Does Money Matter in House Elections?

Introduction

It's no secret that campaign spending has increased dramatically in the years following the *Citizen's United* decision. But do candidates that spend more money than their opponents have an unfair advantage? Does spending favor either party? Using data from the 2020 House election cycle, we can observe how much money really matters.

Literature

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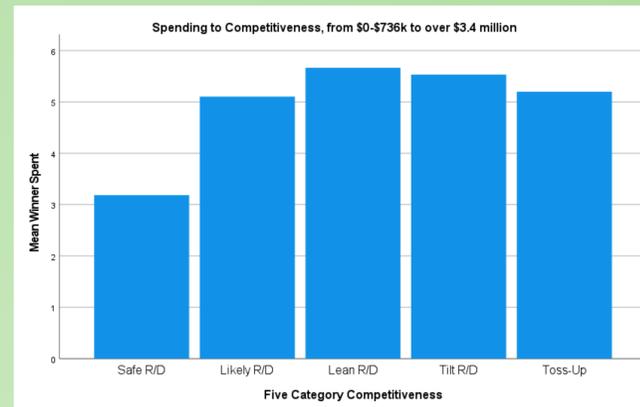
Hypotheses and Analysis

1. As election competitiveness increases, candidate spending will increase with it.
2. Republicans spend more money than Democrats and are more likely to win high-dollar races.
3. Incumbents who spend more money are more likely to win reelection.
4. Incumbents who lose reelection bids are usually outspent by their challenger.

Crosstabulation of Competitiveness and Amount Spent by Winning U.S. House Candidate. Chi Square: 113.042*, Lambda .079*, Phi .513*, Cramer's V .210* comp, .677 spending
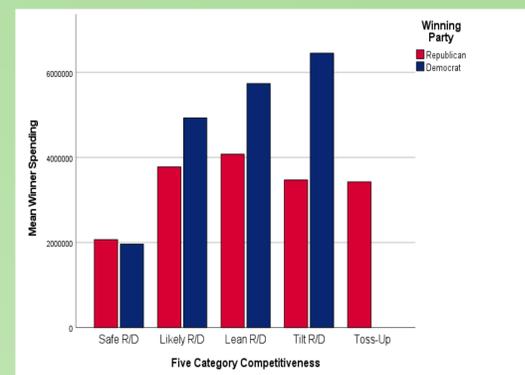

Crosstabulation of Winning Party's Spending Based on Competitiveness. Chi Square 113.042*, Lambda .079*, Phi .513*, Cramer's V .256*
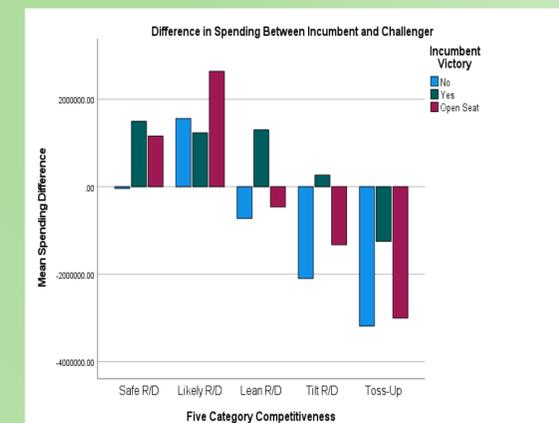

Crosstabulation of Incumbent Victory Based on Competitiveness and Spending. Chi Square 8.463, Lambda .114, Phi/Cramer's V=.243

Spending to Competitiveness, from $0-$736k to over $3.4 million

Difference in Spending Between Incumbent and Challenger

Results and Implications

1. Candidate spending is higher in competitive elections when compared to the majority of safe races.
2. In the 2020 election cycle, money did not favor either party, but rather each party employed different strategies of disbursement.
3. Incumbents who spent over $1.9 million in competitive races were slightly more likely to win reelection.
4. Incumbents who lost their race occasionally were outspent, but often spent more than their challenger.

Conclusion: Money matters in deterring quality challengers and keeping up with them, but incumbents who lose seem to do so for outside reasons, whether it be personal controversy or changing district demographics and party ideals.

BEMIDJI STATE UNIVERSITY