The Impact of Associational Ties on the Financing of Super PACs[1]

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Abstract

Super PACs burst on the scene following the Supreme Court's decision in *Citizens United v. FEC.* Relatively little is known about the interests they represent. Using a new dataset comprising information about the super PACs and super PAC donors that participated in the 2010 through 2016 election cycle, we identify the economic and political sectors that are most prevalent among super PACs and their supporters. We then test the effects of shared economic and political associations on the likelihood individuals and groups will contribute to a super PAC and the amounts they contribute, while controlling for the super PACs' organizational characteristics, strategies, tactics and other relevant factors. Our results demonstrate that the relationships between super PACs and their donors transcend explanations based on notions of corporate unity and financial power.

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Super PACs emerged on the political scene in the aftermath of the Supreme Court's 2010 ruling in *Citizens United v. Federal Election Commission.* Referred to as independent expenditure-only committees in federal regulations, these relative newcomers to the campaign finance arena differ from traditional political action committees (PACs), political parties, and candidate committees in that they can raise unlimited sums from virtually any source. Between 2010 and 2016, super PACs spent more than $2 billion to influence federal elections. Much of what has been written about super PACs depicts them as the latest weapon in the arsenals of powerful corporations, labor unions, and ideologically-driven millionaires who seek to determine the outcome of elections. However, not all super PACs rely on the wealthy, well-organized, or single-minded for their financing, and there are surprisingly few super PACs affiliated with corporations and labor unions. Despite the broad-brush stroke images presented in the media, relatively little is known about the decision making of members of various economic and political sectors that finance super PACs.

This study addresses the questions: What economic and political sectors are the most well represented among super PACs and super PAC donors? And, what are the effects of sector ties on super PAC donor decision making? We address these questions using a new data set that includes the contributions made to super PACs in the 2010 through 2016 federal elections. After a brief discussion of the history of super PACs and their organizational characteristics, strategies, and tactics, we provide an overview of super PAC donors' motives and contributions. We then provide some perspective on the political economy of super PACs by comparing the financing of super PACs affiliated with various economic and political to that of corresponding groups of traditional PACs. These preliminary results and the campaign finance and interest group literatures are used to generate several hypotheses about the impact of donors' economic and political affiliations on their likelihood of contributing to a super PAC and the amounts they contribute to super PACs associated with different aspects of society. The results provide insight into the roles various economic and political interests have assumed in the financing of recent elections. They have implications for policy making and representation in the United States.

An Overview of Super PACs

The wealthy and well-organized always have been influential in elections.[2] Farmers, businesses, labor unions, and religious, social, ideological, and issue-based groups have had an impact on candidate selection, campaign outreach, and voting behavior throughout United States history. Their contributions to candidates and party committees, and independent efforts to directly affect the decision making of voters, have enabled organized interests to assume a major role in campaign financing. Most of the federal laws regulating the flow of political money have had limited success, in part because the U.S. Supreme Court has invalidated regulations that limit independent expenditures.[3] Individuals and groups seeking to use money to influence politicians and influential politicians seeking to raise money have found ways to circumvent remaining laws or have used lawsuits to overturn them.[4]

The Supreme Court ruling in *Citizens United* that unleashed a torrent of new types of spending is not only remarkable because it gave well-heeled and well-organized interests new opportunities for political influence. It also is important because it was the first of several federal court rulings and agency decisions that substantially altered the ways in which individuals and groups participate in elections and led to the formation of new types of electoral organizations. Combined, these decisions freed corporations, labor unions, trade associations, and other groups from prohibitions against using their general treasuries to finance independent expenditures that explicitly advocate the election or defeat of a federal candidate. The decisions allow individuals and groups to use super PACs for this purpose.

Super PACs differ from other outside spending groups in a number of respects. They differ from "traditional" PACs in that they cannot directly contribute to federal candidates or the federal accounts party committees and other groups use to contribute to federal candidates. They differ from social welfare groups registered as 501(c)(4) organizations under the Internal Revenue Code and trade associations registered as 501(c)(6) organizations in that they are required to disclose the sources of donations of $200 or more. Unlike these other two groups, however, there are no limits on the proportion of super PAC funds that may be used to finance independent expenditures.[5]

Although the *Citizens United* ruling was announced more than halfway into the 2010 midterm election cycle, super PACs raised more than $89 million and spent almost $63 million in the ten months between the decision and Election Day. These sums skyrocketed to $822 million and $609 million during the 2012 presidential election cycle. Super PAC fundraising and independent spending exceeded $696 million and $345 million in 2014, dwarfing the sums spent in the previous midterm elections. The almost $1.7 billion raised and more than $1.1 billion spent by super PACs in the 2016 election cycle roughly doubled the levels established four years earlier. Despite this recent trend, little is known about super PACs. Often portrayed as monolithic, business-oriented shadow groups, super PACs vary across several dimensions, including their finances, mission, political strategy and tactics.

Super PACs are similar to traditional PACs and other election entities in that there is much variation in the sums they raise. During the 2010 though 2016 election cycles, roughly 63% of the super PACs registered with the FEC raised no money, and another 6% raised less than $1,000.[6] The top 5 fundraisers collected $701.9 million, more than 38.3% of all super PAC receipts, and the next 10 groups raised $676.3 million, or 36.9%. Several groups, including American Crossroads, Club for Growth Action, and House Majority PAC were repeatedly among the top 10 most prodigious fundraisers across the four election cycles. The 72 groups that raised $10 million or more each (less than 2% of all super PACs) accounted for two-thirds of all super PAC receipts, while the 3,838 groups that raised less than $10,000 (74% of all super PACs) collected less than 1% of the total. The large number of groups that raised or spent insufficient funds to affect an election, and the questionable objectives of some organizations, informed the decision to include only "active" groups—those that reported raising or spending $1,000 or more—in the analyses that follow.

The most notable nonfinancial distinction among super PACs concerns their mission. Super PACs can be classified into four groups: multi-candidate super PACs (MCSPs), single-candidate super PACs (SCSPs), multi-candidate hybrid committees (MCHCs), and single-candidate hybrid committees (SCHCs). MCSPs seek to elect or defeat one or more candidates. They constituted 57% of all active super PACs and raised 61% of total super PAC receipts during the 2010 through 2016 election cycles. The breadth of their activities and involvement in close elections pose significant challenges to traditional party organizations.

