

THE YELLOW JACKET POLICY RESEARCH SERIES



THE EXTRACTION APPARATUS

How the Democratic Party Replaced Its Governing Function with a Fundraising Machine — and What It Cost

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April 2026

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Companion to: The Party Left the Building

A Note Before You Begin

This paper was not written to produce outrage at the Democratic Party. Outrage is available in unlimited quantities and has produced, in this political era, approximately nothing of structural value. What it produces, in the absence of specificity, is either exhaustion or the comfortable sensation of having understood something without the burden of being required to do anything about it.

This paper was written to be specific.

Every analytical claim in these pages is grounded in documented evidence: Federal Election Commission filings, peer-reviewed political science, verified journalistic reporting, and the stated institutional behaviors of named organizations. The argument does not depend on anonymous sources, inferred malicious intent, or the assumption that the reader already agrees with its premises. A reader who disputes any conclusion should be able to locate the underlying evidence, examine it independently, and form their own judgment about what it does and does not support. That scrutiny is invited. Every claim has been subjected to it.

The subject of this paper is a specific structural failure: the documented replacement, over the period 2004 to 2026, of the Democratic Party's governing function with a fundraising and messaging operation whose financial incentives have systematically decoupled electoral and governing outcomes from the maintenance of the apparatus itself. The problem is not that the people who run the apparatus have bad values. The problem is that the architecture they operate within rewards behavior that produces revenue and punishes behavior that produces results. The distinction between those two things — between the apparatus that sustains itself and the project that serves the people who fund it — is the subject of everything that follows.

This paper does not argue that Democrats should stop donating. It argues that donors are entitled to know what their money is actually buying, and that an institution which cannot answer that question honestly does not deserve the benefit of the doubt it has been extending to itself for twenty years.

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Abstract

This paper documents the structural transformation of the Democratic Party's fundraising apparatus from an instrument of political mobilization into a self-perpetuating extraction machine. Drawing on Federal Election Commission filing data, academic political science literature on campaign spending effectiveness and donor motivation, comparative institutional analysis of Republican versus Democratic organizational infrastructure, and documented behavioral evidence of donor disengagement and capital strikes, it traces the transformation across five interlocking dimensions:

the construction of a consultant class whose compensation is structurally decoupled from electoral outcomes; the replacement of physical civic organizing infrastructure with high-frequency digital extraction; the documented failure of financial dominance to produce governing outcomes across six election cycles; the demographic concentration of the donor base in terrain irrelevant to the competitive map; and the rational donor response — documented disengagement, explicit withholding, and named capital strikes — that the apparatus has produced.

The paper applies three analytical frameworks established in the companion series *The Party Left the Building*: organizational capture theory (Stigler, 1971; Dal Bó, 2006), civic infrastructure collapse (Putnam, 2000), and principal-agent failure (Jensen & Meckling, 1976). It concludes that the Democratic Party's donor base is not apathetic. It is rational. The withdrawal of funds is not a symptom of disengagement from politics. It is the correct conclusion of people who have been asked to fund a machine that produces nothing for them, and who have finally — after twenty years of documented underperformance — stopped extending credit.

The paper does not prescribe. It documents. The prescription belongs to the companion document, *The American Upgrade*. The case for that prescription rests on the accuracy of this diagnosis.

Exhibit A: The Apparatus in Operation

On Monday, April 13, 2026, at 11:22 a.m. Pacific Time, the Democratic Congressional Campaign Committee sent the following email to a registered Democratic voter in Greenbelt, Maryland. The email was authenticated via DKIM, SPF, and DMARC pass. The subject line read: "As of 2:22 p.m."

"We hoped to avoid sending this, but it's time to be brutally honest: Donations to elect House Democrats have plummeted. We need to show Top Democrats that we're ready to win the fight against Donald Trump — but the truth is that we're about to be dealt a STUNNING blow. There's still time to turn this around, but only if 19,774 grassroots Democrats URGENTLY step up with \$3 to help close our DCCC budget gap. This is not your typical email — it's a desperate plea for your help!"

The email proceeded through a three-part narrative structure labeled FIRST, THEN, and AND NOW — describing Trump's tax policy, his polling numbers, and his fundraising activity — before presenting donation buttons at \$3, \$27 ("This is what most Democrats are giving!"), \$100, and a monthly recurring \$5. The footer read: "Emails are a crucial way for the DCCC to stay in touch with supporters."

