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Insider Forum

Party Strategists Discuss Campaign Fundraising

Republican and Democratic presidential hopefuls have recently released fund-raising numbers and the data has held some surprises. With the race on for campaign cash, the intricacies of fund raising and how candidates seek out backers remain hot topics. Our guests answered your questions.



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JUDY WOODRUFF: Hello, and welcome to this week's Insider Forum, produced by the Online NewsHour. I'm Judy Woodruff.

Recently, Republican and Democratic presidential candidates released their fundraising numbers for the third quarter of 2007. These new numbers, which had Senator Hillary Clinton as the top fundraiser on the Democratic side, with \$27 million, and Mayor Rudy Giuliani, for the Republicans, raising \$11 million, give us a really vital look at the health of the campaign.

We're here today to talk about those numbers, and, to help us understand what all the Republican and the Democratic campaigns are going to be doing in the run-up to the 2008 primaries, are two political strategists.

Cheri Jacobus is a Republican strategist. She is the founder of Capitol Strategies, based in Washington, D.C. She's a former spokeswoman for the Republican National Committee, and she's worked with many congressional leaders. She's a regular contributor to CNN, FOX, MSNBC, and other news programs.

Also joining us is Laura Schwartz, a Democratic strategist and founder of White House Strategies, based in Chicago. She was White House director of events under President Bill Clinton, and she's currently a political analyst for FOX News.

Welcome to you both.

CHERI JACOBUS: Thank you, good to be here.

LAURA SCHWARTZ: Thank you.

JUDY WOODRUFF: Let me start with you, Laura ... we have seen record amounts of fundraising in this election. What do these dollar amounts really tell us? Do they tell us the candidate is more popular, or do they tell us that they simply have a better fundraising operation?

Laura?

LAURA SCHWARTZ: It's a little bit of both, Judy, because the better fundraising operation you have, the more dollars you'll raise, but the better campaign overall, the more donors you're going to include and momentum you're going to build.

The bottom line is that money is the necessary evil in campaigns. The presidential campaign is going to see over a billion dollars put into it this season. It's going to be really quite phenomenal.

And when it comes down to it, Hillary Clinton, Barack Obama, and John Edwards all currently have outraised the Republicans. And there's many different dynamics involved for why that may be, this

cycle; but, really, money is the undercurrent that can create the way to bring a candidate to the presidency. It takes money to build a staff. It takes money to organize. It takes money to create those campaign commercials, and money to get them on the TV. Unfortunately, money is that necessary evil.

JUDY WOODRUFF: Well, I -- and I want to get to the -- to the question about Democrats versus Republicans in just a minute, but, first of all, Cheri, what do -- what do -- what do you think these numbers tell us? I mean, is it -- is it that the candidates are doing such a great job, themselves? Or is it -- does it say more about who they've hired to do their fundraising?

CHERI JACOBUS: Well, it certainly helps to hire a good fundraiser. I think, in the terms -- in terms of the -- the Clinton fundraising machine is pretty well established, and Bill Clinton is obviously the best fundraising tool that Senator Hillary Clinton has. But I do think it's different for the various candidates. And the dynamic on the Republican side is very, very different than the dynamic on the Democratic side right now. I think it's clear that Hillary Clinton is the clear frontrunner, and, you know, some people would say that she, in fact, has a lock on the nomination, even though, you know, you still want a good, vigorous contest.

On the Republican side, nobody has a clear lock. We have Fred Thompson, who just got into the race and made a -- his -- this -- his fundraising reports show that he -- he did a credible job. He came in with, I think, \$9.3 million, which is pretty good. It definitely puts him in a position where he should be considered, you know, a top-tier candidate, in the top three. Romney obviously has a great deal of money, a good bit that he had to dig into his own pockets for. And Rudy Giuliani is still hanging steady with the \$11 million that he raised. But it really comes down to cash on hand, and they all are -- have, you know, varying levels of cash on hand.

But, again, the dynamic's so different on the Republican side, because there's a real contest there. But we don't have -- I mean, we have the White House, but we don't have a sitting Vice President who's running for President, who would come in as the obvious frontrunner or favorite. So, there's a real contest on the Republican side. And I think the fundraising -- the fundraising numbers reflect that.

Size of contribution

JUDY WOODRUFF: Laura, what is your sense -- you brought this up a minute ago, that the Democrats are more successful this year; they've raised considerably more than the Republicans have, overall. That hasn't been the way it's been, traditionally, in modern politics. The Republicans have been more successful. Why is it different?

