Personal Wealth as a Factor in the American Political System

With the election of businessman and television personality, Donald Trump, as the 45th president of the United States, a lot of attention was drawn to his enormous personal wealth. To some Americans, the fact that Trump's net worth is estimated to be 3.1 billion dollars is quite distressing, as they feel such exorbitant wealth in our nation's leader is misrepresentative of the nation as a whole. That being said, American politics seem to be more money-driven than ever in the current political climate. In order to win a campaign, a candidate needs money and visibility, but money can *buy* visibility if the candidate has enough of it. Economic elites are disproportionately elected to federal office than any other economic subdivision by a wide margin. At the federal level, none of the elected officials are living anywhere near the poverty line. The median net worth of Congressmen in 2014 was $456,522, and the median salary was $174,000 (Center for Responsive Politics). In 2014, the median net worth of an adult American was a mere $44,000 (Center for Responsive Politics). Viable candidates for elected office are almost always far richer than the average American since such personal wealth is beneficial to the candidate's campaign due to increased visibility and political connections.

The "cost to win a seat" in the House and Senate (the average campaign expenditure of the individual who was ultimately elected) has been increasing. In 2008, this figure sat around $1.1 million whereas in 2012, this figure was approximately $1.6 million and was higher in swing states as compared to states where the incumbent had a significant stronghold (Center for

Responsive Politics). The cost to win a seat in the Senate is significantly higher, sitting at $10.5 million for 2012 as compared to $6.5 million in 2008 (Center for Responsive Politics). This sharp increase can be partially attributed to the Citizens United v. FEC case in 2010 where the Supreme Court decided that limitations could not be placed on independent political spendings by a corporation due to First Amendment protections to freedom of speech. This case led to the exorbitant creation of a new breed of Political Action Committees known as Super PACs. Although these Super PACs cannot donate with free reign to a candidate or political party directly, the influence of these PACs in campaigns is immense. The influence of money directly creates more positive media coverage for a candidate and can create negative media coverage for their opponent. Furthermore, the influence of the wealthy in the political process can be seen by the fact that the top 100 individual donors (not corporations) made up 3.7% of contributors (including corporations) to Super PACs, yet made up almost 80% of donations in 2012 (Gilens). The sheer cost to win a federal election reveals how money is needed to be successful in politics, and the donations by the wealthy reveal that personal wealth allows for far greater influence in the political process.

The cost to win a seat in the House and Senate reveals exactly how important money is to a federal campaign. Money can buy television and radio advertisements, pay for travel costs for rallies, pay for staff salaries for well-versed political science professionals, pay for turnout initiatives, and pay for costs associated with organizing events both for large donors and on the grassroots. Other than money, a candidate needs visibility and name recognition in order to be successful. Without such visibility, less politically inclined voters will be less attracted to the candidate as they would have to do research themselves to become familiar with the candidate (Duke). Fortunately, through the aforementioned list of things campaign money can buy, it can also increase visibility. Advertisements and large events procure media coverage and in turn increase visibility. Supreme Court Justice Samuel Alito said, “Different candidates have different strengths. Some are wealthy; others have wealthy supporters who are willing to make large contributions. Some are celebrities; others have the benefit of a well-known family name” (Kuhner 121). The two necessary factors are either wealth or name recognition, and oftentimes, with one comes the other.

Not only does it take exorbitant amounts of money to win federal elections, but it is very difficult to out-fundraise an incumbent. Not only this, 91% of the time, the candidate who raises the most money wins the election (Duke). Incumbents already have the support of their party and big donors in their state/district. Furthermore, elected officials planning to run for reelection spend between 30% and 70% of their time in office fundraising (Duke). If the party feels that the seat is safe in the next election, less money will be delegated by the party to that incumbent. Donors to a challenger and any challenger himself will realize that this seat is likely safe and will consider great spending in such a campaign to be a waste of money. Thus, long-shot challengers of House incumbents spent an average of $150,000 compared to $1.3 million by the incumbents. Incumbents who lost spent an average of $3.1 million compared to $2.5 million by their challengers (Duke). The incumbents are rarely outspent, but the trend follows that oftentimes the candidate with more money will win.

