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"Post Citizens United: Comparative Analysis of Three State Legislatures and the Relationship Between Money in Politics and Political Polarization"

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Abstract

Over the last decades, campaign finance has been the center of much political debate. The 2010 Supreme Court decision in *Citizens United v. Federal Election Commission*, which prohibited any limit to corporate campaign expenditures under the First Amendment, changed the political landscape by allowing more money in politics and elections than ever before. Along with money in politics, political polarization is on the rise across the United States. When recognizing an increase in both of these variables in politics today, it is difficult to deny the possibility of a connection between the two. By examining the patterns that exist in the relationship between independent campaign spending and political polarization in state legislatures before and after 2010, we can begin to determine whether the potential for this link is founded in data evidence.

Key Terms

Polarization, Expenditures, Ideology, Campaign Money, Elections.

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Introduction

Paper Overview

More than 75% of the population believes that there should be a limit on political campaign spending, suggesting the American public sees the outpouring of money in elections as a problem (Jones, 2018). While campaign finance laws in the United States have a long and contentious history, the last two decades have seen more dramatic changes than in the last two centuries. In this thesis, I will examine the relationship between independent campaign expenditures and their rise since the Supreme Court decision *Citizens United v. F.E.C.* in 2010 and political polarization in state legislatures using a cross-state analysis between California, Texas, and Ohio.The paper begins with a background and history of campaign finance in the United States federally and each states' individual rules. Using data from Follow The Money database and polarization data from an existing dataset (Shor et al., 2020) I will examine the patterns between the two before and after 2010.

History of Campaign Finance

The modern history of campaign finance legislation in the U.S. starts in 1971 with the Federal Election Campaign Act (FECA). FECA required full reporting of campaign contributions and expenditures and also limited spending on advertisements (Federal Election Commission [FEC], 1971). While both spending and contributions have political influences, for the purposes of this paper, contributions are considered sums of money that are sent directly to a party or candidate during an election. On the other hand, independent expenditures are sums of money *used* to support a political candidate or party but are not directly given to a campaign. The money from independent spending can be used in a variety of ways, but most often it is used to buy advertisements. FECA also established the use of Political Action Committees (PACs) so that unions and corporations could use funds to create PACs, and, in turn, could then make donations or spend on a campaign. The 1974 amendments to FECA created the Federal Election Commission, which still serves as the enforcement agency to campaign regulations (La Raja et al., 2015).

In 1976, the Supreme Court heard a challenge to FECA, in the case *Buckley v. Valeo*. *Buckley* decided that limits to individual contributions to campaigns did not violate the First Amendment freedom of speech protection but limiting the amount that individuals could spend on campaigns did violate freedom of speech. They argued that independent spending for a campaign did not significantly enhance the risk of corruption in American democracy. Thus, limiting individual spending did not serve enough of a governmental interest to justify the regulation of free speech. This decision meant that direct contributions could still be limited because there was a governmental interest in limiting it (protecting democratic integrity), but this same allowance of limitations was not applied to individual expenditures, thus independent spending could *not* be limited. *Buckley* was the origin of the legal declaration that money in campaigns is equal to speech.

In 2002, the Bipartisan Campaign Reform Act (BCRA, often known as the McCain-Feingold Act), was passed in another attempt to limit the influence of money in politics. Congress wanted to limit the use of "soft money," which was not regulated by the federal government (Post, 2014). Soft money refers to the use of money outside federal regulation, so in this case "soft money" means money that could not be regulated by the BCRA due to the *Buckley* decision as it was independent expenditures protected by free speech. The BCRA limited some forms of money that could still be regulated under case law, like independent *corporate* spending (rather than just individual spending) and other forms of direct contribution, but some forms of campaign money were alternatively still protected by the *Buckley* decision and could not be limited.

In 2010, challenges to the BCRA made their way to the Supreme Court. The Court, in *Citizens United v. Federal Election Commission,* decided that any limit to independent expenditures by corporations were unconstitutional, citing both precedent that corporations are protected by the amendments and thus have free speech rights, and the *Buckley v. Valeo* precedent which overturned a limit to expenditures (Abdul-Razzak et al., 2020). The ruling in *Citizens United v. F.E.C.* both affected federal regulations from the BCRA, but also any state limits to corporate or non-individual spending (Abdul-Razzak et al., 2020). As a result, while some disclosure laws still stand, most regulations on campaign finance have been overturned over the course of the last few decades. These changes have led independent expenditures quadruple as a percentage of total spending between 2008 and 2016 (Abdul-Razzak et al., 2020).

Campaign Finance in the States

Following the Court's ruling in *Citizens United*, many scholars have shown that campaigns now rely more heavily on individuals, rather than PACs or funding from the party, to finance elections, especially in federal elections. Presidential and midterm elections alike both have shown an increase in individual sources of money (La Raja, 2014). The rules allow unrestricted spending in federal elections. Additionally, it is important to note that due to the system of federalism in the United States, Supreme Court case law does equally apply to the states. However, states can still independently make additional laws and requirements that are not regulated federally. Therefore, for the purposes of this study, which will look at independent spending in state legislative elections, it also is relevant to examine the state laws and regulations. The three states I focus on here are California, Texas, and Ohio which differ in their population sizes, geography, and political makeup of their legislatures.

In California, the Political Reform Act of 1974 requires campaigns to disclose contributions and expenditures. The reporting documents then are made available to the public. In addition to providing transparency for election funding, disclosure also aids the researcher who wants to investigate sources in election funding over time California also has recently implemented a law, beginning in January of 2021, that includes a voluntary expenditure ceiling, meaning that state candidates may volunteer to accept the limits. Those candidates or spenders who choose to abide by the voluntary limits must publish their declaration of whether they participate (Cal.Gov).[1]

Texas also has similar disclosure requirements. In non-election years, state campaign finance reports must be filed twice a year to the Texas Ethics commission. During election years, candidates have to file spending reports four times–two semi-annual reports and two pre-election reports. While there are fines for failing to report, they are not always enforced. Additionally, all reports become available to the public (Texas Ethics Commission [TEC], 2019).

In Ohio, disclosure requirements differ slightly from the other two states. Candidates still must file regular campaign finance reports with the Ohio Secretary of State but they only need to submit monthly reports during the months of July, August, and September. The basic information for the person who is spending money independently but toward the campaign must be disclosed as well as the amount and the intended purpose for the expenditure. Independent expenditures reports are made by the spender, not the beneficiary (the candidate, in this case) (Ohio.Gov).

