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Abstract
This study examines the impact of stringent campaign contribution laws on competition in gubernatorial contests. In addition to the stringency of campaign contribution laws, however, it explores several other potential causes of competition. For instance, this study considers the availability of public funding, a state's vote for president, the existence of an open seat race, income of a state, state population, the institutional powers of a given state's governor, and the winning party. This study ultimately demonstrates the extent to which campaign contribution limits have little effect on gubernatorial competitiveness. Of the alternatives, both the presence of an open seat and the availability of public financing to challengers proves partially determinative, and present additional avenues for further research.

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Robert Porter

Abstract *This study examines the impact of stringent campaign contribution laws on competition in gubernatorial contests. In addition to the stringency of campaign contribution laws, however, it explores several other potential causes of competition. For instance, this study considers the availability of public funding, a state's vote for president, the existence of an open seat race, income of a state, state population, the institutional powers of a given state's governor, and the winning party. This study ultimately demonstrates the extent to which campaign contribution limits have little effect on gubernatorial competitiveness. Of the alternatives, both the presence of an open seat and the availability of public financing to challengers proves partially determinative, and present additional avenues for further research.*

Introduction

Writing in *The State of Campaign Finance Reform*, Donald Gross and Robert Goidel detail the variety of campaign contribution limits that were enacted en masse during the 1990s. For instance, these scholars note that, by 1998, 36 states had placed limits on individual contributions to gubernatorial campaigns, 43 had curtailed corporate contributions, 42 restricted contributions from labor unions, and 37 had similarly restricted political action committees (PACs). Furthermore, by 1998, 22 states had banned corporate contributions to gubernatorial campaigns outright, and 13 acted similarly against organized labor (Gross and Goidel 2003). While reducing the cost of campaigns was certainly a motivating force behind such reform impulses, loftier ambitions also came to the fore (Gross and Goidel 2003).

"During the 1990s, thinking about comprehensive campaign finance reform shifted toward equalizing political power" (Gross and Goidel 2002: 9). Indeed, campaign contribution limits were partly enacted in order to engender a greater degree of electoral competition, particularly in gubernatorial contests (Gross and Goidel 2002). The practical working of this ambition has nevertheless been the focal point of some theoretical dispute and prompts the central question of this research: ***Do states that maintain stringent campaign contribution limits experience more competitive gubernatorial races, as evidenced by the difference in candidate vote percentages, than their less stringent cohorts?***

Literature Review

The effect of campaign contribution laws on electoral competition in gubernatorial races is a particularly underdeveloped area of study in political science. In his discussion of the existent campaign finance literature, Randall Partin notes that "Virtually overlooked in these studies of money in various electoral arenas are elections for state governor" (2002: 214). To be certain, such a concession is far from an aberration, as it resounds throughout the relevant literature (Bardwell 2002, 2003, 2005; Eom and Gross 2006; Gross, Goidel, and Shields 2002). In spite of this limitation, there nevertheless exists compelling scholarship on the subject. It is ultimately through an examination of this literature that the disinterested observer becomes cognizant of four prevailing

theories as to the effects of campaign contribution laws on gubernatorial contests. [5] Through an understanding of these differences, the necessity of additional research on the matter becomes apparent.

It is often theorized that campaign contribution limits effectively curtail many of the inherent fundraising – and thereby electoral – advantages incumbents enjoy. [6] This postulation is best demonstrated in the work of Kihong Eom and Donald A. Gross. In their research, the scholars created an ordinal scale encompassing the plethora of campaign contribution laws that exist in the states in order to discern their effects on 57 gubernatorial elections, in 41 states, from 1990 to 2000 (Eom and Gross 2006). In due course, through the use of an ordinary least-squares regression, Eom and Gross conclude that "there is insufficient evidence to suggest that contribution limits … increase the [difference in spending] ratios between incumbents and challengers or … major party candidates" (2006: 108). Such findings are ultimately indicative of heightened competition in gubernatorial contests. Furthermore, the researchers' conclusions are buttressed by a subsequent study published the following year.

Employing the ordinal scale noted above, Eom and Gross (2007) conducted a study of 58 gubernatorial contests, in 42 states, from 1990 to 2000. The scholars sought to determine whether or not campaign contribution limits compelled candidates to rely on a large number of small contributors, thereby equalizing the fundraising totals of the candidates. Through the use of ordinary least-squares regression, the researchers were able to conclude that "campaign contributions can be said to have a democratization effect in gubernatorial elections in that they tend to result in a lower average dollar amount per contributor" (Eom and Gross 2007: 711). While persuasive, the researchers' conclusions noted here and above must nonetheless be met with a degree of skepticism.

