

# Inside Philanthropy

## The Fall of the Think Tank: Policy Wonks and the Hard Realities of Interested Money

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Think tanks are expensive to run.

Smart people with fancy degrees don't come cheap, and you need a lot of them to produce specialized public policy research. Then, if you want to make sure that research sees the light of day, you need to hire lots of other skilled people to do marketing and promotion. Another cast of characters is needed to handle all the administrative details of running the place. Of course, you also need a development office to raise the money to pay for everything.

Let's talk about that money for a minute. Who, exactly, writes checks to think tanks and why?

This is a question that's getting more attention lately, including yesterday, when the *New York Times* ran a [big story](#) looking into the corporate cash that's fueled the growth of the Brookings Institution, as well as the Center for Strategic and International Studies. (The story was done in collaboration with the [New England Center for Investigative Reporting](#).)

Meanwhile, an investigation into ExxonMobil's early knowledge of climate change has led to the doors of several think tanks that allegedly shilled for the company. Another sign of interest in think tank funding can be seen in the excellent, ongoing work at Transparify to push these institutions to reveal their donors.

Brookings issued a [statement](#) contesting the claims of the *Times* article, but it was a pretty devastating hit— especially considering Brookings isn't just one of the oldest U.S. think tanks, it is also the most respected and widely cited.

Chalk up yet another august institution in U.S. society that appears to have been compromised by interested money. That sure is a familiar story lately, isn't it?

But here's the thing: The fall of the truly independent and impartial think tank is hardly a *new* story. It's been unfolding for decades, and it would have been nice if the *Times* had provided more context.

For such context, let's return to the question of who funds think tanks and why. Or, to rephrase, who has an interest in providing millions of dollars needed to finance the expensive work of researching and commenting on public policy?

Could it be that it's mainly donors who have a strong interest—either ideological or financial—in swaying public policy debates? Maybe. And while we like to think there's a difference between these two buckets of donors, it's not clear how meaningful that difference really is—in the end, neither are motivated by a pure quest for knowledge.

Interested money weaves through the history of think tanks over the past century, with this strand becoming thicker over time as these institutions have grown more ambitious about shaping public policy and running them has gotten more expensive.

Two of the earliest philanthropic ventures in funding public policy research a century ago were instigated by wealthy progressives who saw the need for more evidence-based approaches to creating an equitable America. In other words, they had an agenda. I'm talking about Olivia Sage, who founded the Russell Sage Foundation in 1907, and Edward Filene, who founded the Twentieth Century Fund in 1919. The American Enterprise Institute, founded in 1938, was also created with a normative worldview: to defend free market ideals at a time when scientific socialism was on the march worldwide.

Brookings was always more centrist, but by the 1960s, it had become widely associated with the Democratic Party and its anti-poverty agenda—to the extent that a Nixon aide once proposed firebombing the building.

Brookings tacked back to the center in subsequent decades, even as places like Heritage and Cato ushered in an ever more ideological era of think tanks. It has remained largely centrist, but one price of that positioning has been heavy reliance on corporate donors. Why is that? Because these donors are among those interested in funding the kind of middle-of-the-road policy work that Brookings does and their money looms larger in an era when so many other funders are overtly partisan. The same story is true of the Peterson Institute for International Economics, another centrist outfit that's even more deeply in bed with corporate donors than Brookings, as I've pointed out in the past. To the extent the Urban Institute has remained purer, it's because it relies heavily on government contract work, which carries its own problems.

I'm not saying that there are *no* funders out there interested in producing social science knowledge for its own sake. Certainly such foundations and major donors like that exist. But these funders are more likely to donate to universities, with their clearer focus on impartial research. In contrast, think tanks are designed to meld knowledge production with the translation of that knowledge into policy influence. You don't give to think tanks, typically, unless you're keenly interested in the second piece of their mission.

Over the past few decades, more ideologically interested donors have come to see think tanks as powerful vehicles for carrying their values into public debates. First came the rise of the big conservative think tanks, starting in the 1970s and 1980s. Then came the progressive response in

the early 2000s, in the form of places like the Center for American Progress, Demos (which I helped start), and the Roosevelt Institute.

Donors on the left and the right have supercharged the think tank world, but what if your outfit is on neither side of the “war of ideas?” Well, you’ve got a problem, given that private foundations and major donors tend to be in one camp or the other.

So to solve that problem, you start talking to places like JPMorgan Chase or Deloitte or Google. Such donors have their own worldviews, of course, that jive nicely with the interests of the upper class. But they may also have philanthropic interests that are less narrowly self-interested, as we often report in IP. More importantly, they position as centrist institutions, making themselves natural allies to places like Brookings.

If you’re serious about the integrity of your research, you don’t hang out a shingle saying “winks for hire.” Rather, you look for confluences of interests—points where your research interests and those of corporate donors overlap.

Along the way, though, you end up on a slippery slope. Because, let’s face it, nobody likes to bite the hand that feeds them. And every nonprofit works hard, by natural reflex, to keep their donors happy. The *Times* story on Brookings may or may not be entirely fair, but it offers a frank window into how the sausage gets made in a corporate-funded think tank.

What the article doesn’t address is whether this sausage factory is really any less compromised than one taking money from ideologically interested donors. What do you think happens to scholars at the Center for American Progress or AEI who veer sharply away from the worldview embraced by the donors to those organizations? Ask David Frum that question—he was fired from AEI after saying some nice things about Obamacare.

Now, personally, I believe that donors to progressive think tanks have very noble motives, since they’re giving money to create a more equitable society. But I *would* think this, given my own worldview. Donors to places like AEI and Cato, though, also see their motives as noble.

Regardless, the fact remains: When it comes to think tank donors, very few are in the game strictly to improve the quality of public policy discourse, without caring where the chips fall.

Are centrist corporate donors looking to boost their bottom lines really that much more scary than ideological crusaders with big bank accounts or endowments? I’m not so sure.