MONEY AND MACHINE POLITICS
An Analysis of Corporate and Labor Contributions in Chicago City Council Elections

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Machine coalitions use their influence to reward supporters with public goods. In this article, the author examines the link between machine coalitions and corporate and labor contributions in Chicago city council elections. He argues that machine coalition members are at a strategic advantage relative to those outside of it, all things being equal. The results of Tobit regression models applied to both nonincumbent and incumbent candidates support the theory. In practice, what it means in Chicago is that Whites and Latinos are favored over Blacks in the increasingly important quest for campaign money.

Keywords: *machine politics; corporate and labor contributions; city council elections; strategic behavior; Chicago*

In machine cities, support for the machine coalition is a key determinant of who gets what from government. In other words, the successful coalition uses its power to reward its supporters. In this research, I shift the focus from the allocation of governmental benefits to the allocation of campaign contributions. Using data from recent Chicago aldermanic elections, I ask whether corporate and labor organizations contribute more to candidates considered to be part of the machine coalition. I focus on corporate and labor organizations for two reasons. First, the amount of money donated by these organizations underscores the need to study their political activity more closely. For

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example, in the council elections studied, corporate and labor organizations donated more than $4 million. Second, and more theoretically, given different policy priorities, especially on important issues such as privatization and living-wage ordinances, corporate and labor organizations may employ different strategies in allocating campaign resources (Rudolph 1999). At the same time, the need to maintain access to important officials and to build relationships with emerging ones creates powerful incentives for both interests to contribute to the same candidates.

The process of allocating public goods is conceptually different from the one associated with the allocation of campaign resources, however. In the first case, government officials use formal powers to channel resources in ways they prefer. In the second case, candidates and elected officials must persuade contributors to act; that is to say, they cannot legally compel donations. To account for this difference, I employ strategic-contributor theory, which suggests that donors, especially the kinds of organizational donors studied here, seek to maximize the return on their contribution and to avoid wasting money (Jacobson and Kernell 1983; Mutz 1995). Because members of the machine coalition are strategically more valuable to contributors, they are likely to be advantaged when it comes to raising money.

In the section that follows, I discuss the link between elected officials and supporters in machine cities. I also distinguish between political machines and machine politics. I then discuss strategic contributing. The thrust of my argument is that group contributors behave strategically with the goal of maintaining and/or building relationships with elected officials and that one's place in the machine coalition is an essential part of this calculation. In the third section, I examine the case of Chicago, which maintains a system of machine politics based on a coalition of White ethnic and Latino voters and elected officials. My research design and findings follow next. I show that Latino and White candidates are targeted more aggressively by corporate and labor organizations than are Black candidates, holding constant other factors. In the concluding section, I discuss the implications of my findings.

MACHINE POLITICS

A central question in the literature on urban political machines is who benefits from inclusion in the machine coalition. The so-called rainbow theory argues that machine leaders built and sustained multiethnic rainbow coalitions by developing strong political ties to supportive constituencies. Broadly representative slates of candidates and the equitable distribution of political spoils were key components of this strategy (Dahl 1961; Merton 1968). More

recent scholarship casts doubt on this view, however. Although machines may have had a multiethnic set of backers, the most valuable rewards (i.e., patronage jobs) went disproportionately to core supporters, leaving junior partners with little to show for their efforts (Erie 1988; Grimshaw 1992; Inglot and Pelissero 1993; Joyce 1997). Viewed over time, these perspectives are not necessarily contradictory; during periods of intense electoral competition, machine leaders spread resources broadly to attract support, and during periods of political hegemony they garnered resources to better manage their supply and the demand for them (Keiser 1993).

For a number of reasons, the urban political machines of old are no longer in place today.[1] Nevertheless, machine politics remains an important factor in the life of many older, unreformed places (Stone 1996, 450). In Chicago, for example, few would argue that today's version of the Democratic Party organization is the political force it was from 1955 to 1976, when mayor and party boss Richard J. Daley controlled the city with great power. At the same time, to say that machine politics no longer applies in Chicago would be a gross understatement. An important distinction is that between political machines as organizations and machine politics as practice (Wolfinger 1972). In the first case, a hierarchically organized party organization controls office and maintains power by granting favors in return for support, in other words, through the application of machine politics. In the second case, trading favors for political support is a key part of the system and exists in the absence of a centralized party organization. In both cases, political insiders are valued more than political outsiders. The distinguishing characteristic relates to stability of the coalition; political machines create more stability than a system of machine politics.

