
The Fourteen-Billion-Dollar Election

Emerging Campaign Finance Trends and their Impact on the 2020 Presidential Race and Beyond

Michael E. Toner and Karen E. Trainer

The 2020 presidential and congressional election was the most expensive election in American history, shattering previous fundraising and spending records. Total spending on the 2020 election totaled an estimated \$14 billion, which was more than double the amount spent during the 2016 cycle and more than any previous election in U.S. history.¹ The historic 2020 spending tally was more than was spent in the previous two election cycles combined.²

Moreover, former Vice President Joseph Biden and Senator Kamala Harris made fundraising history in 2020 as their presidential campaign became the first campaign in history to raise over \$1 billion in a single election cycle, with a total of \$1.1 billion.³ For their part, President Trump and Vice President Pence raised in excess of \$700 million for their presidential campaign, more than double the amount that they raised in 2016.⁴

The record amount of money expended on the 2020 election was also fueled by a significant increase in spending by outside groups such as Super PACs as well as enhanced congressional candidate fundraising. Political party expenditures increased in 2020, but constituted a smaller share of total electoral spending.

Of the \$14 billion total, approximately \$6.6 billion was spent in connection with the presidential race and \$7.2 billion was expended at the congressional level.⁵ To put those spending amounts into perspective, the \$7.2 billion tally at the congressional level nearly equals the GDP of Monaco.⁶ More than \$1 billion of the \$14 billion was spent for online advertising on platforms such as Facebook and Google.⁷

2020 PRESIDENTIAL CAMPAIGN FUNDRAISING BROKE ALL RECORDS AND INCLUDED THE FIRST BILLION-DOLLAR PRESIDENTIAL CAMPAIGN

To properly understand contemporary presidential campaign fundraising trends, it is necessary to briefly discuss the creation of the presidential public financing system in the 1970s and the gradual abandonment of that system by leading presidential candidates during the last two decades.

The presidential public financing system was established after the Watergate scandal and first went into effect for the 1976 presidential election. Under the system, presidential candidates have the option of accepting public funds for their primary election or general election campaigns, or both. For the primaries, presidential candidates can receive matching funds from the government of up to \$250 for each individual contribution they receive. For the 2020 primaries, each presidential candidate could receive a maximum of approximately \$51 million in matching funds.⁸ However, candidates electing to receive matching funds for the 2020 presidential race were subject to a nationwide spending limit during the primaries of approximately \$51 million, as well as state-by-state spending limits based upon the population of each state. Under federal election laws, the primary season runs from the time a person legally becomes a presidential candidate through the national nominating conventions, a period of time that can last 18 months or even longer. The national and state-by-state spending limits apply throughout this period of time. By contrast, candidates who decline to take matching funds are not subject to any spending limits for the primaries and are free to raise as much money as they can, subject to the contribution limits.⁹ For the general election, presidential candidates have the option of accepting a public grant to finance all of their political activities and be subject to a nationwide spending limit, or candidates can turn down public funds and raise private contributions subject to the contribution limits and operate without any spending restriction. The public grant for the general election in 2020 was approximately \$103.7 million.¹⁰

The presidential public financing system has become obsolete during the last 20 years as more and more presidential candidates decided to operate their campaigns outside of the system in order to free themselves of the spending limits that come with the acceptance of public funds. In the 2000 presidential race, George W. Bush raised \$100 million for his primary campaign and became the first candidate to turn down matching funds for the primaries and be elected president when he defeated Al Gore. In 2004, both major party nominees turned down matching funds for the primaries for the

first time, as George W. Bush raised \$270 million and John Kerry raised \$235 million for the primary season. Significantly, both Bush and Kerry in 2004 accepted the \$75 million public grant for the general election, joining every major party nominee since 1976 in doing so. However, the historical practice of accepting public funds for the general election was shattered in 2008 when Barack Obama became the first presidential candidate to be elected president who turned down public funds for both the primaries and the general election, which helped clear the way for Obama to raise a record-shattering \$750 million for his campaign, including \$414 million for the primaries alone. By contrast, John McCain in 2008 raised \$221 million for the primaries, but opted to accept the \$85 million public grant for the general election, which provided McCain with a total of only \$306 million for his entire campaign—barely 40 percent of the total funds that the Obama campaign had at its disposal.¹¹ In 2012, both Obama and Mitt Romney opted out of the public financing system for the primaries and the general election. In total, their campaigns raised \$1.22 billion, which was a 16 percent increase over the \$1.05 billion raised by the major party nominees in 2008.¹² In 2016, Hillary Clinton and President Trump also opted out of public funding and raised a combined \$928 million.

The 2020 election cycle began with a significant cash and fundraising advantage for the Trump campaign. President Trump started raising funds for the 2020 election shortly after his inauguration, becoming the first president to actively fundraise for his reelection campaign during the first two years of his term. By the fall of 2018, Trump had already raised in excess of \$100 million for his reelection campaign and associated fundraising committees,¹² and the president continued to raise tens of millions of dollars for his reelection campaign through the fall and winter of 2018-2019.

By the time Biden became the presumptive Democratic nominee in June, the Trump campaign and the Republican National Committee had raised approximately \$200 million. As of late August, the Biden campaign and Democratic National Committee had a combined cash-on-hand total of \$466 million, which was an advantage of \$141 million over the Trump campaign and the RNC.¹³ By the end of September, the RNC and the Trump campaign raised a combined \$1.1 billion and spent almost \$800 million.¹⁴

In addition to setting a record for the total amount raised in a single election cycle, the Biden campaign also broke records with several of its monthly fundraising totals. In September 2020, the Biden campaign and the DNC raised a combined total of \$384 million, breaking their previous record of \$365 million set in August 2020. By comparison, the Obama campaign raised \$202 million in September 2008 (\$240 million in 2020 dollars when adjusted for inflation).¹⁵

Table 12.1. Summary of Party Nominee Fundraising Totals (2008-2020)

<i>Candidate</i>	<i>Total Campaign Funds</i>
2020	
Biden	\$1.1 Billion
Trump	\$717 Million
2016	
Trump	\$329 Million*
Clinton	\$569 Million
2012	
Obama	\$738 Million
Romney	\$483 Million
2008	
Obama	\$750 Million
McCain	\$306 Million**

Note: *\$66 million of this amount represents contributions or loans made by Trump to his campaign. **Candidate Accepted Public Funds.

Source: Federal Election Commission data.

Although President Trump loaned or contributed a total of \$66 million to his 2016 campaign, only \$8,000 of the \$717 million raised by the Trump campaign in 2020 represented Trump's personal funds.

Table 12.1 below outlines the totals raised by the major party presidential nominees from 2008 through 2020.

