Situating the New 527 Organizations in Interest Group Theory

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Abstract

This article seeks to reconcile the activities of several of the groups organized during the 2004 election cycle under section 527 of the Internal Revenue Code with existing theories of party and interest group behavior. While 527 groups have frequently been categorized as extensions of traditional advocacy groups or party networks, I argue that existing theories do not account for the functional differentiation between these groups. This functional differentiation marks a relatively unprecedented development in American interest group politics. However, the highly partisan nature of the 2004 election and the limited appeal of these groups either to party donors or to a broad base of interest groups may indicate that such groups will not endure or play as prominent a role in 2008 as they did in 2004 even absent changes in FEC rules.

KEYWORDS: 527 groups, interest groups, 2004 elections

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Long before the Bipartisan Campaign Reform Act was implemented, politicians and interest group leaders predicted that the legislation would abet the growth of new “quasi-party” organizations organized under Section 527 of the Internal Revenue Code. Indeed, following the 2002 election, several new political organizations were formed, and many of these organizations promised to raise as much as $100 million. These groups adopted names that gave little indication of the issue focus, the partisan leanings, or the membership base of the groups. Most of these new organizations, however, dedicated themselves to working towards the victory or defeat of President Bush in the 2004 election. Currently, these groups stand in a sort of legal limbo – many have disbanded, and government watchdog groups have successfully argued that some of these groups’ activities are in violation of federal campaign finance laws.

The development of these groups struck many observers as either surprising or disturbing, but they were in fact part of an evolution from the group and party activities of 2000 – an evolution which will continue in 2008. Knowing what exactly these groups are is important in understanding how American campaign politics has changed during this decade. On the one hand, there is much evidence to suggest that these groups were well embedded in the networks of each party (see Skinner 2005). Yet these organizations neither can nor could have replaced traditional party functions. The six national party committees all raised enough money in 2004 to match, or even exceed, their combined soft and hard money spending in past election cycles (Corrado 2006). By declining public matching funds, both President Bush and John Kerry were also able to substantially exceed the spending of previous presidential candidates. So from a financial angle, there was not as much money to replace as some might have expected. In addition, these groups did not duplicate party functions – they did not make direct contributions to candidates or engage in any of the traditional party activities. On the other hand, while these groups are separable from the parties, they do not necessarily fit the mold of traditional interest or advocacy groups, either. They did probably draw some large contributions away from advocacy groups, but they do not have dues-paying members, they do not lobby, and they do not have, or seek, an issue niche in the manner that advocacy groups do. While many of these organizations drew their funding from other interest groups, it is difficult to argue that they are functionally similar to advocacy groups.

In this article, I explore how one might situate these organizations within traditional theories of interest groups and political parties. That is, which set of theories might we draw upon to predict the political behavior of 527 groups? In order to address this question, it is also necessary to ask two sub-questions. First, what does the formation of these organizations mean (or what could it have meant) for group theory? Many contemporary analyses of interest groups have drawn attention to the dominance of business groups, or the dominance of single-
issue advocacy groups, and some of these theories have linked the current
correlation of groups to trends in citizen participation in politics. The distinctive
features of these organizations can lead us to address descriptive and normative
arguments about the role of groups and parties in American elections. And
second, why have these groups primarily been a phenomenon of the political left?
Why have conservatives failed to form rival organizations?

In regards to the first question, I seek here to disentangle the structure of these
groups from their intent. On one level, this may appear to be a semantic
distinction – if a group that raises money under a particular section of the tax code
or that is subject to particular regulations may be granted a certain designation, it
may be said to be an interest group regardless of what it is trying to do. On the
other hand, however, the leaders of many of these groups emphatically denied that
they were seeking to supplant the parties, or to perform traditional group
functions, and justified their groups’ activities according to their ability to do
what groups or parties cannot do. Ultimately, then, these groups’ leaders made
appeals to donors based primarily on what the groups could do, and only
secondarily on what they stood for. We are used to seeing interest groups and
political parties as broad organizations that engage in several activities in pursuit
of well-defined goals. For 527 groups, this arrangement is reversed – they seek to
engage in singular activities in pursuit of only vaguely-defined goals.

