

# ELEC WHITE PAPER

## Trends In Legislative Campaign Financing: 1977-1987



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*State of New Jersey*

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## INTRODUCTION

The Legislative general election of 1987 was the most expensive in State history. A record \$14.8 million dollars was raised by candidates for the State Senate and Assembly and \$11.5 million was spent by them on their Legislative campaigns.<sup>1</sup>

Naturally, this spending pattern gave rise to quite a few press reports and articles, both before and after the general election campaign. One major New Jersey newspaper reported in early October, 1987, “the big money is starting to roll in for the 1987 Legislative elections with reports showing millions of dollars will be spent this fall as both the Democrats and Republicans try to gain control of the Senate and Assembly for Governor Thomas H. Kean’s final two years in office.”<sup>2</sup> Another major newspaper stated, “candidates in this year’s Legislative election have filed preliminary campaign spending reports confirming that election spending in New Jersey is going through the roof.”<sup>3</sup>

To be sure, the various journalistic exposes, more often than not disparaging this trend in the financing of Legislative elections, have led to the introduction of several pieces of legislation containing contribution limits, and in some cases, through the creation of a Legislative public financing program, spending caps. Moreover, the spate of publicity over Legislative spending in general election 1987 has perhaps contributed to generalized public support for campaign financing reform that limits contributions to Senate and Assembly candidates and holds down spending. An Eagleton/Star-Ledger poll of June 19, 1988 showed that the majority of New Jersey residents support contribution limits and spending caps. However, New Jerseyans, according to the poll, do not, in the majority, subscribe to public financing for Legislative elections. Despite this basic incongruity in the public attitude (the U.S. Supreme Court allowed for spending limits only when tied to public financing), the poll does indicate the public’s concern over the high cost of Legislative electioneering.<sup>4</sup>

In addition to this interest in the increased financing of campaigns for Senate and Assembly, there is an interest in who is doing the financing. Most of the attention has been centered upon Political Action Committees (PACs). And, once again, a preponderant amount of the literature has disparaged the role of PACs in Legislative campaigns and, indeed, been quite alarmist in expressing concern over what many believe may be the increasing influence by these groups over the entire process. One article in a major New Jersey newspaper said, "that [the] total [amount of campaign contributions] is expected to be swelled by huge contributions from special-interest political action committees (PACs) in the final days of the campaign."<sup>5</sup> Another editorial begins, "the PAC problem is spreading. For years, it has been one of the more serious barriers to an ethical and efficient Congress. And much the same problem now is having a deleterious impact upon New Jersey's Legislature."<sup>6</sup>

PACs did play a role, and an important one, in the 1987 campaign for the Legislature. And certainly people are very concerned about the impact of PACs on the Senate and Assembly campaigns' money game. As will be shown, PACs were a driving force behind the spending that took place in the general elections of 1987. Yet, despite this fact, there were other influences that were important as well. Individual contributors had an equally strong impact, and State party and Legislative party committees proved influential, as did officeholder PACs, which are becoming more prominent. Certainly, business and union contributions were important, along with contributions from independent political committees and local party committees.

Moreover, in the modern era of money-intensive campaigns for the State Legislature, another factor, the status of a candidate as an incumbent or challenger, plays a part in who receives the money that is so essential to conducting effective campaigns for the Senate or Assembly.

In this paper, the relative strengths of these influences over the process will be explored as they pertain to the 1987 Senate and Assembly election. Further, this paper will trace campaign finance activity back to the 1977 Legislative general election, demonstrating that the experience of this most recent campaign was part of a general pattern taking place over the last ten years. While this paper takes no position on recent trends in campaigning for State Legislative office, the data and analysis presented herein will provide important background information for changing the system in one way or another.<sup>7</sup> In addition, the analysis presented in this paper may serve to clarify these trends as well as pinpoint certain forces that are energizing modern campaign for the New Jersey Legislature. In this way, the paper may help to put into perspective the value of certain proposals for change.

## CAMPAIGN FINANCIAL ACTIVITY AND THE 1987 LEGISLATIVE GENERAL ELECTION

### Continuing A Trend

The fact that money was such an important part of the 1987 campaign for the Legislature is no surprise. In fact, the high rate of financial activity continues a trend that has been evident at least since 1977.

In 1977, candidates for the Legislature received \$4.1 million dollars. Ten years later, in 1987, that amount had jumped precipitously to \$14.8 million. Thus, in just a decade, campaign receipts by candidates for the State Senate and Assembly had increased by a very significant 261 percent.<sup>8</sup>

Spending by Legislative candidates during this period followed a similar course. In the 1977 race, expenditures on the Legislative campaign amounted to \$3.9 million compared with \$11.5 million in 1987, for almost a two-fold increase.

As shown in Table 1, there is a steady and substantial increase in Legislative financial activity evident at successive elections of the full Legislature during this period – a pattern that remained unchanged in 1987.

For example, between 1977 and 1983, a six-year period, candidate receipts increased by 105 percent, from \$4.1 million to \$8.4 million. Spending also rose notably from \$3.9 million to \$8.3 million, an increase of 113 percent.

This upward trend in campaign finance activity continued in 1987. Between 1983 and 1987, a four-year period, candidate receipts increased by 76 percent and expenditures by



39 percent. Receipts in 1987, as mentioned above, amounted to \$14.8 million and expenditures \$11.5 million.

**Table 1**  
**Total Receipts and Expenditures**  
**by Senate and Assembly Candidates:**  
**1977, 1981, 1983 and 1987**

	<b>1977</b>	<b>1981</b>	<b>1983</b>	<b>1987</b>
<b>Receipts*</b>	<b>\$4.1</b>	<b>-</b>	<b>\$8.4</b>	<b>\$14.8</b>
<b>Expenditures*</b>	<b>\$3.9</b>	<b>\$8.0</b>	<b>\$8.3</b>	<b>\$11.5</b>

\*in millions of dollars

Overall, there has been a marked change in the look of the general election for the Legislature since 1977, with much of that due to the rapid rise in campaign financial activity that has occurred during that time period. While it is not the intent of this paper to outline changes in strategy and approaches to campaigning, suffice it to say that campaigns have become candidate centered and money intensive. Over the last decade, there has been an enormous increase in overall campaign financial activity, and, as will be shown, the election of 1987 not only continued the upward trend in this activity but contributed to it greatly.

## **Candidate Spending Amounts Increase in 1987**

There were 243 candidates who ran for State Senate and Assembly in 1987. The average amount spent by the 212 candidates filing detailed reports was \$54,229, up by 67 percent over 1983, when the average amount spent by Legislative candidates was \$32,410. Again, this data is consistent with the ten-year pattern outlined above. In 1977, for instance, the average amount spent by Legislative candidates was \$16,440. Thus, the ten-year rise in average spending levels by individual Legislative candidates amounted to a striking 230 percent. This trend is shown in Table 2.

**Table 2**  
**Average Amounts Spent**  
**by Legislative Candidates: 1977, 1981, 1983 and 1987**

	1977	1981	1983	1987
no. candidates*	240	233	233	212
average	\$16,440	\$34,265	\$35,410	\$54,229

\*filing detailed reports

## **Average Contribution Increases**

While there is no data available relative to average and median contributions dating back to the Legislative election of 1977, the assumption can certainly be made that the same pattern exists. For instance, the average contribution in 1987 was \$936 and the median contribution was \$250. In 1983, the average contribution was \$595. Thus the average contribution increased by 57 percent over the four-year period 1983-1987. There is no

median contribution amount available for 1983, but, as suggested above, it can be safely concluded that this amount increased in 1987 as well.

