Determining the Effect of Personal and Familial Wealth on Congressional and State Legislative Election Outcomes

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Abstract

This paper seeks to further the debate on money and politics. Specifically, it focuses on the effect of wealth on election outcomes. The goal is to determine the relationship between personal wealth and voter margins of congressional elections and the effect of familial wealth on state legislative elections. A regression analysis of the congressional data suggests that personal wealth does not significantly impact the voter margins of successful candidates. However, a probit analysis of state legislative data suggests that familial wealth can increases candidate's chances of winning, all else equal. This implies that at the state level, wealth could provide a candidate with advantages, suggesting that money and power may go hand in hand.

JEL classification: D72, D3

Keywords: elections, personal wealth, voter margin

I. Introduction

Is it possible for the wealthy to use money to acquire political power in a democratic state? There seems to be some debate in the political arena on the relationship between money and political success. A number of studies that have examined the relationship between candidate spending and election outcomes suggest a lack of consensus (Jacobson, 1978; Green & Kranso, 1988). Much of this research has focused on the effects of campaign spending for incumbents and challengers (Jacobson, 1978) the more effective time for candidates to spend (Wilcox, 1993) and the repercussions of candidate spending on the democratic process (Redish, 1971). However, candidate spending can come from two places: the pockets of the supporters or the pockets of the candidate. This research will delve deeper into the relationship between money and electoral success by assessing the effect of personal and familial wealth on Congressional and State Legislature elections outcomes. Two questions will be addressed: 1) Among successful congressional candidates, do wealthier individuals win by a greater voter margin? 2) Are wealthier candidates more likely to win state legislative elections?

Congressional Elections

In the legislative branch of the government, each state has two Senators and a varying number of Representatives, according to the population of the state. Senators serve six-year terms and Representatives serve two-year terms. However, the terms of the senators are staggered, and one third of the terms expire every two years. Therefore, every two years all 435 House seats and about 33 Senate seats become vacant.

The first step to obtaining a congressional seat is fulfilling the requirements to ensure a spot on the ballot. A hopeful candidate must fulfill the general age and citizenship requirements, and then the state-specific requirements which varies from 2,000 signatures (District of Columbia) to filing a notice of candidacy (North Carolina) (Federal Election Commission, 2011).

If the candidate is successful at the primary election, he or she moves to the general election. At that point, all that is necessary is majority vote at the polls.

State Legislature Elections

All states, except for Nebraska, have a bicameral legislature consisting of the state Senate and the state Assembly. The Representatives generally serve two-year terms, while the Senators serve four-years. Requirements for running for either chamber are similar at the state and congressional levels. Success in the primaries places the candidate in the general election.

The Cost of Winning an Election

Running for a political office can be considered an expensive enterprise (The Campaign Finance Institute, 2012). In order to obtain enough votes the candidate needs to let the voters know that he or she is running and what he or she stands for. Nowadays this is done through social media, television or radio advertisements, flyers, lawn signs, buttons, t-shirts and almost any surface on which a face, name or slogan can be printed. The advertising and events can be very costly, even more so in increasingly important elections, in which greater audiences must be reached.

Table 1
The Increasing Cost of Winning an Election

	House Winners		Senate Winners	
	Nominal Dollars	2012 Dollars	Nominal Dollars	2012 Dollars
2012	1,596,953	1,596,953	10,351,556	10,351,556
2010	1,434,760	1,511,799	8,993,945	8,276,415
2008	1,362,239	1,452,718	7,500,052	7,998,198
2006	1,259,791	1,434,762	8,835,416	10,062,557
2004	1,038,391	1,262,120	7,183,825	8,731,637
2002	911,644	1,163,499	3,728,644	4,758,737
2000	845,907	1,127,876	7,198,423 [a]	9,597,897
1998	677,807	954,751	4,655,806	6,558,117
1996	686,198	1,004,150	3,921,653	5,738,761
1994	541,121	838,336	4,488,195	6,953,371
1992	556,475	910,668	3,353,115	5,487,350
1990	423,245	743,512	3,298,324	5,794,148
1988	400,386	777,081	3,746,225	7,270,780
1986	359,577	753,274	3,067,559	6,426,200

Note: Inflation adjustment based on average 2012 CPI.

Source: Campaign Finance Institute analysis of Federal Election Commission data.

