



**By: Kurt Walters**

October 1, 2013

[publiccampaign.org/countryclub](http://publiccampaign.org/countryclub)

 **PUBLIC**  
**CAMPAIGN**  
OF, BY, AND FOR THE PEOPLE.

# Executive Summary

---

On October 8<sup>th</sup>, the United States Supreme Court will hear oral arguments in a case that could take a political system already centered on big money and put power even further into the hands of Wall Street bankers, billionaires, and K Street lobbyists. The case, *McCutcheon v. FEC*, is a challenge to the limit on the overall amount of money that a donor may contribute to federal political candidates, parties, and political action committees, often referred to as the “aggregate contribution limit.” Without this “superlimit,” large donors would have even more opportunity to influence government to obtain the policies they want.

Public Campaign analyzed campaign finance records and census demographic data to paint a portrait of the donors most likely to pour more money into elections if the Supreme Court strikes down the limit—those who already give at or close to the cap. These elite donors stand apart from the rest of America; they are overwhelmingly wealthy, white, and male.

## Key Findings

- **These donors are a tiny, elite group.** Only four in one million Americans neared or reached the aggregate contribution limit of \$117,000 in 2012, 1,219 people. But one in six billionaires has a spot among these elite donors, including three of the richest five Americans: Larry Ellison, Charles Koch, and David Koch. Other names on the list include Hollywood moguls Steven Spielberg and Jeffrey Katzenberg, K Street power lobbyists Tony Podesta and H. Stewart Van Scoyoc, and Wall Street titan Charles Schwab.
- **These donors come from the wealthiest parts of America.** Nearly half of the elite donors (47.6 percent) live in the richest one percent of neighborhoods, as measured by per capita income, and more than four out of every five (80.5 percent) are from the richest 10 percent.
- **Wall Street dominates the ranks of elite donors.** Twenty-eight percent of donors come from Wall Street and the financial sector, leading New York State to have more elite donors than 32 states combined.
- **The big money system shuts out people of color and women.** While more than one-in-six Americans live in a neighborhood that is majority African-American or Hispanic, less than one-in-50 superlimit donors do. Women are also underrepresented, making up only one-quarter of the elite donors.

# Introduction

---

The cost of elections climbs higher every campaign cycle, with the record \$6.3 billion spent for 2012 more than doubling the \$3.1 billion from 2000. Because of this, a small number of large donors have grown in importance to political campaigns, which must raise ever more money to compete for office.

Meanwhile, Americans see their elected leaders as more beholden to their well-heeled campaign donors than their constituents. Right after the election, Public Campaign Action Fund polling found that nearly two-thirds of voters said big donors and secret money are undermining democracy in the election.<sup>1</sup>

One of the last checks on this big money influence are the limits on contributions that go directly to a candidate, political party, or political action committee (PAC), the contributions that hold the highest risk of corruption. But if the Supreme Court backs the plaintiffs in the upcoming *McCutcheon v. FEC* case, it could open the lid on even more big checks flowing from wealthy donors straight to gracious—and indebted—politicians, drowning out the voices of the vast majority of Americans who lack the bank accounts to keep up.

Alabama businessman Shaun McCutcheon and the Republican National Committee are challenging the “aggregate contribution limit”—the overall amount that a donor may give directly to candidates, parties, or PACs over a two year period. This limit was put into place as an anti-corruption measure during the post-Watergate reforms, aiming to keep campaign donors from doing an end run around limits on the amount of money a single donor could give to a political candidate or party.

The aggregate limit began as \$25,000 in contributions per year. The Bipartisan Campaign Reform Act (“McCain-Feingold”) of 2002 increased the aggregate limit to \$95,000 per two-year election cycle and set it to increase every other year with inflation.

Figure 1: Aggregate Limits Over Time

Year	Aggregate Limit	Candidates	Parties/PACs	PACs (non-party)
2014	\$123,200	\$48,600	\$74,600	\$48,600
2012	\$117,000	\$46,200	\$70,800	\$46,200
2010	\$115,500	\$45,600	\$69,900	\$45,600
2008	\$108,200	\$42,700	\$65,500	\$42,700
2006	\$101,400	\$40,000	\$61,400	\$40,000
2004	\$95,000	\$37,500	\$57,500	\$37,500
Pre-BCRA	\$50,000*	n/a	n/a	n/a

\*Before the passage of McCain-Feingold, the aggregate contribution limit was a \$25,000 per-year limit without aggregate sub-limits for candidates, parties, or PACs.

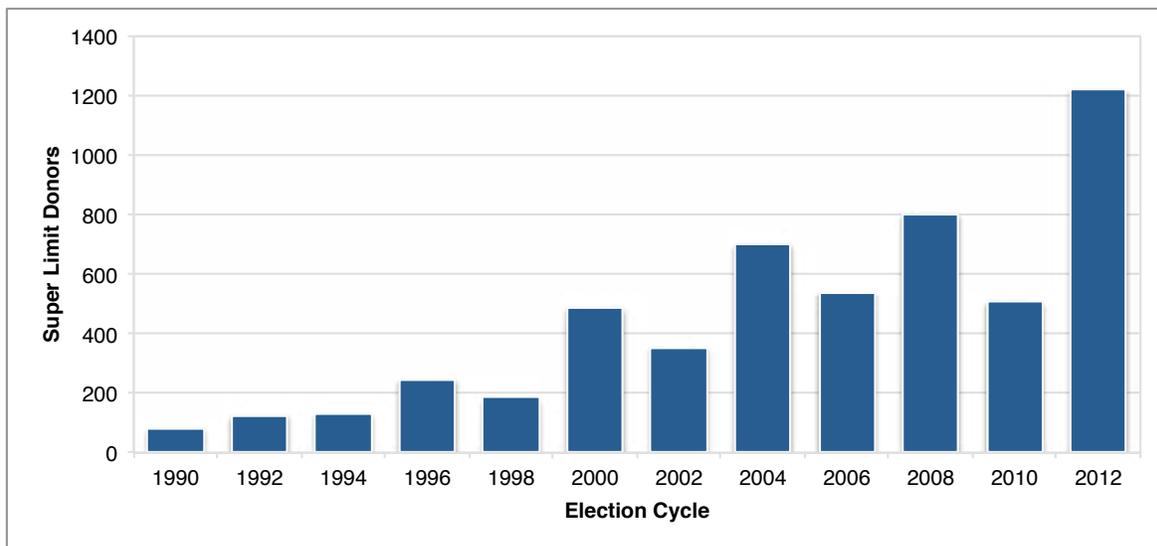
Since the landmark *Buckley v. Valeo* Supreme Court case in 1976, the court has accepted contribution limits as an effective tool for combating corruption and its appearance. If the court changes course and strikes down the aggregate contribution limit, big money politics could get super sized. If that happened, we could see 2016 presidential candidates directly soliciting contributions of nearly \$1.2 million from a

single donor to a joint fundraising committee.<sup>2</sup>

While striking down the superlimit would, in itself, be harmful for democracy, the court is considering an even more extreme suggestion. The court granted Senate Minority Leader Mitch McConnell's (R-Ky.) request that his lawyers be allowed to argue for the elimination of all contribution limits. That step would put America in a Wild West of campaign finance, allowing checks of any size—\$5 million, even—to be written directly from a donor to a candidate's campaign coffers.