In regards to the second question, I shall argue here that these organizations
represented an attempt at political learning by Democratic partisans. Many studies
of the broader political trends of the past two decades have noted that individual
“post-materialist” causes are ably represented by liberal advocacy groups such as
the Sierra Club, the NAACP, or NARAL, but that there are few large
organizations on the left that have undertaken to advance a broader economic
message. The political right in the United States is comprised of fewer single
issue organizations, but conservative issues have been advanced within the
Republican Party, within conservative think tanks, and by individual issue
entrepreneurs. The formation of these new organizations represented a belated
effort by liberals to form a similar complex of groups, and the fact that these
groups sought functional niches – that is, for one group to concentrate on
advertising, for another to concentrate on voter registration and mobilization, and
so on – represented a new development in the politics of the left. These groups
formed as 527s because of the state of politics and of campaign finance law in
2004, just as conservative groups adopted different methods because of the
circumstances under which they developed.

The sentiment on the left that liberals needed to form broader coalitions and a
broader economic message has been a staple of Democratic strategists’ rhetoric
for several years (see, e.g., Greenberg 1995, Judis and Teixeira 2002). Yet most
of the leaders of these groups were reluctant to court public scrutiny, and thus it is
difficult to know how extensively this strategy had been thought out by the individuals leading these organizations. Whether these adaptations were made with a broader political strategy in mind, or whether they were an immediate reaction to BCRA and to these groups’ aspirations to unseat President Bush is unclear. In addition, legal hurdles and organizational hurdles appear to have prevented many (but not all) of these groups from becoming enduring organizations. Even if these groups are not hobbled by new rulings, 2006 has shown that they are not necessarily able to mobilize resources effectively in midterm elections, and they may also be handicapped in doing so under a Democratic President. This article may, then, be speculation about events that could have come to pass, but did not.

At a minimum, however, these often maligned groups do (or did) represent a new group “type” in political campaigns, and as such they are worthy of study. In order to advance my argument, a synopsis of the political background of these groups is necessary. Thus, I first provide a description of the 527 tax status and of the major new organizations that filed as 527s between 2002 and 2004, and I seek to provide a rough typology of 527 groups. I describe the immediate causes of these groups’ formations, the expectations of existing group leaders about what these groups would do, and the political and legal conflict over these groups’ activities. Second, I explore what I term the “deeper causes” of these groups’ formations, focusing on theories of the liberal/conservative balance of power in American politics and with particular attention to the Democratic tilt among 527 groups. Third, I explore traditional arguments about the features of political parties and interest groups, and how these features determine an organizations’ incentives and activities. I compare the structure and activities of these groups to these theories in an effort to seek to classify these groups and draw predictions for the 2008 cycle and future cycles from their behavior. And fourth, I note areas in which these groups diverge from our basic understandings of organizations’ political activities.

**Background**

Section 527 of the Internal Revenue Code covers political party organizations, political action committees, and other organizations that engage in political activities. Groups that are not party committees or PACs are not required, however, to file regular disclosure reports with the Federal Election Commission; instead, they file “periodic” reports with the IRS. 527 groups existed well before the passage of BCRA, and until 2001 they were not required to disclose their donors at all. Table 1 shows the diversity of 527 groups. Many veteran business or advocacy groups (such as the Sierra Club or the National Association of Realtors) maintain a connected 527 fund. Other groups, while in name distinct from
existing groups, drew an overwhelming majority of their money from one patron – this was the case with the Chamber of Commerce’s November Fund and organized labor’s Voices for Working Families. MoveOn.org, which is often mentioned by critics of the new 527 organizations, has actually existed since 1998, and in many ways functions like a traditional advocacy group, bundling contributions and operating its own PAC. Other organizations listed among the top 527 committees include several groups that are clearly related to the parties, including the Democratic Legislative Campaign Committee, the Republican Leadership Council, GOPAC, and the New Democrat Network. Finally, the 527 with the second-highest total receipts, Joint Victory Campaign 2004, is in fact a fundraising committee for two other 527s, America Coming Together and the Media Fund. Similar, smaller organizations, such as Democratic Victory 2004, are also listed among the largest 527 groups.

