



# **The Color of Money in New York**

**Contributions by Race,  
Ethnicity and Wealth  
2006-2008**

**Public Policy and Education Fund**

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## Introduction

This analysis of campaign contribution data presents a portrait of what segments of New York State have the greatest influence over legislative actions in Albany through campaign contributions. Our analysis of campaign contributions to Assembly members and Senators from the 2006 and 2008 election cycles from zip codes throughout New York State found enormous disparities in the contributions coming from different zip codes based on geography, race and ethnicity, and economic status. Specifically, in the 2006 to 2008 period, we found that:

- Four out of five dollars of the \$72 million flowing into campaign coffers in Albany, or \$58 million<sup>1</sup>, came from zip codes that are majority white<sup>2</sup>.
- One third of campaign cash came from wealthy zip codes where a large number of households earned over \$200,000, even though such zip codes are just 12% of the state's population<sup>3</sup>.
- The top ten contributing zip codes were all from New York City and Albany and its suburbs (Latham).

The recent crisis of succession in the New York Senate illustrates the ability of wealthy donors to wield their past and future campaign contributions to control political and policy outcomes to the exclusion of voices of low and moderate income people and people of color. On June 8th, in an event that some observers have called a "coup d'état," leadership of the New York State Senate effectively passed from a 32-30 Democratic majority to a Republican majority due to the decision by two Democratic Senators to switch their allegiance to the Republican conference. When one switched back, the legislature was effectively deadlocked at the end of session, when most legislation is passed.

Billionaire businessman Thomas Golisano took credit for engineering the leadership change, and promised to back supporters of his alleged "reform" agenda with campaign contributions in the future. Given the \$5 million in contributions by his PAC last year that are publicly known, this promise obviously was taken very seriously by legislators<sup>4</sup>.

The Golisano affair is just the latest example of how wealthy individuals—corporate executives, business owners, lobbyists, trade groups, and the like—can disproportionately exercise influence on legislators while the voices and concerns of low and moderate income people and people of color are not heard. The day prior to the "coup," the then Democratic majority had announced that it was planning to pass public financing of elections legislation (S.5814 (Smith)) out of the Senate Elections Committee in a meeting that had been scheduled for the day after the coup. The bill has of course since not moved in the Senate and prospects for passage in 2009 are uncertain due to the vastly shortened session.

The domination of the Legislature by donations by wealthy campaign contributors disproportionately affects low-income and underrepresented populations in the state—including low-income, African American, and Hispanic communities in concrete ways. For example, due to this year’s Senate leadership crisis, it is much less likely that major legislation on affordable housing (rent control) and reregulation of health insurance rates will pass this year. This once again testifies to the importance of enacting public financing of elections legislation, to curb the influence of contributions by wealthy individuals and corporations in the State.

## Communities Making the Greatest Concentrations of Contributions

The chart below represents the top 10 contributing New York State zip codes. While two are from the Albany area, the other eight are in Manhattan, further highlighting the consolidation of campaign contribution influence in the state.

**Figure 1: Top 10 Zip Codes in NYS for Campaign Contributions (2006, 2008)**

Zip Code	City, State	Contributions
10016	New York, NY	\$2,142,269
10038	New York, NY	\$1,790,934
12110	Latham, NY	\$1,512,029
10007	New York, NY	\$1,276,594
12205	Albany, NY	\$975,116
10036	New York, NY	\$940,913
10013	New York, NY	\$820,509
10022	New York, NY	\$714,055
10017	New York, NY	\$669,689
10003	New York, NY	\$629,538
<b>Total:</b>		<b>\$11,471,646</b>

### Zip Code Spotlight: Travelers Insurance

In the 2006 and 2008 cycles, contributions from the Travelers Insurance zip code totaled \$86,000, the second largest contributing corporate zip code to New York politicians. Travelers, though, is not based in Manhattan, Rochester, or anywhere in New York. It’s about 113 miles southeast of Albany in Hartford, Connecticut.

While the insurance company may be two hours from Albany, Travelers lobbyists are not. Travelers Insurance has spent thousands of dollars over the years on lobbyists in Albany, according to the New York State Commission on Public Integrity. With its campaign contributions, and its lobbyists, the company is making its voice heard.

## Zip Code Spotlight: Albany Lobbyists<sup>5</sup>

Located just a few blocks north of the Legislature, zip code 12207 is home to Albany's biggest lobbyists. Specifically, the 12207 zip code has the offices of seven of the 10 top lobbying firms in the state by total compensation as of 2008.