[1] However, given that the scope of this project does not extend to 2021, voluntary limits will not factor into this analysis.

All three states have relatively straightforward disclosure rules, but it is important to note that none, due to the federal application of *Citizens United v. F.E.C.* and *Buckley v. Valeo,* have numerical *limits* on the amount that can be spent independently. It is important to note that these disclosure requirements are what make this project possible: without requirements to disclose spending and contribution records, databases that include all data on campaign spending over a period of time would not have the extensive record that they do.

This research will explore the relationship between campaign spending and the political process, specifically political polarization. Therefore, in addition to the background on campaign finance, a brief explanation of political polarization is also necessary. Polarization refers to the growing ideological differences between the two dominant political parties. Over the last few decades, many studies and scholars have noted that political and ideological polarization is increasing dramatically in federal offices as well as state legislatures. Each party's middle and extremes on the ideology spectrum are growing farther from each other. One explanation for this is "that partisan activists with strong policy preferences, rather than party professionals, have come to dominate political parties" (La Raja, 2014). Many scholars also argue that United States politics is in the era of "candidate-centered politics." Candidate-centered politics refers to the idea that, although most people are still loyal to their identified political party, rather than voting for the party's ideals, people vote for or against the ideas of the candidate. If voters vote for or against the candidate rather than the party, it may mean that more extreme candidates will receive more support, funding, and resources and therefore have a higher likelihood of holding office. Other scholars have found that growing ideological differences between the parties may not reflect the general public's desired policies resulting in "potentially biased representation in Congress," as well as, likely, state legislatures (Barber, 2016).

Given the changes in campaign finance and the growing political polarization, scholars have begun to examine any link that may exist between the two variables. To further investigate the relationship between money in politics and political polarization, I will first look at literature and findings of existing scholars who have researched the connection.

Existing Explanations for the Relationship of Polarization and Money in Politics

The Role of *Citizens United v. F.E.C.* in Ideology of Representation through Individual Contributions

There is a growing consensus among political scholars that *Citizens United v F.E.C*, the historic 2010 Supreme Court case which declared limits on independent campaign expenditures to be unconstitutional, has contributed significantly to extremism in politics. However, the question as to why and how the relationship between money and politics and party polarization exists continues to be debated. This section begins by reviewing the literature related to scholars who have studied the relationship between political parties, their polarization, and campaign finance law and money in politics. First, I review the literature of scholars who focused on the role of the individual donor. Essentially, these scholars argue the relationship is based on how the case has allowed more wealthy *individuals* to donate to campaigns. Many agree that this link exists because individual donors tend to be more ideologically extreme, and interest groups, parties, and PACs tend to be more centrist, moderate, and incumbent-focused (Abdul-Razzak et al., 2020; Bonica, 2014; Francia, 2015; Harvey & Mattia, 2022; La Raja & Schaffner, 2012).

Harvey and Mattia (2022) argue that not only has the amount of *post-Citizens United* financing in elections led to more Republican dominated legislatures and victories but also Republicans who hold more extreme ideologies. They assert that "allowing political candidates greater access to campaign funds may induce them to move rightward as they compete for elective office." (Harvey & Mattia, 2022, p. 419). They also find strong evidence that the move in this more conservative direction by newly and previously elected Republican legislatures has only been since the Court's ruling in *Citizens United*.

Hall (2015) discusses how corporate contribution bans, which would have been only truly possible before *Citizens United,* should theoretically increase Democratic control in legislatures. Hall argues there is a link between corporate contribution bans and the ideology of legislatures because corporations more often contribute to Republican candidates, so when there is a limit on corporate money, Democrats hold a larger share of the winning electorate seats, which influences the overall ideology of the legislatures that are influenced by these outcomes. Likewise, in their study of the influence of large outside party spending, Abdul-Razzak and co-authors (2020), find that since *Citizens United* there has been a drastic increase in independent expenditures which have clearly, by their measures, led to an increase in conservatism in state legislatures. They claim that independent expenditures have quadrupled between 2008 and 2016, and this has inevitably led to more drastic changes within legislatures and elections (Abdul-Razzak et al., 2020). Candidates are more likely to be funded by extreme (in their argument, conservative) individuals who have the power to shape elections, whereas before *Citizens*, the restrictions on expenditures that did exist could protect elections from extremism. Based on their evidence, it is clear that there was an effect that a post-Citizens landscape had on both the outcomes of elections and their ideologies (Abdul-Razzak et al., 2020).

Furthermore, Bonica (2013, 2014) finds that money raised through PACs and interest groups tend to go toward more centrist candidates, and the amount of money raised from individual donations increases with ideological extremity of the candidate, suggesting again that individual donors are motivated to contribute to extreme candidates which can significantly impact elections.

Francia et al. (2012) provide an explanation for why individual donors have a different motivation behind their campaign donations than other interest groups that can foster extreme candidates. According to Francia, “idealogues,” who he defines as contributors that give to candidates who support their specific positions, make up a third of total contributors, the biggest group of any donors (2012, p. 44). These idealogues are also thought to be people who donate for “purposive” reasons, meaning that they donate specifically to influence election outcomes or to support a policy to be put in place. These purposive donors want a “return on their investment.” Because they donate based on ideology, this suggests that the people who are donating at the largest rate are the most invested in controlling the policy and having the individuals that they contribute to specifically reflect their beliefs (Francia et al., 2012).

Party-Centered versus Candidate-Centered Political Funding

A congruent argument, yet slightly more nuanced in its explanation, breaks down the relationship between money in politics and party funding structures specifically. The group of scholars researching the impact of party politics and campaign finance has generated a substantial amount of literature. The result has been a wealth of evidence showing how political structure and a lack of party funding leads to increased polarization. These scholars argue that a candidate-centered approach and candidate-centered politics leads to radicalization and extremism of the political parties in the United States.

