

POLITICAL PARTY ADAPTATION IN US CONGRESSIONAL CAMPAIGNS

Why Political Parties Use Coordinated Expenditures to Hire Political Consultants

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ABSTRACT

We argue that political parties in the US have consciously opted to employ political consultants for their candidates' needs in order to help cultivate competitive national elections. Thus, consultant use by political parties does not signal party decline, but party adaptation. Further, the use of political consultants by the political parties is so complete that consultants can be considered employees of the political parties; not in the traditional sense of individuals on the payroll, but in the modern corporate sense of independent contractors who are hired to complete a defined project. We investigate how national political party committees spend the money they have allocated for individual candidates in congressional races using data from the 1998 and 2000 election cycles. We examine Federal Election Commission (FEC) records of payments political parties make via coordinated expenditures.

KEY WORDS ■ congressional elections ■ coordinated expenditures ■ party organization ■ political consultant (marketer)

In the past four decades, the literature on campaign practices in the American party system has focused on the increasing modernization of campaign techniques, as well as the implications of this modernization for the health of political parties in America. The general assumption has been that the more political campaigns turn to highly technical mechanisms for communicating with and mobilizing voters, the less traditional (and hence party-based) mechanisms for voter mobilization matter (Agranoff, 1972; Crotty, 1984; Kelley, 1956; Sorauf, 1967, 1980; White and Shea, 2000). In the past 20 years, a more direct assault has been waged in both academic and popular literature against political consultants in particular for having

weakened the political parties beyond relevance (Blumenthal, 1982; Nimmo, 2001; Plasser, 2001; Sabato, 1981; Shea, 1996; Witcover, 2001). Here, political consultants are defined as individuals or firms paid to deliver specific (usually technical) services that are used in waging election campaigns.

According to this literature, political consultants have displaced political parties in campaign service provision and parties are portrayed as passive participants in the consultant-candidate relationship, thereby making candidates believe they can be elected to office without the assistance of party organizations at any level. Hence, one of the important functions of political parties, service provision to candidates, has eroded. The idea is that the candidate-centered campaigning facilitated by political consultants has relegated political parties to no more than supporting-actor status. In response, some scholars have launched defenses of political consultants, alleviating consultants of the responsibility for having weakened the parties and even demonstrating the cooperative elements of the political party-political consultant relationship (Farrell et al., 2001; Herrnson, 2000; Johnson, 2001; Kolodny, 2000; Kolodny and Logan, 1998; Luntz, 1988; Medvic and Lenart, 1997; Thurber et al., 2000). The central part of these discussions looks to the role of the consultant in the wider political system, assessing consultant effects on other actors. The main research questions consider whether consultants serve the interests of the candidates without regard for the implications these services may have on the candidate's political party; whether consultants provide specialized tasks that the parties cannot themselves provide; and whether consultants improve the quality of candidate campaigns, thereby minimizing the political parties' contribution to the conduct of elections.

Our contention here is that while all the questions posed above are important, they have focused on the interactive effects between political parties and political consultants, but have not furthered our theoretical discussion of the contemporary role of political parties in elections. While acknowledging that modern campaign techniques have become more technologically sophisticated and expensive, these studies emphasize how political consultants responded to contemporary demands. The idea that political parties adapted successfully to the changed campaign environment by relying on consultants is not given much credence (with the exception of Luntz (1988), Menefee-Libey (2000) and Kolodny (2000)). We argue that political parties have consciously opted to employ political consultants to meet their candidates' needs in order to help cultivate competitive national elections. Further, the use of political consultants by the political parties is so complete that consultants can be considered employees of the political parties, to not in the traditional sense of individuals on the payroll, but in the modern corporate sense of independent contractors who are hired to complete a defined project.

In developing this argument, we note Gibson and Roemmele's (2001) party-centered theory of professionalized campaigning. They argue that the

political party role is a primary, not secondary, factor in how today's technologically sophisticated campaigns are waged:

This picture of party decline and/or passivity in the face of systematically driven campaign professionalization is problematic on a number of fronts. Most obviously, it is clear that parties at some stage must be consciously involved in the uptake of the new campaigning. It is a process that requires extensive senior-level decision making, organizational reform, and financial muscle – consultants have to be hired, polls and focus groups commissioned, and media training undertaken. Such a change could not simply be foisted on parties, but would require consent.

