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# Super PACs 2012

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# **Super PACs 2012**

**By Joseph Miller**

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Master of Public Policy and Management program  
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Capstone Advisor: Professor Carolyn Ball

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## Context of Study

The 2010 Supreme Court ruling in the case of the Citizens United versus Federal Election Commission (FEC)<sup>1</sup> dramatically changed how elections are financed in the United States. That landmark case led to the creation of Super Political Action Committees (Super PACs). These organizations have the ability to raise limitless amounts of money and spend these funds however they see fit on the candidates of their choosing.

The timeline of events that led to where we are today dates back to 2008 with a non-profit organization called Citizens United. It is a conservative group that makes documentary films about prominent political figures and issues. It described themselves as:

...an organization dedicated to restoring our government to citizens' control. Through a combination of education, advocacy, and grass roots organization, Citizens United seeks to reassert the traditional American values of limited government, freedom of enterprise, strong families, and national sovereignty and security. Citizens United's goal is to restore the founding fathers' vision of a free nation, guided by the honesty, common sense, and good will of its citizens.<sup>2</sup>

Citizens United created a film called *Hillary: The Movie* during the 2008 Democratic Party primaries for President. The creators of the film claim to expose Clinton family scandals and interviewed numerous people who had “locked horns” with them.<sup>3</sup> The Federal Election Commission (FEC) whose purpose is to regulate campaign finance legislation ruled that the film and advertising for it was in violation of a section 203 of the Bipartisan Campaign Reform Act of 2002 which pertained to the *prohibition of corporate and labor disbursements of electioneering communications*.<sup>4</sup> The provision the FEC claimed that the film and advertising for the film violated said that organizations could not distribute “electioneering communications” within 30

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<sup>1</sup> Citizens United v. Federal Election Commission, 130 S. Ct. 876 (2010).

<sup>2</sup> Citizens United. (2014). Who We Are. In *Citizens United*. Retrieved May 13, 2014, from <http://www.citizensunited.org/who-we-are.aspx>.

<sup>3</sup> no website author. (n.d.). About The Film. In *Hillary The Movie*. Retrieved May 13, 2014, from <http://www.hillarythemovie.com/about.html>.

<sup>4</sup> Bipartisan Campaign Reform Act § 12, 47 U.S. Code § 315 (2002).

days of a primary election.<sup>5</sup> Citizens United wanted to air the film on Direct TV and air television commercials for it right before the 2008 Democratic primary election started.<sup>6</sup> The actual film was not illegal, just the medium they were using for it and the timing of its release. The FEC saw the commercials and the film as political advertisements. Since these advertisements were to air right before the 2008 Democratic primary, the FEC found that Citizens United was in violation of Bipartisan Campaign Reform Act which forbade electioneering communications within 30 days of a primary election.

The FEC ruling surprised Citizens United. Citizen's United had filed an FEC complaint in 2004 alleging that Michael Moore's movie Fahrenheit 9/11 violated the same provision that they were in violation of with its film. In that case the FEC dismissed its complaint finding that the respondents (Michael Moore and others) did not intend for the movie to be aired within 30 days of the 2004 general election.<sup>7</sup>

When Citizens United versus Federal Election Commission (FEC) first went to the United States District Court for the District of Columbia the lower court sided with the FEC's ruling on the matter. The court determined that the film about Hillary Clinton that was made by Citizens United was just a longer version of an attack ad and that since it was airing within 30 days of a primary election was in violation of the Bipartisan Campaign Reform Act of 2002. The FEC specifically stated that the film was:

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<sup>5</sup> Federal Election Commission. (n.d.). Major provisions of the Bipartisan Campaign Reform Act of 2002. In *Federal Election Commission*. Retrieved May 13, 2014, from [http://www.fec.gov/press/bkgnd/bcra\\_overview.shtml](http://www.fec.gov/press/bkgnd/bcra_overview.shtml).

<sup>6</sup> Barnes, Robert. (March 15, 2009a). 'Hillary: The Movie' to Get Supreme Court Screening. In *The Washington Post*. Retrieved May, 13, 2014, from <http://www.washingtonpost.com/wp-dyn/content/article/2009/03/14/AR2009031401603.html>.

<sup>7</sup> FEC, Dog Eat Dog Films, MURs 5474 and 5539, First General Counsel's Report at 8 (May 25, 2005).

...susceptible of no other interpretation than to inform the electorate that Senator Clinton is unfit for office, that the United States would be a dangerous place in a President Hillary Clinton world, and that viewers should vote against her.<sup>8</sup>

After the lower court made this decision Citizens United versus Federal Election Commission (FEC) eventually worked its way up to the United State Supreme Court. The Supreme Court overturned the DC District Courts decision. The Supreme Court sided with Citizens United citing free speech issues arose from the FECs ruling against Citizens United.<sup>9</sup>

This ruling is deemed a land mark decision in that the Supreme Court made broad based judgments about the constitutionality of the Bipartisan Campaign Reform Act. The majority opinion of the court made by Justice Kennedy found that prohibitions of all independent expenditures by corporations and unions violated the first amendment of free speech and that it was unconstitutional to ban independent communications by any organization.<sup>10</sup>

The ruling is very controversial. Various well known politicians and organizations have come out both in support and opposition to the decision. A few of those who agree with the decision are Senate Minority Leader Mitch McConnell,<sup>11</sup> the Heritage Foundation,<sup>12</sup> and American Civil Liberties Union.<sup>13</sup> In opposition stood President Obama<sup>14</sup>, Arizona Senator John McCain, and former Wisconsin Senator Russ Feingold.<sup>15</sup> Public polling is mixed on this

<sup>8</sup> Barnes, Robert. (March 15, 2009b). 'Hillary: The Movie' to Get Supreme Court Screening. In *The Washington Post*. Retrieved May, 13, 2014, from <http://www.washingtonpost.com/wp-dyn/content/article/2009/03/14/AR2009031401603.html>.

<sup>9</sup> The Oyez Project. (n.d.). CITIZENS UNITED v. FEDERAL ELECTION COMMISSION. In *The Oyez Project at IIT Chicago-Kent College of Law*. Retrieved May, 13, 2014, from [http://www.oyez.org/cases/2000-2009/2008/2008\\_08\\_205#sort=vote](http://www.oyez.org/cases/2000-2009/2008/2008_08_205#sort=vote).

<sup>10</sup> Citizens United v. Federal Election Commission, 130 S. Ct. 876 (2010).

<sup>11</sup> Stohr, Greg. (January 21, 2010a). Corporate Campaign Spending Backed by U.S. High Court (Update4). In *Bloomberg*. Retrieved May 13, 2014, from <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aU.fsorJbt3E>.

<sup>12</sup> Dinan, Stephen. (January 21, 2010). Divided court strikes down campaign money restrictions. In *The Washington Times*. Retrieved May 14, 2014, from <http://www.washingtontimes.com/news/2010/jan/21/divided-court-strikes-down-campaign-money-restrict/?page=2>.

<sup>13</sup> ACLU. (July 29, 2009). Citizens United v. Federal Election Commission. In *American Civil Liberties Union*. Retrieved May 14, 2014, from <https://www.aclu.org/free-speech/citizens-united-v-federal-election-commission>.

