

SUMMARY OF MICHIGANS 1998 ELECTIONS

By Denise Roth Barber
October 25, 2000

Total 1998 Campaign Contributions: \$41,082,642

Statewide Races: \$ 21,429,576

Legislative Races:\$19,653,066

Total number of votes: 3,036,886

Average raised per vote \$13.52

The Races

Candidates vied for five statewide and 148 legislative offices. The statewide races were Governor, Secretary of State, Attorney General, and several Supreme Court and Board of Education seats. The 148 legislative races consisted of 110 House races and 38 Senate races.

Dollars by Office

Office	Total	Average/Candidate
Governor	\$14,052,377	\$1,171,031
Supreme Court	\$3,482,565	\$386,952
Attorney General	\$3,082,552	\$342,506
Secretary of State	\$675,187	\$225,062
Board of Education	\$136,895	\$136,810
Statewide Total	\$21,429,576	\$498,362
Senate	\$7,565,392	\$59,105
House	\$12,087,674	\$23,795
Legislative Total	\$19,653,066	\$30,901

TOTAL	\$41,082,642	\$60,505
--------------	---------------------	-----------------

Contributions by Party

Statewide Races	Total	Average
Democrat	\$10,574,585	\$88,121,545
Republican	\$7,361,124	\$92,014,056
Non-Partisan	\$3,482,565	\$38,695,166
Third	\$11,301	\$161,443
Legislative Races		
Republican	\$12,817,457	\$4,330,222
Democrat	\$6,781,571	\$2,396,315
Third	\$54,038	\$94,804

Remarkably, all statewide and legislative races were contested in 1998. Also, 64 of the House races (58%) were open due to term-limits, which prevented many incumbents from seeking re-election.

RACES	Contested	Uncontested	Total	Races with Incumbents	Open
Statewide	3	0	3	2	1
Legislative	148	0	148	78	70
TOTAL	151	0	151	80	71

Money Raised, by Candidate Type

Statewide Races	Total	Average
Challengers	\$9,722,388	\$694,456

Incumbents	\$6,798,114	\$1,699,528
Open Races	\$4,909,074	\$196,363
Legislative Races		
Open Races	\$10,606,584	\$27,407
Incumbents	\$6,044,189	\$76,509
Challengers	\$3,002,293	\$17,661

Money Raised, by Outcome of Race

Statewide Races	Total	Average
Winners	\$9,176,783	\$1,147,100
Losers	\$8,200,755	\$328,030
Primary Losers	\$4,052,038	\$405,204
Legislative Races		
Winners	\$12,469,192	\$83,686
Losers	\$3,836,319	\$18,806
Primary Losers	\$3,347,555	\$11,829

THE RESULTS

In the Legislature, Republicans gained one seat in the Senate and five seats in the House, maintaining their majority in the Senate and gaining the majority in the House. Now, the Senate has 23 Republicans and 15 Democrats, and the House 58 Republicans and 52 Democrats. In the Statewide races, the Governor and Secretary of State positions remained Republican, and the Attorney General seat remained Democrat.

WHO GIVES

Sources of Funds by Major Sectors

The following table shows the breakdown of contributions by sector, sorted from the largest percentage of total dollars to the smallest. Not included in this total is \$4.2 million given by contributors whose economic interest could not be identified.

Economic Sector	Total	% of Total
Candidate Self-Finance	\$8,676,652	23.5%
Political Parties	\$4,917,810	13.3%
Lawyers & Lobbyists	\$3,817,627	10.4%
Finance, Insurance, & Real Estate	\$3,054,344	8.3%
General Business	\$3,003,547	8.2%
Labor	\$2,368,369	6.4%
Public Campaign Funds (Governor race)	\$2,180,906	5.9%
Non-Business (Government employees, retirees, etc)	\$2,002,190	5.4%
Health	\$1,856,550	5.0%
Construction	\$1,444,095	3.9%
Transportation	\$1,284,605	3.5%
Energy & Natural Resources	\$1,017,988	2.8%
Communications & Electronics	\$559,835	1.5%
Agriculture	\$498,583	1.4%
Ideology/Single Issue	\$134,724	0.4%
Contributions under \$20 reporting threshold	\$28,228	0.1%
Total	\$36,846,054	100.0%

The following is a brief analysis of contributions within each sector.

Candidate Self-Finance: 23.5%

Statewide candidates contributed \$5.7 million to their own campaigns, and legislative candidates gave \$3 million. Geoffrey Fieger, who unsuccessfully challenged incumbent Governor John Engler, gave \$5.35 million to his own campaign. In a far distant second, Leland Burton, Senator from District 5, gave himself \$110,000.