Most prominently, La Raja (2013, 2014, 2015) has dedicated several works to the study of party polarization and campaign finance. In his first article on this topic, he focuses on the influence that non-party funded campaigns have on increasing polarization. He argues that in order to reduce polarization, strengthening parties may be a solution (La Raja, 2013). To account for this argument, his second article, "Campaign Finance and Partisan Polarization in the United States Congress," (2014) explains that parties' main goals are primarily to win elections. To do this, they consistently fund more moderate candidates. According to La Raja, as individuals are able to contribute more directly to candidates (and they will, rather than contribute overall to a party), they will begin to contribute to more extreme candidates (2014). Where the party funds candidates who are considered centrist because they are more likely to win, individuals tend to fund candidates further out on the ideological spectrum. Moderation tends to control political parties, so when the funding is not sourced through the party, and rather flows directly to a candidate from a business or individual, it is likely that a more radical candidate will be more heavily funded and, therefore, more likely to win the election. La Raja (2014) cites evidence that national parties provide less than 5 percent of campaign funds to candidates, which means the rest of the funds necessary to run a successful campaign are privately funded by the candidate. Private and independent funding allows more polarized influences to have a stake and a say in the election, and therefore more polarized candidates to become elected. Therefore, La Raja's final conclusion is that in order to reduce polarization in parties and elections, stronger party roles and influences are necessary. The parties fund candidates who are more moderate, individuals fund candidates who are more extreme.

La Raja and Schaffner (2015) similarly argue in Chapters 3 and 4 of their book, *Campaign Finance and Political Polarization: When Purists Prevail* (2015), that parties are pragmatic, and individuals are radical. Therefore, when candidates become more heavily funded by individual wealthy donors (as discussed earlier), they are more likely to follow the interests of polarized politics rather than the centrist politics that are advocated for by parties. The authors' main thesis, consistent with La Raja's previous works, contends that "money that flows outside party channels tends to promote ideological polarization between partisan officeholders. Conversely, money that is controlled by the party is more likely to moderate politics" (La Raja & Schaffner, 2015, p.88).

Kang (2021) studies the development of campaign finance law overtime and its relationship to party politics. Kang argues that the politics of parties currently is "mismatched" with finance law. By this he means that today's politics are much more party-centered than they were historically. A candidate is heavily entrenched in their own party: they bear the party label, campaign within the party, and use the party's voting as, almost always, a strict guideline for their own ballot voting and representation. Further, since *Citizens United*, and the recent increase of extremist ideological donors and Super PACs, candidates have been more heavily funded by groups focused on a specific candidate and less by funding that is regulated or channeled by the party. Hyperpolarization is, therefore, fueled by candidates who are controlled by the wealthiest and most extreme donors. These candidates, therefore, are very heavily politically tied to their party and similarly financially tethered to these wealthy donors and ideological extremes. These extremist candidates then begin to push the party to become more and more radical (Kang, 2021). Due to the huge shift in campaign finance law after *Citizens United*, wealthy individual donors now have unlimited expenditures, meaning that the amount of money coming from the wealthiest individuals is greater than ever. Given that these individuals will have more extreme interests than the party, this influences the ideological nature of entire parties to be more extreme.

Closely related, Rice (2016) studies how campaign finance restricts the ability of party flexibility in the United States. While he focuses largely on barriers to entry to the parties and the rigidity in the existing power structures of the political parties caused by campaign finance rules, his argument suggests that there is an association between how having more money given to parties forces them into their ideological silos. Like the other scholars in this group, Rice (2016) finds that more money causes the parties to solidify their power and political views.

While La Raja (2013, 2014, 2015), Schaffner (2015), and Kang (2021) argue that more money from individuals breeds extremist ideological values within a party, Rice (2016) explains how these extremist and polarized ideas become entrenched as polarized values. Specifically, he finds that *Buckley* and *Citizens United* gave a more permanent role to interest groups and individuals to influence election outcomes. On the other hand, Briffault (2000) provides a pre-Citizens United account of the link between political funding and political parties. He further emphasizes that by allowing more independent spending or contributions toward campaigns, even before 2010, the parties were able to wield more ideological power and contributions held more influence in the parties (Briffault, 2000). After 2010, it is reasonable to conclude that these scholars are correct in their analysis that more independent money that is unaffiliated with a party to begin with and was enabled by the *Citizens United* decision, and donated directly to or for a candidate, will breed more ideological extremism for the whole party.

Super PACs and Interest Groups Create More Polarized Politics

A final group of scholars draws a different conclusion about how money allowed by *Citizens United* impacts party polarization between. Fundamentally, this group of political scientists agree with the previous scholars that the *Citizens United* decision contributed to party polarization, yet they articulate a slightly distinct source of this polarization. Barber (2016) details that individual donors and political actions committees (PACs) have different motivations when donating (or contributing) to political campaigns. He asserts that traditional PACs have a stronger interest in winning the election or the seat, and therefore tend to favor "incumbency, moderation, and access" above ideology (Barber, 2016). PACs will often donate to both parties because of their desire to have a stake in a specific candidate's seat, which makes them less oriented towards the particular ideology of either candidate. On the other hand, individual independent contributors who spend on campaigns tend to be much more ideologically driven (Barber, 2016). And, as detailed previously, independent donors also tend to have more radical ideals and they are more driven by ideology than those groups who favor incumbency or moderation. Barber then makes the claim that *because* of the campaign finance evolution catalyzed by *Citizens United* in 2010, as individual extremist donors are contributing more and more frequently, the candidates' policies and ideologies will follow the money, and, therefore, there is enough money in radicalized factions to make it *more* worthwhile than ever before for the candidate to endorse these ideas (Barber, 2016).

According to Dwyre, Super PACs have begun to contribute much more than regular PACs. In her words, they have begun to "crowd out other species" (Dwyre, 2020, p. 512). The rise of Super PACs has pushed out politically moderate PACs which tended to previously donate to both parties (Dwyre, 2020). More money means a more radical idea can control an election, rather than PACs which were built around moderation and holding office on either side of the aisle. Similarly, Rocca and Clay find in their research that Super PACs are more heavily suited for short-term elections, with specific electoral goals. This means, in addition, that they will participate in more ideologically tense races because there is often more at stake legislatively (Rocca & Clay, 2021).

Barber lays out arguments that are similar to Grumabach's thesis. He argues that less ideologically driven PACs are on the decline as more polarized individual donors and super

PACs are on the rise. Grumbach, like Barber, details that individual and single-issue groups (which tend to more often be Super PACs, or large independent donors) have extended their influence since 2010 (Grumbach, 2020). This allows radical influencers to control more of the electorate than was possible prior to *Citizens United*. Scholars who share this perspective expect that because of changes in campaign finance law, moderate and less ideologically motivated PACs are ceasing to exist, which is leaving the money in the hands of those who have interests in more polarized politics (Barber, 2016; Grumbach, 2020; Briffault, 2000). Therefore, in order to continue to fund elections as needed, candidates must follow the policies of those who are driven by more radical ideologies, thus becoming more polarized and both parties are pushed farther to each end of the ideological spectrum.

