# Campaign Funding in Silicon Valley: Spotlight on San José (2022)

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San Jose Downtown by Darshan Karia, 12/18/2010. Public Domain.

This report is the fifth in a series of analyses from MapLight exploring the influence of money on politics in cities in Silicon Valley. See also our work in San Jose (2018), Daly City, Palo Alto, and Mountain View.

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## Introduction

In 2022, the San José election featured high-profile races with massive amounts of political spending. For the first time in 8 years, the competitive mayor's race did not involve an incumbent, and five<sup>1</sup> city council seats were up for election, each race involving high-profile local candidates. Over \$7 million was raised across all campaigns that year, with the top mayoral candidates pulling in over \$2 million each.

San José's population was roughly 1 million, while total campaign contributions topped \$7 million – about \$7 for every person within city limits. Seven dollars may not seem like much, but as over 80% of all political funding in 2022 was composed of contributions of \$500 or more, this meant most people made no political contributions, while others gave very large amounts. Those large donors ended up having a disproportionately large impact on elections.

## Key Findings:

- Most donations came from high-dollar contributors. People giving \$500 or more contributed 81% of all funds received by candidates.
- **Campaign contributions more than tripled from 2018 to 2022.** Total contributions were \$1,901,028 in 2018, but rose to \$7,021,227 in 2022.
- Money made a difference, but so did the number of supporters. Candidates with a large number of individual donors performed better than those who had fewer donors.
- Nearly half of all money came from non-residents. City residents accounted for 52% of all contributions to candidates in the 2022 election cycle (up from 39% in 2018). Outside contributions still made up a significant portion of campaign funding.
- **Donors from majority white and minority Hispanic neighborhoods tended to give more money to candidates.** Contributions from majority white and minority Hispanic zip codes were higher, on average, than contributions from majority-minority and majority Hispanic zip codes.
- **Donors from affluent neighborhoods tended to give more money to candidates.** Contributions from more affluent zip codes were higher, on average, than contributions from lower income zip codes.
- Contributions from special interests were a significant portion of the total contributions. The share of total contributions from companies, political committees, and other organizations was 16% in 2022.

<sup>&</sup>lt;sup>1</sup> Although there were five city council seats up for election, this report only considered races which made it to the General Election in November 2022. In the interest of fair comparison, we looked only at the Mayoral race and the City Council races for Districts 3, 5, and 7.

## **Total Contributions**

Total campaign contributions in 2022 (\$7,021,227) were more than triple the amount raised during the 2018 election (\$1,901,028). In 2022, the top two mayoral candidates raised over \$4.5 million, accounting for a 46% percentage increase over the 2014 election, in which the top mayoral candidates raised \$3.14 million. In 2018, the mayoral race was largely uncontested, thus the money raised makes for a less useful comparison.

### **Summary of All Campaign Contributions**

Contributions made in the 2022 Election (all contributor types)

Office Candidate Name		Total Contributions
Mayor	Matt Mahan	\$2,476,493
Mayor	Cindy Chavez	\$2,148,480
Mayor	Raul Peralez	\$413,362
Mayor	Dev Davis	\$330,412
Mayor	James Spence	\$1
City Council - District 3	Omar Torres	\$213,637
City Council - District 3	Irene Smith	\$161,877
City Council - District 3	Joanna Rauh	\$139,650
City Council - District 3	Elizabeth Chien Hale	\$39,066
City Council - District 5	Nora Campos	\$236,613
City Council - District 5	Rolando Bonilla	\$185,577
City Council - District 5	Peter Ortiz	\$126,895
City Council - District 5	Andres Quintero	\$59,516
City Council - District 5	Hg Nguyen	\$11,743
City Council - District 7	Maya Esparza*	\$202,878
City Council - District 7	Bien Doan	\$164,963
City Council - District 7	Van Le	\$110,064
	Total	\$7,021,227

\*incumbent; winners in bold

Table: MapLight • Created with Datawrapper

In both 2018 and 2022, the top city council candidates each raised around \$100,000 and total combined contributions to all city council candidates was just over \$1 million. Although having the most contributions did not guarantee victory, the eventual winner of each of the three contested city council seats in both years had above-average total contributions for their district.