Table 1 demonstrates that over the last 28 years the average amount spent by successful Senate and House candidates has been on the rise. This increased expenditure was probably directed towards advertising, travelling and staff. According to a recent presidential campaign manager, up to 75% of a campaigns funds is directed towards advertising either in the mail, online or on the air (NBC News, 2007). Therefore, it seems the most important purpose of the candidate's funds is to saturate the media with his name and his platform.

These funds are garnered from four main sources: individual supporters, PACs, the Party and the candidate's personal account. On average, of the total funds raised in 2012, House and Senate candidates self fund approximately 5% ($60,000) and 13% ($1,000,000) respectively (The Campaign Finance Institute, 2012). Those who were not liquid enough to put up the funds may have had to take out personal loans which would have been written off if the campaign could not reimburse the candidate.

II. Approach

Though there are many other types of elections, such as the gubernatorial and presidential elections, the focus will be on congressional and state legislative elections. There have only been 57 presidential elections since the conception of the United States of America. Smaller elections occur more frequently and more candidates run. Therefore, more data are available to collect and analyze. On the other hand, for very local elections such as gubernatorial elections, the rules and regulations are not consistent among states. Therefore, the best options for analysis would be Congressional and State Legislative elections as 468 Congressional seats and over 1,000 Legislative seats become available every two years, and there is greater consistency amongst the regulations for these seats. These elections will be used in this study to determine whether candidates with greater personal wealth have greater election success.

This research will determine if wealth leads to higher voter margins in congressional elections and increased chances of winning state legislative elections. The prediction for the first inquiry is that wealthier winners will obtain greater voter margins, as they are able to fund greater and more successful advertising campaigns. The prediction for the second inquiry is that wealth increases a candidate's probability of success as for the same reason.

In order to test these hypotheses, data on each candidate's electoral outcome and wealth will be analyzed. Electoral success is easily obtained as electoral votes in each race are counted, recorded and reported online and conveyed to the public through various media. Acquiring candidate wealth data poses a challenge, as it is not required for all political candidates to make their tax returns public. However, prominent researchers have been compiling data on candidate wealth in recent years (Carnes, 2013). The wealth coupled with the electoral outcome and other variables, including gender, race and other relevant variables that could serve as controls, have been used to test the hypotheses.

This particular interaction between personal wealth and electoral success has not been explored in depth, so this analysis may contribute to the field of study of political elections. If the data affirms the hypothesis that wealth is an important determinant of election outcomes, the implications could be great. If this were true, persons who are wealthier, but potentially not most qualified are making state-level decisions. Secondly, the elected officials may not be representative of their constituents, in terms of economic and social standings, or interests. Therefore, legislation proposed and passed may not benefit the average American. And finally, a most significant repercussion is that the race for higher political position, such as the presidency, may be economically biased. The pool of likely candidates would consist of politicians who have relied on their economic advantage to achieve these increasingly higher positions.

If the hypothesis is false and personal wealth does not have any impact on electoral success this would change presumptions on the attainability of political power. It is a common sentiment that money buys power. This feeling might deter qualified persons from running if they do not believe they have the necessary capital to win. A disproven hypothesis would encourage more qualified citizens to run, as they actually have a greater chance of winning than they previously believed.

III. Literature Review

There have been many studies on campaign spending, seed spending, candidate spending and their relationship with success (Green et al. 1988; Jacobson 1978; Wilcox 1988). Researchers have also analyzed the types of people that decide to add their name to the ballot and the candidate profiles of those who win (Fowler, 1996). These provide grounds to delve into the current study on the personal wealth of a candidate and their likelihood to succeed.

Who runs for Congress?

There are only three requirements a person must fulfill in order to be able to run for Congress: an age requirement, a citizenship requirement and a residency requirement. Although many are eligible, studies have noted that there seems to be a profile that most congressional candidates fit (Fowler, 1996). These can be considered the set of informal criteria that current party members look for in future nominees. These four criteria are: partisanship, experience, political ambition and socio-economic status. Partisanship and driving political ambition are reasonable criteria, as the voters who turn out for the primaries and PACs tend to have strong ideological views and it is practical to support a candidate who wants to continue his or her climb up the political ladder. Experience is important as a sign of proven campaign skills and as an indication of name recognition (Fowler, 1996).

