

The CRISIS

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by Spencer Overton

The New Poll Tax: What Blacks Need to Know About Campaign Finance

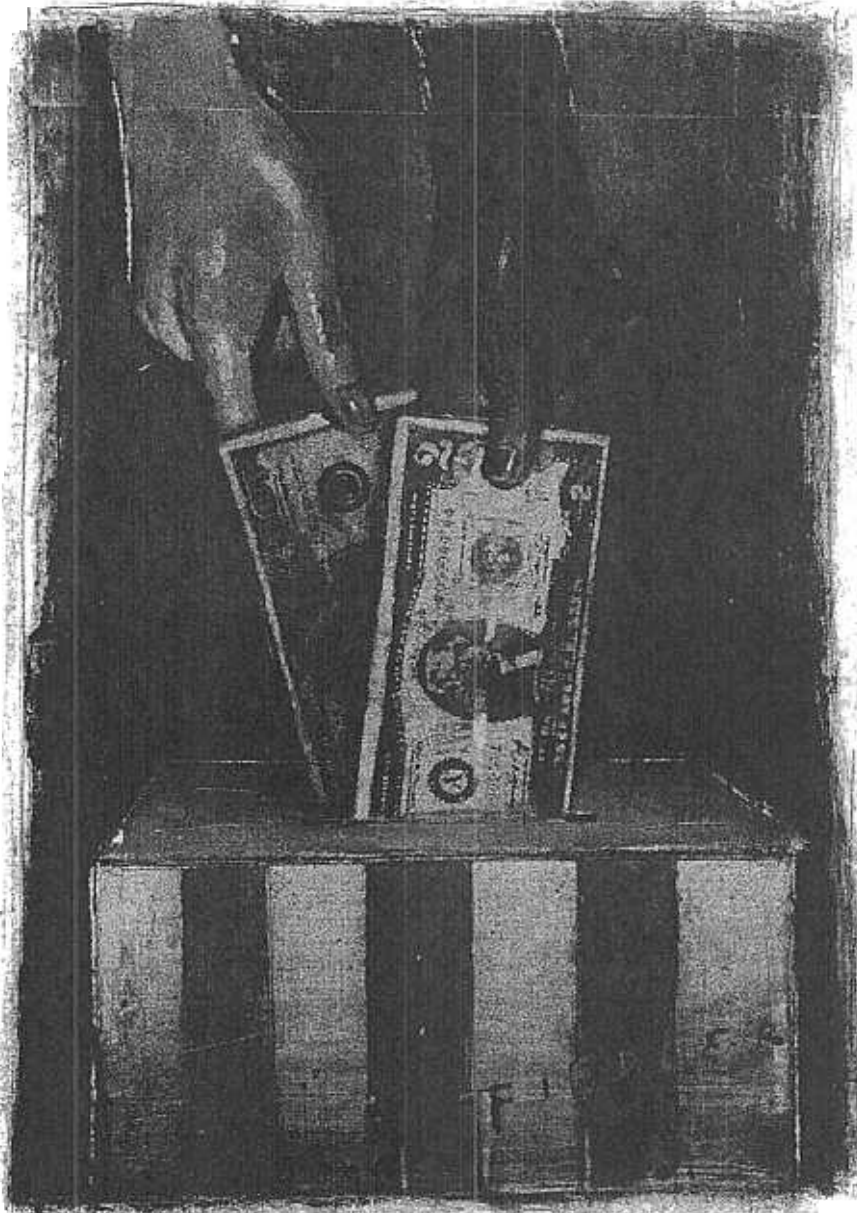
The presidential primary season is finally underway and nothing — not the candidates' experience, not where they stand on the issues, probably not even their race or gender — has had a greater influence on the viability of their campaigns than money. Money in politics is a critical voting rights challenge. Large contributions from an overwhelmingly White donor class disadvantage Africans Americans, other minorities and the poor, no less than inferior voting machines or laws that deny voting rights to former felons.

