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Campaign Spending and the 2014 Florida's Gubernatorial Race: A Research Note

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Introduction

This article is a brief overview of the 2014 Florida gubernatorial election. The election was unique, fascinating, and illustrative of larger political lessons. The race merits attention both for its competitiveness and due to the principle political actors involved. An emergent story in Florida has is the power of spending. There has been a recent resurgence in the literature establishing a link between campaign spending and electoral outcomes (Partin, 2002).¹ Thus, this article's focus on Gubernatorial spending as a variable should come as no surprise.

In general, gubernatorial elections have received less attention than their national counterparts in political science, and related disciplines, due to the wide variation of campaign finance laws at the state level

(Malbin and Gais, 1998; Bardwell, 2003). This scarcity, however, is not indicative of the importance of gubernatorial contests. It is simply that "due to the difficulty of compiling accurate spending data" little work has been done on spending and gubernatorial elections (Bardwell, 2003, p. 303). Races for the governor's mansion can actually draw more public attention than some Senatorial campaigns (Bardwell, 2003). The election in Florida was such an attention driven moment.

As a research note this article investigates the importance of spending in the 2014 election to place it in Florida's historical context while also highlighting the unique personal aspects of the race, and investigate the new campaign spending rules for the 2014 election cycle in Florida.

The 2014 Election in Perspective

The historical background of the 2014 gubernatorial race between Charlie Crist and Rick Scott is worth reiterating for its

¹ See Brown (2013) for a recent contrarian view of the causal effect of campaign spending and electoral victories. Among other complications, the best candidates may attract the most money from donors due

to their winning qualities, artificially amplifying the link between spending and victories.

uniqueness. The Democratic challenger, Charlie Crist, was a former Florida governor. Crist had been elected as a Republican governor in 2006, but opted not to run for reelection in 2010. Instead Crist ran for the U.S. Senate, at that time still as a Republican. He was ultimately defeated in a three-way race by Marco Rubio in the general election. The loss marked the beginning of a political transformation for Crist who became a Democrat in 2012. In 2014, Crist entered Florida's governor's race as a Democrat.

Like his opponent, Governor Rick Scott had a unique background. Elected in 2010 after massive personal campaign contributions, Scott was dogged by a Medicare scandal. Scott oversaw Columbia/HCA as CEO from 1989 to 1997 after combining a number of hospitals and other care centers. The business ended up committing Medicare fraud. Scott's involvement was, and continues to be, contested. The *Tampa Bay Times*, summing up the general disquiet over Scott's involvement, quoted Scott as saying he would have stopped the fraud if only "somebody told me something was wrong." In December 2000 the U.S. Justice Department penalized Columbia a then record \$840 million. Scott survived the process but the scandal contributed to a close race in 2010 between Scott and Alex Sink. Scott won by only 61,550 votes.

This historical background is important because it sets the tone for the political climate in Florida. The 2014 election was one marked by two unique actors. Given the extensive media attention afforded to the "flip-flopping" Crist, it might be reasonable to assume that he could not have given Scott a competitive race. Yet the contest was surprisingly close. Normal academic models of gubernatorial elections predict that incumbents are often reelected (Squire, 1992). The closeness of the race then speaks to the problems faced by Scott in his reelection bid. Ultimately only 1.1% points (66,127 votes) would separate Scott from Crist.

The race is also fascinating because in recent history, at least where governors are concerned, Florida has leaned significantly to the right. In 2014, Crist was a conservative Democrat, running as a former Republican. Crist is a symptom of an emergent local truth in Florida: Democratic candidates are not generally successful. The weakness of Democratic candidates is even more pronounced when considered in light of Crist's unsuccessful 2010 bid for the Senate. Marco Rubio won with 2.6 million votes (48.9% of the vote). Crist running as an independent, not the Democratic challenger Kendrick Meek, came in second with 1.6 million votes (29.7% of the vote). Meek garnered just over a million votes (20.2% of the

vote). What variables might explain Rick Scott's reelection?