Table 1 shows all 527 groups with receipts of more than $2 million in 2004. If one winnows this list according to the above description – that is, removing connected 527 funds, groups overwhelmingly reliant on one patron, those linked at least in name to the parties, and those which serve as fundraising vehicles for other groups, we are left with nine organizations left among the 27 largest 527s. These organizations are listed in bold print in the table. Within this set, there is one distinction that stands out – whether the group was formed for an ongoing purpose, or whether it was intended to focus primarily on one candidate or one election. Briefly, the groups are as follows:

**America Coming Together (ACT)** was directed by former AFL-CIO political director Steve Rosenthal and EMILY’s List president Ellen Malcolm, but it did not draw heavily on the resources of either group. ACT’s stated purpose was to contact voters in battleground states. It grew out of an earlier, labor-funded 527 group, the Partnership for America’s Families, which dissolved amid infighting among its union supporters (Edsall 2003, Cillizza 2003, Bresnahan 2003). Although ACT leaders spoke of the role that the group could play in the 2006 elections – for instance, ACT had compiled voter lists that it felt could be effectively used in large states such as Ohio and Pennsylvania which had Senate and gubernatorial elections – the group formally disbanded in early 2005. Although it received between $7.5 million and $20 million from financier George Soros, and as much as $20 million from Peter Lewis (the two gave to both ACT and the Joint Victory Campaign, which in turn funded ACT), the group did solicit smaller donations from individuals and groups, and (unlike many other 527 groups) sought to make its activities and fundraising fully visible to the public. ACT maintained a free email list, and although it ceased operations in early 2005, after the 2004 election the group sent out several emails indicating that it planned
Table 1: 527 Organizations Active in the 2004 Elections With Receipts of Over $2 Million

<table>
<thead>
<tr>
<th>Organization</th>
<th>Partisanship</th>
<th>Connected?</th>
<th>Receipts (in millions)</th>
<th>Patron or Largest Donor</th>
<th>Active in 2002?</th>
<th>Active in 2006?</th>
</tr>
</thead>
<tbody>
<tr>
<td>America Coming Together</td>
<td>Democratic</td>
<td>No</td>
<td>$78.65</td>
<td>George Soros ($7.5m)</td>
<td>No</td>
<td>No</td>
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<tr>
<td>Joint Victory Campaign 2004</td>
<td>Democratic</td>
<td>No</td>
<td>$71.81</td>
<td>Peter Lewis ($16.0m)</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>The Media Fund</td>
<td>Democratic</td>
<td>No</td>
<td>$59.39</td>
<td>AFSCME ($2.1m)</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Progress for America</td>
<td>Republican</td>
<td>No</td>
<td>$44.93</td>
<td>AG Spanos Co.; Ameriquest ($5.0m)</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>SEIU Political Education and Action Fund</td>
<td>Democratic</td>
<td>Yes</td>
<td>$41.00</td>
<td>SEIU</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>AFSCME 527 Account</td>
<td>Democratic</td>
<td>Yes</td>
<td>$22.14</td>
<td>AFSCME</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Swift Boat Veterans and POWs for Truth</td>
<td>Republican</td>
<td>No</td>
<td>$17.07</td>
<td>Contran Corp ($3.0m)</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>MoveOn.org Voter Fund</td>
<td>Democratic</td>
<td>Yes</td>
<td>$12.52</td>
<td>MoveOn</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>New Democratic Network Non-Federal Account</td>
<td>Democratic</td>
<td>Yes</td>
<td>$12.22</td>
<td>NDN</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Citizens for a Strong Senate</td>
<td>Democratic</td>
<td>No</td>
<td>$10.85</td>
<td>Herbert &amp; Marian Sandler ($8.55m)</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Sierra Club Voter Education Fund</td>
<td>Democratic</td>
<td>Yes</td>
<td>$8.73</td>
<td>Sierra Club</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Club for Growth</td>
<td>Republican</td>
<td>Yes</td>
<td>$7.86</td>
<td>Club for Growth</td>
<td>Yes</td>
<td>Yes</td>
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<td>EMILY’s List Non-Federal</td>
<td>Democratic</td>
<td>Yes</td>
<td>$7.68</td>
<td>EMILY’s List</td>
<td>Yes</td>
<td>Yes</td>
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<td>1199 SEIU Non-Federal</td>
<td>Democratic</td>
<td>Yes</td>
<td>$7.48</td>
<td>SEIU</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>Voices for Working Families</td>
<td>Democratic</td>
<td>Yes</td>
<td>$7.47</td>
<td>AFL-CIO</td>
<td>No</td>
<td>Yes</td>
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<tr>
<td>League of Conservation Voters 527 Fund</td>
<td>Democratic</td>
<td>Yes</td>
<td>$6.55</td>
<td>LCV</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>College Republicans National Committee</td>
<td>Republican</td>
<td>Yes</td>
<td>$6.37</td>
<td>College Republicans</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>AFL-CIO COPE</td>
<td>Democratic</td>
<td>Yes</td>
<td>$6.34</td>
<td>AFL-CIO</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>ClubforGrowth.net</td>
<td>Republican</td>
<td>Yes</td>
<td>$4.12</td>
<td>Club for Growth</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Democratic Victory 2004</td>
<td>Democratic</td>
<td>No</td>
<td>$3.93</td>
<td>Ann Tenenbaum ($177,000)</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Laborers’ Political League Education Fund</td>
<td>Democratic</td>
<td>Yes</td>
<td>$3.67</td>
<td>LIUNA</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>National Association of Realtors 527 Fund</td>
<td>Republican</td>
<td>Yes</td>
<td>$3.21</td>
<td>Nat’l Ass’n of Realtors</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>November Fund</td>
<td>Republican</td>
<td>Yes</td>
<td>$3.15</td>
<td>Chamber of Commerce</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Partnership for America’s Families</td>
<td>Democratic</td>
<td>No</td>
<td>$3.07</td>
<td>SEIU ($1.95m)</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Grassroots Democrats</td>
<td>Democratic</td>
<td>No</td>
<td>$2.82</td>
<td>ATLA ($325,000)</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Stronger America Now</td>
<td>Democratic</td>
<td>No</td>
<td>$2.79</td>
<td>Steve Bing ($252,217)</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>America Votes</td>
<td>Democratic</td>
<td>No</td>
<td>$2.62</td>
<td>Three donors at $250,000</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>21st Century Democrats</td>
<td>Democratic</td>
<td>No</td>
<td>$2.54</td>
<td>A. Rapaport ($600,000)</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>SMWIA Political Education League</td>
<td>Democratic</td>
<td>Yes</td>
<td>$2.16</td>
<td>SMWIA</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Source: Adapted by author from Weissman and Hassan 2006, additional data from Center for Public Integrity and Center for Responsive Politics. Nonconnected, ostensibly nonpartisan groups are listed in bold.
to continue. Much of the information gathered by the group appears to have been transferred to Harold Ickes’s Data Warehouse Corporation for use in the 2006 and 2008 election cycles (Vandehei and Cillizza 2006; Green 2006).

