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AMERICA'S INVESTIGATIVE THINK TANK

**LIBERAL** *RIGHT-OF-CENTER*  
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**GREEN** *FREE-MARKET*  
**FAR LEFT** *LIBERTARIAN*  
*PROGRESSIVE* **RIGHT-WING**  
*LEFT OF CENTER* *RIGHT-LEANING*

## Political and Policy-Oriented Giving After *Citizens United*: An Update to CRC's 2017 Analysis

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BY: SHANE DEVINE, MICHAEL WATSON

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**Summary:** *CRC researchers find that the left-wing advantage in election funding through public policy and “dark money” groups increased in the 2018 elections. In the 2018 election cycle, liberal grantmakers increased their public policy 501(c)(3) giving by nearly 10 percent to \$8.1 billion while conservative giving remained stable at \$2.2 billion—increasing the imbalance from nearly 3.4 to 1 in 2014 to 3.7 to 1 in 2018. “Dark money” funding through 501(c)(4) groups flipped from a 3.6 to 1 advantage for conservatives to a nearly 2 to 1 (\$81 million to \$42 million) advantage for liberals.*

## I. Introduction

In February 2018, Michael Hartmann and Michael Watson of the Capital Research Center published a [report](#) summarizing their research into the aftereffects of the January 2010 *Citizens United* decision, in which the Supreme Court held that it was unconstitutional to limit donations supporting independent political expenditures provided that neither the expenditures nor the communications are formally “coordinated” with any particular candidate’s campaign.

Based on the idea that *Citizens United* and related cases transformed political spending by enlarging existing organizations and spurring the creation of new organizations to influence politics and inform policy, their report sought to answer a question: Did it similarly change philanthropic support of traditional public policy organizations, effectively displacing and shifting support from those organizations to “Citizens United” groups?

## II. Findings of the 2018 Report

Many observers understood that election spending undoubtedly increased in absolute dollars and at a faster rate after *Citizens United*, but few considered the possibility that the decision affected “traditional” [public policy philanthropy—that is, giving to 501\(c\)\(3\) groups](#) like think tanks.

To estimate the answer to this question, the Hartmann/Watson study analyzed the scope of three “rivers” of political and public policy funding: conventional political contributions to 527 groups like campaigns and committees, “Citizens United” money to 501(c)(4) groups, and support for policy-oriented 501(c)(3) public charities as they were in the 2014 election cycle. The results showed narrow conservative/Republican advantages in [527](#) and 501(c)(4) spending, but a three-to-one left-progressive advantage in the vastly larger 501(c)(3) public policy charity space.

Specifically, they found that total reported revenues received by 372 groups in 2006 supported by the selected conservative grantmakers totaled almost \$1.3 billion. In 2014, the same revenues totaled almost \$2.2 billion, a roughly 71 percent increase over 2006 levels. As for liberal grantmakers, the 2006 sum of reported revenues of 1,078 left-of-center groups totaled over \$4.9 billion. In 2014, they exceeded \$7.4 billion, about a 50 percent increase. In 2014, [the liberal-conservative ratio was nearly 3.4 to 1.](#)

These groups were selected from the grant recipient lists of 12 major private foundations – six left-leaning (Community Initiatives, Marisla Foundation, NEO Philanthropy, Open Society Foundations, Proteus Fund, and Tides Foundation) and six right-leaning (Bradley Foundation, Bradley Impact Fund, Donors Trust, Charles Koch Foundation, Sarah Scaife Foundation, and Searle Freedom Trust).

Based on the 2006 and 2014 snapshots, the trend appeared to indicate an appreciable increase in support of public policy recipients since *Citizens United*. The percentage increase was bigger for conservative groups, but in raw-dollar terms, support of liberal groups remained much, much larger.

Support of conservative public policy recipients exceeded the support of conservative independent groups in elections and approached the amount given directly to Republican candidates. Support of liberal policy groups far exceeded total financial support for liberal independent groups in elections and the funds that

The Center for Responsive Politics reported that, in hard dollars, Democrats outspent Republicans in the 2018 midterm elections across all four categories—party committees, outside groups, Senate candidate campaigns, and House candidate campaigns—by over \$450 million.

contributed directly to Democratic candidates. Unlike amounts given to the political and independent groups, the giving to nonprofits was not even close to being distributed equally between liberal and conservative organizations.

### III. Update for 2018 Cycle

While the 501(c)(3) river is only one of three, readers asked the most questions about that river last time, as it is by far the biggest. We decided to focus on that funding river because it more clearly maps the greater landscape of money in politics. Additionally, major policy groups have already published comprehensive reports on 2018 spending on 527 political party/PAC election spending and 501(c)(4) spending, rendering an additional report by CRC unnecessary.

For example, total election spending in the 2018 midterms surpassed \$5.7 billion, making it the most expensive midterm ever, [according](#) to the Center for Responsive Politics (which runs the website OpenSecrets.org). Democrats outspent Republicans across all four categories—party committees, outside groups, Senate candidate campaigns, and House candidate campaigns—by over \$450 million, but the largest spending disparity was in House candidate races, in which Democrats spent \$300 million more than Republicans.