Data and Methodology

What explains the electoral outcome in 2014? The data I have gathered – electoral totals, campaign monies spent, and electoral victory -- suggests that it is connected to campaign spending. Such a hypothesis should not be surprising. A major theme in the political science literature is the role of financing in electoral victory. Overall, the evidence indicates that campaign spending has an important effect on voter choice, regardless of other factors (Squire, 1995; Bardwell, 2003). Despite its importance, gathering data on state and local campaigning is rather a difficult undertaking. Such studies have limitations due to the inherent legal

differences between states. This article will not attempt to be a comprehensive

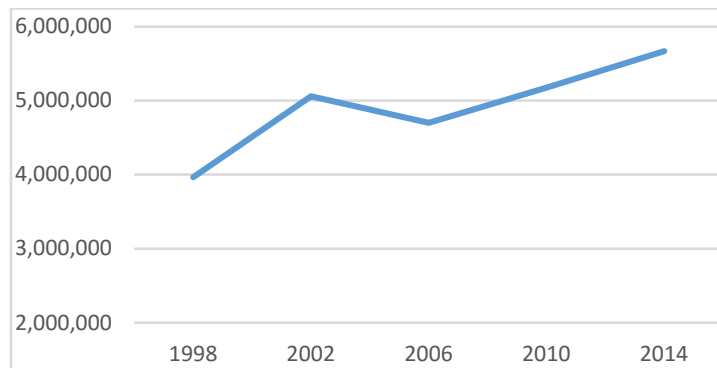


Figure 1: Voter Turnout 1998 - 2014

overview of the subject. Instead, this research note's goals are more limited. It is my assertion that the unique aspects of the 2014 election in Florida can begin to be explained by campaign spending. Further, that the 2014 election can be best understood in terms of candidate spending.

In order to compare Florida gubernatorial races I have compiled the data of total cost spent by each candidate back to 1998.² Included are the total number of votes each candidate received, the percentage of the vote total, and the calculated cost per vote. For this time period I have recorded the total dollar amount each candidate has spent, the total number of votes each candidate received, and then calculated the cost to each candidate per vote received.

² Florida records for campaign contributions and spending are only currently available in a useable

format going back to 1996. Prior data was not available for this set.

Voter turnout has remained remarkably stable. Voter turnout has increased by 1,702,382 million voters from 1998 – 2014 (Figure 1). During the same period, according to U.S. Census data, Florida’s population has increased from 15.5 million in 1998 to 20 million in 2014. Therefore,

although the voting highpoint comes in 2014 with approximately 5.7 million voters and the lowest is in 1998 with approximately 4 million voters, as a percentage of voters, fewer Floridians are coming to the polls.

Table 1: 2014 Gubernatorial Election

<i>Candidate</i>	<i>Funds</i>	<i>Votes</i>	<i>Cost Per Vote</i>	<i>Electoral Margin</i>
Rick Scott (R)	\$16,926,795.03	2,865,343 (48.1%)	\$5.91	64,145 (1.13%)
Charlie Crist (D)	\$14,742,474.96	2,801,198 (47.1%)	\$5.26	
		Total: 5,666,541		

Table 2: 2010 Gubernatorial Election

<i>Candidate</i>	<i>Funds</i>	<i>Votes</i>	<i>Cost Per Vote</i>	<i>Electoral Margin</i>
Rick Scott (R)	\$67,563,996.03	2,619,335 (48.9%)	\$25.79	61,550 (1.19%)
Alex Sink (D)	\$17,485,904.03	2,557,785 (47.7%)	\$6.84	
		Total: 5,177,120		

Table 3: 2006 Gubernatorial Election

<i>Candidate</i>	<i>Funds</i>	<i>Votes</i>	<i>Cost Per Vote</i>	<i>Electoral Margin</i>
Charlie Crist (R)	\$24,597,719.94	2,519,854	\$9.76	341,565 (7.27%)
Jim Davis (D)	\$10,560,731.69	2,178,289	\$4.85	
		Total: 4,698,143		

Table 4: 2002 Gubernatorial Election

<i>Candidate</i>	<i>Funds</i>	<i>Votes</i>	<i>Cost Per Vote</i>	<i>Electoral Margin</i>
Jeb Bush (R)	\$10,530,696.44	2,856,845	\$3.69	655,418 (12.96%)
Bill McBride (D)	\$8,759,083.03	2,201,427	\$3.97	
		Total: 5,058,272		

Table 5: 1998 Gubernatorial Election

<i>Candidate</i>	<i>Funds</i>	<i>Votes</i>	<i>Cost Per Vote</i>	<i>Electoral Margin</i>
Jeb Bush (R)	\$9,125,443.12	2,191,105	\$4.17	418,051 (10.55%)
Buddy MacKay (D)	\$6,350,805.46	1,773,054	\$3.58	
		Total: 3,964,159		

Tables 1 – 5 show the funds spent by each candidate; the total votes each candidate received; the total votes cast in each election; the calculated cost per vote to each candidate; and the margin of victory. It is fascinating to note that in the dataset there are no Democratic victories. The cost per vote each year has also risen, while simultaneously the margin of victory has narrowed. Given that there has been a slight increase in turnout (numerically, not overall), this increase is even more pronounced.