<sup>14</sup> Stohr, Greg. (January 21, 2010b). Corporate Campaign Spending Backed by U.S. High Court (Update4). In *Bloomberg*. Retrieved May 13, 2014, from <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aU.fsorJbt3E>.

<sup>15</sup> Hunt, Kasie. (January 21, 2010). John McCain, Russ Feingold diverge on court ruling. In *Politico*. Retrieved May 14, 2014, from <http://www.politico.com/news/stories/0110/31810.html>.

decision. Some polling shows the nation as being overwhelmingly against the decision,<sup>16</sup> while other polling shows that Americans agree with the court's decision.<sup>17</sup>

After the ruling political organizations called Super PACs formed for the sole purpose of educating the public about certain candidates. Super PACs are non-profit organizations that can make only independent expenditures and face no limits on the amount of money they can fundraise or spend. The only limits they face come in the way of maintaining their status as independent of candidates and their campaigns. They cannot coordinate with the candidates' campaigns so they are left on their own to determine what they should do. If the Super PACs do coordinate with campaigns and do not maintain independence from the candidates that they support then are subject to political action committee campaign finance laws regarding contribution limits and other rules.

The ramifications of this ruling of independence has not been tested by the courts, but has created a furor in the press. The most notable being possible violations by the Romney Presidential Campaign and/or the Super PAC run by former President Bush Deputy Chief of Staff Karl Rove. The campaign and the Super PAC staff were seen together at fundraisers. They insist that no wrong doing is taking place since they are not coordinating appearances. No legal action has been taken against either group. Both the campaign and Super PAC staff maintain that they just happen to be at same event.<sup>18</sup>

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<sup>16</sup> Eggen, Dan. (February 17, 2010). Poll: Large majority opposes Supreme Court's decision on campaign financing. In *The Washington Post*. Retrieved May 14, 2014, from <http://www.washingtonpost.com/wp-dyn/content/article/2010/02/17/AR2010021701151.html>.

<sup>17</sup> Saad, Lydia. (January 22, 2010). Public Agrees With Court: Campaign Money Is "Free Speech". In *Gallup*. Retrieved May 14, 2014, from <http://www.gallup.com/poll/125333/Public-Agrees-Court-Campaign-Money-Free-Speech.aspx>.

<sup>18</sup> Buying Our Future. (June 25, 2012). Super PAC and Rove Attend Romney Fundraiser – Campaign Says It's Legal. In *Buying Our Future*. Retrieved May 14, 2014, from <http://buyingourfuture.com/super-pac-and-rove-attend-romney-fundraiser-campaign-says-its-legal/>.

Political Action Committees (PACs) and Super PACs are both organizations that solicit campaign contributions to be used to support (or work against) candidates. PACs and Super PACs must both register with the FEC and are both legally recognized as political organizations. There are some significant differences between the two organizations though. The amount of money that an individual can donate to a PAC is capped at \$5,000 per election cycle. A PAC also cannot donate more than \$5,000 to a candidate in an election cycle and also cannot donate more than \$15,000 per year towards a national party. Super PACs do not face such contribution limits. They can receive unlimited funds from individuals. Super PACs are not bound by limits on the amount of money that they can spend on an election. Unlike traditional PACs, Super PACs are prohibited from donating money directly to political candidates.<sup>19</sup>

The first election that had Super PACs involved in advertising was the 2010 midterm elections. During that election 83 Super PACs collectively spent over \$63 million dollars.<sup>20</sup> With Karl Rove's Super PAC American Crossroads accounting for over a third of that amount with over \$21 million dollars spent.

Two years later Super PACs again involved themselves. The 2012 elections saw a dramatic increase in Super PAC activity. Over 1,300 Super PACs collectively spent over \$600 million dollars during that election. They did not spend every dollar they raised though. They rose over \$800 million dollars with about \$200 million still in bank for Super PACs to use for future elections.<sup>21</sup>

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<sup>19</sup> Warren, Chris. (n.d.). How Super PACs Work. In *How Stuff Works*. Retrieved May 14, 2014, from <http://tinyurl.com/n6jdbyp>.

<sup>20</sup> Center for Responsive Politics. (July 01, 2013). Super PACs. In *opensecrets.org*. Retrieved May 14, 2014, from <http://tinyurl.com/3fse32y>.

<sup>21</sup> Center for Responsive Politics. (July 23, 2013). Super PACs. In *opensecrets.org*. Retrieved May 14, 2014, from <http://tinyurl.com/77oer2n>.

Between 2010 and 2012 Super PACs, Super PACs changed their strategies. Super PACs in 2010 were mostly spreading their resources across several Senate and Congressional races nationwide. The same was true for the 2012 elections except that singular candidate oriented Super PACs arose. These Super PACs supported just one candidate through independent activities. So while some Super PACs sought a goal of electing multiple candidates based on similar ideology or issues stances some Super PACs concentrated all their efforts into one candidate they agreed with and put everything behind the candidate.

The most well-known case of singular candidate Super PACs occurred during the 2012 Republican presidential primaries. The most noticeable effect of Super PACs was that it made the Republican primaries the contest last longer than in previous primaries. In prior elections the Presidential primaries usually have one candidate wins a few states early and then sweep through the majority of states on Super Tuesday, and the contest is effectively over after that. Super PACs allowed candidates who were losing to still have enough money to continue campaigning. Even though the candidate may lack the fund raising to continue on their own Super PACs allow them to continue campaigning as those funds that are used by the Super PACs allows the race to remain relevant in the media through the use of advertisements. In the past after Super Tuesday in February or March a candidate's money dries up and he or she is left with no other option than to drop out and endorse the presumptive nominee.

For example, In 2000 Senator McCain withdrew in early March after losing a majority of the contests. In 2008 Senator John McCain had the Republican primaries wrapped up by March 4 when Governor Huckabee withdrew.<sup>22</sup> In 2012 Governor Romney did not secure victory in the

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<sup>22</sup> Bash, Dana and Preston, Mark. (March 5, 2008). McCain wins GOP nomination; Huckabee bows out. In *CNN Politics*. Retrieved May 14, 2014, from <http://www.cnn.com/2008/POLITICS/03/04/march.4.gop/index.html#cnnSTCT>.



Republican Primaries until May 2 when Speaker Gingrich dropped out.<sup>23</sup> Even though he had only won two contests during the primaries he managed to keep his campaign going and remain relevant, because of a Super PAC that supported his candidacy named Winning Our Future.<sup>24</sup>

Likewise another candidate Senator Santorum had a Super PAC behind him called the White and Blue Fund.<sup>25</sup> The Super PAC allowed him to remain viable until April 10.<sup>26</sup> Normally after losing so many contests in a row candidates would not have the money to put on TV and radio advertisements, but these Super PACs did this on the candidates' behalf and allowed the candidates' campaigns to remain relevant and viable.

The Super PAC American Crossroads which was started by former White House Deputy Chief of Staff Karl Rove has already started airing radio advertisements against a few Democratic Senators that are up for reelection in 2014.<sup>27</sup> They began doing this back in December of 2012. Despite of the fact that the 2014 midterm elections are almost two years away.