Even under the current rules, an increasing number of donors have tried to maximize the influence available to them, reaching or nearing the overall contribution limit. Many of them are the same mega-donors who took advantage of Supreme Court's deregulatory zeal in a series of cases like *Citizens United v. FEC* to send unlimited contributions to outside spending organizations like super PACs backing candidates they favor. Critically, though, these groups are theoretically independent of candidates, providing a check on how much influence a donor can gain over a politician.

**Figure 2: More Donors Hitting Aggregate Cap**



If the court removes the aggregate cap—or takes the even more radical step suggested by McConnell and eliminates all limits—it's likely that many of these same donors will be the ones who take advantage of the new system.

## Our Analysis

Public Campaign compiled a list of the campaign donors who neared or hit the overall contribution limit of \$117,000 in the 2012 election cycle. These are the donors whose political contribution plans may have been affected by the aggregate limit, and if the limit is eliminated by the Supreme Court, these donors will be the first ones with their phones ringing off the hook with requests for more and bigger contributions.

Donors were selected based on an analysis of campaign finance data filed with the Federal Election

Commission and enhanced by the Center for Responsive Politics to find which donors gave within 10 percent of the aggregate limit for the 2012 cycle, at least \$105,300 to candidates, party committees, and PACs. Only a tiny, elite group of 1,219 donors hit this threshold—four out of every one million Americans (0.0004 percent). The \$105,300 necessary to qualify for this list is almost exactly what the median U.S. family would earn in two full years.

Then, using data from the U.S. Census Bureau's American Community Survey and home address information from campaign finance filings, we were able to analyze the demographic characteristics of these donors' neighborhoods. A full discussion of methodology appears later in the report.

Because of the nature of aggregated data, trends discernable from their neighborhood census data likely severely understate the magnitude of donor differences from the rest of the population. Still, from this analysis and pulling in other data sources like the Forbes magazine billionaires list, we found that no matter how you slice it, these donors don't look like the rest of America. In wealth, occupation, gender, and race, these donors look much more like the traditional elite group of power brokers than a portrait of the diversity found across America.

Shaun McCutcheon might try to portray himself as a "regular guy with a successful engineering business outside Birmingham," as USA Today recently described him,<sup>3</sup> but the facts paint a different picture. Through means such as the Conservative Action Fund super PAC McCutcheon runs as well as candidate and party contributions, McCutcheon gave more than \$430,000 to state and federal political efforts in 2011 and 2012.

The Tax Policy Center estimates that the top one percent of earners in 2011 would take home \$532,613. So unless Shaun McCutcheon spent over 40 percent of his (pre-tax) earnings on political contributions over those two years, he's almost certainly in the richest one percent. He probably has an even more lofty status in Alabama, the fifth poorest state in the nation.

Far from "regular guys," donors like McCutcheon already have a huge influence on American business, culture, and priorities, and are able to leverage even more control based on a money-in-politics system in which large checks determine the political agenda. This report finds that lifting the aggregate contribution cap would give more power to the powerful and further drown out voices that are already marginalized in the public debate.

# Big, Partisan Money

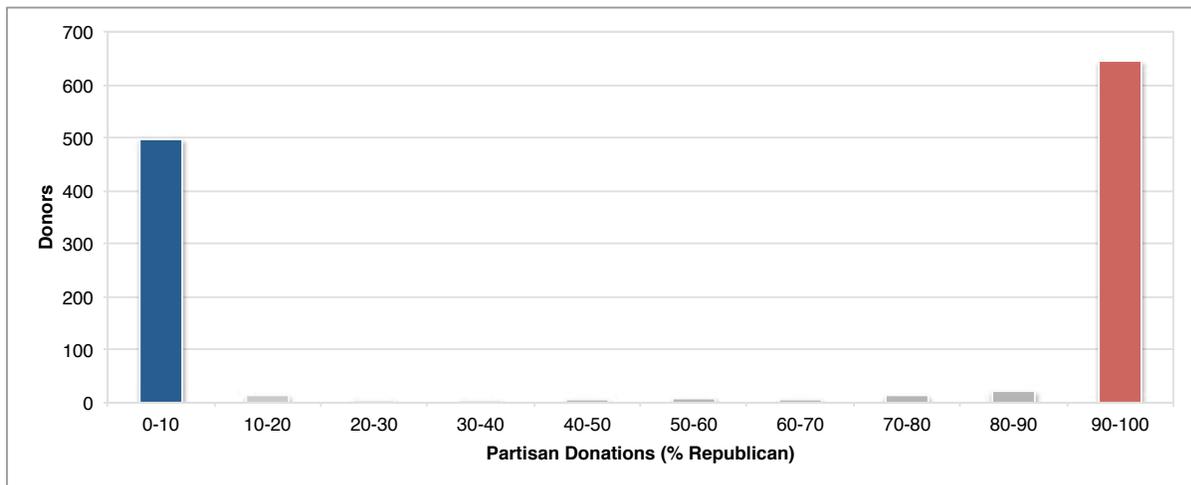
Despite being few in number, the elite donors in this report have a hugely outsized impact on the funding of political campaigns in this country. The 1,219 donors who approached the limit in the 2012 election cycle totaled over \$150 million in direct contributions to candidates, parties, and PACs—the bound by the aggregate limits being challenged in *McCutcheon*.

If the court were to strike down the aggregate contribution limit, a candidate could solicit contributions of over \$1 million from a single donor to a joint fundraising committee for their party's committees. Both parties could expect to benefit, as the money from these elite donors went 56.2 percent to Republicans and 40.9 percent to Democrats, with the rest going to third party candidates or PACs.

But on the individual scale, the money these elite donors give is highly partisan, and further empowering these donors is likely to further exacerbate political polarization and partisan gridlock. The elite donors list from 2012 includes the sort of big money boogymen that feature in frantic fundraising emails from both liberal and conservative groups, including Sheldon Adelson and the Koch brothers on the right, and George Soros and Jeff Katzenberg on the left.

In fact, 85.5 percent of these donors gave almost exclusively (90 percent or more) to one party or the other, with 47.9 percent favoring Republicans and 37.6 percent supporting Democrats. Much of the rest went to PACs, which often lean toward one party or the other.