Curiously, Eom and Gross fail to employ a control for incumbency in their model. This is particularly troubling, as it is a near maxim of politics that open seats witness greater electoral competition and spending. Rather, the researchers merely craft a dummy variable that indicates whether or not either of the two major parties control all branches of government (Eom and Gross 2006; 2007). It practically goes without saying that one party can control the executive while the opposing party controls the legislature. This limitation raises the possibility that Eom and Gross's results might have differed had they included this vital control in their statistical analysis. Irrespective of this omission, Eom and Gross's research does not remain without a degree of controversy, as its findings are contested by scholarship arguing for the complete inefficacy of campaign contribution limits.

In studies seeking to discern the effects of campaign contribution limits on challenger emergence in gubernatorial primaries (Bardwell 2002), as well as on incumbent and challenger spending (Bardwell 2003, 2005), Kendron Bardwell variously demonstrates that contribution limits have no effect on spending level disparities between incumbents and challengers and/or out-party candidates (2002, 2003, 2005). While the focuses of Bardwell's studies differ slightly, the researcher employs a common examination of gubernatorial contests in the various states between 1980 and 2000 (Bardwell 2002, 2003, 2005). Bardwell ultimately discerns that factors such as incumbent job approval, the expected partisan normal vote, campaign length, and state population are more

[5] While much of the aforementioned literature employs spending differences as an independent variable – as opposed to the difference in two-party vote percentages – their findings are nonetheless significant for the purposes of this paper. For, scholars are in near agreement that candidate expenditures, particularly those of challengers and/or out-party candidates, are positively correlated with their vote percentages (Bardwell 2003, 2005; Partin 2002).

[6] Although writing on congressional elections, Gary Jacobson's observation that "Incumbents … can generally raise as much campaign money as they think they need," can be reasonably applied to gubernatorial races. This is particularly true considering the noted similarities between elections to the U.S. Senate and governor's office (Jacobson 2009:45; Bardwell 2002).

powerful determinants in understanding spending disparities than the presence of contribution limits (2002, 2003, 2005). However, this research is not without controversy.

Bardwell demonstrates "that the dollar-for-dollar impact of incumbent spending is just as large as that of challenger spending" (2005: 97). Indeed, this assertion is echoed throughout the literature (Bardwell 2002, 2003). Moreover, Bardwell explicitly criticizes theories that contribution limits have an effect on spending disparities between incumbents and challengers as flawed in that such research relies on ordinary least-squares regression, which "tends to show that spending by incumbents has little independent effect on the vote" (Bardwell 2005: 97). (Such an argument would suggest that Eom and Gross's conclusions are skewed by their use of a statistical model that masks the effects of incumbent spending.) Rather, Bardwell relies on a two-stage least-squares regression. It is argued that the statistic will correct for the potential of a close race to influence fundraising and spending levels (Bardwell 2002, 2003, 2005). Yet, by his admission, some two-stage least-squares regressions confirm ordinary least-squares regression findings (Bardwell 2005). Surprisingly, Bardwell fails to expound on this finding, thereby creating some doubt as to the theoretical ramifications of his research. While the theory presented here certainly differs from the assertion that campaign contribution laws intrinsically aid challengers and out-party candidates, the postulations are not entirely irreconcilable.

Although Bardwell's research seems to buttress a theoretical viewpoint in direct contrast to the postulation put forth by Eom and Gross, Bardwell's literature suggests the potential of public funding programs to improve a challenger's standing, although he concedes that more study is necessary (2002, 2003, 2005). Such findings are also evident in Eom and Gross's study (2006). This raises the possibility that the attendant spending limits of public funding programs might prove to be of greater effect, in terms of engendering competition, than standard contribution limits. Yet, this is not the only point of congruence that exists between the theories.

Both the theories that campaign contribution limits diminish the disparity in incumbent and challenger spending levels and, in contrast, that the limits have no such effect, naturally preclude the assertion that "the presence of spending [and contribution] limits negatively affects … the [challenger or] out-party candidate" (Partin 2002: 225). Indeed, Eom and Gross's assertion that "contribution limits [do not] increase the bias in contributions in favor of incumbents" is echoed by Bardwell (Eom and Gross 2006: 109; Bardwell 2003, 2005). Such assertions are contradictory to the findings of scholars such as Randall Partin, whose research is exemplary of the contentious theory that campaign contribution and/or spending limits disadvantage challengers and/or out-party candidates in relation to incumbents.

Through an examination of spending in gubernatorial contests between 1978 and 1994, Partin (2002) demonstrates a statistically significant, negative correlation between campaign finance laws and challenger and/or out-party candidate spending. These findings nonetheless merit additional consideration. Specifically, Partin controlled for campaign contribution limits through the introduction of a dummy variable that served to indicate "whether or not the state had some form of … limitations" (2002: 223). As the various states differ greatly with respect to the stringency of their campaign laws, it would seem far more appropriate to attempt an ordinal ranking of the states by strictness of law. In doing so, there is a distinct possibility of Partin's study yielding different results. Nonetheless, there exists additional support in the literature for the theory that limits hinder the efforts of challengers and out-party candidates.

