Campaign Fundraising and Electoral Success in U.S. House Elections (2008–2022)

By David Yakubu

Over a century ago, political operative Mark Hanna quipped, “There are two things that are important in politics. The first is money, and I can’t remember the second,” encapsulating the common belief that fundraising is paramount in winning elections. For challengers and newcomers, the ability to raise large sums of money is often a prerequisite to being taken seriously as candidates and a key hurdle to electoral success. This raises the question whether money “wins” elections, that is, *to what extent does a candidate’s fundraising and spending actually increase their vote share or probability of victory?* This review will surveys scholarly research on campaign finance and electoral outcomes, examining historical context, laws, reforms, and empirical findings on the influence of money in elections. A critical synthesis of findings is provided not merely summarizing individual studies, but comparing their findings and considering methodological debates (such as causation vs. correlation). In doing so, this review will try to clarify to what extent fundraising determines electoral success in U.S. congressional elections, highlighting both its undeniable importance and the limits of money’s power at the ballot box.

Early Campaign Finance

Money has been intertwined with American elections since the 19th century, often with little regulation. By the “Gilded Age”, large contributions from business magnates became routine, prompting the first campaign finance laws. Campaign finance laws have profoundly shaped the role of money in U.S. elections. The Federal Election Campaign Act (FECA) of 1971, amended in 1974 after Watergate, introduced contribution limits, mandated disclosure of donations and expenditures, and established the Federal Election Commission (FEC). However, the Supreme Court’s decision in Buckley v. Valeo (1976) upheld contribution limits but struck down expenditure limits, framing campaign spending as a form of protected speech. This ruling also gave rise to “soft money” loopholes, unregulated contributions to parties ostensibly for non-campaign activities.

To close these loopholes, Congress passed the Bipartisan Campaign Reform Act (BCRA) in 2002, which banned soft money to national parties and restricted electioneering communications by outside groups. It also raised hard-money limits. Though initially upheld in McConnell v. FEC (2003), these reforms were later undercut by Citizens United v. FEC (2010), which struck down restrictions on corporate and union independent expenditures. This ruling, along with SpeechNow.org v. FEC, led to the rise of Super PACs, entities that can raise and spend unlimited sums independently of candidates and fueled a sharp increase in outside spending.

The post-Citizens United era saw the emergence of “dark money” from 501(c) groups that are not required to disclose donors. Between 2010 and 2020, over $4.5 billion in outside money was spent in federal elections, nearly $1 billion of it undisclosed. A small group of wealthy donors dominated this space, raising concerns about transparency and democratic accountability.

Today, while direct contributions to candidates remain capped (e.g., $3,300 per individual per election in 2024), there are no limits on independent expenditures. This dual system means that candidates rely on both regulated hard money and a growing ecosystem of unlimited outside spending, often beyond their control but crucial to modern electoral strategy.

Early work by Gary Jacobson analyzed spending in House races after FECA's implementation. Jacobson's study, "The Effects of Campaign Spending in Congressional Elections" (1978), introduced a crucial insight: Challengers' expenditures have a much greater impact on vote share than incumbents' expenditures. Using regression analyses on 1972–1974 election data, Jacobson found that when challengers spend more, they win a significantly larger vote percentage, whereas increased spending by incumbents showed little electoral benefit. The likely reason, he argued, is that campaign funds buy challengers something invaluable name recognition and voter awareness which incumbents already possess by virtue of holding office. This early finding suggested money matters, but not equally for all candidates.

Jacobson's work launched a line of research investigating the incumbency advantage and how campaign finances reinforce it. Over subsequent studies money in congressional elections, Jacobson consistently found that incumbent spending had diminishing marginal returns, whereas challenger spending was strongly correlated with improved odds of victory (Jacobson, 1990). Other early analyses corroborated the basic pattern: incumbents' war chests often deter serious opposition (more on this later), and challengers who can raise substantial funds markedly increase their vote share.

Abramowitz et al. (1989) and multiple Jacobson's updates through the 1980s all reinforced that campaign expenditures has so much different electoral consequences for officeholders and their opponents. These pioneering studies set the stage for ongoing debates about why money affects incumbents and challengers differently, and whether the observed correlation means that fundraising causes electoral success or merely reflects other factors like candidate strength etc. But, even early on, scholars recognized a key challenge: disentangling cause and effect. Do big spenders win because money buys votes, or do donors and parties give more money to candidates who are already likely to win? This endogeneity problem often called the "simultaneity" issue complicated interpretation of spending and vote correlations. Incumbents, for example, tend to spend heavily only when facing a strong challenger; if they are safe, they spend little. So a naive analysis might find incumbent spending negatively associated with vote share (since embattled incumbents both spend more and fare worse).

Green and Krasno (1988) used simultaneous equation models to control for unobserved candidate strength, reporting that when properly instrumented, incumbent spending appeared to yield as much electoral benefit as challenger spending, an assertion that challenged the prevailing view that incumbent spending was ineffective. However, Jacobson (1990) revisited this question with panel survey data on voters and concluded that Green and Krasno's approach "comes up short". Tracking voters' opinion change during the 1986 campaign, Jacobson reaffirmed that "the amount spent by the challenger is far more important in accounting for voters' decisions than is the amount spent by the incumbent". In other words, after addressing simultaneity with voter-level data, the earlier conclusion held: money matters most for challengers. This debate underscored the need for careful methodology when assessing fundraising's impact.

