



# CAPITAL RESEARCH

**NONPROFIT  
JOURNALISM**  
PAGE 29

## **THE REGRESSIVE RESISTANCE**

**THE POWER  
OF WORDS**  
PAGE 11

**CHANGING THE  
AMERICAN FRAMEWORK**  
PAGE 39

**SHADOW  
PROJECTS**  
PAGE 21

**THE STATE OF THE LEFT**  
How their "Regressive Resistance"  
Could Redefine America PAGE 3

**Want to know more about the donors, foundations, nonprofits, activists,  
and others working to influence public policy? Visit:**



**INFLUENCE  
WATCH.ORG**

Launched by Capital Research Center in August 2017, InfluenceWatch will bring unprecedented transparency to the history, motives, and interconnections of all entities involved in the advocacy movement. Today, our growing website includes over 5,700 pages and over 550 full profiles, with more added each week.

**Learn more at [InfluenceWatch.org](https://www.influencewatch.org)**

# CONTENTS



## SPECIAL REPORT

The State of the Left:  
The Regressive  
Resistance

*Scott Walter*

*Capital Research* is a monthly publication of the Capital Research Center (CRC), a nonpartisan education and research organization, classified by the IRS as a 501(c)(3) public charity.

CRC is an independent, tax-exempt institution governed by an independent board of trustees. We rely on private financial support from the general public—individuals, foundations, and corporations—for our income. We accept no government funds and perform no contract work.

CRC was established in 1984 to promote a better understanding of charity and philanthropy. We support the principles of individual liberty, a free market economy, and limited constitutional government—the cornerstones of American society, which make possible wise and generous philanthropic giving.

### CAPITAL RESEARCH CENTER

1513 16th Street NW  
Washington, DC 20036  
202.483.6900

### CapitalResearch.org

Contact@CapitalResearch.org

Internship inquiries are welcome.

Publisher, Scott Walter  
Editor-in-Chief, Kristen Eastlick  
Editor, Christine Ravold  
Photo Editor, Gayle Yiotis

Cover design: Lori Schulman



## 11 DECEPTION & MISDIRECTION

The Battle for America's  
Unconscious Mind

*Timothy Daughtry, Ph.D.*



## 21 ORGANIZATION TRENDS

Fiscal Sponsorship:  
The Good, the Bad and the Ugly

*By Neil Maghami*



## 29 ORGANIZATION TRENDS

Don't Trust the Messenger

*By Michael Watson*



## 39 INFLUENCE WATCH

A New Policy Agenda for the  
Regressive Resistance

*By Christine Ravold and Michael Watson*

A project of CRC's Dangerous Documentaries

ADAM CAROLLA

DENNIS PRAGER



*No Safe Spaces*, a film starring Adam Carolla and Dennis Prager and a project of CRC's own Dangerous Documentaries, will expose the safe space culture that is undermining American universities. *No Safe Spaces* will expose the sad state of free speech, the unwillingness of students to be challenged by new ideas, and "the grievance culture" of "safe spaces" that are undermining the intellectual foundations of American higher education.

Carolla—a well-known stand-up comedian, podcaster, and radio personality—and Prager—a syndicated radio talk show host who has been on the air for more than four decades—will travel to college campuses across the country interviewing students, professors, and commentators from both sides of the political spectrum.

*No Safe Spaces* is set to release in 2019. It is directed by Justin Folk and produced by Mark Joseph. Scott Walter and Jake Klein are executive producers.

**NOsafespaces.com**





## THE STATE OF THE LEFT: THE REGRESSIVE RESISTANCE

By Scott Walter

---

**Summary:** *Since its founding in 1984, the Capital Research Center has dutifully reported on the activities of foundations, labor unions, activist groups, and donor networks determined to use their influence to increase the size of government with more regulation and spending. In some ways, not much has changed in 35 years: progressives continue to seek ways to capture money and power to undermine private institutions and dilute individual freedoms. But the tactics and strategies employed by the Left continue to evolve. This issue of Capital Research Magazine will give readers an update on some of the latest trends affecting the Left: from messaging, to organizing, to coordinating stealthy national campaigns.*

---

The Left has always been a hydra. It's encompassed media companies and universities, unions and activists, celebrities and scholars. It's difficult to keep up with, and harder to track. For a long time, conservatives needed something like the *Encyclopaedia Britannica* to catalogue all the heads. In 2017, Capital Research Center (CRC) unveiled InfluenceWatch.org—our answer to the Center for Media and Democracy's SourceWatch—to try to fill the knowledge gap. In building out this important resource, CRC has tracked numerous trends and advancements the Left employs to further its cause.

CC

---

*The Obama campaign mastered the art of microtargeting. Now, the Regressive Resistance prefers to microtarget almost all of its communications.*

Conservatives and libertarians need to ask if they're not witnessing the birth of, call it, the "Regressive Resistance" or even the Left 3.0. (The terms Old Left and New Left were already taken!) When CRC last took a 30,000-foot view of the Left in 2013, the biggest development was the growth of nonprofit organizations. The party—principally the Democratic National Committee (DNC)—is less important than



Credit: PBS NewsHour/Screenshot. License: <https://bit.ly/2CQmxxQ>

*The Democratic National Committee (DNC) is less important than it used to be—and that's the fault of the Left 2.0.*

---

it used to be—and that's the fault of the Left 2.0. Driven by a desire to "get money out of politics," arch-progressives of the late 1990s and early 2000s like Sen. Russ Feingold (D-WI) teamed up with the late Sen. John McCain (R-AZ) and other misguided centrist Republicans to pass the McCain-Feingold "Bipartisan Campaign Finance Reform Act" in 2002. The effect of McCain-Feingold was not "getting money out of politics"—the money and the power moved from parties and party committees to independent, often radical organizations, even as partisan loyalty surged.

That appears to be even truer today. The DNC isn't fundraising well and still owes nearly \$3 million in debt. Independent nonprofit organizations—their donors, their leaders, their tactics, and even a few of their for-profit friends, are more important. And while the Left focuses on the independent-advocacy "501(c)(4)" space where conservatives had a mild advantage back in 2014, liberals' own, larger advantage in the charitable nonprofit "501(c)(3)" sector is largely ignored. The liberals' 501(c)(3) advantage—a three-to-one dwarfing of conservative expenditure in a nearly \$10 billion game, as identified by a CRC report—overwhelmed

---

*Scott Walter is president of Capital Research Center.*

conservatives' advantage in 501(c)(4) organization spending, which was a mere 56 percent to 44 percent in a \$538 million universe.

Let's consider a few specific differences between the Left 2.0 and 3.0, and then go into the history.

- The Democratic Party—the party's leaders and the party organs like the DNC—ran the show in Left 2.0. The DNC, Congressional leadership, and Presidential candidates directed the party agenda, controlled the critical information, and decided what to fund. But McCain-Feingold limits on campaign contributions and controversy arising from the DNC appearing to favor Hillary Clinton in the 2016 Democratic primaries have led both small-dollar and large-dollar donors to become more independent. Large-dollar donors have formed donor groups—most prominently Democracy Alliance—to help each other decide how money flows and where; small-dollar donors using progressive internet-based tools like ActBlue have empowered far-left insurgencies. The bottom line? More money has gone into efforts independent from the party.
- Another difference: the Obama campaign specifically mastered the art of microtargeting. Nowadays, the Regressive Resistance's entire apparatus prefers to microtarget not just its get-out-the-vote work, but almost all of its communications. Have you given a few bucks to the Sierra Club? Great, we'll have the Club message you about a couple of environmental issues that most voters don't care about—or worse, issues where other parts of our coalition disagree with you (the Laborers Union may not hate the Keystone Pipeline, for instance, and yellow-dog Democrats in West Virginia may not want your war on coal). Are you an unmarried woman in her 20s? Planned Parenthood will bore in on you with messages to register and vote yourself “free” contraceptives so you don't lose in the “war on women.” This targeted messaging may sound outlandish to many, but as the 2018 midterm elections showed, white suburban women determined the outcome of many congressional races.
- Facebook's relatively easy-to-use advertising platform makes this even easier, allowing organizations and campaigns to find new audiences cheaply and effectively. And that's before considering the impact of the leftwing online fundraising platform ActBlue, described in a Mother Jones article as “the fundraising tool of choice for the swelling anti-



Credit: C-SPAN/Screenshot. License: <https://s.pml2G8T16x>

*In 2012, President Obama's reelection campaign worked out how to create Facebook applications that harvested information from supporters who consensually shared information with the campaign—and the information of their friends, who didn't have a say in the sharing of their information.*

Trump resistance.” According to the ActBlue website, in the 2018 election cycle, over 4.9 million unique small-dollar donors gave more than \$1.66 billion to 1,500 left-wing political candidates and nonprofit organizations.

- Even unions, long important to the Left, are evolving. Remember, unions were always nonprofits of a type—501(c)(5)s to be legally precise. But the old model of unions—big groups of mostly working men in heavy industry—is disappearing. The first part of the change, which has been around awhile, is the shift from heavy industry in the private sector to government workers. In 2018, only 6.4 percent of private-sector workers were unionized, compared to 33.9 percent of government workers; and that same year 7.1 million government workers belonged to the union, narrowly trailing the 7.5 million private-sector workers. More recently, unions have modified their tactics, relying on other nonprofit organizations including 501(c)(3) “public charities” to avoid regulations on union organizing. These groups, collectively labeled “worker centers” despite great variances in their legal structures, boost union power and messaging and hide the often-controversial union label. Freed from the formal union model, with its legal restrictions and regular disclosures, nonprofit worker centers can more easily receive money from foundations and have more opportunities to be nimble and hyper-responsive like other advocacy groups.

- Another difference involves heightened networking and coordination. The last generation of leftists would of course focus on helping Democrats get elected, but the effort was often divided into silos—teachers unions here, a radical agitation group like ACORN there, a group of environmentally concerned suburbanites elsewhere. Now these groups are much more likely to be receiving coordinated instructions from their donors, and they are meeting in action-focused networks at both the national and state levels; they are sharing reams of data with each other that helps everyone hone their messaging, and coordinating their fundraising and voter mobilization efforts. One of the biggest projects the Left is undertaking is the upcoming 2021 redistricting fight. Almost every level of the Left’s infrastructure is involved in this from grassroots voter registration to online fundraising and all the way to the DNC.
- As silos fall, so does the reliance on a handful of veteran operatives to run messaging and coordinate get-out-the-vote efforts by the seat of their pants. Nowadays, the Left 3.0 has an entire network of scientific pros who work as ruthlessly as any big business’s brand manager to test new packaging, new types of advertising, social media strategies, and on and on. Despite having certain institutional advantages in knowledge sharing through organizations like the American Legislative Exchange Council or the State Policy Network, concerted coordination between right-of-center groups is lacking.
- This leads into the final difference between the Left 2.0 and 3.0 that I want to highlight: The Left’s message also has veered further and further away from fact-based policy making and into feel-good emotive rhetoric. The very language the Left uses predisposes Americans to find progressive arguments more persuasive, morally righteous, and sympathetic. However, the policies masked by this emotive language are damaging to vast swathes of the American public.



*Groups like the Bradley Foundation, the American Enterprise Institute, and the Heritage Foundation are “perhaps, the most potent, independent, institutionalized apparatus ever assembled in a democracy to promote one belief system.”—Rob Stein*



*Nobody dreamed Trump—who never held elected office—would beat the former First Lady, former Secretary of State, and former Senator from New York, Hillary Clinton.*

*Credit: Fortune Live Media/Screenshots. License: <https://bit.ly/2Upptth>.*

## Nonprofits Attack

Now let’s look at the phenomena historically and dig into some details. One could blame Karl Rove: His success defying the odds and securing re-election for President George W. Bush in 2004 is critical in the formation of the Regressive Resistance. The Left’s megafunders (most prominently George Soros and the now-deceased Peter Lewis of Progressive Insurance) poured tens of millions into the campaign, PACs, and advocacy groups to beat Bush. The day of the election, early exit poll numbers showed that Kerry would win. And then the next morning Bush had won four more years (and the legally meaningless “popular vote”); Rove and his get-out-the-vote work had boosted Bush’s numbers across important demographics—blacks, union households, women, Hispanics.

This startling upset was nothing compared to the 2016 election of President Donald Trump. Nobody dreamed Trump—who never held elected office—would beat the former First Lady, former Secretary of State, and former Senator from New York, Hillary Clinton. “The Resistance” as this reinvigorated Left is calling itself, has spared no



expense or resource. Embittered liberal billionaires continue to throw money at the “problem” of Americans having voted for President Trump.

Back in 2003, an informal group of donors looking to defeat Bush coalesced into an informal coalition called the Phoenix Group—rising, no doubt, from the ashes of the “stolen” 2000 election. These folks began giving millions to liberal candidates and 527 political committees, but alas, 2004 still ended in humiliating failure. So, in December 2004, a small group of wealthy donors met in San Francisco. George Soros, Peter Lewis, savings and loan tycoons Herb and Marion Sandler, and a few others met to gripe about what one called “our Pearl Harbor” and how best to respond.

In April 2005, their response began in earnest. A larger group of donors—around 70 millionaires and billionaires—met in a secret, long-term planning session in *Phoenix*, Arizona. Three-quarters of the members voted that this “Democracy Alliance” should not “retain close ties to the Democratic Party.”

Some former Clinton officials were there, too; the most important was the attorney Rob Stein. He had been an evangelist of sorts among this group, showing them a famous PowerPoint presentation, “The Conservative Message Machine’s Money Matrix,” which featured groups like the Bradley Foundation, the American Enterprise Institute, Heritage, and so forth.



*The other big development that the Left harnessed and really gives it muscle outside traditional party channels is high-tech targeting.*

He credited conservatives’ electoral success to four decades of conservatives’ long-term investments in ideas and institutions. “Perhaps,” he said, “the most potent, independent, institutionalized apparatus ever assembled in a democracy to promote one belief system.”

Later, Stein would recall “an unbelievable frustration, particularly among the donor class . . . with trying to one-off everything—with every single one of them being a single, ‘silo’ donor and not having the ability to communicate effectively with a network of donors.”

Now whether Stein was correct that the Right had been outspending the Left on culture-shaping intellectual institu-

tions is *very* open to question—he didn’t count little things like the Ford Foundation or Harvard—institutions which set intellectual trends across America! But the donors bought what he was selling. As one of our Capital Research publications from a decade ago put it:

the [Democrat] party had become a top-down organization run by professional politicians who cared little about donors’ concerns. [Stein] was convinced that the Democrat Party’s hierarchy had to be turned upside-down: Donors should fund an ideological movement that would dictate policies to the politicians [Foundation Watch, Jan. 2008].

Similarly, the party’s activists were “fed up with perceived Democrat dithering and were demanding more say.” One of the most important new groups, which was perhaps the true beginning of the Left 2.0, was MoveOn.org, born out of the fight to keep Bill Clinton in power. One of its young activists insisted in 2005: “Now it’s our party: We bought it, we own it, and we’re going to take it back.”

Of course, where it was really going to take the party was further to the left. A good insider’s account of this period comes from Matt Bai, a *New York Times* writer, in his book *The Argument: Billionaires, Bloggers, and the Battle to Remake Democratic Politics*.

The Democracy Alliance continues to this day, a shadowy and sometimes bickering group of big-money leftists who have channeled we don’t know how much money—it’s somewhere in the hundreds of millions—to a couple dozen groups, mostly nonprofits. Some but *not* most of that money has flowed through the Alliance’s official entity, which is a “taxable nonprofit” incorporated in Washington, D.C., but mostly the Alliance serves as a place to strategize with fellow donors and hear pitches for private money from approved groups. It’s not very different from the much-maligned donor seminars held by Freedom Partners and the Koch Network.

As Stein describes it, the Alliance is a “gathering place,” “learning environment,” “debating society,” and “investment club.” Members of the Alliance must pony up initiation fees and promise to send at least a couple hundred thousand dollars a year into approved groups. The Alliance’s legal status, of course, means there’s no financial disclosure—even though most of these donors have pumped a lot of money into the fraud of “campaign finance reform.”

Another aspect of the Democracy Alliance worth noting: It quickly included unions—first, the SEIU (Service Employees International Union), which is itself a Left 2.0 entity thanks to Andy Stern’s re-shaping of it, and then, scared to be left behind, the AFL-CIO joined.



The Alliance's agenda spells out the nature of the Left 2.0. According to the form developed for liberal groups to justify donations (and which appeared only briefly on the Alliance's website), the Left's priorities should be:

- **Building power and capacity in key constituencies:** primarily Latinos and young people, as well as African Americans and unmarried women.
- **New media and technology:** content generators, aggregators and distributors that disseminate and amplify progressive messages.
- **Law and legal systems:** working to advance progressive values at all levels of the legal system.
- **Early-stage idea generators:** including journals, academic networks, books, and *non-traditional* think tanks.
- **Content generation:** traditional and new media vehicles capable of effectively promoting progressive ideas.
- **Civic engagement coordination:** achieving greater efficiency and effectiveness through collaboration and creating economies of scale.
- **Civic engagement tools:** increasing capacity and availability of data services, including online organizing services for civic engagement groups.
- **Election reform:** structural reforms of our democratic process that will increase voter participation among progressive constituencies.
- **Youth leadership development:** the youth part of the leadership pipeline, especially organizations targeting young people that work at scale.
- **Mid-career nonprofit leadership development:** again, they want to strengthen the "leadership pipeline," especially "organizations working at scale."

The consequences of the Democracy Alliance's emphasis on building a not-for-profit network of progressive activism was clear by 2014. CRC's research identified that in the \$9.6 billion universe of "traditional public policy nonprofits," left-of-center organizations—environmentalist groups like the World Wildlife Fund, social liberal groups like Planned Parenthood, and think tanks like Center for American Progress—outspent conservative organizations by 77 percent to 23 percent. An analysis of foundation grantmaking on Right and Left came to a similar conclusion; the nonprofit space on the Left far outstrips that on the Right.