### **Purpose of the Study**

Given the controversy about Super PACs, the purpose of this study is to research how Super PACs decide to allocate their resources, how they allocated their resources, and how the candidates they supported ultimately fared in their respective races. This study is not intended just to show how successful one Super PAC was compared to another though. I intend to test if

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<sup>23</sup> Yadron, Danny. (May 2, 2012). Gingrich to Officially Exit 2012 Race. In *The Wall Street Journal*. Retrieved May 14, 2014, from <http://blogs.wsj.com/washwire/2012/05/02/gingrich-to-officially-exit-2012-race/>.

<sup>24</sup> Haberman, Maggie. (February 27, 2012). Pro-Gingrich super PAC says it's going on air in 7 states. In *Politico*. Retrieved May 14, 2014, from <http://www.politico.com/blogs/burns-haberman/2012/02/progingrich-super-pac-says-its-going-on-air-in-states-115676.html>.

<sup>25</sup> Choma, Russ. (April 10, 2012). Santorum's Ride: A Lot of Bang for the Buck. In *OpenSecrets.org*. Retrieved May 14, 2014, from <http://www.opensecrets.org/news/2012/04/santorums-ride-a-lot-of-bang-for-the-buck.html>.

<sup>26</sup> Falcone, Michael and Wolf, Byron and Saenz, Arlette. (April 10, 2012). Rick Santorum Suspends Presidential Campaign. In *abc NEWS*. Retrieved May 14, 2014, from <http://tinyurl.com/m8af74x>.

<sup>27</sup> Levinson, Alexis. (December 11, 2012). Crossroads targets Democratic Senators up in 2014 on fiscal cliff. In *THE DAILEY CALLER*. Retrieved May 14, 2014, from <http://dailycaller.com/2012/12/11/crossroads-targets-democratic-senators-up-in-2014-on-fiscal-cliff/>.

Super PACs were able to overcome typical electoral trends. Incumbents have an inherent advantage when running for office. Liberals have an easier time winning in blue states in the eastern and northern parts of the country while conservatives have an easier time winning in red states in the southern and midwestern parts of the country. These are some of the trends that my study will be looking at. This will show the effect of the contribution Super PACs had on the 2012 and see if they are actually changing how the results of US elections as is feared in the popular press or if it is just a case of organizations spending millions of dollars and cancelling each other out.

### **Significance of the Study**

This study will be significant in that it will narrow down what particular kinds of elections Super PACs were the most the successful and where they had the most failures. Several variables will be used to determine where they used their money, how they used their money, and if this was a good decision or not. Studying their activities and the characteristics of the races they got involved with will help us understand a Super PACs contribution to our democracy. Super PACs will continue to be a very significant factor in our elections. This fact will not change until our laws regarding elections change. So furthering our understanding of them would be most useful.

### **Literature Review**

A review of the relevant literature gave significant insights into a wide array of topics surrounding Super PACs and campaign financing. The literature is limited though, because Super PACs did not exist before the 2010 elections. The literature can be categorized into two areas: effects and alternatives. The literature about Super PACs dealt with the effects they have

on voters<sup>28</sup>, corporate shareholders,<sup>29</sup> other PACs,<sup>30</sup> statewide elections for local office,<sup>31</sup> and television advertising revenues.<sup>32</sup> The alternatives that the literature discussed were alternative means to support elections and candidates. The first alternative was eliminating contribution limits that individual candidates have placed on them.<sup>33</sup> The second alternative is replacing everything with a publically financed election system funded by the government.<sup>34</sup>

### Effects

Campaigning financing takes many forms and has many effects on elections in the US. Individuals, corporations, unions, and many other entities can donate money. They can donate money to campaign directly, parties, advocacy organizations, etc. The literature deals with the effects that this system has usually with an underlying assumption that Super PAC activity is bad for democracy.

The most notable effect that Super PACs have on elections is the increased amount of negative advertisements that are being aired.<sup>35</sup> A study by the Wesleyan Media Project showed that there was a dramatic increase in the amount of negative political advertisements when the 2012 election was compared to the 2008 election.

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<sup>28</sup> Brooks, D. & Murov, M. (2012). Assessing Accountability in a Post-Citizens United Era: The Effects of Attack Ad Sponsorship by Unknown Independent Groups. *American Politics Research*, 40(3), 383-418

<sup>29</sup> Coates, J. (2012). Corporate Politics, Governance, and Value Before and After Citizens United. *Journal of Empirical Legal Studies*, 9(4), 657-696

<sup>30</sup> Peterman, J. (2011). PACs Post-Citizens United: Improving Accountability and Equality in Campaign Finance. *New York University Law Review*, 86(4), 1160-1195

<sup>31</sup> Nyczepir, D. (2012). The Super PAC Onslaught. *Campaigns & Elections*, 33(312), 46-49

<sup>32</sup> Nichols, J. & McChestney, R. W. (2012). The Assault of the Super PACs. *Nation*, 294(6), 11-17

<sup>33</sup> Gaughan, A. (2012). The Futility of Contribution Limits in the Age of Super PACs. *Drake Law Review*, 60(3), 755-801

<sup>34</sup> Youn, M. (2011). Small-Donor Public Financing in the Post-Citizen United Era. *John Marshall Law Review*, 44(3), 619-642

<sup>35</sup> efowler. (May. 2, 2012). Presidential Ads 70 Percent Negative in 2012, Up from 9 Percent in 2008. In *Wesleyan Media Project*. Retrieved May 14, 2014, from <http://mediaproject.wesleyan.edu/2012/05/02/jump-in-negativity/>.

An experiment on the effect that third party negative advertising had on voters was done by Brooks and Murov.<sup>36</sup> The methods they used involved conducting an experiment with a sample of 1,500 people and recording the results via survey. They created a fictional campaign and a fictional attack ad against one of the fictional candidates. There were three scenarios: the attack ad was sponsored by a candidate, sponsored by an outside group, and had no sponsorship. They wanted to test the concept of backlash to see if it was dependent on the sponsors of the negative advertisements. Backlash occurs when voters think less of a candidate when their campaign puts out a negative advertisement against the opponent. The experiment was to see if backlash would be more or less if a negative advertisement was to be put out by an outside organization as opposed to the candidates' campaign directly doing it themselves.

They came to three conclusions. The first is that backlash would still effect a candidate even if he or she did not directly put out the negative advertisement. The backlash would be less though than if the negative advertisement was to be put out by the candidate's campaign directly. The second conclusion was that the candidate who was the target of the negative advertisement would be affected the same way regardless of who put out the negative advertisement. This led them to have a third conclusion stating that it is better for a campaign to have outside organizations (Super PACs) put out negative advertisements instead of the candidates' campaign doing it themselves directly.

Their experiment sheds some light on the rationale for Super PAC activities. Far more Super PACs fund opposing candidates than supporting candidates.<sup>37</sup> This may have been

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<sup>36</sup> Brooks, D. & Murov, M. (2012). Assessing Accountability in a Post-Citizens United Era: The Effects of Attack Ad Sponsorship by Unknown Independent Groups. *American Politics Research*, 40(3), 383-418

<sup>37</sup> Center for Responsive Politics. (n.d.). 2012 Outside Spending, by Super PAC. In *OpenSecrets.org*. Retrieved May 14, 2014, from <http://www.opensecrets.org/outsidespending/summ.php?cycle=2012&chrt=V&type=S>.

because of a Super PACs desire to protect the candidates they support from backlash by not having them put out negative advertisements themselves or that they feel that negative advertisements are effective.