Table 3 shows the proportion of the 1987 contributions falling in certain amount categories ranging between under \$100 to over \$2,500. As indicated, the majority of contributions fell between \$101 and \$500.

**Table 3**  
**Contribution Ranges: 1987**

	<b>no. of contributions</b>	<b>percent</b>
over \$2,500	940	6%
\$2,001 - \$2,500	1,130	7%
\$501 - \$2,000	4,086	24%
\$101 - \$500	10,385	62%
under \$100	<u>472</u>	<u>3%</u>
	16,715	102%*

\*the percentage does not total 100 percent because of rounding

## Number of Candidates Spending \$50,000 Rises

The number of Senate and Assembly candidates spending \$50,000 or more rose significantly in the 1987 general election. This increase is consistent with the trend exhibited over the past ten years.

In 1977, for example, two percent of the Senate and Assembly candidates spent \$50,000 or more. In 1983, that number increased to ten percent and in 1987 that number increased again to 33 percent.

There has also been a discernable increase in the number of candidates who spent \$100,000 or more. In 1977, there were no candidates spending \$100,000; in 1983 three percent of the candidates spent \$100,000 or more; and in 1987 14 percent of the candidates did. Table 4 depicts this trend.

**Table 4**  
**Percentage of Candidates Spending at Least \$50,000 and \$100,00:**  
**1977, 1981, 1983 and 1987**

<b>Year</b>	<b>no. candidates</b>	<b>\$50,000</b>	<b>\$100,000</b>
1977	310	2%	0%
1981	262	3%	1%
1983	260	10%	3%
1987	243	33%	14%

While there is no question that campaigns for the State Legislature are being fueled by larger amounts of money, with more candidates reaching the \$50,000 threshold for spending, it is important to note that more candidates than not still spent less than this amount, with a significant number even spending less than \$25,000. More specifically, while the average

amount spent by those candidates filing detailed reports in 1987 was \$54,229, the median spending amount by those campaigns was \$30,213.

Table 5 shows the proportion of candidates spending between certain threshold levels, ranging from under \$25,000 to over \$200,000.

**Table 5**  
**Ranges of Spending by Legislative Candidates: 1987**

<b>amounts*</b>	<b>no. candidates**</b>	<b>percent***</b>
under 25	68	32%
25 to <50	40	19%
50 to <75	39	18%
75 to <100	14	7%
100 to <125	8	4%
125 to <150	12	6%
150 to <175	6	3%
175 to <200	4	2%
200 or more	21	10%

\*in thousands of dollars

\*\*filing detailed reports

\*\*\*the percentage does not total 100 percent because of rounding

## **Increased Financial Activity is Bipartisan**

The 1980's witnessed a sea-change in the amount of money raised and spent by candidates for the New Jersey Legislature, with a significant portion of that activity taking place in 1987. Obviously, this increase in campaign activity was bipartisan. Both Republican and Democratic candidates alike have been part of this wave of spending.

Between 1977 and 1987, Democratic candidates increased their receipts by 300 percent. Republican receipts, on the other hand, increased by 237 percent. Democrats in 1977 raised \$2.1 million and Republicans \$1.9 compared with \$8.4 million and \$6.4 million in 1987, respectively.

Spending totals for both parties' candidates also increased precipitously since 1977. Democratic candidates increased their spending over the last decade by 237 percent and Republican candidates by 168 percent. In 1977, Democrats spent \$1.9 million and Republican candidates \$1.9 million, compared with \$6.4 million and \$5.1 million in 1987, respectively.

Obviously, the pattern of these increases in successive elections mimicked that of overall financial activity.

In terms of spending only, during the six-year period, 1977-83, spending by Democratic candidates increased by 89 percent, from \$1.9 million to \$3.6 million. Likewise, spending by Republicans during that same period increased by 142 percent, \$1.9 million to \$4.6 million.

By contrast, during the four-year period 1983-87, spending by Democratic candidates increased by 78 percent; from \$3.6 million to \$6.4 million. Spending by Republican candidates, on the other hand, increased by 11 percent, from \$4.6 to \$5.1 million. Table 6 traces this rise in spending by candidates of both parties between 1977 and 1987.

**Table 6**  
**Increase in Legislative Candidate Spending by Party\*:**  
**1977, 1981, 1983 and 1987**

<b>Party</b>	<b>1977</b>	<b>1981</b>	<b>1983</b>	<b>1987</b>
Democratic	\$1.9	\$3.7	\$3.6	\$6.4
Republican	\$1.9	\$4.2	\$4.6	\$5.1

\*in millions of dollars

**Incumbents Benefit From Increase In Campaign Finance Activity**

Not surprisingly, incumbents were the main beneficiaries of this rise in campaign financial activity. Moreover, the financial activity of incumbents certainly enhanced their inherent electoral advantage. Indeed, 98 percent of incumbents were returned to office in 1987. There were 98 incumbents out of a field of 243 Legislative candidates. For the purposes of this study, incumbents represent only those candidates who stood for reelection to the office they currently held. Members of the Assembly, for instance, who were candidates for State Senate are included in the challenger column as are candidates running to fill open seats.

In 1987, incumbents raised \$9.3 million and spent \$6.7 million. These figures compare quite favorably to those of challengers. Challengers raised only \$5.5 million and spent only \$4.8 million. Thus, incumbent candidates for the Senate and Assembly raised 63 percent of the funds and spent 58 percent of them.

Certainly, this configuration of incumbent/challenger data is not a new development. While this information for 1977 is not readily available, it is available for 1983. And in that year, a similar pattern emerged. Incumbents in that election raised \$5.4 million to challengers \$3 million, accounting for 64 percent of the funds raised.

Also, in 1983, excluding political party expenditures, incumbents spent \$3.5 million, compared with challengers spending of \$2.1 million, accounting for 63 percent of expenditures.

In the 1987 Legislative elections, as in previous elections, there was thus a correlation between incumbency status, results of the election, and financial activity. As stated above, 98 percent of incumbents won in the 1987 election. These candidates also raised and spent the most money. Concurrently, so did winners.

In the most recent Legislative election of 1987, for example, winners receipts totaled \$10.5 million and expenditures \$7.7 million. Losers, on the other hand, raised \$4.3 million and spent \$3.8 million. Thus, winners accounted for 71 percent of all the money raised in the 1987 Legislative campaign and 67 percent of all money spent.

A similar scenario emerged in the 1983 campaign for State Senate and Assembly. In that year, winners raised \$5.6 million, accounting for 67 percent of receipts, and losers \$2.8 million.



In terms of spending, excluding expenditures by political parties, winners spent \$3.6 million and losers \$1.9 million. Thus winners spent 65 percent of the funds. Table 7 shows the correlation between incumbency status, winning and spending in both 1983 and 1987.

**Table 7**  
**Relationship between Incumbency, Winning and Spending:**  
**1983 and 1987**

<b>Year</b>	<b>no. incumbents</b>	<b>% winning</b>	<b>expenditures*</b>	<b>% expenditures</b>
1983	111	96%	\$3.5	63%
1987	98	98%	\$6.7	58%

\*in millions of dollars

In 1987, as in 1983, incumbency status was a very important determinant in a candidate's ability to raise funds. Likewise, a candidate's ability to raise funds, and thus to spend them, impacted positively on his or her success. Together, incumbency and money constitute a very powerful force in Legislative campaigns.