However, the methods the Left employs to make this vision a reality have undergone some streamlining. Project incubation and fiscally sponsored projects of preexisting organi-

zations add an element of spontaneity and flexibility to the Left's operations.

While organizations like the Tides Center have been around for a long time, offering incubation services and back-office support to new campaigns and movements, there's simply been an explosion of new Potemkin-esque organizations resisting the Trump administration. And some of the organizers are making a pretty profit while supporting the Left's agenda.

The for-profit consultancy, Arabella Advisors, is somewhat newer. Founded in 2005, it nominally offers wealthy donors counsel on philanthropy. In practice it uses nonprofit entities firmly under its control to incubate "pop up" campaigns tailored to fit different issue areas and policy debates. Its four nonprofits (the New Venture, Sixteen Thirty, Windward, and Hopewell Funds) reported taking in a combined \$582 million in 2017. Concerned about healthcare? Want to fight for so-called "net neutrality"? Want to obstruct judicial appointments? Arabella Advisors provides all the compliance and operational services to create a "nonprofit organization" without the hassle of seeking IRS recognition for new tax-exempt organizations—while still conferring the tax benefit to donors!

This nimble approach has proven highly effective. The judicial agitation group, Demand Justice, made a splash last summer after Justice Anthony Kennedy announced his retirement from the U.S. Supreme Court. With stunning effectiveness and highly charged rhetoric, Demand Justice mobilized protestors, held rallies, and lobbied the Senate to prevent Justice Kavanaugh from sitting on the highest court in the land. Though it ultimately failed in the Kavanaugh fight, Demand Justice led another charge against a Trump judicial nominee: the smearing of Neomi Rao in hopes of keeping her off the D.C. Circuit Court of Appeals. (We are happy to report that Demand Justice and its allies failed yet again!)

Fights over healthcare have also received this "pop up" treatment. Dozens of ready-made, yet strikingly similar, websites urge Floridians, Ohioans, and North Carolinians to support Obamacare. These seemingly "grassroots" movements are all operated by one of Arabella's four master nonprofit organizations. Another organization, Health Care for America Now (HCAN) recently re-emerged as a big player in the debate over the government's role in insurance markets. Originally a project of the off-shore "dark money" Atlantic Philanthropies, HCAN found a new home with Arabella's 501(c)(4) Sixteen Thirty Fund. It continues to mislead the American public about health insurance companies and the benefits of government-run healthcare.

As for the funders of these and the dozens of other projects managed by Arabella? No one can say for sure. Because all the projects are fiscally sponsored, they don't file a Form 990 with the IRS. While an enterprising citizen could find some donors who give to Arabella's nonprofit entities, it is impossible to determine whose money goes to which project.

## Leveraging Technology

The other big development that the Left harnessed to great effect is high-tech targeting. This really gives it muscle *outside* traditional party channels, as nonprofits can identify audiences with similar—or even better—sophistication than the Democratic National Committee. The creation of Catalist LLC in 2012 was just the beginning.

Catalist emerged from the Left's bitter 2004 defeat. Harold Ickes, perhaps the shrewdest of all the Clinton operatives—in an earlier life, he was a union lawyer who helped out unions tied to the Colombo, Gambino, and Lucchese crime families—was also upset by that defeat, and he thought the key to responding was *data*, lots of data, and especially data that the whole Left would share, putting in and taking out as needed. In 2006, with his first stake of \$1 million provided by, yes, George Soros, he started Catalist. It is another for-profit company that doesn't have to divulge anything about what it does or how it gets its money. It receives donor dollars, but it also earns a revenue stream from all the unions and activist nonprofits that use it—and the official party apparatus also uses it. Some suspect Catalist sometimes doesn't charge market rates for its services, which means it may be making illegal in-kind donations to political efforts without disclosure.

Again, Ickes consciously set up Catalist with independent donor money *outside* the official party apparatus, and then-DNC head Howard Dean vigorously opposed it, even though as a candidate he had been a pioneer of internet fundraising and campaigning. His opposition most likely arose because official party apparatuses of all kinds don't like losing control.

The key facts about Catalist are (1) it has been highly successful at using publicly available data about literally hundreds of millions of Americans, and (2) it also has succeeded

in persuading groups across the Left to give it their data and let it put everything together into an amazing matrix: Who contributes to Planned Parenthood? Who cares about global warming over all other issues? Who's young, unmarried, female, and living in a big-city zip code?

The second critical fact about Catalist is that it has itself catalyzed an amazing growth in the sophistication of not only microtargeting, but also the *social science* of political manipulation, including field experimentation. Our side isn't just behind; we don't even know what we're behind in.

Catalist knows how to find the only two women in a wealthy conservative Protestant Texas zip code who would be good targets for fundraising by NARAL. It also knows just the right kind of messaging—and I mean both the memes and platforms (text messages, Facebook, whatever) to shame low-income black youths in Harlem into registering and then voting.

As far as I know, virtually the only person on the right who is doing anything like this is Adam Schaeffer at Evolving Strategies, a behavioral science and clinical data science firm. Schaeffer has published on the online platform Ricochet

about this phenomenon—he's also given talks with journalist and polling entrepreneur Sasha Issenberg on the topic. One of Schaeffer's Ricochet posts has the depressing title, "The Digital Divide is the Least of Our Problems ... Which Is Saying Something." Here's a brief quotation:

The Left dominated in 2012 for a number of reasons, but two stand out; superior technology and a deeper understanding of voter psychology.

Catching up on the technological front is the much easier task but understanding voter psychology is the more difficult and important task. The most important advantage on the Left is a pervasive culture of experimental testing and accountability. The Right needs a *scientific* revolution, not just a digital revolution.

Progressives know better which mode and message works with whom and when and for what, because they have run hundreds of social science experiments to perfect the arts of persuasion and turnout.



*Carol Davidsen, the Obama campaign's director of digital integration and media analytics, reported that Facebook was "on their side."*

Beyond Catalist, which is the Left's keeper of the database for all its groups, there are two other pillars of this part of the Left 2.0. First, there is the Analyst Institute. As we noted in our Catalist report, "At the same time Ickes & Co. were fostering Catalist in 2006–2007," Michael Podhorzer "was helping build the Analyst Institute, a kind of think tank where the Left's data experts can privately update each other on their latest work and swap techniques and tips. Cooperation between Catalist and the Analyst Institute, Issenberg writes, was 'destiny.'" Podhorzer, by the way, serves as co-chairman of Catalist, and his day job since 1997 is Political Director of the AFL-CIO. Podhorzer "designed and managed the AFL-CIO's pioneering 2004 'swing voter program' which combined voter file database analytics and clinical trial-style message testing for direct mail, telemarketing, email and neighborhood canvassing." Political veterans like Podhorzer aren't the only ones helping the Left in this high-tech work; social science professors and their grad students are happy to pitch in, as is Silicon Valley.

Facebook made this process even easier. In 2012, President Obama's reelection campaign worked out how to create Facebook applications that harvested information from supporters who consensually shared information with the campaign—and the information of their friends, who *didn't* have a say in the sharing of their information. Carol Davidson, the Obama campaign's director of digital integration and media analytics, reported that Facebook was surprised at the sophistication of the campaign's digital strategy and went so far as to permit the campaign to continue data mining because Facebook was "on their side." Facebook's uneven speech policing combined with Silicon Valley's overall penchant for progressivism means conservatives or their campaigns will likely never be able to harness the power of social media as fully as the Left.



Credit: crockodile. License: <https://bit.ly/2D1fM7p>

*Progressives haven't succeeded yet, but the enthusiasm with which liberal donors invested in the campaign of Robert Francis "Beto" O'Rourke shows that they still believe that there's fertile ground for their cause in the Lone Star State.*

A final couple of comments on the Regressive Resistance. It originates out of the Left's failures at the national level in 2004, but in more recent years, the same donors and the same tactics and nonprofits have begun to focus on intensive battles in particular states. The first great victory here was turning Red Colorado solidly blue, and the best book on this is *The Blueprint: How the Democrats Won Colorado, and Why Republicans Everywhere Should Care*.

In 2013, a Capital Research study reported that the Left has grown so confident of its new capacities that it is now targeting no less Red a state than Texas. Jeremy Bird, Obama's 2012 campaign field director, has taken the reins at Battleground Texas. After helping win the presidential election, Bird had his pick of assignments, and he chose Texas. A more recent series of CRC reports on redistricting shows that when progressives can't win, they'll simply sue to turn the state blue. That's what happened in Pennsylvania.

Progressives and the Regressive Resistance haven't succeeded yet, but the enthusiasm with which liberal donors invested in the campaign of Robert Francis "Beto" O'Rourke shows that they still believe that there's fertile ground for their cause in the Lone Star State. If groups like the National Democratic Redistricting Committee and Common Cause have their way, redistricting reform will lock out conservatives in red and purple states.

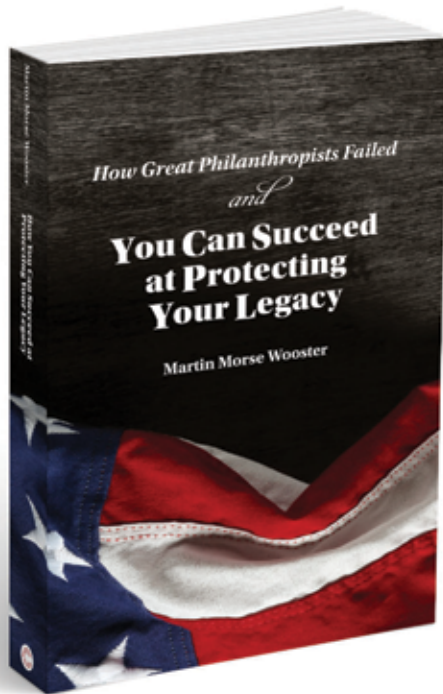
I hope you'll see this magazine as an updated primer on the Left's activities and mode of operation. The next time you see a single organization or activist making a splash, you'll be able to see how one small story fits into the Left's all-encompassing strategy. ■

*Read previous articles from the Special Reports series online at [CapitalResearch.org/category/special-report/](http://CapitalResearch.org/category/special-report/).*



# Is Your Legacy Safe?

---



An instructive and cautionary tale for our time.

—W.J. Hume,  
*Jaquelin Hume Foundation*

This is a must read for anyone thinking about establishing a private foundation.

—Linda Childears,  
*President and CEO, The Daniels Fund*

## No, your legacy is not safe.

It is hard enough to give well when you're living. After you're gone, the odds of successful giving are stacked even higher against you. Entrepreneurial geniuses like Andrew Carnegie, John D. Rockefeller, and Henry Ford were rarely tricked out of their money in business deals. But when they gave their money away, they failed to have their intentions respected.

This fascinating book covers the history of some of the biggest philanthropic mistakes and offers practical tips on how to protect your legacy. Everyone who wants to use their money to change the world needs to read this book.

**Find it on Amazon**



**CAPITAL RESEARCH CENTER**  
AMERICA'S INVESTIGATIVE THINK TANK

# DECEPTION & MISDIRECTION



## THE BATTLE FOR AMERICA'S UNCONSCIOUS MIND

*The psychology behind the Left's cultural long march*

By Timothy Daughtry, Ph.D.

---

**Summary:** For all the talk of “unconscious bias” that the Left uses to cow their intellectual opponents, left-wing activists are not afraid to use subtly loaded language to win arguments and silence dissent. A look at the history of cultural Marxism and the evolution of public policy debates shows that conservatives need to apply more finesse to language and consider emotive strategies to bolster already superior arguments.

---

Margaret Thatcher wisely advised conservatives to “First win the argument, then win the vote.”

That is sage advice indeed, but how do we win the argument?

Political communication is ultimately a fight for the moral high ground in an argument. And the emerging picture in the field of cognitive science reveals that much of the argument is won or lost, not at the level of conscious reflection, but at the level of *unconscious* reaction to the language we use and the ideas associated with that language.<sup>1</sup>

In fact, it is not overstating the case to say that the battle for America's political future will be won or lost in the unconscious minds of voters.

In talking about the unconscious mind, we are not talking about the Freudian theory of repressed urges that push their

CC —————  
*Hard as it may be for conservatives to accept, conscious reasoning and weighing of evidence are only part of political communication—you cannot win the mind if you lose the heart.*



Credit: Elbert Barnes. License: <https://goo.gl/rh22>.

*The Left does not use the words hatred and bigotry to communicate but to intimidate and silence anyone with different points of view. As we will see, the tactic is intended to claim the high ground of “tolerance” by redefining its very meaning.*

---

way to the surface in disguised and symbolic forms. The modern scientific understanding of the unconscious mind has to do with rapid, automatic reactions that do not involve conscious, deliberate reflection. Those reactions can be shaped by subtle shifts in word choice or by the context within which an idea is framed—all without conscious awareness.<sup>2</sup>

Hard as it may be for conservatives to accept, conscious reasoning and weighing of evidence are only part of political communication. Of course, you have to win the mind, but you cannot win the mind if you lose the heart. Touchy-feely though that might sound to conservatives schooled in the efficiency of free enterprise or the finer points of what the Constitution permits, scientific advances in understanding

---

*Tim Daughtry is a conservative speaker and co-author of *Waking the Sleeping Giant: How Mainstream Americans Can Beat Liberals at Their Own Game*. Follow him on Twitter @TCDwriter.*

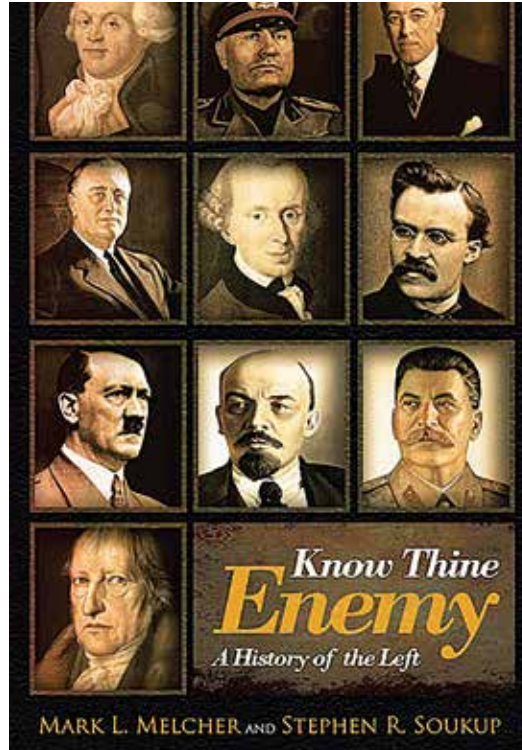
of how the mind processes political communication lend strong support to the power of emotional reactions, especially when moral concerns are involved. And the emerging scientific picture makes it clear that most of our mental processes are of the rapid, automatic type that bypass conscious thought, and the implications for political communication are profound.<sup>3</sup>

The Left understands this fundamental principle, and they have applied it masterfully. Mountains of historical and economic evidence stand in testimony against socialism, yet socialism is growing in acceptance, especially among younger people.<sup>4</sup> Socialism might not work well, but it *sounds* good, especially if its proponents can get people to see socialism as grounded in *caring* and free enterprise as grounded in *greed*.

The Left's habit of labeling opposing opinions as grounded in *hatred* and *bigotry* may be nonsensical when looked at in the light of reason and objective evidence, but the Left is not inviting people to *reflect* on the accusation. They want people to *react* to the accusation. The left does not use those words to communicate but to intimidate and silence anyone with different points of view. As we will see, the tactic is intended to claim the high ground of "tolerance" by redefining its very meaning.

What follows is *not* a call for conservatives to stoop to the level of the Left's tactics. Conservatives should not make false claims or false accusations against our opponents; given the Left's historical record, we do not need to do so. But we do need to understand the methods they are using to challenge and change the meaning of words such as "equality," "fairness," "tolerance," and even "freedom," the very language of our political discourse.

In order to understand the ground on which our political arguments are waged today and how conservatives can be more effective in winning those arguments, advocates on the Right need to first understand the fundamental differences in the underlying worldviews of left and right. Because those worldviews shape our moral framework, they also shape our reaction to political ideas and language. The Left has been



*As Mark L. Melcher and Stephen R. Soukup put it in describing today's cultural civil war, the goal of progressives, socialists, and Marxists is "to demolish the entire Judeo-Christian belief system upon which Western Civilization was founded."*

Credit: Amazon. License: <https://goo.gl/YqGt>.

waging a long and sophisticated campaign in our cultural institutions to weaken the ideas on which the Republic stands and to replace them with ideas more supportive of its agenda. As a result, a word such as "justice" can have a very different meaning depending on the underlying worldview of the speaker or listener.

And then we need to understand and apply some recent scientific insights into how the mind processes political ideas. The Left has been skillfully using those insights to control the language of political debate, and conservatives have some catching up to do.

## The Left's Long March Through Our Culture, Morality, and Language

When Andrew Breitbart said that "politics is downstream from culture," he summed up in five words the insight behind the Left's longstanding cultural strategy.

Those who control the culture shape the political future, and while conservatives focused on winning the next election, the Left focused on winning the cultural institutions that shape the worldview and the moral values of the next generation. In the long term, it will do little good for conservatives to win elections if the people who lost the election teach our children, report the news, entertain the public, preach our sermons, and run our businesses the next day.

Political positions are answers to moral questions, and cultural institutions shape our answers to those questions:

- Where did humanity come from and what is our nature?
- What type of government supports a fair and just society?
- What type of economy is best for a fair and just society?
- What type of foreign policy is best?



