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REPORT

# POWER BROKERS

## AN ANALYSIS OF OUTSIDE DEMOCRATIC SPENDING IN CLOSE CONGRESSIONAL RACES



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A PROJECT OF  
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# REPORT TOPLINES



- 1 Every cycle, campaigns get more expensive. In the 2022 cycle, total campaign spending on federal elections reached **\$8.9 billion** – a **20%** inflation-adjusted increase from the previous midterm election in 2018 (source: [OpenSecrets](#)).
- 2 In 2022, outside groups aligned with Democrats spent **\$483.9M on House races** – **but only \$56.2M (11.6%) was spent on the 10 closest House races** during the general election.
- 3 It is incredibly difficult to accurately predict which Congressional races will be the most competitive: the races Democrats spend the most outside money on generally do not end up being the closest races on Election Day. In 2022, **none of the top 10 races for outside spending were among the closest on election day** (as measured by races with a final margin of 2 points or less).
- 4 The current tools we're using to allocate outside spending – **polling, candidate fundraising capacity, and past district performance** – are imprecise at best. Trying to closely adhere to a formula isn't working.
- 5 While there's no perfect formula for allocating outside dollars, this report does suggest that even marginally shifting investments to (1) **candidates**, (2) **districts**, and (3) **campaign strategies** often deemed "**too risky**" can actually be a winning strategy. This includes investing in more **women, people of color**, and **members of the LGBTQ+ community**, districts across the country long perceived as "**unwinnable**," and campaign tactics like **field** and other forms of **direct voter engagement**.

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# CURRENT DEMOCRATIC SPENDING & ACCURACY TRENDS

## 2022 CYCLE

In 2022, 14 US House races had a margin of 2% or less. **None of these 14 races were the top 10** highest for outside spending by Democrats. **Half weren't even in the top 40 highest** for spending.

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## 2020 CYCLE

In 2020, 12 races had a margin of 2% or less. **Three were in the top 10** of outside Democratic spending.

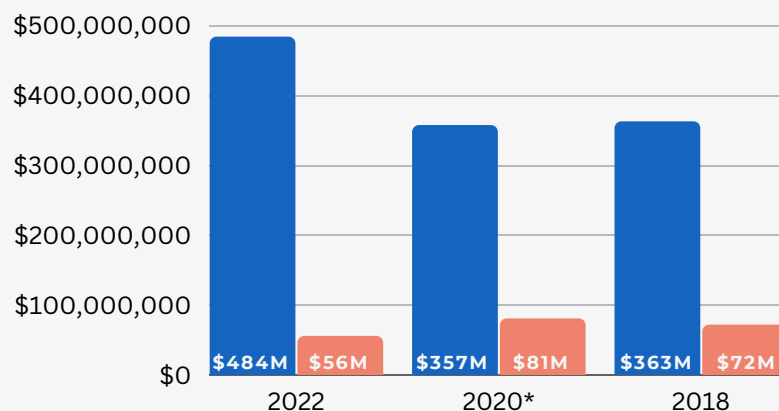
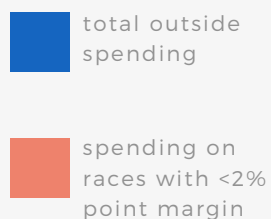
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## 2018 CYCLE

In 2018, **19 races** had a margin of 2% or less. **Three were in the top 10** of outside Democratic spending. **Again, half were not in the top 40 highest** for spending.

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### DEMOCRATIC TOTAL SPENDING VS. SPENDING ON CLOSE (<2%) FOR US HOUSE RACES



While overall spending increases significantly cycle to cycle, the average spending on races that end up being within 2 points is not increasing.

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# WHAT INFORMS OUTSIDE SPENDING ALLOCATION?

IT DEPENDS ON THE OVERARCHING FOCUS OF EACH CYCLE: WHETHER DEMOCRATS ARE TRYING TO **PROTECT** OR **REGAIN** THE HOUSE MAJORITY. EITHER WAY, THE STRATEGY TENDS TO BE **REACTIVE**



**In 2022**, when protecting the majority was the goal, only 1 challenger race, CA-22, was in the top 12 for spending (which each came in at over \$8 million for Democrats/against Republicans).

