

# SMALL DONOR DEMOCRACY

Fighting Big Money with  
People-Powered Elections

**INCLUSIVE  
DEMOCRACY  
AGENDA**

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*“Just as civic norms encourage all citizens to vote, a key goal of campaign finance should be to encourage everyone to make a financial contribution to a political candidate or a cause of his or her choice. The bulk of campaign funds should come from a broader cross-section of the population.”*

– Spencer Overton, “The Participation Interest”<sup>1</sup>



## The Problem

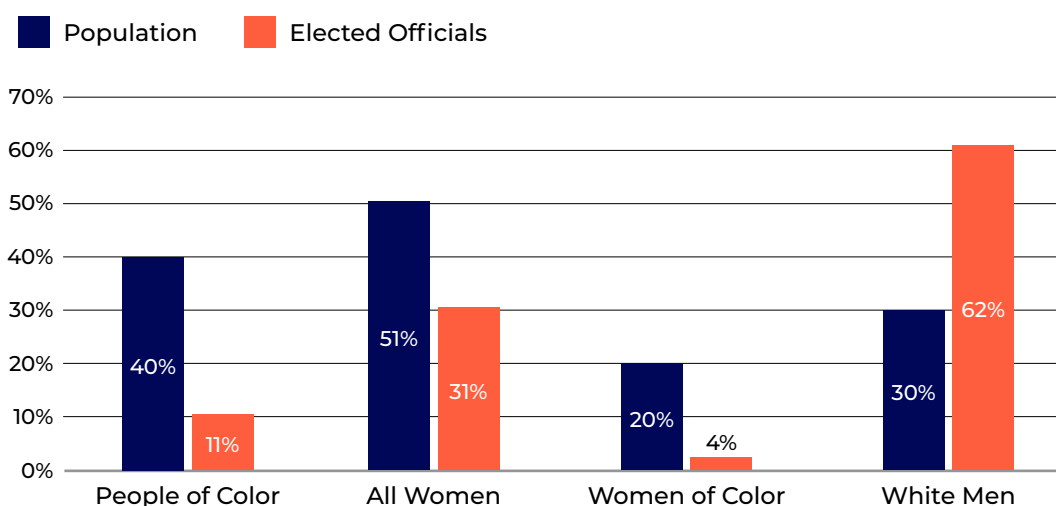
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Everyone, regardless of their race, income, or gender, deserves to have a voice in our political system and a say in how our government runs. Our democracy is strongest when a broad and representative swath of people participates in various stages of the political process, from voting for and holding elected officials accountable to helping determine who runs for and wins elected office in the first place by donating to candidates, electoral organizations, or issue campaigns that inspire them.

However, as Americans understand all too well today, the strength of a person's voice in our society is often determined not by the power of our ideas but by the size of our wallets. Small contributions from individuals to candidates and causes are a core element of a thriving democracy, but a series of Supreme Court decisions over the last 5 decades has allowed unlimited spending in political campaigns.<sup>2</sup> Today, wealthy individuals and interests translate their economic might into political power at all levels of our government, practically nullifying the interests and influence of ordinary Americans who may only be able to contribute small sums to a campaign. This system of unlimited big money in politics prioritizes the voices and demands of a wealthy, overwhelmingly white, and disproportionately male donor class over those of everyday people, especially communities of color,<sup>3</sup> resulting in policies that do not reflect the needs of the majority of Americans.<sup>4</sup>

In addition to distorting policy in favor of corporations and the wealthy, big money in politics is a barrier to entry that keeps many qualified candidates—especially candidates of color, women, and people from working-class backgrounds—off the ballot and out of office.<sup>5</sup> Because running for office is so expensive, would-be candidates who are not independently wealthy and do not have access to wealthy networks—and who are not willing to change their policy perspectives to chase large donations—find it exceedingly difficult to mount competitive campaigns and win elected office. As a result, even though people of color make up nearly 40 percent of our population, they are only 11 percent of our elected leaders; 89 percent of elected officials from the county level up are white. Even though women make up 51 percent of our country, 69 percent of our elected officials are men.<sup>6</sup> Even more striking, while white men make up only 30 percent of the population, they make up 62 percent of elected officials, while women of color, who make up 20 percent of our population, are a mere 4 percent of elected officials.<sup>7</sup>

## Disparities in Elected Officials



Unfortunately, the Supreme Court has imposed real limits on how we can address big money in politics. Based on a deeply flawed analysis of the problem, the Court views the prevention of *quid pro quo* corruption—actual bribery, in which campaign money is exchanged for official action—as the only valid purpose of campaign finance reform, and it has declared out of bounds any concern about the rampant

political and racial inequality our big-money system fosters.<sup>8</sup> And because the Supreme Court equates money with speech, and therefore sees limits on political spending as violations of the First Amendment, immediately viable strategies for reining in the amount of big money flowing into elections are limited.

