

How Obama Reinvented Campaign Finance

NO SMALL CHANGE

Barack Obama is the first major candidate to decline participation in the public financing system for presidential campaigns. He's found a more effective way to raise money – by leveraging the power of the American people through online Social Networks.

INDIVIDUAL CONTRIBUTIONS LESS THAN \$200

2000 election

\$8.8M
G.W. BUSH

\$6.7M
AL GORE

\$32M
JOHN KERRY

\$43.8M
GEORGE W. BUSH

2004 election

\$37M
HOWARD DEAN

\$122 Million
BARACK OBAMA

2008 election

\$27.7M
JOHN MCCAIN

A Little History

Traditionally, candidates developed relationships with a handful of corporations and wealthy individuals who could provide large sums of money to a national campaign.

In 2002, legislation passed limiting individual contributions to \$2,000 (\$2,300 in 2008) for primaries, and another \$2,000 for the general election. Campaigns then relied on "bundlers," fundraisers who could influence their network of friends to make maximum individual donations.

Thanks

Thanks

The wealth pyramid

EVERYBODY ELSE

The Internet speaks

The Internet roars

The rest is history

A 2004 study found that less than one percent of Americans contributed more than \$200.

During the 2004 presidential primary, Howard Dean raised \$27 million online.

In January, Obama set a record for donations in one month: \$32 million, \$28 million of which was raised online.

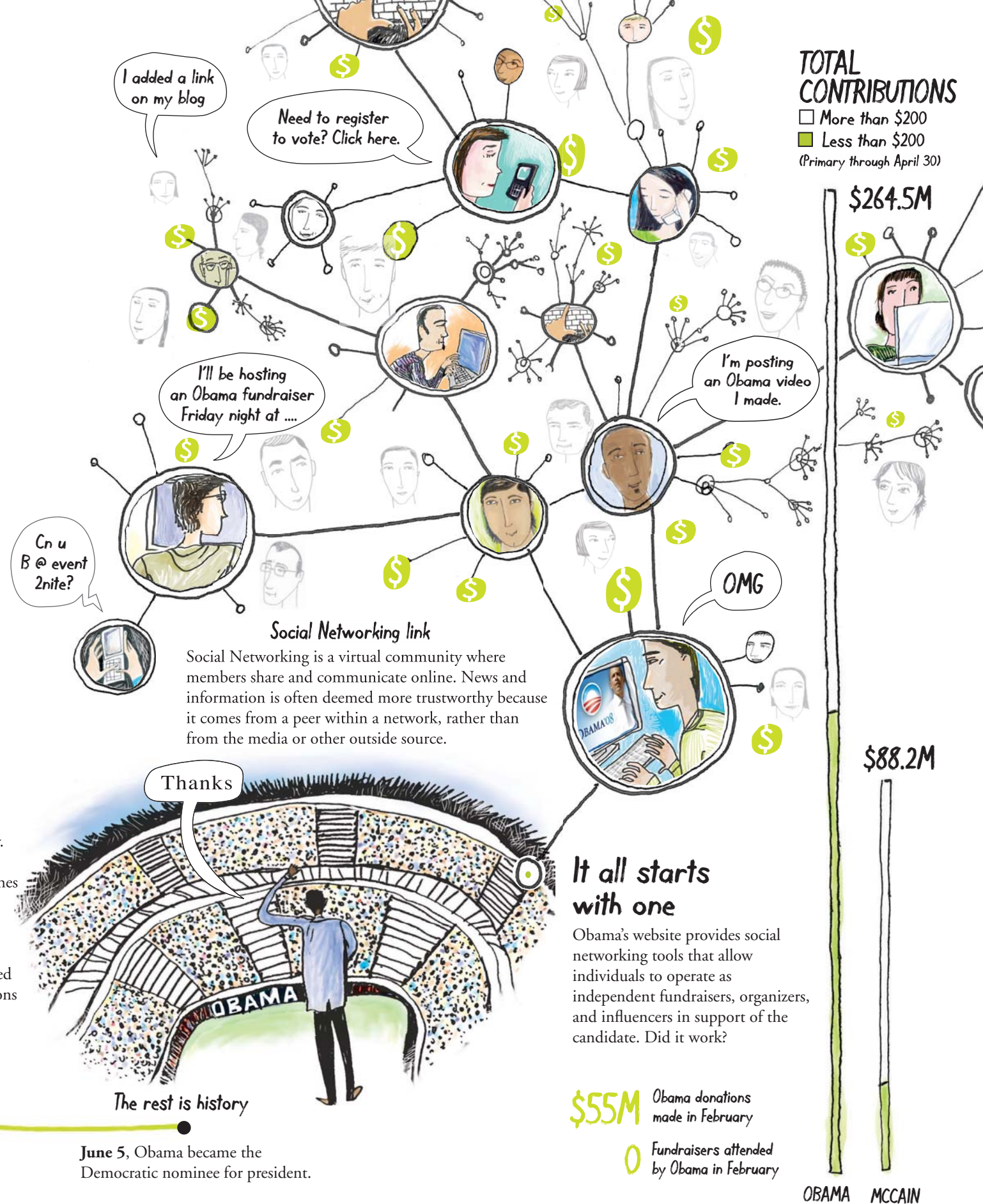
June 5, Obama became the Democratic nominee for president.

Obama's Start Up

By the time Obama entered the race, Hillary Clinton had already secured the party's top donors and most successful bundlers.

Obama needed a creative way to raise money. The former community organizer hired 24-year-old Facebook cofounder, Chris Hughes as his campaign's online organizer.

When stadium-sized crowds started showing up for Obama, supporters weren't asked to make donations. A ticket to the event required only an email address for later communications from my.barackobama.com.



TOTAL CONTRIBUTIONS
□ More than \$200
■ Less than \$200
(Primary through April 30)



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Sources: FEC, The Campaign Finance Institute, The Center for Responsive Politics, George Washington University



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