Political Parties: 13.3%

The most generous source -- political party PACs and members of political parties -- supplied \$4.9 million in 1998.

The second and third largest contributors were the House Republican Campaign Committee and the Senate Republican Campaign Committee, which contributed \$1.3 million and \$1.2 million respectively.

Lawyers and Lobbyists: 10.4%

Lawyers and lobbyists contributed \$3.8 million in 1998. The top two contributors were the Michigan Trial Lawyers Association, with total contributions of \$379,825, and the Muchmore Harrington Smalley PAC, which gave a total of \$120,012 less than a third given by the Trial Lawyers.

Finance, Insurance, and Real Estate: 8.3%

The finance, insurance and real estate industries gave \$3.1 million in 1998. The Realtors PAC of Michigan was in the lead with total contributions of \$188,521. Not far behind was the Blue Cross Blue Shield PAC, which gave a total of \$158,000.

General Business: 8.2%

This broad category encompasses manufacturing, food and beverage sales, tobacco products, business and general services, recreation and live entertainment, hotels, motels and resorts, and gambling interests. In 1998, these businesses gave just over \$3 million.

The largest business contributor, with contributions totaling \$303,067, was the Michigan Beer & Wine Wholesalers Association. The second largest business contributor was the Michigan Chamber of Commerce, which gave \$124,193.

Labor: 6.4%

In 1998, labor unions contributed \$2.4 million the large majority of which went to Democrat candidates.

The Michigan Education Association was the largest contributing union, giving \$450,250 to candidates. The Autoworkers of Michigan was the second largest union contributor, at \$355,050.

Public Funding: 5.9%

Only gubernatorial candidates in Michigan are eligible to receive public funds for their campaigns. The funding is based on a two-for-one matching program (for every \$2 a candidate raises, he or she receives \$1 in public funding). Not all candidates choose to receive public funds.

In 1998, the governors race brought in a total of \$2.2 million in matching public funds. Winning incumbent Republican, Gov. John Engler, received over half of that amount, while Democrats Larry Owen and Doug Ross received \$636,000 and \$420,000, respectively.

Non-Business Interests: 5.4%

This category comprises non-business interests such as clergy, military, government employees, tribal governments, non-profit institutions, artists and retirees. Contributions from these entities totaled just over \$2 million.

The National Association of Social Workers was the largest contributor within this category was Citizens for Public Education PAC, which contributed \$56,000. Second was the National Association of Social Workers, which gave \$30,055.

Health: 5.0%

The health industry -- which consists of health professionals, medical institutions, pharmaceutical and health-product companies gave a total of \$1.9 million.

The largest contributor within the health industry was the Michigan Health & Hospital Association, which contributed a total of \$153,573. The Michigan Doctors PAC, with contributions totaling \$115,368 was the second largest contributor.

Construction: 3.9%

Construction interests, which consist of contractors and homebuilders, suppliers of building materials and equipment, architects and engineers, gave a total of \$1.4 million.

The Michigan Manufactured Housing, RV and Campground PAC was the largest contributor among the construction interests, giving \$102,025. Second was the Builders PAC of Michigan, which gave just under \$99,660.

Transportation: 3.5%

The transportation industry includes trucks, automobiles, airlines, boats, and tourism services. In 1998, this industry contributed a total of \$1.3 million

The Detroit Auto Dealers PAC was the largest contributor by far, giving a total of \$238,300. Giving a third of that total was the Michigan Auto Dealers, with \$78,600 in contributions.

Resource Development: 2.8%

This category includes forestry and forest products, mining, oil and gas, utilities, environmental services, waste management, fisheries and wildlife, grazing interests and commercial fishing industries. Total contributions from the industries within this sector were just over \$1 million in 1998.

The Consumers Power Company was the largest contributor, with \$131,375, and the Detroit Edison PAC was the second largest resource contributor, at \$93,465.

Communications & Electronics: 1.5%

The communications and electronics industry consists of printing and publishing, TV and movie production and distribution, telephone services, and electronics. In 1998, these entities gave \$559,835.

The largest contributor within this industry was the Ameritech PAC, with contributions of \$116,590. The AT&T PAC of Michigan, with a total of \$37,200, was the second largest contributor, almost a third less in contributions than Ameritech.

Agriculture: 1.4%

The agricultural industry gave a total of \$498,583 in contributions in 1998. The Michigan Farm Bureau PAC was the largest within this sector, with \$97,345 in contributions. Far behind in second was the Michigan Grocers Association PAC with \$33,000 total.

