

# Inside Philanthropy

## Gara LaMarche: A Practitioner, and Critic, of Big Philanthropy Embraces the Irony

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Recently, Gara LaMarche bit the hand that's fed him for nearly twenty years.

Or it seemed, when LaMarche—who has worked since the mid-1990s deploying the wealth of mega donors to sway public policy—published an [essay](#) in the current issue of *Democracy* sounding the alarm about how philanthropic power poses a threat to democratic ideals.

To be sure, it was a gentle bite, and LaMarche didn't have an unkind word to say about either George Soros or Chuck Feeney, the two billionaires he's worked for, or the donors behind the Democracy Alliance, the progressive funding network where LaMarche is now president.

But still.

With his article, LaMarche created quite a circle to square: He's proud of his career as an activist funder working for the super rich, and he's still at it in his most politicalized gig to date. Yet he's calling out the way philanthropy throws around its weight in civic life.

Can you really be part of the solution if you're actively part of the problem? To Thomas Edsall, who recently had some back in forth [in the \*New York Times\*](#) with LaMarche on the subject of private money and democracy, the answer is "no."

I talked not long ago with LaMarche about his tricky balancing act, and if you listen to him, and read his article, you'll see that this isn't the preposterous exercise in hypocrisy that it may seem. LaMarche gets the irony here, and is embracing it as he asks some hard questions—the right questions, it would seem, given how his widely his essay has resonated.

To LaMarche, reconciling the doubts he's voicing with his own funding role is less important to him than airing those doubts and sparking useful dialogue.

As for that dialogue, LaMarche's essay—which was republished on the *Atlantic's* website and [recently mentioned](#) on Forbes.com—has definitely helped sharpen an evolving debate over philanthropy and democracy. But not all heads are nodding at LaMarche's suggestion that an influx of private money into the public square is a troubling thing. Some argue the exact opposite

point: That more check-writing billionaires is translating into a richer civil society as an ever wider range of voices find support and compete for traction.

Before getting into all that, though, let's take a closer look at what Gara LaMarche has been doing for the past two decades and why he's now expressing some second thoughts.

### **An Accidental Activist**

Few people in philanthropy—among the hired help, anyway—have had a more interesting career than Gara LaMarche. Over nearly twenty years, he's operated at the very upper reaches of Big Philanthropy working for some of the largest donors of our age.

This career is LaMarche's second. He first logged a few decades on the advocacy side of the fence, mainly at the ACLU, where he started working in the 1970s, leading him to write that he "spent half of my career asking for money and the second half giving it away."

LaMarche's long stint at the ACLU, and as an activist, started accidentally when a former high school teacher of his proposed him as the student representative for the organization's Academic Freedom Committee. By his 20s, LaMarche was serving as associate director of the ACLU's New York office, but was restless to run an affiliate on his own and got his chance when an opening emerged in Texas.

LaMarche calls running the ACLU's Texas office—at a time when there was plenty of action in a state that loved the death penalty—as the "best job I've ever had," and he describes his years overall at the ACLU as important in training him to think about principles. The work wasn't about "whether it would benefit your side," he says, "but whether it was the right thing."

It was during his time at the ACLU that the organization defended neo-Nazis who wanted to march through Skokie, IL. Says LaMarche: "You recognized that whatever your own political views you have to hold both the right and left accountable."

LaMarche's next gig, at Human Rights Watch, would reinforce this outlook, and his liberal friends were none too happy when HRW trained its fire on the Sandinistas in Nicaragua or other regimes that the left tended to sympathize with.

I mention all this because you might look at LaMarche's current job at the Democracy Alliance, along with his CV, and be tempted to agree with conservative commentator Michelle Malkin, who [called him](#) a "militant leftist philanthropist." Like so many labels, though, that one misses the mark because it sidesteps key nuances about LaMarche and his background. He came of age as an activist, yes, but not as an ideologue.