Regardless of whether money equals speech, we know that in our society it equals power. So, while the Supreme Court has made it difficult to curb the power of the wealthy, we can focus on policies that help working Americans build power by amplifying their small political contributions and banding together to exercise a collective voice. Doing so promotes core democratic values such as freedom of association, among small donors themselves and with candidates they support.<sup>9</sup>

Providing public financing for elections programs that encourage and amplify the voices of small donors is the most promising strategy available to us for addressing the distorting influence of mega-donors on our elections and policy, as well as for making our democracy more representative and responsive. Yet even these programs are under attack by rich donors and corporate interests who seek to undermine any system designed to shift power from them to ordinary citizens.<sup>10</sup> And, since the courts have made clear that advancing political equality is not a legitimate government interest and preventing *quid pro quo* corruption is the only valid purpose of campaign finance reform<sup>11</sup>, the allowable legal arguments for defending these critical programs are significantly constrained.

Further complicating things, over time federal statute has mistakenly conflated grassroots organizing that boosts everyday people's voices (and power)—such as that done by labor unions and other membership organizations like the Sierra Club or Planned Parenthood Action Fund—with large contributions or spending from wealthy individuals and spending by interests like multinational corporations.<sup>12</sup> Corporations, we all know, are not people.<sup>13</sup> Unlike people, for-profit corporations' principal—often their sole—motivation is profit, and they are rarely accountable to their workers or to the people who suffer the adverse economic, health, and social impacts of their activities. Anyone who has seen oil companies fight to avoid paying for cleanup after an oil spill, or watched big banks use stimulus money to engage in stock buy-backs during a crippling recession, knows that for-profit corporations pursue their own economic interests in ways that often conflict with the public interest. They are purely economic entities that do not “represent” any constituency for political purposes, and thus have no legitimate role to play in the political process.

Labor unions and groups that mobilize people (often organized as non-profit corporations), on the other hand, are motivated by the well-being of their members, and

they are accountable to the interests and priorities of those people. Yet the treatment of these broad-based, people-powered organizations, unions, and non-profit corporations in campaign finance rules does not reflect these dramatically different roles in our elections, our democracy, and our society overall.

For example, federal campaign finance laws rightfully allow democratic entities like unions, as well as other membership organizations, to establish connected Political Action Committees (PACs), through which they can engage in political spending that reflects the priorities of their broad bases.<sup>14</sup> However, the laws also allow for-profit corporations, which have no legitimate claim to electoral participation, to operate such PACs, and corporations do so to spend billions to influence our elections; in 2018, business interests dominated campaign spending, enjoying a significant advantage over organized labor.<sup>15</sup> Making matters worse, unions are actually held to *higher* standards for disclosure and accountability, thanks to a complex regime of labor laws to which for-profit corporations are not subject.<sup>16</sup> Further, while unions are required to refund non-members (who nonetheless benefit from union contracts) the portion of their fees spent on political activities—and in some cases even seek prior approval before using fees on political spending—corporations do not have to get consent from shareholders before engaging in political activity and need not inform their shareholders how they are spending money in politics.<sup>17</sup>

All of this has led to an uphill battle for reformers, yet in an effort to enact reforms that will survive the Court's review, many proposed solutions to the problem of big money in politics have focused on the same limited "anti-corruption" framework. In framing solutions to big money in politics in the terms set forth by the opposition instead of our own values of political equality and racial and economic justice, pro-democracy advocates and organizers have at times tied our own hands and limited the possibilities for reform. We have also failed to sufficiently interrogate the conflation of labor and other membership groups with for-profit corporations in the rules that govern electoral activity, leaving unchallenged the idea that for-profit companies have any rightful role to play in our political system.

Treating the millions of people who come together to make their collective voices heard through membership organizations or unions the same as—or holding them to higher standards than—millionaire or billionaire executives severely undermines the principle of "one person, one vote," and disadvantages the vast majority of Americans who are not wealthy. It also undermines the ability of membership organizations to play the key democratic role they are meant to play in our society: mobilizing, aggregating, and amplifying the voices and power of thousands or millions of Americans to move us closer to a society that works for all of us, not just the wealthy few.