The literature that exists that examines the relationship between money in politics and political polarization explains the fundamental reasons or the background of why this link may exist. Scholars propose a number of reasons that *Citizens United* changed the economic landscape of money in politics, which may have influenced political polarization by allowing more individuals to influence election outcomes, giving candidates the power to wield individual ideology to accrue financial support, and by increasing the number of ideologically motivated donors.

Overview of the Proposed Research

While some research exists examining the relationship between money in campaigns and political polarization, I am attempting to fill a gap in this research by using a cross-state analysis and comparison. The research that currently exists mostly examines this relationship at the federal level within the United States House and Senate (see La Raja, 2014; Barber, 2016;

Briffault, 2000). Moreover, some research (see La Raja and Shaffner, 2015) exists at the state level, but examines other causes of this relationship, or across all 50 states. The research that exists also looks at the impact of direct contributions, rather than examining whether any relationship exists between independent expenditures during campaigns – money spent on elections rather than donated to a campaign's fund – and polarization. Further, most research that is state based has not been updated for many years after *Citizens United* has taken effect.

In my research, I will examine three states and analyze their independent spending data across 6 election cycles. The states that my research will center on are California, Texas, Ohio. California serves as a relevant example because it is very large and very Democratic. Texas was selected because the size of its population is comparable to California, but it leans Republican. Ohio was included because it tends to be somewhere in the middle and has more centrist politics. By comparing three states that are politically different it will be possible to see if similar trends exist across all the states' independent spending data and polarization data. If a consistent pattern is found, the conclusion can more readily be drawn that there is, in fact, a relationship between independent spending and polarization post-Citizens United.

Methodology

In order to examine the relationship between lifting expenditure limits via *Citizens United* and political polarization, I have selected 6 consecutive election years which span across 2010, when *Citizens United* was decided. The years I have selected are: 2006, 2008, 2010, 2012, 2014, and 2016 which include 3 midterm elections and 3 presidential cycles. In order to directly compare the effect that spending in *these* election years had on the state legislatures, I have gathered state legislature data from the corresponding cycle, not the exact year. That is, the 2006 election year elected state legislators for the 2007 year and onward. Polarization data, therefore, were selected for the year following the corresponding election year, specifically for 2007, 2009, 2011, 2013, 2015, and 2017, respectively.

Spending data were collected based on reports from Follow The Money database (followthemoney.org). All values have been adjusted for inflation via my own calculations. Additionally, any averages or addition between houses or parties is also via my own calculations.

The polarization data come from ideology values calculated for each state legislature by Shor, et al. using the most recent dataset (2020). In order to compile these values, Shor uses a variety of ideological markers including voting history and self-reporting (for more information on how ideological numerical value is approximated for each legislature, see Shor et al., 2020). The values for ideology range from -1, most liberal, to 1, most conservative. Additionally, the Shor dataset includes a polarization numerical value, which is the difference between the median values in each party for both houses of the legislatures. For the use in this paper, I have averaged these two values for each state by year, given the distinction between the houses is not pertinent.

I examined the trends over the years and compared any years that have significant spending with the corresponding year and the ideological value. I will not be conducting a statistical analysis of these values. I will be qualitatively analyzing the data and looking for any trends and patterns that exist.

Due to the scope of this project, it is nearly impossible to establish a causal relationship between the independent expenditure (independent variable) and the dependent variable, state legislative ideology. However, given that disclaimer, the prominent trends that do imply correlation or a strong link between the two variables will become both clear and understandable throughout the rest of the paper. It is necessary to do further research isolating other variables that may be influencing the changes over time seen in the ideology variable, however through the two remaining analyses of the data the link will begin to be uncovered. First, an overview portion of this project will illustrate and explain the trend data for three state legislatures: California, Texas, and Ohio. Additionally, through a case study analysis of two specific races, their candidates, and their campaign funders, I will further investigate the link between the two.

Findings: Independent Expenditures and Polarization in the Three States

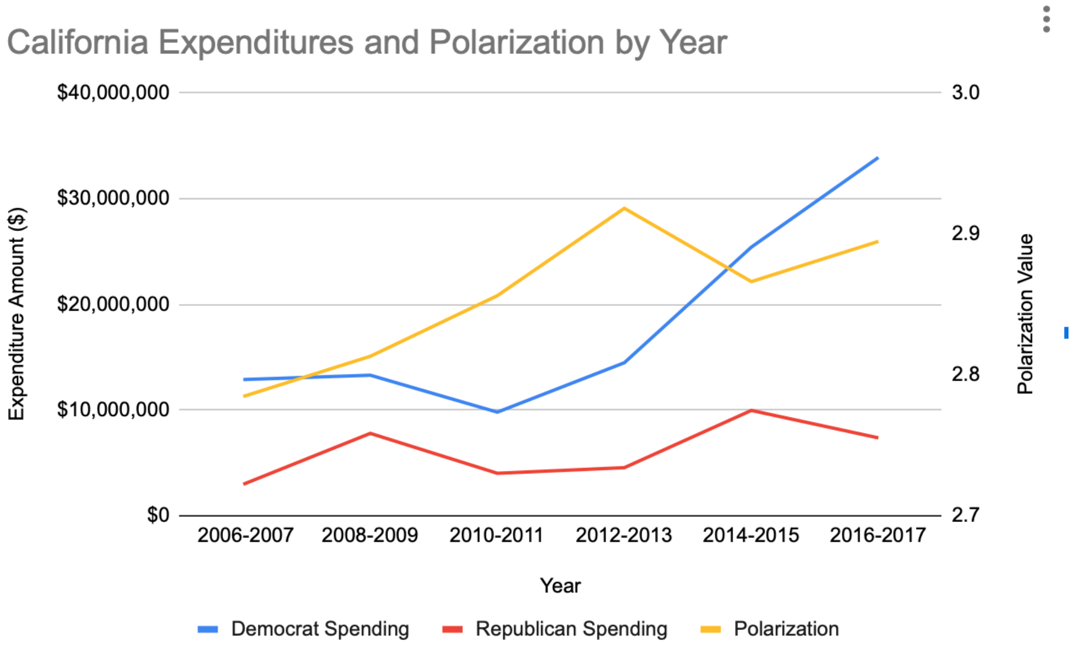
California

Table 1, California Spending Data, (Followthemoney.org)[2]

