

TOWARD A TYPOLOGY OF SUPER PAC'S

By: Dante Scala

University of New Hampshire

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The 2010 elections were marked by the advent of the super PAC. This new type of political action committee, spawned by a series of federal court decisions (including the Supreme Court's 2010 *Citizens United* ruling), was hailed (or denounced) as the end result of truly unfettered speech (money) in politics. Election law expert Richard Hasen summed up these new entities as follows:

This election season, the term "Super PAC" has escaped from <u>the obscure</u> world of campaign finance lawyers to emerge on the front pages of <u>major</u> <u>newspapers</u> and <u>political websites</u>. <u>Super PACs</u> are political organizations that can take unlimited sums from individuals, corporations and labor unions to spend in support of, or opposition to, federal candidates. To do so legally, a Super PAC <u>must avoid</u> certain forms of coordination with candidates.¹

Super PACs typically are associated with organizations such as American Crossroads, the conservative group started by Republican elites Karl Rove and Ed Gillespie² and touted as a "shadow" Republican National Committee.³ American Crossroads, however, was just one type of super PAC that sprung into existence in 2010, with its own particular pattern of activities and expenditures. An examination of Federal Election Commission data, as well as information collected by campaign finance watchdogs such as the Center for Responsive Politics, reveals a diverse set of entities classified under the super PAC rubric. Focusing on U. S. Senate contests, this

¹ <u>http://www.cnn.com/2012/01/09/opinion/hasen-super-pacs/index.html.</u>

² http://www.huffingtonpost.com/2010/04/05/american-crossroads-new-c_n_520712.html

³ http://www.politico.com/blogs/bensmith/0410/Shadow RNC seeks 50 million.html

exploratory paper seeks to clarify super PAC activity by creating a typology of these entities.

Overview: Super PACs and independent expenditures in 2010 congressional races

In the campaigns of 2010, American Crossroads towered over the rest (see Graph 1). Although the super PAC fell far short of its goal to raise \$50 million, it nonetheless raised far more than any other of its kind. At \$26 million, American Crossroads raised more than three times the second-best organization, America's Families First Action Fund (\$7 million.) Only two other super PACs raised more than \$5 million, Women Vote! (at \$6.5 million, the leading liberal super PAC) and the conservative super PAC Club for Growth (\$5.6 million). Five others raised between \$2 million and \$5 million, and another eight between \$1 million and \$2 million.⁴ All told, fourteen super PACs spent at least a quarter-million dollars in Senate contests.

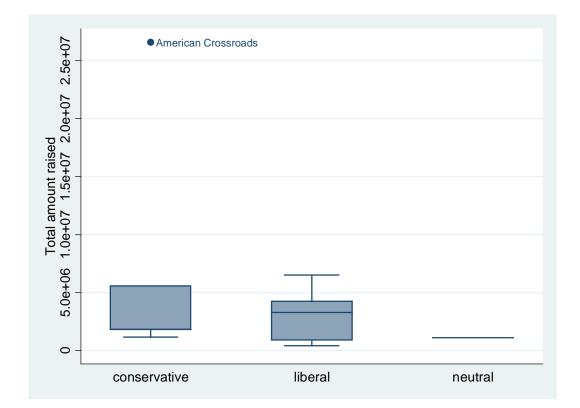
Table 1: List of super PACs that spent n	nore than \$250,000 on U.S. Senate races
(Source: Center for Responsive Politics)	
Super PAC	Viewpoint

Alaskans Standing Together	Conservative
American Crossroads	Conservative
Club for Growth Action	Conservative
Commonsense Ten	Liberal
Ending Spending Fund	Conservative
First Amendment Alliance	Conservative
League of Conservation Voters Victory	
Fund	Liberal
Natl Ass'n of Realtors Congressional	
Fund	Neutral

⁴ Data source: Center for Responsive Politics. <u>http://www.opensecrets.org/</u>