Drawing from the Sharon Statement of 1960 and numerous other sources, we can say that most schools of conservatism are grounded in the Judeo-Christian view of human origins and nature. Humans exist because of the intentional action of a Creator. Essential to that worldview is the understanding of human beings as, on the one hand, made in the image of our Creator and, on the other hand, as fallen and therefore not to be trusted with centralized power. Also essential to that worldview is the idea of human beings as having worth as morally responsible individuals and not as mere faceless members of an economic or demographic class.

Conservative political principles flow downstream from that moral worldview: A fair and just society values individual liberty. Government is established with defined and separated powers in order to protect that liberty. Free enterprise is the only economic system consistent with individual liberty. The purpose of foreign policy is to protect America's interests and existential threats such as Communism must be defeated.<sup>5</sup>

As Mark L. Melcher and Stephen R. Soukup detail in the first volume of their outstanding history, *Know Thine Enemy: A History of the Left*, however, a central theme on the Left has been a rejection of the Judeo-Christian worldview in favor of the materialist view, ostensibly based on science and reason, that humans are evolving and capable of progressing toward an ideal state with full equality in every sense of the word. As Melcher and Soukup put it in describing today's cultural civil war, the goal of progressives, socialists, and Marxists is "to demolish the entire Judeo-Christian belief system upon which Western Civilization was founded."<sup>6</sup>

From the worldview of the Left flows a different set of political beliefs. A fair and just society is one that is evolving toward a state of full equality across all measures. An activist government is needed in order to detect and correct inequality wherever it is found. The best economic system is a centrally controlled one that redistributes wealth to promote absolute equality. And America, as a deeply flawed nation, should give way to other nations when necessary in order to promote a global vision of worldwide equality.

Because political ideas are downstream from cultural ideas, including ideas of justice and fairness, the political struggle between left and right is at heart a struggle for our culture and the very language we use to talk about politics. Even our understanding of a word such as *progress* depends on our worldview. To "progressives," humans are better and wiser now than in the past, and limitations on governmental power in our Constitution are outdated barriers to true progress. To conservatives, the tremendous improvements we see around us represent *technological* progress, but not

progress in human nature itself. Conservatives note that politicians with something to hide in the past burned incriminating papers while today's politicians delete incriminating emails and destroy hard drives. The technology has changed, but the tendency of power to corrupt flawed human beings has not. Consequently, limits on centralized power are as relevant today as they were when our Founders built those limits into the Constitution.

Starting a century ago, Antonio Gramsci and other Marxist intellectuals in Europe recognized the dependence of politics on worldview and abandoned violent revolution in favor of a cultural strategy that would later be dubbed the "long march through the institutions of power" by student activist Rudolph Dutschke.<sup>7</sup> These Cultural Marxists, as they were called, understood that if they could weaken the confidence of the West in its political structures, those structures would collapse onto the ash heap of history. Fleeing the rise of Hitler before World War II, many of those intellectuals brought ideas and methods from the Marxist Frankfurt School in Germany to universities in the United States. Here, those ideas and methods mingled with those of progressives and other leftist academics who shared the rejection of Judeo-Christian values.



---

*Cultural Marxists understood that if they could weaken the confidence of the West in its political structures, those structures would collapse onto the ash heap of history.*

Education was a primary target of the long march strategy. If students could be simply immersed in the leftist worldview *with the enforced absence of contradictory perspectives*, they would, over time, take those ideas with them into the other institutions of society and the Left's revolution would succeed without a shot being fired.

By the 1960s, the central ideas of the leftist worldview had established a beachhead in American education. One scholar of the Frankfurt School who taught at Columbia, Brandeis, Harvard, and the University of California at San Diego was Herbert Marcuse.

As Michael Walsh describes in his book on the Frankfurt School, *The Devil's Pleasure Palace: The Cult of Critical Theory and the Subversion of the West*, Marcuse was very popular

among student radicals in the 1960s and provided intellectual support for the Left's counter-cultural movement of that era. Blending Marxist theory with Freudian psychoanalysis, he argued that Judeo-Christian culture repressed perfectly natural sexual urges and that true liberation required freeing society from those restraints. Those ideas helped to fuel the notions that "if it feels good, do it" and "make love, not war" that became popular slogans of campus leftists. On the economic front, Marcuse argued that the competitive pressures of the free enterprise system were another form of repression and that eliminating that system would be a major achievement for civilization.<sup>8</sup>

Marcuse also laid the intellectual groundwork for the Left's repression of opposing speech in his classic 1965 treatise, *Repressive Tolerance*. The essential argument states that, because the existing system is intolerant by the Left's standards, *true* tolerance requires suppression of ideas and movements on the Right and acceptance only of those on the Left.<sup>9</sup>

From its strategic position in the ivory tower, the "long march" moved out into every other cultural institution that shaped the political thoughts and feelings of America. News outlets did less true reporting and more advocating for the leftist agenda. Entertainment began to push the moral worldview of the Left and to undermine and even ridicule traditional values. Seminaries and pulpits of the "mainstream" churches reflected the shift in worldviews and began to provide religious air cover for the Left's long march.

## What's in a Word?

Notice how subtle differences in the language we use to talk about political issues are actually grounded in the very different assumptions about the role of government as described above. Take the simple word "gridlock," frequently used by the Left to describe situations in which House, Senate, and President do not reach agreement to take some action. The association with traffic jams invests "gridlock" with the negative connotation that something that *should* flow smoothly has somehow become blocked. Note the unspoken assumption that the role of government should be that of *activist* and that failure to act is the problem.

People hearing the news that government is "gridlocked" over an issue might never consciously realize how much that single word is packed with meaning that subtly frames the situation in a negative light. It might never occur to them that our system is *designed* to require broad agreement across branches before government can act, or that the intention of that design is to protect people from having their rights



Credit: Rgoogin at English Wikipedia. License: <https://goo.gl/6N54kg>

*Take the word "gridlock," frequently used by the Left to describe situations in which House, Senate, and President do not reach agreement to take some action. The association with traffic jams invests "gridlock" with the negative connotation that something that should flow smoothly has somehow become blocked.*

violated by a small but powerful group pushing a particular agenda. But they have been subtly influenced to see something as a failure that could easily be seen as a success.

The idea of "gridlock" is just one example. How about our reaction to words or phrases such as "tax cuts," "income inequality," "hate speech," "diversity," and other current topics? Let us look now at how cognitive science has demonstrated just how much meaning can be packed into a simple word or phrase, and how a slight shift dramatically alters the reaction. After a short overview of relevant findings, we will then look at how those findings play out in the battle for our culture and our political future.

Let's start with a simple word that has no political baggage. When you hear the word *bird*, your brain triggers a network of associations that can be represented like this:

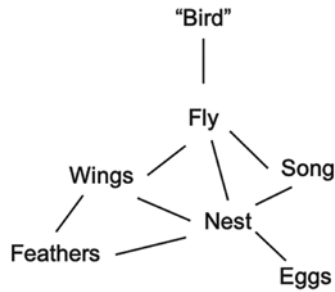


Figure 1: Automatic Associations with the Word “Bird”

It is not necessary for you to consciously think of flying, wings, or the other associations, but they are there in your mental reaction to the word *bird*, and they have two effects. First, those associations form your understanding of what the object is. Second, your brain quickly evaluates new things as either potentially positive things or as potentially negative, threatening things. If you are like most people, you would have a slight positive reaction to the word *bird*. If the word had been “spider” or “snake,” you would have had a different set of associations that carried a more negative cast.

In the same way, political words and phrases trigger a network of associations and emotional evaluations that do not necessarily come to the surface of conscious awareness, but which nevertheless shape our reaction in a positive or negative direction. Consider the reaction to the phrase “limited government under a Constitution.” Let us look at the reaction of two people, one a traditional conservative and the other someone fully immersed in the leftist worldview.

Someone grounded in the conservative worldview described above would have a network of associations that might look something like this:

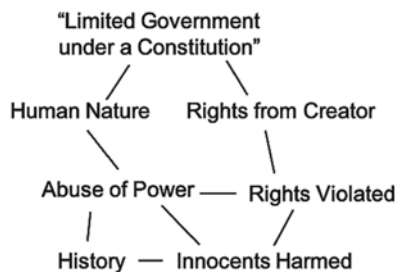


Figure 2: Conservative Associations with Limited Government

Note that conservative ideas about human nature and the source of our rights are all triggered by the phrase “limited government under a Constitution” and form a kind of mental structure that supports the idea of limited government. Even images from history, with the horrible abuses of power under fascist and communist regimes, could be part of that architecture. As was the case with the word “bird,” the brain makes all

these associations without conscious reflection, but it shapes our instantaneous understanding of what the word means.

And here are two critical points: A person with a network of associations such as that in Figure 2 would experience the idea of limited government in a positive light without necessarily having to think about the underlying reasons. And let us note explicitly that the abstract principle of “limited government under a Constitution” is grounded in a deep moral desire to prevent abuse of power and to protect innocent people from harm.

But what if the person hearing that same phrase has been immersed in the Left’s worldview through public schooling and other cultural institutions? Their network of associations might look something like that in Figure 3:

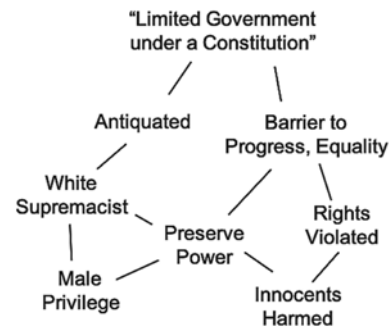


Figure 3: Leftist Associations with Limited Government

The idea of “limited government under a Constitution” is on shaky ground when it rests on a mental structure like that in Figure 3. In the Left’s view, that idea is an antiquated holdover of an earlier and less “woke” era promoted by white males to preserve their privileged positions of social and economic power. Because the Left views the proper role of government as that of activist, seeking out and eliminating inequality wherever it is found, the Constitution’s limits on governmental power represent to the Left an actual barrier to true progress towards economic and social equality. And once again, note that, at least within this set of associations, innocent people are actually harmed by the limits imposed by our Constitution.

The growing influence of that perspective is direct evidence of the success of the Left’s long march through our educational and other cultural institutions. The implications are even more stunning when we realize that any word or phrase having to do with role of government—“tax cuts,” “border security,” “law and order”—would run into that deep set of associations.

Of course, there will be people in the middle with elements of each worldview. But at its core, the political struggle for our future is not just between policies but between the fun-



damental differences in worldview of left and right and in our competing understanding of right and wrong.

That is why, from a strategic perspective, conservatives cannot continue to surrender America's cultural institutions to the Left. Future voters immersed in the leftist worldview in every major cultural institution will not only fail to defend liberty, they will gladly surrender it and think they have made the world a better place.

The nature of such a strategic cultural struggle is beyond the scope of this article, but right-of-center activists can apply some simple concepts to improve their tactical success in communication. And from a tactical perspective, remember that the Left is working to change our moral and political language to reflect their worldview. Those on the right cannot win the argument if they allow the Left to control the language.

Let us look at the power of framing and the need to be very deliberate in our choice of words.

## Framing and Word Choice

The brain does not have the resources to process every new situation as entirely new, so the brain places events and ideas within familiar contexts and patterns. In essence, framing helps us to recognize that *this new thing* is one of *those things* that we already know about and to which we already know how to respond, and it happens without much conscious thought.<sup>10</sup>

Framing puts a question or issue into a more familiar context. As we saw with the word “gridlock,” often a single word or phrase is enough to trigger a particular frame. When a group of people was asked if a group accused of hate speech should be allowed to hold a rally in their town, *given the importance of free speech*, 85 percent said yes. But when a second group was asked if a group accused of hate speech should be allowed to hold a rally in their town, *given the potential for violence*, agreement dropped to 45 percent. The response to the idea of free speech can be very different when framed as a fundamental right or as a problem for public safety.<sup>11</sup>

Now consider the Left's framing of their attempts to limit conservative speech, especially on college campuses, as support for *tolerance*. By framing disagreement with a statement as “your statement is intolerant, hateful, and *hurtful*,” the

Left treats speech as a form of verbal violence and claims the high moral ground in suppression of opposing opinions. From there, it is a short step to claiming the moral right to harass conservatives at gas stations or restaurants.

In a related vein, the Left has claimed the high moral ground by framing *diversity* only in demographic terms. (Remember, class struggle is a core belief of Cultural Marxism, so individual identity is outranked by demographic category.) But in reality, the Left's agenda is all about enforced uniformity of condition, thinking, and expression. Campus speech codes twist the meaning of diversity by framing *suppression* of different opinions as *respect* for diversity.

The popular complaint from the Left about “income inequality” is another example of subtle framing. The assumption is that differences in income are unnatural and morally wrong, not in keeping with a fair and just society. Totally absent from this frame is the understanding that “rich” and “poor” are often the same people at different stages of life, with time and experience allowing people to earn and accumulate more resources.<sup>12</sup> The Left's language about the “1 percent versus the 99 percent” limits the entire frame of that discussion to a handful of billionaires and directs attention away from the economic reality of upward mobility for the vast majority of Americans.

Consider “reform” and the positive associations triggered by the word. Who could be against “reform,” especially as the word implies that something is wrong and needs to be corrected? The Left claims the moral high ground there by promoting socialized medicine as “healthcare reform” and open

borders (with millions of new leftist voters) as “immigration reform.” When conservatives advocate for “tax cuts” or regulatory “cuts,” we could be surrendering the high ground up front. How about “tax reform” and “regulatory relief” as better expressions of

our true, moral intentions to make the tax system fairer and to unburden employers who are staggering under the weight of arbitrary regulation?

Even the most innocuous and laudable sentiments can be engrained with an unintended political message. How many times do successful entrepreneurs describe their philanthropy as an opportunity to “give back to the community”? But *giving back* implies that something was taken and that the right thing to do is to restore it. That sentiment has been shaped by the Left's view of economic activity as a zero-sum game in which someone must lose for someone else to win.



*Campus speech codes twist the meaning of diversity by framing suppression of opinions as respect for diversity.*

In the conservative view, entrepreneurs *create*. They *transform* resources into products, services, and jobs. They are not taking from society; they are building society as they build their own financial success. That is not to say that entrepreneurs should immodestly frame their contributions as “giving even more to society than I already have.” But how about something like, “I’ve dedicated my career to creating jobs and offering products, and I am now honored to be in a position to serve in other ways”?

Sometimes the Left’s political agenda requires a gradual shift in the language used in discussing an issue. Victor Davis Hansen wrote an excellent piece earlier this year on the Left’s skillful shifting of language with several current topics. He points out that “global warming” has become the catchall “climate change,” so that whatever the weather does, the answer is more government. And he points out how the Left’s language to describe people illegally flooding across our border has morphed from “illegal alien” to “illegal immigrant” to “undocumented immigrant,” and finally and simply to “migrant.” The entire association with law breaking has been removed from their language. And he highlights how “liberal” has morphed into “progressive,” with its connotations of advancement and progress.<sup>13</sup>

The Left’s long march strategy and its dominance in the cultural institutions has allowed them to subtly challenge the meaning of our most basic political language. Used by the Left, “equality” refers to outcome and not to opportunity; “fairness” refers to stacking the political deck against certain demographic groups in the class struggle—not a level playing field; “tolerance” means not offending the Left instead of a live-and-let-live attitude that recognizes that everyone will not think and act the same way; and “justice” means forced redistribution and not proportionality between crime and punishment.

But surely conservatives are still unchallenged on the bedrock conservative idea of “freedom.” After all, freedom instead of coercion is what conservatism is all about. It is conservatives who have a Freedom Caucus; the Left has no need of one.

But the Left is even coming after the idea of “freedom.”

George Lakoff is one of the Left’s most brilliant and influential experts on messaging. In the debate over healthcare, he has cautioned the Left that working within a *market* frame of products and prices gives conservatives the advantage. Instead, he argues that the Left should frame their healthcare agenda as one of *freedom*: You are not really free if you are sick and cannot pay for your healthcare.<sup>14</sup>



Credit: Chuck Grimmer. License: <https://go.glamUPz7>.

*Victor Davis Hansen points out how the Left’s language to describe people illegally flooding across our border has morphed from “illegal alien” to “illegal immigrant” to “undocumented immigrant,” and finally and simply to “migrant.” The entire association with law breaking has been removed from their language.*

That frame is a direct challenge to the very morality of limited government and turns the idea of freedom on its head. Government taking care of your healthcare makes you freer. Limited government limits your freedom.

Skilled use of framing can help conservatives in the healthcare debate. Do conservatives really want to debate the left within the frame of *how much government should provide*, so that we are always in the position of arguing for less? Or do we want to frame the question of who should manage your healthcare, *you and your doctor* or *politicians and bureaucrats* who you will never meet? Note that “government” is a general concept that is difficult to visualize, but specific words such as “politicians” and “bureaucrats” elicit a much clearer, and more honest image of the political reality.

For conservatives, the private sector produces wealth, and the government depends on the private sector to provide taxes so that government can perform its assigned tasks. For the Left, the relationship is reversed: the private sector is dependent on infrastructure and other services provided by government. That perspective has profound downstream implications.

In *The Little Blue Book: The Essential Guide to Thinking and Talking Democratic*, George Lakoff and Elisabeth Wehling argue that there can be no private success without public

services. Their framing of the relationship between the private sector and government draws upon a familiar pattern that most people already have in their minds, that of *investment and reward*. Most people would agree that those who invest in something are entitled to the rewards that result. By framing taxes as “investment” in the infrastructure upon which private business depends, the Left taps into that idea of *investment and reward* and, thus, makes a moral case for redistribution of profits from successful businesses. Society *invested* in successful businesses by providing public infrastructure and services, so society has a moral right to share in the *rewards* from those businesses. In 2010, when President Obama told successful businesses “you didn’t build that,” he was literally taking a page from *The Little Blue Book*.

