

FIRST LOOK: SEATTLE'S DEMOCRACY VOUCHER PROGRAM

*Reducing the Power of Big Money and
Expanding Political Participation*

NOVEMBER 15, 2017



SEATTLE'S DEMOCRACY VOUCHERS REDUCE THE POWER OF BIG MONEY AND INCREASE POLITICAL PARTICIPATION

Seattle's new Democracy Voucher Program is reducing the power of big money and giving everyday people a bigger voice in local elections, according to initial analysis of the system in this year's municipal elections by the Seattle-based Win/Win Network and national money-in-politics reform group Every Voice Center.

In 2015, Seattle voters overwhelmingly approved the Honest Elections Seattle ballot initiative by a 63 percent to 37 percent vote to create the first-in-the-nation Democracy Voucher Program. In 2017, the program went into effect for the first time, distributing four \$25 Democracy Vouchers to every Seattle resident for use in two at-large city council races and the contest for city attorney. The program will expand to other races including the race for mayor in future election cycles.

To qualify to spend the vouchers, candidates agreed to only accept small donations of \$250 or less, raise a threshold number of small contributions, gather signatures, and agree to limit their campaign spending. Use of the program was widespread in 2017, with 13 out of the 17 candidates in the primary election agreeing to participate, and six of them meeting the qualification requirements to redeem the vouchers. Five out of the six contestants in these races who advanced to the general election ran using Democracy Vouchers.

As the following analysis details, Seattle's Democracy Voucher Program is achieving its intended goals by generating historic numbers of new and small donors, diversifying the makeup of campaign supporters to better reflect the people of Seattle, and limiting the reliance on big money in local elections.

Using data currently available, our initial analysis of the 2017 election surfaced these key findings:

- At least 25,000 Seattle residents—a historic number—participated as campaign donors in this election cycle, three times the roughly 8,200 residents who donated to candidates in 2013.
- As of publication, more than 18,000 Seattle residents gave nearly 70,000 Democracy Vouchers to 2017 candidates, and more Democracy Vouchers are likely to be received before the December 1 deadline.
- An estimated 84 percent of this election cycle's Seattle donors were new donors—about 20,900 individuals who had not contributed to city candidates in the 2015 or 2013 cycles. Among these new donors, 71 percent were voucher donors.
- Contrasting voucher donors to city council and city attorney candidates with cash donors to mayoral candidates in 2017, Democracy Voucher donors better reflected Seattle's population including young people, women, people of color, and less affluent residents.
- Candidates in races eligible for Democracy Vouchers relied less on big money. Instead, 87 percent of the support for their campaigns came from small donations of \$250 or less and Democracy Vouchers. By contrast, small donations accounted for just 48 percent of the money backing candidates for city council and city attorney in the 2013 elections.

ENSURING EVERYDAY PEOPLE HAVE A BIGGER VOICE IN SEATTLE ELECTIONS

In its first outing, the Democracy Voucher Program generated historic levels of new and small donors and made measurable strides towards altering the pool of donors to be more reflective of the city's population as a whole.

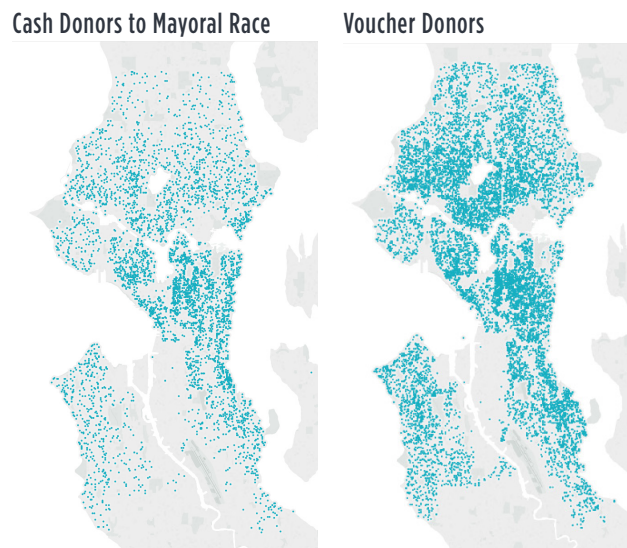
At least 25,000 Seattle residents—a historic number—participated as campaign donors in this election cycle, three times the roughly 8,200 residents who donated to candidates in 2013 before Democracy Vouchers were in place. By comparison, candidates for six 2013 races including for mayor, city attorney, and city council ran with donations from fewer donors than the 2017 candidates in just four citywide races. As of publication, more than 18,000 Seattle residents gave nearly 70,000 Democracy Vouchers to 2017 candidates, and more Democracy Vouchers are likely to be received before the December 1 deadline.