Another aspect of this is how corporate political activity affects shareholders. Coates researched this and in his study openly questioned the intentions of those in power at these politically active corporations. He argued that the CEOs may be serving their own interests by becoming politically active on the behalf of their corporation. They found that 11% of CEOs of large firms that are politically active gain political office after they have retired from their corporate jobs.<sup>38</sup>

Peterman focused on the limitations placed upon PACs versus Super PACs<sup>35</sup>. There are two general types of PACs:

- Non-connected PACs are PACs formed on ideological grounds that support similar candidates on a broad scale.
  - May solicit funds from anyone, but have to pay operational and administrative costs out of fundraised money.
- Connected PACs are directly supported by a corporation or labor unions.
  - May only receive funds from members or employees, but may receive unlimited funds to pay for operational and administrative costs.

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<sup>38</sup> Coates, J. (2012). Corporate Politics, Governance, and Value Before and After Citizens United. *Journal of Empirical Legal Studies*, 9(4), 657-696.

He argues since non-connected PACs have to siphon off funds for operational costs that they are at a distinct disadvantage since connected PACs can circumvent this by raising funds for operations directly from their sponsoring source. Peterman claims that in order to level the playing field that these limitations should be removed in order to allow all PACs to grow and campaign equally.<sup>39</sup>

Most of the literature dealt with the national implications of Super PACs, but Nyczpir's article did not. Nyczpir investigated the impact Super PACs had on local races in North Carolina.<sup>40</sup> Though this study is anecdotal it shows how Super PACs and the new rules regarding campaign financing can have an impact on local politics. He specifically looked at a Super PAC called Real Jobs NC. Real Jobs NC in 2010 spent 2.2 million dollars on 22 state legislature races (100k average per race).

One person they interviewed was a Democrat who was targeted by the Super PAC and explained how and why they lost because of it. They described how they simply did not know how to deal with it as they were used to running against an actual person not a Super PAC. 26 negative mailers were used against them and they decided to ignore them which is why they lost. In the future they said that they would try to tie the Super PAC to their opponent and explain what the Super PAC is trying to do.

He also related the perspective of the Super PAC. The spokesman for the Super PAC said: "our goal is to go out there and say, 'If you're going to vote the right way, you'll have someone who'll promote that.'" This study is not conclusive about the impact of Super PACs,

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<sup>39</sup> Peterman, J. (2011). PACs Post-Citizens United: Improving Accountability and Equality in Campaign Finance. *New York University Law Review*, 86(4), 1160-1195

<sup>40</sup> Nyczpir, D. (2012). The Super PAC Onslaught. *Campaigns & Elections*, 33(312), 46-49

because it is only about one example in one state. It does indicate that Super PACs may see their role as educating the public.

Probably the most effective way of reaching voters is through television. Nichols and McChestney collected data on network advertising revenue as a result of Super PAC activity. They stated that *television stations will reap as much as \$5 billion—up from \$2.8 billion in 2008*. This shows a dramatic change in the amount of campaign advertising on television as a result of Super PACs. Their research also found two other relevant pieces of information:

- Total number of TV ads that were for US House, Senate, and Governors in 2010 was 2,870,000 up 250% from 2002 and up 54% from 2008
- National Association of Broadcasters reported that in 1996 political ads were 1.2% of revenue and now is approaching 8-10%<sup>41</sup>

### **Alternatives**

The second part of the literature offers alternatives to the current way elections are financed in the US. These alternatives come from people who do not approve the current system. The two alternatives would drastically change how campaign financing is conducted, but the two plans are polar opposites from each other.

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<sup>41</sup> Nichols, J. & McChestney, R. W. (2012). The Assault of the Super PACs. *Nation*, 294(6), 11-17

*Eliminate campaign finance limits*

The first was by Gaughan.<sup>42</sup> He sought to eliminate federally enforced contribution limits placed on campaigns. He thought that Super PACs will have no reason to exist if candidates can have less restrictive campaign finance laws.

This idea has been partially disproven by the Brooks and Murov experiment.<sup>43</sup> Outside spending groups would still play a role even if candidates could have access to an unlimited amount of fund raising. Outside spending groups would serve to insulate the candidates from the bad press coverage and backlash associated with putting out a negative advertisement.

*Publically Financed Elections*

The other plan by Youn<sup>44</sup> offers to dramatically change how our elections are financed. Her research was used to support their argument for publically financed elections. Instead of having private donors financing candidates she suggested a system where tax payer funds would be used instead and outside spending would be banned.

He researched the statistics on previous donation figures and the percentage of donors that were disclosed. Money flowing into our elections has gone up while disclosure has gone down.

- Among groups making "electioneering communications" (campaign advertisements that mention a candidate), disclosure of donors has dropped from 96.8% in 2006, to 49.3% in 2008, to a scant 34% in 2010.

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<sup>42</sup> Gaughan, A. (2012). The Futility of Contribution Limits in the Age of Super PACs. *Drake Law Review*, 60(3), 755-801

<sup>43</sup> Brooks, D. & Murov, M. (2012). Assessing Accountability in a Post-Citizens United Era: The Effects of Attack Ad Sponsorship by Unknown Independent Groups. *American Politics Research*, 40(3), 383-418

<sup>44</sup> Youn, M. (2011). Small-Donor Public Financing in the Post-Citizen United Era. *John Marshall Law Review*, 44(3), 619-642



- Among groups making independent expenditures, disclosure of donors dropped from 96.7% in 2006, to 83.3% in 2008, to 70% in 2010.

This study will be researching Super PACs to see what effects they had on races where an incumbent was running. There is literature about incumbency and how often incumbents win reelection. A study by Abramowitz, Alexander, and Gunning showed that incumbents in US House races won 87% of the time between 1946 and 1950. That figure increased to 99% in the 2002 and 2004 elections. It was also shown that US House races are becoming less competitive as well. Between 1946 and 1950 22% of US House races were decided by 10 points or less. During the 2002 and 2004 elections only 7% of US House races were competitive.<sup>45</sup>

Overall the literature shows the real world consequences of Super PACs and campaign financing. Not just the electoral consequences that Super PAC activity had. The literature added perspective to this issue. The literature showed the effects Super PACs had on voters proved that negative advertisements are more effective when put out by Super PACs. Other effects that the literature highlighted were the effects of TV station revenue and how Super PACs can range from being huge national organizations to small state wide organizations. Lastly two alternative plans were put forth. The first plan was to abolish all barriers that candidates face to fund raising so that the Super PACs would not need to exist and all contributions can go to the campaigns directly. The other plan wanted to have a fully funded publically financed campaign system and make it illegal for outside organizations to exist.

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<sup>45</sup> Abramowitz, A. and Alexander, B. and Gunning, M. (2006). Incumbency, Redistricting, and the Decline of Competition in U.S. House Elections. *The Journal of Politics*, 68(1), 75–88

## **Research Questions**

The research questions for this study have to deal with a few broad issues. They will be answered in depth by the research and analysis that comes afterwards. They will explain what campaigns Super PACs funded, how much financial support Super PACs contributed, what the results for those races were, was Super PAC support important to the results, and where to go in the future.

1. What candidates did Super PACs support?
2. What was the form of support? Did Super PACs support incumbents as has been the norm with PACs or take risks?
3. How did the candidates with independent non-connected PACS (Super PAC) support fare?
4. Did Super PAC activity actually influence the results?
5. In addition, this study will look at the effect of Super in more liberal and conservative states. Do Super PACs behave differently? This question has not been asked in the literature.