The top firm located in 12207, measured by total compensation, is Wilson, Elser Moskowitz, Edelman & Dicker, whose numerous recent clients included Albany Medical Center, the New York State Bankers Association, Con Ed, Morgan Stanley, T-Mobile, and the Healthcare Association of New York State. Patricia Lynch and Associates, the second largest firm, also has offices in the 12207 zip code; its recent clients included Fidelity Investments, Wal-Mart, Yahoo, the Ratner Companies, and Accenture<sup>7</sup>.

Donations from this zip code totaled \$2.8 million in the past two election cycles, making it one of the biggest giving areas in the state. With a 49% poverty rate, seeing so much money coming out of this zip code might be surprising. Families struggling to get by are not the ones paying \$1,000 and more to mingle with elected officials. Though only 1,600 adults call 12207 home, this zip code contributes more than the 38 New York zip codes with the largest percentage of African American adults and 50 of the areas with the largest Hispanic populations.

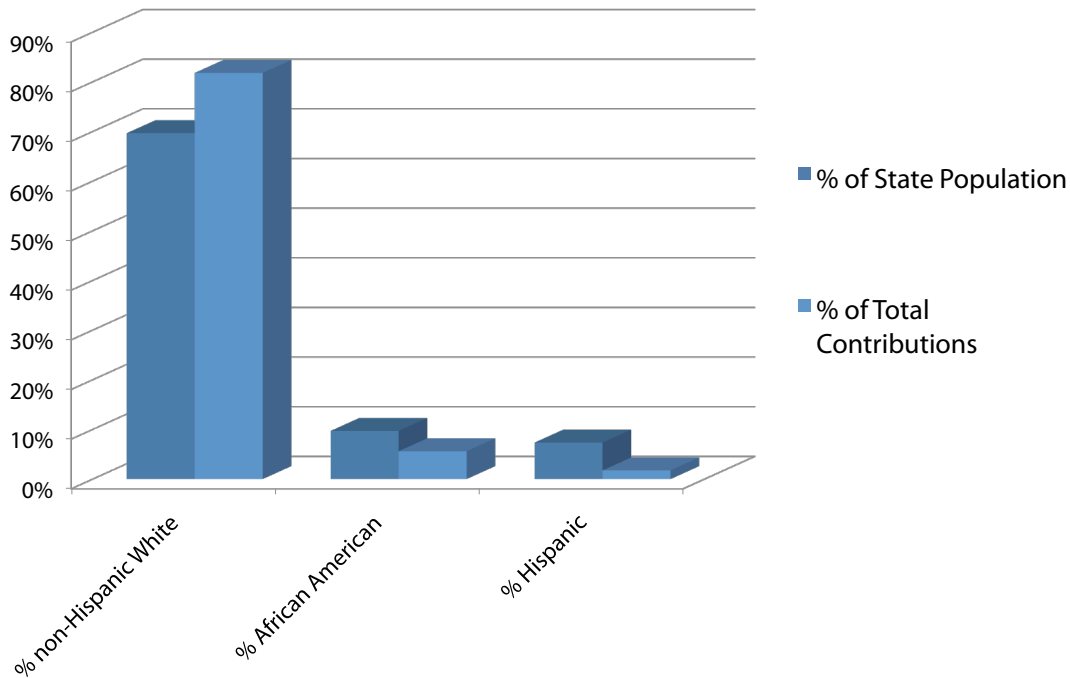
If money talks in politics, the wealthy and white residents of the state and the elite with cash to spare are having their voice heard more than others, according to the campaign contribution and Census data presented here.

## Contributions By Race and Ethnicity

Eighty-one percent of campaign contributions in our study, or \$58 million, came from zip codes that are predominately white.

Hispanics make up over 16% of the population of New York and 7% of New York residents live in areas that are majority-Hispanic, yet only 1.75% of campaign funds came from predominantly Hispanic zip codes. African American areas contributed just 5.6% of the total contributions despite comprising 15.6% of the state's population with nearly 10% of state residents living in majority-Black areas (See Figure 2).