(Gibson and Rommele, 2001: 35)

Considering a party-centered theory of campaign professionalization, we test Gibson and Rommele's fundamental assertion that political parties 'consent' to the use of campaign professionals outside the political party organization. Most of the studies cited above that attack consultants assume that if political parties had a choice they would prefer that candidates use campaign services provided by their organizations rather than by outside vendors. We argue that political parties structure their relationship with political consultants so that the consultants are performing campaign tasks in a manner perfectly compatible with political party goals.¹ In this study, we investigate the extent to which political parties *choose* to have political consultants perform tasks for candidates that parties once did themselves, thus successfully adapting to the 'telecommunications revolution' (Farrell, 1996).²

Scenarios for Political Party Approaches Toward Consultants in Congressional Elections

Our current understanding of parties, campaigning and political consultants includes several agreed upon trends:

- that technology (e.g. television, computers) has changed the primary means of attracting voter attention to campaigns
- that candidates rely more on personally assembled campaign organizations than in the past
- that political parties have less control than they once had over the selection of candidates
- that modern campaign communications technologies cost more than traditional campaign methods
- that political parties have learned to raise funds to pay for these campaign technologies more efficiently than candidates themselves have (due in part to campaign finance regulations)
- that competitive candidates for Congress receive more of their campaign services from political consultants in private firms than from political party organizations.

Where scholars differ is in their interpretation of the meaning of these trends.

Herrnson (1988) argues that the role of political parties has become that of 'party-as-intermediary' between candidates and the resources they require. Menefee-Libey (2000) asserts that political parties 'accommodate' the current nature of candidate-centered politics rather than try to reassert any lost authority. Both Herrnson and Menefee-Libey interpret the political parties' increased attention to contemporary campaign technologies (and the individuals or firms who provide them) as a sign of party weakness. We argue that from the political party's perspective, changes in the role of political parties in the delivery of campaign services do not give *prima facie* evidence of party decline or weakness. Neither, however, do recent increases in the amounts of soft money raised by the parties demonstrate resurgence or party strength. Rather, political parties have adapted their tactics to continue to achieve control of the institutions of government.

How Post-Modern Campaigning Exceeds Party Institutional Capacity

Historically, we expect that changes in the campaign environment will lead to changes in party campaign tactics. However, our normal expectation is that such changes will only occur within the party organization's traditional structure. One observer of consultant use in Great Britain argues that changes in the traditional party organizational structure sound a warning bell about the health of parties to most observers (Wring, 2000). The idea that the party structure is not used to serve electoral needs on its own unnerves some. For this reason, party use of political consultants appears worrisome. Does the presence of consultants necessarily signal political parties' inability to cope with contemporary campaign demands (as Sabato [1981] would argue)? Or does the presence of consultants signal a change in party strategy from a model of full-service campaign service station to one of market segmentation, downsizing and subcontracting? Our alternative scenario finds change in internal party arrangements to be a sign neither of party weakness nor strength, but merely an admission that traditional party structures are inadequate to maintain a truly viable electoral position.

Political Consultants versus Political Party Staff

The reason many assume that political consultants have a detrimental effect on political parties is because of a concern that if candidates have individual relationships with consultants the need for political parties will evaporate. Repeated references to the candidate-centered US political environment in both popular and academic literature further confirm this

notion. If candidates rely on consultants hired by the campaign directly, then candidates would have little use for more general party advice, themes or strategy. Thus, parties and consultants are characterized as adversaries working toward different goals.³ We contend, however, that the two are really allies where political consultants do not work against the goals of the party, but in fact reinforce them (Kolodny and Logan, 1998). In the allied view, political consultants may be more properly viewed as part of the party 'network'; that is, as party-connected actors who are surrogates for the larger permanent staffs that the parties once had.

