A Preliminary Analysis of Campaign Contributions in Florida=s Legislative and Judicial Elections

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There is a large body of research that has been conducted on the economics of political campaigns. The relevant questions often asked include how important are campaign contributions to determining election outcomes; how significant is incumbency in eliciting contributions or determining outcomes; how influential contributors are in determining the actions and votes of an elected candidate; and what factors determine whether, how much, and to which candidate a contributor donates money. Most of this research is conducted in the field of political science, though public choice theorists have researched similar topics with the tools of economics.

Most of the research on campaign contributions concerns the elections of legislators; however, candidates also run for judicial office, and seek campaign contributions in the process. This paper takes a first step in examining campaign contributions to both types of candidates. The Division of Elections at the Florida Department of State maintains an online database of both contributions to and expenditures of political campaigns for all federal and state elections from 1996 onwards. The contributions data lists detailed information on each instance a monetary or in-kind contribution was made to a candidate=s campaign. Aside from legislative races, the database also includes information from judicial races, and thus is a good source of data with which to test hypotheses concerning the determinants of contributions to legislative versus judicial campaigns. Further, the database includes information on all candidates, i.e. both winning and losing candidates, and we can thus analyze possible characteristics of contributors to winning versus losing campaigns and also avoid any selection bias by examining only victorious candidates.

The paper is organized as follows: section two presents a brief literature review of articles on campaign contributions and public choice aspects of the judiciary from both the economics and

law literature. Section three outlines a theoretical model describing how contributions to political candidates are determined. Section four describes the data used in the estimated models, summarized in section five. Concluding remarks are presented in section six.

Literature review

Several articles by Eric Helland and Alexander Tabarrok have addressed issues relating to the public choice aspects of the judiciary. In AThe Effect of Electoral Institutions on Tort Awards,@[1] they examine how in-state and out-of-state defendants fare in states where judges are elected on partisan or nonpartisan ballots. Voters will prefer, if possible, that taxes be shifted out of state; thus, out-of-state defendants are predicted to be charged larger penalties than in-state defendants. Further, they argue that judges who regularly grant larger awards will be elected over those who grant lower awards, and judges elected on partisan ballots are expected to grant larger awards than judges who are appointed or elected on nonpartisan ballots. Their results show that tax shifting does occur: out-of-state defendants pay an average of $376,400 and $176,583 more than in-state defendants in partisan and nonpartisan states, respectively. This support of the notion that elected judges may be responding to political incentives provides one of the motivations of this paper: attempting to uncover who may be trying to influence judicial decision-making through campaign contributions.[2]

[1]Independent Institute Working Paper #1, September 1999 (www.independent.org//tii/lighthouse/LHLink2-35-12.html.) Also summarized in the Cato Institute=s *Regulation* 23, no. 2 (2000): 21-26.

[2]Ashenfelter, Eisenberg, and Schwab (1995) argue, using data on cases randomly assigned to federal district judges, that individual judge characteristics, including personal, professional, and partisan attributes, influence the procedures within some civil rights cases but only moderately affect the outcome of those cases. Posner (1993) can add insight into this issue, since he argues that a primary factor of judicial utility is the satisfaction that comes from Avoting@ on individual cases. So, if Posner is correct that judges presumably seek or stay in office to gain utility from hearing cases, but that the factors affection case outcomes are not well understood as Ashenfelter et. al claim, then research into explaining those unknown factors is still important.

Posner (1993) seeks to describe judicial behavior in economic, utility-maximizing terms. Though they presumably exist in an environment specifically constructed to be free from economic influence, judges have utility functions and face constraints in much the same way as other economic actors. Posner likens judges to managers of nonprofit firms, to voters, and to viewers of plays, all groups who superficially appear to operate without economic motives but whose behavior can be described in a utility-maximizing sense.

