

The Money Marathon

Big Bucks and the Race for Governor of New York

Off and Running:

*July 2001 through January 2002
and Full Year 2001*



The Money Marathon: Off and Running is the second in a series of reports on campaign finance in the 2002 New York State governor's race issued by the Public Policy and Education Fund of New York

January 2002

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This report was written by Laura Braslow and Richard Kirsch of the Public Policy and Education Fund.

Research for this study was conducted by Laura Braslow.

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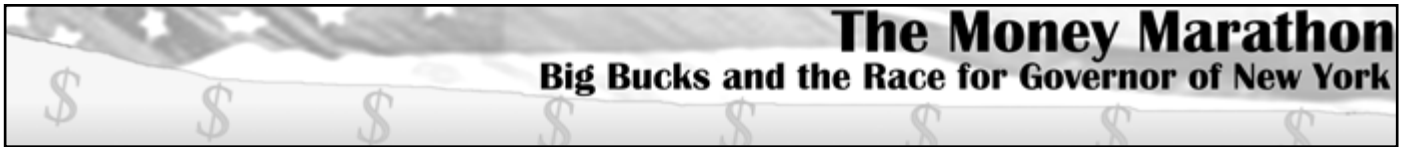
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To order copies, contact:

Public Policy and Education Fund
94 Central Avenue
Albany, NY 12206
(518) 465-4600
Fax: (518) 465-2890
Email: ppef@citizenactionny.org

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The Money Marathon

Big Bucks and the Race for Governor of New York

Introduction

The 2002 race for Governor is vitally important for the future of New York State. The person elected will be responsible for leading New York through one of the most tumultuous times in the state's history, working for the best interests of the all of the citizens of our state. Yet money will, as always, play a huge role in the race for governor and the next four years. In the short term, it will effect the outcome of the election. In the long term, the money our future Governor receives from big donors and influential industries cannot help but effect the decisions he makes in office.

The 2002 race for Governor in New York continues to be characterized by an extremely high level of fundraising. In the first half of 2001¹, the three leading candidates for governor raised a total of \$15.6 million dollars. During the second half of the year², they raised an additional \$11 million, for a total of \$26.6 million in all of 2001³. That's more than \$77,000 per day, including weekends and holidays. The vast majority of this money comes from large donations, made by PACs and individuals who have a financial stake in the decisions made in Albany. Since money is essential for any political campaign, even when there is no strict quid pro quo relationship between a specific contribution and a specific policy, donors often have significant influence in the political process. And the amounts of money -- and, correspondingly, the amounts of influence -- will only increase as we get closer to the 2002 election. Thus, it is essential that we watch closely and remain vigilant, keeping our elected officials accountable to all of the citizens of New York, not only their campaign contributors.

The Money Marathon: Off and Running is the second in a series of reports on campaign finance in the 2002 Governor's race to be issued by the Public Policy and Education Fund. This study is based on

contributions made during 2001 to candidates for governor George Pataki, Andrew Cuomo and H. Carl McCall. The study provides crucial details that fill out the headlines about how much money each candidate raises. Our researchers focused on the following questions:

- What are some key factors we can use to characterize fundraising in the Governor's race by individual candidates and overall.
- What differences can we see in the money funding the three candidates' campaigns?
- What are the implications of these differences for the election, and for New York?

The Money Marathon: Off and Running is one of many campaign finance reports issued by the Public Policy and Education Fund. We are continually building and refining a database of campaign contributions from interest groups and individuals to New York's elected officials. While only a small portion of the information we have collected is included in this report, we encourage members of the media and the public to ask us questions about contributions to elected officials from interest groups, businesses and individuals.

We are committed to compiling data and identifying the interests that pay for our elected government, with the belief that this information will help people better understand the forces at work in New York politics. Issuing reports is a large part of that, but we will also do our best to answer specific inquiries. Please feel free to email us at cleanmoney@citizenactionny.org, or call (518) 465-4600 x107. All of our studies are available through the Citizen Action of New York website: www.citizenactionny.org.

1. July 2001 filing: January 12, 2001 - July 11, 2001

2. January 2002 filing: July 12, 2001 - January 11, 2002

3. Full Year 2002 compiled from July 2001 and January 2002 filings: January 12, 2001 - January 11, 2002

Methodology

This study is based on campaign finance reports filed with the New York State Board of Elections, as required by law, encompassing all donations made between January 12, 2001 and January 11, 2002. The data used is comprised of 30,250 contributions made to the three major candidates for governor, George Pataki, Andrew Cuomo and H. Carl McCall.

The New York State Board of Elections requires that campaign committees file records of their contributions, and provides this data to the public on its internet site: www.elections.state.ny.us. (While by law committees are only required to report contributions of \$100 or more, George Pataki and Andrew Cuomo's election committees reported detail on all small contributions, down to \$1.) The data was downloaded by our research team and compiled as necessary to arrive at the aggregate numbers reported here. The data used in this report is comprised of all contributions to the three candidates' committees as reported to the State Board of Elections.

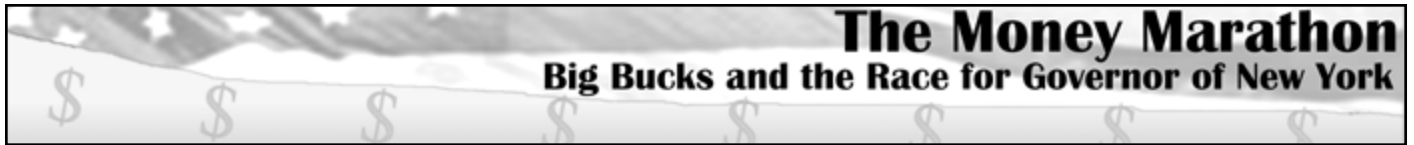
Our aggregate numbers are slightly lower than those that can be obtained on the Board of Elections website. This is because we have included only the contribution schedules which actually constitute contributions from an individual or entity to a campaign, rather than simply combining all receipts. So, for example, the Board of Elections would consider interest on a campaign bank account as a "contribution," as opposed to an expenditure, because it would be reported as a positive amount of money going into the campaign's accounts. Since we are interested in talking about fundraising and campaign contributions specifically, we have opted to exclude the reporting schedules which deal with fund transfers, rebates, and miscellaneous receipts.⁴

