

# Wealthy Donors Now More Able To Sway Political Decision-Making To Suit The Interests Of The Affluent, Research Reveals

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Wealthy donors to political campaigns are influencing the decision-making and voting patterns of legislators, steering political discourse away from addressing the challenges faced by those most in need in society, finds new research from the Rotterdam School of Management Erasmus University (<https://www.rsm.nl/>).

The study, conducted by Dr Guosong Xu (<https://www.rsm.nl/people/guosong-xu/>) along with colleagues Ilona Babenko from Arizona State University and Viktor Fedaseyev of China Europe International Business School (CEIBS), explores the repercussions of the Supreme Court's Citizens United decision, which increased the ability of the wealthy to finance political campaigns through the Super PACs scheme.

Under Super PACs politicians can solicit and spend an unlimited amount of funds from large donors, whereas previously caps had existed. The researchers state this decision directly affects large donors' ability to influence political campaigns to better support their own interests.

It's a circumstance the researchers say raises significant concerns as political views become ever more divided.

"Political polarization is increasing almost everywhere in developed democracies," says Dr Xu. "However, despite widespread concerns that such donations could skew political representation toward the interests of the wealthy over those of the poor, academics have thus far found it difficult to prove that such a connection exists."

One reason why, he explains, is that politicians' alignment with the interests of the wealthy could also be explained by the fact that they attract more donations from them, rather than donations causing alignment.

To tackle this, the study sought to explore whether a causal link between large donors' campaign contributions and how legislators vote (and represent the wealthy versus the poor) could be proven. The researchers extracted over 46 million records of individual contributions in the US between 2003 and 2018 from the Federal Election Commission (FEC). From this, they identified both "mega-donors" and other, smaller, donors based on whether an individual's total electoral giving placed them amongst the top one (or 0.1) percentile of all donors in an electoral cycle.

Alongside this, the researchers also tracked how elected congresspeople voted during the same period, utilizing data from the Cooperative Congressional Election Study (CCES) – a nationally representative survey, which records respondents' preference toward specific policy issues, such as Medicare, as well as their demographic information, such as income.

With this data the researchers were able to measure how often a politician voted in line with the preferences expressed by their constituents from different income brackets.

The results revealed a significant increase in the proportion of total contributions coming from the top 1% donors after the introduction of the Super PACs scheme, rising from providing 7% to more than 12% of all donations.

“The surge in mega-donors’ donations is potentially worrying because they do not appear to be representative of the American population,” comments Dr Xu. “In fact, mega-donors’ political donations alone exceed U.S. median household income.”

Moreover, more than 70% of the top 0.1% donors were male, 48% have been a CEO or held similar titles and more than 12% were classed as billionaires, or were close relatives of such figures.

Most concerningly, the researchers state, the data revealed that U.S. Senators and House Representatives were more likely to vote in line with the interests of the affluent in the aftermath of Citizens United.

The findings, Dr Xu continues, shed further light on why income inequality in the U.S. persists.

The degree of alignment between legislators and voters from the top three income brackets were found to increase by 2.1 percentage points, while the alignment between legislators and voters from the bottom three income brackets decreased by 4.2%.

The alignment was also found to be more pronounced for the bills that deal with fiscal matters, likely reflecting, the researchers say, a more conservative view on economic policies such as taxation, regulation, and social welfare programs held by top earners.

This pattern was consistent for both Republican and Democratic legislators.

The researchers state the findings are important for furthering the discussion around political polarisation and income inequality, particularly in the U.S.

“The extent that increased concentration of campaign finance has shifted political outcomes in favour of the wealthy, may help explain the persistence of income inequality in the United States,” shares Dr Xu. “Our evidence is consistent with democracy capture wherein elites invest in the de facto political power by controlling parties, media, or policymakers.”

The study “Mega-Donors and Representation of the Wealthy in the Wake of Citizens United” is available to read via the SSRN ([https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4723689](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4723689)).

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