

Obama raises \$32.5 million in three months

## Record big business donations flow into 2008 US presidential campaign coffers

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Each US presidential election cycle, for months before a single primary vote is cast, the primary that counts is conducted behind closed doors, largely out of sight of the public at large. In the “money primary,” Democratic and Republican candidates tour the country, speaking at extravagant private fundraising dinners, visiting with lobbyists, and addressing meetings of company executives.

The candidate’s job is to convince America’s wealthiest individuals that their interests will be advanced in the event he or she is elected, and the rich and powerful then cast their votes in the form of large financial contributions to the candidate’s campaign.

Demonstrating his enduring appeal to big business and the wealthy, Democratic Party presidential hopeful Barack Obama, the junior Democratic senator from Illinois, raked in an incredible \$32.5 million in campaign donations in the second quarter of 2007. His principal Democratic rival, Senator Hillary Clinton of New York, raised \$27 million.

Both of these sums are unprecedented for a Democratic candidate during this fundraising period. By comparison, in the second quarter of 2003, the funds raised by all Democratic presidential candidates *combined* totaled \$30.8 million. During this same period in 2003, eyebrows were raised when Howard Dean received an unprecedented \$7.6 million in donations—one quarter of what Obama raised this time around.

Of Obama’s \$32.5 million, \$31 million can be legally used in the primary elections, which will take place in early 2008 and will determine which candidate receives the Democratic Party nomination. Of Clinton’s \$27 million, \$21 million can be used in the primary. Since

the remaining funds cannot be spent unless the candidate wins the nomination, this effectively means Obama raised \$3 for every \$2 raised by Clinton.

By contrast, at the end of the first quarter, Clinton was in the lead with \$36 million, including \$10 million left over from her Senate races. Clinton also won significant early financial endorsements from major financial firms and lobbyists who traditionally back Democratic candidates. Obama raised \$25.8 million over the same period.

The war chests of the two leading Democratic candidates far exceed anything a presidential candidate has raised over the same period in American history.

Multimillionaire hedge fund investor and former Democratic Senator John Edwards raised an estimated \$9 million in the second quarter. Democratic Senators Christopher Dodd of Connecticut and Joe Biden of Delaware raised \$3.3 million and \$2.4 million, respectively. Dodd’s figure constitutes a substantial drop from the first quarter, when he raised \$8.7 million.

The financial support the leading Democrats have won from well-heeled donors far exceeds that of the leading Republicans.

Former Republican New York City mayor Rudy Giuliani leads the Republican pack with an estimated \$17 million, including \$15 million for the primary election. Former Massachusetts governor and venture capitalist Willard “Mitt” Romney’s second quarter figure is \$14 million, far less than the \$23.4 million he raised in the first quarter, and includes \$6.5 million of his own money.

Arizona Senator John McCain raised \$11.2 million in the second quarter, down from the \$13 million he raised in the first quarter, a disappointment that

prompted reports of a shake-up in his campaign staff. The Democratic governor of New Mexico and former congressman Bill Richardson raised \$7 million in the second quarter.

The record for a presidential candidate in a non-election year is held by current president George W. Bush, who pulled in \$50 million when he ran for reelection largely uncontested in the Republican primaries in the third quarter of 2003. In the second quarter of 2003, he raised \$35 million.

June 30 marked the end of the second fundraising quarter of 2007, and the deadline for filing campaign finance reports with the Federal Election Commission is July 15. While the current figures given above do not reflect official campaign finance reports, most leading candidates have been more than eager to release estimates to the press of the huge sums flowing into their campaign coffers.

This year, lobbyists, financial firms, law firms and corporations are donating money to candidates' campaigns at unprecedented rates. Some businesses, such as the financial firm Goldman Sachs, are hedging their bets by donating money to candidates from both parties.

Only the winners of this money primary—those candidates that found adequate support from big business and the wealthy, generally considered to be around \$100 million by the end of 2007—will be accepted as the “serious” candidates in the race.

The interests and wishes of ordinary Americans have little effect on this profoundly antidemocratic candidate selection process. In a country of 300 million, the number of donors to a candidate's campaign rarely tops 100,000 in a given quarter, less than one-tenth of a percent of the population.

The existence of the money primary and its relevance in deciding who wins the Democratic and Republican nominations is more or less an open secret. For example, a typical Associated Press article ran by ABC News, the *Houston Chronicle*, and others reported that Obama's massive take in the latest fundraising quarter “ensures his place as a top contender for the Democratic nomination.”

At the same time, media reports describe the campaigns of candidates who failed to meet the \$10 million mark as “struggling,” “flailing” and “disappointing.”

According to the Center for Responsive Politics, the Democratic and Republican nominees will raise as much as \$500 million apiece by Election Day in November of 2008.



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