Despite the machine's weakened condition vis-à-vis previous decades, several studies of Chicago in the so-called "post-machine" era suggest that the machine politics model remains a theoretically appropriate way to think about the city and its political system. For example, Koehler and Wrightson (1987) found that park resources, both before and after Daley's death in 1976, were allocated, in part, to reward the machine constituency (but see Mladenka 1980). Miranda and Tunyavong (1994) found that the allocation of community development block grant and capital improvement funds was greater in wards whose alderman was important to the dominant regime, and to wards whose voters provided strong support for the incumbent mayor. In city council elections, Krebs (1998) found that endorsement from the Democratic ward organization is a significant determinant of candidates' vote share. He also found that a strong Democratic-ward organization serves as a barrier to entry in city council elections. More specifically, fewer candidates emerge in wards with a strong machine presence (Krebs 1999).

Applied to corporate and labor-campaign contributions, theories of machine politics suggest that candidates who are a part of the dominant machine coalition should be targeted more aggressively because of (a) their enhanced ability to produce policy gains for these groups and/or (b) their importance to overall regime maintenance. How contributors behave with respect to candidates outside or on the margins of the machine coalition is unclear. One theory indicates that they will be targeted more aggressively as they become more important to the machine coalition, whereas a second suggests that only the core components of the machine coalition benefit. This is especially likely when a minimal winning coalition has been established and opposition has been soundly defeated (Erie 1988).

STRATEGIC CONTRIBUTING

Strategic contributing theory suggests that donors behave with an eye toward maximizing the effect of their donation. According to the strategic model, two of the more important factors driving contributions are the ability to win an election and the ability to move or influence the political process. In machine cities, the strategic value of those in the machine coalition is greater than the strategic value of those outside it. Several other individual-level traits also should influence the strategic calculations of corporate and labor contributors. For example, recent studies of both the U.S. Congress and U.S. state legislatures show how incumbent attributes such as seniority, leadership roles, committee assignments, and electoral security affect Political Action Committee (PAC) contributions (Box-Steffensmeier and Dow 1992; Francia 2001; Grenzke 1989; Grier and Munger 1993; Rudolph 1999; Thompson and Cassie 1992; Thielemann and Dixon 1994). Among nonincumbents, weak challengers are ignored and politically experienced candidates for open seats are targeted (Gaddie 1995; Berkman and Eisenstein 1999, 492).

At the local level, there is very little information about how urban interests allocate campaign contributions. Fleischmann and Stein's (1998) work on contributions in St. Louis and Atlanta, however, indicates that business interests use contributions strategically to build and maintain access to important local officials, as evidenced by the targeting of incumbents and candidates for open seats. That candidates for the council presidency did not raise substantially more than others indicates that the power of these roles is less than what one might find at other levels, especially the states (Box-Steffensmeier and Dow 1992). And that they did not code for labor donations suggests that labor's financial involvement at the council level may be quite limited. In Krebs's (2001) study of fund-raising in Chicago and Los Angeles city

council elections, incumbency and, for nonincumbents, experience and endorsements, were significant predictors of total receipts.

Thus I expect that donors will give more to the strongest nonincumbents—those who will likely be in a position to produce policy gains in the future—and to powerful incumbents. Another factor that influences the strategic calculations of donors is one's party affiliation. For example, incumbent congressmen whose party enjoys majority status tend to raise more than incumbents whose party is in the minority. Expectations also play a role. When one party is expected to do better at the polls than the other party, campaign contributions flow more readily to the advantaged party's candidates (Jacobson and Kernell 1983). Applying this concept in local elections is difficult given the tendency of large urban areas to be dominated by one party, and the lack of concurrent elections. Nevertheless, in one-party cities, conflict tends to occur within the party, thus one might expect the dominant coalition to enjoy the same advantages as majority party members in a partisan legislature. In the section below, I discuss the case of Chicago, with an emphasis on the nature of the dominant machine coalition.

