



7. Party Fundraisers

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Party Fundraisers

Erin Crandall and Michael Roy

Many things are needed for a successful election campaign, but arguably none is more essential than money. Fundraising has always been a necessary feature of campaigning for votes. In this chapter, we explore the duties of party fundraisers. Changes to fundraising tools, communication technologies, and regulations have transformed the profile and skills of party fundraisers over the past half-century. Today's party fundraisers are trained professionals with skills in direct marketing, brand positioning, and digital marketing who work to build and maintain relationships with donors across multiple fundraising channels.

Même si de nombreux éléments sont nécessaires à la réussite d'une campagne électorale, l'argent demeure l'élément le plus essentiel, le nerf de la guerre. La collecte de fonds a toujours été un aspect incontournable des campagnes électorales. Le présent chapitre porte sur le travail et les fonctions des collecteurs de fonds d'un parti. Les changements apportés aux outils de collecte de fonds, aux technologies de communication, et à la réglementation ont modifié le profil et les compétences des collecteurs de fonds au cours des cinquante dernières années. Les collecteurs de fonds d'aujourd'hui sont des professionnels qualifiés qui possèdent des compétences en marketing direct, en positionnement de marque, et en marketing numérique, et qui travaillent à établir et à maintenir des relations avec les donateurs provenant de divers réseaux de collecte de fonds.

A GREAT IDEA is priceless. A great campaign to share that idea comes with a big price tag. Elections cost money, making fundraisers integral to any successful political party. The profile of party fundraisers, the tools and technologies that they use, and the regulations that they must follow have changed over time, but the basic objective remains the same: to create and foster relationships with supporters while raising funds for the party.

Although unimaginable today, fundraising fell to federal party leaders until after the First World War.¹ Removing fundraising from the purview of party leaders helped to insulate them from fundraising-related scandals.² It also gave rise to a specialized group of fundraisers, commonly referred to as bagmen. For the Liberal and Conservative Parties, these men were prized for their close connections to top firms in Montreal and Toronto. With no regulations on party donations, a few well-connected bagmen could raise a significant portion of party funding. In 1957, the Liberal Party raised most of its campaign funds from three to four hundred donations alone.³ These types of close relationships and the social occasions that fostered them, such as fundraising dinners, meant that few donations came from outside the world of business. For example, in 1953, 50 percent of the national party income for both major parties came from industrial or commercial firms, 40 percent from executives closely associated with particular companies, and only 10 percent from individuals.⁴ Bagmen were not the norm for all federal parties, however. When the Co-operative Commonwealth Federation was founded in 1932, it adopted a grassroots approach to fundraising, focusing on small donations from individual citizens. However, the practical difficulties of this approach in an age before the raising of money through systematic direct mail or phone campaigns meant that the party was nearly always short of funds.⁵

The 1970s brought major changes to the world of party fundraising. Accessibility to computerized direct mail lists and a generous tax credit for party donations, introduced in the 1974 Election Expenses Act, meant that targeting small donations from individual citizens became a lucrative strategy for party fundraisers.⁶

Individuals quickly became the most important source of revenue for candidates of all parties, constituting about 40 percent of candidate financing.⁷ Business contributions still played a critical role well into the early 2000s. During the 2000 election cycle, the Liberals raised approximately six of every ten dollars and the Progressive Conservatives half of their funds from corporate contributors, whereas the New Democrats received one-third of their funding from trade unions.⁸

In 2003, major reforms to federal party finance regulations placed significant caps on individual, corporate, and union donations. A per-vote subsidy that served to offset the revenue loss created by these changes was also introduced for eligible parties. In 2006, corporate and union donations were banned altogether. By 2015, the per-vote subsidy had been phased out. As a result, party fundraisers of all political stripes must now target small donations from individuals to raise funds. This grassroots approach to fundraising is ultimately about bringing in a large number of donors rather than cultivating a select group of supporters with deep pockets. Corporate affluence, union money, and personal connections still play a role in fundraising, but that role has been modified so that business and union leaders, rather than businesses and unions themselves, donate to parties. At times, this is a source of controversy, particularly when the governing party hosts fundraising events attended by the prime minister and/or ministers, leading to allegations of so-called cash for access.⁹ By bundling a group of individual donations in a networked approach to fundraising, political parties can still fundraise large sums from organizations while operating within regulatory parameters. In 2019, Canadians were permitted to donate up to \$1,600 to each registered political party.