The 2020 presidential race also broke records on the spending side. Through late October, \$1.8 billion was spent on television advertisements in connection with the presidential race. By comparison, the 2016 presidential election cost a total of \$2.4 billion, including expenditures other than advertising costs.¹⁶ In Florida alone, an estimated \$250 million was spent on television advertising in connection with the 2020 presidential race. This is \$100 million more than was spent on television advertising in Florida in connection with the 2016 election.¹⁷

In total, the Biden campaign in 2020 spent approximately \$13 per vote received. This is comparable to amounts spent by Democratic presidential nominees in previous election cycles. The Trump campaign spent approximately \$10 for each vote received.¹⁸

Some 2020 presidential primary candidates spent significant personal funds on their campaigns. For example, billionaire Tom Steyer spent \$340 million on his own campaign¹⁹ before ending his run without winning any delegates.²⁰ Former New York City Mayor Michael Bloomberg spent over \$1 billion on his campaign, which lasted less than four months; Bloomberg

won only 55 delegates.²¹ A total of 1,991 delegates were needed to win the nomination, and Biden won a total of 2,687.²²

This follows a historical trend of failed self-funded presidential campaigns. For example, Republican Steve Forbes spent a total of \$69 million in losing the Republican nomination in 1996 and 2000.²³ Similarly, Republican John Connally's losing 1980 presidential campaign spent \$11 million during the Republican primaries, including \$500,000 of his own funds, and Connally famously ended up winning only one Republican delegate.²⁴

CONGRESSIONAL FUNDRAISING ALSO BROKE RECORDS AND INCLUDED SO-CALLED "RAGE-DONATING" TO UNSUCCESSFUL CAMPAIGNS

Spending in congressional elections totaled \$7.2 billion in 2020, up from only \$4 billion in 2016.²⁵ Democratic candidates as a whole raised \$1.2 billion, while their Republican counterparts raised \$691 million.²⁶ However, at the congressional level, the candidate that raised the most money did not always win.

At the Senate level, the campaign that spent the most funds only won 72 percent of the time.²⁷ For example, in South Carolina's Senate race, Senator Lindsey Graham's campaign spent \$97.6 million compared to opponent Jamie Harrison's \$129.8 million; despite the campaign resource disparity, Graham won the race by 10 points.²⁸ The Graham-Harrison race was the most expensive Senate election in history based on candidate spending, although it was not the most expensive if outside group spending is also included.²⁹ Some analysts have referred to contributions to long-shot candidates such as Harrison as "Rage Donating."³⁰

This "rage-donating" trend continued at the House level for a number of Republicans that challenged incumbent Democrats in safe Democratic districts. For example, in Maryland's Seventh Congressional District, Republican challenger Kimberly Klacik spent \$4.8 million. Klacik was soundly defeated by Democrat Kweisi Mfume, who spent only \$620,000.³¹

A significant amount of contributions at the congressional level were from contributors who lived outside of the candidate's state. For example, candidates in Arizona, North Carolina, and Iowa raised the majority of their funds from out-of-state donors. In the aforementioned South Carolina Senate race, 93 percent of Jamie Harrison's funds came from outside of South Carolina. A total of 87 percent of funds raised by Lindsey Graham also came from out of state. Amy McGrath, Senator Mitch McConnell's opponent in the Kentucky Senate race, also raised over 90 percent of her funds from out-of-state donors.

In total, Democratic Senate candidates raised 80 percent of their funds from out-of-state donors in 2020, compared to only 57 percent in 2016.³²

In total, the Senate candidates with the top 10 fundraising totals raised over \$1 billion during the 2020 election cycle. Notably, the four candidates in the Georgia Senate runoff elections collectively raised \$447 million, which made for the most expensive Senate runoff in American history. In fact, Jon Ossoff's \$140 million fundraising total in his Georgia Senate race exceeded the \$133 million raised by Al Gore nationally during his 2000 presidential run.³³

SPENDING BY OUTSIDE GROUPS LIKEWISE SHATTERED RECORDS

The passage of the McCain-Feingold campaign finance law in 2002, combined with court decisions permitting unlimited corporate, union, and individual contributions to finance independent expenditures sponsored by outside organizations such as Super PACs and 501(c) organizations, has led to a proliferation of outside groups in recent years that are having a growing impact on federal elections. These outside groups, which have flourished on both the right and the left, have become increasingly engaged in political activities that were once the province of political parties, such as voter registration drives, absentee ballot programs, get-out-the-vote, voter identification, and political advertising and issue advocacy efforts.

The McCain-Feingold law, which took effect during the 2004 presidential election cycle, prohibits the RNC, DNC, and the other national political party committees from raising or spending soft-money funds for any purpose. "Soft money" is defined as funds raised outside of the prohibitions and limitations of federal law, including corporate and labor union general treasury funds and individual contributions in excess of federal limits. Funds raised in accordance with federal law come from individuals and from federally registered PACs and are harder to raise; hence, these funds are commonly referred to in campaign finance parlance as "hard money." Prior to McCain-Feingold, the national political parties were legally permitted to accept unlimited corporate, union, and individual soft-money contributions and could use these funds to help underwrite a wide variety of political and electoral activities, including voter registration efforts, absentee ballot drives, GOTV activities, slate cards, and similar ticket-wide political activities. Prior to McCain-Feingold, the two parties were also able to use soft-money contributions to help finance issue advertisements supporting and opposing federal candidates. "Issue advertisements" are public communications that frequently attack or promote federal

candidates and their records, but which refrain from expressly advocating the election or defeat of any candidate (which is referred to as “express advocacy”).

In *Citizens United v. FEC*, the U.S. Supreme Court in 2010 struck down the long-standing prohibition on corporate independent expenditures in connection with federal elections. That same year, in *SpeechNow v. FEC*, a federal appeals court invalidated limits on contributions from individuals to political committees that fund only independent expenditures for or against federal candidates. In advisory opinions issued after the *SpeechNow* decision, the Federal Election Commission (FEC) concluded that political committees formed strictly to make independent expenditures supporting or opposing federal candidates could accept unlimited contributions from individuals, corporations, and labor organizations.³⁴ These relatively new kinds of political committees, which are prohibited from making contributions to federal candidates and to other federal political committees, are commonly referred to as “Super PACs.”

501(c) entities are organized and operate under Section 501(c) of the Internal Revenue Code, and include social welfare organizations established under Section 501(c)(4), labor organizations established under Section 501(c)(5), and trade associations and business leagues organized under Section 501(c)(6). Section 501(c)(4), 501(c)(5), and 501(c)(6) entities are permitted to accept unlimited corporate, union and individual contributions and may engage in partisan political activities, provided such political activities are not their primary purpose. By contrast, as political committees registered with the FEC, Super PACs are by definition partisan entities and may spend all of their funds on partisan political activities. Super PACs are required to publicly disclose their donors, whereas 501(c) organizations are generally not.

