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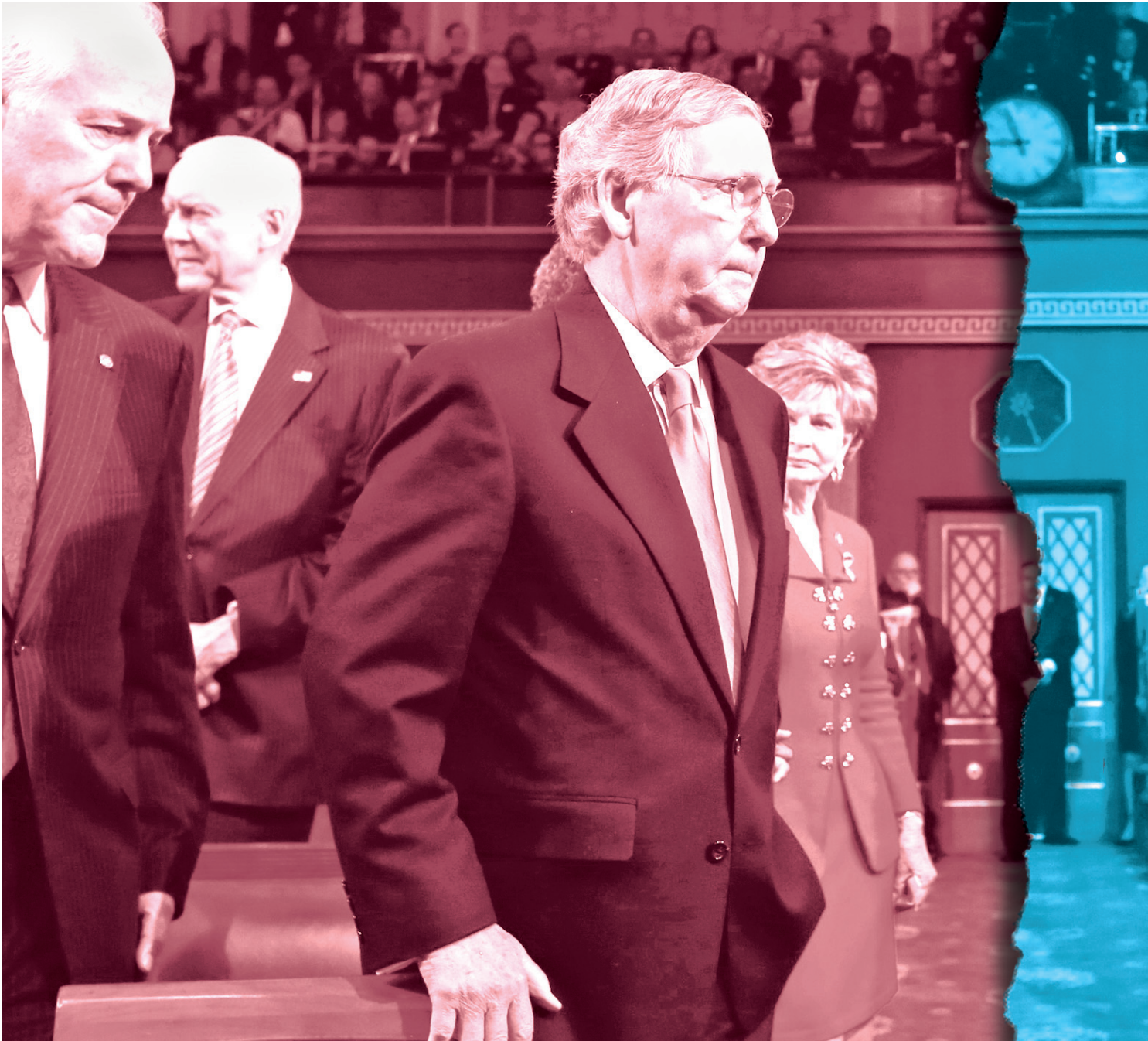
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 The days when major foundations could remain above the partisan fray, even as they were deeply engaged in advocating changes in public policy, are all but gone. The polarization of the US political scene is imposing new limits on how foundations can operate in that sphere. But it's also revealing new ways in which they can influence the policy process.

