

SPENCER OVERTON

Campaign reform's next step

NOW THAT the US Supreme Court has upheld significant parts of the most recent campaign reform law, we must take the next step and empower average Americans by increasing the importance of the smaller contributor.

The Bipartisan Campaign Reform Act reduces corruption of candidates by banning large soft-money contributions and restricting corporate and union spending on certain broadcast ads. By focusing on candidates, however, the law overlooks the most critical actors in our democracy — average Americans.

The most pressing problem posed by money in politics is that an overwhelming majority of citizens are effectively excluded from an important stage of the political process. Federal campaign funds come from less than 2 percent of the population. This narrow class is overwhelmingly white, wealthy, and male, and its large contributions determine which candidates have the money to run. The Bipartisan Campaign Reform Act only exacerbated the dominance of this wealthy class by increasing the amount a person can contribute to a candidate from \$1,000 to \$2,000.

For example, according to a recent study by the Campaign Finance Institute, 74 percent of the money raised by George W. Bush came from donors who contributed \$2,000 to his campaign. Most of the Democratic presidential hopefuls are not much different, having raised on average 58 percent of their money from donors who gave \$1,000 or more.

Future reforms should ensure that a broader, more diverse group of Americans determines whether candidates have the money to run for public office. Unfortunately the most recent major reform introduced in Congress, the Presidential Funding Act, focuses largely on enticing presidential candidates to accept public funds. The proposal does little to increase the influence of average citizens.

We should take two critical steps to empower smaller contributors.

■ Reward contributions of \$100 or less. We should increase the importance of average Americans by providing a 4-to-1 match for contributions of \$100 or less. In other words, if a contributor gives \$100 to a candidate, the candidate should receive an additional \$400 in public funds.

The Presidential Funding Act as currently proposed gives a 4-to-1 match on the first \$250 of an individual's contribution, thereby encouraging politicians to cater to contributors who can give much more than \$100. While \$250 contributions may seem relatively small to inside-

the-beltway politicians and lobbyists, they are enormous to average Americans.

Further, under the proposed act a \$2,000 contribution is worth \$3,000 because the candidate receives 4-to-1 matching funds on the first \$250 of the \$2,000 contribution. Should we be surprised when the proposed "reform" prompts candidates to spend the bulk of their time catering to \$2,000 contributors rather than \$100 contributors?

In short, we should not give a public subsidy to contributions over \$100 because doing so only magnifies the influence of wealthy donors who already have a vise-like grip on American democracy.

We should also make it easier for average Americans to participate by providing a tax credit for smaller contributions. For example, a contributor who gives \$100 to a candidate would receive a tax credit that reduces her tax bill by \$100. The tax credit should be limited to \$100 per year, extended to all Americans (including poorer families), and well publicized to ensure that it is not used only by those who can afford good accountants.

■ Expand the system to all federal elections. We need to expand the matching funds and tax credit programs from presidential primaries to include congressional primary and general elections.

A generous estimate of the annual cost of public financing of campaigns for all federal elected offices is \$1.5 billion — or about \$6 per American. This is minimal compared to the \$87 billion allocated to rebuild Iraq. Rather than operating as "welfare for politicians," matching funds and tax credits give average citizens meaningful ways to participate in democracy and express themselves. Indeed, public financing will save money in the long run by reducing the dominance of large contributors — such as those who secured \$23.5 billion in tax breaks for oil and gas producers in the pending energy bill.

When less wealthy Americans have little influence over whether candidates have the resources to run for office, we fall short of the ideal of government of and by the people. While the recent Supreme Court decision is an important step, future reforms must empower average Americans by enhancing the importance of the smaller contributor.

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