## The Solution: Small-Donor Democracy

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**End the conflation of democratic entities like labor unions and other membership groups with profit-driven corporations in campaign finance law, and explore the potential for disallowing for-profit corporations from establishing connected PACs through which they spend immense sums to influence elections.**

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**Adjust how we regulate labor unions and other membership groups' efforts to organize small donors, by relaxing limitations placed on online solicitations from these types of groups, while closing loopholes that allow for abuses of the campaign finance system by big-money special interests.**

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**When designing matching systems for small-donor public financing for elections programs, match contributions to candidates mobilized through membership and other grassroots groups.**

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**Establish small-donor PACs, which may only accept small-dollar contributions but are permitted to give larger contributions to candidates or parties, and allow publicly-financed candidates to accept contributions from these entities, even as they are not allowed to accept contributions from traditional PACs.**

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There are 2 major solutions to the current undue and distorting influence of big money in our political system: “lowering the ceiling” by limiting large contributions from big donors, and “raising the floor” by amplifying the voices of small donors. The former would reduce the amount of big money flooding our political system, an idea most Americans support,<sup>18</sup> and diminish the outsize power enjoyed by the wealthy, white, mostly male donor class that fuels our elections.<sup>19</sup> However, it is a strategy that presents significant challenges in the short term, as it requires either a constitutional amendment overturning several disastrous Supreme Court decisions<sup>20</sup> or a new Supreme Court that would transform the current Court’s flawed approach.

The ideas we present here are about raising the floor—empowering small donors to counteract the dominance of big donors and corporate interests in our political system—which we can do today without any change to the Constitution or the Court. Not only will raising the floor do more than any other reform currently possible to



democratize the influence of money in our political system, it will also bring more diverse voices—including those of people of color, low-income people, women, and young people—into that system, both as donors and as successful candidates.

The most robust and established way to empower small donors to take their rightful role in our elections is through small-donor public financing for elections. Such programs, which have caught fire across the country,<sup>21</sup> do more than practically anything else to put the *demos*—the people—back into our democracy and to reverse the dynamic in which wealthy donors' voices count more than everyday people's. Small-donor public financing programs diversify the pool of people fueling our elections, elevate the voices of ordinary people who cannot afford to make large campaign contributions, make it possible for a more diverse set of candidates to run for and win elected office, and prompt the adoption of policies that are more aligned with the public's preferences.<sup>22</sup>

As just one example, New York City has been operating a small-donor public financing program since the late 1980s, while New York State has never had a similar program. An analysis that compared campaign contributions in city council races in New York City with contributions to New York State state assembly races in the same locations found far greater small-donor participation from neighborhoods of color for city than state races. Specifically, 24 times more small donors from the predominately Black neighborhood of Bedford-Stuyvesant, 23 times more from Chinatown, and 12 times more from the heavily Latinx neighborhoods of Upper Manhattan and the Bronx gave money to candidates for the city council than for the state assembly.<sup>23</sup> This is likely the result of candidates reaching out to donors they would otherwise ignore, because the matching program makes it worth the time and effort.

Programs can take the form of grants that provide qualified candidates with a lump sum; matching funds that increase the value of a small contribution; or vouchers, refunds, or tax credits that provide individuals with resources to contribute as they see fit.<sup>24</sup> Each type of program helps promote political equality by building the power of small donors, who are more representative of the public overall in terms of race and ethnicity, socioeconomic status, and gender. Demos has worked for years to promote small-donor public financing at the local, state, and federal level. Currently, the leading federal proposal is a matching program with a voucher pilot contained in the For the People Act (H.R.1/S.1), which Demos enthusiastically supports.

There is more we can do than promote small-donor public financing programs. To further advance equitable grassroots participation in funding our elections, we must examine—and where necessary, change—the policies, regulations, and practices that

govern political fundraising, with an eye toward empowering everyday Americans to take center stage in our political system as the small donors who can and should fuel our elections. We must build a small-donor democracy<sup>25</sup> that recognizes and rewards the hard, democratic work of organizing people to action, one that centers the voices and influence of the vast majority of Americans who cannot afford to make large contributions to campaigns, including significant numbers of people of color. Such changes would facilitate everyday Americans coming together and exercising that foundational ingredient of a vibrant democracy: people power.

The fact that some of the leading 2020 presidential candidates eschewed big money, instead funding their primary campaigns with small dollars—and that these candidates ran on policy platforms that would benefit the supermajority of working people—is a promising example of how small donors can finance our elections to the benefit of ordinary Americans. For example, Elizabeth Warren pledged not to do high-dollar fundraising events,<sup>26</sup> while Bernie Sanders boasted an average contribution of \$18.<sup>27</sup> Before them, President Obama brought small-donor organizing to scale during his 2008 run.<sup>28</sup> However, these candidates benefit tremendously from a unique level of name recognition and from unparalleled interest in their races. And even President Obama in 2008 ultimately raised only a quarter of his funds from small donors, compared with nearly half from \$1000+ contributions.<sup>29</sup> We should not extrapolate from these narrow experiences that candidates for other offices, especially those at the state and local level, would today be able to mount similarly competitive campaigns with just small dollars, without changes (like those described later in this section) that facilitate small-donor organizing and build the power of people to come together and wield influence in our elections.

