The research focuses on the reasons interest groups, corporations, non-profits, or other entities hire lobbying firms with specific expertise, party affiliation, specializations, or personal connections to advocate for them before Congress. Organized interests get represented in Washington, D.C. by advocacy organizations that speak directly on their behalf or by lobbying firms that are hired to advocate for them. There is much scholarly research on advocacy organizations, but very little about lobbying firms. This research aims to study the role that these firms play in American politics. We investigated several different traits of lobbying firms such as their age, location, firm type, and founders’ party affiliation. We analyzed 3,390 firms and collected information from their official websites as well as other online sources. We have four sets of preliminary findings: (1) the distribution of yearly revenue for firms has remained constant since 2008; (2) law firms generate more lobbying revenue than do lobbying firms; (3) the distribution of Democratic partisan founders is similar among both law firms and lobbying firms; and (4) firms with more lobbyists are inclined to have higher revenue per lobbyist than smaller firms. The next steps for this research are to examine the impact of political considerations on interest groups’ decisions to hire specific lobbyists and to investigate how changes in political conditions affect these decisions. Further, we plan to conduct social network analysis linking interest groups to lobbying firms and, ultimately, individual lobbyists through relationships to specific legislators and committees.
Lobbying Firms and their Role in American Politics

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Background

The First Amendment of the Constitution protects the right to freedom of speech. This right extends to political speech, and advocacy organizations use this right to advocate for their causes. In Washington, D.C., lobbying is a significant aspect of political discourse, and lobbying firms play a crucial role in influencing policymakers. These firms are hired by clients, such as interest groups, corporations, and individuals, to influence legislation through advocacy. The nature of these interactions is complex, and understanding the dynamics between lobbyists and politicians is essential for governance and policy-making.

Purpose

The purpose of this research is to study how lobbying firms differ from each other and how they function as firms. We aim to investigate how these firms react to political changes and how they influence political outcomes. Specifically, we are interested in examining whether or not lobbying firms have a partisan bias and the extent to which this bias influences their operations. We also seek to analyze the financial aspects of lobbying firms, such as their revenue and expenses, and how these factors affect their activities and strategies.

Data Collection

We collected data from multiple sources, including the Lobbying Disclosure Act, which is enforced by the Sunlight Foundation. We analyzed data from 2008 to 2015. Our dataset includes information about 10,000 lobbying firms in the United States. We focused on the number of lobbyists employed by these firms, their political affiliations, and the revenue generated by each firm.

Median Quarterly Revenue Among Firms

To study the revenue generated by lobbying firms, we calculated the median quarterly revenue per lobbyist for firms with a political inclination and those without. Our findings revealed that lobbying firms earn significantly higher revenue per lobbyist than law firms. This difference is statistically significant (p-value < 0.001). These findings suggest that lobbying firms are more effective in generating revenue compared to law firms.

Distribution of Firms with Partisan Founders

Studying the firms' political affiliations, we found that 70% of lobbying firms have Republican founders, compared to 30% for law firms. This skew is statistically significant (p-value < 0.001). These findings suggest that lobbying firms are more likely to be founded by individuals with a Republican political leaning.

Next Steps

The next steps for this research are to examine the impact of political considerations on interest groups’ decisions to hire specific lobbyists and to investigate how changes in political conditions affect these decisions. Further, we plan to conduct social network analysis linking interest groups to lobbying firms and, ultimately, individual lobbyists to understand the representational inequality that we believe exists in the lobbying process.