By contrast, SCSPs, which accounted for 34% of all groups and raised 34% of their total funds, exist to influence the fortunes of an individual politician—almost always one contesting a close election.[7] SCSPs have significant advantages over other outside spending groups. Most are organized or staffed by a candidate's former political aides, major donors, or political consultants who are knowledgeable about the candidate's policy stances, public image, financial supporters, and electoral constituency. Although they cannot coordinate electioneering efforts with a candidate, his or her campaign committee, or any consultants or others who directly participate in the candidate's campaign, the candidate can participate in some of the activities, including headlining fundraising events—as long as the candidate is not present when the solicitations are made. Moreover, shared relationships and mutual understandings between a candidate's campaign staff and an SCSP's staff facilitate an "indirect orchestration" of some of these organizations' campaign efforts. For example, some candidate committees post stock video recordings ("b roll") made during advertising shoots on obscure websites known only to political confidantes, which is legal if the site is technically open to the public. Knowledge of this resource and a familiarity with the candidate's campaign enable an SCSP to disseminate television ads and other communications that complement the candidate's message. This often leads to a *de facto* division of labor wherein the campaign's messaging focuses on the candidate's qualifications, issue stances, and public record, and the SCSP's messaging primarily attacks the opposition. In situations where a candidate's campaign committee is short of cash, an SCSP may run positive ads to raise the candidate's profile among voters. Given their association with individual candidates, including powerful incumbents and the competitive challengers who hope to defeat them, SCSPs can be expected to have significant fundraising advantages over other super PACs, including among access- and ideologically-oriented donors.

During the 2010 through 2016 election cycles, multicandidate hybrid committees (MCHCs) accounted for 6% of all active super PACs, single-candidate hybrid committees (SCHCs) accounted for just 1.4%, and they collected 3% and 1.7% of all super PAC receipts, respectively. Hybrid committees, sometimes referred to as Carey committees after the court case that sanctioned them, can be described as part traditional PAC and part super PAC.[8] Most hybrids originated as traditional PACs and then created a segregated independent expenditure account in response to changes in federal campaign finance regulations. Hybrid committees raise some funds within the traditional federal campaign finance framework that can be contributed directly to federal candidates, party committees, and PACs. They raise other funds outside the federal framework that can be used to finance independent expenditures. The differences between multi-candidate and single-candidate hybrids parallel those for super PACs.

The bifurcated mission of hybrid committees—raising hard money for contributions and soft money for independent expenditures—possess some unique fundraising challenges. Potential donors interested in supporting candidates may be averse to financing negative advertising and other independent expenditures. Moreover, appeals designed to raise small contributions from many individuals differ from appeals intended to attract hefty contributions from businesses, labor unions, lobbying firms and their executives (e.g., Francia et al. 2003). One would expect MCHCs and SCHCs to raise fewer and smaller contributions than other groups.

Some of the most important distinctions among super PACs concern their strategy in political campaigns. Most accounts of super PACs focus on their independent expenditures, especially televised campaign ads. Nevertheless, not all super PACs make these. More than 41% of active super PACs eschew independent expenditures in favor of other activities. Some of these groups resemble think tanks, consulting firms, party committees, or leadership PACs in that they specialize in research, voter mobilization, or raising funds for redistribution to other organizations; others appear to spend their money primarily on fundraising, salaries, and other aspects of organizational maintenance (e.g., Dwyre and Braz 2015). Given that organizations contributed 33% of the total dollars super PACs collected during the 2010 through 2016 election cycles, it seems reasonable to expect their contributions will be smaller and they will raise them from fewer sources.

Super PACs also differ according to the type of elections in which they participate. During the 2010 through 2016 election cycle, 17% of all active super PACs made independent expenditures in House races only, 12% participated solely in Senate elections, and 12% were exclusively involved in presidential contests—a substantial number given the relatively small number of presidential candidates relative to others (see Table 1). Roughly 16% of the groups spent money to advocate the election or defeat of candidates in some combination of these races and, as noted above, 41% made no independent expenditures. Organizations and individuals that seek access to members of Congress may believe contributing to a super PAC that focuses only on House or Senate elections could be helpful in gaining access to members of Congress, as is the case with contributions made by traditional PACs (Langbein 1986; Hall and Wayman 1990; Nownes 2013; Holyoke 2014). The greater power attributed to the individual senators, the Senate's six-year terms, the higher costs incurred in elections for the upper chamber, and the greater competition for control over it might give Senate-oriented super PACs fundraising advantages over those that focus exclusively on the House. The extraordinary power, symbolism, and visibility of the Office of the President, leads some super PACs to focus their efforts solely on presidential elections. Not surprisingly, groups that participated in more than one type of election raised the most money, followed by groups that spent funds in presidential or Senate elections. This suggests that more donors will contribute and make larger contributions to these groups than others.

A tactical factor that distinguishes super PACs from traditional PACs is the tone of their messaging (e.g. Herrnson 2016). Approximately 22% of the super PACs active during the 2010 through 2016 election cycles reported all of their independent expenditures were made in support of candidates, 22% reported all of their spending was made in opposition, and the final 42% of super PACs made expenditures both in support of and in opposition to candidates (see Table 2). The negative campaigners raised slightly more funds than those positive campaigners, but the receipts of both were dwarfed by those of groups that made both types of expenditures. The political sophistication of those that make the largest contributions to super PACs, and account for most super PAC funds, suggests groups that disseminate both positive and negative ads will raise the most funds, followed by groups that rely solely on negative messaging, and then by groups that only broadcast supportive messages.

Super PAC affiliation is important for understanding these groups' impact on political representation. One would expect super PACs that are associated with corporations, trade associations, labor unions, politicians, or others to raise and spend money differently from one another and differently from groups that have no associational ties. One-third of all active super PACs are connected to a current or retired federal, state, or local politicians (many are SCSPs, see Figure 1). About 4% are affiliated with a labor union, and fewer than 10% are sponsored by a corporation, trade association, or some other entity (including some miscellaneous groups). The remainder—more than half of all groups— have no parent organization.[9] These groups are similar to traditional nonconnected PACs in that they exist to advance a broad ideology or specific issues. It is noteworthy that so few super PACs are associated with corporations, trade associations, or the other business so well represented among traditional PACs and lobbying organizations. This does not mean these industries are uninfluential in the world of outside spending. As shown later, they contribute significant amounts to super PACs organized by others instead of those of their own creation. Making their views known through an intermediary group that is not sponsored by them helps these organizations avoid unwanted publicity.

The Financiers of Super PACs

Despite the of the scores of headlines devoted to multimillion dollar contributions by Sheldon and Miriam Adelson, Tom Steyer, the National Association of Realtors, various labor unions, and a few other individuals and groups, there has been little systematic study of super PAC finances. Super PACs also are subject to fewer fundraising restrictions than other federal campaign committees, but it is likely that their contributors' decision making has similarities to that of the financers of traditional PACs. One similarity is that both sets of contributions flow within associational networks. Another is they are inspired by the motives that underlie other contributions and most other political activities: material, purposive, or solidary incentives (Clark and Wilson 1961).

