

Bloomberg and Sanders Are Both Wrong About Money in Politics

Super Tuesday – the single day in the U.S. presidential primaries with the most delegates at stake – has come and gone, and so have quite a few presidential candidates.

Former South Bend Mayor Pete Buttigieg and Senator Amy Klobuchar (D-MN) both dropped out before Tuesday and endorsed former Vice President Joe Biden. After lackluster performances on Tuesday, both former New York City Mayor Michael Bloomberg and his debate nemesis, Senator Elizabeth Warren of Massachusetts, have dropped out, as well.

The East Coast billionaire spent more than \$500 million on his short-lived campaign. That managed to win him impressive enough poll numbers to get him on the debate stage. But as I [wrote about Bloomberg](#) after his first debate, in which Warren – and every other candidate – piled on attack after attack for which he seemed surprisingly ill-prepared, “I suspect Bloomberg is feeling [a bit of buyer’s remorse](#). Perhaps, after that, it will now be clear to him that giving means you aren’t guaranteed anything in return.”

Bloomberg is a longtime political donor, an embodiment of America’s elite political class. He clearly believes – or, at least, believed – that money is a powerful force in politics. He had so much faith in the power of billionaire donors that he thought it would be enough to put one of them – himself – into the White House.

Senator [Bernie Sanders](#) (I-VT) also believes in the power of big donors. He never misses an opportunity to rail against “the billionaire class,” which he claims is rigging our entire economic and political system against middle-class and

working-class Americans. He has now launched two successful (not *winning*, but still successful) presidential campaigns while swearing off donations from billionaires and [super PACs](#). As he stated [in a recent tweet](#):

This campaign is different. We have received 8.7 million contributions from over 1.9 million donors.

We don't hold high-dollar fundraisers. We don't have a super PAC spending millions of dollars on TV ads. We don't have a single billionaire donor.

We have the people.

– Bernie Sanders (@BernieSanders) [March 4, 2020](#)

For Sanders, this is a matter of integrity. But although America's most famous socialist wants to hose billionaires and corporations and to prop up the middle class, so far he has only succeeded in taking a lot of money from middle class Americans – and in [becoming a millionaire](#) himself, as his newfound national popularity propelled his book to bestseller status.

Still, it can't be denied that, as campaigns go, Sanders' have been successes. They've been far more successful than the actual billionaires ([with one exception](#)) that have campaigned for president in recent years. And despite losing most of the Super Tuesday primaries to Biden, he may still win the Democratic nomination this year and have a real shot at the White House.

But in both cases – Bloomberg and Sanders – the premise that our elections are ultimately plutocratic (ruled by the rich) rather than democratic does not seem entirely sound. Bloomberg thought it was a good thing, acted on it, and failed. Sanders thinks it is a bad thing, acted against it, and has succeeded.

That said, my point is not that money in politics doesn't matter, but rather that perhaps it matters differently than both Bloomberg and Sanders think. Psychiatrist Scott Alexander [explored this question last fall](#):

Sure, during the 2018 election, candidates, parties, PACs, and outsiders combined [spent about \\$5 billion](#) – \$2.5 billion on Democrats, \$2 billion on Republicans, and \$0.5 billion on third parties. And although that sounds like a lot of money to you or me, on the national scale, it's puny. The US almond industry earns \$12 billion per year. Americans spent about 2.5x as much on almonds as on candidates [in 2018].

Alexander ultimately concludes that Americans spend more on almonds than politics because of coordination problems. That is, when people pool their money for a cause, they can get a lot done. But we often don't do that, because we don't think everyone will contribute, leaving us with a large swath of free riders benefiting from our sacrifices. This apprehension leads to donating less, thus compounding the problem. Coordination can accomplish a lot, but effective coordination is hard to come by.

There may be something to that analysis, but I think there are other factors at work. In particular, I think money only purchases favors in politics if it is given to winners.

When someone spends money on almonds, he or she gets almonds. When someone spends money on politics, he often doesn't get anything. Bloomberg spent half-a-billion dollars to get publicly humiliated on a debate stage and [win only American Samoa](#) on Super Tuesday – which is another way of saying he got nothing.

Consider a common sports metaphor for political campaigns: a horse race. If you want to make money on a horse race, you need to bet on the horse (and jockey) that wins the race. However, picking a jockey, giving him a ton of money,

instructing him to “go faster” than the others, and then betting on him will not produce the desired result if there are faster horses in the race.

Now, imagine Bloomberg is a horse jockey (an unintended cheap shot – blame the metaphor). No matter how much money Bloomberg spent on himself, in the end, he was still Michael Bloomberg. His money couldn’t make him go any faster. It turns out that not a lot of people outside of New York City and American Samoa want to vote for someone like that.

Which leads me to the good news: Our democracy is still a democracy. If someone wants to win elected office, no matter what connections he or she may have or how much money the candidate may spend, he still needs to convince the largest number of real people to vote for him instead of another candidate. Sanders has proven that, with a popular message and enough charisma, one can fund a campaign without big donors. Bloomberg has proven that without those things, even virtually unlimited money isn’t enough.

None of this is to say that money doesn’t matter *at all* in politics. Rather, it matters differently. Cronyism is [both real and bad](#). There is still bad news here.

Consider again the horse race. *If* people bet on the winner, *then* they get a payout. While in actual betting the more you bet on the winner the more you win, people who only bet one dollar still come away from the race richer if their horse wins.

So, perhaps people spend less on politics than almonds because those who do – other than Bloomberg, perhaps – know that they don’t need to spend all that much to get what they want. While I’m open to reforms to try to limit political spending, perhaps the better solution – or at least a complementary one – is something like [The Club for Growth](#). Here’s what they do:

[W]e are ... willing and able to take on any Member of Congress

on policy who fails to uphold basic economic conservative principles ... regardless of party.

We do this by pinpointing key bills up for debate in Congress and exerting maximum pressure on lawmakers to vote like free-market, limited government conservatives. And when they don't, we hold them accountable by publicizing their voting record.

This special interest group lobbies for legislation that *doesn't* grant favors to special interest groups. It supports candidates with good track records on its issues, just like any other PAC. I wouldn't personally endorse all of its specific goals, but I like its strategy.

So long as there will continue to be money in our politics – and there will – those who oppose politics being hijacked by moneyed interests might do well to remember that, if you bet on a winner, even a small bet can bring big returns. This might work, not just to our detriment, but even for our good.

That said, most people are probably like me. I don't spend money on politics for the same reason I don't bet on horse races: Not spending a dollar on politics or horse races means I still have that dollar, which I'd rather spend on other things.

But after Sanders' rise and Bloomberg's fall, I might be open to persuasion.

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