In October 2020 alone, election-related spending by Super PACs and other outside groups such as unions and 501(c) organizations totaled approximately \$1.2 billion.³⁵ This amount nearly matched the \$1.3 billion spent by outside groups throughout the entire 2016 election cycle. In total, outside groups other than political party committees spent \$2.7 billion in the 2020 election cycle. As Figure 12.1 below illustrates, this amount nearly doubled the \$1.3 billion spent by outside groups in the 2016 election. Outside spending in connection with the presidential race favored Biden by nearly two to one.³⁶

Of the \$2.7 billion spent by non-political party outside groups, nearly \$1.4 billion was expended by the 10 biggest spenders of the election cycle. These entities are listed in Table 12.2 below. Of these 10 outside entities, four were among the biggest spenders of the 2015-2016 election cycle.

Because Super PACs and 501(c) organizations may not make contributions to federal campaign committees, traditional PACs—which can only accept

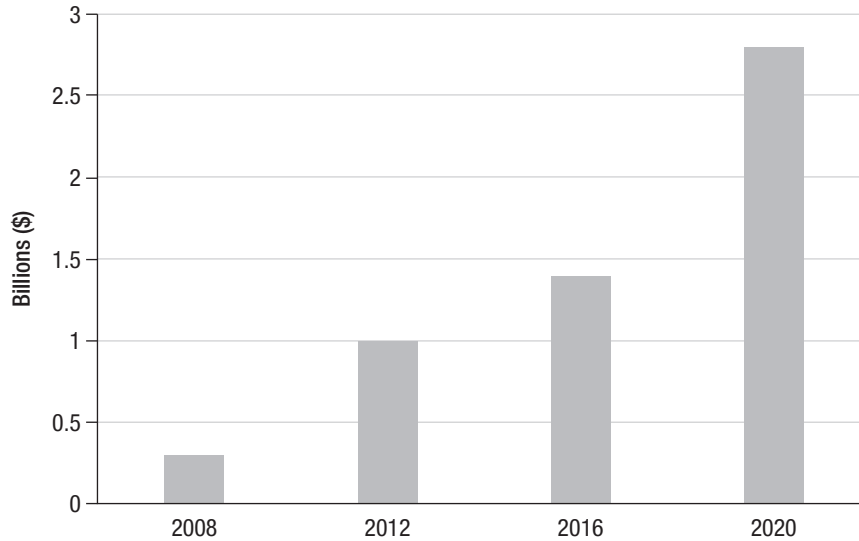


Figure 12.1. Outside Spending by Election Cycle (Excluding Political Party Committees)

Source: “2020 Outside Spending, by Group,” Open Secrets, <https://www.opensecrets.org/outsidespending/summ.php?cycle=2020&chrt=V&disp=O&type=P>.

donations subject to federal contribution limits and source prohibitions—remain an important vehicle as well for supporting federal candidates.³⁷ Table 12.3 below lists the 10 largest PACs based upon the total amounts contributed to candidates during the 2020 election cycle. Almost all of these PACs are “connected” PACs associated with corporations, trade associations, labor organizations, and membership organizations.³⁸ A number of connected PACs

Table 12.2. Largest Non-Party Outside Spenders (2020 Election Cycle)

Name	Entity Type	2019–2020 Disclosed Spending
Senate Leadership Fund	Super PAC	\$263,994,674
Senate Majority PAC	Super PAC/501(c)	\$232,957,574
Congressional Leadership Fund	Super PAC/501(c)	\$142,623,572
House Majority PAC	501(c)	\$139,826,774
Priorities USA Action	Hybrid PAC	\$135,834,454
America First Action	Super PAC	\$133,819,985
Future Forward USA	Hybrid PAC	\$114,774,178
Preserve America PAC	Super PAC	\$102,990,134
Club for Growth	PAC/Super PAC/501(c)	\$62,701,807
American Crossroads	Super PAC	\$56,386,457

Source: “2020 Outside Spending, by Group,” Open Secrets, <https://www.opensecrets.org/outsidespending/summ.php?cycle=2020&chrt=V&disp=O&type=P>.

Table 12.3. Largest PACs by Total Contributions Made (2020 Election Cycle)

<i>PAC name</i>	<i>2019–2020 Total Contributions</i>
National Association of Realtors PAC	\$3,556,195
National Beer Wholesalers Association PAC	\$2,923,500
Credit Union National Association PAC	\$2,701,800
AT&T Inc PAC	\$2,625,500
American Crystal Sugar PAC	\$2,607,500
Comcast Corporation PAC	\$2,565,000
American Bankers Association PAC	\$2,553,200
Operating Engineers Union PAC	\$2,535,200
Majority Committee PAC	\$2,480,100
Sheet Metal, Air, Rail & Transportation Union PAC	\$2,392,950

Source: “Top 2020 PACs to Candidates,” Open Secrets, <https://www.opensecrets.org/political-action/-committees-pacs/top-pacs/2020?type=C>.

disseminated advertisements supporting or opposing federal candidates in addition to making direct contributions to candidates.

SMALL DONORS, “MEGADONORS,” AND WOMEN CONTRIBUTED IN RECORD AMOUNTS DURING THE 2020 ELECTION

Small donors—defined as those contributing less than \$200 per candidate within the election cycle—contributed in record amounts in 2020. These small donors provided 27 percent of the total funds contributed to federal candidates, an increase from the 2016 total of 21 percent.³⁹ Small donors provided 22 percent of the funds raised in connection with the 2020 election as a whole, an increase from the 2016 total of 15 percent.

Small donors represented an even bigger percentage of the total fundraising pie at the presidential level. In total, 49 percent of the Trump campaign’s funds came from donors giving \$200 or less. By contrast, 38 percent of the Biden campaign’s funds came from donors in this category.⁴⁰ However, Democratic candidates as a whole outraised Republicans in small donor contributions during the 2020 election cycle, raising \$1.7 billion compared to \$1 billion for Republicans.⁴¹

Continuing a trend that has been consistent over the last several election cycles, a number of wealthy individuals made enormous contributions in connection with the 2020 election. For example, Sheldon and Miriam Adelson contributed \$75 million to pro-Trump organizations.⁴² In addition, Tom Steyer contributed \$340 million to his own campaign before dropping out of the race for the Democratic nomination.