CHICAGO POLITICS IN THE 1990s

Machine politics has been a factor in Chicago for decades, despite the demise of the city's strong Democratic political machine in the late 1970s. The city's current mayor, Richard M. Daley, the late mayor's son, has served since 1989. Initial assessments of his governing style suggested that it was "machine politics, reform style" insofar as it represented a hybrid of machine and reform politics (Grimshaw 1992). Daley has not served in any official party capacity (indeed, he recently supported nonpartisan elections for mayor), and he has embraced principles of reinventing government, such as downsizing and privatization. Moreover, he does not control vast amounts of patronage. At the same time, however, he has centralized power in the mayor's office and has used privatization as a tool to reward his major-campaign contributors (Grimshaw 1992, chap. 9).

Chief among his many sources of power is the ability to control the city council. During his time in office, the mayor has governed with what has been labeled a rubber-stamp council (Simpson 2003). He has strengthened his hold on the council through an unprecedented number of mayoral appointments, which produces great loyalty on the part of those appointed, and relatively good budget cycles, which have allowed him to placate councilor demands for ward-level spending (Simpson 2003, 262–65). As evidence of his popularity and effectiveness, Daley has never been seriously

TABLE 1: Richard M. Daley Primary Election Vote by Ward

Ward Population	*Vote Share 1995*	*Vote Share 1999*
Majority White (*n* = 18)	91.4	93.1
Majority Black (*n* = 20)	30.9	44.1
Majority Latino (*n* = 7)	83.8	85.6
Majority Minority (*n* = 5)	78.6	82.5

challenged, either from within the Democratic party or by local Republicans, who have virtually no presence in city politics.

Because none of the major demographic groups in Chicago—White, Black, and Latino—makes up enough of the population to win elections on its own, coalitions must be built. Throughout the 1990s, the machine coalition consisted of Whites and Latinos, an alliance that remains to this day. Daley unified Whites with a commitment to low property taxes, efficient management of city services, and pledges to improve education. To maintain power, though, Daley and machine regulars have formed a strong partnership with the city's growing Latino community. The mayor appointed Latinos to top positions within his administration and to his personal staff, and signed an executive order barring city police from helping Immigration and Naturalization Service officials in tracking down undocumented aliens (Oclander 1995). Daley also helped to establish the Hispanic Democratic Organization, a powerful Latino political group loyal to him and machine regulars.

His relationship with the city's African-American community has not been as smooth. He has been opposed by an African-American candidate in each of his five campaigns for mayor. In the early 1990s, Blacks, along with some Latinos and White independents, opposed council redistricting, claiming that the map supported by Daley maximized the election of Whites over minorities. The same group also has complained that minorities have not received their fair share of committee chairmanships in the city council (Simpson 2003, chap. 9). Table 1 presents the primary-election vote share for Daley by ward in the 1995 and 1999 elections. Each ward is categorized by its majority demographic group. As one can see, support for Daley is linked to race and/or ethnicity. The only wards not to give majority support to Daley are those where the majority population is African-American. Nonetheless, over time Daley has built bridges to the Black community, especially through appointments, and his share of the vote within African-American wards has grown (see also Pinderhughes 2003).

In summary, in the past 15 years a new equilibrium has been established in Chicago politics. The key features of it are a machine coalition consisting of

Whites and Latinos, as well as campaign money, which to a large degree has replaced patronage as the key to electoral success (Gierzynski, Kleppner, and Lewis 1998; Hogan and Simpson 2001; Krebs 1998). Because local Republicans have no presence in city politics, corporate and labor organizations focus their activity on members of the Democratic Party. Given strategic contributing, in this context one should expect White and Latino candidates to raise more from corporate and labor donors given their position of strength within the system.

RESEARCH DESIGN AND HYPOTHESES

To test the model outlined below, I collected data on individuals who ran for the Chicago City Council in either the 1995 or 1999 election cycle. Councilors serve four-year terms and all 50 seats are elected at the same time, by district and via nonpartisan ballots. (The mayor also is elected at this time.) Open primaries are used to elect councilors, followed by a runoff if no candidate receives a simple majority in the first contest. The Chicago City Council has many of the elements of institutionalized legislatures (Polsby 1968): Turnover is low and it has a well-developed committee system and staff resources adequate for both lawmaking and constituent service. During the time of this study, there were 19 African-American aldermen, 7 Latino aldermen, and 24 White aldermen.

