

## **A Quick History of Money & Politics in America** **How Your RAPAC Donation Connects You to an American Tradition** **By Tom Aughterton,**

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The relationship between politics and money in America has been infamously compared to mothers' milk—a tasteless remark, perhaps, but an accurate one. This relationship has had an important place in our republic's history and tradition since the days of the Continental Congress. To understand why your donation to RAPAC is so important to the political process, let's take a quick look at the history of political contributions in America.

**A Historical Perspective.** With more than two centuries of elections under its belt, America has developed substantial federal and state laws and regulations to oversee this relationship between politics and money. In the late 1700s, only white, male landowners over the age of 21 were allowed to vote. By 1828, states had the power to grant voting rights. President Andrew Jackson was one of the nation's first politicians to run a political campaign along modern standards. In the 1828 national election, he used an actual campaign staff to assist him in raising money and securing votes. He created committees that organized local rallies to get his message to the masses. His team's efforts resulted in a voter turnout that was nearly double that of previous elections, and he was successfully elected the nation's seventh president.

Twenty years later, Abraham Lincoln used his own finances to pay for his campaign, which almost bankrupted him, even though he also attracted donations from wealthy supporters. Following the assassination of the nation's 16th president, it became clear to wealthy Americans that they had a lot to gain by supporting specific politicians. Influential early American families like the Vanderbilts, the Mellons and the Astors threw their financial support behind political campaigns.

The campaign of 1872, however, highlighted the potential problems from this funding approach. Wealthy Democrats in New York each contributed \$10,000 to help promote a specific election. When former war general Ulysses S. Grant ran for the White House, almost one quarter of his campaign monies were provided by a single donor. With large campaign donations coming from a limited number of supporters, it was clear that elected officials might feel a direct obligation to these wealthy political benefactors.

American corporations soon joined the process. Candidate Teddy Roosevelt chose to speak out about the problem after he was embarrassed by his own corporate financing. As a new century dawned, Roosevelt proposed to Congress in 1905 that all corporate contributions be outlawed. Not surprisingly, the measure met with stiff resistance, as incumbent office holders were beholden to the donors who had helped them get elected. But reform legislation did follow, beginning with the Tillman Act of 1907 and, in more recent years, the substantial reforms that

resulted from the Watergate scandal during the Nixon White House years. (In fact, law is still being made in this area, as this recent Supreme Court decision on corporate and union money illustrates.)

Today's Political Environment. Political action committees, or PACs, are part of the post-reform environment we work in today. Federal and state laws still permit personal contributions to candidate campaigns but place strict donation limits and also require substantial disclosure information on the contributor. Many choose to participate in the process by supporting political action committees, which represent their occupational industry, their employer or a particular cause they support.

In Arizona's political scene, REALTORS® have long understood the importance of providing financial support for RAPAC – the REALTORS® of Arizona Political Action Committee. Because RAPAC receives such robust support from its members, it qualifies as an Arizona "Super PAC," which allows RAPAC trustees to award financial support to candidates at a higher spending limit. RAPAC is currently one of 22 such higher participation PACs in the state.

Why is it important to write a personal check to your industry PAC? Let me answer with one word each REALTOR® member knows well: **marketing**. A strong PAC not only provides for an effective presence with candidates, but it provides critically needed visibility. This visibility enables the National Association of REALTORS®, your state association and even the staff at your local association to compete with other industries and stakeholder groups in the public policy marketplace.

Supporting quality candidates to work for effective governance remains as important now as it was in colonial America. A tough economy and competing financial needs make a PAC financial contribution a more difficult decision for some members today. If you are contemplating dropping your contribution this year, we ask you to consider instead shifting to a lower amount. This helps RAPAC maintain the crucial membership participation which ensures its "Super PAC" status.

Help maintain your industry's political visibility. Help ensure your industry's public policy impact. Make a contribution of any size to RAPAC today!