In conducting a study of financing of gubernatorial elections between 1978 and 1997, the researchers Gross, Goidel, and Shields contend that "spending limits generally work to the disadvantage of challengers" (2002:159). It is further determined that incumbent spending increases as contribution limits become more stringent (Gross, Goidel, and Shields 2002). However, it must

be noted that these scholars analyzed gubernatorial contests during a time frame that preceded the first publicly financed gubernatorial elections in Arizona, Connecticut, Maine, and Vermont. [7] As few states offer public financing options, the addition of the aforesaid cases – which, not coincidentally, enacted rather stringent campaign contribution limits along with their public financing laws – have the potential to substantially alter the above findings ("Common Cause"). This would ultimately prove consequential in discerning the validity of the theory trumpeted by Gross, Goidel, and Shields as well as Partin. Interestingly, similar studies conducted by Gross and Goidel, encompassing both campaign contribution limits and spending limits, have the potential of explaining some of the theoretical divergence delineated in this paper.

In examining the effects of spending in gubernatorial contests from 1978 to 1998, Gross and Goidel conclude that while "[c]ampaign spending … plays an important role in producing competitive elections … the effects depend on the candidate's party" (2003: 71). Specifically, Democratic incumbents seeking reelection can expect to experience an increase of approximately 2.5 percent in their margin of victory (Gross and Goidel 2003). Interestingly, however, Gross and Goidel (2003) were unable to detect similar effects on spending limits in elections where Republican incumbents seek reelection or in open seat contests. For the purposes of this research, Gross and Goidel (2003) also crucially demonstrate the extent to which campaign contribution limits and spending limits affect candidate spending in a similar manner. Interestingly, the researchers discovered similar findings in their comparative study of the effects of campaign finance laws on Senate elections and gubernatorial contests occurring between 1978-1998 (Gross and Goidel 2001). Ultimately, the theory that campaign contribution limits aid challengers and out-party candidates under certain partisan conditions carries the potential of synthesizing the contrasting theories presented above. Yet, Gross and Goidel's various studies are not entirely satisfactory and necessitate redress.

In seeking to explain their curious finding that campaign contribution laws seem not to affect Republicans, Gross and Goidel acknowledge the likelihood that the "finding reflects the broader electoral context. In the period under study, Republicans made consistent gains in terms of controlling state governorships, particularly in the South" (2003: 71). This raises the distinct possibility that an additional study, encompassing later cases, might proffer differing results as the national electorate has undoubtedly changed over the last decade. Ultimately, this study humbly seeks to settle the theoretical divergence delineated above. Rather than gauging the effects of campaign finance laws on candidate spending, however, the research designed below squarely addresses the question of electoral competitiveness, a principal rationale for the enactment of strict campaign contribution limits (Gais and Malbin 1997).

Research Design

The primary intent of this study is to determine the causes of electoral competitiveness in gubernatorial elections. It is theorized that stringent campaign contribution limits will prove conducive to heightened competition. Furthermore, in testing this theory, I will be able to determine the validity of the remaining theories outlined above. Specifically, by demonstrating a positive correlation between stringent campaign contribution limits and gubernatorial competitiveness, the alternative explanations of electoral competition will naturally be disproved. The opposite is true as well.

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[7] According to the citizen advocacy group *Common Cause*, Arizona enacted its public financing regime in 1998; Connecticut did so in 2006, Maine in 1996, and Vermont in 1997.

In order to effectively test my hypothesis that *as state campaign contribution laws become more restrictive in nature, the average gap that separates two-party vote percentages for governor will diminish*, I examined gubernatorial contests in each of the fifty states from 1984 to 2007. Therefore, the units of analysis in this study are individual governor's races in the fifty states. As the dependent variable is concerned with the two-party vote, those instances in which an independent or third party candidate for governor prevailed at the polls are not considered here. [8] Furthermore, the unusual 1987 Louisiana gubernatorial contest in which second-place finisher Edwin Edwards withdrew following an all-party primary is not considered in this study. Moreover, a handful of state campaign contribution laws (independent variable, see below) were rather equivocal in nature, and are accordingly not considered here. [9] The N is consequently 272 cases. The data featured in this research came from a variety of sources, including the CQ Press's *Guide to U.S. Elections*, *The Book of the States*, the U.S. Census Bureau, *Vital Statistics on American Politics*, several states' secretaries' of state web sites, as well as *American Federalism* by Daniel Elazar.

