Session Four

💰 Campaign Finance & Dark Money 💰

Getting Money Out of Politics – Quick Reference Guide

90-Minute Teach-In

💸 The Arithmetic of Plutocracy

This is not democracy. This is plutocracy—rule by the wealthy.
Not an accident or unfortunate side effect. It's the predictable result of legal decisions equating money with speech and corporations with people.

The Money:

2024 elections:
$16+ billion spent

Dark money:
↑1000% since Citizens United

More than GDP of dozens of countries. More than budgets of numerous federal agencies. Spent just to win elections.

Who Gives:

0.01% of Americans
(1 in 10,000)
give **40%** of all campaign $

100 billionaires
gave more than
ALL small donors combined

Donors: Overwhelmingly wealthy, white, older. Interested in policies benefiting the wealthy.

The Result:

Members of Congress:
Spend 30-70% of time
fundraising
not legislating or serving constituents

They know which phone calls to return:
Donors', not constituents'

Billionaire who can write $1M check matters more than 10,000 constituents with $25 each

⚖️ How We Got Here: Legal Timeline

1976: Buckley v. Valeo

The Foundation:

- Money = speech, spending = protected by 1st Amendment
- Can limit contributions TO candidates
- But CANNOT limit spending BY candidates or outside groups
- Opened door to unlimited spending by wealthy

The Problem: Ignored fundamental asymmetry—some have vastly more money, therefore vastly more "speech." Turned 1st Amendment into protection for those with money to dominate debate.

2010: Citizens United v. FEC

The Floodgates Open:

- Corporations have 1st Amendment rights
- Unlimited independent expenditures by corporations/unions
- Overturned decades of precedent
- Created super PACs

Justice Kennedy's Fiction: Claimed independent spending doesn't create corruption. Willful blindness. Officials know who spends for them. Donors expect gratitude = favorable treatment.

2010: SpeechNow.org v. FEC

Super PACs Created:

- If independent spending can't be limited...
- Then contributions to groups making independent spending can't be limited
- Unlimited contributions to super PACs
- As long as "independent" from candidates

Immediate Impact: 2010 midterms = first under new regime. Outside spending exploded. Handful of billionaires spent hundreds of millions.

Dark Money: The Hidden Hand

What Is Dark Money?

Political spending by organizations that are NOT required to disclose their donors. Voters have no idea who's behind the ads influencing their votes.

How It Works:

1. Billionaire donor writes check to 501(c)(4) "social welfare" organization
2. Organization NOT required to disclose donors
3. Money can flow to other dark money groups (shell organizations)
4. Nearly impossible to trace back to source
5. Eventually spent on TV ads, digital advertising, direct mail
6. Voters see ads but don't know who paid

"Social welfare" organizations: Can do political activity as long as not "primary purpose"—standard so vague it's meaningless. Turns tax-exempt status into political weapon.

Example: Koch Network

Americans for Prosperity & others:

- Spent billions on elections and lobbying
- Network of shell groups passing money
- Funded climate denial campaigns
- Pushed tax cuts for wealthy
- Built state-level infrastructure
- Voters often unaware of true source

Why It's Dangerous:

- **Corruption:** Officials know who helps them, grateful, donors expect favorable treatment
- **Lack of accountability:** Voters can't evaluate credibility/motives if they don't know source
- **Foreign influence:** No way to know if foreign entities funding ads
- **Corporate power:** Corporations spend shareholder money on politics without disclosure

The Scale:

Dark money spending:
↑1000% since Citizens United

2020 election:
$1+ billion in dark money

Judicial nominations:
Dark money groups spent $100M+ to confirm conservative judges

Not just federal elections. Dark money flows to state judicial races, ballot initiatives, issue campaigns.

Reform 1: Public Financing

Democracy Dollars / Vouchers:

How It Works: Give every voter vouchers to donate to candidates (e.g., $100 per voter)

Seattle Model:
Implemented $100 vouchers per voter. Amplified small donors. Reduced dependence on wealthy. Can be done at local/state level.