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The battle over the Affordable Care Act (ACA), passed by Congress and signed into law by President Obama in 2012, is now in its fifth year. Republicans and conservatives oppose everything about the law and use every lever of power—votes to repeal it, legal challenges, active efforts to discourage constituents from signing up for health insurance—in hopes of dismantling it. Democrats and liberals embrace the ACA, defend it in court, and encourage participation in the insurance exchanges created under the law. Although public opinion about the new law is mixed and uncertain, among politicians there is no middle ground.

This is not how anyone expected the process to turn out. In 2006 and 2007, as the basic outlines of what became the ACA emerged in think tanks, advocacy organizations, and foundations, these groups shared a central assumption: The only path to universal health care in the United States ran through the careful nurturing of a bipartisan coalition, buttressed by expert analysis that would show the many benefits of health reform, including cost savings to the federal government. A compromise would emerge, in other words, from combining a broad goal favored by liberals with ideas traditionally supported by conservatives. (Indeed, in 2007, nine Republicans—most of them conservatives—had signed onto legislation that largely resembled the health reform bill that eventually passed.)

But something had changed in American politics. The model of policymaking that assumed bipartisan solutions to expert-assessed problems never worked perfectly, but in recent years it has failed again and again. Exclusively partisan support pulled the ACA across the finish line. But from climate change legislation to an agreement on federal budget reform, bipartisanship has produced one disappointment after another. This failure to reach agreement on important policy decisions is not about the choices of one president or the quality of current congressional leaders. It signals a deep structural change in American politics—a change that has profound implications for philanthropy.

Institutional philanthropy, by law and by tradition, has had an indirect and often awkward connection to the policy process. For the most part, foundations don't lobby directly for legislation, and they are prohibited from engaging in the kind of political activity—such as campaign spending—that gives other players leverage in policymaking. Instead, leaders in philanthropy have pursued a vision of social change that rests on a set of long-held assumptions: that strong ideas and persuasive research, coupled with broad public support and validation by elites, will motivate elected officials; that policy proposals designed to reflect the ideological preferences of both major parties, or the poll-tested preferences of centrist voters, can provide a basis for insider bargaining; and that policy entrepreneurs who operate both inside and outside legislative bodies can act as advocates, sources of ideas and information, and mediators.

This model accounts with a fair degree of accuracy for some of the great legislative successes of the past few decades, including

DESERT AISLE: Senate Minority Leader Mitch McConnell, Republican of Kentucky (third from left), and Senate Majority Leader Harry Reid, Democrat of Nevada, face off at the 2014 Presidential State of the Union Address.



tax reform in the 1980s, Medicaid expansion in the 1990s, and education reform in the 2000s. It was a model that aligned almost perfectly with the cultural assumptions of philanthropy. Assuming that bipartisan coalitions and elite bargaining were the key to progress, the model justified disengagement from the partisan fray. Foundations have traditionally seen themselves as part of civil society—as mediating institutions that form a bridge between dispassionate knowledge and political advocacy. Their resources, many in the sector have hoped, could fund objective, nonpartisan research that would take the edge off partisan conflicts and pave the way for broadly accepted social progress.

But in recent years, American politics has taken on a different cast, and the old model has repeatedly run into the buzz saw of partisan and ideological polarization. Gun safety legislation, a job-creation initiative, campaign finance reform, and (so far, at least) immigration reform—all fell apart, even though foundations and the groups that they support have worked assiduously to follow all the rules of the familiar model. Partisan politics and ideology have become more closely aligned, leaving less room for maneuver between the two parties and greater opportunity for an ideologically unified party to block change. Science, disinterested analysis, and establishment institutions can no longer close the partisan divide.

