


[Home](#) > [Political Behavior](#) > Article

# War Chests as Precautionary Savings

| Published: December 2004

| Volume 26, pages 289–315, (2004) [Cite this article](#)

## [Political Behavior](#)

[Aims and scope](#) →[Submit manuscript](#) →[Jay Goodliffe](#) <sup>1</sup> 86 Accesses  11 Citations [Explore all metrics](#) →

## Abstract

I present a model of campaign spending and saving in repeated elections which yields empirical implications on the creation of war chests. As previous studies disagree whether war chests deter potential challengers from running against incumbents, I present an alternative model that intentionally excludes deterrence as a motivation and formalizes under what circumstances (if any) a war chest would be created for savings. The model predicts that an incumbent creates a war chest when she faces a weaker challenger, i.e. as precautionary savings for future elections. The model yields several other predictions of incumbent fund-raising, spending, and saving behavior. Using incumbents from 1982–1998 U.S. House elections, I find strong empirical support for the predictions of the model.



This is a preview of subscription content, [log in via an institution](#)  to check access.

## Access this article

Log in via an institution →

Buy article PDF 39,95 €

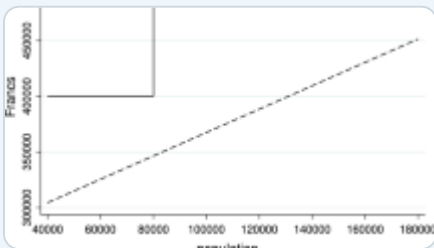
Price includes VAT (Poland)

Instant access to the full article PDF.

Rent this article via [DeepDyve](#) ↗

[Institutional subscriptions](#) →

### Similar content being viewed by others



**The petit effect of campaign spending on votes: using political financing reforms to measure spending impacts i...**

Article | 23 April 2022



**Honesty is the Best Policy? The Short- and Long-Term Electoral Costs of (Welfare) Pledge Breaking and Their...**

Chapter | © 2022



**New Perspectives on Partisanship, Electoral Competition, and Campaign Finance Behavior in...**

Chapter | © 2023

## References

Alan I. Abramowitz (1991) Incumbency, campaign spending, and the decline of competition in U.S House elections *Journal of Politics*, **53** 34–56

[Google Scholar](#)

Stephen Ansolabehere James M. Snyder Jr. (2000) Campaign war chests in Congressional elections *Business and Politics* **2** 9–33

[Google Scholar](#)

Nathaniel Beck (1996) Reporting Heteroskedasticity consistent standard errors.  
*The Political Methodologist* **7** 4–6

[Google Scholar](#)

Bond, Jon R., and Fleisher, Richard (1991). Explaining candidate quality in open seat house races, 1976–1988. Presented at the annual meeting of the Southern Political Science Association, Tampa, Florida.

Janet M. Box-Steffensmeier (1996) A dynamic analysis of the role of war chests in campaign strategy *American Journal of Political Science* **40** 352–371

[Google Scholar](#)

Janet M. Box-Steffensmeier Charles H. Franklin (1995) The long campaign: Senate Elections in 1992 Herbert F. Weisberg (Eds) *Democracy's Feast: Elections in America* Chatham House Chatham, NJ 292–318

[Google Scholar](#)

David T. Canon (1990) *Actors, Athletes, and Astronauts: Political Amateurs in United States Elections* University of Chicago Press Chicago

[Google Scholar](#)

Anthony Corrado Thomas E. Mann Daniel R. Ortiz Trevor Potter Frank J. Sorauf (Eds) (1997) *Campaign Finance Reform: A Sourcebook*. Brookings Institution Press Washington

[Google Scholar](#)

Dhammika Dharmapala (2002) Campaign war chests, entry deterrence, and voter rationality. *Economics & Politics* **14** 325–350

Beth Donovan (1993) Campaign finance provisions *Congressional Quarterly Weekly Report* **14 August** 2239-2242