The largest amount of money spent in the dataset comes from Rick Scott in 2010 at over \$67 million dollars (Table 2). The lowest amount spent is just over \$6 million by Buddy MacKay (D) in 1998 (Table 5). Unsurprisingly, these two candidates also mark the high and low water mark for amount spent per vote. Scott spending \$25.79 per vote, while MacKay spent \$3.58.

Table 6: 1994 Gubernatorial Election

<i>Candidate</i>	<i>Votes</i>	<i>Electoral Margin</i>
Lawton Chiles (D)	2,135,008	63,940 (1.52%)
Jeb Bush (R)	2,071,068	
	Total: 4,206,076	

Table 7: 1990 Gubernatorial Election

<i>Candidate</i>	<i>Votes</i>	<i>Electoral Margin</i>
Lawton Chiles (D)	1,995,206	460,138 (13.03%)
Bob Martinez (R)	1,535,068	
	Total: 3,530,274	

Table 8: 1986 Gubernatorial Election

<i>Candidate</i>	<i>Votes</i>	<i>Electoral Margin</i>
Bob Martinez (R)	1,847,525	308,905 (9.12%)
Steve Pajcic (D)	1,538,620	
	Total: 3,386,145	

Table 9: 1982 Gubernatorial Election

<i>Candidate</i>	<i>Votes</i>	<i>Electoral Margin</i>
Bob Graham (D)	1,739,553	790,540 (29.40%)
Skip Bafalis (R)	949,013	
	Total: 2,688,566	

Table 10: 1978 Gubernatorial Election

<i>Candidate</i>	<i>Votes</i>	<i>Electoral Margin</i>
Bob Graham (D)	1,406,580	282,692 (11.17%)
Jack Eckerd (R)	1,123,888	
	Total: 2,530,468	

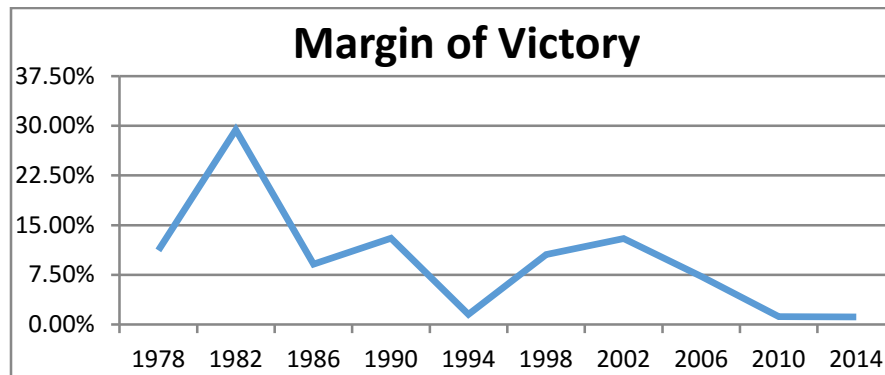


Figure 2: Electoral Margin of Victory

While not including the data on campaign spending, Tables 6 – 10 have votes and electoral margins extending back to 1978. Figure 2 plots the margin of victory for candidates in Florida from 1978 to 2014.

The largest margin of victory in the dataset is Bob Graham’s 29.40% over Skip Bafalis in 1982 (Table 9). The closest is Rick Scott’s 2014 1.13% win over Charlie Crist (Table 1). The next closest is nearly identical, and again is Rick Scott, in 2010 with a win over Alex Sink by 1.19% (Table

2). Figure 2 highlights the fact that despite an increase in overall spending; the margin of victory has either decreased or remained stable.

Results

Understanding and interpreting both the data and the 2014 election in Florida requires a bit of background. The gubernatorial election is the first under the new campaign finance laws (Florida HB 569 “Relating to Campaign Finance”; Larrabee, 2013) passed by the Florida legislature and signed into law by Rick Scott in 2013. The bills changed the campaign finance landscape in Florida dramatically. The biggest shift was an increase in campaign contribution limits in gubernatorial races from \$500 per candidate to \$3,000 per candidate. The shift also allowed candidates to roll over up to \$20,000 in unspent campaign funds for re-election. Finally, the law banned Committees of Continuous Existence, which were mechanisms for fund-raising, although most of those functions were renewed under a new name: political committees. The changes were, unsurprisingly, met with a variety of conflicting voices. What was the potential effect of the campaign changes?