### **Candidates For State Senate Raise Most Money**

Finally, there were differences in financial activity between candidates for the office of Senator and candidates for the office of Member of the Assembly. Senate candidates in 1987 raised 8 percent more than Assembly candidates did, \$7.7 million to \$7.1 million. They also outspent Assembly candidates by 13 percent, \$6.1 million to \$5.4 million.

The fact that Senate candidates, who were fewer in number than Assembly candidates, demonstrated greater fundraising ability suggests a strategic decision made by campaign experts in the two major political parties. In any given Legislative district, in a year when both the Assembly and Senate are up for election, there are three candidates from each major political party. As they appear on the ballot, the candidate for State Senate heads the ticket. The two Assembly candidates are placed in order next to the Senate candidate. The strategic decision suggested by the data is one of targeted financing of the Senate candidates in hopes that a successful campaign by that candidate would pull his or her running mate into office as well.

New Jersey's 1987 Legislative election was the most expensive ever held in the Garden State. It continued a trend that has been obvious at least since 1977. And, barring any changes in the campaign finance laws designed to curtail this activity, the trend promises to continue into the future. Accepting that fact, who is fueling this substantial increase in spending for Legislative campaigns? Are the PACs behind this rise? Are individual contributions behind it? Is this increase due to heavy activity on the part of the political parties and/or officeholder PACs? Or is the rise in financial activity due to a combination of these factors?

## **THE ROLE OF THE PACS**

Special interest political action committee (PACs) were a major source of funding for Legislative candidates in 1987. These committees are oriented toward businesses, unions, professional and trade associations, and ideologies.

The first three PAC types are affiliated with either a corporation or business, a labor union, or a professional or trade organization. Ideological PACs, the fourth category, are not affiliated with any corporation, union or other existing organization, and usually are established to promote a specific issue or set of values.

Non-ideological PACs in New Jersey are usually established by either individual employees or union members, or by the corporate, union or organization itself, to collect and spend money for political purposes. In the case of certain regulated industries that are prohibited from making political contributions, such as the insurance industry, only voluntary contributions can be used for establishing the PAC, funding it, and making contributions to candidates. In all cases, most of the money in support of these PACs derive from voluntary contributions from individuals.

Ideological PACs, on the other hand, are unaffiliated with any corporation, union, or other existing organization, and usually are established to promote a specific issue or set of values. A PAC of this type is funded by individuals with similar beliefs as those espoused by the PAC. These PACs raise money by employing a variety of fundraising techniques.

## **New Jersey PAC Activity is a Development of the 1980's**

The appearance of PACs on the political scene in New Jersey is virtually a development of the 1980's.

In 1977, political action committee, while perhaps in their nascent stages, did not constitute a major force in campaign finance. It was during the next decade that their presence began to be felt. For that reason, the main focus of this section will be on the period 1983-87, when PACs emerged as a force and an issue in the State.

In 1987, political action committees not only increased in number but contributed more money to general election Legislative candidates than ever before, and by a considerable amount. There were 238 special interest PACs reporting to the Commission in 1987. PACs participating in the Legislative general election, therefore, increased in number by 118 percent over 1983, when there were 109 PACs filing with the agency. Moreover, just as assuredly as there has been a rise in the number of PACs established, there has been an increase in the amount of contributions made by these groups. During the 1987 general election, PACs contributed \$2.8 million to candidates for the Legislature.

Compared with 1983, there has been an 87 percent increase in the amount of PAC contributions made to Senate and Assembly candidates. In 1983, PACs contributed \$1.5 million to Legislative candidates.

As shown in Table 8, the trend is one of substantial increase in the number of political action committees and in their financial involvement in Legislative campaigns between 1983 and 1987.

**Table 8**  
**Number of PACs and Amount**  
**Contributed to Legislative General Elections Candidates:**  
**1983 and 1987**

<b>Year</b>	<b>no.</b>	<b>% increase</b>	<b>contributions*</b>	<b>% increase</b>
1983	109	-	\$1.5	-
1987	238	118%	\$2.8	87%

\*in millions of dollars

### **PACs Benefit Incumbents**

Not surprisingly, incumbents benefited the most from this PAC activity. Incumbents received \$2 million from political action committees, compared with \$774,128 received by challengers. Thus, incumbents received 71 percent of all PAC contributions in 1987.

In determining to whom they would contribute, the PACs largely made their decisions on the basis of pragmatism as opposed to ideology. For example, Republican incumbents received \$1 million from these groups, as did Democratic officeholders. The Republican officeholders in the Assembly, in which the GOP was in control, received the largest proportion of Assembly incumbent contributions, 70 percent. Democratic officeholders in the Senate, in which the Democrats were in control, likewise received the largest proportion of Senate contributions from PACs, 67 percent. In the Assembly, Republican officeholders

received \$668,879 from PACs compared with \$343,224 received by Democratic officeholders. In the Senate, the reverse was true. Democratic incumbents received \$649,108 and Republican incumbents \$281,496.

This pattern of PAC-giving to incumbents has not changed since 1983. In that year incumbent candidates for Senate and Assembly also benefited to a larger degree from PACs than did challengers, though in significantly lesser amounts. In 1983, PACs contributed \$1.2 million to incumbents compared with \$267,235 to challengers. By making 80 percent of their contributions to incumbents in 1983, political action committees not only revealed their pragmatic orientation early on, but that they were serious about having an impact on both the electoral and governmental processes in New Jersey. Table 9 provides the amount of PAC contributions to incumbents in 1983 and 1987.

**Table 9**

**PAC Contributions to Incumbents: 1983 and 1987**

<b>Year</b>	<b>no. candidates</b>	<b>contributions*</b>	<b>% of contributions</b>
1983	111	\$1.2	80%
1987	98	\$2.0	71%

\*in millions of dollars

## The Flow of PAC Money

Overall, Democratic candidates for the Legislature benefited from PAC contributions more so than did Republican candidates. The Democrats controlled the upper house prior to 1987 and both houses prior to 1983. In 1987, PACs gave \$1.6 million, or 57 percent of all their contributions to Democrats. The remaining 43 percent, or \$1.2 million went to Republican candidates.

Again, there is no substantial change in the pattern of partisan spending by the PACs since 1983. Democrats controlled both houses of the Legislature in that year and received 53 percent of the contributions from PACs. Interestingly, 53 percent of the incumbents were Democrats. Democratic candidates received \$790,724 in 1983 compared with \$677,605 in PAC contributions to Republicans. Table 10 compares PAC contributions to Democrats with those to Republicans during these years.

**Table 10**  
**PAC Contributions to Candidate by Party: 1983 and 1987**

<b>Year</b>	<b>no. candidates*</b>	<b>contributions**</b>
1983-Democrats	117	\$ .8
1983-Republicans	111	\$ .7
1987-Democrats	105	\$1.6
1987-Republicans	104	\$1.2

\*there were five independents in 1983 and three independents in 1987 filing detailed reports

\*\*in millions of dollars

In terms of the office sought, candidates for the Assembly received more money from PACs in 1987 just as they did in 1983. Certainly, this situation can be attributed to the fact that there were at least twice as many Assembly candidates as there were Senate candidates. Overall, PACs gave 33 percent more in PAC contributions to Assembly candidates in the most recent contest. They gave \$1.6 million to candidates for the Assembly and \$1.2 million to candidates for the Senate. In 1983, though not to as great an extent, Assembly candidates also received more money from PACs. In that year, Assembly candidates received 9 percent more in contributions from political action committees than did Senate candidates. Candidates for the Assembly received \$764,892 while candidates for the Senate received \$703,287.

