neighborhoods with median household incomes over \$50,000 were a lucrative source of contributions for privately funded candidates. Privately funded candidates received 62 percent of their contributions from these more affluent zip codes, nearly double the 32 percent figure for Clean Elections candidates.
- **Blue collar.** Clean Elections donors are more likely to live in areas where people work in “blue collar” professions than big donors giving to privately funded candidates. Zip codes with the highest concentration of blue collar workers were the source of more than 2.4 times more qualifying \$5 contributions for Clean Elections candidates, proportionately, than they were for big contributions for privately funded campaigns. In contrast, zip codes with the lowest blue collar populations contributed 11.5 times more, proportionately, to privately funded candidates than they did to Clean Elections candidates.
- **Home value.** Clean Elections candidates collected more of their contributions, proportionately, from areas where housing prices are lower than privately funded candidates did. The most extreme contrast was in zip codes where median home values were \$200,000 and above. Here, privately funded candidates collected 3.4 times more of their contributions, proportionately, than Clean Elections candidates did.
- **Poverty.** Clean Elections donors tend to come from areas where there are greater levels of poverty than those areas inhabited by big donors to privately funded campaigns. Overall, Clean Elections candidates raised more proportionately—1.9 times as much—than privately funded candidates did from zip codes with high levels of poverty. On the other end of the scale, zip codes with the lowest concentration of people living in poverty were the source of 1.6 times as much campaign cash, proportionately, for privately funded candidates than for Clean Elections candidates.

FAMILY CONCENTRATION

- **Female-headed households.** Areas with higher levels of female-led households are more widely represented among Clean Elections small donors than they are by big donors to privately funded campaigns. The pattern was most dramatic at the extremes. In neighborhoods where three percent or under of the households were headed by women, privately funded candidates raised more than 2.2 times as much cash, proportionately, than Clean Elections candidates did. In contrast, in zip codes where the concentration of female-headed households was seven percent or higher, the scenario was almost exactly reversed. Clean Elections candidates raised more than 2.3 times as much, proportionately, from these zip codes as privately funded candidates did.
- **Households with young families.** Neighborhoods with high percentages of families with children under 18 accounted for larger percentages of Clean Elections \$5 donors than big donors to privately funded campaigns. Neighborhoods where 35 percent or more of the households have children under age 18 were the source of proportionately more small contributions to Clean Elections candidates than they were for big contributions to privately funded candidates—30 percent versus 21.8 percent.

GEOGRAPHIC DIVERSITY

- **Rural versus urban.** Rural areas are more widely represented by Clean Elections small donors than they are by big donors to privately funded campaigns. While all the candidates collected more of their contributions from urban areas, Clean Elections candidates collected 1.5 times as much, proportionately, from zip codes with higher rural populations—15.7 percent of their contributions, versus 10.5 percent.
- **Statewide distribution.** Clean Elections small donors and big donors to privately funded campaigns alike came disproportionately from Maricopa and Pima counties, where more than three quarters of the population live. However, the reliance on the two counties was much more extreme for privately funded candidates than it was for Clean Elections candidates.
- **Out-of-state influence.** By definition, Clean Elections \$5 donors live in Arizona. Privately funded campaigns, however, collected a significant proportion of campaign cash from out of state.

Looking closely at individual candidates, some particular patterns also emerged. For example, Len Munsil, the GOP gubernatorial candidate in the 2006 general election, raised more of his contributions from middle class neighborhoods than his opponents did. Prior to his candidacy, Munsil headed the Center for Arizona Policy, a conservative, Christian-oriented organization. Alfredo Gutierrez, a Democratic candidate in the 2002 primaries, raised three times as many contributions, proportionately, from zip codes with a high Hispanic population than any other candidate, Clean Elections or privately funded.

BACKGROUND

THE ARIZONA CITIZENS CLEAN ELECTIONS ACT

In 1998, Arizona voters approved the Citizens Clean Elections Act, which established a system of full public financing for candidates for statewide and state legislative offices. The new law went into effect for the 2000 elections, and the first gubernatorial race under the new system took place in 2002.

The Clean Elections law is designed to enable qualified candidates to launch competitive campaigns without having to raise their campaign money from high dollar donors who often expect legislative or regulatory favors or access in return. Candidates are able to spend their time on the campaign trail talking to constituents, rather than worrying about their next big dollar fundraiser.

Under the system, candidates who wish to participate must raise a set number—the number varies by office—of \$5 contributions from Arizona residents. In this “qualifying” period, they may also use a small, set amount of their own money and a limited amount of “seed money” from private donors to help them launch their efforts.⁴ Once candidates collect their qualifying \$5 contributions, they receive a grant to run their campaign, provided they agree to abide by strict spending limits and to raise no more private money. If they are outspent by a privately funded opponent, they may receive additional public funds, sometimes referred to as “fair fight funds,” to run a competitive campaign.

ARIZONA CLEAN ELECTIONS GUBERNATORIAL CANDIDATES REQUIREMENTS		
	2002	2006
number of qualifying \$5 contributions required	4,000	4,200
primary grant, if opposed	\$409,950	\$453,849
general election grant, if opposed	\$614,930	\$680,774

Source: Citizens Clean Elections Commission, Arizona Clean Elections Institute

In the four election cycles it has been in place, the Arizona Clean Elections system has proven robust. Currently 42 percent of the legislature and nine out of 11 statewide officials ran using the system. Gov. Janet Napolitano (D) ran using the system for both her 2002 and 2006 races. In her most recent general election race, she faced an opponent, Len Munsil, who also ran with a Clean Elections grant. The Republican primary also featured another Clean Elections gubernatorial candidate, Don Goldwater.

Clean Elections has opened up elections in Arizona to diverse candidates. Women use the system at higher rates than men do. In the 2006 primary elections, 69 percent of women ran as Clean Elections candidates versus 52 percent of male candidates. Of those who won office, 62 percent of women

⁴ For 2006 gubernatorial campaigns, the self-funding limit was \$1,160 and the seed money limit was \$46,440 (restricted to no more than \$120/contributor). Together this represents less than five percent of the standard public financing grant for primary and general elections.

ran under the Clean Elections system versus 36 percent of men. Of the 34 women who won office in 2006, 21 ran as Clean Elections candidates, including 18 of 31 legislators and all three statewide officers (governor, secretary of state, and corporation commissioner).⁵

Overall, in Arizona, candidates who are members of racial and ethnic minorities, who often do not have access to the same private sources of campaign funding that non-Hispanic white candidates do, rely on Clean Elections grants in statewide races. Since the implementation of the system in Arizona, five of the six minority candidates for statewide office have participated in the system.⁶

WHO ARE THE SMALL DONORS?

By definition, Arizona's Clean Elections program enhances the power of small donors. They are crucial to participating candidates' campaigns because they are the means by which candidates qualify for public funding. The Arizona Clean Elections system, however, also provides the perfect opportunity to explore the nature of small donors—and why it's important to increase their participation in elections. *Who are they? Where do they live? Are they demographically different from big dollar donors to campaigns?*

To answer these questions, we concentrated on Arizona's gubernatorial races in 2002 and 2006. Because the gubernatorial races are statewide, they provide a greater range of information for demographic analysis than state legislative races would. We obtained records of \$5 qualifying contributions to the nine gubernatorial campaigns that qualified for Clean Elections funding: Janet Napolitano (2002 and 2006); Len Munsil (2006); 2002 primary candidates Betsey Bayless (R), Alfredo Gutierrez (D), Richard Mahoney (I), Mark Osterloh (D), Carol Springer (R); and 2006 primary candidate Don Goldwater.

