Do Incumbents Still Enjoy a Financial Advantage? How Individuals Ceased to Advantage Incumbents While Corporate America Continues to Favor Them

Andrew C. W. Myers*
Maria Silfa†
Alexander Fouirnaies‡
Andrew B. Hall§

Abstract

Incumbents have long enjoyed a substantial fundraising advantage in American elections, but it remains unclear whether this advantage has persisted as elections have become more partisan and nationalized in recent years. Pairing a regression discontinuity design with a comprehensive dataset covering U.S. House, U.S. Senate, gubernatorial, statewide executive, and state legislative elections, we present the first systematic evidence on the evolution of the financial incumbency advantage. Overall, we find that the financial advantage enjoyed by incumbents at all levels of government has declined 25% to 50% over the last decade. This decline, however, is driven entirely by individual donors, and especially small-dollar donors; in contrast, the advantage among corporate PACs has remained stable—or even increased. Taken together, these shifts reveal a campaign finance landscape that is increasingly shaped by partisanship on one side and strategic investment on the other.

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*Ph.D. Candidate, Department of Political Science, Stanford University.
†Assistant Professor of Political Science, Ohio State University.
‡Associate Professor of Political Economy, Harris School, University of Chicago.
§Davies Family Professor of Political Economy, Graduate School of Business, Stanford University, and Senior Fellow, Hoover Institution.

1 Introduction

Among scholars of American politics, it is widely recognized that incumbents enjoy a substantial fundraising advantage over challengers. This financial incumbency advantage is well-documented in academic research (Fouirnaies and Hall 2014), discussed in review articles, and highlighted in numerous American politics textbooks. For example, Morton (2006) explains that the U.S. political system "gives incumbents significant advantages in raising campaign money" (Morton 2006: p. 213), Stewart (2001) discusses "the virtual monopoly that incumbents hold over PAC contributions"(Stewart 2001: p. 235), and Carson and Jacobson (2016) describe how incumbents have been "widening their typical financial advantage over time" (Carson and Jacobson 2016: p. 58).

At the same time, contemporary American politics have become significantly more partisan and nationalized. A vast literature documents the consequences of this trend, including a substantial decline of the vote-share incumbency advantage (Jacobson 2015; Rogers 2023).[1] Yet surprisingly, we know little about whether campaign donors have altered their behavior in parallel with voters. Do incumbents still enjoy a substantial financial advantage, or has this advantage been eroded by rising partisanship and nationalization in American elections?

Answering this question has important implications for our understanding of corporate political action committees (PACs) and individual donors. On one hand, corporate PACs are widely understood to strategically maximize their ability to access policymakers (Hall and Wayman 1990). If incumbents' reelection prospects have faded, however, access-seeking PACs may reallocate their money towards alternate avenues of influence. Conversely, if corporate PACs continue to favor incumbents despite a negative shock in their electoral security, we would conclude that the value of access to policymakers has increased. Contributions from individuals, in contrast, are primarily considered a type of ideological consumption good (Ansolabehere, De Figueiredo, and Snyder 2003; Barber 2016). A decline in the finan-

[1]Jacobson (2015) and Rogers (2023) focus on the U.S. House and state legislative lower chambers, respectively. In Appendix A.4, we extend these results to a broader set of electoral contexts using a regression discontinuity design.

cial incumbency advantage among individual donors would thus extend existing evidence of Americans' increasing unwillingness to cross partisan lines to a new, and highly consequential, form of political participation.

To study the development in the financial incumbency advantage, we apply a regression discontinuity (RD) design to the most comprehensive dataset of financial and electoral outcomes assembled to date. Our analysis spans U.S. House and Senate elections for the years 1980-2022, all ninety-eight partisan state legislative chambers for the years 2000-2022, and gubernatorial and statewide executive offices for the same period. This sample is based in part on newly collected and standardized election returns data. In total, our sample includes more than 86,000 general elections held over five decades, or more than two times the coverage of prior work on the financial incumbency advantage (Fouirnaies and Hall 2014).

Pairing this original dataset with the RD design, we document that the financial advantage enjoyed by incumbents has declined by approximately 25% to 50% in recent years. This substantial reduction, however, is driven almost exclusively by changes in the preferences of individual campaign donors, and small-dollar individual donors in particular. In contrast, corporate PACs have not become more partisan and continue to highly value access to elected officials, regardless of party affiliation.

Overall, our results paint a picture of a changing financial landscape where the political behavior of individual Americans and corporate America is diverging: Individuals have stopped advantaging incumbents, while corporate America continues to do so. These results suggest that, despite a shrinking electoral advantage, the revealed value of access to incumbents has increased rather than declined.

2 Empirical Strategy

2.1 Data

To study the financial incumbency advantage, we assemble the largest dataset of campaign contributions and general election returns to date, spanning U.S. House and U.S. Senate elections for the years 1980-2022, gubernatorial and statewide executive offices for the years 2000-2022, and all ninety-eight partisan state legislative chambers for the same period.[2,3] The statewide executive offices we examine are Attorney General, Auditor, Controller/Comptroller, Lieutenant Governor, Secretary of State, and Treasurer.[4]

For information on general-election vote shares in Congress and gubernatorial and statewide executive offices, we start with partial data from Ansolabehere et al. (2010). We then extend this dataset through 2022 by collecting official election returns from state websites and the Federal Election Commission (FEC). For data on state legislative elections, we draw on Klarner (2023), which covers our full period of study.

Next, we obtain raw data on contributions to congressional campaigns from the FEC and state legislative, gubernatorial, and statewide executive campaigns from the National Institute for Money in State Politics (NIMSP). Critically, this sample includes both itemized and unitemized contributions, which allows us to explore donor-level heterogeneity among itemized contributors without omitting any small-dollar contributions. To further refine our classification of corporate PACs, we merge in industry-level donor classifications from the Center for Responsive Politics (CRP).[5] The major industries are: Agriculture, Business, Communication, Construction, Defense, Energy, Finance/Real Estate/Insurance, Healthcare, Lawyers, and Transportation.

[2]Following previous work, we exclude the unicameral, non-partisan Nebraska state legislature from our analysis.

[3]We use the class of U.S. Senate seats (i.e., 1, 2, or 3) to track these contests over time.

[4]Lieutenant governors are elected separately from governors in 18 states. In all other states, we combine contributions made to governors and lieutenant governors into one observation.

[5]CRP classifications are available beginning in 2000. Hence, our industry-level estimates focus on the years 2000-2022. We are, however, able to measure contributions from corporate PACs in aggregate using classifications from the FEC and NIMSP for the entirety of our study.

We extensively clean and standardize both the elections and campaign finance datasets before merging them together. Finally, we omit elections directly after a redistricting cycle or when a third party candidate is among the top two finishers. In total, this dataset includes more than 86,000 general elections held over five decades, or more than two times the coverage of prior work on the financial incumbency advantage (Fouirnaies and Hall 2014).