Partisanship and polarization in the US political system have opened a disturbing gap between the approaches that foundations are comfortable with pursuing and the tactics that now drive the policy process. Foundations and the organizations that they support have three options for responding to this new world. One is to try to make the old model work under new circumstances. A second is to try to restore the old model by pursuing various kinds of procedural reform. And a third is to understand the nature of the current political environment and to work within it. We believe that this third approach—uncomfortable though it may be for nonprofit and foundation leaders who shy away from partisan conflict—offers the best opportunity to promote lasting social change.

THE GOLDEN AGE

The period from the 1960s through the 1990s is one that many in philanthropy recall with nostalgia. It was also, not coincidentally, marked by exceptionally weak political parties. Voters' attachment to parties reached a low point, as they began to split their tickets and to identify as independents. Historic associations that tied regional, class, and religious affiliations to specific political parties came unwound. And the weakening of parties in Congress was even more profound than it was in the electorate. In a Congress with a large number of conservative Democrats and liberal Republicans, members were as likely to find allies in the other party as in their own, and they adopted Congressional rules that weakened party leaders and enhanced the opportunity for members to form opportunistic, temporary coalitions. In this Congress, no one had effective long-term control of the policy agenda.

Members of Congress built centers of power that were not party-based. They increased the size of their staffs and the authority of subcommittees, caucuses, and support organizations. The loose structure of Congress allowed members to form legislative coalitions in any number of different ways, including partnerships between moderates of both parties, strange-bedfellow coalitions of liberals and conservatives, and alignments of regional or economic

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interests. New power centers emerged beyond Capitol Hill as well. Starting in the late 1960s, the increasing openness of the American political system enabled interest groups, think tanks, corporate lobbying firms, litigating organizations, and direct-mail advocacy networks—many funded by foundations—to expand rapidly.

During this period, moreover, many of the most important sources of knowledge and authority were widely viewed as being above politics. The reputation and the power of professional nonpartisan journalism were at a high point, and journalists used their power to expose government and corporate scandals and to place new issues on the agenda. Leading figures in establishment institutions—including universities, foundations, large nonprofit organizations, and some parts of the business world—bridged the two parties and upheld a neutral conception of “the public interest.”¹ The fact that politicians from both major parties looked to similar sources of expertise provided a basis for inter-party bargaining.

A political system open to many voices and many potential coalitions was one in which almost anything could happen. Political scientists of the time used terms like “chaos” and the “garbage can” to describe it. But those who mastered it—such as Rep. Henry Waxman, a California Democrat who pushed for the steady expansion of Medicaid, or Rep. Jack Kemp, a New York Republican who put tax cuts on the agenda in the late 1970s—could use it to generate significant social change. In fact, in a system with so many moving pieces, legislative creativity and an ability to maintain strong networks were a form of power.

This system was exceptionally congenial to the leaders of foundations. Without engaging in overt partisanship, they could support changes that they believed to be in the public interest, as when the Ford Foundation and other groups sponsored the creation of public interest law firms in the 1960s and 1970s. Foundations could provide large grants to establish bodies of authoritative knowledge. The economists in think tanks and universities who provided the intellectual basis for the deregulation movement of the late 1970s and for the tax simplification efforts of the mid-1980s—to take just two examples—relied extensively on foundation support. Foundations, in short, were able to engage deeply in the policy process without being “political” in the conventional sense of that term. This approach, as it turns out, was an artifact of a short-lived period, rather than a permanent feature of the American system.