## **Key Variables Concepts**

This study examines the top 10 Super PACs that contributed to multiple races. The study will analyze specific variables to help explain what Super PACs did during the 2012 election. In terms of race type, Senate or House, candidate incumbency, open seats, geographic location of

the races in "red" states or a "blue" states, other Super PAC activity, and margin of victory. The list below describes these in detail:

### **Race Type**

Race type pertains to the level of office the election is for. This study will only be dealing with United State House of Representatives, United States Senate, Gubernatorial, and United States Presidential elections.

### **Status of the Seat-**

Incumbents are candidates that are currently in office and are attempting to be reelected to that same office for another term. This is the opposite of an election for an open seat. An open seat refers to an election in which the candidate currently holding the office is not running for reelection. This is the opposite of an election where an incumbent is running

### **Red States and Blue States-**

This case study will define states in five different ways based upon the last four presidential elections in order to determine a state's partisan leanings and values. This is a good measure to use since presidential races always have a higher voter turnout than the midterm elections. In that regard they are more representative of a state's party preference than any other measure. The last four presidential elections had all four scenarios for a presidential election as well. 2000 was an open race with an outgoing Democrat, 2004 had an incumbent Republican, 2008 was an open race with an outgoing Republican, and 2012 had an incumbent Democrat. Also it is fair to all states to use this

measure since in the exception of the states where the candidates came from there was no inherit advantage like there might be when using some other office to determine a state's partisan leanings such as gubernatorial or US Senators. The below map ([http://en.wikipedia.org/wiki/File:Red\\_state,\\_blue\\_state.svg](http://en.wikipedia.org/wiki/File:Red_state,_blue_state.svg)) shows how the country is divided up for this study.



### Other Super PAC Activity-

These are races in which multiple Super PACs are involved in trying to get a candidate elected.

### **Margin of Victory-Closeness**

Margin of victory is the amount of percentage points a victorious candidate had minus the amount of points the losing candidate(s) had. The closeness of each race will be defined as well. Very close races are where the victorious candidates won by less than 3%. Close races are more than 3%, but less than 5%. Somewhat close races are more than 5%, but less than 10%. Races that are not close at all are 10% or more.

### **Hypotheses**

This case study will test six hypotheses. These hypotheses deal with two major actions. The first action is the conduct of Super PACs and the manner in which they went about choosing races to involve themselves with. The second action is the conduct of voters and how they ultimately decided these elections that Super PACs involved themselves with.

#### **Hypothesis 1 – Incumbency**

Super PACs were more successful in protecting incumbents than defeating them. Incumbents have an inherit advantage in an election by already being in office. This is based on the existing advantage incumbents have when running for office. There is currently no literature about Super PACs and incumbents since Super PACs how only been around since 2010. This will test and see if Super PACs could overcome the incumbent advantage.

#### **Hypothesis 2 – Open Seats**

Super PACs were more successful in winning an open seat that was previously held by the same party of the candidate they currently support, but at a lower success rate than in

Hypothesis 1 mentioned above. Same logic as above, but with less certainty since the incumbent advantage is taken away from the race.

### **Hypothesis 3 – Red State and Blue States**

Super PACs that supported Republican candidates were more successful in “red” states and Super PACs that supported Democratic candidates were more successful in “blue” states. There is some literature to suggest that with the new influx of funds that Super PACs have that conservatives are targeting what were once thought of as safe Democrat politicians in blue states.<sup>42</sup>

### **Hypothesis 4 – Multiple Super PACs**

Races that had multiple Super PACs involved outnumbered those races that had only one Super PAC involved. If one Super PAC deemed a race important it is assumed other Super PACs would as well.

### **Hypothesis 5 – Close Races**

The goal of a Super PAC (or any outside spending organization for the matter) is not to simply support candidates. It is to find out where the close elections are going to be and support those candidates they like. So they would tend to be involved in closer elections. It is assumed that Super PACs would want to strategically use their funds in close races in the hope that the race ends the way they want, but there is no literature that details if this is actually the case or what the methods that Super PACs use when figuring out what races to get involved in are. Of course, this study will not be interviewing Super P managers but can examine where funds are spent.

### **Hypothesis 6 – Nationwide Focus**

The majority of races that the Super PACs picked for the study will be involved with will be either congressional races or senatorial versus gubernatorial. The Super PACs that spent the most money during the 2012 election had a strategy that focused on races that had nationwide importance as opposed to statewide or local importance. There will be very few gubernatorial races that the Super PACs that were chosen for this case study that got involved with them if any at all.

### **Research Design**

The design of the research is to study the top spending Super PACs. This research used mixed methods. The Super PACs previously mentioned will be compared against the hypotheses and each other. The quantitative part will use election results from races. Super PAC spending figures from these races will be used as well. The qualitative part will use information about the origins of the Super PACs such as who started them and for what purpose to understand the background of Super PACs.

The Center for Responsive Politics (<http://www.opensecrets.org>) will be used to collect the data that shows how much money Super PACs raised and spent on races. Election data will be collected using a state's Secretary of State's (SOS) website where an election takes place.

To limit the scope of this study I examined only the top ten highest spending Super PACs during the 2012 election. I excluded those Super PACs that only focused on single candidates.<sup>22</sup> The rationale for only including Super PACs that supported multiple candidates is that those singular candidate oriented Super PACs are too different from the other ones and the scope of

my study is to analyze Super PAC activity across numerous types of races and candidates.

Singular candidate Super PACs do not fulfill this criterion in order for them to be included in this selected sample study. The table below

(<http://www.opensecrets.org/pacs/superpacs.php?cycle=2012>) shows the ten Super PACs that were chosen for this study. The table also shows how much money they raised and spent during the 2012 elections along with what the organizations ideological preferences are. The top ten spending Super PACs during the 2012 elections that spent money on more than one race were chosen for this study.

#### **List of the top 10 spending Super PACs in 2012 that supported multiple candidates**

<b>Super PAC</b>	<b>Money Spent in 2012 Elections</b>	<b>Total Money Raised</b>	<b>Viewpoint</b>
<b>American Crossroads</b>	\$104,746,670	\$117,472,407	Conservative
<b>Majority PAC</b>	\$37,498,257	\$42,121,541	Liberal
<b>House Majority PAC</b>	\$30,470,122	\$35,844,951	Liberal
<b>Freedomworks for America</b>	\$19,636,548	\$23,453,198	Conservative
<b>Club for Growth Action</b>	\$16,584,207	\$18,253,913	Conservative
<b>Ending Spending Action Fund</b>	\$13,250,766	\$14,169,830	Conservative
<b>Congressional Leadership Fund</b>	\$9,450,223	\$11,286,590	Conservative
<b>Independence USA PAC</b>	\$8,230,454	\$10,004,235	Liberal
<b>Now or Never PAC</b>	\$7,760,174	\$8,250,500	Conservative
<b>Women Vote!</b>	\$7,749,991	\$9,834,165	Liberal

The information below provides background information on the ten Super PACs chosen for this study. Some of the information provided will show how the organization was founded and its' purpose. Other information included will be any name changes that may have occurred by the organization between elections. This study uses the names of the organizations as they were during the 2012 elections. These names may not be current, but any changes to the names are noted.