Socio-economic status is also a foreseeable "requirement" for nominees. A study published in 1996 of the 104th Congress, shows that "three-quarters in both chambers hail from business, banking and law… [a]ll but a handful of the members have college degrees and roughly two-thirds have advanced degrees" (Fowler, 1996). Most of the members had high-paying jobs and were well educated. The study also showed that there was an increasing number of millionaires in Congress and determined that at least fifty members were worth of $2.5 million or more (in 1996 dollars).

Money seems to be an unavoidable requirement based on the average cost of a campaign. In 2012, the average expenditure per candidate in the House was $1.2 million and $8 million in the Senate (Campaign Finance Institute, 2012). However, federal law restricts individual contributions to campaigns to $1,000 per person and PAC contributions to $5,000 per contest. Therefore, based on the restrictions, the candidate must either spend time looking for multiple donors or loan personal wealth to the campaign. This loan is repaid if there is a surplus from external funding. However, if there is not, the candidate must write off the loan from his personal account. Therefore, though it is timelier, there are risks to using personal funds, which only the wealthy can afford to take. These risks that might prevent qualified – but less affluent – individuals from participating.

Campaign Spending and Success (Non-Incumbent vs Incumbent Effect)

Though the previous section touched on the high expenditure of a candidate, it is important to understand the relationship between this spending and candidate success. Excessive expenditure may be a common characteristic among campaigns, but may not correlate with a candidate's success. Still, studies have shown that campaign spending is not in vain (Green et al., 1999). Although the positive effects exist mostly for non-incumbents, candidates who spend more on their campaigns seem to benefit at the polls (Jacobson, 1978).

Studies of total campaign spending show that the more an incumbent spends, the less likely he or she is to win (Jacobson, 1978). This is because there is a direct link between incumbent spending and the quality of the challengers. If a challenger poses a significant threat, the incumbent will spend more money, hoping to secure his or her success. Nevertheless, this excessive spending may not be able to undermine the challenger's success and ensure victory for the incumbent. If the challenger does not stand a chance, the incumbent could rely primarily on his or her incumbency to guarantee success.

Spending improves non-incumbent chances of winning because it is able to buy the name recognition that incumbents already have. The more aware the voter is of a candidate, the more likely he or she is to have an opinion about the candidate. He or she will then be more likely to make an active decision to support the candidate rather than just defaulting to the incumbent. Money may not buy a vote, but it buys the voter's attention. It is then up to the candidate to use this attention to sway the vote.

The Seed Effect

Though more spending is associated with better outcomes for non-incumbents and worse outcomes for incumbents, both types of candidates will inevitably spend some money. It is important to determine if there is an optimal spending time, as wealthier candidates would be able to inject money at any time in the race, while the non-wealthy candidates would need to wait until the funds begin to roll in. If the optimal spending time is later in the campaign then, the playing field is evened, as the challengers would have sufficient time to raise the money they need. However, if it is in the beginning of the campaign, the wealthier candidates, incumbent or not, would have an advantage as they are able to inject their own money into their campaigns early on.

A study conducted in 1993 shows that early money, also known as seed money, has a greater impact on the campaign than money spent later on in the campaign (Wilcox, 1993). The study finds that the impact is most significant for House candidates who pose a challenge to the incumbent. The article also discusses that, though seed money from any source will result in greater funds later on, the source of the seed money can determine the source of the later funds. For example, initial funding from individuals results in later funding from all sources, while initial self-investments results in later funding from wealthy individuals. This suggests that wealthier individuals may have an advantage if they are able to inject funds earlier into the campaign than their less wealthy counterparts.

Self-Financers

While there seems to be a consensus on the optimal time to spend money, there has been a change in sentiment over the years concerning which source of money produces the best results. There are two sources: from the candidate (self-financing) or from the candidate's supporters. An older study states that self-funding is the best type of funding (Wilcox, 1993). Through a comparison between non-incumbent winners and losers in the races for House and Senate, the article concluded that there is a correlation between self-financing and voter share, as most candidates who had a chance of winning (over 40% of vote), had self-financed. The author notes, however, that very few incumbents self-finance, and those who do focus on seed financing, which was noted as optimal in the previous section. Nonetheless, more recent papers and studies have questioned this effect and have found that self-financing may be suboptimal.

