

DONOR CONSORTIA ON THE LEFT AND RIGHT

**Comparing the Membership, Activities, and Impact
of the Democracy Alliance and the Koch Seminars**

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**PRELIMINARY VERSION: COMMENTS WELCOME,
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On Sunday April 27, 2014, about a hundred wealthy political donors began arriving at the Ritz-Carleton Hotel in Chicago. Members of the left-leaning Democracy Alliance were gathering for their spring 2014 “investment conference,” to be kicked off by a dinner discussion with New York City Mayor Bill de Blasio and the Editor of *The Nation*, Katrina vanden Heuvel (Democracy Alliance 2014a, 2014c). The “DA,” as this group is called for short, is a consortium of liberally inclined millionaires and billionaires who meet twice each year to assess the U.S. political scene and decide which of an array of recommended think tanks and advocacy groups members will support (Prokop 2014). Over three days that April, DA social events, plenary sessions, and breakout groups occupied an entire upper-floor section of the posh Ritz Carleton – a separate wing patrolled by DA staff that other hotel guests and members of the public were not supposed to enter without badges given to “partners” (as DA donor members are called) and other invited participants, including some politicians, pollsters, and politicos plus dozens of leaders of organizations supported by DA partners. Organized around the theme “A New Progressive Era?,” conference sessions explored “economic solutions” for the 21st century and ways to advance progressive agendas on global climate change, gun violence, and money-in-politics reform. Featured invitees included Valerie Jarrett, Senior Advisor to President Barack Obama, Democratic National Committee Chair Debbie Wasserman Schultz, former Obama political advisor David Axelrod, and the 2014 Democratic candidate for a Kentucky U.S. Senate seat Alison Lundergan Grimes.

All participants in the spring 2014 DA conference got the program outlining sessions, but in accord with usual practice, confidential donor packets were only given to partners, who were supposed to guard these materials closely. Inevitably, members of the media were lurking – including a reporter from the right-wing *Washington Free Beacon*

who would spot and grab a confidential donor packet inadvertently dropped by one of the partners (Markay 2014). Soon the entire donor packet was visible on the Internet – including statistics tracking DA membership and their donations over the past ten years. A wealth of previously confidential information was suddenly there for all to see and use – including in due course the researchers who prepared this academic paper.

But political opponents of the Democracy Alliance took notice long before scholars did. About six weeks after the Democracy Alliance met in Chicago, some three hundred conservative millionaires and billionaires gathered for the June 2014 iteration of the twice-yearly “Koch seminars.” Invited wealthy conservative guests were joined by 11 Republican politicians and several dozen other people invited by multibillionaires Charles and David Koch and their political funding organization, the Freedom Partners Chamber of Commerce. Organized around the theme “American Courage: Our Commitment to a Free Society,” this gathering required more space than a mere hotel wing. Accordingly, the hosts rented – and ringed with tight security – the entire St. Regis Monarch Beach Resort spread over a magnificent seaside site in Dana Point, California (Freedom Partners Action Fund 2014; Windsor 2014).

On Friday the 13th through Saturday the 14th, the spring 2014 Koch seminar held insider meetings for repeat attendees, including a golf outing and special lunch with two GOP politicians, Representative Jim Jordan of Ohio and Representative (and 2014 Senate candidate) Tom Cotton of Arkansas, followed later by a “top partner dinner.” New donor recruits were welcomed on Sunday, which featured an afternoon plenary speech by Charles Koch himself. All of Sunday and Monday were packed with breakout as well as plenary sessions, in which participants heard presentations about long-term strategies to influence U.S. higher education, as well as about immediate opportunities to support conservative

GOP gains in the November 2014 elections. Republican candidates for Senate seats in Colorado and Iowa (as well as Arkansas) were in attendance, as was GOP Senate Leader Mitch McConnell and Republican presidential hopeful Senator Marco Rubio of Florida.

One plenary seminar session, moreover, was devoted to analyzing the Democracy Alliance materials found and publicized by the *Washington Free Beacon*. Mark Holden, General Counsel and Senior Vice President of Koch Industries, used the DA materials to explain the “strategy and infrastructure” of “the opposition” (Grim and Blumenthal 2014). At a later session where appeals were made for donations, participants received copies of the once-confidential Democracy Alliance packet, presumably to encourage them to redouble their monetary efforts to counter the dozens of liberal organizations supported by DA partners.

Our Research

As these vignettes suggest, the Democracy Alliance and the Koch seminars have some shared features and, at least in recent years, the participants tend to keep an eye on one another. In the words of *Politico* reporter Kenneth P. Vogel (2014a: 61), who tracks these groups, the Democracy Alliance and the Koch consortium each attempt “to copy what the other side... [is] doing effectively.” Vogel argues that the DA and Koch “models are strikingly similar” as ideologically focused efforts to influence the Democratic and Republican parties from the outside. Our paper will present a range of evidence to show that the Democracy Alliance and the Koch seminars are only partially similar. Despite important parallels as sustained efforts to build donor solidarity and direct massive amounts of funding to a range of conservative or liberal political organizations, the Koch seminars and the Democracy Alliance have quite different structures, modes of operation,

and capacities for resource mobilization and deployment. Growing rapidly in recent years, the Koch donor seminars provide crucial support for a tightly integrated multi-purpose political network that has succeeded in penetrating the Republican Party at state and national levels and shifting GOP agendas sharply to the ultra-free-market right. Meanwhile, the Democracy Alliance, started in earnest after Democrats failed to recapture the White House in 2004, attempts to coordinate and encourage donor and institutional support for hundreds of progressive advocacy organizations pushing many different causes and mobilizing constituencies on the left edge of the Democratic Party. The aggregate resources orchestrated by the DA fall far short of those directed by the Koch seminars, but the different modalities of resource mobilization are even more striking than the differences in the sheer amounts of funds raised and deployed via these consortia.

The remainder of our paper proceeds as follows. After discussing sources of data and offering brief overviews of the Democracy Alliance and the Koch seminars, we define what we mean by “donor consortia” and explain how these two exemplars are different from other donor collectives such as political action committees and single-issue advocacy funders. Then we probe the impact of these donor consortia, addressing two sets of issues: Do individual members who join and participate in the Democracy Alliance or the Koch seminars appear to shift their patterns of giving to political party committees and individual candidates for elective office? In turn, how do the meetings and organized fundraising activities of these consortia channel resources to other political organizations? This paper reports on work in progress and we are not yet prepared to give full answers to these questions. But we can outline important preliminary findings and suggest fruitful avenues for further analyses.

Sources of Evidence

What data and systematic evidence do we have about wealthy political donors and organizations that prefer to operate largely in secret? One of the two consortia examined here, the Democracy Alliance, has provided us with organizational materials beyond those found and publicized by the *Washington Free Beacon*, including copies of the programs for fall and spring DA conferences from 2005 to the present and lists of the liberal organizations DA partners have supported over the years. One of the authors (Theda Skocpol) has been an invited speaker on specific panels at three different DA conferences over the past decade and has therefore had the opportunity to observe parts of these gatherings (although not sessions restricted to DA donor partners). We do not have DA's yearly confidential lists of individual wealthy members, but have assembled partner names from conference programs and various public sources.

To track the Koch seminars, we have used IRS filings and data from Internet sources. Our most important sources include full Koch seminar programs for spring 2010 and spring 2014 Koch seminars, plus a fall 2010 invitation letter from Charles Koch that included a full list of the names and home locations of more than 200 wealthy participants in the previous spring 2010 Koch seminar held in Aspen, Colorado (Koch 2010). Other Koch information comes from crumpled documents left behind in hotel rooms (Kroll and Schulman 2014) and from audio recordings of speeches captured surreptitiously by participants or hotel workers and passed to media outlets (Grim and Blumenthal 2014; Mayer 2016: ch.14; Windsor 2014). Specific data sources will be noted as we go. Overall, we are very indebted to investigative journalists and conservative and liberal muckrakers, who have unearthed important information about the DA and the Koch seminars.

WEALTHY POLITICAL DONORS JOIN FORCES

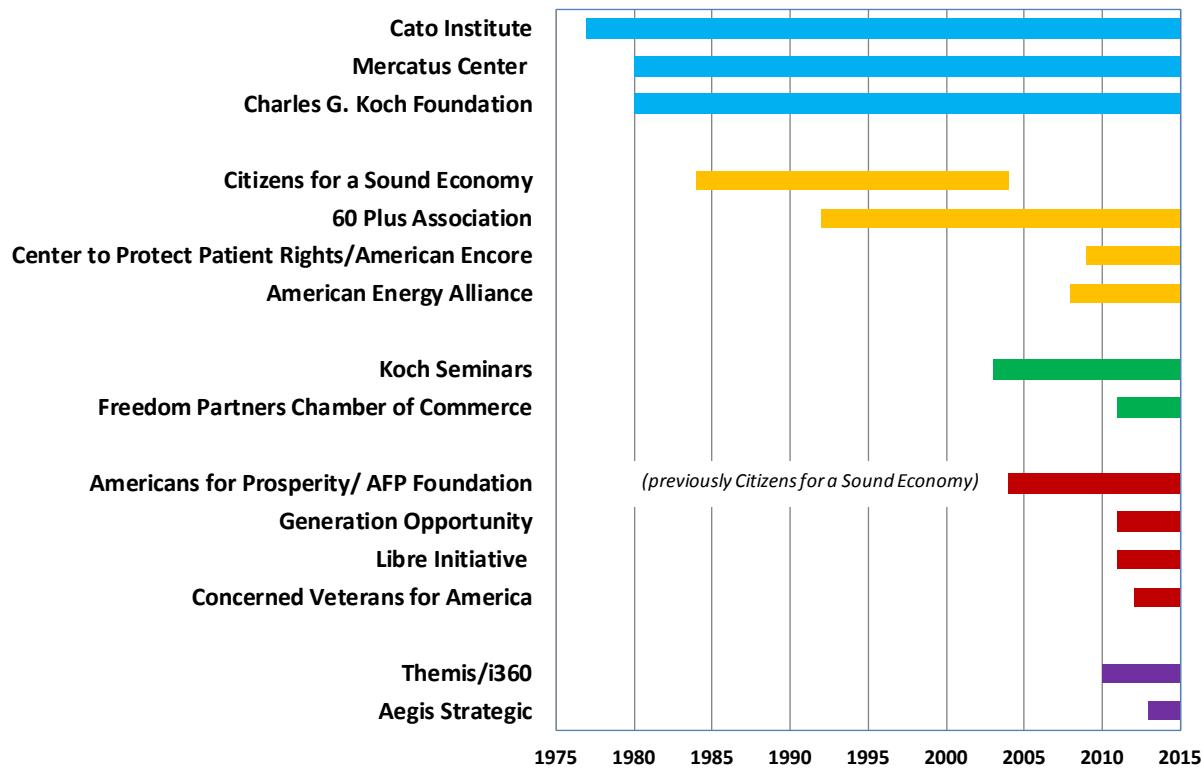
Both the Koch seminars and the Democracy Alliance are creatures of the 2000s, drawing together subsets of wealthy Americans, highly politically attuned individuals and families recruited from the burgeoning ranks of U.S. millionaires and billionaires whose personal fortunes have ballooned in an era of income and wealth concentration. But the origins of the two donor conclaves are quite different – as are their membership trajectories.

The Koch Seminars

Launched in 2003, the Koch seminars were the brainchild of Koch Industries chieftain Charles Koch along with his brother David and a handful of close advisors, especially former academic and political strategist Richard Fink (Fink 1996; Schulman 2014b). The first seminar met in Chicago, where less than twenty business leaders, mostly friends of Charles, joined Koch insiders to hear non-stop, dry lectures about libertarian philosophy and free-market economics (Wilson and Wenzl 2012). Even fewer participants turned up next time. According to Charles Koch (quoted in Wenzl 2015), few attendees were willing to make political donations while Republicans remained in office. In due course, the seminars were spiced up with invited speakers from the worlds of GOP politics and conservative media, and attendance trended up from 2006. After Democrat Barack Obama moved into the White House, wealthy conservatives clamored for invitations and the twice-yearly seminars “exploded as antagonism toward Obama built among the 0.01 percent on the right” (Mayer 2016:7).

Figure 1. The Evolution of Koch Core Political Organizations

Ideas, Policy Advocacy, Donor Coordination, Constituency Mobilization, Utilities



Importantly, the Koch donor seminars were not some brand new, stand-alone venture; they have always been a symbiotic part of an integrated set of political endeavors known by now as “the Koch network.” Figure 1 portrays the evolution of that network (and further information about core organization appears in Appendix A). For decades, Charles and David Koch (“the Koch brothers” in the popular media) have poured money from their rapidly growing industrial fortunes into efforts to reshape U.S. politics and policies. (By now, Charles and David have a net worth of more than \$40 billion apiece and were tied for fifth place on the *Forbes* list of the 400 wealthiest Americans in 2015). A half century ago, the brothers were stalwarts of Libertarian third-party politics, and they set out to encourage the spread of libertarian ideas and fund educational ventures by making sustained contributions to the Cato Institute, the Charles G. Koch Foundation, and the

Mercatus Center at George Mason University (Schulman 2014a; Wilson and Wenzl 2012).