## Local Contributions<sup>23</sup>

### District 3

Dollars raised and election outcomes did not have a 1:1 correlation. Only the District 3 City Council contest had a winner who raised the most funding in 2022. Omar Torres raised \$147,293 in local contributions. His local funding accounted for 36% of all local contributions to the four District 3 candidates. Irene Smith, the runner-up, received \$121,559 from local sources - making up just under 30% of all local contributions to District 3 candidates. In the general election, Omar Torres received 11,657 votes, which was 66% of the total. Irene Smith received 6,107 votes, which was 34%. Omar Torres raised \$12.64 per vote, while Irene Smith raised \$19.90 per vote she received.

### District 5

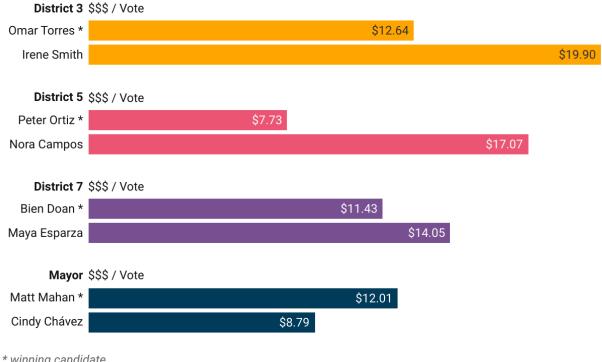
District 5 was a case where fundraising had the least impact on the results. Peter Ortiz raised \$70,139 in 2022, which was right in the middle of the five candidate field. Nora Campos and Rolando Bonilla both reported more contributions than Ortiz, with \$127,638 and \$72,703 in contributions respectively. In the general election, Ortiz received 55% of the 16,553 total votes to Campos' 45%. Ortiz's campaign was relatively effective - it raised \$7.73 per vote received. By comparison, Campos' campaign raised \$17.07 per vote received.

### District 7

The District 7 seat had the closest city council race in 2022. Maya Esparza, the incumbent, received the most contributions in that race (\$110,699), while Bien Doan, the eventual winner, was the second largest fundraiser with \$104,782 in contributions. Esparza's campaign raised \$14.05 per vote received, and Doan's campaign garnered \$11.43 per vote received.

Judged by the metric of contributions per vote received, the Peter Ortiz campaign was the most successful city council campaign in 2022. Among the winning candidates, Ortiz raised the least amount of money per vote received.

<sup>&</sup>lt;sup>2</sup> In this section, only local contributions were considered. Local, as defined in this analysis, is any contribution which came from a San José Zip code. All donor types (Individual, Committees, PACs, Organizations) were included. The reasoning for this grouping is that local contributions are most likely to correlate to votes. <sup>3</sup> Vote counts in this section were taken from <u>Santa Clara County</u>



## Contributions per vote received in the general election

\* winning candidate

Chart: MapLight · Created with Datawrapper

### Mayor

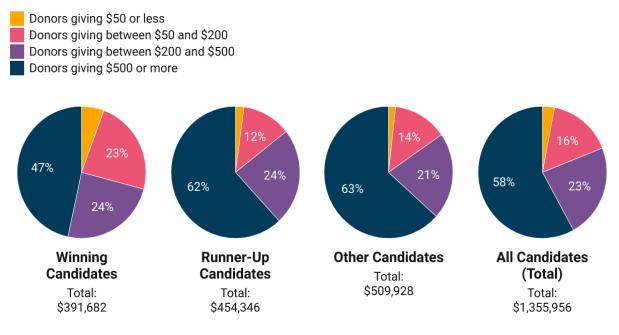
In the mayoral general election between Cindy Chávez and Matt Mahan, a total of 250,705 votes were cast, with Matt Mahan winning by a small margin (51% of the total votes). When considering contributions from individuals, Mahan raised significantly more funds than other mayoral candidates in 2022. He received \$1,542,359 from local sources - 43% more than the \$1,075,519 received by runner-up Chávez. In fact, Mahan received more money from local contributors than all other mayoral candidates combined (\$1,522,037). His campaign raised \$12.01 per vote received, while the Chávez campaign raised \$8.79 per vote earned.