**Figure 3: Big Donors are Partisan Donors**



Filtering out contributions to PACs and third party candidates and looking at just the money that went to one major party or the other, the picture is even clearer. Over 93 percent of these donors gave more than nine out of every 10 dollars to the candidates and party committees of one party or the other. Aggregate limits are one of the few remaining blocks on outright domination of politics by the wealthy elite, and several of these donors have made clear that they will use political contributions to gain as much influence as is possible under the system.

Ken Griffin, the billionaire hedge fund manager of Citadel Investment Group who said that the ultra-wealthy “have an insufficient influence” on politics,<sup>4</sup> hasn’t been afraid of maximizing his influence under the current rules.

While maxing out his hard money contributions, Griffin also donated \$1.55 million to the pro-Mitt Romney super PAC, Restore Our Future, and another \$1 million to the conservative American Crossroads. Without the aggregate contribution cap, a candidate for president would be able to solicit this type of \$1 million check directly from Griffin, giving him a level of influence and access that has little precedent in the post-Watergate era.

## Donating with the Stars

Some elite donors on the list have names that many would associate more with the red carpet at the Academy Awards in Hollywood than the marble halls of Congress in Washington.

Actors Kate Capshaw, Rita Wilson, and Nancy Stephens make the list, as do media personalities like Garrison Keillor of A Prairie Home Companion and talk show host Jerry Springer. Several media executives also grace the list, including the three founders of DreamWorks Studios, Stephen Spielberg, Jeffrey Katzenberg, and David Geffen, and Walt Disney Studios chairman Alan Horn.

In contrast to some of the other industries like Wall Street bankers or energy that lean to the right, most donors in the TV, Movies, and Music industry back Democrats heavily, with elite entertainment donors giving more than five dollars to Democrats for every dollar to the GOP.



# A Portrait of the Elite

---

When politicians talk to the big donors who garner the most attention, they're speaking with a group that looks strikingly different from the country and communities they are elected to represent. Simply put, these donors are far more likely to be wealthy, white, and male—and they are precisely who the big money driven political system empowers the most.

## Wealth

*“And just as intensity of support can be divined by the number of volunteer hours spent, for many if not most contributors the intensity of support is directly related to the size of the check.”*

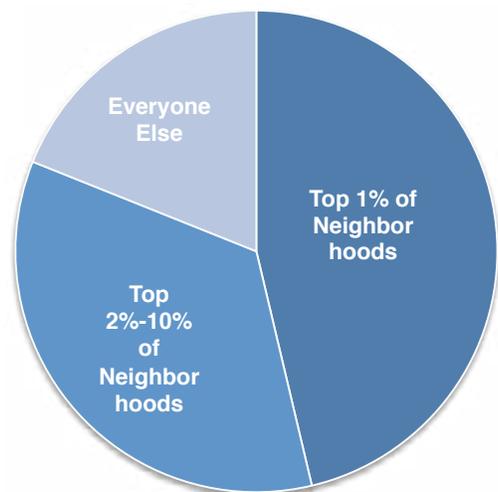
- Brief submitted on behalf of Senate Minority Leader Mitch McConnell (R-Ky.)<sup>5</sup>

In his amicus curiae “friend of the court” brief for *McCutcheon*, Sen. McConnell argues that the type of large checks that these elite donors write to candidates or political parties merely reflects their strong support. But obviously, most Americans lack the bank accounts necessary to write those sorts of checks, and get the attention they garner from elected officials, regardless of how strongly they feel about politics.

No one with \$100,000 to spend on politics can be considered hard up for money, but Public Campaign’s analysis shows that these large contributions are a true one percenter’s game.

- Almost half (47.6 percent) of the superlimit donors live in the wealthiest one percent of neighborhoods in America, and more than four out of five (80.5 percent) live in the top 10 percent. Again, this probably understates how elite these donors truly are as any trend that shows up in neighborhood averages is likely much stronger at the individual level.
- Poverty is nearly non-existent in these neighborhoods, at only one-seventh of the national rate of one in seven people. Eighteen percent of elite donors lives in a neighborhood that the Census Bureau estimates has a poverty rate of zero. On the other hand, over half of Americans are estimated to experience poverty by age 65.
- Even the widespread persistence of unemployment is easy to ignore, as more than 86 percent of elite donors live in neighborhoods with below-average unemployment.<sup>6</sup>

Figure 4: Donors in Elite Neighborhoods



It's little wonder that Sen. Chris Murphy (D-Conn.) has said the donors he must dial during “call time” to keep pace with his fundraising targets—who must be able to give at least \$1,000 to get on the list: “have fundamentally different problems than other people.” For instance, citing an investment tax provision

important to many wealthy individuals, he said, “I talked a lot more about carried interest inside of that call room than I did in the supermarket.”<sup>7</sup>

Increasing amounts of academic research confirm what many people already feel: the wealthy have different priorities and concerns than the rest of America, and the political system reflects their concerns far more than those of everyday people.

A recent report by think tank Demos highlights research showing that while twice as many Americans name jobs and the economy as their top priority compared to deficit reduction, the wealthy have the opposite priority, favoring deficit reduction over jobs by a two-to-one margin.<sup>8</sup> Princeton University political scientist Martin Gilens writes, “The American government does respond to the public’s preferences, but that responsiveness is strongly tilted toward the most affluent citizens. Indeed, under most circumstances, the preferences of the vast majority of Americans appear to have essentially no impact on which policies the government does or doesn’t adopt.”<sup>9</sup>

These problems are getting more extreme as income inequality has continued to increase in the United States. The Economic Policy Institute found that between 1979 and 2007 the top one percent of households saw incomes increase 240.5 percent (adjusted for inflation), compared to only 19.2 percent for the middle fifth of households.<sup>10</sup> Post-financial crisis, the situation has become even more divergent. The wealthiest seven percent of households saw net wealth increase 28 percent between 2009 and 2011, while the other 93 percent of households actually saw a loss of four percent, according to Pew Research.<sup>11</sup> Much of this disparity was due to richer households having more investments in financial holdings, which we will see also mirrors the Wall Street professions of many of the elite donors.

## Billionaires

An American’s chances of finding himself on this list of elite donors is lower than his chance of being on the roster of an NFL team, but one group shows up with stunning frequency: billionaires.

- Of the 442 U.S. billionaires on the *Forbes* world billionaires list, 69, or about one in six, make this exclusive list of top donors, including 26 of the richest 100 Americans.
- Three of the richest five Americans are top donors: Larry Ellison of Oracle and Charles and David Koch of Koch Industries.
- The total net worth of these billionaires is \$439 billion, which would take 100,000 typical American families a literal lifetime—83 years—of labor to earn.

This enormous wealth also means that if the Supreme Court accepts Sen. McConnell’s argument and does away with contribution limits altogether, these 69 billionaires alone could match the entire \$6.3 billion spent in the 2012 elections by tapping less than 1.5 percent of their net worth.