Rasmusen (1994) uses a model of an infinitely repeated game to demonstrate how a simultaneously independent and legitimate judiciary can be maintained. Given it=s independence, the judiciary=s legitimacy has to be fostered from within, through the action and behavior of the judges themselves. Rasmusen shows that even self-interested judges can be led to set legally sound precedent and policy in an attempt to influence future judges to behave accordingly.[3]

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[3]A parallel can be drawn in Posner (1993, pg. 15), who argues that the utility of judges increases, albeit not by much, with reputation.

There is an extensive literature and debate on the effect of campaign contributions in legislative races that does not need to be fully reviewed here; a few representative examples are sufficient. Bronars and Lott (1997) examine the relationship between campaign contributions and political behavior. They test the Avote-buying@ hypothesis that PAC contributions are made to influence legislator behavior against the sorting hypothesis that contributions are simply support for politicians whose ideology mirrors the PAC=s. They focus specifically on contributions made to a candidate serving his last term in office since, conceivably, the candidate would be more likely to vote according to his own preferences than to vote to maximize expected contributions in the next election. Their results bolster the sorting hypothesis that there is good matching between PACs and legislators in terms of ideology, and also provide little support for the vote-buying hypothesis: although PAC contributions do drop off sharply in the legislator=s last term, his voting patterns change very little. Given this, and the results from Helland and Tabarrok, we might infer that interest group contributions to judicial candidates are not attempts to influence judicial behavior, but rather political support for like-minded judges.

Stratmann (1991) examines some determinants of the size of campaign contributions, using a model which ultimately yields greater explanatory power than past work on the topic. His model supports the idea that money has a causal effect on the voting behavior of members of Congress, at least with respect to votes on agricultural bills. To the extent that judicial candidates respond similarly to campaign contributions as do legislative candidates, Stratmann=s results that contributions affect political behavior and decisions have interesting implications for the judiciary. Morton and Cameron (1992), though, find that contributions are more often position-induced than service-induced and thus support the Bronars and Lott result. Either way, interest groups do find an audience in the courtroom, whether their contributions influence the judicial decision or ensure the seat of a like-minded judge.

From the law literature, Cross (1999) also argues that the judiciary is subject to influence by interest group activity. Interest groups are better able than private individuals to afford the costs of

litigation, and thus find themselves in court more often. This combination of resources and legal experience gives interest groups an advantage and often leads to success in courts. Interest groups are also granted standing more readily than are the interests of the Ageneral public,@ and thus receive a hearing before courts more easily. Further, Cross argues that interest groups have an advantage in Aprecedent-purchasing@ whereby, given their relatively large resources, these groups can selectively decide which cases to settle and which to pursue. They will pursue those cases where victory will set a precedent favorable to them in possible future cases.

A more recent law article examining the link between judicial decisions and campaign donations is Rotunda=s (2004) working paper. He attempts an empirical analysis, using data from the National Institute on Money in State Politics on elections from 1990 through 1998. The data do not support a connection between judicial decision-making and campaign contributions; indeed, lawyer contributors who appeared before their recipient judge were actually more likely to lose their case. It is difficult to draw significant conclusions from the article, however, since the empirical analysis is basically limited to descriptive statistics.

Though the literature does not seem to have answered the question of whether contributions are made to influence politician behavior or whether they represent support of like-minded candidates, either justification has public choice implications for the judiciary. If contributions represent support, analyzing the identities of major contributors to judicial races will shed insight into the prevailing ideologies currently residing on the court. If contributions are attempts to influence decision-making, then the popular conception of a judiciary that makes independent decisions removed from political pressures may need to be revised, and the usual public choice understanding of legislators responding to incentives may be appropriate for judges as well.