2.2 Empirical Designs

A key concern in empirical studies of the incumbency advantage is that districts won by Democratic candidates often differ systematically from those won by Republicans across multiple dimensions. Consequently, if a Democratic incumbent raises a significant amount of money in her district, it does not necessarily imply that incumbency is the cause—an alternative explanation could simply be that both voters and donors are more Democratic-leaning in that district.

To mitigate concerns of partisan selection, we employ a series of regression discontinuity analyses, complemented by panel-based approaches, to quantify the financial incumbency advantage. The basic idea in the regression-discontinuity approach is to compare the contributions that flow to the Democratic candidates in districts where the Democratic party marginally won the previous election to districts where the party marginally lost the previous election. If close elections are as-if randomly determined, we can use this comparison to identify the effect of incumbency on fundraising, and by splitting the sample into different time periods we can examine whether the estimated effects have changed over time.

We implement the regression-discontinuity analyses in a series of graphical and statistical analyses. To statistically examine whether the financial incumbency advantage has changed in recent years, we estimate the following equation using OLS:

$$
\begin{aligned}
DemMoney_{d,t+1} = & \beta_0 + \beta_1 DemWin_{dt} + \beta_2 DemWin_{dt} \cdot Post\ 2010_{dt} + \\
& \beta_3 Post\ 2010_t + \beta_4 DemMargin_{dt} + \\
& \beta_5 DemWin_{dt} \cdot DemMargin_{dt} + \beta_6 Post\ 2010_t \cdot DemMargin_{dt} \\
& + \beta_7 Post\ 2010_t \cdot DemWin_{dt} \cdot DemMargin_{dt} + \varepsilon_{d,t+1}\ ,
\end{aligned} \tag{1}
$$

where $DemMoney_{d,t+1}$ is the Democratic Party's percent of campaign contributions in district d in time $t+1$; $DemWin_{dt}$ is an indicator for a Democratic victory in district d in time t;[6] $DemMargin_{dt}$ is the Democratic party's two-party vote percent margin; $Post\ 2010_t$ is a dummy variable indicating elections after $t = 2010$; and $\varepsilon_{d,t+1}$ is the error term. The key coefficients of interest are β_1 and β_2, capturing the average financial incumbency advantage up until 2010, and the change in the incumbency advantage in the post-2010 period, respectively. We divide the sample into pre- and post-2010 periods because the most recent studies on the financial incumbency advantage are based on data that concludes in 2010 (Fouirnaies and Hall 2014). In Appendix A.2, we show that our results are not dependent on this particular cutoff.

For brevity, in the main paper we present a local-linear specification of the running variable with a 10% bandwidth. Appendix A.1 shows that our results are highly similar across possible bandwidths. We also show in Appendix A.1 that our conclusions are robust to using quadratic, cubic, or quintic specifications of the running variable, as well as to estimates from Calonico, Cattaneo, and Titiunik's (2014) *rdrobust*.

While the RD design provides the strongest causal identification of the financial incumbency advantage, it inherently relies on a limited sample of elections. To ensure that our results are not an artifact of this sample, we adapt two existing panel-based estimators of the vote-share incumbency advantage to our setting. First, we study the average of the *sopho-*

[6]When applicable, we define a separate d for every redistricting cycle.

more surge (Alford and Brady 1989; Alford and Hibbing 1981; Cover 1977; Erikson 1972) and *retirement slump* (Cover and Mayhew 1981), which compares the gain in vote share of candidates running as first time incumbents to their vote share as non-incumbents or the decrease in a party's vote share from the previous election after an incumbent leaves office, respectively.[7] Second, we study the procedure introduced by Gelman and King (1990), which is designed to encompass a larger set of elections than the *sophomore surge* and *retirement slump*. Since these complementary panel-based estimators do not change our substantive findings, we report the results in Appendix A.3.

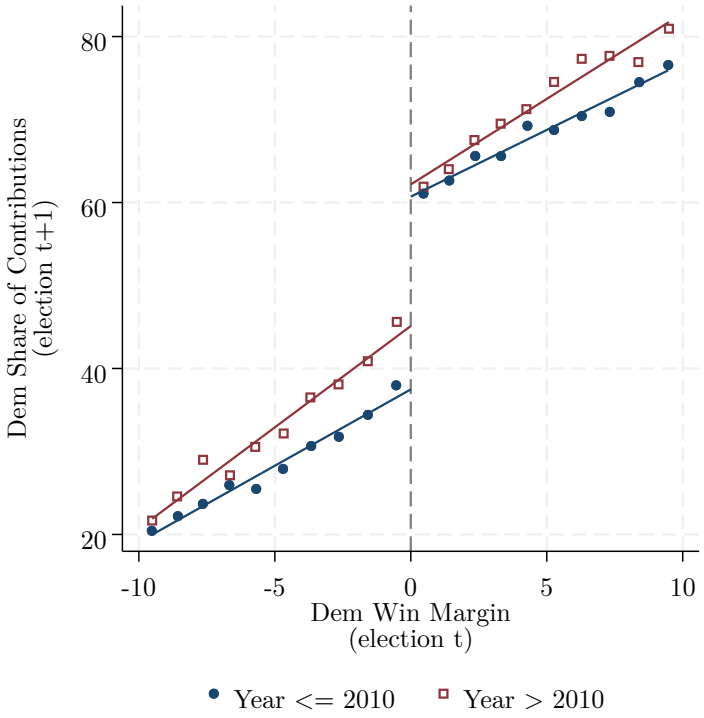
3 The Decline of the Financial Incumbency Advantage

We begin by documenting the aggregate changes in the overall financial incumbency advantage. The graphical analyses for different offices are presented in Figure 1. In this figure, we pool observations across offices and separately present the regression-discontinuity plot for pre- and post-2010 elections. The x-axis shows the Democratic two-party vote-percent margin at time t, the y-axis shows the Democratic candidate's two-party percent of contributions at time $t+1$, and the circles and squares plot the binned averages of the outcome (in one percentage-point bins) for elections pre- and post-2010, respectively.

Focusing on the binned averages that include data up until 2010, the figure shows that when Democrats marginally lose a seat, the average candidate receive approximately 40 percent of all contributions in the district in the subsequent elections, whereas they raise more than 60 percent of total contributions when they marginally win. On average, Democrats experience an increase of 20-25 percentage points in total campaign contributions when they win office. This pattern is consistent with the previous findings in the literature. The pattern looks dramatically different in the post-2010 data. Marginally losing democrats now raise more than 46 percent of the contributions in their district in the subsequent elections,

[7] Following Jacobson (2015), we prefer the *slurge* over either of its two component parts because averaging helps even out potential bias in the *sophomore slurge* and *retirement slump*.

Figure 1 – RD Estimate of the Effect of Incumbency on Democratic Share of Total Contributions. This figure plots averages of the Democratic share of all contributions across bins of the Democratic winning margin in the current election. A narrow Democratic victory in the current election substantially increases the party's share of contributions in the subsequent cycle, but to a lesser extent after 2010.



while the marginal winners still raise approximately 60 percent. The discontinuous jump in campaign contributions right at the threshold is markedly smaller in the post-2010 period.