In the 1980s, Charles and David turned away from the Libertarian Party and added funding for lobbying and astroturf organizations like 60 Plus, a group focused on privatizing social insurance programs, and Citizens for a Sound Economy, an advocacy group that attracted corporate funding to fight regulations and taxes.

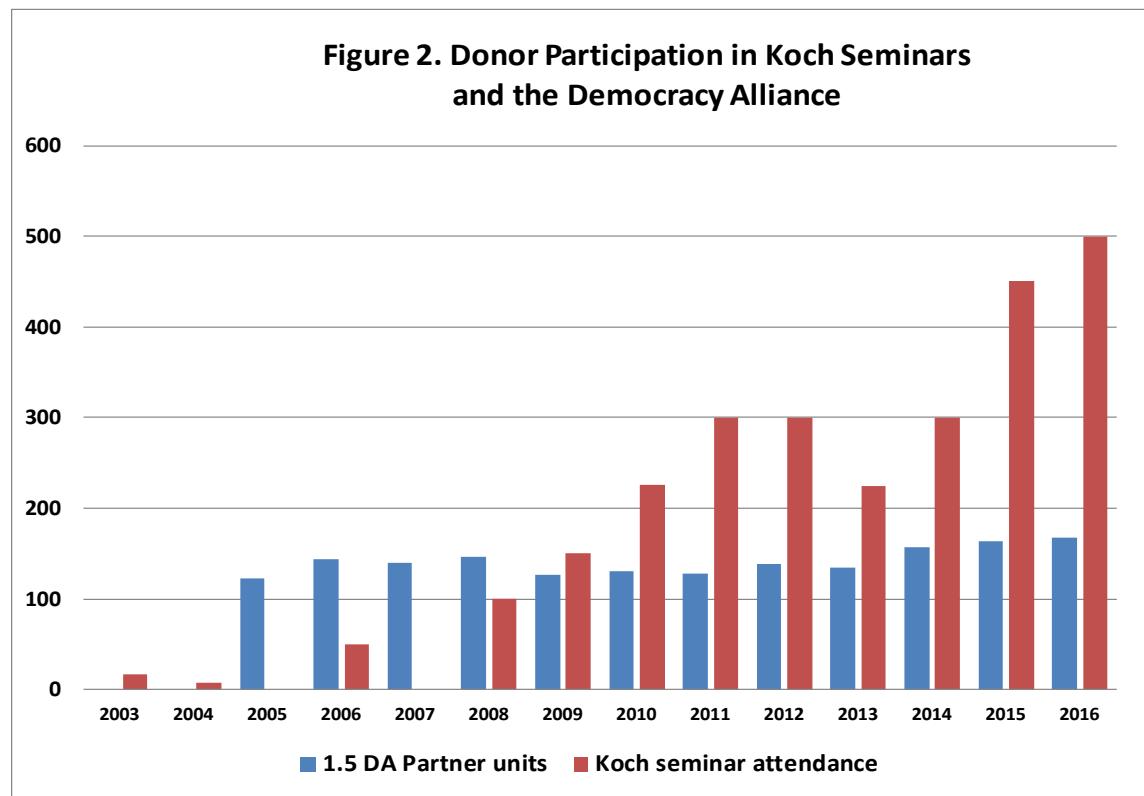
Believing that government should do very little beyond securing order, the Kochs have always been skeptical of Republicans as well as Democrats. If the Republican Party “is our only hope then we are doomed,” Charles once explained to a business group, because the GOP accommodates government and supports “the prevalent statist paradigm” (quoted in Schulman 2014a: 107). In the early 2000s, the Kochs’ worries about the GOP and insider consultants like Karl Rove reached a new peak when President George W. Bush invaded the Middle East and proposed the addition of a prescription drug benefit to Medicare (Moore 2006). In response, the brothers unfurled a bold new third phase of political organization building. In 2003, they started the Koch seminars and in 2004 they launched a new political-party-like federation in 2004 called Americans for Prosperity (AFP) to synchronize lobbying and grassroots mobilization for elections and policy battles in dozens of states as well as in Washington DC.

By 2007, before Barack Obama even declared his candidacy for the presidency, AFP had installed paid directors and usually additional paid operatives in 15 states spread across all U.S. regions and encompassing close to half the U.S. population (as well as their representatives in Congress and state legislatures). Over the last five years, the Kochs have added specialized pieces to the network mix, including constituency mobilizing organizations focused on military veterans, young people, and Latinos (Higgins 2016; Mundy 2016; Overby 2015; Parker 2015) and election utilities focused on collecting and

analyzing voter data and grooming appropriately conservative GOP candidates (Vogel 2015a). Starting in 2012, a centerpiece “Koch political bank” called the Freedom Partners Chamber of Commerce took over running the fast-growing Koch seminars, and in 2014 an affiliated political action committee was set up to allow Koch donors to make federal campaign contributions (Vogel 2014b, 2015b).

The Democracy Alliance

Launched in 2005, the Democracy Alliance at first attracted a larger donor membership than the contemporaneous Koch seminars. But the DA advantage was short-lived, as Figure 2 shows. Net recruitment of DA partners stalled after 2009, even as reported Koch membership trended upward – despite a dip for the Koch seminars right after Barack Obama, to conservative dismay, was re-elected to the presidency in 2012.



It is important to note that Koch seminar trends displayed in Figure 2 are approximate seminar attendance numbers reported in the media (using the higher number for the two seminars in a given year if two different numbers were reported for winter and spring/summer). We do not know if the Koch seminar attendance estimates refer to individuals or to husband-wife pairs. Furthermore, especially in the current period, donors can be formal members of the Koch seminars and Freedom Partners without attending every meeting. Our Democracy Alliance numbers are from an internal DA report and reflect a more institutionalized definition of the yearly numbers of “partner units,” which include individuals, two-person family households, and multi-household family clusters. In recent years, up to eight labor unions are also tallied as DA partners. To translate the DA partner trends into something closer to the Koch seminar participant trends, we have used a 1.5 multiplier to approximate as best we can the number of wealthy donor members that likely correspond to the yearly totals of partner units. However, in Figure 2, the within-consortium trajectories are much more meaningful and reliable than the absolute levels, given data uncertainties and divergent definitions of DA partners and Koch seminar participants.

The impetus behind the Democracy Alliance differed from the Koch seminars. To the extent that the DA was the brainchild of one individual, that founder was *not* an ideologically motivated multibillionaire industrialist, but a veteran of Democratic Party politics named Rob Stein, who had worked for Democratic National Committee chairman Ron Brown and served on the Clinton-Gore transition team and as chief of staff at the U.S. Department of Commerce during President Bill Clinton’s first term. As journalist Matt Bai tells the story, in the early 2000s, Stein became alarmed at conservative dominance and put

together a “killer slide show” entitled “The Conservative Message Machine’s Money Matrix.” His PowerPoints dramatized the decades-long accomplishments of wealthy conservative families who built up think tanks, policy advocacy groups, and media efforts to shape agendas of public debate in sustained ways. Starting months before the 2004 elections, Stein toured the country sharing this presentation in confidence with small clusters of Democratic Party donors and players, aiming to spark discussions about a new strategic approach. Later, Stein would recall that “there was an unbelievable frustration... among the donor class on the center-left, 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” (quoted in Shaffer 2006:8).

After John Kerry’s 2004 defeat, Stein’s project got seed funding from the George Soros and Peter Lewis families. In April 2005 some fifty of America’s wealthiest liberals arrived at the Democracy Alliance founding meeting in Scottsdale, Arizona – most traveling from major metropolitan areas on the East coast as well as from Hollywood, the Bay Area, and Seattle on the West coast and from a few other spots such as Denver and Dallas (Bai 2007: 96-98). At the retreat, answers to a questionnaire revealed that three-quarters of the founding partners did not want DA to have “close ties to the Democratic Party” (Bai 2007:99), although that seems to have meant simply that they wanted the new group to remain under the separate control of its staff and wealthy members. By the fall of 2005, when 65 partners “representing two-thirds of ... total membership” next met in Braselton, Georgia (Democracy Alliance 2005:4), elaborate procedures had been used to vet the first organizations to be recommended for partner funding. Some of these were recently founded or new creations, including future mainstays of the Democratic Party establishment such as the Center for American Progress and the data operation Catalyst (originally called Data

Warehouse). Recommended groups on the first DA list were classified under four headings that suggest the types of endeavors founding partners thought necessary to counter the conservative “messaging machine” (Democracy Alliance 2005):

- *Leadership*: Center for Progressive Leadership; Progressive Majority.
- *Ideas*: Center on Budget and Policy Priorities; Economic Policy Institute; Center for American Progress.
- *Media*: Media Matters for America; Citizens for Responsibility and Ethics in Washington.
- *Civic Engagement*: America Votes; Data Warehouse (later called Catalyst).

Also on the original recommended list was an “Innovation Fund” to be managed by DA itself, to give “Partners the option to fund organizations with new and provocative ideas headed by young and developing leaders” (Democracy Alliance 2005:5). Overall, more than \$30 million was channeled to the recommended entities, a third of that amount reportedly pledged by the Soros and Lewis families (Bai 2007: 117-18). DA rules and rhetoric stressed equality among partners and, certainly, the Soroses and Lewises were not directly in charge of DA the way the Koch brothers have been in their consortium. Nevertheless, according to Matt Bai, the biggest DA contributors exercised a lot of sway behind the scenes – and that surely remains true to this day, even if the ranks of the largest DA funders have evolved (and now include environmentalist Tom Steyer, for example).

From the start, the Democracy Alliance had its own professional staff managed by a DA president and supervised by a small elected board that has always included some elected donor members along with union leaders and philanthropists. This organizational pattern is typical for a liberal nonprofit organization, but unlike many such nonprofits the

DA has experienced repeated leadership shifts. By 2006, in fact, founder Rob Stein was pushed out of day to day DA management, to be succeeded by a succession of presidents, each of whom readjusted DA's relationships to the Democratic Party, to party-linked PACs, and to other groups in the center-left landscape (for many of the twists and turns, see Bai 2007; Vogel 2014a). Although many DA founders believed their consortium would concentrate on supporting a small, highly effective number of progressive organizations, within a few years the list of recommended liberal groups tripled (Democracy Alliance 2007; and Table 4 in a later section of this paper). A modest number of long-standing organizations have always been on the DA-recommended list, but many others have been subtracted or added across ever-changing versions of the core list. In 2014, the most recently installed DA president, Gara LaMarche, a veteran of George Soros' philanthropies, proceeded to take a hard look at how the consortium had evolved and articulate a new strategy (LaMarche 2014). Currently, the Alliance aspires to be not only a list of progressive organizations recommended for philanthropic support, but also a national hub for movement-building, where wealthy donors, labor unions, and many philanthropic foundations all work "in alignment" (as the organization's favored phrasing puts it) to further support progressive political goals.

What is Special about Donor Consortia?

The Koch seminars and the Democracy Alliance are far from the only organized groups of wealthy donors operating in contemporary U.S. politics. Well before either of them took shape, the Club for Growth mobilized wealthy conservatives to channel large-scale funding into GOP primary election challenges and policy campaigns, supporting

candidates and legislation to cut taxes, block tax increases, and in general shrink the size of government (Bai 2003). Americans for Tax Reform has pursued a similar mission. In addition, “Super PAC” political actions committees such as Karl Rove’s GOP-oriented “American Crossroads GPS” and the Democratic-leaning “Priorities USA,” raise many millions in each election cycle from big money donors and channel those resources into advertisements and supports for party candidates. In what ways, therefore, does it make sense to conceptualize a special category of donor groups called “consortia,” as we do here? We propose five features that, when present together, set organized donor consortia such as the Koch seminars and the Democracy Alliance apart even from their closest cousins.

(1) Continual giving by members. Donors in the Koch seminars and the DA do not simply write one-off checks as they might to PACs or advocacy groups. The consortia attract “member” donors in order to foster longer-term commitments among like-minded wealthy people who give at or above a predictable minimum level year after year. DA partners who are individuals or two-member households pay \$30,000 annually in dues and pledge donations to DA-recommended or approved organizations that total at least \$200,000 each year (see Democracy Alliance 2015b). Analogously, Koch seminar members (whether individuals or households, we do not know) contribute “at least \$100,000 a year to the causes Charles Koch and his brother David promote” (O’Connor 2015; see also Vogel 2014b). Such membership rules, plus the fact that many donors, especially Koch donors, clearly donate a lot more than the annual minimums, ensure that these organized consortia have much more predictable access to deep and continuous pools of funding than typical PACs or advocacy groups.