## Size of Contributions<sup>45</sup>

City Council races

## **City Council Contributions by Donor Size (2022)**

Contributions of \$500 or greater made up the largest share of Individual Contributions for City Council candidates when grouped by contribution size.



Contributions from Individuals

Chart: MapLight • Created with Datawrapper

The total small dollar contributions (defined as \$50 or less) to City Council campaigns (\$40,929) made up just 3.3% of the total contributions to all City Council candidates (\$1,236,547) in the 2022 election. In contrast, large contributions of \$500 or more made up 58% of contributions from individuals to City Council candidates. The average winning City Council candidate received \$7,392 from donors giving \$50 or less. Runner-up candidates received less than half of that amount, on average receiving a total of \$3,225 from donors giving \$50 or less. Other candidates raised the least amount of funds. On average, they raised a total of \$1,513 in small contributions.

<sup>&</sup>lt;sup>4</sup> Throughout this report, contribution sizes are mentioned frequently. Contributions are grouped into the following categories:

Small Contributions: \$0 to \$50

Small to Medium Contributions: \$50 to \$200

Medium to Large Contributions: \$200 to \$500

Large Contributions: \$500 or more

<sup>&</sup>lt;sup>5</sup> This section looks at the contributions from Individuals only. The Key Findings mention a statistic that 81% of all contributions were of \$500 or more. That number is inclusive of contributions from Committees, PACs, and other Organizations, a vast majority of which were in the 'Large Contribution' category.

Small to medium-size contributions, ranging from \$50 to \$200, accounted for 16.5% of total contributions to City Council campaigns, and they reveal a similar pattern. On average, winning City Council candidates received \$30,622 from donors giving between \$50 and \$200, while the average runner-up candidate raised slightly more than half that amount (\$18,612). Other candidates raised the least in this category, with an average of \$11,531.

In the contribution range of \$200 to \$500, City Council candidates who won the election received an average of \$31,716 in donations. Runner-up candidates received slightly more on average (\$35,973), while other candidates received the least, averaging \$18,115.

Donors who contributed \$500 or more were considered large contributors. Winning candidates in this bracket received slightly less on average than the runner-up candidates (\$60,830 compared to \$93,241). Other candidates in this category also received the least, averaging \$34,127 from donors who contributed \$500 or more.

On average, winning candidates actually received less than runner-up candidates from contributions over \$200. Past a baseline level of financial support, it is important for candidates to have a broad support network. Small dollar contributions can be considered an indicator of wider popular appeal. Winning candidates in 2022 received some combination of significant total contribution dollars or number of contributions from individuals.



### Average Contributions to City Council Campaigns by Donor Size

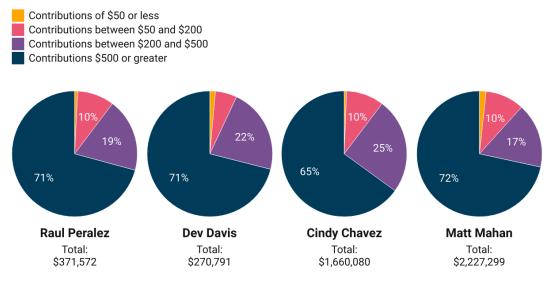
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In 2022, the contribution limits were \$700 for Council Member candidates and \$1,400 for mayoral candidates. The larger contribution limit and higher profile for the mayoral race resulted in larger total contributions for mayoral candidates relative to city council candidates. There were four mayoral candidates in the primary election with campaign committees receiving substantial enough contributions for comparison. Seven total candidates were on the primary ballot, but three of those either did not have a campaign committee or their committee did not receive non-loan contributions totaling \$100 or greater.