“At least 25,000 Seattle residents—a historic number—participated as campaign donors in this election cycle, three times the roughly 8,200 residents who donated to candidates in 2013.”

Incredibly, we estimate 84 percent of this cycle's Seattle donors were new donors—about 20,900 individuals who had not contributed to city candidates in the 2015 or 2013 cycles. Among these new donors, 71 percent were voucher donors.

One of those first-time donors, Gina Owens told the Seattle Times, “my income has never been the highest in Seattle, so I always had a problem using my finances for campaigns, when I have to take care of home.” Now because of the Democracy Voucher Program she says, “People like me can contribute in ways that we never have before. We can participate in ways that big money always has.”¹

Figure 1. Donors to 2017 Citywide Candidates



Based on an early analysis of available donor data on November 6,² the Democracy Voucher Program diversified the makeup of campaign funders in a city where past elections have been funded disproportionately by rich, white donors.³ In a comparison of roughly 17,000 voucher donors and 6,000 donors to mayoral candidates in 2017 (who were not eligible to use vouchers in this first phase of the program), Democracy Voucher donors better

1 Gene Balk, “Do Seattle’s democracy vouchers work? New analysis says yes,” Seattle Times, October 13, 2017, accessed November 11, 2017, <https://www.seattletimes.com/seattle-news/data/do-seattles-democracy-vouchers-work-new-analysis-says-yes/>

2 Data available for the analyses in this report include vouchers received through November 2 and private donations made through November 6, 2017 and were provided by the Seattle Ethics and Elections Commission.

3 Alan Durning, “Who Funds Seattle Candidates? Rich, white people with view homes,” Sightline Institute, July 21, 2015, http://www.sightline.org/research_item/who-funds-seattles-political-candidates/

Figure 2. Young People (18 to 35) Contribute More in Voucher Races

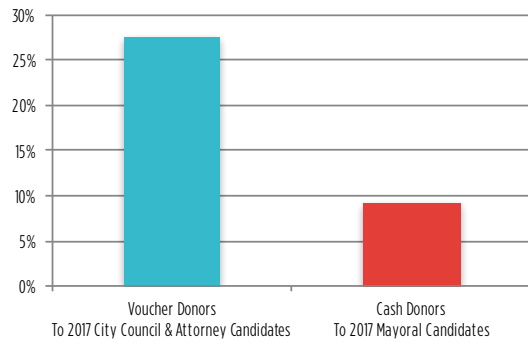
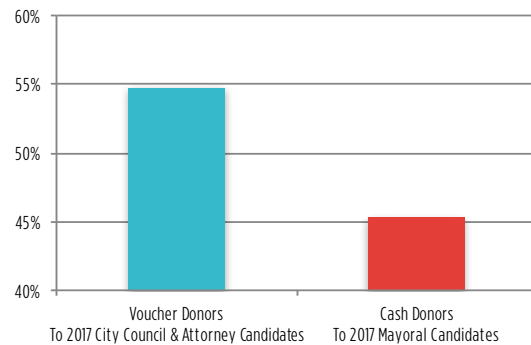