To measure the dependent variable, the difference in the two-party vote for governor (percent of the vote) is considered. In particular, the difference is discerned in the last six gubernatorial elections in each state via information provided by CQ Press's *Guide to U.S. Elections*. [10] This is a crucial span of time, for it encompasses "pronounced changes in [state campaign finance laws, including] … increased reporting requirements and more stringent contribution levels" (Gais and Malbin 1997: 57). Thus, the dependent variable will ultimately yield an interval level measurement of competitiveness. On the other hand, the independent variables in this study consist of interval, ordinal, and dummy variables.

In order to measure the strictness of a state's contribution limits, data made available through the *Book of the States* are employed to rank states on four different categories. Specifically, the publication highlights the extent to which states limit and/or prohibit contributions to its candidates from individuals, state parties, political action committees, corporations, and labor unions. [11] Each state is assigned a specific value representing its campaign finance regime, with the understanding that each unit increase represents a heightening in the stringency of campaign contribution limits. Table 1 specifically explains the ordinal scale.

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[8] According to CQ Press's *Guide to U.S.* Elections, third party candidates were elected governor of Alaska and Connecticut in 1990; an independent candidate was elected governor of Maine in 1994 and was subsequently reelected in 1998; and a third party candidate won the Minnesota governorship in 1998.

[9] Cases that did not fit the ordinal scale of campaign contribution limits include Kentucky (1987), Maryland (1986), Massachusetts (1986), New York (1986), South Dakota (1984), Wyoming (1986), Massachusetts (1994), New York (1994), South Dakota (1992), Wyoming (1994), Georgia (1998), Kentucky (1999), Missouri (1996), South Dakota (1996), Wyoming (1998), Missouri (2000), Nebraska (2002), South Dakota (2000), Wyoming (2002), Nebraska (2006), South Dakota (2004), and Wyoming (2006).

[10] All 2005 and 2006 gubernatorial election results were gathered from the *Book of the States*. Kentucky, Louisiana, and Mississippi's 2007 gubernatorial election results came from those states' respective secretaries' of state websites.

[11] An identical scale encompassing the last two gubernatorial elections in each of the states is made available by *Vital Statistics on American Politics*.

Table 1	
Value	Independent Variable Measure
0	No limitations are placed on individual, state party, PAC, corporate, and union contributions to candidates.
1	Corporations and/or labor unions are prohibited (or limited) from contributing, but PACs, individuals, and political parties are not limited.
2	Corporations, labor unions, PACs, individuals, and political parties are limited.
3	Corporations and labor unions are prohibited from contributing and PACs, individuals, and political parties are limited.

The above ranking is a modification of the scale employed by Eom and Gross (2006) in their study of the effects of contribution limits on funding disparities between incumbent governors and their challengers. [12]

In addition to the prevailing theories concerning the stringency of campaign contribution laws, this study also considers the effects of public financing on gubernatorial contests. In accordance with literature suggesting that public financing is conducive to enhanced electoral competition (Bardwell 2002, 2003, 2005; Eom and Gross 2006), it is expected that *states that provide public funds for their gubernatorial candidates will experience a diminishment in the gap that separates the two-party vote percentages*. As before, the dependent variable will be operationalized through a consideration of the difference in the two-party vote for governor. In order to operationalize the presence of public financing, a dummy variable is employed. A state is ranked 1 if it offers public funds to its gubernatorial candidates and 0 otherwise. Ultimately, as was the case with contribution limits, these data were made available through the *Book of the States*. In addition to a consideration of campaign contribution stringency, this study also introduces a variety of controls, many of which have been employed in previous examinations of electoral competition.

In his study of challenger and incumbent spending disparities, Randall Partin (2002) suggests *open seat gubernatorial races are more likely to witness narrower gaps in two-party vote percentages than races featuring an incumbent seeking reelection, regardless of the stringency of campaign finance laws*. In order to test this hypothesis, a dummy variable was created in order to control for open seat gubernatorial races. This information is made available through the CQ Press's *Guide to U.S. Elections*. [13] Specifically, open seats are ranked as 1 and 0 otherwise. The difference in the two-party vote for governor will remain the dependent variable.

The percent difference in the two-party vote for president in each state will also be controlled for. Again, these data are provided by the CQ Press's *Guide to U.S. Elections.* This is of great importance, as gubernatorial contests are often reflective of national partisan trends (Bardwell 2005). Thus, it is likely that *states that experience marginal differences in the two-party presidential vote will also witness marginal differences in the two-party state gubernatorial vote, irrespective of the stringency of campaign finance laws*. In this case, the dependent variable will remain the percent difference in the two-party vote for governor. The independent variable will constitute a measurement of the percent difference in the two-party vote for president in each of the

[12] Although it might seem counterintuitive, this scale values limitations placed on individuals, PACs, and parties more than it does corporations and labor unions. This is done pursuant to Eom and Gross, who note that "corporations and labor unions can often circumvent limitations placed on them through their affiliated PACs" (Eom and Gross 2006: 102).