Election Year	Non-Individual, Democrat	Non-Individual, Republican	Individual, Democrat	Individual, Republican	Democrat Total Expenditure	Republican Total Expenditure	Overall total (Including third party and non-partisan, if any)	Total Number of Records
2006	N/A	N/A	N/A	N/A	$12,866,485	$2,959,819	$15,826,304	3,286
2008	N/A	N/A	N/A	N/A	$13,277,082	$7,775,482	$21,059,750	3,010
2010	N/A	N/A	N/A	N/A	$9,781,331	$3,999,000	$13,780,651	2,021
2012	N/A	N/A	N/A	N/A	$14,458,923	$4,530,782	$19,099,587	2,773
2014	N/A	N/A	N/A	N/A	$25,379,536	$9,939,302	$35,318,838	4,212
2016	N/A	N/A	N/A	N/A	$33,875,342	$7,348,686	$41,239,551	7,924

[2] All expenditure data are sourced from Follow the Money. The original numerical values have been adjusted into 2022 dollars (adjustments made for inflation) via my own calculations. The totals have also been summed via my own calculations, as they were presented independently for each value. Additionally, Table 4 (below) presents the ideological value averages of the two houses of state legislatures. The original data are not of my own collection, but the averages are via my own calculations. This is true for the data in all tables and figures.

Figure 1, California Expenditure and Polarization, 2006-2017 (Data sourced from Followthemoney.org)



In 2006, California campaigns spent just over $15 million dollars on state legislature (California State House/Assembly and State Senate) races alone (see Table 1). Before 2010, the *type* of donor was not publicly traceable information, complicating the analysis. However, the overall amount spent in the years before 2010 on the state legislature election is relevant and warrants discussion and analysis. Given other states' data, it is likely that the majority of money spent on state campaigns prior to 2010 in California came from non-individual donors, such as Political Action Committees. Between 2002 (BCRA) and 2010 (*Citizens United*) PACs served as a way for interest groups, individual donors, corporations, businesses, and NGOs to raise money legally given the financial guidelines while still donating or spending money on a specific interest issue or candidate. In the case of state legislative races, given that, especially in California, there are few races where the district is actually highly competitive enough to warrant individual financial involvement, large PACs likely made up the majority of spending between 2002 and 2010 (La Raja 2015). Interests groups or PACs with a stake in Democratic outcomes in

California state legislative elections will continue to spend money towards these campaigns, but individuals will not have as much of a stake as a PAC or other interest group because the election is less publicized, and therefore less likely to attract the attention of individuals.

Additionally, unlike more "purple" states that may have more competitive districts, the amount of independent spending devoted to Democratic candidates was spent at an approximate 4:1 ratio to spending targeted at Republicans candidates for the years 2006, 2008, and 2010. After 2010, likely due to *Citizens United*, total independent spending overall increased $3 million in 2012, and then doubled from 2012 to 2014[3] (see Table 1). Additionally, the number of groups or people spending money on campaigns nearly doubled between 2012 and 2014, and again between 2014 and 2016. The highest year was, in fact, the 2016 presidential election year, with total independent spending hitting $41 million on state legislative elections alone. With those trends in mind, we can begin to examine the trends in ideology data (see Table 4).

For complete data for each election year used for this trend analysis, see Table 4. The most important measure of ideology in a state like California, whose state legislature is consistently dominated by one party (Democratic, in this case), is the range or difference between the two parties' most extreme candidates (Table 4). Over the course of the years for all three states, I therefore examined the trend of the range between the parties' ideological scores over time. The increase of the difference between these scores every year in California from 2007 to 2017 demonstrates that, with each election, the ideologies of the parties in the legislature became more polarized, or became further from each other. While both parties fluctuated inconsistently, the trend in ideological range in both houses of the legislature is clear–it is

[3] Note: while I am focusing on state legislative races which happen biannually, it is important to recognize that political financial participation is often much greater in years with presidential elections.

increasing. In California, this increase was a little more than 0.1 on the polarization scale, becoming more polarized, but only slightly.

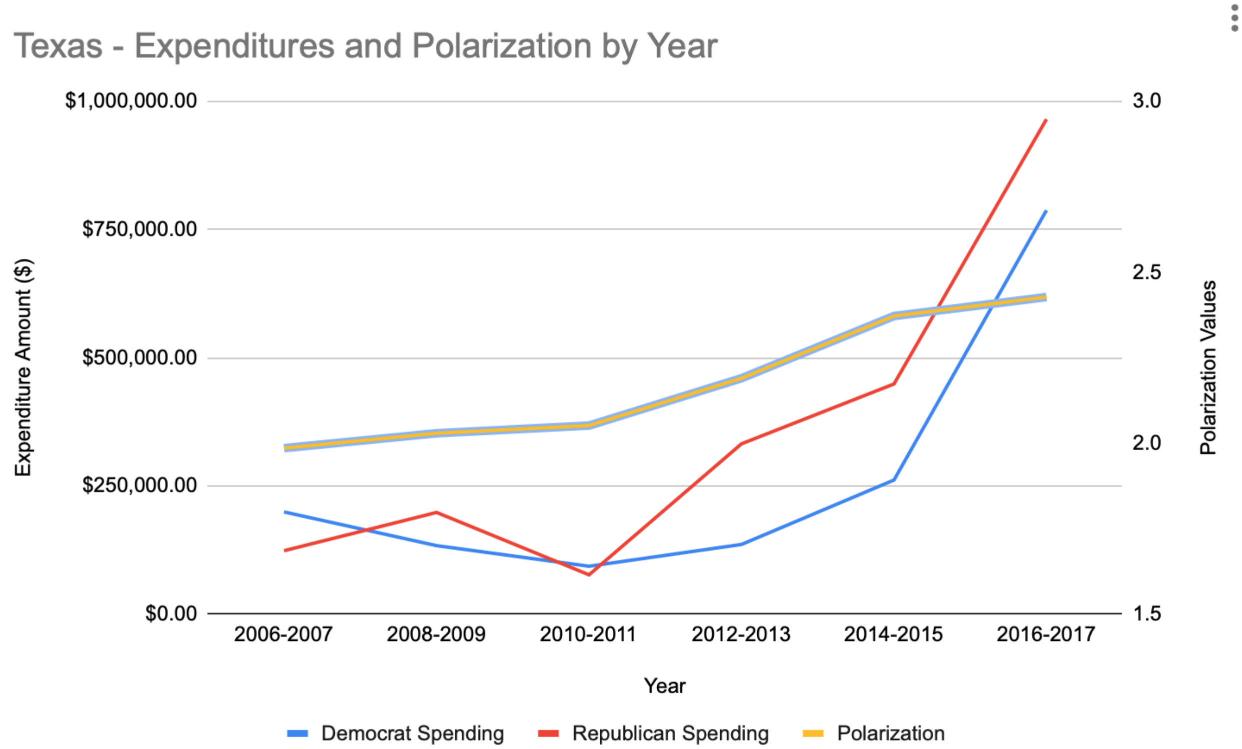
Second, we can look at the years 2015 and 2017 in the legislature in alignment with election years 2014 and 2016 to see the shifts in ideology in the years with the highest amount of independent spending. In 2015, the Democratic mean increased 0.0087 between 2013 and 2015. The polarization consistently increased with increases in spending, as might be expected. The Republican party mean for both houses increased even more, 0.89. These changes mirror the large jumps in independent spending. While not every year follows this exact pattern, because the spending was not consistently increasing, the two years with the largest increase both show shifts away from the ideological center point (0). The differences in the State Assembly from 2015 to 2017 increased 0.14, while the 2013 to 2015 value actually decreased slightly. However, the median difference in the State Senate increased in that year. The total difference from 2006 to 2017 was 0.10 in California. The spending is relatively consistent with the increases in polarization and extremity of ideology for those same years.