## Penny Pritzker: Elite Donor, Commerce Secretary

Giving enough money to join this list of elite donors certainly helps you influence the decisions of policymakers. But it can also help you get into a position of influence yourself. Secretary of Commerce Penny Pritzker got nominated to her current spot after success in bringing in big dollars for Democrats, including as President Obama’s 2008 national finance chair and as a bundler of at least \$500,000 for his 2012 re-election campaign.

Pritzker is worth an estimated \$1.85 billion as an heir of the Hyatt hotel fortune and ranks among the 300 richest Americans. In addition to her contributions to Obama and the Democratic National Committee, she gave between \$1,000 and \$5,000 to eight Democratic members of the U.S. Senate, where she breezed through confirmation on a 97-1 vote. Her brother Anthony is also on the elite donors list, although he gave almost exclusively to Republicans in 2012.



## Occupations

The professions of the *McCutcheon* donors reflect their elite status just as strongly as do their posh neighborhoods. Based on analysis of industry and sector coding by the Center for Responsive Politics, we can see that some well-paying industries have far more than their fair share of elite donors.

Far and away, Wall Street and the financial sector dominates this list of donors (28.5 percent), followed by Miscellaneous Business (13.4 percent), which includes everything from manufacturing and gambling to business services like management consulting. The next highest category, Other (13.3 percent), mainly consists of retirees who made their fortunes in one of these other top industries. Finally, nearly a tenth of the donors come from the prestigious legal and political influence field, Lawyers & Lobbyists.

Most of these donors are at the top of their organizations. Two hundred and twelve of them list their job title as some variation of CEO, President, or Chairman—or in two cases, all three.

Figure 5: Elite Donor Sectors

Sector	Donors	Percent
Finance, Insurance & Real Estate	347	28.50%
Misc Business	163	13.40%
Other	162	13.30%
Lawyers & Lobbyists	120	9.80%
Ideological/Single-Issue	113	9.30%
Communications/ Electronics	86	7.10%
Energy & Natural Resources	71	5.80%
Health	48	3.90%
Construction	36	3.00%
Transportation	32	2.60%
Agribusiness	20	1.60%
Unknown	19	1.60%
Defense	2	0.20%

## Wall Street

Well over a quarter of elite donors come from Wall Street and the financial sector, with the majority of those donors working in the Securities & Investment industry that Wall Street is known for and that led in large part to the financial crisis in 2008. Being the primary source of campaign money that political parties and politicians turn to helps cement the political power of the industry and helped it weather the worst financial crisis since the Great Depression with virtually no accountability. As Sen. Dick Durbin (D-Ill.) famously said, even after the 2008 meltdown, “the banks ... are still the most powerful lobby on Capitol Hill. And they frankly own the place.”<sup>12</sup>

Ironically, the oral arguments for *McCutcheon* come almost exactly five years after the Troubled Asset Relief Program (TARP), or bank bailouts, were signed into law: October 3, 2008. As a testament to Wall Street’s power under this big money system, even widespread voter discontent has not been enough to force a clampdown on big banks.

The one main piece of financial reform legislation that was able to pass in the wake of the financial crisis, the Dodd-Frank Wall Street Reform and Consumer Act has been ground to a near halt by lobbyist and industry pressure. Rule-making has been anemic, with only 158 out of the called for 398 rules finalized by July 15, 2013 and 172 out of 279 rule-making deadlines missed by regulators, according to the Washington Post.<sup>13</sup>

## K Street

In an industry in which influence and access is what’s sold, it’s only fitting that lobbyists are well represented in the elite donors list. And the more powerful the lobbyist, the more likely they are contributing near the aggregate limit, taking full advantage of their ability to curry favor through campaign donations. At the type of swanky fundraising events where large contributions are typically made, these lobbyists have a chance to make their clients’ cases directly to the member of Congress who will be making a policy decision.

The 40 lobbyists on this list include one or more principals at 27 different Washington lobbying firms. Six of those firms are among the largest 15 in Washington, with eight-figure lobbying contracts in 2012. Their principals include Tony Podesta of Podesta Group (\$27.4 million), H. Stewart Van Scoyoc of Van Scoyoc and Associates (\$22.2 million), Steven Hart, principal of Williams & Jensen (\$18.0 million),

Figure 6: Elite Donor Industries

Industry	Donors	Percent
<b>Securities &amp; Investment</b>	186	15.30%
<b>Retired</b>	122	10.00%
<b>Real Estate</b>	91	7.50%
<b>Lawyers/Law Firms</b>	80	6.60%
<b>Misc Finance</b>	46	3.80%
<b>Business Services</b>	43	3.50%
<b>Oil &amp; Gas</b>	43	3.50%
<b>Lobbyists</b>	40	3.30%
<b>TV/Movies/Music</b>	40	3.30%
<b>Misc</b>		
<b>Manufacturing &amp; Distributing</b>	38	3.10%
<b>Pro-Israel</b>	29	2.40%
<b>Computers/Internet</b>	27	2.20%
<b>Non-Profit Institutions</b>	23	1.90%
<b>Republican/Conservative</b>	19	1.60%
<b>Women's Issues</b>	19	1.60%
<b>Automotive</b>	18	1.50%
<b>Pharmaceuticals/Health Products</b>	16	1.30%
<b>Human Rights</b>	15	1.20%
<b>Mining</b>	15	1.20%

## Corporate CEOs For Corporate Tax Breaks?

Why do some of these donors give so much? At least nine CEOs from this donor group have joined corporate coalitions like the Business Roundtable, Alliance for Competitive Taxation or Fix the Debt, which all call for lower corporate tax rates or tax systems that would allow their companies to avoid taxes on profits stashed overseas. Many in the same breath call for “shared sacrifice” in the form of cuts to earned benefits programs like Social Security or Medicare.