Political scientists Martin Gilens and Benjamin Page analyzed policy data over the past 20 years to conclude that the political desires of affluent American citizens are more influential on the political process than the desires and beliefs of the average American citizen. Citizens below the top 10% in the United States hold a "statistically non-significant impact" on public policy (Gilens). Duke Professor Nicholas Carnes phrases the dilemma far more anecdotally, but just as shockingly,

> "If millionaires in the United States formed their own political party, that party would make up just 3 percent of the country, but it would have a majority in the House of Representatives, a filibuster-proof super-majority in the Senate, a 5-4 majority on the Supreme Court and a man in the White House. If working-class Americans — people with manual-labor and service-industry jobs — were a political party, that party would have made up more than half of the country since the start of the 20th century, but its legislators (those who last worked in blue-collar jobs before getting into politics) would never have held more than 2 percent of the seats in Congress."

These figures reveal the correlation between wealth and political power at the federal level that can be explained by the necessity of exorbitant amounts of money to finance a campaign.

Personal wealth of politicians is always advantageous to their campaign, since such wealth often comes with celebrity and/or wealthy connections that can assist the campaign. National parties often desire candidates with personal wealth in order to cut party spending as they increasingly rely on the wealth of the candidates for some campaign funding. Our presidents are almost exclusively millionaires (in 2016 dollars once adjusted for inflation), and have been completely so since 1954 (Duke). Such personal wealth also allows the candidate to spend as much of it as desired on the campaign, as this is not limited by any campaign laws since it is protected under free speech. A candidate who can self-fund is seen as more attractive since they are require less of an investment by the party. Additionally, the time-consuming nature of a campaign nearly prohibits an individual with a full-time job from being able to run for federal office. Doug Heye, a former spokesman for the Republican National Committee, revealed "every waking minute of every day is devoted to that campaign. It requires an extraordinary amount of time, and it becomes difficult for a lot of people if you have a full-time job... When you've got a mortgage to pay and college tuition and braces to pay for, those kinds of day-to-day, real-life expenses come before putting six months into a campaign" (Condon). Thus, personal wealth is all but required in order to dedicate the sheer amount of time a campaign needs and to fund the campaign both through self-funding and donations by wealthy connections.

Campaign finance laws were put in place in order to prevent corruption within the political process and to limit the amount of money an individual or entity can donate to a political party or candidate. The Federal Election Campaign Act of 1971 (FECA) placed limitations on campaign expenditures and donations to such campaigns (known as "hard money") and created the Federal Election Commission. FECA did not limit what is known as "soft money" which is donations to a party or committee. In the Supreme Court case Buckley v.

Valeo, the Court upheld the limitations on individual donations to a candidate and mandatory disclosure reports, but decided that limiting campaign expenditures was unconstitutional under the First Amendment. The next major piece of campaign finance reform legislation was the Bipartisan Campaign Reform Act of 2002 (BCRA). The BCRA amended the FECA by addressing "soft money" through placing limitations on contributions to a political party or committee and created an "electioneering communications provisions" that disallowed a third-party from creating advertisements that name a candidate within 30 days of a caucus and 60 days of an election. The Supreme Court Case McConnell v. FEC upheld the constitutionality of the BCRA in 2003, but in 2010, the previously mentioned case of Citizens United v. FEC declared the electioneering communications provisions unconstitutional. The Court decided that limitations of the independent expenditures of a corporation or body is a violation of freedom of speech. The majority opinion compared the political actions of a corporation similar to the political actions of the media, which the Court maintained that the government may not infringe upon. Mitch McConnell (of McConnell v. FEC) spoke about the decision,

> "For too long, some in this country have been deprived of full participation in the political process. With today's monumental decision, the Supreme Court took an important step in the direction of restoring the First Amendment rights of these groups by ruling that the Constitution protects their right to express themselves about political candidates and issues up until Election Day. By previously denying this right, the

> government was picking winners and losers. Our democracy depends upon free speech, not just for some but for all" (Hunt).

Although some, such as Mitch McConnell, consider Citizens United v. FEC to be a landmark case in the protection of free speech, it is also quite apparent that big businesses can utilize this loophole to spend unlimited amounts of money on campaign propaganda that need not be directly associated with any candidate. This is precisely the phenomenon that led to the creation of Super PACs. After the decision, former President Obama spoke on the decision as, "giv[ing] the special interests and their lobbyists even more power in Washington – while undermining the influence of average Americans who make small contributions to support their preferred candidates" (James). "Giving the special interests and their lobbyists more power" is essentially equivalent to giving the rich more political power in many senses as these special interests are interest groups and PACs who, according to research by Gilens and Page, reflect the interests of the top 10% of Americans.