### **Spending Soros Money**

LaMarche began his career in philanthropy in 1996, when he took on the job of helping George Soros extend his already fabled philanthropic empire into the United States with a major new program at the Open Society Institute. There, LaMarche joined his former boss at Human Rights

Watch, Aryeh Neier, who ran OSI, and plunged into the work of building from scratch a foundation program that would give away nearly \$100 million annually.

Almost overnight, OSI became one of the biggest funders in the U.S. LaMarche says that this was the "job of a lifetime," but it came with its downsides. Suddenly, as a funder, he was a target and "every relationship I had that was collegial became transactional."

These days, Soros is firmly part of the right's pantheon of progressive bogeymen. But the billionaire hedge fund manager that LaMarche went to work for was hardly an ideologue than and still isn't one today. And, during his early days at OSI, LaMarche's work for Soros was more of an extension of his previous career than a foreshadowing of his current role at the Democracy Alliance.

"George is not an ideological warrior," says LaMarche. "He's an open society guy. He's all about the doubt, not about the creed."

Because of this outlook, Soros resisted early calls that he help bankroll a progressive infrastructure similar to what the right fielded with groups like the Heritage Foundation and the Cato Institute. LaMarche vividly remembers Bill Moyers speaking at a board dinner at Soros's mansion in Bedford, NY, where Moyers cited a [report](#) by Sally Covington about conservative policy funders and tried to rouse Soros to action.

Soros didn't buy into the critique. He was "quite resistant to the notion that he should put his thumb down on the left side of the ideological scale," recalls LaMarche. But that didn't stop LaMarche from finding ways to funnel Soros money to a range of progressive policy groups, including state think tanks. That portfolio was overseen by Mark Schmitt, who was formerly an aide to Senator Bill Bradley. "We funded a lot of infrastructure in the interest of supporting OSI's work on specific issues, like welfare reform and immigration," Schmitt says.

The biggest achievement of OSI's U.S. work under LaMarche was to start moving controversial positions into the mainstream. For example, OSI created a drug policy reform institute, and bankrolled other efforts to change U.S. drug policy—helping set in motion a softening of laws that has culminated recently in several states legalizing marijuana.

As well, LaMarche directed millions into work that challenged criminal justice policies writ large, and helped start the debate over mass incarceration. Michelle Alexander got a crucial boost to her career as a Soros Justice Fellow, later going on to write her bestselling book, *The New Jim Crow*.

LaMarche was also a pioneering funder of LGBT rights and marriage equality, hiring a program officer, John Kowal, to focus on this area at a time when "no straight funders" were supporting such work.

In the recent annals of philanthropy, it's hard to think of two issues where private donors have had more influence than marriage equality and marijuana policy. Just a handful of funders, OSI included, provided the cash and strategic smarts to help win acceptance for same-sex marriage in

a surprisingly short time frame. (See [my article](#) on the top funders behind this push.) Private money, particularly from insurance billionaire Peter Lewis, was even more instrumental in changing policy on pot, first with the wedge of medicinal marijuana, and later with a full-borne push for legalization.

Many progressives, and some libertarians, have cheered both changes. But make no mistake: These are textbook examples of how rich people can convert their money into influence and change the direction of public policy. That Gara LaMarche was involved in each battle, wielding George Soros's checkbook, is one more reason he's so familiar with the challenges that philanthropy poses to democracy. On the other hand, LaMarche also cites his grantmaking in these areas as among the accomplishments he's most proud of.

Eventually, too, OSI's U.S. program did get behind a large-scale effort to build up the progressive infrastructure after Soros grew more concerned about the direction of U.S. politics during George W. Bush's first term. Soros was among the founding partners of the Democracy Alliance, and remains a partner. LaMarche says that OSI put \$76 million into progressive infrastructure work during the Bush years, although the foundation did not end up creating a permanent program explicitly focused on think tanks or other movement building institutions on the left. Soros wasn't interested in that.