Ideology: 0.4%

Ideological contributors -- composed of organizations that work on public policy issues such as human rights, gun control, fiscal and tax policies, abortion, and environmental concerns contributed a total of \$134,724. The largest contributor was the Right To Life of Michigan PAC, with donations of \$30,194. Close behind is the Michigan Womens Campaign fund, which contributed a total of \$27,950.

Small Contributions: 0.1%

Small contributions in Michigan represent contributors that give less than \$20. In 1998, these contributions totaled \$28,228. Republican candidates received the majority of the money from small contributions.

It should be noted, however, that small contributions are understated because the electronic database from the Michigan Elections Department does not include contributions under \$100 submitted in written reports. Thus, only small contributions listed in electronically filed reports are reflected here.

TOP CONTRIBUTORS

The table below lists the top ten PACs who gave to the Michigan 1998 statewide and legislative races.

The contributions from these PACs represent 6% of all the contributions.

Top Ten PACs	Total
Michigan Education Association/MEA PAC	\$450,250
Michigan Trial Lawyers Association/Justice PAC	\$379,825
Auto Workers PAC/UAW	\$355,050
Michigan Beer & Wine Wholesalers Association	\$303,067
Detroit Auto Dealers/DAD PAC	\$238,200
Realtors PAC Of Michigan	\$188,521
Blue Cross Blue Shield Of Michigan PAC	\$158,000
Michigan Health & Hospital Association/Health PAC	\$153,573
AFSCME PAC	\$149,075
Consumers Power Co PAC	\$131,375
Total	\$2,506,936

WHO GETS

The most expensive races

The race for Governor was the most expensive in 1998, with 12 candidates raising a total of \$14 million. The other statewide races analyzed for this report raised significantly less \$7.3 million.

The most expensive legislative race was in Senate District 11, where the candidates raised \$719,166. Three of the five candidates raised money in that race, but most (77%) was raised by unsuccessful Republican challenger Jack Brandenburg.

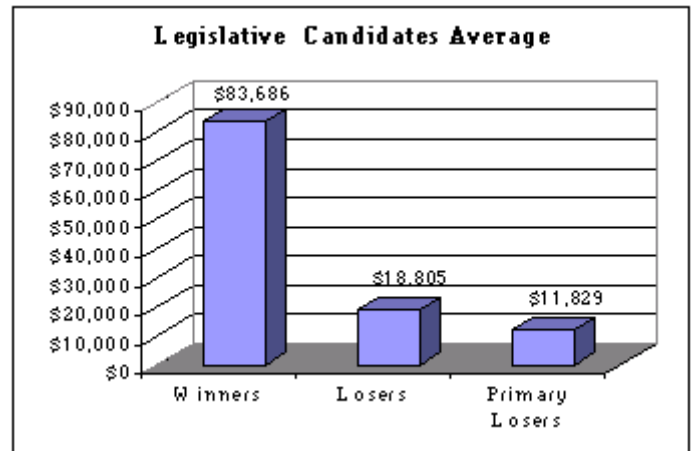
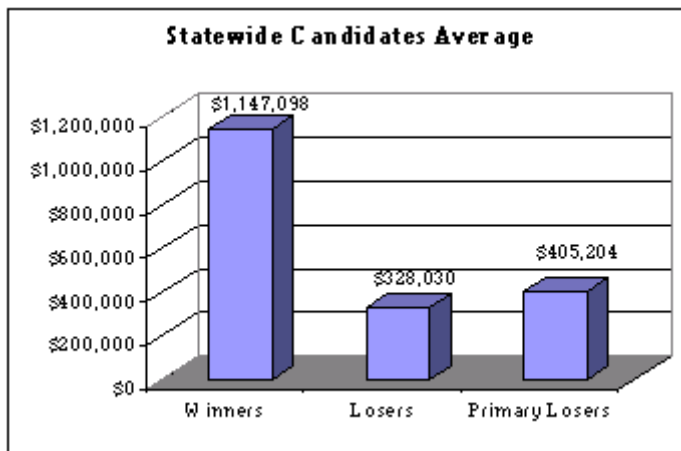
The most expensive House race was for the open seat in District 85. The six candidates in that race raised \$459,578 - 64% of which was raised by winning Republican candidate Larry Julian.

Top Fund-raising Candidates

Unsuccessful Democratic gubernatorial candidates Geoffrey Fieger and his running mate James Agee raised the most money in 1998 with \$5.8 million. Winning Republican gubernatorial candidate John Engler and his running mate Dick Posthumus raised the second largest amount, just under \$5 million. In Senate races, candidate Jack Brandenburg (R-SD 11) raised the most money (\$555,986) though he lost in the general election), and in House races, Representative Gerald Vanwoerkom (R-HD 91) raised the most money, \$333,646.