To establish points of comparison, we included two sets of data on privately funded campaigns. One set is the individual contributions to Matt Salmon (R),⁷ who ran a privately funded campaign in the general election against Napolitano in 2002. In 2006 both major party general election candidates participated in Clean Elections, offering no privately funded candidate to study for comparison purposes.⁸ So we included the next best thing: the large individual (\$200+) contributions to Arizona's two 2006 U.S. Senate candidates: Sen. Jon Kyl (R) and Jim Pederson (D). Though not an exact "apples-to-apples" comparison, these statewide U.S. Senate races provide an indication of where privately funded candidates raised their money that year.⁹

We then compared totals raised by zip code by Clean Elections candidates versus privately funded candidates with data from the U.S. Census Bureau. In doing this, we were able to get a picture of

⁵ Arizona Clean Elections Institute, communication with Eric Ehst, executive director.

⁶ Arizona Clean Elections Institute, based on analysis of data from the Arizona Secretary of State office.

⁷ Under Arizona law, privately funded candidates raising more than \$500 must itemize all contributions of more than \$25 to their campaigns.

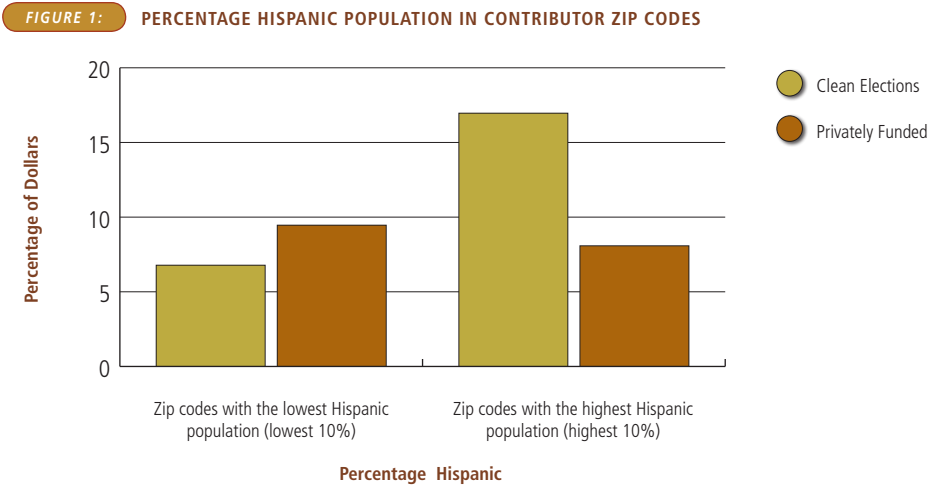
⁸ While there were several privately funded candidates in the GOP primary, they raised so little money overall that including their data would skew the analysis.

⁹ Ninety-one percent of the individual contributions collected by these two U.S. Senate candidates came in the form of \$200+ donations, according to the Center for Responsive Politics.

how Clean Elections \$5 donors differed from big donors to privately funded campaigns economically, racially/ethnically, and geographically. (Please see the Methodology section for more information.)

RACIAL AND ETHNIC DIVERSITY

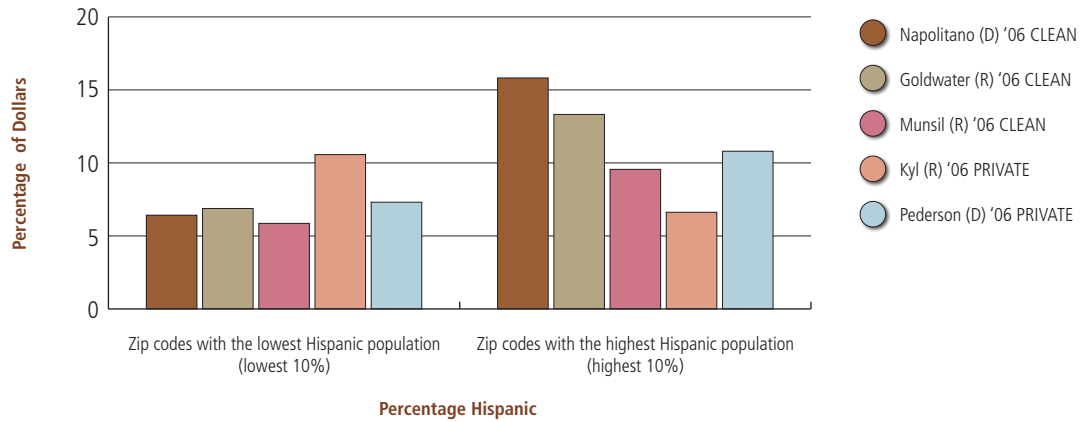
Arizona has a large Latino population—25 percent according to the 2000 Census.¹⁰ Some 11 percent of the state’s zip codes have Latino populations of 50 percent or more. Analysis shows that Clean Elections candidates are more likely to collect their contributions from zip codes with high percentages of Hispanics than are privately funded candidates. The chart below shows that Clean Elections candidates collected twice as much, proportionately, of their contributions from zip codes with the highest percentages of Hispanics than did privately funded candidates. In the zip codes with the lowest levels of Hispanics, privately funded candidates raised proportionately better than one-third more of their campaign cash than Clean Elections candidates did, 9.5 percent versus 6.8 percent.



An up close look at 2006 campaigns shows a similar pattern. Clean Elections candidates Goldwater and Napolitano raised proportionately more \$5 qualifying contributions from zip codes with the highest Hispanic population than did U.S. Senate candidates. Munsil collected proportionately more from these zip codes than U.S. Senate candidate Kyl, but less than Pederson.

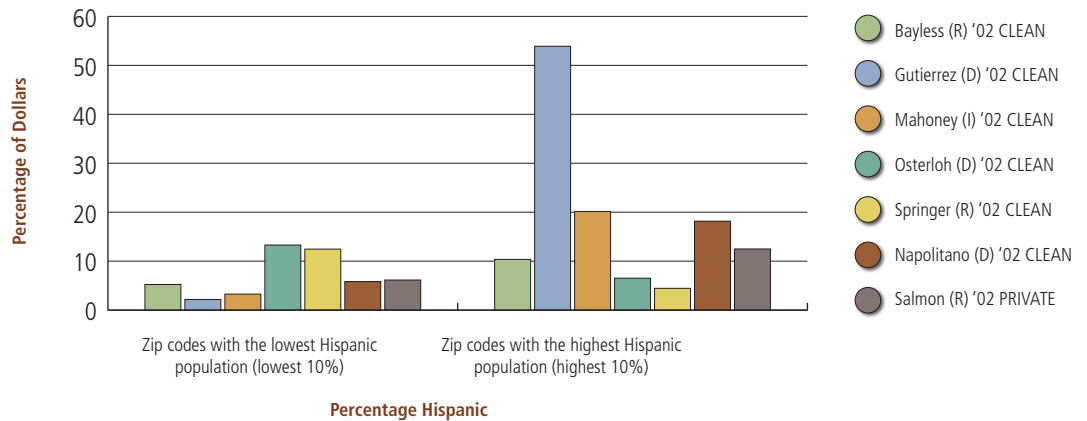
¹⁰ U.S. Department of Commerce, Bureau of the Census. 2004. Census of Population and Housing, 2000: Summary File 3. Washington, DC: U.S. Dept. of Commerce, Bureau of the Census.