Late 1980's a consensus emerged on two points. *First*, fundraising is a necessary condition for electoral success, but not a sufficient one. Virtually all winning candidates outspend their opponents, especially in House races and indeed, historically the top spender wins in ~90% of House contests. In the 2022 midterms, for example, fully 96% of House races were won by the candidate who raised and spent the most (Taylor and Keith, 2022). However, correlation does not equal causation, winning candidates often raise more because they are stronger or incumbent, not necessarily vice versa. *Second,* the effectiveness of campaign spending varies by context. Incumbents enjoy built-in advantages (visibility, constituency services, etc.), so additional campaign money yields modest gains at best. Challengers start from obscurity and must raise and spend big just to be competitive; when they do, they can dramatically improve their vote share (Jacobson, 1978). These early insights set the stage for more nuanced research in the 1990s and 2000s.

Campaign fundraising is also intertwined with broader issues of democratic representation and equality. Because incumbents are so much better at raising money thanks to donor networks, special interest backing, and the perception among contributors that incumbents are a safer "investment" they not only win more often but may also deter potential challengers from even entering the race. This "scarcity of resources" for challengers can undermine electoral competition and reinforce incumbent dominance in Congress. Fouirnaies and Hall (2014) demonstrate that incumbency per se causes a large fundraising advantage, which helps fortify the incumbents' position. Moreover, heavy reliance on private fundraising raises concerns about unequal influence; elected officials might become more responsive to donors than to average constituents, and qualified citizens without access to affluent donor networks may struggle to run for office. Americans widely perceive that major political donors have too much sway in politics and that ordinary voters have too little voice (Nadeem, 2023). The prominence of money in congressional elections thus touches on normative debates about political equality and representation and whether the current campaign finance system promotes fair democratic competition.

The Relationship between Fundraising and Electoral Success

The central challenge for research has been determining causality i.e. separating the effect of money from the candidate's inherent appeal or political conditions.

It is undeniable that there is a very strong raw correlation between spending and winning. As noted, consistently 80–95% of races (depending on cycle and year) are won by the higher-spending candidates. This basic fact, often cited by journalists and reform advocates, suggests money "buys" elections. However, to political scientists, it also raises a red flag: such a high correlation implies that factors like incumbency (which confers both a spending advantage and a higher chance of winning) are driving both variables. Indeed, incumbents typically outraise challengers by large margins and also win at extraordinarily high rates, about 90% of House incumbents and 80% of Senate incumbents who run for re-election win, a phenomenon partly attributable to incumbents' easier access to campaign money (*Re-election Rates Over Time*, 1964-2024). Therefore, early regression analyses that simply plugged in spending and vote shares often produced perplexing results, like a dollar of incumbent spending seeming to yield fewer votes (or at best minimal gains), while a dollar of challenger spending produced a large vote increase. The consensus interpretation (summarized by Jacobson) is that "incumbents spend more money the more strongly they are challenged, and the stronger the challenge, the worse the incumbent does" hence, incumbent spending can appear ineffectual or even negatively correlated with votes in naive models. Once you account for the challenger's formidability, incumbent spending has a small positive impact. Challenger spending, by contrast, is consistently and significantly associated with gaining vote share, before and after controlling for other factors (Jacobson, 1990).

One of the most influential attempts to untangle causality was by economist Steven Levitt (1994). Levitt exploited a clever natural experiment; repeat challengers. He examined instances where the same two candidates faced each other in consecutive House elections (one as incumbent, one as challenger, in rematches). This approach assumes that the candidates' baseline appeal to voters remains similar across the two elections, so any large spending differences between the cycles could be treated as influencing the vote swing. Levitt found that differences in spending had only a tiny effect on vote margins. In essence, once candidate quality and district partisanship were held constant (by looking at the same candidates running again), additional campaign spending did not materially change the election outcome. The interpretation was that strong candidates both raise money and win votes, making money appear decisive when it's actually the candidate's strength driving both. This provocative finding generated debate, some argued Levitt's method might understate spending's effect, since repeat challengers are a select group (often higher-quality challengers who still lost once, which might not generalize). Nonetheless, Levitt's study is a cornerstone, suggesting the return on investment for campaign dollars is subject to sharply diminishing returns at the margin. In practical terms, if an incumbent doubled their spending from $1 million to $2 million, Levitt's results imply it would likely not appreciably change the vote outcome, all else equal.

By the 2000s, the literature reached a middle ground position; money matters more for challengers than incumbents, and it matters up to a point but there are diminishing returns, and money alone cannot overcome fundamentals. Jacobson summarized it well in a later review: challengers need a threshold amount of money to get their message out; beyond that, each additional dollar helps less. Incumbents typically already surpass that threshold, so additional spending mostly serves to fend off the challenger's attacks but seldom boosts the incumbent's own vote by much. Thus, fundraising is often a precondition for challengers' success and without sufficient funds, a challenger will almost surely lose, but with competitive funding, they at least have a chance to capitalize on any voter discontent with the incumbent.