Materially-motivated contributors spend money in politics in pursuit of tangible benefits that can come in the form of appropriation, tax break, or favorable regulatory environment (Grier, Munger, and Roberts 1994; Hillman et al. 2004). However, in some cases their efforts are intended to maintain an acceptable status quo or to prevent an undesirable policy environment from further degenerating. Some contributions are defensive; they are made because it is expected of an individual or organization in a particular professional position. Refusing to support a powerful politician or supportive outside organization could put a group at a disadvantage (e.g., Baumgartner et al. 2009). Sometimes referred to as "investors," these individuals' and organizations' contributions are part of a larger "access strategy" that involves lobbying, and other interactions with public officials (e.g. Denzau and Munger, 1986; Francia et al. 2003). Whether pro-active or defensive, contributions facilitate the access needed to influence public policy (e.g., Hall and Wayman 1990). Not surprisingly, materially-oriented donors are most responsive to solicitations from incumbents, particularly those in leadership positions (Francia et al. 2003; Romer and Snyder 1994). One would expect individual and organizational investors associated with the business sector to make most of their super PAC contributions to groups that support incumbents, contribute lesser amounts to those that support open-seat candidates, and the least to challengers.

Purposive contributors seek to advance a broad ideological perspective or salient values-based issues, such as abortion rights or the rights of the unborn. Sometimes referred to as "ideologues" or "issue advocacy groups," these individuals and organizations (mostly 501(c)(4) groups) rarely spend much money in elections for the sake of gaining political access to political decision makers. The issues they care about are linked to values so fundamental that few have illusions about the possibility of an officeholder changing his or her position in response to an independent expenditure. Rather, these contributors view elections as their primary opportunity to influence public policy (e.g., Gopoian 1984). They follow an "electoral or ideological" strategy that involves spending money to elect or defeat incumbents or challengers in close contests, including in primaries. We hypothesize that ideologically-oriented donors are the strongest backers of ideological super PACs, business donors to be their weakest backers, and labor unions to fall in the middle. Further, we anticipate that these contributors will distribute their funds along the usual partisan lines: conservative donors primarily will contribute to Republicans/conservative super PACs and liberals to Democrat/liberal super PACs.

It is important to note that some political groups, including most labor unions and some trade associations, use "mixed strategies." They spend some funds to help elect or defeat candidates that share their ideological perspective and other funds to try to secure access to decision makers positioned to influence their policy priorities. We expect to find that labor unions back super PACs that make independent expenditures designed to elect Democratic candidates, particularly Democratic congressional leaders, and trade associations to contribute to super PACs that support a mix of Democrats and Republicans.

Contributors motivated by solidary incentives, sometimes referred to as "intimates," enjoy participating in the fundraising process (e.g., Francia et al. 2003). They take pleasure from the public recognition, comradery, and opportunities for social interaction with peers and celebrities that occur at fundraising events. Intimates' political contributions differ from those of investors and ideologues in that they are strongly influenced by personal and professional relationships. Rather than consider financial returns or speculate about the effects of elections on a highly-charged issue or considerations about the proper role of government, intimates decision making centers on whether they know or would like to meet the intended beneficiaries of the contribution or the individual soliciting it. While these motives are largely personal, they can affect whether an organizations' leader will contribute some of its general treasury to supporting a super PAC. Difficult to identify, contributions informed by solidary incentives are included among those that are made for reasons other than material or purposive reasons.

Although the *Citizens United* decision has been criticized by many as opening the door to excessive corporate political spending, individuals were the source of 62% of the funds super PACs collected during the 2010 through 2016 election cycles. Individuals also were responsible for most large super contributions, making 3,200 (65%) of the 5,000 or biggest 1% of contributions made during this period. One reason for individuals' dominance of super PAC financing is that corporate executives are relatively unconcerned about the public disclosure, while the corporations they lead are very sensitive to it. Disclosure can cause public relations nightmares for corporations and other groups, lead to a decline in customer and shareholder support, and reduced profits (Hansen, Rocca, and Ortiz 2015). Moreover, executive compensation is tied to corporate performance and thus executives can benefit from spending money on politics (Gordon, Hafer, and Landa 2007). Rising stars in the corporate world recognize this. Indeed, individuals promoted to chief executive officer of a Standard and Poor's 500 company increase their political donations beyond their projected increased earnings (Fremeth, Schaufele, and Richter 2013). Of course, corporate leaders have political interests that do not dovetail perfectly with those of the organization they lead, and they contribute directly to a broader array of candidates than their corporation's PAC (Bonica 2016). Although there has been little study of corporate contributions to super PACs, the literature on corporate political activity helps explain why corporate leaders, rather than corporate treasuries, account for most contributions to super PACs that have a corporate connection.

The responses of potential super PAC donors connected to different economic and political sectors have been uneven. Despite their sponsoring fewer super PACs, business interests, led by the finance, investment, and real estate industries (FIRE), were the source of more than $2 billion in super PAC contributions during the 2010 through 2016 elections, which accounts for 62% of all super PAC funds (see Figure 2). Labor unions provided 14% and individuals and groups championing various issue and ideological causes provided another 18%. Groups associated with politicians and party committees contributed comparatively insignificant sums.

Data and Methods

Relying on campaign finance and interest group literatures, we theorize that associational ties have a major impact on contributions to super PACs. We hypothesize that most contributors support organizations with which they share an economic or political association. Just as business executives contribute to their corporation's PAC, trade association leaders finance their association's PAC, union members allow a portion of their dues to support their union's PAC, and ideologues support PACs that champion their causes, we expect donors associated with these sectors to support the super PACs associated with their interests. We also expect organizations associated with politicians to contribute to super PACs affiliated with federal candidates.

H1: Contributors are more likely to donate to super PACs associated with their economic or political sector.

H2: Contributors make larger donations to super PACs associated with their economic or political sector.

We test our hypotheses using data from the Center for Responsive Politics (CRP), the Federal Election Commission (FEC), and other sources. The data consists of super PACs' financial activity during the 2010 through 2016 election cycles. They include information about each super PAC's funding sources and expenditures and its organizational characteristics, including the economic and political sectors with which they are associated. The data include information about the contributions, expenditures, and economic and political associations of super PAC contributors. Additional information records the political experience, background characteristics, and electoral performance of the federal candidates whose elections super PACs sought to influence. Given that many super PACs' electoral participation was trivial or nonexistent, the analysis includes only super PACs that raised or spent $1,000 or more. Only individuals and organizations that contributed $200 or more to a super PAC are included in the analysis because those who contributed lesser sums do not meet the FEC's requirements for financial disclosure. The unit of analysis of the resulting data set is the total itemized contributions each donor made to each super PAC in each election cycle.[10] The data set includes the roughly 106,000 contributions that almost 86,000 individuals and groups made to super PACs.