Table 12.4. Top Individual Donors to Outside Groups, 2019-2020 Cycle

<i>Donor Name</i>	<i>Total</i>	<i>Ideology</i>
Sheldon and Miriam Adelson	\$215,100,000	100% Republican
Michael Bloomberg	\$151,336,446	100% Democrat
Tom Steyer	\$67,390,015	100% Democrat
Richard Uihlein	\$64,817,100	100% Republican
Kenneth Griffin	\$60,250,000	100% Republican
Timothy Mellon	\$60,005,555	100% Republican
Cari Tuna	\$47,040,000	100% Democrat
Stephen Schwarzman	\$33,500,000	100% Republican
Jeffrey Yass	\$29,368,000	100% Republican
Karla Jurvetson	\$24,687,042	100% Democrat

Source: "2020 Top Donors to Outside Spending Groups, Open Secrets, <https://www.opensecrets.org/outsidespending/summ.php?disp=D>.

Table 12.4 below identifies the top 10 Super PAC donors of the 2020 election cycle. The top 10 individual donors gave \$642 million to federal political committees in the 2020 election cycle, with nearly all of the money going to various outside groups, including 501(c) organizations and Super PACs.⁴³ Of the individuals listed below, three were also among the top 10 individual donors to outside groups in the 2016 election cycle.

Women contributed to federal candidates in historic amounts in 2020: \$1.4 billion, which comprised 41 percent of total candidate fundraising during the election cycle. By comparison, women contributed \$590 million to federal candidates in 2016, which comprised 36 percent of total candidate fundraising at that time.⁴⁴

POLITICAL PARTY FUNDRAISING INCREASED IN 2020, BUT PARTY SPENDING REPRESENTED A SMALLER SHARE OF TOTAL OUTSIDE SPENDING

There are growing indications that national political party committees are struggling to remain as relevant as they once were in federal elections as spending increasingly shifts to Super PACs and other outside groups that are not subject to the hard-dollar fundraising requirements that apply to the national political party committees.

Congress passed an appropriations bill in 2014 that included provisions allowing national political party committees to establish separate sub-accounts with additional contribution limits. Contributions made to these accounts may be used to pay for office building expenditures, expenses incurred in recounts and other legal proceedings, and national convention expenses. Individuals

and PACs may make contributions to these separate sub-accounts in addition to making contributions to a national political party’s main political account. For example, an individual may contribute up to \$35,500 per year to the DNC’s main political account, plus up to \$35,500 per year to each of the DNC’s office building, recount, and national convention sub-accounts. Accordingly, an individual may contribute up to \$142,000 per year to the DNC or RNC.

In 2020, total political party fundraising increased markedly over previous election cycles, reversing a previous downward trend over several election cycles. The RNC and DNC collectively raised a total of \$1.3 billion in the 2019-2020 election cycle, compared to \$770 million in 2012 and \$790 million in 2016. Figure 12.2 shows total election cycle fundraising for the RNC, DNC, and both combined over the last four presidential election cycles.

Despite significantly higher fundraising totals during the 2020 election cycle, national political party spending nevertheless represented a smaller portion of outside spending as a whole compared with previous election cycles. In 2016, 14 percent of outside spending was by party committees. In 2020, this percentage dropped to just 11 percent. This change was driven by an increase in spending by “other” groups, such as corporations and individuals. By contrast, spending by Super PACs remained steady at 64 percent. Figure 12.3 below illustrates the changes in outside group spending between 2016 and 2020.

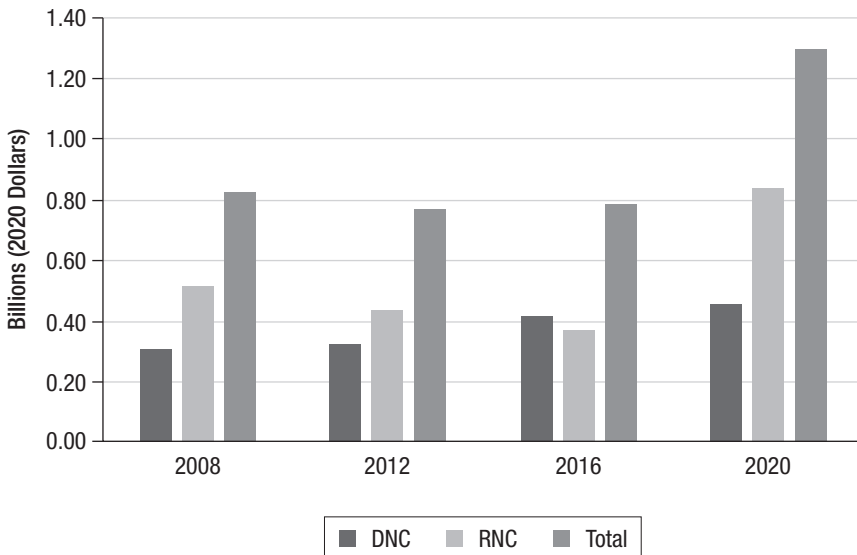


Figure 12.2. Political Party Fundraising in Presidential Election Cycles (2020 Dollars)

Source: Federal Election Commission data.

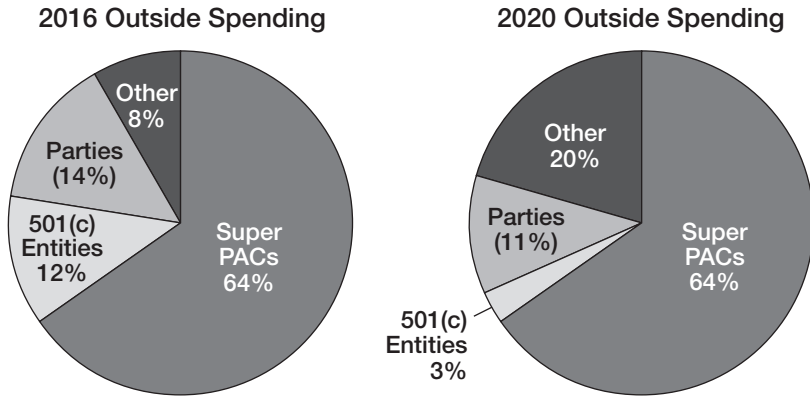


Figure 12.3. Comparison of 2016 and 2020 Outside Group Spending by Entity Type, Note: Percentages do not add up to 100 percent due to rounding.

Note: Percentages do not add up to 100 percent due to rounding.

Source: Open Secrets, https://www.opensecrets.org/outsidespending/fes_summ.php?cycle=2020, <https://www.opensecrets.org/outsidespending/summ.php?cycle=2016&chrt=V&disp=O&type=P>.

As a whole, 501(c) organizations spent significantly less on the 2020 election than they did on the 2016 and 2012 elections. In 2016, 501(c) groups collectively spent approximately \$181 million, compared to over \$308 million in 2012. In 2020, the total spent by these groups dropped to just \$112 million.⁴⁵

Given the fundraising advantages outside groups currently enjoy over national political party committees, the outside group-political party spending imbalance may become even more pronounced in the future unless campaign finance laws are changed to allow the national political parties to raise and spend the same kinds of funds as outside groups are legally able to do.