[13] Again, all 2005 and 2006 information was gathered from the *Book of the States*. Information pertaining to Kentucky, Louisiana, and Mississippi's 2007 gubernatorial elections came from those states' respective secretaries' of state websites.

fifty states. This measurement will encompass presidential elections occurring between 1980 and 2004. Furthermore, nine states' gubernatorial contests coincide with presidential elections. This presents the possibility of a direct coattail effect. To test for this possibility, a dummy variable is crafted for each state whereby states conducting their gubernatorial contests during presidential years will be coded 1 and 0 otherwise.

This study rather uniquely attempts to discern the effects of a governor's institutional power on electoral competitiveness. In accordance with similar research concerning state legislative races (Bath and Miller 2006), it can be expected that ***states with institutionally powerful governors will witness heightened gubernatorial competition, as the position proves more attractive to ambitious candidates, than will those with less powerful governors, irrespective of the existence of stringent campaign contribution limits***. In order to measure this variable, data made available through the *Book of the States* are employed to create an ordinal ranking of state governors with respect to the institutional power(s) they wield. In particular, the publication highlights the power state governors' exercise in terms of budget-making, the ability to veto legislation, and the availability of executive orders. Each state is ultimately assigned a sum value representative of their governor's institutional power, with the understanding that each unit increase represents a heightening in institutional power. The ordinal scale is delineated in Table 2.

Table 2

Budget-Making Power		Veto Power		Authorization for Reorganization through Executive Order	
Value	Independent Variable Measure	Value	Independent Variable Measure	Value	Independent Variable Measure
0	Governor shares budget-making responsibility.	0	No item veto.	0	Governor lacks such authorization.
		1	Item veto can be overridden with 2/3 of present legislators.		
1	Governor has full budget-making responsibility.	2	Item veto can be overridden by a majority of elected legislators.	1	Governor has constitutional and/or statutory authorization.
		3	Item Veto can be overridden by 3/5 of elected legislators.		
		4	Item veto can be overridden by 2/3 of elected legislators.		

Pursuant to existent literature suggesting that state income and population are both useful indices of the cost of a typical state gubernatorial campaign (Eom and Gross 2006; Bardwell 2002),

this study employs both a measure of median household income and population for the years under consideration. The measure of median household income, in 2007 dollars, was obtained by using information provided by the U.S. Census Bureau. Population figures were similarly obtained through the U.S. Census Bureau. Ultimately, as populous and wealthy states feature more expensive gubernatorial contests than their smaller, less wealthy cohorts, it is expected that *stringent campaign contribution laws will have a greater effect in engendering competition in more populous, wealthy states – where the high cost of campaigns will presumably advantage adept fundraisers – than smaller, poorer states*.

In accordance with literature suggesting that campaign finance laws affect Republican and Democratic candidates differently (Gross and Goidel 2003), a dummy variable is created in order to represent the political party of the victorious candidate. This information was obtained from CQ Press's *Guide to U.S. Elections* as well as the *Book of the States*. In particular, Republican winners were assigned a value of 1 and Democratic winners were denoted by 0. Pursuant to such literature's findings (Gross and Goidel 2003), it is expected that *as state campaign contribution laws become more restrictive in nature, the average gap that separates two-party vote percentages for governor will diminish in races that feature a successful GOP candidate.* [14]

A dummy variable to control for the political culture of a state is also featured in this study. To be certain, electoral competition and stringent campaign finance laws might both be the byproducts of a progressive political environment that places a premium on citizen engagement and participation. In this case, Daniel Elazar (1966) provides a useful classification of states by political subculture, and a modification of his classification scheme will be employed here. States will be denoted by the number 1 if they are marked by a progressive (moralist) politic culture and 0 otherwise. As Elazar's classification scheme is fairly dated, this study does not seek to hypothesize as to its effects. Rather, this control is employed merely to gauge the variable's usefulness in conceptualizing gubernatorial competitiveness.

Similar to research conducted by Gross and Goidel (2001) and Eom and Gross (2006, 2007), this study features dummy variables to control for each of the election cycles considered in this paper, with the 1984-1987 cycle – a period preceding major reform – set as a baseline (Gais and Malbin 1997). [15] Indeed, the possibility exists that enhanced electoral competitiveness might be the product of a given election cycle, as opposed to campaign finance regulations. For instance, it has been argued that the Democrats' astounding gains in the 2006 gubernatorial elections can be attributed to anti-Republican sentiment felt throughout the country, as opposed to state level dynamics like campaign finance laws (Cook 2006). Again, this variable is simply controlled for; this study does not postulate as to its effects.