This email is not cited here as an anomaly. It is cited here as a specimen — a documented, timestamped, institutionally authenticated example of the Democratic Party's fundraising apparatus operating in real time. It is the primary source around which this paper's analysis is organized, because it illustrates, in a single communication, every structural failure the analysis describes.

The subject line is a timestamp. The urgency of the moment is the entire content. The precision of "19,774 grassroots Democrats" is A/B-tested psychological dark pattern design — a fabricated specificity engineered to feel like a real operational gap. The FIRST/THEN/AND NOW structure is a storytelling formula, not a policy document. It contains zero policy content. It describes no legislative mechanism. It offers no governing plan. Trump is the villain, the House is the prize, \$3 is the ask. That is the complete informational content of the communication.

The final button converts manufactured urgency into subscription revenue: "Chip in a monthly recurring \$5." The apparatus is explicitly designed to transform a panic response into an annuity.

Most revealingly: the footer states that "emails are a crucial way for the DCCC to stay in touch with supporters." This is the institution's own statement of its primary function. Not legislation. Not policy development. Not organizing. Not governing. Email contact with supporters.

This email arrived the same morning this paper's research framework was being assembled. The apparatus is not historical. It is operational right now. The analysis that follows explains why.

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I. The Apparatus Described

1.1 The Architecture of Extraction

The Democratic Party's fundraising apparatus in 2026 consists of four interlocking components: the congressional campaign committees (the DCCC and DSCC), the digital small-dollar fundraising infrastructure anchored by ActBlue, the Democracy Alliance donor network and its organizational beneficiaries, and the consultant and vendor ecosystem that ties them together. Each component is financially dependent on the continued operation of the others. Together they constitute what this paper terms the extraction apparatus: a system whose primary measurable output is the movement of money from donors to vendors, with electoral victory and governing capacity as secondary considerations — when they are considered at all.

The financial scale is substantial. In the 2024 election cycle, the DCCC raised approximately \$339.9 million and spent approximately \$331.9 million. The DSCC raised approximately \$275.5 million and spent approximately \$272.7 million. Combined, the two committees moved more than \$600 million through the electoral system in a single cycle. Over 80 to 90 percent of those disbursements went to external consultants and vendors rather than to direct candidate support.¹

The vendor ecosystem is highly concentrated. A small number of Washington-based firms — Global Strategy Group, GMMB and its affiliated media placement arm Waterfront Strategies, SKDK, Authentic Campaigns, and Bully Pulpit Interactive — receive recurring contracts cycle after cycle, regardless of electoral outcomes. In the 2024 cycle alone, Waterfront Strategies was the highest-paid political vendor of the entire cycle, receiving \$858 million to place advertisements primarily for Democratic-aligned super PACs. In 2020, GMMB's direct receipts from the Biden presidential campaign totaled approximately \$204 million.²

These figures are not presented as evidence of corruption. They are presented as evidence of architecture. The consultant class is not extracting from the apparatus illicitly. It is being paid according to the model the apparatus was built to operate. Understanding why that model produces the outcomes it produces requires examining the compensation structure that drives it.

1.2 The Commission Model: How Consultants Get Paid

The primary compensation mechanism for political media consultants is the media commission model: firms receive a percentage of the total advertising buy they place on behalf of clients, rather than a flat fee or a fee tied to electoral performance. The industry standard commission rate has historically been 15 percent of the gross buy. At the scale of presidential and senatorial campaigns, rates are typically negotiated down to between 4 and 10 percent — but the structural incentive remains identical: compensation is tied to the volume of spending, not to the efficiency of that spending or the outcomes it produces.³

Less than 1 percent of total expenditures by federal candidates for the purpose of purchasing television advertising are paid directly from the campaign committee to a media provider. The

money passes through the consultant class first.⁴ This means the consultant's gross revenue is a direct function of how much money flows through the buy. A consultant who places \$50 million in television advertisements earns more than a consultant who places \$25 million — regardless of which buy produced more votes per dollar spent.

The American Political Science Review documented in 2017 that consultants extract more financial surplus from uncompetitive races precisely because the influx of cash outpaces any need for efficiency.⁵ In a safe race with a large war chest, there is no electoral pressure to optimize the spend. The consultant's financial interest and the campaign's electoral interest diverge at precisely the moment when the most money is available.