### Mayoral race

## Mayoral Contributions by Donor Size (2022)

Contributions of \$500 or greater made up a majority of Individual Contributions for all Mayoral Candidates



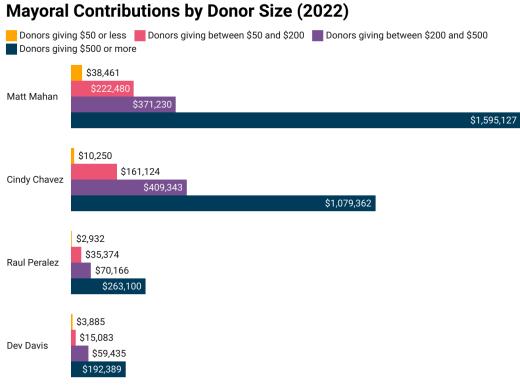
Contributions from Individuals Source: MapLight • Created with Datawrapper

Small contributions made up an even smaller share of the total individual contributions to mayoral candidates. As mentioned above, City Council candidates as a whole received 3.3% of their individual contributions from small contributions. For mayoral candidates, the share of total individual funding from small contributions was just 1.2% (\$55,528).

Similarly, contributions in the \$50-200 range made up just 9.6% of all individual contributions to mayoral candidates, as compared to 16.5% to City Council candidates. Individual contributions in this range represented \$434,061 out of the \$4,529,741 total.

Medium to large contributions also made up a smaller proportion of the total individual contributions for mayoral candidates than for City Council candidates. Individual contributions in this range added up to \$910,174, or 20.1% of all individual contributions to mayoral candidates, whereas City Council candidates saw 23% of their individual funding come from contributions in this category.

It should be clear at this point that large donors made up the bulk of individual support for mayoral candidates. In fact, contributions of \$500 or more made up over 69% of the total mayoral campaign funding from individual donors. Not only do these large donors make up a larger proportion of campaign giving overall, but it takes fewer of them to result in significantly large donation amounts, thus leading to an outsized impact on campaigns.



Created with Datawrapper

## Sources of Funding by contest

### City council

### **Contributions to City Council Candidates - 2022**

A majority of contributions to City Council candidates in 2022 came from San Josè residents.

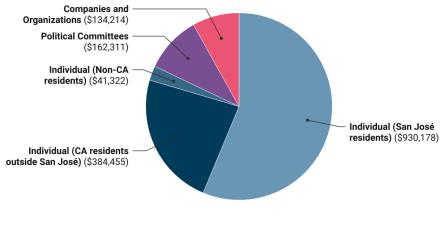


Chart: MapLight • Created with Datawrapper

#### Individual donors

During the 2022 election cycle, individual donors contributed a total of \$1,355,955 to city council candidates, which represents 82% of the total donations received by those candidates. San José residents contributed a total of \$930,178 to city council candidates, whereas individuals from California but outside of San José contributed \$384,455. Only \$41,322 came from individuals living outside of California. Companies and other organizations contributed \$134,214 in total to all city council candidates, while political committees gave \$162,311 to city council campaigns.

#### Companies and organizations

Companies and organizations gave \$134,214 to city council campaigns in 2022. Winning candidates received, on average, \$10,021 compared to runner-up candidates who averaged \$26,453. The largest recipient of money from companies and organizations among all the 2022 city council candidates was Nora Campos, the District 5 runner-up, who took in \$38,562. Among the winners, the largest recipient was Omar Torres, who received \$15,269 from companies and organizations to support his bid for the District 3 seat.

#### Political Committees

Political committee contributions in 2022 favored winning candidates in city council races. Out of all contributions from political committees, 52% of the \$162,311 went to winning city council candidates. There was an outlier in the District 7 race, in which Bien Doan received only \$6,800 from political committees, but was still able to defeat incumbent Maya Esparza, who received \$41,562 from political committees.