FIGURE 2: PERCENTAGE HISPANIC POPULATION IN CONTRIBUTOR ZIP CODES



Looking at the 2002 candidates up close shows a more startling pattern. Clean Elections candidate Alfredo Gutierrez, himself a Latino, raised 2.7 times more contributions, proportionately, from zip codes with high Hispanic population than any other candidate, Clean Elections or privately funded. Clean Elections candidates Janet Napolitano and Richard Mahoney raised more proportionately from these zip codes than did privately funded candidate Matt Salmon.

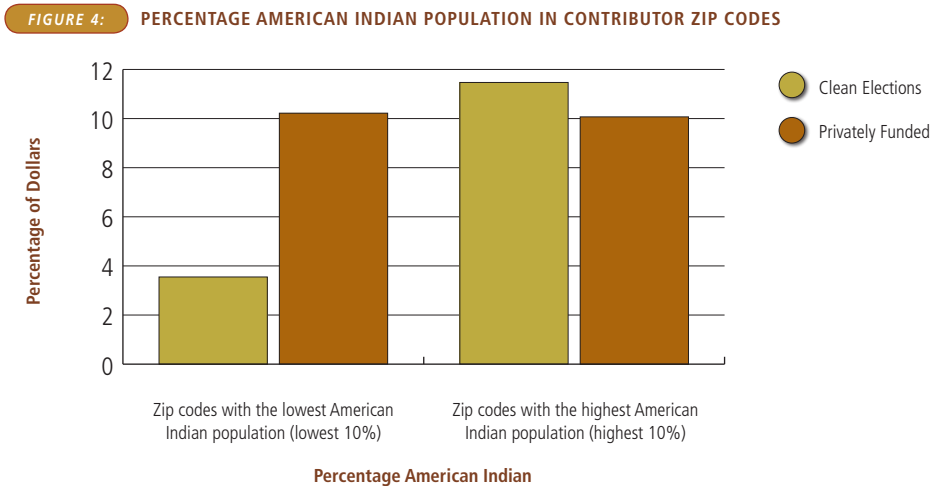
FIGURE 3: PERCENTAGE HISPANIC POPULATION IN CONTRIBUTOR ZIP CODES



American Indians comprise a smaller percentage of Arizona's population—less than five percent (4.55)—than Latinos.¹¹ However, unlike other racial and ethnic groups in the state, this population is highly concentrated in specific zip codes. Indeed, more than ten percent of Arizona's zip codes have populations that are more than 90 percent American Indian.

11 Ibid.

Collectively, Clean Elections candidates were somewhat more likely to raise proportionately more of their contributions from zip codes with high percentages of American Indians as compared to privately funded candidates. The difference is more extreme in the zip codes with low levels of American Indians than it is in zip codes with high levels of American Indians. Here, privately funded candidates raised nearly three times more, proportionately, from the zip codes without many American Indians than did Clean Elections candidates.



We did not include analysis of contributions for African Americans because of the nature of their population patterns in Arizona, which is small and spread out. This makes an analysis by zip code uninformative. African Americans, or non-Hispanic blacks, made up less than three percent of the Arizona population in 2000. There are also very few zip codes with a population that is predominantly African American. Of all the zip codes in Arizona, about 62 percent have a percentage of African Americans of less than one percent, and 99 percent have a percentage less than 17 percent. The zip code with the highest percentage of African Americans is about 49 percent. There were no contributions from that zip code to any of the campaigns examined.

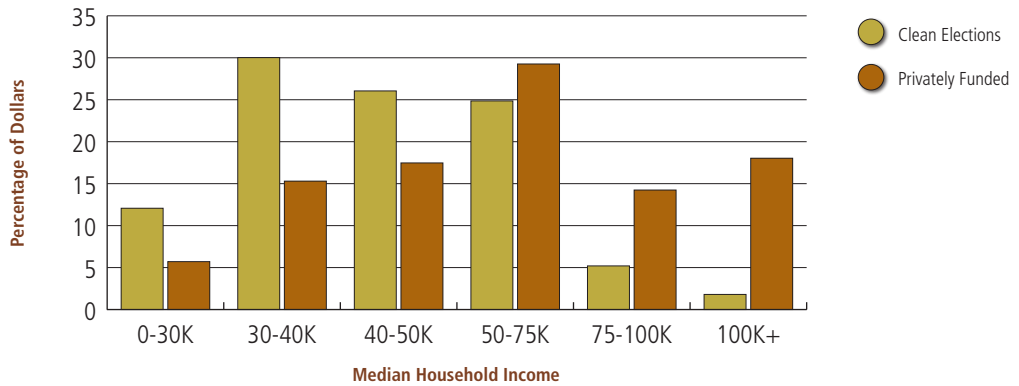
ECONOMIC DIVERSITY

INCOME

Clean Elections small donors to candidates were more likely to come from zip codes with lower and middle class median household incomes than big donors to privately funded campaigns.

The chart below shows that neighborhoods with median household incomes below \$50,000 were a larger source of contributions for Clean Elections candidates than for privately funded candidates. In contrast, neighborhoods with median household incomes over \$50,000 were a lucrative source of contributions for privately funded candidates. Privately funded candidates received 62 percent of their contributions—nearly twice as much—from these more affluent zip codes, compared to about 32 percent for Clean Elections candidates.

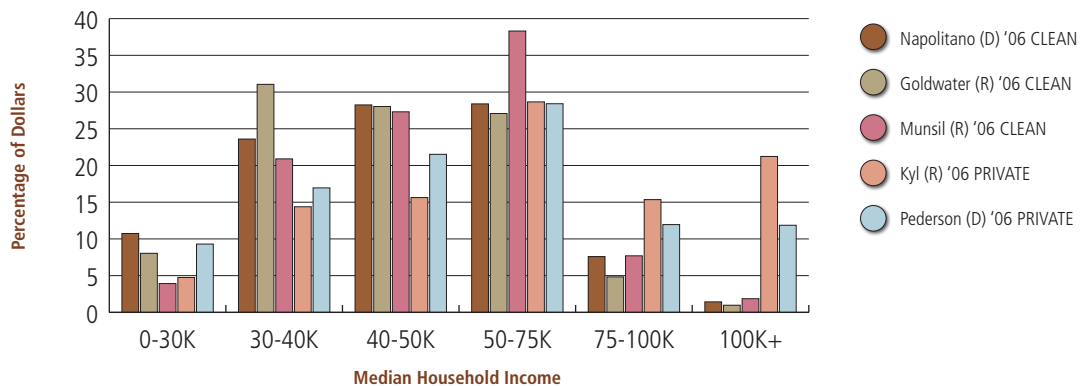
FIGURE 5: MEDIAN HOUSEHOLD INCOME IN CONTRIBUTOR ZIP CODES



Taking a closer look at 2006 campaigns, the same pattern persists. For Clean Elections candidates, neighborhoods with low median incomes were proportionately larger sources of contributions for Clean Elections candidates than they were for privately funded campaigns.

The one exception is Len Munsil’s campaign. He raised a smaller proportion of his Clean Elections contributions from zip codes with median incomes up to \$30,000 than did privately funded candidates. However, he raised proportionately more from zip codes with median household incomes in the middle of the range—\$30,000 to \$75,000—than privately funded campaigns. He also raised proportionately less from zip codes where median household incomes were \$75,000 and above. Most striking was how much more, proportionately, the two U.S. Senate candidates raised from zip codes where the median household income was \$100,000 or more. Sen. Kyl raised 11.4 times as much from these zip codes as the closest Clean Elections candidate, and Pederson raised 6.4 times as much.