Of course, there is another way of framing government’s role in providing infrastructure and public services, that of a *paying for a service*. People already have a pattern in their minds of paying for goods and services, and those transactions end at the point of payment. If you pay a contractor to build an addition to your house, the contractor has no moral claim to the added equity in your house. Within a *paying for a service* frame, our taxes pay government to perform its assigned tasks such as providing infrastructure and public services, but performing those tasks in no way makes government a partner in our businesses.

What a difference a frame makes!

## Getting Trapped in the Courtroom Frame

One of the Left’s most insidious and effective tactics is to attack the character and even the mental health of those who disagree with them, rather than discussing issues. “Homophobia,” “Islamophobia,” “xenophobia,” and “hater” have now been added to the list alongside “racism” and “sexism” as accusations intended to intimidate opponents and silence opinions that differ from those of the Left.

For mainstream Americans striving to be good, decent human beings, such accusations usually trigger what we might call a *mistaken identity* frame, as when someone has mistaken us for someone else. We assume that the accuser has unintentionally misperceived our actions or statements, so we offer denials and evidence to correct the misperception.

The problem with offering such rebuttals, no matter how true or well-presented, is that they are irrelevant. With hard

CC —————  
*With hard core leftists, it is the effect of the accusation—of racism, sexism, or bigotry—and not its accuracy that is important.*

core leftists, it is the effect of the accusation and not its accuracy that is important.

The moment the accused says, “I am not a crook,” “I’m not a racist,” or makes some other defensive statement, he or she has accepted what we might call the *courtroom frame*, complete with roles and expectations. The person denying the accusation is in the role of defendant who will offer evidence against the charge. The leftists making the accusation are in the role of the prosecution. And the best the defendant can hope for is a “not guilty” verdict.

But the Left’s political courtroom is a kangaroo court. Notice that, after targeting an individual with an accusation, the Left *never* concludes that the accusation was wrong and that the accused is not guilty. That is because the Left’s goal is to use the accusation to intimidate and silence their targets, not to find out if the accusation is warranted.

## How Can Conservatives Be More Effective?

In his historic 2017 speech in Poland, President Trump stated that the fundamental question facing the West today is whether it has the will to survive. Do we have the confidence in our values to defend them at any cost?

Those questions apply equally well in the United States. The Left’s long march strategy has challenged the worldview and the political values on which our freedom depends, and they have even begun changing the meaning of the essential language of our political discourse.

Here are a few points for conservatives to remember in making the case for their policies:

1. Because of the Left’s dominance in our cultural institutions, we can no longer assume that voters understand the moral concerns that drive our policies. We have to make those clear, and we have to point out the harm done by leftist policies.
2. Pay attention to how the Left frames an issue, and in particular, notice the assumptions their frame makes. By being aware of the assumptions embedded in the language they use, you are in a better position to expose the flaws in those assumptions and to offer a better way of seeing the issue.
3. Keep your arguments simple and relevant to the voter. Always answer the question, “Why should the voter care about this issue?”



4. Frame your arguments in moral terms. It is correct to say that free enterprise works better than socialism. But it is both accurate and morally powerful to argue that free enterprise provides *hope and opportunity* and that socialism *hurts the very people it claims to help*. Conservatives have to show people that limited government and free enterprise are grounded in a desire to protect them from abuse by the powerful and that conservative policies lead to more opportunity and a higher standard of living.

There are two cultural worldviews in conflict in America, and those worldviews lead us to very different futures. In one future, individuals will still have worth and rights as individuals, and people will be free to live their lives as they choose. In the other future, self-appointed experts will decide what is acceptable for us to earn, to keep, to do, and to say. Though winning elections is important, the challenge for conservatives is not to have slicker marketing or to do a better job of picking words simply to win elections. The challenge is to carefully and deliberately make the case that conservative policies are better answers to moral concerns than the policies proposed by the Left so that we will have the public support to carry out those policies. ■

## Endnotes

<sup>1</sup> Lakoff, G. and Wehling, E. *The Little Blue Book: The Essential Guide to Thinking and Talking Democratic*. New York: Free Press. 2012

<sup>2</sup> Kahneman, D. *Thinking, Fast and Slow*. New York: Farrar, Straus, and Giroux. 2011

<sup>3</sup> Haidt, J. *The Righteous Mind: Why Good People Are Divided by Politics and Religion*. New York: Pantheon Books. 2012

<sup>4</sup> <https://news.gallup.com/poll/240725/democrats-positive-socialism-capitalism.aspx>

<sup>5</sup> The Sharon Statement of 1960 (*First Principles Series*; Heritage Foundation; Washington, DC).

<sup>6</sup> Melcher, M.L., and Soukup, S.R. *Know Thine Enemy: A History of the Left, Volume 1*. Covenant Books, Inc. 2018. Quotation is from Loc. 40, Kindle Edition.

<sup>7</sup> [https://en.wikipedia.org/wiki/The\\_long\\_march\\_through\\_the\\_institutions](https://en.wikipedia.org/wiki/The_long_march_through_the_institutions)

<sup>8</sup> Walsh, M. *The Devil's Pleasure Palace: The Cult of Critical Theory and the Subversion of the West*. New York: Encounter Books. 2015. See p. 42 for discussion of Marcuse on free enterprise and pp. 83-84 for discussion of his critique of traditional sexual norms.

<sup>9</sup> <https://www.marcuse.org/herbert/pubs/60spubs/65repressivetolerance.htm>

<sup>10</sup> *The Psychology of Political Communication, Persuasion, and Mass Media* in Houghton, D.P. *Political Psychology: Situations, Individuals, and Cases. Second Edition*. New York: Routledge. 2015.

<sup>11</sup> Sniderman, P. and Theriault, S. "The Structure of Political Argument and the Logic of Issue Framing," in Willem Saris and Paul Sniderman (eds.), *Studies in Public Opinion: Attitudes, Nonattitudes, Measurement Error, and Change*. Princeton, NJ: Princeton University Press. 2004

<sup>12</sup> *Pay Differences* in Sowell, T. *Basic Economics: A Common Sense Guide to the Economy*. Fourth Edition. New York: Basic Books. 2011.

<sup>13</sup> Hansen, V. <https://www.nationalreview.com/2019/02/euphemisms-change-political-debate-climate-immigration/>

<sup>14</sup> See *Introduction: The Importance of Moral Frames* in Lakoff and Wehling.

---

Read previous articles from the Deception and Misdirection series online at [CapitalResearch.org/category/deception-and-misdirection/](https://www.CapitalResearch.org/category/deception-and-misdirection/).



You can find Capital Research Center's educational videos on YouTube, Facebook, Twitter and Instagram.



We've reached...

11.6

MILLION PEOPLE

and counting...





## FISCAL SPONSORSHIP: THE GOOD, THE BAD AND THE UGLY

By Neil Maghami

---

**Summary:** *The concept of fiscal sponsorship means many things in the world of nonprofit advocacy. To some, it represents an efficient solution to the difficulties fledging nonprofit groups face when trying to launch. Others wonder whether it has become the equivalent of a lucrative “profit center” for a handful of organizations—or a convenient way to mask links between donors and controversial causes. Perhaps that’s why a variety of observers want to see clearer rules around the application of fiscal sponsorship.*

---

In his celebrated book *Democracy in America* (1848), the French observer of the mid-19th century United States, Alexis de Tocqueville, praises Americans’ aptitude for what he calls “the art of joining” with their fellow citizens. He describes this as the American knack for setting “large numbers of people a common goal and inducing them to strive toward that goal voluntarily.”

When it comes to contemporary expressions of the “art of joining,” some cultural commentators point to the widespread practice of “fiscal sponsorship” in the U.S. nonprofit sector. This term means many things to many people. Gregory Colvin, an attorney and fiscal sponsorship expert, has defined it simply as when tax-exempt organizations conduct “a program of support to individuals and to non-exempt organizations.”

To the San Francisco Study Center, which has been active in fiscal sponsorship matters for many years, fiscal sponsorship denotes a situation where “a nonexempt charitable project [raises] funds and operate[s] through an exempt sponsor who manages the project’s money and reports to funders and tax agencies. Many other administrative services can be provided as well.”

To fiscal sponsorship’s supporters, the concept provides a legal way for grassroots organizations that lack money to access the resources they need to get small-scale projects off the ground. In his book, *Fiscal Sponsorship: 6 Ways to Do It Right*, Colvin highlights how the practice can help everyone from a local dance troupe trying to find money to support a performance tour, to a faith-based community seeking to



Credit: Theodore Chasseriau. License: <https://goo.gl/65A7CQ>.

*In his book Democracy in America (1835), the French observer of the mid-19th century United States, Alexis de Tocqueville, praised Americans’ aptitude for what he called “the art of joining” with their fellow citizens.*

---

arrange backing for missionary activity. His book provides a variety of models under which tax-exempt groups can act as temporary sponsors for non-tax-exempt organizations, handle donations on their behalf, provide administrative support, and so on, and comply with the relevant regulations.

The first edition of Colvin’s book, published in 1993, was funded by both the San Francisco Foundation and the Wallace Alexander Gerbode Foundation. The second edition,

---

*Neil Maghami, a freelance writer, contributes regularly to Capital Research Magazine.*



published in 2005, includes a back-cover endorsement from Drummond Pike of the Tides Foundation (whom Colvin also thanks in his acknowledgments section).

Viewed from the above perspectives, fiscal sponsorship certainly supports the practice of “the art of joining.” But there’s another side to the story.

## “No Such Thing as a Free Lunch”

In her 2010 book, *Grant Writing DeMYSTiFied*, Mary Ann Payne provides a balanced view of fiscal sponsorship, including its limitations. Payne’s views are informed by her long experience as a grant writer and grant writing trainer on behalf of various nonprofits. She writes:

If you don’t have a 501(c)(3) designation, you can either incorporate as a non-profit agency on your own and apply for a charitable tax exemption or you can find an existing agency to act as a fiscal sponsor to accept and administer your grants. Gregory L. Colvin . . . believes fiscal sponsorship is the best option for new, experimental projects wanting administrative and financial management. On the other hand, incorporating as a new 501(c)(3) makes better sense for projects with administrative and financial staff in place, a program with a track record, and a measure of assured funding. Incorporation takes time (from three months to a year), money (\$1,000 to \$10,000 or more in registration, legal, and accounting fees), and persistence. A fiscal sponsor is considerably cheaper (from free to 10 percent or more for management fees) and can accept grants and other contributions on your behalf immediately.

There is a downside, though, which Payne acknowledges:

There is no such thing as a free lunch, however, and fiscal sponsors and their board of directors ultimately have control over your project. Although in actual practice they usually delegate much authority back to an advisory committee and the project director, there will be a price to pay. This may range from minor annoyances like their wanting reflected prestige or obsequious acknowledgment to more meddlesome micromanagement of daily activities or attempts to adapt the project as their own. If maintaining autonomy and independence is important to you, incorporation is the way to ensure you retain control over your project.



Credit: Adler & Colvinscreenshot. License: <https://goo.gl/gt5yK>.

In his book, *Fiscal Sponsorship: 6 Ways to Do It Right*, Gregory L. Colvin highlights how fiscal sponsorships can help everyone from a local dance troupe trying to find money to support a performance tour, to a faith-based community seeking to arrange backing for missionary activity.

## Fiscal Sponsorship and the Tides Network

The above definitions emphasize fiscal sponsorship as a grassroots, community-level, activity. A different view of the concept comes into focus if one takes a top-down view of it, particularly considering tax-exempt groups with deep pockets, such as the constellation of Big Green nonprofits, or labor unions.

In Jarol Manheim’s 2013 report for the U.S. Chamber of Commerce entitled *The Emerging Role of Worker Centers in Union Organizing*, he defines fiscal sponsorship as follows:

Fiscal sponsorship is, in effect, a means of providing administrative infrastructure—office space, accounting services, computer support, grant-seeking and other fundraising, and the like in support of organizations that are too new, too small, too weak, or insufficiently funded to maintain their own, independent operations. **Typically performed on a fee-for-service basis, it is a way of encouraging and subsidizing desired activities** [emphasis added].

Manheim’s paper includes some fascinating lore about fiscal sponsorship—including the fact that the mysterious Tides network was intimately involved with both the first major gathering of organizations playing a fiscal sponsor role, as well as the formation of the National Network of Fiscal Sponsors.

The Tides Center calls itself “the leading fiscal sponsor for social change initiatives in the United States. We have a

long history of providing high quality services and support to the nonprofit community and have sponsored over 1400 projects throughout our history.”

Perhaps the most serious attack to yet appear in print on how green activists such as the ones behind Tides have harnessed aspects of fiscal sponsorship appears in a 2014 United States Senate Committee on Environment and Public Works Minority staff report.

Entitled *The Chain of Environmental Command: How a Club of Billionaires and Their Foundations Control the Environmental Movement and Obama’s EPA*, the report alleges that:

wealthy liberals fully exploit the benefits of a generous tax code meant to promote genuine philanthropy and charitable acts, amazingly with little apparent Internal Revenue Service scrutiny. Instead of furthering a noble purpose, their tax-deductible contributions secretly flow to a select group of left wing activists who are complicit and eager to participate in the fee-for-service [i.e., fiscal sponsorship] arrangement to promote shared political goals.

The committee report looked closely at the activities of the Sustainable Markets Foundation (SMF), which it describes as only existing “on paper and has zero public presence—no website, no Facebook page, no Twitter account, nothing.” Based in New York, SMF reported just under \$4 million in net assets on its 2016 990 tax filing. The report catalogues that SMF has acted as fiscal sponsor for support to anti-fracking activists and environmental activist Naomi Klein, among others.

The interesting thesis put forward by the report is that SMF uses fiscal sponsorship to make it harder to track direct support from the large foundations that fund SMF and those funds in turn being dispensed by SMF to “fringe startups” that large foundations such as Rockefeller Brothers or Tides may not wish to be associated with directly—but that they nonetheless wish to see thrive. A similar thrust has been, for decades, at the core of critiques of how the Tides Network structures its activities as well.

(See CRC’s December 2014 edition of GreenWatch for more background on the Senate report.)

More recently, Christopher C. Horner of the Competitive Enterprise Institute (CEI) used access to information laws to

uncover email correspondence from 2017 between the ultra-green U.S. Climate Alliance and Georgetown University’s Climate Center, exploring how the Center could act as fiscal sponsor for the Alliance. The Alliance brings together more than 20 state governors determined to impose the Paris Climate Change Accord on the U.S. economy.

Horner’s findings included a draft contract that shows how fiscal sponsorships can be structured and provide further real-life context around the points raised in Manheim’s paper.

The contract (which was not executed) contemplated Georgetown providing:

a full suite of administrative and project management capabilities and services in an efficient manner, including but not limited to [the following]: routine operations, human resources, accounting, finance, IT, auditing, other back-office and logistical support, fiduciary services, grant and sponsored programs capabilities, budget and other project administration, and the opportunity to initiate contracts with individuals and firms . . . .

In addition, “Alliance Staff will be interviewed and selected for hire by the Alliance Co-Chairs in coordination with Georgetown, and will be employed by Georgetown University...” (An interesting attempt at camouflage, needless to say.)

All this support was available for Georgetown’s 15 percent rate “to serve as fiscal sponsor.” That is, Georgetown would determine a cost for its back office and administrative services for acting as fiscal sponsor, based on 15 percent of the project budget.

The Alliance opted instead to select the tax-exempt U.N. Foundation as its fiscal sponsor—which, Horner’s diligent digging into the relevant records reveals, also charges a 15 percent rate for its fiscal sponsorship services.

## Tax-Exempt ‘Profit Centers’?

To illustrate some potentially problematic applications of the fiscal sponsorship concept, this report will look at some specific nonprofit organizations that are acting as sponsors on a scale that is unique. These groups are outliers compared



*The question should be: are these lucrative profit centers consistent with the organizational purposes of a 501(c)(3) having tax-exempt status in the first place?*

to typical fiscal sponsors, which act on a much more modest, much more locally-oriented scale.

In examining these groups, we begin with some premises that have been helpfully articulated by Michael Hartmann, Senior Fellow and Director of the Center for Strategic Giving at the Capital Research Center: “Should we be questioning aspects of how the broad concept of fiscal sponsorship is currently being used? We certainly should. But let me be clear—the important matters at play here do not necessarily hinge on imputing any particular set of political beliefs to fiscal sponsors.”

Hartmann went on to say:

The operative issues are much more basic. For example, in acting within the current rules around fiscal sponsorships, some organizations appear to have created what could fairly be described as “profit centers,” given the sums of money involved, by offering their 501(c)(3) status on what looks like a for-hire basis. Rather than focus on the ideologies of fiscal sponsors, however, the question we should be asking is: are these lucrative profit centers consistent with the organizational purposes of a 501(c)(3) having tax-exempt status in the first place?

The financial benefit to the specific organizations that are mass-producing sponsorships is clear, as their 990 forms demonstrate. The wider benefit to the public—for whose benefit the tax-exempt status is supposedly conferred—is arguably not clear at all.

With that in mind, let’s look at the first example.

## Tides Center

Of the many long tentacles of the sprawling Tides organization, the Tides Center is one of the most visible. It offers fiscal sponsorship services and goes into some detail about the kinds of arrangements and support it offers (see <https://www.tides.org/faq/fiscal-sponsorship-tides-cost/>). In the center’s own words:

### *What does fiscal sponsorship at Tides cost?*

For the comprehensive suite of acceleration services that Tides provides, including financial management, legal framework, and capacity-building support, social ventures pay only nine percent (9%) of their annual revenue.