Although in previous reports we have coded individuals and corporations into industry categories and combined contributions from corporate executives with contributions from their companies, we have not done so in this report. Due to the complex, multi-step research process necessary to identify the employers and occupations of individual contributors, it is not possible to provide that depth of information in a timely fashion. While many states, the federal government and New York City have enacted legislation requiring the reporting of occupation and employer for individual contributors, New York State has not. Thus, due to the time sensitive nature of this data, we have opted to forego the more intensive coding process for this report. However, this information can still be made available upon request.

This study does not include data on contributions to the state Democratic and Republican Parties, simply because key filings for the second half of 2001 were not yet available when the data for this report was compiled. So, in the interest of timely reporting we decided to use only contribution data from the three candidates' campaigns. Data on the state parties can also be made available upon request.

For the purposes of this study, we refer to all businesses, corporations, non-profit organizations, labor unions, law firms, partnerships, or other organized groups as PACs -- political action committees. In some parts of our study, we divide contributions into one of two categories -- individuals and PACs. We did not rely on the information reported to the Board of elections to distinguish individuals from entities, because that information is often not reported correctly. Instead, we used a common sense rule -- an individual is any contributor with a first and last name.

4. The Board of Elections includes schedules A, B, C, D, E, G, L and P as receipts. We have opted to use only schedules A, B, C, D and P. For details on what each schedule encompasses, please see the New York State Board of Elections Handbook of Instructions for Campaign Financial Disclosure, available on the Board of Elections website (www.elections.state.ny.us) under Campaign Finance.



The Money Marathon

Big Bucks and the Race for Governor of New York

Findings

We have divided our findings into several sections -- one for the breakdown of contributions overall and one for each of the three candidates for governor. Each section will deal with contributions during the past six months and the year to date. We will address and explore several issues which are essential to understanding the influence of money in the Governor's race, for each candidate and overall:

1. How much money was raised?
2. How much money came from large contributions vs. small contributions?
3. How much money came from individuals vs. entities?
4. What proportion of donations came from out of state, and which other states/regions were most strongly represented?

In the section on each individual candidate, we will consider the numbers individually and compare them to the total for the past six months and for all of 2001. This will allow comparison among the candidates and a discussion of the key differences between their financial supporters, as well as an analysis of shifts in the key descriptive factors between the first and second halves of the year.

The Money Marathon: Off and Running Candidate Summary Data

Second Six Months of 2001: July 12, 2001 - January 11, 2002

	Total Raised	\$ Raised per day	\$ and % from \$10,000 Donations	\$ and % from <\$100 Donations	\$ and % Out of State
Pataki	\$4.9 million	\$28,000	\$1.7 million 34%	\$0.1 million 2%	\$1.2 million 24%
Cuomo	\$4.1 million	\$24,000	\$2.1 million 50%	\$0.07 million 2%	\$1.7 million 40%
McCall	\$1.9 million	\$11,000	\$0.8 million 43%	\$0.03 million 1%	\$700,000 34%
OVERALL	\$11 million	\$64,000	\$4.5 million 41%	\$0.2 million 2%	\$3.5 million 32%

Full Year: January 12, 2001 - January 11, 2002

	Total Raised	\$ Raised per day	\$ and % from \$10,000 Donations	\$ and % from <\$100 Donations	\$ and % Out of State
Pataki	\$13.7 million	\$37,000	\$4.6 million 33%	\$0.3 million 2%	\$3 million 22%
Cuomo	\$8.7 million	\$24,000	\$4.4 million 51%	\$0.07 million 0.8%	\$3.2 million 37%
McCall	\$4.2 million	\$11,000	\$1.7 million 41%	\$0.03 million 0.8%	\$1.4 million 33%
OVERALL	\$26.6 million	\$73,000	\$10.7 million 40%	\$0.4 million 2%	\$9.5 million 32%

The Money Marathon

Big Bucks and the Race for Governor of New York

The 2002 Governor's race continues to be characterized by heavy fundraising. In the year 2001, before the race has truly begun, the three leading candidates raised \$26.6 million dollars. This election promises to easily surpass the \$40 million raised in 1998. A large portion of this money is coming from a handful of PACs and individuals donating \$10,000 or more, and almost all of the money raised by the three candidates comes from donations of \$1,000 or more. As usual, small donations do not comprise a significant portion of any candidate's war chest.

<u>Overall Total Donations</u>	
Full Year 2001	
Total Money Donated:	\$26,582,789
Total Number of Donations:	30,250
July 2001 - January 2002	
Total Money Donated:	\$10,950,659
Total Number of Donations:	13,258
January 2001 - July 2001	
Total Money Donated:	\$15,632,130
Total Number of Donations:	16,992

Overall

Large Donations vs. Small Donations

The candidates for governor raised the bulk of their money from relatively few PACs and individuals in 2001.