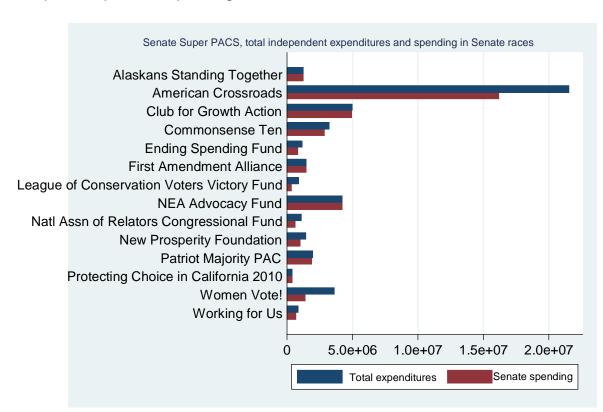
NEA Advocacy Fund	Liberal
New Prosperity Foundation	Conservative
Patriot Majority PAC	Liberal
Protecting Choice in California 2010	Liberal
Women Vote!	Liberal
Working for Us	Liberal
Protecting Choice in California 2010 Women Vote!	Liberal Liberal

Graph 1: Money raised by super PACs, by ideological "viewpoint"



(Source: Center for Responsive Politics, opensecrets.org)

As expected, super PAC spending followed a similar pattern as fund-raising. Below American Crossroads, the volume of Super PAC activity dropped off fairly steeply. No other super PAC made \$10 million in independent expenditures in 2010. Only one, the liberal America's Families First Action Fund, made more than \$5 million in independent expenditures – all on assorted House races. Another super PAC with \$3.1 million in independent expenditures, Our Future Ohio PAC, concentrated all it's spending on Ohio's gubernatorial contest as well as various state legislative races.



Graph 2: Super PAC spending in U. S. Senate races

Source: Center for Responsive Politics

This study will consider the following aspects of super PAC activity, using data filed with the Federal Election Commission (FEC):⁵

• Breadth and depth of activity. Measurements include the number of Senate races in which the super PAC participated; timing of participation (whether the

⁵ <u>http://www.fec.gov/finance/disclosure/metadata/metadataforindependentexpenditures.shtml</u>

super PAC made expenditures in September or October); and the length of activity (number of weeks in which the super PAC made purchases).

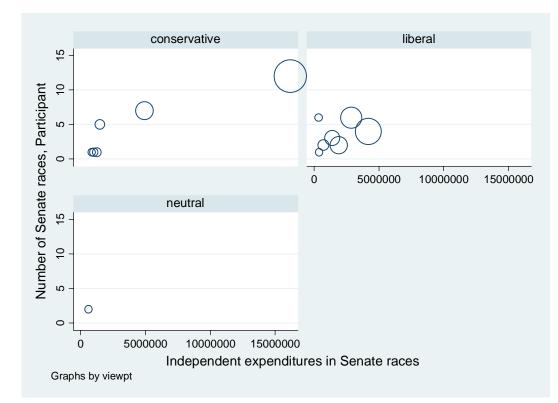
- Intensity of activity. Measurements include the number of independent expenditures made by the super PAC; and the median amount of the independent expenditure.
- Tone. Each independent expenditure made was labeled "positive" or "negative" in the FEC data, depending on the nature of the message underwritten by the expenditure.
- Type of activity. Super PAC independent expenditures paid for a variety of media, including television, radio, and Internet; traditional direct mail; phone calls; text messaging; and get-out-the-vote (GOTV) efforts.

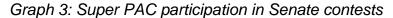
Breadth and depth of super PAC participation in Senate races

American Crossroads was nearly ubiquitous in contested Senate races, participating in a dozen such contests. Its breadth of participation was far above the norm. The median number of Senate contests in which these fourteen super PACs participated was only 2.5. After American Crossroads, the next most active was the conservative Club for Growth, which made expenditures in seven contests. The two most active liberal super PACs, Commonsense Ten and League of Conservation Voters, spent funds in half a dozen contests.