[Google Scholar](#)

David Epstein Peter Zemsky (1995) Money talks: deterring quality challengers in congressional elections. *American Political Science Review* **89** 295-308

[Google Scholar](#)

Robert K. Goidel Donald A. Gross (1994) A systems approach to campaign finance in U.S *House Elections*. *American Politics Quarterly* **22** 125-153

[Google Scholar](#)

Edie N. Goldenberg Michael W. Traugott Frank K. Baumgartner (1986) Preemptive and reactive spending in U.S House races *Political Behavior* **8** 3-20

[Google Scholar](#)

Jay Goodliffe (2001) The effect of war chests on challenger entry in U.S. House elections *American Journal of Political Science* **45** 830-844

[Google Scholar](#)

Goodliffe, Jay (2003). War chests and information. Presented at the annual meeting of the American Political Science Association, Philadelphia, Pennsylvania.

Goodliffe, Jay (2005). When do war chests deter? *Journal of Theoretical Politics* 17: forthcoming.

Donald Philip Green Jonathan S. Krasno (1988) Salvation for the spendthrift incumbent: reestimating the effects of campaign spending in House Elections *American Journal of Political Science* **32** 884–907

[Google Scholar](#)

Paul Gronke (2000) *The Electorate, the Campaign, and the Office: A Unified Approach to Senate and House Elections*. University of Michigan Press Ann Arbor, MI

[Google Scholar](#)

Timothy Groseclose Keith Krehbiel (1994) Golden parachutes, rubber checks, and strategic retirements from the 102d House. *American Journal of Political Science* **38** 75–99

[Google Scholar](#)

Richard L. Hall Robert P. Houweling Van (1995) Avarice and ambition in Congress: representatives' decision to run or retire from the U.S House *American Political Science Review* **89** 121–136

[Google Scholar](#)

Paul S. Herrnson (2000) *Congressional Elections: Campaigning at Home and in Washington*, 3rd ed CQ Press Washington

[Google Scholar](#)

Paul S. Herrnson (2004) *Congressional Elections: Campaigning at Home and in Washington*, 4th ed CQ Press Washington

[Google Scholar](#)

Philip L. Hersch Gerald S. McDougall (1994) Campaign war chests as a barrier to

entry in congressional races *Economic Inquiry* **32** 630–641

[Google Scholar](#)

Robert E. Hogan (2001) Campaign war chests and challenger emergence in state legislative elections *Political Research Quarterly* **54** 815–830

[Google Scholar](#)

Gary C. Jacobson Samuel Kernell (1983) *Strategy and Choice in Congressional Elections*. Yale University Press New Haven, CT

[Google Scholar](#)

Gary C. Jacobson (1989) Strategic politicians and the dynamics of U.S House Elections, 1946–1986 *American Political Science Review* **83** 773–793

[Google Scholar](#)

Mark Kazarosian (1997) Precautionary savings—a panel study. *Review of Economics and Statistics* **79** 241–247

[Google Scholar](#)

D. Roderick Kiewiet Zeng Langche (1993) An analysis of Congressional career decisions, 1947–1986. *American Political Science Review* **87** 928–941

[Google Scholar](#)

Jonathan S. Krasno Green Donald Philip (1988) Preempting quality challengers in House Elections. *Journal of Politics* **50** 920–936

[Google Scholar](#)

Hayne E. Leland (1968) Saving and uncertainty: the precautionary demand for

saving *Quarterly Journal of Economics* **82** 465–473

[Google Scholar](#)

Dena Levy Peverill Squire (2000) Television markets and the competitiveness of U.S. House elections *Legislative Studies Quarterly* **25** 319–325

[Google Scholar](#)

Jeffrey Milyo (1997) The economics of political campaign finance: FECA and the puzzle of the not very greedy grandfathers. *Public Choice* **93** 245–270

[Google Scholar](#)

