

George Soros's Democracy Alliance:

In Search Of A Permanent Democratic Majority

By James Dellinger and Matthew Vadum

Summary: George Soros is spurring a handful of wealthy donors who have formed a loose-knit group that is funding a permanent political infrastructure of nonprofits, think tanks, media outlets, leadership schools, and activist groups—a kind of vast left-wing conspiracy to mirror groups in the conservative movement. It's called the Democracy Alliance (DA). The Democrats' surprise capture of both houses of Congress in November gives the new group a perfect opening. But the DA is off to a rocky start and has been surprisingly reluctant to disburse funds to sympathetic groups.

Despondent after George W. Bush won reelection, a small group of billionaire Democrats met in San Francisco in December 2004 to reflect on John Kerry's failure to capture the White House. George Soros, Progressive Insurance chairman Peter B. Lewis, and S&L tycoons Herb and Marion Sandler were angry and depressed. They felt they had been taken—seduced by the siren song of pollsters and the mainstream media who had assured them that the capture of the executive mansion was theirs. But despite giving millions of dollars to liberal candidates and 527 political committees, the donors came away with nothing. At about the same time another group of wealthy Democratic donors was meeting at a hotel in Washington, D.C. feeling the same way. “The U.S. didn't enter World War II until Japan bombed Pearl Harbor,” political consultant Erica Payne told the meeting. “We just had our Pearl Harbor.”

Determined to bring the Democratic Party



Wow! We won. Now what? From left to right, incoming Speaker Nancy Pelosi and incoming Senate Majority Leader Harry Reid cheer the Democrats' recent electoral triumph, while billionaire leftist George Soros ponders the future of the Democracy Alliance, a group he helped to create.

back from the political wilderness, Soros and the others decided they needed a long-term strategy to regain power. Former Clinton official Rob Stein urged them to copy conservatives who had spent four decades investing in ideas and institutions with staying power. Over the next year Stein would become well-known for a PowerPoint presentation called “The Conservative Message Machine's Money Matrix.” He used graphs and charts to show how the conservative movement was comprised of an intricate network of organizations, funders and activists. Stein's presentation was apparently convincing. In 2005 the Democracy Alliance was born. It was an odd name for a loose collection of super-rich donors committed to building organizations that would propel America to the left.

In April 2005, Soros gathered together an even larger group. Seventy millionaires and billionaires met in Phoenix, Arizona, to firm up

the details for their fledgling political financing clearinghouse. The attendees heard presentations on why all the pro-Democratic Party 527 groups on which they lavished millions of dollars failed to deliver the election to Kerry. But now they had a new strategy to make a difference.

Finances

To join the Democracy Alliance, there is one requirement: You must be rich. Members, who are called “partners,” pay an initial

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\$25,000 fee and \$30,000 in yearly dues. They also must pledge to give at least \$200,000 annually to groups that Democracy Alliance endorses. Partners meet two times a year in committees to decide on grants, which focus on four areas: media, ideas, leadership, and civic engagement. Recommendations are then made to the DA board, which passes them on to all DA partners. The Alliance discourages partners from discussing DA affairs with the media and it requires its grant recipients to sign nondisclosure agreements.

As a result, it is hard to learn much about the Alliance's grantmaking. There were no grants voted on at the DA's April 2005 organizing meeting in Phoenix. However, when the group met in October of that year at the Chateau Elan Winery & Resort in Atlanta, Georgia, it decided behind closed doors to dole out \$28 million to nine grantees. Most of that money went to well-known groups, including the Center for American Progress and Media Matters for America.

Representatives of smaller, less prominent groups were reportedly miffed at the process. "No one knew why the nine groups had been picked. Funding progressive infrastructure was all well and good, but no one bothered defining precisely what 'progressive' meant,"

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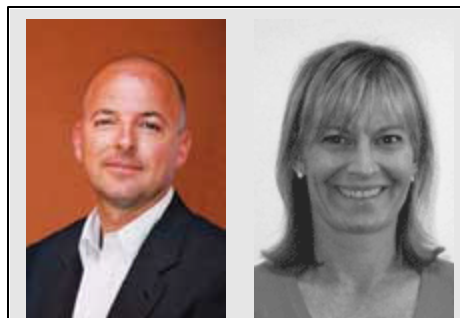
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wrote Ari Berman, a writer for the leftist *Nation* magazine. "There was an almost complete lack of actual substance," Berman quoted one attendee saying.