**Larry Ellison**, the third wealthiest person in America, heads up Oracle, a member of one of the newer corporate coalitions, Alliance for Competitive Taxation, which is calling for a cut to the corporate tax rate from 35 percent to 25 percent. Ellison’s instincts for avoiding taxes also apply to his personal life. He won an estimated \$3.06 million tax refund after arguing for a reassessment of his 23-acre Woodside home, which includes two waterfalls and two bridges, from \$173 million in 2007 to \$70 million in 2008.<sup>14</sup> That move single-handedly exacerbated a school district’s budget shortfall by as much as \$300,000. Ellison may have applied some of the savings to his hobby of yacht racing, winning the America’s Cup yacht race in 2013 at a cost of \$100 million.<sup>15</sup>



ExxonMobil CEO **Rex Tillerson** is a member of the Business Roundtable, which launched its Home Court Advantage campaign in March, also calling for a 25 percent corporate tax rate as well as a “territorial” tax system to eliminate taxes on overseas profits. Exxon had \$47 billion in unrepatriated funds in 2011, according to Citizens for Tax Justice. Exxon paid a tax rate of only 14.2 percent between 2008 and 2010,<sup>16</sup> despite in 2008 earning \$45.2 billion, “more money in a single year than any corporation in history.”<sup>17</sup> Last year, Tillerson got a 15 percent raise to \$40.3 million,<sup>18</sup> which puts him in the top 50 highest paid CEOs.<sup>19</sup>



A member of the Fix the Debt coalition and the Business Roundtable, “vulture investor” **Wilbur Ross** has a primary home in a Florida neighborhood that is 100% non-Hispanic white. His 12,000 square foot “manor” there, also dubbed “Windsong,” is valued at \$11 million. There’s plenty of space to entertain, making it an excellent location for high-priced fundraisers such as the ones Ross hosted for Senate Minority Leader Mitch McConnell in March and former presidential candidate Mitt Romney last October.

Gerald Cassidy of Cassidy & Associates (\$15.5 million), and Wayne Berman, who recently left Ogilvy Government Relations (\$13.6 million). Other prominent lobbyist names include Heather Podesta (the other half of the Podesta power duo), former Sen. Dick Gephardt of Gephardt Government Affairs, David Castagnetti of Mehlman, Vogel, Castagnetti Inc, and Sam Geduldig of the Clark Group.

## Energy

The energy sector also plays heavily in the elite donor pool. Almost six percent of donors come from energy-related industries, with over half of them working in the oil industry. Many of the donors are top industry leaders, including the CEOs of Anadarko Petroleum, ExxonMobil, Murray Energy, Koch Industries, and Continental Energy.

The fossil fuel industry has a large cadre of backers in Congress, recently coming close to derailing the nomination of Gina McCarthy to be Administrator of the Environmental Protection Agency out of opposition to Obama Administration plans to regulate carbon pollution. Similarly, backers of the controversial Keystone XL pipeline project have passed seven bills in the House to try to legislate approval of the project, which is normally subject to presidential approval, and are now trying to tie its approval as a condition for increasing the debt ceiling.<sup>20</sup>

Furthermore, the Congressional Joint Committee on Taxation estimates that ExxonMobil and the rest of the largest five oil companies save over \$2 billion per year in tax breaks from the federal government.<sup>21</sup> These tax breaks would have been repealed with the Repeal Big Oil Tax Subsidies Act of 2012, which won majority support but was blocked by a filibuster.

Several of the energy donors on this list have used less orthodox means in their attempts to gain more political influence. Murray Energy CEO Robert Murray required his employees to attend a Mitt Romney campaign event without pay and allegedly pressured his employees to give to his preferred candidates, sending out at least one note listing out names of employees who hadn't yet given.<sup>22</sup>

## It's a Man's World

---

The Center for Responsive Politics recently reported that, “even though women are more evenly represented in Congress than ever before, the ‘donor gap’ between men and women is still real, and remarkably steady.”<sup>23</sup> That divide is equally apparent, if not more pronounced, among this group of donors.

Of donors for whom gender data were available, only 25.7 percent of the elite donors in 2012 were women, even lower than the paltry one-third of donors giving at least \$200 to a federal campaign that election cycle.

Also, 304 superlimit donors have a spouse or other family member as another member of list, which could indicate either a very politically interested family or a way for one donor to circumvent the existing limits through contributions in his or her spouse's name. Of the donors without another family member on the list, only 17.7 percent are women.

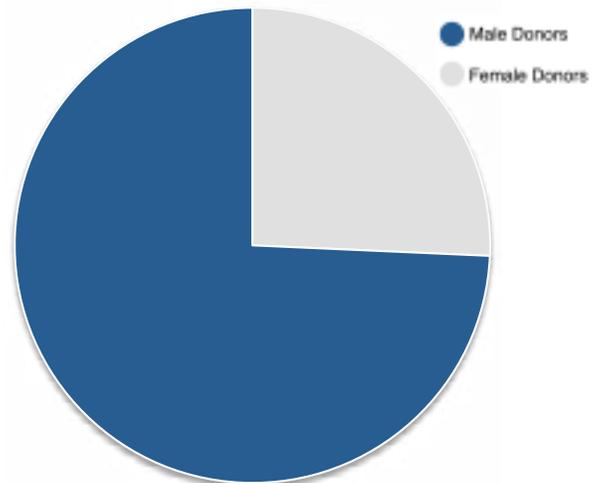
Women’s relative lack of representation in the fundraising realm is mirrored in Congress, where women make up only 20 of 100 senators and 17.9 percent of the House of Representatives.

House Minority Leader Nancy Pelosi (D-Calif.) identifies big money as a key factor holding this number down: “If you reduce the role of money in politics and increase the level of civility, you’ll have more women elected to public office, and sooner, and that nothing is more wholesome to the governmental and political process than increased participation of women.”<sup>24</sup>

In contrast, further increasing the role of money in politics by removing the aggregate contribution limit means the Supreme Court may end up pushing down women’s role in campaigns even further. CRP’s “Sex, Money and Politics,” report also found that “Women tend to make up a larger percentage of the donor pool when contribution amounts are limited by law.”<sup>25</sup>

It continues to note that the three cycles in which loopholes for sending unlimited contributions to political parties or outside groups like super PACs were largely closed, women played a larger role: “In the 2004, 2006 and 2008 cycles, which were the only three since 1990 with strict donation limits restricting the amount of money a single individual could give, the percentage of women as a portion of the donor pool increased.”<sup>26</sup>

Figure 7: A Man’s World



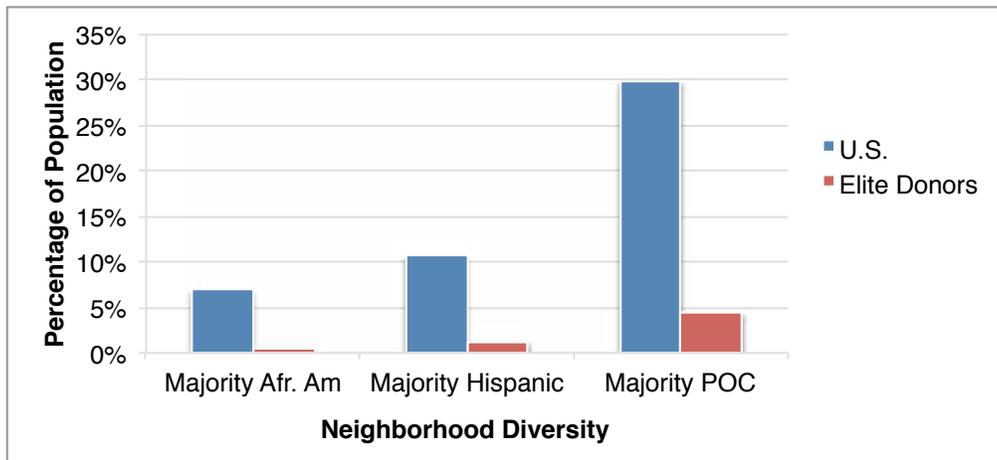
## People of Color Are Shut Out

After record African-American turnout in recent elections and with increasing Hispanic and Asian populations changing the demographics of America, pundits have been referring to a “rising American electorate” composed of people of color, young Americans, and unmarried women. But that is far from the picture of the elite donors in this study.