Some have called for systems that remove private money from our elections altogether, like president-elect Joe Biden's campaign proposal for a constitutional amendment that would entirely eliminate private dollars from federal elections and require candidates for federal office to fund their campaigns solely with public financing.<sup>30</sup> While we agree that eliminating private money in public elections is a laudable goal, we are concerned that relying exclusively on public funds creates significant practical challenges, such as how to ensure that incumbent legislators consistently appropriate sufficient funds to guarantee robust challenges to their hold on power, and how to

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ensure that concerned citizens—beyond candidates and political parties—are able to make their voices heard in the electoral process. We can imagine a mandatory public financing system that would take care of these practical concerns, which would require a constitutional amendment or transforming the Supreme Court’s approach to money in politics. But until those circumstances are in place, we believe increasing the power of small donors can make our elections more accountable to the people and, in turn, strengthen our democracy. This paper lays out the case for how this can happen.



## Building a Small-Donor Democracy

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There are a number of avenues for democratizing campaign finance rules and regulations to enhance the power of small donors. The following are just a few potential policy changes that would help everyday people build power and counter that of big donors, corporations, and other monied interests.

### Fair Treatment for Labor and Membership Organizations

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One of the most significant ways we can better align money-in-politics reforms with our core democratic values is acknowledging that labor unions like SEIU, online groups like MoveOn, and membership organizations like the Planned Parenthood Action Fund on the left or National Right to Life or the NRA on the right, which aggregate the political power and preferences of tens of thousands or even millions of middle- and working-class people, are not the same types of political actors as profit-driven corporations. Membership organizations exist to represent the interests of a broad base of people who care about an issue. Planned Parenthood Action Fund, for example, represents more than 13 million people across the country who care about reproductive rights and justice, and the policies PPAF advocates are those supported by its members.<sup>31</sup> Unions are inherently democratic membership organizations, accountable to the priorities and preferences of their members and engaged politically in order to advance the interests of working people.<sup>32</sup> Corporations, on the other hand, lack the kind of internal democracy unions and membership organizations employ, and they participate in politics so that they can transform the economic might of a few wealthy people into political power to further maximize their profits, often at the expense of working people.<sup>33</sup> Given the dramatic differences in the roles each plays in our political systems and society, we should adjust the treatment of these distinct types of entities in campaign finance laws.

One way to do this could be to disallow for-profit corporations from establishing connected PACs through which they make political contributions and engage in political spending, while maintaining the ability of membership organizations (often established as non-profit corporations) and unions to maintain such connected PACs for electoral spending. Through this proposal, corporations would be prohibited from paying for the setup and administration of PACs through their

general treasury funds, while membership organizations and unions would continue to be allowed to pay the cost of administering their PACs out of general funds, up to a percentage of their overall budget.<sup>34</sup> It will be important to explore the unintended consequences of such a proposal.<sup>35</sup> For example, executives could set up “independent” PACs and attempt to raise money from their employees to push the corporation’s agenda, and if this were successful we would get a similar amount of profit-driven money in our political system without the important informational benefit of seeing ExxonMobil PAC or KOCHPAC on a candidate’s disclosure forms. Such a change, however, could significantly reduce the amount of corporate-affiliated money in politics, would certainly be consistent with democratic values, and could allow membership organizations and unions, who play a critical role in strengthening our democracy, to more effectively harness the power of the collective and hold elected officials accountable to real people. In mobilizing their many members or subscribers to join together in collective action, labor unions and other membership groups like Indivisible Action or Color of Change increase the influence of ordinary people and promote political equality. Especially when they act to organize people as small donors, they contribute to a healthier, more representative democracy by building the power of non-wealthy constituents compared with large donors and for-profit corporations.

