

Congressional Campaign Spending and the Quality of Democracy

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Nearly all research on campaign finance overlooks important intermediaries between candidate spending and electoral outcomes. We consider the effects of campaign spending on a variety of factors important to the health of any democracy and political community: trust, efficacy, involvement, attention, knowledge, and affect. Our analysis of the 1994 and 1996 U.S. House elections shows that the effects of campaign spending lie more on the side of democratic boon than democratic bane. Campaign spending increases knowledge of and affect toward the candidates, improves the public's ability to place candidates on ideology and issue scales, and encourages certainty about those placements. Rather than permit House members to mask their voting records, incumbent spending helps improve the accuracy of citizen perceptions of the incumbent's ideology. Spending neither enhances nor erodes trust and efficacy in politics or attention and interest in campaigns. We conclude that campaign spending contributes to key aspects of democracy such as knowledge and affect, while not damaging public trust or involvement.

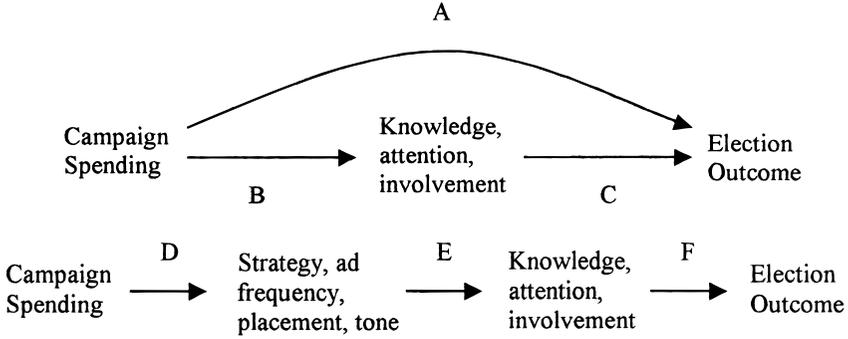
A national debate is underway on campaign finance. Substantial scholarly and public discussion has focused on the contributions side of campaign finance: who contributes, how much, and with what effect on public policy making (Austen-Smith 1995; Baron 1994; Biersack, Wilcox, and Herrnson 1999; Gais 1998; Snyder 1990). An equally important but underdeveloped discussion examines candidate expenditures: what benefits for democracy and political community, if any, flow from campaign spending?

Positions on this question are stark in the public reform discussion. To one camp, campaign spending is political speech that deserves protection. More speech means more information, and more information produces an enlightened and active citizenry. Candidates and parties rationally deploy campaign spending to inform the public on issue stances and policy preferences. By contributing to the quality and quantity of public discourse and by making political elites (or would-be elites) accountable to the governed, campaign money builds community. Unlimited campaign spending is a democratic boon (Brubaker 1998; Palda 1994; Smith 1996; Smith 1999).

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FIGURE 1

Relationship between Campaign Spending and Election Outcome



To the other side, campaign spending, especially in unlimited amounts, is clearly the bane of democracy. Legislators spend inordinate time raising funds to create a bipartisan incumbent protection scheme that hobbles challengers and grants access and favors to contributors (Dworkin 1996; Ferguson 1995). Spending is deployed on cynical, negative, and misleading campaign advertisements. The public becomes distrusting or, worse, apathetic and uninvolved, and campaign spending fails to enlighten, engage, or educate the public. The rational politician cares little for the impact of his or her action on the quality of American democracy but mightily about winning the next election (Wertheimer and Manes 1994).

Scholars have explored most of the contentious points raised in the public discussion about campaign contributions. For campaign spending, on the other hand, research has been narrower than the public discussion. Studies of the impact of campaign spending—challenger deterrence; a candidate's probability of winning; candidate vote percentages—typically stop at the point of connecting spending with one of these behavioral outputs (Gerber 1998; Goidel and Gross 1994; Green and Krasno 1988; Jacobson 1992; Kenny and McBurnett 1992; Kenny and McBurnett 1994; Krasno and Green 1988; Snyder 1989; Squire 1995).¹ Line A in Figure 1 denotes this research tradition. In this article, we widen the focus to include trust and efficacy, involvement and attention, and electorally relevant knowledge and affect in the public, all key components of a vibrant political community (McGerr 1986; Rahn, Brehm, and Carlson 1999) and part of the “black box” between monetary inputs and electoral outputs (Figure 1, line B). In short, something happens that converts spending into the often-studied out-

¹Most accounts suggest that challengers receive the greater marginal gain from spending, but disputes persist regarding the size of the incumbent-challenger differential and the campaign conditions under which the differential grows or shrinks.

puts. One significant strand in current election research examines the link between these black box variables and voting decisions (Figure 1, line C), but the link between spending and the black box has been overlooked. Now, this black box is itself a simplification because campaign money must work through campaign strategy, advertising content, advertising frequency, and other intermediaries (Cappella and Jamieson 1996; Christ, Thorson, and Caywood 1994; Geer 1998), as seen in lines D and E of Figure 1. We set those complications aside for this analysis and focus on the relationship signified by line B in Figure 1 for the 1994 and 1996 U.S. House elections.

Despite the concerns of reformers, we find that campaign spending produces generally beneficial effects. Campaign spending contributes importantly to key aspects of democracy and political community such as knowledge and affect, while not damaging public trust or involvement.

The Uses of Money

Candidates spend funds to increase name recognition and public awareness of their views. Generating attention is important, particularly to those trailing the front-runner. A candidate, especially a challenger, may also wish to create some confusion concerning the stances of his or her opponent—as with an up-start product battling the longtime consumer favorite, a challenger needs to shake voters' confidence about the incumbent. Confusion about the candidate's positions might at times be an optimal electoral strategy, but this approach is unlikely to work in the long run or for most candidates. Box-Steffensmeier and Franklin (1995; see also Franklin 1991) show that Senate incumbent roll-call voting records cumulate into highly accurate voter perceptions of the candidates and affect voter decisions on election day. In effect, the roll-call record is an investment that can pay significant dividends; only in extraordinary circumstances would “running away from the record” make strategic sense for the incumbent (Coleman 1999). Working from a political psychology on-line processing model, Lodge, Steenbergen, and Brau (1995) similarly conclude that voters construct a running tally of information about candidates that has significant impact on their voting decisions (Banaian and Luksetich 1991; Squire 1995, 904–5).

Whether a candidate intends to misinform or, as we argue, inform, abundant financial resources would assist either task. Financial resources in 1994 and 1996 were, if nothing else, plentiful compared with previous election cycles. It is clear enough that American political parties and their candidates have become proficient at raising large sums of money. Some empirical evidence suggests spending provides a way for candidates to contact potential voters and enhance voter knowledge of the candidates (Jacobson 1992, 114–32; Kenny and McBurnett 1997). Baron's (1994) formal theory suggests that campaign expenditures increase the proportion of informed voters. Unlike the tool of elite interests that is often depicted on the contributions side, campaign *spending* may have democratizing effects (Bailey 1998). There is, then, good theoretical reason to ex-

pect campaign spending to influence public knowledge and affect: candidates need to increase the proportion of informed voters to compete credibly.

Arguably, there may also be a strategic link between spending, at least challenger spending, and involvement and attention. We are more skeptical here because it will often be strategically sensible for candidates to minimize attention and turnout. Moreover, it is a valid, though perhaps normatively troubling, campaign strategy to target most of the candidate's efforts at those who are already likely to be attentive and involved. We do not expect spending to affect involvement and attention consistently and significantly.

We are even more skeptical that strategic linkages exist between campaign spending, trust, and efficacy. While *specific* candidates might benefit from increasing or decreasing trust and efficacy, we do not see any such incentives for candidates in general. On the other hand, simply because candidates do not *intend* to produce distrust or less efficacy does not mean spending will not have these effects. Whether candidates intend it or not, the reform argument goes, the public responds to "obscene" levels of spending by viewing politics itself as obscene. Even scholars who warn about the siren song of campaign finance reform suggest possible links between it and enhancing public participation (Malbin and Gais 1998, 163). Studies of trust and efficacy, however, have not found or, more accurately, have not tested for links between campaign spending and political trust and efficacy (Lipset and Schneider 1987; Nye, Zelikow, and King 1997; Pew Research Center 1998).