### **PACs Make Effective Use of Their Money**

As was the case in 1983, the PACs again made effective use of their largess in 1987. During the 1987 Legislative campaign, the PACs contributed the bulk of their funds to winners of the election as opposed to losers. Political action committees contributed \$2.2 million to Senate and Assembly winners and \$528,552 to losers. Fully 79 percent of PAC contributions went to winners as opposed to losers. A similar pattern emerges when looking at the data from 1983. In 1983, PACs overwhelmingly supported the winners of the Senate and Assembly contests. Compared with the losers, who received \$273,487 from PACs in 1983, winners received \$1.2 million, or 80 percent of PAC contributions. Table 11 shows the PAC contributions to winners in both 1983 and 1987.



**Table 11**

**PAC Contributions to Winners: 1983 and 1987**

<b>Year</b>	<b>no.</b>	<b>contributions*</b>	<b>percentage</b>
1983	120	\$1.2	80%
1987	120	\$2.2	79%

\*in millions of dollars

The PAC strategy of giving largely to incumbents has been successful. As stated above, 98 percent of all incumbents won in 1987 and that is precisely where the PACs put their money.

Undeniably, political action committees have increased their number and intensified their participation in Legislative campaigns during the 1980's. Moreover, a most significant rise in PAC activity took place in 1987. In fact, the trend in PAC activity paralleled the trend in overall spending by Legislative candidates, with the PAC contributions impacting in 1983 and increasing at a substantial rate by the 1987 Legislative general election. Contributions by the PACs rose, the average PAC contribution increased from \$442 in 1983 to \$638 in 1987, and the median PAC contribution in 1987 amounted to \$333. Thus, if there is a moment in time which can be pinpointed as a "watershed" period for PAC activity it is 1983-87. Political action committees emerged on the scene in the 1980's and grew substantially in number and financial activity between 1983 and 1987.

## **PACs a Driving Force Behind The Overall Increase in Legislative Financial Activity**

The fact that the increase in PAC activity coincides with the increase in overall spending by Legislative candidates may lead some observers to conclude that this spending by Senate and Assembly candidates was fueled by the PACs. Indeed, special interest political action committees were a driving force behind the increase in campaign financial activity in 1987, but as yet cannot be pinpointed as the only factor behind the spending in 1987. For instance, individual contributions, while not representing a larger proportion of overall receipts by the candidates, did actually increase at a slightly higher rate over 1983 than did PAC contributions.

Having made note of the important role of individual contributors, however, it is conceivable that future trends are clearly in the direction of PAC dominance. Barring any changes in the law that inhibits PAC activity, future elections will show political action committees to be the force behind increased campaign financial activity on the Legislative level. Moreover, any reform in the opposite direction, such as prohibiting direct corporate or union contributions, will lead to an even greater proliferation of PACs (although not in special interest influence) than currently exists, and an even more significant role in Legislative elections than predicted.

While the special interest PACs were not, by themselves, the driving force behind the increase in Legislative campaign spending in 1987, it can be said that special interests in general, including business and union contributors, were the major factor in the financial activities of Legislative candidates in 1987. Together these special interests made 32 percent of all contributions.

Table 12, which compares contribution totals by various contributor types in 1987, illustrates this fact.

**Table 12**  
**Contribution Totals by Contributor Type: 1987**

<b>Type</b>	<b>Amount*</b>
Individual	\$2.4
Special Interest PACs	\$2.8
State Political Parties	\$3.5
Officeholder PACs	\$ .6
Union	\$ .1
Business	\$1.8
Other	\$3.6

\*in millions of dollars

As shown, PACs contributed \$2.8 million in 1987, individual contributors \$2.4 million, State party-related entities \$3.5 million, officeholder PACs \$570,703, unions \$152,980, business \$1.8 million and all others \$3.6 million.

“All others” includes political committees and local party committees, prior election transfers, and unitemized contributions of \$100 or less.

In percentage terms, PAC contributions represent 19 percent of all receipts, individuals 16 percent, State party-related committees 24 percent, officeholder PACs 4 percent, unions 1 percent, businesses 12 percent, and all others 24 percent. Combining the PAC totals with those of businesses and unions indicates that as stated above, special interests made a significant 32 percent of the contributions to Legislative candidates.

By comparison, in 1983, special interests in general made 29 percent of the contributions. PAC contributions represented 16 percent of receipts (\$1.5 million), individuals 12 percent (\$1.1 million), party-related entities 30 percent (\$2.7 million), unions 2 percent (\$108,029), businesses 11 percent (\$947,899), and all others 29 percent (\$2,603,069). Officeholder PACs showed little activity in 1983. Table 13 shows these contributor types and the percent of all receipts attributed to them in 1983 and 1987.

**Table 13**  
**Proportion of Legislative Candidate Receipts by Contributor**  
**Type: 1983 and 1987**

	Year	
	1983*	1987
Individual	12%	16%
Special Interest PACs	16%	19%
State Party Entities	30%	24%
Officeholder PACs	.4%	4%
Business	11%	12%
Unions	2%	1%
Other	29%	24%

\*the percentage does not total 100 percent because of rounding

With respect to the special interest PACs specifically, the percentage of contributions to total Legislative receipts made by them during this period increased, but did so by a smaller degree than might have been expected. Individual contributions to total receipts increased as did business contributions. Officeholder PAC contributions increased markedly but the

proportion of State political party entity contributions decreased as did union contributions.

In sum, the special interest PACs and individual contributors, when considered in terms of the percentage of contributions made by them, share the dominant position relative to fueling the increase in Legislative spending.

Another way of showing that PACs were a driving force behind the rise in campaign finance activity in 1987 is to determine the proportion of the increase in receipts by Legislative candidates attributable to the special interest PACs. Overall, receipts by these candidates in 1987 increased by \$5.8 million over 1983. Similarly, contributions to Legislative candidates by the special interest PACs in 1987 increased by \$1.3 million. Thus, the proportion of the overall increase in Legislative candidate receipts that can be attributed to the PACs is 22 percent. Table 14 compares the proportion of the overall increases in receipts that can be attributed to the various players in the electoral process considered in this paper.

**Table 14**  
**Proportion of Increase in Receipts by Contributor Type: 1983-1987**

<b>Type</b>	<b>Percent*</b>
Individual	24%
Special Interest PACs	22%
Political Party	13%
Officeholder PAC	9%
Union	-2%
Business	14%
Others	18%

\*the percentage does not total 100 percent because of rounding

As shown by these very significant statistics, the PACs clearly were a driving force in the rise in Legislative spending in 1987. Yet, also, so were contributions from individuals. This category, in fact, slightly exceeded PAC contributions in terms of the proportion of the overall increase in receipts it represented. Individual contributions, by themselves, constituted 24 percent of the overall increase in 1987 Legislative receipts. This statistical perspective corroborates the previous finding that both the special interest PACs and individual contributors were the major forces behind the tremendous surge in spending by 1987 Legislative candidates.