Table 1 evaluates this graphical evidence more formally. The three columns in Table 1 present the results pertaining to the US Congress, state executive offices, and state legislative offices, respectively. The estimated baseline financial incumbency advantage in the period ending in 2010 is approximately 23-24 percentage points, with similar magnitudes observed across all office types. The estimated interaction-term coefficients are negative and substantial in magnitude across all the three subsamples, ranging from five to ten percentage points, and the estimated effect is statistically significant for the congressional and state legislative subsample, where the sample size is largest. These findings suggest that the financial in-

Table 1 – RD Estimate of the Effect of Incumbency on Democratic Share of Total Contributions Across Levels of Government. This table reports the estimated aggregate financial incumbency advantage in Congress, statewide executive offices, and state legislatures using a 10% bandwidth and local linear regression with a spline. A narrow Democratic victory in the current election substantially increases the party's share of contributions in the subsequent cycle, but to a lesser extent after 2010.

	Dem. Share of Money $(t+1)$		
	Congress	State Exec.	State Leg.
Dem. Win	24.41	23.69	22.89
	(2.17)	(4.19)	(1.16)
Dem. Win · Post 2010	-9.06	-10.47	-5.45
	(3.92)	(8.30)	(1.89)
N	2,399	641	12,036
Bandwidth (percentage points)	10	10	10

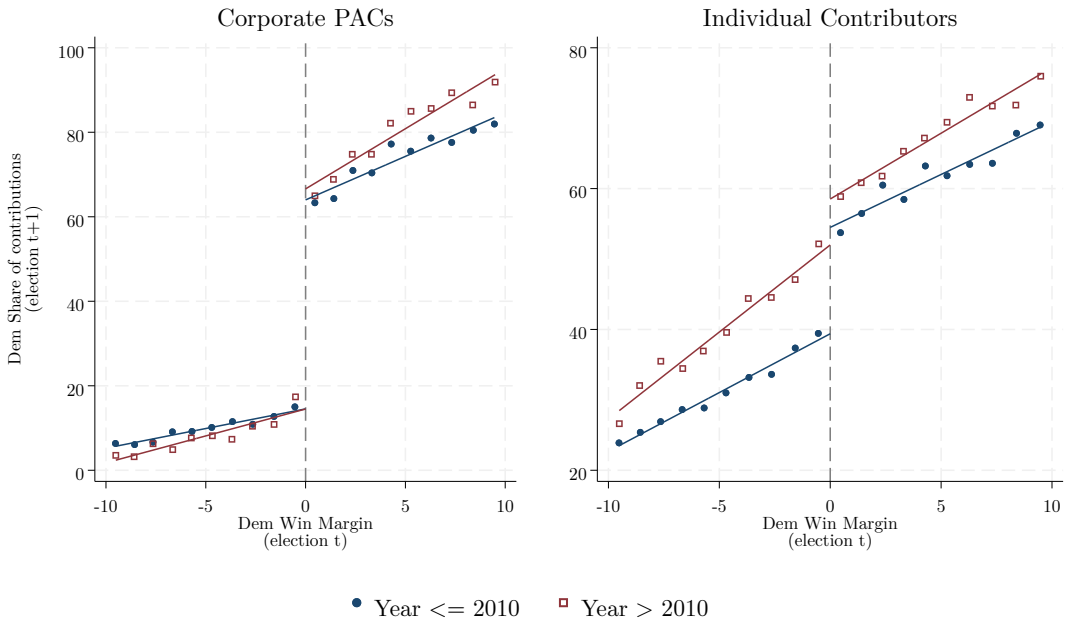
Note: Robust SEs in parentheses.

cumbency advantage has diminished by roughly 25-50% across all types of elected offices in recent years.

To probe the robustness of these results, we conduct three sets of empirical exercises in the appendix. First, in Appendix A.1 we show that our RD estimates are highly similar across a variety of bandwidths and specifications of the running variable. Second, in Appendix A.2 we show that our results are similar when instead estimating the financial incumbency advantage by decade. Finally, Appendix A.3 shows that our conclusions remain unchanged using either the *slurge* or Gelman and King's (1990) panel-based estimators of the financial incumbency advantage.

To better understand the decline in incumbents' fundraising advantage, we now transition to examining whether this change in donor behavior is widespread or primarily driven by specific subgroups of donors.

Figure 2 – RD Estimates for Corporate PACs and Individual Donors. This figure plots averages of the Democratic share of corporate PAC (left panel) and individual (right panel) contributions across bins of the Democratic winning margin in the current election. A narrow Democratic victory in the current election substantially increases the party's share of contributions in the subsequent cycle, but to a lesser extent after 2010 for individual contributors.



3.1 Corporate PACs Continue to Favor Incumbents, Whereas Individual Donors Have Stopped Doing So

We begin by exploring whether the response to incumbency status has shifted among two of the most important types of donors in American politics: individual donors and corporate PACs. The two panels in Figure 2 provide visual analyses for corporate PACs and individual donors, respectively.

The left panel examines the donation behavior of corporate PACs. In both the pre-2010 and post-2010 data, there are pronounced and significant discontinuous jumps at the winning threshold, indicating that corporate PACs have consistently placed high value on incumbents across both periods. This pattern contradicts the overall decline in the financial incumbency advantage observed earlier, suggesting that corporate PACs are not the primary

drivers of this trend. On the contrary, it appears that the importance corporate PACs assign to incumbency may have even increased in recent years.

The right panel, which focuses on individual donors, displays a markedly different pattern. Prior to 2012, there is a substantial increase—approximately 15 percentage points—in the share of contributions at the winning threshold. While smaller than the corresponding jump observed for corporate PACs, it still represents a significant effect of incumbency, particularly because individual donors make up a larger share of direct campaign contributions than corporate PACs. However, after 2010, the financial incumbency advantage among individual donors seems to have nearly disappeared.

We further explore the divergence in the financial incumbency advantage between corporate PACs and individual donors in the statistical analysis presented in Table 2.[8] The results indicate that, in recent years, the effect of winning a seat in Congress on the share of contributions from corporate PACs in the subsequent election has increased by approximately 15 percentage points. This represents nearly a 30 percent rise relative to the pre-2010 financial incumbency advantage, signifying a substantial and statistically significant shift among corporate donors in the federal elections. The financial incumbency advantage among corporate PACs at the state level appears to remain largely unchanged.

In contrast to the steady or even increasing financial advantage of corporate PACs, the fundraising edge held by incumbents among individual donors has declined significantly across all levels of government. For congressional elections, the incumbency advantage among individuals has essentially vanished: prior to 2010, incumbency approximately caused a 14 percentage-point increase in donations from individuals, but after 2010, this effect almost entirely disappeared. A similar pattern is evident at the state level, where the financial incumbency advantage has declined by 55% in state legislatures and by 65% for state executive offices since 2010.

[8]The sample size varies slightly between pairs of columns within the same level of government in Table 2 because candidates from both parties raise zero contributions from a given source in a small number of cases.