There is precedent for viewing political consultants as part of a party network, as Mildred Schwartz makes this case in her 1990 study of the Illinois Republican party. Schwartz (1990) puts consultants under the category of 'advisor' in her analysis and explains that advisors 'are persons regularly consulted by their clients, but not necessarily paid for their advice' adding that '[w]hether paid or not, the road to becoming an advisor is often prior service in government, where contacts are established and reputations acquired that may then be converted into an advising service' (pp. 39–40). As part of her analysis of the party network, Schwartz measures the centrality of each unit associated with the party under study, or how frequently a particular component of the network is called upon by other entities in the network. Schwartz concludes that advisors are the third most central component of the party network (out of 23 components which include mostly party officials and elected office-holders) behind only financial contributors and interest groups in the number of contacts they had with other components of the party (1990: 55). Schwartz concludes her study by stating that she finds no evidence of party decline due to the influence of the unofficial wing of the party, of which advisors are a significant part. She does not agree that 'party has been superseded just because candidates make direct contacts with the unofficial wing' (p. 261).

Evidence of a Party–Consultant Partnership

Where is there empirical evidence for the assertion that consultants can improve the political parties' chances of attaining their goals? To date, there have only been opinion surveys of political consultants and the executive directors of state political parties.⁴ While opinion surveys are helpful, the observed behavior of parties gives us a more vivid picture of this phenomenon. We investigate how parties spend the money they have allocated for individual competitive races as a way to ascertain the importance parties place on various campaign tasks and who should provide them. Specifically, we investigate political party use of consultants for candidate needs in the 1998 and 2000 election cycles through Federal Election Commission (FEC) records of payments from political party coordinated expenditures.

Types of Party Spending

In the 1998 and 2000 election cycles, political parties had four ways to spend money in congressional races: direct contributions, coordinated expenditures, independent expenditures and soft money spending. The first two types of spending are a result of the 1971 Federal Election Campaign Act (FECA) and its Amendments in 1974; the latter are the result of court cases and FEC administrative rulings. Direct contributions are donated directly to the campaign and can be given by parties, individuals and political action committees (PACs). Coordinated expenditures (also known as 441a(d) funds from the section of the FECA law) are monies spent by the political parties on behalf of their candidates *with* the candidates' knowledge and consent. For races in the US House of Representatives, the formula for calculating the allowable amount of coordinated expenditures is \$10,000 multiplied by the consumer price index (CPI), a measure of inflation. In 1998, the amount of allowable coordinated expenditures in the House was \$32,550 and in 2000 it was \$33,780.⁵ For senatorial campaigns, the coordinated expenditure limits are calculated by population.⁶ The 1981 Supreme Court decision in *Federal Election Commission v. Democratic Senatorial Campaign Committee* allowed national party committees and state party committees to enter into 'agency agreements' giving the congressional campaign committees (CCCs) the ability to spend both the state party's and national party's share of coordinated expenditures, effectively doubling the amounts affected by the limits (for the House this figure was \$65,100 in 1998 and \$67,560 in 2000).

Though campaign finance law defines independent expenditures as spending carried out only by individuals or political action committees (PACs) *without* the candidate's knowledge and consent (the definition of independence), political parties won the right to spend in this way from the Supreme Court. In *Colorado Republican Federal Campaign Committee v. Federal Election Commission* (1996), the court found that it is possible for political parties to spend in a way that does not benefit a particular candidate, but rather the party as a whole. Though independent expenditures use hard dollars and must be fully disclosed, they are not limited as coordinated expenditures are. The National Republican Senatorial Committee and the Republican state and local party committees experimented with significant independent spending in 1996; the parties largely abandoned it in 1998, but the Democratic Congressional Campaign Committee gave it another try in 2000.

The final way parties could spend to help candidates was through issue advocacy campaigns financed with soft money. Though soft money is intended to support party-building initiatives, it has been used since the 1996 election to conduct issue advocacy campaigns that are actually intended to support the election or defeat of individual candidates rather than promotion of the party overall (Magleby, 2000). However, we do not

have systematic data available at this time to account for how soft money was spent on issue advocacy campaigns because the money was often transferred to state parties and reported according to their various, and sometimes lenient, requirements.

What Party Coordinated Expenditures Tell Us

Coordinated expenditures are spent by a party on behalf of a candidate with that candidate's knowledge and consent, with priority logically given to competitive races (Glasgow, 2000). The coordinated modifier means that the party and candidate consulted on what was the best use for the money, although the party has ultimate control over the resources. Herrnson (2000) explains that coordinated expenditures 'typically are for campaign services that a Hill committee or some other party organization gives to a candidate or purchases from a political consultant on the candidate's behalf . . . [and] often take the form of polls, TV commercials, radio advertisements, fundraising events, direct-mail solicitations or issue research' (p. 93).