Fundraising tools such as direct mail, phone, and email campaigns designed to target individual supporters illustrate how success for party fundraisers is no longer predicated on leveraging personal connections. Rather, fundraisers must know how to communicate effectively a personalized message on a mass scale to potential supporters. Parties have made significant investments in data

infrastructure to support their fundraising work. They use sophisticated online marketing tools, donor relationship databases, and increasingly predictive analytics to identify fundraising prospects, target their appeals, and ensure that all prospects and donors have positive experiences and long-term relationships with the party that they support.¹⁰ Although the upfront costs are significant, the investment in digital tools yields clear financial benefits. The use of data analytics permits a party to differentiate among donors, which in turn allows it to raise more money with fewer phone calls and letters. With so many tools available to fundraisers, the integration of these channels to communicate effectively with as many supporters as possible is now the gold standard for fundraisers.

Whereas the bagmen of earlier decades were an informal network recruited by parties for their personal connections, top party fundraisers are now trained professionals who bring diverse skills in direct marketing, brand positioning, and digital marketing. Fundraising directors and their sizable teams are skilled practitioners who deploy significant financial and staff resources to build and maintain relationships with donors across multiple fundraising channels. Today's political fundraisers combine backgrounds in communications, marketing, and data analytics to design and execute programs that have to deliver between \$30 and \$40 million per election cycle. Fundraising year round is necessary to help ensure that the party can obtain resources to run its operations between elections and fund its campaign come election time. A further impetus is that every three months the media and the parties routinely treat the fundraising data reported to Elections Canada as a competitive barometer of success.¹¹ Generating data on supporters for party databases is therefore a major impetus of party communications. Visitors to party websites are asked to submit their contact details; people are urged to add their names to digital petitions and participate in surveys that generate information associating citizens with issues of concern; and data collected on doorsteps by candidates, MPs, and volunteers are input into digital consoles. Database marketing has become a major priority of year-round

campaigning and fundraising.¹² In addition to fundraising, it assists with other forms of targeted communication, such as get-out-the-vote efforts.

Duties in an Election Campaign

The work of a director of fundraising is always an essential part of a political party's operations, though the stakes are necessarily higher during an election campaign. Although the focus of the work is reasonably constant before an election, the intensity and scrutiny of the work ramp up considerably during the campaign. A general election is by far the largest expense that a party undertakes. Therefore, planning for the fundraising component of the campaign necessarily begins months in advance and is a critical part of the duties of a director of finance. The director starts by looking at the election calendar, the party's fundraising goals, and available resources – such as lists of party members, voters and sympathizers, and potential private fundraising vendors – to support the effort. Once these goals and resources are established in a plan for election fundraising, the focus turns to timing and the design and implementation of the outreach strategy.

The party's database is a formidable resource for informing targeted fundraising efforts. In the lead up to the election, fundraising through telemarketing, direct mail, and especially digital appeals increases in frequency. Additional fundraisers – either in house or through fundraising contractors – are engaged, and the amount of contact time is increased. Telemarketing typically continues in high intensity throughout the campaign, targeting both past donors and new prospects identified through voter outreach efforts. A number of direct mail fundraising appeals are generally sent during the campaign, and they are planned and written in advance. Where possible, they tie into campaign themes or policy announcements; however, this is often difficult to coordinate given the secretive and last-minute nature of campaign policy announcements. The vast majority of campaign emails contain fundraising appeals.

Timing is a major factor in terms of resources and strategies. As election day draws closer, fundraising efforts start to shift away from monthly donations and toward one-time donations. This change in strategy occurs because one-time donations generally yield more money in the short term. It is typical for 50 percent of the fundraised revenue in an election cycle to be raised in the ninety days leading up to election day. For that reason, it is critical that the pre-election and election fundraising plans ramp up all fundraising efforts, with an eye to ensuring that high donors give the legal maximum for the year. The focus on one-time donations, rather than monthly donations, is valuable given that a successful fundraising campaign relies not just on party members but also on party sympathizers. For example, digital technologies have helped the New Democratic Party (NDP) to confirm that party members and sympathizers donate at comparable levels, making the distinction between the two types of donors increasingly meaningless for fundraising purposes.¹³ Timing is also helpful in creating conditions that can prompt prospective donors to take action and donate to a party. An election presents a number of useful deadlines that can help a fundraising team to create a sense of urgency. Three of the most notable dates are the start of the election, the end of the quarter when financial data are publicly reported, and election day itself.