(2) A time horizon beyond individual election cycles. Because they can deploy substantial and sustained resources, donor consortia can do more than simply try to elect or reelect Democrats or Republicans. They can focus on advancing sets of principles and policies over time, and they can channel resources to idea creation, civic action, leadership development, and policy formulation unrelated to winning particular election contests. Consortia have some similarities to foundations, because they can, in principle, play the long game and make risky investments that might take a long time to realize objectives such as shifting American political culture, reorienting policy agendas, or empowering future generations of political leaders.

(3) Focus on a wide range of political endeavors and policy issues. While other donor groups – such as the Club for Growth – focus laser-like on one overall goal (in the Club’s case that goal is blocking tax increases and fighting for tax and spending cuts to shrink government), donor consortia are guided by overall political world views and get involved in many domains of policy and politics. The Koch seminars, for instance, fund activities ranging from academic work on libertarian thought to more directly political activities such as defeating policies to address climate change.

(4) Focus on supporting fields of organizations, not just candidates. Support for individual candidates is certainly encouraged by donor consortia – for instance, when particular GOP or Democratic candidates, party committee leaders, or heads of PACS are invited to Koch or DA sessions where they can impress and court wealthy donors. And consortium-supported organizations channel resources into election campaigns. Nevertheless, the overarching agendas of donor consortia focus on funding entire fields of political organizations, including those involved in education and the production of ideas as well as advocacy groups and constituency

mobilizing organizations. Sets of organizations funded through the consortia operate both within and between elections and focus both on getting particular kinds of candidates and staffers into office and, even more, on changing public policy.

(5) A major social component. Last but not at all least, donor consortia build and leverage social solidarity – weaving ties among wealthy donors and between donors and other political players. Participation in an organized consortium offers donors opportunities to attend recurrent meetings with a mix of serious discussions and social events held over several days in posh locations (see the lists of twice-yearly Koch and DA meetings in Appendix C). At these meetings, donors attend sessions with important political operatives, media figures, advocacy group heads, and the occasional intellectual from their side of the ideological spectrum. Even more to the point, the donors get to know one another, and in the process construct a purposeful community where people come to share political vocabularies, values, and morally grounded perspectives on political challenges to be addressed. In various cities and regions, smaller, self-organized gatherings of Koch and DA donors also occur in-between the formal national meetings, including get-togethers where established members can reach out to potential new consortium members (O'Connor 2015).

Because they combine all of these features, donor consortia as we define them have the potential to achieve political clout greater than the sum of the individual efforts of their members – and also greater than the similarly partisan Super PACs and anti-tax advocacy groups with which consortium participants are often also involved. Like keystone business associations such as the U.S. Chamber of Commerce, the DA and the Koch consortium can advance broad agendas between as well as during elections. But the donor consortia differ

even from major business associations in the stress they place on building membership solidarity and advancing shared worldviews as well as policy goals.

WHO ARE THE KOCH AND DA DONORS?

Because there are no publicly available, annually updated lists of the wealthy Americans who join and donate through the Democracy Alliance and the Koch seminars, we have used an array of tactics and sources to assemble datasets on them.

- For the *Koch seminars*, our best sources include a full list of all 226 attendees at the spring 2010 seminar held in Aspen, Colorado (Koch 2010), supplemented by names from documents or audiotapes from other seminars published by various journalists. In 2015, moreover, after Charles Koch called on seminar donors to have the courage to speak publicly, some of them met with a *Wall Street Journal* reporter and wrote OpEds for their hometown newspapers to proclaim their memberships in the seminars and Freedom Partners (see Deason 2015; O'Connor 2015; O'Neill 2015; Rufer 2015; Yontz 2015).
- For the *Democracy Alliance*, we have relied on names listed in conference programs and reported in books, media stories, and reports from conservative opposition research groups such as the Capital Research Center and the right-leaning *Washington Times* and the *Washington Free Beacon*.

In assembling our master lists we have done the best we can to verify Koch and DA memberships, because names from certain Internet sources sometimes turn out to be simply conservative or liberal wealthy donors mistakenly assigned to membership in these

consortia. A few “false positives” probably remain on our lists – and, of course, we are missing quite a few people who have been members of these consortia at some point. In addition, we can only loosely date the spans of membership for each individual donor. We know all listed attendees at the Koch Aspen seminar in 2010 as well as some attendees at other seminars. For DA, conference programs name many partners, so (after further coding) we will eventually be able to assign rough membership spans to many of the partners on our current DA list. Despite all of the uncertainties, we believe we have assembled sufficiently robust lists to construct broad portraits of DA and Koch seminar memberships. The units of analysis include both individuals and family groups (where marital or kin ties are apparent). Most of the family units are husband-wife couples, who often participate together, especially in the Koch seminars; in addition, sibling sets or parents and adult children sometimes join these consortia together.

Using the overall Koch and DA lists, our research team drew from as many sources as possible to find and code various characteristics for individuals or families -- including *primary residences* (by city and zip code); *service on corporate boards* (using data from BoardEx, a commercial repository of boards of directors); *industry of primary wealth* (using the classifications employed by the federal government); and *major involvement in philanthropic activities* (using media sources and data from BoardEx). The following comparisons use the data we have been able to assemble to date. In some parts of the analysis, we benchmark our Koch and DA donors against aggregate descriptions that Lee Drutman (2013) has offered for the top “one percent of the one percent” of wealthy political donors in 2012. This allows us to get some sense not only of how the DA and Koch participants compare to one another, but also how each group compares to very active political donors in general.

Where Do Koch and DA Donors Live?

The residences of wealthy political donors involved in the Democracy Alliance and the Koch seminars cluster across the U.S. geography much as we might expect for progressive-liberals versus ultra-conservatives. As Table 1 shows, DA donors are disproportionately more likely to hail from the West and Northeast, while residences in the South and Midwest are much more common for Koch seminar participants. Although substantial shares of both DA and Koch donors came from the West, DA donors from that region are more likely to live in the Pacific states, especially California, while Koch participants are more likely to come from the Mountain states, especially Colorado and Arizona.

Table 1. Residences of Koch, DA, and 1% of 1% Donors

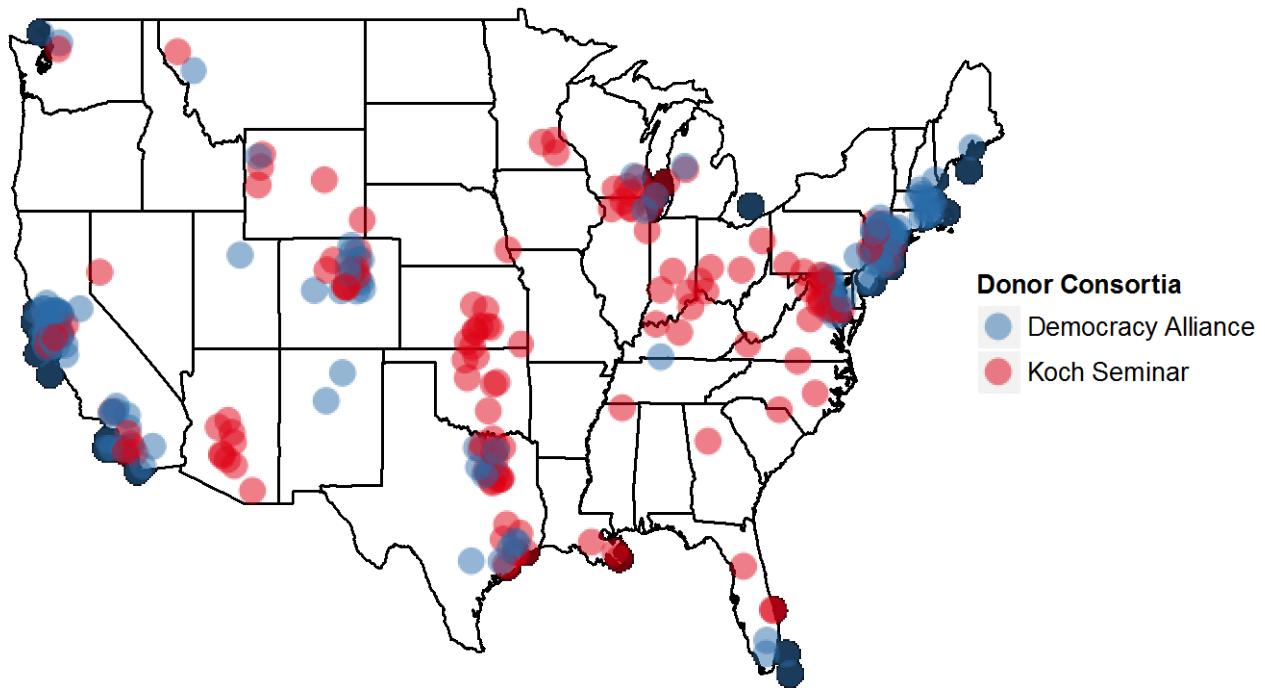
Region	Koch Seminars (n =149)	Democracy Alliance (n =142)	1% of the 1% (Drutman)
Northeast	11%	30%	24%
Midwest	26%	4%	16%
West	26%	44%	25%
South	37%	22%	35%
Total	100%	100%	100%

For comparison purposes, Table 1 also shows that the residences of Drutman's 2012 donors from the top 1% of the 1% tended to be spread across the South, West, and Northeast, but least often located in the Midwest. Overall, the locations of Drutman's donor residences look more like those of our DA partners than the residential patterns of the Koch participants – especially because so many Koch seminar participants come from the Southwest, Mountain states, and Midwest, areas where Drutman found relatively fewer top donor residences. As for the comparison of DA partner residences to those of Drutman's

top donors, the Democracy Alliance residences are more tilted toward California and less toward the South.

Offering more detail, the map in Figure 3 displays 149 Koch donors and 142 DA donors based on the zip code of their primary residence. (Clustering by zip code is randomly jittered to show the density of observations – otherwise most of the dots would be on top of the major cities). This drives home the point that DA partners mostly have primary residences in just three areas – the Acela corridor on the East coast, the Bay Area, and Los Angeles, while Koch seminar members come from all over the country. Certainly, the Koch seminars are attracting more wealthy contributors from the heartlands.

Figure 3. Residences of Koch and DA Donors, mid-2000s



Donor Activities and Sources of Wealth

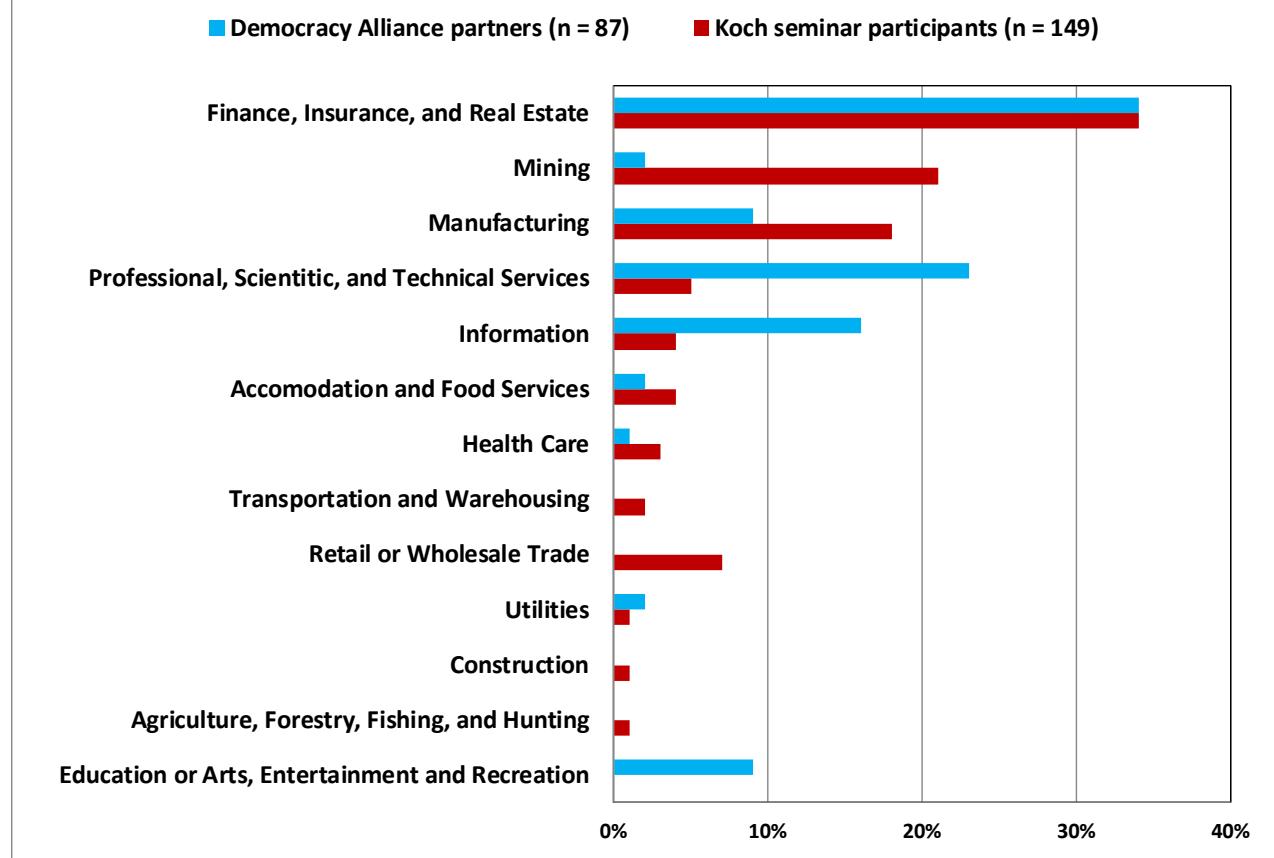
Available evidence about donors who sit on corporate boards shows that Koch donors are much more involved in business leadership than are DA partners. More than a third of Koch donors (37%) are currently serving on a corporate board, and 40% of them have served on corporate boards at one point or another. In sharp contrast, only 19% of DA partners currently sit on corporate boards (and only one in five ever have).