James Thurber, director of the Center for Congressional and Presidential Studies at American University, has publicly testified that the commission structure creates an inherent conflict of interest — that consultants are financially motivated to recommend massive media campaigns regardless of strategic necessity. The Washington Monthly identified this structural problem in 2007, in a piece titled "The Consultancy Racket," arguing that commissions functionally decouple consultant success from candidate victory.⁶

The Sanders 2016 case is the most instructive illustration of the model's reach. Bernie Sanders ran a grassroots insurgency whose entire donor base was explicitly organized around opposition to the institutional extraction of political money. The campaign's stated identity was incompatible with the consultant commission model. And yet by May 2016, the campaign had funneled over \$82 million in advertising buys through Old Towne Media — a two-person LLC operating out of a residential home in Virginia. The campaign's senior strategist, Tad Devine, subsequently admitted to the Washington Post that he was splitting the commission with Old Towne Media. Based on standard industry rates, that LLC stood to collect between \$4 million and \$12 million in commissions from a campaign that had told its donors their money was funding a revolution.⁷

The Sanders case is cited not to indict Sanders but to illustrate the apparatus's reach. When the incentive structure is strong enough to capture a campaign explicitly built to resist it, the incentive structure has become the architecture.

1.3 The Democracy Alliance and the Billion-Dollar Infrastructure That Forgot What It Was For

The institutional infrastructure of the Democratic donor class was built deliberately, starting in 2005, in response to a documented competitive disadvantage. Rob Stein, a veteran Democratic operative, toured the country with a PowerPoint presentation arguing that Republicans had spent thirty years building institutional infrastructure — think tanks, media organizations, legal organizations, leadership academies — and that Democrats needed a mirror image. The Democracy Alliance, incorporated January 4, 2005, was the mechanism: a taxable nonprofit donor club requiring

minimum annual contributions of \$200,000, whose founding partners included George Soros, Patricia Stryker, Rob McKay, Rob Reiner, and John Podesta.

By 2014, the Alliance had distributed approximately \$500 million. By 2026, the figure exceeds \$1.8 billion. The organizations it funded — the Center for American Progress, Media Matters, America Votes — were designed as rapid-response messaging operations, not governing institutions. They were optimized for communications, polling, and opposition research. In 2020, the Alliance deployed \$100 million specifically to defeat Donald Trump rather than to build permanent governing infrastructure.

Micah Sifry, a progressive journalist writing a postmortem of the project after its founder's death, identified the structural problem with precision. The Democracy Alliance, he wrote, "never built infrastructure to support a progressive movement bound together by some progressive vision outside of 'Democrats winning elections.'"⁸

Read that sentence against the Republican infrastructure it was built to mirror. The Heritage Foundation, operating on 2023 revenue of approximately \$101 million, has produced policy blueprints that became the Reagan administration's governing agenda, the 1994 Contract with America, and Project 2025's detailed transition architecture. The Federalist Society, with annual revenue of \$22.5 to \$39 million, has engineered a multi-decade judicial pipeline: six of the nine current Supreme Court justices are current or former members or heavy affiliates of the organization. The Leadership Institute, founded in 1979 by Morton Blackwell, has trained over 210,000 conservative political operatives from a total investment of approximately \$280 million. Its alumni include Mike Pence, Karl Rove, Mitch McConnell, and Ralph Reed.

The Democratic infrastructure spent \$1.8 billion and produced no equivalent institutional pipeline. No governing academy. No judicial bench. No policy architecture that preceded an administration into office. It produced the apparatus — and the apparatus produces more apparatus.

II. The Business Model of Panic

2.1 What the Emails Are Actually Doing

The high-frequency small-dollar email and text model that now defines Democratic fundraising is not a communications strategy with a fundraising component. It is a behavioral intervention system with a veneer of politics. Its design draws on the same psychological literature as e-commerce cart abandonment emails and subscription renewal campaigns. Understanding what it is built to do — and what the academic literature documents about what it actually does — is essential to understanding why the donor base is responding the way it is.

The fabricated precision of Exhibit A's "19,774 grassroots Democrats" is not a reporting error. It is a documented technique. Specificity in fundraising appeals creates the sensation of a real and addressable gap — a finite number of people standing between the organization and its goal. The number is not derived from an actual deficit calculation. It is generated by A/B testing to identify the integer that produces the highest conversion rate at the lowest ask threshold. The recipient is being manipulated into feeling personally indispensable to an outcome that has been engineered to feel imminent.