Jeffrey Milyo (1998) The Electoral Effects of Campaign Spending in House Elections Citizens' Research Foundation Los Angeles

[Google Scholar](#)

Jeffrey Milyo (2001) What do candidates maximize (and why should anyone care)? *Public Choice* **109** 119–139

[Google Scholar](#)

Jeffrey Milyo Timothy Groseclose (1999) The electoral effects of incumbent wealth. *Journal of Law and Economics* **42** 699–722

[Google Scholar](#)

Rebecca B. Morton (1999) *Methods and Models: A Guide to the Empirical Analysis of Formal Models in Political Science* Cambridge University Press New York

[Google Scholar](#)

Mycoff, Jason Daniel (2004). The effect of the competitive balance on Congressional incumbents' financial patterns. Presented at the annual meeting of the American Political Science Association, Chicago, Illinois.

John G. Peters Welch Susan (1980) The effects of charges of corruption on voting behavior in Congressional elections. *American Political Science Review* **74** 697-708

[Google Scholar](#)

David Rohde (1979) Risk-bearing and progressive ambition: the case of members of the United States House of Representatives. *American Journal of Political Science* **23** 1-26

[Google Scholar](#)

Jonathan D. Salant (1996) Freshman's war chest deters challengers *Congressional Quarterly Weekly Report* **24 August** 2363-2366

[Google Scholar](#)

Frank J. Sorauf (1988) Money in American Elections. Scott, Foresman Glenview, IL

[Google Scholar](#)

Peverill Squire (1989) Competition and uncontested seats in U.S. *House elections*. *Legislative Studies Quarterly* **14** 281-295

[Google Scholar](#)

Peverill Squire (1991) Preemptive fund-raising and challenger profile in Senate elections. *Journal of Politics* **53** 1150-1164

[Google Scholar](#)



Peverill Squire (1995) Candidates, money, and voters—assessing the state of Congressional elections research. *Political Research Quarterly* **48** 891–917

[Google Scholar](#)

Charles III Stewart Reynolds Mark (1990) Television markets and U.S. Senate elections *Legislative Studies Quarterly* **15** 495–523

[Google Scholar](#)

Walter J. Stone L. Sandy Maisel Cherie D. Maestas (2004) Quality counts: extending the strategic politician model of incumbent deterrence *American Journal of Political Science* **48** 479–495

[Google Scholar](#)

Halbert White (1980) A heteroscedasticity-consistent covariance matrix and a direct test for heteroscedasticity. *Econometrica* **48** 817–838

[Google Scholar](#)

Jeffrey M. Wooldridge (2002) *Econometric Analysis of Cross Section and Panel Data* MIT Press Cambridge

[Google Scholar](#)

Jeffrey M. Wooldridge (2003) *Introductory Econometrics: A Modern Approach*, 2nd ed. Thomson Learning Mason, OH

[Google Scholar](#)

J. Mark Wrighton Squire Peverill (1997) Uncontested seats and electoral competition for the U.S. House of Representatives over time *Journal of Politics* **59** 452–468

[Google Scholar](#)

# Author information

---

## Authors and Affiliations

**Department of Political Science, Brigham Young University, 752 SWKT,  
Provo, Utah, 84602-5545, USA**

Jay Goodliffe

## Corresponding author

Correspondence to [Jay Goodliffe](#).

## Rights and permissions

---

[Reprints and permissions](#)

## About this article

---

### Cite this article

Goodliffe, J. War Chests as Precautionary Savings. *Polit Behav* **26**, 289–315 (2004).

<https://doi.org/10.1007/s11109-004-0898-7>

Issue Date

December 2004

DOI

<https://doi.org/10.1007/s11109-004-0898-7>

## Keywords

[war chests](#)

[congressional elections](#)

[challenger entry](#)

[precautionary savings](#)

[campaign finance](#)

# Search

Search by keyword or author



## Navigation

Find a journal

Publish with us

Track your research