FIGURE 6: MEDIAN HOUSEHOLD INCOME IN CONTRIBUTOR ZIP CODES

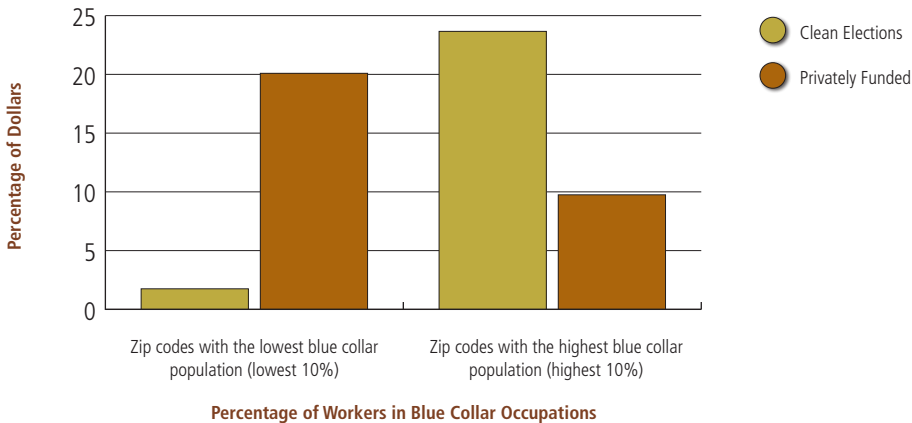


BLUE COLLAR

Clean Elections candidates collected a larger proportion of their contributions from zip codes with high levels of blue collar workers than did privately funded candidates. The chart below shows that zip codes with the highest concentration of blue collar workers were the source of more than 2.4

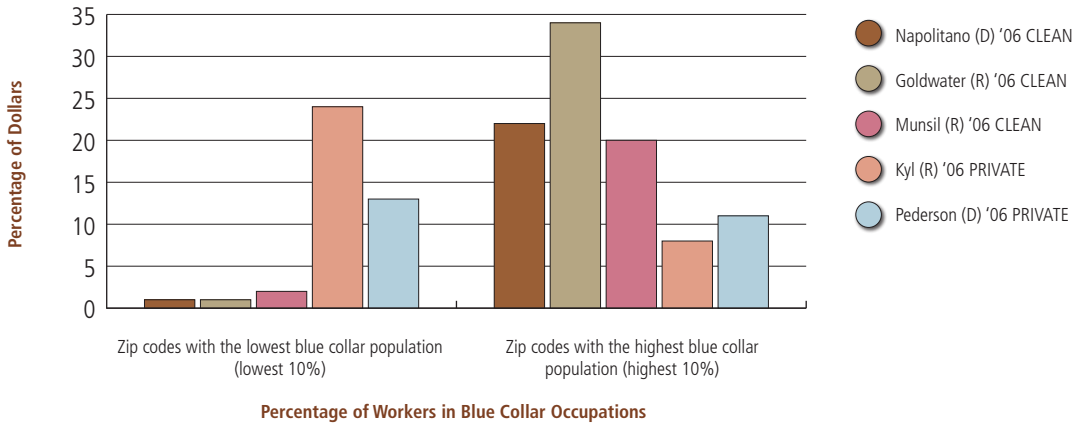
times more qualifying \$5 contributions for Clean Elections candidates, proportionately, as they were for big contributions for privately funded campaigns. In contrast, zip codes with the lowest blue collar populations contributed 11.5 times more, proportionately, to privately funded candidates than they did to Clean Elections candidates.

FIGURE 7: PERCENTAGE BLUE COLLAR POPULATION IN CONTRIBUTOR ZIP CODES



This chart breaks down the contributions from blue collar zip codes by the 2006 campaigns. Notably, while all the Clean Elections candidates raised more of their contributions proportionately from blue collar neighborhoods, Don Goldwater raised the most at 34 percent of his qualifying funds. In neighborhoods with the lowest concentrations of blue collar workers, the privately funded U.S. Senate candidates collected substantial amounts of their campaign cash—Sen. Kyl, 24 percent, and Pederson, 13 percent. In contrast, all of the Clean Elections candidates raised two percent or less of their qualifying contributions from these neighborhoods.

FIGURE 8: PERCENTAGE BLUE COLLAR POPULATION IN CONTRIBUTOR ZIP CODES

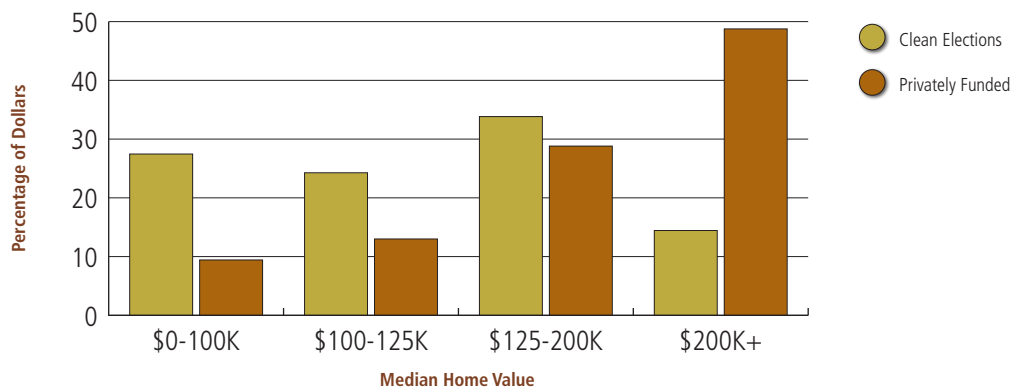


HOME VALUE

Overall, Clean Elections candidates raised proportionately more of their \$5 qualifying contributions in neighborhoods with lower median home values than privately funded candidates did from big donors.

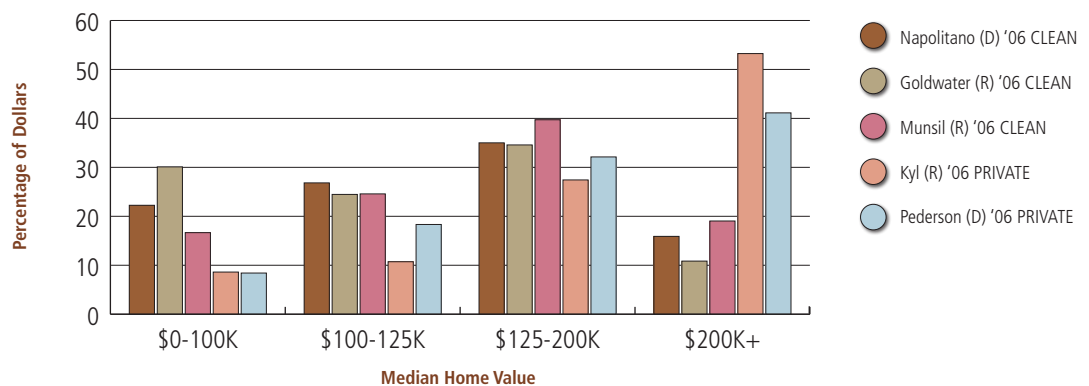
The contrast was particularly stark in zip codes with median house values up to \$125,000. In zip codes where median home values were \$125,000 to \$200,000, the difference between Clean Elections candidates and privately financed candidates was less extreme, but still present. The most telling contrast, however, was in zip codes where median home values were \$200,000 and above. Here, privately funded candidates collected 3.4 times more contributions, proportionately, than Clean Elections candidates.