Four of the 14 super PACs examined in this paper made independent expenditures in only one race. Alaskans Standing Together, for instance, focused solely on Senator Lisa Murkowski's efforts to be re-elected as an independent after losing the Republican primary. The Ending Spending Fund only made expenditures in Nevada's Senate race, featuring Senate Majority Leader Harry Reid's bid for re-election. New Prosperity Foundation made the Illinois open seat its sole concern in the Senate. And Protecting Choice in California 2010 centered on Barbara Boxer's re-election.

As one can see from Graph 3, super PACs with more money to spend tended to participate in more races. The correlation between total amount of independent expenditures and number of Senate races equaled 0.84. (See Tables 3 and 4 at end of paper for correlations.)





Number of weeks of activity

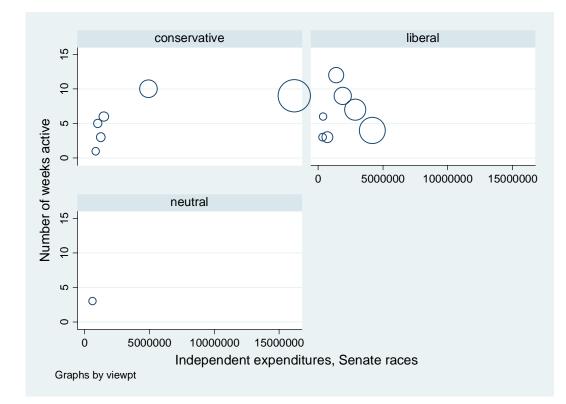
Super PACs also varied in the number of weeks they were active during the 2012 fall campaign. In this case, however, the money a super PAC had to spend was not nearly as strong a clue as to how many weeks they would be active. A positive correlation still exists (r = .40), but not a statistically significant one.

As Graph 4 indicates, the direction of the relationship between super PAC money and weeks of activity depended on its viewpoint. Conservative super PACs separated into two tiers: American Crossroads and Club for Growth, the two which raised the most money, were active for nine and 10 weeks, respectively. The four smaller groups ranged from one week to six weeks. The direction of this relationship reversed, however, among liberal super PACs. Liberal organizations which spent the most money in Senate races, such as NEA Advocacy Fund and Commonsense Ten, were active for fewer weeks than some which spent less, such as Patriot Majority and Women Vote! Liberal super PACs with little money, like their conservative counterparts, were active for fewer weeks.

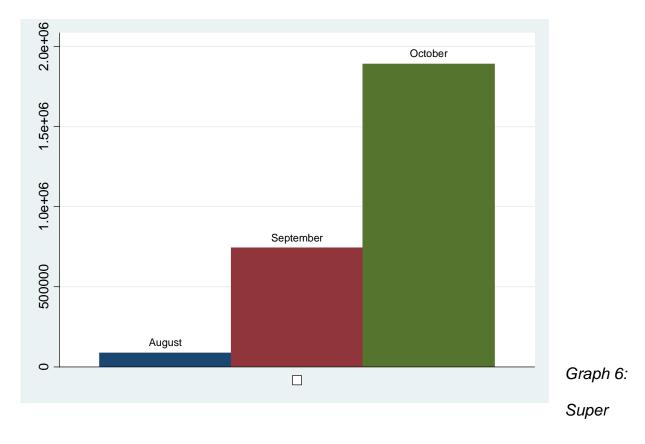
Month of super PAC activity

Super PAC activity increased dramatically in Senate races as the midterm elections neared. While the average monthly amount spent by a super PAC in August was modest, by September that figure neared three-quarters of a million dollars. During October, the average monthly super PAC expenditure neared \$2 million. (Graph 5)

American Crossroads, by far the largest of the super PACs, was far and away the most active such organization in September. Club for Growth, the number-two ranked conservative super PAC, also showed significant activity. Liberal super PACs, smaller and larger, all showed only minor activity. The correlation between a super PAC's total independent expenditures and its spending in September was .96.