## **American Crossroads**

American Crossroads was founded in 2010 by former White House Deputy Chief of Staff Karl Rove and former Republican National Committee Chairman Ed Gillespie. American Crossroads has been the biggest Super PAC financially. It is a conservative organization that has raised hundreds of millions of dollars with the goal of electing GOP candidates. Crossroads GPS is a 501c4 group which serves as a sister organization to American Crossroads.<sup>46</sup>

## **Majority PAC**

In 2010 the Super PAC was named Commonsense 10. They were Majority PAC in 2012. And now they are known as Senate Majority PAC. Founded in 2010 by former Democratic Senatorial Campaign Committee executive director Jim Jordan, Monica Dixon, a former aide to Al Gore and Sen. Mark Warner, and veteran party operative Jeff Forbes. Its self-proclaimed mission is to protect and expand the current Democratic Party majority in the US Senate. With that said the overwhelming amount of money they have is spent on competitive Senate races.<sup>47</sup>

## **House Majority PAC**

One of the Super PACs that was new to the 2012 elections was House Majority PAC. It was founded by Alixandria Lapp, a former Democratic Congressional Campaign Committee official in 2011. It is the House equivalent of Majority PAC. It focuses exclusively on House races with the ultimate goal of retaking the US House for the Democrats.<sup>48</sup>

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<sup>46</sup> Fact Check. (February 23, 2014). American Crossroads/Crossroads GPS. In *FactCheck.org*. Retrieved May 14, 2014, from <http://www.factcheck.org/2014/02/american-crossroadscrossroads-gps-2>.

<sup>47</sup> Cillizza, Chris. ( June 11, 2010). Senior Democrats form outside group aimed at 2010 elections. In *The Washington Post*. Retrieved May 14, 2014, from <http://voices.washingtonpost.com/thefix/morning-fix/1-2-3-9.html>.

<sup>48</sup> Fact Check. (February 23, 2014). House Majority PAC. In *FactCheck.org*. Retrieved May 14, 2014, from <http://tinyurl.com/nx7tn79>.

### **Freedomworks for America**

Freedomworks dates back to 2004 before Super PACs were legal. David Koch who is a businessman and GOP activist had an organization called Citizens for a Sound Economy. This organization split into two different organizations with one of them being Freedomworks which was headed by former House Majority Leader Dick Armey. In 2011 their Super PAC was created called Freedomworks for America. They helped to start up the Tea Party movement.<sup>49</sup>

### **Club for Growth Action**

This Super PAC which is an arm of Club for Growth was founded in 2010. The original Club for Growth was founded in 1999 by economist Stephen Moore, former National Review President Dusty Rhodes, Cato Institute President Ed Crane, former Reagan advisor Larry Kudlow and stock broker Richard Gilder. They support Conservative candidates who have a “pro-growth” agenda of tax cuts, reduced government spending, etc. They have in the past endorsed and supported candidates in GOP primaries who are running against incumbents if they feel the incumbent is not in line with their economic views.<sup>50</sup>

### **Ending Spending Action Fund**

TD Ameritrade founder and former CEO Joe Ricketts founded Ending Spending Action Fund in 2010. Their goal is to shine light on congresses wasteful earmark spending. They claim to support candidates who support free enterprise regardless of party affiliation.<sup>51</sup>

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<sup>49</sup> Fact Check. (February 7, 2014). FreedomWorks for America. In *FactCheck.org*. Retrieved May 14, 2014, from <http://tinyurl.com/175unko>.

<sup>50</sup> The Center for Media and Democracy. (n.d.). Club for Growth. In *SourceWatch*. Retrieved May 14, 2014, from <http://tinyurl.com/lkgqs9a>.

<sup>51</sup> Fact Check. (April 1, 2014). Ending Spending Action Fund. In *FactCheck.org*. Retrieved May 14, 2014, from <http://tinyurl.com/lno2ncp>.

### **Congressional Leadership Fund**

This Super PAC is closely tied to the GOP House leadership and its goal is to help GOP candidates to the US House. They were founded in 2011 and are headed up former Minnesota Senator Norm Coleman. They are the Republican counter to the liberal Super PAC House Majority PAC.<sup>52</sup>

### **Independence USA PAC**

Former New York City Mayor Michael Bloomberg in 2012 and is its only donor. This Super PAC focuses on supporting gun control, education, and marriage equality. Unlike other Super PACs they have a small slate of candidates they support and they come from both major parties. Also they spend the majority of their funds advocating for candidates they support instead of attacking those that they oppose.<sup>53</sup>

### **Now or Never PAC**

This conservative Super PAC founded in 2012 by Jason Smith. He is the Principal of Smith Capitol Strategies. Previously he had worked as staff member in the Texas state legislature. They advocate for a balanced federal budget and support candidates who do the same. They have also spent considerable funds trying to defeat candidates who they feel will not support their cause.<sup>54</sup>

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<sup>52</sup> Conston, Dan. (n.d.). About. In *Congressional Leadership Fund*. Retrieved May 14, 2014, from <http://tinyurl.com/bfzw3ka>.

<sup>53</sup> no author. (n.d.). About. In *Independence USA PAC*. Retrieved May 14, 2014, from <http://www.independencesapac.org/>.

<sup>54</sup> Smith, Jason. (n.d.). About. In *it's NOW OR NEVER*. Retrieved May 14, 2014, from <http://noworneverpac.com/About>.

## **Women Vote!**

This Super PAC is the independent arm of EMILYS List, a traditional PAC which was founded back in 1985 by women's activist Ellen Malcolm. Their Super PAC was formed in 2012 and largely was used to support female Democratic candidates. They are ardent supporters of pro-choice and other women's issues and their support or opposition of candidates reflects that.<sup>55</sup>

## **Date Analysis Approach**

The data collected is organized into tables using Excel. These detailed tables will be analyzed in order to help compare the Super PACs to one another in order to determine which ones were successful and which ones were not. The statistics will help describe exactly what these Super PACs did in a quantitative way and how these efforts ultimately ended up.

## **Results**

This section will show how each Super PAC chosen for this study did when compared against each of the hypotheses I made. I demonstrate this by showing the record each one of them had when the races they contributed towards fall into the categories that I have laid out. After that I put all the results that were collected for the hypothesis and make the determination on whether or not I proved or disproved my hypothesis.

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<sup>55</sup> Women Vote!. (n.d.). EDUCATE. MOBILIZE. WIN.. In *Emily's List*. Retrieved May 14, 2014, from <http://tinyurl.com/kfs4py5>.

## Hypothesis 1 – Incumbency

Super PACs were more successful in protecting incumbents than defeating them.

Incumbents have an inherit advantage in an election by already being in office.