Ultimately, the ability to disprove the above null hypotheses will add additional credence to the theory put forth in this paper. It is of additional note that the above variables will be tested via an ordinary least-squares regression. Such an analysis will ultimately prove determinative as to whether or not a relationship exists between the independent and dependent variables.

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[14] Until very recently, Republican candidates have been far more adept at raising funds than their Democratic counterparts (Gross and Goidel 2003).

[15] As the states do not uniformly conduct their gubernatorial contests in identical years, four-year cycles encompassing all fifty contests are considered.

Data Analysis

Bivariate Correlation

In order to determine whether or not a so-called "coattail" effect exists between gubernatorial elections that coincide with presidential elections and the presidential elections themselves, I employed a bivariate correlation to test for collinearity. The correlation featured the dummy variable measurement for the competitiveness of gubernatorial races occurring during presidential election years and the difference in the two-party vote for president. I ultimately discerned that no significant collinearity existed between presidential elections and the gubernatorial contests that coincided with them (Pearson correlation value of .093). This is a significant finding, as it permits this study to undertake a full consideration of gubernatorial contests.

Ordinary Least-Squares Regression

With an N of 272 cases, my ordinary least-squares regression model produced an Adjusted R Square of .167, indicating that the model employed here accounts for 16.7 percent of the variance in the dependent variable. In spite of this low figure, the overall model was nonetheless highly significant at the .001-level. See Table 3. This suggests that a significant determinant of gubernatorial competitiveness is not accounted for here.

Table 3: Gubernatorial Competitiveness, 1984-2007	
Independent Variables	B Values
Difference in the Two-Party Vote for President	-.006 (.079)
Open Seat	-9.303 (1.470) ****
Contribution Limits	-.067 (.818)
Public Funds	-5.749 (2.006) ***
Median Household Income	.000 (.000)
Population	.000 (.000)
Governor's Institutional Power	-.086 (.431)
Victorious Political Party	-.455 (1.460)
Politically Progressive State	.397 (1.454)
Dummy 1988-1991	1.277 (2.579)
Dummy 1992-1995	1.263 (2.744)
Dummy 1996-1999	4.240 (2.736)
Dummy 2000-2003	-3.331 (2.669)
Dummy 2004-2007	1.714 (2.657)
N = 272	
Adjusted R^2 = .167	
**** = p<.001	
*** = p<.01	
** = p<.05	
* = p<.1	

The coefficients above suggest that the presence of an open seat has the strongest relationship with gubernatorial competition. Indeed, the variable is statistically significant at the .001-level. Specifically, the existence of an open seat will reduce the difference in the two-party vote for governor by approximately 9.3 percent. This finding ultimately confirms the null hypothesis that *open seat gubernatorial races are more likely to witness narrower gaps in two-party vote percentages than races featuring an incumbent seeking reelection, regardless of the stringency*

of campaign finance laws. However, the existence of a public funding regime for gubernatorial campaigns also affects competition in governors' races and is statistically significant at the .01-level. To be certain, the existence of a public financing option reduces the two-party vote by approximately 5.7 percent and confirms the hypothesis that *states that provide funds for their gubernatorial candidates will experience a diminishment in the gap that separates the two-party vote percentages*.

Perhaps most surprising is the lack of a statistically significant relationship between the stringency of campaign contribution laws and competitiveness in gubernatorial elections. Indeed, this finding ultimately fails to confirm the theory proffered in this paper. As is also evidenced by Table 3, all other variables failed to be of statistical significance, thereby allowing for the rejection of their attendant null hypotheses.

It is of note that the relatively limited explanatory value – as well as the mostly insignificant statistical relationships – in the table above cannot be attributed to multicollinearity. [16] Nevertheless, the existent literature raises the possibility of an interaction effect (Gross and Goidel 2003). Specifically, the existence, or lack thereof, of an open seat might constitute an interaction between campaign contribution limits and gubernatorial competition. I first considered only those cases in which an incumbent governor was seeking reelection.

With an N of 151 cases, my ordinary least-squares regression model produced an Adjusted R Square of .056, meaning that the model accounts for a paltry 5.6 percent of the variance in the dependent variable. Moreover, the model itself was only significant at the .1-level, which is to suggest that the inclusion of more cases would likely produce a model of significant explanatory value. See Table 4.

Table 4: Gubernatorial Competitiveness, 1984-2007 (Incumbent Seeking Reelection)

Independent Variables	B Values
Difference in the Two-Party Vote for President	-.075 (.131)
Contribution Limits	-1.304 (1.325)
Public Funds	-7.831 (3.050) **
Median Household Income	.000 (.000)
Population	.000 (.000)
Governor's Institutional Power	-.356 (.665)
Victorious Political Party	.208 (2.306)
Politically Progressive State	1.389 (2.286)
Dummy 1988-1991	-1.565 (3.938)
Dummy 1992-1995	-.977 (4.484)
Dummy 1996-1999	2.603 (4.123)
Dummy 2000-2003	-8.249 (4.435)
Dummy 2004-2007	-2.399 (4.021)
N = 151	
Adjusted R^2 = .056	
**** = p<.001	
*** = p<.01	
** = p<.05	
* = p<.1	

[16] A bivariate correlation test revealed that none of the variables employed in this study had a Pearson correlation value of greater than .348.