Political party committees continued to engage in extensive joint fundraising activities in 2020. Under FEC regulations, candidates and political parties may simultaneously raise hard-dollar funds through joint fundraising committees (“JFCs”), which permit candidates and political parties to combine the per-recipient contribution limits and thereby solicit greater amounts of money from donors at any one time.⁴⁶ The Biden Victory Fund, which was comprised of the Biden campaign committee, the DNC, and 47 state Democratic party committees, raised \$659 million. By comparison, the Trump Make America Great Again Committee, which was comprised of the Trump campaign committee and the RNC, raised \$821 million⁴⁷ and was the largest joint fundraising committee of the 2020 election cycle.⁴⁸ Trump Victory, a joint fundraising committee comprised of the Trump campaign, the RNC, and 46 state Republican party committees, raised an additional \$366 million.

ACTBLUE AND WINRED HELPED FACILITATE THE RECORD-BREAKING FUNDRAISING WITNESSED DURING THE 2020 ELECTION

In 2018, a significant amount of contributions to Democratic congressional candidates—including 55 percent of contributions made by individuals—were processed through ActBlue, which describes itself as “a nonprofit, building fundraising technology for the left” with the goal of “help[ing] small-dollar donors make their voices heard in a real way.”⁴⁹ ActBlue allows donors to save their credit card information when making a contribution, which makes additional contributions easier and allows candidates to raise funds for each other. Since 2012, the volume of donations processed by ActBlue has doubled during every election cycle.⁵⁰

In previous election cycles, on the Republican side there were multiple for-profit online fundraising firms that raised funds for campaigns and other political committees. The fragmentation between different vendors limited the ability of the various vendors to provide conveniences such as saved credit card numbers and fundraising by one candidate for another. In 2019, the firm WinRed was launched as a Republican response to ActBlue. In its first 18 months of existence, \$1.2 billion was raised through WinRed. To put that fundraising figure in perspective, ActBlue surpassed \$1.2 billion in total contributions in 2016.⁵¹

In the third quarter of 2020 alone, ActBlue raised \$1.6 billion in contributions from 6.8 million donors. This matched the \$1.6 billion that was raised through ActBlue during the entire 2017-2018 election cycle.⁵² By comparison, WinRed raised \$620 million within the third quarter of 2020.⁵³ In total, ActBlue raised \$4.8 billion in online contributions in the 2020 election cycle,⁵⁴ compared to \$1.9 billion raised by WinRed.⁵⁵

SOME SUPER PACS DELAYED PUBLIC DISCLOSURE OF THEIR DONORS UNTIL AFTER THE ELECTION

A number of Super PACs structured their activities such that their donors were not publicly disclosed until after the election; these PACs have come to be known as “pop-up PACs” in campaign finance parlance. This trend began with a small number of Super PACs in 2016 and more Super PACs followed this strategy in 2018 and 2020. During the 2016 election cycle, approximately \$9 million in primary election spending corresponded to incoming contributions disclosed after the election. During the 2018 election cycle, this total

increased to \$15.6 million in spending on primary and special elections with donor disclosure delayed until after the election.⁵⁶

One strategy that a number of these so-called pop-up Super PACs used to delay public disclosure of their donors was registering with the FEC after the close of books for the last disclosure report due before Election Day. These Super PACs were required to disclose information about certain independent expenditures within 24 hours of disseminating the independent expenditures, but were not required to disclose information concerning their donors until after the election. Specifically, Super PACs that followed this strategy for the 2020 general election registered on or after October 14, 2020 and were not required to disclose their donors until December 3, 2020—a month after Election Day.

For example, the Super PAC True Kentucky Patriots was launched to support libertarian Kentucky Senate candidate Brad Barron. The PAC registered with the FEC on October 13 and began making independent expenditures on October 19. The PAC spent nearly \$2 million on independent expenditures supporting Barron in the 2020 general election, but was not required to disclose its donors until December 3. The PAC had ties to other committees that supported the Democratic nominee, and may have supported Barron in order to siphon votes away from Senate Majority Leader Mitch McConnell, who was ultimately reelected.⁵⁷

Pop-up Super PACs were also present in the 2020 primaries. For example, two pop-up PACs, Sunflower State and Plains PAC, spent a total of \$8.6 million in connection with the Kansas Senate Republican primary. When the donors to these groups were disclosed after the primary, it became clear that the PACs were funded by party-aligned donors. For example, Plains PAC received several transfers from Senate Leadership Fund, a Super PAC associated with Senator McConnell. Similarly, Sunflower State received transfers from SMP (Senate Majority PAC), a Super PAC associated with the Democratic Senate leadership.⁵⁸ As was noted above in Table 12.2, Senate Leadership Fund and Senate Majority PAC were the two largest non-political party outside group spenders of the 2020 election cycle.⁵⁹

EARLY VOTING RATES INCREASED DRAMATICALLY DUE TO THE PANDEMIC AND CAUSED MAJOR SHIFTS IN CAMPAIGN STRATEGY

For many years, voters who expected to be absent from their home communities on Election Day could apply for an absentee ballot and could cast it prior

to the election. However, in order to obtain an absentee ballot, many jurisdictions required voters to show cause or otherwise explain why they were not able to vote on Election Day in their local precincts, which reduced the number of people who voted absentee.⁶⁰ In 1980, California amended its laws to permit voters for the first time to cast ballots before Election Day without providing any excuse or showing any cause.⁶¹ In succeeding decades, many more states changed their laws to permit voters to vote prior to Election Day without cause, either in person or by mail. Some states today allow voters to become permanent absentee voters and automatically receive absentee ballots for each election without having to submit a request. As of late 2020, 34 states and the District of Columbia had some form of early voting without requiring voters to provide an excuse.⁶² Additional states temporarily allowed no-excuse early voting for the 2020 election due to the coronavirus pandemic.⁶³ Grace Panetta explores these changes in more detail in her chapter in this book.

Some election analysts have concluded that it is unclear whether the rising popularity of early voting impacts voter turnout overall or has an effect on the outcome of elections. However, the extraordinary increase in early voting has had a profound impact on the strategies and tactics employed by modern campaigns. For many years, the last 72 hours before Election Day were the primary focus for GOTV efforts, but now those campaign operations must be performed for a month or even longer in certain states. For example, encouraging early voting can help campaigns ensure that their candidate goes into Election Day with a significant vote lead. It also allows campaigns to focus their final GOTV efforts on a smaller group of individuals who have not voted prior to Election Day.