Data and Variables

Our analysis of the relationship between campaign spending and key elements of democracy and political community—trust and efficacy, involvement and attention, knowledge and affect—relies on items from the 1994 and 1996 National Election Studies (NES). These two elections provide the advantage of examining spending effects under the differing conditions of a midterm and presidential election year. We would be cautious before asserting these years are typical, however. Not only had the quantity of money in campaigns increased dramatically by the mid-1990s, but each election was unusual. In 1994, the Republican party engaged in a highly nationalized campaign that stressed common themes across districts. In 1996, the Democrats found themselves in the unfamiliar position of trying to regain their House majority while Republicans sought to maintain their majority for consecutive congresses for the first time in over 60 years.²

²The 1996 National Election Study asked a battery of congressional campaign questions in both the preelection and postelection phases of the survey, perhaps priming respondents to focus on these areas more than they otherwise might, but this possibility does not pose a problem for this study. Our regression analysis does not focus on pre- and post-survey differences. In addition, one can view the priming, if it exists, as a conservative constraint that makes it more difficult to unearth significant campaign spending effects.

For campaign spending, we rely on Federal Election Commission data for all races in which an incumbent faces a challenger; we exclude open-seat races and unopposed incumbents. The reasons for this distinction are both practical and theoretical. Practically, the incumbent versus challenger scenario is by far the most common facing voters. Theoretically, studies contrasting the utility of incumbent and challenger spending dominate the literature. Moreover, incumbents, unlike challengers or open-seat candidates, have an “objective” record—the roll-call voting record—against which we can compare voter perceptions.

Dependent Variables

We proceed from some straightforward assumptions about the quality of democracy: higher levels of trust, efficacy, involvement, attention, knowledge, and affect are generally preferable to lower levels, and more competitive elections are preferable to less competitive elections. Sometimes, we acknowledge, these characteristics may be in conflict. A challenger who confuses the public about the incumbent, for example, may create a more competitive election. We do not dismiss the importance, or the theoretical and analytical difficulty, of considering necessary and sufficient levels of these characteristics for democracy. However, we believe our first task should be to employ the theoretical expectations discussed above to test effects of spending on a broad range of measures. We do this within the context of the set of reasonable working assumptions about the quality of democracy stated above.

TRUST, EFFICACY, INVOLVEMENT, AND ATTENTION. To examine potential relationships between campaign spending and political engagement, we employ dependent variables concerning respondent perceptions of corruption, domination of politics by special interests, political efficacy, and discussion about and attention to campaigns. These include the core NES items commonly used to measure trust in government (see Appendix A for NES variables used in the dependent measures). When not already coded as dichotomies, we have converted these variables into that form to focus on whether a respondent could perform a particular task (for example, place a candidate on a scale) or expressed a particular view (Zaller 1992, 141).

KNOWLEDGE AND AFFECT. One need not assume heroic levels of attention and knowledge by voters to justify peering inside the black box between campaign spending and election outcomes. Scholars have shown that voters are thinly informed about specific actions of their representatives (Alvarez 1997; Alvarez and Gronke 1996; Delli Carpini and Keeter 1996). And because both political actions and political information are voluminous, political psychologists have explored cognitive processing methods that individuals use to wade through the deluge (Kuklinski, Luskin, and Bolland 1991; Luskin 1987; Neuman 1986; Sni-

derman, Brody, and Tetlock 1991). On the other hand, people do learn. Mann and Wolfinger (1980) show that voters may not recall specifics such as a candidate's name and party, but they do recognize them when prompted. Similarly, Lodge, Steenbergen, and Brau (1995), among others, suggest that voters rationally use information.

These findings suggest that broad measures of voter knowledge and awareness are preferable to narrower measures tapping specific bits of information. We employ some narrow, specific items, but most of the knowledge questions used here are similar to running tallies. Dependent variables measuring specific facts include whether respondents can recall the names of the candidates and awareness that the incumbent is running. Variables akin to running tallies include placement of the candidates on a 7-point ideology scale; the respondent's certainty about these placements; placement on scales concerning government services and spending, defense spending, and abortion; likes, dislikes, and appraisals of the candidates; and accuracy of ideological placements of incumbents. Note that the ability to place candidates on scales is not a test of the accuracy of the placement, only an indicator that the respondent feels able to make such a placement. Respondents do make mistakes.

To test whether incumbents accurately inform voters, we have constructed three variables. We converted the incumbent's mean Americans for Democratic Action (ADA) score for the current Congress (1993–94 for the 1994 election; 1995–96 for the 1996 election) into a 7-point scale analogous to the 7-point ideology scales used in the NES. Respondents were coded a 1 on our "strict accuracy" measure (and 0 otherwise) if their placement of the incumbent on the NES ideology scale matched the 1 to 7 ADA measure. "Moderate accuracy" employed 3-point versions of the NES and ADA scales. Placements at points 1 or 2 in the original scales become point 1 here; points 3, 4, and 5 are recoded as 2; and points 6 and 7 are now point 3. We coded respondents a 1 on the "moderate" measure if their scaling of the incumbent on the 3-point NES scale matched the incumbent's voting record as indicated by the 3-point ADA scale. Our final accuracy measure simply computes the absolute value of the gap between the respondent's placement of the incumbent on the 7-point NES ideology scale and the incumbent's position on the 7-point ADA scale. Respondent placement can deviate from the correct placement by 0 to 6 units. Unlike the first two measures, lower values on this "loose accuracy" variable indicate more accurate placements by the respondent.

Independent Variables

Our independent variables fall into four categories: candidate characteristics, respondent information and cognition, respondent political orientation, and respondent demographics. For our estimations of trust and involvement, we include a fifth category that measures the respondent's general level of satisfaction. We discuss these categories in order.

CANDIDATE CHARACTERISTICS. Campaign spending is the independent variable of chief theoretical interest. One much noted problem with using incumbent and challenger spending data in regression analysis is that the two variables are endogenous with campaign outcomes. Spending may influence election results, but expectations about the outcomes will influence contributions and spending. A challenger who appears to be competitive will attract contributions, which may in turn stimulate the incumbent to raise and spend more, and the spending by both candidates will affect the competitiveness of the race. The established remedy to this problem is the computation of proxies, via a two-stage least squares instrumental variables procedure, to represent the spending data in the regression estimations. We follow that procedure here (see Appendix B). Although we do not directly examine election outcomes in our dependent variables, we believe our dependent variables are also endogenous with spending, at least partly because our variables occupy the black box between spending and election outcomes. These intermediate variables inform contributors' expectations and, in turn, their contribution decisions. Knowing that a candidate is well known and knowing that the electorate is paying attention, for example, would be two cues that contributors might employ when determining whether a candidate is credible. A candidate deemed credible will be able to raise and spend more, and this should increase knowledge about the candidate and attentiveness to the campaign.³

There are other potential problems with campaign spending figures. The content of campaign messages, the media used to deliver messages, the timing of message deployment, the relative cost of delivering messages in various media markets (Squire 1995, 902), the message content and media preferences of one's opponent, among others, may be important conditions on the influence of campaign spending (line D, Figure 1). Ansolabehere and Gerber (1994) propose disaggregating campaign spending into its various components (overhead, advertising, broadcast advertising, and so on) if one is primarily interested in how citizens respond to campaign messages. Similarly, Kenny and McBurnett (1997) suggest that different forms of candidate campaign contact with voters can produce different electoral effects. These are useful suggestions and worthy of future study. Beside the practical reasons for not disaggregating spending in these ways—virtually all the work in this field uses the overall campaign spending

³As we note, current research suggests an endogenous relationship between spending and the election outcome. We suggest that each portion of the full linkage chain—spending to intermediate variables, intermediate variables to outcome—is likely to be endogenous. Regarding the former, better known candidates, for example, are likely to be able to raise and spend more money; spending more money will make them better known still. Regarding the latter, the better a candidate is doing in the polls, for example, the more citizens will learn about the candidate; as citizens learn more, poll results and the election outcome may be affected. Positing an endogenous relationship between spending and our trust and efficacy measures might appear problematic, but it is plausible to assume that the more trusting and efficacious individuals are, the more they might contribute to campaigns, which then allows candidates to spend funds and potentially affect the levels of trust and efficacy.

figures as supplied by the Federal Election Commission—we believe there is good reason to rely on the overall figures. Campaign spending purchases a campaign *organization* that in many different ways communicates with the public. The quality of campaign staff, the extensiveness of the organization, and the multiple connections between an organization and the media and interest groups can all affect the public's reception of campaign information, and most if not all of these factors are reflected in a candidate's overall campaign spending amount.⁴

In addition to incumbent and challenger spending, we include two other candidate characteristics. The incumbent's voting record—the “long campaign”—may matter. An extreme voting record may make it easier for respondents to remember and pinpoint the incumbent on an ideological or issue scale and to place the challenger in contrast to the incumbent. More moderate incumbents may create confusion about where to place the incumbent and how the challenger compares with the incumbent. By folding the incumbent's average ADA score from the current Congress (1993–94 for the 1994 election; 1995–96 for the 1996 election), we produce a scale from “extreme” (0) to “moderate” (50) roll-call voting. Finally, to disentangle the effects of spending and incumbency, we include a dummy variable that indicates if the incumbent has been in office more than one term.⁵

RESPONDENT INFORMATION AND COGNITION. Our second category of independent variables includes factors that affect how respondents acquire, process, and store information: education, a belief that politics is not too complicated to understand, and the frequency of watching local broadcast news and reading newspapers in the previous week. These variables should contribute positively to our measures of involvement, knowledge, and affect; the effect on trust is uncertain as highly confident and attentive respondents may be more knowledgeable about governmental failings but also more aware of the complexities of policy making.

