



# **A More Inclusive and Responsive Democracy Reliant on Everyday People**

## **The For The People Act's Small Dollar Matching Programs for Candidates**

We all want a democracy where elected leaders work for us and protect our health and wellbeing, no matter our race, gender or zip code. But in recent decades, a few rich ideologues and corporate insiders have warped and exploited campaign finance rules to further concentrate wealth and power. By driving messages of failed government and racial division, these same actors have undermined our faith that government can represent us and respond to our needs. But in states and cities across the country, voters and lawmakers have been shifting the focus of politics back to the concerns of everyday people and encouraging candidates to rely on small donations over big ones. These small dollar financing programs have become successful components of campaign finance systems where big money has less influence and candidates depend on the support of more average Americans.

The For The People Act draws on this experience around the country to set up robust small dollar financing options for Congressional and Presidential candidates, with program funding from fines paid by corporations and executives (rather than taxpayer dollars). By matching small contributions, these programs incentivize candidates to reach a broad base of small donors and make it possible for candidates from all walks of life to run for and win office.

DECLARATION FOR  
**AMERICAN  
DEMOCRACY**





# The Challenge

**We currently have a campaign finance system that incentivizes large checks from a few big donors, so most campaign money comes from an elite donor class that is overwhelmingly white, male, and wealthy. This donor class, which does not look like most of the country, has too much sway over who runs for office and who Congress listens to, despite the recent rise in small dollar giving.**

Because of fundraising demands, candidates and officeholders spend a substantial amount of time asking wealthy people for money, often at closed-door fundraisers. This means politicians spend a disproportionate amount of time hearing the desires and preferences of an elite class, rather than spending time with their constituents.

And, wealthy donors who pour thousands of dollars into campaigns often expect something in return—in particular, access to politicians and the opportunity to influence public policy according to their own preferences. This translates to policy decisions that benefit wealthy families and corporations while neglecting or harming everyone else.

Under this privately funded, big money structure, candidates with access to networks of wealth have a big advantage when running and funding their campaigns. This is a significant barrier for many candidates of color and women, who, because of the ongoing effects of racism and sexism, often do not have access to wealth.

# The Solution

**HR1 creates ways to run for office without relying on wealthy donors, by offering a 6-to-1 match on contributions up to \$200 from individuals. For example, a donor who gives \$20 to a participating candidate would have that amount matched with \$120 in public funds, for a total contribution of \$140; a \$200 contribution would be matched with \$1,200, bringing the total to \$1,400. The match amplifies the impact of a small donation.**

## **How it Works:**

The program is voluntary, so candidates choose whether to opt in. To qualify for the program and receive public matching, candidates must first demonstrate a solid base of support by raising a minimum threshold of donations under \$200. As a participant in the matching program, candidates agree to reject contributions over \$1,000 (compared with the current \$2,800 individual contribution limit). Participating candidates also agree to reject money from PACs (unless the PAC only accepts small donations), to forgo setting up a leadership PAC or joint fundraising committee, and to limit the amount of personal funds they can use for their campaigns.

The program is not financed by taxpayers. Instead, the funds used for the small donor matches come from a 2.75% surcharge on criminal fines and penalties paid to the government, mostly by corporations and executives who violate the law. For example, under HR1, around \$137.5 million of the \$5 billion fine paid by Facebook in 2019 would go towards funding the small donor matching program.

The For the People Act also creates pilot “My Voice Voucher” programs in three states, modeled after Seattle’s successful program. Voters in those states could receive \$25 vouchers that they could then award in \$5 increments to participating Congressional candidates of their choice. Vouchers do not require contributors to use their own funds and, therefore, can allow economically disadvantaged voters to make small contributions to campaigns.

By combining the greater impact of a small donation with these limits on large sources of campaign money, the program encourages candidates to gain the support of more people with modest means. And that means candidates of all backgrounds, whether or not they know wealthy people, can compete for office.

**Congress should enact HR1 to help amplify the voices of everyday people in our democracy.**