The BCRA also required individuals running for federal office to file a declaration of intent as to how much of their personal funds will be spent, but this declaration was only required in the House if they had more that $350,000 available for spending on the campaign and a more intricate formula is utilised for the Senate (FEC). Changes to this amount were required to be made known to the FEC, any opposition candidates, and the political parties. Furthermore, the limitations on contributions to the opposition candidate were tripled any funding from the opposition political party to the opposition candidate was unlimited. This section of the BCRA became known as the "Millionaire's Amendment" as that was the group it almost exclusively affected. This provision did not necessarily restrict the wealthier candidate, but it gave the opposition candidate an advantageous situation regarding campaign financing in order to attempt to balance wealth of the two candidates. In the Supreme Court Case Davis v. FEC, the Court decided that this section of the BCRA is unconstitutional as it sets different requirements for different citizens and penalizes candidates for using their own money in their campaign which is a violation of First Amendment freedom of speech (FEC).

In many of the aforementioned Supreme Court cases, money is equated to speech, and is thus protected by the First Amendment. The Court set this precedent in Buckley v. Valeo with the majority opinion reading, "a restriction on the amount of money a person or group can spend on political communication during a campaign necessarily reduces the quantity of expression by restricting the number of issues discussed, the depth of their exploration, and the size of the audience reached (Huckin). This is because virtually every means of communicating ideas in today's mass society requires the expenditure of money. Studies reveal that only 0.24% of the population donate more than $200 to political campaigns (Huckin). With regard to this statistic, money directly results in more political influence. Equating money with speech not only affects campaign finance, but provides insight into the fact that more money results in more political opportunities. In a broader sense, money is not equivalent to speech as certain items have restrictions on them from being purchased, such as drugs, alcohol, and weaponry. Thus, in a political sense more than anything else is money considered necessary for free speech revealing the necessity of wealth within the political process.

In the United States as a whole, wealth inequality is increasing. According to the Survey of Consumer Finances from 1983 to present times, the rich are getting richer. The 99th percentile of family wealth was $3.3 million in 1983, and now lies at $10.4 million, both in 2016 US dollars (McKernan). Similarly, there has been an increase in the cost of federal elections and the influence of the wealthy in such elections. The wealthy are more politically active that the average American citizen as represented by the table (Page). Furthermore, wealthy Americans are far more likely than the average American citizen to have made contact with a high-level political contact, such as Senator, federal Representative, or other high-level governmental official (Page). Not only do the wealthy have increased opportunities for political participation, but the poor are disenfranchised. The poor vote in lower numbers and as they are disproportionately hindered by Voter ID laws and long waiting times at the polls (Bartlett).

Table 2
Political activity by wealthy Americans

Activity	Percentage (%) Participating
Attend to politics "most of the time"	84%
Talk politics (median)	5 days per week
Voted in 2008	99%
Attended political meetings, rallies, speeches, or dinners	41%
Contributed money	68%
Helped solicit or bundle contributions	21%

N = 83.

The wealth inequality gap in the United States is not only an economic issue, but a political one as well since money is a driving force in politics and campaigns. Money is used to financing campaigns, fund projects, pay staffers, budget official business, and so forth. As the cost of federal campaigns continues to rise, wealth (especially personal wealth) becomes one of the single most important resources for a political candidate to have. Campaign finance laws have been put in place to attempt to limit corruption within campaigns, but more so as the rich remain in power, they become less inclined to place any limitations or restrictions onto their campaign financing. Perhaps eventually costs will become too exorbitant and hit a wall to which limitations will come to place restrictions on soft money that currently travels through the political realm freely. The precedent set by Buckley v. Valeo proclaiming money in the political sense to be necessary for proper free speech disallows any such restrictions for the time being, allowing for the wealthy to continue to dominate much of the politics in Washington. As a select group, the wealthy, shapes the policy matters in American politics, fewer interests of the majority of American citizens are represented, following less of a democratic pattern and more of an oligarchical one.

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