The three-part FIRST/THEN/AND NOW narrative structure is a storytelling formula whose function is to produce emotional escalation leading to a call to action — identical in structure to the threat-revelation-resolution arc of direct response marketing. It contains zero policy content because policy content is not what produces donations in this model. Urgency produces donations. The email's informational content is precisely calibrated: enough context to justify the emotional response, no substance that might prompt the recipient to evaluate whether the response is warranted.

2.2 The Psychology of the \$3 Donation

The academic literature on small-dollar political giving documents a phenomenon that the Democratic fundraising apparatus has, paradoxically, been optimizing against its own interests. Mazar and Zhong (2010) documented the moral licensing effect: engaging in a socially desirable behavior — such as a \$3 political donation — activates a psychological permission structure that reduces the likelihood of subsequent, higher-effort engagement. The act of giving is experienced as discharging an obligation.⁹

Kristofferson, White, and Peloza (2014) extended this finding specifically to token support: small digital donations frequently fail to translate into deeper offline activist behavior, functioning instead to alleviate civic guilt without requiring high-effort engagement.¹⁰ The donor who sends \$3 in response to a midnight deadline has, in the psychological architecture of the transaction, done their part. The email has successfully extracted a financial contribution and simultaneously reduced the

probability of the kind of sustained civic engagement — canvassing, organizing, sustained political education — that produces durable electoral outcomes.

Eitan Hersh of Tufts University, whose research on political donor motivation is among the most rigorous in the literature, documents what he terms the "expressive motive" in political giving. Approximately one-third of political donors, Hersh finds, are motivated primarily by what he describes as political hobbyism: the treatment of politics as a spectator sport in which donation functions as identity expression and social signaling rather than as a strategic investment in a governing outcome. These donors do not give because they believe a specific mechanism will produce a specific result. They give because the act of giving makes them feel politically engaged.¹¹

The Brookings Institution's analysis of small-dollar fundraising draws the structural conclusion that the Democratic apparatus's own incentive structure requires: the reliance on urgency-driven fundraising forces campaigns to amplify extremism and panic, because the donor base responds to threat, not to policy. The money is raised on the promise of fighting an existential threat. It is spent on consultants who benefit financially from keeping the threat alive. If the party actually resolved the existential threat — if it codified the protections it campaigns on, delivered the material outcomes it promises — the urgency would dissipate, the expressive donations would stop, and the consultants would lose their commission revenue. The apparatus is financially incentivized not to govern.¹²

This is not a claim about intent. It is a claim about incentive structure. The consultants who operate this system are not, by this analysis, malicious actors who have chosen dysfunction. They are rational actors operating within an incentive structure that rewards the behavior the analysis describes. The distinction matters for moral assessment. It does not matter for the structural analysis of outcomes.

2.3 The Evidence of Fatigue

The behavioral evidence that the model is producing diminishing returns is documented and specific. ActBlue, the primary small-dollar processing platform for Democratic campaigns and committees, processed over \$10.3 billion in the 2024 cycle across 3.3 million contributors. Average gift size has remained essentially flat across the past three cycles: approximately \$39.50 in 2018, \$38.08 in 2020, \$40.05 in 2022, and \$42.73 in the first quarter of 2024.¹³ The total volume has grown because the platform has grown, not because individual donors are giving more. The pool is not deepening. It is being squeezed harder.

The Movement Voter Project's September 2023 memo, "Sending Up the Bat Signal," documented a funding drought entering the 2024 cycle: "Donations to progressive organizations are way down in 2023 across the board. In the 2019-2020 election cycle, and to some extent in 2021-2022, donors gave like our lives depended on it. This has not happened yet in the 2023-2024 election cycle." The memo attributed the contraction directly to donor exhaustion.¹⁴

Micah Sifry's data analysis of ActBlue metrics following the 2022 cycle documented that while total dollars remained high due to inflation and recurring charges, the actual number of unique individuals engaging with the platform had begun to plateau and contract. The "churn and burn" model — driving list growth through digital acquisition to replace the donors who unsubscribe — was consuming an increasing share of the revenue it generated.¹⁵

Investigative reporting by Sludge in late 2025 documented the operational consequence of aggressive send cadences: donors actively hunting down and canceling their recurring donation profiles. This is not apathy. It is a labor-intensive, deliberate refusal. The donor has not become less politically engaged. They have become sufficiently politically engaged to understand what they are funding and to conclude that it is not worth funding.