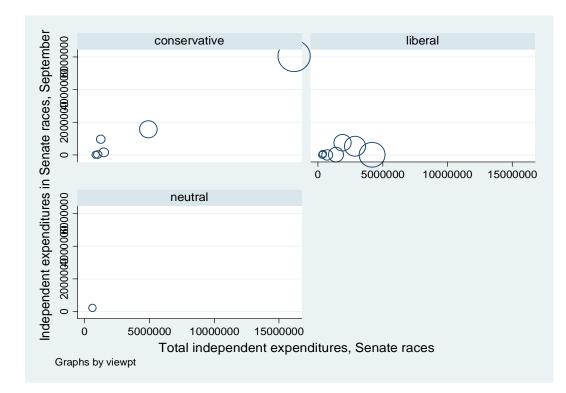


Graph 4: Number of weeks of super PAC activity, by viewpoint

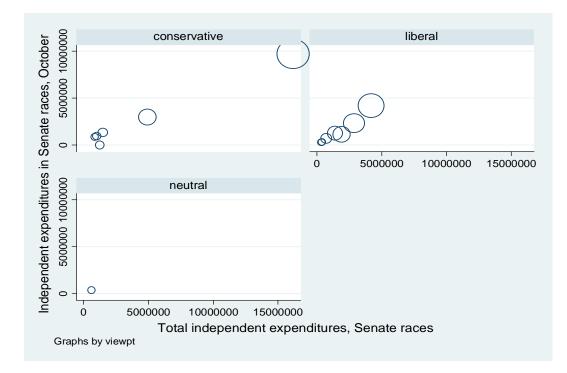


Graph 5: Average super PAC monthly expenditure, by month

PAC activity, month of September



Graph 7: Super PAC activity, month of October



In the month of October, the amount of super PAC spending in October again closely tracked total independent expenditures (r = .98). This trend was true for both conservative and liberal super PACs (Graph 7).

Intensity of super PAC activity

In this section, two measures of the intensity of super PAC activity are examined: The number of independent expenditures a super PAC made, and the median amount of those expenditures.

Total number of expenditures

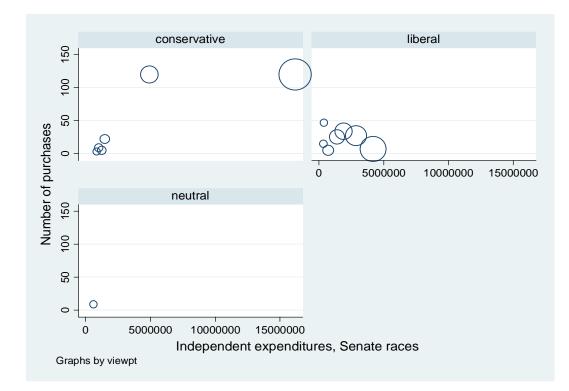
The correlation between the sum total of independent expenditures by a super PAC and the number of expenditures it made was strong and positive (0.76).

A look at Graph 8, however, indicates a significant difference in the pattern of expenditures, depending on the ideological viewpoint of the super PAC. Conservative super PACs followed the pattern expected from the correlation; super PACs spending more money, such as American Crossroads and Club for Growth, made a greater number of expenditures. For liberal super PACs, however, the total amount of a super PAC's expenditures was not a strong indicator of the total number of expenditures. *Median amount of expenditures*

No correlation existed between the total amount of a super PAC's independent expenditures and the median amount of those expenditures (r = -.03). As Graph 9 indicates, the two largest conservative super PACs, American Crossroads and Club for Growth, once again displayed a strikingly different pattern of activity than their smaller