FIGURE 9: MEDIAN HOME VALUE IN CONTRIBUTOR ZIP CODES



A close up view of the 2006 campaigns shows similar patterns. Again, the most extreme contrast is shown in zip codes where median home value is more than \$200,000. Here, all the privately funded candidates raised at least twice as much campaign cash, proportionately, as did Clean Elections candidates.

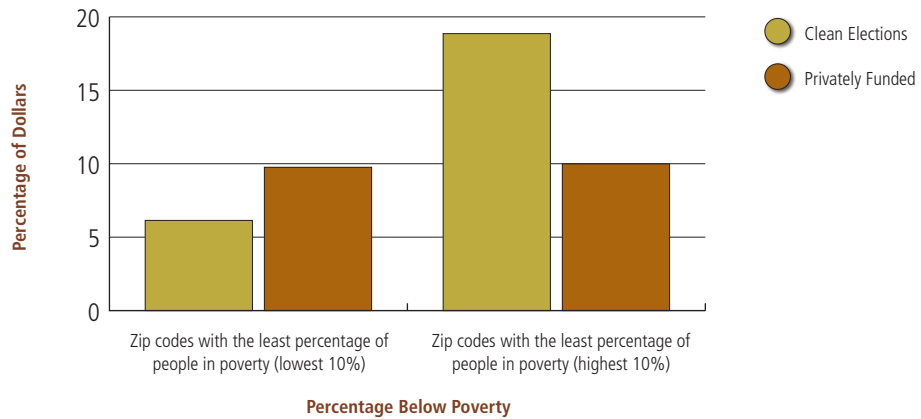
FIGURE 10: MEDIAN HOME VALUE IN CONTRIBUTOR ZIP CODES



POVERTY

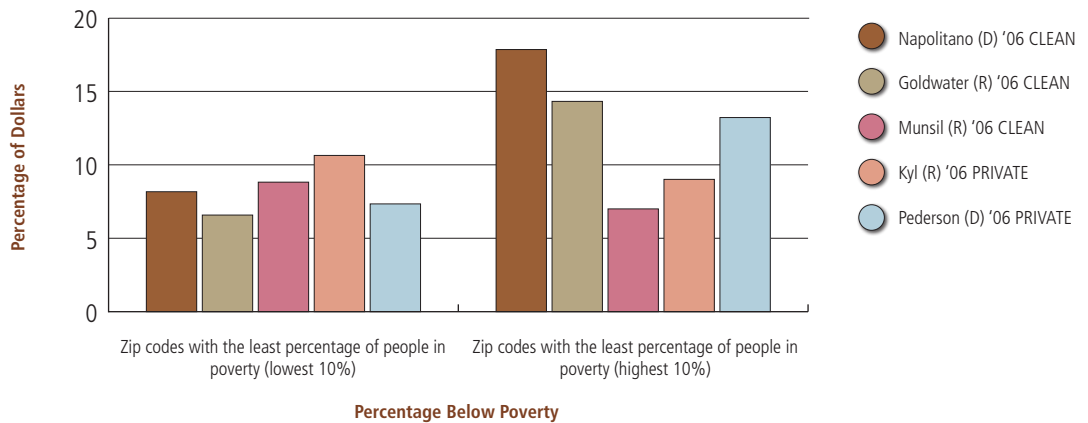
Overall, Clean Elections candidates raised more proportionately—1.9 times as much—than privately funded candidates did from zip codes with high levels of poverty. On the other end of the scale, zip codes with the lowest concentration of people living in poverty were the source of 1.6 times as much campaign cash, proportionately, for privately funded candidates than for Clean Elections candidates.

FIGURE 11: PERCENTAGE OF POPULATION BELOW POVERTY IN CONTRIBUTOR ZIP CODES



A close look at individual 2006 campaigns shows that all the Clean Elections candidates, with the exception of Munsil, raised proportionately more from zip codes with the highest percentages of people living in poverty than privately funded candidates. Munsil received 8.8 percent of his contributions from zip codes with the highest concentrations of people living in poverty. Sen. Kyl and Pederson both raised more proportionately from these zip codes—10.6 and 7.3 percent, respectively.

FIGURE 12: PERCENTAGE OF POPULATION BELOW POVERTY IN CONTRIBUTOR ZIP CODES



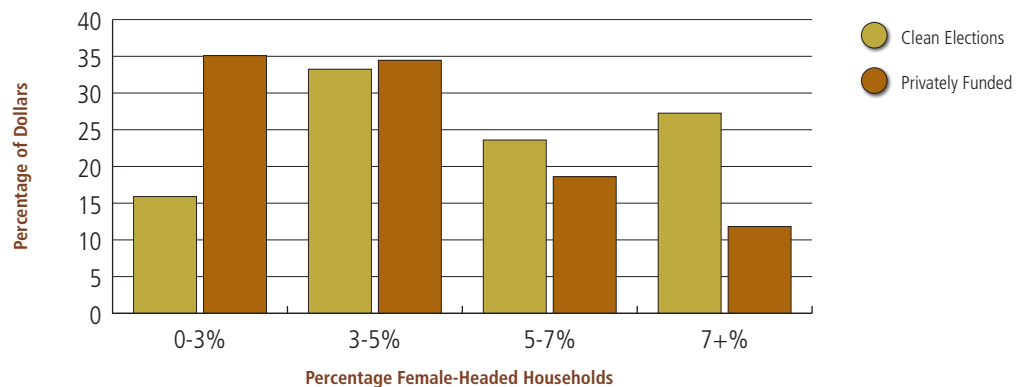
FAMILY CONCENTRATION

FEMALE-HEADED HOUSEHOLDS

Clean Elections candidates raised proportionately more small contributions from zip codes with five percent or more of female-headed households than privately funded candidates from big donors. This relationship was reversed in areas with low percentages of female-headed households.

The pattern was most dramatic at the extremes. In neighborhoods where three percent or less of the households were headed by women, privately funded candidates raised more than 2.2 times as much cash, proportionately, than Clean Elections candidates did. In contrast, in zip codes where the concentration of female-headed households was seven percent or higher, the scenario was almost exactly reversed. Clean Elections candidates raised more than 2.3 times as much, proportionately, from these zip codes as privately funded candidates did.

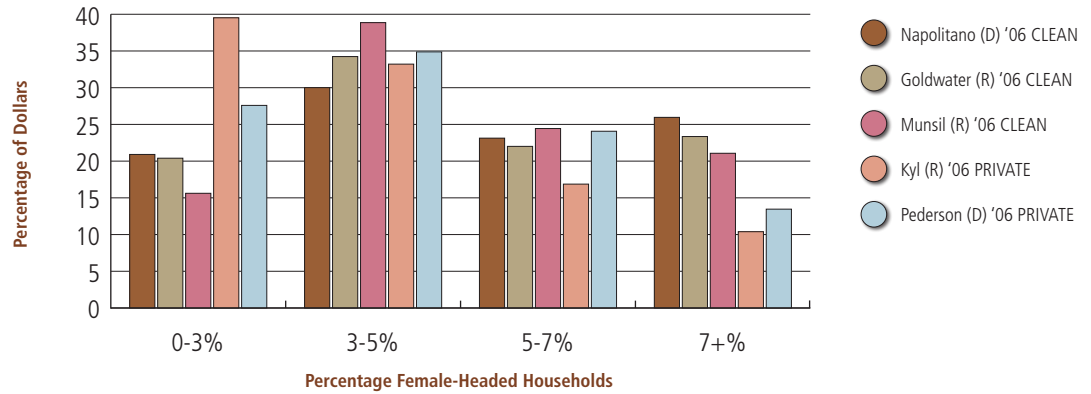
FIGURE 13 : PERCENTAGE FEMALE-HEADED HOUSEHOLDS IN CONTRIBUTOR ZIP CODES



A close look at the 2006 campaigns shows that all of the Clean Elections candidates raised proportionately more from zip codes where female-headed households were seven percent or higher. Napolitano raised 26 percent of her Clean Elections contributions from such neighborhoods; Goldwater, 23.4 percent; and Munsil, 21.1 percent. In contrast, the two U.S. Senate candidates raised under 14 percent of their contributions from such zip codes.