The New York Times, in an August 2022 analysis by Lara Putnam and Micah Sifry, documented the structural failure directly: the DCCC's email cadence — frequently three to five sends per day during peak cycle — was creating short-term cash at the cost of long-term civic trust and organizational capacity. The strategy treated the grassroots base as an ATM. The base was beginning to respond accordingly.¹⁶

III. Where the Money Goes

3.1 The Air War Economy

What the Democratic fundraising apparatus does with the money it raises is documented in public FEC filings. The picture those filings produce is not ambiguous. In the 2024 cycle, over \$1.2 billion was spent on broadcast television for United States Senate races alone. Democratic-aligned groups outspent Republicans by more than three to one on digital advertising across Meta and Google platforms.¹⁷ Field organizing — face-to-face canvassing, precinct-level voter contact, the physical civic infrastructure that the political science literature consistently identifies as the most cost-effective form of political mobilization — received a fraction of the budget allocated to media consultants, typically falling into single-digit percentages of total disbursements.¹⁸

The academic literature on the effectiveness of this spending model is settled. Gary Jacobson's canonical research on congressional campaign spending establishes that above a baseline saturation threshold, additional spending yields aggressively diminishing marginal returns. More significantly, Jacobson documents that higher incumbent spending is often a symptom of electoral vulnerability rather than a lever for victory: incumbents only spend massive amounts when they are in danger, which means that the correlation between high spending and electoral outcomes runs opposite to the direction the apparatus assumes.¹⁹

Kalla and Broockman's 2018 meta-analysis of 49 field experiments is among the most important findings in recent political science: the best estimate of the persuasive effects of standard campaign contact — the direct mail, phone banking, digital advertising, and standard canvassing that Democratic consultant spending produces — in general elections is statistically indistinguishable from zero.²⁰ The consultant is being paid, at commission rates, to execute tactics that the political science literature has established do not work. The apparatus is paying premium prices for a null result.

Green and Gerber's research on voter mobilization, by contrast, establishes that face-to-face field canvassing produces approximately one additional vote per fourteen personal contacts. That is not a null result. It is a documented, replicable, cost-effective mobilization mechanism. The Democratic apparatus does not prioritize it, because the commission model does not reward it.²¹

3.2 The Fundraising Paradox: A Twenty-Year Pattern

The argument that financial dominance cannot produce governing outcomes is not a 2024 observation. It is a documented pattern across six election cycles that is only explicable as structural rather than cyclical.

In the 2010 midterms, the DCCC raised approximately \$212.7 million compared to the NRCC's \$138.8 million — a \$74 million advantage. Democrats lost 63 House seats, the largest midterm loss

for any party since 1938. In the 2014 midterms, the DCCC raised approximately \$207.4 million compared to the NRCC's \$166.3 million. The DSCC raised approximately \$170.8 million compared to the NRSC's \$128.4 million. Democrats held a \$41 million advantage in House committee fundraising and a \$42 million advantage in Senate committee fundraising. They lost 13 House seats and 9 Senate seats and surrendered control of both chambers.²²

The race-level evidence is equally systematic. In 2022, Val Demings raised approximately \$73 million against Marco Rubio's \$46 million in the Florida Senate race and lost by 16 points. Tim Ryan raised approximately \$57 million against JD Vance's \$15 million in Ohio — a nearly four-to-one fundraising advantage — and lost by 6 points. In 2020, Sara Gideon raised approximately \$75 million against Susan Collins's \$30 million in Maine and lost by nearly 9 points. Amy McGrath raised approximately \$94 million against Mitch McConnell in Kentucky and lost by nearly 20 points. Jaime Harrison raised approximately \$130 million in South Carolina and lost by 10 points.²³

In 2025, a Democratic candidate in a Florida special election raised \$9 million against a Republican opponent's \$1 million and lost by 15 points.

These are not isolated cases. They are the pattern. The apparatus consistently and efficiently monetizes Democratic donor enthusiasm — particularly donor enthusiasm directed at high-profile Republican opponents — and converts that enthusiasm into campaign expenditures that produce no corresponding electoral returns. The apparatus does not fail at its stated purpose. Its stated purpose is raising money. It succeeds at raising money. The failure is in the unstated assumption that raising money and winning elections are the same thing. They are not. They have not been for twenty years. The FEC filings document this every cycle.