<b>Super PAC</b>	<b>Support Incumbents</b>	<b>Oppose Incumbents</b>	<b>Ideology</b>
Majority PAC	7/7 (100%)	2/3 (67%)	Liberal
Ending Spending Action Fund	1/1 (100%)	0/3 (0%)	Conservative
Club for Growth Action	1/1 (100%)	2/8 (25%)	Conservative
Congressional Leadership Fund	6/8 (75%)	2/4 (50%)	Conservative
Independence USA PAC	1/1 (100%)	2/3 (67%)	Liberal
Now or Never PAC	0/1 (0%)	0/3 (0%)	Conservative
American Crossroads	2/2 (100%)	1/7 (14%)	Conservative
Women Vote!	3/3 (100%)	5/7 (71%)	Liberal
House Majority PAC	14/19 (74%)	15/37 (41%)	Liberal
Freedomworks for America	7/11 (64%)	4/17 (24%)	Conservative
Liberal Totals	25/30 (83%)	24/50 (48%)	
Conservative Totals	17/24 (71%)	9/42 (21%)	
Total	42/54 (78%)	33/92 (36%)	4 Liberal/ 6 Conservative

Hypothesis has been **proven**. Every Super PAC was more successful at protecting incumbents than they were at defeating them. Incumbents that were supported by Super PACs won 78% of their races. While Super PACs were only successful in defeating 36% of incumbents that they opposed.

## Hypothesis 2 – Open Seats

Super PACs were more successful in winning an open seat that was previously held by the same party of the candidate they currently support, but at a lower success rate than in Hypothesis 1 mentioned above. Same logic as above, but with less certainty since the incumbent advantage is taken away.

Super PAC	Protect Open Seat	Opposite Ideology Open Seats	Ideology
Majority PAC	5/5 (100%)	1/2 (50%)	Liberal
Ending Spending Action Fund	2/3 (67%)	1/3 (33%)	Conservative
Club for Growth Action	3/4 (75%)	0/2 (0%)	Conservative
Congressional Leadership Fund	0/1 (0%)	0/0 n/a	Conservative
Independence USA PAC	0/0 n/a	0/1 (0%)	Liberal
Now or Never PAC	1/1 (100%)	0/1 (0%)	Conservative
American Crossroads	0/1 (0%)	1/4 (25%)	Conservative
Women Vote!	6/6 (100%)	2/2 (100%)	Liberal
House Majority PAC	3/6 (50%)	7/9 (78%)	Liberal
Freedomworks for America	8/13 (62%)	3/10 (30%)	Conservative
Liberal Totals	14/17 (82%)	10/14 (71%)	
Conservative Totals	14/23 (61%)	5/20 (25%)	
Total	28/40 (70%)	15/34 (44%)	4 Liberal/ 6 Conservative

Hypothesis has been **proven**. Seven of the ten Super PACs were more successful when they supported candidates that were running for an open seat that was being currently held by the same party than they were when the open seat was being held by someone of the opposite party of the candidate that they supported. Congressional Leadership PAC, American Crossroads, and House Majority PAC were the three outliers. Super PACs were successful in protecting the party seat 70% of the time. While they were only successful in winning an open seat race held by the opposite party 44% of the time.

## Hypothesis 3 – Red State and Blue States

Super PACs that supported Republican candidates were more successful in “red” states and Super PACs that supported Democratic candidates were more successful in “blue” states.

<b>Super PAC</b>	<b>Blue State</b>	<b>Red States</b>	<b>Ideology</b>
Majority PAC	6/6 (100%)	4/5 (80%)	Liberal
Ending Spending Action Fund	0/1 (0%)	3/4 (75%)	Conservative
Club for Growth Action	2/4 (50%)	5/8 (63%)	Conservative
Congressional Leadership Fund	6/8 (75%)	0/4 (0%)	Conservative
Independence USA PAC	2/4 (50%)	0/0 n/a	Liberal
Now or Never PAC	0/1 (0%)	1/4 (25%)	Conservative
American Crossroads	1/3 (33%)	1/6 (17%)	Conservative
Women Vote!	14/16 (88%)	3/3 (100%)	Liberal
House Majority PAC	25/36 (69%)	7/17 (41%)	Liberal
Freedomworks for America	5/18 (28%)	14/25 (56%)	Conservative
Liberal Totals	47/62 (76%)	20/25 (80%)	
Conservative Totals	14/35 (40%)	24/51 (47%)	

Hypothesis has been **proven**. Six of the ten Super PACs were more successful when they supported candidates that came from states that had similar partisan leanings (Democrats from blue states or Republicans from red states). Independence USA PAC participated in no contests in red states and do not count against the results. They had liberal leanings, but supported both Republican and Democratic party candidates. So they are also non-partisan.

When looking at the successes that super PACs had in only red and blue states, Liberal super PACs won 47 contests (70.1%) in blue states while winning only 20 (29.9%) times in red states. The opposite holds true for conservative super PACs winning only 14 contests in blue states while being victorious 24 times in red states. A chi-square test was conducted to see if

there was a significant relationship between a super PACs ideology and wins in Blue or Red states. The chi-square was 11.05 and statistically significant which shows that there is a very strong relationship between a super PACs ideology and what states the super PAC would be most successful in. The conclusion that can be drawn from this is that super PACs tended to be fiscally conservative in nature. Super PACs decided to invest mostly contest in states that were friendly to their ideology (Democrats in liberal blue states and Republicans in conservative red states).

#### Hypothesis 4 – Multiple Super PACs

Races that had multiple Super PACs involved outnumbered races that had only one Super PAC involved. If one Super PAC deemed a race important it is assumed other Super PACs would as well

<b>Super PAC</b>	<b>Multiple Super PACs</b>	<b>No other Super PACs</b>	<b>Ideology</b>
Majority PAC	15/15 (100%)	0/15 (0%)	Liberal
Ending Spending Action Fund	10/10 (100%)	0/10 (0%)	Conservative
Club for Growth Action	11/13 (85%)	2/13 (15%)	Conservative
Congressional Leadership Fund	12/14 (86%)	2/14 (14%)	Conservative
Independence USA PAC	5/5 (100%)	0/5 (0%)	Liberal
Now or Never PAC	5/5 (100%)	0/5 (0%)	Conservative
American Crossroads	12/14 (86%)	2/14 (14%)	Conservative
Women Vote!	23/25 (92%)	2/25 (8%)	Liberal
House Majority PAC	43/71 (61%)	28/71 (39%)	Liberal
Freedomworks for America	42/60 (70%)	18/60 (30%)	Conservative
Liberal Totals	86/116 (74%)	30/116 (26%)	
Conservative Totals	92/116 (79%)	24/116 (21%)	
Total	178/232 (77%)	54/232 (23%)	4 Liberal/ 6 Conservative



Hypothesis has been **proven**. The overwhelming amount of races that the ten Super PACs participated in had the others involved in as well. There were 54 races that only one of the ten Super PACs participated in. All 54 of these races were US House races.

#### Hypothesis 5 – Close Races

The majority of races Super PACs got involved with were either close or very close. The goal of a Super PAC (or any outside spending organization for the matter) is not to support candidates. It is to find out what the close elections are going to be and support the candidate they like. So they would tend to be involved in closer elections.