The contradictions of progressive philanthropy were impossible to ignore during LaMarche's years at OSI. Most flagrantly, campaign finance was among the causes that OSI bankrolled—yet Soros would emerge as one of the biggest spenders of the 2004 election, pumping millions into the race through lightly regulated 527 nonprofit entities.

LaMarche squared this circle then, like he squares it now: By arguing that even as progressives push for reform, they needed to do whatever it took to compete in the electoral area. Otherwise, reform would never have a chance of succeeding at all.

"There's a real contradiction," says LaMarche about the role of progressive donors. But he adds: "I'm not proposing unilateral disarmament. I don't think George Soros should retire his billions from the world stage."

### **Atlantic and the Obamacare Assist**

Gara LaMarche landed yet another job of a lifetime in 2007, when he became CEO of Atlantic Philanthropies, the foundation created by Chuck Feeney to spend down a large fortune made through duty-free shopping.

You can see why Feeney and Atlantic's board would tap LaMarche for the job: He was a guy who had worked with a living mega donor before and knew how to spend money by the boatload.

And spend money LaMarche did during his five years at Atlantic, overseeing more than a billion dollars in grants during this period. The most well-known of these was the \$27 million that

Atlantic gave to Health Care for America Now (HCAN) in 2009, the main advocacy organization working to support the Obama Administration's push for healthcare reform.

The HCAN grant was the largest ever made by a foundation for advocacy, and it stands as another stark example of the outsized role that a single billionaire donor can play in public policy debates. While it's hard to measure the impact of that grant, one thing is crystal clear: Chuck Feeney's wealth bought him a much bigger voice in the healthcare debate than any ordinary citizen—or even an army of them—could ever hope for.

LaMarche had an outsized voice, too, in that debate as the guy who actually orchestrated a giant grant that Feeney would later express reservations about. LaMarche's crucial role in bankrolling the advocacy push for the Affordable Care Act was such that he was invited to the ceremony where President Obama signed the act into law. This is the kind of opportunity that many funders can only dream of: Being able to deploy huge money to help enact a policy change that measurably impacts the lives of millions of people.

But that power is also the stuff of nightmares for those who believe in civic equality—especially when you consider that anyone with a big enough bank account can play the influence game, no matter how extreme their views. While progressives were thrilled by Atlantic's assist on Obamacare, they weren't cheering when conservative donors like the Koch brothers quickly lined up to finance legal and advocacy challenges to the law. Instead, those donations have been viewed as part of plutocratic power grab.

LaMarche is well aware that the power he's wielded cuts both ways, which is why he's now raising questions on this score. These questions are hardly new, and some have expressed annoyance that LaMarche's is making a familiar critique as if it were fresh. What's different is that you don't often hear either funders or leaders on the left voice broad concerns about philanthropy and democracy (as distinct from carping what the Kochs or the Gateses are doing.)

In his *Democracy* article, LaMarche asks why his "progressive friends" aren't more "concerned about the undemocratic and largely unaccountable nature of philanthropy? Why are *we*—since I too have failed, for years, to ask these big questions—hypersensitive to the dangers of big money in politics, and the way it perpetuates advantage and inequality, but blind, it seems, to the dangers of big philanthropy in the public sphere?"

That's an interesting question, one that LaMarche doesn't answer in his article; rather, he points to the many reasons why those on the left *should* be alert to these dangers. In fact, though, it's not hard to see why progressives think so selectively about the threats posed by philanthropy. These dollars are all-important in the fight for greater equity, and have been for a generation. With labor unions and social movements weak, the main counter-weight to corporate interests in recent decades has been advocacy and policy groups bankrolled by philanthropy.

The healthcare reform battle has been a great example of that. Without HCAN and, later Enroll America (heavily funded by the Robert Wood Johnson Foundation), this battle may well have been lost to well-financed opponents from the private sector. The same can be said of a range of other battles, including the push to clean up Wall Street after the financial crisis, another area

where LaMarche made sure that Atlantic weighed in. Grantmaking here was handled by Vivien Labaton, who wrote after the law passed:

Atlantic made a handful of grants totalling about \$2 million to organisations working on financial reform. Though our grant dollars were small relative to the estimated \$600 million that the financial sector spent on lobbying efforts to weaken the bill, this investment made Atlantic among the largest funders of reform efforts.