Beyond Herrnson's brief statement, little else has been documented about how the coordinated expenditure money has been spent. Normally, coordinated expenditures have been seen as a way for the party to help a candidate 'pay the bills', furthering the idea that candidates are in the driver's seat and parties are just another source of campaign money. In the next section, we explore in detail how coordinated expenditures were spent in the 1998 and 2000 election campaigns for the US House and Senate to answer the following questions: how do political party outlays for political consultants compare with other coordinated spending? What types of services are the parties likely to spend their money on for candidates? And, what does this tell us about the role of parties in elections?

Data and Methods

We compiled comprehensive data for the 1998 and 2000 congressional elections through several sources. We first examined every individual payment made by the national political party committees⁷ and the federal campaign committees of the state parties in coordinated expenditures in the 1997-98 and 1999-2000 election cycles. These data are available from the Federal Election Commission, though they are not summarized for each individual candidate (i.e. the FEC provides each report filed by the candidate or party and summary tables that aggregate *all* coordinated monies over the course of the election cycle). We tracked each individual payment by date, amount, payee, candidate on whose behalf the payment was made and broad definition of the purpose of the payment. We coded each of these by the broad functions of campaign expenditures, such as polling, television and radio advertising, fundraising events, direct mail and opposition research.

Party Money Spent on Congressional Elections

Candidates for both the US House and US Senate spent a total of \$740 million in the 1998 election cycle and \$1.005 billion in the 2000 cycle.⁸ The political parties' outlay for coordinated expenditures was \$29.9 million in 1998 and \$23.3 million in 2000. Though these amounts may seem trivial in comparison to the candidates' expenditures, the total sums are misleading for at least three reasons. First, one must remember that there are limits on the amount of coordinated money that parties can spend in a particular race. Second, coordinated expenditures do not include the whole of party money spent – an additional \$220 million was spent in unlimited soft money expenditures in 1998 (the 2000 figure of \$498 million includes the presidential race and is less precise than the 1998 figure for congressional election purposes).⁹ Finally, party spending in general, and coordinated expenditures in particular, are concentrated in the most competitive races, whereas \$740 million and \$1.005 billion figures include spending by candidates whose election results are almost never in question (they are headed for either certain victory or certain defeat).

In 1998, 37 candidates for the US Senate were targets for coordinated spending from their party (18 Democrats and 19 Republicans). However, in House races 145 Republicans and 262 Democrats found party coordinated money coming to their campaigns. In the 2000 cycle, 31 Senate candidates (14 Democrats and 17 Republicans) benefited from party coordinated spending, while 265 Democrats but only 65 Republicans in House campaigns were like beneficiaries. One reason for the high number of House candidates benefiting from coordinated expenditures is because nearly every Democratic incumbent received a nominal (\$200 to \$500) contribution from the party for party-sponsored fundraising or research in 1998 and 2000. As will be discussed below, the Democratic Party's spending habits in House races, specifically the Democratic Congressional Campaign Committee (DCCC), are a bit out of step with the other party committees. With these caveats, the data on party coordinated expenditures is quite enlightening. Table 1 gives the total amount of coordinated expenditures broken down by party and chamber. The coding of the expenditures includes three categories: amount spent on consultants, amount spent on activities provided by the parties themselves,¹⁰ and amount spent on all other outlays (including all miscellaneous payments directly to vendors such as caterers, delivery services and travel expenses for overhead expenses). In the 1998 cycle, 90.1 percent of coordinated expenditures were paid to political consultants; this increased to 93.7 percent in 2000. Significantly, there is almost no difference in spending on consultants by political party, as Democrats spent 88.7 percent and 89.1 percent of their total coordinated outlays on consultants in 1998 and 2000, respectively, while Republicans spent 91.5 percent of their total coordinated outlays on outside professional consultants in 1998 and 95.8 percent in 2000. The absolute amount of