Because the focus is on viable candidates, those who did not receive at least 5% of the vote were excluded from the analysis. The data for the study come principally from official campaign finance documents filed with the State of Illinois and local newspaper coverage of candidates in all 50 wards. The analyses presented are based on a sample of 259 candidates. The *dependent variables* are total amounts raised by each candidate from corporate and labor groups[2] between July 1 of the year prior to the election and June 30 of the election year, an appropriate time frame because this is when candidates are most involved in fund-raising. The data cover the primary election only.[3] On average, about 26% of all itemized donations to nonincumbents were from corporate sources, and about 5% were from labor organizations. For incumbents, about 47% of all itemized donations were from corporate sources, and 6% were from union labor. I begin by discussing several independent variables relevant to explaining corporate and labor contributions to nonincumbents, the largest group in the data set.

My central hypothesis is that members of the machine coalition should raise more than candidates who are outside the coalition. In this context, I expect White and Latino candidates to raise more from corporate and labor

organizations than Black candidates. I also expect labor to be more focused on the machine coalition than corporate donors. Research on the U.S. Congress shows that business is somewhat more pragmatic when allocating contributions than labor, whose allocation strategy tends to reflect loyalty to the Democratic Party and its candidates who, over time, have been loyal to it (Gaddie 1995; Rudolph 1999). To account for this, I included dummy variables for Latino and Black candidates. White is the excluded category against which these coefficients are compared.

Apart from candidates' race or ethnicity, contributors should give more to the strongest candidates as a hedge to ensure future access, should they be elected. Two signs of strength are political experience and endorsements. I used two measures for experience: whether one held an elective office prior to running for the council and whether one had substantial nonelective political experience prior to his or her council campaign. Although city councils are typically viewed as a place to begin political careers, many council candidates have elected office experience on a school board, on a county commission, or in the state legislature. In Chicago, ward-level party offices also are elected. To account for this kind of experience, candidates with elected office experience were coded 1, all others 0. Some council candidates also have been involved in government as aides to elected officials, political appointees, and top-level administrators within a public bureaucracy. Again, I used a dummy variable to measure effects associated with nonelective political experience. In general, I expect those with political experience to raise more from corporate and labor sources than those without it.

A second indicator of candidate strength is endorsements. These are especially important for nonincumbents, who need endorsements to legitimate their campaigns (Lieske 1989). Endorsements typically come from three sources: elected officials, interest groups, and political parties. Thus, to measure endorsements I used a 4-point scale with 0 meaning no endorsements and 3 meaning one from each source. I excluded newspaper endorsements from consideration because they usually come too late to have any meaningful effect on contributing behavior. I expect a positive and significant relationship between endorsement and corporate and labor contributions.

Finally, I included two variables to control for the economic context of council wards. First is a dummy variable for whether the candidate was running in a downtown ward or in a ward situated outside the downtown area. Because the heart of Chicago's economic life is located downtown, I expect candidates running in downtown wards to raise more from corporate sources than other candidates. I also expect that labor will be less active in these places given what might be regarded as the futility of trying to compete with corporate influence. To account for this, the ward that contains the city's

central business district plus adjacent wards were coded 1, all others 0. The inclusion of wards adjacent to the central business district enables one to tap effects associated with recent increases in residential construction in these areas.[4] Second is ward income. Because the concerns of blue-collar workers may be more salient in lower-income wards, labor may allocate more of its resources there than in higher-income wards. To control for ward income, a 3-point scale was used, coded 1 for districts with median family incomes less than $25,000, 2 for districts with median family incomes between $25,001 and $50,000, and 3 for districts with median family incomes above $50,000.[5]

I used Tobit regression to estimate the model because a large number of candidates received zero contributions from either labor or corporate sources and because the dependent variable is left censored (i.e., cannot be observed below zero) (Long 1997, chap. 7). Both of these conditions make ordinary least squares inappropriate. And because Tobit coefficients cannot be interpreted in the same way as coefficients from ordinary least squares, the discussion will focus on the direction of coefficients and their significance, rather than effects associated with 1-unit shifts in the independent variables (Roncek 1992, 503).