Money raised by federal candidates comes from less than 2 percent of the population. This narrow, wealthy class is roughly 99 percent White, and its large contributions determine which candidates have the money to pay for television ads, staff, travel and other expenses necessary to run a viable campaign.

Minorities and the poor are disenfranchised long before election day. The demand for large contributions effectively excludes people of color from the selection of candidates. As historian Roger Wilkins once stated, "The current campaign finance system is simply a poll tax fashioned at Tiffany's." Big money is drowning out the voices of average Americans.

CIVIL RIGHTS ARE AT ISSUE

White, suburban, "good-government" types have dominated traditional campaign reform groups. These organizations believe that the biggest threat to democracy is "corruption," such as when a politician gives a special favor to a donor in exchange for a \$100,000 contribution. Grass-roots groups like the Fannie Lou Hamer Project, however, are leading a movement to highlight a more



pressing but largely ignored problem posed by money in politics. Most Americans — including a disproportionately large number of African Americans — are effectively excluded from determining which candidates have the resources to run a competitive campaign.

The Color of Money, a December 2003 report on a study conducted by the Fannie Lou Hamer Project, Public Campaign and the William C. Velasquez Institute, illustrates the racial divide. The

study shows that less than 3 percent of campaign funds come from predominantly Black neighborhoods and that the largest contributions come from overwhelmingly White areas.

For example, residents of a Manhattan zip code, 10021, a community on the exclusive Upper East Side that is only 1.6 percent Black, provided the most money to national politicians in the 2000 and 2002 elections — \$28.4 million. This wealthy enclave contributed more federal campaign

money than the 532 Zip codes nationwide with the largest percentage of African American residents; the 533 Zip codes with the largest percentage of Latino residents; and the 167 Zip codes with the largest percentage of Asian American residents.

The Upper East Side contributes about \$310 per adult. In contrast, residents of an overwhelmingly African American and Latino Harlem Zip code a few blocks north, 10039, provided less than 50 cents per adult. Across the United States, residents of the 500 U.S. Zip codes with the largest percentage of African Americans provided an average of about \$4 per adult to candidates.

These racial disparities in political contributions stem not from political apathy, but from access to resources. African Americans today have only eight cents for every dollar of wealth that Whites possess. Generations of state-sponsored discrimination continue to hinder African Americans with respect not only to education, health care, and housing, but also political participation.

THE CHOSEN FEW

Voting generally consists of choosing among federal, state and local candidates preselected by wealthy, White contributors. Even in predominantly Black districts, wealthier White contributors from outside of the district often play a crucial role in selecting which Blacks have the money to run for office.

In 2002, the well-financed Black challengers Artur Davis and Denise Majette beat Black incumbents Earl Hilliard of Alabama and Cynthia McKinney of Georgia for seats in Congress. Although news reports at the time focused on the source of Davis' and Majette's contributions, all four candidates actually received the vast majority of their campaign funds from out-of-district sources. In anticipation of well-financed opponents in 2004, many ambitious Black challengers and wary Black incumbents will likely spend more time chatting with large contributors from outside of their districts and less time listening to their Black constituents.

Racial disparities also help keep many Black candidates from raising money in elections against White opponents. Among the Democrats vying for the White House, for example, a *USA Today*/CNN/Gallup poll in December showed Black presidential candidate Rev. Al Sharpton tied with White candidate Sen. John Edwards of North

Carolina at 6 percent support among voters nationwide. The most recent fundraising records, however, report that contributors donated about 49 times more to Edwards (\$14.5 million) than to Sharpton (\$283,715). Sharpton and the other African American candidate, Carol Moseley Braun, a former Senator from Illinois, trail the seven White Democratic candidates in fundraising by wide margins. In fact, contributors gave the next poorest candidate, Ohio Rep. Dennis Kucinich (\$3.4 million), about 10 times more than Sharpton or Braun (\$341,669), even though both Sharpton and Braun beat Kucinich in most polls.