Le et. al. (2024) provides contemporary evidence using data from 2000–2018 House elections. They employ multiple econometric methods (including correcting for endogeneity of funding) and confirm that campaign spending and contributions significantly increase a candidate's probability of winning. Importantly, they quantify the incumbency difference: "incumbent spending is less effective than contender spending due to diminishing returns". In their models, challenger (contender) spending had a strong positive effect on vote share and win probability, whereas incumbent spending showed a much smaller marginal effect. They also found that many incumbents raise more money than they actually need to win, evidenced by the fact that incumbents often win even when they do not spend all the funds they raised. An incumbent spending less than their fundraising haul did not significantly reduce their win probability, indicating that incumbents accumulate "spare funds" beyond the effective level required to secure victory. This supports the idea that a lot of incumbents' fundraising (especially in safe seats) serves to ward off potential challengers or go to party coffers, rather than to be used in a close contest. Le et al.'s results reinforce the classic findings with modern data; money clearly boosts challengers' chances and is a condition for viability, while incumbents mostly need "enough" money and after that, more doesn't help much. Notably, they found the positive impact of spending holds even after correcting for endogeneity, meaning they are confident the relationship is at least partly causal.

Steven Schuster (2020), took a granular look at how campaign money translates into votes. Using transaction-level spending data, Schuster separated out spending on voter contact (ads, mailers, etc.) from other expenses. He then linked this to panel survey data on voters' candidate support. He found that spending on messages to voters has a statistically significant effect on voter support, with particularly strong effects on mobilizing supportive voters rather than persuading oppositions. In other words, campaign spending was effective mostly in changing who turns out (and ensuring one's potential supporters actually vote) rather than converting voters from one side to the other. Schuster also found that low-information voters are more influenced by campaign spending, which makes sense, as these voters are the most susceptible to campaign communications filling in their knowledge gaps. His work suggests that money can matter by affecting the composition of the electorate; funding more field operations or advertising can draw more of your latent supporters to the polls, which can tip a close election. This helps explain why, in highly partisan or high-information environments, spending might have less effect (voters already know the candidates and are polarized), but in down-ballot or lower-information races, spending can still introduce a candidate to voters and change outcomes.

When Money Doesn't Matter (as Much): Despite evidence of spending's benefits, there are also consistent findings about its limits. One observation is the concept of diminishing marginal returns; the first $100,000 a challenger spends is far more productive than the tenth $100,000. Information saturation is a key reason, once voters have been bombarded with messages, additional ads yield less new persuasion. An oft-cited anecdote is the 2000 New Jersey Senate race where multi-millionaire Jon Corzine spent over $60 million of his own money (an astronomical sum for a Senate contest at the time) to narrowly win; analyses noted that Corzine's vote share ended up roughly in line with baseline partisan expectations, and he even underperformed Al Gore's vote share in New Jersey that year. Observers quipped that after a certain point, Corzine's massive spending probably hit voter fatigue i.e. extra dollars weren't gaining votes and might even have spurred backlash (yard signs in New Jersey read "Make him spend it all!" poking fun at his spending). This illustrates that money can buy exposure, but not necessarily affection. If a candidate or message is flawed, more money just means voters hear the flawed message more often.

Vote Share vs. Probability of Winning: It's also worth noting how money's impact may manifest differently. For challengers, spending more definitely increases vote share on average, but it may still not be enough to win if the incumbent is very popular or the district leans heavily against the challenger's party. As one study humorously noted, "Money can't buy you love, but it can buy you a few extra percentage points of the vote." For incumbents, spending is often reactive, if they feel endangered, they spend big (and often still win, but by a reduced margin). The key point is that fundraising is part of an equilibrium; a well-funded challenger usually indicates a real race, which also triggers the incumbent to raise and spend more, so outcomes depend on the relative balance and on underlying partisan leanings. In a toss-up district with two equally well-funded candidates, other factors (like national tides or candidate charisma) will decide the winner. Conversely, an underfunded challenger in such a district is likely to lose even if conditions favor the challenger, simply because they couldn't communicate enough to voters.

Challengers in congressional races usually begin with three strikes against them: low name recognition, lack of an established constituency connection, and voter uncertainty about their viability. Campaign funds, when deployed effectively, directly address these deficits. By financing advertising, mailers, and voter outreach, a challenger's money buys them voter recognition and a platform to make their case, something incumbents already largely possess. As Jacobson (1978) noted, campaign expenditures gets non-incumbents the voter recognition that is already enjoyed by incumbents as a result of holding office. This is why empirical studies consistently find that an extra dollar for a challenger yields more votes than an extra dollar for an incumbent, the challenger has much more room to grow their support through campaigning. Incumbents, by contrast, have often "saturated" their district with their name and image through years of holding office (e.g. via constituency mailings, news coverage, and the franked mail advantage). In Jacobson's words, "incumbents, exploiting the extensive communication resources of office, saturate their districts with information about themselves…further campaigning produces, at best, very modest gains in support. Challengers, in contrast, typically begin the campaign in obscurity." This encapsulates why challenger spending matters so much it moves a candidate from obscurity toward parity with the incumbent in visibility.

The practical upshot is that well-funded challengers can significantly narrow the vote gap. For example, a challenger who spends $1 million against an incumbent who spends the same might get, say, 48% of the vote, whereas a challenger who spends only $100,000 against an incumbent spending $1 million might only get 35%. The money helps close the gap by informing voters about the challenger and giving them reasons to consider an alternative to the incumbent. Alan Abramowitz (1989) found that when challengers spend above a certain threshold (varying by district, but often in the hundreds of thousands), incumbent vote percentages drop markedly, indicating a competitive race. This is one reason why observers often look at early fundraising as a sign of whether an incumbent is vulnerable; a challenger who raises serious money is usually a credible threat.