THE NEW NORMAL

Party polarization is not unusual in any democracy, even in the United States. From the late 1870s to the mid-1920s, polarization in Congress was about as high as it is today. Then came a period, beginning in the early 1930s and lasting well into the 1970s, when the voting patterns of the two parties in Congress overlapped to a significant degree. Starting at the end of the latter decade, however, party polarization began to increase steadily every year.² It is the depolarization of the mid-20th-century “golden age,” and not today’s hyper-partisanship, that is the historical anomaly. Partisanship in

the United States is now at a level comparable to that of other advanced democracies. In fact, that level of polarization might well be a normal feature of any competitive party system.³

Any explanation for the shift must first reckon with the process of desegregating the politics of the American South. From the beginning of the American party system, the South had been the anchor of the Democratic Party. Starting in the 1870s, white southerners were able to maintain a segregated, one-party political system that lasted for nearly a century.

Then came the Civil Rights Act and the Voting Rights Act, which eroded the connection between a single party and an entire region. Change came incrementally: For about three decades, competitive elections became common in the South, and during that period—a period that roughly coincided with the low ebb of party power in Washington—both Republicans and Democrats could represent the promise of a multi-racial “New South.” With each year after 1970, however, more and more Southern Democrats either lost their seats to Republicans or became Republicans themselves. As conservative Southern Democrats left the scene, the Democratic caucus became ever more liberal. Reinforcing that process was the creation of majority African-American districts that reliably sent liberal Democrats to Congress. By the same token, as Southerners entered the Republican caucus, they made that group more conservative.

The increased identification of party with ideology gives party leaders new power, because members are willing to follow leaders who are ideological bedfellows in a way that they were not in an era of greater party heterogeneity. The ascension of Newt Gingrich as Speaker of the House of Representatives, following the Republican takeover of the House in 1994, offers a notable illustration of this trend. His leadership presented the first modern example of how an ideologically cohesive majority would govern in Congress. Gingrich and his fellow Republican leaders weakened committees, strengthened their own power to determine policy priorities, and exercised procedural control to prevent cross-party coalitions. They also eliminated funding for independent sources of ideas and expertise—entities (often highly reliant on foundation-funded work) that members had used to support cross-partisan policymaking. As a result, members became ever more dependent on ideological sources of information and authority.

Reinforcing the change in institutional customs was a deep shift in the character of popular participation. The large national organizations that once organized citizens across partisan and ideological lines—Rotary International, the Knights of Columbus, the General Federation of Women’s Clubs—gave way to organizations that mobilized around single issues, such as the Natural Resources Defense Council or the pro-choice and pro-life organizations.⁴ Up through the 1980s, many of these new groups had happily built ties to politicians in both parties. But as party leaders took control of the policy agenda, they increased pressure on all interest groups to pick a side.

At the same time, the places where both citizens and officials sought information underwent a momentous shift. The authority of scientific, journalistic, and other establishment institutions took crushing blows from left-leaning forces in the 1960s and from right-leaning forces starting in the 1970s. The country lost the mediating power that these institutions had over public discourse, and in particular their ability to certify basic claims of fact. In their place came media outlets that reinforce polarization in order to profit from

it.⁵ The center of gravity in the think-tank world shifted from the Brookings Institution—which prided itself on being a “university without students,” with deep roots in academia and with friends in Congress from both parties—to the Heritage Foundation, which was most closely affiliated with conservative social movements and the House Republican caucus. Liberals responded by building more assertively partisan organizations of their own, such as the Center for American Progress. These changes, combined with a broader segmentation of the American media landscape, have resulted in the creation of largely separate, partisan worlds of information.

The most mobilized and most attentive citizens now distrust the model of cross-party negotiation. In many cases, they perceive the party opposite their own as extreme, untrustworthy, and even a threat to constitutional government. In the late 1970s, nearly half of all citizens who identified with one party had relatively warm feelings about the other party; today, by contrast, that number stands at less than 20 percent.⁶ And it is the citizens with the most extreme views who are most likely to vote, to contribute money to candidates (especially in primary elections), and to participate in grassroots party politics.

No issue is immune from partisan fever. Many traditionally non-partisan issues (agriculture policy, infrastructure spending) have become more polarized, and issues that once had small but vital groups of centrist backers (the environment, nuclear disarmament, programs for low-income working families) have lost that support.⁷ In short, although political leaders and activists have creatively exploited political polarization, the fundamental causes of that development reflect deep, structural forces in American society.