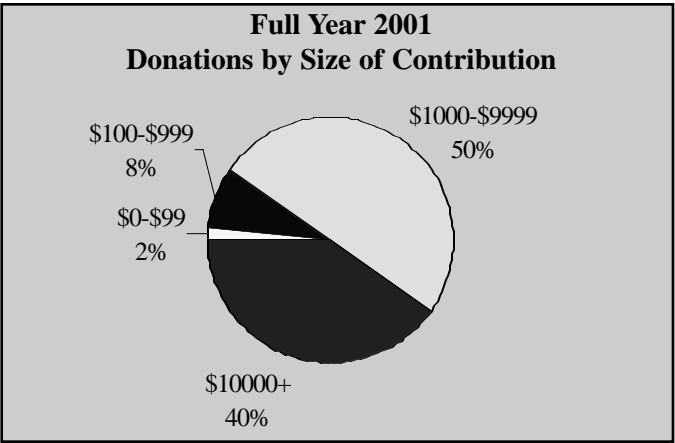
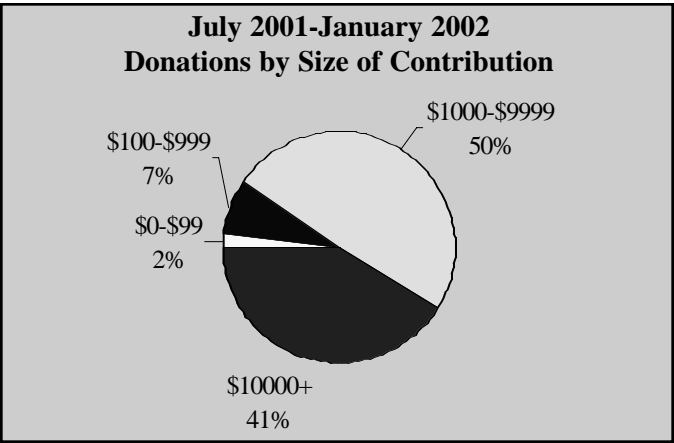
In the last six months of 2001, the candidates raised \$11 million, \$64,000 per day. In all of 2001, the candidates raised \$26.6 million dollars, or about \$73,000 per day.

- **41% of all money contributed in the second half of 2001 (\$4,542,120) came from 298 distinct contributions of \$10,000 or more.**

40% of all of the money contributed in 2001 (\$10,716,277) came from 699 distinct donations from PACs and individuals who gave \$10,000 or more.

Individual donors gave 598 distinct donations of \$10,000 in 2001. The 434 of these individuals who reported New York addresses constitute only 0.002% of all 19 million New Yorkers, but they gave \$6,642,335, or 23% of the total money raised.

- In the second half of 2001, the three candidates raised \$9,926,659 in contributions of \$1,000 or more, 91% of the total money raised. Contributions of \$1,000 or more made up 91% of the money raised in all of 2001, \$24,026,792.
- In the second half of 2001, the candidates received at least 7,605 distinct contributions of less than \$100, for a total of \$206,912, or less than 2% of the money raised. In all of 2001, contributions of less than \$100 totaled \$442,080, also less than 2% of the total raised.



The Money Marathon

Big Bucks and the Race for Governor of New York

Individuals vs. PACs

Individuals gave the bulk of the money donated in 2001. For the full year, individuals contributed \$19,024,467, almost three-quarters (72%) of the total money raised by the three candidates. The remaining \$7,533,638, or 28%, came from PACs. These percentages were consistent throughout the year, with candidates raising 72% of their money from individual contributors during both halves of 2001. In the second half of 2001, \$7,867,132 came from individuals and \$3,058,843 came from PACs.

This is in sharp contrast to our findings in our study of giving in Legislative races. During the 1999-2000 legislative session, the proportion was reversed -- 67% of donations to legislators came from PACs, and only 33% was donated by individuals.⁵

Out of State Giving

The 2002 New York State Governor's race is a high-profile election on the national level, and all three candidates are drawing support from large donors around the country.

- In the second half of 2001, 4,812 contributions (36% of all distinct contributions) came from out of state. These donations totalled \$3,480,793, or 32% of all money raised. Excluding New Jersey and Connecticut, there were 4,281 out of state contributions totalling \$2,781,381, or 25% of the money raised.
- 7,221 of the 30,250 donations in 2001 came from out-of-state contributors. Out of state donations totaled \$9,481,836, or about 32% of all of the money donated to the three candidates. Excluding New Jersey and Connecticut, there were 6,203 out of state contributions in 2001 totaling \$7,728,136, 25% of all money donated.

Jan. 01 – July 02: States with \$200,000+ in contributions

State	Amount
California	\$591,763
Florida	364,724
New Jersey	358,760
Connecticut	340,651
Massachusetts	288,980
Washington, DC	246,927
Illinois	214,035
Pennsylvania	201,043

Full Year 2001: States with \$300,000+ in contributions

State	Amount
California	\$1,311,428
New Jersey	1,071,730
Florida	725,313
Connecticut	681,970
Washington, DC	641,762
Texas	407,964
Massachusetts	386,431
Illinois	374,948

Major Regions: July 2001 -- January 2002 (\$300,000+)

State / Region	Amount
New Jersey + Connecticut (Metro NYC)	\$699,411
California	591,763
DC + Virginia + Maryland (Metro DC)	426,967
Florida	364,723

Major Regions: Full Year 2001 (\$500,000 or more)

State / Region	Amount
New Jersey + Connecticut (Metro NYC)	\$1,753,700
California	1,311,428
DC + Virginia + Maryland (Metro DC)	1,071,413
FL	725,313

- In all of 2001, 164 of the 699 distinct donations of \$10,000 or more were from out of state donors. These donations totalled \$2,920,592, 27% of the total for all donations over \$10,000, or 11% of the total raised.
- Overall in 2001, out of state donations tended to be roughly equivalent in size with donations from New Yorkers. 36% of contributions came from out of state, comprising 32% of the total money raised.