IV. The Republican Asymmetry

4.1 What the Other Party Built

The comparison between the Democratic and Republican institutional infrastructures is not offered here as an argument that Republicans are right or that their governance has been effective. It is offered as structural analysis: two parties faced with the same problem — how to translate donor money into durable political power — built fundamentally different institutions to address it. The outputs of those institutions are measurably different. Understanding why requires examining what each party chose to build.

The Heritage Foundation, operating on 2023 revenue of approximately \$101 million, is a permanent policy institution. Its output is not messaging. It is governing architecture: the policy blueprints, personnel databases, and legislative frameworks that allow an incoming administration to begin governing on day one rather than spending its first year deciding what it believes. The Reagan administration drew directly from Heritage's 1981 "Mandate for Leadership." The 1994 Contract with America reflected years of Heritage policy development. Project 2025 — whatever one's assessment of its objectives — represents the most comprehensive pre-transition governing framework in the history of American conservative politics, assembled and publicly documented before the administration that would use it existed.

The Federalist Society, operating on annual revenue between \$22.5 and \$39 million, has engineered the most consequential institutional pipeline in American political history. Six of the nine current Supreme Court justices are current or former members or heavy affiliates of the organization. The pipeline was built over four decades through a straightforward mechanism: identify promising conservative law students, integrate them into a professional and social network that sustains their ideological commitments across a career, and create the institutional conditions in which their advancement is supported at every stage. The investment required was a fraction of what the Democracy Alliance spent on a single presidential election cycle.

The Leadership Institute has trained over 210,000 conservative political operatives from a total institutional investment of approximately \$280 million across its 47-year history. Its alumni include a Vice President, a Senate Majority Leader, a White House political director, and the architects of multiple congressional majorities. There is no Democratic equivalent of the Leadership Institute. The Democracy Alliance spent \$1.8 billion and did not build one.²⁴

The structural conclusion is not subtle. The Republican infrastructure invested in permanent institutions that compound over time: a policy pipeline, a judicial pipeline, and an operative training pipeline. The Democratic infrastructure invested in cycle-by-cycle messaging operations and electoral expenditures that expire on election night. One model builds a governing apparatus. The other rents one.

V. The Donor's Rational Response

5.1 Who the Donors Actually Are

The Democratic small-dollar donor base is not a cross-section of the Democratic electorate. It is a specific demographic segment whose concentration explains both the apparatus's financial success and its electoral limitations. Research by Adam Bonica of Stanford University and Michael Barber of Brigham Young University consistently establishes that small-dollar donors — those giving under \$200 — are significantly more college-educated than the general electorate.²⁵ Bouton, Cagé, and colleagues' 2022 analysis of 340 million individual FEC contributions found that both small and large donors are overwhelmingly concentrated in high-income ZIP codes, particularly in knowledge-economy metropolitan hubs.²⁶

The geographic concentration is the most analytically significant finding. In recent election cycles, between 35 and 45 percent of all Democratic small-dollar donations processed through ActBlue have originated from five safe blue states: California, New York, Massachusetts, Illinois, and Washington. Donor density is highest on the coasts and in large metropolitan areas. The competitive electoral map — the districts and states where marginal dollars produce marginal electoral value — is not where the money comes from.²⁷

Bonica's research on the "invisible primary" documents the downstream consequence of this geographic misalignment: candidates who appeal to the professional-class donor base in California and New York are more likely to survive the pre-primary funding gauntlet, even when their profiles are poorly suited to the competitive districts in the Midwest or South where the party most needs to win. The fundraising apparatus selects for candidates optimized for the donor base, not for the competitive map. The apparatus then spends those candidates' war chests on the same media model that has failed to produce results in those districts for twenty years.²⁸

The practical consequence is a closed loop of inefficiency: safe-state donors fund candidates selected for safe-state appeal, who run media-heavy campaigns in competitive terrain where their messages don't resonate, spending money on consultants whose compensation is tied to the volume of that spending, producing losses that generate renewed urgency appeals to the same safe-state donors.

5.2 The Capital Strike: Documented Behavioral Response

The donor base has begun to respond to this structure with behavior that is rational, documented, and — correctly understood — a market correction rather than political apathy.