Table 1. Coordinated expenditures by party and chamber, 1998 and 2000

	Sum total of party coordinated expenditures		Total democratic expenditures (House and Senate combined)		Total Republican expenditures (House and Senate combined)		Total House expenditures (Democrat and Republican combined)		Total Senate expenditures (Democrat and Republican combined)	
	1998	2000	1998	2000	1998	2000	1998	2000	1998	2000
Total dollars	\$29,916,555	\$23,321,029	\$14,876,860	\$7,200,810	\$15,039,695	\$16,120,219	\$9,498,781	\$7,395,298	\$20,417,774	\$15,925,730
Amount spent on political consultants	90.1%	93.7%	88.7%	89.1%	91.5%	95.8%	77.4%	92.3%	96.0%	94.4%
Amount spent for party provided campaign activities	3.5%	1.5%	7.1%	4.7%	0.0%	0.0%	11.2%	4.6%	0.0%	0.0%
Amount spent on all other outlays	6.3%	4.8%	4.1%	6.2%	8.5%	4.2%	11.4%	3.1%	4.0%	5.6%

Some columns may not add to 100% due to rounding.

Democratic outlays declined significantly in 2000, illustrating an overall drop in their coordinated spending.¹¹ Nevertheless, the proportion of spending that went to consultants rose, attesting to the desire of parties to continue to purchase services from consultants.

There is a greater difference in how party money was spent by chamber, with just under one-third of the total coordinated monies being spent on House elections and two-thirds on Senate elections in both cycles, attesting to both the more competitive and the more expensive nature of Senate elections compared to House races. Of the House expenditures, 77.4 percent were spent on consultants in 1998 compared with 92.3 percent in 2000. The reason for this difference is the 11.2 percent of House expenditures spent by the DCCC on in-house activities for candidates in 1998. In other words, the DCCC counted in-kind goods and services they provided for their candidates as coordinated expenditures. This number declined to only 4.6 percent in 2000. More important, however, is the fact that none of the other five party committees spent funds in this manner, although all these committees had done so in the past. The DCCC was clearly an outlier in both the 1998 and 2000 cycles, continuing to provide core services (in media advertisement production, research and fundraising) themselves. By 2000, the DCCC provided minimal services, a trend we expect to continue to move downward in 2002. Significantly, no party-provided services are found in the Senate coordinated expenditures. Instead, 96 percent of Senate expenditures were paid to consultants in 1998, declining modestly to 94.4 percent in 2000.

What is Coordinated Expenditure Money Spent On?

Table 2 shows the distribution of coordinated money by expenditure type (which includes five categories for this analysis: media advertising, polling, fundraising, other direct campaigning activity (which includes phone banks, direct mail production, get-out-the-vote efforts and opposition research), and overheads). Virtually all of the money spent by parties was spent on advertising or campaign activities that include mail, opposition research and voter contact. Less than 5 percent of the party money was spent on polling, overheads and fundraising. One explanation for this expenditure pattern is in the timing of the party spending. The bulk of the party expenditures were made in the last two months of the election cycle; during 1998, 77.8 percent of all coordinated expenditures came on or after 1 September, while 80.9 percent of coordinated expenditures were made after 1 September during the 2000 cycle. Table 3 gives the timing of coordinated expenditures by date.

Because parties usually wait to see how viable candidates are before they invest in specific campaigns, individual campaigns are expected to conduct their own fundraising operations and pay for their own overheads for most of the campaign (which are somewhat fixed expenses), while the big

Table 2. Coordinated expenditures by purpose and consultant use, 1998 and 2000

<i>Campaign Activity</i>	<i>Total coordinated dollars spent</i>		<i>Total dollars paid to consultants</i>		<i>Percent of total dollars going to consultants</i>	
	1998	2000	1998	2000	1998	2000
Total dollars	\$29,916,555	\$23,321,029	\$26,958,051	\$21,857,803	90.1%	93.7%
All advertising	72.7%	69.4%	75.8%	72.8%	68.3%	68.3%
Campaign activity	23.2%	22.5%	20.9%	22.3%	18.8%	20.9%
Polling	3.0%	3.9%	3.3%	4.2%	3.0%	3.9%
Overhead	1.0%	2.4%	0.0%	0.0%	0.1%	0.0%
Fundraising	0.1%	1.7%	0.0%	0.6%	0.1%	0.6%

Some columns may not add to 100% due to rounding.