After the negative feedback from the Phoenix meeting, DA leaders changed the process and allowed groups to apply for grants. The next meeting, held in Austin, Texas, in May



DA chairman Rob McKay (left), and managing director Judy Wade (right)

2006, was better received in left-wing circles. Progressive leaders such as Andy Stern, who is president of Service Employees International Union, spoke during panel discussions, and grant-seekers were allowed to network with DA partners. "I've made it a mission to hate the Democracy Alliance," Berman quoted one attendee who heads a grant-seeking group, "and I was pleasantly surprised."

With an eye on the approaching November elections, the Alliance decided to give another \$22 million to 16 groups focused on electoral politics. These groups included the Center for Community Change, USAction, ACORN, EMILY's List, and the Sierra Club. Former president Bill Clinton dropped by the Austin meeting for a friendly greeting, but when one DA partner asked why Democrats don't apologize for supporting the Iraq war, Clinton went on a 10-minute tirade, yelling that if he had been in Congress, he would have voted to authorize the war. "It was an extraordinary display of anger and imperiousness," said partner Guy Saperstein, an Oakland, California attorney. "Clinton's response was a not-so-subtle warning to partners to avoid divisive issues, like the war, that might harm his wife in the next president election," wrote Berman.

The DA's third round of funding was ex-

pected to be decided at a Miami, Florida, meeting scheduled for November 2006. Details of the meeting were not available at *Foundation Watch's* press time.

DA's managing director, Judy Wade, said she hopes the Alliance will work with other funding groups and eventually give out \$500 million in grants each year.

Selected Grant Recipients

We can identify a number of left-wing groups that have gone through the DA's vetting process and received funding. Some grant amounts have been reported in the press but there is no official tally.

***Media Matters for America:** Former conservative journalist David Brock's group claims to expose right-wing news bias. The Internet-based media watchdog, launched in May 2004, describes itself as "a Web-based, not-for-profit, 501(c)(3) progressive research and information center dedicated to comprehensively monitoring, analyzing, and correcting conservative misinformation in the U.S. media."

***Center for American Progress:** Former Clinton White House chief of staff John Podesta heads the think tank that received \$5 million from the DA. The organization aspires to be the Heritage Foundation of the left. Spinoffs include Campus Progress and the Center for American Progress Action Fund, a 501(c)(4) lobby group. The Action Fund's "Kick the Oil Habit" campaign is led by actor-environmentalist Robert Redford.

***Citizens for Responsibility and Ethics in Washington (CREW):**

This Soros-funded group sees itself as a left-wing version of Judicial Watch, the conservative legal group that filed a barrage of lawsuits against the Clinton administration in the 1990s. CREW executive director Melanie Sloan is a former U.S. Attorney and Democratic counsel for the House Judiciary Committee. However, CREW was one of the first liberal groups to blast incoming House Speaker Nancy Pelosi for endorsing the ultimately unsuccessful campaign of Pennsylvania Representative John Murtha to be majority whip in the 110th Congress. Sloan called Murtha "one of the most unethical members of Congress," and noted that

Pelosi's endorsement "shows that she may have prioritized ethics reform merely to win votes with no real commitment to changing the culture of corruption."

***Center for Progressive Leadership** This organization wants to mirror Morton Blackwell's Leadership Institute. The center's website describes the group as "a national political training institute dedicated to developing the next generation of progressive political leaders. Through intensive training programs for youth, activists, and future candidates, CPL provides individuals with the skills and resources needed to become effective political leaders." CPL President Peter Murray acknowledged in July 2006 that donations from Alliance members boosted the group's budget to \$2.3 million, compared with \$1 million the year before.

