

Corporate America puts its money on Biden and the Democrats

Part one

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This is the first part of a two-part article.

The final financial reports before the election were filed by candidates for Congress and the White House by Oct. 15 with the Federal Election Commission (FEC), detailing fundraising and spending in the third quarter, July 1 through Sept. 30. These reports are limited to the funds raised directly by the campaigns themselves, and exclude fundraising through supporting PACs (political action committees) usually funded by billionaires. Nonetheless, the FEC data provides some eye-opening insights into the political calculations of the American ruling elite, where there is increasing expectation of a Democratic victory on Nov. 3.

Two preliminary observations can be made. First, large sections of big business favor a shift from Trump to Biden, partly because of differences on foreign and domestic policy, partly because they regard a second Trump term as more likely to provoke an uncontrollable social and political explosion in America. Second, the corporate elite now views Biden and the Democrats as the favorites to win the election, and campaign contributions are a form of political insurance, giving the donors a “seat at the table” when a future Biden administration is staffed and determines its policy priorities.

The Democrats hold a decided edge in fundraising in each of the major sectors of the 2020 political battlefield. In the presidential campaign, Trump’s early dominance is a distant memory. Biden has outraised him beginning in May, and his lead has grown with each passing month.

According to the Center for Responsive Politics, the Biden campaign has raised \$810 million and supporting organizations have raised \$373 million, for a total of \$1.183 billion. The Trump campaign has raised \$552 million, supplemented by \$256 million from outside groups, for a combined total of \$808 million.

In the Senate, the Democrats have outraised Republicans by a margin of more than 50 percent, \$767 million to \$500 million, despite the Republicans holding 23 of the 35 seats

being contested on Nov. 3. In the 435 House contests, the Democrats hold a slightly narrower lead, \$772 million to \$653 million. Both figures represent a sharp departure from recent congressional elections, at least until 2018, in which the Republican Party has generally enjoyed a huge financial edge.

The presidential fundraising figures represent sharp increases from 2016, when Democrat Hillary Clinton raised a combined total of \$770 million while Trump raised \$433 million. By Oct. 1, the Biden and Trump campaigns had already spent three times the amount expended at a similar point in 2016, a reflection both of the massively increased fundraising and the need to reach early and mail-in voters.

The Democratic Party and the corporate media have generally attributed the Biden campaign’s financial edge to a surge of small-dollar contributions. There certainly has been such a surge, at least compared to the early stages of the Biden campaign for the Democratic nomination, when small-dollar internet contributions went overwhelmingly to Bernie Sanders and Elizabeth Warren. At that point Biden was sustained by a relative handful of wealthy backers.

But according to a recent tabulation by the Center for Responsive Politics, which maintains the Open Secrets database of campaign finance information, Trump and Biden have raised roughly equal amounts in contributions of \$200 or less, between \$200 million and \$250 million apiece, mainly over the internet.

The difference between the campaigns is accounted for primarily by big dollar contributions, with Biden raising far more than Trump. As the *New York Times* admitted in an article posted on its website Wednesday, “the elite world of billionaires and multimillionaires has remained a critical cog in the Biden money machine.”

The *Times* continued:

From Hollywood to Silicon Valley to Wall Street,

Mr. Biden's campaign has aggressively courted the megadonor class. It has raised almost \$200 million from donors who gave at least \$100,000 to his joint operations with the Democratic Party in the last six months—about twice as much as President Trump raised from six-figure donors in that time, according to an analysis of new federal records.

Million-dollar donors came from Hollywood (Jeffrey Katzenberg), Silicon Valley (Reed Hastings of Netflix and many others), and high finance. "Top executives with investment, private equity and venture capital firms like Blackstone, Bain Capital, Kleiner Perkins and Warburg Pincus all contributed handsomely," the *Times* noted.

While Biden has lately attempted to sound a populist note, claiming that he represents Scranton (his birthplace, a decaying industrial city in northeastern Pennsylvania), while Trump represents the moneyed elite of "Park Avenue," it turns out that "Scranton" has a different meaning to his campaign finance operation. Any affluent donor who solicits a total of \$250,000 in contributions is considered a member of the "Scranton Circle" of elite donors, with special access to top advisers of the candidate. There is also a "Philly Founder" level for those generating \$500,000 in contributions and a "Delaware Circle" for those accounting for \$1 million or more.

Entering the month of October, the Biden campaign had \$180.6 million in cash on hand, while the Trump campaign reported only \$63.1 million, one-third of the Democrat's total. This disparity was despite the Biden campaign's outspending Trump's by two to one during the month of September. After raising a record-shattering \$365 million in August, the Biden campaign raised an even larger amount, \$383 million, the following month.

Trump has not lacked for megadonor support, including \$75 million from casino billionaire Sheldon Adelson, \$21 million from Isaac Perlmutter, chairman of Marvel Entertainment, and \$10 million from banking heir Timothy Mellon.

But these sums are dwarfed by the \$100 million for Biden from billionaire Michael Bloomberg, who briefly sought the Democratic presidential nomination for himself—and spent \$1.1 billion in that effort—and another \$106 million from the Future Forward PAC, based in Silicon Valley, whose funding includes \$22 million from Facebook co-founder Dustin Moskovitz, \$6 million from Jeff Lawson of Twilio, \$5 million from crypto-currency trader Sam Bankman-Fried and \$2.5 million from Eric Schmidt, former CEO of Google.

Such figures make nonsense of the fascistic rhetoric of Trump, who continually denounces Biden as the tool of

socialists, communists and the "radical Left." Actually, Biden is a tried and tested tool of Wall Street and corporate America, dating back to his days as a senator from Delaware, a center of tax evasion. The tiny state has more corporations headquartered there for tax purposes, over one million, than human beings.

His services to the corporate elite continued through his tenure as vice president in the Obama administration, when he oversaw both the bailout of Wall Street and the bankruptcy restructuring of the auto industry, in which wages for new workers were cut in half.

It was to his supporters in the financial aristocracy, at an exclusive fundraiser last year in Manhattan, that Biden made his notorious pledge—the most truthful declaration of his entire campaign—that if he were elected president, "No one's standard of living would change. Nothing would fundamentally change."

The financial constraints on the Trump campaign are unmistakable. In the final week of September and the first week of October, for example, it stopped advertising in four "battleground" states—Iowa, Ohio, Texas and New Hampshire. One advertising industry tally had Biden topping Trump in campaign spending in 72 out of 83 media markets where both campaigns were still competing.

The disparity between the Biden and Trump campaigns has been exacerbated by the timing of their expenditures. Trump spent lavishly in the early months of 2020, even before the Democratic nominee had been determined, and has raised less overall. The result is a cash crunch in the final weeks of the campaign.

Biden began the month of August with a three-to-one advantage in terms of financial resources and has outspent Trump in three critical battleground states—Michigan, Pennsylvania and Wisconsin—by that margin, \$53 million to \$17 million. According to figures reported in advertising trade publications, Biden has a 5–1 advantage in the Milwaukee, Wisconsin, market, and more than a 2–1 advantage in Detroit and Philadelphia.

In Omaha, Nebraska, where a single electoral vote is at stake in the Second Congressional District, Biden has spent \$2 million on advertising, six times the Trump total.

To be continued



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