That the PACs are an important and growing factor in Legislative campaigns is unquestioned. In all probability, the PACs will be easily identifiable as the main force behind Legislative spending in the future, perhaps as early as the 1989 Assembly elections, but certainly by the time the 1991 Senate and Assembly elections are completed. The proliferation of the PACs will continue and may even be pushed along by any changes in the law that limit direct contributions by corporations and unions. In 1987, special interests together made 32 percent of all contributions and represented 36 percent of the overall increase in Legislative receipts between 1983 and 1987. Any reform of the campaign finance law along the lines suggested above would channel all of this special interest money through the PACs, thus clearly identifying these entities as the dominant factor fueling increases in future campaign spending by Legislative candidates.

Of course, reform of the law could take a different tact and severely restrict financial activity by the PACs, thereby enhancing other contributor types, such as individuals or State party committees. However, such a scenario is unlikely. Campaign reform that limits contributions will most likely be applied fairly equally across the spectrum of contributors,

thus setting the stage for a continuation of the growing influence of special interest PACs over the Legislative electoral process.

In conclusion, the period 1983-87 was a “watershed” period for political action committees in terms of their emergence as a major force in New Jersey’s Legislative electoral process. This trend in PAC activity, barring statutory change, is likely to grow and develop further in future years, with PAC momentum continuing unabated until political action committees are clearly pinpointed as the driving force behind future increases in Legislative campaign financial activity.

## **THE NEW ROLE OF THE STATE POLITICAL PARTIES IN LEGISLATIVE ELECTIONS**

In recent years, there have been some very interesting developments taking place relative to the State's political party system; and these developments can most readily be observed in terms of campaigns for the Legislature.

While the conventional wisdom holds that the political party system in New Jersey, as in most other places throughout the nation, is in decline, campaign financial data collected by the Election Law Enforcement Commission suggests that, at least with respect to the Legislative electoral process, this belief is only partially true.

There has been a shift in influence in these campaigns from the party organizations at the county level to the party organizations at the State level. While certainly the state political party entities, which, for the purpose of this study, include the state party committees as well as Legislative party committees, do not yet approach the influence over the process once wielded by the county party organizations, suffice it to say that they have gained considerably in strength from the time when they existed virtually in name only. Conversely, the county political party committees, once dominant over both the processes of elections and governance, have been weakened in the face of reforms, technology, and the onset of candidate-centered campaigns for the Legislature.



## County Party Organizations Lose Dominance

Historically, county political party committees provided a semblance of organization to the electoral process in New Jersey. They provided cues to voting, influenced the nominating process, and organized and ran the election campaigns of candidates at many levels, including the Legislative. In turn, these county organizations not only dominated the campaigns but also the government. On the State level, because of their powerful role, they exerted much influence over the State Legislators and the Governor. In those years, it can be accurately said that State government was not run from Trenton but from the party fiefdoms of the 21 counties.<sup>9</sup>

In the last quarter century, much has changed. For example, voter identification with one party or the other is not as high as it once was, with the number of New Jersey voters thinking of themselves as independents representing more than 45 percent of the electorate.<sup>10</sup> Moreover, the after-effects of the Watergate crisis of the early 1970's very much contributed to the weakening of the party system, with certain reforms going far toward the dismantling of the strong county party system that traditionally existed in New Jersey. For example, not only has the direct primary system weakened their influence over the nominating process, but county political parties in New Jersey (as well as the State committees) not only cannot endorse candidates in the primary, but also have no official role in primary campaigns and often a greatly reduced one in general election campaigns. Of course, this situation may change, due to the recent United States Supreme Court decision which declared a California law prohibiting the parties from endorsing candidates in the primary to be unconstitutional, but at this point in time the New Jersey law is still on the books.<sup>11</sup> Further, under campaign

finance laws, county parties are subject to restrictions on their actions on behalf of their gubernatorial candidates as well, though to a lesser degree than the State political party organizations.

Significantly, too, mass communication and other technological developments have taken their toll on the strength of the parties at the county level. Though not the only factor which worked toward their decline, the mass communication advances in recent years played an important role in the erosion of influence displayed by the county party organizations over the Legislative electoral processes in New Jersey. The voters now have an alternative means of receiving information about candidates and no longer depend solely on the parties.

In Candidates, and Campaigns—Electoral Politics In America. Stephen A. Salmore and Barbara G. Salmore state, “the decades after the 1950’s would see the eclipse of local party organizations as a factor in most campaigns and the rise of the candidate-centered campaign run by professional consultants - - a style of campaigning that demanded greatly increased amounts of money to purchase expensive technology. These developments were first evident in presidential campaigns. Only gradually did they move to lower level races.”<sup>12</sup>

Certainly these candidate-centered campaigns are a feature of gubernatorial campaigns and of campaigns for the New Jersey Legislature. If nothing else, the huge sums of money flowing into candidate committees during the 1987 Legislative campaign attest to that fact.

## **State Party Entities Assume Strengthened Role**

But does this mean that political parties in the Garden State are no longer players on the stage of Legislative politics? The answer is by no means. While the traditional role of the county party organizations may have changed relative to Legislative elections, with their influence declining, the 1987 Legislative general election demonstrated that the role of the State political party entities, on the other hand, has grown. In fact, interestingly and increasingly, these State level party entities have carved out a new and important niche for themselves in the State's political life. Where once county organizations exerted strong influence over all aspects of the electoral process and State party organization virtually existed in name only, it is the State party entities that are now playing the more powerful role in the Legislative elections process. The stronger role exhibited by the political parties has shifted from the county level to the State level, with the State party entities evolving into functionaries that resemble a service industry.

For example, as mass media and money become more important to campaigns for the Legislature, the State political party organizations and other committees structured around party are becoming more important in terms of fund-raising and providing a variety of campaign consulting services. These services include consulting on fund-raising techniques, media use and computerization.

Moreover, these organizations help with voter registration and targeted get-out-the-vote drives, and help to consolidate party positions for candidates through the adoption of comprehensive party issue platforms.

Finally, in employing campaign professionals, the State party organizations and Legislative party committees provide assistance to Legislative candidates in complying with campaign finance laws. Through helpful seminars and workshops, these political party entities also provide candidates with valuable insights into campaign strategy.

As suggested above, the State political party organizations and Legislative party committees have developed into a service industry, and in so doing, have carved a role in the political life of the State in an increasingly money-oriented and media-intensive age.

Certainly, there can be no better evidence of this fact than the important role State political party and Legislative party committee played in the Legislative election of 1987, a role that had changed significantly from ten years before.

### **Increase in State Party Activity Since 1977**

While campaigns for the Legislature have become more and more candidate-centered since 1977, interestingly, it was during the same period that the process of reshaping and invigorating State political party organizations also took form.

For instance, between the 1977 and 1987 Legislative general elections, it can be deduced that overall fundraising activity by the State Political Party Committees and Legislative party committees increased significantly, with these committees amassing a record \$7.9 million in 1987. The receipt figure for 1977 is, unfortunately, unavailable; but

given the Legislative expenditure total by these committees in that earlier year, it is safe to conclude that not much more money was raised by these party entities in 1977.

With respect to this financial activity related to the Legislative election, spending on Legislative candidates by these committees rose from \$592,464 in 1977 to \$3.5 million in 1987, for a ten-year increase of 483 percent.

Involvement in the Legislative campaigns by the Democratic committees increased at a stunning rate. In 1977, for instance, only \$99,135 was spent on Legislative candidates, whereas, in 1987, the amount increased to \$1.7 million, for a rise of slightly over 1600 percent.