Model

As mentioned, the popular election of circuit court judges provides data on contributions to judicial candidates. Given that judges and legislators perform very different political roles, we would expect to see different lobbying and rent-seeking activity by interest groups attempting to influence judicial or legislative candidates. We can adapt Magee=s (2002) model of PAC behavior to a model of contributor behavior. The contributor is concerned with the outcome of government decision j, whether that decision is the outcome of a court case or the outcome of a legislative bill. Let ϑ be the utility of the contributor, and P_j the outcome of the decision ($P_j = 1$ if the decision is favorable to the contributor and $P_j = 0$ otherwise). The expected utility is

$$E(\vartheta) = Pr(P_j = 1)\vartheta_1 + (1 \ B \ Pr(P_j = 1)\vartheta_0 + S \ B \ C$$

(1)

where ϑ_1 represents the contributor=s utility when the decision is favorable, ϑ_0 represents the contributor=s utility when the decision is unfavorable, C is the contributor=s total campaign contribution, and S represents the value of unobserved services provided by the candidate to the contributors. These influence services may include senators writing or amending bills or making decisions in a way favorable to the contributor, or judges deciding or agreeing to hear cases favorable to the contributor.

The total contribution (C) is a function of candidate-specific and contributor-specific factors, *tot_amount* = f(candidate, individual):

$$C = a_0 + a_1 judge + a_2 rep + a_3 nocon + b_1 busns + b_2 lawyer + b_3 pac + b_4 union + b_5 party + e$$

(2)

where *judge, rep, and nocon* represent whether the candidate is a judicial candidate, a Republican senate candidate, and a candidate running in an uncontested election, respectively; and *busns, lawyer, pac, union, party*

are whether the individual contributor is a business, lawyer or law firm, PAC or CCE, union, or political party, respectively.

An obvious prediction is that lawyers would be more likely to be active in judicial rather than legislative campaigns. Generous contributions by lawyers or law firms may translate into favorable treatment by the judge in court. There is thus an incentive for lawyers to contribute to judicial candidates. The incentive to contribute to legislative candidates may also be a factor in a lawyer=s decision, but this would be limited to influencing legislation that affected court procedure or the legal profession, and it seems less likely that a lawyer would attempt to influence this process.

However, businesses, political action committees, and unions would be more likely to attempt to influence the legislative process than the judicial process.[4] Businesses, PACs, and unions would likely not have the legal expertise of law firms, and would find themselves before the court less often than lawyers (and would not necessarily be sure of which judge would be hearing their case). But laws and regulations on business, or laws targeted to appease specific interest groups, constitute a large portion of legislative output; thus we would expect to see businesses, PACs, and unions contribute more frequently to legislative than judicial candidates.

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[4]Motivation for this hypothesis can be found in the results of Kau, Keenan, and Rubin=s (1982) AA General Equilibrium Model of Congressional Voting.@

We would expect that candidates in uncontested elections would solicit fewer contributions than candidates in contested races, thus *nocon* should be negatively associated with the total contribution from a donor. Since judicial races are nonpartisan, political parties are not expected to contribute to judicial candidates; we would also expect them to become more active donors in contested races.

Another matter that the data may address is whether certain groups have an informational advantage in predicting which candidates will ultimately win election. Theory predicts first that interest groups will support those candidates whose preferences most closely mirror their own; however, it does little good for a contributor to support or attempt to influence a candidate who loses the election. Thus, the contributor must not only decide which candidate to support, but must weigh this decision with the probability of the candidate winning the election.

Given their heavy involvement in politics, we would expect that PACs would have an informational advantage in choosing to donate to candidates who ultimately win election. Businesses, as well, would most likely have an informational advantage about the candidates than the average contributor. As mentioned, businesses have an incentive to monitor political activity for beneficial or harmful business or industry policy or regulations. Thus, we would expect businesses to have an advantage in deciding to contribute to candidates who ultimately win elections. Similar logic would apply to lawyers or law firms, who also have an interest in monitoring political activity. Thus, we would expect positive associations for all of these variables.