Incumbents typically enjoy not just better name recognition, but also easier access to donors (PACs and interest groups prefer to invest in likely winners, and incumbents have the inside track to committee assignments that attract industry donations). As a result, incumbents often accumulate "war chests" large campaign accounts built up over multiple cycles. Interestingly, incumbents in safe seats often continue raising money far beyond what they need. Why? Research indicates they do this partly to deter challengers. An incumbent with a $2 million war chest sends a signal to any potential challenger that they will face a well-financed battle, which may dissuade strong challengers from entering. Janet Box-Steffensmeier (1996) demonstrated that each additional $100,000 an incumbent had in their war chest significantly reduced the probability that a high-quality challenger (e.g. one who had held elective office before) would run. Specifically, Box-Steffensmeier found that "each $100,000 that an incumbent collects decreases by 16% the chance that a high-quality challenger will enter the race." This is powerful evidence that incumbents' fundraising can determine electoral success indirectly, by shaping the field of competition. If no strong challenger runs (often because the incumbent's fundraising intimidates them), the incumbent's re-election is virtually assured. This contributes to the high re-election rates of incumbents: many potential opponents decide the uphill battle (needing to match a well-funded incumbent) isn't worth it.

In competitive races, incumbents often still outspend challengers, but by a smaller margin. What is telling is that when challengers achieve financial parity or near-parity with incumbents, their odds of victory increase substantially. Data from recent cycles show that challengers who were able to spend at least 40–50% of what the incumbent spent had a much higher win rate than those who spent less than 20% of the incumbent's total. This again underscores that while raw dollars favor incumbents, when challengers manage to close the spending gap, incumbency alone may not save the day.

Finally, recent scholarship has begun to explore the heterogeneous effects of fundraising – for example, differences across small-dollar grassroots funding versus large donors. Some evidence suggests that an outpouring of small donations (often via online platforms) can signal strong grassroots enthusiasm and perhaps attract media attention, indirectly boosting a campaign (Bonica, 2014). But there are also counterexamples where extremely well-funded challengers (sometimes dubbed "money bomb" candidates) still lost handily, implying money alone was not enough against entrenched incumbents in partisan-leaning districts. Arbour (2020) and Duffy (2022) have examined recent cycles and argue that the fundraising landscape in the 2020s has shifted – with online small donors playing a bigger role – yet the marginal effect of money may be hitting a ceiling in today's hyper-polarized electorates. They find, for instance, that beyond a certain point (such as after a challenger raises a few million dollars), additional funds have severely diminished returns, and factors like partisan alignment of the district take over in determining the result (Arbour, 2020; Duffy, 2022). This aligns with the idea of a threshold effect: campaigns need enough money to be competitive, but after achieving parity in basic campaign needs, outspending the opponent by ever larger amounts yields only marginal gains.

Money matters, especially for challengers and in close contests, but it does not guarantee victory and its effects are bounded by contextual factors. The debate continues over how much campaign fundraising can sway outcomes versus simply reflecting underlying electoral fundamentals. This study builds on the literature by using recent data to quantify these effects and by examining whether the patterns observed in earlier decades hold true in the contemporary environment of high-cost, highly polarized elections.

Data and Research Design

To test whether fundraising helps candidates win elections, I conduct a multi-step analysis using data from four U.S. House election cycles. The central hypothesis is *campaign fundraising positively affects a candidate's electoral performance,* both in terms of vote share and win probability. This effect is expected to be strongest for challengers and candidates in open-seat races, where name recognition and campaign infrastructure are often limited. To evaluate this, I use candidate-level data from the Database on Ideology, Money in Politics, and Elections (DIME), covering U.S. House elections from the 2008, 2018, 2020, and 2022 cycles. The dataset was restricted to general election candidates for the U.S. House of Representatives, excluding all Senate and state-level races. To ensure comparability across contests and avoid skewed analyses, I excluded any races in which a major-party candidate (Democrat or Republican) ran effectively unopposed, such as cases where an incumbent faced no serious opposition. These races tend to have predictable outcomes and do not reflect normal campaign dynamics, as competitive spending and vote swings are virtually absent.

After applying these filters, the final dataset includes approximately 3,000 candidate-level observations, representing roughly 350 to 380 contested House races per election cycle. While there are 435 seats in the U.S. House, this total varies slightly due to the presence of uncontested races in each cycle. The unit of analysis is the candidate-election cycle, meaning that each candidate who ran in a general election appears as a distinct observation with associated variables such as total fundraising, vote share, incumbency status, and party affiliation.

In races with two major-party candidates, both appear in the dataset, allowing for direct comparisons between competitors in the same contest. In the relatively rare instances of three-way or multi-candidate general elections, all candidates are included. Although these cases are less common, they were retained for completeness and robustness checks. Each observation is labeled with the election cycle (year) and district seat, enabling the analysis to group candidates by contest and compare performance across cycles and race types. A log transformation was applied to total fundraising to address right-skewed distributions, particularly among high-spending incumbents and self-funded candidates.

The primary independent variable of interest is *campaign fundraising*, measured as the total receipts reported by a candidate's campaign committee for a given election cycle. "Total receipts" encompass all funds raised from all sources, including itemized and non-itemized individual contributions, PAC donations, party support, and self-financing, as reported to the Federal Election Commission (FEC). This variable provides the most comprehensive indicator of the financial resources available to a campaign. Because the distribution of campaign fundraising is highly right-skewed, with a small number of candidates raising extremely large sums a natural logarithmic transformation is applied to total receipts. The use of log-transformed receipts

(denoted *log(receipts)*) offers two major advantages:
(1) it reduces the influence of extreme outliers, improving model stability and interpretability, and
(2) it allows for a percentage-based interpretation of regression coefficients. Specifically, a one-unit increase in log receipts corresponds to raising funds by a factor of *e (~2.718)*, or an approximate 172% increase in actual dollars raised. For smaller differences, coefficients can be interpreted in terms of percent changes in vote share per percentage increase in funds. To accommodate candidates with very low fundraising levels, a small constant was added prior to logging to avoid undefined values (i.e., *log(0)*). However, this issue is minimal, as virtually all general election candidates raised a non-zero amount, even if small.