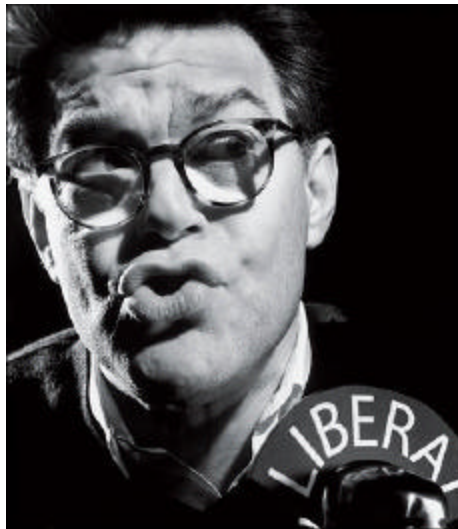
***Association of Community Organizations for Reform Now (ACORN):** ACORN is a radical activist group active in housing programs and "living wage" campaigns in inner cities neighborhoods in more than 75 U.S. cities. In recent years it has been implicated in a number of fraudulent voter-registration schemes.

***EMILY's List:** While the political action committee boasts that it is "the nation's largest grassroots political network," it is essentially a fundraising vehicle for pro-abortion rights female political candidates. Donations to the organization are not tax-deductible. EMILY, according to the group's website, "is an acronym for 'Early Money Is Like Yeast' (it helps the dough rise)." The group's president is veteran political fundraiser Ellen Malcolm.

***America Votes:** Another get-out-the-vote 527 organization, it is headed by Maggie Fox, a former deputy executive director of the Sierra Club. The group received a \$6 million funding commitment from George Soros despite the billionaire's protestations that he has turned his back on political campaigns.

***Air America:** The struggling left-wing talk radio network filed for bankruptcy protection on October 13 after it reportedly had received a funding commitment of at least \$8 million from the Alliance. The network touted by comedian Al Franken is said to have lost an

astounding \$41 million since 2004. Longtime radio executive Scott Elberg is Air America's chief executive officer. The network's headliners include TV sleaze merchant Jerry Springer.



Comedian-activist Al Franken of the perpetually insolvent Air America

***Sierra Club:** The influential environmental organization—# 7 on Greenwatch.org's "Gang Green" list of the worst environmental activist groups—has entered into a "strategic alliance" with the United Steelworkers union (see *Labor Watch*, October 2006). Led by executive director Carl Pope, the Club successfully targeted property rights champion Representative Richard Pombo (R-CA), who was defeated in November.

***Center for Community Change:** This longtime group dedicated to defending welfare entitlements and leftist anti-poverty programs was founded in 1968. Activist Deepak Bhargava is its executive director.

***USAction:** This group works closely with organized labor. It is the successor to Citizen Action, the activist group discredited by its involvement in the money-laundering scandal to re-elect Teamsters president Ron Carey in the late 1990s.

***Data Warehouse:** This group was created by Clinton aide Harold Ickes and Democratic operative Laura Quinn. Ickes is critical of the Democratic National Committee under chairman Howard Dean and aims to create a sophisticated get-out-the-vote operation that rivals the Republican Party's. Ickes proposes to build detailed voter lists that will be made available to Democratic Party candidates, and also to advocacy groups. According to a report in the *Washington Post*, George Soros put \$11 million at Ickes's disposal because he distrusts Howard Dean.

Does It Have A Mission?

Obviously Democracy Alliance participants have the capacity to make big grants to leftist groups, but are George Soros and his friends doing anything different that will transform America? That's what the Alliance is promising. After the Phoenix meeting, Sarah Ingersoll, a de facto spokeswoman for the Alliance, said the group was still ironing out details. "Primarily, we're looking at making recommendations and thinking through with these donors on how they can form an alliance. This is about creating a network of individuals to share information to be effective in whatever they do going forward."