A third issue is the differences in contributors between Democrat and Republican senate candidates. The usual prediction is that businesses are more likely to contribute to Republicans and less to Democrats; given that both parties are engaged in creating and enacting legislation, though, it seems that the incentive to lobby one party and not the other is relatively small. Thus, we would expect to see businesses contribute more often, though probably not much more often, to Republicans than Democrats, and PACs, given that there are conservative and liberal PACs, to probably not demonstrate much difference in which party they contribute to. Lawyers have

usually been thought to favor more legislation or governmental involvement since these ensure the demand for their services, and thus to support similar candidates, policies, or administrations, so we would expect to see lawyers contribute more often to Democrats than Republicans.

Data

To address the topic, I analyzed contributions data from a recent Florida general election. The data come from the Florida Division of Elections online database,[5] and the sample is contributions to circuit court judicial and state senator candidates from the 1998 Florida general election. There are 20 judicial circuits in Florida, though each circuit may contain a number of courts in different Agroups,@ depending on population and caseload. Thus, there were 87 seats and 105 candidates for those seats; 14 of these seats were contested[6] while the rest had only one candidate running. The judicial candidates run on nonpartisan ballots and winners serve six-year terms of office. There are 40 state senatorial districts in Florida; 21 of these were up for election in 1998 and 10 were contested among 40 candidates.

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[5]http://election.dos.state.fl.us/Cand/index.asp

[6]A contested race was defined as a race where there was more than one candidate at any time during the election season; thus, it includes those races where there were two or more candidates for the primary election (e.g., between several Republican candidates) but only one who ran uncontested during the general election. This definition applies to both the Senate and the judicial data.

Each observation in the online database represents an individual campaign contribution registered to the Division of Elections by the candidate.[7] Circuit court judges were chosen as the sample of judicial candidates because neither the Florida Supreme Court nor District Court of Appeals races had any registered contributions (nor opposition; all incumbents ran uncontested). Supreme Court and District Court judges also run under a merit retention voting system, and the analogy to the voting system for legislators is less clear than with circuit court judges. A single observation consists of the following variables: *year* and *date* represent the year and date the contribution was received. Candidates must occasionally file annual, quarterly, or more frequent reports to the Division of Elections; *report* represents the form on which the candidate reported the contribution received; *amount* is the dollar amount of the contribution; *name*, *address*, *city*, *state*, *zip*, and *job* give the contributor=s name, address, and occupation; *job* can represent an individual=s occupation, a business if the contributor is a business, or a nonprofit organization (PAC, CCE, etc.); *type* is the type of contribution received [check (CHE), cash (CAS)], loan (often from the candidate himself, LOA), in-kind (INK) or interest on accounts (INT). Occasionally, the candidate must refund money from the campaign fund back to a contributor or to another party, in which case the observation lists REF under *type*.

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[7]The Division of Elections issues this caveat to those using its data: ASometimes items which are not consistent with filing requirements, such as incorrect codes or incorrectly formatted or blank items, are present in the results of a query. They are incorrect in the database because they were incorrect on reports submitted to the division.@ Every effort was made to correct for these inaccuracies in the data used.

As mentioned, an individual observation in the online database represents one contribution to a candidate; however, the relevant issue addressed here is identifying the characteristics of *contributors*, not *contributions*, to legislative versus judicial campaigns. Therefore, a new variable was constructed, *tot_amount*, that represents the sum of all individual contributions made to a single candidate from a single contributor. In most of the races, an individual or group contributed to a candidate more than once during the span of the campaign. The empirical models estimated will focus on the smaller sample where an individual observation represents total contributions from a single contributor. Of the 34,131 total individual contributions to all candidates (21,492 to senators, 12,639 to circuit court judges), the construction of the *tot_amount* variable yielded 30,682 observations of contributors (18,963 to senators, 11,719 to circuit court judges). This correction eliminates the possibility that a single individual or group appears twice or more in the contribution list for a single candidate; it obviously *does* allow for the appearance of a contribution from a single individual or group to two or more candidates. Two other minor changes were made: *tot_amount* accounts for the 89 instances were an individual contribution had a type of REF; thus, the amount listed as a REF was subtracted from the *tot_amount* from the individual contributor. Eliminating contribution observations where *type* = REF would overstate a contributor=s donation. Further, the 18 Acontributors@ (49 individual contributions) of interest (*type* = INT) were eliminated from the analysis.