*The Media Fund* was led by former Clinton administration official Harold Ickes, Jr. As the name indicates, the Media Fund concentrated on television advertising aimed at President Bush during the spring and summer of 2004. The Media Fund was the outgrowth of discussions among Democratic Party leaders who believed that the eventual Democratic Presidential nominee would be at a financial disadvantage during the summer of 2004; *Grassroots Democrats*, an organization designed to channel funds to state parties, was also an outgrowth of these discussions (Weissman and Hassan 2006, 85). The Media Fund ceased operations after the Democratic Convention, and it never sought to portray itself in as open a manner as did ACT – its website contained little more than scripts of its advertisements. The Media Fund was designed to complement ACT’s activities, and in several instances it aired television advertisements aimed to coincide with ACT mobilization drives or campaign appearances by John Kerry or President Bush. Ickes became the leader of ACT after Rosenthal stepped down in late 2004.

*Progress for America* was the largest Republican-leaning 527 organization. It was by far the largest advertiser among Republican non-party groups, spending an estimated $26.4 million on advertisements and $44.9 million overall in 2004 (Phillips 2007). PFA was originally formed as a 501(c)(4) but shifted its activities to a 527 organization in May of 2004 after it became apparent that the FEC would not regulate 527 groups (Weissman and Hassan 2006, 88). Unlike the larger Democratic organizations, PFA continued operating after the 2004 election. The group received a steep FEC fine ($750,000), however, for illegally coordinating its expenditures too closely with the Bush campaign (Phillips 2007). Following this penalty, PFA shifted most of its operations back to its 501(c)(4) following the FEC penalty (Weissman and Ryan 2007, 12).

*Swift Boat Veterans and POWs for Truth* arguably received funds in 2004 from a broader base than did any of the other major 527 groups. That is, only $4.65 million of its funds – or only slightly more than one-fourth of its total receipts – came from contributors of over $1 million. The group’s spokesman, Mike Russell (2005), claimed that the average contribution was between $50 and $60. Swift Boat Veterans was clear throughout the election that its intention was to discuss John Kerry’s war record, that it had no intention of forming an enduring organization. Russell argued after the election that “one of the more positive developments of this cycle was that 527s allowed for citizen groups to step
forward and mobilize very quickly, raise money, and spend resources as they see fit.”