Texas

Table 2, Texas Spending Data (Data sourced from Followthemoney)

Election Year	Non-Individual, Democrat	Non-Individual, Republican	Individual, Democrat	Individual, Republican	Democrat Total Expenditure	Republican Total Expenditure	Overall total (Including third party and non-partisan, if any)	Total Number of Records
2006	$198,874	$123,251	$2,081	$0	$198,874	$123,251	$322,125	1204
2008	$127,074	$166,540	$6,066	$31,366	$133,139	$197,906	$331,045	1420
2010	$92,967	$76,213	$0	$0	$92,967	$76,213	$169,180	2034
2012	$135,454	$303,701	$0	$28,095	$135,454	$331,796	$477,561	3812
2014	$102,204	$448,266	$524	$220	$261,136	$448,487	$709,622	3995
2016	$488,407	$684,981	$298,931	$279,957	$787,337	$964,939	$1,755,246	5204

Figure 2 (figure 6), Texas Expenditure and Polarization, 2006-2017 (Data sourced from Followthemoney.org)



For the Texas State Legislature in the same timespan (2006-2018), there is more available data that document the distinction between individual donors and non-individual donors than in the other two states. Before 2010, like California, there was not as much data reporting which document differentiation between individual and non-individual spending. Based on the Texas data that are available, A clear pattern emerges on the Republican side, there is noticeable spending increase in the 2008 presidential year races by individual spenders, as well 2012, both around $30,000, with only a small number of spenders. On the Democratic side, there are a small number of donations with substantially lower totals, only around $6,000 in 2008 (see Table 2). This trend, however, is explainable by the difference in political breakdown of the state itself. Less competitive districts which more heavily favor Republicans will mean fewer high donations towards Democrats, perhaps because it is not worth spending in a campaign that has no potential to win.

In terms of non-individual donors, for the years 2006 and 2008 for both parties, the non-individual contributions total around $150,000, moderate and consistent across each party and year. Also, the number of donors stays relatively consistent (see Table 2). For 2008, the year with the largest number of non-individual donors before *Citizens United*, there were 336 total spenders towards Democratic State House offices and just 24 donors to Democratic State Senate seats. On the other hand, the Republican party had many more donors, totaling 860 and 728 in 2006 and 2008, respectively. In 2010, there were 1680 spenders for Republican State House seats, and around 100 State Senate spenders (not shown in graph, see Followthemoney.org). The total amount spent on both parties for any Texas State Legislative seat totaled between approximately $200,000 and $300,00 for all years 2006-2010 (Table 2).

After 2010, the data from Texas demonstrated the effects of the lifting of the limits on independent expenditures. In the subsequent election years, the amount spent *and* the number of spenders nearly doubled in the total spending category. It then doubled *again* between 2014 and 2016, which was the next presidential election after 2012. There was a slight decrease in 2018 from 2016, likely because it was a midterm election, but the large increase at each subsequent midterm election and the presidential election is clear.

When specifically looking at individual donors, the total amount spent in 2016 is tenfold what was spent in the 2012 presidential year. The number of spenders increased dramatically as well. Rather than a few spenders donating a few thousand, there are hundreds of spenders who are funding the campaigns for both parties, both totaling nearly $300,000 in the 2016 election. While the non-individual spending also steadily increased between midterm and presidential years alike, the individual increase is exponential. This is extremely significant because it demonstrates the effect that legal change had in opening the door to allow for more independent spending.

To see the effect that this increase in spending during specific years had on polarization, let us turn to the ideology data. Primarily, the overall trend is that each party is moving closer to the extreme of the ideological spectrum over the course of the years 2006-2010. That is, the Republican party overall polarization value increases (becomes more positive) and the Democratic value increasingly becomes more negative, by about 0.20 and 0.30 in the house, respectively. The Senate side also shifts by 0.10 on the Democrat side and 0.4 on the Republican side. The mean for both parties also increased steadily and significantly over the course of the years. On the Democratic side, the increase stands at about 0.20 and the Republican stands about 0.50. This is the change in means from 2006-2017 for each party (see Shor et al.).

While the average polarization scores of each party are important to inter-party polarization, they can also demonstrate how each party may be experiencing ideological shifts. The differences in the House and the Senate data fully illustrate the parties are polarizing from each other. This means that over time, the legislature in general is moving away from a common center ideologically, as each party shifts towards extremes. The differences in the House and Senate both increased about 0.50 from 2006 to 2017 (see Table 4).