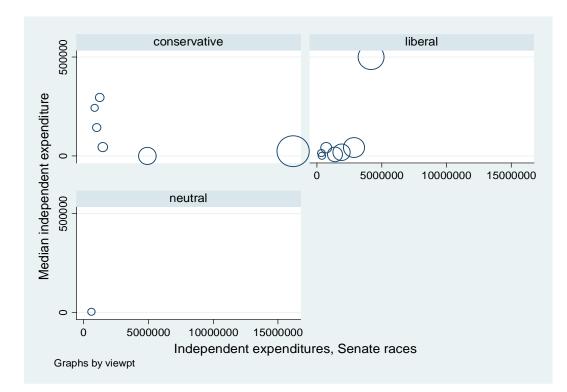
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ideological counterparts. The larger super PACs had a much lower median expenditure than their smaller counterparts. For liberal super PACs, most organizations' median buys were clustered between \$3,000 and \$40,000, with the exception of the super PAC which spent the most, NEA Advocacy Fund. NEA Advocacy's median expenditure equaled half a million dollars.



Graph 8: Number of expenditures by super PACs

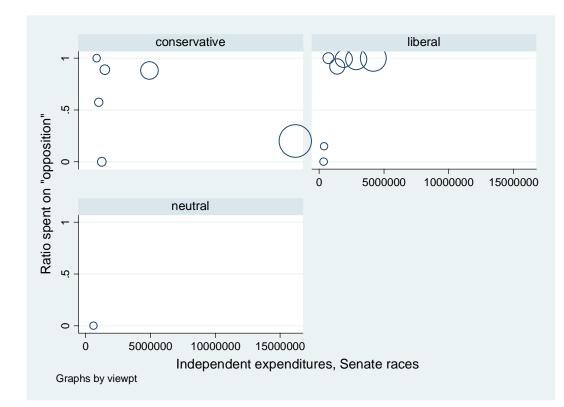
Graph 9: Median independent expenditures



Tone: Super PAC support / opposition of Senate candidates

All super PAC independent expenditures must be classified as supporting or opposing a candidate. No significant correlation existed (r < .10) between the total independent expenditures of a super PAC and the percentage of expenditures spent on support or opposition.

As Graph 10 indicates, most of the 14 super PACs studied here allocated most of their expenditures to opposing candidates. Indeed, for liberal super PACs, it was the norm to spend virtually all funds on opposing the candidates. Conservative super PACs showed somewhat more diversity in this regard, with the largest of these, American Crossroads, as the most blatant outlier.

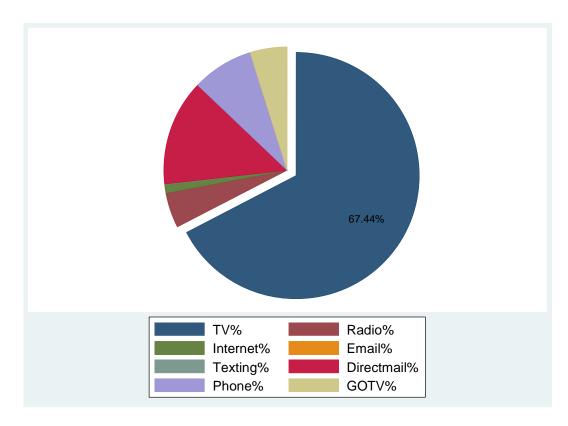


Graph 10: Percentage of super PAC expenditures spent on opposition to candidates

Type of super PAC activity

Super PACs engaged in a variety of communicative activity through their independent expenditures, including television, radio and Internet advertising; traditional direct mail; phone calls; get-out-the-vote (GOTV) activity; and e-mails and text messaging.

Overall, super PACs allocated the great bulk of independent expenditures, some two-thirds, on television advertising (Graph 11). Eleven of the 14 super PACs spent money on television; and in every single case, spending on television made up more than half of all expenditures. In five of those cases, the percentage allocated was 93 percent or more (Graph 11).



Graph 11: Allotment of super PAC independent expenditures

The next largest component of super the PACs' aggregate independent expenditures was traditional direct mail. Nine of the fourteen made expenditures on direct-mail efforts, with a range from less than 1 percent of total expenditures to more than half.