A more recent study on the effect of different sources of funding on candidate success in the 1996 – 2002 congressional election cycles concluded that where the money comes from is crucial. It is suggested that, *ceteris paribus,* the correlation between source and success is not standard across source types (Alexander, 2005). In other words, PAC donations are positively correlated with success, while self-financing is correlated with failure. The author states that this is the case because wealthy candidates may experience more criticism if they self-finance, they may not feel the need to build relationships with interest groups and community leaders, or they may be less likely to have previous experience. In her book on self-financing, J. Steen concludes that though this stratefy does remove easy competition from the equation and helps the candidate acquire some votes, it cannot guarantee victory. This occurs for two reasons: 1) the support of wealthy colleagues is not enough, and 2) they are unable to relate to the citizens they wish to represent (Steen, 2006).

Previous Research and the Current Hypothesis

Some of the arguments analyzed previously suggest that wealthier candidates might have a better chance of winning congressional elections. If the optimal time to spend money is in the early stages of the election and it is difficult to raise money until the candidate has proved himself or herself, wealthy candidates would have a greater advantage. This could occur in two ways as either: 1) they are able to finance their own campaign initially or 2) donors gravitate towards them as they consider their wealth as an indication of their skills and leadership qualities. However some previous research suggests that the hypothesis might be false as self-financing negatively affects candidates because they do not build relationships with their voters. The empirical analysis will attempt to determine if the hypothesis is supported.

IV. Theoretical Framework

There is currently little to be said about the relationship between personal wealth and candidate success and no previous model exists. However, a framework can be created by merging previous theories on elections and including other pertinent factors. The variables that will be analyzed can be divided into two categories: theoretically causal variables and control variables. The causal variable is expected to show some relationship with the dependent variable. The causal variable in this paper is familial wealth or net worth. However both wealth and worth consist of variables such as: personal income net of taxes, net physical assets, taxable and non-taxable interests, dividends, refunds, business income, capital gains etc. The possible control variables that will be considered include: gender, race, name recognition, favorability, candidate charisma and incumbency.

A candidate's wealth includes more than just his or her income. It includes all assets. Therefore, all flows of money into the candidate's pocket and asset holding need to be ascertained and summed to determine personal wealth. Many candidates may have money invested in tangible assets, such property, vehicles and boats, as well as intangible assets, such as stocks and bonds. The sum of all tangible and intangible assets and income should provide a sufficient picture of personal wealth. However, though it may be ideal to use the value of all of the assets owned, much of this information is not available. Therefore, personal income and net worth will have to be calculated using the publicly available and previously collected information on each candidate.

The significance of the control variables and their possible impact on vote margin must also be analyzed. Two of the factors that can determine the outcome of a candidate are gender and race. Women have recently emerged to take prominent political roles (Rutgers, 2014).

However, their presence is not comparable to the male presence in the political arena. In 2014 women held only 18.5% of the congressional seats (Rutgers, 2014). This could be due to a few factors 1) the women running could be under-qualified in comparison, 2) voters may believe that male candidates are more qualified, and 3) fewer women run for congressional positions. However, it is likely the lack of women is due to the "incumbency effect" (Erickson, 1971). The incumbency effect is the advantage that the current holder of a seat has over his competitors. There has been a higher proportion of men in Congress, and so if voters tend to support for the incumbent, women would be disadvantaged. Race could also play an important role in elections. Similarly, according to Rutgers, only 16% of members of congress belong to a racial minority.

Though difficult to quantify, another possible variable that may help candidates to gain votes is name recognition. In order for the constituents to vote for a candidate they need to know for whom they are voting. Therefore, candidates with familiar last names such as Rockefeller or Bush might be more likely to garner votes. Names such as these, which have been associated with important political figures or positions of wealth or fame might seem familiar to the candidate. Familiarity is important in elections as people vote for those they know, or those they think they know (Abramowitz, 1975). Certain advantages could also be unknowingly attributed to candidates with well-known names. For example, if the person is well known due to previous non-political or financial success and family success, the voters may view him or her as more skilled than his or her opponents. This is because skills are required for financial success and many may believe that the candidate possesses them, even if the wealth was just passed down through generations. In order to measure the effect of familiarity, candidates can be assigned a 1 if they may benefit from name recognition and 0 if they do not. However, measuring name recognition is complex. Household names differ by area and are well known by the voters of the area, but not those living outside of it. Checking newspapers for the regional popularity of a name, for example, could mitigate this problem. However, this process is infeasible for the number of candidates that were analyzed.

