
Political Parties, Interest Groups, and Campaign Finance

I. LINKAGE INSTITUTIONS

A. FUNCTION OF LINKAGE INSTITUTIONS

1. Linkage institutions are organizations or systems through which people connect and interact with the government.
2. Linkage institutions provide legitimate channels for the flow of information between the government and citizens, allowing for peaceful interaction in policy development.

B. TYPES OF LINKAGE INSTITUTIONS

1. **Political Parties:** These are organizations of people who share similar political ideologies which attempt to gain political power and implement a policy agenda by getting candidates elected.
2. **Interest Groups:** These are organizations of people who share similar causes or concerns which attempt to influence the government to address specific problems and public policies.
3. **Elections:** The primary method of participation in a democracy is the election, a contest in which citizens vote to select political representatives.
4. **Media:** The news media includes all those sources through which information is published including Internet, print, and broadcast news sources.

II. POLITICAL PARTIES

A. THE THREE ROLES OF POLITICAL PARTIES

1. **Party in the Organization.** Political parties exist to promote a political agenda. They accomplish this goal by recruiting and

running candidates for office, raising money, and maintaining an administrative structure to carry out party functions.

2. **Party in the Electorate.** Political parties reach out to voters, work to develop stable coalitions, and function as shorthand, or a label that conveys information about candidates and politicians to voters.
3. **Party in Government.** Members of a political party who are currently serving in government positions work to achieve the party's policy goals. Many aspects of government, notably Congress, are organized by political party. Party affiliation determines leadership positions and committee memberships.

B. FUNCTIONS OF POLITICAL PARTIES

1. Political parties educate and mobilize voters to participate in elections.
 - a. Parties sponsor and organize activities to inform and motivate voters.
 - b. Parties recruit and train volunteers.
 - c. Party names are understood by voters to correspond to core sets of values. A candidate's party affiliation is reliable shorthand for his or her policy views.
2. Political parties develop platforms, which are statements of principles explaining the party's policy goals.
3. Political parties recruit candidates to run for office.
 - a. Party organizations are often able to influence qualified and talented candidates to run.
 - b. Parties serve a seal-of-approval function. The endorsement of the party is understood to provide assurance that the candidate is a good citizen and qualified for the office that he or she is seeking.
4. Political parties provide campaign support for their nominees.
 - a. During the primary stage of an election, the party's role is to moderate the contest among its own member candidates for the party's nomination to each office on each ballot.
 - b. During the general election campaign, parties provide several types of assistance to candidates, including:
 - campaign management expertise
 - media strategy

- ▶ voter information databases
 - ▶ scientific polling
 - ▶ canvassing and get-out-the-vote events
 - ▶ direct campaign contributions or financial support (within legal limits)
- c. Political parties are becoming increasingly sophisticated in their efforts to target and influence voters.
- ▶ Parties maintain and continuously update detailed databases of voter profiles using information from scientific polling, census records, and other data sources.
 - ▶ Parties use sophisticated software and computer models to tailor messages and advertising strategies based on the psychological and demographic characteristics of specific voter groups they are targeting.
 - ▶ Parties use social media to efficiently spread targeted messaging.
5. Parties organize and manage many of the operations of government.
- a. Although political parties are not mentioned in the Constitution, they play a major role in the operation of government.
 - b. The majority party in Congress holds the key leadership positions and committee chair roles, effectively determining Congress's agenda.
 - c. The majority parties in state legislatures hold similar positions and control the redistricting process, which may confer a significant electoral advantage in future congressional elections.
 - d. The party out of power, or the minority party, plays a vital role as a watchdog, actively scrutinizing and criticizing the party in power to ensure against abuses of power.

C. THE TWO-PARTY SYSTEM

1. The United States has a two-party system.
 - a. Political parties are not discussed in the Constitution.
 - b. Nothing in U.S. law requires the two-party system or prohibits other parties from competing.