If ACT was geared towards mobilization and the Media Fund was geared towards advertising, America Votes was a group whose goal was coordination. Apart from $500,000 in seed money from individuals, America Votes was funded through contributions of $50,000 or larger from five labor unions (AFL-CIO, the American Federation of Teachers, the National Education Association, the Service Employees International Union, and the American Federation of State, County, and Municipal Employees) and several liberal groups (including ACT, the Media Fund, NARAL Pro-Choice America, the Human Rights Campaign, EMILY’s List, the Sierra Club, MoveOn.org, the League of Conservation Voters, the American Trial Lawyers’ Association, Planned Parenthood, People for the American Way, and the Brady Campaign). The group was active in seventeen different states; member groups shared polling, targeting, and candidate training sessions. They divided states into geographic regions for voter contacting, and coordinated their rapid response efforts. Part of the long-term goal of this effort was to expand the voter files of these groups and fill in information on younger voters for all of these organizations. Unlike the other large, left-leaning organizations, America Votes remained quite active in 2006.

The two remaining large Democratic groups were far less visible. Citizens for a Strong Senate drew 85 percent of its money from wealthy investors Herbert and Marian Sandler; the group aired television advertisements in Senate races in six states (Justice 2005). It was run by former staffers of Vice Presidential candidate John Edwards (Weissman and Hassan 2006, 83). Stronger America Now raised large contributions from long-time Democratic soft money donor Steve Bing and from several prominent trial lawyers and trial lawyers’ firms. The group aired television advertisements during the general election in the presidential race and several congressional races.

Finally, 21st Century Democrats is the lone organization on this list that, while it lists its party affiliation in its name, cannot be said to merely be a fundraising vehicle for party interests. The group drew funds from traditional soft money donors to the party or from those who had contributed substantial funds to other left-leaning 527s; contributors included Soros, Linda Pritzker, and Peter Buttenwieser. The group’s stated agenda, however, makes it clear that it seeks to elect progressive Democrats, not merely to help the Democratic Party. 21st Century Democrats also figured prominently in discussions surrounding the creation of ACT and America Votes; the group was seen as a vehicle for involving younger voters in 527 activities.
Two unsurprising factors appear in this list—first, there are no bipartisan groups. Bipartisan groups tend to value access. For 527 groups sponsored by established interest groups, there clearly was no expectation that the 527 spending would increase the group’s access. 527s were likely viewed by these groups as a supplement to more traditional activities, and this supplement was primarily directed towards the group’s preferred party even if PAC contributions or other activities were not directed exclusively in this fashion. For the free-standing 527s, access was not pursued or expected at all.

Second, the relationship between donors and staff is somewhat ambiguous. It is certainly not unprecedented for individual donors to place conditions on contributions to existing groups, as the large individual contributions to Planned Parenthood, NARAL, and the NAACP in 2000 illustrate, and groups such as these would likely have received similar contributions in 2004 had the new 527s not emerged. But it would be difficult to argue that any of the larger advocacy groups are primarily the creation of one donor or a small group of donors. Some advocacy groups are largely the domain of one individual, but they tend to be recognized as such. In contrast, much of the raison d’etre of the newer groups seems premised on the desires of individual wealthy contributors. In particular, groups like Citizens for a Strong Senate seem to be little more than vehicles for a wealthy donor; even ACT, with larger funds at its disposal, made its decisions about which states to focus upon based on the contributions of Soros and Lewis. Several of these groups appear to be more than merely conduits for one individual, but few seem entirely independent of a relatively small number of donors. As Weissman and Ryan (2007) interpret the new FEC rules governing 527s, however, groups dependent on a small number of donors are likely to continue to be active in 2008 while those with a broader base, and hence a more overtly partisan means of soliciting donations, will not be able to operate as 527s.