**Figure 2: Percent of Contributions from Majority White, African American and Hispanic Zip Codes**



	% of NYS Population Living in these Zip Codes	% of NYS Population in These Groups	% of Contributions from These Zip Codes
White	69.66%	66.50%	81.80%
African American	9.70%	15.60%	5.61%
Hispanic	7.35%	16.20%	1.75%

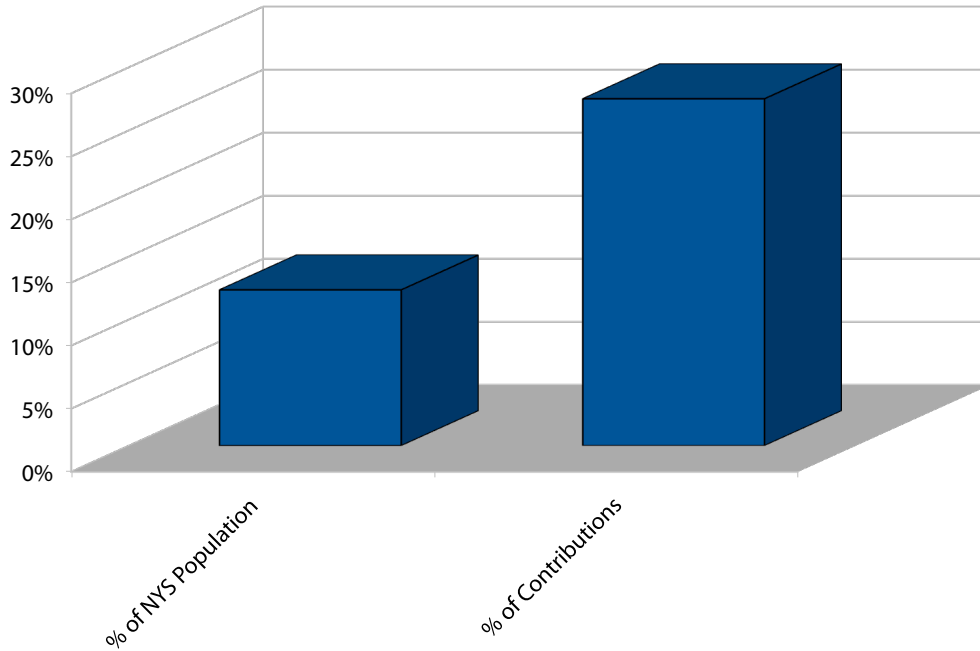
## Contributions by Economic Status

More than 35% of all campaign contributions came from persons living in wealthy zip codes, although only about 12 percent of New York State’s adult population lives in these neighborhoods.

For every one dollar a resident from a low-income community donates to a state campaign, someone in a wealthy neighborhood supplies five. Just six percent of campaign contributions in our study came from low-income neighborhoods<sup>6</sup> (See Figure 3).

And in many areas, zip codes aren’t home to residential areas at all. Many corporations—including Citibank, Eli Lilly, and others—have zip codes for their buildings and campuses. Over \$700,000 came from just 50 corporate zip codes in 2006 and 2008, from Travelers Insurance in Hartford, Connecticut all the way to Sprint in Kansas.

**Figure 3: Percent of Contributions from Wealthy Zip Codes**



	% of NYS Population	% of Contributions
Wealthy Zip Codes	12.36%	35.35%

## Conclusion

As this analysis shows, the voices of African Americans, Hispanics, low-income residents and those people typically underserved and underrepresented in our political system are easily drowned out by the cash from wealthy individuals, corporate executives, and Albany lobbyists and trade organizations.

As the cost of campaigning continues to skyrocket, candidates for elective office must spend more and more time courting big money donors who can write big checks and get their friends to do the same while everyone else is effectively left out of the process.

The answer is a system of public funding of elections. A robust public funding system coupled with strong small dollar donor provisions would allow more people from diverse backgrounds to participate in the political process. Candidates would be freed from the money chase and the expectations that often come attached to campaign contributions. If elected officials no longer have to rely on the big corporations and wealthy individuals that fund their campaigns, the preferential access those corporations and wealthy individuals have enjoyed for decades will finally end, to the benefit of the rest of New Yorkers.

On June 16th, the Assembly passed A.8902 (Silver), a version of a public financing bill the Assembly majority has passed for decades. As previously mentioned, the “coup d’etat” in the State Senate prevented the new Democratic Senate majority (the Democrats took the majority in early 2009) from advancing its own public financing bill in that house (S.5814 (Smith)), and made the prospects for passage of public funding legislation in 2009 (until the coup, the best chance in a generation) quite uncertain<sup>8</sup>.

