



Potential Impacts of Proposed Public Funding Option on Chicago Ward Elections

Description

Legislation [introduced in June](#) by City Council ethics chair Matt Martin (47th Ward) would add a public funding option for aldermanic candidates starting in the 2027 election cycle.

To evaluate the potential impacts of the proposal on Chicago's campaign finance landscape, BGA Policy applied the program's funding bonuses and limitations to campaign finance records from the 2023 cycle. This by definition is a speculative undertaking; BGA Policy deployed the methodology detailed below to shed light on how aldermanic races could be affected if a public financing option were to be established in city ordinance.

The BGA Policy evaluation finds that a majority of candidates in the prior election cycle, particularly first-time and non-incumbent candidates, likely would have benefitted from a program like the one proposed by Martin.

Overall, 63% of the campaigns in the 2023 election cycle that raised more than the program's qualification threshold of \$17,500 could have seen better fundraising with the limitations and bonuses of the matching program than they in fact saw from their actual fundraising. Campaigns that could have benefitted from the matching program might have raised roughly 180% more funds, on average, with an average potential increase of over \$100,000, according to our calculations

The program could prove particularly useful for non-incumbents and candidates with substantial small-dollar individual donations. BGA Policy estimates that 82% of non-incumbent campaigns could have benefitted from the program based on their actual fundraising totals.

Among campaigns that would have benefited from the program, small-dollar donations of the kinds incentivized by Martin's proposal made up an average of 26.7% of total campaign contributions. Among campaigns that would not have benefitted from the program, small-dollar contributions amounted to only 9.1% of the total on average.

Challengers in the 2023 cycle relied more heavily on small-dollar donations than incumbents. Non-incumbent campaigns were on average 23.4% small-dollar funded, compared to 10.6% for incumbents.

Background

[Martinâ??s proposed ordinance](#) calls for a â??Chicago Fair Elections Programâ?• that would create a taxpayer-funded pool of money available to candidates for the office of alderperson that met certain fundraising requirements and limitations.

Introduced in June, the ordinance was sent to the rules committee, a parliamentary maneuver often used to delay consideration of council matters, by budget committee chair Ald. Jason Ervin (28th Ward). Mayor Brandon Johnson had earlier expressed enthusiastic support for the concept of publicly-funded elections, but has not weighed in on Martinâ??s specific proposal since then.

To qualify, candidates would be required to raise \$17,500 from at least 100 individual donors, including at least 60 from the ward in which the candidate seeks election. Candidates would then be eligible for two lump-sum campaign contributions of \$25,000 from the public fund. One would come upon qualification for the program and another upon qualification for the ballot. Campaigns would also receive matching contributions for individual donations up to \$150 per donor.

Individual donors would be matched from public funds at a 12:1 ratio for their first \$25 in contributions to a candidate and then at a 9:1 ratio for subsequent contributions up to the \$150 limit. Participating candidates would be limited to a maximum individual contribution of \$500 per person.

The program also would impose a \$12,000 cap on donations from other campaign committees and prohibit most other non-individual donations. Membership organizations would be allowed to donate up to \$12,000 in the form of in-kind donations of â??personal services,â?• defined by the ordinance as directly campaign-related activities such as phonebanking, canvassing, or childcare.

Under current state law, individual donors may contribute up to \$6,900 to campaigns, while unions and corporate entities may give up to \$13,700. Political campaign committees may give as much as \$68,500.

At the time of introduction, Ald. Martin estimated that the program would cost roughly \$9.5 million for its first implementation cycle, the 2027 consolidated primary. Based on data from the 2023 cycle, providing matching funds for all the campaigns that would have seen an increase under a program like Martinâ??s would have cost the city roughly \$11.5 million, the BGA analysis found.

Methodology

To evaluate the programâ??s potential impact for municipal candidates, BGA Policy collected campaign finance data from contested ward races as reported to the state Board of Elections for the 2023 consolidated primary cycle.

BGA Policy then applied limitations on large-dollar donations from Martinâ??s proposal by eliminating donations in excess of program limits or from prohibited sources, and applied the \$50,000 base funding and any potential matching dollars to each campaignâ??s fundraising totals.

The calculations generated a publicly-financed fundraising estimate for each campaign, equal to its real dollar 2023 fundraising with the following modifications:

- Elimination of any contributions from non-permitted entities, e.g. corporate donations
- Reduction of contributions to the maximum caps, where relevant, including:
 - Reduction of any contributions from other political campaigns in excess of \$12,000 to \$12,000
 - Reduction of allowable in-kind donations from membership organizations in excess of \$12,000 to \$12,000
 - Reduction of individual contributions in excess of \$500 to \$500.
- Addition of \$50,000 in base funding
- Addition of \$1425 (the maximum potential matching funds) for individual itemized contributions of at least \$150
- Multiplication of non-itemized individual contributions by nine, representing a 9:1 matching formula. (This is an undercount ?? individual contributions are matched 12:1 for the first \$25 and 9:1 thereafter, but limits in state reporting obscure which individual contributions of less than \$150 cumulative exceeded \$25.)