#### Mayoral

#### Overview

The 2022 mayoral race can be summarized by a few key metrics. Mahan, the eventual winner, received more support from San José residents; he raised \$1,394,095 from locals compared to the \$892,197 that Cindy Chávez raised from the same group. In addition, contributions from locals made up a greater proportion of his total funds raised from individuals (63% for Mahan vs. 54% for Chávez). Mahan raised a smaller share of his funding from companies and organizations than Chávez. Although Chávez raised a larger share of her total contributions from political committees in 2022 compared to Mahan (or Liccardo in 2018), it still only accounted for 9% of her total funding. If the 2022 election is any indication, support from individual donors is a key factor for success, especially if those donors make large contributions.

### **Contributions to Mayoral Candidates - 2022**

A majority of contributions to Mayoral candidates in 2022 came from San Josè residents.

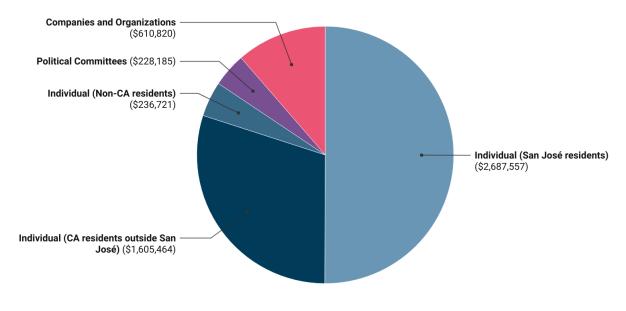


Chart: MapLight · Created with Datawrapper

#### Individual contributions

Donations to Mayoral candidates account for 85% of total donations to campaigns in the 2022 election. Mayoral candidates received a total of \$5,368,748 during the 2022 election cycle, with individual donors contributing \$4,529,742, which accounts for 85% of the total donations received. Of these individual donors, San José residents contributed \$2,687,557 to mayoral candidates, while California residents outside of San José contributed \$1,605,464 accounting for x percent. Individuals living outside of California contributed \$236,721 to mayoral campaigns. Mayoral campaigns received \$228,185 from political committees and \$610,820 from companies and other organizations.

In 2022, Matt Mahan's successful bid for mayor was backed by \$2,227,299 in individual donations. Cindy Chávez's runner-up campaign received \$1,660,080 in total contributions from individuals. San José residents accounted for \$1,394,095 (63%) of individual contributions to the Mahan campaign, while Chávez raised \$892,197 (54%) of her individual funding from San José. California residents from outside of San José represented \$715,394 of the individual donations for Mahan, and \$674,831 for Chávez. When compared to their total fundraising from individuals, those amounts represent 32% of Mahan's total from individuals and 41% for Chávez. Mahan received \$117,810 from individuals outside of California, and Chávez received \$93,052 from that group.

In the 2022 mayoral general election, both candidates received a large portion of total individual contributions from San José locals - 63% for Mahan and 54% for Chávez. The Mahan campaign received 9% of their funding from companies and organizations. Cindy Chávez received a similar proportion (14%) of funding from companies and organizations.

#### Companies and organizations

Relative to contributions from individuals, companies and organizations made up a relatively small percentage of total funding for mayoral campaigns. Matt Mahan received just 9% (\$218,245) of his campaign contributions from companies and organizations. Cindy Chávez's campaign received \$297,665 from this category of donor - amounting to 14% of her total funding.

#### **Political Committees**

Political committees made up a very small portion of Mahan's 2022 campaign funding, comprising just 1% of contributions. Chávez, on the other hand, received much more from political committees - 9% of all contributions to her campaign came from these organizations.

## Top Contributors<sup>6</sup>

The largest contributors in the 2022 election were calculated by aggregating all contributions from organizations and their employees. The top 10 contributors accounted for almost 4% of all contributions received by candidates.

