



Cash is King: Contextualizing the Political Effects of Citizens United vs FEC and SpeechNow vs FEC

By Kyle Roether

Initial Research:

Research Question: To what extent have the *Citizens United* and *Speechnow* Supreme Court rulings affected the balance of power between corporations and unions?

Null Hypothesis: If Corporations gain a disproportionate increase in political power due to the new campaign finance rules created by Citizens United and Speechnow, then the representation of American organized labor will not continue to decline.

Research Hypothesis: If Corporations gain a disproportionate increase in political power due to the new campaign finance rules created by Citizens United and Speechnow, then the representation of American organized labor will continue to decline.

Key Points from the literature:

The 2010 Supreme Court Cases Changed the Rules of the Game for Campaign Finance:

Interest Groups Serve as the Financial Kingmakers of Elections

Group Theory can help to explain Interest Group Activity

Corporations and Unions Utilize Vastly Different Political Strategies:

Corporations tend to fare better than unions *Post-Citizens United*:

My argument:

Citizens United/Speechnow Supreme Court Cases→Balance of Power between Corporations and Unions

Due to the new campaign finance laws established by recent Supreme Court findings, the balance of power between corporations and unions will be disproportionately skewed toward corporate America. When compared to unions, corporations tend to have a greater pool of both financial and political resources to draw upon with less regulation. This massive resource discrepancy allows them to outspend, out-lobby, and out-elect their union-affiliated rivals. This advantage allowed conservative attitudes on labor to prevail throughout the nation, thus leading to a drastic rise in legislation targeted at hampering the political efficacy of organized labor.

Methodology:

Comparative Case Study: Three different states representing the three different types of campaign finance law pre-Citizens United.

Method of Difference: Focus on the factors that are different across cases to find what truly leads to the observed phenomena.

Independent Variable: New campaign finance regulations caused by *Citizens United* and *Speechnow*.

Dependent Variable: The Balance of Political Power between corporations and unions. Operationalized via Public Policy (qualitative) and spending ratio (quantitative) changes

Findings:

	Average amount spent per election pre-Citizens United	Average amount spent per election post-Citizens United
Nevada	\$30,958,852	\$62,640,136
Minnesota	\$37,256,849	\$81,264,152
New Hampshire	\$13,524,913	\$22,520,340
Average	\$27,246,871	\$55,474,876

State	Pre-Citizens United Ratio	Post-Citizens United Ratio
Nevada (No Bans)	7.15 to 1	13.38 to 1
Minnesota (Only Corporate Bans)	1.69 to 1	2.01 to 1
New Hampshire (Corporate + Union Bans)	10.44 to 1	7.38 to 1
Total	3.62 to 1	5.47 to 1

State	Notable anti-labor laws Pre-Citizens United	Notable anti-labor laws Post-Citizens United
Nevada	A.B. 84 (Chapter 445): Retail and service employees are not subject to overtime pay if their base rate exceeds 1.5 times the minimum wage and more than half of their compensation is commission-based. (A.B. 84, 75th Session, 2009).	S.B. 328 (Chapter 193): Exempts creative professionals from being made overtime by employees (S.B. 328, 76th Session, 2011). S.B. 224 (Chapter 325): Further specifies the conditions in which independent contractors are exempt from minimum wage payments (S.B. 224, 78th Session, 2015).
Minnesota	HF3082*/SF2720/CH349: Limits returns on retirement pensions when the fund levels fall below a certain point HF3281/SF2918*/CH359: Limits interest and inflation related adjustment for teacher pension plans in the name of financial sustainability.	HF2199/SF1808*/CH286: Returns for retired employees on the state pension plan will be lowered to ensure long-term financial stability. (anti-labor) HF1152/SF489*/CH111: Many state pension programs will see increased contributions and decreased benefits. HF3178/SF2891*/CH181: Sets a cap on the state's unemployment trust fund
New Hampshire	Makes medical proof for workers' compensation stricter (SB219) (anti-labor) The list of reasons for which employers may withhold wages is greatly expanded (SB244) Employee data may be shared between the State Department and the Employment Security division without worker consent (SB69)	Employee retraining standards mandated for companies with 100 instead of 75 employees (SB121) Adds to what can be used for withheld wages (HB647) Additional drug testing procedures added for health care facilities (HB597). Ballroom employees fall under the tipped minimum wage system (SB264)