Sen. Kyl raised 39.5 percent of his contributions from neighborhoods in which female-headed households were lowest, three percent or less, and Pederson, 27.6 percent. All of the Clean Elections candidates raised 21 percent or less of their contributions from these zip codes.

FIGURE 14: PERCENTAGE FEMALE-HEADED HOUSEHOLDS IN CONTRIBUTOR ZIP CODES

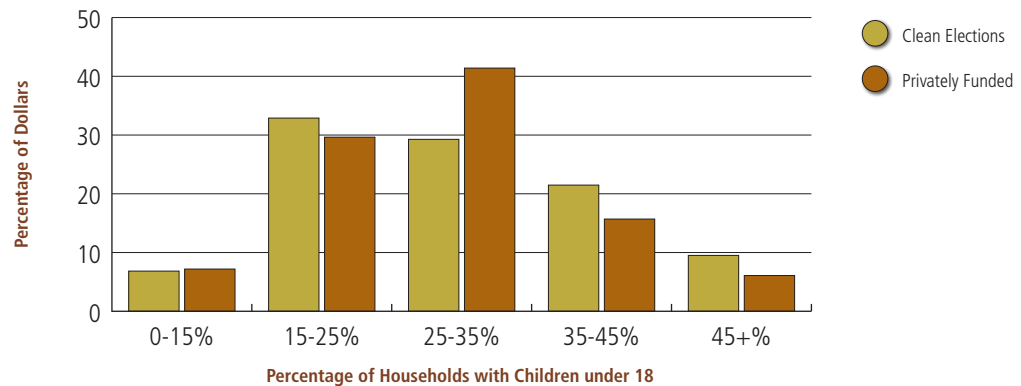


HOUSEHOLDS WITH YOUNG FAMILIES

Neighborhoods where 35 percent or more of the households have children under age 18 were the source of proportionately more small contributions to Clean Elections candidates than they were for big contributions to privately funded candidates—30 percent versus 21.8 percent.

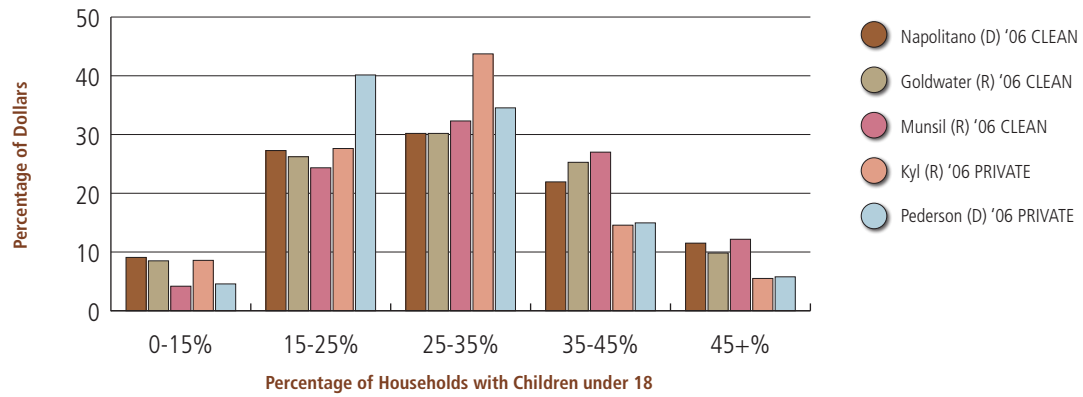
Both Clean Elections and privately funded candidates raised most of their cash, however, from zip codes where about one-fourth to one-third of households have children—62.2 percent for Clean Elections candidates and 71 percent for privately funded candidates.

FIGURE 15: PERCENTAGE OF HOUSEHOLDS WITH CHILDREN UNDER 18



When looking at the 2006 campaigns studied, all the Clean Elections candidates raised more proportionately from zip codes where 35 percent or more of the households have children under 18 than did privately funded candidates. Munsil collected 39.2 percent of his contributions from these zip codes; Napolitano, 33.5 percent; and Goldwater, 35.1 percent. In contrast, the two privately funded candidates raised proportionately less from these zip codes—for Sen. Kyl, 20.1 percent, for Pederson, 20.7 percent.

FIGURE 16: PERCENTAGE OF HOUSEHOLDS WITH CHILDREN UNDER 18

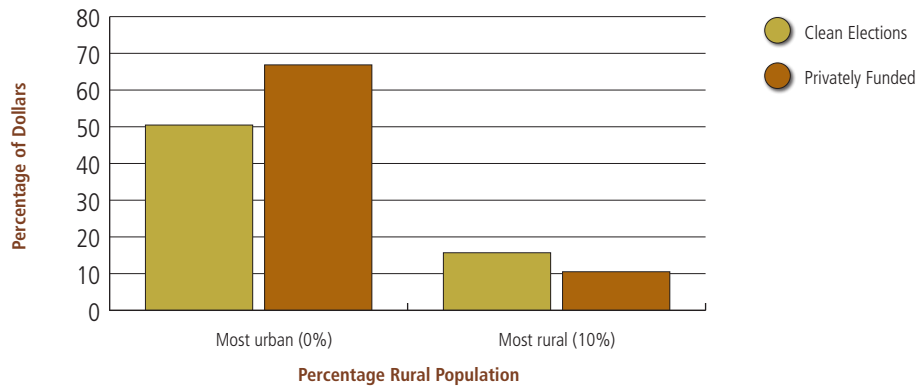


GEOGRAPHIC DIVERSITY

RURAL VERSUS URBAN

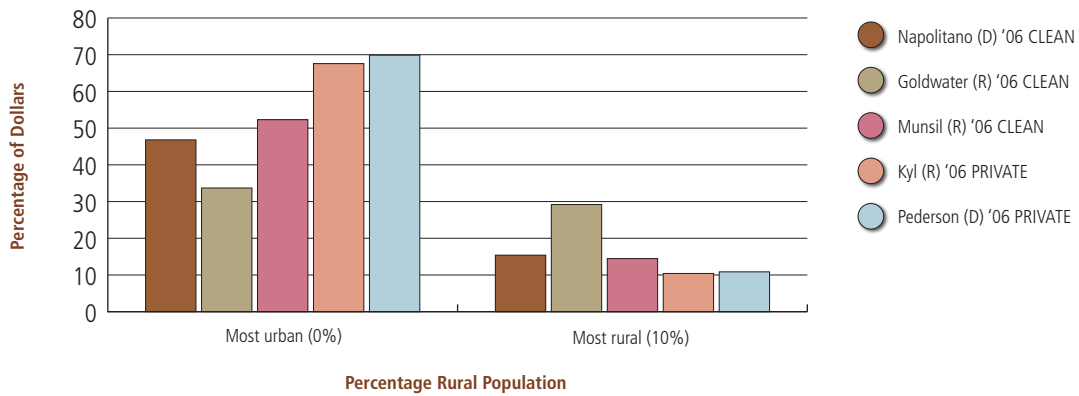
While all the candidates collected more of their contributions from urban areas, Clean Elections candidates received 1.5 times as much, proportionately, from zip codes with higher rural populations—15.7 percent of their contributions, versus 10.5 percent. The state’s most urban areas, in contrast, were the source of 66.9 percent of privately funded candidates’ big contributions versus 50.5 percent of Clean Elections candidates’ qualifying contributions.