Ingersoll said the Alliance intended to make details of its grantmaking publicly available. But that promise has not been fulfilled. Indeed, the group invites critics to charge it with sinister motives because it has revealed so little about itself. Conservatives David Horowitz and Richard Poe, co-authors of *The Shadow Party: How George Soros, Hillary Clinton and the Sixties Radicals Seized Control of the Democratic Party*, (Nelson Current, 2006) refer to the Democracy Alliance as probably one of the "most active Shadow Party groups today."

Since December 2004 the Democracy Alliance has given away about \$50 million to left-wing organizations and activists. However, as journalist Andrew Ferguson recently ob-

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served (New York Sun, October 25, 2006), that amount is paltry compared to the combined wealth of the Alliance's donors. Moreover, DA is still struggling to define its core mission. "Unlike the money guys who underwrote the right, members of the Alliance seem to lack strong ideological conviction about what the future ought to look like. And they do not have the militant perspective of outsiders eager to disrupt and overrun the party establishment," wrote the Nation's Berman.

Rob Johnson, a former Soros protégé active in the Alliance, has said that its members can be divided into two groups: "climate changers" and "party subsidizers." That suggests only some DA members genuinely want to transform America's political and social climate of opinion. Others are just interested in helping Democrats. Moreover, many donors exhibit a strange pessimism about the group's mission and long-term prospects. "When the Alliance took an informal survey, the greatest fear among partners was that if a Democrat captured the presidency the organization wouldn't survive," wrote Berman.

Conservatives scoff at the DA's ambitions to reshape the political landscape. Liberals are hardly short of well-funded institutions: Universities, labor unions, television networks, PBS—is there any lack of well-heeled groups, many of them taxpayer-subsidized, to carry the liberal message? Conservatives also note pointedly that liberals have done poorly at the ballot box because they are bereft of new ideas. "It doesn't make sense to develop a strategy without a vision," says James Piereson, president of the William E. Simon Foundation and former executive director of the John M. Olin Foundation, a key conservative funder before it closed its doors in November 2005. "It's a mistaken analogy that conservatives succeeded because of our tactics. I always thought conservatives were successful because of the ideas we were trying to sell."

Feminist Camille Paglia, a liberal Democrat, also criticizes the Democratic Party for its lack of ideas. "What's broadened the appeal of conservatism in recent years is that Republicans stress individualism -- individual effort and personal responsibility. They're really the liberty party now -- I thought *my* party was! It used to seem as if the Republicans

were authoritarians and the Democrats were for free speech and for the freedom to live your own life and pursue happiness. But the Democrats have wandered away from their own foundational principles. The Democrats have to start fresh and throw out the entire party superstructure," Paglia told Salon.com



Intellectual Camille Paglia

in October. "When the American economy was still manufacturing-based, the trade unions were viable, and the Democrats stayed close to their working-class roots. But now the Northeastern Democrats, with their fancy



The Alliance's invisible official spokesman, Mike McCurry, who was President Bill Clinton's press secretary

law degrees and cocktail parties, have simply become peddlers of condescending bromides about 'the people,'" she said.

The most left-wing liberals are also dubious. Insurgent progressives who subscribe to the Howard Dean/Michael Moore school

of politics are suspicious of the DA because they do not believe that the left needs more think tanks. Instead, they believe the left needs genuine grassroots activists and self-funded institutions. Kim Klein, a guru of grassroots fundraising, and publisher of *Grassroots Fundraising Journal*, observes that the left "suffers from an over-reliance on large institutional donors. The Heritage Foundation has 275,000 individual donors. The Right-to-Life organizations have thousands of small donors. The grassroots of the right wing is actually funded by the grassroots and the grassroots of the left wing is funded by foundations, and I think it's an enormous problem."

After years of electoral setbacks, the MoveOn.org activists and others on America's left want a new strategy that relies less on fat cats, less on institutions (Democratic Party, labor unions), and less on single-issue advocacy groups (pro-abortion rights groups, the National Education Association and other teacher unions). However, like the billionaires in the Democracy Alliance, they turn green with envy when they see the interlocking organizations of the right. They too want to build idea-based coalitions mobilizing powerful political constituencies.