Figure 3. Women Contribute More in Voucher Races

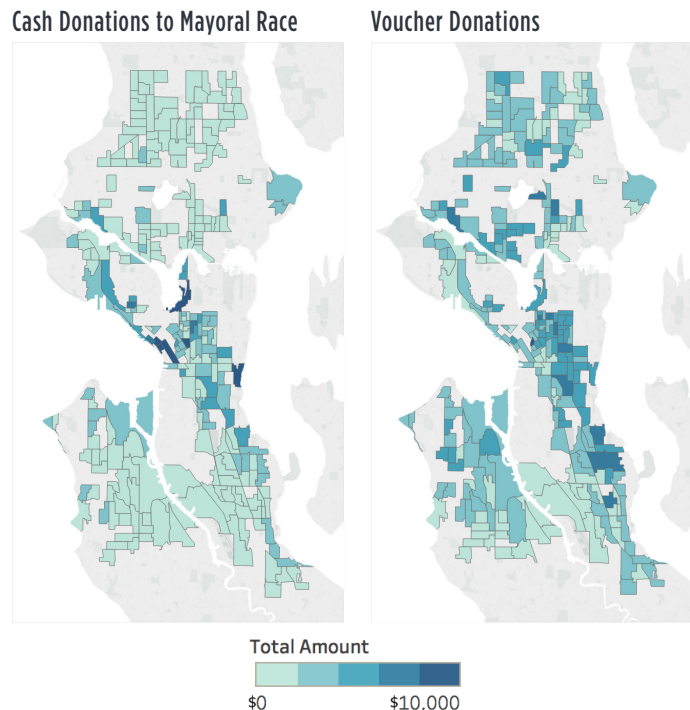


reflected Seattle's population of young people, women, people of color, and less affluent residents.⁴

Among voucher donors, the share of funds from young people (aged 18 to 35) was 27 percent, three times greater than the 9 percent share found in the mayoral pool of cash donors and closer to the age group's representation among registered voters of 35 percent. (Figure 2) Women contributed the majority of voucher money when, by contrast, women were underrepresented as donors to mayoral candidates—making up

less than half the cash in that race even though they account for more than half of registered voters in Seattle. (Figure 3)

Figure 4. Contributions from Lower Income Communities

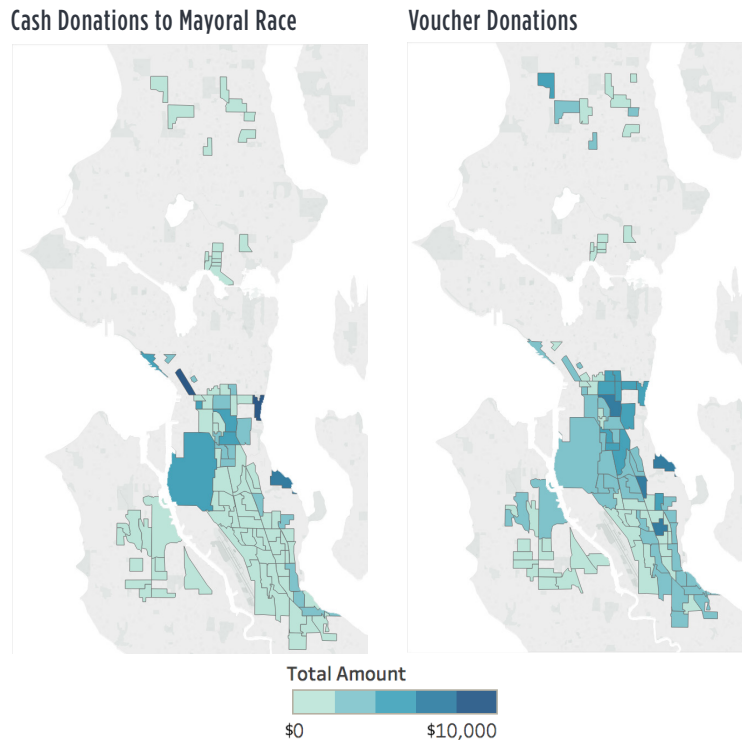


Lower income communities and communities of color also saw a rise in representation among voucher donors compared to cash donors to the mayoral race. Neighborhoods with household incomes below the city median⁵ saw a 44 percent improvement in the share of their giving among voucher donors, compared to their share of mayoral cash. Figure 4, with total donation amounts from each of these lower income neighborhoods to mayoral candidates, shows low amounts of giving throughout most the city, while the same map for voucher donors shows an overall increase in giving that is dispersed across the city.

