

Obama campaign raises record sums from the wealthy

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Proving that President Obama is the first choice of Wall Street and the American super-rich, his reelection campaign announced Wednesday that it had broken all previous records for fundraising, raking in \$86 million during the second quarter of this year.

The \$86 million total dwarfed the previous record for presidential reelection fundraising, the \$50 million raised by George W. Bush in the third quarter of 2003. It was far above the \$60 million target set by Obama's campaign manager, Jim Messina.

Obama for America, the official name of the reelection effort, raised \$47 million, while the Democratic National Committee collected \$38 million, largely from fundraising events featuring the president, where big donors are allowed to give up to \$30,800 apiece. Individual donations to Obama for America are limited under federal election laws to a maximum of \$5,000.

By comparison, the leading Republican fundraiser, former Massachusetts governor and investment banker Mitt Romney, raised \$18.25 million in the April-June quarter. The total raised by all the Republican presidential hopefuls who have filed reports with the Federal Election Commission came to only \$36 million, less than half Obama's haul.

The Obama reelection campaign will be the most lavishly funded in American history. It is expected to dwarf the \$745 million Obama raised in 2008, and could top the \$1 billion mark. Only two decades ago, \$20 million was sufficient to finance a full-scale presidential campaign.

According to press accounts, the Obama campaign has already opened 60 offices in various states around the country, nearly a year and a half before Election Day, and hired hundreds of full-time operatives.

The vast fund-raising comes in two relatively distinct

components: over half a million small donors, reflecting lingering illusions in Obama in sections of the population; and large donors, from the wealthy and the most affluent sections of the upper-middle class.

A total of 552,462 individuals gave money during the second quarter, including 260,000 who made no donations during the 2008 campaign. Of these, 98 percent were of \$250 or less, with an average contribution of \$69. Based on that average, the small donations accounted for less than half the total raised, about \$37 million.

The remainder, about \$49 million, came in large-dollar contributions, including thousands who gave the maximum of \$35,800—\$30,800 to the DNC and \$5,000 to Obama for America.

The *Washington Post* noted, "Much of the tens of millions Obama raised through the Democratic National Committee came from big fundraising events that the president attended throughout the spring. Donors to the DNC can give up to \$30,800, and many of those who made the maximum contribution got to attend intimate, invitation-only dinners at which the president took their questions behind closed doors."

Moreover, the total number of small donors was deliberately inflated by a promotion run by the campaign in which anyone who gave as little as \$5 was entered into a lottery for a dinner with Obama and Vice President Biden.

The Obama campaign, clearly concerned about releasing information that would demonstrate corporate America's enthusiasm for the president's reelection, declined to say how much Obama for America raised from large donors. These numbers will be buried in the 15,000-page report the campaign files Friday with the FEC.

The report to the FEC will also detail the amount

raised by “bundlers,” those who solicit donations from a group of individuals and reach a total set by the campaign, of \$350,000 or more, as well as a group called Gen44, consisting of individuals younger than 40 who raise \$100,000 or more.

While the 2008 Obama campaign was regularly described as fueled by small donors, the actual figures demonstrate the opposite: Obama did indeed raise \$180 million from that source, but that came to less than one-quarter of his overall fundraising. Nearly half of his total—and the bulk of the early money, critical to sustaining his campaign against the initial frontrunner, Hillary Clinton—came from big donors.

Some details of the wooing of big-ticket donors were reported in the Washington press. The *Post* reported June 29, “Campaign officials are working to broaden Obama’s network of ‘bundlers,’ the well-connected rainmakers tasked with soliciting big checks from wealthy donors, while seeking to preserve the aura of a grass-roots movement by luring back the kind of small Internet donations that helped shatter fundraising records four years ago. Obama has attended 28 fundraisers from coast to coast—a pace that could continue, or even accelerate, over the next several months.”

The *Post* noted that White House Chief of Staff William Daley, former vice chairman of JP Morgan Chase “has huddled in recent weeks over breakfasts and dinners with business leaders and Wall Street financiers in Chicago, New York and Washington,” while campaign manager Messina “made his pitch during at least two meetings in Manhattan with Wall Street executives.”

Politico described one Wall Street fundraising dinner held at Daniel, a top-drawer restaurant on Manhattan’s Upper East Side: “The tables were filled with moneymen like Marc Lasry, the billionaire founder of the hedge fund Avenue Capital; Robert Wolf, the chief executive of UBS Group Americas; and Mark T. Gallogly, a co-founder of Centerbridge Partners.”

While noting the absence of Jamie Dimon of JP Morgan Chase and Lloyd Blankfein of Goldman Sachs, this was said to be by mutual agreement—an effort to avoid photographs of the president shaking hands with the CEOs of the largest recipients of federal bailouts.

“While Wall Street executives still complain about the president’s name-calling and pressure for a

regulatory overhaul,” *Politico* observed cynically, “many say privately that his bark has been worse than his bite.”

The event raised \$2.3 million in a single evening, far more than the projected \$1.5 million. *Politico* concluded that “Obama’s campaign set a goal of getting 400 individuals to each help raise \$350,000 by year’s end. That may sound like a tall order—especially with much of Wall Street on the sidelines—but early indications suggest the effort is on track, according to people involved in the campaign.”



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