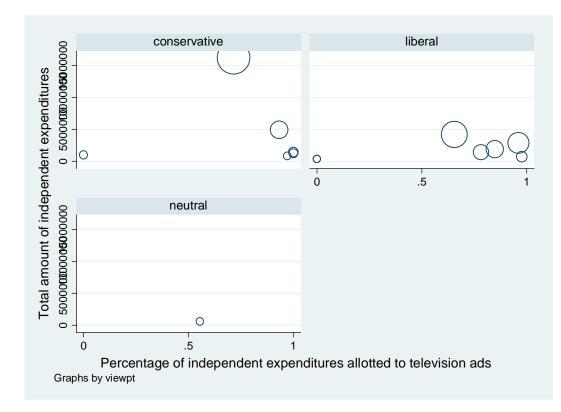
Six of fourteen super PACs made expenditures on phone calls. Four of these apportioned a small amount of their budget to this (6 percent or less), while two spent large amounts (42 percent by the New Prosperity Foundation; 57 percent by the League of Conservation Voters Victory Fund).

Five of fourteen super PACs made expenditures on radio. Three only invested 6 percent or less of their budget on radio, while two (NEA Advocacy and Protecting

Choice in California) allotted significant amounts (35 percent and 21 percent, respectively).

Only two organizations, League of Conservation Voters and Protecting Choice in California, allotted significant amounts of their budgets to GOTV efforts. American Crossroads allotted just 2 percent of what was a considerably larger budget.

Graph 12: Super PAC television expenditures, as portion of all independent expenditures



Analysis: Toward a typology of super PACs

A simple regression analysis of super PACs' diversity of spending (below, Table 2), i.e. the number of communications channels on which the super PAC spent money,

indicates that the difference between a large super PAC and a small one is not simply one of degree, but of kind.

. regress multimedia senindexp viewpt2									
Source	SS	df	f MS		df MS			Number of obs = $F(2, 11) =$	
Model Resi dual	22. 4308209 12. 4977506	2 11		11. 2154104 1. 13615914		Prob > F = R-squared = Adj R-squared =	= 0.0035 = 0.6422		
Total	34. 9285714	13	2. 6868	31319		Root MSE =	1. 0659		
multimedia	Coef.	Std.	Err.	t	P> t	[95% Conf. Ir	iterval]		
seni ndexp vi ewpt2 _cons	3. 36e- 07 1. 00189 . 50824	7. 63e . 4961 . 9507	829	4. 41 2. 02 0. 53	0. 001 0. 069 0. 604	0902006 2	5. 04e- 07 2. 093982 2. 600856		

Table 2: Analysis of Super PACs' diversity of spending

The higher the amount of the super PAC's independent expenditures, the more diverse the super PAC's spending. Super PACs with more to spend were more likely to diversify their communications efforts.

In this final graph (13), all super PACs are combined, regardless of ideological viewpoint. If the graph is divided into four quadrants, one might typify these Senate-oriented super PACs as follows:

- Local grassroots. Super PACs in this group concentrated on a few Senate contests, and invested most of their money into grass-roots and GOTV efforts. This group would include:
 - New Prosperity Foundation, which spent on direct mail and phone in the Illinois Senate race alone;
 - Protecting Choice in California 2010, which focused solely on the California Senate race, spending money on various GOTV efforts and some radio advertising.