Overall

5. "Capital Bargains, Capital Gains," Public Policy and Education Fund of New York, 2000

The Money Marathon

Big Bucks and the Race for Governor of New York

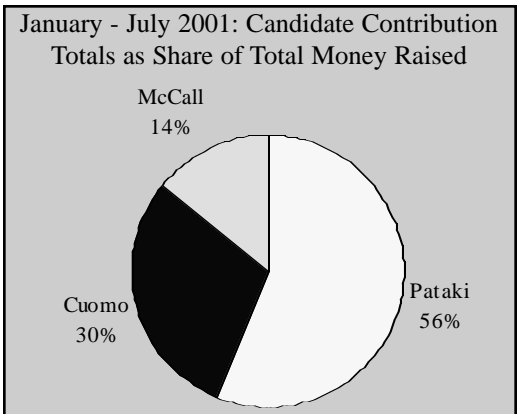
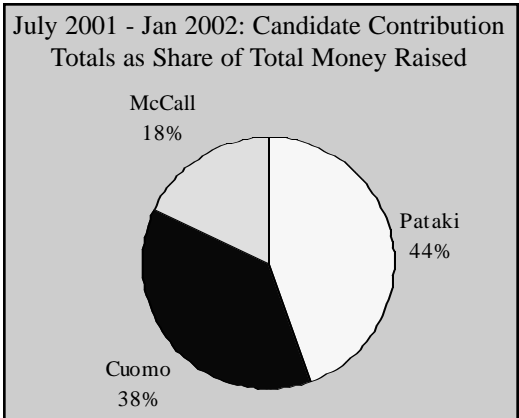
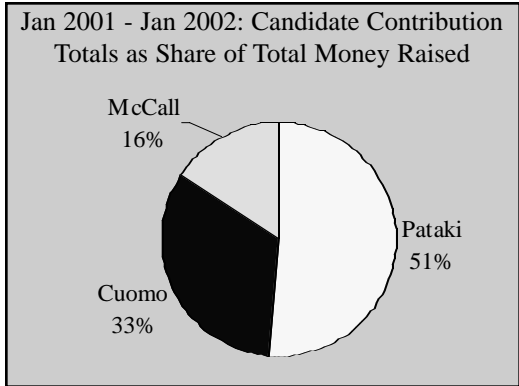
Out of State Giving (cont.)

Overall in 2001, out of state donations tended to be roughly equivalent in size with donations from New Yorkers, with out of state donations comprising 36% of distinct donations and 32% of money donated. However, in the case of each individual candidate the percentages were skewed. Pataki's out of state donations were larger than his in state donations, with out of state comprising 10% of distinct donations and 22% of money donated. For McCall, out of state contributions made up 20% of distinct donations and 33% of money donated. Cuomo was the only candidate for whom out of state donations were smaller on average than in state donations -- 70% of his contributions came from out of state, but they only comprised 37% of his total money.

Candidate Totals Comparison

The three candidates for governor have each raised millions of dollars so far in the money marathon. Governor Pataki maintains a substantial lead, but in the second half of 2001 Andrew Cuomo nearly matched Pataki in fundraising. Carl McCall still lags behind the other two candidates in fundraising.

- In the first year of the Governor's race, Republican candidate Governor George Pataki raised \$13,667,453. This constitutes over half (51%) of all money raised by three candidates. During the second half of 2001, Pataki raised \$4,886,616, significantly less than the \$8,780,837 he brought in in the first half of the year.
- Democratic Candidate Andrew Cuomo, former Secretary of Housing and Urban Development under President Clinton, raised \$8,741,088 in the year 2001, or 33% of all money contributed. In the second half of 2001, Cuomo raised \$4,120,955, only slightly less than the \$4,620,133 he received in the first half of the year.
- Democratic Candidate H. Carl McCall, New York State Comptroller, raised \$4,174,251 during 2001, or 16% of all money contributed. He raised \$1,943,087 between July 2001 and January 2002, slightly less than the \$2,231,164 he raised during the first six months of 2001.



- In the second half of 2001, Pataki raised only 19% more than Cuomo, or \$765,661. Cuomo and Pataki both outraised McCall by more than 2 dollars to 1.
- For all of 2001, Pataki outraised Cuomo by roughly 3 dollars to 2, and Cuomo outraised McCall by roughly 2 dollars to 1. Pataki outraised McCall by a ratio of 3 dollars to 1.

Overall

The Money Marathon

Big Bucks and the Race for Governor of New York

Governor George Pataki

George Pataki, the incumbent Governor of New York, continues to hold a substantial lead in the money marathon. Drawing on long-established relationships with wealthy and powerful PACs and individuals built over his eight years as Governor, Pataki has raised 3 dollars for every 2 brought in by his nearest competitor, and commands more than half of all of the money contributed so far to the three candidates in the Governor's race. Although his fundraising clip slowed somewhat in the second half of the year, he continues to be the runner to beat in the race for campaign cash.



Governor George E Pataki

Pataki

<u>Pataki Overall Total Donations</u>	
<u>Full Year 2001</u>	
Total Money Donated:	\$13,667,453
Total Number of Donations:	20,857
<u>July 2001 - January 2002</u>	
Total Money Donated:	\$4,886,616
Total Number of Donations:	7,017
<u>January 2001 - July 2001</u>	
Total Money Donated:	\$8,780,837
Total Number of Donations:	13,840

- Contributions of \$1,000 or more made up 87% of Pataki's total in the second half of 2001, \$4,267,327. For all of 2001, Pataki raised \$11,894,829 in contributions of \$1000 or more, 87% of his total.
- Contributions of less than \$100 made up only 2% of Pataki's money in the second half of 2001, or \$109,624. In all of 2001, Pataki received 11,461 distinct contributions of less than \$100, for a total of \$317,905.

Large Donations vs. Small Donations

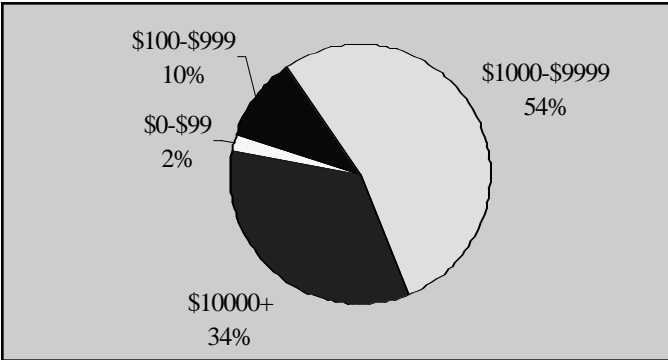
Governor Pataki raised millions of dollars from relatively few PACs and individuals in 2001.