A well-run independent nonprofit can expect to spend between 20-30% of annual revenue on administrative and overhead expenses. Tides Center fees are in line with other fiscal sponsors practicing similar models of fiscal sponsorship.

After the first year of activity, projects that exceed \$1 million in operational activity can qualify for a reduced fee for revenue that exceeds \$1 million.

The fee for all funding from government sources is fifteen percent (15%). The fee is higher for this type of funding because government grants entail significantly more auditing and reporting services.

Finally, projects need to be involved in the Tides Risk and Insurance program and reserve a minimum of two thousand one hundred dollars (\$2,100) of gross annual revenue per year for operating liability. Projects are evaluated annually for increased exposure and fees may be adjusted.

The above may inspire a question—how much does the Tides Center take in annually through fiscal sponsorship fees? While its website provides a degree of transparency about its fiscal sponsorship services, the Tides Center’s disclosures to the IRS are much vaguer. Note that we do not mean here that Tides Center is evading any requirements—it is simply following what appear to be standard reporting practices.

Readers will note the reference in the above to “Tides Center fees” for fiscal sponsorship. How is this stream of revenue accounted for in Tides Center’s filings? The 990 form that Tides Center must complete and file with the IRS breaks its revenues down into various streams—“contributions and grants,” “investment income,” “other revenue” and “program service revenue.”





Credit: Arabella Advisors/Screenshot. License: <https://goo.gl/yKHty>

*Arabella Advisors “advises wealthy clients on what it calls ‘strategic philanthropy,’” which invariably “involves philanthropic investments to left-leaning causes and organizations.” —Hayden Ludwig*

In Part VIII of the Form 990 filing, organizations must further qualify the “program service revenue” per IRS requirements using the “Business Activity Codes” listed on the website of the North American Industry Classification System (NAICS). NAICS provides a useful shorthand for businesses (and in this case tax-exempt groups) to describe their activities using officially-standardized reporting codes.

For example, a tax-exempt trade association that produces and provides regularly-updated training manuals to its members and earns revenue from that activity might code that revenue as “511120,” for “periodical publishers.” A nonprofit that offers training programs and derives revenue from those programs could code those funds “611600”—“schools and instruction.” Conferences that offer educational content, in comparison, are coded “611710,” otherwise known as “non-instructional services that support educational processes.”

Per IRS guidance when completing this part of the 990: “If none of the listed codes, or other 6-digit codes listed [by NAICS] accurately describe the activity, enter 900099. Use of these codes does not imply that the business activity is unrelated to the organization’s exempt purpose.”

Year in and year out, based on the 990s reviewed for this report, Tides Center codes its program service revenue as both “900099” while also labeling it “related or exempt

function revenue.” From 2009 to 2017, a cumulative \$96 million was reported in this way by Tides Center. (For almost all other organizations, that would be huge—but it’s small change for Tides Center which, for 2017 alone, reported revenues exceeding \$152 million, expenses totaling more than \$124 million, and net assets of nearly \$100 million.)

Clearly, the IRS is trying to strike a balance between the administrative simplicity created by following the NAICS coding, versus creating an unfair administrative burden on tax-exempt groups when filing returns by requiring them to self-define sources of revenue. We’ll come back to this issue after reviewing a second example of industrial-level fiscal sponsorship in action.

## Arabella Advisors

For another perspective on the revenue fiscal sponsorship may be generating for some organizations, we can turn to the fiscal sponsors aligned around a for-profit consultancy called Arabella Advisors.

As CRC’s Hayden Ludwig has written, Washington, D.C.-based Arabella Advisors “advises wealthy clients on what it calls ‘strategic philanthropy,’” which invariably “involves

philanthropic investments to left-leaning causes and organizations. The firm hosts four such Funds [Hopewell Fund; Windward Fund; Sixteen Thirty Fund; and New Venture Fund] sporting benign names . . . Together, these four groups earned a staggering \$417 million in 2016, according to their latest tax filings.” Each of these funds acts as a fiscal sponsor. (See Ludwig’s article on Arabella in Issue #2, 2019 of *Capital Research Magazine*.)

Let’s look more closely at the activities of one of these funds—the New Venture Fund. In a memo dated January 2018, and issued under New Venture Fund letterhead, and apparently shared with prospective supporters, New Venture Fund laid out an effort to raise \$6.5 million “in 501(c)(3) support” to aid “the Safety Net Defense Fund Project.” The project was created after the 2016 elections by Center for Community Change and the Center on Budget and Policies, in partnership with New Venture. Its goal is to “defend the key anti-poverty programs that comprise our nation’s safety net,” according to the memo.

This dense, eight-page memo includes guidance about the proposed strategy the project will implement to achieve its goals, which include forms of support for the coordination of “grassroots voices and leaders and/or diverse allies and coalitions” in a 25-state campaign to defend various entitlement programs. Toward the end of the memo, a summary budget appears, with one item labelled “Fiscal Sponsor Fee” in the amount of \$300,000, as part of the \$6.5 million total budget.

CC —————  
*Considering Tides and New Venture use of the 900099 codes, maybe the IRS should assign a new reporting code that could be used specifically to reference revenue from fiscal sponsorship.*

This is the essence of the “for-hire” nature of some applications of fiscal sponsorship, as Michael Hartmann described earlier; it’s a direct association of the offer of fiscal sponsorship in exchange for a fee.

We can only guess what specific services are behind this fee—perhaps assistance from New Venture to hire staff or contractors, as desired, including to assist with fundraising and communications. Perhaps New Venture will reach out to its national network of partners, donors, etc. to grow the campaign; and, of course, all necessary financial reporting/compliance assistance.

With the memo in mind, let’s review what New Venture has posted regarding fiscal sponsorship on its own website. The following text appears on a New Venture webpage labelled “Project Incubation”:

The New Venture Fund works exclusively on projects that we believe will address a pressing social need. We work with donors and social entrepreneurs to quickly begin delivering on their charitable missions while managing accounting and maintaining compliance through a fiscal sponsorship.

NVF works with projects in both streamlined and comprehensive fiscal sponsorship models. In a streamlined fiscal sponsorship, a project runs its own operations, while NVF accepts donations to support the project’s activities and confirms that the project’s activities are charitable and educational. With comprehensive fiscal sponsorship, NVF hosts the project’s operations, providing financial account management and oversight, in addition to other support.

In trying to determine how much money New Venture brings in through fiscal sponsorship, we run into some of same difficulties as with Tides. In the section of its 990s where New Ventures breaks down its revenue, it has consistently described a portion as “Consulting Revenue” (coding it “900099”)—about \$15.6 million between 2009 and 2016.

Again, that’s small change for New Venture. During the same time-period, for perspective, it reported more than \$39 million in consulting fees paid to Arabella Advisors. If you include the three other fiscal sponsorship nonprofits that are part of the Arabella orbit, the total fees paid to Arabella exceeds \$42 million between 2009 and 2016.

Considering Tides and New Venture and their use of the 900099 codes, one wonders if the IRS ought to assign a new reporting code that could be used specifically to reference revenue from fiscal sponsorship. It sounds like a minor change, but it could make a huge difference in terms of providing a clearer picture of the scale of specific organizations’ fiscal sponsorship-related revenues and allow for easier aggregating of the total associated revenue across the broad non-profit sector generally.

## Consensus for Reform?

Speaking of the IRS—in 2012, the IRS’s own Advisory Committee on Tax Exempt and Government Entities (ACT) published a report that recommended changes to the rules governing fiscal sponsorship.

The IRS describes ACT as an “organized public forum” that “enables the IRS to receive regular input on the development and implementation of IRS policy concerning” tax exempt bodies. As noted on the IRS website, ACT members are selected by the IRS Commissioner and subsequently appointed by the Department of the Treasury. They serve seven-year terms, during which they “provide observations about current or proposed IRS policies, programs and procedures, and suggest improvements through a yearly final report.”

The 2012 report from ACT included a recommendation that “[t]he IRS should coordinate with the Department of the Treasury and the Office of Chief Counsel on the issuance of precedential guidance about the use of tax-compliant alternatives to the creation of new Section 501(c)(3) organizations, such as fiscal sponsorships and donor-advised funds.”

The report cites an interesting justification for its position. It contends that many civic groups opt to go through the time and expense of setting up formal 501(c)(3) organizations “without exploring possible alternatives that might be more appropriate in light of their goals and objectives.”

Examples of this mentioned in the report include: “organizations created to receive memorial contributions or to raise funds for a specific short-term project—such as providing assistance following a local disaster, or construction of a new playground or dog park.”

In arguing for the issuing of more formal guidance “on the appropriate use of fiscal sponsorship arrangements,” the report further points out that “the only precedential IRS guidance in this area has to be gleaned from a 1966 revenue ruling [which] is more than 45 years old, [while] in the intervening decades fiscal sponsorship arrangements have become a significant part of the Section 501(c)(3) landscape.”

The report then gently suggests that relying on Gregory Colvin’s book on fiscal sponsorship is not an ideal way to ensure everyone understands the ins and outs of fiscal sponsorship:



*The Advisory Committee on Tax Exempt and Government Entities (ACT) report gently suggests that relying on Gregory Colvin’s book on fiscal sponsorship is not an ideal way to ensure everyone understands the ins and outs of fiscal sponsorship.*

Most of the guidance in this area comes from a book published at the behest of several Section 501(c)(3) organizations in California that recognized both the potential for abuse and the need for guidance in this area. From a tax compliance perspective, it would be useful for the IRS to issue precedential guidance in the area of fiscal sponsorship, and such guidance could be incorporated into educational information for new organizations about a legally permissible alternative to seeking exemption.

(The full report is available via [https://www.irs.gov/pub/irs-tege/tege\\_act\\_rpt11.pdf](https://www.irs.gov/pub/irs-tege/tege_act_rpt11.pdf); the fiscal sponsorship portion begins on pg. 106.)

While authoritative statistics about the usage and popularity of fiscal sponsorship are not readily available, there is anecdotal evidence suggesting that some of the practices described in the ACT report are indeed widespread. On

May 9, 2014, the American Bar Association Tax Section’s Exempt Organizations Committee held a meeting in Washington, D.C. A transcript of the meeting was published in August 2014 by the *Exempt Organizations Tax Review*. During a panel discussion entitled, “Navigating the Exempt Organization Process,” attorney James Joseph of the prestigious law firm, Arnold & Porter, observed the following:

The thing that we’re seeing the most of is a greater use of fiscal sponsorship and preapproved projects. I mean, we’ve seen a bunch of groups, certain groups that are active in a particular area, you know. So you have an environmental group, someone is thinking of starting a new environmental nonprofit, and instead of starting a new one, they go in and they might prepare their 1023 and file it, but in the meantime, they have a fiscal sponsorship.

[Note: “1023” is the informal reference to the IRS form one must complete to apply for recognition as a tax-exempt 501(c)(3) group.]





---

*It's clear beyond a shadow of a doubt that aspects of current practices around fiscal sponsorship need formal clarification and examination.*

Joseph continued:

And I've had, you know, a handful of ones that even once they end up getting their own exemption application, they're finding that the fiscal sponsorship arrangement is working just fine. And I've had one now that's been like six or eight months after they got their application approved, they're still part of the fiscal sponsorship because they don't want to set up their own back office, they don't want to set up all this admin stuff. And the existing fiscal sponsor doesn't want to do just that part of it out a concern of generating UBIT. You know, they're not in the business of just providing admin support to other nonprofits.

[Note: Unrelated Business Income Tax or "UBIT" refers to taxes owed on money earned from activities undertaken by a tax-exempt group that are not related to its tax-exempt purpose.]

Interestingly, James Joseph served on the IRS's ACT committee from 2009 to 2012.

## Conclusion

This article began with a quote from Gregory Colvin, and it is appropriate in closing that we return to his writings on

fiscal sponsorship. Arguably no one has done as much, for as long, as Colvin has to help non-profit leaders understand the potential and the limits of fiscal sponsorship's applicability.

Interestingly, the 2nd edition of Colvin's book closes with this gentle but unmistakable caution:

We also hope for continuing efforts to elevate the legal and ethical standards of conduct among fiscal sponsors and projects, and the quick identification and elimination of disreputable practices. As we have seen in other parts of the charitable world, when bad practices emerge unchecked, the pattern of exposure in the mass media, litigation and legislative remedy often distorts and complicates the beneficial work done by public-spirited leaders.

Whether it is Colvin, or the IRS's Advisory Committee on Tax Exempt and Government Entities, or the questions raised by the information available in 990 forms filed by the Tides Center or New Venture Fund, it's clear beyond a shadow of a doubt that aspects of current practices around fiscal sponsorship need formal clarification and examination.

De Toqueville wrote: "In no country can the law foresee every eventuality..." Where fiscal sponsorship is concerned, this point has clearly been reached, and now is the time for the applicable regulations to be sensibly and intelligently adjusted. ■

---

*Read previous articles from the Organization Trends series online at [CapitalResearch.org/category/organization-trends/](http://CapitalResearch.org/category/organization-trends/).*

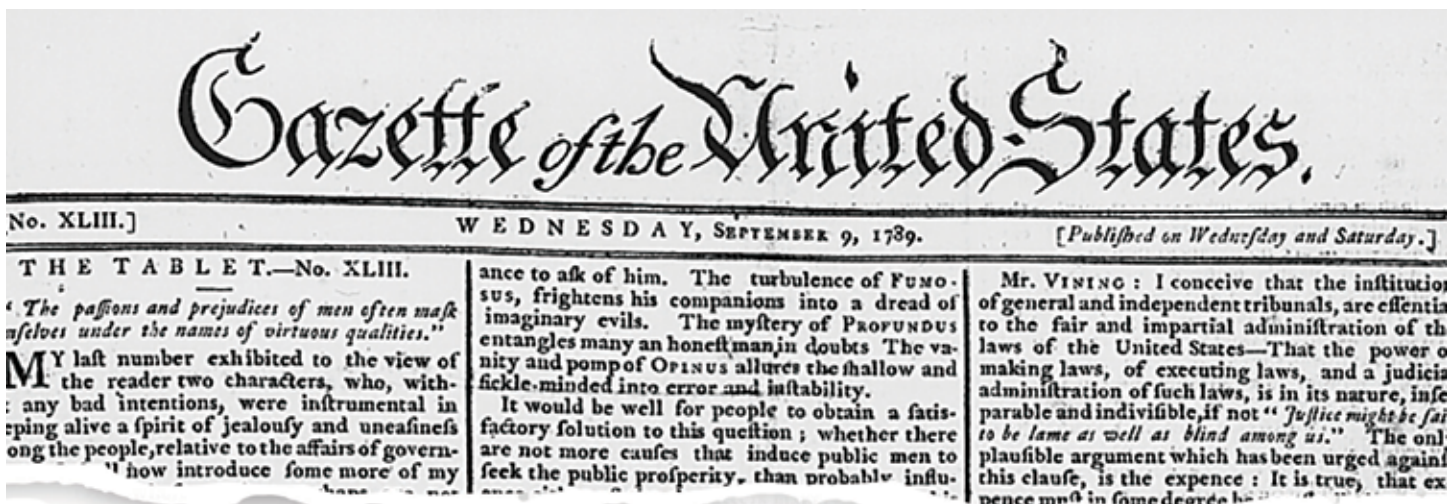
# ORGANIZATION TRENDS



## DON'T TRUST THE MESSENGER

*Left-liberal media dwarf conservative platforms*

By Michael Watson



Credit: John Fenna. License: <https://goo.gl/D4i7X4>.

Historically, American newspapers were fiercely partisan and often explicitly aligned with a major political party. Party press dated to the very beginnings of the Republic: Alexander Hamilton supported the publication of the Gazette of the United States, a Federalist Party outlet.

**Summary:** Conservatives and right-leaning moderates know that in order to get the “full story” they should read not only the Wall Street Journal and National Review, but also the Washington Post and The Atlantic. After all, it’s important to know how the other half of America thinks and feels about the news of the day. However, the media landscape isn’t what it used to be—where once there were nominally nonpartisan broadcast and print media, new nonprofit newsrooms backed by big liberal foundation resources have risen, even as conservative platforms have folded. That doesn’t mean conservative readers and writers should resign themselves to obsolescence: a combination of foundation giving and visionary leadership could breathe new life into conservative and even less-partisan journalism, while providing the stability and flexibility necessary for new outlets to thrive.

In early 2019, a wave of layoffs hit major media properties. BuzzFeed, McClatchy, Verizon (owner of the Huffington Post), Vice, and Gannett, along with other media outlets, announced over 2,200 job reductions.

Some right-wingers and Republicans—most prominently the President of the United States—chalked the job losses up to discontent with perceived progressive-liberal (or anti-administration) bias in the press. That claim overlooks a key fact of the present media landscape: Some anti-administration outlets are doing gangbusters business. As of late 2018, the *New York Times* reported a record number of subscriptions, contrary to the President’s “Failing” nickname; the *Washington Post* previously announced it had cleared one million subscribers—triple its pre-2017 numbers.

But despite an obvious market for “Resistance”-friendly reporting and commentary, especially in America’s wealthiest enclaves like New York and Washington, D.C., the digital behemoths at BuzzFeed and HuffPost had to cut staff, alongside the newspaper chain Gannett, which owns dozens of local papers and *USA Today*. The smaller cohort of conservative

*Michael Watson is Capital Research Center’s research director and managing editor for InfluenceWatch.*





was a legal codification of the ostensibly “objective” model of journalism in broadcasting. Again, the objectivity was more “ostensible” than “actual”; as in the U.K., which retains a Fairness Doctrine-style rule for broadcast news to this day, the beneficiaries were establishment-liberal viewpoints honed at metropolitan universities.