RESPONSES TO POLARIZATION

For nonprofits and foundations engaged in advocacy, there are three alternatives for dealing with polarization.

Stay the course | The first option is to find a way to reconstruct the familiar “golden age” pattern—to pursue change through the application of strong research and support from elite cross-partisan validators. On certain issues, that can still be a valuable strategy. In Missouri, for example, a cross-partisan coalition of small-business interests and respected community organizations mobilized to block a large tax cut pushed by Republicans in the state legislature. In Michigan and several other states, advocates have been able to ally with traditional Republican constituencies, including small business, to overcome resistance to Medicaid expansion.

Yet this approach, effective though it can be in some cases, now seems unable to move significant new ideas or policy changes past determined ideological opponents. On immigration reform, for example, advocates and their funders have deployed almost every tool of the “sensible center,” only to see their efforts wrecked on the shoals of House Republican opposition. Similarly, the foundation-supported strategy for climate-change legislation in 2009 and 2010 emphasized the pivotal role of centrist senators like Arizona Republican John McCain. But that strategy failed when the power of ideological polarization pushed even “mavericks” like McCain, and allies like the US Chamber of Commerce, into their partisan corner.⁸

Change the system | A second approach is to change structures that seem to fuel partisan polarization. It is tempting to hope that procedural fixes—open primaries, nonpartisan redistricting, changes to Senate filibuster rules, campaign finance reform—will reverse

polarization. But these are tools, not root causes, of polarization. Taking them away might slow the trend but will not reverse it.

In fact, groups that benefit from polarization can use institutional reforms to their own advantage. Efforts to restrain money in politics—many of them, such as the Bipartisan Campaign Reform Act of 2002, supported by foundations—probably bear some responsibility for the recent increase in donations to partisan and ideological causes. By blocking political parties' ability to accept certain kinds of contributions, those reforms effectively directed spending to more ideologically focused entities, such as Democracy for America, a liberal group led by former presidential candidate Howard Dean, or the network of conservative and libertarian organizations funded by billionaire business leaders Charles and David Koch. The lesson here is not that all structural reforms backfire, but that advocates need to consider the institutional forces that any reform is apt to unleash. Advocates, in other words, should temper their expectations in this area.

Accept and adapt | A third approach is to accept the realities of partisanship and to adopt models of policy change that work within the political system as it is. In some cases, to be sure, advocates and donors have been able to re-open centrist zones of agreement. Gay rights advocates spent decades presenting gays and lesbians as pro-military and pro-family, and those efforts have paid off with the ending of the US Department of Defense's Don't Ask, Don't Tell policy and with recent legislative and courtroom victories on behalf of marriage equality. Support from conservatives, as well as liberals, has been crucial to enabling those policy shifts.⁹ In the main, however, the resources, patience, and effort required to sustain cross-party coalitions of this kind are beyond the reach of most advocacy organizations.

Once they accept the deeply divided nature of US politics today, foundation leaders who wish to pursue policy change can move along one of two strategic paths. They can work opportunistically to build unexpected cross-party coalitions around certain issues. Or they can embrace the need to shift their resources toward one ideological pole or the other.

TRANSCENDING THE DIVIDE

Some of the most creative advocacy work currently under way builds cross-party coalitions that are anchored not by centrists, but by figures with unquestioned ideological credibility. We call this style of advocacy "transpartisan," because it recognizes that the critical political gatekeepers are no longer ideologically neutral actors in the center, but the authorizers of ideological orthodoxy at the poles. The art of transpartisan policy entrepreneurship is to develop policy frameworks that can support gatekeepers who have chosen to bless certain unorthodox ideas or shifts in policy. Opportunities for transpartisan coalitions are rare, and it may take years before the work of building connections among outside advocates and peripheral but strategically important players pays off. But two significant successes—one involving prison reform and the other Pentagon spending—deserve attention. In both of them, foundations have played a crucial role.