Candidates who did not report sufficient data for analysis to the state Board of Elections were not included, nor were candidates who raised less than \$17,500 total. The proposed program requires participating candidates to raise at least \$17,500 from at least 100 individual donors, at least 60 of whom must live in the relevant ward.

Since current state data collection obscures the number and location of contributors of less than \$150 cumulative, only the dollar threshold was used to eliminate candidates from this analysis, and donations were not eliminated or altered based on the address of the donor. The ordinance as proposed includes reporting requirements that would provide itemized records of all matched donations, even those which do not meet the state threshold for mandatory itemized reporting.

Estimated Program Impacts on 2023 Contributions

Applying both the limitations and the matching and lump sum payments of the proposed program, the BGA estimates:

- Out of 116 candidates who faced contested elections and raised more than the \$17,500 minimum in 2023, 73 (63%) likely would have received more funding with the matching program??s bonuses and limitations applied than they raised unassisted.
 - 71 of 87 non-incumbent campaigns (82%) might have benefitted from the program.
 - Out of 12 non-incumbents who won their elections, six would have benefitted from the program
- Campaigns that likely would have benefitted from the program would have seen an average boost of \$100,868.
- On average, campaigns that benefited from the program perhaps could have been expected to raise 180.6% more via the matching program than actually occurred in the 2023 cycle.
- Campaigns that likely would have benefited from the program were on average 26.7% small-dollar donor funded. The campaigns that likely would not have benefitted, in contrast, raised only about 9.1% on average of their total funds from small-dollar donors.
 - In general, challengers drew a larger percentage of their funding from individual small-dollar donors than incumbents. Non-incumbent candidates were on average 23.4% small-dollar funded, compared to 10.6% for incumbents.

- All campaigns that raised at least 21% of their funds from small-dollar individual contributions would likely have benefitted from the program.
- On a ward-by-ward basis, application of the program limits and bonuses would likely have had an overall leveling effect on fundraising:
 - In the 2023 cycle, the average gap between the lowest-raising campaign and the highest-raising campaign within a ward was equal to 54.1% of the total funds raised in that race.
 - If the program limits and bonuses are applied to campaigns that would benefit (i.e., receive more funds with the program than they raised independently), the high/low fundraising gap shrinks to an average of 35.6%
 - If the program limits and bonuses are applied to all campaigns, the gap narrows to an average of 21.1%
- The public dollars required to implement the program in the 2023 cycle would likely have aligned roughly with the \$9.5 million estimate given by Ald. Martin upon introduction of his ordinance, our analysis finds. If all campaigns that would have seen an increase under the matching formula had applied and qualified—*an unlikely scenario; at least some likely would have failed to meet qualifications or would have pursued a different fundraising strategy*—*the city would have needed to provide roughly \$11.5 million.*

Comparison by Ward

Use the chart tool below to generate more detailed comparisons of any of the 2023 cycle ward races that included at least two candidates with fundraising totals of or exceeding \$17,500.



Example Wards

Below are a selection of wards illustrating potential impacts of the proposed program on races with varying dynamics, such as the number of candidates in the race, the presence or absence of an incumbent, etc.

4th Ward: Six Candidates, No Incumbent, and a Sitting State Representative

The 4th Ward saw six candidates competing for an open seat. Although there was no incumbent alderperson in the race, State Representative Lamont Robinson, whose legislative district overlaps with the 4th Ward, saw some of the benefits of incumbency, such as an existing campaign committee and fundraising program. Robinson substantially outraised all other candidates and went on to win the seat in a runoff.

Applying the matching program bonuses would have benefitted all 4th Ward campaigns but Robinson's, significantly leveling the playing field and providing the largest boost to candidates with substantial small-dollar individual fundraising.

In particular, candidate Ebony Lucas â?? who raised the least funds overall, but raised over 86% of her contributions from small-dollar individual donors â?? would have maxed out the potential matching program, receiving \$200,000 in public funding and surpassing the fundraising of two other candidates who outraised her in the 2023 cycle even with the matching bonuses applied to their campaigns as well.

18th Ward: Incumbent vs. Single Challenger

The 18th Ward 2023 election was a head-to-head matchup between incumbent Derrick Curtis and challenger Heather Wills.

While Curtis raised roughly \$117,000 to Willsâ?? \$72,000, Wills raised 34% of her funds from small-dollar individual donors, compared to only 1.2% for Curtis.