Advantages:

- ✓ Democratizes campaign finance
- ✓ Every voter has equal voice
- ✓ Reduces dependence on wealthy donors
- ✓ Candidates build broad support
- ✓ Can implement locally without federal action

Small-Donor Matching:

NYC Model: 8:1 match for first $250. Small donations become as valuable as large ones.

Proven Success:
NYC system works well in practice. Encourages candidates to seek broad support. More diverse candidate pool. Reduces time spent courting wealthy.

Clean Elections / Full Public Financing:

- Candidates collect small qualifying contributions
- Then receive full public funding
- Can opt out but face well-funded opponent
- Used in Maine, Arizona, Connecticut

Reform 2: Disclosure

The DISCLOSE Act:

Require dark money groups to reveal donors

Real-time disclosure of large contributions

"Stand by your ad" for corporate spending

Status: Passed House multiple times with Democratic support. Blocked in Senate by Republicans and filibuster.

Why Disclosure Matters:

- Voters have RIGHT to know who's influencing their votes
- If group runs attack ads, voters should know: opponent? corporation? foreign entity?
- Enables accountability
- Allows evaluation of credibility and motives
- Makes corruption visible
- Sunlight = best disinfectant

Not Complete Solution: Doesn't reduce amount of money or diminish wealthy influence. But necessary first step. Even Citizens United affirmed disclosure is constitutional.

Reform 3: Constitutional Amendment

The Proposal:

Overturn Buckley and Citizens United

Clarify: Money is NOT speech

Clarify: Corporations don't have same 1st Amendment rights as humans

Empower: Congress and states can regulate campaign spending

Simple concept: "Congress and the states shall have the power to regulate campaign contributions and spending."

Current Support:

20+ states passed resolutions calling for amendment

- Move to Amend: Building grassroots support
- End Citizens United: National organizing
- Public polling shows strong majority support

What It Would Do:

- Return to pre-Buckley world
- Democratically elected legislatures decide campaign finance structure
- Balance free speech vs. political equality & anti-corruption
- Doesn't dictate particular system—empowers democratic decision-making

The Challenge: Requires ⅔ Congress + ¾ states. High bar. Wealthy interests have resources to block. But NOT impossible—amendments pass when public pressure overwhelming.

Long-term project: Represents permanent fix. Organizing work valuable even if takes decades—shifts conversation, creates pressure, advances other reforms meanwhile.

🗣️ Opposition Arguments & Evidence-Based Responses

"Money is speech, limiting it violates 1st Amendment"

Response:

- Money is NOT speech—it's a resource to amplify speech
- Rich always had more capacity to amplify (media access, advertising)
- Question: Should amplification be unlimited? Or regulated so some don't drown out all others?
- Other democracies regulate spending without tyranny
- Speech can remain free while spending is regulated

"Corporations are just associations of people, should have same rights"

Response:

- Corporations are NOT voluntary associations
- They're legal fictions created by state for economic purposes
- Shareholders invest for financial returns, not to express political views
- Managers make spending decisions without consulting shareholders/workers
- Corporations don't vote, don't run for office
- Should not have political rights of citizens

"These reforms give unfair advantage to incumbents / certain viewpoints"

Response:

- Well-designed public financing REDUCES incumbent advantage
- Makes it easier for challengers to raise resources
- Disclosure requirements apply equally to all sides
- Amendment simply empowers democratic legislatures to decide
- Current system benefits Republicans (wealthy donors tilt Republican)
- That's argument FOR reform, not against it

"Small donors can compete through Internet"

Response:

- Internet HAS made small-donor fundraising easier
- Some candidates built impressive grassroots bases
- BUT: Small donors combined still can't compete with billionaires and corporations
- Internet helps but doesn't eliminate fundamental asymmetry of wealth
- In 2024: 100 billionaires > ALL small donors

🎯 Why Campaign Finance Is THE Issue

Campaign finance reform is not one issue among many. It is THE issue that conditions all others.