- Local broadcast. These super PACs concentrated on one or a few Senate contests, investing the great majority of their money into messaging via broadcast media. They include:
 - Alaskans Coming Together (money spent in one Senate race, 100 percent

on television)

- Ending Spending Fund (money spent in one Senate race, 97 percent on television)
- Working for Us (money spent on two Senate races, 98 percent on television)
- Patriot Majority (two Senate races, 85 percent television)
- NEA Advocacy Fund (four Senate races, 65 percent television, 35 percent radio)
- National Association of Realtors (two Senate races, television and direct mail)
- Women Vote! (three Senate races, 78 percent on television)
- **National broadcast.** These super PACs spent money in several Senate contests, investing the great majority of their money into messaging via broadcast media. They include:
 - First Amendment Alliance (money spent in five Senate races, almost 100 percent on television)
 - o Commonsense Ten (six Senate races, 96 percent on television)
 - o Club for Growth (seven Senate races, 93 percent on television)

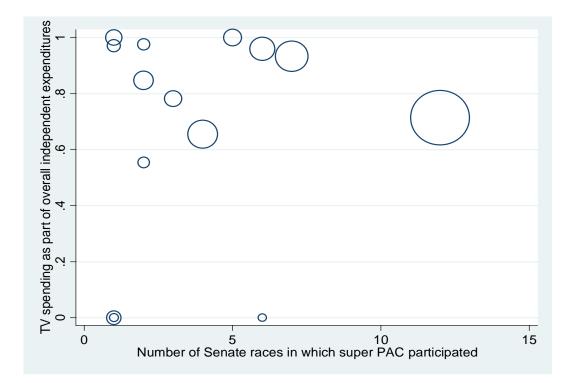
National grassroots

 The League of Conservation Voters Action Fund spent money in half a dozen Senate contests, all on phone and GOTV efforts.

National full-service PACs.

At the beginning of this paper, the ambitions of American Crossroads' founders were noted: to become, in essence, a shadow to the Republican National Committee. Quite arguably, they largely succeeded. Not only did American Crossroads participate in many more Senate races than any other super PAC (an even dozen), they participated in more ways than other super PACs, from television and radio, to direct mail and GOTV, to texting and Internet advertising.

For all the talk of super PACs, in the 2010 contest for the Senate, there was only one PAC that was truly superior, and truly came the closest to acting like a traditional national party organization. Most of the other super PACs either had a local focus, concentrated solely on television and radio advertising, or both. Occasionally a super PAC achieved diversity of communications efforts on a small scale, in a single Senate contest. Only one, however, managed to ramp up its efforts not only in terms of scope and scale, but in diversity of services to its candidates: American Crossroads.



Graph 13: Super PACs by breadth and variety of spending

Table 3: Correlations

	seni nd~p	senraces	wksact~e	buys	supppc	opppc
seni ndexp	1. 0000					
senraces	0. 8374* 0. 0002	1. 0000				
wksacti ve	0. 4099 0. 1455	0. 4377 0. 1175	1.0000			
buys	0. 1455 0. 7603* 0. 0016	0. 7457* 0. 0022	0. 6483* 0. 0121	1. 0000		
supppc	- 0. 2587 0. 3717	- 0. 1328 0. 6509	- 0. 4652 0. 0937	- 0. 3042 0. 2903	1. 0000	
opppc	- 0. 1999 0. 4933	- 0. 3052 0. 2887	- 0. 4897 0. 0755	- 0. 3006 0. 2963	- 0. 2237 0. 4421	1. 0000

Table 4: Correlations between overall expenditures and types of expenditures

	seni nd~p	tvpc	radi opc	intern~c	emailpc	textpc	dmailpc	phonepc
seni ndexp tvpc radi opc i nternetpc emai l pc textpc dmai l pc phonepc gotvpc	1.0000 0.1628 0.0032 -0.0159 0.1541 0.9408 -0.0105 -0.2119 -0.1878	1.0000 -0.2437 0.0725 0.1943 0.0321 -0.6868 -0.7742 -0.6937	1. 0000 - 0. 0044 - 0. 1283 - 0. 1104 0. 0487 - 0. 1534 0. 0922	1. 0000 0. 7165 - 0. 1599 - 0. 0076 - 0. 2497 0. 0040	1. 0000 - 0. 0769 - 0. 1842 - 0. 1284 - 0. 1111	1.0000 0.1272 -0.0990 -0.0615	1. 0000 0. 2808 0. 0467	1. 0000 0. 7036