When comparing this to the years of substantial increases in independent spending data, we can see that the greatest increase in both House and Senate differences is between 2013-2015, and then there are significant increases in 2017 as well. This is fairly consistent with the large increases in individual spending in the 2016 election, although this pattern shows that the 2015 legislature was becoming drastically more polarized even before the takeoff of individual spending. However, looking at only presidential cycles, the four-year gap between 2013-2017 (span between inauguration years, not campaign years) in the state legislature shows the largest increase of all. There is a slight decrease in spending on the Democratic side (although large increase on the Republican side) between 2012 and 2014, but this can likely be explained by the Democratic possession of the president's seat with President Barack Obama becoming re-elected that year. When focusing on the presidential cycle, the difference between 2013 Texas House and Senate and 2017 House and Senate is about 0.20 and 0.25, respectively, which is significant in only a four-year period (not shown in table, see Shor et al.).

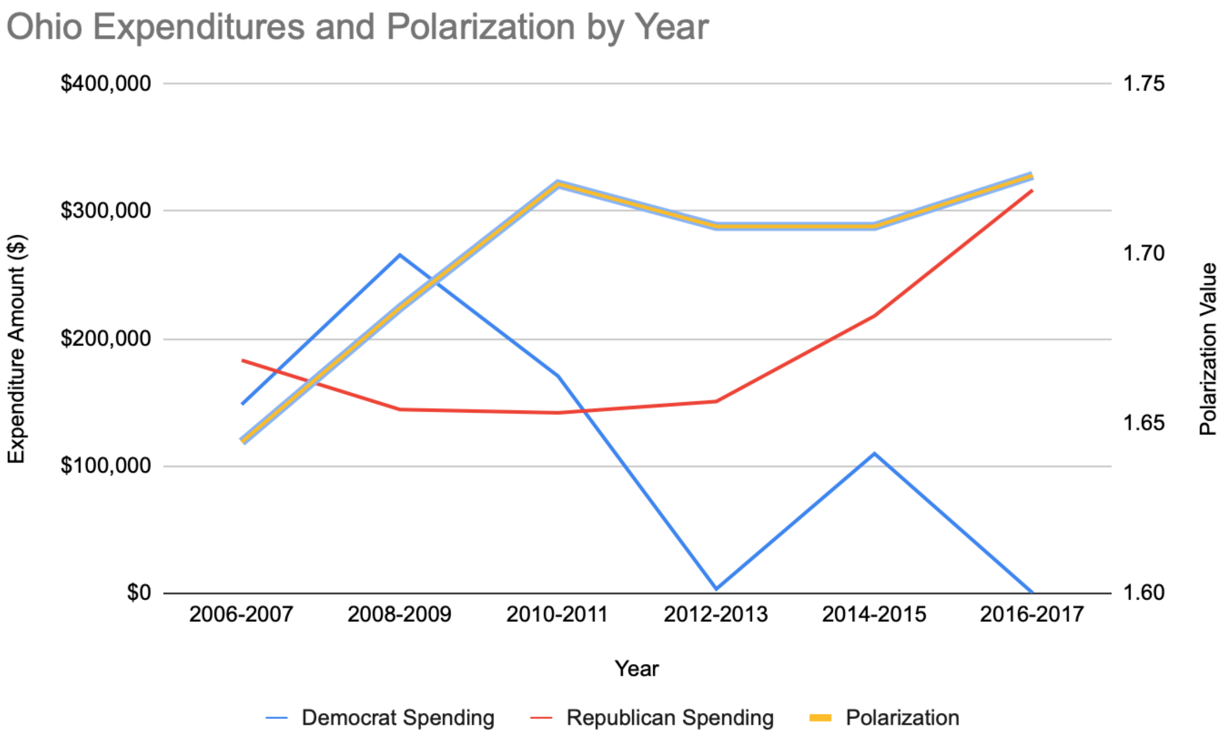
One prominent trend that is apparent from the spending and ideology data is that in the later years both the amount of *individual* spending and polarization increased. The non-individual spending also increased, but because it consistently grew between other years in which the non-individual spending also had large jumps, the ideology scores stayed relatively steady and consistently increasing.

Ohio

Table 3, Ohio Spending Data (Data sourced from Followthemoney.org)

Election Year	Non-Individual, Democrat	Non-Individual, Republican	Individual, Democrat	Individual, Republican	Democrat Total Expenditure	Republican Total Expenditure	Overall total (Including third party and non-partisan, if any)	Total Number of Records
2006	$148,141	$182,926	$0	$0	$148,141	$182,926	$331,067	121
2008	$265,517	$144,206	$0	$0	$265,517	$144,206	$409,723	154
2010	$170,423	$141,619	$0	$0	$170,423	$141,619	$336,145	51
2012	$3,284	$150,513	$0	$0	$3,284	$150,513	$153,797	1150
2014	$109,550	$217,723	$0	$0	$109,550	$217,723	$327,273	94
2016	$62	$315,242	$0	$1,366	$62	$316,607	$316,670	44

Figure 3 (figure 7), Ohio Expenditures and Polarization, 2006-2017 (Data sourced from Followthemoney.org)



The data from Ohio are less conclusive than the other two states. Overall, there is less money spent on Ohio legislative races. The polarization data increase somewhat over time, but these increases are much less substantial. In Ohio, the Republican party consistently spent *much* more on campaigns than the Democratic party during the years 2006-2018. One explanation for this might be that because Ohio is a more competitive state between the two parties, meaning that there are more races with close results, which motivates Republicans to push for more spending because that is where targeted races are located during election years. On the other hand, it is also possible that Democrats use less independent spending because their candidates in Ohio are more directly funded by the party. The Democratic party would be funneling more funds directly to those races because Ohio is a competitive state with contentious general elections. Potentially more contributions (which is not reflected in the data I have presented), rather than independent spending, go toward Ohio state legislative races on the Democratic side.

Additionally, all spending is much more heavily weighted to the State House, rather than State Senate. One reason could possibly be because the competitiveness is higher in the House, motivating more spending to be targeted towards House races.