ANALYSIS

Table 2 displays descriptive statistics for the nonincumbents. Corporate and labor interests contributed $494,388 to these candidates. Of these contributions, 84.4% was from corporate sources. In percentage terms, this level of corporate financial involvement in city council races is more consistent with what Fleischmann and Stein (1998) found in Atlanta, than with what they found in St. Louis. Although few would suggest that labor organizations are unimportant in Chicago City Council elections, their impact is not primarily financial; when it comes to contributions, business clearly dominates.

More important for my purposes is who receives corporate and labor contributions. Table 3 shows the results of a Tobit regression of corporate and labor contributions to Chicago nonincumbents, controlling for status of the seat (open = 1) and the election year (1999 = 1).[6] Given the uncertainty surrounding open-seat elections, I expect candidates in these races to raise more than nonincumbent challengers. Because each dependent variable is skewed, I logged these data.

The most consistent predictor of corporate and labor contributions is candidates' race or ethnicity. Blacks raise significantly less than Whites, all things being equal. Hispanic candidates also raise less than Whites, but the difference here is not significant. These findings support my contention that

TABLE 2: Descriptive Statistics for Chicago Nonincumbents (*n* = 178)

Variable	*Mean*	*Standard Deviation*
Corporate contributions	$2,344	$6,767
Labor contributions	$432	$1,675
Open seat	0.19	0.39
Prior elected experience	0.13	0.34
Nonelective political experience	0.11	0.32
Endorsement	0.37	0.73
Latino	0.18	0.39
Black	0.59	0.49
White	0.23	0.42
Downtown	0.10	0.30
Ward income	1.64	0.56

TABLE 3: Tobit Regression of Contributions to Chicago Nonincumbents, 1995–1999

	Corporate		*Labor*	
Variable	*Coefficient*	*SE*	*Coefficient*	*SE*
Open seat	0.41	1.54	0.28	2.35
Prior elected experience	2.12	1.64	1.67	2.65
Nonelective political experience	5.27***	1.68	6.07**	2.52
Endorsement	1.95**	0.80	3.13**	1.27
Latino	–1.40	2.18	–2.19	3.39
Black	–4.67***	1.54	–7.40***	2.71
Downtown	3.09	1.79	1.57	2.95
Ward income	–1.01	1.29	–3.90*	2.26
1999	–1.46	1.17	–0.01	1.92
Constant	3.40	2.90	1.15	4.76
Wald Chi square	41.86***		33.23***	
$n = 0$, $(n > 0)$	100 (78)		100 (78)	
n	178		178	

NOTE: Entries are Tobit coefficients. Results with logged dependent variables are shown.
*$p \leq .10$, two-tailed test. **$p \leq .05$, two-tailed test. ***$p \leq .01$, two-tailed test.

membership in the machine coalition is an important aspect of the decision calculus employed by corporate and labor donors. To test whether increased support for Daley among African-American voters in 1999 influenced corporate and labor contributions to Black candidates in that year, I re-estimated the model with an interaction term consisting of the Black candidate and election year (1999) dummies. The results were not significant (data not shown).

Nonelective political experience and endorsements also are strong predictors of both corporate and labor allocations. Variables designed to measure ward economic context are less powerful predictors of corporate and labor contributions to nonincumbents. Candidates running in downtown wards do not raise more than those in outlying wards. Consistent with my expectations, though, there is a slight tendency for labor dollars to be channeled to candidates in lower-income wards. Seat status does not matter; all things being equal, nonincumbents in open seats do not raise more from corporate and labor sources than nonincumbents who challenge incumbents.

In general, I find strong support for the strategic model. That candidates' race or ethnicity is significant suggests that contributions are made with the dictates of machine politics in mind. Candidates with experience and strong backing garner more support from labor and corporate contributors than those who lack such political resources. Overall, though, there is little differentiation in the way that corporate and labor dollars are allocated to nonincumbents.

I turn next to an analysis of incumbents. In addition to the downtown dummy variable, the dummies for the candidate's race or ethnicity, and the dummy for the 1999 election year, I added two variables designed to measure institutional roles and one to measure electoral threat.[7] The first institutional variable is a dummy for whether the councilor was chair of a committee at the time of the election. I expect these councilors to raise more from both corporate and labor sources, but I expect committee chairmanships to be a more important cue for corporate donors, given that more of the work of the council and its committees pertains to land use and development than to labor issues.