In the last six months of 2001, Governor Pataki raised \$4,886,616, \$28,000 per day. In all of 2001, Governor Pataki raised \$13,667,435, or about \$37,000 per day.

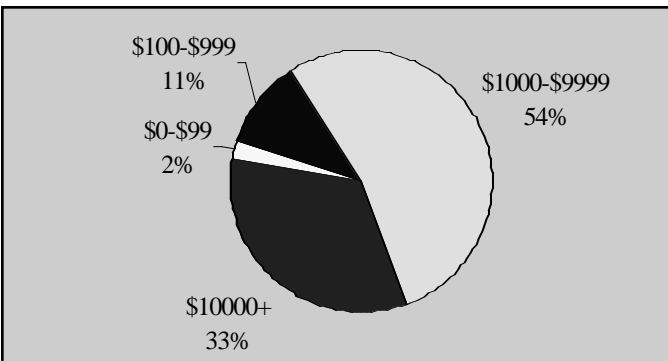
- **34% of all of the money raised by Governor Pataki in the second half of 2001 (\$1,652,880) came from 102 distinct donations from PACs and individuals who gave \$10,000 or more.**

33% of Pataki's total for all of 2001 (\$4,561,330) came from 272 distinct contributions of \$10,000 or more.

Pataki totals by size of contribution, July 01-Jan 02



Pataki totals by size of contribution, Full Year 2001



Out of State Giving

Governor Pataki is a high-profile figure around the country, and as such has received a significant portion of his campaign contributions from out of state donors. However, the governor has received a smaller percentage of his total from out of state contributors than either of his opponents.

- During the second half of 2001, Governor Pataki received 24% of his total (\$1,152,491) from out of state donors. Pataki received 885 distinct contributions from outside of New York.

Excluding the New York metropolitan area (New Jersey and Connecticut), Pataki received 664 distinct donations from out of state totalling \$789,755, or 16% of his total.

- During all of 2001, Governor Pataki received 22% of his total (2,974,065) from out of state donors. This comprised 2,180 distinct out of state contributions.

Excluding the New York City metropolitan area, Pataki received 1,647 distinct out of state contributions which came to \$2,102,141, 15% of his total.

Individual Giving

Individuals gave the bulk of the money donated in 2001, but Governor Pataki received a greater proportion of his total from PACs than did either of his competitors. During the second half of 2001, Governor Pataki raised 66% of his money from individuals (\$3,228,037.) The remaining 34% (\$1,658,579) came from PACs. During all of 2001, Governor Pataki raised 64% of his money from individuals and 36% from PACs.

Pataki

Out of State Contributions Pataki Major Region Totals	
July 2001 -- January 2002 (\$50,000 or more)	
State / Region	Amount
Metro NYC (NJ + CT)	\$353,736
Metro Washington (DC+VA+MD)	175,892
California	114,001
Florida	90,703
Pennsylvania	53,460
Texas	51,845
Full Year 2001 (\$100,000 or more)	
State / Region	Amount
Metro NYC (NJ + CT)	\$871,924
California	399,940
Metro Washington (DC+VA+MD)	354,799
Florida	282,517
Texas	182,811
Pennsylvania	112,018

Andrew Cuomo

Andrew Cuomo, former Secretary of Housing and Urban Development under President Clinton and son of former Governor of New York Mario Cuomo, has many campaign finance resources at his disposal. By drawing on Clinton connections from his time in Washington, using his father's long-established connections to New York elites and taking advantage of the doors opened by his inlaws, the Kennedy family, Cuomo has built a substantial campaign chest. During the past six months, Cuomo raised almost as much as incumbent Governor Pataki, and in the first year of the money marathon, he raised twice as much money as the other Democratic candidate, H. Carl McCall.



Andrew Cuomo

Large Donations vs. Small Donations

Andrew Cuomo raised more than half of his money in 2001 from PACs and individuals donating \$10,000 or more, and almost all of his money from donations of \$1,000 or more. Of the three candidates, he received the largest proportion of his contributions from large donors.

In the last six months of 2001, Cuomo raised \$4,120,956. In all of 2001, he raised \$8,741,088. This comes to roughly \$24,000 per day for the second half of the year and the year overall.

- **50% of all of the money raised by Andrew Cuomo in the second half of 2001 (\$2,052,340) came from 144 distinct donations from PACs and individuals who gave \$10,000 or more. 51% of Cuomo's total for all of 2001 (\$4,447,647) came from 318 distinct contributions of \$10,000 or more.**

Although Pataki had more than three times as many distinct contributions as Cuomo in 2001, Cuomo had numerically more distinct donations of \$10,000 or more (272 for Pataki, 318 for Cuomo.) And although Pataki outraised Cuomo 3 to 2, Cuomo raised virtually the same amount as Pataki in donations of \$10,000 or more. (Cuomo raised \$4.45 million in large donations to Pataki's \$4.56 million.)