Table 3. Timing of coordinated expenditures, 1998 and 2000

	<i>Percentage of coordinated expenditures made before:</i>			
	<i>1 August</i>	<i>1 September</i>	<i>1 October</i>	<i>1 November</i>
1998	16.4%	22.2%	36.8%	80.7%
2000	12.2%	19.1%	41.5%	86.7%

expenses associated with voter outreach (such as television advertisements and direct mail) come at the very end of the campaign cycle, close to election day. Moreover, since the party committees say that they are interested in investing in only the most competitive races (Herrnson, 1988), such spending at the last moment on the most determinative expenses is logical. This explanation also accounts for the small amount of money spent on polling. While we know that political parties have preferred pollsters whom they expect their candidates will hire (Luntz, 1988) they apparently are not paying for their services out of their coordinated expenditure funds. Also, polling information can be shared between parties and candidates at early points in the process without having the cost count against coordinated expenditure limits.¹²

Of the remaining coordinated expenditures, the trends are similar in both cycles, with 72.7 percent and 69.4 percent spent on advertising in 1998 and 2000, respectively, and 23.2 percent and 22.5 percent spent on all other direct campaign and voter contact activities in 1998 and 2000. The portion spent on advertising includes the cost of broadcast time, explaining its large number relative to other expenditures. Likewise, expenditures for direct

mail often (but not always) include production costs and postage. Table 4 indicates how money devoted to the different services paid for with coordinated money was allocated. Political consultants received almost 94 percent of all advertising expenditures in 1998, rising to an astonishing 98.3 percent in 2000. Almost 81 percent of all other expenditures for direct mail, phone banks, get-out-the-vote and research went to consultants in 1998, rising to 92.9 percent in 2000. It is impossible to know from these figures just how much of this money went to political consultants as compensation for their services, and how much was passed through them to pay for broadcast time for TV and radio advertisements or postage and production in the case of direct mail; in both cases these are significant costs to consider (see, for example, Alliance for Better Campaigns (2001) on television costs and Pearson (1997) or Halbfinger (2000) on direct mail expenses). The issue of consultants' profits is outside the scope of this study, however. We are interested in whether political parties consent to the use of consultants to provide services to candidates. Our data reveal that consultants are the primary means through which parties provide campaign products to assist their candidates in competitive races. Along the way, we have discovered that consultants have become the prime contractors for both parties and candidates for campaign services and products, hiring subcontractors (such as buyers for media time and printers for direct mail) for the parties' and candidates' indirect use.

Implications and Conclusions

We have begun to assess the role of political consultants in the work of political parties. Rather than seeing the proliferation of consultants as a sign of party decline, we argue that their presence is actually a next step in party evolution. If political parties are meant to contest elections with the hope of gaining power (by winning office), then the parties must help their candidates remain electorally viable in whatever way they can. We believe this is further evidence of a political party adaptation to increasingly specialized campaign needs. If the contemporary campaign environment is so segmented that consultants become the subcontractors of campaign services, then consultant use by parties and candidates is a rational response to this market segmentation. It seems that maintaining niche specialists is what the party does to retain its efficiency in achieving its immediate electoral goals of winning control of governmental institutions.

By tracking coordinated spending as we have, one can plainly see that payments to consultants by the parties are not simply at the behest of an individual candidate (or consultant for that matter), but a wholesale policy shift by political parties. Even at the DCCC, which still modestly used some in-kind services to assist its candidates (that they provided from their own organization) in the late 1990s, the transition toward hiring political

Table 4. Coordinated expenditures for US House and Senate campaigns by purpose and vendor type, 1998 and 2000

	All advertising		Campaign activity (research, direct mail, telemarketing)		Polling		Overheads (including rents, travel, and salaries)		Fundraising expenses (including all overheads for fundraising)	
	1998	2000	1998	2000	1998	2000	1998	2000	1998	2000
Total dollars	\$21,740,846	\$16,193,527	\$6,943,074	\$5,239,836	\$900,679	\$915,128	\$248,637	\$559,417	\$83,319	\$393,101
Amount spent on consultants	93.9%	98.3%	80.9%	92.9%	100%	100%	2.1%	0.0%	4.8%	34.4%
Amount spent for party provided activities	3.7% ¹	1.7% ²	3.1% ³	0.5% ⁴	0.0%	0.0%	0.0%	0.0%	60.4% ⁵	11.7% ⁶
Amount spent on all other vendors	2.4%	0.01%	15.9%	6.6%	0.0%	0.0%	97.9%	100%	34.9%	53.9%

Some columns may not add to 100% due to rounding.