Following a preliminary analysis of aggregate level data, we test several multivariate models to assess the factors that affect super PAC contributions. To estimate the likelihood that a donor gives to a super PAC associated with their economic sector (H1) we use logistic regression, including a rare events logit model. To test our hypothesis that donors will make larger contributions to super PACs associated with their economic sector we rely on OLS and Heckman selection models. Our analyses include variables that control for various characteristics of super PACs and donors to super PACs. The first set of controls are dummy variables that indicate a group's mission, where MCSP=1, SCSPs=1, MCHC=1, and SCHC (the comparison group)=0. The second set of variables control for a group's strategy, where super PACs that make independent expenditures in presidential elections only=1, super PACs that make independent expenditures in Senate elections only=1, super PACs that make independent expenditures in House elections only=1, super PACs that make independent expenditures in some combination of these elections=1, and super PACs that make no independent expenditures (the comparison group)=0. The third set of control variables are for super PAC tactics, where groups that make positive independent expenditures only=1, groups that make negative independent expenditures only=1, groups that make a combination of positive and negative independent expenditures=1, and groups that make no independent expenditures (the comparison group)=0. The fourth control variable is the logged total receipts of the super PAC receiving the contribution. Our next control variable is for donor type, where individuals=1 and organizations=0. The final set of control variables is for election cycle, where 2012=1, 2014=1, 2016=1, and 2010 (the comparison group)=0.

Findings

Whom do super PACs represent? In terms of total numbers and dollars, they do not conform to the patterns long exhibited among traditional PACs (see Figure 3). Most strikingly, groups associated with a corporation, trade association, or some other part of the business sector constitute less than 0.5% of the universe of super PACs and these groups raise a pittance of all super PAC contributions. This contrasts sharply with traditional business PACs, which comprise 30% of the PAC community and raise almost 60% of its total receipts. Another significant contrast is that ideological and issue-oriented groups make up a smaller portion of the super PAC community than traditional PAC community, but nonconnected groups raise a substantially larger share of receipts collected by super PACs than traditional PACs. Moreover, a comparison between super PACs associated with politicians (including SCSPs and SCHCs) and party committees and traditional leadership PACs shows that the former group of party-connected committees has a larger numerical and financial presence among its peers than does the latter.

What impact do associational ties have on the contributing behavior of the individuals and groups that finance super PACs? The aggregate-level results suggest a modest effect, overall. Individuals and groups that participated in the financing of super PACs during the 2010 through 2016 elections made 20% of their contributions to groups with which they share an economic or political space and the remaining 80% to groups with which they do not. They made more than $831 million in contributions to super PACs to (26% of the total) to groups that occupy the same economic or political space and $2.4 billion (74%) to groups that do not.

There was substantial significant variation across sectors. Issue and ideologically-oriented individuals and groups were almost universal in targeting their contributions to super PACs created to advance their concerns (see Figure 4). Ties between donors and super PACs associated with the labor movement also led to the flow of substantial numbers of contributions within that sector. Ties between donors and recipients associated with FIRE and other business interests had little influence. With so few business-sponsored super PACs corporations, their executives, and other business-oriented donors targeted other groups with their largesse. Associational ties also had little influence on the flow of contributions among super PACs and donors connected to politicians and party committees. Most likely because SCSPs, SCHCs, and the others collected funds from a great many donors and politician- and party-connected committees made donations to very

The influence of associational ties on super PAC receipts roughly parallels that for the number of contributions. Issue advocacy and ideological groups raise roughly 94% of their funds from ideologues, and labor groups collected 55% of their funds from labor unions (see Figure 5). Groups associated with FIRE and other business interests, and politicians and parties raised relatively few dollars from contributors associated with their sector, relying instead on money raised from others.

The individual-level analyses of donors both confirm and challenge our hypotheses and reveal important ways in which super PACs differ from traditional political organizations. We test our first hypothesis—that contributors are more likely to donate to super PACs associated with their economic or political sector—by estimating a model on a binary dependent variable coded “1” for contributions that were made by donors whose primary sector of occupation/employment matched the sector of the receiving super PAC, and 0 otherwise. For instance, a contribution from a donor in FIRE to a FIRE-linked super PAC would be coded as a "1," while a contribution from a donor in FIRE to an ideological super PAC would be coded as a "0." Since our outcome is dichotomous, we estimate a logistic regression model with the explanatory variables described above.

The results predicting the likelihood of giving in-sector provide some support for our first hypothesis (see Table 3).[11] We find that issue/ideological donors and donors from the labor sector are significantly more likely to target an in-sector super PAC with their contributions, even controlling for other salient organizational and donor characteristics. The predicted probability of an ideological donor giving money to an ideological super PAC is 0.99 and the predicted probability for donors from the labor sector is 0.09. The predicted probabilities for FIRE and other business donors are much smaller and that for politicians and party committees is virtually zero.

Several other variables are also important predictors of making an in-sector donation. Donors with associational ties are more likely to give to MCSPs and MCHCs compared to SCHCs (the comparison group), while donations to SCSPs are significantly less likely to come from in-sector donors. As explained above, single-candidate super PACs collect funds from diverse sources and few super PAC donors are connected to politicians. Organizational contributors, such as corporations, are more likely to make in-sector contributions than individual donors, such as corporate executives. VThe results for election cycle suggest associational ties have become increasingly important since 2010, and they are particularly robust during presidential election years. Super PAC strategy and tactics have no significant impact on the likelihood of making a contribution.

We tested our second hypothesis—that contributors make larger donations to super PACs associated with their economic or political sector—using OLS regression on logged donation amount.[12] The first column of Table 4 presents the results of an indicator variable for mutual association ties, regardless of the specific sector, along with other super PAC and donor characteristics. It suggests contributions donors make to a super PAC with which they share an associational tie, regardless of the source of that tie, are approximately 22% smaller than the contributions they make to other super PACs. This finding lends little support for the second hypothesis.

The results in columns 2 and 3 are for in-sector and out-sector donations broken down by sector. Similar to the findings presented earlier, they demonstrate there is substantial variation in the effect of associational ties across economic and political sectors. Donors with ties to business interests, particularly FIRE, make substantially smaller contributions to super PACs that share their interests, while labor donors and ideological donors make larger contributions to super PACs within their respective sectors. Moreover, FIRE and other business donors make very large out-sector contributions (second only to labor), while the donations of ideologues are among the smallest. The findings for the business sector, particularly FIRE, are striking given the scholarly literature about political spending and the public commentary about super PACs that portrays corporations and business elites as key political investors looking to advance their narrow financial interests (but see Bonica 2016).

We also find organizational mission influences the size of contributions to super PACs. As anticipated, in-sector donations to MCSPs and SCSPs are larger than those to SCHCs (the comparison group), and contributions to MCHCs are significantly smaller. Out-sector donations to SCSPs are larger than those groups with different missions, reflecting the relative fundraising advantage for organizations connected to federal candidates (e.g. Herrnson 2016, 2017).

Political strategy and tactics have no impact on the amounts donors contribute to super PACs with which they share an associational tie. That is, in-sector donations are not significantly influenced by the elections a group participates in, the tone of its political advertising, or whether it makes independent expenditures at all. Political tactics have a significant impact on the sizes of contributions that cross associational affiliations, as donors make larger out-sector contributions to groups that make positive, negative, or some combination of independent expenditures than those that make no independent expenditures. The result for strategy (whether a super PAC participates in House, Senate, presidential elections) are puzzling and worthy of further attention. Both the in-sector and out-sector donations made by organizations tend to be larger than donations by individuals.