Cuomo Overall Total Donations

Full Year 2001

Total Money Donated: \$8,741,088
Total Number of Donations: 6,348

July 2001 - January 2002

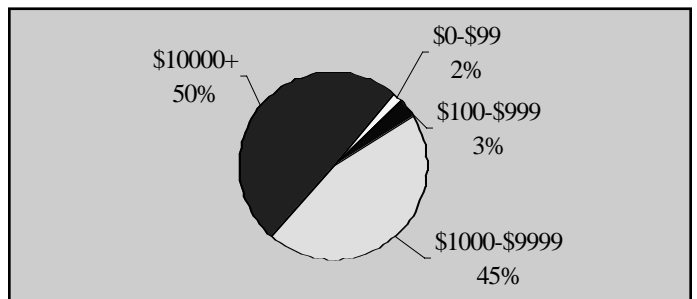
Total Money Donated: \$4,120,956
Total Number of Donations: 4,536

January 2001 - July 2001

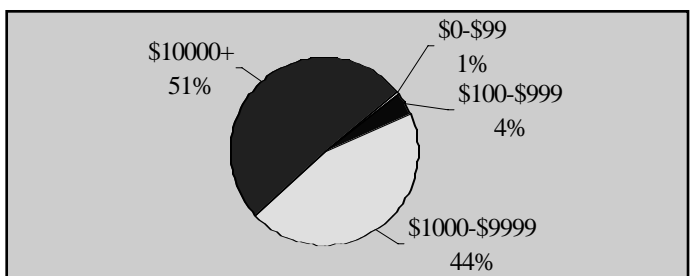
Total Money Donated: \$4,620,132
Total Number of Donations: 1,812

Cuomo

Cuomo totals by size of contribution, July 01-Jan 02



Cuomo totals by size of contribution, Full Year 2001



Large Donations vs. Small Donations (cont.)

- Contributions of \$1,000 or more made up 95% of Cuomo’s total in the second half of 2001, \$3,920,046. For all of 2001, Cuomo raised \$8,318,718 in contributions of \$1000 or more, also 95% of his total.
- Contributions of less than \$100 made up 2% of Cuomo’s money in the second half of 2001, or \$70,669. In all of 2001, Cuomo received 3,329 distinct contributions of less than \$100, for a total of \$72,526, less than 1% of his total.

Individual Giving

Individuals gave the bulk of the money donated in 2001, and Andrew Cuomo received the greatest portion of his total from individuals of the three candidates. During the second half of 2001, Cuomo raised 76% of his money from individuals (\$3,112,567.) The remaining 24% (\$1,008,388) came from PACs. Cuomo received only 251 distinct contributions from PACs. During all of 2001, Cuomo raised 81% of his money from individuals and 19% from PACs.

Out of State Contributions Cuomo Major Region Totals	
July 2001 -- January 2002 (\$200,000 or more)	
State / Region	Amount
California	\$317,862
Florida	262,046
Metro NYC (NJ + CT)	250,050
Metro Washington (DC+VA+MD)	210,024
Massachusetts	203,910
Full Year 2001 (\$200,000 or more)	
State / Region	Amount
Metro NYC (NJ + CT)	\$658,426
California	614,138
Metro Washington (DC+VA+MD)	566,014
Florida	371,421
Massachusetts	232,850

Out of State Giving

Andrew Cuomo has used his national connections to pull in the largest number of out of state contributions of the three candidates. Of the three candidates, Cuomo raised the largest proportion of his money from out of state donors.

- During the second half of 2001, Cuomo received 40% of his total (\$1,658,502) from out of state donors. **81% of Cuomo’s distinct contributions came from out of state.** Excluding the New Jersey and Connecticut, Cuomo received 3,408 distinct donations from out of state totaling \$789,755,16% of his money.
- During all of 2001, Cuomo received 37% of his total (\$3,246,240) from out of state donors. This comprised 4,430 distinct out of state contributions, 70% of his total distinct contributions. Excluding the New York City metropolitan area, Cuomo received 3,073 distinct out of state contributions in 2001 which came to \$2,587,814, 30% of his total.
- Cuomo received donations from all 50 states and the District of Columbia in the second half of 2001.

Of the 3,285 contributions of less than \$100 received by Cuomo in the second half of 2001, less than 200 came from donors reporting New York State addresses. Only 6% of Cuomo’s small contributions in the second half of 2001 came from New Yorkers. These contributions came to \$9,110 -- 13% of the total money he raised in small contributions and roughly 0.2% of his total overall.

Cuomo

The Money Marathon

Big Bucks and the Race for Governor of New York

H. Carl McCall

The New York State Comptroller continues to lag behind in the money marathon. Without the benefits of being the incumbent governor, or the Kennedy-Cuomo connections, McCall has had relative difficulty attracting large donor support. In 2001, McCall raised less than half as much as his Democratic competitor, Andrew Cuomo, and he trailed incumbent Governor George Pataki by a ratio of more than 3 to 1.



Comptroller H. Carl McCall

McCall Overall Total Donations

Full Year 2001

Total Money Donated: \$4,174,251
Total Number of Donations: 3,044

July 2001 - January 2002

Total Money Donated: \$1,943,087
Total Number of Donations: 1,705

January 2001 - July 2001

Total Money Donated: \$2,231,164
Total Number of Donations: 1,339

- Contributions of \$1,000 or more made up 90% of McCall's total in the second half of 2001, \$1,739,286. In all of 2001, McCall raised \$3,813,245 in contributions of \$1000 or more, 91% of his total.
- Contributions of less than \$100 made up only 1% of McCall's money in the second half of 2001, or \$26,619. Less than 1% of McCall's total for all of 2001 came from donations of less than \$100 (\$31,649.)

Large Donations vs. Small Donations

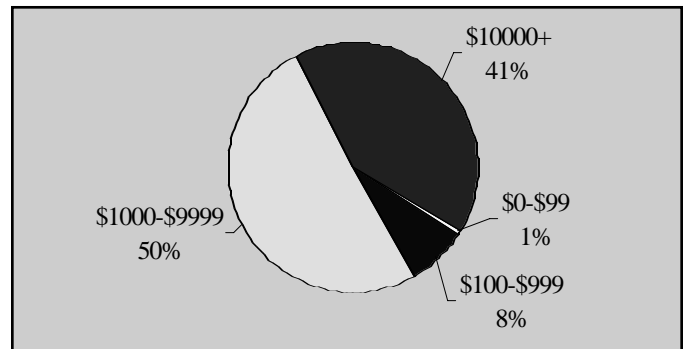
Comptroller McCall raised a lot of money from relatively few PACs and individuals in 2001.