During the official campaign period, party fundraisers are regularly debriefed so that they can get an idea of which messages are resonating and what feedback the party is getting from its core supporters about the campaign. Fundraisers are regularly briefed on policy proposals and the latest updates from the campaign as tools to engage supporters better. As already noted, however, policies are frequently secretive until they are announced, which leaves relatively little preparation time for drafting fundraising messages. Like all members of the campaign team, fundraisers must act and adapt quickly in a dynamic political environment so that fundraising messages continue to reach the right people, at the right time, using the right medium of communication.

For modern political campaigning, the standard is to have as many positions operating in house as possible.¹⁴ This places fundraising staff in the same headquarters as other members of the election campaign team, such as war room, tour, administration, digital, products/research, policy/platform, organization, and targeted ridings. The extent to which traditional fundraising and digital fundraising are integrated varies by political party. The NDP, for example, splits fundraising between these two teams, which generally run their activities independently. The digital team, in particular, integrates field and communication outreach closely with election fundraising appeals.

Some factors that build a successful election fundraising campaign are beyond a fundraiser's control. A potential donor's perception of a party's likelihood of electoral success can affect the decision to donate to that party and what amount. The more positive momentum a party can build during an election campaign, the easier it is for fundraisers to meet or even exceed fundraising goals.

Overcoming Obstacles

All political parties, and indeed all fundraising organizations, face a common challenge when it comes to fundraising: recruiting new donors at a reasonable cost. One of the ironies of fundraising is that it can be very expensive. A successful fundraiser is not simply a person who raises a lot of money but also does so in a cost-effective way. These numbers matter. Although the past couple of decades have seen the Conservative Party consistently raise more money than other federal parties, it has also spent the most money to do so. For example, the Conservatives raised \$24.2 million from 104,000 donors in 2018 compared with the Liberals, who raised \$15.9 million from 66,000 people.¹⁵ The Conservatives, however, spent \$8.5 million to raise their amount, whereas the Liberals spent \$3.4 million, cutting the actual fundraising gap between the two parties by more than half.¹⁶ This fine balance between money raised

and money spent motivates party fundraisers to refine and renew their fundraising techniques.

The task of recruiting new donors has changed dramatically over time. Whereas early fundraisers relied on leveraging personal relations for large donations, technological developments mean that this type of approach is no longer essential, and more importantly today's donation limits mean that large donations are no longer permissible. In the latter half of the twentieth century, the challenge of recruiting new donors at a reasonable cost was addressed mainly by exchanging lists with other organizations or reaching out to the public in the hope of attracting new donors. This latter process, however, is generally costly, with organizations paying more than \$150 for each new donor acquired through telephone or direct mail prospecting. In the digital era, list exchanges are still a part of new donor acquisition, but targeted online ads have increasingly become the norm. They are designed to encourage prospective supporters, for example by signing an online petition, so that the party can then acquire their email addresses. Once on the list, they receive fundraising appeals in an effort to make them donors.

For the NDP, one solution to the new donor acquisition challenge has come with a modern twist on two old ideas: contests and dinner with the party leader. For years, direct mail fundraising firms have used contests (e.g., "win a trip to Hawaii if you donate!") as a means to entice donors. And, for as long as there has been political fundraising, political leaders have invited supporters to pay for dinners with them. Such dinners vary from large ticketed banquets to intimate meals for high-dollar donors. The twist on these time-tested tactics was to ask supporters to chip in as little as a few dollars and offer them a chance to win an exclusive experience with the candidate. The NDP ran a number of these contests in both 2015 and 2019. One saw a young woman from Nova Scotia attend a Montreal Canadiens hockey game with the party leader, and another had the two winners join the party leader on the campaign plane during the election itself. The "Jet with Jagmeet" Contest offered the winner

the chance to fly on the plane for a day during the election campaign.¹⁷ These contests attracted thousands of new donors to the NDP's campaign at a relatively low cost.