As Long As Money Dominates:

- Climate action will be blocked by fossil fuel interests
- Healthcare expansion blocked by insurance/pharma money
- Gun safety blocked by NRA spending
- Voting rights blocked by wealthy who benefit from voter suppression
- Economic justice blocked by corporate lobbying
- EVERY reform blocked or watered down by wealthy interests profiting from status quo

Getting money out of politics isn't just about cleaning up the process.
It's about making democracy POSSIBLE. Ensuring government responds to citizens, not donors. Policy reflects preferences of many, not interests of few. Political equality is real, not merely formal.

The Fundamental Choice:

Democracy is not compatible with plutocracy.
We cannot have both government of, by, and for the people AND government of, by, and for the highest bidder.
We must choose.

✅ Take Action: Getting Money Out

This Week:

- Learn how money influences politics in your community
- Look up your representatives' donor lists
- Join organization supporting reform
- Talk to 3 people about dark money

This Month:

- Contact legislators: Support DISCLOSE Act
- Support constitutional amendment resolution
- Advocate for local public financing
- Support candidates refusing corporate PAC money
- Attend local org meeting

This Year:

- Sustained involvement in reform movement
- Campaign for local/state public financing
- Build coalition connecting money to other issues
- Pressure officials for reform

Support Candidates Who:

- Refuse corporate PAC money
- Support overturning Citizens United
- Champion public financing
- Support DISCLOSE Act
- Build grassroots donor bases

Local & State Action:

- Public financing can be implemented locally without federal action
- State disclosure requirements
- City/county voucher programs
- State resolutions for constitutional amendment
- Model better systems, create momentum for federal reform

Connect to Other Issues:

- Show how money blocks climate action
- Show how money blocks healthcare reform
- Show how money blocks gun safety
- Show how money blocks economic justice
- Campaign finance = gateway to all other reforms

🏢 Key Organizations

- **End Citizens United:** Leading advocacy, candidate support
- **Issue One:** Reform advocacy, bipartisan approach
- **Public Citizen:** Democracy program, corporate accountability
- **Common Cause:** Money in politics reform
- **Move to Amend:** Constitutional amendment grassroots organizing
- **RepresentUs:** Anti-corruption campaigns
- **Americans for Tax Fairness:** Progressive tax + campaign finance
- **Democracy 21:** Reform advocacy and litigation

Further Reading:

- Citizens United decision & dissent
- Public Citizen reports on dark money
- OpenSecrets.org: Track money in politics

1. This Is Plutocracy

0.01% give 40% of money. 100 billionaires > all small donors. Officials spend 30-70% time fundraising. Not democracy—rule by wealthy.

2. Supreme Court Did This

Buckley (1976): Money = speech. Citizens United (2010): Corporations = people with 1st Amendment rights. Opened floodgates.

3. Dark Money Hides Influence

Billionaires give to 501(c)(4)s that don't disclose. Money flows through shells. Voters don't know who's behind ads. ↑1000% since Citizens United.

4. We Have Solutions

Public financing (Seattle, NYC work). Disclosure (DISCLOSE Act). Constitutional amendment (20+ states support). All achievable with organizing.

5. THE Gateway Reform

Money blocks climate, healthcare, gun safety, economic justice, voting rights. Can't fix anything else without getting money out first.

"Democracy is not compatible with plutocracy. We must choose."

As long as money dominates politics, every reform we seek—climate action, healthcare, gun safety, voting rights, economic justice— will be blocked or watered down by wealthy interests profiting from the status quo.

Getting money out of politics isn't just about cleaning up the process. It's about making democracy possible. It's about ensuring government responds to citizens rather than donors, that policy reflects the preferences of the many rather than the interests of the few.

Public financing can be implemented locally. Disclosure could pass Congress with pressure. Constitutional amendment is building support. None are easy. All are possible. And all are necessary if we choose democracy over plutocracy.