In the last six months of 2001, McCall raised \$1,943,087. In all of 2001, McCall raised \$4,174,251, or about \$11,000 per day.

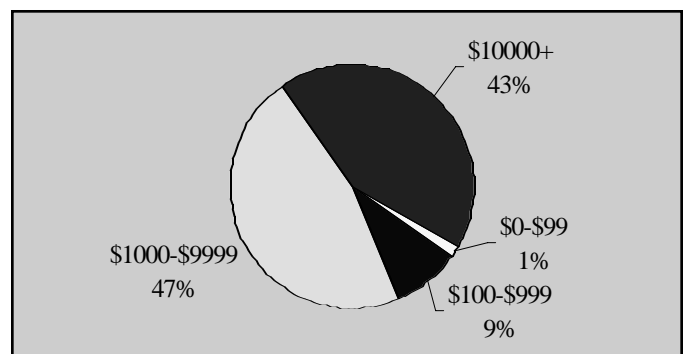
- **43% of all of the money raised by Comptroller McCall in the second half of 2001 (\$836,900) came from 52 distinct donations from PACs and individuals who gave \$10,000 or more.**

41% of McCall's total for all of 2001 (\$1,707,300) came from 109 distinct contributions of \$10,000 or more.

McCall totals by size of contribution, July01-Jan02



McCall totals by size of contribution, Full Year 2001



McCall

Out of State Giving

Carl McCall has succeeded in attracting a large number of out of state donors. He received significantly less of his money from out of state than Cuomo, and only a fraction of the Cuomo's out of state distinct donations, but a significantly higher percentage of his money came from out of state than did Pataki's.

- During the second half of 2001, Carl McCall received 34% of his total (\$669,800) from out of state donors. Excluding the New York metropolitan area (New Jersey and Connecticut), McCall received 207 distinct donations from out of state totaling \$574,175, or 30% of all of the money he raised during that period.
- During all of 2001, McCall received 33% of his total (\$1,376,825) from out of state donors. This comprised 20% of his distinct contributions. Excluding the New York City metropolitan area, McCall received 28% of his total (\$1,153,475) from out of state donors.

Individual Giving

Carl McCall received the vast majority of his money from individual donors. During the second half of 2001, Comptroller McCall raised 79% of his money from individuals (\$1,526,528.) 20% (\$391,875) came from PACs, and the remaining 1% was reported as unitemized contributions. McCall received only 196 distinct contributions from PACs. During all of 2001, Cuomo raised 75% of his money from individuals and 25% from PACs.

**Out of State Contributions
 McCall Major Region Totals**

July 2001 -- January 2002 (\$50,000 or more)

State / Region	Amount
California	\$159,900
Illinois	148,000
Metro NYC (NJ + CT)	95,625
Pennsylvania	67,975
Massachusetts	52,600

Full Year 2001 (\$100,000 or more)

State / Region	Amount
California	\$297,350
Illinois	233,500
Metro NYC (NJ + CT)	223,350
Metro Washington (DC + VA + MD)	150,600
Massachusetts	100,200

McCall

Conclusions & Recommendations

Big Money Takes the Lead

The first election that candidates for public office must win is the wealth primary, the race for campaign dollars. That race is off to a fast start in the campaign for Governor of New York, with \$26.6 million dollars raised in 2001, before the election has truly begun. The race is certain to be the most expensive state-wide race in New York history and may rival the \$91 million spent on the election for New York's US Senate seat in 2000. The race for tens of millions of dollars will be a marathon that lasts through the Democratic primary in September and the general election in November.

The strongest runner in this marathon will be able to raise the most money from large donors. Small donors just don't add up. Donors who gave less than \$100 make up less than 2% of the money while the 699 donors who gave \$10,000 and more add up to 40% of the money collected. Donations of \$1,000 accounted for 90% of all money raised.

In this race the incumbent Governor has a clear advantage, raising money from wealthy individuals and entities that rely on New York State policy and business contracts. In the second half of 2001 Governor Pataki raised \$1.7 million from donors of \$10,000 and more. Pataki donors who gave \$1,000 or more made up \$4.3 million, 87% of the money raised by the Governor. Pataki raised \$4.6 million from donations of \$10,000 or more in 2001, and \$11.9 million from donations of \$1,000 or more during the same period.

With his Cuomo-Kennedy family connections, Andrew Cuomo continues to be even more reliant on large donors, raising half his funds, \$2.1 million, from \$10,000 plus donors in the second half of 2001. Although Pataki had almost twice as many distinct contributions as Cuomo in the second half of the year, Cuomo had numerically more distinct

donations of \$10,000 or more. And although Pataki raised almost twice as much money as Cuomo, Cuomo raised significantly more than Pataki raised in donations of \$10,000 or more.

State Comptroller Carl McCall's relative difficulty in building a large donor base is why he lags in fundraising. McCall had only 52 contributions of \$10,000 or more in the second half of the year, compared to 102 for Pataki and 144 for Cuomo. Why should his relative inability to raise money from the wealthy handicap his chances of being elected Governor?

No matter who wins the election, a certain small group of organizations and individuals will win -- namely, those who can afford to make large donations to political campaigns. A large amount of money is coming to the Governor's race from a small number of groups and people, many of whom have a financial stake in decisions made in Albany.

Is this Any Way to Run a Democracy?

The patriots who founded our country had a vision -- a vision of a government of, by and for the people. Today, we have a government of, by and for the wealthy individuals and interests who fund campaigns. This situation has arisen not out of any moral or ethical lapse among elected officials. It has arisen because of the campaign system in the United States, which makes elected officials dependent on private donors to pay their bills.