Candidate charisma and favorability, though different, feed into one another. Candidate charisma can be used to describe the physical and personality traits that are important to voters when deciding for whom to vote. A charismatic male candidate might be a tall, handsome, well-spoken and energetic candidate. Candidate favorability measures how well-liked a candidate is among voters. Most persons might make up their minds very quickly, and may do so using immediate and surface level information such as appearance. Therefore, if voters choose a candidate based on characteristics other than qualification, then candidate charisma could be positively correlated to favorability. Candidate charisma could be measured as the average of rankings of a number of characteristics that were listed above such as attractiveness. However, this data would be very subjective.

One of the greatest factors that could determine the victor of a congressional election is incumbency. Incumbents are more likely to win as the voters probably know who they are and would have no reason to vote them out if they performed their duties (Abramowitz, 1991). An incumbent would also have previous campaign and political experience. The candidate may also probably know the constituents better and understand their needs and how to persuade them to vote for him, as he has done so before. The experience, knowledge and connections made because of incumbency would provide great advantages to the incumbents and ensure their victory.

The ideal analysis would include all the variables mentioned earlier: voter margin, personal wealth, gender, race, name recognition, favorability, candidate charisma, incumbency, length of longest consecutive number of terms, election type and party of president However, it is not feasible to do so due to the nature and anonymity of the data, which prevents the addition of more information, or because the candidates have not publicly disclosed the data. While variables such as gender and race are easily determined, the others are not. It would be difficult compile data for the familiarity of a name for the number of candidates that will be analyzed. Candidate charisma is difficult to measure as it encompasses many subjective variables. More importantly it would be difficult to determine which of the sub-variables are more important than others to provide appropriate weights for each. Consequently, it may be necessary to exclude these variables to provide a cleaner analysis.

Based on the data available, two separate analyses will be used to examine the effect of wealth from two different perspectives. Firstly, Congressional elections will be studied to determine how net worth affects voter margin among successful candidates over time controlling for gender, race and chamber. Secondly, state legislative elections will be used to determine how familial wealth of a candidate affects election outcome controlling for gender, race, state and previous experience.

In order to determine the answers to both questions, based on the data available, an equation was developed for each type of election.

Congressional Elections:

$$\text{Vote margin} = \alpha + \beta_0 \text{ net worth} + \beta_1 \text{ gender } + \beta_2 \text{ senate race dummy} + \beta_3 \text{ race} + \beta_4 \text{ Congress Number} + \varepsilon$$

State Elections:

Outcome = $\alpha + \beta_0$ family income $+\beta_1$ gender $+\beta_2$ race $+ \beta_3$ state $+ \beta_4$ office previously held $+ \beta_5$ experience $+ \varepsilon$

In order to determine the relationship between personal wealth and candidate success, as accurately as possible, with the data given, other variables have been taken into consideration. The Senate race dummy will be 1 if it is a senate race election and 0 if it is a house election. This is a precautionary measure in the event the effect of income differs between these two apparently similar elections. The office previously held will be 1 if the candidate is an incumbent.

V. Data

All data used in the analysis was collected and provided by Dr. Nicholas Carnes and his team of researchers.

Congressional Elections

The data was collected from publicly available data on Congressional candidate winners of the 106th to the 110th Congress. As the elections occur every other year, this data spans 10 years, from 1999 to 2009. The data collected includes each candidate's net worth, gender, race, chamber (house or senate) and the congressional election they participated in (106th - 110th). The data set includes 2715 observations. However, it should be noted that a ten year span allows for some of the same senate seats to come up for election twice and for all legislative seats to go up for election 5 times. Therefore, not all of the observations are unique, as some members would have run for re-election. There may be limitations to the data as it only includes data for successful congressional candidates and therefore cannot provide a determination on whether or not personal wealth actually improves the probability of a candidate's success

State Legislative Elections

The data was collected by anonymously surveying candidates who participated in the 2012 State Legislative elections. The data collected included the candidate's income bracket, gender, race and incumbency, the state in which the election occurred and the election outcome. The survey provided the candidates with a set of income brackets, of which the candidate selected the one which included his or her familial income level. Eight options were provided:

1 – Under $$30,000
2 - $30,000 - $49,999
3 - $50,000 – $74,999
4 - $75,000 - $99,999
5 - $100,000 - $149,999
6 - $150,000 - $199,999
7 – Over $250,000
8 – Rather not say

The data set also includes an experience variable which indicates whether or not the candidate has ever help a non-state legislative office. The data set includes unique 1907 observations. However, it should be noted that the data was collected via a voluntary survey and therefore self-selection bias may exist among the respondents.