	Democrats	Republicans
House Candidates	\$ 932,399,430	\$ 632,516,031
Senate Candidates	\$ 559,917,920	\$ 430,012,076
Outside Groups	\$ 516,650,490	\$ 506,171,580
Party Committees	\$ 752,475,512	\$ 741,739,679
Total	\$ 2,761,443,352	\$ 2,310,439,366

Source: OpenSecrets.org, [“Most Expensive Midterm Ever: Cost of 2018 Election Surpasses \\$5.7 Billion.”](#)

Interestingly, liberal “dark money” groups—what many have chosen to call 501(c)(4)s or SuperPACs — [spent](#) \$81 million on the 2018 election, compared to the \$42 million spent by conservatives—in stark contrast to the \$140 million spent by conservatives and the \$39 million spent by liberals in 2014. Expenditures by the liberal 501(c)(4) group Majority Forward reached \$41 million, more than half of the 2018 total. Meanwhile, the U.S. Chamber of Commerce backed away from its conservative recipients, spending only \$12 million in 2018 compared to the \$35 million it doled out in 2014. In total, “dark money” groups spent \$147 million in 2018, with independent or bipartisan groups accounting for the other \$24 million. Campaign finance reform advocacy group Issue One [pointed out](#) that the 2018 election cycle was the first time liberal “dark money” groups outspent their conservative counterparts since the Citizens United decision in 2010. In September 2020, Issue One projected that liberal “dark money” groups

outspent their conservative counterparts since the Citizens United decision in 2010. In September 2020, Issue One projected that liberal “dark money” groups might [outspend](#) conservatives during the 2020 election as well.

Considering these points, we at Capital Research decided to update and improve our data on contributions to “traditional” public policy groups by conducting a similar investigation into their receipts during the 2017–2018 election cycle.

For this present study, we followed the same procedure but switched out some private foundations for others, which is explained in more detail in the Methodology section. The results show that both conservative and liberal groups have increased their spending, but the left-wing advantage persisted and seems to have grown.

In the 2017–2018 cycle, the 298 groups supported by the selected conservative grantmakers received a total of a little over \$2.2 billion, a roughly 1.67 percent increase over 2014 levels. The 906 left-of-center groups selected by liberal grantmakers received almost \$8.1 billion, about a 9.65 percent increase. In raw dollar amounts, liberal 501(c)(3) revenue outmatched conservative revenue by 3.7 to 1—a significant increase over the 3.4 to 1 ratio for 2014.

Social welfare groups and SuperPACs spent \$81 million on the 2018 election, compared to the \$42 million spent by conservatives according to the Center for Responsive Politics.

Year	Conservative	Liberal	Total
2006	\$1,275,252,885	\$4,948,333,644	\$6,223,586,529
2014	\$2,183,260,640	\$7,447,972,154	\$9,631,232,794
2018	\$2,208,215,267	\$8,078,680,215	\$10,261,068,738

#### IV. Methodology

To establish these numbers, we examined the publicly available revenue figures for policy-oriented 501(c)(3) public charities. These policy organizations were selected from a list of private foundations that Candid, the reputable authority on philanthropies, [considers](#) to be the major foundations in U.S. political philanthropy.

We chose [five left-of-center and five right-of-center](#) foundations from the list that we felt were

most representative of their respective political camps. For the left, these were the Ford Foundation, the Foundation to Promote Open Society, the John S. and James L. Knight Foundation, the John D. and Catherine T. MacArthur Foundation, and the William and Flora Hewlett Foundation; for the right, these were the Mercer Family Foundation, the John Templeton Foundation, the Lynde and Harry Bradley Foundation, the Searle Freedom Trust, and Donor's Trust.

Using these foundations' tax filings, we recorded the names of all the domestic policy organizations to which they gave grants and discarded all other recipients, such as international, cultural, and purely educational (e.g., universities and museums) institutions. Then, we looked up each recipient's most recent annual revenue as reported in the tax filings, compiled them in a spreadsheet, and calculated the totals.

After analyzing five left-of-center and five right-of-center foundations that are representative of their respective camps, CRC calculated a difference of nearly 4 to 1 in 2017-2018 resources: the revenue of 906 groups supported by left-wing grant-makers came to \$8.1 billion compared to the \$2.2 billion in revenue of 298 groups supported by right-wing philanthropy.

Due to the uneven availability of the foundations' 990 forms (organizations' tax forms become available only after they file them, meaning they are not all released at the same time), we were unable to use the most recent tax forms in every case. For organizations with no 990s forms available for 2018, we instead used the revenue data from their 990s for 2017. The data are thus a mix of 2018 and 2017 revenue numbers.

## V. Findings

As we found in the previous report, the data indicate that giving to "traditional" public policy groups has continued to increase after Citizens United, and much more was given to liberal nonprofits than conservative ones. The evidence from this update has made this hypothesis more robust because we have used a stronger set of sample groups. Not only that, the updated data indicate that the upward trend documented in the previous report was not a one-off fluke, but the beginning of a pattern that accurately captures how the world of political philanthropy is responding to Citizens United.

The results also indicate that associating "dark money," "money in politics," and other such topics solely with conservative, free-market groups is misinformed at best and hypocritical at worst. The Capital Research Center believes that individuals have the constitutional and natural right to financially contribute to influence politics and policy. Those who report on money in the political world should be aware of the universality of the practice, and those who point fingers at others while engaging in similar behavior should think twice before doing so.



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