But in 1987, the FCC repealed the Fairness Doctrine after a series of cases called into question the constitutionality of its application. That decision started to break down the nominally objective model in radio and television; the rise of (conservative-dominated) talk radio was one of its most consequential effects. The Fairness Doctrine never covered cable television; the rise of partisan cable news (with Fox on the right and MSNBC on the left) came later.

The newspapers meanwhile continued as they had since the War: They consolidated into single city-wide dailies (the ex-competitors memorialized in a number of hyphenated newspaper names like *Journal-Constitution* (Atlanta), *Union-Tribune* (San Diego), or *Republican-American* (Waterbury, Connecticut)) and raised scads of revenue from classified advertising. These new publications pursued the nominally “objective” reporting ideal.

And then Al Gore (so he says) created the Internet.

Craigslist offered competition for classified advertising; even the major media companies’ efforts to get in on web-based advertising could not recoup the loss of revenue. The 2008 financial crisis and contemporaneous recession made the situation even worse. According to the Poynter Institute, classified ad revenues declined by almost 70 percent from 2000 to 2010. Ad revenue declines continued throughout the second decade of the 21st century; in 2016, GroupM, an ad-buying firm, predicted the worst declines in worldwide newspaper ad sales since the financial crisis. Digital ads increased tenfold from 2001. The corporate, for-profit model of written news rapidly became unprofitable.

## The Search for Alternative Modes of Revenue

In light of the decline in mass-market advertising revenue for written media, journalistic enterprises have gone looking for new (or adapted already-existing) business models to stay afloat.

### The Nominal-For-Profit with a Benefactor

Operating a journalistic enterprise as an unprofitable (or not-as-profitable-as-an-alternative-use-of-the-benefactor’s-money) “for-profit” enterprise has a long history, especially in niche media. Perhaps most notable for using this model



*As with the publishing barons and party-press-men of the nineteenth century, for Amazon founder Jeff Bezos, influence comes with newsprint and pixels.*

historically are ideological magazines, which have relatively low circulation and take controversial positions which frighten corporate advertisers.

*National Review*, the prominent national conservative magazine, operates as a notional for-profit company; its founder and longtime editor William F. Buckley, remarking on the publication’s finances, is rumored to have said, “*National Review* exists to make a point, not a profit.” *National Review*’s model—to which the magazine appended the National Review Institute, a nonprofit arm which now controls National Review, Inc., the C corporation which publishes the magazine—is somewhat unusual in that it does not rely on a principal known benefactor to supplement subscriptions and advertising to keep its lights on; most of NRI’s identified foundation contributors make grants of less than \$100,000 per year.

More typical is the model of the late *Weekly Standard*, the conservative magazine which was shuttered by its corporate parent, Clarity Media Group, in a late-2018 reorganization. Clarity Media is owned by entertainment industry mogul Phil Anschutz, a conservative-leaning billionaire from Colorado; through Clarity, Anschutz controls a handful of local newspapers and the *Washington Examiner*. The *Standard*, like *National Review*, did not make money (its co-founder, *Commentary* editor John Podhoretz, said as much in his lament of its closure). Since its model relied on a deep-pocketed benefactor (first Rupert Murdoch of News Corporation, who sold the magazine to Anschutz), the *Standard* was almost always at risk of closure if its single controller tired of the project or changed his political leanings.

In recent years, the nominal-for-profit-with-benefactor model has expanded beyond the narrow world of ideological magazines and (back) into the mass-market media. Perhaps the most notable expansion of this model came when Amazon founder Jeff Bezos bought the *Washington Post* in 2013. While the Trump-era dividend to liberal-leaning publishing has likely improved revenue at the paper, it does not seem likely that Bezos’s principal interest in the capital’s paper of record is entirely pecuniary. As with the publishing barons and party-press-men of the nineteenth century, for Bezos, influence comes with newsprint and pixels. It also doesn’t hurt that Amazon’s HQ2 project will call the D.C. suburbs “home.”

Bezos is hardly alone. Laurene Powell Jobs, widow of former Apple CEO Steve Jobs and a major progressive activist and donor, bought a majority stake in *The Atlantic* in 2017, in addition to backing a number of other for- and not-for-profit media concerns. Marc Benioff, CEO of Salesforce and a sometime social-liberal activist, bought *Time* magazine in 2018.

### Annex to a Larger Nonprofit

Ideological media expanded an alternative means of securing funding: Using existing nonprofit organizations to create ideological press outlets. The best-known nonprofit effort within an existing structure is probably the “ThinkProgress” network of blog sites published by the Center for American Progress Action Fund, the 501(c)(4) advocacy arm of the Democratic establishment-aligned think tank Center for American Progress (CAP).

According to CAP Action’s 2016 tax return, the organization spent \$5.1 million on its “communications” which “advanced progressive ideas and messages,” including through ThinkProgress. CAP Action’s most notable funders include its corporate stablemate CAP, which provided the Action Fund with \$3.5 million in support in 2016; the Service Employees International Union (SEIU) chipped in \$359,073 in 2017; and even left-wing foundations including the Annie E. Casey Foundation, which made three six-figure contributions to CAP Action in 2011, 2012, and 2014.

Since the foundation of ThinkProgress, conservative non-profits have created similar side-line media projects. The Media Research Center, a right-of-center critic of media bias, operates Cybercast News Service, a wire-service-style online news and commentary outlet with a conservative perspective. The Heritage Foundation think tank added a news brand, the Daily Signal, in 2014.

### Viral Content Mills

For projects more interested in profit than a point, the digital realm still offers the prospect of earned revenue, if one can harvest the vast number of clicks that lead to enough eyeballs on digital advertisements to make money. BuzzFeed, best known for its vapid “listicles” and quizzes for bored college students and cubicle drones, added a news division



*Mother Jones’ release of the “47 percent” tape of then-Presidential candidate Mitt Romney is perhaps the most consequential case of a left-wing ideological magazine generating a story for the mainstream press.*

in 2011, hiring Ben Smith from the D.C. trade publication *Politico* to be its editor-in-chief. BuzzFeed News proved blatantly partisan: its ethics guide said “there are not two sides” on matters of “women’s rights, anti-racism, and LGBT equality.” Consequently, BuzzFeed News is best known for publishing an opposition research document compiled in 2016 against now-President Donald Trump without confirming the allegations made within the document—a practice reminiscent of Pulitzer and Hearst in the “yellow journalism” era.

Explicitly ideological media have followed the “clickbait” model. One of the earliest (and most notorious) such media outlets was Upworthy. Former MoveOn.org executive director Eli Pariser co-founded Upworthy with funding support from (among others) Facebook co-founder Chris Hughes, who is also the spouse of unsuccessful Democratic Congressional candidate Sean Eldridge. The site pioneered the “curiosity gap” style of clickbait headline (one example: “Why Is a City That Can Barely Keep Its Schools Open Giving Millions to A Mega Corporation?”) in the service of metropolitan Millennial social liberalism.

In 2013, Upworthy recorded almost 90 million unique visitors per month; after Facebook tweaked its News Feed algorithms to favor what Facebook dubbed “higher quality” content, its monthly unique visits fell to one-fourth their peak level. Upworthy branched out into “sponsored content” or “native advertising” (advertisement posts made to resemble the organic content published by a website), raking in \$10 million in nine months of 2014, per *Adweek*; big labor unions like the SEIU and AFL-CIO were buying advertising through its then-parent company, Cloud Tiger Media. By 2018, Upworthy had changed hands again (being bought by Good Media Group) and endured staff layoffs.

Conservatives have also tried the viral-content model; Daily Wire, the media outfit which distributes Ben Shapiro’s podcasts and produces viral-style stories, is perhaps the best known. A *Vanity Fair* profile of Shapiro and the Daily Wire reported that the media venture, which was seeded by a benefactor, has become profitable.

## The Rise of the New Nonprofit Media

Media projects organized under the nonprofit tax code are not particularly new. Venerable organizations including the conservative magazine *Commentary* (founded 1945), the labor-left publications *In These Times* and *Mother Jones* (both founded 1976), and the metropolitan-progressive networks of public broadcasters are all organized as 501(c) nonprofit organizations and have been for some time. What is new is the scale and prominence of the nonprofit media, which has filled in gaps created by the decline of the traditional press.

Charles Lewis, a onetime producer for “60 Minutes,” founded the Center for Public Integrity (CPI) in 1989 to replace depleted investigative journalism resources. CPI has historically leaned left (and takes funding from a number of prominent left-of-center interest groups and foundations), though it did claim credit for reporting the Clinton White House’s practice of rewarding major donors with nights in the Lincoln Bedroom. Lewis identified benefits for CPI in adopting a nonprofit model: Independence from corporate advertisers, freedom to spend heavily on long-term investigative stories, and freedom from the broadcaster regulation Lewis experienced at CBS.

CPI scored a large scoop in 2015, when anonymous sources leaked documents concerning the off-shore financial arrangements of prominent people in tranches known as the Panama Papers. The documents were leaked to the German newspaper *Süddeutsche Zeitung*, which shared them with the International Consortium of Investigative Journalists (ICIJ), then a project of CPI. CPI spun the ICIJ into an independent nonprofit organization in 2017; later that year, ICIJ reported on a second tranche of leaked documents detailing off-shore financial arrangements known as the Paradise Papers.

Since its founding, CPI has grown substantially. As of 2017, CPI’s revenues reached almost \$10 million. Notable CPI financial supporters include the Grantham Foundation for the Protection of the Environment, the Laura and John Arnold Foundation, the MacArthur Foundation, California Endowment, and the W.K. Kellogg Foundation.

Joining CPI as a major left-of-center investigative journalism nonprofit in 2008 was ProPublica, seeded with \$30 million

in grants by the Sandler Foundation, the philanthropic vehicle of controversial subprime mortgage pioneer Herb Sandler and his wife Marion. Paul Steiger, formerly managing editor of the *Wall Street Journal*, served as editor-in-chief of ProPublica from its founding until 2012.

ProPublica enjoyed a major boost in fundraising after the election of President Donald Trump; according to Harvard’s Shorenstein Center, the group reported a leap in annual revenue from \$14 million to \$43 million from 2016 to 2017. Left-leaning foundations like the Knight Foundation and MacArthur Foundation lavish money on CPI and ProPublica; a study published by Harvard’s Shorenstein Center found that they each received over \$23 million in foundation funding from 2010–2015, the two highest totals for what the researchers classified as “national news nonprofits.”

## State of the Nonprofit Media

The non-profit media occupy a major chunk of the press landscape. Foundation-funded journalism, promotion of the journalistic profession, and journalist education alone is a \$300 million annual enterprise, not including contributions by individuals, corporations, and other advocacy groups. The nonprofit media hold an important influence over not only national investigative reporting but also culture, local news, and single-issue special interest coverage, in addition to traditional ideological and philosophical publications.

### Scope

Harvard University’s Shorenstein Center on Media, Politics, and Public Policy published “Funding the News,” the most comprehensive survey of the recent nonprofit media landscape, in June of last year. Authors Matthew Nisbet, John Wihbey, Silje Kristiansen, and Aleszu Bajak identified \$1.8 billion in funding over the six-year period from 2010–2015

(inclusive) directed to nonprofit media, journalist education programs and professional development, and the Newseum, the museum of journalism now scheduled to close at the end of 2019.

Laying aside the doomed Newseum—alone responsible for \$178 million in expenditures over the survey period—the nonprofits identified by the researchers can be classified into a handful of sectors.

“Some call the current wave of grantmaking to left-liberal journalism the “Trump bump,” because donors are reacting to their personal nemesis.”



- The largest by far is the Traditional Public Media—affiliates of PBS and National Public Radio and content producers for those outlets. The Shorenstein researchers identified \$796 million in foundation grants to these entities.
- National News outlets like ProPublica and Center for Public Integrity are also notable; these conduct investigative journalism.
- Foundations also support a number of local media outlets, like Voice of San Diego, Texas Tribune, and MinnPost.
- A number of what the Shorenstein researchers call “deep vertical” outlets provide specialized coverage of specific policy issues or areas of expertise; these include Kaiser Health News, Next City, and Grist Magazine, among others.
- Foundations continue to support traditional magazines, whether cultural, ideological, or newsgathering.

### Foundation Funding

According to the authors, the “great majority” of nonprofit media outlets “rely heavily on foundation grants for their revenue.” And in their analyses, left-leaning foundation funders stand out. The MacArthur Foundation, Ford Foundation, and Gates Foundation are among the top five foundation funders of traditional public media; the Roderick MacArthur Foundation, Carnegie Corporation of New York, and Hewlett Foundation make the top five for funding magazines (with Ford sixth); and the top seven funders of national news nonprofits also all lean left: Ford, MacArthur, Omidyar Network Fund, Knight, Kendeda Fund, Open Society, and California Endowment.

The sums these foundations make available to left-leaning journalism are vast: The authors identified \$67 million from the Ford Foundation, \$61 million in total grants from the MacArthur Foundation, \$50 million from the Gates Foundation, \$29 million from the Omidyar Network, and \$26 million from the California Endowment. George Soros’s Open Society Foundations, a financial pillar of most left-wing causes, didn’t make the top ten despite dropping \$24 million in identified journalism-related grants over the 2010-2015 survey period.

The current wave of left-liberal journalism grantmaking, which the Shorenstein authors dub the “Trump bump” after the foundations’ nemesis in 1600 Pennsylvania Avenue, follows on a long tradition of left-of-center foundations funding journalism projects. In the 1990s, what are now the Pew Charitable Trusts launched a “civic journalism” campaign.



Credit: C-Span/Screenshot. License: <https://goo.gl/INBk3dE>.

*According to data compiled by the Manhattan Institute’s Howard Husock and analyzed by Capital Research Center, from 2005 through 2014 liberal foundations outspent conservative foundations by up to fivefold.*

It seeded “coordinators” to work at mainstream newspapers, among them the *Boston Globe*; even some liberal observers questioned the ethics of the arrangement.

### Ideological Bent

Unsurprisingly given the preeminence of liberal foundation funders, the left has a strong advantage in the not-for-profit media. This both replicates and complements progressives’ advantages in the conventional mainstream press, including the traditional public media: Nonprofit left-leaning media can generate stories for the mainstream media to promote, signal-boost liberal policies for the mainstream media to endorse, and promote strands of left-leaning thinking outside the mainstream.

### Ideological Magazines

Based on the Shorenstein researchers’ somewhat questionable classifications (which ruled the metropolitan progressive high-culture magazines *Harper’s* and *Lapham’s Quarterly*, the anti-business product reviews publication *Consumer Reports*, and the *Atlantic* as not ideological), liberal magazines out-raise conservative magazines from foundations by four to one.

This is consistent with the advantage progressives enjoy in the charitable nonprofit sphere in general and the foundation world in particular. Previous CRC research estimated the liberal advantage in charitable nonprofit expenditure at approximately three to one; the Manhattan Institute’s Howard Husock independently compiled data which CRC used to compare the size of top foundations on left and right to discern a comparable progressive advantage.

The spending on ideological magazine journalism provides three advantages to liberal-progressive-socialist causes and campaigns that far exceed the specific circulations of these magazines. (According to the Alliance for Audited Media, *The Atlantic* has a circulation of just shy of 500,000; for comparison, *American Rifleman*, the National Rifle Association's largest publication which focuses on technical firearms information and outdoors life, has a circulation of almost two million.) The ideological magazines supported by the left provide a source of stories for the left-of-center metropolitan mainstream press to cover, signal-boost left-of-center policy views and issues important to or politically favorable to the left, and encourage the development of radical far-left thought.

*Mother Jones'* release of the "47 percent" tape of then-Presidential candidate Mitt Romney is perhaps the most consequential case of a left-wing ideological magazine generating a story for the mainstream press. James Carter IV, the grandson of former Democratic President Jimmy Carter, reportedly connected a *Mother Jones* writer with a person who made a surreptitious recording of Romney's impolitic remarks at a 2012 fundraiser. The tape proved damaging to Romney's campaign; President Barack Obama used the audio in an attack ad that ran in crucial swing states.

Beyond generating damaging quotes or information about Republicans, liberal ideological publications (of all stripes, but especially print and online magazines) promote conversation about liberal agenda items and issues favorable to the Left. Conveniently, researchers from Harvard, Florida State University, and MIT actually quantified how effective the ideological progressive media spotlight can be when turned on specific issues: In a series of trials, they determined that an issue spotlight by members of the Media Consortium (a now-disbanded alliance of left-wing ideological publications) could increase Twitter traffic on an issue by 63 percent in a single week.

And that issue spotlight can come from ideological positions far outside the mainstream. Publications like *In These Times* and *Jacobin*, both openly old-fashioned state-control-of-the-means-of-production socialist in outlook, have helped drive the rising interest in socialism alongside political figures like Sen. Bernie Sanders (I/D-VT) and Rep. Alexandria Ocasio-Cortez (D-NY).

### **New Nonprofit Media**

Unsurprisingly given the substantial funding of nonprofit national investigative and local-and-state-level journalism by left-leaning foundations, outlets like Center for Public Integrity, ProPublica, and Center for Investigative Reporting lean left-of-center. Together with the government transparency group Sunlight Foundation, which has since re-launched as



National Review writer *David French* calls appearing on the Fox News network "the most important résumé bullet point in the conservative movement."

a clearinghouse for information exposing alleged corruption in the Trump administration, these organizations were the top four national news nonprofit recipients of foundation grants identified by the authors of "Funding the News." They are all left-leaning. Only one of the top ten recipients identified, the Franklin Center for Government and Public Integrity, was right-leaning.