DA partners are more often primarily involved with philanthropic activities. Only 6% of Koch participants were coded this way, compared to 14% of the DA participants. This contrast may point to a greater likelihood that DA partners inherited their wealth. Although we have not been able to pin down systematically which donors primarily inherited their fortunes, we have noticed that DA donors (compared to Koch donors) more often come from families of great wealth and have gone on to run family foundations.

This brings us to sources of the wealth possessed by Koch and DA donors. Not surprisingly, given the ballooning of the financial sector in the U.S. economy over the past half century, the single most important source of wealth for 34% of each set of donors is “finance, industry, and real estate.” (Similarly, as Appendix B shows, 39% of Drutman’s top political donors in 2012 had fortunes generated from this same sector.) More broadly, however, the sectoral sources of Koch and DA wealth are quite different, as Figure 4 shows. For Koch donors with a readily identifiable industrial sector as the main source of their wealth, the most common sectors (beyond finance, insurance and real estate) are mining and natural resource extraction (for 21%) and manufacturing (for 18%). In contrast, the most common DA wealth sources (beyond finance, insurance, and real estate) are found in professional services (for 23%) and the information industry (for 16%). In general, the

wealth of Koch donors comes from a broader array of sectors than DA donor wealth. Appendix B includes a tabular presentation of the data displayed in Figure 4, and includes for comparison purposes the wealth sector profile for Drutman's 2012 donors, who tend to be more similar to the DA partners than to the Koch seminar participants.

Figure 4. Sources of Wealth for Koch and Democracy Alliance Donors



Now that we have defined donor consortia, offered overviews of the Koch seminars and the Democracy Alliance, explored the characteristics of their wealthy members, and probed the organizational workings of these two influential collectives, it is time to ask “so what?” What effects do the DA and the Koch seminars have on their individual members and, more broadly, on the organizational terrain of U.S. politics?

DOES KOCH OR DA PARTICIPATION INFLUENCE ELECTION GIFTS?

We begin by investigating the possibility that individual wealthy donors who join the Koch seminars or the Democracy Alliance shift their previous patterns of political giving to candidates and party committees. This could happen for various reasons. Perhaps donors become enamored of star GOP or Democratic candidates invited to Koch seminars or DA conferences and then reward those candidates with extra donations. Or perhaps the ideological messages conveyed by the Koch seminars and the Democracy Alliance encourage their donor members to shift their overall giving toward more conservative or more liberal candidates. To be sure, finding that participants changed their giving after appearing in one of the seminars would not be proof-positive that the seminars exerted a causal effect on giving. It might well be the case that participants were already planning on shifting their donations before joining these conclaves. But finding a relationship between participation in the donor consortia and donor patterns would suggest the possibility of consortium effects.

To explore these issues, we have matched names on our Koch and DA donor lists to complete political giving records for 2004 through 2012 available from the Database on Ideology, Money in Politics, and Elections (DIME) at Stanford University (Bonica 2013). After matching on name and geography, we were able to construct individual donation histories for 142 DA members and 228 Koch donors, using the following approach. For each donor, we looked for the number of candidates and PACs they donated to each year and the size of these contributions. We also computed an ideology score weighted by donation size using the CFscores of the recipients (Bonica 2014). We were unable to use Bonica's contributor CF score measures, because for some donors our procedure matched to multiple contributor identifiers with a high degree of certainty. In the case of one donor, for

example, we had to pool the donations from 12 identifiers – all of which shared the same last name and had at least two attributes from among address, city, employer, but also had various first names (Edward, Ned, Edward l and nancy c, edwardl) that were nicknames, misspellings of the same root, or included both the donor and his wife (a Koch member in her own right). We are quite confident that all these identifiers refer to the same Koch member.

In order to compute an ideology for our donors who may turned up with multiple contributor IDs and CFscores, we computed a weighted average of the CFscore of the recipient of every donation they made in our data and weighted it by the size of the donation in dollars. In Figure 5 we computed these numbers by election cycle over the period from 2004 to 2012. Although the extreme outliers are likely to be false positives that require further investigation, they are still included at this stage because they reached the same level of scrutiny as all other tracked donors. This figure tracks these donors from the beginning of the growth of the two consortia around 2004, which was also the first election cycle after the passage of the McCain-Feingold Bipartisan Campaign Reform Act. The time span means that all of the donations from 2004 through 2010 were governed by the same set of campaign finance laws in place prior to the Supreme Court ruling in *Citizens United v. FEC*.

Figure 5. Average CFscores Weighted by Donation Size for Koch Seminar Members (red) and DA Partners (blue)

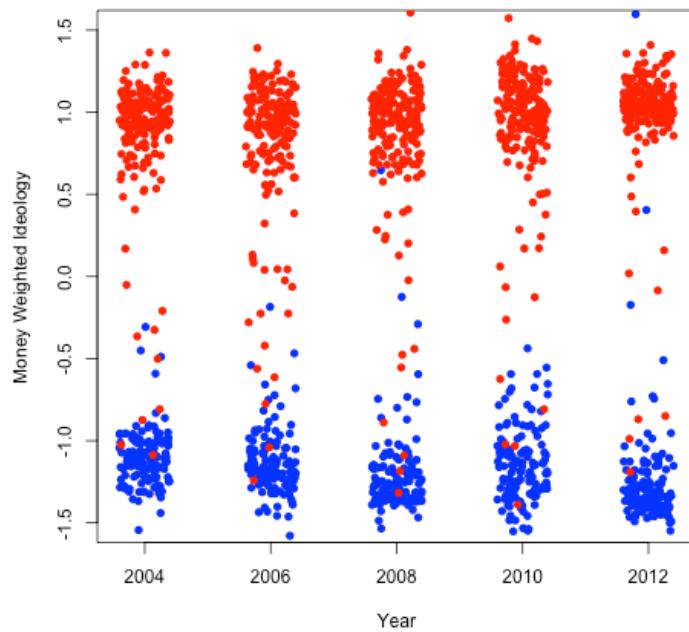


Table 2: t-tests for CFscores weighted by donation size for DA members

	2004	2006	2008	2010	2012
2004	1	0.2004	0.0002	0.0785	0.0001
2006		1	0.0112	0.5623	0.0029
2008			1	0.0622	0.3629
2010				1	0.0145
2012					1

Table 3: t-tests for CFscores weighted by donation size for Koch members

	2004	2006	2008	2010	2012
2004	1	0.2449	0.6348	0.4744	0.0107
2006		1	0.4540	0.0682	0.0003
2008			1	0.2280	0.0016
2010				1	0.0787
2012					1

Figure 5 reveals a drift away from the middle, indicating that over this period Koch donors gave to increasingly more conservative Republican candidates, while DA donors directed their contributions to ever more liberal Democratic candidates. Tables 2 and 3 give the results from a series of two-tailed t-tests between every pair of years for both sets of donors. While contiguous election cycles do not always show clear evidence for a difference in means, the differences tend to become more significant over time, showing that donors have become more ideological over the full time span from 2004 to 2010. Did this happen simply because Democratic and Republican candidates were getting more extreme, on average, over this period? The candidates did become more extreme, but the shifts away from more moderate candidates in the giving patterns of DA partners and Koch seminar participants outstripped the drift in candidate ideologies. Put differently, although candidates are moving apart in this period, Koch seminar and DA members are also finding ways to support candidates who remain consistently more extreme than the typical Republican and Democratic candidates in each cycle. This finding suggests the possibility that, as wealthy donors become involved in the Koch seminars and the Democracy Alliance, their donations converge towards more liberal and conservative poles.¹

The number and size of donations from each donor remained relatively similar over the five election cycles, however. Throughout this entire period, all donations were limited to FEC mandated maximums. Additionally, all donors faced aggregate contribution limits that limited the total amount of money they could contribute over a two-year period. A majority of Supreme Court justices eliminated the aggregate contribution limits for the 2014 election cycle through their ruling in *McCutcheon v. FEC*. Prior to this, donors could

¹ Conducting Kolmogorov-Smirnov (KS) tests on the same 10 pairwise comparisons yields similar results with even smaller p-values because the KS tests capture the changes in variance as well as the changes in mean between the groups being compared.

only give a single candidate up to \$2,700 per cycle for general election campaigns, and they could only give up to \$46,200 to all federal election candidates. An additional \$70,800 could be donated to national parties. Although these numbers seem large, the limits are quite small relative to the wealth of DA and Koch members. Although some Koch and DA members were supporting only a few candidates at the beginning of our time period, many others were already giving the maximum allowable donations – and for those giving the maximum at the start, there could not be significant increases. Overall, we find no significant changes in the amount of money donated from 2004 to 2010 by DA and Koch members.

So far, we have assembled tentative evidence that participants in the two consortia may have moved toward supporting more ideologically extreme candidates, even as the Koch and DA donors maintained, overall, stable levels of giving to candidates and parties from 2004 to 2010. Although our project has more work to do to pin down whether shifts in donation patterns are the result of participation in the consortia or not, our findings do suggest that scholars should pay more attention to the social commitments of wealthy political donors and the ways such involvements might influence their political giving. Donor consortia may influence how wealthy individuals think about their political preferences and the candidates they want to support. As our research proceeds, we may also be able to probe whether candidates who appear at Koch seminars or DA conferences see an upward bump in donations from consortium members following those appearances. And as post-*Citizens' United* contribution data becomes available for 2012 and beyond, we may find new trends for the size of contributions from Koch and DA donors.

CHANNELING RESOURCES TO ARRAYS OF ORGANIZATIONS

Whatever influence the Koch seminars and the Democracy Alliance have on members' individual election gifts to candidates and party committees, the stated missions of these consortia place more emphasis on reconfiguring organizational resources and ties across the U.S. political landscape. The Koch seminars are central supporters of a larger set of networked organizations all pushing ultra-free-market agendas. Similarly, in the words of DA founder Rob Stein, the "Democracy Alliance is focused on creating a more integrated and consistently coherent center-left infrastructure" (quoted in Shaffer 2006:8). Both of these consortia aim to raise money from many wealthy donors to support other politically significant groups – indeed, these consortia aspire to fund such infrastructural support above and beyond the normal political giving of donor members. But how do the Democracy Alliance and the Koch seminars accomplish this extra kind of political fund raising? To shed light on these crucial issues, we have pulled together as much information as possible on funding flows.

Meanings of Membership

Why do wealthy people join these donor consortia – and what sort of identities do they assume when they do? Certainly, the rhetoric of membership is quite different for the Koch seminars versus the DA, as suggested by key statements whose phrasings resemble many others in meeting programs and explanatory documents from these two groups. In an invitation letter, Charles Koch (2010) explained that joining the Koch seminars means signing on to a band of wealthy comrades determined "to combat what is now the greatest assault on American freedom and prosperity in our lifetimes." The seminars, Charles

stressed, are about more than “fun in the sun” and focus on more than just the next election (although some sessions do address immediate electoral opportunities). “Our network of business and philanthropic leaders,” he explained, brings together “*doers* who are willing to engage in the hard work necessary to advance our shared principles.... Our goal for these meetings must be to advance ideas that strengthen... freedom, beat back the unrelenting attacks and hold elected leaders accountable.” Participants in Koch seminars are not called “conservatives” or “Republicans” – indeed those labels are rarely used – but are instead characterized as leaders dedicated to advancing a free, entrepreneurial American society.