The second institutional variable is whether the councilor performed a leadership role, for example floor leader, president pro-tempore, or vice mayor. Councilors who performed a leadership role were coded 1, all others 0.[8] Committee chairs are more powerful than city council leaders, with the possible exception of the floor leader, because these roles are largely procedural.[9] Thus whereas I expect leaders to raise more than others, the effect of a committee chairmanship should be greater. Councilors in powerful positions are most capable of moving the legislative agenda, thus it behooves corporate and labor interests to maintain access to these councilors. Finally, I control for electoral threat by including a dummy variable for whether the incumbent was challenged. Corporate and labor concerns should rally to protect incumbents who face electoral opposition.[10]

Table 4 presents the descriptive statistics. One is immediately struck by the amounts of money raised by incumbents and, recalling the data in Table 1, the extreme difference between incumbents and nonincumbents in terms of

TABLE 4: Descriptive Statistics for Chicago Incumbents (*n* = 81)

Variables	*Mean*	*Standard Deviation*
Corporate contributions	$40,319	$50,339
Labor contributions	$4,748	$5,453
Committee chairman	0.43	0.50
Leadership	0.05	0.22
Opposed	0.75	0.43
Latino	0.12	0.33
Black	0.40	0.49
White	0.48	0.50
Downtown	0.08	0.28
Ward income	1.75	.56

money raised from corporate and labor donors. These interests contributed $3,650,427 in itemized receipts to Chicago incumbents, of which roughly 90% were from corporate sources.

Tobit results for corporate contributions are presented in Table 5. I address the nonindependent nature of the cases and possible correlation of the error terms by clustering on those incumbents who appeared in the data set twice. I also estimated robust standard errors.[11]

Model 1 presents the results for all incumbents. Again, I find that race has a significant effect on corporate and labor donations. White and Latino incumbents raise essentially the same amount from corporate sources, holding other variables in the model constant. Black incumbents raise significantly less than Whites, which, by definition, means that they raise significantly less than Latinos. The committee chairman and downtown variables also are positive and highly significant. In contrast to the results for nonincumbents, incumbents who represent downtown wards raise substantially more than those who represent outlying wards. Corporate donors also appear to have increased their level of political activity between 1995 and 1999, as indicated by the positive and significant coefficient for the 1999 dummy variable. Leadership, opposition, and ward income are not significant predictors of corporate campaign allocations.

Because the Finance Committee chairman is the most powerful of all committee chairmen, I dropped this individual from the data and reestimated the equation to determine if his inclusion unduly affects the model. The results of this analysis are shown in Model 2. I again find that the committee-chair coefficient is positive and significant, but its size is about one-third less than when all cases are included. Also of interest is that the electoral

TABLE 5: Tobit Regression of Corporate Contributions to Chicago Incumbents, 1995–1999

Variable	*Model 1 (n = 81)*		*Model 2 (n = 79)*		*Model 3 (n = 79)*	
Committee chairman	31.43***	(11.06)	22.69***	(6.43)	22.78***	(6.25)
Leadership	32.13	(25.50)	44.47	(31.34)	38.10	(32.51)
Opposed	–2.19	(17.36)	13.61*	(7.68)	14.48**	(7.10)
Latino	–0.18	(13.49)	8.89	(9.32)	8.61	(9.19)
Black	–25.45***	(9.99)	–18.50***	(6.69)	–29.65***	(8.05)
Downtown	85.17***	(27.67)	83.89***	(27.94)	82.03***	(27.21)
Ward income	–6.73	(11.09)	–0.49	(9.46)	–0.45	(9.34)
1999	17.26***	(6.34)	19.01***	(6.17)	9.98	(6.56)
Black × 1999					22.06*	(12.65)
Constant	30.97	(34.72)	2.64	(22.58)	7.47	(22.71)
Wald chi square	48.33***		51.43***		61.28***	
$n = 0$ ($n > 0$)	6 (75)		6 (73)		6 (73)	

NOTE: Entries are Tobit coefficients. Robust standard errors are in parentheses. Dependent variables are unlogged dollar amounts. Finance chairman was dropped from Models 2 and 3.
*$p \leq .10$, two-tailed test. **$p \leq .05$, two-tailed test. ***$p \leq .01$, two-tailed test.

threat dummy for whether the incumbent was opposed is both positive and significant, albeit weakly. The current chair of the Finance Committee has not been opposed for re-election since 1971. Because he also raises the most money, especially from corporate interests, his inclusion in the data substantially influences the explanatory power of the electoral threat variable.

