



## How do presidential candidates pay for their campaigns?



Since 1976, candidates for president have been eligible to participate in a public financing system to pay for their campaigns. Until the 2000 elections, all candidates nominated for president participated in this system by accepting government funds in exchange for a promise not to spend more than a specified amount.

However, this system has become increasingly unappealing to candidates because the imposed spending limit is considered too low—and less than the amount that major candidates can often raise from private sources. Consequently, some recent presidential candidates have opted out of public funding and instead raised money to fund their campaigns.

- PARTY NOMINEES CAN USE PUBLIC FUNDS TO CAMPAIGN FOR PRESIDENT, BUT THEY CAN'T USE PUBLIC FUNDS TO CAMPAIGN FOR NOMINATIONS IN THE PRIMARIES AND CAUCUSES.



For candidates who raise their own funds, federal law dictates how and from whom candidates for president, senator and representative may seek contributions. It also limits how much any individual contributor can give. The law ensures that the press and citizens know who is contributing to a given candidate.

A candidate for president must establish a campaign organization, called a political committee, and register it with the Federal Election Commission. Once registered, political committees may seek contributions but must report all funds raised to the commission, which makes the information available to the public. Recent major-party presidential candidates have spent hundreds of millions of dollars on their campaigns. Those who raise their own funds must find thousands of contributors.



Why do U.S. presidential campaigns cost so much?





- POLITICAL CANDIDATES MUST RAISE MONEY TO TRAVEL TO WHERE VOTERS LIVE.

The short answer is that it is expensive to communicate to a nation of 100 million voters for the 12 or more months that make up the presidential campaign season. U.S. presidential candidates must campaign at the national level as well as in the 50 states. This means that they must hire both national and state-level staff and reach voters in person and through national and local television, radio and social media. The proliferation of presidential primaries and caucuses has resulted in longer campaigns that involve more travel and purchased media coverage than in the past.

To campaign for office, a candidate needs to hire staff; arrange for office space and travel; conduct research; issue position papers; advertise on radio and television, in publications and on the Internet; and conduct numerous public appearances and fund-raising events.

Candidates for president have the daunting task of organizing their primary campaigns state by state and then, if nominated, their general election campaign throughout the nation. A candidate for the House of Representatives will campaign in his or her specific congressional district, while a Senate candidate must cover an entire state.



Do candidates have access to other sources of funding?





In 2010, the Supreme Court ruled that political spending is a form of speech and thus protected by the First Amendment to the U.S. Constitution. As a result, since 2010, candidates can spend an unlimited amount of their own money to fund their campaigns.

The ruling also gave greater leeway to “political action committees” (PACs), which are formed when individuals, businesses and interest groups pool their money and donate it to support specific ideas, candidates, ballot initiatives or legislation. According to federal law, an organization becomes a PAC when it receives or spends more than \$2,600 for the purpose of influencing a federal election. States have their own laws governing when an organization becomes a PAC.

Because they are independent of a candidate’s official fundraising committee, PACs are not subject to the same regulations—even though they must register with the Federal Election Commission—but they are limited in how closely they can coordinate with candidates. For example, a PAC cannot contribute more than \$5,000 directly to a candidate’s election committee, but it can spend an unlimited amount of money to run ads that advocate or oppose a specific candidate’s views.

- POLITICAL SIGNS OF CANDIDATES FOR VARIOUS OFFICES LINE A NEIGHBORHOOD STREET IN HOUSTON, TEXAS.