TEXT MESSAGING WAS AN IMPORTANT GET-OUT-THE-VOTE AND FUNDRAISING TOOL

In 2020, campaigns, political parties, and outside groups used text messaging to remind supporters to vote and to raise funds. The Trump campaign alone reportedly sent over a billion text messages during the 2020 election season,⁶⁴ and MoveOn.org sent approximately 350 million texts.⁶⁵ This phenomenon caused some analysts to identify the 2020 presidential race as the first “texting election.”⁶⁶ Texting efforts were aided by new technologies that allowed volunteers to send texts to phone numbers pulled from voter registration records. Because such texts are initiated by a person, they are not subject to laws prohibiting robocalls and robotexts.⁶⁷

LOOKING AHEAD TO 2024

Biden's victory over Trump in the 2020 presidential election marked only the third time since Franklin Roosevelt's presidency that an elected incumbent president was defeated in a bid for a second term. In doing so, Biden overcame significant fundraising challenges, first during the primaries—in which his campaign was significantly outspent for months by Bernie Sanders, Michael Bloomberg, and Pete Buttigieg—and then later during the early stages of the general election season, when the Trump-Pence campaign enjoyed a huge cash-on-hand advantage over the Biden-Harris campaign, which was achieved through four years of non-stop campaign fundraising by Trump.⁶⁸ However, the Biden-Harris campaign ultimately outraised and outspent the Trump-Pence campaign and became the first presidential campaign in history to amass over \$1 billion for a single election.

The \$64,000 question for 2024 is whether Biden will seek a second term. If Biden does decide to run for reelection, it is inconceivable that he would be denied the Democratic presidential nomination given the power of incumbency in modern presidential politics. If Biden declines to run, Kamala Harris would be the clear front-runner for the nomination and would likely have a significant campaign fundraising advantage over any potential Democratic challengers; indeed, every sitting vice president who has sought their party's nomination over the last 60 years has won the nomination.

On the Republican side, the primary field will be unsettled until Trump decides whether to run for president again.⁶⁹ If Trump does not run, Mike Pence could be the candidate best situated to inherit much of Trump's fundraising base and combine it with the support of key elements of the Republican establishment. Other potential top-tier Republican candidates with national fundraising bases include Senators Ted Cruz, Marco Rubio, and Tom Cotton, former U.N. Ambassador Nikki Haley, and Florida Governor Ron DeSantis.

Regardless of whether Biden runs again, the stage is set for the 2024 presidential contest to be highly competitive and fiercely contested with continued campaign finance innovations and developments.

NOTES

1. Stacy Montemoyer, Pete Quist, Karl Evers-Hillstrom, and Douglas Weber, "Joint Report Reveals Record Donations in 2020 State and Federal Races," *Follow The Money*, November 19, 2020, <https://www.followthemoney.org/research/institute-reports/joint-report-reveals-record-donations-in-2020-state-and-federal-races>.

2. “2020 Election to Cost \$14 Billion, Blowing Away Spending Records,” Open Secrets, October 28, 2020, <https://www.opensecrets.org/news/2020/10/cost-of-2020-election-14billion-update/>.

3. Karl Evers-Hillstrom, “Biden Campaign Becomes First to Raise \$1 Billion from Donors,” Open Secrets, December 7, 2020, <https://www.opensecrets.org/news/2020/12/biden-campaign-1billion-from-donors/>.

4. Ibid.

5. Ciara Torres-Spelliscy, “The Most Expensive Election Ever,” Brennan Center, November 11, 2020, <https://www.brennancenter.org/our-work/analysis-opinion/most-expensive-election-ever>.

6. Reid Wilson, “US Election Spending Exceeds GDP of Numerous Countries.” *The Hill*, December 7, 2020, <https://thehill.com/homenews/campaign/529080-us-election-spending-exceeds-gdp-of-numerous-countries>.

7. “2020 Election to Cost \$14 Billion, Blowing Away Spending Records,” Open Secrets, October 28, 2020, <https://www.opensecrets.org/news/2020/10/cost-of-2020-election-14billion-update/>.

8. “Presidential Spending Limits for 2020,” Federal Election Commission, <https://www.fec.gov/help-candidates-and-committees/understanding-public-funding-presidential-elections/presidential-spending-limits-2020/>.

9. Individuals could contribute up to \$2,800 per election to presidential candidates for the 2020 election and federal multi-candidate PACs could contribute up to \$5,000 per election, with the primary and general elections considered separate elections. The individual contribution limits are adjusted for inflation each election cycle.

10. “Public Funding of Presidential Elections,” Federal Election Commission, <https://www.fec.gov/introduction-campaign-finance/understanding-ways-support-federal-candidates/presidential-elections/public-funding-presidential-elections/>.

11. The Obama campaign had a remarkable resource advantage over the McCain campaign in 2008, including a nearly 4-to-1 edge during the general election phase of the campaign. The Obama campaign’s broad resource advantage was particularly pronounced in the final weeks of the 2008 campaign. In September 2008 alone the Obama campaign raised over \$150 million, and between October 15 and November 24 the Obama campaign raised an additional \$104 million and spent \$136 million. To put these Obama campaign fundraising and spending figures in perspective, the McCain campaign received only \$85 million of public funds to finance all of its political activities during the entire general election campaign.

12. Michelle Ye Hee Lee and Anu Nrayanswamy, “Trump Tops \$100 Million for His Own Reelection” *Washington Post*, October 15, 2018, https://www.washingtonpost.com/politics/trump-tops-100-million-in-fundraising-for-his-own-reelection/2018/10/15/9ee33594-d094-11e8-83d6-291fced2ab1_story.html.

13. Shane Goldmacher, “Biden Has \$466 Million in Bank, and a Huge Financial Edge on Trump,” *New York Times*, September 20, 2020, <https://www.nytimes.com/2020/09/20/us/politics/20biden-trump-election-finance.html>.

14. Shane Goldmacher and Maggie Haberman, “How Trump’s Billion-Dollar Campaign Lost Its Cash Advantage,” *New York Times*, September 7, 2020, <https://www.nytimes.com/2020/09/07/us/politics/trump-election-campaign-fundraising.html>.

15. "Presidential fundraising soars again," Follow The Money, October 21, 2020, <https://www.followthemoney.org/news/news-releases/show/456>.

16. Shane Goldmacher, "The 2020 Campaign Is the Most Expensive Ever (By a Lot)," *New York Times*, October 28, 2020, <https://www.nytimes.com/2020/10/28/us/politics/2020-race-money.html>.

17. Gary Fineout, "A TV Ad Tidal Wave in Florida: Nearly \$250M and Counting," *Politico*, October 1, 2020, <https://www.politico.com/states/florida/story/2020/10/01/a-tv-ad-tidal-wave-in-florida-nearly-250m-and-counting-1319503>.