RESPONDENT POLITICAL ORIENTATION. Political orientations may influence a respondent's attentiveness to and assumptions about politics and candidates. We include the respondent's party identification, arrayed on a 7-point scale from strong supporters of the challenger's party to strong supporters of the incumbent's party; whether the respondent is a strong partisan on the NES party iden-

⁴Spending figures represent all spending by the conclusion of the campaign. Although not problematic for the postelection survey questions, this does mean that some of the spending indicated in the candidate figures will not have occurred at the time preelection questions were asked. This is not a serious problem: there was no NES preelection survey in 1994, and we employ as dependent variables only five items drawn from the 1996 preelection survey.

⁵The number of years the incumbent had held office is another potential form of this variable. Because this alternative did not perform any better than the dummy variable and much of the literature on “incumbency effects” stresses the importance of surviving the first reelection battle (e.g., Zaller 1998), we employ the dummy variable.

tification measure; and whether the respondent places himself or herself at points 1, 2, 6, or 7 on the 7-point liberal-conservative scale. We would expect strong partisans, in particular, and strong ideologues to a lesser degree, to exhibit higher levels of trust, involvement, knowledge, and affect. Identification with the incumbent or challenger's party should assist in placing that candidate on ideological scales and contribute to positive affect toward the respective candidate.⁶

DEMOGRAPHICS AND SATISFACTION. Our last two categories of independent variables are demographics and general satisfaction. For demographics, we include the NES measures of age, family income, gender, and race of the respondent. Theoretical expectations can be developed for particular dependent variables (for example, age should relate positively to involvement and knowledge), but we will view them here largely as control measures. For satisfaction, we include the respondent's opinion about whether people can be trusted in general and the respondent's perception of the current condition of the economy (Lipset and Schneider 1987). Respondents skeptical about trusting others and about economic conditions should display lower levels of political trust and involvement. We do not employ the general trust and opinion on the economy measures in the analysis of knowledge and affect.

This theoretically driven list of predictors is lengthy but serves to avoid confounding the influence of campaign spending and other variables. Our list of dependent variables is also lengthy. Having argued that current research provides too narrow a base from which to evaluate whether campaign spending enhances democracy, however, we believe examining spending effects across a comprehensive range of measures is important. To recap our theoretical expectations, we do not anticipate any clear or consistent relationship between campaign spending and levels of trust, efficacy, involvement, and attention. We expect spending to contribute to knowledge about and affect toward the candidates. Given the challenger's strategic need to disrupt the relationship between the incumbent and the voters, challenger spending may not only acquaint the public with the challenger but also introduce some confusion about the incumbent. Because our main focus is campaign spending, we largely limit our discussion below to the challenger and incumbent spending variables.⁷

⁶To test whether levels of trust and efficacy differ depending on one's partisan leaning—would Democrats be more trusting and efficacious in 1994 because the Democrats controlled government? would Republicans be more trusting and efficacious in 1996 because of the Republican congressional majority?—we estimated a series of equations that included the standard form of party identification (strong Democrat to strong Republican) in our models of trust and efficacy for 1994 and 1996. Party identification was significant only regarding whether the respondent trusted government to do the right thing most of the time—Republicans were less trusting in each year. For all other trust and efficacy measures, standard party identification was not significant.

⁷Results for the full list of independent variables are available from the authors. Tests of alternative specifications of the models are noted in the footnotes and appendix B. We also estimated reduced forms for a sample of our models (deleting the demographic block of variables, then de-

Campaign Spending, Trust, and Involvement

Money is not the root of all campaign evil. Campaign spending in a congressional district does not encourage mistrust or cynicism, nor does it decrease citizen efficacy. Perhaps, as critics charge, public cynicism is fueled by the totality of campaign spending, not within particular districts. We cannot test that argument, but we can say that citizens tolerate the money in their congressional campaigns.

Among the NES items on trust and efficacy, those included in Table 1—corruption, waste of tax dollars, the influence of special interests, and the impact of the average person on government—might be most expected to show some connection to campaign spending as they focus on the very concerns often raised in campaign finance critiques. Across 1994 and 1996, spending is statistically significant in only four instances of our logistic regression estimations, three of which point to a boost in trust. In the one instance where trust was diminished by spending, other spending counters that impact. Specifically, challenger spending in 1994 convinced respondents that government wasted tax dollars, an effect mitigated by incumbent spending. Despite this interesting story, the central implication of Table 1 is that spending by incumbents and challengers seems to have little substantive impact on trust and efficacy.⁸

That big money in elections leads to public disaffection and withdrawal is a staple of the campaign finance reform argument. Table 2 suggests that substantial campaign spending itself is not the problem. Although parameter estimates for incumbent and challenger spending are negatively signed in 10 of 14 instances, in only two models are the measures statistically significant. Strikingly, these two significant coefficients indicate that challenger, not incumbent, spending in 1994 decreased the probability that citizens cared about the election or discussed politics with their friends and family. Again, however, the real story in Table 2, as in Table 1, is that campaign spending is typically not significantly associated with either an increase or decrease in involvement and attention. As we argued above, specific candidates may have an incentive to increase or decrease trust, involvement, or attention, but this is not likely to be true for candidates across the board. Accordingly, candidate spending should not be consistently related to these variables. The results in Tables 1 and 2 support that argument.

Given the frequent charges that campaign spending does affect civic engagement and public trust, these results may seem curious. One possible explanation is that spending may spread information and knowledge, but caring enough about a campaign to be involved or attentive may require, or be boosted by,

leting a second block, and so on) and found the spending results to be robust. See Coleman (1999) for estimations of related models.

⁸The 1994 NES did not include the question on trusting people in general. Dropping this variable from the 1996 estimations produced no significant differences from the results reported in Table 1.

TABLE 1
Trust and Efficacy, Post-Election

Independent Variables ^a	Trust govt to do the right thing		People like me have a say about govt		Not much tax waste by the govt		Govt is run for the benefit of all		Not many in the govt are crooked	
	1994	1996	1994	1996	1994	1996	1994	1996	1994	1996
Incumbent spending ^b	-.004 (.004)	.002 (.003)	-.005 (.004)	.002 (.003)	.007** (.004)	-.001 (.003)	.004 (.004)	.005* (.003)	.001 (.003)	-.001 (.003)
Challenger spending ^b	.005 (.006)	.003 (.005)	-.008 (.006)	.001 (.005)	-.012* (.006)	.004 (.005)	-.003 (.007)	-.006 (.005)	-.001 (.005)	.009* (.005)
Nagelkerke R ²	.08	.13	.23	.15	.13	.02	.08	.05	.06	.09
-2LL	781.47	969.54	923.50	1059.30	890.65	1252.87	767.10	1049.77	1071.27	1068.39
Model Chi ²	43.98***	80.03***	151.85***	99.39***	73.47***	11.41	39.96***	32.90**	38.71***	58.87***
Percent correct	79.03	69.10	71.41	63.44	72.16	59.29	79.77	72.90	60.42	62.67
N	801	835	801	837	801	936	796	930	801	833

* $p < .10$, ** $p < .05$, *** $p < .01$; two-tailed. Entries are unstandardized logit coefficients. Standard errors in parentheses.

^aSee text for full list of independent variables.

^bSpending in \$10,000.