FIGURE 17: PERCENTAGE RURAL POPULATION IN CONTRIBUTOR ZIP CODES



A close up view of 2006 candidates shows a similar pattern. Notably, Don Goldwater raised the most, proportionately, in Clean Elections qualifying contributions from high rural areas in comparison to other Clean Elections candidates. He collected 29.2 percent of his qualifying contributions from these zip codes; Napolitano and Munsil raised 15.4 and 14.5 percent, respectively. Privately funded U.S. Senate candidate Sen. Kyl generated 10.4 percent of his contributions from these zip codes, and Pederson generated 10.9 percent.

FIGURE 18: PERCENTAGE RURAL POPULATION IN CONTRIBUTOR ZIP CODES



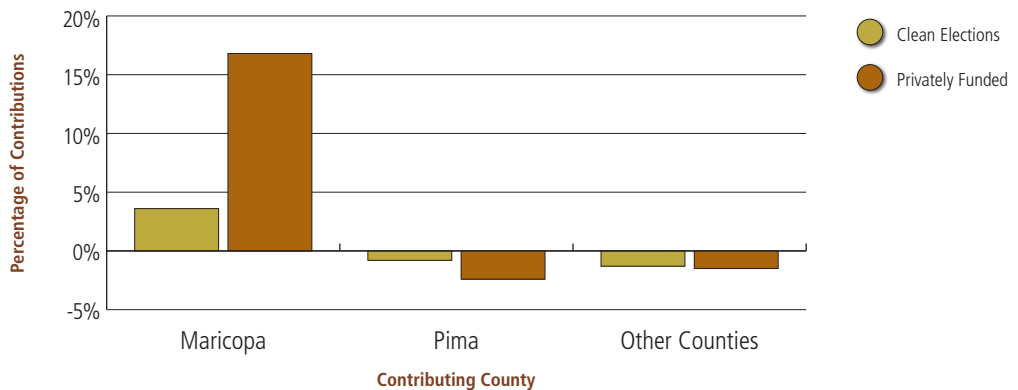
GEOGRAPHIC DIVERSITY

Another way to look at geography is to examine contributions by county. The graph below shows that Clean Elections candidates' \$5 contributions more closely mirror the population levels of various counties than do big donors to privately funded candidates.

Note: The bars represent the difference between the percentage of contributions that come from a particular county and the percentage of Arizona's population that lives in that county. If the bar is above zero it means the candidate raised a disproportionately high amount of contributions from that county. If the bar is below zero, it means the candidate raised a disproportionately low amount of contributions from that county. The closer the bar is to zero, the more proportionate the fundraising.

Maricopa County is Arizona's most populous county, and Pima is the second. More than three-quarters of the population live in these two counties and more than 60 percent in Maricopa alone. Clean Elections and privately funded candidates all raised a disproportionate high amount of campaign cash from these two counties. However, the reliance on Maricopa County was four times more extreme for privately funded candidates than it was for Clean Elections candidates.

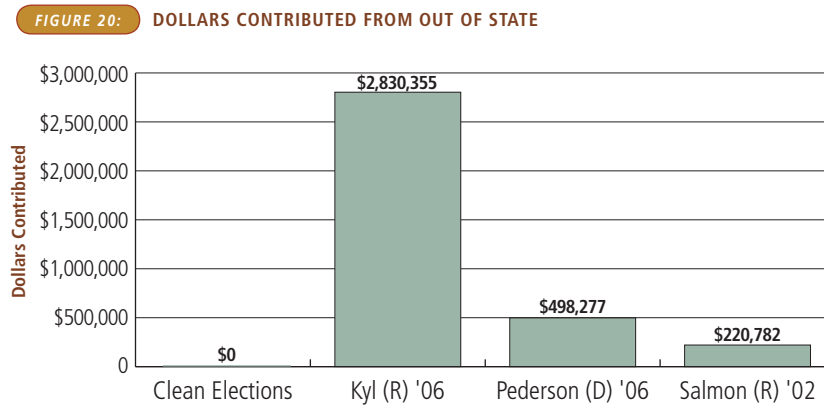
FIGURE 19: PROPORTIONATE CONTRIBUTIONS BY COUNTY



IN STATE VERSUS OUT OF STATE

By definition, all of the \$5 contributions that Clean Elections candidates collect must come from people living in Arizona. However, there is no similar rule for privately funded candidates—they may collect contributions from wherever they can.

Candidates for the U.S. Senate collected \$3.3 million of their large contributions from out of state—nearly one quarter of their total take from individuals. In his 2002 gubernatorial race, Matt Salmon took \$221,000 from out-of-state donors, about 11 percent of the total he raised. His list of top contributing out-of-state zip codes included 90210 in Beverly Hills, California (\$4,200), and 20854 in Potomac, Maryland (\$2,150), a wealthy suburb of Washington, DC.



CONCLUSION

Arizona’s experience with small donors under the Clean Elections system provides intriguing evidence of why it’s important to encourage their participation. Simply put, the demographics of Clean Elections small donors are substantially different from those of big donors to privately funded campaigns. They tend to be more ethnically and geographically diverse. They come from neighborhoods where people have lower incomes and more modest homes. Because Clean Elections candidates “owe” their elections to this more diverse group, many people believe they are more likely to feel free to pursue policies while in office that benefit the general public rather than a small set of big money donors.

Indeed on Gov. Napolitano’s first day in office as governor, she signed an executive order allowing the state to buy prescription drugs in bulk to lower prices. “If I had not run Clean, I would surely have been paid visits by numerous campaign contributors representing pharmaceutical interests and the like, urging me either to shelve that idea or to create it in their image,” she said in a 2003 speech. “All the while, they would be wielding the implied threat to yank their support and shop for an opponent in four years.”

The movement toward Clean Elections is not limited to Arizona. Seven states and two cities nationwide have Clean Elections in place for some or all statewide races. The programs in Arizona and Maine are the oldest and among the most comprehensive, both in operation since 2000. This year, Connecticut will implement a Clean Elections system for all statewide and legislative races. Activists in more than 20 states are working for Clean Elections.

CLEAN ELECTIONS/FULL PUBLIC FINANCING OF ELECTIONS STATES			
State/Locality	Office Where Public Funding Available	How Approved	Year Approved
Arizona	Statewide and legislative	Initiative	1998
Connecticut	Statewide and legislative	Legislation	2005
Maine	Statewide and legislative	Initiative	1996
New Jersey	Legislative pilot project	Legislation	2004
New Mexico	Public regulation commission Statewide judicial elections	Legislation Legislation	2003 2007
North Carolina	Supreme court and court of appeals State auditor, commissioner of insurance, and superintendent of public instruction	Legislation Legislation	2002 2007
Vermont	Governor and lieutenant governor	Legislation	1997
Albuquerque, New Mexico	City council districts and mayor	Initiative	2005
Portland, Oregon	City auditor and the five members of the city council (four city commissioners and mayor)	Legislation	2005

At the federal level, Assistant Senate Majority Leader Dick Durbin (D-IL) and Sen. Arlen Specter (R-PA) have introduced the Fair Elections Now Act, legislation that would bring a Clean Elections-modeled system to the U.S. Senate. A companion bill is expected to be introduced soon in the House of Representatives. Proposals are also in the works to strengthen the Watergate-era presidential partial public financing law.