No other data is included in an individual observation, but further distinctions between contributions were made. Most important for this analysis was distinguishing among groups of contributors. Public choice analysis lends insight into the motivations different groups might have for participating in or contributing to political campaigns, since certain groups may perceive monetary contributions to particular candidates as a means to influence policy in a direction favorable to their interests. Thus, each observation also includes dichotomous variables that were constructed from *name* and *job*: *busns*, *lawyer*, *pac*, *union*, *party* and *self* represent, respectively, whether the contributor is a business, whether the contributor is a

lawyer or law firm, whether the contribution came from a political action committee or committee of continuous existence,[8] whether the contributor is identified as a union, whether the contributor is a political party,[9] and whether the contribution came from the candidate himself. Other variables were constructed from the data; *judge* represents whether the contribution went to a judicial candidate, *nocon* represents whether the contribution went to a candidate in an uncontested race, *won* represents whether the contribution went to a candidate who eventually won the general election, and *rep* represents whether the contribution went to a Republican senate candidate.

The primary aim of this paper is to analyze the characteristics of contributors to political campaigns. Thus, including an individual=s contribution to his own campaign does not necessarily lend any insight. Examining the data, however, clearly demonstrates that candidates occasionally heavily fund their own campaigns. Of the 30,665 contributions used, only 120 were loans from the candidate himself, but the average total contribution to self was about $34,811, substantially higher than total contribution from others of about $289.31. This can partly be explained by the fact that contributions are limited by law:

> A candidate may not accept a contribution in excess of $500 from any one person per election. A Aperson@ is an individual or a corporation, association, firm, partnership, joint venture, joint stock company, club, organization, estate, trust, business trust, syndicate or other combination of individuals having collective capacityY. Loans are considered contributions; however, loans made by a candidate to his own campaign are not subject to contribution limitations.[10]

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[8]Committees of continuous existence are basically lobbying organizations, similar in purpose to PACs.

[9]I recognized both contributions from the state political parties as well as contributions from smaller party organizations, such as the Democratic Women=s Club of St. Petersburg.

[10]From Florida Division of Elections, Campaign Finance Reporting,

There are no such requirements on Acontributions@ from the candidate himself, or incidentally on contributions from political parties (whose single contributions often reached several thousand dollars), thus the contribution amounts from these groups are quite large. (Despite the law or perhaps in violation of it, there are 4,002 instances where *tot_amount* for an individual or group besides self-contributors and political parties exceeds $500.) Self-contributions and total non-positive contribution amounts (due to refunds) were dropped from the analysis that follows, leaving 30,470 observations: some statistics on contributors to each type of candidate is presented in Table 1.

Table 1
Summary Statistics of Contributions to Candidates

	Judge	Senator
mean, tot_amount	$181.68	$357.44
% from business	33.8	31.8
% from lawyer	50.4	9.5
% from PAC	0.3	11.9
% from union	0.2	1.3
% from political party	0	1.9
% to uncontested	37.6	20.8
% to winners	77.8	65.4
N	11,560	18,910

A few items warrant mention: contributors to legislators gave on average about twice as much as contributors to judges. This number is inflated a bit due to 36 political party contributors, whose per-candidate contribution averaged almost $31,000; the average non-party contributor gave $298.42. Businesses represent a roughly similar percentage of total contributors for both judicial and legislative candidates, but the percentage who are lawyers or law

firms and who are PACs differs quite strikingly between both types of candidates. Further, those candidates running in uncontested judicial races appear to be able to garner support more easily than their legislative counterparts; or, saying the same thing, candidates in contested legislative races usually received a larger number of contributors than candidates in contested judicial races. Finally, candidates who eventually won election received more support than their defeated competitors. This may indicate either (or both) that candidates who receive a large number of contributors do better in elections (ostensibly having more funds to spend on their campaigns), or that contributors effectively sort their donations to ensure they go to candidates who will hold office.