18. Darragh Roche, "Joe Biden's Billion-Dollar Campaign Spent \$13 for Every Vote," *Newsweek*, December 8, 2020, <https://www.newsweek.com/joe-biden-billion-dollar-campaign-spent-13-every-vote-1553058>.

19. Julie Bykovic and Tarini Parti, "Big Donors Spent Heavily on Failed Election Efforts," *Wall Street Journal*, November 23, 2020, <https://www.wsj.com/articles/big-donors-spent-heavily-on-failed-election-efforts-11606147552>.

20. Sean McMinn, "How Many Delegates do the Democratic Presidential Candidates Have?" NPR, <https://www.npr.org/2020/02/10/799979293/how-many-delegates-do-the-2020-presidential-democratic-candidates-have>.

21. Benjamin Siegel and Soo Rin Kim, "Mike Bloomberg Spent More Than \$1 Billion on Four-Month Presidential Campaign According to Filing," ABC News, April 20, 2020, <https://abcnews.go.com/Politics/mike-bloomberg-spent-billion-month-presidential-campaign-filing/story?id=70252435>.

22. Sean McMinn, "How Many Delegates do the Democratic Presidential Candidates Have?" NPR, <https://www.npr.org/2020/02/10/799979293/how-many-delegates-do-the-2020-presidential-democratic-candidates-have>.

23. Leslie Wayne, "THE 2000 CAMPAIGN: THE END; Forbes Spent Millions, but for Little Gain," *The New York Times*, February 10, 2000, <https://www.nytimes.com/2000/02/10/us/the-2000-campaign-the-end-forbes-spent-millions-but-for-little-gain.html>.

24. Bill Peterson and Tom Curtis, "Connally Quits Race," *Washington Post*, March 10, 1980, <https://www.washingtonpost.com/archive/politics/1980/03/10/connally-quits-race/2eed323d-9081-4cc3-8ea6-73474222b42b/>.

25. Ollie Gratzinger, "GOP Challengers Spent Big in Blue Districts, Lost Bids for House Seats," *Open Secrets*, <https://www.opensecrets.org/news/2020/11/gop-challengers-safebluedistricts-lost-bids/>.

26. Stacy Montemayer, Pete Quist, Karl Evers-Hillstrom, and Douglas Weber, "Joint Report Reveals Record Donations in 2020 State and Federal Races," Follow the Money, November 19, 2020, <https://www.followthemoney.org/research/institute-reports/joint-report-reveals-record-donations-in-2020-state-and-federal-races>.

27. Julie Bykovic and Tarini Parti, "Big Donors Spent Heavily on Failed Election Efforts," *Wall Street Journal*, November 23, 2020, <https://www.wsj.com/articles/big-donors-spent-heavily-on-failed-election-efforts-11606147552>.

28. Eliana Miller, "Nine of the 10 Most Expensive Senate Races of All Time Happened in 2020," *Open Secrets*, December 9, 2020, <https://www.opensecrets.org/news/2020/12/most-expensive-races-of-all-time-senate2020/>.

29. “Most Expensive Races,” Open Secrets, <https://www.opensecrets.org/elections-overview/most-expensive-races?housespentcycle=2020&display=allcandsout&senatespentcycle=2020>.

30. Eitan Hersh, “Rage Donating Only Made Democrats Feel Better,” *The Atlantic*, November 12, 2020, <https://www.theatlantic.com/ideas/archive/2020/11/folly-just-throwing-money-political-candidates/617074/>.

31. Ollie Gratzinger, “GOP Challengers Spent Big in Blue Districts, Lost Bids for House Seats,” Open Secrets, November 10, 2020, <https://www.opensecrets.org/news/2020/11/gop-challengers-safebluedistricts-lost-bids/>.

32. Stacy Montemayer, Pete Quist, Karl Evers-Hillstrom, and Douglas Weber, “Joint Report Reveals Record Donations in 2020 State and Federal Races,” Follow the Money, November 19, 2020, <https://www.followthemoney.org/research/institute-reports/joint-report-reveals-record-donations-in-2020-state-and-federal-races>.

33. Stef W. Kight, “2020 Senate Fights Spark Breathtaking Fundraising Totals,” *Axios*, January 3, 2021, https://www.axios.com/2020-senate-elections-fundraising-66a15b67-ea03-4941-afa6-1d380a2681cf.html?utm_campaign=organic&utm_medium=socialshare&utm_source=email.

34. FEC Advisory Opinions 2010-09, <https://www.fec.gov/updates/ao-2010-09-corporate-sponsored-ie-only-committee-may-solicit-and-accept-unlimited-individual-contributions/>; FEC Advisory Opinions 2010-11, <https://www.fec.gov/updates/ao-2010-11-contributions-to-an-independent-expenditure-committee>.

35. “2020 Election to Cost \$14 Billion, Blowing Away Spending Records,” Open Secrets, October 28, 2020, <https://www.opensecrets.org/news/2020/10/cost-of-2020-election-14billion-update/>.

36. “Outside Spending,” Open Secrets, https://www.opensecrets.org/outside-spending/fes_summ.php.

37. A hybrid PAC can act as both a Super PAC and a traditional PAC and maintains separate bank accounts for conducting Super PAC and traditional PAC activities. Traditional PACs, unlike Super PACs, may make contributions to federal candidates and other federal political committees. Traditional PACs are prohibited from accepting corporate and labor union contributions and may accept contributions from individuals up to \$5,000 per calendar year. Traditional PACs are referred to herein as “PACs.”

38. Majority Committee PAC is a leadership PAC.

39. Stacy Montemayer, Pete Quist, Karl Evers-Hillstrom, and Douglas Weber, “Joint Report Reveals Record Donations in 2020 State and Federal Races,” Follow the Money, November 19, 2020, <https://www.followthemoney.org/research/institute-reports/joint-report-reveals-record-donations-in-2020-state-and-federal-races>.

40. Karl Evers-Hillstrom, “Biden Campaign Becomes First to Raise \$1 Billion from Donors,” Open Secrets, December, 7, 2020, <https://www.opensecrets.org/news/2020/12/biden-campaign-1billion-from-donors/>.

41. “2020 Election to Cost \$14 Billion, Blowing Away Spending Records,” Open Secrets, October 28, 2020, <https://www.opensecrets.org/news/2020/10/cost-of-2020-election-14billion-update/>.

42. Julie Bykowicz and Tarini Parti, “Big Donors Spent Heavily on Failed Election Efforts,” *Wall Street Journal*, November 23, 2020, <https://www.wsj.com/articles/big-donors-spent-heavily-on-failed-election-efforts-11606147552>

43. “2020 Election to Cost \$14 Billion, Blowing Away Spending Records,” Open Secrets, October 28, 2020, <https://www.opensecrets.org/news/2020/10/cost-of-2020-election-14billion-update/>.