Conclusion

Super PACs have injected hundreds of millions of dollars into political campaigns, altering their financing and conduct. Often portrayed as representing the interests of a monolithic group of elites, there is considerable diversity among them and their financial backers. This diversity is visible in the numbers of super PACs that represent different interests and the economic and political sectors from which they raise their funds. Contrary to the prevailing wisdom, few super PACs are affiliated with corporations and other business interests. Business-sponsored super PACs are greatly outnumbered by those associated with ideological and issue-based causes and labor unions. However, consistent with the conventional wisdom is that individuals and groups associated with business interests are the major sources of super PAC funding, followed by individual and group donors.

The distribution of super PACs and their donors across economic and political sectors lays a foundation for decision making by super PAC donors. Although associational ties have a fairly modest overall impact on the numbers and amounts of the contributions donors give to super PACs, there is substantial variation in their effects across different sectors, even when controlling for relevant variables. Associational ties have their biggest impact on the support that ideologically-oriented donors and groups give to ideological super PACs. They also have a relatively large impact on the contributions labor unions give to labor super PACs. Their effects on corporate support are modest. The small number of corporate-sponsored super PACs helps explain why corporations and their executives provide most of their support to MCSPs, SCSPs, and hybrid committees that have no corporate affiliation. Similarly, the negligible impact of sector ties between donors and super PACs associated with the same political interests largely results from two factors: few politicians and party committees financially support super PACs; and most SCSPs, SCHCs, and other party-connected super PACs are supported by a broad array of donors.

In summary, there are many factors that affect super donor behavior. Associational ties between donors and recipient groups are among them, but their impact varies across economic and political sectors. As super PACs have taken on an increasingly prominent role in elections, governance, and policy making, so has the need to understand their incentives and the behavior of their donors. Our results demonstrate that the relationships between super PACs and their donors transcend explanations based on notions of corporate unity and financial power.

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Table 1. Super PAC Receipts by Type of Election, 2010-2016

	Receipts	Groups
House only	6%	18%
Senate only	11%	13%
President only	24%	12%
House and Senate	30%	11%
Combination of President, House, and Senate	20%	6%
No independent expenditures	9%	41%
$, Millions/N	3,583.6	1,629

Source: Herrnson, "The Impact of Organizational Characteristics on Super PAC Financing and Independent Expenditures."
Note: Percentages may not add to 100% because of rounding.

Table 2. Super PAC Receipts by the Tone of Campaign Expenditures, 2010-2016

	Receipts	Groups
Positive	7%	22%
Negative	9%	13%
Both	76%	25%
None	9%	41%
$, Millions/N	3,583.6	1,629

Source: Herrnson, "The Impact of Organizational Characteristics on Super PAC Financing and Independent Expenditures."
Notes: Percentages may not add to 100% because of rounding.

Table 3. The Impact of Associational Ties on the Likelihood of Contributing to a Super PAC

	Logit [S.E.]	Predicted Probability
Sector:		
Business	0.467***	0.005
	[0.069]	
FIRE	0.361***	0.005
	[0.103]	
Candidates/Party	-1.995*	0.000
	[1.023]	
Issues/Ideology	10.675***	0.993
	[0.128]	
Labor	3.528***	0.097
	[0.095]	
Organizational mission:		
Multi-candidate super PAC	1.065***	
	[0.130]	
Single-candidate super PAC	-1.484***	
	[0.142]	
Multi-candidate hybrid committee	2.251***	
	[0.130]	
Strategy:		
House Only	10.666	
	[146.369]	
Senate Only	9.022	
	[146.369]	
Pres Only	9.423	
	[146.369]	
Pres and/or Senate and/or House	9.03	
	[146.369]	
Tactics:		
Positive	-9.91	
	[146.369]	
Negative	-9.55	
	[146.369]	
Both	-11.527	
	[146.369]	
log(Total receipts of group)	-0.105***	
	[0.016]	
Donor is an organization	0.290***	
	[0.075]	
Election cycle:		
2012	1.691***	
	[0.203]	
2014	0.997***	
	[0.203]	
2016	2.396***	
	[0.199]	
(Intercept)	-4.140***	
	[0.334]	
N	106018	
AIC	11300.763	

Notes: Estimates are from logistic regressions predicting the likelihood of an in-sector contribution. Robust standard errors clustered on donor. *$p < 0.1$, **$p < 0.05$, ***$p < 0.01$.

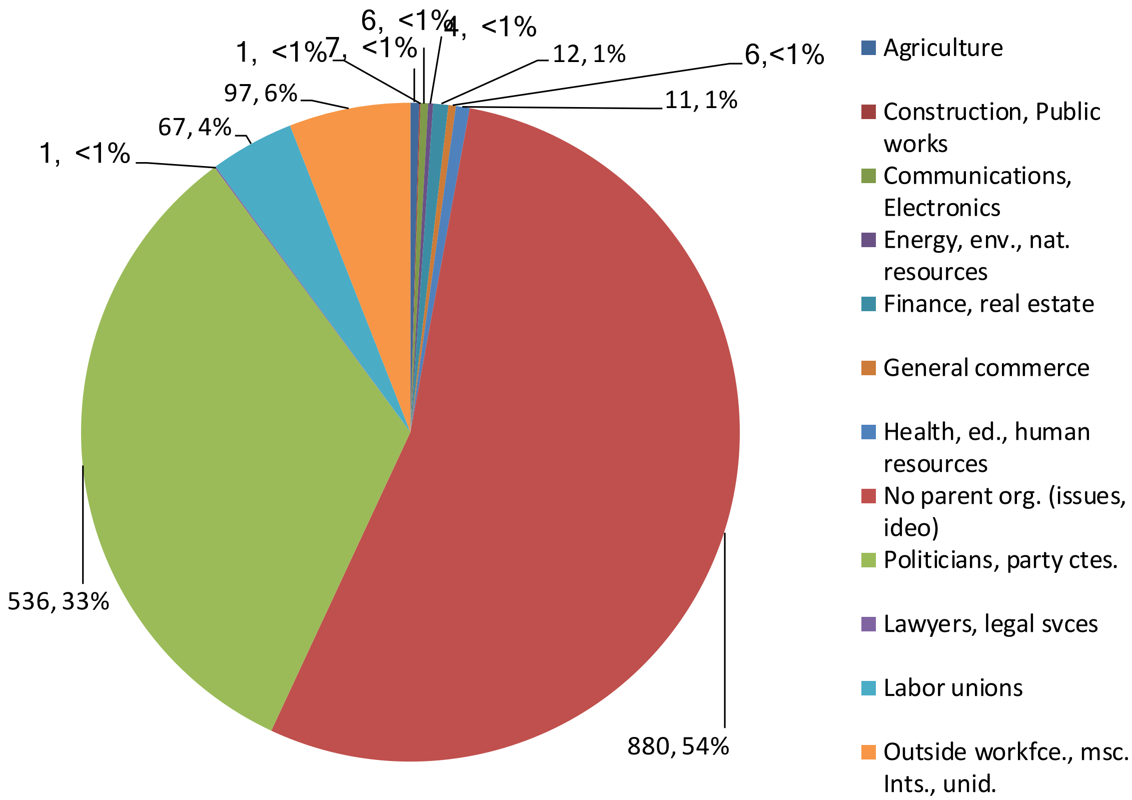
Table 4. The Impact of Associational Ties on the Amount of a Contribution to a super PAC