TABLE 2
Involvement and Attention

Independent Variables ^b	Care about election ^a		Discuss politics with friends/family		Talk to others about voting for/against candidate		Interested in following campaigns
	1994	1996	1994	1996	1994	1996	1996
Incumbent spending ^c	.004 (.003)	-.001 (.003)	.001 (.004)	-.000 (.004)	.004 (.004)	-.004 (.004)	.003 (.004)
Challenger spending ^c	-.011* (.006)	-.002 (.005)	-.022*** (.007)	-.001 (.007)	-.007 (.006)	-.000 (.006)	-.005 (.008)
Nagelkerke R ²	.25	.19	.28	.24	.19	.16	.15
-2LL	925.60	1052.74	586.60	700.36	773.66	945.73	603.90
Model Chi ²	161.56***	138.23***	149.50***	137.54***	106.31***	98.49***	70.61***
Percent correct	67.25	71.40	84.52	81.55	77.15	72.98	86.19
N	800	937	801	840	801	840	840

* $p < .10$, ** $p < .05$, *** $p < .01$; two-tailed. Entries are unstandardized logit coefficients. Standard errors in parentheses.

^a“Care about election” is Post-Election for 1994, Pre-Election for 1996. Other questions are Post-Election for 1994 and 1996.

^bSee text for full list of independent variables.

^cSpending in \$10,000.

activation from party or candidate organizations (Coleman 1996a). These organizations, however, may find it inefficient to spend substantial sums contacting those citizens who generally tend to be uninvolved and uninterested. Beyond a consideration of campaign organizations, we see two additional avenues for future research that may advance the discussion. First, the interaction between spending and some of the sub-black-box items we mentioned above—ad frequency, placement, and tone—may be crucial. Second, cumulative spending in a district or state over time or across all races, rather than in one year or one race, may be related to trust, efficacy, involvement, and attention.⁹ Looked at from the rather more narrow perspective of a single type of race in a given election year, however, we are satisfied that our results demonstrate the impact of spending in congressional campaigns in 1994 and 1996.

These results may point to deeper problems in the public discussion of campaign finance. Low levels of trust, efficacy, involvement, and attention are complex problems that require more than tinkering with campaign finance laws. Moreover, money in federal campaigns is only one avenue for money to enter politics—the amounts spent to fund foundations, subsidize research and publi-

⁹That citizens are generally more involved and attentive in presidential election years, when cumulative spending across races is high, than in midterm years lends some credence to this argument.

cations, conduct lobbying, and file lawsuits are other major routes. If these points are not acknowledged, campaign finance reformers may create unrealistic public expectations that cannot be achieved by this reform alone. The resulting disillusionment and backlash from the “failure” of reform could deepen public distrust and disengagement.

Campaign Spending and Public Knowledge

To note that incumbents have a significant name recognition advantage over challengers is the political science equivalent of declaring that the sun rises in the east. The 1994 and 1996 House elections did not disrupt this pattern. Table 3 shows that respondents could more readily place incumbents than challengers on an ideology or issue scale, were more likely to be very or pretty certain that their placement was accurate, and were more likely to have either a like or a dislike about the incumbent. Where comparisons are available, respondents demonstrate learning across the campaign. (The 1994 NES did not have a preelection wave of interviews.) Although incumbents remain better known and

TABLE 3
Knowledge and Affect across the Election
and across Candidate Status

Dependent Variables	Post-Election	Pre-Election	Post-Election
	1994	1996	1996
Recalls incumbent’s name	33.0	27.6	46.0
Recalls challenger’s name	12.5	9.3	25.8
Know incumbent is running	60.0	60.1	69.9
Able to place incumbent on ideology scale	71.7	64.5	80.7
Able to place challenger on ideology scale	39.3	24.4	52.1
“Very” or “pretty” certain about incumbent placement	44.6	44.6	56.2
“Very” or “pretty” certain about challenger placement	16.7	12.7	26.8

Dependent Variables ^a	Incumbent	Challenger	Incumbent	Challenger
	1994	1994	1996	1996
Able to place candidate on spending & services	61.2	35.3	52.8	17.8
Able to place candidate on defense spending	—	—	45.5	14.6
Able to place candidate on abortion	—	—	42.8	15.7
Any likes about candidate	38.8	12.0	44.3	17.0
Any dislikes about candidate	19.1	9.2	21.3	16.5
Approve of incumbent’s job performance	59.3	—	67.7	—
“Very” or “fairly” good in keeping in touch with district	—	—	65.7	—

Note: Figures are percentages.

^aIssue questions (“able to place”) are from Post-Election for 1994 and Pre-Election for 1996. Affect questions (likes, dislikes, appraisal of incumbent) are from Post-Election for both years.

respondents are still more certain about the incumbent's ideological position, challengers, starting from a lower recognition level, make proportionately bigger gains during the campaign. Under one-quarter of respondents in 1996 could place challengers on the ideology scale in the preelection; over one-half could place challengers in the postelection interview. Just about one-eighth of the respondents were confident in their placement of the challenger in the first interview; over one-quarter were confident in the second interview. Regarding very specific knowledge such as recall of the candidates' names, respondents are more accurate in the postelection interview. It is fair to note, however, that at least part of the improvement between preelection and postelection knowledge may result from priming effects caused by the preelection survey.

Table 4 examines respondents' awareness of perhaps the most basic fact of the campaign: the identity of the candidates. We argued above that candidates have incentives to inform the electorate; informing the electorate that you are running is obviously critically important, especially for the challenger. Table 4 largely confirms our expectations. Where campaign spending is significant, it tends to increase knowledge, and this is especially true for challenger spending. In 1994 and 1996, challenger money significantly increased the probability that respondents could recall the challenger; in 1996, challenger spending also contributed significantly to naming the incumbent. We think this is good news for democracy. Interestingly, challenger spending in 1994 reduced the probability that a respondent knew an incumbent was running, possibly a sign of the kind of campaign confusion, the disrupting of routines, that is important to

TABLE 4

Knowledge of Candidates and Candidate Status, Post-Election

Independent Variables ^a	Recalls incumbent's name		Recalls challenger's name		Knows incumbent is running	
	1994	1996	1994	1996	1994	1996
Incumbent spending ^b	.001 (.004)	.001 (.003)	.005 (.005)	.002 (.003)	.002 (.004)	.007* (.004)
Challenger spending ^b	.008 (.006)	.009* (.005)	.023*** (.007)	.018*** (.006)	-.014** (.006)	.002 (.007)
Nagelkerke R ²	.28	.27	.28	.30	.20	.24
-2LL	887.18	1099.11	537.98	896.06	832.30	793.73
Model Chi ²	186.69***	217.97***	138.71***	217.71***	118.40***	146.03***
Percent correct	71.18	70.98	85.71	76.76	74.60	76.86
N	812	951	812	951	803	847

* $p < .10$, ** $p < .05$, *** $p < .01$; two-tailed. Entries are unstandardized logit coefficients. Standard errors in parentheses.

^aSee text for full list of independent variables.

^bSpending in \$10,000.

challenger success. After the turmoil of 1994, it is perhaps not surprising that incumbent cash in 1996 reminded voters that an incumbent was indeed in the race; we suspect spending would not be necessary to make this point in most years.

Generating predicted probabilities from the results in Table 4 shows the importance of spending to the challenger. We vary the amount of challenger spending and hold the other variables, including incumbent spending, at their means.¹⁰ Looking at knowledge of the challenger in 1994 as an example, we find that as challenger spending rises from the mean level (about \$180,000 in 1994) to \$500,000 (about +2 standard deviations from the mean), the probability that the respondent recalls the challenger's name increases from .07 to .14; increasing the spending to \$1,000,000 boosts the probability to .33. Of course, few challengers can mount a million-dollar campaign—only four challengers in the 1994 NES sample districts spent this much. Overall, then, we see signs here of campaign spending as a democratic plus: it is related to knowledge about the incumbent and especially the challenger, and it provides a modest help reducing the massive name recognition advantage that incumbents enjoy.

If our concern is with the contribution of campaign spending to the quality of democracy and the strength of political community, we should be concerned with whether spending helps citizens know something about the candidates' substantive positions. In Table 5, we address whether campaign spending aids or obscures generalized understanding of candidate ideology and issue positions. To reiterate, we argued above that candidates have good strategic reasons to inform potential voters, so we anticipate that campaign funds will improve knowledge of a candidate's issue and ideological stances. Again, we find that campaign spending appears more as friend than foe to democracy and community.

Table 5 examines respondents' ability to place candidates on the 7-point ideology scale and indicates whether respondents were "very" or "pretty" certain about this placement. Both variables are dichotomous, the first taking a value of 1 if the respondent can scale and the second coded 1 if the respondent is very or fairly certain about the placement. Does campaign spending inform the electorate? Table 5 suggests that challenger spending in particular does have that desirable effect. Placement of the challenger on the ideology scale is enhanced by challenger spending in 1994 and 1996 and in 1994 by incumbent spending as well. Challenger spending is again critical for citizens to feel very or pretty certain about their ideological placement of the challenger. In contrast, only in 1996 does either candidate's spending significantly affect either incumbent placements or the certainty of those placements.