Scott would spend a record amount in his first election against Alex Sink. In that election Scott would outspend his opponent by \$50,0078,092 — the largest in

the dataset (see Table 2). Not only this, but Scott would spend \$25.79 per vote, outspending Sink \$18.95 per voter. Putting that number in perspective, for the 2009 - 2010 gubernatorial cycle, Scott spent more than every other candidate in the country except Meg Whitman of California. Whitman would spend \$176.68M, the largest ever in a gubernatorial race to date. The next closest to Scott would be Jerry Brown, also of California, who spent \$40.6M. This means in 2010, despite spending the second highest amount in the country running for the office of governor, Rick Scott’s margin of victory was only 1.9%. Therefore, it seems plausible that Scott would increase spending in 2014. Yet the data shows a dramatic decline in spending for Scott, despite the fact that there were less stringent campaign contribution limits. The election in 2014 would be equally close (1.13%). Why the difference in spending?

One potential hypothesis is that money spent in 2010 shifted to outside organizations in 2014 as a result of campaign finance law changes. It is difficult to assess this type of hypothesis because there is no central location for such data. Fortunately, third parties gather these kinds of data. For a snapshot of 2014 it is possible to turn to The Center for Public Integrity (Baye, 2014). The center’s tracking shows that \$98.1 million was spent on ads in the 2014 gubernatorial race. Further analysis

shows that the Republican Party of Florida spent \$47.4 million to run 78,575 ads for Scott. The group “Let’s Get to Work,” which backed Rick Scott, spent \$10.8 million on 26,687 ads. Meanwhile the Florida Democratic Party spent \$27.1 million on 17,478 ads. No comparable group to Let’s Get to Work put up such numbers for Crist. Instead, another group called NextGen Climate Action Committee, which advocates taking steps against climate change, targeted Rick Scott with 5,596 ads costing \$5.9 million. Despite NextGen, all accounted for 59.33% (or approximately \$63.11 million) of the dollars spent on ads were favorable to Rick Scott. To put this number in perspective: no other gubernatorial candidate running in 2014 had this much money spent on television advertising by outside groups (Wieder, O’Brien, and Baye, 2014). Interestingly, Brown (2013) found that externally-financed spending was more impactful on gubernatorial election results than self-financed spending.

Relaxed campaign finance laws may have led money to flow from campaign contributions to third parties in order to air political ads. If spending took place outside the candidate’s budget it would certainly create the appearance of less campaign spending. In short: by changing the laws it would give the appearance of less money being spent in the following guber-

natorial cycle. Given that outsider spending is harder to track – there is no official database, for instance – this possibility is very real. In addition, not only did Florida have a change in laws, 2014 was the first major gubernatorial cycle to be influenced by *Citizen’s United v. FEC* Supreme Court ruling removing limits on such outsider spending.

One potential way to account for these legal changes is to look at the costs of the campaign totals, including outside spending, in 2014. Combining both funds spent by the campaign and outsider groups, Rick Scott spent (and had spent on his behalf) \$79.04 million or \$27.58 per vote. For Crist the amount totals \$47.74 million or \$17.04 per vote. Meaning that Scott spent 162% more per vote than did Crist when accounting for outsider spending. While this would win Scott the election, it would not do so by a larger margin than he won in 2010.

The ultimate effect of these legal changes – both in Florida and nationally – are difficult to assess. What the data does indicate is that Rick Scott spent less money out of his own campaign funds in 2014 and that he once again won by a narrow margin of victory. Whether 2010 was a blip on the radar or those funds were subsequently masked by new outside spending groups it is not possible to say based on the current data. When including the

data for outsider spending, at least in 2014, the disparity in spending between the winner and the loser remains.

Besides the possibility of campaign spending shifts from the candidate to outside groups, it is also possible that in 2010 Scott spent more money to become a known quantity in Florida. Running in 2014, as the incumbent, he no longer had to gain name recognition. The ultimate effects of campaigning spending are difficult to measure because spending is ultimately strategic (Bardwell, 2005; Green and Krasno, 1990). We do know that incumbents would generally need to spend less than their challenger counterparts and is linked to the incumbent effect (Bardwell, 2005). Yet in neither election did Scott win by a large margin. Nor was there a change in approval ratings. Therefore, prior models would suggest Scott would have spent similarly in 2014 as he did in 2010. The data indicates a drop in spending instead.