¹This number is entirely for DCCC in-house media services (mostly the use of their in-house production facility). Thus it applies only for Democrats in the House of Representatives.

²This number is entirely for DCCC in-house media services (mostly the use of their in-house production facility). Thus it applies only for Democrats in the House of Representatives.

³This number is entirely for DCCC in-house research services. As above, this number applies only to Democrats in the House of Representatives.

⁴This number is entirely for DCCC in-house research services. As above, this number applies only to Democrats in the House of Representatives.

⁵This number is entirely for DCCC in-house fundraising services. It applies as in the two previous notes.

⁶This number is entirely for DCCC in-house fundraising services. It applies as in the two previous notes.

consultants became nearly complete by 2000. Our analysis also reveals which campaign products the parties agree their candidates need. In turn, the choice of services virtually demands that specialist consultants already attached to the campaign be given additional resources (which is how these funds are typically spent) rather than separate services conducted directly by the party (or its own consultants). Our discovery that 70 percent of party coordinated expenditures goes to broadcast media needs for candidates underscores the importance parties place on resources that might make the difference at the end of a competitive race. The remaining allotment of expenditures, direct mail and phone banks, are also conducted more efficiently by consultants dedicated to these tasks. Hence, political parties making payments to political consultants is an appropriate adaptive response to contemporary campaign needs.

If a complete accounting of soft money issue advocacy spending were available, we are confident that it would show the same level of payments to political consultants. In interviews with party officials after the 2000 elections and in press reports, the parties stated clearly that they use consultants for all their issue advocacy work. For example, the *New York Times* reported, 'in 1996, consultants for the Clinton-Gore campaign and the Dole-Kemp campaign also created their parties' issue advertisements' (Van Natta and Broder, 2000: 10).

Furthermore, using consultants helped parties avoid any charges of 'coordination' between their issue advocacy work and the campaigns of candidates those advertisements were intended to help. In 2000, the DCCC signed an exclusive contract with one media advertising production consultant and two media-buying firms to conduct issue advocacy advertisements for them. One stipulation of the contract was that those firms could not have any Democratic candidates for the US House of Representatives as their other clients. The NRCC, DSCC and NRSC divided hard and soft money work among different consultants to avoid any appearance of coordination by region – i.e. those doing issue advocacy work in the South could not take hard money candidates there, but could in the Midwest for example. The exclusive reliance on a handful of consultants for party issue advocacy work led candidates and the media to charge that the advertisements were too uniform or 'cookie cutter' in appearance and thus had minimal positive effect. We should not be surprised to hear such charges given that the parties turned over their soft money initiatives to firms entirely outside the candidate campaigns and, for reasons of coordination, made absolutely no effort to deliver these services themselves.

The parties' near-exclusive reliance on consultants for their hard and soft money strategies might still lead some to conclude that the parties are surely dead. However, our interpretation of this behavior centers on the parties' new emphasis on competitive elections (rather than a broader approach toward uniform assistance in all elections) and their vastly improved capacity to identify competitive races early in the cycle. It was not easy for

parties to admit that campaign services provided by consultants outside the formal party organization are most beneficial to candidates, but once they did jettison campaign service provision functions, the parties became much more proficient at their other functions – candidate recruitment, fundraising and managing support for their most competitive candidates (i.e. encouraging the PAC community and incumbent members of Congress in non-competitive races to donate to candidates who could benefit most). Relying on party-loyal consultants allows parties to subcontract many services that were provided inefficiently by the parties.

The passage of the Bipartisan Campaign Reform Act of 2002 (BCRA) will end soft money raising and spending that has occupied most of the parties' efforts in the 1998 and 2000 election cycles. However, we do not predict that the parties will return to in-house service provision in the 2004 cycle. Instead, we believe parties will rely on consultants even more because consultants are private business entities whose activities (especially regarding soft money raising and spending) are not subject to scrutiny by the Federal Election Commission. We can imagine a scenario where parties become employment brokers between consultants, state parties, interest groups and candidates. While on the surface the parties might 'look dead' after BCRA, we predict they will continue to adapt successfully as the party-centered theory of campaigning predicts.