LAURA SCHWARTZ: Well, I think there's a trend of Republicans right now, it -- that the money, that they're having difficulty raising. And Cheri raises a good point, Fred Thompson just got into the race. There's a lot of folks out there on the fence on the Republican side. A lot of the Bush Pioneers and Rangers, his top fundraisers in his two presidential campaigns, haven't committed money yet. I think you're going to see a great gain on the Republican side from money, comparatively, in their upcoming fourth quarter, than they have the rest of the year.

But, as for those, overall, over at the Democratic side, there's great momentum. People were enthusiastic among the Democratic Party and Independents after the big win in the 2006 midterm elections.

And when you look at the recent history, like you mentioned, Judy, John Kerry, in 2003, his first three first three quarters, combined, was \$17 million. In this one quarter, Hillary Clinton raised \$27 million. So, it shows, I believe, a greater momentum, an enthusiasm, a real need for change that a lot of the Democrats are roused about, and they're getting other people to come onboard and give money, that have never given before. But that history also lends John Edwards and Bill Richardson and Chris Dodd and Joe Biden, other Democrats in the field, to say, "Hey, let's look at recent history." In 2003 at this time, John Kerry was behind Howard Dean, and he got the nomination in Iowa; Howard Dean fizzled out. So, I think those second-tier candidates on the Democratic side are looking to history and saying, "Hey, this could reverse itself again. We still have a chance." And the



Laura Schwartz
White House
Strategies

“ It shows that somebody like Barack Obama is getting more people involved that haven't been before and they're willing to do that with just a small donation to start out with. The big hurdle will be whether or not that small donation generates a vote. ”

frontrunners on the Democratic side are saying, "This shows my momentum, that I'm outraising the Democrats from 2003."

JUDY WOODRUFF: Well, let me -- let me come back to Cheri on this question, because I was looking at these numbers. Hillary Clinton has raised, overall, \$80 million, almost; Obama, almost \$80 million; and Rudy Giuliani, who, you know, may be considered the frontrunner -- you know, Mitt Romney is certainly doing well in the early primary states -- they've each raised only about half of what -- \$45 -- I guess \$44 or \$45 million -- of what Clinton and Obama [have] ... are Republicans worried about this? [W]hat does that say about this election and this electorate, if anything?

CHERI JACOBUS: I think that, again, it shows that Republicans are just having a different dynamic in a different place right now in our primary. Whoever comes out of this with the nomination -- and there's -- I think they'd be able to match the Democrat, dollar for dollar.

But, I think, on the Democratic side, Hillary Clinton has been, kind of, running for a long time, and people have known that, so her fundraising operation has been solid, almost as if she were an incumbent, because of that Clinton name. Obama bursts on the scene, and he is exciting and different, and has been able to draw in a lot of new people, much in the same way, I think, that Howard Dean did when he ran for President. I don't really think that a whole lot of folks consider Edwards -- he might be top three, but I think people consider him pretty far behind these other two. And now that people are talking about the Hillary Clinton nomination as inevitable, these others are merely running for Vice President. I mean, to be honest, I think that's what most people consider it -- this to be.

Republican side, we're still -- the race is still shaping up. Again, we mentioned, Thompson just got in the race. Ron Paul has had an absolutely surprising showing, which adds a new dynamic. There is a lot of buzz about Huckabee, because of his strong performances in the debate. So, it's still very much in play in the -- on the Republican side, no clear -- we have a frontrunner, but no one clearly has the nomination yet. So, the reason these fundraising numbers are a little bit more spread out is because people are still undecided. We still have a vigorous debate going on within the Republican Party. In some ways, it's just beginning. And I think you'll see these numbers change quite drastically as we get closer to choosing our nominee.

JUDY WOODRUFF: All right. I want to run through some of these wonderful questions we've been getting from our visitors to the Web site. And this question -- and just bore in a little bit more on these numbers -- this question comes from Jim S., in Santa Clara, Calif. He says, "What are your thoughts on the differences between those candidates who get small donations from a wide audience of donors -- for example, \$100 from, you know, a million donors -- versus -- or many thousands -- versus the candidate who gets fewer donations, but larger amounts?" What does -- what does that say to you, if anything?

Laura?

LAURA SCHWARTZ: Well, Jim raises a really good point. You look at a candidate like Barack Obama -- Barack Obama has amassed about 350,000 donors. That's a lot of new donors to the campaign; 93,000 were new this third quarter. And these are folks that, perhaps, haven't been involved in the process before. These are lower-dollar donors, so that means these are folks that are giving \$5, \$10, \$15, \$20, \$200 at a time. They're not maxing out with the \$2300 contribute -- contribution, which is the maximum to an individual candidate that a donor can give. So, it shows that somebody like Barack Obama is getting more people involved that haven't been before, and they're willing to do that with just a small donation, to start out with. The big hurdle will be whether or not that small donation generates a vote, five votes, or ten votes; whereas, somebody that does give \$2300 to a campaign, that can buy a lot more literature and a lot more advertising.