Joining the Democracy Alliance is likewise a value-oriented commitment for wealthy people, but the conceptualization is much drier and more transactional. Rather than heeding a call to battle, DA members become “partners” who (in the words of a DA document reproduced in Appendix D) enjoy

“access to... benefits and services... including unique investment, networking, and community building opportunities, and a chance to explore in-depth the issues that will define the progressive agenda for the 21st century. Through participation in the DA, Partners gain a strategic perspective of the political landscape and increase the impact of their progressive philanthropy.”

Wealthy donors who join the Democracy Alliance certainly must embrace “progressive” as a label for their general political orientation – the word is repeated everywhere in DA communications and conference agendas. But what, exactly, “progressive” means is rarely, if ever, spelled out or debated. Early efforts to define a DA vision were remarkably thin and short-lived (Bai 2007: 110-13). Currently, a more robust “20/20 vision” is publicly presented on the DA website and handed out in brochure form at every conference. In this statement, many specific objectives are arrayed under three “larger goals” – creating “a fair democracy where everyone can participate,” promoting “a growing economy that works for all,” and ensuring “a planet that is healthy and safe”

(Democracy Alliance 2015a). As has been true since the DA launch, the organization promotes loosely linked center-left priorities, each of which resonates with the concerns of subsets of DA partners and approved organizations. Unlike the Koch seminars, the DA does not proclaim any unified political strategy or philosophy, and the organization does not sponsor debates on those matters, either.

Procedurally, membership in the Koch seminars was, at the start, vaguely defined, apparently based on little more than taking part in one of the gatherings hosted by Charles and his associates. For some years, the Koch seminars have had a family-oriented rhetorical framing, with “guests” urged to attend as husband-wife couples. Nevertheless, after Freedom Partners took over managing the seminars in 2012, membership became more formally specified, as DA membership always has been. Just as DA partners must pay yearly dues and contribute \$200,000 to recommended organizations, so too must Koch participants pledge \$100,000 or more each year to network undertakings (whether there are obligations to pay other fees, we do not yet know). Following standard fundraising techniques, recent Koch seminars have also encouraged giving well above the minimum by setting aside special “invitation only” sessions for “top donors” (see the program at Freedom Partners Action Fund 2014). Although DA partners vary enormously in the amounts they donate through their consortium, Alliance documents and meeting agendas never indicate that certain events or meetings are open only to top donors.

What benefits does membership bring? DA partners have access to the organization’s professional staff based in Washington DC; and Koch seminar participants presumably have similar access at the Freedom Partners Chamber of Commerce based in Arlington, Virginia. These offices dispense information and help members structure donations, no doubt with an eye to tax consequences. However, invitations to consortium

meetings are the chief membership perk. As long as members meet annual dues and pledge requirements, they can cover their own travel and hotel expenses to attend either the DA’s “investment conferences,” held each spring and fall, or the Koch seminars, convened each winter (usually in January) and again in the late spring or summer (see Appendix C for the known locations). Attended by hundreds of honchos, these conclaves are where the action is – where like-minded wealthy people mingle and conference organizers try to steer “investments” in concerted directions.

How Consortium Meetings Focus Donor Attention

Although we have a fairly complete run of DA conference programs, we have full Koch programs only for the late June 2010 Aspen, Colorado seminar entitled “Understanding and Addressing Threats to American Free Enterprise and Prosperity” and the mid-June 2014 Dana Point, California, seminar called “American Courage: Our Commitment to a Free Society.” For comparison purposes, we use the DA’s “Progress 360” conference held in late April to early May 2010 in Laguna Beach, California (not far from where the 2014 Koch seminar met!) and also the DA’s “A New Progressive Era?” conference held in late April 2014 in Chicago, Illinois. Fortunately, these paired sets of meetings happened just before momentous mid-term U.S. elections. Furthermore, the 2010 meetings fell at roughly the mid-point in the life spans of these consortia and the 2014 meetings exemplify recent developments.

Both the Koch seminars and the Democracy Alliance sponsor several-day meetings that mix plenary sessions with breakout groups and intersperse serious sessions with meals, cocktail parties, and recreational opportunities. At both conclaves, some sessions

feature media celebrities, top political officeholders, and the occasional author or even university-based academic. But a closer look makes it clear that the Koch seminars and DA conferences bring together quite different segments of the right and left political worlds and choreograph activities in distinctive ways.

Each fall, Democracy Alliance conferences convene for several days at the Mandarin Oriental Hotel in Washington DC and every spring at various places outside the East. Until a few years ago, the non-DC conferences were held at posh resorts quite similar to the Koch seminar locations, but nowadays the DA sticks to luxury urban hotels, where halls are crowded with a mix of people who look different from those at Koch seminars. At typical Koch seminars, hundreds of wealthy white male business leaders, many joined by their wives, hear from a modest number of invited speakers and a couple of dozen top leaders of Koch organizations, themselves mostly white men. In contrast, at typical DA conferences about a hundred mostly white male and some female “partners” are joined by more diverse leaders of DA-affiliated labor unions and foundations; both sets of DA donors interact with several dozen professionals (many of them women or persons of color) who lead the many think tanks, advocacy groups, and grassroots focused organizations that receive (or aspire to receive) contributions from DA partners.

Furious networking is the order of the day at DA conferences – as the liberal professionals do their best to attract attention and impress potential donors to their respective organizations. The Alliance’s basic structure encourages this pattern, because DA raises money primarily by exposing donor members to “recommended” progressive organizations whose goals, resources, staffing, and achievements are vetted by the DA each year. Getting (and remaining) on the annually updated core list of DA recommended organizations is a big deal, because it ensures attention from DA donors and a chance to

attend the conferences and hobnob with donors in person. Even if most approved organizations do not get high percentages of their budgets funded through DA-encouraged donations – and most do not and have not since the very earliest years – their leaders still value the visibility and connections that invitations to attend DA conferences can bring. What is more, many DA partners strive to get visibility for their favorite causes, issues, and organizations.

Given the multiple DA constituencies – individual partners, institutional partners, foundation allies, and leaders of DA approved organizations – DA staffers face quite a challenge as they assemble panels and sessions. To appear inclusive and hold partners in the fold, DA staff let many individual partners or sets of partners take ownership of particular conference sessions, especially breakout groups, meal-time meetings, or workshops focused on particular issues or groups those partners consider vitally important. Koch donors almost never take formal charge of parts of the seminar programs, but DA partners often organize and lead sessions at their conferences. In addition, DA conference organizers set up sessions and panels to allow as many DA-supported progressive organizations as possible to tout what they are doing or promising to do. Big-picture plenaries address overarching topics such as current political challenges or strategies for fighting economic inequality – and on those panels, too, multiple DA-affiliated leaders make presentations.

The resulting Democracy Alliance conferences, quite literally, stuffed with speaking slots for as many progressive organizational leaders as possible – above all for leaders of long-time DA-supported organizations. For example, the spring 2010 investment conference (see Democracy Alliance 2010) was spread over three and a half days and featured ten general plenaries, five partner plenaries, and 19 breakout sessions (offered in

four periods). Setting aside dinnertime talks and the last half-day when groups of partners ran a number of workshops, most conference panels had four to six speakers. One plenary session, remarkably, had ten speakers, including six heads of that year's core DA-funded organizations: the Center for American Progress, the Center for Community Change, Media Matters for America, Third Way, the Center for Budget and Policy Priorities, and the Center for Social Inclusion. Indeed, the leaders from three-quarters of the core organizations recommended for DA funding that year appeared on spring 2010 conference panels. Most other speaking slots went to leaders from additional progressive organizations, including groups working on current issues like health reform and organizations that would in the future win inclusion on the core DA recommended list. Overall, the spring 2010 conference had more than three dozen speakers from assorted progressive political organizations. Some conference sessions focused on broad themes such as an overview of the 2010 election and "The Progressive Narrative and Lessons Learned in 2009," while others considered specific policy challenges like immigration or money in politics, or reviewed ways to mobilize key constituencies such as Latinos and Millennials. The politicians present that spring were mostly officials from the Obama White House.

Four years later, in the spring of 2014, the DA conference again followed largely the same pattern (Democracy Alliance 2014a, 2014b), so much so that we need not dwell on all the details. Once again, sets of four to six speakers from about three dozen progressive organizations populated 13 general plenaries and 16 breakouts (organized in six periods) – with sessions spread, this time, over just two-and-a-half days. Two partner-only sessions were also held. Once again, 2014 was a mid-term election year and some sessions focused on the upcoming November contests. Other sessions deal with hot topics like gun control and criminal-justice reform, while a number of plenaries focused on economic challenges.

Presidents from DA-member unions were more prominent on the spring 2014 program than they had been four years earlier, yet the heads of most major DA-supported organizations still claimed much of the limelight – including the heads of long-time DA partner favorites like the Center for American Progress, Media Matters, and the Center for Community Change. This conference marked the beginning of Gara LaMarche’s DA presidency, which would soon propel the consortium in fresh directions – placing a new emphasis on state-level and grass-roots organizing and focusing initiatives around core themes of fighting economic inequality, slowing climate change, and reforming U.S. democracy. Some panels, accordingly, included fresh faces from organizations like the New York Working Families Party, NextGen Action, Color of Change, and the Restaurant Opportunities Center. Also prominently featured were and leaders from Demos and the Roosevelt Institute, soon to be recommended for partner support in yet another revamp of the list of core DA organizations.

Although the menu of recommended progressive organizations is revised, in part, every few years, by the time partners leave DA investment conferences, they have heard about dozens of possible groups and priorities to which they might donate. Wrap-up sessions sometimes urge partners to make specific commitments. But no matter when partners finalize their contributions, they usually do not write checks to the Democracy Alliance itself. Instead, DA partners choose which among dozens of worthy liberal or progressive groups they want to support and then make donations directly to them (perhaps with some DA staff advice and help). The Alliance sets ideal annual targets for partner support to each core recommended group and tries to persuade donors to make choices that fulfill those targets. Recently, the DA has set up a number of special “funds” supervised by committees of partners and staffers, entities meant to disperse grants to

smaller progressive groups doing grassroots outreach or working in state and local polities. For the most part, however, DA leaders (unlike Koch network leaders, as we will see) do not collect tens to hundreds of millions of dollars to deploy as they see strategically fit. Instead, the DA staff and board manage a kind of progressive investment marketplace, which selects and certifies dozens of worthy groups and funds, so partners can scan the possibilities and make their own choices.

In sharp contrast to DA conferences crowded with speakers from separate organizations and issue networks, Koch seminars are much more focused affairs. Principally, the Koch gatherings expose conservative wealth-holders and their spouses to libertarian and free-market ideas and outline the latest version of a regularly updated strategy for shifting U.S. political culture, politics, and policies toward the far right. This game plan is apparent from by the types and sequences of sessions listed in Koch seminar programs.

At the very start of the June 2010 Aspen seminar, for example, the Koch's political-strategist-in-chief, Richard Fink, led "An Introduction to these Meetings for First-Time Participants" to enable them "to learn about the strategic framework that has guided past success and that guides future action." Four years later at the June 2014 Koch seminar in Dana Point, two such orientation sessions happened – one led by David Koch and Richard Fink on "Saving America: Our Fight to Advance Freedom and Reverse the Country's Decline" and another on "Understanding the Network: A Discussion with Capability Leaders." At the second orientation session, five major heads of core Koch organizations – Freedom Partners, Americans for Prosperity, the Libre Initiative, Generation Opportunity, and the Charles Koch Foundation – explained their interrelated efforts to redirect U.S. politics. Democracy Alliance conferences, in contrast, always have welcome receptions for

new partners, but not special orientation sessions. The DA newbies are deemed up to speed just by being there, whereas the Koch first-timers are considered in need of careful instruction about the purposes and organizational arms of the overall Koch network.

More broadly, Koch seminars have a standard choreography, featuring a logical sequence of plenary sessions through which attendees are herded (pleasantly, of course, with meals and breaks for socializing in between). At the 2010 seminar, 12 of 15 sessions (80%) were plenaries and three were breakout sessions (two periods offering alternative workshops and plus the one breakout restricted to first-time attendees). At the 2014 seminar, the proportion of plenaries dropped to two-thirds (15 out of 23) and there were eight breakout periods. But only some of those 2014 breakout periods involved alternative sessions any donor could attend, because many segregated first time versus repeat participants and, at times, drew “top donors” into segregated breakout sessions such as meetings with important GOP politicians. During both the 2010 and 2014 Koch seminars, plenaries followed a coherent pattern, starting with an opening speech by Charles Koch -- who in 2010 outlined “The Threats to American Freedom and Prosperity” and in 2014 spoke about “American Courage: Our Commitment to a Free Society.” In both gatherings, subsequent plenary sessions explained threats to liberty and strategies for responding. Then strategy sessions outlined immediate and longer-term efforts: to deploy resources for the next election and to shift ideas and policy agendas in American society overall. In 2014, for instance, panels about election “opportunities” introduced promising GOP candidates for the upcoming November contests, while equally prominent panels informed donors about the Koch strategy to transform U.S. higher education in the years ahead.