Model 3 shows the results with all incumbents, minus the Finance Committee chair, with an interactive term for Blacks and election year. Given the increase in support for Daley between 1995 and 1999 in the city's majority African-American wards, one might expect that Black incumbents would find it less difficult to raise money from corporate sources in 1999. The data suggest that although Black incumbents are still significantly disadvantaged relative to Whites, their contributions from corporate sources did increase over 1995 (significant at $p < .10$).

Table 6 shows the same models for labor contributions. Here one sees that the strongest and most consistent predictor of labor donations is race; Black incumbents raise significantly less money from labor than White or Latino incumbents. The effect of ward income is consistent across models, indicating that labor is somewhat more active in lower-income wards than it is in higher-income wards. Labor, though, is just as active in races involving incumbents from downtown wards as it is in races involving incumbents from outlying wards.

TABLE 6: Tobit Regression of Labor Contributions to Chicago Incumbents, 1995–1999

Variable	*Model 1 (n = 81)*		*Model 2 (n = 79)*		*Model 3 (n = 79)*	
Committee chairman	3.08*	(1.73)	2.38	(1.60)	2.39	(1.57)
Leadership	1.62	(1.96)	2.63	(2.38)	1.63	(2.71)
Opposed	1.06	(2.24)	2.35	(1.88)	2.46	(1.88)
Latino	–4.11	(2.86)	–3.37	(2.65)	–3.34	(2.58)
Black	–6.83***	(1.98)	–6.23***	(1.89)	–7.88***	(2.48)
Downtown	2.26	(2.66)	2.31	(2.56)	1.94	(2.42)
Ward income	–2.73*	(1.50)	–2.28*	(1.34)	–2.22*	(1.30)
1999	0.62	(0.99)	0.69	(0.97)	–0.66	(1.44)
Black × 1999	—		—		3.38*	2.04
Constant	9.48***	(3.70)	7.30***	(2.97)	7.94***	(3.02)
Wald chi square	31.74***		30.57***		29.67***	
$n = 0$ ($n > 0$)	13 (68)		13 (66)		13 (66)	

NOTE: Entries are Tobit coefficients. Robust standard errors are in parentheses. Dependent variables are unlogged dollar amounts. Finance chairman was dropped from Models 2 and 3.
*$p \leq .10$, two-tailed test. **$p \leq .05$, two-tailed test. ***$p \leq .01$, two-tailed test.

The only institutional variable that achieves significance, even at .10, is the dummy for committee chairman, and this only in the equation that includes the powerful Finance Committee chair. In Models 2 and 3, the effect of the committee-chair variable is insignificant. As we saw in the case of corporate contributions, Black incumbents did raise slightly more from labor in 1999 relative to 1995. The way labor allocates contributions to incumbents, therefore, seems almost entirely related to maintenance of the machine coalition. Leadership and committee-chair status and electoral opposition do not influence how labor allocates resources to incumbents.

In general, the common strategy is to give to machine incumbents. Corporate donations, though, are place-based as well, and there is more of an institutional focus on the part of corporate donors. It is unclear why labor does not target committee chairs, but one explanation is that a broader range of committees deals with matters important to corporate interests compared to those dealing specifically with labor or personnel issues.

MACHINE COALITIONS AND STRATEGIC CONTRIBUTING

To date, most of the research on machine politics has centered on the link between machine coalitions and the distribution of public goods. In this research, I extended this line of inquiry into the electoral realm by studying corporate and labor contributions in Chicago City Council elections. Despite

an abundance of research on urban machines, there has been little attempt to examine systematically the link between machine coalitions and contributors or to theorize about the nature of the relationship. What I have suggested here is that corporate and labor donors consider the place of a candidate in the machine coalition as one aspect of strategic contributing. Although the precise connection between campaign contributors and elements of the machine coalition remains unclear, the evidence points in the direction of a system that favors insiders and punishes outsiders. Black incumbents appear to have had greater success with corporate and labor donors in 1999, an indication that increased support for Daley at the ward level in majority Black districts may have opened some doors. Nevertheless, the Black-White (Latino) differential remains to the benefit of the machine coalition.