The 2022 election had multiple close races, and contributions from the top donors were distributed fairly evenly across winners, runners-up, and other candidates. When looking at the combined data for city council and mayoral races, winners received 23% of the contributions from the top 10 donors, and 32% of the total contributed by the top 40 donors. Runners-up received 34% of the total from the top 10 and 40% of the total from the top 40. The rest was distributed among other candidates. Overall, the distribution of contributions between candidates was fairly even.

Looking specifically at the mayoral race, we can see that in 2022, Matt Mahan received 20% of all contributions from the top 10 donors. Runner-up Cindy Chávez received 26% of the total amount from the top 10, while other candidates received only 10%. In 2018, Mayor Liccardo received nearly 50% of the funds from the top 10 contributors. Matt Mahan received 25% of all contributions from the top 40 donors, Cindy Chávez received 31%, and other mayoral candidates received 12%.

#### 2022 Contributions grouped by Employer

When grouped by Company/Employer, Real Estate and Construction companies held 6 of the top 10 spots in a list of Top Contributors.

	Employer	Total Contributions
1	Deloitte, LLP	\$61,600
2	Devcon Construction	\$29,550
3	Apple	\$28,328
4	Dal Properties, LLC	\$24,509
5	Level 10 Construction	\$24,500
6	PG&E Corporation	\$21,913
7	Strangis Properties	\$21,700
8	Google	\$18,831
9	Swenson Builders	\$16,750
10	Montara Ventures	\$15,400

Real Estate and Construction companies in bold Table: MapLight • Created with Datawrapper

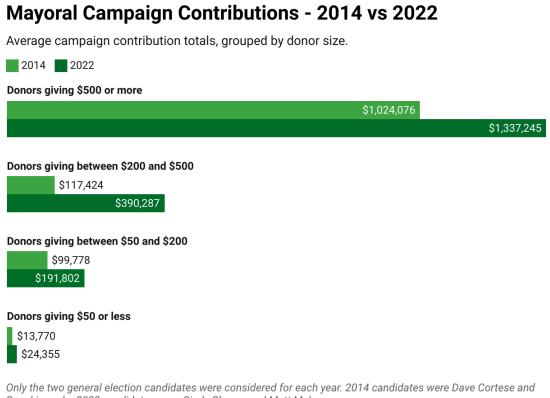
<sup>6</sup> Note: Public entities such as Santa Clara County were excluded from this calculation

### Real Estate

In 2022, a significant number of the top contributors were companies in the real estate industry. Six of the top 10 contributors and more than half of the top 40 were either developers, builders, consultants, or otherwise connected to the real estate industry. Those not directly connected to the real estate industry have a significant presence in the area. Many repeat top contributors from 2014 and 2018 also appeared in 2022.

## 2022 vs. 2014

Prior to 2022, the most recent contested mayoral election was held in 2014. Both candidates in the 2014 general election, Sam Liccardo and Dave Cortese, were well-known in San José politics and had previously held public office. Neither the 2014 nor the 2022 mayoral race had an incumbent running due to term limits. Therefore, these two elections are good candidates for comparison.



Only the two general election candidates were considered for each year. 2014 candidates were Dave Cortese and Sam Liccardo. 2022 candidates were Cindy Chavez and Matt Mahan. Created with Datawrapper

In the 2014 mayoral race, Liccardo raised \$1,456,801 from donors giving \$500 or more, while Cortese raised \$591,351 from large donors. Combined, the average amount raised from large donors was \$1,024,076. In the 2022 mayoral election, the average large contribution received by candidates in the general election was \$1,337,245. However, when accounting for inflation, the numbers are more similar. The annual CPI inflation rate from 2014 to 2022, according to the Bureau of Labor and Statistics, was approximately 2.3%. Therefore, if contributions are adjusted for inflation to 2022 dollars, the 2014 mayoral candidates raised \$1,230,856 from large donors. This means that the 2022 candidates raised just 9% more from large donors.