The dependent variable used throughout the analysis is General Election Vote Share, defined as the percentage of total votes received by each candidate in their congressional district's general election. This variable is continuous, ranging from 0 to 100, and provides a nuanced measure of electoral performance, capturing the margin and intensity of support, even for losing candidates. For example, a challenger who receives 48% of the vote is meaningfully different from one who garners only 20%, even though both outcomes are technically losses. Using ordinary least squares (OLS) regression with vote share as the dependent variable allows the analysis to model performance across the full distribution of outcomes, rather than reducing it to a binary win/loss.

The primary independent variable is *log-transformed total fundraising receipts*, as discussed in detail above. In all models, I control for several important covariates known to affect electoral outcomes:

Incumbency Status: Incumbency is one of the strongest predictors of electoral success in congressional elections. Candidates were classified into three mutually exclusive categories:

(i) Incumbents: Candidates who held the office during the election cycle and sought re-election.
(ii) Challengers: Non-incumbents running against a sitting incumbent.
(iii) Open-seat candidates: Candidates in races where the incumbent retired or otherwise did not seek re-election. Dummy variables are included for Incumbent and Open-seat candidates, with Challenger serving as the reference category. This coding allows us to estimate the relative advantage of incumbency and the dynamics of open-seat contests compared to standard challenger scenarios.

Party affiliation: included as a categorical control variable to account for systematic differences in vote share that stem from partisan identity, rather than campaign-specific factors like fundraising. Prior research shows that Democratic and Republican candidates typically enjoy a built-in advantage in districts aligned with their party, an effect that is independent of their fundraising totals. These differences may reflect national political trends (e.g., presidential approval), levels of partisan polarization, or local district partisanship. Including dummy variables for party ID (Republican = 200, Independent/Other = 328) helps isolate the unique effect of fundraising by controlling for baseline electoral advantages or disadvantages associated with party labels.

District Partisanship: To capture the underlying partisan lean of each district, I include a continuous control for district-level presidential vote share for the Democratic nominee (variable: `district.pres.vs`). This variable reflects how favorable the district is to Democratic candidates and serves as a proxy for the baseline political environment. Including it ensures that fundraising effects are not confounded by district-level partisan bias, for instance, candidates raising more money in already safe districts.

While the full-sample model provides insight into general trends, prior research consistently shows that the effect of fundraising varies substantially across different types of candidates. Incumbents, challengers, and open-seat candidates operate under distinct strategic and structural conditions. Incumbents benefit from name recognition, constituent service, and institutional advantages, and are often less reliant on fundraising to remain competitive. In contrast, challengers face greater hurdles in gaining visibility and credibility, making financial resources especially crucial. Open-seat races, where no incumbent is running, are typically more competitive and fluid, meaning that fundraising may play an even larger role in shaping electoral outcomes.