- c. Due to the structure of our electoral system, the vast majority of political offices are held by members of the two major parties.
2. The two major parties have changed over time. Since 1860, the Democratic and Republican parties have dominated American politics.
3. In order to achieve and maintain major party status, a party must create a party coalition, a collection of voting groups that support the party's policies and candidates. Examples of important voting groups include African Americans, women, blue-collar workers, the LGBTQ community, Christian evangelicals, and others.
 - a. Coalitions are generally stable, but they may change over time.
 - b. Group connections to political parties may change. This happened during the Great Depression when large numbers of traditionally Republican voters, including African Americans, began voting Democratic in large numbers, in a process known as realignment.
 - c. Parties may modify their positions and messaging to appeal to specific groups.
 - d. Conversely, a new constituency (group of loyal voters) may influence changes in a party's policy positions.
 - e. Critical elections are those in which a major and lasting realignment of group loyalties is seen. These occur in times marked by national crisis or major social movements, as when several important voting groups left the Republican Party and united behind FDR.
 - f. Realignments may also be regional, as when conservative white southerners began to switch in the late 1960s from the Democratic Party to the Republican Party.



Realignment, dealignment, and critical elections are terms that can be confusing, but they are important to understand.

- *Realignment refers to the switching of party loyalty by important voting groups.*
- *Critical elections are those in which a major realignment of important voting groups takes place, so that the party that had been weaker becomes dominant.*
- *Dealignment describes the process of voters detaching from political parties and becoming independent.*

4. Recent decades have seen a decrease in the power of the major parties.
 - a. Beginning in the 1960s, voters' party loyalties began to weaken (dealignment). Increasingly, voters identified as independent, rather than as Democrats or Republicans.
 - b. Generally, national party organizations have a loose relationship with state and local party organizations. National parties do not hold authority over state and local parties, and, in fact, influence often runs in the other direction.
 - c. Campaign finance restrictions have reduced the power of political parties by limiting party donations to candidates (\$5,000 per federal candidate per election cycle, combined \$10,000 for primary and general elections).
 - d. Campaigns have become more candidate-centered and less focused on parties.
 - In many other democracies, candidates for offices are chosen by party leaders rather than voters. In the U.S. system, candidates for office are chosen by party members and highly engaged voters in primary elections.
 - Traditionally, candidates have relied heavily on party support in the form of financial and campaign assistance, ensuring their loyalty.
 - More recently, individuals interested in running for office frequently solicit donations and hire their own professional campaign staffs, allowing them to be more independent.
 - The influence of political parties in determining voters' choices has declined. Voters are less loyal to parties in general (dealignment) and more likely to vote with a split-ticket.
 - Political party leadership generally prefers candidates who are more centrist, making them more likely to appeal to moderate voters.
 - Political party members are more ideologically driven than the general public, making them more prone to select candidates who are more ideologically pronounced.
 - Candidates have access to television and other forms of media. They can appeal directly to voters and spread their messages without the support of party structures.

- Voters are now more likely to be influenced by individual candidates' messages and to vote for candidates of different parties.



It is easy to assume that the national party organizations control the state and local party organizations, but this is not true. Remember that parties in the United States are decentralized (state and local political party organizations are not controlled by the national party). This weak organizational system means that local parties choose their own candidates for office and are not obligated to follow party platform positions, allowing for candidate selection based on local preferences.

D. MINOR (THIRD) PARTIES

1. The United States has evolved a political system in which two parties dominate, but numerous minor parties (also called third parties) exist and compete.
 - a. The two-party system is not required by law; however, the way U.S. elections are held makes it difficult for minor parties to compete.
 - b. Some countries have proportional representation systems in which citizens vote for parties rather than individual candidates, and each party receives a number of legislative seats in proportion to its share of the popular vote. Proportional representation systems allow multiple parties to hold political power.
 - c. In U.S. congressional elections, each voter has one vote, and the candidate who wins the most votes is the winner, even if that candidate received less than a majority of the votes cast (a plurality). This is called a single-member plurality system. It is also called the first-past-the-post (FPTP) electoral system.
 - d. The one-voter-one-vote system leads invariably to a two-party system by influencing voters to vote for a stronger party that is more likely to win an election, rather than a smaller party that has almost no chance of winning the most votes in a district, thus allowing the two major parties to remain dominant.
 - e. In presidential elections, all but two states (Maine and Nebraska) allocate all of their electoral votes to the popular