While the broad-spectrum news nonprofits the authors identified leaned left, the "deep verticals" surged left. Grist magazine, a radical environmentalist web-journal; RH Reality Check (now Rewire.news), a pro-abortion advocacy website; the Marshall Project, an outlet that advocates liberalizing the criminal justice system; and Next City, an environmentalist-urbanist website, all received *seven-to-eight-figure totals* of contributions from foundations over the 2010-2015 period studied. These issue-specific outlets can drive coverage and shape narratives for the broader press. Left-wing funders see these efforts as highly valuable: The Susan Thompson Buffett Foundation (STBF), one of the largest non-governmental funders of abortion rights, contraceptive distribution, and population control worldwide, spent just shy of \$3 million supporting Rewire.news in 2016. Rewire's total contribution revenue from other sources was less than one-fourth of STBF's contribution.

State and local nonprofit media projects also support left-of-center interests. Top grant recipients the authors identified included Voice of San Diego, MinnPost, and the consortium Institute for Nonprofit News, all of which align with left-of-center interests. In 2018 (after publication of the report), the Democracy Fund (a philanthropy associated with eBay founder Pierre Omidyar) backed the American Journalism Project (AJP), which will support "mission-driven local news outlets"; as of April 2019, AJP had raised \$42 million with support from other left-of-center funders including Powell Jobs's Emerson Collective, Craigslist founder Craig Newmark's philanthropic vehicles, and the Knight Foundation.

Democratic politicians took note of liberal nonprofit journalism in 2009, at the height of the Obama-wave-fueled Democratic power. With mainstream newspapers losing revenue as ad sales fell after the financial crisis and Americans canceled subscriptions amid a cash crunch, Maryland Sens. Barbara Mikulski and Ben Cardin introduced the "News-

paper Revitalization Act,” a plan to allow conventional newspapers to reorganize as 501(c)(3) charitable nonprofits. While it did not pass, it shows the extent to which nonprofit efforts are central to progressive journalism.

## The Right’s Approach to Media

In conservative media, there is an 800-pound gorilla: Fox News Channel and its corporate stablemate, Fox Business. No other right-of-center media outlet matches its reach: Sean Hannity and Tucker Carlson each broadcast to over three million people on the average weeknight. And other than AM radio talkers, the Fox channels are the only national conservative voices broadcast regularly.

Which is fine, at least for Fox co-chairman Rupert Murdoch profiting off captive eyeballs; Mediaite reported that Fox News alone generates at least \$1 billion in annual profit. It is also fine if one adheres to the very particular form of conservative-Republicanism that Fox promotes: The Republicanism of Staten Island, a mix of Nixon-Giuliani-Trump law-and-order defense of the cops, with a disposition toward more populist-protectionist economics and resentment of an overweening Manhattan cultural dominance.

But if one subscribes to a Republicanism more in the style of Provo, Utah, Fort Worth, Texas, or Jacksonville, Florida, Fox’s singular interpretation of the conservative message is, while not entirely satisfying, all that there is. And if one is a commentator or advocacy organization looking to talk to conservatives, it is Fox or bust.

### Models Beyond Fox

While a number of conservative figures rely on Fox News for exposure (*National Review* writer David French calls having appeared on the network “the most important résumé bullet point in the conservative movement”), there does exist a broad conservative media ecosystem including both for-profit and nonprofit ventures.

Nominally for-profit ventures are the most notable, starting with Fox News and its former corporate stablemates, the News Corp newspapers (most prominently the *Wall Street Journal* and *New York Post*). In addition to the Daily Wire and the Clarity Media properties, Sinclair Broadcast Group, Salem Media Group, and the Drudge Report—three of the largest non-Murdoch right-leaning media entities—operate on a for-profit basis. The Washington Free Beacon, formerly a nonprofit, now operates as a for-profit, reportedly with support from benefactor Paul Singer; conservative businessman Sheldon Adelson bought the *Las Vegas Review-Journal*.

The Daily Caller has a hybrid for-and-not-for-profit structure, with a not-for-profit Daily Caller News Foundation (DCNF) and the for-profit Daily Caller proper operating in tandem. According to DCNF’s tax returns, the Foundation conducts journalism training fellowships, engages in investigative and policy reporting, and does “online video journalism.”

Standalone nonprofits include Watchdog, which conducts state-government reporting; *Commentary*, a Jewish-conservative ideological and cultural magazine; and *New Criterion*, a journal of high culture. Other ideological journals and magazines on the right are appended to think tanks and advocacy organizations: The Intercollegiate Studies Institute publishes *Modern Age*, American Ideas Institute publishes *American Conservative*, the Institute on Religion and Public Life publishes *First Things*, and the Manhattan Institute publishes *City Journal*, among others.

### Conservative Nonprofit Funding

Nonprofit conservative journalism efforts receive some funding from the conservative foundation world, a world much smaller than its liberal counterpart. According to data compiled by the Manhattan Institute’s Howard Husock and analyzed by Capital Research Center, from 2005 through 2014 liberal foundations outspent conservative foundations by up to fivefold, with the multiple exceeding three in all years except 2010. A Capital Research Center snapshot of policy advocacy spending by 501(c)(3) charitable nonprofits in general showed that left-liberal organizations held a 77-23 percent advantage over conservative-leaning nonprofits analyzed.

Some conservative journalism outfits receive funds from full-spectrum conservative foundations that fund broad conservative advocacy (including, in some cases, Capital Research Center): The Lynde and Harry Bradley Foundation, the Adolph Coors Foundation, and the Searle Freedom Trust, among others, have supported the Franklin Center, which conducts statehouse reporting published at Watchdog.org. Other right-of-center foundations with specific interests fund publications that cater to those interests; examples include the Hertog Foundation, which is involved in right-of-center Jewish affairs and funds *Commentary*, and the Dreihaus Foundation, which is interested in town planning and funds *American Conservative* to cover that issue.

### Cross-Ideological Support

A handful of right-leaning nonprofit publications receive funding from foundations normally aligned with progressive advocacy. *National Affairs*, a quarterly policy journal, received grants from the left-of-center Hewlett Foundation; the Pew Charitable Trusts provided funding to the Franklin Center; and Rockefeller Philanthropy Advisors has contrib-



uted to the publisher of *American Conservative*. Whether for increased discussion of high-level policy, a fig-leaf commitment to reporting state-level politics from both ideological sides, or other reasons unstated, some groups generally considered progressive can and do support right-of-center writing.

The Hewlett Foundation provided a six-figure grant to Defending Democracy Together Institute, nonprofit parent of the Bulwark, an online publication founded by a number of ex-*Weekly Standard* figures to serve as “conservatism conserved” in opposition to President Trump. The organization reportedly set itself the mission to “shame and stigmatize” what it calls “bad actors in the conservative elite.” The Bulwark has criticized mainline conservative figures like Ethics and Public Policy Center senior fellow Henry Olsen, American Enterprise Institute resident fellow Marc Thiessen, and talk radio host Hugh Hewitt—figures that the Bulwark’s editors deem too favorable toward the Trump administration.

A number of conservatives, including some who dislike or oppose President Trump, criticized the Bulwark’s editorial decision to commission coverage of the Conservative Political Action Conference (CPAC) from left-wing writer Molly Jong-Fast, who used the occasion to belittle longstanding and serious opponents of abortion on Twitter. The Bulwark’s critics questioned the ability of Jong-Fast—daughter of feminist novelist Erica Jong and therefore a leftist of legacy stock—to persuade conservatives of the necessity to reform CPAC, the Republican Party, or conservatism as an intellectual project. (While CPAC can be a place of substantive discussion, the event also contains the silliness expected from a pep rally for whatever the ascendant right-of-center tendency in a given year happens to be—a situation that pre-dates and will outlive the Trump administration.)

### Improvements Needed

While conservative funders have supported a small stable of nonprofit ideological magazines, a handful of journalism training centers, and some reporting outlets, there are obvious gaps in the conservative media infrastructure relative to the left’s infrastructure. Broadly, conservative outlets are more interested in opinion and policy writing than their left-wing counterparts, which focus on large-scale hard reporting.

### Expanded Issue and State-Local Coverage

While conservative media outlets have beat writers with deep knowledge covering major policy issues—e.g. the Free Beacon’s Steven Gutowski on gun policy or Alexandra DeSanctis of *National Review* on abortion—these reporters are badly outnumbered by their left-wing counterparts even when one limits the universe of counterparts to explicitly ideological nonprofit efforts—thus excluding BuzzFeed or

the *New York Times*. According to the latest tax returns for the organizations, The Trace (a Michael Bloomberg-funded gun control policy media outlet) employed 18 people and spent \$1.58 million on program services. Rewire, the Buffett Foundation-funded pro-abortion news website, employed 37 people and spent \$2.5 million.

Given the power of progressive nonprofit media to drive conversation on issues, the Right’s outnumbered beat reporters—no matter how knowledgeable or well-sourced—lack the firepower to push back. The imbalances are stark across domestic policy issues, with energy and the environment, crime and punishment, and urban affairs standing out as other areas where left-of-center deep-dive coverage simply outnumbers conservative efforts. And while some state-level think tanks report and engage on policy debates, the extent of left-of-center local- and state-level coverage outlets again overwhelms the right’s counterparts.

### Financially Diverse Outlets

The *Weekly Standard*’s closure was only the most prominent example of an all-too-common problem in unprofitable media: Once the chief benefactor moved on to other things, the entire project collapsed. Overreliance on a single source of revenue binds an outlet to its patron, encouraging fan-service rather than coverage and making the entire enterprise precarious. This sits double for outlets relying on cross-ideological (especially short-term cross-ideological) support: When the immediate advantage that such an outlet provides the left-of-center benefactor is achieved, will that benefactor still wish to “conserve conservatism”?

## Conclusion

In the past two decades, the nonprofit media (and media business formats outside of the 20th-century corporate metropolitan-liberal “objective” press in general) have grown substantially. Major newspapers and national magazines are in the hands of billionaires seeking more influence than profit, and investigative journalism is largely in the hands of major nonprofits funded by the biggest players in left-of-center advocacy philanthropy.

For the Right, the cause for concern is clear: A new press, more openly hostile than the “liberal media” of old and able to deploy hundreds of millions of dollars in resources annually is growing and beholden to the institutional left-wing infrastructure. There is little countering it. ■

---

*Read previous articles from the Organization Trends series online at [CapitalResearch.org/category/organization-trends/](https://www.CapitalResearch.org/category/organization-trends/).*

*A project of Capital Research Center*



# CLIMATE DOLLARS

HOW ONE FLAWED STUDY FOOLED THE MEDIA AND  
POISONED THE DEBATE ON CLIMATE CHANGE

In a widely cited 2014 study, sociologist Robert Brulle purportedly exposed a “climate change counter-movement” of center-right groups “distort[ing] the public’s understanding of climate change.” He calculated that from 2003 to 2010, these nonprofits recorded revenues averaging “just over \$900 million” annually—a number that led to media claims that, “Conservative groups spend \$1bn a year to fight action on climate change.”

A Capital Research Center study cuts Mr. Brulle’s calculations down to size: Not only is Brulle’s assessment off by 93 percent, the resources of environmentalist groups and government agencies overwhelmingly dwarf those of skeptics. To learn more about the climate debate, visit [www.ClimateDollars.org](http://www.ClimateDollars.org).





## A NEW POLICY AGENDA FOR THE REGRESSIVE RESISTANCE

*Ignoring constitutional norms for an unrecognizable America*

By Christine Ravold and Michael Watson

**Summary:** *The Left isn't evolving and adapting without purpose. Engineering new financial mechanisms and reframing socialist arguments are only the means that left-wing activists and politicians plan to use to push policy change; their ends deserve similar scrutiny. Unfortunately, as the New Left's methods have developed, its policy agendas have arguably devolved. With a newfound and ironic emphasis on populist policies—abolishing the Electoral College and packing the Supreme Court—left-wing influencers and elected officials would fundamentally remake the United States of America.*



Credits: nrkbeta/Cage Skidmore  
Erik Drost/Joe Cirmmings/John Ramsport  
License: Creative Commons.

Since retaking the House of Representatives in the 2018 midterm elections, a new cohort of young, uber-progressive congressional Democrats have enthusiastically proposed legislation to fundamentally change the fabric of the United States. Eager to tap into the energy generated by their comrades in the House of Representatives, 2020 Democratic presidential candidates have also advanced positions that overemphasize the “democratic” part of the United States’ republican form of democratic government.

Cynics might say that the Left has always worked to undermine American institutions and cultural norms, and while a hard-left fringe has always existed, new data suggest that far-left philosophies enjoy burgeoning support these days. An August 2018 Gallup poll revealed less than half of Democrats (47 percent) view capitalism favorably. In 2016, 56 percent of Democrats held a favorable view of capitalism.

A 2017 Pew Research Study found that 48 percent of Americans would prefer a bigger government that provides more services to the public. The same study found that support for increased government spending has risen since 2013 and that younger people were more likely to support government expansion.

In 1984, socialist sympathizers lived in the outer fringes of the Democratic Party—if they were allowed at all. Poor Walter Mondale enjoyed the endorsement of the AFL-CIO and the National Organization of Women, but he lost the

*Since retaking the House of Representatives in the 2018 midterm elections, a newly energized Democratic party has proposed legislation to fundamentally change the fabric of the United States.*

general election in catastrophic style to the pro-capitalist and militantly anti-communist President Ronald Reagan. Even more impressive were Reagan’s victories in traditionally “blue” states like New York, Massachusetts, and California. If conservative hero Reagan could dominate the Electoral College and the national popular vote just 35 years ago, then something new and different is motivating today’s Left.

The difference—at least in terms of policy—seems to be disregard for long-standing constitutional norms. Many of the ideas energizing the Left brush off long-standing government precedents or would require amendments the U.S. Constitution. Instead of viewing the Declaration of Independence as “an apple of gold” and the Constitution as its “frame

*Christine Ravold is the communications officer for the Capital Research Center.*

*Michael Watson is Capital Research Center’s research director and managing editor for InfluenceWatch.*



of silver,” as President Lincoln did, rising Democrats see the founding documents as an underwhelming promise impeded by a government designed to thwart man’s better angels.

## Free Speech

As enshrined in the First Amendment, the right to free speech is integral to the American identity. In no other country in the world do citizens enjoy such liberal protections for speech and expression as do Americans. From irreverent songs to provocative philosophical treatises and daring scientific advancements, the United States’ influence in all fields stems from this fundamental right.

So perhaps the most vulgar of the New Left’s policy agendas is its campaign to chill free speech in the United States.

Once in power, House Democrats took aim at political speech. The first item House Speaker Nancy Pelosi introduced in the 116th Congress was the deceptively named “For the People Act” (H.R. 1). The legislation is a 571-page wish list of blatantly unconstitutional changes to campaign finance, which would force nonprofit entities engaged in political speech to disclose sensitive donor information.



*In no other country in the world do citizens enjoy such liberal protections for speech and expression as do Americans.*

In 2010, the Supreme Court established that nonprofit entities and corporations have the right to collectively participate in political discourse in the landmark case *Citizens United v. Federal Election Commission (FEC)*. While the decision proved controversial, *Citizens United* similarly affirmed the rights of labor unions to do the same. But today’s progressives claim that this decision allows so-called “dark money” to influence American politics and taints the political process. Since the Supreme Court’s decision, activists have called for politicians to upend the case.

Instead of dismissing this foolish suggestion, H.R. 1 explicitly calls for a constitutional amendment to overturn the case, which would gut the First Amendment and nullify decades’ worth of jurisprudence—all to cow conservative and libertarian political donors.

The “For the People Act” also dangerously expands the definition of “electioneering communications” so that more and

more nonprofit organizations—and their donors—would be subject to disclosure. Also, it would empower the FEC to further regulate Internet communications related to elections.

Of course, congressional Democrats say that such maneuvers will make elections more fair and reduce the influence of money in politics. The unintended consequence of the bill would, in fact, do the opposite. By threatening to reveal the identity of political donors, many citizens will choose to forgo participating altogether. Only the most strident of voices will continue to sacrifice their privacy to participate in electoral politics. Tribalism and polarization will likely only increase in such an environment.

Similarly, the onerous regulations Democrats want to add to campaign and issue advertisements will price out small nonprofit organizations. They will simply not be able to afford to run online, radio, and television ads because new disclosure regulations will needlessly add to the expense of participating in public discourse. It seems the Democrats are absolutely willing to raise the price of free speech.

Another speech-chilling feature of H.R. 1 is a naked power grab: adding another commissioner to the FEC. Currently, the commission is a body of six commissioners with strict rules about partisan affiliation in an effort for decisions to be as non-partisan as possible. It’s designed to encourage nonpartisan consensus on a body that has the power to silence political discourse. Adding another seat to the FEC would *intentionally* unbalance the body and encourage more partisan decisions.

## Elections

### States’ Autonomy and Voter-Roll Integrity

The “For the People Act” doesn’t stop at violating the First Amendment. Less publicized but still extremely detrimental provisions would change how states hold elections. It would take powers delegated to the states in Article 1 of the Constitution and mandate early voting, automatic voter registration, same-day registration, online voter registration, and no-fault absentee balloting. While there are legitimate concerns about low civic engagement that might be addressed by automatic voter registration or making Election Day a national holiday, other items like online voter registration or same-day registration are ripe for fraud and abuse. Democrats also appear to treat voter-roll integrity *very* cavalierly; H.R. 1 would prevent election officials from maintaining clean voter rolls or purging inactive voters from the rolls. The law would also unilaterally wipe away state voter-ID laws by allowing individuals to sign a statement affirming their identity.

## Redistricting

Siphoning power from the states regarding how they hold elections is one thing. But H.R. 1's proposal to reform redistricting takes it a step further. Redistricting is an inherently political process necessary to electing members of the House of Representatives; it also is a power specifically delegated to states in Article 1, Section 2, of the Constitution. H.R. 1 is just a continuation of a years-long plan to turn red states purple, and purple states blue.