Results

Table 2 presents results from a probit model on the full sample of senators plus judges, excluding self contributions, where the dependent variable is whether the contribution went to a judicial candidate. Marginal effects are also included. All of the variables are highly significant, and of the expected sign. The marginal effects provide the relevant insights. If a contribution came from a lawyer or law firm, it is 49% more likely that that contribution went to a judicial candidate than to a legislative candidate. Further, as expected, contributions from businesses, political action committees, and unions are 9%, 37%, and 10% more likely, respectively, to go to legislative candidates than to judicial candidates.

Tables 3 and 4 analyze the determinants that affect total contributions from a single donor to a given candidate. Table 3 includes the full sample of contributions, while Table 4 excludes those total contribution amounts that exceeded the $500 legal limit. Table 3 reveals a few interesting results: the total contribution from lawyers is significantly weighted toward judicial candidates. Lawyers donate more to candidates than non-lawyers, but give almost $600 more to judicial than senate candidates. Businesses contribute more than non-businesses, especially to senate candidates. PACs contribute slightly more to senate than judicial candidates, though the union effects, while positive as expected, were never statistically significant. Being a

Table 2
Probit Results

sample **dep. var.**	senators & judges *<u>judge</u>*
busns	0.26377***
	(0.01747)
lawyer	1.31378***
	(0.01897)
nocon	0.39614***
	(0.01830)
pac	-1.65791***
	(0.06568)
union	-0.29259***
	(0.10805)
cons	-0.60522***
	(0.01149)
Log likelihood	-16119.871
Chi^2	8210.07
Pseudo R^2	0.2030
Marginal effects	dy/dy
busns	-0.09581***
	(9.99619)
lawyer	0.48814***
	(0.00621)
nocon	0.15058***
	(0.00 706)
pac	-0.37085***
	(0.00523)
union	-0.10143***
	(0.03446)
N	30470

Standard errors in parentheses
 *significant at 10%
 **significant at 5%
***significant at 1%

dy/dx is for discrete change of dummy variable from 0 to 1

Table 3
OLS Results (includes *Tot_amount* > $500)

dep. var: *tot_amount*

	senators & judges	senators	judges
busns	67.48886	101.4299**	-72.43505
	(82.30701)	(48.22899)	(196.5345)
lawyer	313.3069***	72.4337	692.1013***
	(98.64759)	(74.00214)	(191.7201)
pac	362.5539**	280.5123***	253.131
	(149.0522)	(69.51003)	(1784.451)
union	242.4016	257.4258	127.8773
	(397.3032)	(189.0998)	(2242.874)
nocon	-338.5069***	-147.4714***	-646.7538***
	(92.49262)	(57.22731)	(207.4536)
won	36.76818	144.4714***	-342.6617
	(89.46237)	(49.22948)	(240.1927)
judge	-104.9035		
	(88.53783)		
self	34743.27	8198.394***	43073.84***
	(597.4339)	(559.959)	(1023.9)
cons	266.9334***	217.5704***	365.6144*
	(76.94086)	(39.8963)	(206.8934)
F	424.19***	34.98***	254.18***
adj. R^2	0.0996	0.0124	0.1320
N	30,590	18,938	11,652

Standard errors in parentheses
*significant at 10%
**significant at 5%
***significant at 1%