In July 2024, a coordinated capital strike emerged among major Democratic donors in response to the party's presidential ticket situation. Damon Lindelof coined the term "DEMBargo" in a public op-ed. Abigail Disney issued a public statement: "I intend to stop any contributions to the party unless and until they replace Biden at the top of the ticket. This is realism, not disrespect." Gideon

Stein announced he was pausing a planned \$3 million in donations, stating that "virtually every major donor I've talked to believes that we need a new candidate." Ari Emanuel stated publicly: "The lifeblood to a campaign is money, and maybe the only way this gets solved is if the money starts drying up."²⁹

Following the 2024 election, the New York Times and other outlets tracked a sustained pullback. Over 50 major donors went on record stating they were withholding funds because the campaign had employed an "outdated strategy" and they felt actively misled by the party apparatus. They refused to fund the same consultants to run the same playbook.³⁰

Eitan Hersh's analytical framework explains what these donors were doing: they had shifted from the expressive motive to the policy motive. Having concluded that the apparatus was farming them for outrage rather than deploying their resources toward governing outcomes, they withdrew the subsidy. The DEMbargo and the post-2024 retraction are not emotional reactions. They are the rational response of principals who have correctly identified their agents' misaligned incentives and acted to correct them.

The apparatus's response to the capital strike was to send more emails. Exhibit A is dated April 13, 2026.

VI. What a Governing Infrastructure Looks Like

6.1 The Georgia Proof of Concept

The constructive argument this paper makes is not that Democratic donors should stop funding political activity. It is that political activity worth funding looks different from what the apparatus currently produces — and that the evidence for this exists in the public record.

Between 2018 and 2020, Stacey Abrams's Fair Fight Action and a coalition of allied organizations including the New Georgia Project and Black Voters Matter registered approximately 800,000 new voters in Georgia. Fair Fight Action's documented expenditures for this period, based on IRS Form 990 filings accessed through ProPublica's Nonprofit Explorer, total approximately \$10.9 million in 2019 and \$29.6 million in 2020 — approximately \$40.5 million across the full cycle. Even accounting for expenditures by allied organizations not captured in Fair Fight's filings, the per-voter cost of this infrastructure investment falls in the range of \$50 to \$100 per newly and permanently registered voter.³¹

Jon Ossoff won his January 2021 Senate runoff by approximately 55,000 votes. Raphael Warnock won by approximately 93,000 votes. Both margins were comfortably within the newly registered voter cohort. The \$40.5 million investment produced a structural addition to the governing coalition that persisted across multiple subsequent cycles without needing to be repurchased.

Compare this to the Brookings Institution's January 2025 analysis of 2020 congressional campaign spending: the average cost per vote across all campaigns was \$80.59. In highly competitive, media-saturated districts — the terrain where the Democratic apparatus concentrates its spending — the cost per vote reached \$719.70.³² At the upper end of that range, the \$40.5 million invested in Georgia's organizing infrastructure would have purchased approximately 56,000 votes through the standard DCCC media model. It purchased 800,000 permanent additions to the electorate. The investment is not comparable. The return on investment is not comparable.

Alexandria Ocasio-Cortez's 2018 primary campaign provides a parallel demonstration at the candidate level. Outspent 18 to 1 — incumbent Joe Crowley spent approximately \$1.5 million; Ocasio-Cortez spent approximately \$83,000 — she won 57 to 42 percent on the basis of grassroots mobilization and direct community organizing, accepting no corporate PAC money and running no significant media buy.³³

6.2 The Membership Model

The Democratic fundraising apparatus's dependence on manufactured urgency and election-year panic is not the only available model for funding political activity. It is a model that was adopted, and it can be replaced.

The Working Families Party operates on an annual budget of approximately \$48 to \$54 million sustained through a dues-paying membership model with contributions ranging from \$10 to \$1,000 per month. This produces a predictable revenue stream tied to base engagement rather than to election-year panic — a financial architecture that permits long-term organizing investment rather than cycle-by-cycle spending.

The United Kingdom's Labour Party reported over £26.4 million in income directly from member contributions and subscriptions in 2024. This establishes a permanent financial relationship with the working-class base that persists independent of the immediate electoral calendar. The party does not need to manufacture urgency to fund its operations. It has members. Members produce sustained, predictable revenue. Sustained revenue funds sustained organizing. Sustained organizing produces durable electoral coalitions.³⁴

The pre-1970s Democratic Party operated on a comparable model. Before the consultant revolution, Democratic budgets were heavily skewed toward physical field presence: union halls, ward machines, and precinct organizations that maintained permanent relationships with voters between election cycles. The Democratic Party did not raise money by sending panic emails. It raised money from members and spent it on the organizational infrastructure that transmitted the party's governing identity to the communities it claimed to represent. That infrastructure has been dismantled and not rebuilt. What replaced it is documented above.