Table 2 – RD Estimates for Corporate PACs and Individual Donors. This table reports the estimated financial incumbency advantage in Congress, statewide executive offices, and state legislatures among corporate PACs (columns 1-3) and individual donors (columns 4-6) using a 10% bandwidth and local linear regression with a spline. A narrow Democratic victory in the current election substantially increases the party's share of contributions in the subsequent cycle, but to a lesser extent after 2010 for individual contributors.

	Dem. Share of Money $(t+1)$ from Corporate PACs			Dem. Share of Money $(t+1)$ from Individual Donors		
	Congress	State Exec.	State Leg.	Congress	State Exec.	State Leg.
Dem. Win	49.40	39.04	50.37	13.87	22.08	14.89
	(2.47)	(5.13)	(1.33)	(2.36)	(4.45)	(1.31)
Dem. Win · Post 2010	15.19	-3.06	1.34	-11.22	-14.32	-8.11
	(4.59)	(9.86)	(2.22)	(4.30)	(8.36)	(2.08)
N	2,348	624	10,866	2,349	641	11,923
Bandwidth (percentage points)	10	10	10	10	10	10

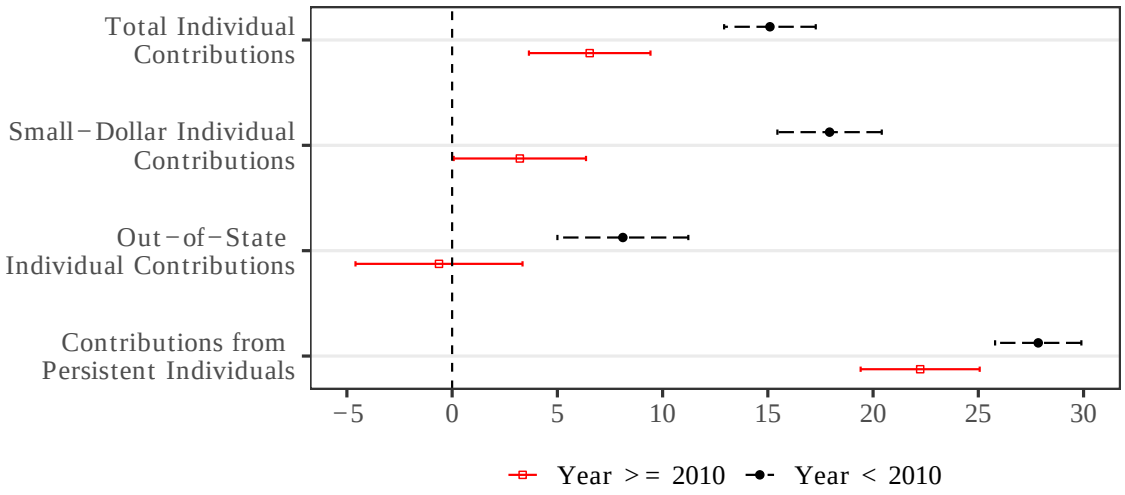
Note: Robust SEs in parentheses.

To understand why individual donors no longer favor incumbents, and whether corporate PACs' continued aggregate support of incumbents reflects off-setting changes between donor industries, the next section disaggregates donors into distinct subgroups and estimates the financial incumbency advantage for each one separately.

4 Which Donors Have Ceased Supporting Incumbents?

In the results presented so far, we aggregated contributions within broad individual donor and corporate PAC classifications. Yet both groups of donors are highly heterogeneous. Have one group of individual donors disproportionately abandoned incumbents? And do corporate PACs' continued aggregate support of incumbents reflect off-setting changes between donor industries or across-the-board continued financial support? By understanding which groups drive our central results, we can better understand donors' motivations and their implications for American elections.

Figure 3 – RD Estimates by Type of Individual Contribution. This figure reports estimates of the financial incumbency advantage among various groups of individual donors using a 10% bandwidth and local linear regression with a spline. The financial incumbency advantage has declined across all types of individual donors, but primarily among small-dollar donors.



4.1 Small-Dollar Individual Donors Have Disproportionately Abandoned Incumbents

To evaluate which individual donors drive our central results, we disaggregate contributions from individuals into three subgroups: small-dollar contributions, contributions from out-of-state donors, and contributions from persistent donors. These groups are not mutually exclusive or exhaustive, but collectively they represent many of the most salient sources of individual contributions. The results for each group are plotted in Figure 3.

For reference, the first row in Figure 3 plots the financial incumbency advantage aggregated across all individual donors. We find that the estimated financial incumbency advantage before 2010 is roughly 15 percentage points, while the same estimate after 2010 is roughly 6 percentage points, or a 60% decrease.

The second row of Figure 3 focuses on unitemized individual contributions and itemized contributions less than $200 (henceforth, "small-dollar" contributions).[9] With the advent of online fundraising platforms such as ActBlue and WinRed, small-dollar individual contributions have surged. These small-dollar donors are often thought to be more partisan and ideological than other individual donors (Bouton et al. 2022). Have small-dollar donors stopped supporting incumbents? The second row of Figure 3 shows that the financial incumbency advantage among small-dollar donors has fallen substantially in recent years and is no longer statistically distinct from zero. Specifically, before 2010, the financial incumbency advantage among small-dollar donors was approximately 18 percentage points; after 2010, the advantage is estimated to be 3 percentage points. This decline is nearly two times larger than the aggregate decline in the financial incumbency advantage among individual donors.

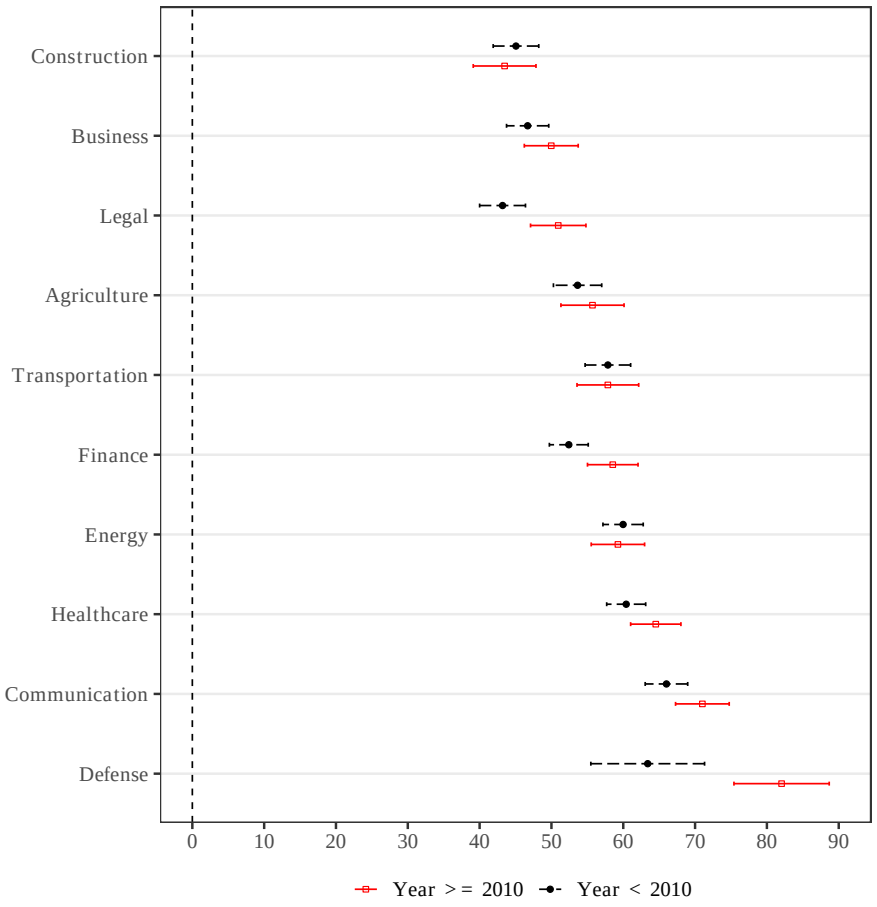
Next, the third row of Figure 3 studies contributions from out-of-state donors. Out-of-state donors are widely believed to be highly partisan, disproportionately wealthy, and highly educated (Gimpel, Lee, and Pearson-Merkowitz 2008). We find that the financial incumbency advantage among out-of-state donors was never very high even before 2010 (roughly 7 percentage points), and it has disappeared entirely after 2010.

