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## '08 spending shows strength of tradition

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For all the talk about how the 2008 presidential race is breaking records, paradigms and glass ceilings, many of the candidates are following long-established traditions to reach the White House — and the easiest way to prove it is by observing one of journalism's own long-established rules, memorably hissed by Hal Halbrooke's Deep Throat in "All the President's Men:" Follow the money.

Chasing that money trail shows the Democrats are largely sticking to the same old path to the nomination — invest heavily in Iowa and New Hampshire, despite the addition of South Carolina and Nevada as early states and the looming threat of a quasi-national primary on Feb. 5.

Spending so far this year in Nevada and South Carolina by the three leading Democrats is less than a third of their spending in Iowa and New Hampshire.

If anyone is shaking up their game plan, it's the Republicans, for whom Florida may become the Gettysburg of the race.

But even they are now increasingly putting their money into the first caucus and first primary, as a generation of presidential hopefuls has done before them.

In another parallel between the two parties, [Barack Obama](#) and [Mitt Romney](#) are the largest spenders, in what amounts to a potential silver medalist's effort to overtake the national front-runners in each party.

Neither Romney nor Obama were as well known as [Hillary Rodham Clinton](#) or [Rudy Giuliani](#) heading into the race, in part explaining the heavy spending.

### Setting the pace

Romney is the runaway big spender of the campaign, shelling out \$10 million more than Obama in the first three quarters of the year and roughly \$16 million more than Clinton, notwithstanding raising significantly less money than either.

At this rate, Giuliani and Clinton may have significantly more money to saturate the airwaves with advertising in the critical week prior to Feb. 5, when some 20 states will hold contests.

Giuliani is expending little cash to overtake Romney in the early primary states.

The former New York mayor spent less than \$150,000 in Iowa and New Hampshire in the third



quarter, lasting from July to September, amounting to only 1 percent of his total expenditures.

Romney, by comparison, has this year spent roughly \$5 million in total, or 10 percent of his budget, in Iowa and New Hampshire.

Roughly \$2.5 million of that — or 11 percent of his budget — came in the third quarter. (It's worth noting that calculating expenditures is not an exact science, as spending in western Illinois reaches eastern Iowa for example.)

He has so far dwarfed fellow Republicans in spending both in Iowa and New Hampshire. And by some indications, he's getting his money's worth.

Romney trails far behind Giuliani in national polls, but currently holds a commanding lead in Iowa, by more than 10 points in the polls there. Romney's lead is narrower in New Hampshire.

"As long as you are the candidate who is unknown and people aren't taking you on, advertising has a huge advantage," said Kathleen Hall Jamison, an expert on political communication and spending.

But she asked, "The question is, will it hold when the attack ads come on?"

Generally, it is considered shrewd to not place attack advertising up too early. Otherwise, a campaign may numb the audience to the attacks or it could, in time, backfire.

Giuliani's focus remains on Florida. This summer he spent more than 11 percent of his budget on the Sunshine State, totaling more than \$1.6 million.

"We've never seen anybody with the strategy, 'I'm probably not going to win Iowa and New Hampshire; I'll start winning after that,'" political analyst Charlie Cook said. "What you would need is the financial resources to sustain losses early, and play later."

For Giuliani, for now, that's the case.

The Giuliani campaign is banking on a reasonable showing in the early primary races while depending on the Jan. 29 Florida primary to vault him to the front of the pack.

Yet of late, his campaign has also paid more attention to New Hampshire. (Even as Giuliani has begun to focus on the Granite State, Romney has shifted his chief spending target from New Hampshire in the first two quarters to Iowa in the third.)

Here again, tradition holds influence: the fear is that if he does poorly before Florida, voters may decide Giuliani is not a man who can win -- and historically, primary voters rally to the perceived winners, thereby making them winners.

But the Sunshine State remains his pivotal test. Giuliani has roughly a 10-point lead over Fred Thompson and Romney in Florida, which has more delegates than Iowa, New

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Hampshire, and South Carolina combined.

But Romney has also heavily spent in Florida, where Giuliani is hoping to stop any momentum Romney may gain in the early contests.

In contrast, Romney is aiming to build off a strong showing in Iowa and New Hampshire to undo Giuliani's candidacy in Florida.

"Florida is either [Giuliani's] last stand or building his momentum," Jamison said, adding that it is the logical strategic move for Republicans to focus on Florida.

"Democrats are not competing with you for airtime," she continued, since the party has banned Democrats from campaigning there because it has broken party rules by holding its primary before Feb. 5.

"It's also in its own [time] slot, and it's not sitting there with 20 other states. Thirdly, Florida is a decisive swing state. And you don't want resentment that you are not taking it seriously to play against you," in the general election.

Fred Thompson remains the unknown variable in the GOP field; his campaign is too new to the race to draw strategic conclusions from its expenditures.

But conversations within the campaign suggest that both South Carolina and Florida are likely to take a preeminent role.

Among Democrats, Obama has outspent Clinton in the early primary states.

But Clinton is no Giuliani, letting a rival outspend her by a large margin. She has raised far more than her fellow New Yorker and she is spending far more.

Clinton spent more in New Hampshire than Iowa in the first quarter.

She now has a two-to-one lead over fellow Democrats there. For this reason, most likely, in the third quarter Clinton spent twice as much in Iowa than in New Hampshire.

She is now locked in a three-candidate dead heat in Iowa.

Iowa remains the focal point of [John Edwards'](#) campaign like none other, and increasingly he is gambling his candidacy on the state (\$1.3 million spent there this year). The New York Times calculates he has campaigned in Iowa more than any major candidate and twice as much as Clinton.

Still, Obama has spent twice as much as Edwards in Iowa and traveled there more than all but Romney and Edwards.

The Democratic field has not only visited the Hawkeye State significantly more than the Republicans. They have also outspent them in Iowa by millions of dollars.

But the money trail can only reveal past strategy.

As Cook warns, “Just remember that past spending is past. Priorities and strategies can and do change.”

**EDITOR'S NOTE:** This story was updated to make clearer the comparison between Giuliani and Romney's spending in early states in the third quarter.

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