**In 2020**, we saw an almost even split in the highest spending races between incumbents and challengers. While Democrats had an overall spending advantage, Republicans' outside spending was higher: by 24% in US House races (source: Way to Win TV Congress Report, 2023).

**In 2018**, when Democrats were eager to support challengers, every one of the top 10 races was a challenger or open pick-up seat. Notably in this cycle, 9 out of 10 of the top outside spending races were for white candidates.

**THE RACES WITH THE HIGHEST OUTSIDE SPENDING BY DEMOCRATS DON'T CONSISTENTLY CORRELATE WITH DISTRICTS IN AREAS THAT ARE THE MOST EXPENSIVE TO RUN IN (AS MEASURED BY HIGHEST-COST MEDIA MARKETS) OR WITH THE RACES REPUBLICANS ARE SPENDING THE MOST MONEY ON (ARMS RACE MENTALITY).**

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# WHAT IS THE MONEY SPENT ON?

## CAMPAIGN SPENDING IS **INCREASING ASTRONOMICALLY** – AND THE MAJORITY OF THE SPENDING GOES TOWARD **PRICY TV ADS**

Spending on campaigns continues to rise every cycle. In 2022, total spending in state and federal elections reached **\$16.7 billion** (source: [OpenSecrets](#)), with federal elections alone reaching almost **\$9 billion** (source: [OpenSecrets](#)). This total was nearly as high as the 2020 election, showing astronomical growth in midterm spending.

Most of that spending goes to pricy TV spots: in 2022 **\$4.7B was spent on broadcast television** and **\$1.7B on cable**, representing nearly **three-quarters of total spending** (source: AdImpact's [2022 Political Cycle-In-Review Report](#)). Paid media spending is “one and done,” meaning that while thoughtful paid media can have some effect on voters’ understanding of key issues, research shows it is unlikely to have a lasting impact. On the other hand, tactics like deep canvassing done throughout the year can move the needle more substantively over time (source: [Commons Dreams](#)).



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# HOW "CLOSE RACES" GET SELECTED

## EVERY CYCLE THE ALLOCATION OF BILLIONS IS A DELICATE BUT DISJOINTED PROCESS

Each organization that engages in outside spending has their own criteria for giving, and small-dollar individual donors are hard to predict. However, it is clear that taken as a whole, **spending does not consistently go to the races that end up being the most competitive on Election Day**. While many groups do put an emphasis on prioritizing spending on the most competitive races, the strategies to pinpoint those races are imprecise at best. **Polling, candidate fundraising capacity, and historical district data** are most of what we have to work with – and each criteria comes with known flaws.



### POLLING

Especially at the Congressional level, polling has never been precise enough to truly predict what races will be the most competitive, especially when looking at the US House level (source: [FiveThirtyEight\\*](#)).



### FUNDRAISING CAPACITY

Fundraising capacity is known to favor candidates with personal wealth or access to wealthy networks, who are more likely to be white men (source: [The Ascend Fund](#)). This leaves women and candidates of color at a disadvantage and leads to general election candidates who may be less energizing to a general election voting base.



### HISTORICAL DISTRICT DATA

Historical district data deprioritizes districts that haven't had a strong Democratic candidate run in recent cycles, particularly in areas where there are rapid demographic changes.



### OTHER FACTORS

Other factors when determining how outside resources are allocated include a **candidate's national profile**, and **how much Republicans are spending** – the arms race mentality we see in some hyper-competitive districts.



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# LOOKING AHEAD

A WILLINGNESS TO TAKE **GREATER RISKS** IN CAMPAIGN SPENDING CAN YIELD **BETTER RESULTS** FOR DEMOCRATS



What can we learn from the past three cycles? Given the trends over the past six years, the real risk is continuing to misallocate billions of dollars to paid media in districts that aren't necessarily the most competitive.