Table 4
OLS Results (excludes *Tot_amount* > $500)
dep. var: *tot_amount*

	senators & judges	senators	judges
busns	118.8388***	065.1946***	44.72973***
	(2.064573)	(2.929087)	(2.936474)
lawyer	60.89815***	105.2371***	62.41579***
	(2.466599)	(4.564654)	(2.869654)
pac	258.4496***	273.8164***	167.9808***
	(3.989832)	(3.190624)	(27.46309)
union	175.8222***	191.1456***	183.8421***
	(11.42338)	(13.1765)	(33.60326)
nocon	-6.338055***	8.684639***	-10.95179***
	(2.317286)	(3.293266)	(3.105724)
won	45.63406***	71.84622***	-27.4965***
	(2.251127)	(2.799558)`	(3.599695)
judge	-86.56619***		
	(2.207248)		
self	10.36965	-4.905273	78.63515
	(37.87927)	(44.56333)	(64.73785)
cons	155.6978***	114.9799***	152.1235***
	(1.915925)	(1.950576)	(3.094545)
F	1380.97	1826.94	146.07
adj. R^2	0.2622	0.3411	0.0813
N	29446	17970	11476

Standard errors in parentheses for senators & judges and judges.
Heteroskedasticity-robust standard errors in parentheses for senators.
   *significant at 10%
 **significant at 5%
***significant at 1%

candidate in an uncontested election drastically reduced the total contribution received across all samples, especially for judicial candidates. Contributors appeared to make slightly larger donations to eventual winners, except in the judge subsample. The importance of self-funding of campaigns is evident in the results on self; judicial candidates especially use loans and take advantage of the exemption from the $500 legal limit.

The results in Table 4, where total contributions over $500 are excluded, are generally stronger than in Table 3. The standard errors reported in the model for senators only are heteroskedasticity-robust, as a Breusch-Pagan test indicated heteroskedasticity in the OLS model; the other OLS models in Tables 3 and 4 did not indicate heteroskedasticity. The adjusted R^2s are quite a bit higher than in Table 3, though some differences exist. One obvious difference is the significance of the self variable, but this is unsurprising given that most self contributions were omitted since they exceeded $500. Businesses, lawyers, PACs, and unions all have positive and significant coefficients in this sample and appear to donate more to senate than judicial candidates. The effect on lawyers in this sample is unexpected in that respect. Again, judicial candidates appear to receive less money overall than senate candidates.

Table 5 presents results from several probit models. The first model is the full sample of judges and senators, where the dependent variable is whether the contribution went to a candidate who won the general election. As expected, we see positive and significant coefficients for all regressors except for whether the contributor was a union. Businesses, lawyers, and PACs all seem to have an advantage over ordinary individuals in discerning which candidates will ultimately win election. Further, contributors to judicial campaigns also appear to be better able to sort winners from losers.

The second model is the subsample of contributions that went to senate candidates. Again, we see positive and significant coefficients for businesses, lawyers, and PACs, while union is still negative but

Table 5
Probit Results

sample	senators & judges	senators	judges senators	
dep. Var.	*won*	*won*	*won*	*rep*
busn	0.22663***	0.36561***	-0.04950*	0.06313***
	(0.01707)	(0.02123)	(0.02902)	(0.02037
lawyer	0.34046***	0.05320* 0.57045***	-0.40799***	
	(0.02090)	(0.03253)	(0.02755)	(0.03178)
pac	0.49689***	0.52966***	-0.14112	-0.02699
	(0.03134)	(0.03198)	(0.23261)	(0.02945)
judge	0.29344***			
	(0.01797)			
union	-0.10124	-0.01139	-0.54460*	-1.18468***
	(0.07828)	(0.08241)	(0.28960)	(0.10007)
cons	0.24149***	0.221125***	0.52688***	0.09320***
	(0.01162)	(0.01261)	(0.01873)	(0.01252)
Log likelihood	-17974.329	-11953.012	-5889.8958	-12916.59
Chi^2	1226.43	486.88	462.28	341.05
Pseudo	0.0330	0.0200	0.0378	0.0130
Marginal effects	dy/dx			
busns	0.07596	0.12992***	-0.01447*	0.02513***
	(0.00557)	(0.00724)	(0.00854)	(0.00810)
lawyer	0.11083***	0.01937* 0.16524***	-0.16069***	
	(0.00639)	(0.01174)	(0.00782)	(0.01213)
pac	0.14794***	0.17445***	-0.04323	-0.01076
	(0.00778)	(0.00910)	(0.07484)	(0.01174)