As Koch seminars convey the master narrative in sequenced plenaries, the high-dollar donors in attendance are exposed to the leaders of two sets of Koch organizations

that stand ready to counter threats to American liberty. On the one hand, donors hear from officials at the Charles G. Koch Foundation and the Mercatus Center, both of which support libertarian scholars, policy research, and educational efforts. On the other hand, donors hear from strategists directing policy and electoral campaigns at Americans for Prosperity, the Libre Initiative, Generation Opportunity, and Concerned Veterans for America – and from experts at Themis/i360 and Aegis Strategic. (Brief descriptions of core Koch organizations appear in Appendix A.) Only occasionally do people speaking on behalf of outside organizations appear on Koch seminar panels. And the tendency to feature insiders seems to be getting more pronounced as the Koch network matures. In 2010, certain plenary panels included, side by side with inner Koch honchos, the president of the American Enterprise Institute and the head of the National Right to Work advocacy organization. But by 2014, organizational representatives on seminar panels were almost entirely core Koch leaders. (The chief exception was the head of the United Negro College Fund, which had just received a \$25 million grant from the Koch Foundation.)

Beyond hearing Koch leaders speak on panels, selected donor guests also get one-on-one briefings. Following the winter 2014 Koch seminar, someone left behind in a hotel room a crumpled sheet detailing dozens of small meetings between 40 named donors (individuals or family sets) and subsets of leaders from 29 Koch organization (Kroll and Schulman 2014). The Koch leaders involved in those sessions included ten national officials and state directors from Americans for Prosperity, the head of the Libre Initiative and the president of i360, three officials from the Koch Foundation and one from the Mercatus Center, and a dozen top Koch managers affiliated with Freedom Partners, Koch Industries, and Koch Industries Public Sector. Some intimate sessions involving the wealthiest donors were held off site, including at a nearby Koch personal residence.

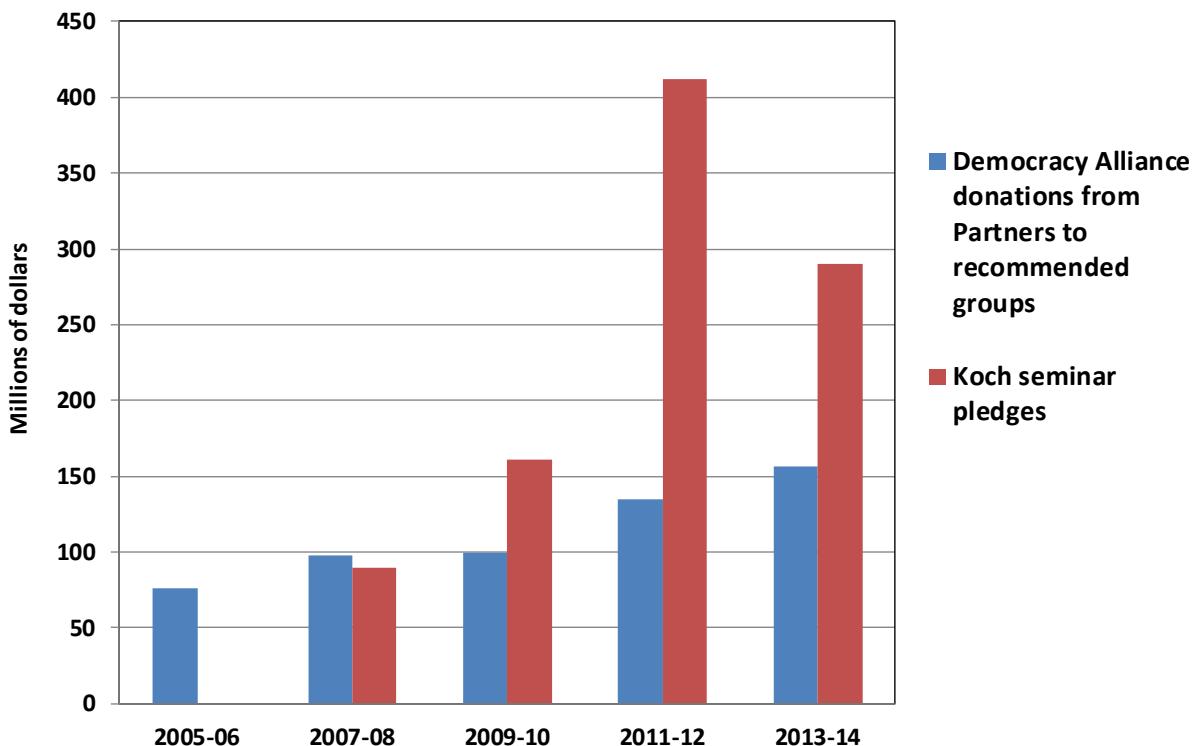
The tight choreography of the Koch seminar programs and encounters has a purpose. By the time the gatherings wrap up and donors are thinking about where to direct their contributions, they have had plenty of chances to hear from people in charge of most of the core organizations in the integrated Koch network that will receive the bulk of their donations. Unlike partners in the Democracy Alliance, Koch seminar guests contribute directly to and through Koch-controlled organizations. Seminar members may donate through Freedom Partners, the conduit now used by the Koch network to disperse general-support grants to political organizations. They can donate to the recently established Freedom Partners PAC (Goode and Vogel 2014). Or they can give directly to Koch entities – including by directing anonymous, tax-deductible contributions to support educational missions pursued by the Mercatus Center, the Charles G. Koch Foundation, or foundations affiliated with AFP or the Libre Initiative. Whichever of these routes they choose, however, Koch seminar participants fulfill their membership obligation in a very different way than DA partners fulfill theirs.

How Much Money is Raised and Where Does It Go?

Big money donor consortia have remarkable capacities to aggregate and direct political funding, as both the Koch seminars and the Democracy Alliance do on their respective ends of the U.S. political spectrum. But available evidence suggests that fundraising for affiliated organizations by the Koch operation currently outpaces resource mobilization by its leftist counterpart. This is apparent in Figure 6, which juxtaposes reported two-year totals for Koch donor pledges to two-year aggregations of donations to recommended groups made by Democracy Alliance partners (using data from LaMarche 2014; Democracy Alliance 2014b; Democracy Alliance 2015b). (The DA totals in Figure 6 include reported partner donations to both core recommended groups and to other groups

approved for partner donations listed on a larger DA “progressive infrastructure map” to be explained below).

Figure 6. Fundraising by the Democracy Alliance and the Koch Seminars



Earlier we noted that while membership in the Koch seminars has increased sharply in recent years, the ranks of individual DA partners have grown only modestly. To be sure, the Democracy Alliance has recently broadened its resource capacities by adding more institutional partners and affiliates. Eight labor organizations are now partners, and such institutional partners owe higher dues than individuals (\$60,000 per year) and pledge higher annual contributions (at least \$1 million per year). In addition, some 20 affiliated foundations can now send representatives to DA conferences and make use of DA services,

with the understanding that they will make grants to DA-listed organizations of about \$200,000 per year (see Appendix D). Nevertheless, recent Democracy Alliance increases in both individual/family partnerships and institutional partnerships or affiliations have not matched the growth of Koch seminar memberships – and there are reasons to believe that many Koch donors give at much higher levels than most DA partners do (Lach 2013). Accordingly, it should come as no surprise that the overall resources raised through these two consortia have diverged.

As tracked in Figure 2 presented much earlier in this paper, since 2009-10, membership in the Koch seminars has overtaken Democracy Alliance partnership participants – and of late (as we see in Figure 6) the hundreds of millions generated by the Koch seminars exceed DA giving by two- to three-fold. For the Koch side of the equation, Figure 6 does not include publicly reported projections for pledged spending in the 2015-16 cycle. Those projections have been pegged at a remarkable \$750 million to \$889 million – and Charles Koch recently told the *Wichita Eagle* that about \$500 million of this two-year target was actually raised and spent in 2015 (Wenzl 2015). We see little reason to doubt that Koch network spending in 2016 will fall short of expectations.

The divergent money-raising trajectories we see for the Koch seminars versus the Democracy Alliance would be significant even if two consortia were allocating donations in analogous ways. But of course, they are not. Simply stated, the Koch seminars are not only raising greater sums than the DA partners, they are channeling those heftier resources to a more compact set of organizations directly controlled by the Koch network itself. By contrast, Democracy Alliance partners are spreading more limited funding across a much larger number of center-left organizations and funds, most of which the DA itself does not direct.

Table 4. DEMOCRACY ALLIANCE TRENDS, 2005-15

	Partners	Core donations (in \$ millions)	Core groups/funds supported	Additional groups eligible for support	Additional donations (in \$ millions)
2005	82	\$32.9	9		
2006	96	\$43.3	29		
2007	93	\$45.6	32		
2008	98	\$51.9	34		
2009	84	\$48.3	30		
2010	87	\$51.5	32		
2011	85	\$44.3	34		
2012	92	\$35.1	19	96	\$55.7
2013	90	\$28.8	21	151	\$40.5
2014	99	est. \$31.1	21	152	??
2015	112	goal \$50	44	139	??

Notes: 2014 core donations estimated from targets; 2015 goal set in LaMarche 2014.

Sources: LaMarche 2014, supplemented from Democracy Alliance 2015b and LaMarche communication.

Data assembled in Table 4 tell the basic Democracy Alliance story. Even in its earliest years, the Alliance expanded its core list of groups recommended for partner support faster than it added to the ranks of donating partners – although the tens of millions of dollars raised to beef up the center-left infrastructure did grow through 2008. By 2011, however, aggregate DA donations were declining even though the number of groups on the core recommended list rose to a high point. From 2011 to 2012, the recommended list of core organizations was pruned significantly, but at that same juncture a longer secondary list of groups was placed on a so-called “Progressive Infrastructure Map.” Partner donations to those dozens of additional groups counted toward meeting their yearly minimum required contributions of \$200,000. In 2012 and 2013 (and probably later,

too, although we do not know for sure), partner donations to the additional groups exceeded donations to core recommended groups.

In very recent years, the Democracy Alliance has started adding to its membership once again, enrolling institutional partners and allies as well as net increments of individual partners. Such membership growth in turn has boosted DA's aggregate contributions to recommended organizations on the core list. At the same time, however, the core recommended list of groups has seen many changes and has expanded through the addition of new organizations as well as many new DA-managed special funds focused on supporting state-level political groups (Democracy Alliance 2015a, 2015b; Gold 2015). By 2015, the full array of highly recommended core DA organizations and funds stood at 44, a longer list than ever before – and another 133 groups also appeared on the 2015 version of the DA's "progressive infrastructure map," any of them fair game for DA partners looking to fulfill their \$200,000 annual pledge commitment. "There are so many worthy groups," a Democracy Alliance board member exclaimed to one of the authors – and clearly there are not enough donated millions to meet the demand for organizational sustenance on the left.

Meanwhile, Koch seminar dollars have followed a quite different trajectory. In Figure 5 we noted that, since 2009-10, Koch seminar pledge targets have ballooned and now reach the hundreds of millions. As far as we can tell, pledge targets have been met, but public documentation about where all the funds have gone is incomplete. In particular, we do not know much about donations by Koch seminar members to the Charles G. Koch Foundation, the Mercatus Center, and other think tanks and educational entities. We know from Koch seminar programs that these organizations and their projects are touted to donors, and interviews given by Charles Koch indicate that roughly 40% of pledge monies may go to support network efforts to shape ideas, research, and policy debates.

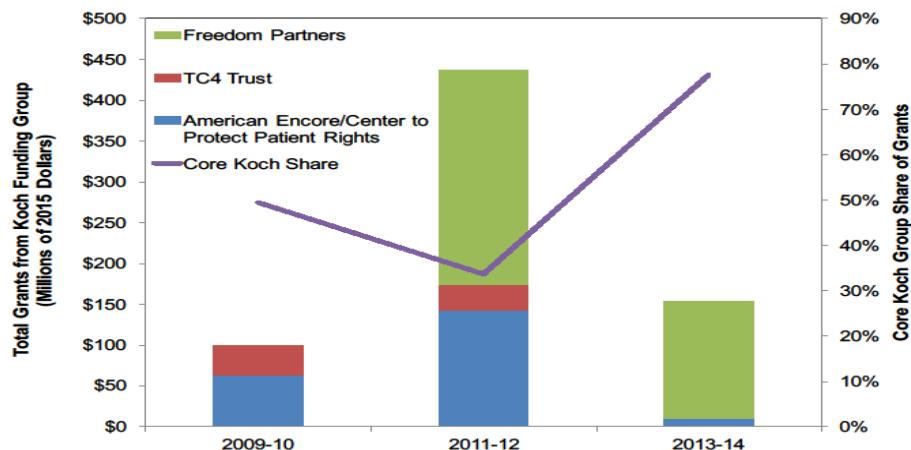
Beyond those educational contributions, Koch seminar members also channel major funding directly or indirectly to political organizations engaged in citizen mobilization, policy campaigns, and election-related activities or spending. But which organizations benefit? Obviously, Koch orchestrated donations could go to a wide variety of organizations on the U.S. right. A well-known portrayal of the Koch network in 2012 – the “Maze of Money” map issued by OpenSecrets (2014) – suggested that the Kochs and their donors routinely spread grants to a wide-array of independently run conservative organizations. We find, however, that the 2012 juncture was unusual; in other years, especially since 2012, contributions from seminar donors have been used primarily to support other organizations inside Koch network.