With no perfect system for resource allocation, it makes sense to take small risks on investing in diverse candidates who meaningfully represent their districts, and in districts perceived as “unwinnable,” particularly those where a Democrat has not run a viable campaign in several cycles.

“**THE REAL RISK IS CONTINUING TO MISALLOCATE BILLIONS OF DOLLARS TO PAID MEDIA**”

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# LOOKING AHEAD

With the vast majority of current spending going to TV — \$4.7 billion in total spending on broadcast, plus another \$1.7 billion on cable in 2022 (source: [AdImpact Report](#)) — investing more in other forms of voter contact that are more labor intensive but have longer lasting impacts should be considered, specifically more robust field programs. Other areas that deserve greater attention are narrative and messaging strategy and staff training programs.

Additionally, not every dollar spent is equal, even those spent on TV advertising. While most outside spending will continue to be spent on TV, effective messaging is not one-size-fits-all for every district. In deciding the allocation of outside spending, groups should consider candidates' specific stories and strengths and the value of positive narratives, as opposed to defensive messaging (source: Way to Win TV Congress Report).

“**DEMOCRATS WOULD BE WISE TO EXPAND OUR DEFINITION OF “WINNABLE DISTRICTS” AND “VIALE CANDIDATES”**”

In the cycles since 2018, we've seen that some of the highest spending challenger races are, understandably, districts where a Democrat came close or closer than expected the previous cycle. Often these districts were not considered particularly competitive before a strong candidate ran. This suggests that investing in candidates in districts that don't immediately look competitive but haven't had a strong candidate run previously is a risk worth taking. This is especially true in the context of redistricting which has, in some contexts, led to less predictable outcomes. We should expect to see continuing effects from redistricting this cycle as candidates and organizations become more familiar with new districts and as some key states look at another round of new maps.

Our methodologies for allocating outside spending are imperfect at best. Moving ahead, Democrats would be wise to expand our definition of “winnable districts” and “viable candidates,” and to allocate resources beyond the traditional avenue of paid media — to the candidates, districts, and campaign strategies where small investments can yield substantive returns.

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# A FEW EXAMPLES



## MARGIN

Democrat Jevin Hodge  
lost by 3,195 votes (R+0.87%)

## SPENDING RANK

Ranked 49th for outside spending  
by Democratically aligned orgs



## MARGIN

Democrat Yadira Caraveo narrowly  
won by 1,632 votes (D+0.69%)

## SPENDING RANK

Ranked 23rd for outside spending  
by Democratically aligned orgs



## MARGIN

Democrat Lauren Underwood  
narrowly won her second term by  
5,374 votes (D+1.3%)

## SPENDING RANK

Ranked 53rd for outside spending  
by Democratically aligned orgs



## MARGIN

Democrat Gina Ortiz-Jones  
narrowly lost by 926 votes (R+0.5%)

## SPENDING RANK

Ranked 38th for outside spending  
by Democratically aligned orgs



## MARGIN

Democrat Kendra Horn defeated an  
incumbent by 3,338 votes (D+1.4%)

## SPENDING RANK

Ranked 78th for outside spending  
by Democratically aligned orgs



## ABOUT US

Square One is the non-profit that provides high-impact, hands-on support to the most promising Democrats running for Congress all over the country – with a focus on women, people of color, and LGBTQ+ candidates

**Visit us** at [www.squareonepolitics.org](http://www.squareonepolitics.org)

**Email us** at [hello@squareonepolitics.org](mailto:hello@squareonepolitics.org)

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Report by Isabel Alter

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## NOTES ON DATA

- We used a 2 point margin to define the closest tier of races. However, looking beyond the 2 point margin – up to 5 points – does not dramatically change the analysis.
  - The “outside spending” number used to create the rankings is the general election spending both *for* a Democrat and *against* a Republican in a given district.
  - Spending data is sourced from [opensecrets.org](http://opensecrets.org) in 2023.
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