vote winner. Because this winner-take-all method is used in most states, it is almost impossible for a minor party candidate to win a plurality of votes within a state, and the state's electoral votes.

- f. The two major parties also actively work to prevent minor parties from achieving equal status.
 - ▶ Minor party candidates are required to achieve 15% support in order to qualify for participation in televised presidential debates.
 - ▶ Candidates are required to collect minimum numbers of signatures in order to appear on a ballot. This is a greater challenge for minor party candidates who have fewer resources.
 - g. The two major parties are extremely well-funded and highly organized, making it difficult for smaller parties to compete.
2. Despite the challenges, minor parties occasionally win elections. Minor parties, especially the Socialist, Green, and Libertarian parties, have often won local and state elections, as well as federal seats.
 3. Minor parties serve several functions in the United States.
 - a. Minor parties can be agents of innovation. Because they generally focus on smaller, more ideological groups, they are free to adopt positions that are more outside the mainstream and bring innovative ideas to the public.
 - b. Minor parties can motivate voters who are unhappy with their major party choices.
 - c. Minor parties can influence the political agenda.
 - ▶ When a minor party receives support, the major parties take notice, and may adopt the minor party's positions. For example, the Democratic Party has been influenced by the Green Party's focus on the environment.
 - ▶ This process of major parties co-opting minor party issues further diminishes minor parties' electoral prospects.
 - d. Minor party candidates may have a spoiler effect; that is, they may draw a significant portion of the vote from other candidates. If a minor party candidate draws enough votes from a major party candidate, he or she may hand the election to the other major party. For example, in the presidential election of 1992, George H.W. Bush ran for the Republicans,

and Bill Clinton ran for the Democrats. H. (Henry) Ross Perot, a businessman and billionaire, ran as an independent. The results were as follows:

1992 Presidential Election	Popular Vote	Electoral Votes
Bill Clinton (D)	43%	370
George H.W. Bush (R)	37.4%	168
H. Ross Perot (I)	18.9%	0

- Perot, a conservative, drew votes primarily from Bush. Had he not run, most of those who voted for him would have voted for Bush, altering the outcome of the election (the spoiler effect).
- Even though Perot made a very strong run, drawing nearly 20% of the popular vote, he failed to win any electoral votes, illustrating the challenge that the winner-take-all system presents for minor parties.



Understand the barriers to minor party success.

- *single-member plurality (FPTP) electoral election system for Congress*
- *winner-take-all Electoral College system for presidential elections*
- *incorporation of minor party issues/positions by major parties*
- *lack of funding and party infrastructure make it difficult to compete with major parties*
- *signature requirements for ballots*
- *minimum polling thresholds for debate participation*