Super PAC	Very Close	Close	Somewhat Close	Not Close	Ideology
Majority PAC	5/19 (26%)	3/19 (16%)	4/19 (21%)	7/19 (37%)	Liberal
Ending Spending Action Fund	1/12 (8%)	2/12 (17%)	5/12 (42%)	4/12 (33%)	Conservative
Club for Growth Action	0/22 (0%)	4/22 (18%)	6/22 (27%)	12/22 (55%)	Conservative
Congressional Leadership Fund	5/14 (36%)	4/14 (29%)	4/14 (29%)	1/14 (7%)	Conservative
Independence USA PAC	2/5 (40%)	1/5 (20%)	1/5 (20%)	1/5 (20%)	Liberal
Now or Never PAC	1/6 (17%)	2/6 (33%)	2/6 (33%)	1/6 (17%)	Conservative
American Crossroads	3/14 (21%)	2/14 (14%)	5/14 (36%)	4/14 (29%)	Conservative
Women Vote!	2/25 (8%)	7/25 (28%)	7/25 (28%)	9/25 (36%)	Liberal
House Majority PAC	12/71 (17%)	13/71 (18%)	25/71 (35%)	21/71 (30%)	Liberal
Freedomworks for America	9/60 (15%)	6/60 (10%)	20/60 (33%)	25/60 (42%)	Conservative
Liberal Totals	21/120 (18%)	24/120 (20%)	37/120 (31%)	38/120 (32%)	
Conservative Totals	19/128 (15%)	20/128 (16%)	42/128 (33%)	47/128 (37%)	
Total	40/248 (16%)	44/248 (18%)	79/248 (32%)	85/248 (34%)	4 Liberal/ 6 Conservative

This hypothesis has been **disproven**. Only 34% of the races that Super PACs participated in were either very close or close. Only Congressional Leadership Fund and Independence USA

PAC had a majority of the races that they participated in end in results that were either very close or close. Now or Never PAC had an even amount of the races that they participated in result in being either very close or close as they did races that had somewhat close or not close results. Club for Growth Action participated in no races that were very close.

#### Hypothesis 6 – Nationwide Focus

The majority of races that the Super PACs picked for this study will be involved with will be congressional, senatorial, or presidential. The Super PACs that spent the most amount of money during the 2012 election had a strategy that focused on races that had nationwide importance as opposed to statewide or local importance. There will be very few gubernatorial races that the Super PACs that were chosen for this study that got involved with them if any at all.

This hypothesis has been **proven**. There were zero races that these ten Super PACs participated in that did not have a nationwide focus. This means that there were no gubernatorial or statewide seats that had these Super PACs participating in them. The only races that these Super PACs were concerned with were US House, Senate, and Presidential.

### **Conclusions**

All but one of the hypotheses were proven. The one that was not was hypothesis 5. All others followed what I thought the typical trends were. Incumbent advantage was not overcome by the Super PACs. Conservative Super PACs did well in red states and Liberal Super PACs did better in blue states. Many of the Super PACs thought the same races were worth investing in. And no gubernatorial races were on the minds of Super PACs. They only thought that races of

national importance were worth their attention. That makes sense since these were national organizations that that did not confine themselves to any one state.

The fifth hypothesis about Super PACs focusing on close races was disproven. I originally thought that these Super PACs would focus on the close races and try to win them while trying to minimize the amount of lopsided races. Lopsided races may help the win-loss record, but are essentially a waste of money since these races were predetermined by the fact that were not close. They could not be “flipped”. I figured that the Super PACs would do a better job picking out the close races from the not so close races. I was incorrect and my hypothesis was disproven as a result. Super PACs had little consideration for where they should spend their money based on the closeness of each race, and focused on the high profile races in which a lot of media attention was drawn.

There could be two reasons why many of the Super PACs failed to contribute towards close races. The first reason is that they were run by people that were incapable or not competent enough to find out where the close races were. The second reason is that the goals of some of these Super PACs are not necessarily to win races, but to garner influence with the party. Candidates would have to cater to the issues and philosophy of these Super PACs or risk not getting their support or worse have the Super PAC support a candidate to run against them in a primary.

After collecting and analyzing all the results I would consider the Congressional Leadership Fund and Women Vote! to be the most successful Super PACs of the ten that I researched. Congressional Leadership Fund was the best at picking close races. Nine out of the fourteen races that they participated in were decided by 5 points or less. They were by far the most successful Super PAC when it came to finding the close races.

Congressional Leadership Fund was very ambitious as well. They sought to unseat incumbents in four elections and were successful twice. And despite being a conservative Super PAC they participated in twice as many races in blue states as races in red states. They were more successful in blue states as well. It was a down year for Republicans, but they managed to scrap out an electoral victory by finding the close races and winning most of them.

Women Vote! was the most successful Super PAC overall. They did not lose a single open seat race. They lost no races where they supported the incumbent. And they managed to win five of the seven races where they supported the opponent of the incumbent.

On the opposite end of the spectrum American Crossroads was the biggest Super PAC failure of the 2012 elections. American Crossroads is considered the worst performer, because not only did they lose a lot of races like the other conservative Super PACs (excluding Congressional Leadership Fund) did they spent over 90 million dollars on the Presidential race which is more than twice as much money as any Super PAC raised in total funds.

The sheer amount of funds that American Crossroads used to finance failure is why they are considered the worst Super PAC in the 2012 elections. Their failure did buck a trend that generally showed that Super PACs started by former political operatives, staff, and politicians were more successful than Super PACs started by those in the business world. The table below shows how effective the Super PACs were at allocating their funds. Almost all of the money that American Crossroads spent was on races where they supported the eventual loser.

<b>Super PAC</b>	<b>\$ on Wins</b>	<b>% of \$ on Wins</b>	<b>\$ on Losses</b>	<b>% of \$ on Losses</b>
<b>American Crossroads</b>	\$1,800,998	1.73%	\$102,455,684	98.27%
<b>Majority PAC</b>	\$34,248,332	91.41%	\$3,217,481	8.59%
<b>House Majority PAC</b>	\$20,403,572	67.79%	\$9,692,984	32.21%
<b>Freeomworks for America</b>	\$3,364,378	17.12%	\$16,293,099	82.88%
<b>Club for Growth Action</b>	\$11,297,594	68.12%	\$5,286,613	31.88%
<b>Congressional Leadership Fund</b>	\$5,730,602	60.64%	\$3,719,621	39.36%
<b>Ending Spending Action Fund</b>	\$2,382,859	17.98%	\$10,867,907	82.02%
<b>Independence USA PAC</b>	\$3,793,694	46.09%	\$4,436,760	53.91%
<b>Now or Never PAC</b>	\$1,296,760	16.71%	\$6,463,414	83.29%
<b>Women Vote!</b>	\$6,393,042	82.49%	\$1,356,949	17.51%

American Crossroads, Majority PAC, House Majority PAC, Congressional Leadership Fund, and Women Vote! were all started by political activists and insiders. With the exception of American Crossroads they all had success (some more than others). The political experience that they have in common served them better than the business experience that the founders of the Super PACs Freedomworks for America, Now or Never PAC, and Club for Growth Action, Freedomworks for America, Now or Never PAC, and Club for Growth Action were all founded by political outsiders and business people. None of these three were very successful. In fact they spent a lot of money on primary races for candidates that did not win. They were very ideologically driven and did not bother to participate in the general election if their candidate lost. And an extreme amount of races they were involved with were decided by 10 or more points as well. Making their contributions to the 2012 election season non-existent. It is one thing to lose, but it is another thing entirely to not even get close.

There are two remaining Super PACs run by those who have both business and political backgrounds. Now or Never PAC and Independence USA PAC are these two Super PACs. Both founders have experience in the political and business world. Independence USA is considered a wash (they won as much as they lost) while Now or Never PAC was not successful at all and lost almost every race they joined in on. In conclusion Super PACs led by those in the political world are more successful than those led by outsiders.