As demonstrated in the table above, the existence of a public funding regime for gubernatorial campaigns that feature an incumbent seeking reelection affects competition, and is statistically significant at the .05-level. In fact, it can be expected to reduce the difference in the two-party vote for governor by approximately 7.8 percent. This compliments the previous finding as to the efficacy of public funds and thereby confirms the hypothesis regarding public funding's negative correlation with the difference between the two-party vote for governor. Again, there is no relationship between the stringency of campaign contribution laws and competitiveness in gubernatorial elections that feature incumbents seeking reelection. Moreover, all other variables failed to be of statistical significance, meaning we cannot reject their attendant null hypotheses. An interaction effect, however, cannot entirely be rejected until open seat races are similarly examined.

With an N of 121 cases, my ordinary least-squares regression model rendered an Adjusted R Square of .003, signifying that .3 percent of the variance in the dependent variable can be explained by the model employed here. Furthermore, the model itself is not statistically significant (F Test significant at only .487). See Table 5.

Table 5: Gubernatorial Competitiveness, 1984-2007 (Open Seat)

Independent Variables	B Values
Difference in the Two-Party Vote for President	.087 (.089)
Contribution Limits	.479 (.909)
Public Funds	-3.106 (2.464)
Median Household Income	-.00005305 (.000)
Population	-.00005569 (.000)
Governor's Institutional Power	.105 (.524)
Victorious Political Party	-.219 (1.693)
Politically Progressive State	-.486 (1.709)
Dummy 1988-1991	4.879 (3.183)
Dummy 1992-1995	4.626 (3.030)
Dummy 1996-1999	5.348 (3.484)
Dummy 2000-2003	2.013 (3.079)
Dummy 2004-2007	8.323 (3.255)
N = 121	
Adjusted R^2 = .003	
**** = p<.001	
*** = p<.01	
** = p<.05	
* = p<.1	

Ultimately, the models presented above are not indicative of an interaction between the existence of an open seat and the effects of campaign contribution limits on gubernatorial competiveness. Thus, the theory that campaign contribution limits have varying effects on open seat races and races that feature an incumbent seeking reelection is disproved (Gross and Goidel 2003). Nonetheless, the models suggest that such a relationship exists with respect to public funding of gubernatorial campaigns and electoral competitiveness. Such findings raise the possibility that states with public funding options mask the effects of standard campaign contribution limits on gubernatorial competitiveness in the remainder of the states.

Considering a New Control Variable and Removing Highly Insignificant Variables

Cognizant of the fact that both the presence of highly insignificant variables and the public funds dummy variable might be masking the effects of campaign contribution limits on

gubernatorial competitiveness, these variables were methodically removed from the model. [17] With an N of 217, my new ordinary least-squares regression model yielded an Adjusted R Square of .165, indicating that just 16.5 percent of the variance in the dependent variable is accounted for in this model. Nonetheless, the model itself was statistically significant at the .001-level. See Table 6.

Table 6: Gubernatorial Competitiveness, 1984-2007 (No Publicly Funded Races)	
Independent Variables	B Values
Open Seat	-10.583 (1.634) ****
Contribution Limits	-.320 (.839)
Median Household Income	.000 (.000)
Population	.000 (.000)
N = 217	
Adjusted R^2 = .165	
**** = p<.001	
*** = p<.01	
** = p<.05	
* = p<.1	

Ultimately, the above model only serves to strengthen the significant correlation between the existence of an open seat and gubernatorial competitiveness, confirming the hypothesis regarding the effects of open seat contests. The existence of an open seat reduced the two-party vote for governor by approximately 10.6 percent. This relationship was further statistically significant at the .001-level. Contrary to theory, the stringency of contribution limits had no statistically significant effect on gubernatorial competition, directly contradicting the hypothesis put forth in this study.

Combining Variables

It is possible that the campaign finance variable crafted in this study does not adequately measure the stringency of laws governing campaign contributions, thus offering an explanation as to why the variable demonstrates no statistically significant correlation with the dependent variable. Thus, I created a new variable to counteract this potentiality. Specifically, the existent literature clearly delineates the extent to which the most recent wave of campaign finance reform came during the decade of the 1990s (Gais and Malbin 1997). Consequently, I crafted a new variable that encompassed the gubernatorial elections – and their attendant campaign finance restrictions – occurring during the 1990s and another such variable for those occurring during the 2000s. It is expected that those races occurring during the post-reform years (2000s) should be more competitive than during the era of reform, when laws were still in the process of enactment (1990s). The results are featured in Table 7.