Criminal justice might seem like an unlikely arena for cross-party cooperation, given how eager the parties have been to outdo one another with tough-on-crime rhetoric and legislation.¹⁰ Republicans, in particular, have built their party brand around severe prison sentences and an uncompromising stance on illegal drugs. Yet in state after state, conservatives in recent years have supported, or

even led, initiatives to ratchet down long prison sentences, expand alternatives to incarceration, and improve reentry programs.

At the center of this process has been Texas, long the nation's toughest jailer. The Texas Public Policy Foundation, a leading conservative think tank, launched an initiative called Right on Crime. The premise of the initiative is that conservatives should be just as skeptical of the prison system as they are of other functions of government. Working with think tanks in states throughout the country, Right on Crime has been able to get a remarkable group of Republican leaders to sign on to proposals that only a few years ago these politicians would have attacked if they had come from Democrats.

Importantly, conservatives have not aggressively or publicly coordinated these efforts with prison reform advocates on the left. Major conservative leaders such as Newt Gingrich and Ed Meese, who served as attorney general under President Ronald Reagan, have certified the Right on Crime proposals as legitimately conservative positions. Mainstream funders, including the Pew Charitable Trusts—a significant funder of Right on Crime—have contributed to this effort, yet they have kept a low profile. Rebranding criminal justice reform as a conservative position has worked in part because conservatives have emphasized rationales for reform that differ from those that liberals advocate. Conservative proponents, for example, typically link prison reform to their opposition to public employee unions, or to their desire to keep government spending low.

Efforts to reverse a decade-long boom in US defense spending would also seem to be an unlikely focus of left-right cooperation. Liberal groups and avowedly nonpartisan foundations have supported efforts to reduce and re-orient defense spending for decades, with little effect. But a wing of the Republican Party that is skeptical of military spending and overseas involvement has emerged recently in Congress. Rep. Ron Paul of Texas and Sen. Rand Paul of Kentucky have been the public face of that movement. In 2010, Ron Paul co-sponsored the Sustainable Defense Task Force with Rep. Barney Frank, a Massachusetts Democrat. (Both Paul and Frank have since retired from Congress.) This volunteer group put together a proposal for Pentagon reform that won the approval of the famously liberal Frank and libertarian Paul. More notably, many ideas in the proposal found their way into the centrist budget-reform plans presented by the Simpson-Bowles and Domenici-Rivlin commissions, both of which were projects in the classic bipartisan mold.

Political gatekeepers on the right, such as Grover Norquist, the anti-tax advocate, and Sen. Tom Coburn, an Oklahoma Republican, lent support to the task force proposal. So did left-leaning figures such as Lawrence Korb, a senior fellow at the Center for American Progress. A group of small, adventurous institutional donors, led by the Colombe Foundation, is funding efforts to enable quiet coordination among these supporters. The result is that advocates on the left who decry militarism and advocates on the right who oppose big government are lobbying for the same program cuts.

Not every effort by philanthropists to create a strange-bedfellows coalition works out so well. Consider the Creation Care initiative, a push to attract evangelical support for legislation to reduce global warming. Environmentalists and some of their funders were cheered when Richard Cizik, vice president of the National Association of Evangelicals (NAE), embraced younger evangelicals' interest in environmentalism and, with mainstream foundation support, attempted to

enlist important evangelical leaders to support action on global warming. But conservative activists counterattacked. They forced Cizik to resign from the NAE and began funding efforts to portray environmentalism as a thinly veiled assault both on religion and on the free market. Many evangelicals withdrew or watered down their support.

Creation Care's failure teaches an important lesson: Its supporters failed to understand that they were expecting evangelical activists to go up against a powerful, mobilized segment of the Republican coalition. A significant chunk of that coalition, for both business and ideological reasons, had made the defeat of climate-change legislation an existential priority. Worse, secular environmentalists and their funders did not recognize that the NAE was very much a junior player in evangelical politics. Transpartisan politics is not just a matter of elite framing; it requires a depth of knowledge about internal coalition politics that few grantmakers have.