Voters, most of whom do not make any political contributions, feel left out. The exchange of large sums of money between donors and candidates amplifies the viewpoints of donors and special interests and undermines voters' faith in elections, government, and political participation. Further, the system reduces electoral competition. Fewer good people run for office because they don't want to spend the time that is required to court large donors for

The Money Marathon

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their campaigns. Those that do run are handicapped by an uneven playing field, where the advantage goes to the candidate with the best access to cash, rather than the candidate with the most experience or the best ideas.

How to Break this Connection?

To sever the tie between special interest money and elected officials requires a fundamental reshaping of our campaign finance system. The question before us is what reforms will realize the goals of returning from the rule of "one dollar-one vote" to "one person-one vote"?

There is a growing chorus for reform in New York. The Assembly Speaker, Sheldon Silver, emphasized his support for reform last winter by making a rare appearance on the Assembly floor to argue for legislation he sponsored to provide \$2 dollars of matching public funds for every \$1 of private funds, limit spending, end soft money and enact various other reforms. The legislation passed the Assembly by a vote of 93-46.

The Senate Majority Leader, Joseph Bruno, responded that there was "zero support" for public financing in the Senate. However, Bruno ignored the sponsorship of public financing bills by two of his Republican colleagues, Roy Goodman and Jim Lack, as well as substantial support from Democratic senators.

Governor Pataki is on record supporting major reforms including: scaling back New York's very high campaign limits; banning soft money; improving disclosure and beefing up enforcement, although he opposes public financing. The Governor's proposal, made in 1999, was introduced as legislation in June of 2001.

Effective reform must end the money marathon. As long as candidates must rely on raising private money to get elected to public office, elected officials will be the captive of well-financed interests. We need instead a system where

candidates can compete by showing broad support from voters instead of narrow support from campaign funders. ***Clean Money, Clean Elections*** reform, recently enacted in four states, offers a way of doing so.

At a NOW Candidate Forum on January 13th, Andrew Cuomo and Carl McCall both stated their support for Clean Money, Clean Elections reform. When asked "will you support Clean Money, Clean Elections campaign finance reform and work for its passage as Governor?" McCall replied, "I support that proposal," and Andrew Cuomo exclaimed, "Clean Money, amen!" Cuomo continued to expound on the need for "full public financing" of elections in New York.

Clean Money, Clean Elections reform begins to restore the principle of "one person, one vote" that lies at the core of our democracy. ***Clean Money, Clean Elections*** reform offers candidates an alternative to soliciting special interest money or spending personal funds to run for office. Under ***Clean Money, Clean Elections*** reform, candidates who demonstrate broad support in their districts, and who are willing to reject private money and limit their spending, receive a fixed and equal amount of campaign funding from a publicly financed fund. They are also eligible for additional public funds, if they are outspent by their opponents or targeted by independent expenditures.

PPEF commissioned a poll on ***Clean Money, Clean Elections*** reform in October 2000 that found very strong support for the the reforms in New York. The poll found that seven out of ten New Yorkers (71%) support ***Clean Money, Clean Elections*** campaign reform. The poll also found that: 80% support a limited and equal amount of public funds for candidates; 88% support campaign spending limits; and 80% support limits on campaign contributions.

The Money Marathon

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Clean Money, Clean Elections (CMCE) reforms are designed to accomplish the following goals:

- Reduce and limit campaign spending. CMCE sets strict spending limits, and prevents the extraordinarily high amounts spent on recent campaigns for Governor and some legislative races.
- Stop the flow of special interest money. CMCE limits campaign contributions to participating candidates to no more than \$100 and to other candidates to \$1000.
- Give regular people a fair shot at winning office. CMCE candidates, who collect a set number of \$5 contributions from voters in their districts, receive a fixed and equal amount of public funds, enough to run a competitive campaign. Under CMCE, you don't need to be rich or raise money from well-funded special interests to run for office.
- Stop the endless money chase. Under CMCE, candidates qualify for office and can then spend their time raising issues, instead of raising money.
- Restore the principle of "one person, one vote." Now, the candidate who raises the most money is considered the front-runner. With CMCE, candidates receive a fixed and equal amount of funding, so they can concentrate on campaigning for votes, not dollars.

CMCE reforms also include many of the proposals made by the Governor, legislative leadership and others, in Albany, including: better disclosure and reporting; lower contribution limits; an end to soft-money; stronger enforcement; and measures to balance out independent expenditures.

Clean Money, Clean Elections legislation has been introduced in the New York Legislature by Senator David Paterson and Assemblyman Felix Ortiz (S.1638/A.2630). Some 16 members of the Senate and

more than 34 Assembly members have signed on as sponsors. The approach is supported by a by some 80 citizen organizations representing religious, senior, labor, environmental, tenant, student, women's, community, good government and neighborhood groups.

The first elections under this new system were held for the Maine and Arizona state legislatures in 2000. One-third of Maine's legislators ran without taking any special interest money. In the Senate, 17 out of 35 members (49%) won their seats without special interest funding. In the House, 45 out of 151 winners (30%) participated in the program.

Incumbents and challengers, Republicans and Democrats ran under the new system, with more than half of the Clean Election candidates (54%) winning. In races that pitted Clean Election candidates against privately-funded opponents, Clean Election candidates won 53% of the time. As provided under the law, many candidates received supplemental matching funds, above and beyond their original allotment, to keep pace with opponents' spending.

Arizona also saw a big increase in the number of candidates for office, as the state ushered in its new public financing program. Two hundred and fourteen people ran for office this year, compared to 135 people two years ago. Sixty candidates ran under the Clean Election program. (More had planned to participate, but chose not to as the program's implementation was delayed by a court fight over a technical challenge to the law.) Sixteen candidates were elected without ties to special interests or Big Money; 12 will serve in the Arizona House of Representatives and 2 will serve in the Senate.

New York voters deserve more than the best candidates money can buy. It's time that candidates for election in New York turned away from one dollar one vote and returned to one person, one vote. It's time to end the Money Marathon in New York and replace the current system with *Clean Money, Clean Elections*.