How dependent is the left on big donors? In his recent book, *The Big Ripoff: How Big Business and Big Government Steal Your Money*, (Wiley, 2006) Timothy Carney itemizes left-wing political contributions in 2004:

"The top four donors to 527s in 2004 — and the only donors to spend in the eight figures on that election — all gave exclusively to pro-Democrat groups. Of the top 25 individual donors — all billionaires or multi-millionaires — 15 of them gave to pro-Democrat groups, and 10 gave to Republican-supporting groups. From this elite group of super-rich donors, the Democratic side got \$108.4 million, compared to the Republican side's \$40 million. Soros and Lewis together spent more to defeat Bush than the ten most prolific Republican fat cats combined spent supporting the President."

Alliance Leadership

The ostensible leaders of the Democracy Alliance are an odd lot, which may explain why the organization has had a hard time

making much of a dent in politics.

Rob McKay, president of the McKay Family Foundation, is the new chairman of the DA. He was elected at the group's July 2006 meeting in Boulder, Colorado. Heir to the Taco Bell fortune, the 42 year-old McKay is also a director of Vanguard Public Foundation, co-chairman of Mother Jones magazine, a board member of the Ms. Foundation for Women, and a blogger on the Huffington Post website. He was born in conservative Orange County, California and his parents were Republicans. However, like many on the left he had an awakening. McKay succeeds Steven M. Gluckstern, a founding managing director of Azimuth Alternative Assets, an investment banking firm.

The vice chairman is Anna Burger, sometimes known as the "Queen of Labor." Burger is secretary-treasurer of the Service Employees International Union (SEIU), the militant union that walked out of the AFL-CIO last year and started the 6-million member Change to Win Federation, an alternative labor coalition. After she was elected chairman of Change to Win in 2005, Gannett News Service hailed Burger as arguably "the most influential woman in the U.S. labor movement."

The first managing director of the Democracy Alliance was Rob Stein, once chief of staff to the late Ron Brown, Bill Clinton's first commerce secretary. Stein dazzled the billionaires with his PowerPoint presentation but he turned out to be a poor manager. Early in 2006, the board offered the \$400,000-a-year job to Robert Dunn, a former president of Business for Social Responsibility, a group promoting the concept of corporate social responsibility. When he declined it, the board turned to Judy Wade, a management consultant at McKinsey & Company. Wade holds a Master of Public Policy degree from Harvard University's Kennedy School of Government.

McKinsey's in-house newsletter, the McKinsey Quarterly, listed Wade as a contributor to a recent article titled, "When social issues become strategic: Executives ignore sociopolitical debates at their own peril." The paper argues that "Business leaders must become involved in sociopolitical debate not only because their companies have so much

to add but also because they have a strategic interest in doing so."

The designated spokesman for the DA is



Labor leader Anna Burger is DA's vice chairman

supposedly Mike McCurry, the former White House press secretary for Bill Clinton. But little has been heard from McCurry about the Alliance. Lately his public relations talents have been devoted to attacking "net neutrality" legislation regulating the Internet. That has led some left-wing activists to accuse him

of helping the big telecommunications companies. McCurry "represents a sickening breed of operative" and is the agent of a "hostile takeover" of the Democratic Party, charges activist David Sirota, a former press aide to socialist congressman Bernie Sanders and recently a consultant to the Ned Lamont Senate campaign in Connecticut. That sort of vitriol suggests the problems billionaires face when they pass themselves off as leaders of the left.

What's Next?

Despite capturing both houses of Congress, no Democratic victory seems complete without back-biting and rancor. Key Democratic strategists have complained bitterly about George Soros's decision to cut off funding for 527 political committees. This year, Soros donated only \$4.1 million to 527s, according to media reports. His spokesman, Michael Vachon, put the financier's 2006 contributions in perspective. In 2004 the financier "felt it was extremely important to defeat President Bush," but 2006 is not "the historic moment that 2004 was," Vachon said.