In contrast, contributions from small and medium donors increased by much larger amounts. Adjusted for inflation, contributions of less than \$50 to general election candidates for mayor increased by 47%. Contributions from donors giving between \$50 and \$200 increased by 60%. The largest difference occurred in the \$200 to \$500 bracket, where the average total contributions increased by a staggering 177%.

#### There was a notable increase in sub-\$500 contributions from 2014 to 2022

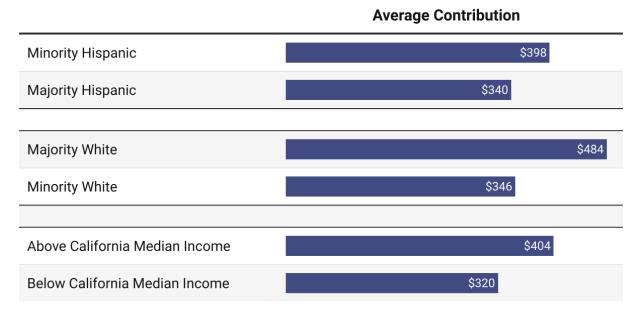
After accounting for inflation, smaller contributions increased at a larger rate than the largest (\$500+) contributions. An annualized inflation rate of 2.3% means that \$100 in 2014 is worth the same as \$120.19 in 2022.

Donor Size	2014	2014 (Inflation- adjusted to 2022 dollars)	2022	Increase (Inflation-adjusted)
Donors giving \$50 or less	\$13,770	\$16,550	\$24,355	+47%
Donors giving between \$50 and \$200	\$99,778	\$119,925	\$191,802	+60%
Donors giving between \$200 and \$500	\$117,424	\$141,134	\$390,287	+177%
Donors giving \$500 or more	\$1,024,076	\$1,230,856	\$1,337,245	+9%

Inflation from 2014 to 2022 was approximately 2.3% annualized (calculated using https://www.bls.gov/data/inflation\_calculator.htm) Created with Datawrapper

In 2014, the contribution limits were set at \$500 for a city council campaign and \$1100 for a mayoral campaign. In 2022, the contribution limits were raised slightly to \$700 for city council campaigns and \$1400 for mayoral campaigns. The increase in contribution limits certainly accounts for some amount of the increase in large contributions. The \$500 threshold for large contributions was retained for this report largely for the purpose of comparison to previous years.

## San Jose Zip Codes by Demographics, 2022



Created with Datawrapper

In the 2022 election, it was notable that ZIP codes which are less Hispanic, more White, and wealthier made larger average contributions. The average contribution in a minority Hispanic ZIP code (\$398) was 17% greater than the average contribution in a majority Hispanic ZIP code (\$340). Majority white ZIP codes saw an average contribution which was 40% larger (\$484) than the average contribution in minority white ZIP codes (\$346). Wealthier ZIP codes exhibited a similar trend - those with a Median Household Income greater than California's median household income (~\$84,000) had an average contribution of \$404 but those with a smaller Median Household income had an average contribution of \$320.

<sup>&</sup>lt;sup>7</sup> For brevity, this section covers geographic distribution of contributions using demographic data by Zip code. It was limited to majority/minority White, majority/minority Hispanic, and by median household income (as compared to the California median household income). Demographic data for 2022 uses the 2021 ACS 5-Year Estimates from data.census.gov.

## Conclusion

The 2022 election was the most expensive in San José to date. Political contributions rose significantly compared to previous years. There were no real upsets - successful campaigns were able to raise more total money than their opponents or received contributions from the largest donor base (or both). Although small donors were more numerous than large donors, high-dollar donors made up a much larger portion of the total campaign funding. Contributions of \$500 or more made up 82% of all contributions in 2022. Only 11% of all funding came from donors giving \$200 or less.

