

# Does Money Matter in House Elections?

## Introduction

It's no secret that campaign spending has increased dramatically in the years following the *Citizen's United* decision. But do candidates that spend more money than their opponents have an unfair advantage?

Does spending favor either party?

Using data from the 2020 House election cycle, we can observe how much money really matters.

## Literature

- Harvey, A., & Mattia, T. (2022). Does money have a conservative bias? Estimating the causal impact of Citizens United on state legislative preferences. *Public Choice*, 191(3-4), 417-441.
- Schuster, S. S. (2020). Does Campaign Spending Affect Election Outcomes? New Evidence from Transaction-Level Disbursement Data. *Journal of Politics*, 82(4), 1502-1515.
- Ferguson, T., Jorgensen, P., & Chen, J. (2022). How money drives US congressional elections: Linear models of money and outcomes. *Structural Change and Economic Dynamics*, 61, 527-545.
- Epstein, D., & Zensky, P. (1995). Money Talks: Detering Quality Challengers in Congressional Elections. *American Political Science Review*, 89(2), 295-308.

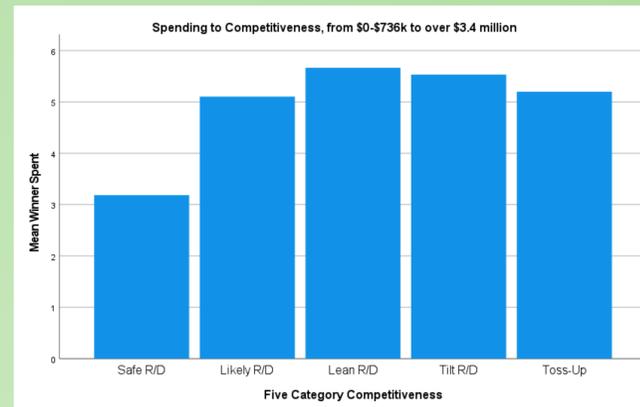
## Hypotheses and Analysis

1. As election competitiveness increases, candidate spending will increase with it.
2. Republicans spend more money than Democrats and are more likely to win high-dollar races.
3. Incumbents who spend more money are more likely to win reelection.
4. Incumbents who lose reelection bids are usually outspent by their challenger.

**Crosstabulation of Competitiveness and Amount Spent by Winning U.S. House Candidate**

		Five Category Competitiveness					Total
		Safe R/D	Likely R/D	Lean R/D	Tilt R/D	Toss-Up	
0 to 736.613	Count	73	0	0	0	0	73
		19.8%	0.0%	0.0%	0.0%	0.0%	17.0%
736k to 1.1 mil	Count	70	1	0	0	0	71
		19.0%	5.3%	0.0%	0.0%	0.0%	16.5%
1.1 mil to 1.5 mil	Count	71	0	0	0	1	72
		19.2%	0.0%	0.0%	0.0%	6.7%	16.7%
1.5 mil to 1.9 mil	Count	64	4	1	0	2	71
		17.3%	21.1%	8.3%	0.0%	13.3%	16.5%
1.9 mil to 3.4 mil	Count	53	5	2	7	5	72
		14.4%	26.3%	16.7%	46.7%	33.3%	16.7%
over 3.4 mil	Count	38	9	9	8	7	71
		10.3%	47.4%	75.0%	53.3%	46.7%	16.5%
Total	Count	369	19	12	15	15	430
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

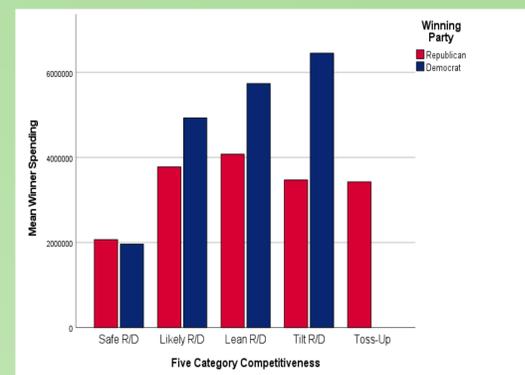
Chi Square: 113.042\*, Lambda .079\*, Phi .513\*, Cramer's V .210\* comp, .677 spending