	(1) All donors [S.E]	(2) In-sector donors [S.E]	(3) Out-sector donors [S.E]
In-sector donation dummy	-0.200***		
	[0.038]		
Sector:			
Business	0.656***	-0.099	0.684***
	[0.011]	[0.083]	[0.012]
FIRE	1.548***	-1.653***	1.590***
	[0.016]	[0.116]	[0.017]
Candidate/Party	0.091	0.699	0.359***
	[0.130]	[1.120]	[0.136]
Ideology	0.559***	0.111*	0.270**
	[0.039]	[0.057]	[0.130]
Labor	1.722***	0.810***	2.015***
	[0.040]	[0.067]	[0.051]
Organizational mission:			
Multi-candidate super PAC	0.216***	0.616***	0.102***
	[0.022]	[0.050]	[0.028]
Single-candidate super PAC	0.470***	0.590***	0.353***
	[0.020]	[0.043]	[0.029]
Multi-candidate hybrid committee	-0.375***	-0.177***	-0.292***
	[0.024]	[0.043]	[0.034]
Strategy:			
House Only	-1.357***	1.113	-1.690***
	[0.410]	[1.120]	[0.444]
Senate Only	-1.207***	1.633	-1.639***
	[0.410]	[1.121]	[0.443]
Pres Only	-2.119***	1.178	-2.582***
	[0.410]	[1.119]	[0.444]
Pres and/or Senate and/or House	-1.674***	1.326	-2.120***
	[0.410]	[1.119]	[0.443]
Tactics:			
Positive	1.774***	-1.238	2.258***
	[0.409]	[1.119]	[0.443]
Negative	1.958***	-1.217	2.456***
	[0.410]	[1.120]	[0.444]
Both	1.683***	-1.369	2.157***
	[0.410]	[1.119]	[0.443]
log(Total group receipts)	0.081***	0.069***	0.092***
	[0.003]	[0.007]	[0.004]
Donor is an organization	2.261***	3.454***	1.938***
	[0.019]	[0.035]	[0.022]
Election cycle:			
2012	0.544***	0.153**	0.590***
	[0.022]	[0.074]	[0.023]
2014	0.277***	0.01	0.290***
	[0.021]	[0.071]	[0.022]
2016	0.517***	0.032	0.623***
	[0.022]	[0.073]	[0.024]

(Intercept)	4.460***	5.089***	4.293***
	[0.054]	[0.133]	[0.062]
N	106017	20943	85074
R^2	0.29	0.488	0.264
Adj. R^2	0.29	0.488	0.264
AIC	383249.706	64121.196	314142.483

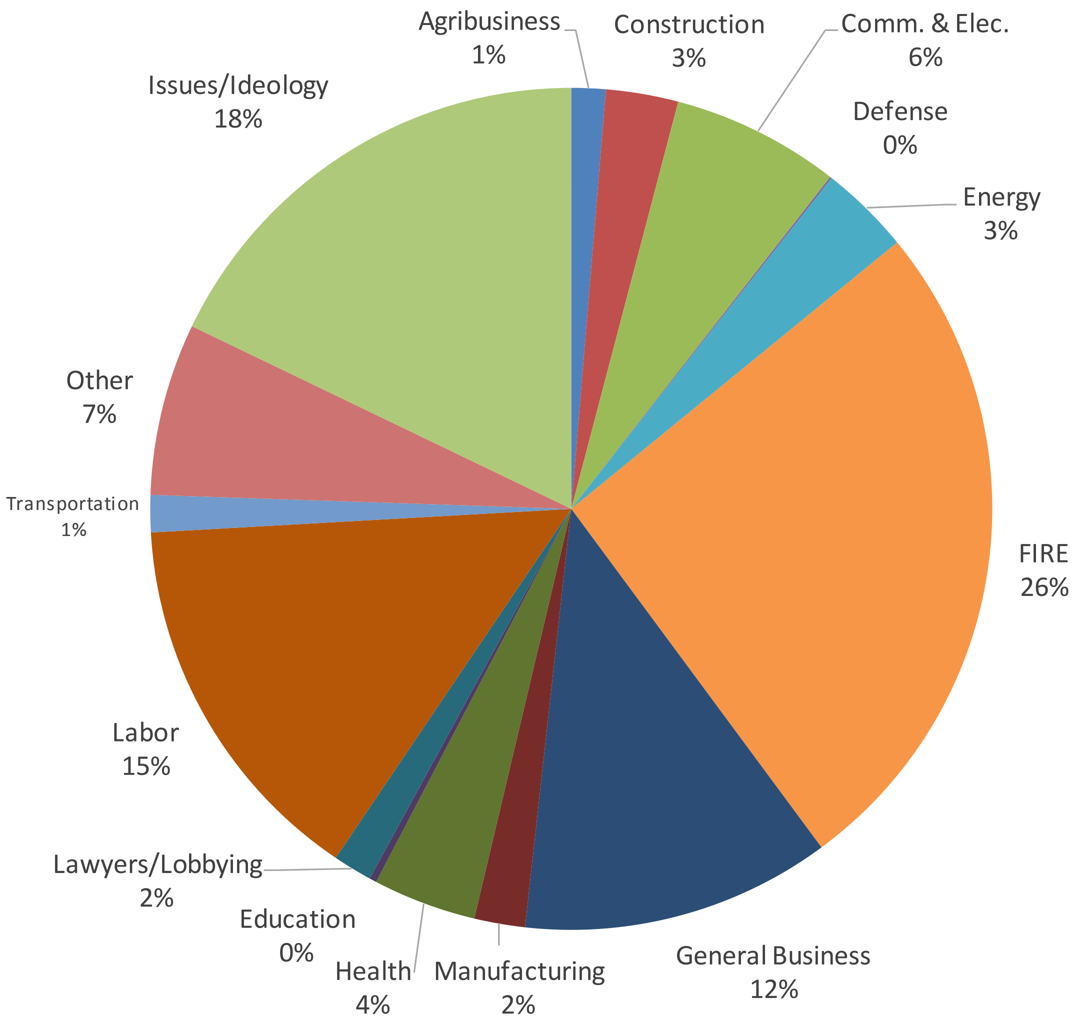
Notes: Estimates are from OLS regressions. Dependent variable is the log of the contribution. Robust standard errors clustered on donor. *$p < 0.1$, **$p < 0.05$, ***$p < 0.01$.