III. INTEREST GROUPS

A. TYPES OF INTEREST GROUPS

1. Interest groups are organizations of people who come together to advance a common cause.

2. Freedom of association is the right of individuals to unite with others for expressive or political purposes. Although not specifically listed in the First Amendment, it has been recognized by the Court as a protected right related to the freedom of speech.
3. Interest groups form around different types of issues, including economics, group welfare, professional membership, recreational interests, single issues, and areas of public concern. Some groups fall into multiple categories.
 - a. Labor unions formed to address the conditions of working people, including safety, hours, and compensation. Examples of labor unions include the American Federation of Labor (AFL) and the Congress of Industrial Organizations (CIO), which merged in 1955 to form the AFL-CIO.
 - b. Business organizations exist to promote the collective interest of businesses and generally oppose regulation and legislation promoting workers' rights. The United States Chamber of Commerce has more than three million member businesses and promotes a wide variety of business interests. Other groups, such as the National Association of Manufacturers, represent smaller segments of the economy.
 - c. Professionals form interest groups for economic and other professional reasons. These include the American Bar Association (ABA) and the American Medical Association (AMA).
 - d. Agriculture has traditionally been recognized as a unique economic interest, and there are many agricultural interest groups, such as the American Farm Bureau Federation. In recent years, changes in this economic sector have created conflicts between the interests of traditional small and mid-sized farms and large-scale agribusiness.
 - e. Environmental groups advance environmental protections. Examples include the Sierra Club, Greenpeace, and the Environmental Defense Fund.
 - f. Consumer groups advocate for the interests of consumers generally. Examples include Consumers Union, which provides product information and publishes *Consumer Reports*; and the Center for Science in the Public Interest (CSPI), which advocates for food safety.
 - g. Interest groups also form to protect and advance group welfare on a societal level or for ideological reasons. Such groups include the National Organization for Women (NOW),

formed in 1966 to advance women's rights; the National Association for the Advancement of Colored People (NAACP), established to promote the civil rights of African Americans; and the American Association of Retired Persons (AARP), which promotes the interests of older Americans.

- h. Single-issue groups focus on one specific concern. Examples include the National Rifle Association (NRA) and Mothers Against Drunk Driving (MADD).
 - i. Government interest groups are composed of representatives of state and local government organizations. An example is the National Governors Association (NGA).
4. Interest groups can form around very narrow issues, such as the protection of a particular species; or around broad issues, such as environmental protection generally.



Recall that Madison, in "Federalist No. 10," addressed the commonly held concern that factions were both dangerous and inevitable. Madison argued that in a large republic multiple factions would compete, ensuring that none would be dominant. He also believed that the negative effects of factions would be mitigated through the decisions of a sophisticated group of elected representatives, the separation of power among the three branches, and the system of federalism, which allowed for issues to be addressed at the appropriate level of government (multiple access points).

B. LOBBYING: HOW INTEREST GROUPS INFLUENCE GOVERNMENT

1. *Lobbying* describes the various activities in which interest groups engage in order to influence government officials.
2. Interest groups offer financial support to candidates' campaigns.
 - a. Interest groups form political action committees, or PACs. Through their PACs, interest groups offer financial contributions to politicians' campaigns. These types of contributions are limited by law to \$5,000 per candidate per election cycle (combined \$10,000 for primary and general elections).
 - b. In addition to direct contributions, interest groups frequently offer indirect financial support to politicians. They may do this by donating to political parties or by sponsoring political

advertising, so long as they do not coordinate their messaging with the candidate or campaign.

3. Interest groups may offer to endorse a candidate, encouraging their members to vote for the candidate.
4. Interest groups educate politicians by conducting research, providing data and information.
5. Interest groups frequently write legislation and provide draft legislation for politicians to propose.
6. Interest groups educate and motivate the public to vote and become involved in political activities.
7. Interest groups may put grassroots pressure on politicians by calling on their members to contact politicians and agitate for their political goals.
8. Interest groups attempt to influence judicial outcomes by filing lawsuits or *amicus curiae* briefs.
9. Interest groups *do not*:
 - a. run candidates for office.
 - b. concern themselves with political issues outside of their area(s) of interest.

C. INTEREST GROUPS VS. POLITICAL PARTIES

1. Most interest groups' policy goals are more closely aligned with one party than another. For example, the concerns of environmental groups are reflected in the Democratic platform. Most interest groups form associations with and support members of one of the political parties. The parties support the policy goals of their interest group constituencies. For instance, the NRA is overwhelmingly supportive of the Republican Party, and the Republican Party opposes gun regulation.
2. Interest groups may contribute financially to both candidates in an election to ensure a favorable relationship with the winner.
3. Interest groups are more likely to support the incumbent than the challenger during an election. This is because the incumbency advantage makes it more likely that the current officeholder will win re-election.
4. Both interest groups and political parties work to promote the agenda of their membership, but there are important differences.