### **Reward Small-Donor Organizing**

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Another powerful way to facilitate this collective power-building could be to adjust how we regulate the efforts of labor unions and other membership groups to organize small donors and build power for everyday people. For example, in our age of mass digital communication and online organizing, we could explore relaxing limitations placed on online solicitations from these types of groups. Restrictions placed by the FEC and most states on how labor unions and other membership groups can encourage people to join their efforts to support or oppose candidates can significantly limit their ability to organize small donors and engage in grassroots electoral activity. Updates to potentially outdated regulatory models, such as those requiring dues or governance authority to qualify as a “member” for solicitation purposes,<sup>36</sup> could help better reflect the realities of the 21<sup>st</sup> century: that people affirmatively seek out groups with expertise on the issues they care about; that they join these groups’ email lists or other online communications because they want to hear from them and be part of the organizing these groups do; and that people have full agency to respond to, or ignore, solicitations for contributions or action they receive

through these online platforms. Rather than being a member of 3 to 5 groups as they might have been 20 years ago, many people may be on the email lists or follow the social media pages of 20 to 30 organizations they value for different reasons. Creative thinking on precisely how to unleash grassroots power while guarding against the exploitation of loopholes and other abuses by big-money special interests is critical to restore some balance to a system currently dominated by a relatively few wealthy donors. More flexible policies can facilitate the mass action by organized people that is both democratic in nature and so critical to counter the distorting influence on our elections of unlimited political spending by the mega-rich and corporations.

When designing small-donor matching systems, we should harness the mobilizing power of membership and other grassroots groups by matching contributions they mobilize. We know that some people who engage in politics by donating to candidates will make small contributions in response to engagement by those candidates directly, while others will be inspired to give by organizations that address issues important to these donors, and that direct them to candidates who support their values. Many people who care deeply about the environment, for example, may not have time to study the environmental records and proposals of every candidate—yet may trust Sunrise or Sierra Club to point them to candidates who will take bold action on climate change, and so may prefer to give to a slate of candidates recommended by one of these organizations.

The organizations may want to leverage the trust they've built with their members or the larger community by holding events where they collect checks for like-minded candidates, or by setting up an ActBlue or WinRed page where the organizations can mobilize individual contributions and also measure the success of their appeals.

Small donors should have the chance to have their gifts, and their voices, amplified via the matching mechanism in small-donor public financing programs. Currently, some of these programs privilege those who give directly to candidates (apart from any recruitment by groups) by matching their gifts, but deny matching funds to small donations that are mobilized by organizing groups, or unnecessarily place restriction on such solicitation.

This denial is another example of how current rules governing electoral spending can inhibit rather than facilitate grassroots organizing's potential to amplify the voices and build the political power of everyday people. Small-donor public financing programs—which advance political equality and make our democracy more representative and inclusive<sup>37</sup>—should match all contributions from small donors, whether they are mobilized by membership groups or not. Doing so

would recognize and magnify the voices of the vast majority of Americans who are not wealthy, regardless of how they prefer to make their small gifts, and in turn strengthen our democracy.

### **Facilitate Small-Donor PACs**

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Another strategy for elevating the voices of small donors in our campaign finance system can be found in small-donor PACs—political action committees that only accept small-dollar contributions and therefore are permitted to give larger contributions to candidates or parties.<sup>38</sup> While traditional PACs are often financed by, and advance the interests of, a small number of very wealthy donors, small-donor PACs, or “People PACs,” build strength by collecting a large number of small contributions from many people, and in turn represent the perspectives and interests of a much broader swath of the public. In so doing, small-donor PACs promise to play an important role in raising up the voices of ordinary, non-wealthy Americans who would not otherwise be able to make a significant contribution to a campaign. To most effectively harness and strengthen the voices of everyday people, small-donor PACS should have a low dollar limit for incoming contributions—e.g., people can give no more than \$50 or \$100, to the PAC—but the PACs should be able to aggregate those small gifts and make larger contributions to candidates.

An added benefit of more generous limits for the contributions small-donor PACs make to candidates or parties is that they would permit more coordination of activities between candidates and legitimate grassroots organizations, making electoral organizing more efficient and helping build towards a “co-governance” model between elected officials and the communities they represent.

#### **Small-Donor Democracy in Action: Small-Donor PACs in Colorado**

Colorado is currently pioneering the small-donor PAC model. In exchange for agreeing to accept only contributions of \$50 or less, and only from “natural persons”—i.e., not from corporations or unions—small-donor PACs in Colorado can make contributions to candidates 10 times larger than those permitted by traditional PACs in the state.<sup>39</sup>

For jurisdictions implementing small-donor PACs alongside small-donor public financing for elections programs, publicly financed candidates should be allowed to accept contributions from these people-powered small-donor PACs, even if they are prohibited from accepting money from traditional PACs. To the extent candidates seek contributions from these small-donor PACs, they are learning about the priorities, and making commitments to govern in the interests of, a broad base of Americans. In aggregating and amplifying the voices of everyday Americans, small-donor PACs emphasize the collective action that is at the heart of our democratic values,<sup>40</sup> which contributes to the democratization of campaign finance. A further step would be to match contributions from People PACs to participating candidates. Since all of this money would originate from small contributions from ordinary people, this measure would strengthen democracy-enhancing organizing rather than empower so-called special interests. This might not be the right policy in all places, given the risk that public financing opponents would mischaracterize it in attempts to undermine support for the system, but it is the correct policy to align with pro-equity, pro-organizing, and pro-democracy values.