Another interesting pattern which is inconsistent with both California and Texas expenditure data is that the spending for the Democratic party gradually decreases over time. With the exception of 2018, the Republican spending stays consistent in 2006, 2008, 2010 and then gradually increases during the next three cycles, before decreasing again in 2018 (see Table 3). The spending on Democratic candidates was extremely low in 2012 for reasons that are unclear, and this paper will not delve into. For both parties, the spending is higher in 2014 than in 2012, this may be because there were more contentious state legislative races those years. More close races means spending was more targeted to these specific races than elsewhere, although again these reasons are mostly unclear and will not be examined here. The spending on the Republican party is consistent with the other states in that the 2016 spending is the highest amount relative to other years. The highest year combined overall was 2008, which is also important to note given that this was before the ban on expenditures was lifted. Another interesting element is that the highest number of spenders was in 2012, despite it being the year with the *least* money spent overall. 2012 has a thousand more spenders than any other year. It appears that 2012 was more heavily influenced by small amounts of independent spending, whereas it can be inferred that the years with the high amounts were large spenders using larger sums of money. In fact, the 2016 election year only had 44 spenders (see Table 3). One explanation for the small number of donors in that year, despite the spending being relatively high, is that because it is a presidential year, and a very competitive one, more spending went towards the Presidential race and federal campaigns, rather than state elections. However, an alternative (or coinciding) explanation would be that the lift of the ban on expenditures from 2010 had taken effect because 2016 was the second Presidential cycle after *Citizens United* and therefore there was more money from fewer donors because the limits had been lifted.

In order to understand the relationship between these spending patterns and how they impacted polarization in the Ohio legislatures in the following years, we again look at the coinciding patterns in legislator ideology in those same cycles. Although Ohio has consistently been more controlled by Republicans in recent years, it is reflected differently in the data because it is by far more competitive between the Democrats and Republicans than either Texas or California, which are both very heavily dominated by one party. The ideology value for the legislature in Ohio, unlike California or Texas, changes between Republican (positive) and Democrat (negative) in any given year, meaning the party in the majority switches. Because there is not a consistently dominated party, we must focus on the differences in the parties each year (polarization value exclusively) as well as the changes in each parties' value to demonstrate whether or not each party was itself becoming more polarized from the previous year, *rather* than if the parties were polarizing from each other. On the Democratic side, the ideology value became more negative (more liberal) by about 0.20 over the span of the years. However, the Republican value decreased by about 0.10 (became *less* conservative) over time. Interestingly, the only year in which the Democrats controlled the majority in the Ohio State House was 2009, the year after the 2008 election, which had the highest amount of spending overall. In that year, both Houses had a relatively small difference in polarization values between the parties compared to other years (Table 4). The flip of the majority in the House is consistent with the much higher amount of spending that was spent in the previous election cycle. Additionally, in the Senate the difference was the highest out of all values in 2013, the coinciding election year which had the highest amount of spending. Yet, the increase in the number of spenders is more attributable to the spenders to House campaign races, not Senate. Furthermore, the largest increase in polarization in the House is in 2017, which is consistent with the large increase in spending in 2016. However, the polarization of the Senate is relatively inconsistent with the spending values from the matching election cycles.

Unlike the other two states that have been analyzed, Ohio had fairly consistent polarization values over time and there are not large changes in ideology. There is not a large spike in extremist ideology over time, or in the differences between the two parties. The House polarization value only increases 0.10 in 9 years, and the Senate value only increases approximately 0.040, much lower than the rise in polarization in both California and Texas (see Table 4). To compare this to spending, it is consistent with the hypothesis that spending increases polarization in that there was lower spending in the state of Ohio than both California and Texas between the years 2006-2018. The lower spending in Ohio matches up with the lower polarization. On the other hand, it is difficult to draw any other strong conclusions regarding the relationship between the two given the inconsistencies in the spending data with that state.

Table 4, Ideology & Polarization By Year (Data sourced from Shor et al.)

Year	CA - Polarization(average)	CA- House (Ideology Value)	CA - Senate (Ideology Value)	TX - Polarization(average)	TX - House (Ideology Value)	TX - Senate (Ideology Value)	OH - Polarization (average)	OH - House (Ideology Value)	OH - Senate (Ideology Value)
2007	2.7845	-1.361	-1.107	1.949	0.744	0.68	2.36675	0.574	0.765
2009	2.813	-1.379	-1.112	2.0015	0.483	0.68	2.40725	-0.385	0.656
2011	2.856	-1.427	-1.308	2.0415	1.01	0.68	2.44875	0.778	0.752
2013	2.918	-1.324	-1.368	2.125	0.974	0.739	2.5215	0.758	0.789
2015	2.866	-1.097	-1.444	2.2785	1.021	1.118	2.57225	0.728	0.789
2017	2.8945	-1.114	-1.406	2.3975	1.031	1.237	2.646	0.669	0.834

Summary and Conclusions

Overall, the data suggest a relationship between campaign spending and polarization in two of the three cases. In California and Texas, between 2006 and 2017, both independent spending and polarization increased predominantly after 2010 with the decision of *Citizens United*. In Ohio, the overall trend and the relationship between the two variables is less clear. While Ohio's level of polarization is generally increasing over time, and the Republican spending amount also is consistently increasing, the Democratic spending is inconsistent, making it difficult to draw a conclusion from the Ohio data trends. In addition, the analysis of Ohio did not demonstrate a definitive relationship between independent expenditures and polarization and *Citizens United.* However, the results presented in this paper, specifically that after *Citizens United* both polarization in the state legislatures and spending increased in two states, does suggest that this finding has influenced American political processes. As previously stated, with the limited time frame and resources available for this project, it would have been impossible to prove that *Citizens United* and the ban of limits on independent expenditures *caused* an increase in polarization in the state legislatures of California, Texas, and Ohio.

Other scholars have found evidence that supports this conclusion. Specifically, a rise in spending towards campaigns by individuals, Super PACs, and corporations will support candidates who foster more extremist ideology. In addition, the results of my research, and the patterns that do exist, namely the overall increase in both variables within two states, warrant further investigation. Given that there has not been much research done on whether there is a link between expenditure and political polarization in the states, further research should be conducted that examines this relationship across all 50 state legislatures. This research would provide a larger sample for investigating the distinction between independent expenditures and direct contribution and their effect on polarization. Research that could account for other factors influencing the increase of polarization in recent years should be conducted to find more conclusive results regarding this question. Although my conclusion is far from definitive on this issue, it does provide evidence to suggest a correspondence between the two variables, and that future research is needed. Ideally, future research would explore these variables across all fifty states. With more time and resources, a study could be conducted which accounted for other variables and influences in rising political polarization. Additionally, ideal research would potentially include a comparative analysis between individual spenders and PACs to conclude which may have a larger impact on polarization. Ideal research would also account for the impact that direct contributions and donations would have, as compared to independent variables. Such research is important for understanding how money influences the political process, and for developing policies that could minimize these impacts.

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