Interest Groups vs. Political Parties

Interest Groups	Political Parties
<ul style="list-style-type: none"> - attempt to influence the government through lobbying, donations, grassroots efforts, and other methods - do not run candidates for office - limit policy concerns to one or a small group of related areas 	<ul style="list-style-type: none"> - attempt to control the government by running candidates for office/winning elections - have a comprehensive platform addressing a wide variety of political issues

D. IRON TRIANGLES AND ISSUE NETWORKS

1. As components of iron triangles and issue networks, interest groups work to influence members of Congress and bureaucratic agencies.
2. Interest groups offer support to members of Congress who serve on committees related to their policy areas. In return, members take their agendas into consideration.
3. Interest groups offer to promote congressional support for bureaucratic agencies and priorities. In return, bureaucratic agencies offer favorable implementation of legislative policies and friendly regulation.
4. Politicians and bureaucrats are frequently offered jobs working for interest groups. Additionally, interest group employees may take jobs within the government bureaucracy regulating the group's area of concern. The movement of personnel between government and lobbying positions is described as the revolving door.

E. INTEREST GROUP FUNDING AND MEMBERSHIP

1. The power of interest groups is determined by funding and membership, with the best-funded groups having the most power.
 - a. Some groups are very well-funded and may offer politicians donations to their campaigns or various forms of indirect contributions.
 - b. Some groups offer less financial support, but have large memberships. These groups offer the support of their members in the form of voting and campaign assistance. For example, AARP, an interest group representing older Americans claims a membership of nearly 40 million.

- c. Causes that lack financial resources and large or influential membership groups will not be as effective in advocating their policies, even though they might be worthy and important.
 - d. While campaign contributions may succeed in securing access to politicians, they do not necessarily translate into policy support from those politicians.
2. The free rider problem is a funding challenge faced by interest groups whose work often benefits many people outside the group who are not members and are not motivated to contribute money or effort. A classic example of the free rider problem is union membership. If (as in some states) workers in a particular industry or workplace are not required to pay union dues, many will not but will still benefit from the union's negotiating power.
 3. Interest groups encourage support and membership through three primary methods.
 - a. Purposive incentives are the rewards of ethical or moral behavior. People feel satisfaction when contributing to a greater social good.
 - b. Solidarity incentives offer social rewards. Joining an interest group may allow people to spend time with other like-minded citizens.
 - c. Material incentives are tangible benefits, such as discounts offered to members, magazine subscriptions, and tote bags.

IV. SOCIAL MOVEMENTS

A. SOCIAL MOVEMENTS IN HISTORY

1. Social movements are broad-based coalitions of groups and individuals advocating for social change.
 - a. Social movements have a moral component, and their goals involve challenging and changing norms and values.
 - b. Social movements advocate for a variety of reasons:
 - social change and group rights, such as the Civil Rights, Women's Rights, and LGBTQ Rights movements
 - current issues, such as environmental protection or consumer rights

2. Social movements often include numerous interest groups advocating for policy in the same field. For example, the Civil Rights Movement was supported by the National Association for the Advancement of Colored People (NAACP), the Urban League, and other interest groups.
3. Recently, several social movements have arisen in the United States.
 - a. Black Lives Matter formed in 2013. The movement's goals include organizing protests, promoting Black leadership, and opposing state-sanctioned and vigilante violence against Black communities.
 - b. The #MeToo movement developed when the #MeToo hashtag trended virally on social media when victims of sexual harassment and assault began to share their stories in order to call attention to the prevalence of these problems.
 - c. March for Our Lives is a social movement that began as a student demonstration for increased government action to reduce gun violence in schools. It has expanded to become a larger movement focused on specific goals, including increasing youth voting.