CAUSE AND EFFECT

The importance of large contributors to elected officials undermines the legitimacy of our legislation and our state courts.

Due in part to racial disparities in political contributions, federal, state, and local policies on issues like criminal justice, healthcare and education often fail African Americans. For example, the small wealthy class that gives the most

Federal campaign funds are donated by less than 2 percent of the population. This narrow, wealthy class is roughly 99 percent White.

money has received tens of billions of dollars in tax cuts recently, but politicians claim Congress cannot afford to fully fund federal education programs.

As TransAfrica founder Randall Robinson noted in his 2000 book *The Debt: What America Owes to Blacks*, "[w]ithout fundamental campaign finance reform, almost no social restructuring is possible in our country on virtually any issue of consequence, from gun control to health care."

African Americans comprise about half of those in our nation's prisons, and large contributions to state judicial candidates undermine the ideal of equal justice. A report by Texans for Public Justice shows that Texas Supreme Court Justices "were almost four times more likely to accept petitions filed by contributors than petitions filed by non-contributors." Large contributions raise a host of ques-

tions about which lawyers and clients get the fairest treatment by judges and which clients can afford lawyers who make contributions to judges.

THE IMPACT OF REFORMS

Even though large contributions pose problems, not all campaign reform is good for African Americans. Two recent federal reforms show mixed results.

The U.S. Supreme Court recently upheld the major provisions of the Bipartisan Campaign Reform Act (BCRA). The law bans large soft-money contributions and restricts corporate and union spending on certain political ads broadcast just before elections.

On the whole, the provisions that ban soft money probably help African Americans. Before BCRA, the law allowed political parties to accept unlimited soft-money contributions that could be spent on grassroots activities and for a few other purposes. Although some objected to the soft-money ban because they claimed the money was used for voter registration and mobilization, in reality the parties spent only 8.3 percent of soft money on these activities. The largest amount of soft money was spent on TV ads, radio spots and direct mail often targeted at White swing voters.

In banning soft money, BCRA reduces the influence of million-dollar soft-money contributors. The law also attempts to prevent parties from diverting money away from grass-roots political activity by allowing special contributions up to \$10,000 that can be used only for voter registration and mobilization.

Another BCRA provision, however, dilutes Black political influence by increasing the amount an individual can give to a candidate from \$1,000 to \$2,000. The increase effectively widens the gap between most African Americans and the members of the wealthy, overwhelmingly White class that gives \$2,000 contributions.

President Bush benefited from the increased individual contribution limit through his "Rangers" effort — a club of supporters who each raise \$200,000 for the president's campaign. Many of the Rangers are senior corporate executives who use their influence to prod 100 people to give \$2,000 each to the Bush campaign.

The Rangers have yielded record results for Bush. According to the Center for Responsive Politics, 73 percent of the money raised by the president for the 2004 election came from donors who contributed \$2,000 to his campaign. Bush has raised

a record \$130 million so far, and analysts predict the Rangers program might allow him to reach the \$200 million mark.

With candidates from both parties rejecting public funds for the first time in history, the presidential public funding system is clearly broken. Unfortunately, the proposal recently introduced in Congress to fix the system — The Presidential Funding Act — does not sufficiently empower African American citizens.

Currently, presidential candidates who are able to raise large sums of private money are entitled to up to \$19 million in matching public funds for the primaries. To receive the \$19 million, however, qualifying candidates must agree to spend no more than \$45 million in the presidential primaries.

Bush opted out of the public funding system to avoid spending restrictions. Former Vermont Gov. Howard Dean also rejected public funds, arguing that he needed to spend more than \$45 million to compete with Bush's \$200 million. Using the Internet as a primary fundraising tool, Dean raised \$25 million through September — a record among Democrats. Unlike most candidates, the majority of Dean's money (56 percent) came from people who gave contributions of \$200 or less. It is unclear what percentage of the contributions came from African Americans.