Republican activity in the Legislative campaign, on the other hand, though outpacing overall Democratic Party activity, and though increasing substantially, nevertheless increased less dramatically during this period. Expenditures for Legislative candidates during this period by Republican entities increased by 265 percent, from \$493,329 in 1977 to \$1.8 million in 1987. Table 15 depicts overall financial activity, including expenditures by State political party entities on Legislative campaigns, during the period 1977-87.

**Table 15**  
**Financial Activity by State**  
**Political Party Entities: 1977, 1981, 1983 and 1987**

	<b>Receipts*</b>			<b>Legislative Expenditures**</b>		
	<b>Republican</b>	<b>Democratic</b>	<b>Total</b>	<b>Republican</b>	<b>Democratic</b>	<b>Total</b>
1977***	-	-	-	\$ .5	\$ .1	\$ .6
1981	\$2.1	\$1.6	\$3.7	\$2.1	\$1.5	\$3.7
1983	\$2.8	\$1.2	\$4.0	\$1.9	\$ .8	\$2.7
1987	\$4.7	\$3.2	\$7.9	\$1.8	\$1.7	\$3.5

\*in millions of dollars

\*\*these figures do not add exactly because of rounding

\*\*\*receipt totals for 1977 are unavailable

**Legislative Activity by State Party Entities Has An Uneven History During Successive Elections**

While the data indicates that party fundraising experienced a steady and substantial increase throughout successive Legislative elections during this ten-year period, it also indicates that party involvement in Legislative campaigns, on the other hand, was uneven. Though overall, party Legislative activity increased between 1977 and 1987, peak involvement by the party entities occurred in 1981. In that year, Legislative activity was greater than in 1983 and even slightly more than in 1987.

Between 1977 and 1981, for instance, receipts by the party committees most certainly increased substantially to \$3.7 million. Expenditures by the party committees on Legislative candidates rose by 517 percent, from \$592,464 to \$3.7 million.

Expenditures on the Legislative campaign by the Democratic Party increased from \$99,135 in 1977 to \$1.5 million in 1981, for an increase of more than 1400 percent. Republican party Legislative expenditures rose by 320 percent, from \$493,329 in 1977 to \$2.1 million in 1981; a substantial increase, but in percentage terms much less so than Democratic Party expenditures.

Between the general election of 1981 and that of 1983, receipts by these committees continued to increase. In 1983, Democratic and Republican State Committee and Legislative Party Committee receipts totaled \$4 million, for an increase over 1981 of 8 percent, when, as stated above, receipts totaled \$3.7 million.

Expenditures on Legislative candidates by these entities decreased from 1981, however. In 1983 the party entities contributed \$2.7 million, down by 27 percent from 1981, when, as stated above they contributed \$3.7 million to Legislative candidates.

Comparisons between the overall financial activity of the Democratic Party entities and the Republican Party entities in 1983 show that a slowdown in fundraising and Legislative expenditures by the Democratic party entities was primarily responsible for the overall decline from 1981 in Legislative activity by the party entities.

For example, Republican Party receipts totaled \$2.8 million in 1983, for an increased of 33 percent. In 1981, Republican Party receipts totaled \$2.1 million.

Democratic Party receipts totaled \$1.2 million in 1983, for a decrease from 1981 of 25 percent. In 1981, Democratic Party receipts amounted to \$1.6 million.

In terms of involvement in the Legislative campaigns, despite the fact that Republican Party expenditures on Legislative candidates in 1983 amounted to \$1.9 million; and, therefore, decreased by 10 percent from 1981, when they were \$2.1 million, this rate of decrease is much less than that of the Democratic Party. The Democratic expenditure on Legislative races totaled \$795,945 in 1983, down by 47 percent from 1981, when they totaled \$1.5 million.

Moreover, the increase in funding by 1983 Republican entities indicates that the GOP had the potential to spend as much or more on Legislative campaigns as in 1981, but perhaps decided to utilize its resources in other ways, such as contributing to local candidates and spending more on operational costs.

### **Party Activity Increases Between 1983-87**

This pattern of increase in fundraising by the political party entities remained consistent between 1983 and 1987. Overall, receipts by the party entities continued to increase. Further, while total expenditures on the Legislative campaigns by these entities still did not equal that reached in 1981, these expenditures did increase over 1983, indicating that the



overall trend in State Political Party Committee and Legislative Party Committee fundraising activity and involvement in involvement in Legislative campaigns over the ten year period 1977-87 was one of significant increase.

Fund-raising by State party committees and any Legislative party committees in 1987 increased by 97 percent over 1983. Compared with the \$4 million raised by these entities in 1983, State party and related committees raised \$7.9 million in 1987. Their spending on Legislative candidates increased by 30 percent between 1983 and 1987. In 1983, they contributed \$2.7 million compared with \$3.5 million in 1987. Table 16 shows total financial activity by State Party Committees and Legislative Party Committees in 1987 and Table 17 compares financial activity on behalf of Legislative candidates by political party entities in 1987 with that in 1983.

**Table 16**  
**Financial Activity by State Political Party Committees and**  
**Legislative Party Committees: 1987\***

	<b>Receipts</b>	<b>Legislative Expenditures**</b>
Republican State Committee	\$ 3.8	\$ .9
Assembly Republican Majority	<u>\$ .9</u>	<u>\$ .9</u>
Subtotal	\$ 4.7	\$ 1.8
Democratic State Committee	\$ 1.4	\$ 0
Senate Democratic Majority	<u>\$ 1.8</u>	<u>\$ 1.7</u>
Subtotal	<u>\$ 3.2</u>	<u>\$ 1.7</u>
Total	\$ 7.9	\$ 3.5

\*Democratic contributions to Legislators in 1987 undertaken by the Senate Democratic Majority.

\*\*in millions of dollars

**Table 17**  
**Political Party Entity Contributions Directly**  
**or on Behalf of Legislative Candidates: 1983 and 1987\***

<b>Entities</b>	<b>1983</b>	<b>1987</b>
Democratic	\$ .8	\$1.7
Republican	<u>\$1.9</u>	<u>\$1.8</u>
Total	\$2.7	\$3.5

\*in millions of dollars

In 1987, the Republican State Committee and Assembly Republican Majority (ARM) increased their fund-raising by 68 percent but reduced their contributions to Legislative candidates by five percent from 1983. In 1983 the RSC and a similar political committee

to ARM, raised \$2.8 million and contributed \$1.9 million. In 1987, the Republican entities raised \$4.7 million and contributed \$1.8 million to Legislative candidates. Thus, Legislative activity by the Republican entities, while still greater than that of the Democratic entities, continued to decrease from the peak year of 1981, even as overall Republican Party receipts increased. Once again, it is probable that more financial aid was directed toward the grassroots level as well as spent on operational costs.

The increase in involvement in 1987 of the Democratic State Committee and the related committee, the Senate Democratic Majority, over 1983, was, on the other hand, notable. In 1983, the DSC and a related committee similar to the Senate Democratic Majority raised \$1.2 million and contributed \$795,945 to Legislative candidates. In 1987, these party entities raised \$3.2 million and contributed \$1.7 million to Legislative committees. Thus, there was a 167 percent rise in Democratic party fund-raising and a 113 percent increase in spending for the Legislative campaign. In relation to the peak Legislative activity year of 1981, not only fundraising by the Democratic entities up, but also the level of involvement in Legislative campaigns increased.