Finally, the fourth row of Figure 3 studies contributions from individual donors who made at least 10 distinct contributions (henceforth "persistent" donors). Here, we find that the financial incumbency advantage was relatively large before 2010 (27 percentage points) and has declined only slightly since 2010 (23 percentage points). These results dovetail with the estimates for small-dollar and out-of-state donors.

Taken together, Figure 3 indicates that small-dollar donors have played a disproportionately large role in the decline of the financial incumbency advantage, while persistent donors continue to favor incumbents.

[9]The Federal Election Commission (FEC) requires committees to itemize contributions from a donor once the donor's total contributions exceed $200 during a given election cycle. By including itemized contributions less than $200, in addition to all unitemized individual contributions, we ensure that we include all small-dollar contributions.

Figure 4 – RD Estimates By Corporate PAC Sector. This figure reports estimates of the financial incumbency advantage among various corporate PAC industries using a 10% bandwidth and local linear regression with a spline. The financial incumbency advantage remained constant—or even increased—across all ten corporate industries.



4.2 Across-the-Board Continued Support for Incumbents Among Corporate Donors

We now turn to evaluating whether the persistence of the financial incumbency advantage among corporate PACs reflects off-setting changes among different industries or a more general pattern of continued support of incumbents. To answer this question, Figure 4 disaggregates the RD estimates by major donor industry.

Across all ten industries in our data, we find little evidence that the financial incumbency advantage has declined. In fact, we estimate that eight out of ten industries value incumbency

more after 2010 than in prior years. This increase is slightly larger among the defense, legal, and finance industries, but not substantially so.

Overall, these results indicate that corporate donors' continued preference for incumbents is not driven by a small number of politically exposed industries but instead reflects a broad and persistent strategic orientation. Unlike individual donors—whose behavior has shifted sharply in recent years—corporate PACs across the economic spectrum continue to support incumbents. This across-the-board consistency indicates that legislative access remains a central motivation for all types of corporate industries.

5 Discussion and Conclusion

For decades, incumbents have enjoyed a substantial financial advantage in American elections, an advantage often attributed to their value to access-seeking contributors. Yet as American elections have become more polarized and nationalized, the foundations of this advantage have come under pressure. This paper provides the first systematic evidence that the financial incumbency advantage has eroded substantially over the past two decades across levels of government.

This erosion is not uniform across donor types. Instead, we find that the financial incumbency advantage has fallen by nearly 60% among individual donors but has remained constant—or even increased—among access-seeking PACs. Moreover, the decline in the financial incumbency advantage among individual donors appears to be disproportionately driven by small-dollar donors, perhaps as a result of the advent of highly-convenient online fundraising platforms.

These diverging trends have important implications for our understanding of access-seeking and individual donors' motivations. The disappearance of the financial incumbency advantage among individual donors suggests that partisan identity now dominates the calculus for most individual donors, leaving little room for candidate-specific attributes such as

incumbency. At the same time, the continued loyalty of corporate PACs to incumbents—even as their electoral security wanes—implies that the value of access to policymakers may be rising. Taken together, these shifts reveal a campaign finance landscape that is increasingly shaped by partisanship on one side and strategic investment on the other.

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Online Appendix

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While Corporate America Continues to Favor Them

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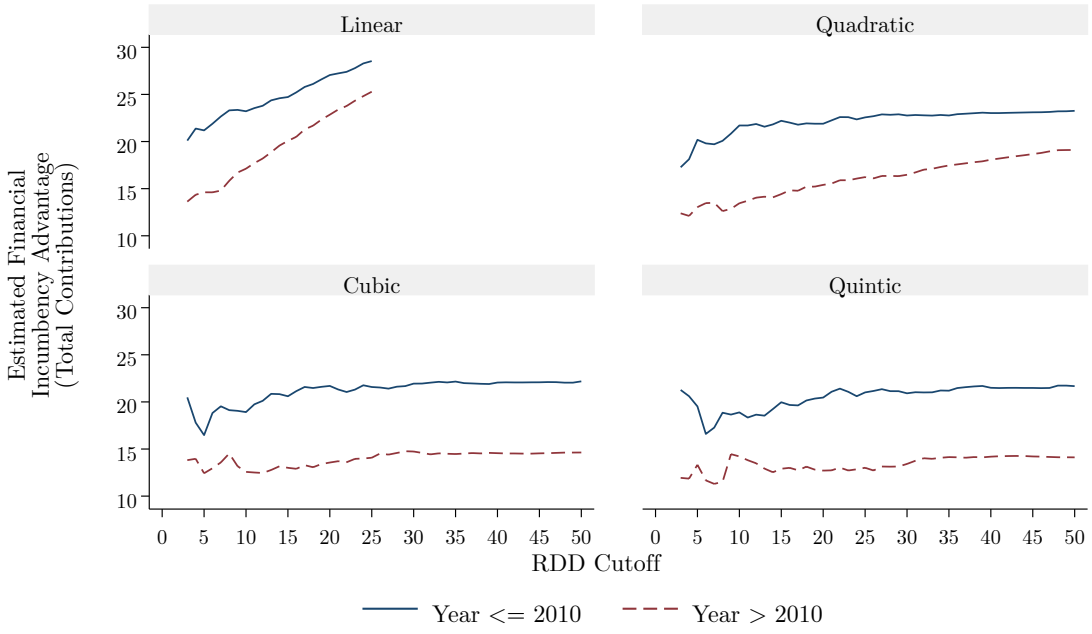
Contents

A.1 RD Estimates Across Bandwidths and Specifications

In this section, we evaluate whether our conclusions are dependent on our choice of bandwidth or polynomial specifications. Specifically, we estimate separate RD regressions for pre- and post-2010 elections using bandwidths between 3 and 50 percentage points and local linear, quadratic, cubic, and quintic polynomial specifications.[1] All models are fit with splines. Figures A.1, A.2, and A.3 plot the estimated incumbency advantage in each time period for total contributions, contributions from individual donors, and contributions from corporate PACs, respectively. As the figures show, our results are highly similar across these alternate specifications.[2] Finally, in Table A.1 we estimate our effects using *rdrobust* from Calonico, Cattaneo, and Titiunik (2014), which uses kernel regression with a triangular kernel and automatic bandwidth selection that minimizes the mean-squared error of the estimator. Our results are also highly similar using this alternate estimator.