¹⁰This procedure includes holding the dummy variables for race and gender at their means. We realize that readers will have different views regarding whether the dummy variables should be set at 0 or 1 or allowed to take on the mean value. Because we do not in this article have a significant theoretical interest in these variables, we have focused our attention on the average, or composite, respondent as reflected in the means.

TABLE 5
Ability to Place Candidates on Ideological Scale and Confidence
in That Placement, Post-Election

Independent Variables ^a	Able to scale candidate on ideology				“Very” or “pretty” certain about candidate scaling			
	Incumbent 1994	Challenger 1994	Incumbent 1996	Challenger 1996	Incumbent 1994	Challenger 1994	Incumbent 1996	Challenger 1996
Incumbent spending ^b	.003 (.004)	.006* (.003)	.002 (.004)	-.001 (.003)	.003 (.003)	.005 (.004)	.006* (.003)	.004 (.003)
Challenger spending ^b	-.004 (.006)	.017*** (.005)	.001 (.007)	.022*** (.005)	-.008 (.005)	.011* (.007)	-.003 (.006)	.018*** (.006)
Nagelkerke R ²	.13	.15	.13	.14	.16	.12	.21	.20
-2LL	804.14	995.33	703.98	1057.70	1019.38	644.65	982.65	851.14
Model Chi ²	72.22***	92.77***	68.52***	91.65***	105.97***	59.61***	143.93***	121.46***
Percent correct	76.72	66.26	82.55	62.82	65.15	83.99	68.59	76.77
N	812	812	831	831	812	812	831	831

* $p < .10$, ** $p < .05$, *** $p < .01$; two-tailed. Entries are unstandardized logit coefficients. Standard errors in parentheses.

^aSee text for full list of independent variables.

^bSpending in \$10,000.

Converting the challenger results on placement and certainty into predicted probabilities demonstrates the power of challenger money. Holding the other variables in the model at their means and varying challenger spending in 1996 from its mean to \$1,000,000, we find the postelection probability of placing the challenger to be .49 at the mean challenger spending level, .66 at \$500,000 spending, and .85 at \$1,000,000. The probability that a respondent is certain about this placement similarly improves, from .20 to .31 to .53, respectively. Challenger spending clearly matters.

We narrow our focus in Table 6 and examine respondents' ability to place candidates on three issue area scales: government services and spending, defense spending, and abortion. (Only government services and spending was available for both 1994 and 1996.) The first two of these items are presented to the respondent as 7-point scales with specific text connected with the endpoints of the scale. In other words, a 1 on each scale indicated that government should spend much less in this area, a 7 that it should spend much more. The abortion item presented four specific approaches, generally ordered from pro-choice to pro-life options.

Incumbent campaign spending helped respondents scale the incumbent on spending and services, defense spending, and abortion in both 1994 and 1996. Incumbent spending also helped respondents place challengers on the spending and services scale for 1994, just as it helped respondents place challengers on general ideology (see Table 5). Challenger campaign spending also had significant results, increasing the probability that respondents could place the candidate on all three scales for 1996; the coefficient for 1994 is correctly signed but not quite significant. Challenger spending also decreased the probability that the respondent could scale the incumbent on services and spending in 1994.

Predicted probabilities again help to illustrate these effects. On the abortion question, for example, with other variables held at their means, varying incumbent spending from about \$210,000 (one standard deviation below the incumbent mean) to \$660,000 (the incumbent mean), increases the probability of scaling the incumbent on abortion from .36 to .42. With spending of \$1,000,000 and \$1,500,000, the probability rises to .46 and .53, respectively. For challengers, moving from \$230,000 (the mean in 1996) to one standard deviation above the mean increases the probability of placement from .13 to .18. A challenger who managed the unlikely feat of spending \$1,500,000 would produce a probability of .53, the same probability reported for incumbent spending. For placement on services and spending in 1996, increasing incumbent spending from one standard deviation below the mean, to the mean, and then to \$1,000,000 boosts the probability of placement from .49 to .55 to .59. Similarly, changes in challenger spending raise probabilities from .10 to .15 to .46, respectively.

Findings for the specific issue scales parallel those for placement on candidate ideology. There, challenger spending helped voters place challengers and increased certainty about that placement. A similar result holds on the issue scales as well. For incumbents, spending did not much matter in placing the candidate

TABLE 6

Ability to Place Candidates on Issue Scales, Post-Election for 1994 and Pre-Election for 1996

Independent Variables ^a	Able to scale candidate on government services and spending				Able to scale candidate on defense spending		Able to scale candidate on abortion	
	Incumbent 1994	Challenger 1994	Incumbent 1996	Challenger 1996	Incumbent 1996	Challenger 1996	Incumbent 1996	Challenger 1996
Incumbent spending ^b	.009** (.004)	.010*** (.003)	.005* (.003)	.001 (.003)	.006** (.003)	.003 (.003)	.005* (.003)	.002 (.003)
Challenger spending ^b	-.012** (.006)	.007 (.005)	-.000 (.005)	.021*** (.006)	-.005 (.005)	.015** (.006)	-.003 (.005)	.016*** (.006)
Nagelkerke R ²	.11	.13	.15	.18	.16	.12	.06	.14
-2LL	98.66	990.52	119.24	802.86	1196.08	723.62	1267.21	735.02
Model Chi ²	68.05***	78.08***	112.69***	114.09***	119.76***	67.60***	42.44***	77.08***
Percent correct	67.49	66.13	64.14	81.18	64.04	85.28	59.10	84.23
N	812	812	951	951	951	951	951	951

* $p < .10$, ** $p < .05$, *** $p < .01$; two-tailed. Entries are unstandardized logit coefficients. Standard errors in parentheses.

^aSee text for full list of independent variables.

^bSpending in \$10,000.

on the general ideology scale but did help respondents place the incumbent on the specific issue scales. Overall, the results in Table 6 suggest that campaign spending produces benefits for democracy.

Campaign Spending and Affect toward Candidates

Like knowledge, affect has important electoral consequences. A candidate's likability and favorability connect to public support for the candidate and the probability of voting for that candidate (West 1997, 108–14). Does spending influence this type of citizen judgment? Table 7 presents two types of affect toward and appraisal of the candidates: the extent to which citizens liked or disliked each candidate and incumbent job approval. Spending plays a significant role in affect and appraisal, with challenger money the driving force. Incumbent spending has a minimal overall effect, increasing the probability of liking something about the incumbent in 1996, but increasing the probability of incumbent dislikes in 1994. The results also suggest that incumbent campaign dollars cannot buy constituent satisfaction: in neither 1994 nor 1996 does incumbent spending significantly increase job approval. Challenger spending does what we would hope for a quality of democracy perspective by encouraging competitive campaigns. Through spending, the challenger cuts the incumbent down to size: greater spending decreases the likelihood of finding something to like about the incumbent and, in 1996, increases the likelihood of finding something to dislike. Challenger spending also drives down positive incumbent job approval, significantly so in 1994.¹¹

Challenger spending not only weakens the incumbent, but also increases the challenger's salience. Spending lifts the probability of liking something about the challenger. For example, varying challenger spending in 1996 from its mean to \$500,000 increases from .12 to .18 the probability that a citizen reported liking something about the challenger; challengers spending \$1,000,000 increase the probability further to .33. Challenger spending also increases the probability of disliking something about the challenger; we attribute this relationship to the general impact of challenger spending in increasing public awareness of the challenger. As challengers spend more, citizens can ascertain more information—good and bad—about them.

Does Campaign Spending Deceive Voters?

Campaign spending contributes to the quality of democracy and to vibrant political community. It neither diminishes nor inflates trust and efficacy or involvement and attention. It increases citizens' ability to place candidates on issue and ideological scales and be confident about those placements. It helps the pub-

¹¹On the approval rating, causation may point in the other direction: where job approval is low, challenger spending is higher, as candidates, parties, and supportive interests see a vulnerable seat and pour in financial resources.