Before 2012, possibilities for donating to political organizations inside the Koch network were somewhat limited. The Freedom Partners Chamber of Commerce was not set up until late 2011; and before then well-established Koch groups that engaged in electioneering and public campaigns were limited to Americans for Prosperity plus a trio of policy advocacy groups, the 60 Plus Association, the American Energy Alliance, and the Center to Protect Patient Rights (CPPR, also known as “American Encore”). During the Koch network’s fierce fight against President Obama’s Affordable Care Act and the conservative crusade to defeat Obama in 2012, CPPR served as a major conduit to fund political ads (Maguire 2013a, 2013b; Mayer 2016). Reportedly, Koch donors also used additional political funding conduits during the early Obama years, including a group favored by many conservatives called Donors Trust and another Koch-tied group called the TC4 Trust (Maguire 2013a). However, from 2012 on, the Koch’s own “political bank,” Freedom Partners, took over as the major political funding conduit, displacing CPPR (Lach 2013; Vogel 2014b, 2015b), and by then there were many more Koch-run political groups for

donors to support – including the Libre Initiative, Generation Opportunity, Concerned Veterans for America, Themis/i360, and Aegis Strategic (see Appendix A). In 2014, Freedom Partners also launched its own super PAC (Goode and Vogel 2014).

Empirically, we have no way to trace the specific destinations for any Koch seminar donations that flowed some years ago through Donors Trust. But for recent years, we can use IRS 990 reports that list donations for “general support” that went to various political groups through Koch conduits, including the TC4 Trust, the Center for Patient Rights, and Freedom Partners. Figure 6 sums up the grant totals from these conduits in recent two-year periods – and also indicates the percentages of total funding that went to the Koch network’s own political organizations during each period.²

Figure 7. Koch Conduits and Percent of Total Grants to Koch Political Groups



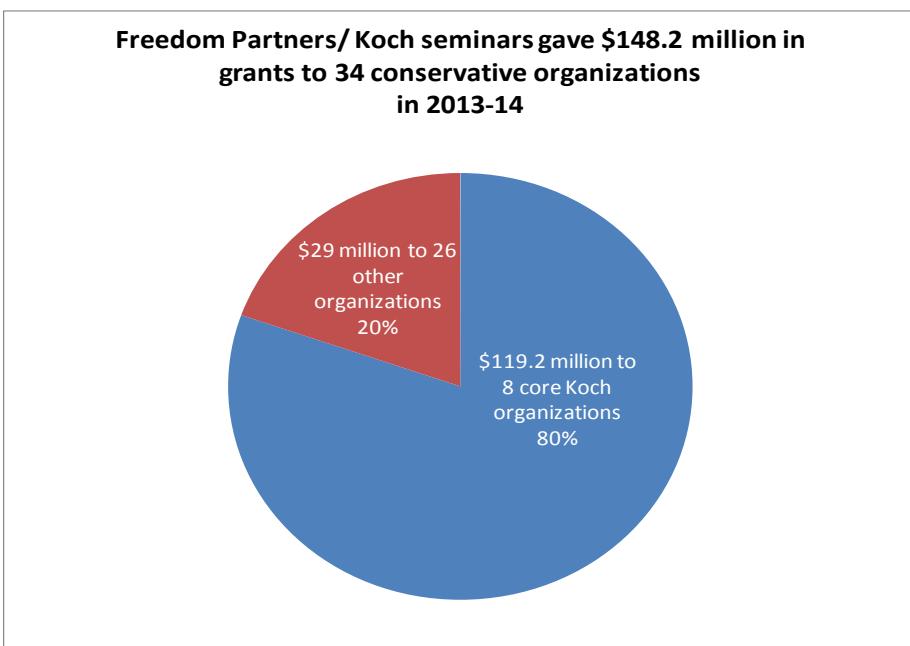
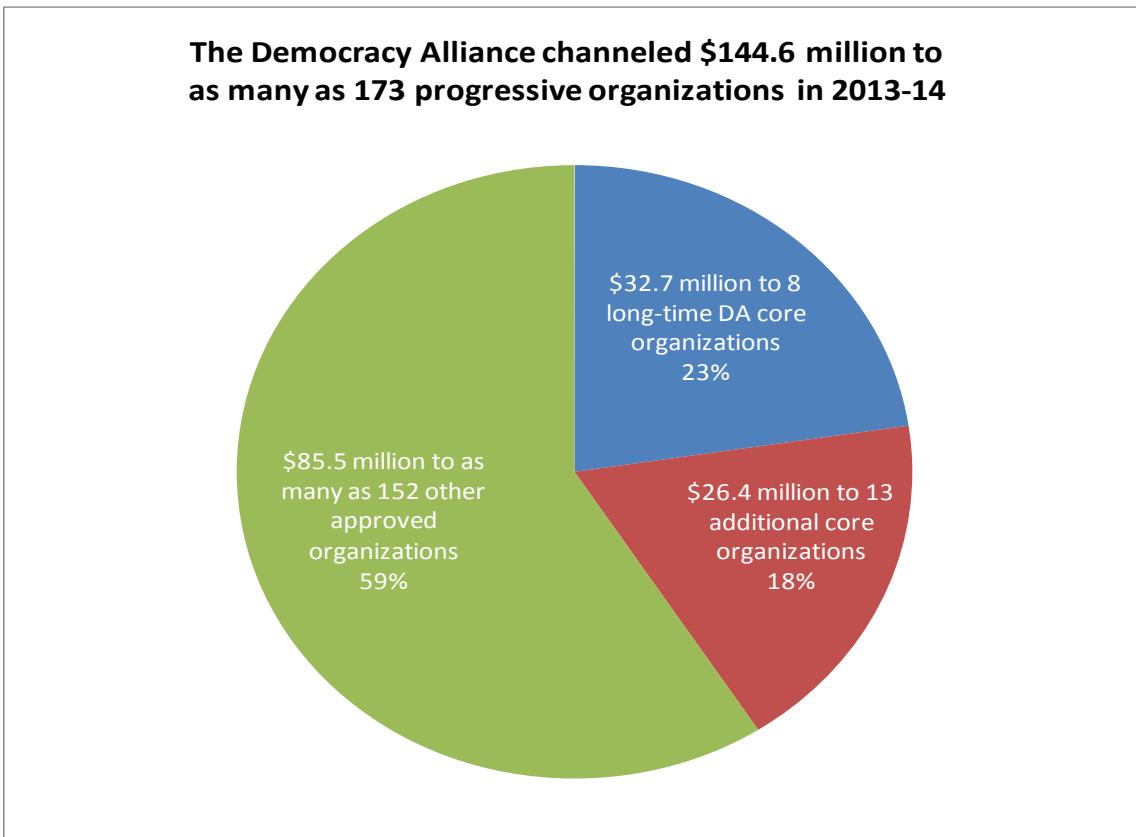
² Koch organizations are defined as those listed in Appendix A, plus the Institute for Humane Studies, which the Kochs started supporting decades ago, and the Center for Shared Services, which was set up in 2011 to support other Koch organizations.

From these data, we can see that more than \$400 million in political funding channeled through Koch conduits was widely distributed during the 2011-12 election cycle – the juncture at which OpenSecrets prepared its “Maze of Money” chart. At that juncture, about a third of funding through these conduits went to Koch-run political operations like Americans for Prosperity, but the other two-thirds funded grants scattered to several dozen other conservative and business organizations engaged in constituency mobilization, advocacy, and political messaging in the 2012 election cycle. At that point, the Koch network still lacked many political capabilities of its own, so the network channeled grants to many other conservative groups – including the U.S. Chamber of Commerce, the Club for Growth, the National Rifle Association, and assorted Christian right organizations.

But after the 2012 efforts fell short, Koch leaders delayed the winter 2013 Koch seminar from January to April, so that the results of their network’s autopsy and strategic reevaluations could be presented to donors (Kroll 2013). From that point, as Figure 7 suggests, donations to political organizations flowed overwhelmingly through Freedom Partners, now the central conduit for Koch political funding. Equally important, no longer were grants spread around to business associations and independent conservative groups outside the Koch orbit. Instead, Freedom Partners channeled huge amounts in “general support” grants to core Koch groups -- including \$34 million to Americans for Prosperity, \$21 million to Generation Opportunity, and another \$21 million to Concerned Veterans of America. As soon as 990s for 2015 become available, our project will look to see if this pattern continues.

For a final comparison between DA and the Koch seminars, we have pulled together the pie charts in Figure 8 to dramatize 2013-14 patterns of organizational funding through these consortia.

Figure 8. Funding for Political Organizations through the Democracy Alliance and the Koch Seminars, 2013-14



In the DA pie chart, we classify organizations to which partners donated into three categories: long-time core recommended groups that had been on the core DA funding list continuously since 2007; all other core groups on the 2013-14 recommended list; and the remaining dozens of groups on the “Progressive Infrastructure Map.” In the Koch pie chart, recipients of Freedom Partners grants are sorted into two categories: Koch political organizations versus all others.

The bottom line contrast is clear. Even in a two-year period where roughly similar amounts of donor money were given by DA partners and through the Koch seminars/Freedom Partners conduit, the patterns of deployment were quite different. The Democracy Alliance encouraged (and allowed) relatively small gifts to many dozens of organizations, while Koch seminar members who channeled donations through Freedom Partners ended up concentrating their support on eight core Koch political organizations. (As noted earlier, additional seminar donations surely also flowed to the Koch Foundation and think tanks, and directly to political groups like AFP and the Freedom Partners PAC.)

What difference, exactly, do these contrasting patterns of raising and deploying donor funds make? By giving through Freedom Partners, which in turn concentrates grants on a tightly integrated set of Koch political operations, wealthy conservatives attending the Koch seminars do seem to be achieving at least some of their shared objectives in the larger U.S. political landscape. In particular, there is considerable evidence that the 2000s Koch network, fueled by steadily rising seminar donations, has succeeded in shifting the Republican Party and U.S. national and state-level policy agendas toward the ultra-free-market right (Mayer 2016; Skocpol and Hertel-Fernandez 2016; Vogel 2015c). Remarkably, the Koch brothers and their allies have succeeded in persuading hundreds of other very wealthy conservatives to give generously to organizations they

themselves direct – and at least so far, the Koch cadre seems to be delivering the sort of political bang for the buck many other wealthy conservatives want.

It does not straightforwardly follow, however, that Democracy Alliance partners are failing to achieve their own, quite different political goals. To be sure, the overall level of resources deployed through DA is smaller than those deployed through the Koch consortium (when we take into account Koch seminar pledges to all kinds of Koch organizations, including think tanks and educational foundations as well as Freedom Partners and the political operations it funds). Furthermore, at first glance it seems a recipe for political weakness for DA to scatter small grants very widely to many dozens of center-left organizations and funds. Nevertheless, Democracy Alliance leaders seem to define their mission differently than Koch network leaders. For DA leaders, the goal seems to be to spark and help coordinate a broader progressive movement populated by a large number of organizations, causes, and projects. Our project has more to learn about what this means and why DA leaders think their funding approach is effective. But until we do learn more, we cannot rule out the possibility that widely scattered DA-encouraged donations further the Democracy Alliance’s aspiration to be a “convener” for an encompassing alliance of center-left efforts in U.S. politics. Furthermore, until we better understand how DA-supported efforts relate to the Democratic Party – quite differently from the ways the Koch network relates to the GOP – we cannot properly assess the full impact these donor collectives have on their respective ends of the U.S. political spectrum.

Pending further research and deeper understanding, we are left with the descriptive irony our research has already revealed. In pursuit of libertarian and free-market ideals on the right, the tightly choreographed Koch seminars channel donations from wealthy conservatives to a centrally run, highly integrated, and ideologically focused political

network. Meanwhile, in pursuit of participatory democracy and greater equality on the left, the Democracy Alliance runs a loosely coordinated marketplace to match variously inclined donors with a cacophony of independently led progressive organizations. Currently, America's two leading political donor consortia are achieving different levels of resource mobilization from politically inclined wealth holders. But the contrasting organizational ways in they raise and direct funds are probably even more significant for U.S. politics than the differences in the amounts of funding they deploy.