CHERI JACOBUS: For a good fundraiser to really make their mark it is what they do early on and then what the communications director can do with that information.

Using campaign funds wisely

JUDY WOODRUFF: All right. Laura, I've got a question -- I have a question from Randy, in Ann Arbor, Mich. "Does the fact that Hillary" -- and using her first name -- "and Obama raised so much money mean that one of these two will inevitably become the Democratic nominee?" And then he

goes on to say, "What happens to all those millions and millions of dollars that supporters fork over, when their candidates don't win?" And he says, "Do we give it to the children to help pay for health insurance?"

[Laughter.]

JUDY WOODRUFF: But I think -- I think we know that doesn't happen. But help us understand those two things.

LAURA SCHWARTZ: No. And yet, still a good idea, Randy, when you look at all this money out there, thinking, "What if we put this to actual policy?" But it does go to policy. This really is an investment in our future, when you invest in a candidate that you believe promotes your issues, issues that they have a direction on that you feel is going to improve your everyday life. Money really is making it -- the campaign inevitable for either Hillary Clinton or Barack Obama on the Democratic side. I don't think it's a done deal yet, although there's a lot of speculation that Hillary has it sown up. When you look at the state-by-state polls, it's much more closer than it is nationally. But when you've got that much money, it means you can travel to go see people face to face. It means that you can micro-target, so you send literature out to every population of your demographic in your Democratic Party, and you know what their trigger point is, so that you can -- you can really put that information to them and tell them why you're the best candidate. You're able to have the staff to make the policy. You're able to have the staff to get that policy out over the airwaves. So, money really does drive it. That's why Hillary Clinton and Barack Obama are in such standings, not just in the dollar amounts, but in the polling situations in the States, and nationally.



Cheri Jacobus
Capitol Strategies

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CHERI JACOBUS: Well, I would just have to add to that, though, if you are running for President, and you do not get the nomination, and you've got millions left over at the end of the process, you've really done something wrong. And the people that have written you checks are probably going to be a little bit angry and perturbed with you that you haven't spent the money trying to win the nomination. So, the -- really, the goal is -- when you're running for any office -- is to spend that money so that you can win.

We're in a 50-50 nation now, so I don't expect that any presidential -- any nominee is going to have a whole lot of money left over, because, in the end game, the money that you spend, the big dollars that you spend, is to turn out and garner, really, a small sliver of the vote --

JUDY WOODRUFF: All right. I've got --

CHERI JACOBUS: -- those people that make their decisions in the last -- in the final days of a campaign.

JUDY WOODRUFF: We have several more really terrific questions. I want to get to -- get to a couple of those.

This one -- I'm going to come back to you, Cheri, for this one -- this is Nate Lambert, from Tallahassee, Fla. He says, "How is it that his -- that a candidate who is consistently ahead in at least three of the first five States to vote, and has raised more funds than any other Republican candidate, is not getting more national press coverage?" He says, "Mitt Romney. How is it that Rudy Giuliani is constantly being propped up as the frontrunner on the Republican side, when he only occasionally is polled as leading in these important first states?" How would you answer Nate Lambert?

CHERI JACOBUS: First of all, I don't think that Rudy Giuliani is being propped up. The numbers are real, the polling is real. You know, his strategy is different than Mitt Romney's. At this stage, remember, we are in a primary situation, we're not in a general election. The strategy of these two candidates, of their campaigns, are very, very different. It was the strategy for Mitt Romney to go in and spend a lot of time and a lot of money in Iowa, for example, and to work the press there. It is the strategy of Rudy Giuliani to go with his strengths, and that is to get on the national stage and work that angle of things.

So, I think the -- what we're seeing is really a reflection of the strategy of the two different candidates. If Rudy Giuliani -- if his -- Rudy Giuliani's strategists understand that he does better with a broad-brush nationally now that then eventually will help him in the primaries, then that's the way they're going to go. Mitt Romney obviously believes that his strengths lie in being more on the ground in very key states, rather than worrying about the national numbers at this point.

Public financing



Laura Schwartz
White House
Strategies

“ It comes down to having enough money to get your message out there, and that's why you're seeing a frontloading of Hillary Clinton and Barack Obama, because they have the money, and they're out there. ”

JUDY WOODRUFF: Very good. All right. I'm going -- Laura, to you now. This is a question from Gene Brown, from Hillsborough, Ore. He says, "One of the things I am appalled by is the seemingly unbridled need for fundraising in this campaign, particularly. Is there a way to get back to the concept of the 'best and the brightest' within our political parties?" He says, "By frontloading our primaries, we force the candidates to still more sound bites, and," he says, "a general lack of program." So, he's really raising several points here, but he says, "How can we stop this?"