**Crosstabulation of Winning Party's Spending Based on Competitiveness**

Winning Party	Winner Spent		Five Category Competitiveness					Total
			Safe R/D	Likely R/D	Lean R/D	Tilt R/D	Toss-Up	
Republican	0 to 736.613	Count	35	0	0	0	0	35
			21.5%	0.0%	0.0%	0.0%	0.0%	16.0%
	736k to 1.1 mil	Count	32	1	0	0	0	33
			19.6%	12.5%	0.0%	0.0%	0.0%	15.0%
	1.1 mil to 1.5 mil	Count	29	0	0	0	1	30
			17.8%	0.0%	0.0%	0.0%	6.7%	14.0%
Democrat	0 to 736.613	Count	38	0	0	0	0	38
			18.4%	0.0%	0.0%	0.0%	0.0%	17.0%
	736k to 1.1 mil	Count	38	0	0	0	0	38
			18.4%	0.0%	0.0%	0.0%	0.0%	17.0%
	1.1 mil to 1.5 mil	Count	42	0	0	0	0	42
			20.4%	0.0%	0.0%	0.0%	0.0%	18.0%
Total	0 to 736.613	Count	73	0	0	0	0	73
			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	736k to 1.1 mil	Count	70	1	0	0	0	71
			19.0%	5.3%	0.0%	0.0%	0.0%	16.5%
	1.1 mil to 1.5 mil	Count	71	0	0	0	1	72
			19.2%	0.0%	0.0%	0.0%	6.7%	16.7%
Total	1.5 mil to 1.9 mil	Count	64	4	1	0	2	71
			17.3%	21.1%	8.3%	0.0%	13.3%	16.5%
	1.9 mil to 3.4 mil	Count	53	5	2	7	5	72
			14.4%	26.3%	16.7%	46.7%	33.3%	16.7%
	over 3.4 mil	Count	38	9	9	8	7	71
			10.3%	47.4%	75.0%	53.3%	46.7%	16.5%
Total	Count	369	19	12	15	15	430	
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

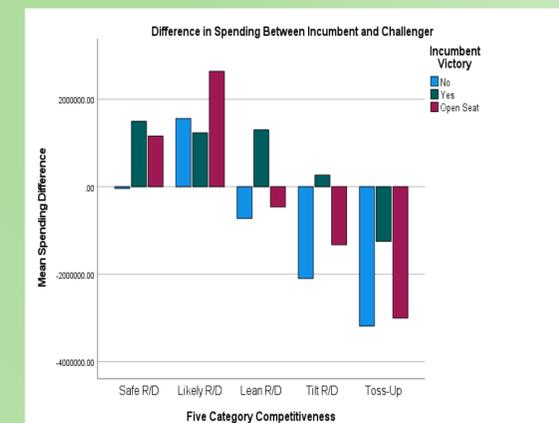
Chi Square 113.042\*, Lambda .079\*, Phi .513\*, Cramer's V .256\*



**Crosstabulation of Incumbent Victory Based on Competitiveness and Spending**

Incumbent Victory	Winner Spent		Five Category Competitiveness					Total
			Safe R/D	Likely R/D	Lean R/D	Tilt R/D	Toss-Up	
No	1.9 mil to 3.4 mil	Count	0	0	0	1	2	3
			0.0%	0.0%	0.0%	33.3%	40.0%	23.1%
	over 3.4 mil	Count	1	1	3	2	3	10
			100.0%	100.0%	100.0%	66.7%	60.0%	76.9%
	Total	Count	1	1	3	3	5	13
			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Yes	1.9 mil to 3.4 mil	Count	46	5	1	2	2	56
			56.1%	41.7%	16.7%	28.6%	33.3%	49.6%
	over 3.4 mil	Count	36	7	5	5	4	57
			43.9%	58.3%	83.3%	71.4%	66.7%	50.4%
	Total	Count	82	12	6	7	6	113
			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Open Seat	1.9 mil to 3.4 mil	Count	7	0	1	4	1	13
			87.5%	0.0%	50.0%	80.0%	100.0%	76.5%
	over 3.4 mil	Count	1	1	1	1	0	4
			12.5%	100.0%	50.0%	20.0%	0.0%	23.5%
	Total	Count	8	1	2	5	1	17
			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	1.9 mil to 3.4 mil	Count	53	5	2	7	5	72
			58.2%	35.7%	18.2%	46.7%	41.7%	50.3%
	over 3.4 mil	Count	38	9	9	8	7	71
			41.8%	64.3%	81.8%	53.3%	58.3%	49.7%
	Total	Count	91	14	11	15	12	143
			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Chi Square 8.463, Lambda .114, Phi/Cramer's V=.243



## Results and Implications

1. Candidate spending is higher in competitive elections when compared to the majority of safe races.
2. In the 2020 election cycle, money did not favor either party, but rather each party employed different strategies of disbursement.
3. Incumbents who spent over \$1.9 million in competitive races were slightly more likely to win reelection.
4. Incumbents who lost their race occasionally were outspent, but often spent more than their challenger.

Conclusion: Money matters in deterring quality challengers and keeping up with them, but incumbents who lose seem to do so for outside reasons, whether it be personal controversy or changing district demographics and party ideals.



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