Conclusion: The Value of Research on Donor Consortia

Political scientists are increasingly probing the consequences of rising economic inequality for American democracy, and in the process are paying attention to wealthy political donors. Yet most research to date has treated the nation's growing ranks of multi-millionaires and billionaires as disaggregated contributors to particular election campaigns. Media outlets also track mega donors through the lens of election horse race giving. But as we have shown, such approaches do not capture the full impact of U.S. political philanthropy. For decades, ideologically directed foundations and nonprofits have influenced U.S. politics. Since the mid-2000s as well, newly organized conservative and progressive donor consortia have further magnified the impact of wealthy donors by raising and channeling yet more money, not just into elections but also into full *arrays of cooperating political organizations*. The Koch seminars and the Democracy Alliance aim to bolster fields of political organizations on the right and left, in order to further durable shifts in public policy and political discourse. These consortia are also deeply social

operations, bringing donors and political leaders together in repeated interactions that foster shared identities, priorities, and vocabularies.

As our preliminary research suggests, there are at least three ways in which closer attention to organized donor consortia can speak to ongoing debates in political science – by changing our understanding of influences on wealthy political donors; by revealing more about how such donors achieve impacts; and by raising important normative questions about democratic representation.

Our early results suggest that participation in organized donor consortia may influence individuals' electoral contributions outside the donor consortia themselves – a finding that, if substantiated, has implications for research on political polarization and campaign finance. Focusing on consortia may also challenge standard ways of conceptualizing participation by the wealthy. The CFscores produced by Adam Bonica have proven to be an invaluable for in measuring the political ideology of campaign contributors and politicians (indeed, we have made use of them in this paper), but the operations of organized donor consortia remind us that registered campaign contributions do not capture the full range of donor activities. CFscores cannot capture contributions channeled through organized consortia -- and insofar as consortia giving leans further toward the right and left than campaign giving, ignoring consortia could cause us misstate the ideological proclivities and impact of wealthy Americans.

An even more important payoff from studying consortia may turn out to be a sharper understanding of shifting organizational capacities on the U.S. right and left. To the degree that the consortia we have studied succeed in building organizational infrastructures, they shift the resources available for developing policy proposals, pressing demands on

lawmakers, and mobilizing ordinary Americans into politics. What is more, as Steve Teles (2013) reminds us, the influence of philanthropists on organizations can reverberate widely. When plutocratic collectives impose new agendas on political organizations seeking to attract financial resources, the funders reshape routines, goals, and centers of power in U.S. politics well beyond the budgetary impact of particular grants.

Finally, wealthy donor consortia raise fascinating empirical and normative questions about U.S. democracy in an era of rising economic inequality. If political organizations of all sorts are increasingly funded by purposeful groups of very wealthy people, what effects does that have – even when the causes advanced are not mere reflections of immediate donor self-interest? Many DA partners, for instance, donate to progressive organizations that call for higher taxes on the wealthy and business; and the Koch network, for its part, declares opposition to most government subsidies, including some that benefit businesses. Even so, it may be that organized DA and Koch donors nudge the groups they support away from the values and concerns of most Americans, even away from the priorities of ordinary citizens on the left or right. As Benjamin Page, Larry Bartels, and Jason Seawright (2013) have persuasively shown, regardless of partisanship, the preferences of wealthy Americans are often different from those of the less advantaged.

Clearly, much more remains to be learned about donor consortia in American politics. Although empirical data are spotty, the facts can be assembled and analyzed much more systematically than political scientists have attempted so far. But additional empirical research is not all we need. As we learn more about the activities, membership, and impact of donor consortia like the Democracy Alliance and the Koch seminars, we must continue to reflect on how these organized efforts by the wealthy are modifying American democracy and governance, for better and worse.

Appendix A.

KOCH CORE POLITICAL ORGANIZATIONS

Ideas

CATO INSTITUTE (1977–): Libertarian think tank.

MERCATUS CENTER (1980–): Based at George Mason University to sponsor libertarian research and education.

CHARLES G. KOCH FOUNDATION (1980–): Family foundation funds research and educational endeavors.

Policy Advocacy

CITIZENS FOR A SOUND ECONOMY (1984-2004): Advocacy and lobbying, some constituency building.

60 PLUS ASSOCIATION (1992–): Advocacy group promoting Social Security privatization, free-market health programs for seniors.

AMERICAN ENERGY ALLIANCE (2008–): Advocacy group opposing cap and trade, promoting Keystone, carbon fuels.

CENTER TO PROTECT PATIENT RIGHTS/ AMERICAN ENCORE (2009–): Advocacy against ObamaCare, health programs.

Donor Coordination

KOCH SEMINARS (2003–): Twice-yearly gathering of wealthy donors to orchestrate support for Koch ideas and political strategies.

FREEDOM PARTNERS CHAMBER OF COMMERCE (2011–): Raises and directs political funding; now runs Koch Seminars.

Constituency Mobilization – for both policy battles and elections

AMERICANS FOR PROSPERITY/ AFP FOUNDATION (2004–): Cadre-led federation for advocacy/elections/constituency mobilization.

GENERATION OPPORTUNITY (2011–): Promotes libertarian policies to young people; runs issue ads.

LIBRE INITIATIVE (2011–): Does community and voter outreach in Latino communities; runs issue ads.

CONCERNED VETERANS FOR AMERICA (2012–): Does constituency outreach and promotes privatization of veterans' programs.

Utilities

THEMIS/ i360 (2010–): Non-profit and for-profit voter data bank and vendor.

AEGIS STRATEGIC (2013–): consulting firm to find and advise pro-free market GOP candidates.

Appendix B: Sources of Wealth for Koch, Democracy Alliance, and 1% of the 1% Donors

Sector	Koch Participants	DA Participants	1% of the 1%
Arts, Entertainment, and Recreation	0%	8%	0%
Education	0%	1%	0%
Agriculture, Forestry, Fishing, and Hunting	1%	0%	5%
Construction	1%	0%	6%
Utilities	1%	2%	0%
Wholesale Trade	1%	0%	0%
Transportation and Warehousing	2%	0%	5%
Health Care	3%	1%	9%
Accommodation and Food Services	4%	2%	0%
Information	4%	16%	0%
Professional, Scientific, and Technical Services	5%	23%	18%
Retail Trade	6%	0%	0%
Manufacturing	18%	9%	11%
Mining	21%	2%	8%
Finance, Insurance, and Real Estate	34%	34%	39%
Total	100%	100%	100%

APPENDIX C.

DEMOCRACY ALLIANCE

Locations of Fall and Spring Conferences, 2005 - 2015

	Name of Resort/Hotel	Place and State	Theme/Title for Conference
Spring 2005	The Boulders resort	Carefree, Arizona	"The Democracy Alliance"
Fall 2005	Chateau Elan Inn and Conference Center	Braselton, Georgia	"Fall 2005 Investment Strategy Conference"
Spring 2006	Barton Creek Resort & Spa	Austin, Texas	"Transformation in Action"
Fall 2006	Mandarin Oriental Hotel	Miami, Florida	"The Road Ahead"
Spring 2007	La Costa Resort and Spa?	Carlsbad, California	"The Progressive Opportunity"
Fall 2007	Mandarin Oriental Hotel	Washington DC	"The Progressive Equation"
Spring 2008	La Costa Resort and Spa	Carlsbad, California	"Countdown to Change"
Fall 2008	Mandarin Oriental Hotel	Washington DC	"Our Next Chapter"
Spring 2009	Biltmore Hotel	Coral Gables, Miami, Florida	"Creating a Progressive America"
Fall 2009	Mandarin Oriental Hotel	Washington DC	"Got Change?"
Spring 2010	Montage Resort	Laguna Beach, California	"Progress 360"
Fall 2010	Mandarin Oriental Hotel	Washington DC	"Beyond Elections"
Spring 2011	Montage Resort	Laguna Beach, California	"Better Together"
Fall 2011	Mandarin Oriental Hotel	Washington DC	"Re-Commit"
Spring 2012	Biltmore Hotel	Miami, Florida	"A More Perfect Union"
Fall 2012	Mandarin Oriental Hotel	Washington DC	"Onward: Charting Our Course Forward"
Spring 2013	Montage Resort	Laguna Beach, California	"The Next Wave"
Fall 2013	Mandarin Oriental Hotel	Washington DC	"Demanding Democracy"
Spring 2014	Ritz Carleton Hotel	Chicago, Illinois	"A New Progressive Era?"
Fall 2014	Mandarin Oriental Hotel	Washington DC	"Vision 2020"
Spring 2015	Four Seasons Hotel	San Francisco, California	"Honoring the Past, Shaping the Future"
Fall 2015	Mandarin Oriental Hotel	Washington DC	"Vision into Action"
Spring 2016	Fairmont Miramar Hotel	Santa Monica, California	"Vision Strategy Victory"

KOCH SEMINARS/DONOR SUMMITS

Locations of Winter and Spring/Summer Meetings, 2003 - 2016

	Name of Resort/Hotel	Place and State	Theme/Title for Seminar
2003		Chicago, IL	
2004			
2005			
2006			
2007			
Winter 2008		Indian Wells, Palm Springs, CA?	
Spring/summer 2008		Palm Springs, CA	
2009			
Winter 2010		Indian Wells, Palm Springs, CA	
late Spring 2010	St. Regis Resort	Palm Springs, CA Aspen, CO	"Understanding and Addressing Threats to American Free Enterprise and Prosperity"
Winter 2011	Rancho Las Palmas Resort	Rancho Mirage, CA	
late Spring 2011		Beaver Creek, Vail Valley, CO	
Winter 2012	Renaissance Esmeralda Resort	Indian Wells, CA	
late Spring 2012		San Diego, CA	"Path to Freedom"
April 2013 [delayed]		Palm Springs, CA	
Summer 2013	Hyatt Regency, Tamaya Resort	Bernalillo, NM	
Winter 2014	Renaissance Esmeralda Resort	Palm Springs, CA	
late Spring 2014	St. Regis Monarch Beach Resort	Dana Point, CA , near San Diego	"American Courage: Our Commitment to a Free Society"
Winter 2015	Ritz-Carlton Hotel	Rancho Mirage, CA	
Summer 2015	St. Regis Monarch Beach Resort	Dana Point, CA	"Unleashing a Free Society"
Winter 2016	Renaissance Resort and Spa	Indian Wells, Palm Springs, CA	"A Vision to Unleash America's Potential"

Appendix D.



MEMBERSHIP BENEFITS AND PARTICIPATION OPTIONS

Members, aka Partners, In the Democracy Alliance (DA) have access to a set of benefits and services that are only available through this innovative partnership, including unique investment, networking, and community building opportunities, and a chance to explore in-depth the issues that will define the progressive agenda for the 21st century. Through participation in the DA, Partners gain a strategic perspective of the political landscape and increase the impact of their progressive philanthropy.

GOVERNING PARTNERS	
PRODUCTS & SERVICES	<ul style="list-style-type: none"> > Attend TWO conferences per year > Eligible to participate in organizational governance (ability to vote for and serve on the Board of Directors, and on Dynamic Investment or Fund Advisory Boards) > Nominate TWO organizations annually for inclusion on the DA Progressive Infrastructure Map (MAP) > Personal Staff Advisor > Access to Partner and Subscriber only website
ANNUAL DUES (personal or corporate accounts, not tax deductible)	<ul style="list-style-type: none"> > Individual: \$30,000 > Institutional or Family: \$60,000
TOTAL ANNUAL CONTRIBUTION*	<p>Total Governing Partner contribution consists of Alliance dues + contributions to the Aligned Network and organizations recognized on the Progressive Infrastructure Map.</p> <ul style="list-style-type: none"> > Individual: \$200,000 > Family: \$1,000,000 > Institution: \$1,000,000
MEMBERS/VOTES (to elect Board of Directors)	<ul style="list-style-type: none"> > Individual: 1-2 members from single household/2 votes > Family: Up to 3 households/6 votes > Institution: 3 funding decision makers/6 votes

* Partners determine which organizations they would like to support, and at what level, and make their contributions directly to the organizations - complying with all legal disclosure requirements.

Note: Contributions to recognized organizations are not expected in the first year.

FOUNDATION SUBSCRIBER	
PRODUCTS & SERVICES	<ul style="list-style-type: none"> > Investment Recommendations > Progress Monitoring, and Evaluation > Attend semi-annual DA conferences > Personal Staff Advisor > Access to Partner and Subscriber only website
FEES	<ul style="list-style-type: none"> > Subscriber: \$20,000 > Conference Registration: \$5,000 per conference (2 attendees)

Foundations may pay a fee for services and become a DA Subscriber. Any foundation that purchases the investment work is also able to attend the DA conferences for a fee. Conferences cannot be purchased separately. It is our expectation that foundations will utilize the investment recommendations and research to inform their philanthropy and that each foundation will strive to grant at least \$200,000 to organizations recommended by the DA.

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