How Campaign Finance Bill Alters Money Flow

The Donors

HARD MONEY

INDIVIDUAL CONTRIBUTORS

Limit: \$2,000 per election to candidates, \$25,000 per year to national parties. Limits are indexed to grow with inflation.

What it means: GOP may gain major advantage. In the last full election cycle, Republicans out-raised Democrats in hard money \$466 million to \$275 million.



ELECTION ADVERTISING

Limits:

- Broadcast "issue ads" that refer to a specific candidate, reach a candidate's electorate, and run 30 days before a primary or 60 days before a general election could only be paid for with regulated "hard money." As with all hard money, the names of contributors would have to be disclosed.
- The restrictions would not apply to groups running pure "issue ads" that do not refer to a specific candidate.

What it means: Close to Election Day, more money likely will go to other advertising, such as direct mail, print (magazine, newspapers), and telephone banks.

SOFT MONEY

NATIONAL PARTIES

Limit: Totally prohibited.

What it means: Parties lose a huge funding source. In the 2000 elections, the GOP raised \$250 million in soft money; Democrats, \$245 million.

STATE AND LOCAL PARTIES

Limit: \$10,000 per year for voter registration and get-out-the-vote activities. State law determines who can give — individuals only, or corporations and unions as well.

What it means: State parties may play a larger role in congressional races.

SINGLE-ISSUE ORGANIZATIONS

Limit: None, as long as the money is not specifically used for federal election activity. What it means: Experts say more money is likely to flow to groups, such as the NRA, NAACP or Family Research Council for issue ads or other activities that could have an impact on campaigns.