Money is not necessarily a guarantee of political success, but it can be a byproduct or an indicator of it. Although winning candidates in 2022 did not necessarily receive the most contributions in their respective race, they all raised sufficient funds to be competitive. Especially in the city council races, popularity with small donors was the best indicator of success. When a small voter base is deciding the victor, enthusiastic individuals in a compact geography can make a big difference.

### Methodology

Campaign records for the 2022 election were gathered on February 2, 2023 from the most recently amended filings available via San José's public portal. Campaign records for the 2014 election were gathered from PDF files received from the City of San José on July 29, 2019. Candidates' total contributions include monetary and non-monetary contributions received between January 1st of the year before the November election until December 31st of the election year, excluding outstanding loans and miscellaneous increases to cash.

Unique contributors were estimated by grouping contributions by first name, last name, and zip code. All discussions of resident contributors are based on whether a donor had a San José address. Discussions of zip code demographics utilized the 2017 American Community Survey estimates of the corresponding zip code tabulation areas. Maps which include contributions by zip codes are based on the outlines of 2010 U.S. census zip code tabulation areas, and outlines of city council districts are provided by the City of San José.

Readers may notice that independent expenditures were not discussed as part of this report. Although they are important and have an impact on the outcomes of elections, independent expenditures are not related to possible policy changes up for consideration.

### Acknowledgments

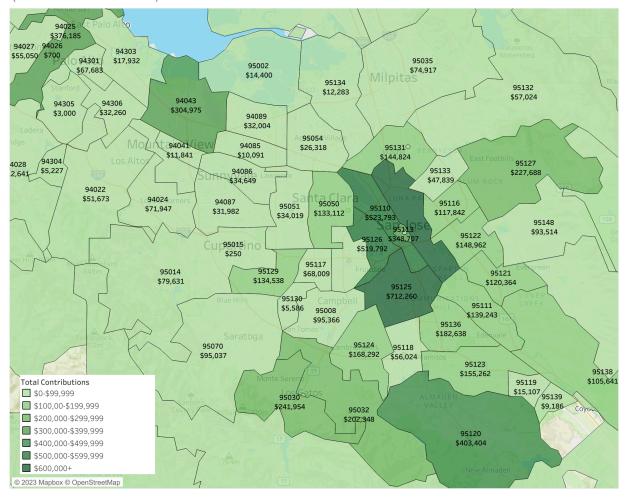
This report was made possible with support from the Silicon Valley Community Foundation. We would like to thank Working Partnerships USA for providing input on the analysis. Thanks also to internal and external reviewers who gave their valuable time to provide feedback and guidance throughout the course of this project.

## Appendix

This section includes additional maps showing contribution totals grouped by Zip code. Separate maps serve to break the data down by candidate type (all candidates, Mayoral candidates, City Council candidates).

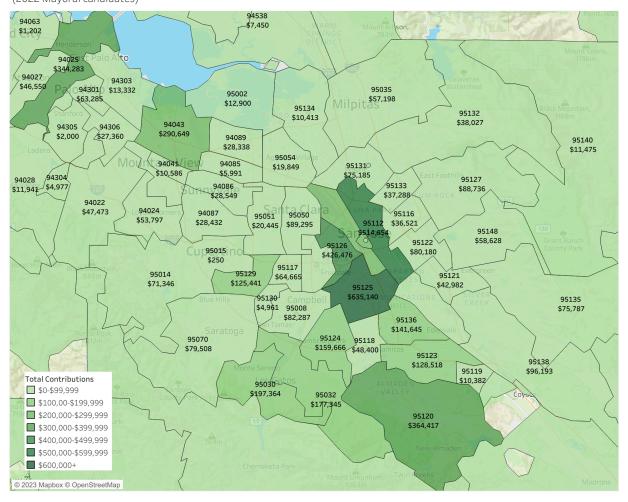
## All Candidates





## Mayoral Candidates

Total Contributions by ZIP Code (2022 Mayoral candidates)



## City Council Candidates

Total Contributions in the 2022 Election (City Council Races)