Figure A.1 – RD Estimates of *Overall* Financial Incumbency Advantage Across Bandwidths and Polynomial Specifications.



[1] We exclude bandwidths greater than 25 percentage points for the linear specification.

[2] In fact, we find that the estimated incumbency advantage among corporate PACs after 2010 grows relative to the pre-2010 period as the bandwidth increases.

Figure A.2 – RD Estimates of Financial Incumbency Advantage Among *Individual Donors* Across Bandwidths and Polynomial Specifications.

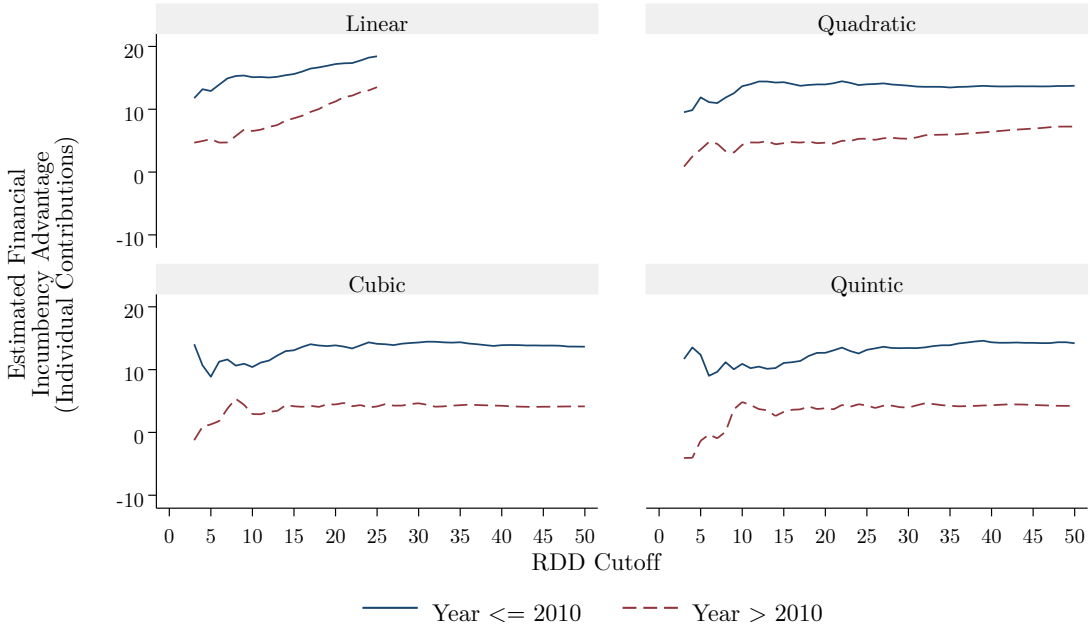


Figure A.3 – RD Estimates of Financial Incumbency Advantage Among *Corporate PAC Donors* Across Bandwidths and Polynomial Specifications.

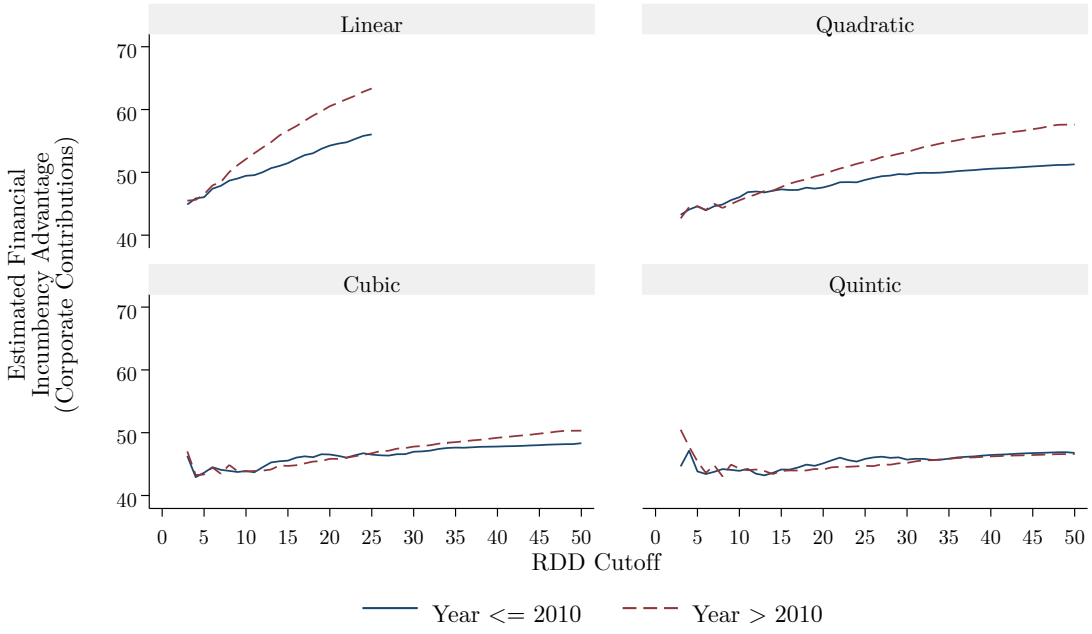


Table A.1 – RD Estimate of the Effect of Incumbency on Democratic Share of Contributions Estimated Using *rdrobust* from Calonico, Cattaneo, and Titiunik (2014). Because *rdrobust* is not designed to estimate interaction terms, this table reports the results from RDs estimated separately for years through 2010 (first row) and after 2010 (second row).

	Dem. Share of Money $(t+1)$		
	Total Contributions	Contributions from Corporate PACs	Contributions from Individuals
Dem. Win in 1980 - 2010	21.83	46.19	14.57
	(1.24)	(1.58)	(1.20)
Dem. Win in 2011 - 2022	13.84	45.68	4.75
	(1.77)	(2.46)	(1.71)
N	11,028	8,651	14,283
Bandwidth (percentage points)	6.65	5.81	8.17

Note: Robust SEs in parentheses.

A.2 RD Estimates Over Time

Figure A.4 – RD Estimates by Decade Using Local Linear Regression and 10 Percentage Point Bandwidth.