And there, in Labaton's words, is the nutshell case for progressive philanthropy: This money is crucial to stop ordinary Americans from being steamrolled by private power.

It's also commonly said that conservative philanthropy acts as an extension of self-interested private power and thus is a totally different beast. Or to put things another way: *The left's billionaire donors are standing up for equity; the right's billionaire donors are standing up for themselves.*

LaMarche's left Atlantic in 2011, amid disagreement about the foundation's direction. He walked out the door with a nice severance and an agreement to not speak about why things went wrong for a period of time.

And why did things go wrong? In the updated edition of his biography of Feeney, [\*The Billionaire Who Wasn't\*](#), Conor O'Clery gives a blow-by-blow account of the turmoil that enveloped Atlantic in 2010 and 2011, as Feeney worried that his foundation was slipping out of his control. It's a complicated story that centers on tensions between Feeney and Atlantic's board, as well as LaMarche, over a range of issues.

Certainly a major concern of Feeney's was about the high-profile advocacy funding favored by LaMarche and board members, grantmaking that Feeney worried was draining funds from other areas and associating the foundation too closely with the Obama Administration and an activist agenda.

LaMarche's public exit story was that Feeney wanted to focus more on education and biomedical grantmaking in Atlantic's final years. He said: "I've spent my life on social-justice advocacy and philanthropy, and I believe the organization needs a different kind of leader in the final chapter of the foundation."

In the end, the private and public versions are not too far apart and, anyway, the details aren't so significant in hindsight. Jack Rosenthal, who LaMarche brought to Atlantic from the New York Times Foundation, says that "while the events at the time were very dramatic," what's really important in retrospect is the HCAN grant and other efforts that LaMarche was involved in, such as making grants to challenge "stop-and-frisk" policies at a "time that nobody had even heard of stop-and-frisk."

Rosenthal could have added that LaMarche also put race on the overall agenda at Atlantic in a way that was ahead of its time and portended a growing conversation within foundations on this

topic. As part of that push, LaMarche gave a [2008 speech on race and philanthropy](#) that is still important reading.

### **A Billionaires' Alliance for Democracy?**

LaMarche was named president of the Democracy Alliance late last year. The network of wealthy donors was created in 2005 and channels money into both electoral efforts and policy groups. LaMarche describes this job as a variation on his previous gigs: For Soros and Feeney, he was on the political edge of philanthropy; at the DA, he's on the philanthropic edge of politics.

But this job is also a good fit in that LaMarche is the first leader the DA has hired who has the gravitas to really manage and lead a large collection of wealthy donors, or "partners" as they are known. That ability has been on display over the past year, as LaMarche has pushed the organization to change its strategy to focus on a smaller number of issues and take a more flexible approach to funding. "He's been a great choice for the Democracy Alliance," says Common Cause president Miles Rapoport, who like many progressives has often been frustrated in trying to figure the DA out.

The new strategy, developed through what LaMarche says was a "highly participatory process," will focus on tackling the twin challenges of political and economic inequality, as well as the existential threat of climate change. It also reduces the DA's emphasis on "infrastructure" investments, which LaMarche felt wasn't so productive because it became all about "a list of organizations that people were desperate to get on or stay on."

LaMarche says that the DA is likely to make a smaller number infrastructure grants and will put more focus on building "tools" that the entire progressive community can use, as well as putting more support behind specific campaigns.

Beyond working to change how the DA does business, LaMarche has been on the road hustling new partners, and comments that his job is a "weird hybrid" because, yes, he's a donor, but he's also a fundraiser trying to bring more resources into his organization. LaMarche says that the DA's "community is the big selling point" in the recruitment of partners, and he's had some success on this score. The organization had around 90 donors involved when he arrived, and now has over a 100. One of the perks of being part of the DA is attending high-profile meetings in Washington, like the recent convening in Washington where Senator Elizabeth Warren addressed the partners with the national press in attendance.