Inevitably, a party's momentum contributes significantly to a fundraising campaign. Whether an effort to acquire new donors or motivate long-time supporters, nothing is better for fundraising than momentum. So what does one do when the overwhelming view is that the party does not have it? This was the challenge faced by the NDP going into the 2019 election campaign. For the party's digital fundraising team, a narrative on momentum was deployed in three phases over the course of the campaign: the possibility of momentum, achieving momentum, and protecting momentum.

Momentum is always possible even if not immediately apparent. In the first half of the campaign, when poll numbers for the NDP showed relatively little movement, emails to supporters focused on an "energy of possibility," according to Oliver Paré, the NDP's digital director for fundraising for the 2019 election.¹⁸ As positive recognition of NDP leader Jagmeet Singh built over the campaign, particularly following the English-language leaders' debate, the fundraising narrative was able to change accordingly, from the possibility of momentum to illustrations of momentum in action. For example, when Singh did an impromptu walk-through at Ryerson University the day after the leaders' debate and was swarmed by student supporters, the digital fundraising team quickly sent out an email describing the event and asking for support.¹⁹ Another organic experience that contributed to the party's fundraising momentum occurred while Singh was visiting Grassy Narrows, a First Nations community in Northern Ontario that for decades has grappled with unsafe drinking water and mercury poisoning.²⁰ When asked by a reporter if the NDP was simply writing a "blank cheque" for the problems of all Indigenous communities, Singh responded that the same question would not be asked if the problem of unsafe drinking water was in Vancouver or Edmonton.²¹ This response went viral and garnered considerable media attention. As election day drew near, the party introduced a final email campaign, the

Fight Back Fund, in which the focus was on how supporters could help the party to respond to attacks from the other parties. This shift in framing from achieving momentum to protecting momentum was designed to sustain supporters' motivations to donate to the NDP. Thus, momentum was always part of its fundraising narrative, but inevitably fundraising picked up as the party's poll numbers improved.

A chapter focused on fundraisers might leave the impression that money is the sole factor that wins elections. This is certainly not the case. Although fundraising, securing bank loans, and managing debt are critical parts of an election campaign, they are not determinative. Nonetheless, a party is unquestionably much worse off without a strong fundraising team that can create and foster relationships with supporters while raising funds for the party. After all, a great election campaign is never priceless.

Notes

- ¹ Paltiel, *Political Party Financing in Canada*.
- ² McMenamin, *If Money Talks, What Does It Say?*, 38.
- ³ Paltiel and Van Loon, "Financing the Liberal Party 1867–1965," 170.
- ⁴ *Ibid.*, 169.
- ⁵ Paltiel, *Political Party Financing in Canada*, 48.
- ⁶ Stanbury, *Money in Politics*, 252.
- ⁷ Padget, "Large Contributions to Candidates in the 1988 Federal Election," 321.
- ⁸ Cross, *Political Parties*, 146.
- ⁹ Cotton, "Little Reason to Believe."
- ¹⁰ Giasson and Small, "Online, All the Time"; Marland and Mathews, "Friend, Can You Chip in \$3?"
- ¹¹ Vigliotti, "Liberals, Tories Claim Record-Breaking Q2 Fundraising Figures."
- ¹² Patten, "Databases, Microtargeting, and the Permanent Campaign."
- ¹³ McGrane, *The New NDP*, 78.
- ¹⁴ *Ibid.*, 71; Flanagan, "Political Communication and the Permanent Campaign," 137; Patten, "Databases, Microtargeting, and the Permanent Campaign," 53.

- ¹⁵ Canadian Press, “Tory Fundraising Almost \$8 Million More than Liberals’ in 2018.”
- ¹⁶ Ibid.
- ¹⁷ Moss and Lapointe, “Air Singh.”
- ¹⁸ Paré, interview with Crandall.
- ¹⁹ *CityNews*, “Jagmeet Singh Visits with Students on Ryerson University Campus”; Paré, interview with Crandall.
- ²⁰ Paré, interview with Crandall.
- ²¹ Canadian Press, “NDP’s Singh Promises \$1.8B to Provide Clean Drinking Water in Indigenous Communities.”

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