4 For analyses based on age and sex, individuals were matched in Catalist to voter file data, sourced from the Washington Secretary of State. For analyses based on race and income, individuals were geocoded to Census block groups and the demographic information available for their neighborhoods.

5 Household median income is \$80,000 according to Gene Balk, "\$80,000 median: Income gain in Seattle far outpaces other cities," Seattle Times, September 15, 2016, accessed November 15, 2017, <https://www.seattletimes.com/seattle-news/data/80000-median-wage-income-gain-in-seattle-far-outpaces-other-cities/>

Figure 5. Contributions from Neighborhoods Where People of Color Are the Majority



Neighborhoods where people of color are the majority saw a 46 percent improvement in their share of giving among voucher donors, compared to their share of mayoral cash. The maps showing these neighborhoods with higher racial diversity (Figure 5) tell a similar story, with just a few neighborhoods contributing high cash totals to mayoral candidates, compared to increased giving with vouchers across many of these neighborhoods.

By diversifying and expanding the pool of people that candidates rely on to fund their races, candidates were able to spend more time talking to and seeking the support of everyday people in Seattle, including marginalized communities that are typically excluded from the political process. For example, Democracy Voucher candidate Jon Grant

explained that during his campaign, “we mobilized homeless residents to use their Democracy Vouchers to expand their political agency.”⁶

These findings show that the Democracy Voucher Program has already given everyday people a bigger voice in Seattle elections and made politicians more accountable to their constituents by ensuring candidates spent time fundraising from a wide and diverse base of people, instead of the typical white and wealthy donor base.

LIMITING THE POWER OF BIG MONEY

Compared to past elections, the Democracy Voucher Program dramatically reduced the role big money played in funding candidates in the three races included in the program.

Candidates participating in the voucher system agreed to limit their cash contributions to \$250 from any individual. Non-participants could accept donations up to \$500. During the primary elections, 13 out of the 17 candidates agreed to limit their donations in order to enter the program, with six of them meeting the qualification requirements to redeem the vouchers. In November’s general elections, five of the six contestants in the three races where the program was available ran using Democracy Vouchers.

6 Heidi Groover, “Jon Grant Concedes, Calls on Supporters to Show Up for Head Tax,” *The Stranger*, November 9, 2017, accessed November 11, 2017, <http://www.thestranger.com/slog/2017/11/09/25555453/jon-grant-concedes-calls-on-supporters-to-show-up-for-head-tax>

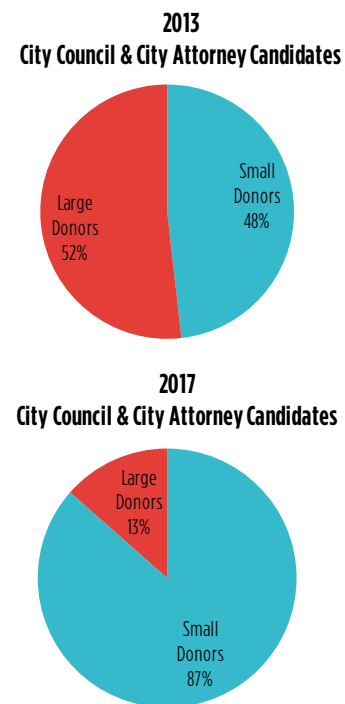
Small donations of \$250 or less and Democracy Voucher donors made up 87 percent of the contributions to candidates running in the races eligible for Democracy Vouchers this year. In contrast, donations of \$250 or less accounted for just 48 percent of the money backing candidates for city council and city attorney in the 2013 elections.⁷ (Figure 6)

