Can Special Interests Buy Congressional Votes? Evidence from Financial Services Legislation*

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Abstract

The challenge in the campaign contribution literature has been to overcome the simultaneous-equation bias that is inherent in the vote-contribution relationship. This paper proposes a new method to overcome this bias. It examines behavior at different points of time and relates it to contributions at different points of time. This method is applied to legislators' voting decisions on financial services regulation. Analyzing this type of legislation is of particular interest because it allows an analysis of the net influence of competing interest groups. Consistent with the proposed model's predictions, I find evidence that changes in contribution levels determine changes in roll call voting behavior, that contributions from competing groups are partially offsetting, and that junior legislators are more responsive to changes in contribution levels than are senior legislators.