TABLE 7
Affect and Appraisal of Candidates, Post-Election

Independent Variables ^a	Any likes about the candidate				Any dislikes about the candidate				Positive job approval	
	Incumbent 1994	Challenger 1994	Incumbent 1996	Challenger 1996	Incumbent 1994	Challenger 1994	Incumbent 1996	Challenger 1996	Incumbent 1994	Incumbent 1996
Incumbent spending ^b	.005 (.003)	.001 (.005)	.006** (.003)	.004 (.003)	.009** (.004)	.006 (.005)	.003 (.003)	-.001 (.003)	.002 (.003)	-.001 (.003)
Challenger spending ^b	-.023*** (.006)	.021*** (.008)	-.009* (.005)	.017** (.007)	-.001 (.006)	.016* (.009)	.012** (.006)	.023*** (.007)	-.017*** (.005)	-.005 (.006)
Nagelkerke R ²	.20	.27	.22	.25	.21	.17	.22	.21	.16	.18
-2LL	976.74	477.25	1019.78	640.42	733.94	401.11	778.66	629.14	953.95	944.45
Model Chi ²	129.93***	120.87***	153.68***	139.70***	117.59***	61.51***	132.54***	111.98***	102.07***	115.09***
Percent correct	67.36	88.79	66.39	84.84	78.94	92.00	79.20	85.55	66.75	69.43
N	812	812	851	851	812	812	851	851	803	844

* $p < .10$, ** $p < .05$, *** $p < .01$; two-tailed. Entries are unstandardized logit coefficients. Standard errors in parentheses.

^aSee text for full list of independent variables.

^bSpending in \$10,000.

lic recall specific facts and basic campaign information. It increases competitiveness by leading voters to question their assumptions about the incumbent and by boosting the salience of challengers. One problem remains: the public may be wrong about the candidates. Might incumbents spend to obfuscate their voting records (Franklin 1991)? Can a candidate buy a new image? It is one thing for potential voters to place candidates on an issue or ideology scale, but quite another if those placements are mistaken.

To examine these questions, we employ a series of models. We devised three measures of the accuracy of respondents' ideological placements of the incumbent labeled strict, moderate, and loose measures of accuracy (these variables are described in the "Data and Variables" section above). As the labels imply, the measures are decreasingly stringent in defining "accuracy." In both the "strict" and "moderate" cases, if spending by either the challenger or incumbent is helping citizens to place the incumbent accurately, then we would expect the signs on the spending coefficients to be positive. In the "loose" measure, if either incumbent or challenger spending is helping citizens to place incumbents more accurately on ideology, then we would expect the signs on the spending coefficients to be negative. We estimate strict and moderate accuracy with logit and employ ordered probit for the loose estimation. Because challengers do not have roll-call voting records, we restrict our accuracy tests to incumbents. The ADA score is a measure of general ideology, so we test the accuracy of respondents' placements of incumbents on the overall NES ideological scale, rather than on specific issue scales.

We also add three new independent variables to the estimations. First, it may be comparatively easy for respondents of any educational level to place accurately those incumbents with strongly ideological voting records. Placing incumbents with more moderate records, however, might be more difficult and require some of the cognitive skills associated with additional years of schooling. To test this possibility, we interact the education variable with the folded ADA score. Second, we are concerned about rationalization. Positive affect toward the incumbent might affect where the respondent places the incumbent on the ideological scale. To see whether positive affect for the incumbent increases respondent mistakes, we add a feeling thermometer toward the incumbent. Finally, as another control against rationalization, we include the ideological gap between the respondent and the incumbent's party, measured as the absolute difference between the respondent's self-placement and placement of the incumbent's party on the 7-point ideology scale. We expect that voters perceiving themselves as close to the *party* (i.e., a small gap) might engage in rationalization that moves the *candidate* closer to the respondent on the ideology scale. This reaction should decrease accuracy.

Table 8 shows that campaign spending significantly affects the accuracy of the public's perception of incumbent ideology. *Incumbent campaign spending does not fool the public*. When significant, as in all three accuracy measures in 1996, incumbent spending improves accuracy. For example, varying incumbent

TABLE 8

Accuracy of Ideological Placement of Incumbent, Post-Election

Independent Variables ^a	Strict accuracy			Moderate accuracy			Loose accuracy		
	1994a	1994b	1996	1994a	1994b	1996	1994a	1994b	1996
Incumbent spending ^b	-.008 (.007)	-.003 (.006)	.009** (.004)	.006 (.004)	.009** (.004)	.011*** (.004)	-.000 (.002)	-.003 (.002)	-.005*** (.002)
Challenger spending ^b	.002 (.010)	.032** (.013)	-.017** (.008)	-.005 (.007)	.018* (.009)	-.012* (.006)	.000 (.003)	-.012*** (.005)	.006** (.003)
Challenger spending × GOP chall. ^b		-.043*** (.014)			-.035*** (.010)			.020*** (.005)	
Nagelkerke/pseudo R ²	.17	.14	.20	.17	.11	.15	.07	.08	.08
-2LL	401.92	392.54	462.90	629.56	617.24	729.16	751.39	743.60	785.75
Model Chi ²	55.08***	64.47***	73.47***	66.30***	78.61***	70.22***	105.39***	120.98***	144.09***
Percent correct	83.10	82.90	82.07	67.99	69.38	62.76			
N	503	503	580	503	503	580	503	503	580

* $p < .10$, ** $p < .05$, *** $p < .01$; two tailed. Entries are unstandardized coefficients. Standard errors in parentheses. “Strict” and “moderate” estimations are logit models; “loose” estimations are ordered probit models.

^aSee text for full list of independent variables.

^bSpending in \$10,000.

spending from \$0 to \$1,000,000 (while holding other variables to their means) increases the probability of strict accuracy in 1996 from .06 to .14 (.11 at the mean level of incumbent spending). Performing this same calculation for moderate accuracy produces a more dramatic result, improving the probability of accuracy from .23 to .49 (.39 at the mean level of incumbent spending). At \$1,500,000, the probability of moderate accuracy improves to .63. Our loose accuracy measure completes this story. This measure simply computes the absolute value of the gap between the respondent's placement of the incumbent on the ideology scale and the incumbent's roll-call record as reflected in our 7-point ADA scale. As incumbent spending rises from \$0 to \$1,000,000, the probability that the respondent was either perfectly accurate or off by only one unit rises from .36 to .55 (.48 at the mean). At \$1,500,000, the probability increases to .63. Overall, incumbent dollars inform the public.

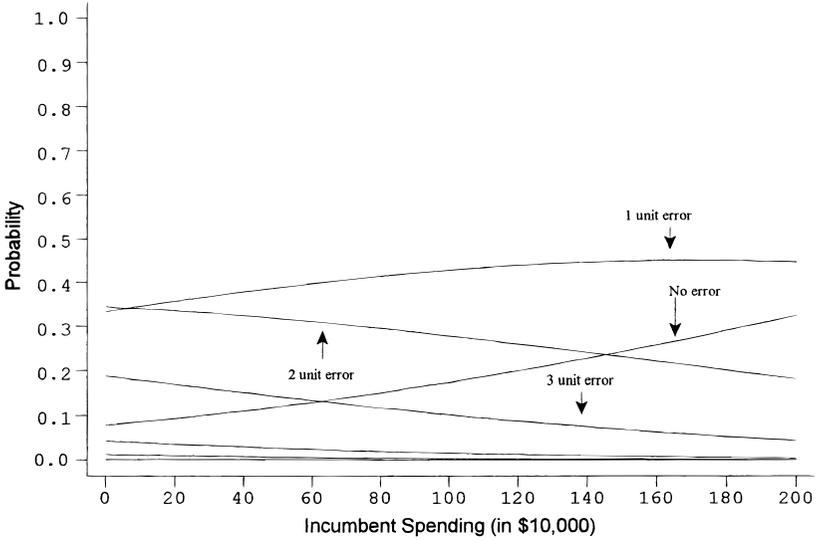
Franklin (1991) notes that it may be more in the challenger's than the incumbent's interest to confuse voters about the incumbent. Challengers may conclude that on average, incumbents are successful because they are in at least rough accordance with constituency views. If so, then the challenger's chance for victory may depend on confusing the public about the incumbent's ideology. We have shown that incumbents do not confuse potential voters. Table 8 confirms that challengers are more likely to do so. Challenger spending decreases respondent accuracy and, as previous research on vote totals suggests, seems to produce more clout per dollar. For 1996, challenger spending is statistically significant on all three accuracy measures; in each case, the result is to decrease accurate placements. "Moderate" accuracy, for example, drops from a probability of .46 to .20 as challenger spending increases from \$0 to \$1,000,000 (.39 at the mean level of challenger spending).

