



## NEWS RELEASE

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According to a report released today by the New Jersey Election Law Enforcement Commission, the costs of campaigning for governor in 1989 will have increased an estimated 60.3 percent since the general election of 1981, the last time the thresholds and limits of the Gubernatorial Public Financing Program were modified.

The study, entitled The Gubernatorial Cost Analysis Report, was unanimously endorsed by the four members of the Commission: Chairman Stanley G. Bedford, Vice Chairman Owen V. McNany, III, Commissioner Andrew C. Axtell, and Commissioner David Linett.

Frederick M. Herrmann, Executive Director of the Commission, said that the estimated eight-year rise in campaign costs is almost double that of the projected inflation rate for the same period.

The Consumer Price Index (CPI) is projected to increase by a compounded rate of 35.4 percent between 1981-1989.

Herrmann said: "It's essential for the Gubernatorial Public Financing Program to be modified. If the program's thresholds and limits are not brought in line with inflation, the program will eventually be completely undermined."

"The CPI increase of 35.4 percent between 1981 and 1989 would erode the value of an \$800 contribution by \$209. In other words, an \$800 contribution in 1981 will be worth only \$591 in 1989," he said.

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Added Herrmann: "If the general inflation rate affects the contribution limit in this way, imagine the impact on the various limits and thresholds of the program when put in the context of campaign cost inflation, which is almost double the CPI."

Herrmann said that the formula devised by the Commission in its report to estimate increases in campaign costs could be used to adjust the program's thresholds and limits every four years.

The newly published analysis concludes that there has been a trend toward spending on mass communications since the general election of 1973.

It states that there has been a 56 percent increase in the proportion of total expenditures made for mass communications by general election candidates for governor between the elections of 1973 and 1985. In 1973, 54 percent of all expenditures went toward mass communications compared with 84 percent in 1985.

The report also concludes that there is a spending trend within the broad category of mass media toward broadcast media.

In the general election of 1985, the gubernatorial candidates spent 87 percent of their communication budget on broadcast media. This figure compares with 45 percent spent by candidate Brendan T. Byrne on broadcast media in the general election of 1973. Only Byrne provided a breakdown of communication expenditures in 1973.

The trend is detectable in primary elections as well. The percentage of expenditures for broadcast media rose from 60 percent in the 1981 primary to 73 percent in the 1985 primary.

"New Jersey candidates for governor are communicating with the voters through the use of television and radio," said Herrmann. "This approach is very expensive."

The report states that television advertising costs will increase by a projected 77 percent between 1981 and 1989 and that radio advertising costs will rise by a projected 68 percent.

"All of this adds up to a need to adjust the program for inflation," said Herrmann. "If gubernatorial public financing is to remain viable and an integral part of the election process, then the inflationary factor must be taken into account."