Figure 1. Super PAC Affiliations, 2010-2016



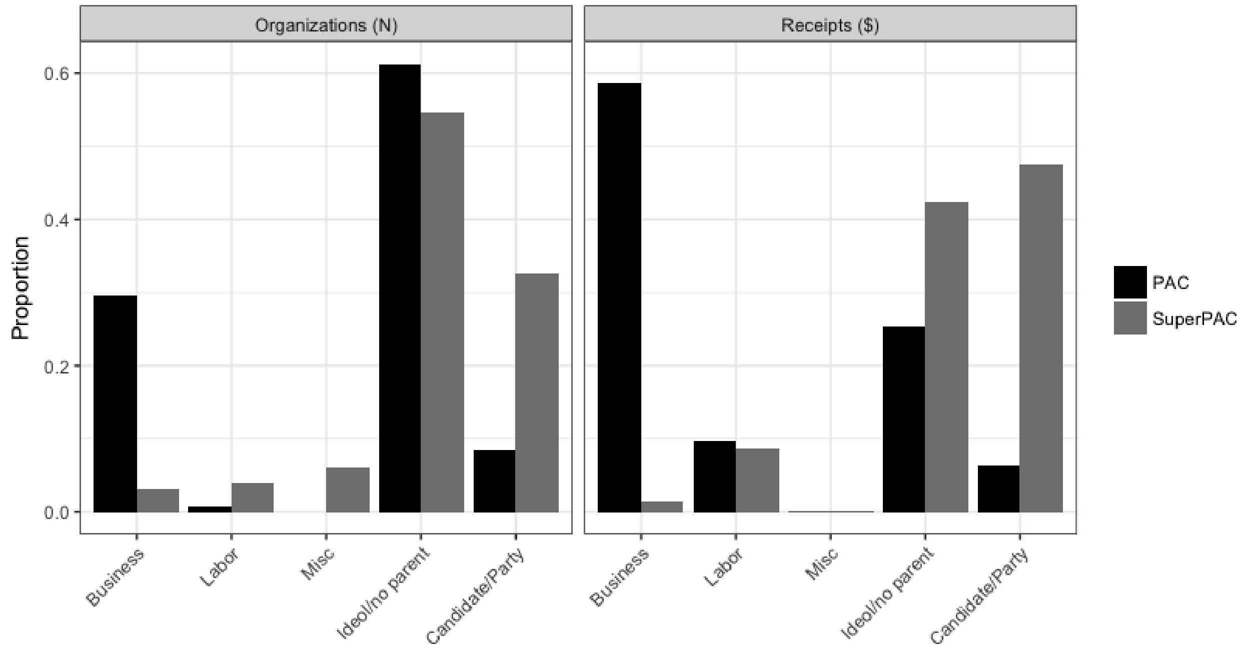
Source: Paul S. Herrnson, "The Impact of Organizational Characteristics on Super PAC Financing and Independent Expenditures."

Figure 2. Sources of Super PAC Funding, 2010-2016



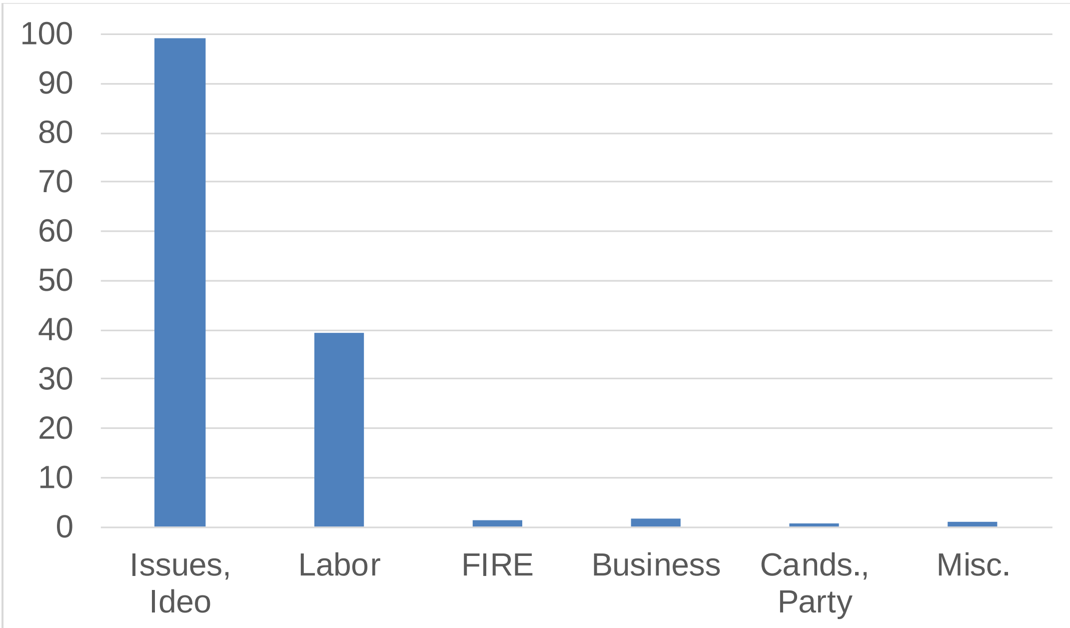
Source: Source: Compiled from data collected by the Center for Responsive Politics, the Federal Election Commission, and the authors.

Figure 3. The Distribution and Financing of Super PACs and Traditional PACs, 2010-2016