One's connection to the machine, though, is only one element of a set of factors that shape the strategic calculations of corporate and labor donors. In the case of nonincumbents, each set of contributors examined also gives to those with experience and endorsements, two key signs that one is a strong candidate. In the case of incumbents, corporate and labor-allocation strategies diverge. Being a member of the machine coalition appears to be the main consideration for labor. (The Finance Committee chair also is targeted by labor, given his ability to influence city personnel policies.) This supports the idea from the congressional literature that party loyalty and ideology are key factors in labor contributing (Rudolph 1999). Applied in a machine city with one-party dominance, regular Democrats are advantaged relative to independent Democrats. For corporate donors, the range of strategic factors is more diverse, reflecting a more pragmatic approach to contributing. More broadly, these findings illustrate the importance of the local political career as a key factor in urban politics (Prewitt 1970; Bledsoe 1993). Interest groups build relationships to officials before their council careers begin. Once council officials are elected, legislative roles become important. Interestingly, the most important roles—committee chairmanships—are performed by the most senior and most electorally secure machine insiders.

In Chicago, racially homogeneous wards are the rule not the exception, thus group-based advantages in fund-raising are unlikely to alter the current representational equity of the city council. By exploring how major economic interests allocate campaign resources in urban elections, however, one is able to get a deeper sense of the distribution of political power in a community. This study suggests that race persists as a key ingredient of power in Chicago politics (Grimshaw 1992). On this front, Latinos would appear to be in advantaged position relative to Blacks, given their ties to machine regulars. How this plays out in the future, and whether this coalition can withstand internal and/or external threats to its power, remains to be seen. Finally,

because one cannot generalize from a single study, future research might explore these questions in both machine and non-machine (reformed) contexts.

NOTES

1. See Boulay and DiGaetano (1985) for a review of theories explaining the disappearance of machines. See also Erie (1988).

2. The data come from candidates' campaign finance disclosure reports. I began by coding corporate contributions according to an 11-point scheme that included the following types of contributors: financial, professional, manufacturing, development, transportation, public works, retail, services, media, entertainment, and other business. I then collapsed these categories to create the measure for corporate contributions. Contributions from public and private sector unions were combined for the measure of labor contributions.

3. All fund-raising totals were adjusted for inflation based on 1999 data.

4. Wards that were considered downtown were the Forty-second, which includes the area known as the "Loop" and North Michigan Avenue, plus adjacent wards (Two, Twenty-seven, and Forty-three) per the 1992 council ward map. Minor changes that occurred prior to the 1999 election, especially in the Eighteenth Ward, were accounted for.

5. The data on ward income come from the *Metro Chicago Political Atlas–1994* (Chicago Urban League 1994, 63).

6. Correlation in the error terms is unlikely given that the vast majority of nonincumbents do not seek the office more than once.

7. Personal and interest-group endorsements were excluded from the incumbent analysis on the grounds that these kinds of endorsements are less likely among these types of candidates, who enjoy broader name recognition.

8. The Finance Committee chairman is arguably the most powerful figure on the Chicago City Council. The Finance Committee's jurisdiction covers a wide range of subjects, including but not limited to tax levies, bonded indebtedness, funding of municipal services and capital developments, the Department of Finance, the city comptroller and treasurer, the Department of Revenue, street vending, audit and review, and personnel.

9. The floor leader is essentially the mayor's legislative whip. When it is used, and it does not have to be used because it is not mandated by the city charter, it can be a powerful office. The position of floor leader was occupied prior to the 1995 election, but not before the 1999 election. In Chicago, the mayor is the presiding officer of the council, a duty performed by the president pro-tempore when the mayor is unavailable. The vice mayor fills in for the president pro-tempore if he or she is unable to preside.

10. I tested numerous explanations for electoral threat, including the quality of the challengers, fund-raising by challengers, and the number of challengers. A simple dummy variable worked best across models.

11. To employ the cluster technique, as well as to compute robust standard errors for Tobit, the command in Stata 8 is "intreg," which stands for interval regression, a generalization of Tobit.

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