Winners vs. Losers

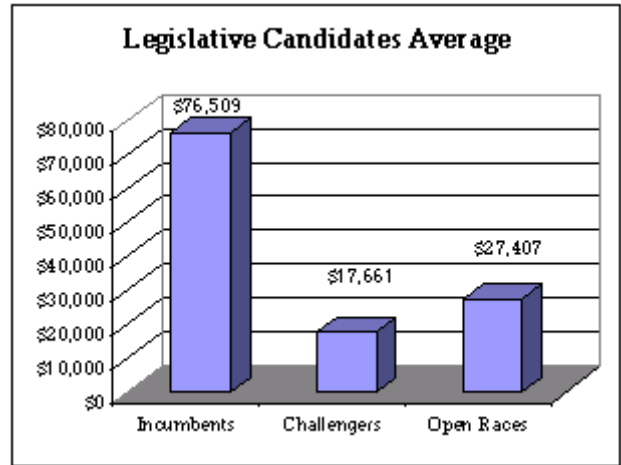
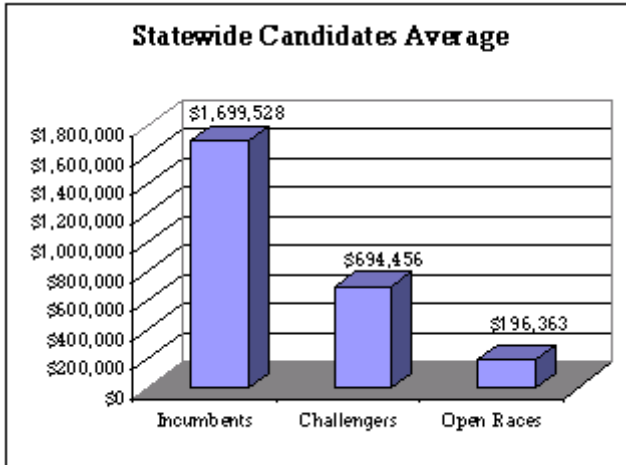
Winners - with a total of \$21.6 million - raised more than the primary and general losers combined, who raised \$7.4 million and \$12 million, respectively.



The charts above show how much more the average winner raised, compared to election losers.

Incumbents vs. Challengers

Incumbents attracted significantly more money than their challengers. Overall, the average raised per incumbent, \$147,000, was more than twice that raised by the average challenger, \$69,000.



As seen in the chart above, in the statewide races, the average incumbent raised almost twice the amount raised by the average challenger. In the legislative races, the average incumbent raised four times more than the average challenger.

WHY WINNERS WIN

Money continues to play a crucial role in determining the victors in elections. In the 148 legislative races, all of which were contested, 134 (91%) were won by the candidates who raised the most money.

Not surprisingly, incumbency is another major factor in determining who wins. Of the 78 legislative races where incumbents ran, challengers defeated the incumbents in only five races. Incumbents won 94% of the time.

Incumbency and money together were a lethal combination. In contested races where incumbents sought re-election, no incumbent lost if she or he raised the most money. Conversely, candidates who had neither advantage always lost to the incumbent. In other words, a challenger to an incumbent never won if she or he raised less money than the incumbent. The six challengers who did defeat the incumbent (mentioned above) raised more money than the incumbent, and the eight legislative races won by candidates who did not raise the most money ran in open races where the incumbents were not seeking re-election.

COMPARISON BETWEEN 1996 AND 1998 HOUSE RACES

In 1998, candidates for House seats raised \$12.1 million, a 3% decrease from 1996, when House candidates raised a total of \$12.5 million.

A starker contrast can be seen when comparing the number of candidates, however. In 1998, 508 candidates vied for 110 House seats, a 25% increase from the number of candidates who ran in 1996 (382).

The number of Republican candidates increased 25%, from 180 to 241, while the number of Democrats increased 20%, from 181 to 225. The number of third-party candidates almost doubled, from 21 to 41.

In 1998, Republicans raised \$7.4 million, just slightly more than the \$7 million raised by Republican candidates in 1996. Democrats raised more in 1996, with a total of \$5.4 million compared to \$4.7 million in 1998.

ABOUT OUR INFORMATION

The National Institute on Money in State Politics downloaded the campaign contribution data for the 1998 election cycle from the Michigan Department of Elections web site.

Candidates who raised money but did not run in the 1998 election cycle raised a total of \$1,115,817. This money has been excluded from the analysis. \$252,016 of non-contributions were also excluded from this analysis. Non contributions consist of money from public funding, interest earned on accounts, balance forward from previous campaigns, etc. Further, eight House candidates and one Senate candidate either had not filed reports or filed inadequate ones at the time this report was prepared.