We cannot laud a less accurate public as good for democracy. Our generally favorable interpretation of campaign spending effects must thus be a qualified endorsement. On the positive side, the confusion created by challenger spending does likely produce more competitive campaigns. Adding in the tendency of incumbent spending to increase accuracy, this challenger-induced confusion is, although a concern, not as problematic for democracy as it might otherwise be.

Figures 2 and 3 illustrate the effects of incumbent and challenger spending, respectively, in 1996. Figure 2 displays the probability that respondent placement of the incumbent on the 7-point NES scale matches the incumbent's 7-point ADA scale position and the probability that a respondent was one unit away from the correct placement, two units away, and so on. Each line in the figure represents a level of accuracy, from zero units of error to six units. We have labeled the first four of these lines. The results are clear. Holding other variables to the means, incumbent spending increases the probability that respondents will be highly accurate (zero or one unit of error) and decreases the probability that respondents will make substantial mistakes (two units of error and up). Figure 3 shows that the results are precisely the opposite for challenger spending. Here, the probability of highly accurate placements diminishes and the proba-

FIGURE 2

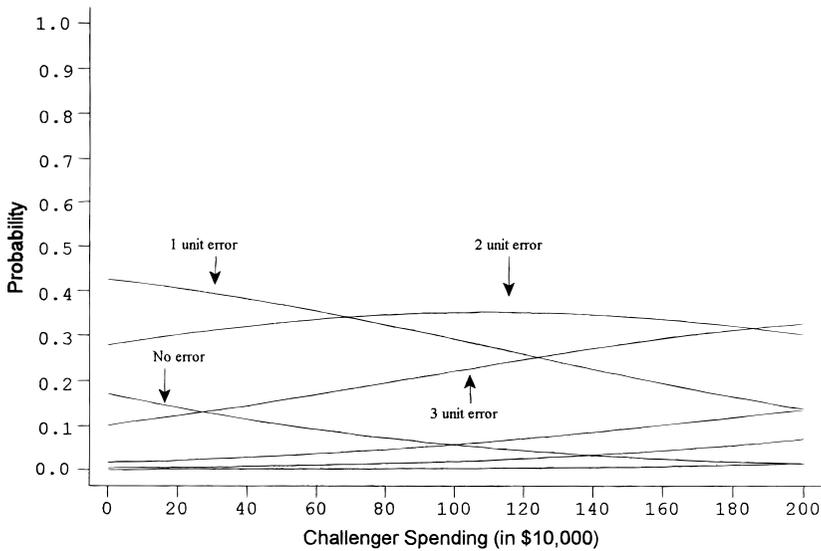
Incumbent Spending and Accuracy of Incumbent Ideological Placements, 1996



bility of substantial mistakes increases. Campaign spending, then, improves accuracy *and* makes citizens question their incumbents.

These results were a little different in 1994. In Table 8, the columns labeled “1994a” indicate that neither challenger nor incumbent spending significantly affected accuracy. Suspecting that the unusual nature of the 1994 election, including particularly the highly polarized political environment and the nationalized Republican campaign, might be partly confounding the results, we ran a second set of estimations that included an interaction term between challenger spending and the party of the challenger. These estimations appear in the columns labeled “1994b” in Table 8. Including this interaction clarifies the picture substantially. Incumbent spending is correctly signed and significant for moderate accuracy and correctly signed for loose accuracy. In all three 1994b models, the spending interaction term and the combination of the spending variable and the interaction are highly significant. Republican challenger spending very effectively reduces respondents’ accuracy. The size of these coefficients suggests that Republican challengers were able, even in the face of substantial Democratic incumbent spending, to sow confusion among potential voters. Spending by Democratic challengers in 1994 helped *increase* the probability that respondents placed Republican incumbents accurately, perhaps not the best strategy

FIGURE 3
 Challenger Spending and Accuracy of Incumbent
 Ideological Placements, 1996



for Democratic challengers considering the partisan tides of that year.¹² Democrats assumed incorrectly that identifying Republican incumbents as strong conservatives and Contract with America supporters would redound to their benefit.

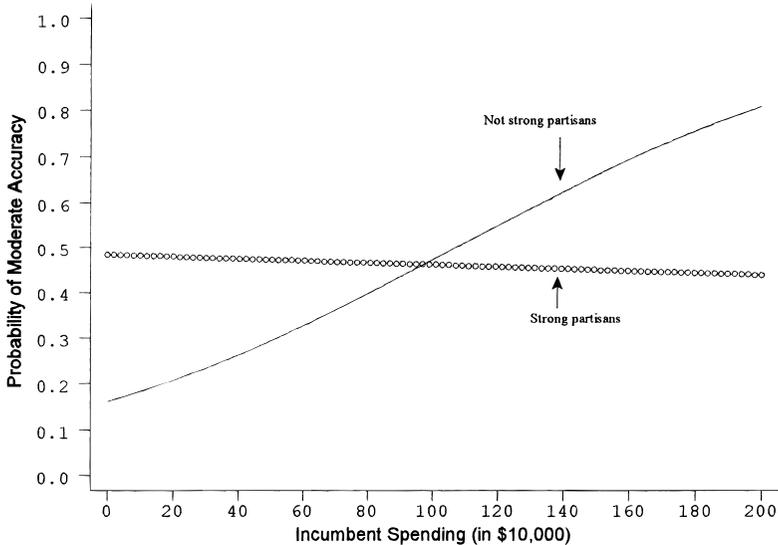
By increasing knowledge and accuracy, campaign spending produces benefits. A further positive contribution of spending would be to incorporate the less politically attentive portions of the population more fully into campaigns. Partisan intensity significantly relates to many dependent variables in this study, including accuracy, so we use that measure to test political incorporation.¹³ Figures 4 and 5 show the effects of incumbent and challenger spending, respectively, on moderate accuracy in 1996. Again, we hold the remaining variables to their mean values. Incumbent money (Figure 4) helps incorporate those respondents who are not strong partisans; their accuracy rises sharply as incumbents spend more. Strong partisans, on the other hand, do not seem to learn as

¹²We also tested the interactions for incumbent spending and for 1996 and did not find consistently significant results.

¹³Variables such as strong ideology and education could also be employed. We use partisan intensity because of its importance in campaign research and its practical significance in campaigns; observers often note that those candidates who can reach beyond the committed partisans have the greatest chance for success.

FIGURE 4

Incumbent Spending and Moderate Accuracy
of Ideological Placements, 1996



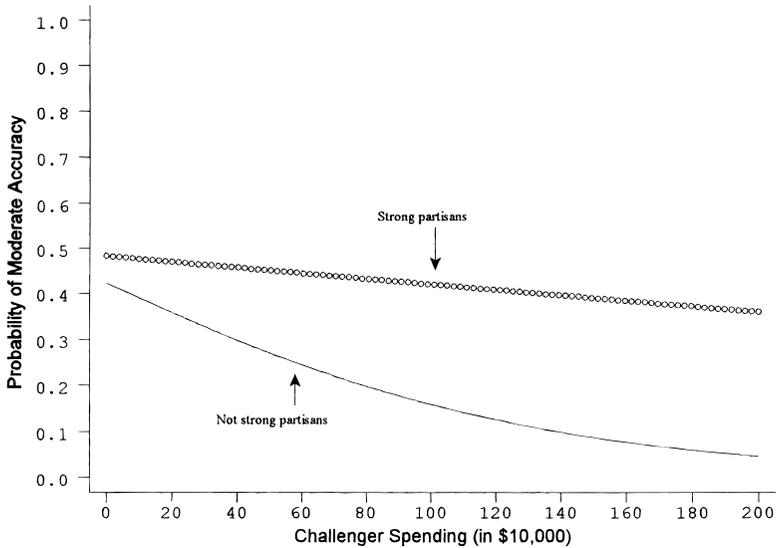
incumbent spending increases. Challenger money (Figure 5) has dissimilar effects. As with incumbent spending, the impact on strong partisans is modest. For those respondents who are not strong partisans, however, challenger spending induces significant confusion. These potential voters are up for grabs in the candidates' minds and, thus, targets of political incorporation efforts. When the incumbent spends, less strongly committed respondents are pushed one way; when the challenger spends, they are pushed another.

Conclusion

To some observers, the use of soft money in 1996 and the surge of fundraising well in advance of the 2000 elections were just the most excessive in an already deplorable line of campaign finance maladies at century's end. Money, in this view, inflates distrust and cynicism, discourages involvement, and does little to inform the public about candidates' policy preferences. At its worst, money manipulates and misleads the public, especially when flowing from incumbents trying to disguise their voting records. This perception of the deleterious impact of money on the political process has led to many demands for reform.