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Most Americans believe the Supreme Court was wrong to equate money with speech and, in so doing, set up a political system in which billionaires get more “free speech” than the rest of us. But until the Supreme Court’s flawed approach changes, the best and most democratic way for individuals to be heard in our large, loud political system, beyond voting, is to combine with others to raise our collective voices and build a small-donor democracy. When people come together around shared identities or issues we care about, we can build strength in numbers and speak with a louder, more powerful collective voice. Grassroots groups that help people organize and petition their government collectively, and that aggregate the support and voices of thousands or millions of people by mobilizing small political contributions, promote political equality by increasing the influence of ordinary, non-wealthy constituents compared with large donors or for-profit corporations.<sup>41</sup> As our elections are more and more flooded with big money, we must adapt our existing campaign finance system to empower everyday people—especially the communities of color, women of all races, working-class people, and youth who have been marginalized for so long—and support grassroots groups’ ability to leverage the proper currency in our democracy: political power through numbers.





# Endnotes

1. Spencer Overton, “The Participation Interest,” 100 *Georgetown Law Journal* 1259-1310 (2012).
2. See principally *Buckley v. Valeo*, 424 U.S. 1 (1976), *Citizens United v. the Federal Elections Commission*, 588 U.S. 310 (2010), and *McCutcheon v. the Federal Elections Commission*, 572 U.S. 185 (2014). For a detailed description of each and a list of additional cases contributing to this misguided Supreme Court doctrine, see Adam Lioz, *Buckley v. Valeo at 40*, Demos, December 15, 2015, at 11. <https://www.demos.org/research/buckley-v-valeo-40>.
3. Adam Lioz, *Stacked Deck: How the Racial Bias in Our Big Money Political System Undermines Our Democracy and Our Economy*, Demos, July 23, 2015. [http://www.demos.org/sites/default/files/publications/StackedDeck2\\_1.pdf](http://www.demos.org/sites/default/files/publications/StackedDeck2_1.pdf); and Sean McElwee, *Whose Voice, Whose Choice? The Distorting Influence of the Political Donor Class in Our Big-Money Elections*, Demos, December 8, 2016. <https://www.demos.org/research/whose-voice-whose-choice-distorting-influence-political-donor-class-our-big-money>.
4. *Id.* See also David Callahan & J. Mijin Cha, *Stacked Deck: How the Dominance of Politics by the Affluent & Business Undermines Economic Mobility in America*, Demos, February 2013. [http://www.demos.org/sites/default/files/imce/StackedDeck\\_1.pdf](http://www.demos.org/sites/default/files/imce/StackedDeck_1.pdf); Martin Gilens, *Affluence & Influence: Economic Inequality and Political Power in America* (Princeton, NJ: Princeton University Press, 2012); and Martin Gilens and Benjamin I. Page, “Testing Theories of American Politics: Elites, Interest Groups, and Average Citizens,” *Perspectives on Politics*, 2014, doi:10.1017/S1537592714001595.
5. See John Bonifaz and Jamin Raskin, “Equal Protection and the Wealth Primary,” *Yale Law & Policy Review*, Vol. 11, No. 2 (1993): 273-332, [https://www.jstor.org/stable/40239404?seq=1#page\\_scan\\_tab\\_contents](https://www.jstor.org/stable/40239404?seq=1#page_scan_tab_contents); Adam Lioz, *Stacked Deck*; and Martin Gilens and Benjamin I. Page, *Democracy In America?*, (Chicago: University of Chicago Press, 2017).
6. *The Electability Myth: The Shifting Demographics of Political Power in America*, The Reflective Democracy Campaign of the Women Donors Network, June 2019. <https://wholeads.us/wp-content/uploads/2019/08/The-Electability-Myth--The-Shifting-Demographics-of-Political-Power-In-America-8-1-19.pdf>.
7. *Id.*
8. The Court’s misguided approach to money in politics began with a 1976 decision, *Buckley v. Valeo*, which struck down post-Watergate reforms and first equated money with speech, and was developed through a series of subsequent decisions culminating in *Citizens United v. FEC* and *McCutcheon v. FEC*, which collectively allowed for virtually unlimited spending in elections and codified into law that the only legitimate government interest in regulating campaign finance is to prevent *quid pro quo* corruption, or literal money for votes (bribery). See Adam Lioz, *Breaking the Vicious Cycle: Rescuing Our Democracy and Our Economy by Transforming the Supreme Court’s Flawed Approach to Money in Politics*, Demos, December 15, 2015. <https://www.demos.org/research/breaking-vicious-cycle-rescuing-our-democracy-and-our-economy-transforming-supreme-courts>.
9. Adam Lioz, *Buckley v. Valeo at 40*, at 5.