These donors live in a more isolated, homogenous world. While more than one-in-six Americans live in a neighborhood that is majority African-American or Hispanic, less than one-in-50 superlimit donors do. More than 90 percent of these elite donors live in neighborhoods with a greater concentration of non-Hispanic white residents than average.

African-Americans are especially underrepresented. The median elite donor lives in a neighborhood where the African-American population counts for only 1.4 percent, nine times less than the national rate. The numbers for Hispanics are little better, with the median donor neighborhood housing a population that is only 4.2 percent Hispanic, a quarter of what it is nationwide. One single ZIP code in New York City, 10021, contains as many elite donors as all of the country’s neighborhoods that are majority black, Asian, or Hispanic. More than 57 million Americans live in those neighborhoods.

Figure 8: Elite Donors Do Not Reflect America



The underrepresentation of people of color among elite donors is reflected in the halls of Congress. African-Americans fill only 8.2 percent of congressional seats, Hispanic legislators hold 6.7 percent, and Asian Americans have just 2.2 percent.<sup>27</sup>

NAACP President Ben Jealous, whose organization has historically focused on realizing the right to vote, has linked their efforts to protect the right to vote with efforts to combat the big money influence game, where people of color are often left out: “Voter suppression is the flip side of buying elections.”<sup>28</sup>

## Where They Live

---

The elite donors are also unrepresentative of the country’s geographic diversity. Just five states, California, New York, Texas, Florida, and Illinois, are home to more donors than the other 45 states, the District of Columbia and Puerto Rico combined. Five states have no elite donors at all: Iowa, Montana, Hawaii, North Dakota, and South Dakota.

The neighborhoods housing the most elite donors rank among the most exclusive in the country. All are found within the largest 10 metropolitan areas in the country. By far, New York dominates the list, with half of the top 12 ZIP codes found in Manhattan and the tony suburbs of Greenwich, Connecticut. Just the top five ZIP codes alone outweigh the number of elite donors from 25 states and Puerto Rico. There are more donors in the top three ZIP codes than all of the plains states put together: Kansas, Nebraska, Missouri, Iowa, Minnesota, North Dakota, and South Dakota.

## The Home of “New Yorkers Who Run the World”

New York City’s ritzy Upper East Side is home to four of the top 12 ZIP codes for elite donors, including 10065 (T-10th, 8 donors), which was named “America’s Most Expensive ZIP Code” by Forbes magazine and where the median home sells for a price of \$6.5 million. Residents can shop at Gucci or Barney’s, visit the Guggenheim Museum or The Metropolitan Museum of Art. Between 75 and 85 percent of the

population is non-Hispanic white in these neighborhoods, compared to 33 percent for the city.

*New York* magazine describes the neighborhood with a resident's statement: "This is where New Yorkers who run the world live."<sup>29</sup> That's borne out by the number of elite donors who call it home. Notable donors from these ZIP codes include energy billionaire David Koch of Koch Industries, hedge fund manager and prominent liberal donor George Soros of Soros Fund Management, and leveraged buyout king Leon Black of Apollo Management.

## 75205: The Real Life Ewing Family

Another ZIP code with lots of elite donors is 75205 in Dallas, Texas. This exclusive area includes Highland Park, home to billionaire elite donors such as real estate developer Harlan Crow, Ray Lee Hunt and his wife Nancy Ann, of Hunt Oil, and savings and loan magnate Andrew Beal, all of whom live within a five minute drive of each other.

One of the founders of the Club for Growth, Crow is an ardent supporter of conservative politics. He is a friend and financier to Justice Clarence Thomas and his wife Virginia, sending \$500,000 her way when she started the tea party-related group Liberty Central.<sup>30</sup> The yard of his more than 30,000 square foot historic home in Highland Park is likely where he keeps his statue collection of nearly 20 authoritarian leaders, including Stalin, Mao and Lenin.

Billionaire Ray Lee Hunt inherited Hunt Oil from his father H.L. Hunt and is part of the oil family who is claimed to be the inspiration for the 1980s television show *Dallas*.<sup>31</sup> H.L. Hunt owned the Mt. Vernon estate, a replica of George Washington's home, and once said he would "starve to death with an income of a million dollars a week." Ray Lee Hunt took over after his father's death and Hunt Oil became one of the first companies to sign an oil agreement after the Iraq war, making a deal with the Iraqi Kurdistan government in 2007.<sup>32</sup> Hunt's effort may have benefited from his ties to Halliburton (where he was a board member until 2007), former president George W. Bush, and former vice president Dick Cheney.

# Conclusion

---

In his final speech on the floor of the U.S. Senate, Secretary of State John Kerry said, “There’s another challenge that we must address and it is the corrupting force of the vast sums of money necessary to run for office. The unending chase for money I believe threatens to steal our democracy itself.”

While aggregate contribution limits may seem a technical anachronism in a political system that now allows unlimited donations to outside groups, it’s an important doorstop that limits corruption and the undue influence of wealthy Americans in our political system. Removing these aggregate limits, and opening the door to further challenges to other contribution limits, would only make that “unending chase for money” worse.

No matter what McCutchoen’s lawyers argue before the court, the case is simply an effort to push our democracy more squarely into the hands of the wealthy few. And while the court should follow precedent and uphold the limits, no matter what they do, it’s time our elected officials begin to move legislation that works to raise the voices of everyday people in our political process.

In Congress, several measures aim to do this—the Fair Elections Now Act, Grassroots Democracy Act, and the Empowering Citizens Act. These bills focus on empowering small dollar donors to political campaigns through limited matching funds, ensuring those unable to write big checks can be heard amid five- six- and seven-figure donations.

# Methodology

---

For the purposes of this report, Public Campaign used federal campaign contribution data made public by the Federal Election Commission (FEC) and then refined and augmented by the Center for Responsive Politics (CRP). The data were downloaded in bulk from the Sunlight Foundation's Influence Explorer tool on August 16, 2013. Using CRP's unique donor identification codes, elite donors were identified as those giving within 10 percent of the aggregate contribution limit over a two-year period in contributions to candidates, party committees, and hard money PACs. Contributions made to joint fundraising committees were excluded to avoid double counting.