To become a member of the DA, a donor must pay an annual membership fee and also commit to give away a certain amount of money to groups recommended by the organization, which doesn't have its own funds. All grants are made directly by donors.

LaMarche says that none of the donors behind the DA have said much to him about his article in *Democracy*. But it's interesting that LaMarche has chosen this point in his career to raise questions about how private wealth shapes public debates. After all, as he noted to me, his job at

the DA is the most politicized position he's yet had, working to not only influence policy, but to channel donor funds in ways that can affect specific elections.

Most progressives are too busy praying they'll get money from the DA to stop and consider the ironic nature of this enterprise, not to mention its somewhat Orwellian name. At a time that many on the left are preoccupied with the threat to democracy posed by the wealthy, there's been remarkably little discussion about whether a group of well-heeled donors united in an alliance for "democracy" can really be part of the solution.

Not surprisingly, LaMarche didn't mention the DA in his article and, in general, was light-handed in his treatment of wealthy donors. Still, it's notable that one of the stronger progressive critiques of operations like the DA has come from the president of the DA. William Schambra, a veteran thinker about philanthropy, says that "it's kind of amazing" that LaMarche stepped forward with his critique.

In way, though, none of this is so odd. A distinctive feature of the liberal tradition is a tendency to engage in self-examination and critical inquiry, contrasting core principles to the practical choices entailed by political life. That tradition has become less pronounced on the left in recent years, as it has morphed more into a disciplined ideological movement and moved away from a seminar culture that many saw as wishy washy (a style embodied by Obama.)

And here's where it is important to remember Gara LaMarche's roots. He may currently be a general in the new progressive movement, but he's a product of an earlier brand of postwar liberalism that valued asking hard questions even if they were uncomfortable and yielded few clear answers.

### **But Should We Really Be Worried?**

In thinking about philanthropy and democracy, a last point to contemplate is this: Maybe LaMarche, and others like him, are sounding a false alarm and we actually have nothing to worry about.

One thinker who dismisses the supposed threats from "big philanthropy" is Paul Schervish, the Director of the Boston College Center on Wealth and Philanthropy. To Schervish, rich donors don't imperil democracy because "there are so many of them, and so many countervailing forces." Philanthropists today are pursuing myriad different ideas and initiatives, and that stops any one funder, or even group of funders, from dominating public debate. "This is civil society flourishing," Schervish says.

There's something to that argument, and the Democracy Alliance is a case in point. It was created as a countervailing force after decades in which conservative funders had been leaders in investing in ideological nonprofits. In turn, the creation of the DA helped spark yet another counter-weight, with the Kochs assembling a similar outfit on the right called Freedom Partners (another Orwellian name.)



Still, this picture is hardly encouraging: Can we really have a healthy civil society when public policy is increasingly driven by opposing camps of wealthy elites? Schervish's answer is "yes" because "what matters is the content," not the process. As long as a range of views are getting aired in the public square, he doesn't think it much matters who's paying to air them. And he adds that wealthy donors generally won't get very far pushing views that don't win traction with the American public.

To Bill Schambra, though, philanthropy is actually doing a worse job at nurturing robust debate these days as funders have become more ideological. "They're seeking to get together on a common agenda," he says. "In the old days, foundations did support a diversity of views... That's become less and less true. That diversity is seen as obstacle to making progress on electoral issues."

As well, says Schambra, wealthy individuals have become much more adept at playing the policy game by bankrolling groups that will advance their views. He calls think tanks "the new battlestars."

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The debate over philanthropy and democracy is hardly new, but it's moving into a fresh phase as the dollar figures get higher, the strategies get more sophisticated, and the context—namely, rising inequality—grows more alarming.

Gara LaMarche will be the first to say that he doesn't have all the answers in this debate. But he's definitely helped knock it up to a higher level.