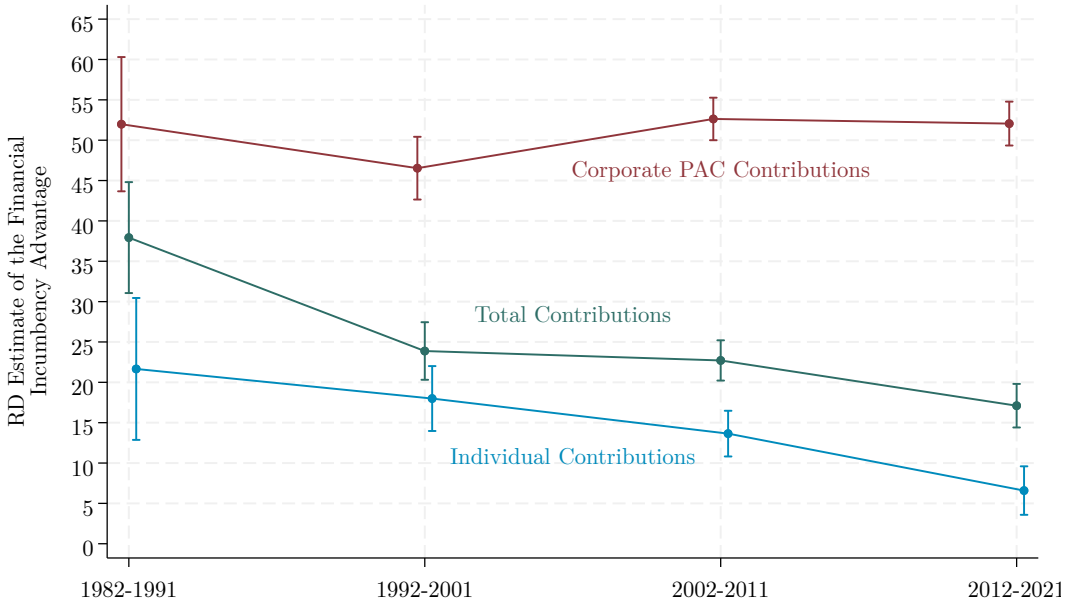
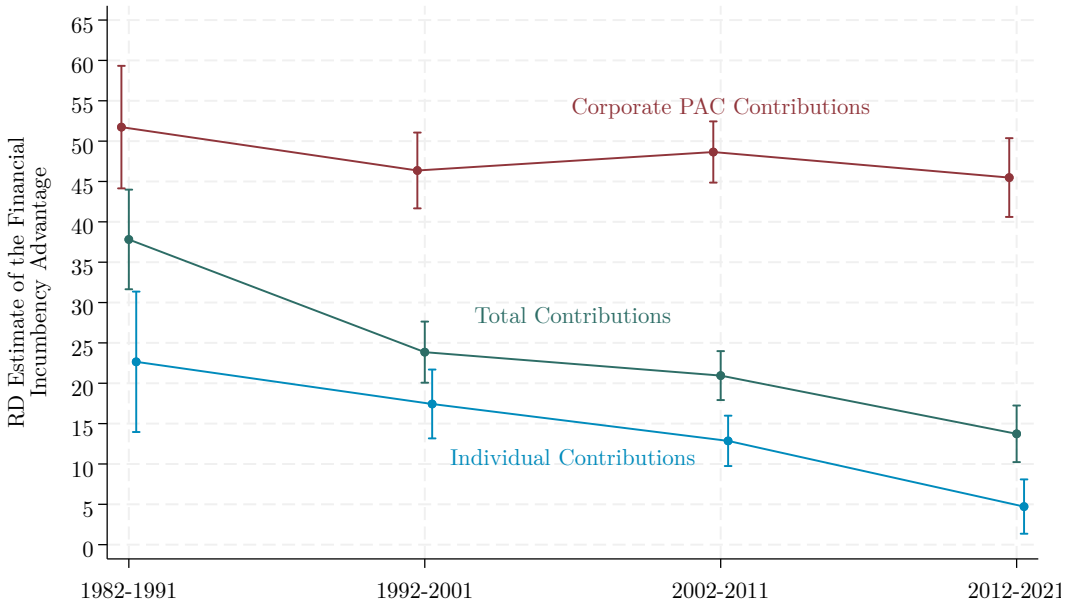


Figure A.5 – RD Estimates by Decade Using *rdrobust* from Calonico, Cattaneo, and Titiunik (2014).



A.3 Panel-Based Replication of RD Estimates

To evaluate whether our results generalize beyond the set of districts featuring close contested general elections, we adapt two prior panel-based estimators of the vote-share incumbency advantage to our setting. While these estimators require stronger assumptions than the RD, they provide more power and allow us to extend our analysis to a larger set of elections.

First, we adapt the *sophomore surge* (Alford and Brady 1989; Alford and Hibbing 1981; Cover 1977; Erikson 1972) and *retirement slump* (Cover and Mayhew 1981) measures of the vote-share incumbency advantage to our setting. Specifically, the *sophomore surge* compares the gain in vote share of candidates running as first time incumbents to their vote share as non-incumbents. Similarly, the *retirement slump* captures the decrease in a party's vote share from the previous election after an incumbent leaves office. We adapt these measurement strategies by substituting candidates/parties' vote-share outcomes for their financial outcomes. Finally, following Jacobson (2015), we plot the average of these two measures, or the *slurge*. We prefer the *slurge* over either of its component parts because averaging helps even out potential biases in the *retirement slump* and *sophomore surge*.[3] As Figure A.6 illustrates, our central conclusions remain unchanged using this alternative estimator.

Second, we adapt the Gelman and King (1990) estimator to our setting. This estimator regresses the Democratic party's vote share on their previous vote share and an incumbency dummy. Figure A.7 plots our estimates from this method. As is apparent, our results are highly similar using this method.

Overall, the congruence of these two panel methods with our preferred RD specification suggests that our central results are not an artifact of a small sample of closely contested general elections. These panel-based estimates are not without their drawbacks, however. Both panel methods are restricted to districts featuring contested general elections in two consecutive cycles, introducing selection bias. In addition, these methods do not provide balance on underlying political trends in a district or the quality of the incumbent's opponent, among other potential biases. For these reasons, we prefer the RD estimates reported in the main paper.

[3]In particular, the *sophomore surge* is thought to underestimate the incumbency advantage due to regression to the mean, while the *retirement slump* may overestimate the incumbency advantage because departing incumbents are likely of higher quality (and, thus, better fundraisers) than their replacements. Generally, the *sophomore surge* is thought to underestimate the incumbency advantage more than the *retirement slump* overestimates the incumbency advantage. The key advantage of the RD estimates presented in the main paper is that they provide balance on these potential confounders.

Figure A.6 – *Slurge* Estimate of the Financial Incumbency Advantage Over Time.