The 10 percent mark was chosen for two reasons. While there is a separate limit for aggregate contributions to candidates and another to parties and PACs, donors who near the overall limit are those closest to maximizing the political influence they can garner from direct political contributions. Secondly, because data from the FEC lack a unique donor identifier field, matching unique donors across contribution records is necessarily imperfect, especially given inconsistent data quality in what is filed with the FEC and then disclosed by the commission.

Furthermore, some contributions, such as those to political parties' recount funds, do not apply to a donor's aggregate contribution limit. This and other contribution coding in the campaign finance records from FEC can be inconsistent, often resulting from filer errors. Similarly, some contributions to entities that the limit does not apply to, such as super PACs, are miscoded in the data. Hand checking every record would be prohibitive, so contributions larger than the maximum hard money contribution for that year were scrutinized and removed if necessary.

While many donors list business addresses in campaign finance records, home addresses were verified by hand for 1,038 out of the 1,219 donors. Those home addresses were then geocoded and attached to census tracts, geographical areas designated by the U.S. Census Bureau to represent a relatively homogenous population typically numbering between 1,500 and 8,000 residents. The term "neighborhood" refers to census tracts unless otherwise specified. Demographic information is from the 2007-2011 American Community Survey 5-Year Estimates, the most current robust data set available from the Census Bureau.

Racial and ethnic analysis is complicated by the fact that "Hispanic" is an ethnicity rather than racial category, leading to overlap between ethnic and racial categories. Efforts were taken to match standard practices in this area and the census categories of single race non-Hispanic white, single race African-American, single race Asian, and Hispanic were used.

Analysis of billionaires was based on comparison to Americans on the Forbes World's Billionaires list, the most recent comprehensive list of billionaires in America, updated by Forbes in March 2013.

# Acknowledgments

---

The author would like to thank Public Campaign's summer interns Mike Bartlett and Allegra Pocinki for research assistance, Adam Lioz of Demos and Blair Bowie of US PIRG who provided important methodological advice, and Elizabeth Ridlington with Frontier Group for data assistance.

## About Public Campaign

---

Public Campaign is a national nonpartisan organization that fights to raise the voices of everyday people in our democracy through changing our campaign finance laws and through holding elected officials accountable. Learn more at [www.publiccampaign.org](http://www.publiccampaign.org).

For more information, contact Adam Smith ([asmith@publiccampaign.org](mailto:asmith@publiccampaign.org)).

# Endnotes

---

- 1 “New Poll: Voters Push Back Against Big Money Politics,” Public Campaign Action Fund, November 13, 2012. <http://campaignmoney.org/press-room/2012/11/13/new-poll-voters-push-back-against-big-money-politics>
- 2 Fred Wertheimer, “The Supreme Court’s democracy test,” Politico, September 12, 2013. <http://www.politico.com/story/2013/09/the-supreme-courts-democracy-test-96640.html>
- 3 Mary Orndorff Troyan, “Alabama GOP donor challenges limits,” USA Today, August 9, 2013. <http://www.usatoday.com/story/news/politics/2013/08/09/alabama-gop-donor-challenges-limits/2634671/>
- 4 Melissa Harris, “Ken Griffin interview: Billionaire talks politics and money,” Chicago Tribune, March 11, 2012. [http://articles.chicagotribune.com/2012-03-11/business/ct-biz-0311-confidential-griffin-web-version-20120311\\_1\\_american-crossroads-politics-republicans-and-democrats](http://articles.chicagotribune.com/2012-03-11/business/ct-biz-0311-confidential-griffin-web-version-20120311_1_american-crossroads-politics-republicans-and-democrats)
- 5 “Brief of Senator Mitch McConnell as Amicus Curiae Supporting Appelants,” Shaun McCutcheon et al. v. Federal Election Commission, No. 12-536, Supreme Court of the United States, May 13, 2013. [http://www.americanbar.org/content/dam/aba/publications/supreme\\_court\\_preview/briefs-v2/12-536\\_appel\\_amcu\\_mmccconnell.authcheckdam.pdf](http://www.americanbar.org/content/dam/aba/publications/supreme_court_preview/briefs-v2/12-536_appel_amcu_mmccconnell.authcheckdam.pdf)
- 6 Signe-Mary McKernan, Caroline Ratcliffe, and Stephanie R. Cellini, “Transitioning In and Out of Poverty,” The Urban Institute, September 2009. [http://www.urban.org/UploadedPDF/411956\\_transitioningpoverty.pdf](http://www.urban.org/UploadedPDF/411956_transitioningpoverty.pdf)
- 7 Paul Blumenthal, “Chris Murphy: ‘Soul-Crushing’ Fundraising Is Bad For Congress,” Huffington Post, May 7, 2013. [http://www.huffingtonpost.com/2013/05/07/chris-murphy-fundraising\\_n\\_3232143.html](http://www.huffingtonpost.com/2013/05/07/chris-murphy-fundraising_n_3232143.html)
- 8 David Callahan and J. Mijin Cha, “Stacked Deck: How the Dominance of Politics by the Affluent & Business Undermines Economic Mobility in America,” Dēmos, February 28, 2013. <http://www.demos.org/stacked-deck-how-dominance-politics-affluent-business-undermines-economic-mobility-america>
- 9 Ibid.
- 10 Andrew Fieldhouse, “Rising Income Inequality and the Role of Shifting Market-Income Distribution, Tax Burdens, and Tax Rates,” Economic Policy Institute, June 14, 2013. <http://www.epi.org/publication/rising-income-inequality-role-shifting-market/>
- 11 Richard Fry and Paul Taylor, “A Rise in Wealth for the Wealthy; Declines for the Lower 93%,” Pew Research, April 23, 2013. <http://www.pewsocialtrends.org/2013/04/23/a-rise-in-wealth-for-the-wealthydeclines-for-the-lower-93/>
- 12 Ryan Grim, “Dick Durbin: Banks ‘Frankly Own The Place,’” Huffington Post, May 30, 2009. [http://www.huffingtonpost.com/2009/04/29/dick-durbin-banks-frankly\\_n\\_193010.html](http://www.huffingtonpost.com/2009/04/29/dick-durbin-banks-frankly_n_193010.html)
- 13 “Bedeviled by Dodd-Frank details,” Washington Post, August 22, 2013. [http://articles.washingtonpost.com/2013-08-22/opinions/41435758\\_1\\_dodd-frank-volcker-rule-banks](http://articles.washingtonpost.com/2013-08-22/opinions/41435758_1_dodd-frank-volcker-rule-banks)
- 14 Marjorie Mader, “Ellison wins 60% tax cut on Woodside estate,” The Almanac, March 25, 2008. [http://www.almanacnews.com/news/show\\_story.php?id=1835](http://www.almanacnews.com/news/show_story.php?id=1835)
- 15 Russell Brandom, “Larry Ellison’s Team Oracle wins the America’s Cup yacht race,” The Verge, September 25, 2013. <http://www.theverge.com/2013/9/25/4771202/larry-ellisons-team-oracle-wins-the-americas-cup-yacht-race>
- 16 Robert McIntyre et al., “Corporate Taxpayers & Corporate Tax Dodgers 2008-2010,” Citizens for Tax Justice and The Institute on Taxation and Economic Policy, November 2011. <http://www.ctj.org/corporatetaxdodgers/CorporateTaxDodgersReport.pdf>
- 17 James Osborne, “Exxon Mobil CEO Rex Tillerson gets 15 percent raise to \$40.3 million,” Dallas Morning News, April 12, 2013. <http://www.dallasnews.com/business/headlines/20130412-exxon-mobil-ceo-rex-tillerson-gets-15-percent-raise-to-40.3-million.ece>
- 18 Ibid.
- 19 “Top 50 highest-paid CEOs,” Associated Press, May 23, 2013. <http://bigstory.ap.org/article/top-50-highest-paid-ceos>
- 20 Clare Foran, “Republicans Plot New Strategy for Keystone Pipeline, Eyeing Debt-Ceiling Bill,” National Journal, September 23, 2013. <http://www.nationaljournal.com/daily/republicans-plot-new-strategy-for-keystone-pipeline-eyeing-debt-ceiling-bill-20130923>
- 21 “Estimated Budget Effects of S. 2204, the ‘Repeal Big Oil Tax Subsidies Act,’” Joint Committee on Taxation, March 23, 2012. <https://www.jct.gov/publications.html?func=startdown&id=4415>