Democrats were almost powerless during the 2011 redistricting process. While Democrats focused on controlling the federal government in 2010 midterm elections, Republicans won impressive majorities in statehouses and gained control over governors' mansions across the country; they were able to draw congressional districts with little to no opposition.

Since state politicians have the chance to redraw district maps only once a decade, Democrats needed a new strategy if they were going to be competitive in the House of Representatives. President Barack Obama, former Attorney General Eric Holder, and the Left's go-to lawyer Marc Elias embarked on an ingenious plan to redraw America's political maps.

They sued.

Democrats targeted states like Virginia, North Carolina, and Pennsylvania for lawsuits under the Voting Rights Act. A handful of these lawsuits saw district maps thrown out. Some of these maps were replaced with maps drawn by court-appointed redistricting experts or "independent" redistricting commissions—circumventing state legislatures entirely.

Judicial intervention in redistricting arguably undermines the separation of powers. After all, Congress *is* allowed to change the way its members are selected, but it's inappropriate for the judiciary to take a hand in the process beyond determining if maps are legal or if they unfairly disenfranchise voters.

H.R. 1 attempts to ram wholesale redistricting reform through Congress by mandating *all states* appoint so-called "independent redistricting commissions" to draw the maps. The "independence" of such commissions is up for debate and the number of considerations such a process demands (creating compact and contiguous districts, maintaining communities of interest, etc.) will still result in disputes. However, unlike elected politicians, they are *not* directly accountable to voters. They cannot be voted out of office the way elected officials can.

## The Electoral College

It's true. Americans don't really cast votes for the President on Election Day. One tautological reason for this is because the United States is a democratic republic—not a pure



Credit: David Hudson. License: <https://bit.ly/2env4LL>.

*A growing movement of left-wing populists would happily disenfranchise vast swaths of the country in order to ensure that a Democrat sits in the White House. Recently, former Attorney General and chair of the National Democratic Redistricting Committee Eric Holder suggested the Electoral College was undemocratic and ought to be abolished.*

democracy. Instead of directly voting for the chief executive, states hold winner-take-all elections to see which "electors" will cast votes on behalf of the entire state. (Maine and Nebraska are the exceptions. They award electoral votes by Congressional district.) This system can—and does—result in a candidate winning the electoral vote and losing the direct popular vote.

There are lots of good reasons for using this mechanism to elect a president. The first of which is that without the Electoral College, dozens of states and communities simply "wouldn't matter." Winning the popular vote in New York, California, and Illinois, with their densely populated metropolitan areas, would suffice to win an election. Surely America's breadbasket and less-populous regions deserve to have a say in their government, right?

Apparently not. A growing movement of left-wing populists would happily disenfranchise vast swaths of the country in order to ensure that a Democrat sits in the White House. It's no longer a fringe idea. Recently, former Attorney General and chair of the National Democratic Redistricting Committee Eric Holder suggested the Electoral College was undemocratic and ought to be abolished. Long-shot 2020 Presidential candidate Pete Buttigieg from South Bend, Indiana, also called for the body's elimination.

Left-wing nonprofit groups like National Popular Vote and FairVote lobby states to adopt the "National Popular Vote

Interstate Compact.” This dubious compact attempts to remedy the difference between popular vote and the electoral vote by having states pledge that their electors will cast votes for the candidate that wins the popular vote. Of course, electors are only pledged, not legally obliged to cast their votes to certain candidates. American history is dotted with instances of “faithless electors,” who for one reason or another, voted contrary to their pledge.

The compact, which is riddled with possible constitutional violations, only comes into effect when states representing 181 electoral votes sign on. So far, governors in 11 states and the District of Columbia have agreed to sidestep the Electoral College.

When progressives complain about the Electoral College, they neglect a very important feature of the United States—the Executive is only one-third of the government. Our bicameral legislature does, in some ways, account for popular vote. Americans elect members of the U.S. House of Representatives with a winner-take-all election by congressional district. Districts are apportioned by population. The result is that California sends 53 representatives to the House. In keeping with California’s traditional left-wing streak, only seven of those members are Republican. This gives Democrats a huge advantage in the House of Representatives and creates a serious counterweight to check the Executive.

*When progressives complain about the Electoral College, they neglect a very important feature of the United States—the Executive is only one-third of the government.*

Of course, radically progressive liberals point out that the Senate is *not* apportioned this way. As established by Article 1, Section 3, of the Constitution, every state—regardless of population—is entitled to two senators. Unhappy with this particular check on direct democracy, the most-illiberal voices of the progressive Left such as ThinkProgress, Vox, and Jacobin, suggest abolishing the Senate altogether.

The Left—especially the Regressive Resistance—shows its hand with these suggestions. The Senate and the Electoral College are premised on the idea that *all* the states in the union are equally important. It’s a central American ideal that binds the country together. For a movement obsessed with “equality,” the Left seems oblivious to their fellow Americans in low-population states.

## Court Packing

It isn’t just Article 1 that Democrats want to undermine. They’ve diversified their Constitutional contempt to include Article 3 of the Constitution. And they looked to no less a progressive icon than Franklin Delano Roosevelt for inspiration.

When, upon the retirement of Justice Anthony Kennedy, progressive Democrats realized President Trump would appoint not one, but two justices to the Supreme Court, activists and politicians like Rep. Mark Takano (D-CA) rallied supporters around the idea of a future Democratic president and Democratic Senate majority packing the Supreme Court. “Remember, Congress can add more people to that court,” Takano told emotional activists as Brett Kavanaugh neared confirmation to the highest court in the land.

Takano was absolutely right. Congress does have the authority to add—or subtract—seats from the Supreme Court. And the size, structure, and makeup of the judiciary *has* fluctuated throughout the course of the American experiment. The Constitution established the judiciary, but didn’t lay out specific provisions or structures. The Judiciary Act of 1780 established the original six-member court, as well as inferior circuit courts.

In the early years of the American Republic, lame-duck President John Adams and his waning Federalist Party increased the size of the judiciary and confirmed “midnight judges,” before Thomas Jefferson took office. By the end of Jefferson’s presidency, *seven* justices sat on the Supreme Court.

Initially, the Supreme Court justices also heard regional circuit cases. As Congress created new geographical circuit courts, it also added new justices to the Supreme Court. Because of this practice, during Andrew Jackson’s presidency, the Supreme Court expanded to *nine* justices.

The crisis posed by the Civil War opened several Constitutional questions of considerable weight. Just one such question saw President Abraham Lincoln appoint a *tenth* justice to the Supreme Court. At the time, southern sympathizers on the Supreme Court attempted to thwart Lincoln from the high bench. The addition of a new circuit court to service western states provided Lincoln the opportunity to counter Confederate sympathizers on the Supreme Court, which he did in 1863.

After the assassination of Lincoln, his vice president—a southern War Democrat, selected for his Tennessee roots—took office. Radical Republicans angry with Andrew Johnson’s approach to Reconstruction and opposition to the Fourteenth Amendment prevented him from appointing any justices to the Supreme Court by shrinking the court



with the Judicial Circuits Act of 1866. After the election of President Ulysses S. Grant, Congress passed the Circuit Judges Act of 1869, which again fixed the Supreme Court at *nine* members, where it officially remains.

Of course, the Supreme Court fluctuations occurred as a new Republic was establishing Constitutional precedents and during the greatest Constitutional crisis in the nation's history—the Civil War. But what occurred in 1937 had less to do with American statecraft or national security than an attempt to thwart *established* Constitutional limits.

In the midst of the Great Depression, Franklin Delano Roosevelt successfully campaigned for the Presidency against Herbert Hoover by promising Americans a vague “new deal” that included government funded public-works projects, financial regulation, and relief to farmers. The First New Deal established the Public Works Administration, the Civilian Conservation Corps, the Agricultural Adjustment Administration, the Securities and Exchange Commission, and the Federal Communications Commission.

Beyond creating permanent government agencies, FDR successfully pushed for legislation that protected collective-bargaining rights for labor unions, limited competition between businesses, and fixed certain prices and wages. Several challenges to the law hinged on antitrust concerns and executive overreach. The Supreme Court unanimously agreed.

FDR had more trouble with his sweeping new deals. He lost two more cases when the Supreme Court unanimously found that he wrongly terminated a member of the Federal Trade Commission and pushed through a law designed to grant relief to farmers at the expense of banks.

FDR, frustrated by successive losses, looked for ways to overcome the relative conservatism of the Supreme Court.

The answer was court packing.

The Judicial Procedures Reform Bill of 1937 suggested that the President appoint no more than *six* new justices to the Supreme Court for every justice over the age of 70, effectively creating a court of as many as 15 justices. Congress, at the time made up of conservative Democrats and progressive



Credit: FDR Presidential Library & Museum. License: <https://bit.ly/2uQOReZ>.

*It isn't just elections that Democrats want to undermine. They've diversified their Constitutional contempt to include the judiciary. And they looked to no less a progressive icon than Franklin Delano Roosevelt for inspiration.*

Republicans, immediately disliked the plan and subsequently stripped the bill of any provisions affecting the Supreme Court.

What modern-day court-packing advocates like Holder and Demand Justice Director Brian Fallon forget about Roosevelt's failed plan to overcome one-third of the federal government is that it cost FDR enormous political capital. Sure, the Supreme Court began upholding New Deal legislation against similar challenges, but conservative Democrats with newfound Republican allies started to block fresh New Deal legislation in Congress. When he tried to pull the rest of his party further left by endorsing “New Deal Democrats” in primaries against conservative Southern Democrats, Roosevelt lost and an unofficial bloc called the “conservative coalition” formed in Congress.

Ironically, while this coalition opposed big-government bureaucracy and held the line on labor unions, it supported the President in his foreign policy, especially as the country entered World War II. Perhaps the lesson American history has for today's illiberal Democrats is that the country will only tolerate such a violation of judicial norms while under direct and imminent threat from a foreign power.

The selection of Justices Neil Gorsuch or Brett Kavanaugh by President Trump does not compare with the crisis of the Civil War. Even during the Great Depression, Americans would not stomach such a naked play for unchecked power. Today, the only reasons progressives give for stacking the court rely on false claims of “stolen seats,” or the notional unpopularity of court decisions that hinder progressive agendas. They would seize power from two branches of government to upset the third branch, because they don't like the checks and balances *built* into the Constitution.

## Privacy and Due Process

Democrats and liberals have become so blinded by partisanship that they are even targeting the parts of the Constitution that they used to like. Intersectionality and progressive identity-group politics have made due process a target for

the feminist Left and gun-control activists. This targets Americans' rights under the Fifth, Sixth, and Fourteenth Amendments—rights the Left once supported.

The campaigns to reinstate the Obama administration's campus kangaroo courts and to strip gun rights from individuals on the secret "terrorist watchlist" go directly against the old-line-liberal legacy of due process protections extended by the *very* liberal Warren Court through the 1950s and 1960s. They were established by famous decisions like *Miranda v. Arizona*, requiring a defendant to be informed of his rights not to incriminate himself and to seek legal counsel; *Gideon v. Wainwright*, requiring states to provide indigent accused with publicly funded legal representation; and *Mapp v. Ohio*, excluding illegally obtained evidence from consideration at trial.

But in recent years, Democrats and the Left have seen these rights as procedural barriers to broader "social justice," and they have made efforts to cast them aside in the service of their political agendas.



*Democrats and liberals have become so blinded by partisanship that they are even targeting the parts of the Constitution that they used to like.*

### **Restoring Campus Kangaroo Courts**

In 2018, the American Civil Liberties Union rejected civil liberties, sacrificing the purpose outlined in its name on the altar of the progressive ideology of intersectionality. It instead swore fealty to the feminist Left, prioritizing identity politics above its historical advocacy for the rights of the accused.

Secretary of Education Betsy DeVos released a notice of formal rulemaking to override Obama-era guidance on the handling of sexual misconduct allegations by colleges receiving federal funds (in practice, nearly every single college) under Title IX. The new rules make the definition of sexual misconduct less vague, require colleges to allow cross examination, and allow universities to set a higher evidentiary standard than the "preponderance of the evidence" standard (in theory, a better than 50/50 chance the accused is guilty) required by the Obama-era guidance.

And what was the ACLU's response? A tweet attacking the proposed rulemaking, claiming the changes "promote an unfair process, *inappropriately favoring the accused*" (empha-

sis added). The American *Civil Liberties* Union declared that establishing a clear and distinct threshold for misconduct, setting an evidentiary standard worthy of the gravity of the charges and the penalties under consideration, and allowing an accused's representative to cross-examine the accuser—a fundamental element of "due process of law" without which the state shall not deprive any person of "life, liberty or property" under the Fourteenth Amendment—somehow "inappropriately" favors the defendant.

That the ACLU felt it necessary to commit itself to the Obama-era Title IX guidance at the expense of its commitment to civil liberties shows the power of the radically ascendant faction of intersectional feminists in the left-wing coalition. No longer is it enough for the ACLU to favor abortion-on-demand (a longstanding position for the group); the ACLU must take stances *in opposition* to its longstanding advocacy record to support the progressive party line.

### **Secret Lists to Strip Rights**

It is no secret that the Democratic Party and the progressive Left would love to see the Second Amendment gutted. Progressives erroneously see its guarantee of a citizen's right to keep and bear arms as a direct threat to public safety. However, in their campaign to target these rights, progressives are prepared to throw away *other* rights of due process by conditioning gun rights on citizens' non-inclusion on a secret government list.

That secret government list is the so-called Terrorism Watch List, a secret list of anywhere from 680,000 people to 1.5 million people supposedly connected to terrorist activities—280,000 of whom had "no recognized terrorist group affiliation," according to a 2014 leak from within the U.S. intelligence community. In a fit of memory of its supposed principles, the ACLU notes that the present watch list is not "consistent with the presumption of innocence and the right to due process."

But, eyeing a popular-sounding slogan and conflating the "no-fly list" (itself an abomination to due process, though one affecting far fewer people) with the terrorism watch list, Democratic Senators and presidential hopefuls like Kirsten Gillibrand and Cory Booker have called for stripping Second Amendment rights from Americans based on their appearance on the list.

Getting off the list (should one have the unpleasant experience of discovering that one is on it—the names on it are secret) is a Kafkaesque nightmare; there is no provision for due process for those listed to clear their names or show that they were misidentified. There is also no due process

to determine who is listed in the first place. As Gabriel Malor, a pseudonymous lawyer from Virginia, wrote in 2016:

In due process terms, these lists and their administration lack notice, an opportunity to respond, and finality. The government is not obligated to inform you that you've been put on these lists and consequently stripped of some of your rights. Your ability to challenge your inclusion—should you even find out, of course—is also limited. Further, there are no rules in place to prevent a nameless and unknowable government bureaucrat from putting you back on either list even if you do successfully challenge them.

And in 2016, in the wake of the terrorist-inspired spree shooting at Pulse nightclub in Orlando, when Democrats made the “no-fly-no-buy” gun-control measure a centerpiece of their legislative program, Republicans offered to accept it on one condition: The government would create due-process protections for *Americans* on the list. The Democrats rejected the compromise, with Sen. Chris Murphy of Connecticut, an arch-gun-controller, caviling that “Republicans have decided to sell weapons to ISIS,” a position endorsed by Obama White House Press Secretary Josh Earnest.

The callous disregard of requirements of due process in both the gun-ban-list and the campus kangaroo court cases shows how far the new progressives are willing to go—even to the extent of casting aside past generations of liberals' victories.



*The Ninth Amendment admits that the Constitution doesn't contain all the rights endowed in humankind.*

## What Makes America Great

There are many things that make the United States a unique country. Certainly, there are magnificent natural features, but the elements of America that make it singular and precious are not physical traits, but the ideas enshrined in our institutions. One of the most beautiful considerations written into the Constitution is the acknowledgement that



Credit: Charles Edward Miller. License: <https://bit.ly/2FtgW7f>.

*After the end of the Great Crime Wave that ran from the late 1960s through the early 1990s and the practical modification of some of the Warren Court's rulings, the once-controversial expansions of due-process rights became accepted as features of the American system of ordered liberty, with conservatives acceding to the prevailing liberal interpretation of such rights.*

it is not perfectly comprehensive. The Ninth Amendment admits that the Constitution doesn't contain *all* the rights endowed in humankind. This oft-forgotten Amendment leaves open a single important question for Americans: Will *this* generation of Americans successfully preserve liberty for the *next generation*?

In laying out their course of illiberal progressivism the Regressive Resistance, the Left 3.0—whatever term historians settle on—is ready to sacrifice the rights enjoyed by Americans and enumerated in the Constitution, if it means they have a chance to reorder the world.

Some unenumerated rights, such as the right to travel, to opt out of public school, or to make certain medical decisions frequently come under attack from unexpected corners. Those unenumerated rights the Founders were wise enough to consider and protect will fare just as poorly under the Left's regressive agenda. Those who prize liberty, individual responsibility, and limited government might consider using some of the Left's strategies and tactics—tempered with the optimism of centrists and conservatism—to revitalize our own institutions in order to make the case for an America that cherishes its citizens' rights as much as it cherishes government action. ■

*Read previous articles from the InfluenceWatch series online at <https://www.influencewatch.org/>.*





**CAPITAL RESEARCH CENTER**  
AMERICA'S INVESTIGATIVE THINK TANK

**[WWW.CAPITALRESEARCH.ORG](http://WWW.CAPITALRESEARCH.ORG)**

**CAPITAL RESEARCH CENTER WELCOMES  
LETTERS TO THE EDITOR.**

Please send them to

[Contact@CapitalResearch.org](mailto:Contact@CapitalResearch.org) or

1513 16th Street N.W.

Washington, DC 20036

202.483.6900