The matching program would have raised Willsâ?? fundraising total not just above Curtisâ?? if the matching program limitations were applied to both campaigns, but even if Wills had participated while Curtis had relied on traditional fundraising.

26th Ward: Open Seat, Three-Way Race

The 26th Ward saw a three-way race for an open seat in which all three candidates would have benefitted from the proposed matching program.

While fundraising by the three campaigns likely would not have shifted under the matching program, all three campaigns would likely have received a fundraising boost while the overall fundraising gap between the campaigns likely would have narrowed dramatically. The gap between the most- and least-funded 26th Ward campaigns in 2023 was \$181,423, while applying the public funding formula to all three races would have closed that gap to \$137,027, according to the BGA Policy analysis.

33rd Ward: Three-Way Race with a Strongly Small-Dollar Supported Incumbent

Similar to the 26th Ward, the 33rd Ward was a three-way race in which all three campaigns would have benefitted from the matching program.

The main difference in the 33rd is that one of the candidates was an incumbent. Incumbents were overall far less likely to benefit from the matching program, but Ald. Rossana Rodriguez-Sanchez led the ward in small-dollar individual fundraising, and in fact would have been the only one of the three to max out the \$150,000 cap on matching donations.

43rd Ward: State Fundraising Limits Lifted

Candidate Rebecca Janowitz lifted the state caps on individual contributions in the 43rd Ward with \$750,000 in self-funding. Incumbent Timmy Knudsen was the only candidate to benefit from that change in fundraising limits, with four individual donations exceeding the usual state limit of \$6,900.

Steve Botsfordâ??s campaign was also heavily self/family-funded, leaving only two of the five campaigns in a position to potentially benefit from the matching program formula. The massive amounts of funding (self and otherwise) in the 43rd Ward race demonstrate some of the limits of the proposed matching program: even maxing out the potential matching donations, candidates Brian Comer and Wendi Taylor Nations would not have come anywhere near the total funds raised by Knudsen and Janowitz.

Responses

Responding to BGAâ??s findings that most campaigns would likely benefit from a matching program and that campaigns with small-dollar donors would benefit the most, Ald. Martin said â??With a small investment we can join cities across the US that encourage candidates to spend more time talking to everyday people.â?• He pointed out that Chicago is the largest U.S. city without a public election funding option, and that when the question was put on the ballot as a non-binding referendum in 2015, approximately 80% of Chicago voters supported a public option.

The mayorâ??s office declined to take a position on Ald. Martinâ??s ordinance, stating instead that â??providing avenues for more residents to become civically and politically involved is a win for democracy. It is important for us to think critically about not only what structure is best for our city and region, but also the types of funding mechanisms available to support proposals of this nature.â?• A spokesperson for the mayor also stated â??We have had good conversations with the alderman and others around campaign financing and will continue to do so, but right now our focus is on the Cityâ??s budget deficit and how we remain fiscally responsible while still meeting our priorities around community safety, mental health, affordable housing and youth employment.â?•

Conclusions

The BGA analysis poses a counterfactual: What would fundraising have looked like, had the limits and the bonuses of the matching program proposed in [O2024-0010156](#) been applied to the actual funds raised during the 2023 consolidated primary cycle?

Because the program was not in place, and campaigns were not incentivized to prioritize donations that would have qualified for and benefitted from the program, the counterfactual is not a complete illustration of what a Chicago municipal election cycle might look like with a public funding option in place. However, several broad trends emerge from the analysis:

- Overall, more candidates than not likely would expect to benefit from a matching program. Even without incentives in place, the fundraising strategies of a majority of 2023 aldermanic campaigns would have benefitted from the program formula.
- The program would benefit campaigns that prioritize small-dollar individual donations. In the 2023 cycle data, all campaigns that raised at least 21% of their funds from small-dollar individual contributions would have benefitted, were Martinâ??s proposal in effect.
- The matching program has the potential to shift the fundraising balance of races. In nearly all cases, applying the formulaâ??s bonuses and limits to actual 2023 fundraising activity, the BGA Policy projection indicates a public funding option likely would have reduced the gap between the highest- and lowest-funded campaigns. In at least some races, the program could enable a

campaign to accumulate more total dollars than a competitor who outraised them in private campaign contributions.

As projected by BGA Policy, the program shows potential to change the dynamic of ward-level races by supplementing small-dollar individual donations and reducing the incentive for campaigns to seek large-dollar individual or institutional contributions.

The impact could be increased by including stricter contribution caps than the current state-level maximums. Such a change could further incentivize campaigns to participate in the program and seek matchable small-dollar donations, as has occurred in the existing New York City and Los Angeles programs.