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Title of project:	Spending Priorities of Political Parties	
Requested dollar amount:	$8,950	
IACUC or IRB approval needed?	No	
Faculty:	Faculty A	Faculty B
Faculty email:	@tcnj.edu	tcnj.edu
Professional title:	Assistant Professor	Assistant Professor
Tenure status:	Tenured	Pre-tenure
Number of years at TCNJ	5.5	3.5
Department:	Economics	Economics
Date of most recent MUSE award:	2017	n/a
Student collaborators:	Student A	Student B
Email addresses of students:	@tcnj.edu	@tcnj.edu

Project and Learning Plan

I) Intellectual Merit

Following the *Citzens United v. FEC* Supreme Court decision in 2010, there has been a precipitous rise in independent expenditures in U.S. federal elections. Spending decisions have increasingly shifted away from individual candidate campaigns toward political party committees and partisan Super PACs with national scope and sophisticated spending strategies. These partisan groups spent nearly three billion dollars—mostly in television advertising—in the 2020 election cycle, which is sixteen times higher than their 2008 expenditures after adjusting for inflation.

A prerequisite for understanding the consequences of these influential organizations is understanding their behavior and motivations. Though parties exert power through many avenues, current research on campaign spending has assumed parties have a single objective such as winning the presidency. This project will use federal election spending patterns of national Democratic and Republican organizations (party committees and associated political action committees) to gain insight on how much political parties value winning the presidency relative to gaining seats in congress. The underlying logic of our research design is straight-forward. All else equal, political parties will spend more money on advancing the political objectives that matter most to them. And because some areas (e.g., swing states, competitive districts) matter more for certain objectives, a careful analysis of spending patterns across space can reveal the weight these groups place on each objective.

As a simple example, consider an election year where the presidency and senate majority are within reach for both parties, but the house majority is widely expected to be unchanged. Now suppose a party is deciding how to allocate spending across media markets A and B. Media market A is in a state that reliably votes Republican (or Democrat) for president but is expected to have a competitive senate race. Media market B, on the other hand, is in a state expected to be competitive for the presidential election and uncompetitive in the senate. The table below outlines a hypothetical situation to illustrate the basic tradeoffs a party might face.

Spending by Media Market	Probability of Senate Control	Probability of Winning Presidency
Spend all in A	55%	45%
Even split	50%	50%
Spend all in B	45%	55%

If we observe partisan groups spending more money in market A than B, we can infer they view senate control as more important than winning the presidency. If they spend more money in B than A, we can infer the opposite.

A more realistic and complete analysis requires sound economic modeling. In this project, we build a model of party behavior that will account for three major features:

1) The sensitivity of individual electoral outcomes to spending. Namely, spending should matter more where races are more competitive.

2) The impact an individual race has on an objective. Not all competitive races are necessarily important races to win. For example, in the 2008 presidential election there was more campaign advertising expenditures in Michigan, which was expected to go Democratic, than North Carolina, a typically Republican state that was expected to be competitive in 2008. The logic being that if Democrats were in a strong enough national position to win North Carolina, they were likely in a strong enough position to win the presidency without it.
3) The degree to which spending on one race spills over to other races within the same media market. For example, spending in a state on behalf of the Republican presidential candidate may help increase Republican turnout (or depress Democratic turnout). If spending makes the composition of voters more Republican, it will help Republican congressional candidates on the same ballot.

II) Role of Student and Mentor:

While we have already sketched out our basic analytical model, the MUSE program will be used to acquire and analyze the data to parameterize the model, make predictions, make subsequent adjustments to the model, and draft the manuscript based on our results.

Student A and Student B are strong fits for the MUSE program and this specific project. Both are excellent students and have experience completing independent research papers using empirical data and they are familiar with Stata, the statistical software that will be used for this project. Student A has already been assisting with the early stages of this research during the semester and Student B has relevant work experience related to campaign finance that will provide a unique perspective in our discussions.

Our plan for MUSE is as follows:

- Weeks 1-2: Student A will collect and organize data on polling for each federal election from 2012-2020 building of publicly available data used in Incerti (2018), and Student B will collect and organize advertising expenditure data by media market from the Wesleyan Media Project. Each will keep detailed notes of their process and write the draft to the data appendix to be used in the paper.
- Week 3: Both students will work together to create a 'look-up' file that matches congressional districts to media markets and then merge the datasets they created in the previous weeks at the district level.
- Week 4: Both faculty and students will go through the new datasets as a group to become more familiar with them and to identify any abnormalities that require fixing. This will involve substantial tabular, graphical, and spatial analysis.
- Week 5-6: The faculty and students will separately attempt to incorporate the data into the economic model to generate predictions and then meet to discuss their results and any discrepancies. This serves as a check on our own work, but also to help the students identify where they may have made errors.
- Weeks 7-8: Students will write-up separate parts of the results and peer-review the other's write-up. This work will then be edited and revised by the faculty members for inclusion in the paper.

III) Broader Impacts

Student A and Student B are sophomores majoring in economics and have shown both interest and promise in economics research. Both students are considering graduate school and the

MUSE program will be an important steppingstone in this process. They will benefit from working with (and struggling with) real-world data applications and develop valuable analytical and writing skills relevant to economics research and beyond. The program will also prepare them well for completing their senior theses, which are required of all economics majors. In our experience, being able to produce a high-quality senior thesis is perhaps the best way to ensure a successful post-graduation outcome.

Regarding our own development, this project represents the early parts of a new research program at the intersection of economics and political science that we hope and expect will lead to opportunities for interdisciplinary research. Faculty A is involved with existing research related to the causes and consequences of campaign spending, largely inspired by working with _____ _____ (TCNJ 2019) on his senior thesis on the effects of campaign spending on turnout in congressional elections, which has developed into a working paper nearing submission for publication. We have also found that many students find the topic of campaign spending quite approachable and familiar, and continuing to pursue research in this area is likely to facilitate future faculty-student collaborations.

We plan to publish the results of this work as an article in a high-quality, peer-reviewed journal in the field of political economy or public economics such as the *Journal of Public Economics*. Additionally, we will submit the work for presentation at economics conferences with both a national and an international audience (for instance, the annual meetings of the Western Economic Association International and the meetings of the Society for Economic Development).

IV) Collaborative Nature of the Project

This project requires both empirical and theoretical contributions and relies on the interplay between both. Much of this work will require input from both faculty members, but Faculty B will take the lead on developing the theoretical economic model and Faculty A will oversee the data analysis and estimation strategy.

Our interactions with students will be highly collaborative. We will have scheduled group meetings on campus (or through Zoom), twice a week throughout the program. Additional meetings will be held when necessary and are expected to be more frequent in the first few weeks of the program. We have a history of informally co-advising each other's thesis students and this partnership has worked well. Despite both of us being economists, our skill sets and perspectives are quite different, and when combined it has allowed us to provide more robust and helpful feedback to students.

A.II) Budget

Item	Cost
Student stipend	$3,000 x 2
Student housing	$0
Faculty stipend	$1,250 x 2
Student licenses for Stata/IC 16*	$225 x 2
Total	**$8,950**

Budget Justification

**Student licenses for Stata/IC 16*: Student A and Student B will require individual student licenses for Stata 16 if they do not have access to TCNJ labs during the MUSE program due to COVID 19. While TCNJ students have off-campus access to Stata 16 software through the VMWare environment, we are aware of significant problems completing routine Stata tasks in this environment particularly when using Apple computers, which both students plan to use during MUSE. Assuming the issues with VMWare persist, personal licenses will be needed to complete their research tasks effectively. Both faculty members already own personal licenses for Stata 16 and do not require additional funding.