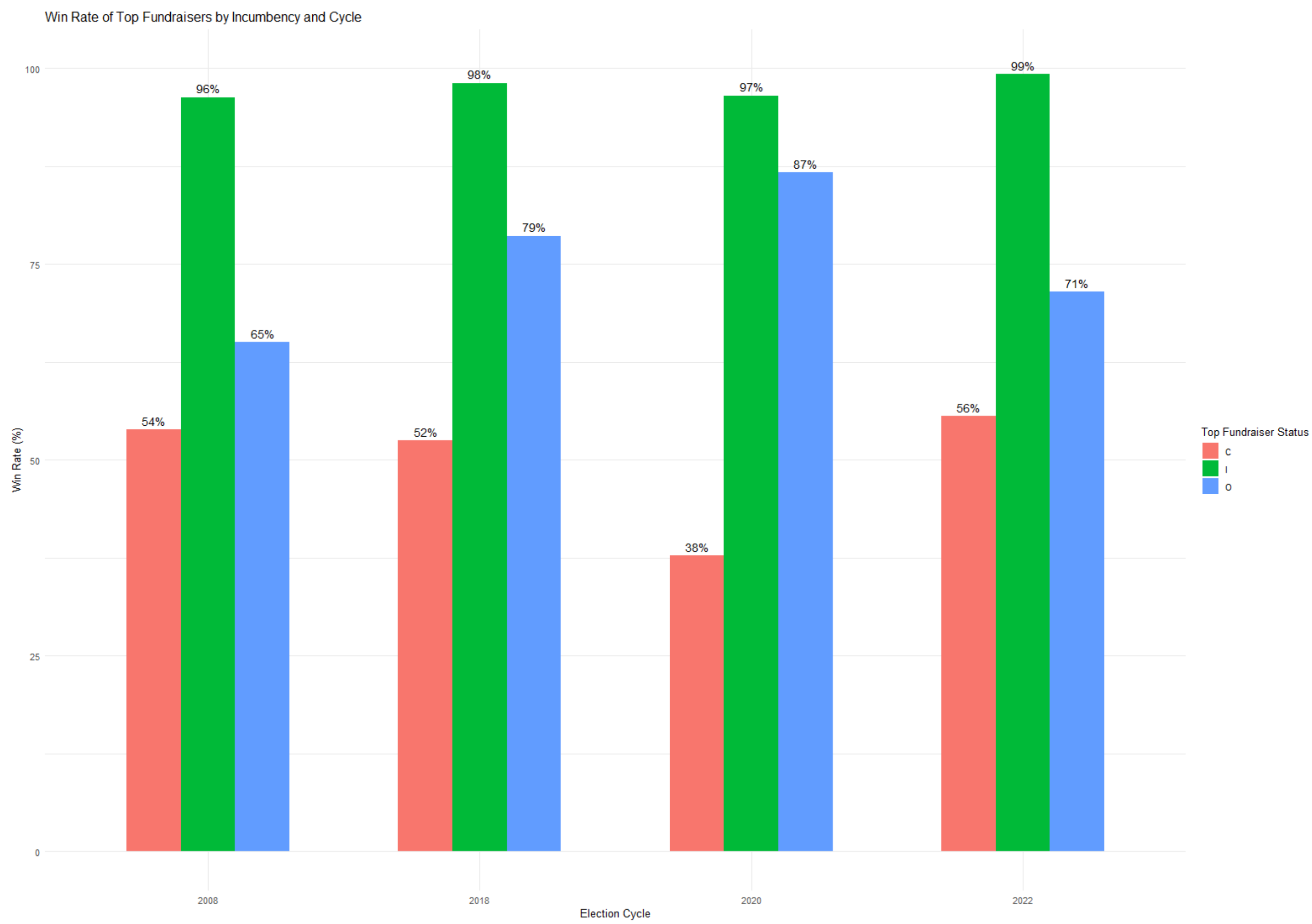
Descriptive Statistics

Before turning to multivariate models, it is important to examine the basic patterns in the data, which offer a clear, intuitive view of how campaign fundraising correlates with electoral performance. These descriptive results provide a foundation for the regression analysis and help establish the magnitude of the raw fundraising performance link in U.S. House general elections.

Across the four election cycles analyzed (2008, 2018, 2020, and 2022), the dataset includes roughly 3,000 general election candidates, all from contested, two-candidate races. In this subset, winners raised an average of $2.26 million, while losers raised about $919,000. The differences in vote share are equally stark: winners received an average of 65.8% of the vote, compared to only 32.7% for losers. These figures indicate a substantial and consistent financial gap between successful and unsuccessful candidates a pattern that holds across all cycles in the sample.

To assess whether the candidate with more money tends to win, I calculated the proportion of races in which the top fundraiser also won. This analysis is limited to races with exactly two general election candidates, ensuring clean comparisons. As shown in Figure 1, the top fundraiser won between 90% and 95% of races, depending on the election year. This pattern was remarkably stable across all four election cycles, providing evidence that financial advantage is strongly associated with electoral victory in House contests.

Figure 1. **Percentage of House Races Won by the Top Fundraiser (2008–2022)**



A bar chart showing the percentage of 2-candidate races in which the top fundraiser won, by election cycle.

While these results are not causal, they offer a powerful visual summary of the raw association between money and success. The consistency of this pattern over time suggests that campaign fundraising is not merely an incidental feature of elections but a central and persistent predictor of outcomes.

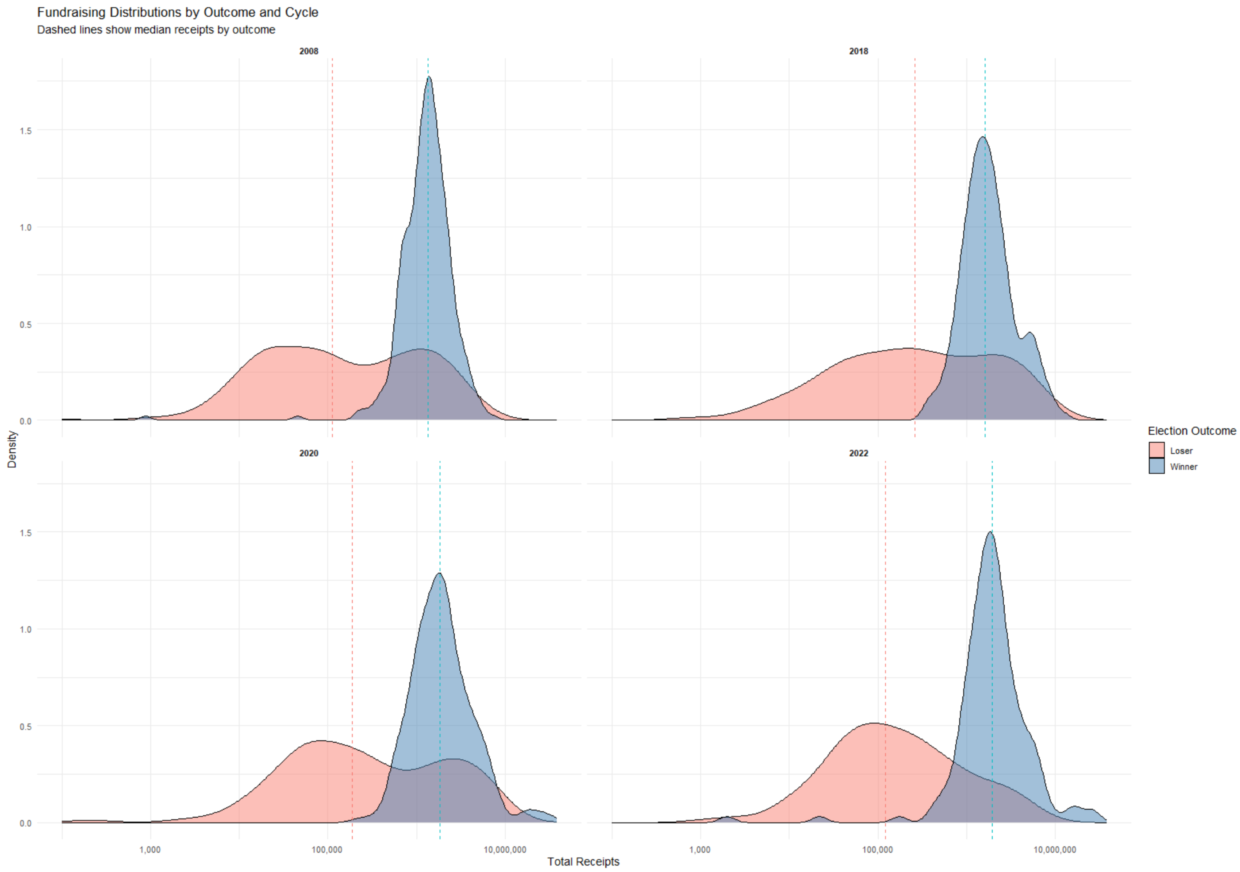
To deepen the descriptive analysis, additional visualizations were created and broken down by election cycle. These help demonstrate not only the strength of the money-performance relationship overall, but also its consistency across different electoral environments, including presidential and midterm years.