While the data indicates that party involvement relative to fund-raising and Legislative campaigns was still stronger on the Republican side in 1987, indeed during the entire period 1977-87, it also suggests that the Democratic side has gotten much better at fitting into the new scheme for the political parties as the 1980's pass into history. While the Republican advantage in fundraising remained (though decreasing), reaching 47 percent more than the Democrats in 1987 (it was 133 percent more in 1983); the Republican party involvement in the Legislative election in that year was only 6 percent more than the Democrats. In 1983, it reached 38 percent more. More significantly, the Democrats involvement in Legislative campaigns increased by 113 percent over 1983, whereas the Republican involvement actually decreased by five percent from 1983. Indeed, the Democratic Party's involvement in Legislative races revived in 1987 amid indications that it may be moving toward parity with that of the Republican Party's.

## **Future Promising for State Party Activity**

Certainly, the future is promising for the State parties as they evolve more and more into service industries for campaigns. The key, of course, is fund-raising. If the State political parties and their operatives can continue to refine their fund-raising techniques, they can continue to strengthen their role in the electoral process of State elections, even as candidate-centered campaigns remain the norm and as political action committees and, as will be shown, the new phenomenon of officeholder PACs compete with them for influence on the electoral stage. Through strong fund-raising efforts, the parties can help provide campaign consultant services necessary for successful Legislative campaigns in this medial-intensive age. They can also help maintain highly competitive environment for both Legislative parties in New Jersey.

In conclusion, the State political party committees and Legislative party committees made 24 percent of the total contributions to Legislative candidates in 1987. Out of \$14.8 million in candidate receipts, these entities were responsible for \$3.5 million. As suggested above, State political party committees and Legislative party committees financial activity has grown steadily since 1977, helping them to carve out an important role for themselves in the political and governmental processes at the State level.

Interestingly, this development has occurred simultaneously with the rapid increase in financial activity in Legislative elections and the onset of candidate-centered campaigns for the Legislature. Moreover, it has followed closely on the heels of the decline of the powerful county party system that still existed into the 1960's in New Jersey.

The statistics show that the State parties and Legislative party committees played a significant role in the 1987 campaign for the Legislative. The increase in activity by these party entities over a ten-year period not only indicates that the party system at the State level

is alive and well, but also promises to grow and even expand in the future, with the State parties becoming participants not only in Legislative campaigns, but in other important campaigns on the local level as well. Moreover, suggested changes in the law before the Legislature that relate to the political parties hold out the promise for an even greater and more significant role for the parties to play in future Legislative campaigns than even envisioned by this paper. The parties, at least on the State level, are alive and well, and increasing in importance.

## OFFICEHOLDER PACs

The establishment of PACs by officeholders is a trend that became evident in 1987. A new development, its roots in New Jersey are traceable to 1983.

While these PACs have been formed by officeholders at all levels of government in the State, the vast majority of them have been formed by members of the Legislature. Moreover, while financial activity by these PACs is evident at all levels of government, the bulk of their activity has taken place on the State level, with contributions being made to candidates for the Legislature as well as to the State Political Party Committees and Legislative Party Committees. Thus, for the purposes of this study, commentary will be limited to contributions by these officeholder PACs to Legislative candidates and will not deal with their financial activity at other levels.

Quite simply, these PACs are ongoing committees established by officeholders for numerous reasons, most prominently among them to raise funds for a future campaign of their own or for making contributions to other candidates of their party. In the case of Legislators specifically, these committees are often used to strengthen their political base in their home district, to heighten their influence with other members of their Legislative party, and to enhance their prospects for election to Legislative party leadership positions.

Like the growth in special interest PACs, the growth in candidate PACs is in response to the weakening of the traditional party system and to a campaign system in which money plays such an important role. These committees are helping to fill the power vacuum which resulted when the county political party committees lost much of their traditional influence over the electoral and governmental processes of State government.

## **Tremendous Increase In Number of Officeholder PACs**

During the 1987 campaign for the Legislative, 78 officeholder PACs had been formed by officeholders, the majority by members of the Legislature. Thus, in 1987, there were 26 times as many officeholder PACs as there were in 1983. As shown in Table 18, there were only three officeholder PACs in 1983, indicating that the development of a trend in this type of activity definitely occurred during the period 1983-87.

**Table 18**  
**Number of Officeholder PACs: 1983 and 1987**

<b>Year</b>	<b>no.</b>	<b>% increase</b>
1983	3	-
1987	78	\$2,500%

## Financial Activity Increases

Naturally, financial activity by these entities increased enormously throughout this period. Table 19 compares receipts and expenditures by officeholder PACs in 1983 and 1987.

**Table 19**  
**Receipts and Expenditures by Officeholder**  
**PACs: 1983 and 1987\***

<b>Year</b>	<b>Receipts</b>	<b>Expenditures</b>
1983	\$ .1	\$ .1
1987**	\$2.3	\$2.7

\* in millions of dollars

\*\*officeholder PACs spent more than they raised in 1987 because they generally started with an opening balance in their third quarterly report

Receipts by these PACs in 1987 amounted to \$2.3 million and expenditures to \$2.7 million. Compared with 1983, these candidate PACs received 22 times more in funds and spent 26 times more. Receipts in 1983 amounted to \$130,052 and expenditures to \$105,788.

In terms of contributions to Legislative candidates, the data is interesting as well. While the data includes contributions from Assemblyman Z “officeholder PAC” to Assemblyman Z as well as from such an officeholder PAC to other Legislative candidates, the data is nevertheless informative.



Contributions to Legislative candidates by officeholder PACs equaled \$570,703 in 1987. This total was 14 times more than in 1983, when contributions to Legislative candidates amounted to \$35,353. It is important to note that this figure perhaps understates the involvement in the Legislative campaign by these entities in that a substantial amount of money was contributed to the political party entities, which in turn can use the money in supporting Legislative candidates. Table 20 shows the increase in contributions to Legislative candidate by officeholder PACs between 1983 and 1987.

**Table 20**  
**Contributions to Candidates by Officeholder**  
**PACs: 1983 and 1987**

<b>Year</b>	<b>Contributions</b>	<b>% Increase</b>
1983	\$ 35,353	-
1987	\$570,703	1,514%

The average amount raised by officeholder PACs in 1987 was \$25,856. Moreover, there were eleven members of the \$100,000 club. In fact, five officeholder PACs raised \$200,000 or more and one even raised over \$1 million.

The number of officeholder PACs joining the \$100,000 club has increased tenfold since 1983. There was one \$100,000 club member in 1983.

In New Jersey, the emergence of officeholder PACs is a relatively new development. They truly made their presence known in the 1987 Legislative general election. As stated above, these entities are emerging in reaction to Legislative campaign that are money intensive and to the power vacuum created by the weakening of the traditional party system.

In 1987, contributions to Legislative candidates by candidate PACs equaled \$570,703, or 4 percent of the total receipts reported by these candidates. While certainly not yet approximating a large share of contributions to Legislative candidates, it is apparent that these officeholder PACs are becoming a factor in modern Legislative campaigns in New Jersey. Barring any future limitations on their activity, the influence of officeholder PACs on the Legislative electoral process promises to grow. As such, they will increasingly become the subject of research and commentary by students of New Jersey Legislative elections.

## CONCLUSION

Campaign financing truly came into its own as a major issue during the 1987 general election campaign for the New Jersey Legislature.

Continuing a decidedly upward trend in candidate-centered, money-intensive campaign that is discernable over a ten year period beginning in 1977, candidates for the State Senate and Assembly made the 1987 general election the most expensive in history.