As we gain more experience with Clean Elections, there will be more opportunities to explore how they are changing the nature of political participation. A number of studies are planned to track the Connecticut program as it is implemented. Meanwhile, this analysis of Arizona’s Clean Elections law shows that when candidates rely on small donor qualifying contributions they engage in political participation—by a multitude of demographic measures—a far more diverse group of people than do candidates who choose private financing for their races.

METHODOLOGY

CLEAN ELECTIONS SMALL (\$5) DONORS

Public Campaign collected data on Arizona's \$5 donors from a number of sources. Candidates have the option of filing this information with the Arizona Secretary of State's office through either paper reports or electronically.

- **Janet Napolitano 2002, Betsey Bayless (R) 2002, Alfredo Gutierrez (D) 2002, Richard Mahoney (I) 2002, Mark Osterloh (D) 2002, Carol Springer (R) 2002.** The Arizona Clean Elections Institute provided us with these data, which it had previously collected for its 2004 report, "Reclaiming Democracy in Arizona: How Clean Elections has expanded the universe of campaign contributors."
- **Don Goldwater 2006.** We obtained Goldwater's electronic filing of \$5 donors from the Arizona Secretary of State's office.
- **Janet Napolitano 2006 and Len Munsil 2006.** Napolitano and Munsil filed paper reports of their \$5 donors. We obtained these records from the Arizona Secretary of State's office. We then contracted with the Institute on Money in State Politics (www.followthemoney.org) to enter these records into a database.

DONORS TO PRIVATELY FUNDED CAMPAIGNS

- **Matt Salmon 2002.** We obtained these records from the Institute on Money in State Politics (www.followthemoney.org), which tracks state-level campaign contributions in all 50 states. We included contributions from individuals to his campaigns. In Arizona, privately funded candidates who raise more than \$500 for their campaigns must itemize contributions of \$25 and above.
- **U.S. Senate 2006.** We obtained individual contributions of \$200+ to John Kyl and Jim Pederson for their 2006 Senate campaigns (six year totals) from the Center for Responsive Politics (www.opensecrets.org). The Center downloads these data from the FEC (www.fec.gov).

U.S. CENSUS BUREAU DATA

The social, economic, and geographical information for zip codes used in this analysis was drawn from Summary File 3 (SF3) of the 2000 U.S. Census of Population and Housing. SF3 contains economic and housing characteristics compiled from a sample of approximately 19 million housing units nationwide (about 1 in 6 households) that received the Census 2000 long-form questionnaire. Though most of the campaign finance data used in this report are from 2006, there is not an existing data source that directly provides information about zip codes in more recent years than the 2000

U.S. Census. An alternative to using 2000 Census data would have been to interpolate 2006 zip code characteristics using Census data from both 1990 and 2000. Since comparable zip codes were not identifiable in 1990, this would have required using county-level data and assuming that any changes observed in counties over the 10-year decennial period would be equally applicable to the zip codes within those counties. It would also assume that changes from 1990 to 2000 would have continued in a linear fashion until 2006. Rather than make these various assumptions, we chose to use the zip code characteristics taken directly from Census 2000.

ZIP CODE TABULATION AREAS

ZIP Code Tabulation Areas (ZCTAs) from the U.S. Census were used to link census information with campaign finance data. ZCTAs are a statistical entity developed by the U.S. Census Bureau for tabulating summary statistics from Census 2000. This new entity was developed to overcome the difficulties in precisely defining the land area covered by each zip code. With some exceptions, these units usually match the zip code for a given area. For more information on ZCTAs, visit www.census.gov/geo/ZCTA/zcta.html.

Linking 2000 Census data to campaign finance data from 2002 and 2006 using zip codes is complicated by the fact that zip codes can change over time. Thus, some zip codes reported in the campaign finance data did not exist as ZCTAs in the 2000 Census data. In these instances, Tiger/Line files from the U.S. Census and the U.S. Geological Survey were used to generate a crosswalk linking units across the various years. For more information about Tiger/Line files, visit www.census.gov/geo/www/tiger/.

Linking campaign finance data to census data on race/ethnicity has other limitations. Neither the U.S. Federal Election Commission (FEC) nor the Arizona Secretary of State's office requires contributors to list their race/ethnicity or other demographic information along with their campaign contributions, so it is necessary to consult the census data. We use zip codes as the best, if imperfect, option. Because we are using zip codes, however, there is some inevitable distortion of the data. For example, there may be a zip code that contains both a large percentage of households with high and low income areas, or variation in racial/ethnic groups represented.

Privately funded candidates raised a significant proportion of their contributions from out of state. Because other states often have different demographic characteristics from Arizona, including these zip codes in our analysis might sometimes give over- or under-emphasis to a particular comparison. For example, out-of-state zip codes may have a higher proportion of African Americans because there is a larger African American population in those areas overall. For consistency's sake, we included in our analyses all zip codes, whether from in-state or out-of-state, unless otherwise indicated.

When the Census Bureau delineates ZCTAs, they exclude certain zip codes such as those serving specific organizations or companies, and those that are dedicated only to Post Office (PO) Boxes. Thus, these are also omitted from our analysis.

In rare cases where there are negative campaign contribution amounts—which are attributable to refunded contributions—these contributions are added to totals.

RACE AND ETHNICITY

In Census 2000, respondents were allowed to identify themselves as belonging to as many as four racial or ethnic groups, in addition to identifying themselves as Hispanic or non-Hispanic. In this report, persons are considered Hispanic if they identified themselves as such, regardless of what racial group(s) they may have reported. Whites, African Americans, Asians/Pacific Islanders, and American Indians/Alaska Natives are identified as non-Hispanics who reported belonging to a single race.

We use the terms “Latino” and “Hispanic” to refer collectively to Central and South Americans, Cubans, Dominicans, Mexicans, Puerto Ricans, and others of Spanish and Latin American descent.

BLUE COLLAR OCCUPATIONS

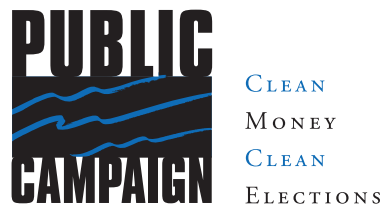
Many categorizations exist that attempt to classify occupations as either blue collar or white-collar. This report classifies the following Census occupation categories as blue collar: farming, fishing, and forestry; construction, extraction, and maintenance; production, transportation, and material moving.

RURAL

Charts showing the percentage of a zip code that is rural are based on the U.S. Census definition of rural and urban. The U.S. Census defines a population as urban if it is located within a block or block group with a density of at least 1,000 persons per square mile, and surrounding blocks or block groups with a density of at least 500 persons per square mile. The remainder of the population is considered rural.

POVERTY

Charts showing the percentage of persons in a zip code living below poverty are based on the U.S. Census definition of poverty. For more information, visit www.census.gov/hhes/www/poverty/pov-def.html.



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