44. Stacy Montemayer, Pete Quist, Karl Evers-Hillstrom, and Douglas Weber, “Joint Report Reveals Record Donations in 2020 State and Federal Races,” Follow the Money, November 19, 2020, <https://www.followthemoney.org/research/institute-reports/joint-report-reveals-record-donations-in-2020-state-and-federal-races>.

45. “Outside Spending,” Open Secrets, <https://www.opensecrets.org/outside-spending/>; Stacy Montemayer, Pete Quist, Karl Evers-Hillstrom, and Douglas Weber, “Joint Report Reveals Record Donations in 2020 State and Federal Races,” Follow the Money, November 19, 2020, <https://www.followthemoney.org/research/institute-reports/joint-report-reveals-record-donations-in-2020-state-and-federal-races>.

46. For example, if a JFC included a presidential campaign, a national political party committee and two state political party committees, individual donors could contribute up to \$61,100 to the JFC—up to \$5,600 to the presidential campaign (\$2,800 for the primary and \$2,800 for the general election), \$35,500 to the main account of the national political party, and \$10,000 each to the two state political parties. Any prior contributions that individual donors made to any of the entities participating in the JFC would count against what could be contributed to the JFC. Federal Election Commission data.

47. In Mid-November, the Trump Make America Great Again Committee amended its FEC Statement of Organization to include Save America as a participant.

48. “Joint Fundraising Committees,” Open Secrets, <https://www.opensecrets.org/jfc/>.

49. Carrie Levine and Chris Zubak-Skees, “How ActBlue is Trying to Turn Small Donations into a Blue Wave,” Public Integrity, October 25, 2018, <https://publicintegrity.org/federal-politics/how-actblue-is-trying-to-turn-small-donations-into-a-blue-wave/>.

50. Elena Schneider, “How ActBlue has Transformed Democratic Politics,” *Politico*, October 30, 2020. <https://www.politico.com/news/2020/10/30/democrats-actblue-fundraising-elections-433698>.

51. *Ibid.*

52. Elena Schneider, “ActBlue’s Stunning Third Quarter: \$1.5 Billion in Donations,” *Politico*, October 15, 2020. <https://www.politico.com/news/2020/10/15/act-blues-stunning-third-quarter-15-billion-in-donations-429549>.

53. Zach Montellaro, “GOP Raises Over \$620M Through WinRed in Third Quarter,” *Politico*, October 12, 2020, <https://www.politico.com/news/2020/10/12/gop-raises-over-620m-through-winred-in-third-quarter-428983>.

54. Karl Evers-Hillstrom, “Biden Campaign Becomes First to Raise \$1 Billion from Donors,” Open Secrets, December 7, 2020, <https://www.opensecrets.org/news/2020/12/biden-campaign-1billion-from-donors/>.

55. Julia Musto, “Republicans Raise \$804M on WinRed in Two Months.” Fox News, December 4, 2020, <https://www.foxnews.com/politics/republicans-raise-804m-on-winred-in-first-two-months-of-fourth-quarter>.

56. Derek Willis and Maggie Severns, “The Hidden Money Funding the Mid-terms,” *Politico*, October 15, 2018, <https://www.politico.com/interactives/2018/hidden-money-funding-midterms-superpacs>.

57. Karl Evers-Hillstrom, “Pop-Up Super PACs Meddle in Key Races and Hide Donors from Voters,” *Open Secrets*, October 29, 2020, <https://www.opensecrets.org/news/2020/10/pop-up-super-pacs-key-races/>.

58. *Ibid.*

59. “2020 Outside Spending, by Super PAC,” *Open Secrets*, October 29, 2020, <https://www.opensecrets.org/outsidespending/summ.php?chrt=V&type=S>.

60. For example, scholars estimate that only about 5 percent of the nation’s voters cast absentee ballots in 1980. June Krunholz, “Forget Election Day – Early Voting for President Has Started,” *Wall Street Journal*, September 23, 2008.

61. Michael P. McDonald, “Early Voting in 2012: What to Expect,” *The Huffington Post*, https://www.huffpost.com/entry/early-voting-in-2012-what_b_1773768.

62. “States with No-Excuse Absentee Voting,” *National Conference of State Legislatures*, <https://www.ncsl.org/research/elections-and-campaigns/vopp-table-1-states-with-no-excuse-absentee-voting.aspx>.

63. “Absentee and Mail Voting Policies in Effect for the 2020 Election,” *National Conference of State Legislatures*, <https://www.ncsl.org/research/elections-and-campaigns/absentee-and-mail-voting-policies-in-effect-for-the-2020-election.aspx>.

64. Jim Zarroli, “Getting Lots Of Political Messages On Your Phone? Welcome To ‘The Texting Election,’” *NPR*, October 7, 2020, <https://www.npr.org/2020/10/07/920776670/getting-lots-of-political-messages-on-your-phone-welcome-to-the-texting-election>.

65. Devin Dwyer and Jacqueline Yoo, “Tidal Wave of Political Text Messages Hits Campaign Home Stretch,” *ABC News*, October 31, 2020, <https://abcnews.go.com/Politics/tidal-wave-political-text-messages-hits-campaign-home/story?id=73795827>.

66. Jim Zarroli, “Getting Lots Of Political Messages On Your Phone? Welcome To ‘The Texting Election,’” *NPR*, October 7, 2020, <https://www.npr.org/2020/10/07/920776670/getting-lots-of-political-messages-on-your-phone-welcome-to-the-texting-election>.

67. Devin Dwyer and Jacqueline Yoo, “Tidal Wave of Political Text Messages Hits Campaign Home Stretch,” *ABC News*, October 21, 2020, <https://abcnews.go.com/Politics/tidal-wave-political-text-messages-hits-campaign-home/story?id=73795827>.

68. Trump was a campaign finance innovator throughout his four years in office. Trump’s innovations began the day after he was inaugurated in 2017 when he formed a presidential reelection campaign and began actively raising funds to seek a second term. In doing so, Trump became the first president in the modern era to actively fundraise for his reelection campaign during the first two years of his term. It will be interesting to see if Biden and other newly elected presidents continue this practice in the future.

69. No matter what Trump decides to do in the years ahead, there is no question he will remain a fundraising force within the Republican Party. Indeed, just days after the 2020 presidential election, Trump formed a Leadership PAC, which could be a precursor to creating a 2024 presidential campaign committee. Published reports

indicate that Trump's PAC had already raised over \$70 million by the end of 2020, which was an astonishing fundraising figure just weeks after a presidential election. Zach Montellaro and Elena Schneider, "Trump's post-election cash grab floods funds to new PAC," *Politico*, December 3, 2020, <https://www.politico.com/news/2020/12/03/trump-pac-fundraising-442775>.