10. See *Arizona Free Enterprise Club v. Bennett*, 564 U.S. 721 (2011), in which opponents challenged, and the Supreme Court struck down, a triggered matching funds provision of Arizona’s state public financing program (and others like it) that was designed to help publicly financed candidates stay competitive against well-resourced privately financed candidates. See also *Elster v. City of Seattle*, 444 P.3d 590 (Wash. 2019), in which challengers alleged that the city’s pioneering “democracy vouchers” program violated their First Amendment rights; the Washington Supreme Court unanimously upheld the program on July 11, 2019; on March 30, 2020, the Supreme Court of the United States denied certiorari, ending the case. See “Elster v. City of Seattle, Washington” SCOTUSblog, March 30, 2020, <https://www.scotusblog.com/case-files/cases/elster-v-city-of-seattle-washington/>.
11. *McCutcheon v. the Federal Elections Commission*, 572 U.S. 185 (2014) (Scalia, J., opinion). Scalia writes, “In a series of cases over the past 40 years, we have spelled out how to draw the constitutional line between the permissible goal of avoiding corruption in the political process and the impermissible desire simply to limit political speech. We have said that government regulation may not target the general gratitude a candidate may feel toward those who support him or his allies, or the political access such support may afford... Any regulation must instead target what we have called ‘quid pro quo’ corruption or its appearance.”
12. The similar treatment of political spending by unions and corporations was permanently codified in the Taft-Hartley Act of 1947, and it was reinforced by the Federal Election Campaign Act of 1971 and its subsequent amendments.
13. Jeff Clements. *Corporation Are Not People* (San Francisco: Berrett-Koehler Publishers Inc., 2012).
14. These are referred to as “Separate Segregated Funds” in FEC regulations. See Federal Election Commission, “Registering as an SSF,” <https://www.fec.gov/help-candidates-and-committees/registering-ssf/>.
15. Center for Responsive Politics analysis of Federal Elections Commission data, 2019, <https://www.opensecrets.org/overview/blio.php>.
16. Liz Kennedy and Sean McElwee, *Do Corporations & Unions Face the Same Rules for Political Spending?*, Demos, July 23, 2014, at 4. <https://www.demos.org/research/do-corporations-unions-face-same-rules-political-spending>.
17. *Id.*
18. Bradley Jones, “Most Americans want to limit campaign spending, say big donors have greater political influence,” Pew Research Center, May 8, 2018, <https://www.pewresearch.org/fact-tank/2018/05/08/most-americans-want-to-limit-campaign-spending-say-big-donors-have-greater-political-influence/>.
19. See *supra* note 3.
20. See *supra* note 2, *Buckley, Citizens United, and McCutcheon*. Such an amendment, which has been proposed by Senators Udall and Shaheen and Representative Deutch and is supported by a broad coalition of democracy reform groups, would allow Congress and the states to set reasonable limits on the raising and spending of money in elections. See S.J. Res. 51, July 30, 2019, <https://www.tomudall.senate.gov/imo/media/doc/Democracy%20For%20All%20Amendment%20Final%20Bill%20Text.pdf> and H.J. Res. 2, Rep Deutch, January 3, 2019, <https://www.congress.gov/116/bills/hjres2/BILLS-116hjres2ih.pdf>.