LAURA SCHWARTZ: Well, he raises a very good point. It's almost like we're in attention deficit disorder among the primary candidates, at times, in an age of a 24-7 news cycle, with all the different messages. But, really, it comes down to having enough money to get your message out there, and that's why you're seeing a frontloading of Hillary Clinton and Barack Obama, because they have the money, and they're out there. Public financing may solve part of that, but, once you introduce public financing, now you're using taxpayer dollars for an entire system.

So, how do you mandate that, "Okay, that person's worthy enough to get these matching funds, or get these -- you know, get funds, to begin with"? Right now, they're only eligible for that, partway into the process, like, you know, a few folks are going to take advantage of this quarter -- or this primary season. But it's really interesting to say, "If we have public financing, then are we going to say how many staff can travel with the candidates as they go around the country? You know, is there a limit to how much food they can eat behind the scenes? We don't want taxpayers funding all of that." So, how do we find a better system? Honestly, I think that's years away. I don't see it as achievable in this day and age, especially when you look at this primary calendar; whereby, February 5th, at least 22 states, some among the most expensive media markets in the country, are going to have their primary elections, and it takes a lot of money to get on those airwaves. Unfortunately, again, it comes down to the money to run a campaign.

Running from behind

JUDY WOODRUFF: All right. We've got only a few minutes left, and so, I've got a question that I think is a -- is a really terrific way to end this, and that is, 'If you were running those -- the campaigns of those candidates who are behind, what would you be saying, what would you be doing, to convince people to give you money? What do you say at this point?'

Cheri?

CHERI JACOBUS: Wow, that's a tough question, because I'm not working for any of the second-tier candidates.

[Laughter.]

CHERI JACOBUS: But, you know, I think, again, different for different candidates, but let's, again, take a page out of the playbook of, say, Mike Huckabee, a guy who's not raising any money. He's not a name that anybody knew prior to this process, you know, outside of his own home State. But his performance in these debates has been outstanding enough, where he's now getting a lot of national exposure. So, if you could take what Mike Huckabee has and then combined with this grassroots Internet thing that Ron Paul has going on -- I think, mostly because of his message of fiscal conservatism -- if you can combine those two aspects, then I think you've got a good starting formula for a second- or third-tier candidate.

JUDY WOODRUFF: Maybe --

CHERI JACOBUS: And they -- and that can make them competitive, and it -- even if they're not the nominee, they can have a darn strong impact on the overall debate.

JUDY WOODRUFF: Maybe those candidates just heard a new strategy, right here.

And, Laura, what's your advice? I mean, if you're -- if you're running at the back of the pack, obviously it's discouraging, but you can't give up. What do you say to people that -- to encourage



Cheri Jacobus
Capitol Strategies

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them to give you money, when you're so far back?

LAURA SCHWARTZ: That you can impact the campaigns of those other first-tier candidates, that what you say can have credence and credibility in the debates, and it can shape the debate of our issues of modern time. You say that, "You can separate the political rhetoric from everyday reality, and you can infuse the reality onto the campaign trail." And that, alone, is worth an investment, because to bring up real issues, and to bring up the voices from the living rooms -- not just the massive auditoriums that the frontrunners can fill with 20,000 people at a time, but the living rooms of the 20 and the 30 folks sitting down for coffee together -- you'll bring those issues, and make the others respond with policy, and have an impact. Sometimes you invest in the impact more than the win.

CHERI JACOBUS: Of course, it doesn't hurt if he can get Oprah can to endorse you, as well.

[Laughter.]

LAURA SCHWARTZ: Especially with that all-important woman vote that -- on the Democratic side, it looks like over 60 percent of those turning out for the caucuses and the primaries are going to be women.

JUDY WOODRUFF: Oh.

LAURA SCHWARTZ: And that's what makes that vote so important. It's a core that Hillary Clinton, right now, leads with. But, I tell you, if there's any secret weapon out there bigger than Bill Clinton among women, it could be Oprah Winfrey.

[Laughter.]

JUDY WOODRUFF: Well, that's ... certainly a topic for another discussion in one of our Insider Forums.

I want to thank both of you, Cheri Jacobus and Laura Schwartz; you've both been terrific. We appreciate your being with us. There -- this subject of record breaking fundraising this year is a ... really important element of this campaign, and you've -- you've helped us understand what's going on, so much. So, thank you very much. We appreciate it.

And, on behalf of all of our visitors to our site, we thank you for the Online NewsHour.

CHERI JACOBUS: Thank you.

LAURA SCHWARTZ: Thank you.

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