Notes

We express our gratitude to James A. Thurber and Candice J. Nelson at the American University's Center for Congressional and Presidential Studies for their support of our research through their 'Improving Campaign Conduct' project, which is partially funded by a grant from the Pew Charitable Trusts. Kolodny acknowledges that much of this work was completed during a sabbatical funded by Temple University's Research and Study Leave program.

- 1 Here, we deal exclusively with congressional elections because the individual-centered nature of presidential elections makes the candidate-consultant-party relationship *sui generis*. That is, we expect that the presidential nominee's campaign team will become non-competitive partners with the party's national committee staff for the general election season (Tenpas, 2000; Witcover, 2001). However, with roughly 940 potential general election candidates for the US House and Senate every 2 years, we cannot expect that one set of campaign professionals will emerge across all campaigns.
- 2 Farrell (1996) says the telecommunications revolution includes the use of television in campaigns, but also computers and cable and satellite broadcasting. The telecommunications era differs from previous ones because it calls for decentralization of operations, market segmentation, targeting, demassification (as opposed to campaign homogeneity) and narrowcasting (p. 176).
- 3 For more on what these differing goals may be, see Dulio (2004).
- 4 In 1998, a survey of US state party executive directors was conducted to ascertain

their approach to political consultants. The parties said that they routinely hired consultants themselves for some specialized functions (such as direct mail design and delivery and polling) and also recommended that candidates use consultants for additional functions they could not provide (such as media advertisement development and placement). However, they still found themselves best at providing grassroots organization, local information about the political landscape and mores, voter mobilization and fundraising. For the most part, consultants concurred in this assessment of their strengths and weaknesses. These survey data were accompanied by open-ended comments on the party-consultant relationship that included one state party executive director referring to consultants explicitly as subcontractors. In addition, the emphasis on valued consultants by parties was on those who 'produced' something tangible that the parties found hard to do cheaply or efficiently. Such products include public opinion polls, direct mail pieces and media advertisements. See Kolodny 2000.

- 5 The FEC calculates these amounts each election cycle. For 1998, see www.fec.gov/press/441ad.htm. For 2000, see www.fec.gov/press/441ad2000.htm.
- 6 The range of amounts in 1998 was \$130,200 to \$3,035,874. In 2000, the range was \$135,120 to \$3,272,876. See note 5.
- 7 They are: Democratic National Committee (DNC); Democratic Senatorial Campaign Committee (DSCC); Democratic Congressional Campaign Committee (DCCC); Republican National Committee (RNC); National Republican Senatorial Committee (NRSC); and National Republican Congressional Committee (NRCC).
- 8 FEC, 'FEC REPORTS ON CONGRESSIONAL FINANCIAL ACTIVITY FOR 2000', news release, 15 May 2001; <http://www.fec.gov/press/051501congfinact/051501congfinact.html>
- 9 FEC, 'FEC REPORTS INCREASE IN PARTY FUNDRAISING FOR 2000', news release, 15 May 2001; <http://www.fec.gov/press/051501partyfund/tables/nonfedsumm2000.html>
- 10 This line is comprised entirely of services the DCCC provided for Democratic candidates to the US House of Representatives. In other words, no other party committee was paid for services they provided in a coordinated capacity.
- 11 In 2000, Democrats chose to use their hard money in conjunction with soft money for issue advertisement spending rather than use it for coordinated expenditures.
- 12 In the case of survey research, parties can give candidates the data from a poll free of charge if the poll is more than 180 days old, for 5 percent of the poll's costs if they received it between 61 and 180 days after it had been conducted, and for 50 percent of the poll's cost if they received it between 16 and 60 days after it was done. If the candidate receives the results of the poll within 15 days of completion they are charged 100 percent of the cost. All payment schedules were mandated by the FEC - Code of Federal Regulations, section 106.4 'Allocation of polling expenses'.

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Paper submitted 11 July 2002; accepted for publication 12 October 2002.