B. DISTINCTION BETWEEN INTEREST GROUPS AND SOCIAL MOVEMENTS

1. Interest groups generally concern themselves with specific issues, while social movements champion broader causes.
2. Multiple interest groups may agitate for change as part of a broader social movement.
3. Interest groups are generally smaller, better organized, and more cohesive. They have clear memberships and funding mechanisms. They rely primarily on lobbying to achieve their goals.
4. Social movements are generally more dispersed and lack an administrative structure and clear membership. They generally rely on protest activities and demonstrations to call attention to their causes.

C. SOCIAL MOVEMENT METHODS

1. Social movements employ protests and public demonstrations in order to create change within a social and political system.

2. Civil disobedience is the intentional breaking of laws or rules in order to call attention to injustice.



The roles of political parties, interest groups, and social movements in the U.S. political system provide numerous examples of participatory democracy (majoritarianism), pluralist democracy, and elite democracy (elitism) theories.

- *Candidates and parties win when they are supported by the largest number of voters in elections (participatory).*
- *The thousands of interest groups in our society represent a vast array of organizations and concerns, so that no single group or small minority of groups is dominant (pluralist).*
- *Powerful and wealthy elites support and participate in certain groups that are highly effective in advancing their interests. Money gains access to political power and a primary role in setting the political agenda. Also, wealthy, connected candidates who can significantly finance their own political campaigns have an advantage in the candidate selection process and in elections (elitist).*

V. CAMPAIGN FINANCE

A. HISTORY AND LIMITS ON CAMPAIGN EXPENDITURES

1. Campaigns are expensive.

- a. Presidential campaign spending runs into the billions of dollars.
- b. The danger of money in politics and the need for regulation of campaign donations and expenditures has long been recognized.
- c. The history of campaign finance law in the United States is also the history of efforts to challenge and exploit loopholes in these regulations.
- d. The first comprehensive law to effectively limit and regulate campaign finance was the Federal Election Campaign Act (FECA), passed in 1971 and amended in 1974.

2. The Federal Election Campaign Act (FECA) of 1971

- a. placed limits on individual and political action committee (PAC) contributions.
- b. placed limits on campaign spending.
- c. required reporting of campaign contributions and expenditures.
- d. established a system for public financing of presidential campaigns, which became effective in 1976. (Presidential candidates generally no longer accept public monies available for their campaigns because they can raise almost unlimited money and prefer not to be subject to the restrictions attached to public funding.)
- e. created the Federal Election Commission (FEC), a bipartisan commission charged with enforcing campaign contribution and spending limits and monitoring disclosure compliance.
- f. In 1976, in *Buckley v. Valeo*, the Court struck down limits on campaign spending (but not necessarily contributions), ruling that spending money to influence elections is a form of constitutionally protected free speech.

3. The Bipartisan Campaign Reform Act (BCRA), also called the McCain-Feingold Act, was passed in 2002.

- a. Prior to BCRA, unlimited monetary contributions to political parties were allowed, so long as these funds were spent on “party-building purposes,” such as get-out-the-vote (GOTV) drives and issue advertisements (ads that provide information about a political issue but do not advocate voting for a specific candidate). These funds, which are donations to political parties, are referred to as *soft money*.
- b. When BCRA was passed, it
 - prohibited national parties from soliciting or spending soft money.
 - placed specific limits on contributions to candidates, parties, and PACs.
 - prohibited issue advertisements on television or radio that used a candidate’s name, were paid for by corporations or unions, and were broadcast within thirty days of a primary election or within 60 days of a general election.

- required candidates and any group running political advertisements to disclose who paid for the ad. This is known as the *stand-by-your-ad provision*.
- c. BCRA did not regulate spending by 527 committees, which are not-for-profit groups organized under Section 527 of the Internal Revenue Code for the purpose of influencing elections. They do not, however, advocate for specific candidates and may not coordinate with campaigns. The 527s primarily engage in issue advertising, or provide information about specific issues to the public. The 527 groups are required to report donors and donations to the IRS.