New Yorkers overwhelmingly support public financing of elections. A 2008 Zogby poll found that 74% of New Yorkers support it. In light of the Senate succession fight, passage of public financing would be the best way to restore the public trust and demonstrate that money does not rule Albany.

## Footnotes

1. The \$72 million figure includes contributions only from zip codes used in this analysis. Due to missing data and two statistical outliers, some zip codes were excluded from this report. With all zip codes included, the total funds represent \$94 million.

2. In this report, when we use the term “white” or “black,” we have excluded Hispanics. When the term Hispanics is used, it refers to the U.S. Census count for Hispanics in the zip code; the U.S. Census has separate data for Hispanic status.

3. In New York state, 3.33% of households make over \$200,000 annually. For this report, we doubled that amount so “wealthy” zip codes include all zip codes in which at least 6.66% of households make over \$200,000.

4. As of the release of this report, both Democratic Senators had switched their allegiance back to the Democrats, returning the body to Democratic control and removing the 31-31 split that had preventing the Senate from acting on legislation. However, this doesn’t change the basic point that a single wealthy donor was able to exert enormous and almost decisive influence over the leadership of the state, delaying legislative action on a whole host of critical issues to the state for at least an entire month.

5. While we excluded 12207 from the totals in the aggregate numbers in this report because this zip code contained donations from so many lobbyists and trade groups (see the methodology section), we are nevertheless discussing this zip code here as a portrait of a neighborhood where wealthy donors make a disproportionate amount of donations in New York State.

6. In New York State, 13.9% of households are below the poverty line. For this report, we doubled that number so that “low-income neighborhoods” are those in which 27.8% live below the poverty line.

7. See New York State Commission on Public Integrity, 2008 Annual Report, [http://www.nyintegrity.org/pubs/annual\\_report\\_2008/Annual%20Report%202008.pdf](http://www.nyintegrity.org/pubs/annual_report_2008/Annual%20Report%202008.pdf); Sunlight NY Database, [www.sunlightny.org](http://www.sunlightny.org) (searches for Wilson, Elser and Patricia Lynch Associates).

8. Observers have also indicated the possibility that legislation might be adopted just covering the Comptroller’s race, given the well-publicized scandals involving a former Comptroller; the next Comptroller’s race will be in 2010.

## Methodology

The campaign finance data in this report was gathered by the National Institute on Money in State Politics (The Institute) and analyzed by Dr. Brian Stults, College of Criminology, Florida State University on behalf of Public Campaign and the Public Policy and Education Fund.

Some zip codes and contributions were not included in this analysis due to missing data. Further, certain zip codes such as military zip codes and zip codes for Post Office Boxes that the Census does not cover in its analysis were also excluded.

Finally, two important zip codes were left out from the totals in this analysis — 12210 and 12207, the two biggest contributing zip codes in the state. These zip codes were excluded because they are directly counter to the data trends in the rest of our study; both zips have extremely high levels of contributions, even though they contain large percentages of non-whites and low-income individuals, not traditionally contributors to political campaigns, as the findings of this study support. A closer look reveals that these two zip codes are filled with lobbying firms and trade groups (see page 5 for a portrait of the 12207 zip code). While 12210 has donated \$7 million, there are only 7,000 people in this zip code: that equals a donation of \$1,000 per each adult resident even though the district has a 26% poverty rate. Similarly, residents in 12207 have donated \$2.8 million, even though there are just over 1,000 adults in the state and a 50% poverty rate.

The social, economic, and geographical information for zip codes used in this analysis was drawn from Summary File 3 (SF3) of the 2000 U.S. Census of Population and Housing. SF3 contains economic and housing characteristics compiled from a sample of approximately 19 million housing units nationwide (about 1 in 6 households) that received the Census 2000 long-form questionnaire. The zip code information from the U.S. Census was used to link census information with campaign finance data. For more information on The Institute, visit <http://www.followthemoney.org>. An explanation of zip code information is available at [www.census.gov/geo/ZCTA/zcta.html](http://www.census.gov/geo/ZCTA/zcta.html).

## Acknowledgements

**Dr. Brian J. Stults** conducted the statistical analyses underlying this report. He holds a Ph.D. in sociology, and is currently a professor in the College of Criminology and Criminal Justice at Florida State University. Dr. Stults has published extensively using U.S. Census data on topics including residential segregation, exposure to neighborhood crime, and language retention among third generation immigrants.