Receipts by these candidates totaled \$14.8 million and expenditures amounted to \$11.5 million. Thus, since 1977, when candidate receipts totaled \$4.1 million and expenditures \$3.9 million, there has been a precipitous rise in financial activity in Legislative campaigns.

Incumbents in 1987 benefited most profoundly from the largess of campaign dollars. They received 63 percent of the funds. Moreover, this wealth added to their natural and historic advantage, as incumbents were returned to office at the extremely high rate of 98 percent.

As noted in the text, this pattern replicates that of 1983, the most recent general election prior to 1987 when both houses of the Legislature were up for election. In 1983, incumbents, returned to office at a rate of 96 percent, received 64 percent of total contributions.

More than any previous Legislative election, the 1987 general election illustrated that way in which campaigns for the Legislature have changed. If New Jerseyans had not noticed that Legislative campaigns were no longer controlled by county and local political

party organizations, the 1987 election made that fact evident. Concomitantly, if New Jerseyans had not noticed that Legislative campaigns had become candidate-centered, the 1987 election made that clear as well.

Even so, State political party entities did demonstrate again in 1987 that they indeed have a role to play in modern campaigns for the Legislature, though different and not as direct as that played by county organizations in the past.

Traced over the ten-year period 1977-87, the increase in financial activity by the State party committees and Legislative party committees and their corresponding involvement in Legislative campaigns has been substantial. Indeed, it is during this period that these entities established themselves as a service industry for Legislative campaigns.

By way of example, between 1977 and 1987, spending by the State Political Party entities on Legislative campaign activity rose from \$592,464 to \$3.5 million.

Special interest political action committees were a driving force in fueling the spending that occurred in 1987. In this election, the PACs contributed \$2.8 million to candidates for the Legislature as compared to \$1.5 million contributed in 1983, when the PACs really began to exert an influence upon the stage of Legislative politics. Overall, the special interest PACs made \$3.8 million in contributions in the context of the 1987 Legislative campaign, either to the candidate directly or to other continuing political committees of political committees which in turn supported these candidates. This figure was up from the \$1.7 million figure reported in 1983.

Also, in 1987, these PACs made 19 percent of all the contributions made to Legislative candidates, up from the 16 percent of total contributions they made in 1983.

Together with other special interest contributors, these PACs were a big part of a special interest grouping that was responsible for 32 percent of the receipts reported by Legislative candidates.

Finally, officeholder PACs emerged as a factor in elections for the Legislature in 1987. A trend that can clearly be identified as beginning in 1983 and unfolding quickly during the intervening years leading in the 1987 elections, officeholder PACs increased in number to 78 by this most recent Legislative campaign and increased their contributions to Legislative candidates to \$570,703. In 1983, these officeholder PACs numbered merely three and contributed only \$35,353 to candidates.

Traditional sources of funding and traditional means of campaigning continued to be part of the campaign in 1987. Individual contributors shared the distinction with special interest PACs as being a driving force behind the increase in Legislative spending. These contributors accounted for 16 percent of receipts in 1987, but more importantly, they accounted for 24 percent of the increase in receipts by Legislative candidates in that year. Also, business and union contributors comprised 12 percent and one percent respectively.

In conclusion, the trend since 1977 toward more and more spending by Legislative candidates continued unabated in 1987, with special interest PACs and individual contributors leading the way. Moreover, a developing dynamic in campaigns became apparent forged by mass media and the need to pay for it; special interests in general and PACs in particular; State Party and Legislative Party Committees; and, most recently, officeholder PACs.

## NOTES

1. 1987 statistics are derived from New Jersey Election Law Enforcement data on the 1987 Legislative elections.
2. Dan Weissman, "Dems, GOP Buildup Warchests for Multimillion-dollar Campaigns" Star-Ledger, October 8, 1987.
3. Harvey Fisher, "10 Legislative Candidates Have Raised Over \$100,000," Bergen Record, October 29, 1987.
4. Eagleton/Star-Ledger poll, June 19, 1988.
5. Jim Goodman, "Campaign '87 Costs \$15M," Trenton Times, November 1, 1987.
6. "Viewpoint," Star Ledger, July 19, 1987.
7. The Commission has made numerous suggestions for changing the law; see ELEC's 1988 Annual Report, pp.10-12.
8. Statistics from Legislative elections prior to 1987 dating back to 1977 are derived from New Jersey Campaign Financing:1983 Legislative General Election, New Jersey Election Law Enforcement Commission, January 1985, and ELEC data from previous years.
9. For a discussion of the history of political parties in New Jersey see Maureen W. Moakley, "Political Parties," The Political State of New Jersey, Edited by Gerald M. Pomper (New Brunswick: Rutgers University Press, 1986), pp.45-65.
10. Unofficial voter registration figures prior to the 1988 primary are available from the Division of Elections in the Department of State.
11. Eu v. San Francisco County Democratic Central Committee, - U.S. – (1989).
12. Stephen A. Salmore and Barbara G. Salmore, Candidates, Parties, and Campaigns: Electoral Politics in America, (Washington, D.C.: Congressional Quarterly, 1985), pp-37-38

## EXPLANATORY NOTES

- \* The total receipts figure for 1987 was based on 20-day postelection reports submitted by the candidates. This information was retrieved from the Commission's computer data base. Total receipts figures previous elections were taken from previous Commission reports and computer printouts.
- \* The total expenditures figure for 1987 was based on 20-day postelection reports submitted by the candidates. This information was retrieved from the Commission's computer data base. Total expenditures figures from previous elections were taken from previous Commission reports and computer printouts.
- \* Categorical breakdowns (party, office, incumbent, winner, etc.) of this statistical information
- \* Monetary sums cited in the text were reported to the nearest one-hundred thousand dollars, except when the figure cited is less than one million dollars. In these cases, the actual figure is cited, rounded to the nearest dollar.
- \* Certain calculations such as average amounts spent by candidates and ranges of spending by Legislative Candidates are based on the number of candidates filing detailed reports.
- \* An incumbent is defined in 1987 as someone who is an elected official who is running for reelection to the same office he or she currently holds. In other words, Assemblymen running for Assembly, etc. It does not include an Assemblyman running for State Senate. In this case, the individual has been placed in the challenger category. Comparisons of incumbent data with 1983 are not precise because the 1983 report included Assemblymen running for Senate in the incumbent category.
- \* Special Interest PACs are defined in the text (page 20).
- \* The PAC statistics are derived from the total number of PACs filing with the Commission. This methodology is comparable to that used in 1983. It is a different grouping than was considered in the PAC press release for 1987. The PAC press release did not include out-of-State PACs and did include contributions to political committees and non-Legislative candidates.
- \* 1983 total receipts approximating \$9 million dollars (pages 29, 30, 31) in the section involving contributor-type statistical information do not equal the \$8.4 million 1983 receipt total utilized throughout the rest of the text because the \$9 million includes expenditures by State Party entities made for party building activity. Party building activity was included in the 1987 receipt totals because of the inability from the reports to separate these costs out and the belief that party building activity benefited the Legislative candidates. Party building activity was only excluded from receipt totals in the 1983 report. The 1983 total receipts figure of \$8.4 million was used in this text because contributor statistical information from the 1983 Report used in this current report is based on that \$8.4 million figure. If party building activity is included, the total receipts figure for 1983 approximates \$9 million.

- \* State Political Party and Legislative Party data was calculated manually from reports submitted by those entities.
- \* Officeholder PAC data was calculated manually as this entity is a new category studied for the first time in 1987.