An Analysis of PAC Contributions and Legislator Quality

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This paper empirically examines the influence of three legislator attributes on political action committee campaign contributions. In particular, the study investigates the roles that committee assignment, committee leadership, and majority party membership play on campaign contributions from political action committee representing firms from the four well-defined industries of aerospace, airline, automobile, and oil. The empirical results indicate that committee leadership is a key variable that drives contributions. However, membership on a seemingly relevant committee does not appear to carry as much weight. Furthermore, majority party membership appears to have a significant influence over the level of contributions. These patterns appear to be consistent over the eight election cycles studied. (JEL D00, D70)

Introduction

Increased participation by pressure groups in the political process over the last two decades has become obvious even to the casual observer. Representative of this increased participation is the rapid growth in the number of political action committees (PACs) (see Figure 1) and the increased dollar amounts they have contributed to campaigns (see Figure 2). During much of this time, corporate PACs accounted for more than 40 percent of all PACs and they made 35-37 percent of total contributions. Labor PACs represented 13 percent of all PACs at the end of 1978 but only 8 percent of the total from 1988 to the present. Nevertheless, labor PACs made at least 22 percent of total PAC contributions.

Given these statistics, it is not surprising that the scholarly analysis of campaign contributions has seen its most significant increases in the last decade (see, for example, Bennett and Loucks [1994]; Chappell [1981]; Godwin, [1990]; Gopoian [1984]; Grier and Munger [1986, 1991]; Grier et al. [1990]; Langbein [1993]; Loucks [1996]; Mitchell and Munger [1991]; Munger [1989]; Poole and Romer [1985]; Regens et al. [1991]; Romer and Snyder [1994]; Snyder [1990]; Stratman [1991]). It is also not surprising that the popular press and the public seem convinced that special interest groups (via PACs) are buying votes in Congress to further their agendas. However, much of the empirical evidence does not support that claim (see, for example, Chappell [1982]; Grenzke [1989b]; Regens et al. [1991]; Wayman [1985]; Welch [1982]; Wright [1985]). Thus,

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the importance of a legislator's vote to many PACs appears to be exaggerated [Hall and Wayman, 1990]. A cursory examination of the distribution of campaign contributions among candidates reveals the inescapable if not obvious fact that the distribution of contributions across candidates in any election cycle is not uniform. So which legislator attributes drive the differences in campaign contributions? The purpose of this paper is to explain the nonuniformity of contributions using congressional committee assignments, leadership on committees, and political party affiliation as explanatory variables.

FIGURE 1
PAC Count: 1977-96

This study uses an approach that contains three aspects:

1) The focus is on the legislator's characteristics rather than his actions (that is, voting behavior) in Congress;