Table 5 (cont.)

sample	senators & judges		senators	judges	senators
dep. Var. *won*			*won*	*won*	*rep*
judge	0.09850***				
	(0.00588)				
union	-0.03566		-0.00420	-0.18760*	-0.39563***
	(0.02824)		(0.03042)	(0.11188)	(0.02167)
N	30470		18910	11560	18910

Standard errors in parentheses
  *significant at 10%
 **significant at 5%
***significant at 1%
dy/dx is for discrete change of dummy
variable from 0 to 1

insignificant. The coefficients on businesses and PACs are both larger than in the sample with judges and senators, which is consistent with the idea that businesses and PACs most likely focus more heavily on legislative races than judicial races. Results from the subsample of contributions to judges is given in the third model in Table 5. Not surprisingly, we see negative coefficients on businesses, PACs, and unions, and a large and highly significant positive coefficient on lawyer.

The last model in Table 5 presents results where the dependent variable is whether the contribution went to a Republican senate candidate. A contribution from a business is about 2.5% more likely to go to a Republican candidate than a Democrat, which implies that there is not much difference between candidates as far as businesses= contribution decisions are concerned. Similarly, PACs are only 1% more likely to contribute to Democrats than to Republicans, and this estimate is not significant. Given that PACs cover virtually the entire ideological spectrum, this result is not surprising. We do see a significant result with contributions from lawyers, who are 16% more likely to contribute to Democrats than to Republicans. The result on unions is strongest; unions are almost 40% more likely to contribute to Democrats than Republicans.

Conclusion

The models used in this analysis attempt to analyze the characteristics of contributions to political campaigns. Care should be taken in interpreting the results for a few reasons: primarily, the dichotomous variables representing businesses, lawyers, and PACs were constructed from examining the names and jobs included in the original Division of Elections data set. There are possibly some errors in coding these variables if the names or occupations were misleading. Unfortunately, the names and jobs were provided by the candidates themselves and the Division of Elections made no attempt to standardize these entries, and thus there was very little uniformity in these categories across candidates. The explanatory

power of some of the models might be bolstered by including more variables, such as whether the candidate was an incumbent, where the candidate stood on the ideological spectrum, or demographic characteristics of the contributor.

Despite these drawbacks, we may draw some conclusions from the analyses of the models used. Given the different political roles and terms of office for judges and legislators, the incentives for various groups to attempt to influence political candidates through campaign contributions is quite different. We have seen that lawyers, businesses political action committees, and unions each respond quite differently in deciding which candidates to support. Since businesses, PACs, and unions probably rarely find themselves before circuit court judges but do have an incentive to protect their interests during the making of legislation, the result that they are more active in the campaigns of legislators than of judges is unsurprising. Further, since lawyers do face judges quite frequently, the result that they contribute significantly more to judicial campaigns implies some interesting public choice issues. A possible extension on this theme may be how campaign contributions from lawyers affect judicial decisions.

We have also seen that businesses, lawyers (to a lesser degree), PACs, and unions seem to have an informational advantage in discerning which candidates will ultimately win the election. Given that any rent-seeking or attempts to influence candidates are moot if the candidate loses, this informational advantage may translate into a significant advantage in influencing legislation once the supported candidate enters office. There is also some support for the presumption that businesses tend to contribute more to Republicans while lawyers, PACs, and unions contribute more to Democrats. More work is needed to substantiate some of the results presented here, but it is hoped that the preceding analysis has shed some empirical light on the public choice analysis of political, and especially judicial, campaigns.

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