FIGURE 5

Challenger Spending and Moderate Accuracy of Ideological Placements, 1996



Advocates express few doubts that reforms would revitalize American political community, improve the quality of democracy, and remove the baneful effects of campaign spending.

Our findings suggest that a stronger, though not unqualified, case can be made for the beneficial effects of spending. Overall, campaign spending neither increases nor decreases political trust, efficacy, or interest in and attention to campaigns. Spending does contribute to knowledge and affect. Accurate perceptions of the incumbent’s record are generally improved by incumbent spending and reduced by challenger spending, in practice typically producing a net result of more accuracy and more competitiveness that we believe benefits democratic elections. These findings are consistent with our expectations. They also suggest that media and reformer assertions about the impact of spending need to be much more precise. Criticisms of the campaign contribution system should not dissolve into unfounded assertions about campaign spending as these assertions themselves may affect the level of public trust, efficacy, and involvement.

If campaign spending is good, and more spending is better, this complicates the introduction of full public financing and suggests that campaign spending limits, unless very high, are counterproductive. On the other hand, the results here could support the idea of limited public financing to provide a baseline for

every candidate, particularly challengers, to run a credible campaign. Would such a system lead to the defeat of many incumbents? Probably not. Incumbents are, on average, exceptionally skilled, and they will still have financial advantages in most races. The democratic yardstick should not be whether challengers win or lose, but whether potential voters have a reasonable chance to learn something about the options in their U.S. House race. Stated in the terms of the economic marketplace, the goal should be equal opportunity, or something approaching equal opportunity, rather than equal outcome. A system that gave candidates in 1996 about \$220,000, the approximate mean challenger spending in the NES sample districts, would have helped matters. At that spending level, the probability that a respondent could place the challenger on the ideology scale was .51. The probability of placement on the government services and abortion scales was .15 and .13, respectively. If we assume that challengers able to raise around \$200,000 in 1996 could still do so with the public grant in place (for a total of \$420,000), then the probability of placement on the ideological scale rises to .62; placement on the services and abortion scales would be .21 and .17, respectively. At the same time, challenger spending would help potential voters reassess their knowledge of the incumbent. And one could imagine other perks, such as free television time, being added into the mix. All this strikes us as a reasonable start, even while acknowledging that such a system may not directly produce more trust, involvement, or attention. Those problems run deeper than campaign finance.

Paying for such a system would not be cheap, totaling about \$191 million in 1996 (assuming two candidates in 435 districts) for House campaigns alone. None of this solves the appearance of impropriety on the contributions side of the finance ledger, however, because private money would still be substantial. Concerns that access to policy makers depends on contributions to their campaign war chests would not disappear. How to funnel money into campaigns to maximize the beneficial aspects of spending creates its own problems for parties and candidates: no one can guarantee that doing ever more to raise yet more money will resonate well with the public, regardless of the potentially beneficial outcomes produced by campaign spending (Coleman 1996b). Although spending the money does not increase cynicism, perhaps raising it will.

Those concerns address the public reform debate. To scholars, we suggest that further exploration of the black box between spending and election outcomes is critical if we are to understand what campaign spending accomplishes. Within the black box we have opened are other black boxes we have ignored, such as campaign strategy and advertising content and tone. Ideally, each black box can be opened and linked to the others to build an integrated theory of campaigning and voting. By examining these boxes, we believe campaign spending theory will become tied more fully into the broader scholarly debate about civic engagement. The quality of democracy and political community, not simply whether money makes it easier for incumbents to retain their seats, should be the key analytical and political concern.

APPENDIX A
National Election Studies Variables^a

Dependent Variables	1994	1996
Trust and efficacy (Table 1)		
Trust government to do right thing	v1033	v1251
People like me have a say	v1038	v1245
Not much tax waste	v1034	v1252
Government run for benefit of all	v1035	v1253
Not many are crooked	v1036	v1254
Involvement and attention (Table 2)		
Care about election	v209	v0256
Discuss politics with friends/family	v128	v1004
Talk to others about voting for/ against a candidate	v808	v1165
Interested in following campaigns	n/a	v1001
Knowledge of candidates and candidate status (Table 3 and Table 4)		
Recalls incumbent name, preelection	n/a	v0258, v0262, v0266
Recalls incumbent name, postelection	v211, v215, v219	v1007, v1011, v1015
Recalls challenger name, preelection	n/a	v0258, v0262, v0266
Recalls challenger name, postelection	v211, v215, v219	v1007, v1011, v1015
Knows incumbent is running, preelection	n/a	v0413
Knows incumbent is running, postelection	v431	v1068
Ability to place candidates on ideological scale and certainty of placement (Table 3 and Table 5)		
Can scale incumbent on ideology, preelection	n/a	v0375, v0377
Can scale incumbent on ideology, postelection	v843, v845	v1277, v1279
Can scale challenger on ideology, preelection	n/a	v0375, v0377
Can scale challenger on ideology, postelection	v843, v845	v1277, v1279
Certainty of incumbent placement on ideology, preelection	n/a	v0376, v0378
Certainty of incumbent placement on ideology, postelection	v844, v846	v1278, v1280
Certainty of challenger placement on ideology, preelection	n/a	v0376, v0378
Certainty of challenger placement on ideology, postelection	v844, v846	v1278, v1280
Ability to place candidates on issue scales (Table 3 and Table 6)		
Can scale incumbent on government services and spending	v942, v943	v0459, v0460
Can scale challenger on government services and spending	v942, v943	v0459, v0460
Can scale incumbent on defense spending	n/a	v0475, v0476
Can scale challenger on defense spending	n/a	v0475, v0476
Can scale incumbent on abortion	n/a	v0515, v0516
Can scale challenger on abortion	n/a	v0515, v0516

(continued)

APPENDIX A (continued)

Dependent Variables	1994	1996
Affect and appraisal of candidates (Table 3 and Table 7)		
Likes the incumbent	v401, v413	v1044, v1056
Likes the challenger	v401, v413	v1044, v1056
Dislikes the incumbent	v407, v419	v1050, v1062
Dislikes the challenger	v407, v419	v1050, v1062
Approves of the incumbent's job performance	v637	v1123
Incumbent keeps in touch	n/a	v1128
Accuracy of ideological placement of incumbent (Table 8)		
Strict, moderate, and loose accuracy	v843, v845	v1277, v1279

^aFull question wording available from the authors.

APPENDIX B

Two-Stage Least Squares Estimation

We construct our two-stage least squares proxies for incumbent and challenger spending from four sets of instruments. *Challenger characteristics* include a three-point challenger quality scale and the party of the challenger. *Incumbent characteristics* include dummy variables indicating whether the incumbent chaired a committee or subcommittee; a dummy variable indicating whether the incumbent held a party leadership position; and the number of years the incumbent has held the seat. *Past district behavior* includes the incumbent's share of the district vote in the previous House election; a dummy variable indicating whether the challenger's party won the district in the 1992 presidential election; and expenditures by the incumbent party candidate in the previous House election. *District political and economic characteristics* include the percentage of college graduates and the median family income in the district; media cost per point figures for the evening newscast in the designated market area(s) corresponding to the congressional district; whether the national parties made coordinated expenditures in the district race (coordinated expenditures are not included in FEC candidate disbursement totals); an index measuring the restrictiveness of the state's campaign finance laws; the number of membership organizations in the district's most populous county (Standard Industrial Classification 8600); and the number of employees in business-related membership organizations in the district's most populous county (Standard Industrial Classification 8610).

Sources for the data include: Gary Jacobson (challenger quality), 1996 NES Contextual Data file (challenger quality, party leadership, committee rank, subcommittee rank); *Almanac of American Politics* (college graduates, median family income, incumbent's share of vote in previous election; 1992 presidential vote in district; party leadership, committee rank, subcommittee rank); *SRDS TV &*

Cable Source 1994(4), 1995(3) (media cost per point); Federal Election Commission (expenditures in previous election, party-coordinated expenditures; number of terms in office); Utter and Strickland 1997 (items used in state campaign finance index); U.S. Department of Commerce, Bureau of the Census, *County Business Patterns* (membership organizations data).

For 1994, our instruments produced adjusted r-squares of .63 and .58 estimating incumbent and challenger spending, respectively. Our estimated incumbent and challenger spending correlated with actual incumbent and challenger spending at .79 and .77, respectively. For 1996, the respective figures were adjusted r-squares of .68 and .58 and correlations of .84 and .80.

We tested polynomial versions of the spending figures but did not find that these versions added either substantive or statistical significance to the analysis.

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