VI. Data Analysis

Congressional Analysis

Table 2

Regression Results for 106th to 110th Congressional Data

	No Controls	Controls
Net Worth	-0.023*	0.00009
	(0.009)	(0.009)
Female		-2.456**
		(0.779)

Asian		3.945*
		(1.952)
Black		14.295**
		(1.371)
Hispanic		6.163**
		(1.812)
Native American		0.098
		(0.687)
Chamber (House)		6.056**
		(0.680)
Congress		-1.102**
		(0.375)
Intercept	67.84**	181.947 **
	(0.334)	(40.896)
N	1596	1596
R^2	0.002	0.139
SE	12.962	12.066

*$p < 0.05$; ** $p < 0.01$

Without controlling for any other variables, the relationship between net worth and voter margin is small, negative and significant. This suggests that richer candidates win by marginally smaller amounts. Once the controls are introduced, the coefficient of 0.0009 suggests that the net worth of a successful congressional candidate has a very small and positive effect on his voter margin. However, the coefficient is statistically insignificant and therefore it is possible that net worth has ultimately no effect on voter margin. It is also possible that wealth can ensures the majority. However, if this is true there may be a relationship that cannot be determined based on the data provided as it only includes the winners. While net worth was shown to be statistically insignificant, many of the controls were not.

Both the female indicator and many of the race indicators have statistically significant relationships with voter margin. Successful female congressional candidates win by lower margins than their male counterparts. The outcome for women is not necessarily surprising and could be a result of many factors. Women have only recently entered the political arena, and so while they may have a strong enough base to win, it may not be expansive as their successful male counterparts. Alternatively, females may be running in more competitive races in comparison, rustling in lower voter margins. While female candidates win by smaller margins, non-white candidates win by higher margins. However, this higher margin is not statistically significant for Native Americans at a 95% level.

Finally, both the Chamber and Congressional indicators are statistically significant. The coefficient for the chamber indicator implies that House candidates win by larger margins than Senate candidates. A possible explanation is that Senators may be viewed as more respected and powerful than Representatives since they have longer terms, there is a smaller quantity of seats and they have the final say on bills. Therefore, these elections could be more competitive than House elections, resulting in smaller margins of victory. Alternatively, Senate elections may be more competitive as candidates have more to lose, in terms of their personal wealth, if they do not succeed. According to the Congressional Finance Institute, average self-funding is greater in the Senate than in the House. The negative coefficient of the congress indicator implies that the margins of victory are decreasing with every subsequent election cycle. This might suggest that elections are becoming more and more competitive over time due to technological advancements. With today's technology it could be easier for a candidate to saturate his target audience with advertisements and reminders to vote. However, some argue that elections could be becoming less competitive over time due to the "incumbency effect". These advantages may result from his or her name familiarity or perceived experience.

While these relationships are significant, according to the R^2 obtained suggests they are weak. The variations in voter margin cannot be entirely explained by the variations in the explanatory or control variables. Therefore, there may be some other variable that has not yet been accounted for, such as incumbency or total campaign spending that may have a greater influence on voter margin. However, while this analysis is limited it provides useful insight about the effect of net worth on voter margin and contributes to the discussion on money and politics.

State Legislative Analysis

Table 3

Regression Results for 2012 State Legislative Data

	No Controls	Margins	Controls	Margins
Income Bracket				
2 - $30,000 - $49,999	0.543**	0.189**	0.167	0.042
	(0.176)	(0.057)	(0.270)	(0.068)
3 - $50,000 – $74,999	0.696**	0.249**	0.369	0.093
	(0.168)	(0.053)	(0.267)	(0.068)
4 - $75,000 - $99,999	0.966**	0.356**	0.607*	0.152*
	(0.167)	(0.053)	(0.264)	(0.067)
5 - $100,000 - $149,999	1.074**	0.398**	0.765**	0.190**
	(0.166)	(0.052)	(0.265)	(0.067)
6 - $150,000 - $199,999	1.241**	0.460**	1.218**	0.293**
	(0.194)	(0.063)	(0.310)	(0.074)
7 – Over $250,000	1.387**	0.510**	1.054**	0.257**
	(0.195)	(0.060)	(0.304)	(0.075)
8 – Rather not say	0.675**	0.241**	0.715*	0.178*
	(0.185)	(0.062)	(0.287)	(0.072)
Black			0.785**	0.170**
			(0.290)	(0.056)
Hispanic			-0.171	-0.040
			(0.266)	(0.063)
Asian			0.583	0.129
			(0.543)	(0.112)
Native American			-0.222	-0.052
			(0.383)	(0.092)
Other			-0.171	-0.040
			(0.331)	(0.077)