For transpartisan initiatives to be worth pursuing, then, foundations must be able to stay in the background—which cuts against the grain of the philanthropic sector's desire to trumpet its role in delivering specific outcomes. Partners at both ideological poles must be able to retain legitimacy with their own base, and they must be strong enough to fight battles within their ideological camp. Critically, moreover, transpartisanship works only when leaders have enough political room to re-imagine the range of positions that they view as consistent with their ideas or interests. That room is what political polarization is making very scarce.

TAKING SIDES

The benefits of achieving legislative success by bipartisan or transpartisan means are significant. But such opportunities are rare and getting rarer. To safeguard their investments in advocacy, foundations should almost always be prepared to work primarily with allies on one side of the political divide. Pundits who say that “nothing can get done without bipartisan support” no longer have the evidence on their side.

The community of health care donors took exactly that kind of balanced approach in the run-up to passage of the Affordable Care Act. They and their allies in Congress put enormous effort into trying to find and hold Republican and conservative support for universal health care. But major donors, most notably Atlantic Philanthropies, also directed considerable resources to Health Care for America Now (HCAN), an initiative launched by the progressive grassroots group US Action.

HCAN coordinated something that resembled a purely partisan mobilization strategy, and its leaders proceeded from the assumption that what emerged as the ACA would need an activated, passionate constituency more than it would need elite bipartisan consent. Had funders supported only standard bipartisan efforts to pass health reform, they would have been caught unprepared when it became apparent that health reform was going to become the territory of a long and intractable partisan war. The lesson of the ACA fight is that even when donors hope to attract bipartisan support on an issue, they are better off spreading their bets: Along with funding some cross-partisan efforts, they should put many or most of their chips on strategies that have the power to mobilize a constituency and that reflect the actual voting patterns in Congress.

Donors who focus on issues such as health care should also recognize that investments in building a broad partisan and ideological

infrastructure may be as important to their success as issue-specific campaigns such as HCAN. In the current polarized political environment, few issues are subject to a stable consensus, and therefore opportunities for change may appear suddenly and unexpectedly. So will formidable threats to roll back progress. Adaptive think tanks, multi-issue advocacy organizations, and grassroots organizing groups are vital institutions that can respond to opportunities and challenges, build long and powerful relationships with political and media leaders, and help shape the overall climate of opinion.

Mainstream foundations, especially those that pursue liberal-identified policy goals from an avowedly nonpartisan perspective, have tended to view such investments as inappropriate. But the transpartisan efforts that we discussed earlier illustrate the value and the necessity of venturing into areas that donors have previously sought to avoid. To advance prison reform, mainstream funders have supported a network of activist conservative think tanks. To promote Pentagon budget reform, meanwhile, advocacy groups have focused on mobilizing activists from both ends of the political spectrum. In those and other instances, funders have become more willing to support work by grantees that explicitly involves lobbying or even direct involvement in political campaigns. Some donors, such as the Open Society Foundations and the Pew Charitable Trusts, have either launched affiliated advocacy organizations or reorganized themselves so that they can fund public advocacy by other groups.

Taking such steps will not be easy for a sector that prides itself on maintaining a distance from partisan politics. Yet the same intellectual rigor that has been a source of pride for many foundations demands that the world of philanthropy see the policymaking process as it actually is. Being on the “right” side of an issue and collecting elite endorsements are no longer enough. In an environment marked by polarization, philanthropists will need to develop and draw on deep reserves of cultural and political capital. In some cases, they can help forge new and previously unimaginable coalitions. But at least as often, they will have to pick a side—or, in any event, accept that other influential players have already picked sides. Partisan conflict is not an external factor that advocates can work around. It is the defining axis of American politics today, and funders must be unafraid to reckon with it. ■

NOTES

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