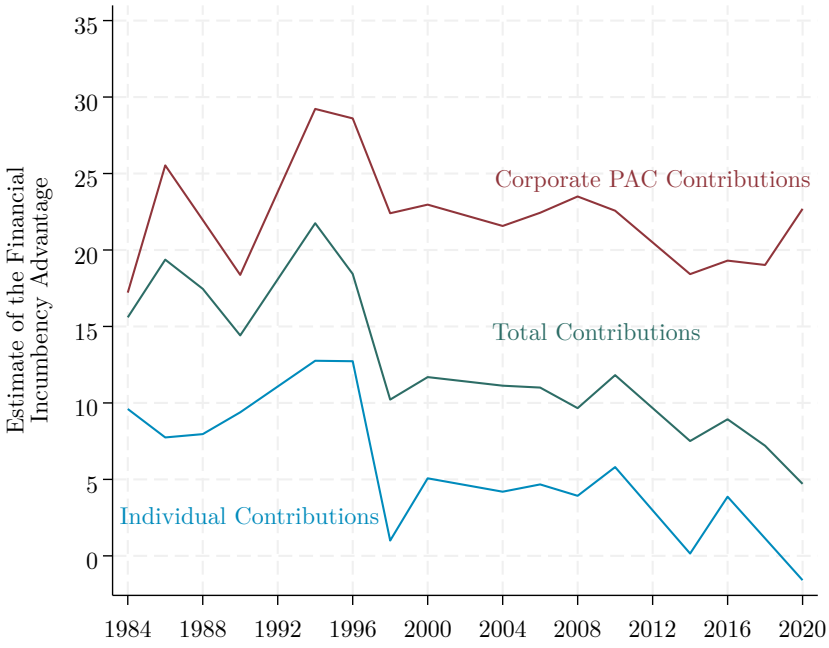
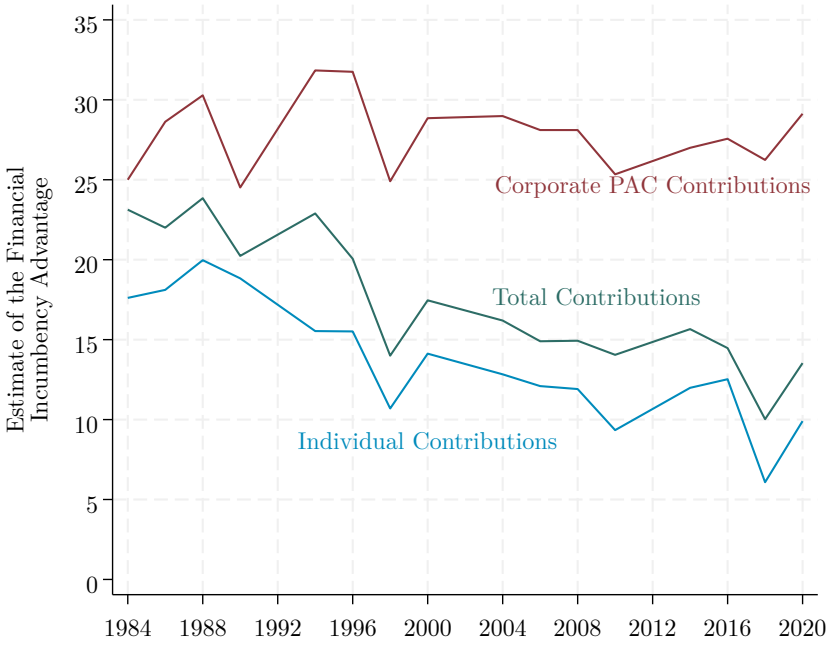


Figure A.7 – Gelman and King (1990) Estimate of the Financial Incumbency Advantage Over Time.



A.4 The Decline of the Electoral Incumbency Advantage

Jacobson (2015) and Rogers (2023) document the decline of the vote-share incumbency advantage in U.S. House and state legislative lower chambers using panel-based designs, respectively. With the benefit of updated data and the RD design, this section extends these results across American electoral settings.

First, Figure A.8 plots the vote-share incumbency advantage before and after 2010 across all offices in our sample. The figure shows that, up until 2010, the partisan vote-share incumbency advantage was approximately 11. After 2010, however, this advantage has declined to 6 percentage points, or an approximately 45% decline.

Table A.2 evaluates this decline more formally. The three columns present results for the U.S. Congress, state executive offices, and state legislative offices, respectively. The estimated vote-share incumbency advantage before 2010 across all levels of government in our sample is approximately 10 to 11 percentage points. After 2010, we find consistent evidence of a substantial decline in this advantage. In the U.S. Congress, the vote-share

Figure A.8 – RD Estimate of the Effect of Incumbency on Democratic Vote Share. This figure plots averages of the Democratic vote share across bins of the Democratic winning margin in the current election. A narrow Democratic victory in the current election substantially increases the party's vote share in the subsequent cycle, but to a lesser extent after 2010.

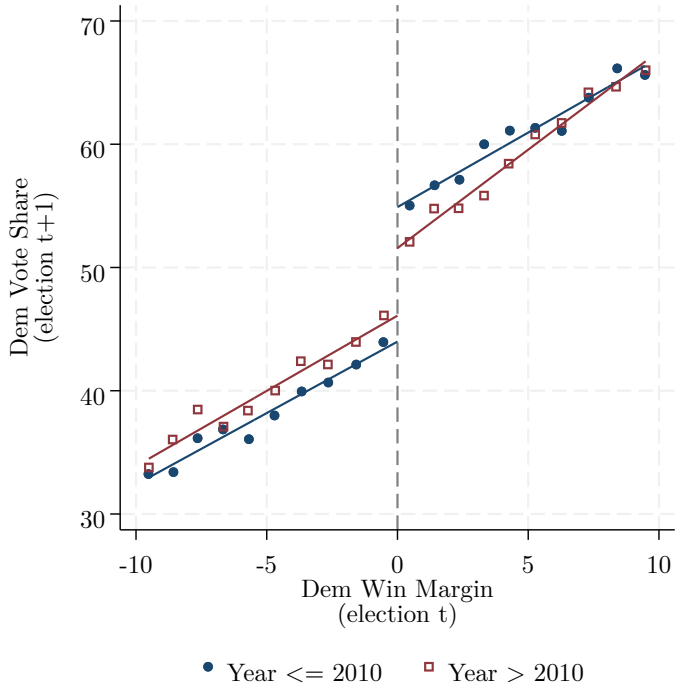


Table A.2 – RD Estimates of the Effect of Incumbency on Democratic Vote Share. This table reports the estimated vote-share incumbency advantage in Congress, statewide executive offices, and state legislatures using a 10% bandwidth and local linear regression with a spline. A narrow Democratic victory in the current election substantially increases the party's share of contributions in the subsequent cycle, but to a lesser extent after 2010.

	Dem. Vote Share $(t+1)$		
	Congress	State Exec.	State Leg.
Dem. Win	11.04	10.19	10.97
	(0.91)	(2.18)	(0.71)
Dem. Win · Post 2010	-6.51	-10.13	-5.05
	(1.76)	(3.01)	(1.05)
N	2,581	698	12,197
Bandwidth (percentage points)	10	10	10

Note: Robust SEs in parentheses.

incumbency advantage has declined by 6.5 percentage points, or a 60% decline. In state legislatures, this advantage has declined 5 percentage points, or a 45% decline, while the vote-share incumbency advantage has entirely disappeared in statewide executive offices.