21. Juhem Navarro-Rivera and Emmanuel Caicedo, *Public Funding for Electoral Campaigns*, Demos, June 28, 2017. <https://www.demos.org/research/public-funding-electoral-campaigns-how-27-states-counties-and-municipalities-empower-small>.
22. See *supra* note 3, Lioz, at 36.
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26. Elizabeth Warren, “The Best President Money Can’t Buy,” Medium, February 25, 2019. <https://medium.com/@teamwarren/the-best-president-money-cant-buy-1adfbe01a344>.
27. Sydney Ember, “Bernie Sanders Fund-raising Haul: \$25.3 Million in Third Quarter,” *The New York Times*, October 1, 2019, <https://www.nytimes.com/2019/10/01/us/politics/bernie-sanders-fundraising.html>.
28. “Obama’s Army of Small Donors,” The Associated Press, May 9, 2008, <https://www.politico.com/story/2008/05/obamas-army-of-small-donors-010223>. Note Obama did not eschew large fundraisers or donors and did raise significant campaign funds from large donors.
29. Ken Dilanian, “Report says Obama’s small donor base claim is off,” *USA Today*, November 25, 2008, <https://abcnews.go.com/Politics/story?id=6329217&page=1>.
30. See “Biden for President,” <https://joebiden.com/GovernmentReform/>.
31. “About Us,” Planned Parenthood Action Fund, <https://www.plannedparenthoodaction.org/about-us>.
32. Amy Traub and Miles Rappoport, “Clean Slate Project Memo,” Harvard Law School Labor and Worklife Program, forthcoming. See also *supra* note 14.
33. *Id.*
34. Minnesota, in service of its ban on corporate contributions to candidates, prohibits candidates from accepting contributions from federal Separate Segregated Funds because corporations may pay administrative and fundraising costs of these connected PACs. State of Minn. Campaign Finance & Public Disclosure Board, Adv. Opp. 447 (June 6, 2018) at 3-4 (“Because administrative support and fundraising efforts are in-kind contributions from the for-profit corporation to the SSF and because in-kind contributions, either direct or indirect, from a for-profit corporation are prohibited in Minnesota, a principal campaign committee may not accept a contribution from an SSF with a connected organization that is a for-profit corporation.”).

35. The main way to combat exploitation of this change would be to prevent executives from using any corporate resources (email address, employee lists, etc.) for fundraising purposes. Doing so would make it much more cumbersome for heads of companies to raise money from employees. Under the current system, they can use company resources to reach out to fellow executives on an unlimited basis and to rank and file employees a few times per year.
36. See the Federal Election Commission on what constitutes “membership” and for regulations on solicitations of members for various types of entities: <https://www.fec.gov/help-candidates-and-committees/fundraising-for-ssf/definition-member-ssf/>.
37. See, for example, the Honest Elections Seattle Initiative, whose purposes include “giving more people an opportunity to have their voices heard in democracy” and “ensuring a fair elections process that holds elected leaders accountable to the people by strengthening residents' control over City government,” Seattle Municipal Code, 2.04.600, Purpose and Authority, [https://library.municode.com/wa/seattle/codes/municipal\\_code?nodeId=TIT2EL\\_CH2.04ELCACO\\_SUBCHAPTER\\_VIIIHOELSE](https://library.municode.com/wa/seattle/codes/municipal_code?nodeId=TIT2EL_CH2.04ELCACO_SUBCHAPTER_VIIIHOELSE). Seattle’s public financing program was evaluated in 2017 and found to expand political participation of historically disenfranchised communities; see Laura Friedenbach, “First Look Seattle’s Democracy Voucher Program: Reducing the Power of Big Money and Expanding Political Participation,” Every Voice, November 15, 2017, <https://everyvoice.org/wp-content/uploads/2018/08/2017-11-15-Seattle-Post-Election-Report-FINAL.pdf>.
38. Traditional (non-small-donor) federal PACs may raise contributions of up to \$5,000 from individuals each year and give \$5,000 per candidate, per election, if they are a multicandidate committee or \$2,800 if not. See <https://www.fec.gov/help-candidates-and-committees/making-disbursements-pac/contribution-limits-nonconnected-pacs/>. Contribution limits for small-donor PACs vary by locality. Small-donor PACs in Colorado have a \$50 limit on contributions coming in but allow for \$12,500 contributions to each candidate per election cycle, compared to the \$1,250 per candidate, per cycle contribution limits for traditional PACs in the state; see <https://www.sos.state.co.us/pubs/elections/CampaignFinance/limits/contributions.html#smallDonor>; Small-donor PACs in Portland, Oregon have a \$100 limit on contributions coming in and allow for unlimited contributions to local candidates each election cycle, while individuals and traditional PACs can only give \$500 per candidate per cycle; see <https://www.portlandoregon.gov/citycode/78238>.
39. Colorado Secretary of State, “Contribution Limits,” <https://www.sos.state.co.us/pubs/elections/CampaignFinance/limits/contributions.html#smallDonor>.
40. Tam Doan and Nancy Watzman, *Designing Programs to Amplify Small Donors: A Public Financing Policy Model*, Every Voice Center, June 2018, at 39. <https://everyvoice.org/wp-content/uploads/2018/06/EveryVoicePolicyManualJune2018.pdf>.
41. Adam Lioz, “Limiting the Limits: Principles to Protect Free Expression While Fighting the Power of Big Money in Politics,” *Election Law Journal* Vol 16, No 1 (2017), <https://www.liebertpub.com/doi/10.1089/elj.2016.0400>.