- 22 Alec MacGillis, "Coal Miner's Donor," *The New Republic*, October 4, 2012. <http://www.newrepublic.com/article/politics/108140/coal-miners-donor-mitt-romney-benefactor>
- 23 Sarah Bryner and Doug Weber, "Sex, Money and Politics," *Center for Responsive Politics*, September 26, 2013. <http://www.opensecrets.org/news/reports/gender.php>
- 24 Chloe Angyal, "Nancy Pelosi: We need more women in politics," *Salon*, March 12, 2013. [http://www.salon.com/2013/03/12/nancy\\_pelosi\\_we\\_need\\_to\\_make\\_our\\_own\\_environment\\_partner/](http://www.salon.com/2013/03/12/nancy_pelosi_we_need_to_make_our_own_environment_partner/)
- 25 Sarah Bryner and Doug Weber, "Sex, Money and Politics," *Center for Responsive Politics*, September 26, 2013. <http://www.opensecrets.org/news/reports/gender.php>
- 26 Ibid.
- 27 Jennifer E. Manning, "Membership of the 113th Congress: A Profile," *Congressional Research Service*, August 5, 2013. <http://www.senate.gov/CRSReports/crs-publish.cfm?pid=%260BL%2BR\C%3F%0A>
- 28 Jonathan Salant, "Citizens United Foes, Civil Rights Pros: Common Ground on Voter ID," *Bloomberg*, January 18, 2013. <http://go.bloomberg.com/political-capital/2013-01-18/citizens-united-foes-civil-rights-pro-vote-suppression-common-ground/>
- 29 "Upper East Side," *New York Magazine*, accessed September 23, 2013. <http://nymag.com/realestate/articles/neighborhoods/uppereast.htm>
- 30 Mike McIntire, "Friendship of Justice and Magnate Puts Focus on Ethics," *New York Times*, June 18, 2011. <http://www.nytimes.com/2011/06/19/us/politics/19thomas.html>
- 31 Alex Hannaford, "Dallas: the feuding family that inspired the TV series," *The Telegraph*, September 5, 2012. <http://www.telegraph.co.uk/culture/tvandradio/9446483/Dallas-the-feuding-family-that-inspired-the-TV-series.html>
- 32 Charlie Cray, "For Ray Hunt and other Oiligarchs, Iraq is 'Mission Accomplished,'" *Huffington Post*, July 18, 2008. [http://www.huffingtonpost.com/charlie-cray/for-ray-hunt-and-other-oi\\_b\\_113715.html](http://www.huffingtonpost.com/charlie-cray/for-ray-hunt-and-other-oi_b_113715.html)

# Appendix

## Elite Donors, By State

State	Donors	Percent	US Percent	State	Donors	Percent	US Percent
CA	202	16.57%	11.91%	AL	6	0.49%	1.53%
NY	164	13.45%	6.19%	NC	6	0.49%	3.05%
TX	126	10.34%	8.04%	WV	6	0.49%	0.59%
FL	95	7.79%	6.01%	AR	5	0.41%	0.93%
IL	70	5.74%	4.10%	OR	5	0.41%	1.22%
MA	54	4.43%	2.09%	KS	4	0.33%	0.91%
OH	40	3.28%	3.69%	NE	4	0.33%	0.58%
CT	37	3.04%	1.14%	WY	4	0.33%	0.18%
MI	36	2.95%	3.16%	ME	3	0.25%	0.42%
PA	34	2.79%	4.06%	MS	3	0.25%	0.95%
DC	30	2.46%	0.19%	NH	3	0.25%	0.42%
CO	27	2.21%	1.61%	SC	3	0.25%	1.48%
MD	27	2.21%	1.85%	UT	3	0.25%	0.88%
VA	26	2.13%	2.56%	ID	2	0.16%	0.51%
AZ	22	1.80%	2.04%	WI	2	0.16%	1.82%
MN	20	1.64%	1.70%	AK	1	0.08%	0.23%
NJ	20	1.64%	2.81%	DE	1	0.08%	0.29%
WA	18	1.48%	2.15%	NM	1	0.08%	0.66%
MO	17	1.39%	1.91%	PR	1	0.08%	1.19%
NV	16	1.31%	0.86%	RI	1	0.08%	0.34%
TN	16	1.31%	2.03%	VT	1	0.08%	0.20%
LA	14	1.15%	1.45%	HI	0	0.00%	0.43%
KY	13	1.07%	1.39%	IA	0	0.00%	0.97%
OK	12	0.98%	1.20%	MT	0	0.00%	0.32%
GA	10	0.82%	3.10%	ND	0	0.00%	0.21%
IN	8	0.66%	2.07%	SD	0	0.00%	0.26%

## Median Elite Donor Neighborhood Characteristics

Demographic Characteristic	Elite Donor Neighborhoods	United States
Non-Hispanic White	85.30%	64.20%
African-American	1.40%	12.50%
Asian	4.10%	4.70%
Hispanic	4.20%	16.10%
Unemployed	4.80%	8.70%
Median HH Income	\$111,107	\$52,762
Per Capita Income	\$77,397	\$27,915
Poverty	2.10%	14.30%