Candidates funded primarily by Democracy Vouchers won all three races. Newcomer Teresa Mosqueda raised two-thirds of her total campaign money from \$25 vouchers to win the race to fill Position 8.⁸ Lorena González raised 70 percent of her money from vouchers to win her re-election bid for Position 9.⁹ Incumbent City Attorney Pete Holmes defended against a privately-financed challenger by raising a little more than half his money from vouchers.¹⁰

By allowing candidates to run mainly with the support of small donors and Democracy Vouchers, the program breaks down the barriers for qualified candidates to run for office. Mosqueda, running for the first time, credits the Democracy Voucher Program for “making it possible” for her to run for office.¹¹ “I’m still paying rent, I still pay student loans,” Mosqueda said. “I think the intent was to try to get more folks who aren’t independently wealthy who have a job like I do to be able to see themselves running for office.”¹²

Reducing the role of big money in city elections opens the door for a more diverse pool of candidates to run for office while keeping those candidates accountable to regular people.

Figure 6. Reliance on Small vs. Large donors



7 Analyses relating to 2013 and 2015 donations relied on data downloaded from the Washington Public Disclosure Commission.

8 Seattle Ethics and Elections Commission, accessed November 11, 2017, <http://web6.seattle.gov/ethics/elections/campaigns.aspx?cycle=2017&type=campaign&IDNum=533&leftmenu=expanded>

9 Seattle Ethics and Elections Commission, accessed November 11, 2017, <http://web6.seattle.gov/ethics/elections/campaigns.aspx?cycle=2017&type=campaign&IDNum=530&leftmenu=expanded>

10 Seattle Ethics and Elections Commission, accessed November 11, 2017, <http://web6.seattle.gov/ethics/elections/campaigns.aspx?cycle=2017&type=campaign&IDNum=524&leftmenu=expanded>

11 Jimmy Tobias, “Imagine a Campaign-Finance System That’s the Opposite of Today’s Dark-Money Monster: Seattle just created it,” *The Nation*, July 26, 2017 accessed November 11, 2017, <https://www.thenation.com/article/imagine-a-campaign-finance-system-thats-the-opposite-of-todays-dark-money-nightmare/>

12 “Seattle City Council hopefuls rely on democracy vouchers to help fund race,” Q13 Fox News, October 13, 2017, accessed November 11, 2017, <http://q13fox.com/2017/10/18/seattle-city-council-hopefuls-rely-on-democracy-vouchers-to-help-fund-race/>

CONCLUSION

The Democracy Voucher Program is fulfilling the goals that led an overwhelming majority of city residents to vote for it in 2015.

For the first time, every Seattle resident—not just those with deep pockets—became an important potential campaign funder with their four \$25 vouchers. As a result, this initial analysis finds that candidates in races with Democracy Vouchers relied on a deep and diverse pool of Seattleites for their campaign money, instead of the disproportionately white, wealthy donor pool that funds conventional elections. The role of big money in these races was dramatically reduced as candidates relied heavily on a mix of Democracy Vouchers and small donors. As public awareness of the program increases and Democracy Vouchers become available for every citywide race including for mayor, we can expect the trend toward reliance on a more inclusive and representative pool of small donors to continue.

The ability of Democracy Voucher candidates to successfully compete is a strong indicator of the program's strength even in a post-Citizens United world that, under current law, allows for unlimited outside spending. Following this initial analysis, a further area of study could look at the success of the Democracy Voucher Program in relation to such independent expenditures, even in the face of limitations imposed by the current Supreme Court.

By giving candidates the opportunity to be less dependent on wealthy donors and spend more time fundraising among the general public, the Seattle Democracy Voucher Program could produce leaders who are more accountable to their voters. Seattle's Democracy Voucher Program is a promising example for the nation on how to limit the power of big money and give everyday people a bigger voice in politics.



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