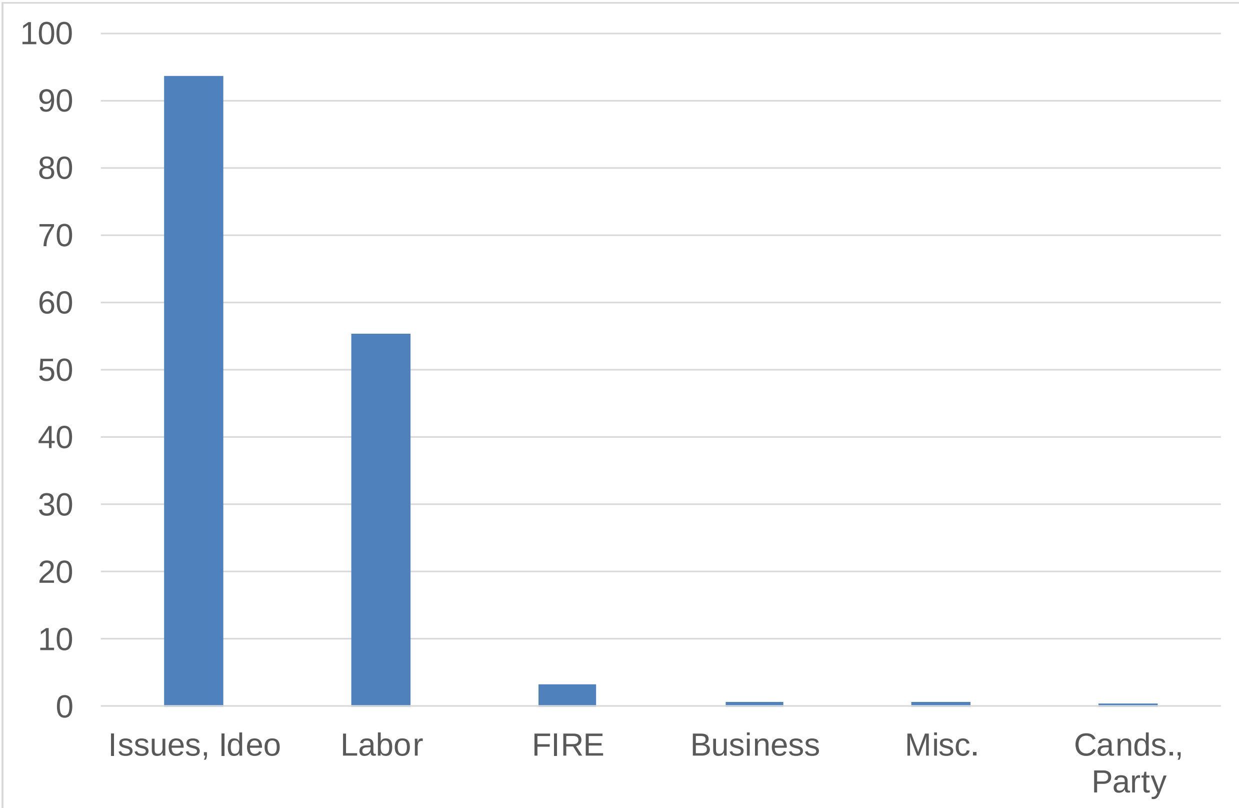
Source: Source: Compiled from data collected by the Center for Responsive Politics, the Federal Election Commission, and the authors.

Figure 4. Associational Ties and Contributions to Super PACs by Economic Political and Economic Sector, 2010-2016



Source: Compiled from data collected by the Center for Responsive Politics, the Federal Election Commission, and the authors.
Note: Figures represent the percentage of the number of contributions super PACs and hybrid committees raised from donors associated with their sector.

Figure 5. Associational Ties and Super PAC Financing by Economic Political and Economic Sector, 2010-2016.



Source: Compiled from data collected by the Center for Responsive Politics, the Federal Election Commission, and the authors.
Note: Figures represent the percentage of receipts super PACs and hybrid committees raised from donors associated with their sector

[1] This project was supported by generous funding from the Campaign Finance Task Force and the Hewlett Foundation. Data were provided by the Center for Responsive Politics and the Federal Election Commission. Many thanks to Jay Goodliffe for helpful feedback, and to Kyle Adams, Van Augr, and Christian Caron for their excellent research assistance. All errors are the responsibility of the authors.

[2] This section draws heavily from Paul S. Herrnson, "The Impact of Organizational Characteristics on Super PAC Financing and Independent Expenditures," paper presented at the Meeting of the Campaign Finance Task Force, Bipartisan Policy Center, Washington, DC, April 21, 2017.

[3] *Buckley v. Valeo*, 424 U.S. 1 (1976).

[4] See, e.g., *Randall v. Sorrell*, 548 U.S. 230 (2006) (striking down limit on contributions to candidates), *FEC v. Wisconsin Right to Life*, 551 U.S. 449 (2007) (striking down ban on "issue ads" in the weeks preceding an election), *Citizens United v. FEC*, 558 U.S. 310 (2010) (striking down ban on corporate independent expenditures), and *SpeechNOW.org v. FEC*, 599 F.3d 686 (2010) (striking down limits on contributions to Super PACs).

[5] 501(c) groups are not required to publicly disclose their backers. They also cannot make political activity their primary mission and, as a rule of thumb, must spend less than 50% of their funds on partisan campaigning.

[6] Many of these financially inactive committees bore similar names, perhaps because their organizers had an unfulfilled vision of forming a network of allied super PACs or believed they could resell the names, as occurs with cybersquatters on the web. Copycat humor also accounts for a substantial number of inactive super PACs. Comedian Stephen Colbert's "Americans for a Better Tomorrow, Tomorrow" inspired the formation of a number groups, including, "My Cat Xavier for a Better Tomorrow, Tomorrow." The plethora of inactive groups is attributable to some degree to the minimal cost and effort needed to create a super PAC.

[7] Many of these disband once a contest is over. However, a few that have extraordinary fundraising ability, organizational capacity, and visibility are transformed into MCSPs or transfer their allegiance to a different politician. Most notably, Priorities USA Action, created to support President Obama's 2012 reelection campaign, switched allegiance to supported former Secretary of State Hillary Clinton's 2016 bid for the White House.

[8] *Carey v. FEC*, Civ. No. 11-259-RMC (D.D.C 2011).

[9] The number would be much larger had inactive groups be included.

[10] Because the original data sets contained significant data entry and coding errors, they were cleaned and recoded prior to the analysis. The errors include filing errors that resulted in discrepancies between the total funds a group reported raising and the sum of its itemized receipts. Similar discrepancies involve the total independent expenditures reported and the sum of the itemized independent expenditures reported. Other data issues concerned differences between the contributions a super PAC reported raising from a particular donor and the contributions the donor reported making to the super PAC. Other discrepancies resulted from a super PAC or contributing organization entering information in an unconventional section of a disclosure report or recording the same transaction in more than one place. Many of these errors were corrected after reviewing the details of FEC reports filed by a super PAC or a contributing group. Other data issues originated from variations in a donor's name. Reconciling these was

necessary to get an accurate record of the donor's contributions to an individual super PAC and the donor's total contributions in a given election cycle. In addition, there was a substantial amount of missing or miscoded information for variables that record the characteristics of super PACs and donors. These were addressed by reviewing the super PACs' and donors' websites, the media coverage these groups received, and other sources. Early explorations of the data revealed that some of the data shortcomings concerned transactions of millions of dollars; many involved individuals and organizations that made several large donations to super PACs and super PACs that raised large sums from many donors.

[11] We tested our hypotheses using a variety of statistical techniques and model specifications, including rare events logit and Firth penalized maximized likelihood estimates. These models generated nearly identical results and are on file with the authors. Although the likelihood of giving to an in-sector group was very small (<1%) for some sectors the number of cases was large enough to avoid the small-sample bias known to plague ordinary logistic regression. (King and Zeng, 2001).

[12] Given the distinctiveness of the donor populations that give in-sector versus donors that give out-sector, we opt to present the net effect of an associational tie on the size of donations, and then the predictors of donation size among in-sector and out-sector donors separately, rather than presenting a Heckman selection model. However, the Heckman models (on file with the authors) generate similar estimates of the same magnitude and in the same direction as the OLS estimates.