In 2004, Soros was a big believer in large-scale get-out-the-vote drives. According to most estimates, he spent more than \$27 million on 527 committees to get out the anti-Bush vote. Soros's decision to stop funding the 527s has not gone unnoticed. Illinois

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Representative Rahm Emanuel, head of the Democratic Congressional Campaign Committee, has been particularly incensed: "These guys – where are they?" (See "George Soros: The Left's One-Man Message Machine," *Foundation Watch*, November 2006) A newly-penitent Soros responds, "You can't buy elections with just money," as he told a New America Foundation audience in September.

Democracy Alliance leaders are tight-lipped about future plans. At press time, Soros had not been quoted in the media with any reaction to the Democrats' electoral triumph. Nor had Peter B. Lewis, the 72-year-old insurance magnate, who suffered a heart attack and was hospitalized just before the November election.

The Nation magazine's Berman believes that following the first two rounds of grants, the DA is "overextended." "With 25 groups under its tent, the Alliance will have to keep growing, by either recruiting new partners or convincing existing ones to give more, to be able to continue to fund those groups it has already agreed to assist. As a consequence, Alliance partners have cut back on some key priority areas, such as foreign policy, economics and media, in preparation for its third round of funding," Berman wrote in October.

James Dellinger is Executive Director of GreenWatch and EducationWatch at Capital Research Center. Matthew Vadum is Editor of Foundation Watch.

Editor's Note: This article has drawn heavily upon "Big \$\$ for Progressive Politics," by Ari Berman (The Nation, October 16, 2006), and "A New Alliance Of Democrats Spreads Funding," by Jim VandeHei and Chris Cillizza (Washington Post, July 17, 2006).

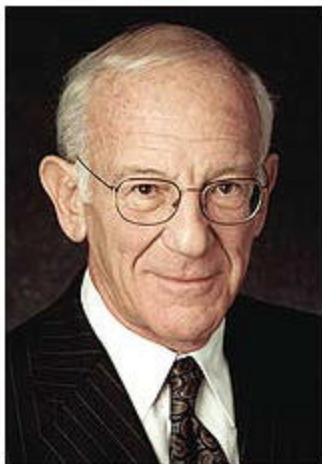
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The "Partners": Who's Who In The Democracy Alliance

The Democracy Alliance may have as many as 100 donor-members, both individuals and organizations. However, it has not made available an official list of its "partners." Here are known members:

George Soros, the billionaire head of Soros Fund Management LLC, Soros is founder of Quantum Asset Management and the grant-making Open Society Institute. He donated \$24 million of his own money to 527 committees that made "independent expenditures" to defeat George W. Bush in 2004. His son **Jonathan** is also a member of the DA.



Peter B. Lewis (shown above) is a billionaire insurance magnate -- chairman of Progressive Casualty Insurance Co., the nation's third-largest automobile insurer. He gave \$23 million to 527 groups in 2004.

Rob McKay, heir to the Taco Bell fortune, is chairman of the DA. Enamored of tedious class-warfare rhetoric, McKay wrote at the Huffington Post website last year that "the richest Americans are getting extravagantly richer and the poor are crawling far behind, choking on the exhaust of our luxury cars. It's also obvious that Bush's tax policies are widening the gap between the very rich and the growing poor."

Herb and Marion Sandler are the co-founders of Golden West Financial Corp. They sold their S&L holding company to Wachovia in May for \$24 billion in cash and stock. In 2004 they gave \$13 million to anti-Bush 527s.

Guy Saperstein, an Oakland, California trial lawyer, made Bill Clinton angry when he asked about Hillary's support for the Iraq war at a May 2006 DA meeting in Austin, Texas, Arianna Huffington reported on her blog.

Rob Reiner, a Hollywood actor-director, is chairman of Parents Action for Children, a 501(c)(3) advocacy group. In 2005 he promoted Proposition 82, an unsuccessful California ballot initiative that would have raised state taxes to fund preschool for all four-year-olds.