[17] Variables such as Difference in the Two-Party Vote for President (F Test at .939), Governor's Institutional Power (F Test at .843), Victorious Party (F Test .755), Politically Progressive State (F Test at .621), Dummy 1988-1991 (F Test at .621), Dummy 1992-1995 (F Test at .646), Dummy 1996-1999 (F Test at .122), Dummy 2000-2003 (F Test at .213), and Dummy 2004-2007 (F Test at .519) were expunged. While Dummy 1996-1999 and Dummy 2000-2003 are certainly not as weak as the other variables included in the removal category, it is nonetheless clear that results do not co-vary on an election cycle-by-cycle basis.

Table 7: Gubernatorial Competitiveness, 1984-2007	
Independent Variables	B Values
Open Seat	-9.777 (1.425) ****
1990s Contests	2.136 (2.047)
2000s Contests	-.953 (2.204)
Public Funds	-5.771 (1.870) ***
Median Household Income	.000 (.000)
Population	.000 (.000)
N = 272	
Adjusted R^2 = .173	
**** = p<.001	
*** = p<.01	
** = p<.05	
* = p<.1	

With an N of 272 cases, my ordinary least-squares regression model produced an Adjusted R Square of .173, indicating that the model employed here accounts for 17.3 percent of the variance in the dependent variable. In spite of this particularly low figure, the model itself was highly significant at the .001-level. Ultimately, neither of my newly formed measures of campaign contribution laws displayed a statistically significant correlation with gubernatorial competitiveness. (The variable representing 2000 contests was in the expected direction.) It is consequently unlikely that my initial variables representing campaign contribution stringency were somehow unrepresentative of their effects on competition in gubernatorial contests. Thus, the findings again fail to conform to the hypothesis postulated in this paper. As before, the presence of an open seat exerts the strongest effect on gubernatorial competitiveness, with the existence of an open seat reducing the gap in the two-party vote by approximately 9.8 percent. Interestingly, public funds again demonstrate a powerful effect on gubernatorial competitiveness. Indeed, the presence of a public funding scheme in gubernatorial races reduces the difference in the two-party vote by approximately 5.7 percent.

Conclusion

Based on my findings, it seems clear that, absent the availability of a public financing regime covering gubernatorial campaigns, the stringency of campaign contribution laws does not affect electoral competitiveness in gubernatorial contests. Indeed, the correlation between campaign contribution limits and competition never enjoyed statistical significance. Of my independent variables, the existence of an open seat race produced the highest initial correlation coefficient at -9.3, followed by public funding at -5.7. Both results are in accordance with theory.

My ordinary least-squares regression models all produced particularly weak Adjusted R Square values. This indicates that other factors not considered in this study have great potential in terms of better understanding competitiveness in governors' races. For instance, as the primary way to engender competition seems to be to create an open seat, the existence of term limits might yield enhanced electoral competition. This is certainly an avenue for future research.

While this study effectively discounts the theory that stringent campaign contribution laws engender greater electoral competition (Eom and Gross 2006; Eom and Gross 2007), this research should not entirely discourage proponents of campaign finance reform. To be certain, it is crucial to note that the results of this study in no way buttress the postulation that strict campaign contribution laws actually hinder challengers and/or out-party candidates in their quest to win the

governor's mansion (Partin 2002). Nor does it support the postulation that limits aid one particular political party over another (Gross and Goidel 2001; Gross and Goidel 2003). Equally important, however, is the relationship demonstrated between public financing of gubernatorial elections and competition.

It is interesting to note that while states with no campaign contribution limits appear to engender the same amount of electoral competition as states with more stringent contribution limits, public financing nevertheless proved efficacious. Indeed, the variable was consistently statistically significant at the .05-level or greater, save in open seat contests. [18] Thus public financing of campaigns demonstrates great potential in counteracting the power of incumbency demonstrated in this research. This is perhaps attributable to the fact that public funds contain spending limit provisions, whereby candidates who accept funding must adhere to a set expenditure limit for the course of the campaign (Gais and Malbin 1997). This raises the potentiality that spending limits – as opposed to contribution limits – yield more competitive gubernatorial elections. To be certain, this theory is empirically demonstrated by Bath and Miller (2006) with respect to state legislative contests. Moreover, both Bardwell (2002, 2003, 2005) and Eom and Gross (2006) acknowledge public financing's potential of fostering electoral competition in their respective studies of campaign contribution limits in gubernatorial elections. Accordingly, this too is an appropriate avenue for further research.

[18] This interactive effect is entirely expected considering the fact that the presence of an open seat proved to be the variable most strongly correlated with our measure of electoral competition.

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