VII. Limitations and Analytical Caveats

This paper operates under constraints that readers should weigh carefully in assessing its conclusions.

The primary constraint is the limits of public documentation. FEC filings document what committees and campaigns spend and on whom, but they do not capture the internal decision-making processes that produced those expenditures. This paper cannot access the private deliberations of the DCCC, the Democracy Alliance, or the consultant firms it analyzes. The absence of documented internal discussion of the structural problems described here is not evidence that those discussions have not occurred. It is simply the limit of the public record.

The paper's argument that the consultant class is financially incentivized to maintain the status quo does not require — and does not assert — that any individual consultant has consciously chosen to prioritize their commission revenue over their client's electoral success. The incentive structure analysis describes what the architecture rewards, not what any given actor intends. As the companion series has established in other contexts, democratic erosion and institutional failure do not require malicious actors. They require only rational actors responding to the incentives their institutional environment provides. The same is true here.

Several specific figures in this paper should be noted as subject to verification. The Democracy Alliance cumulative distribution figure of \$1.8 billion is based on reporting in InfluenceWatch and Gemini-sourced research, and should be confirmed against the organization's own disclosures before citation in legal or formal academic contexts. The GMMB and Waterfront Strategies figures are drawn from FEC filings reported through OpenSecrets and should be verified directly at FEC.gov.

Finally, this paper does not argue that the Democratic Party cannot reform its fundraising apparatus. It argues that the apparatus has not reformed and that the documented pattern of the past twenty years provides no evidence that it will reform without external pressure. The donor strikes of 2024 and the sustained capital pullback documented in the months since represent the most significant external pressure the apparatus has faced. Whether that pressure produces structural change is a question the public record will eventually answer.

VIII. Conclusion: What the Donor Is Owed

The Democratic Party once passed the New Deal. It once passed the Civil Rights Act. It once built Medicare. These are not small things. They required a party that was organized to govern — that had the civic infrastructure to translate donor money and voter energy into legislative outcomes, the organizational culture to prioritize delivery over performance, and the institutional architecture to maintain its connection to the working-class coalition that gave it its mandate.

The party that sends Exhibit A is not that party. It is an extraction apparatus that has learned to simulate the urgency of that party without maintaining any of its governing capacity. The DCCC email of April 13, 2026, contains no policy. It contains no mechanism. It contains no plan. It contains a timestamp, a fabricated donor gap, a three-part emotional escalation formula, and a button that converts a one-time panic response into a monthly subscription. The footer explains the institution's own understanding of its purpose: emails are a crucial way for the DCCC to stay in touch with supporters.

The donor who reads that email and concludes that \$3 will not produce a governing outcome is not apathetic. They are correct. The donor who cancels their recurring donation because the apparatus has not demonstrated what it will do with their money is not disengaged from politics. They are enforcing a standard of accountability that the apparatus has not met. The donor who participated in the DEMbargo or the post-2024 capital pullback was not giving up on Democratic governance. They were refusing to fund the simulation of it.

The argument this paper makes is not that Democrats should stop giving. It is that giving deserves a return — not in the form of a win that validates the apparatus, but in the form of a governing project that earns the investment. The Fair Fight model registered 800,000 permanent voters for \$50 to \$100 each. The AOC model won a congressional seat for \$83,000. The membership model funds a permanent organizing infrastructure that does not require manufactured panic to sustain itself. These models exist. They are documented. They produce results that the commission model has not produced in twenty years.

The donor is owed a plan. Not a platform. Not a list of values. A plan: the specific legislative mechanism, the constitutional basis, the implementation timeline, the cost estimate, the coalition required, and the accountability measure that will tell the donor whether their money produced what it was supposed to produce. That is the minimum standard of institutional honesty that any organization asking for money should be able to meet. It is the standard this apparatus has not met. It is the standard the companion document, *The American Upgrade*, is being built to satisfy.

The record is documented. The standard is clear. The mechanism for change is the same one that has always existed: the withdrawal of the subsidy until the institution earns it back.

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The apparatus has the money. It does not have the plan.

The plan is what you are owed.

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Notes and Sources

All FEC data should be verified at FEC.gov or OpenSecrets.org. All academic citations are independently verifiable through their respective journals and publishers. This document and all companion documents in the Yellow Jacket Policy Research Series may be reproduced, distributed, shared, and cited freely for non-commercial purposes.

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