



# Upset Republican donors: Have we wasted our money?

By Jonathan Swan - 01/13/16 06:00 AM EST

Major GOP donors and fundraisers are wondering whether they're wasting their money on super-PACs.

They say they're not ready to abandon the super-PACs, but they're starting to look for ways to make them more effective during a presidential cycle that has challenged conventions about how to spend political donations.

GOP front-runner Donald Trump's relatively cheap campaign — contrasted with the millions of dollars spent on behalf of Jeb Bush, John Kasich, Scott Walker and Rick Perry — has left donors, fundraisers and conservative leaders questioning the value of super-PACs, which got a boost from the 2010 Supreme Court decision that allowed independent groups to raise unlimited cash.

"People are upset about the Citizens United decision; people are upset about all this money flowing into politics, but at the end of the day it has no impact," said New York financier Anthony Scaramucci, who was a national finance co-chair for Scott Walker's presidential campaign before moving to raise funds for Bush when Walker quit the race.

"I mean, with the free media, or whatever the term is, when they allow Trump to go on to every TV station in America — if there's evidence that PACs are so consequential, please explain it to me," Scaramucci said.

John Jordan, a California winery owner who is running a super-PAC to support Marco Rubio's bid, agrees.

"Despite all the talk about money in politics, we are entering an era where big money is less and less important," said Jordan, who nonetheless spends millions on politics, largely through his own super-PACs.

The cautionary tale cited by nearly every donor or fundraiser interviewed on or off the record has been Bush. He has fallen in polls despite the more than \$50 million already spent on his behalf by the group Right to Rise, which far outraised every other super-PAC with its mid-year haul of \$103 million.

"I think the whole idea of super-PACs has been overrated," said Fred Malek, finance chairman of the Republican Governors Association.

"Super-PACs can only do so much," Malek added, pointing out that they pay vastly higher rates for TV ads than campaigns do, meaning that eye-popping super-PAC bank accounts might not have as much buying power as they appear to.

In conversations over the past six weeks, a number of major Right to Rise donors have privately told The Hill that they are holding on to hope that the political action committee can turn things around.

And, while doubts are mounting, none of the super-PAC's largest donors interviewed was willing to publicly abandon the group's leader, Mike Murphy. Murphy has been trying to reassure them that his is a winning strategy and that their six- and seven-figure checks are being judiciously spent.

But Republican doubts about super-PACs' efficacy go much deeper than questioning Right to Rise's performance.

Jordan, the Rubio supporter, says the conservative donors he talks to "are in the head-scratching phase."

"They haven't figured out what is going on," he said. "They just know that the usual stuff is not working."

Jordan says he is focused on generating "earned media," content that will be entertaining enough for people to watch and share with friends. He believes that large ad campaigns have mostly been a waste of money this election cycle.

"The ads have become so familiar, so formulaic and so predictable," Jordan said. "Political consultants think that if you buy enough gross rating points, it will move numbers. That has been true in the past. It's not true now."

Ray Sullivan, a former co-chair of Perry's presidential super-PAC who switched to help Bush after Perry exited the race, agrees that big spending is showing fewer results.

"The reality show nature of this campaign cycle ... diminishes the role of big money. Fundraising prowess really sets a floor for possible success but doesn't always raise the ceiling."

Yet with so much money invested to date, Republican consultants and candidates are not about to give up on their super-PACs.

Former House Speaker Newt Gingrich (Ga.) ran surprisingly close to the Republican nomination in 2012 thanks in part to his supporting super-PAC. Financed almost entirely by Las Vegas billionaire Sheldon Adelson, the pro-Gingrich group so deeply wounded the ultimate nominee, Mitt Romney, that some conservative leaders still blame it for his general election loss to President Obama.

Gingrich does not think super-PACs are much good at building up candidates through positive messaging, though, because their media-purchasing power is limited.

But "from my experience, they can be pretty good at knocking a candidate down," he told The Hill in a telephone interview.

"I think we don't know yet what the effect [of super-PACs] will be over the next 40 to 50 days in Iowa, New Hampshire and South Carolina," he said. "We are now starting to get real attack ads pounding people."

California investor William Oberndorf, who has given more than \$1.5 million to Right to Rise, is one of the most prolific political donors in America. And he says that despite results to date, he has not given up on the value of super-PACs in the Republican presidential primaries.

"I think it is just too early to say," Oberndorf told The Hill in an email.

Oberndorf contends that judging the results of Right to Rise's spending so far is difficult because "Iowa is unusual as it is a caucus state [and] New Hampshire is unusual because it is so small, and retail politics play such a disproportionate role there.

"As a result, I think we will need to move into some larger states before we get a better feel for whether traditional media buys are moving the needle for candidates this election cycle or not."

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