Campaign finance regulation is technical and involves its own vocabulary. Remembering a few key terms can help make it clear.

- **Hard money:** *money donated directly to candidates*
- **Soft money:** *money donated to political parties for general “party-building” activities*
- **Dark money:** *money donated anonymously to certain nonprofit (501 groups) organizations and used for political purposes*
- **Outside spending/independent expenditures:** *spending by unaffiliated groups to promote a candidate*
- **Issue advocacy:** *advertisements that are intended to educate the public regarding a particular issue, rather than to promote a particular candidate*

B. CAMPAIGN FINANCE REGULATIONS TODAY

1. *Citizens United v. Federal Election Commission* (2010)

- a. **Facts of the Case:** Citizens United, a conservative nonprofit organization, was restrained by BCRA from promoting a film called *Hillary: The Movie*, which negatively portrayed Hillary Clinton.
- b. **Constitutional Issue(s):** Does the BCRA ban on election advertising violate the First Amendment right to free speech? Does Citizens United, a nonprofit corporation, have this First Amendment right?

- c. **Holding(s):** The BCRA ban on election advertising does violate the First Amendment right to free speech and is unconstitutional. Citizens United, a corporation, does have a free speech right.
 - d. **Reasoning:** Because Citizens United is a nonprofit corporation, a central question for the Court was whether corporations have a First Amendment right to freedom of speech. The Court held that corporations do have this right and viewed the ban on political advertising by corporations as a prior restraint on political speech. This ban would be acceptable if the corporate spending was likely to lead to corruption. To prevent corruption, the organization may not communicate or coordinate with a candidate. Be aware that the decision is broadly written and applies to spending by unions, as well as corporations.
2. *Citizens United* did not impact the limits on direct contributions to candidates and campaigns (hard money), or the ban on soft money contributions, which remain enforceable. As a practical matter, the removal of limits on outside spending makes candidates less reliant on direct donations (hard money).
 3. The removal of limits on organizational spending to influence campaign outcomes has led to the growth of other types of political organizations, including:
 - a. **Super PACs.** These organizations are also known as independent-expenditure-only committees because they engage only in outside spending and do not contribute to parties or candidates. Unlike traditional PACs, they are not limited in how much money they can raise and spend, but must not directly coordinate with campaigns.
 - b. **501 organizations.** These nonprofit organizations, which include social welfare groups (charities), unions, and trade associations, are named for the part of the Internal Revenue Code under which they are organized, and are not subject to FEC regulation.
 - 501(c)4 organizations are defined by the IRS as “social welfare organizations,” or charities.
 - Unlike Super PACs, 501 groups are not required to disclose their donors. For this reason, the money they raise and spend is commonly referred to as *dark money*.

- 501 organizations frequently contribute to Super PACs, allowing Super PACs to indirectly collect large sums of money anonymously.

Type of Organization	Function and Regulations
PAC	<ul style="list-style-type: none"> – political action committee – collects funds from members and distributes funds to candidates and political causes – federal law places limits on contributions to PACs – federal law places limits on donations made by PACs to parties and candidates – required to disclose donors
Super PAC	<ul style="list-style-type: none"> – collects and spends unlimited amounts – may not coordinate with candidates or campaigns – required to disclose donors
501 (nonprofit) groups	<ul style="list-style-type: none"> – receives and spends unlimited amounts – not required to disclose donors (dark money)



Questions relating to campaign finance regulation are likely to relate to a few important concepts. Be sure you understand:

- *the tension between free speech and the need to prevent corruption in elections*
- *the effect of two key pieces of legislation—FECA and BCRA*
- *the relationship between money and speech*
- *the argument that groups with more money can purchase “more speech,” and concerns about the impact of virtually unlimited fundraising and spending on the fairness of elections*
- *the impact of Citizens United on electoral politics*