Herb Miller is a prominent Washington, D.C. real estate developer and Democratic Party fundraiser who just lost a bitter battle with the Lerner family, owners of D.C.'s new baseball franchise. Miller expected the city to authorize him to develop housing and retail near the taxpayer-subsidized stadium. The Lerner's, however, demand that the city build parking structures fast and cheap before the 2008 baseball season begins. Any development "comes later," they say.

David A. Friedman, a philanthropist and self-described centrist, is treasurer of the Friedman Family Foundation of San Mateo, California.

Ann S. Bowers is the widow of Intel co-founder Robert Noyce, inventor of the integrated circuit and "mayor of Silicon Valley." Bowers is board chairman of Noyce Foundation.

Albert C. Yates is former president of Colorado State University.

Davidi Gilo is a Cupertino, California high-tech entrepreneur and founder of Vyyo Inc. who made the Mother Jones 400 list of big leftist donors. His wife, **Shamaya**, created the Winds of Change Foundation in 1998, and is a heavy donor to Democratic candidates.

Mark Buell, is a San Francisco businessman. His wife, Susie Tompkins Buell, co-founded the clothier Esprit with her ex-husband, Douglas Tompkins, who is president of the Foundation for Deep Ecology.



Tim Gill (shown above) is the software entrepreneur who founded Quark, the design and layout publishing program. Gill is also president of the Gill Foundation in Denver, a funder of gay rights organizations.

Fred Baron, founder of the Dallas law firm Baron & Budd, is one of America's wealthiest plaintiffs' attorneys and has won settlements in major asbestos and toxic chemicals class-action suits. He was finance chairman for Senator John Edwards's 2004 presidential campaign.

Service Employees International Union (SEIU) is an institutional member of the DA.

Alan Patricof is co-founder of private equity firm Apax Partners in New York. From 1993 to 1995, he was chairman of the White House Conference on Small Business.

Bren Simon is president of MBS Associates LLC, a property management and development firm. Her husband, Melvin, ranks 278 on the 2006 Forbes list of the world's richest people. He is a part owner of the Indiana Pacers and runs the Simon Property Group, developer of shopping malls. (It is not known if Mr. Simon is active in the DA.)

Chris Gabrieli is a software entrepreneur and unsuccessful 2006 candidate for the Democratic nomination for governor of Massachusetts. He is also co-founder and chairman of Massachusetts 2020 Foundation, which describes itself on its website as "a non-profit foundation aimed at expanding educational and economic opportunities for children and families across Massachusetts." **Anne Bartley**, the daughter of Winthrop

Rockefeller, is vice chairman of Rockefeller Philanthropy Advisors and a trustee of the Jennifer Altman Foundation in San Francisco.



Simon Rosenberg (shown above) is the founder and president of the New Democrat Network. He wrote the foreword to *Crashing the Gate: Netroots, Grassroots, and the Rise of People-Powered Politics*, a book by leftist bloggers Markos Moulitsas Zuniga (Daily Kos) and Jerome Armstrong (MyDD.com). Rosenberg ran unsuccessfully in 2005 for the chairmanship of the Democratic National Committee.

Bernard L. Schwartz is former CEO of Loral Space & Communications. In the 1990s he was often ranked as largest individual donor to the DNC. His wife Irene is the president of the Bernard and Irene Schwartz Foundation, a large donor to the Clinton Library Foundation.

Lewis B. Cullman is a New York financier and philanthropist. His website says he has given away \$223 million to date.

Rob Glaser is CEO of the online multimedia company RealNetworks.

Rob Johnson is a former portfolio manager for George Soros's Quantum Fund. According to Johnson: "It's almost as if the market is a religious icon. I see that mirrored in the very, very high valuation of the United States stock market and the tremendous conviction that citizens have throughout the country that the United States is good, is right. The free market is great, and the stock market is where you put your money."