Female		0.146 (0.119)	0.034 (0.028)
Incumbency		1.847** (0.113)	0.555** (0.027)
Chamber (Senate)		-0.365** (0.121)	-0.086** (0.029)
Experience		0.217 (0.215)	0.050 (0.050)
Intercept	-0.778** (0.150)	-1.724** (0.526)	
N	1539	978	
R^2	0.045	0.372	

Note: State Variables not presented
$*p < 0.05$; $**p < 0.01$

According to Table 3, the analysis shows that without controls the relationship between familial income and election outcome is positive and significant. Further analysis of the average marginal effects shows that moving from income bracket 1 to 2 increases a candidate's likelihood of winning by 19%. Moving from income bracket 1 to higher and higher income brackets increases a candidate's chances of winning by an increasing percentage, until income bracket 6. A transition from the lowest to highest income (7) bracket increases a candidate's chances of winning, but by a smaller amount than lower income brackets. This relationship suggests that wealthier candidates, up to the second highest income bracket, are more likely to win elections.

Once controls are introduced the relationship between the income brackets and election outcome remains positive. However, not all of the coefficients and marginal effects are significant. Movements from income bracket 1 to brackets 4 to 7 are both positive and statistically significant. Up to the sixth income bracket the candidate's chances of winning consistently increase, all else equal. Afterwards, further movements still provided an increase in probability of winning over income bracket 1, but by a smaller percentage. This suggests that moving up the socio-economic ladder, all else equal, increases a candidate's chances of victory. This might result from the richest candidates spending more money on their campaigns and so reaching a greater audience with their advertising. The decreased probability of winning for the highest levels of income may result from voters being unable to identify with the candidate because of his or her wealth. Alternatively, such great wealth might decrease the candidate's incentive to fundraise, thus failing to know the voters as well as an identical but less wealthy candidate.

Apart from the variable of interest, many variables were show to affect with the dependent variable. According to the table, Black and Asian candidates had increased probability of winning by 17% and 13% respectively, in comparison to white candidates, all else equal. The opposite was true for Hispanic and Native American candidates, whose probability of winning in comparison to white candidates was lower by 4% and 5% respectively, all else equal. Of the race variables, black was the only variable with a statistically significant coefficient. This therefore suggests that black candidates had a greater chance of winning, ceteris paribus, in comparison to their white counterparts.

Furthermore, while at first glance it appears that being female and having experience have a positive impact on election outcome, this effect is statistically insignificant. However, incumbency seems to have a large positive and statistically significant impact on success. According to the analysis, all else equal, incumbents are 56% more likely to win than non-incumbents. This may be due to the "incumbency effect" discussed earlier, which provided previous holders of a position advantages over the challengers. This again could be due to name familiarity and perceived experience.

VII. Conclusion

Many factors play a role in determining a candidate's political success. According to the results, familial wealth may be one of them at the Legislative level but possibly not at the Congressional level. At the Legislative level, increases in familial wealth, ceteris paribus, improve a candidate's likelihood of winning the election. A movement from the lowest to second highest income level improved a candidate's chance of winning by 23%. However, the greatest impact on a candidate's outcome seems to be incumbency, which resulted in a probability increase of winning by 56%. It is also possible that other variables, that could not be measured, due to the nature of the data, also play important roles in determining a candidate's likelihood of success. But based on the limited analysis wealth plays a positive role, at the state level, in election outcomes.

However, on the Congressional level personal wealth does not seem to conclusively increase the voter margins of successful candidates. This does not suggest however, that personal wealth does not increase a candidate's probability of winning as the data set only encompasses congressional winners. Had it incorporated the losers, it is possible that both data sets may have shown a similar relationship between wealth and election outcome.

Further studies should be encouraged to determine if the observations hold true if other variables previously mentioned were introduced into the analysis. This analysis could determine how important personal wealth is in other elections, such as the presidential election. The study should also be applied to democratic nations across the world. The results of these studies and increasing knowledge of this topic will shed a new and brighter light on the idea of democracy in the modern nation-state. It may not be the practical reflection of our idealized notions of it – a fair system in which all are judged in accordance to individual merit and hard work, rather than external factors that are beyond one's control.

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