Figure 2. **Fundraising and Vote Share by Election Cycle**

A series of scatterplots showing log-transformed fundraising against general election vote share, faceted by election year.

Figure 2 confirms a strong and positive relationship between campaign receipts and vote share in every cycle. The trend lines across all four years reflect a consistently upward slope, indicating that candidates who raise more money generally perform better at the polls. The clustering of dots in the upper-right regions for many winners further underscores this point.

Figure 3. **Fundraising Distributions by Outcome and Cycle**



Density plots comparing the fundraising distributions of winners and losers, with panels for each election cycle.

In Figure 3 there is a clear rightward shift in the fundraising distributions for winning candidates in every year. The winners' density curves consistently peak at higher values of total receipts, while losers cluster around lower levels. This reinforces the notion that winners not only raise more, but do so consistently across all electoral contexts.

Together, these visuals build a compelling empirical foundation; candidates who raise more money tend to receive more votes and are far more likely to win, and this association holds across cycles and candidate types.

Result

To evaluate the impact of campaign fundraising on electoral performance, I estimate an ordinary least squares (OLS) regression model with general election vote share as the dependent variable. The primary independent variable is the natural logarithm of total campaign receipts, which captures the effect of fundraising while accounting for the highly skewed distribution of campaign finance data. The model includes controls for candidate party affiliation and district partisanship, operationalized as the Democratic presidential vote share in the district. Crucially, the specification interacts log-transformed receipts with candidate type incumbents, challengers, and open-seat candidates allowing the effect of fundraising to vary depending on electoral context. This approach provides a unified model that captures heterogeneity across races without splitting the sample. By including these interactions and controls, the model isolates the conditional effect of fundraising on vote share, net of structural advantages such as incumbency or party support.

Table 1. **OLS Regression**

OLS Regression

Variable	Estimate	Std. Error	t value	Pr(>|t|)	Signif
(Intercept)	14.982	1.422	10.540	<0.001	***
log_receipts	2.019	0.096	21.090	<0.001	***
ico.statusI	95.487	4.955	19.271	<0.001	***
ico.statusO	-9.242	5.587	-1.654	0.0982	.
factor(party)200	-2.054	0.404	-5.089	<0.001	***
factor(party)328	-23.193	2.004	-11.570	<0.001	***
district.pres.vs	-1.071	1.311	-0.817	0.4142	
log_receipts:ico.statusI	-5.222	0.349	-14.978	<0.001	***
log_receipts:ico.statusO	1.111	0.414	2.681	0.0074	**

Residual Std. Error = 9.39| Adjusted R^2 = 0.682| N = 2213

Significance codes: *** p<0.001, ** p<0.01, * p<0.05, . p<0.1

This table presents OLS regression estimates of general election vote share as a function of log campaign receipts, candidate type, party affiliation, and district presidential partisanship. Interaction terms between fundraising and candidate type capture how the electoral return to money varies for incumbents and open-seat candidates compared to challengers (reference group). Standard errors are shown in parentheses. Significance levels: ***$p < 0.001$, **$p < 0.01$, *$p < 0.05$, .$p < 0.1$

Discussion

The results from the regression analysis provide robust empirical evidence supporting the hypothesis that campaign fundraising is positively associated with general election performance, but that this effect differs substantially by candidate type. The model includes interaction terms between fundraising (log of total receipts) and candidate status (incumbent, open seat, challenger), allowing for a nuanced interpretation of how money influences vote share under different electoral conditions.

This model achieves strong statistical performance. With an adjusted R^2 of 0.683, the model explains nearly 68% of the variance in general election vote share, an impressive result for candidate-level cross-sectional data. The residual standard error of 9.39 suggests that predictions are typically accurate within about 9 points of actual vote share. The model's F-statistic (595.2 on 8 and 2204 degrees of freedom) is highly significant ($p < 0.001$), confirming the overall relevance of the included variables.