Michael Kieschnick is founder of Working Assets. Every time a customer uses one of the Working Assets donation-linked services (long distance, wireless and credit card), the company donates a portion of the charges to "nonprofit groups working to build a world that is more just, humane, and environmentally sustainable," according to the company's website, which claims that over \$50 million has been raised for progressive causes.

Gara LaMarche is vice president and director of U.S. Programs for George Soros's Open Society Institute.

Norman Lear is the Hollywood television producer who created "All in the Family" and "Sanford and Son."

Drummond Pike is an antiwar activist who founded the Tides Foundation.

-James Dellinger and Matthew Vadum

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Terrence Scanlon, President

PhilanthropyNotes

If U.S. death taxes were repealed, most wealthy donors would continue to donate at the same level, according to a survey published in the November 9 edition of the Chronicle of Philanthropy. If estate taxes were abolished, 56% of donors said their giving would remain at the same level, while only 7% said their giving would “dramatically decrease.” The report, commissioned by the **Bank of America**, surveyed 945 households in communities across the country where the average household reported an income of \$200,000 or a minimum of \$1 million in liquid asset. The survey results demolish arguments made by liberal groups, along with many foundations and nonprofits such as the radical socialist group **United For A Fair Economy**, which has strenuously argued against repealing death taxes, contending that such a move would give the wealthy an incentive to not donate.

From 1995 through 2004, average giving by individuals in the U.S. rose 64% from \$2,449 to \$4,012, the **Catalogue of Philanthropy** reported in the 10th anniversary edition of the Generosity Index. In the same period, the number of taxpayers rose 12% and the average income of taxpayers rose 44%. Itemized giving jumped by 117% and the quantity of taxpayers itemizing charitable contributions climbed from 26% to 30%, according to the study.

For the first time since its founding 50 years ago, the **Humane Society of the United States** made an effort to elect candidates to Congress who embrace the group’s animal-rights goals, the Wall Street Journal reported November 7. The nonprofit targeted several incumbents who ended up losing their bids for reelection. The group spent at least \$150,000 to defeat Representative **Richard Pombo** (R-CA), who as chairman of the House Resources Committee, had wide influence over environmental and agricultural legislation. The society ran a radio ad that accused Pombo of voting to “deny funding to crack down on the barbaric practices of dog fighting and cockfighting” and opposing legislation to ban the killing of American horses, “so the French can eat horse meat as a delicacy.” Pombo lost to Democratic challenger **Jerry McNerney** by a margin of 53% to 47%.

The **Federal Election Commission** fined the **Sierra Club** for a brochure “expressly advocating the election and defeat of candidates in the 2004 presidential and U.S. Senate races.” According to the FEC, a pamphlet the group distributed during the 2004 election cycle “expressly advocated” the election of presidential candidate **John Kerry** and Florida Senate candidate **Betty Castor** along with the defeat of President **George W. Bush** and **Mel Martinez**, who won the Senate race. Federal law blocks corporations --including nonprofit corporations such as the Sierra Club-- from making independent election-related expenditures.

The largest “donor intent” lawsuit in U.S. history, **Robertson v. Princeton**, now has its own website, www.robertsonvprinceton.org. Is **Princeton University** misusing over a half billion dollars from the Robertson Foundation by ignoring the will of its donors that their gifts go to support students pursuing careers in government service? That’s the argument of foundation trustees **Robert Halligan**, **Katherine Ernst**, **Anne Meier**, and **William Robertson**, the children of **A&P** heirs **Charles** and **Marie Robertson**. Other trustees on the foundation board --who happen to be Princeton officials-- disagree. A New Jersey court was scheduled to hear oral argument in the case on November 28 and 29.

Andy Grove, former chairman and chief executive officer of **Intel**, and head of the **Grove Foundation**, has embarked on a crusade to reform the nation’s health care system, the Wall Street Journal reported. Grove is urging the powers-that-be to simplify medical record-keeping by using a simple Internet-accessible word processing file to store patient data, instead of relying on complex software that tends to get bogged down. Grove said he expects his old company to oppose him because it has a vested interest in pushing expensive, complex medical data systems.