Moving away from just the 2014 elections several trends are notable in the data. The first is that no recent electoral victor won while spending less money than his or her opponent. Even when we normalize that number per voter, the trend remains relatively constant. With the exception of the 2002 race, no candidate has won while spending less per vote than his or her opponent per voter. The cost per vote issue

is worthy of further consideration. If we assume that candidates spent relatively equal amounts of money, then it would be the case that losers would spend more per vote than would winners. This does not appear to be true. Examining Tables 1 – 5 one sees that winners, with the exception of 2002, spent more per vote than losers.

Not only is it necessary to spend more than your opponent, the data suggests that a candidate needs to aim to spend more than his or her opponent per voter. This is a considerably high threshold for potential candidates. It would also certainly deter challengers and might explain why Crist, instead of a more established Democratic candidate, would run in 2014. If insiders know the costs necessary to run this might deter challenges.

Conclusions

The data highlights a number of interesting facts for Floridians. The first is, at least in the given dataset, no candidate has both spent less overall and won an election. Such a correlation does not prove a causal relationship, but it does suggest that money is an important factor in determining electoral outcomes.

The second pattern to emerge is that, with the exceptions of 2002, no candidate has spent less per vote and won the election. Such a pattern is worth exploring in detail. Assuming that candidates spend similarly,

losing candidates would likely spend more per voter because they have a smaller vote share. Yet spending per voter falls disproportionately on the winner whether they are the incumbent or the challenger. Two factors likely contribute to this: one, the winner is spending more to win and two, the margin of victory over time has been declining.

The third pattern to emerge: increasingly narrow margins of victory for successful candidates. Margins of victory have been slowly declining since 1978. In 2010 and 2014 the margins were 1.19% and 1.13% respectively. It is unclear why such a pattern is emerging. None of the datasets examined offer a compelling hypothesis. No current research analyzes victory margins in gubernatorial contests. The decline should be examined in future work. Narrower victories combined with higher spending means, at least in Florida, candidates are spending more for fewer voters.

Specific to 2014 is the nature of outsider spending. Florida HB 569 "Relating to Campaign Finance" combined with *Citizen's United v. FEC* has led to the largest amount of outsider spending on a gubernatorial campaign in Floridian history. The campaign finance data points to a lowering of spending in 2014. Yet when outsider spending is included, the picture radically shifts. Future studies will have to carefully

navigate this shift. Was 2010 an outlier in gubernatorial spending or did such a substantive legal change occur so as to shift where monies were directed? I submit that additional research needs to examine campaign spending and outsider spending in future gubernatorial elections to fully assess the impact of these legal changes on the system -- specifically in Florida because of the convergence of *Citizen's United* and HB 569.

These types of issues, complex legal changes at the state level, are precisely what make studying local elections and campaigns difficult for researchers. Countrywide data would not allow for analysis of the differing legal environments. The advantage to the current research note is that it focused on a single state, allowing for consideration of rule changes. More generally further research could look to campaign financing prior to 1998, a difficult though not impossible task. Given the fluctuations in the value of the dollar over time such a study would also need to look to standardizing the dollar for inflation allowing for a more honest comparison over time. Such an issue was negligible in the current work given the limited timeframe.

Additionally, future research might compare outsider spending in Florida to other states, especially as more elections occur under the new campaign finance rules. Are Florida's 2014 spending levels a new

normal for the nation or is Florida, due to state campaign finance laws, unique? If campaign finance laws in Florida are an important dependent variable, such a cross state study would highlight that possibility. However, it would be necessary to carefully construct such a study. Ideally, states like Florida, which have expanding outsider spending, could be compared to states that have not. It might also be possible to look at races, as more accumulate at the local level, before and after *Citizen's United*.

In conclusion, Florida gubernatorial races are getting more expensive. They are

more expensive per vote and in total spending. That expense is potentially being masked by new rules that offload that spending to third party advocacy groups. These changes are occurring as the margin of victory continues to narrow. Researching state elections is difficult, but deeply important, as the rules of campaign finance undergo shifts. Scholars will need to pay carefully attention to intrastate elections if they hope to fully understand the role of money in elections and ultimately help state policy makers create appropriate frameworks for future elections.

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