

## **Brouhaha Over the Koch Brothers**

[David Bernstein](#) • August 30, 2010 8:31 pm

[An article](#) by Jane Mayer in the New Yorker on the libertarian Koch brothers has received a great deal of attention, including [this piece](#) by Frank Rich. The bizarre point of both pieces seems to be to undermine David Koch's efforts to become a respected member of New York "society" by harming his reputation among his liberal acquaintances in the competitive world of big money philanthropy, the better to persuade him that he'd be better off ditching his "right-wing" allegiances.

Anyway, despite the ominous overtones of the Mayer piece let's put things in perspective. According to Mayer, the Kochs have spent "more than a hundred million dollars" on "right-wing" foundations since 1980. Let's be aggressive, and assume *arguendo* the figure, adjusted for inflation, is four hundred million dollars. That's a whole \$13 million or so a year since 1980. By contrast, the Ford Foundation, one of many well-endowed "mainstream" liberal foundations, spends over \$500 million a year, a decent fraction of which goes to left-wing organizations and causes. Any given major American university employs far more liberal academics in the social sciences annually than can possibly be employed on a \$13 million budget. Soros' Open Society Institute [annually spends over \\$150 million](#) to "support individuals and organizations advancing a more open, just, and equal society in the United States."

Meanwhile, David Koch, one of the brothers in question, has recently given one hundred million dollars to Lincoln Center, 2.5 million dollars to New York City ballet, more than forty million dollars to Sloan Kettering, fifteen million dollars to New York-Presbyterian Hospital, a hundred and twenty-five million to M.I.T. for cancer research, twenty million to Johns Hopkins University, and twenty-five million to the M. D. Anderson Cancer Center, in Houston.

So, in the scheme of things, the Kochs spend relatively little money on libertarian causes.

I don't doubt that the Kochs, especially Charles (whom I've met, once) are devoted libertarians. And given the dearth of rich libertarian sugar daddies, their funding has often been crucial to the network of libertarian think tanks, activist organizations, etc.

But the brothers are not exactly depleting their \$35 billion estimated family fortune on libertarian causes. My sense is that in Charles' case, he spends as much money as he thinks

can be spent wisely and efficiently, given the still-minimal libertarian infrastructure that exists—plus he likes to exert a lot of influence on the organizations he funds, which becomes difficult if spending is spread too thin. In David's case, libertarianism seems to take a back seat to other philanthropic interests.

In both cases, the idea advanced by Mayer and Rich that they support libertarian causes to advance their business interests is rather silly; rich, well-endowed business conglomerates tend to benefit more than anyone from government intervention in the economy, given that they tend to have the most say in how such regulations are written. Even stringent environmental regulations can benefit a large energy company like Koch Industries—if they are written so that they stifle upstarts.

Disclosure: I've received money from organizations that are or were Koch grantees, such as the Cato Institute—though I've never taken any money directly from the Kochs—and I only wish it was the kind of money Ford Foundation or MacArthur Foundation favorites get!