John Kerry, the Senator from Massachusetts who is married to ketchup heiress Teresa Heinz Kerry, also rejected public funds and is using his personal wealth to supplement his presidential campaign. Kerry took out a \$6.4 million mortgage on his home and recently loaned \$850,000 to his effort.

The Presidential Funding Act was recently introduced in Congress to "improve" the presidential public funding system for the 2008 election. The bill encourages more candidates to accept public funding by increasing the amount a campaign can spend from \$45 million up to \$75 million.

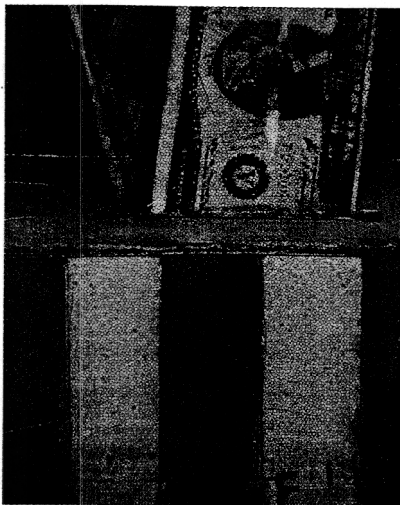
One provision of the new reform that purports to help smaller contributors, however, actually benefits larger contributors. The provision gives 4-to-1 matching funds on the first \$250 of a contribution. As a result, the provision adds a \$1,000 public subsidy to a \$2,000 contribution, making it worth \$3,000 to a candidate. Because many candidates already believe they can raise the most money by appealing to larger contributors, this public subsidy simply gives candidates additional incentives to cater to \$2,000 contributors.

REAL SOLUTIONS

African Americans should take a leading role in the campaign reform debate. Rather than advancing proposals designed to benefit or disadvantage particular candidates, we should focus on reforms that empower citizens who are not wealthy.

On the national level, we need to enact laws that encourage federal candidates to cater to contributors who can afford to give only \$100 or less.

For example, Congress should eliminate the 4-to-1 match on the first \$250 of a contribution and instead give candi-



Even in largely Black districts, wealthier Whites from outside the district often play a crucial role in selecting which Blacks have the money to run for office.

dates a 4-to-1 match only on contributions of \$100 or less. This change would make a \$100 contribution worth \$500 to a candidate, and it would end the public subsidy for contributions over \$100.

Congress should also make it easier for less wealthy Americans to participate in the funding of campaigns by providing a refundable tax credit for small contributions, limited to \$100 per year. Recognizing that large contributors dilute African American political influence, Congress should adopt these reforms in presidential as well as congressional races.

On the state and local level, we should consider supporting the "Clean Money, Clean Elections" system of public financing for judges, legislators, governors and other elected officials.

While the numbers would vary based on the type of race, under the Clean

Money plan a candidate for governor, for example, might be required to collect \$5 qualifying contributions from 3,000 citizens. If the candidate collected the qualifying contributions, the candidate's campaign would receive \$1 million in public funds and could receive more if an opponent spent more than \$1 million.

Activists have successfully passed Clean Money programs in six states — Arizona, Maine, Massachusetts, New Mexico, North Carolina and Vermont — and are working to pass the program in additional states.

Clean Money is attractive because more African Americans can afford to give \$5 contributions than can afford to give \$2,000. The program also gives more African American candidates a real shot at running for governor and other statewide offices.

In addition to working for real campaign reform, African Americans can mitigate financial disadvantages through a variety of other political techniques. We can focus our limited resources to support cutting-edge Black political organizations like Future PAC, which raises money for progressive Black female candidates, and the NAACP National Voter Fund, which specializes in nonpartisan African American voter

registration and turnout.

A few civic-minded, young folks might follow the model of the Dean campaign, activists who use moveon.org and meetup.com, and use technology to spark a new political revolution among African Americans who are online.

Readers should also take a look at the Color of Money report for themselves (and find out more about campaign donations from your Zip code) at colorofmoney.org.

Finally, and most importantly, African Americans need to vote.

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