The effect of campaign fundraising is not uniform across candidates. For challengers, the reference category, the coefficient for `log_receipts` is 2.02 ($p < 0.001$). This means that, holding all other variables constant, a one-unit increase in the log of total receipts, roughly equivalent to doubling campaign funds is associated with a +2.02 percentage point increase in vote share. This substantial and statistically significant effect confirms prior expectations that fundraising is particularly important for challengers who lack incumbency advantages.

For incumbents, the baseline advantage is striking: the coefficient for `ico.statusI` is +95.49 ($p < 0.001$), indicating that incumbents, on average, start with a 95-point edge over challengers, all else equal. However, this effect is modulated by the negative interaction term for incumbents: `log_receipts:ico.statusI` = -5.22 ($p < 0.001$). This means that for incumbents, each one-unit increase in logged receipts is associated with a 5.22-point reduction in the marginal benefit of money. When combining both the main effect and interaction, the total fundraising effect for incumbents becomes negative: 2.02 – 5.22 = -3.20. This counterintuitive result suggests that for incumbents, additional fundraising may correlate with electoral vulnerability rather than strength, possibly because those facing tough races raise more, while secure incumbents raise less.

Open-seat candidates, those running in races without an incumbent have a very different profile. The coefficient for `ico.statusO` is -9.24 ($p = 0.098$), indicating a somewhat weaker starting point than challengers. However, the interaction between fundraising and open-seat status is +1.11 ($p = 0.007$), meaning open-seat candidates gain an extra 1.11 points in vote share per unit of log fundraising compared to challengers. Thus, the total marginal effect of money in open-seat races is 3.13 percentage points, the highest among the three candidate types. This result suggests that fundraising is most consequential in open races, where candidates start on more equal footing and money plays a critical signaling role.

The model includes dummy variables for party affiliation, with Democrats as the reference group. The coefficient for `factor(party)200` is -2.05 ($p < 0.001$), indicating that Republican candidates receive about 2 points less vote share than comparable Democratic challengers, controlling for other factors. More strikingly, `factor(party)328` (Independent or third-party candidates) carries a coefficient of -23.19 ($p < 0.001$), reflecting the substantial electoral disadvantage of non-major-party candidates in congressional elections. These findings are consistent with longstanding patterns of partisan polarization and the institutional hurdles faced by third-party candidates.

Interestingly, `district.pres.vs` a continuous measure of the Democratic presidential vote share in the district is not statistically significant ($b = -1.07$, $p = 0.414$) suggesting that, after controlling for party, incumbency, and fundraising, district-level partisanship does not significantly shift a candidate's vote share. One possible explanation is that this measure overlaps with the partisan identity of the candidate, which may already capture most of the variance associated with district lean. Alternatively, it may indicate that candidate-specific characteristics and campaign dynamics outweigh contextual partisan lean in determining vote outcomes.

The low residual standard error and high adjusted R-square confirm that the model fits the data well. The fact that such a simple set of predictors, status, fundraising, party, and district lean can account for more than two-thirds of the variation in general election outcomes suggests that these are highly potent electoral variables. The significance of both main effects and interaction terms highlights the importance of modeling conditional relationships rather than assuming uniform effects across all candidates.

The regression results provide strong support for the theoretical argument that money matters most in competitive races, especially for challengers and open-seat candidates. For incumbents, the returns to fundraising appear limited or even negative, suggesting that the relationship between money and success is not only conditional but also strategically endogenous. Candidates who raise more do not necessarily win more rather those who need to raise more do so because they face stiffer competition.

This model also reinforces the importance of including interaction terms in empirical electoral models. Had we split the sample or omitted interactions, we would have missed the significant differences in how campaign funds influence candidates differently by status. The single-interaction model preserves degrees of freedom while offering more precise and interpretable estimates of heterogeneous effects.

Conclusion

This study set out to evaluate the relationship between campaign fundraising and electoral outcomes in U.S. House elections across four cycles: 2008, 2018, 2020, and 2022. Drawing on an original candidate-level dataset, the analysis reveals that while fundraising is strongly associated with electoral success, the magnitude and nature of that association depends critically on the type of candidate.

Using a multivariate regression framework with interaction terms, fundraising has a substantial and statistically significant impact on vote share for challengers and open-seat candidates, but a much weaker and even negative association for incumbents. For challengers, each unit increase in log campaign receipts is associated with a roughly 2-point gain in vote share, while for open-seat candidates, the marginal return is even higher. By contrast, incumbents, while starting with a large baseline vote advantage, do not experience additional electoral gains from raising more money. These patterns are consistent with theories of resource saturation, candidate visibility, and strategic fundraising behavior.

The inclusion of interaction terms between fundraising and incumbency status allows for a more precise and unified understanding of how money works in elections, avoiding the limitations of separate or overly simplistic models. The results also underscore the continuing power of party affiliation and the overwhelming disadvantage faced by third-party candidates in congressional contests. Although district-level presidential vote share was not statistically significant in this model, this may reflect the dominance of individual- and campaign-level factors in determining vote outcomes, particularly once fundraising and party are controlled.

Overall, the findings contribute to the campaign finance literature by demonstrating that money matters, but how much and for whom depends on electoral context. These insights have implications not only for academics, but for campaign strategists, donors, and policymakers interested in understanding or reforming the role of money in democratic elections.

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