A third factor, perhaps more surprising, is the lack of duplication of function among these organizations. While the infrastructure of Democratic-leaning groups appears to have been the result of careful deliberations among party elites, the neat division of labor was clearly not a given, as the conflict over the Partnership for America’s Future and among different labor unions showed. A parties-based perspective might categorize the major Democratic groups as a logical division of labor for those wishing to advance the party agenda; a more group-based approach might, however, note that could have been competition among groups to fill various functional niches. The conflict among labor groups did, for a time, pose the possibility that more than one group would be active in the same states, pursuing the same agenda but with different leadership. One component of the resolution of the conflict over the Partnership was an agreement by the leaders of Voices for Working Families that they would not be active in the same areas as ACT in order to avoid just such duplication. It is certainly possible that, had
President Clinton and others not taken a role in the development of ACT, there would not have been as much coordination.

Finally, as noted above in the discussion of the Swift Boat Veterans, 527s are ideally suited for quick mobilization, and in the case of groups that focus on advertising, appear to be an easy means for those with an interest in a particular election to play a role without creating much in the way of group infrastructure or organization. This is, again, not without precedent – in several election cycles prior to 2004 short-lived groups were formed with the intention of affecting election results. These types of 527 groups were predicted before BCRA, and they are hardly “groups” any more than those formed by the insurance or pharmaceutical industries in 2000 and 2002 (Americans for Job Security for the insurance industry, and Citizens for Better Medicare and the United Seniors Association for the pharmaceutical industry) are groups. What remains, then, are organizations like ACT, America Votes, and Progress for America – these groups make appeals separate from the party and at least appeared during 2004 to be built to last. The question, then, is what these groups are, exactly, in regards to existing group theories.

Deeper Causes

One of the most significant characteristic of the crop of liberal 527 groups that appeared in 2004 was their ability of the groups to pool group resources, to engage in coalition activities that individual groups may not be capable of by themselves. Collectively, these groups may be said to reflect an adaptation by liberals to the conservative trend within American politics of the past twenty years. Had this adaptation taken place earlier, these same groups might have appeared in a different form, but the 527 classification gave them an effective means of organizing to pursue their aims. As the Sierra Club’s Margaret Conway noted before the election, organizations such as American Coming Together and America Votes had been in the planning stages before BCRA, and in many cases merely solidified informal relationships between groups (Conway 2004).

To situate these organizations within broader political trends, two different accounts of the interest group politics of the past two decades are necessary. In The New Liberalism, Jeffrey Berry argues that citizen groups, most of which tend to adopt left-of-center positions, have been singularly successful in achieving their policy aims and in amassing influence and credibility on Capitol Hill. Berry documents this claim by comparing interest group lobbying, committee testimony, and other legislative activities from the 1960s through the early 1990s. Berry credits organizations such as the Sierra Club, Common Cause, and the NAACP with shifting American public opinion, and the congressional agenda, from material issues to “quality-of-life concerns” (Berry 1999, 2). Berry notes
that competition between these groups for members has led each group to adopt a particular set of signature issues. This squares with the argument that groups seek distinct policy “niches.” These groups’ activities have been primarily in the legislative arena, however; they have not concentrated their efforts on elections to the degree that conservative organizations have.

Conservative organizations, such as the Moral Majority and the Christian Coalition, have, according to Berry, had some political success but have not been able to clearly differentiate themselves from each other, from their individuals leaders, or from the Republican Party. These groups share the “post-materialist” focus of liberal groups but prefer to work in the electoral arena rather than in the legislative arena. Issue entrepreneurs such as Ralph Reed, Grover Norquist, and Gary Bauer are far more visible as individuals than are the groups they lead. For Berry, liberal advocacy groups represent the institutionalization of the movement politics of the 1960s, while conservative advocacy groups represent a countervailing social movement, but one without a similar institutional structure. In an effort to achieve influence within the Republican Party, these groups have forgone the construction of strong lobbying arms. They have instead sought to achieve power by working within the Republican Party and declining to press their issues when doing so disadvantages the party.

Berry cautions in the conclusion to his book that one should not assume that because liberal advocacy groups have prevailed on many policy issues, a broader liberal agenda has prevailed. Unions, he notes, have failed to prevent the decline in their membership, failed to prevent NAFTA and other free trade agreements, and have generally not been seen as sources of expert advice in the manner that advocacy group analysts have. For Berry, liberal groups have been successful in preserving environmental protection laws, in preventing further restrictions on abortion, and in expanding civil rights and consumer rights protections. Yet they have not linked these issues in a systematic way, nor have they forged links with traditional notions of economic liberalism or with a consensual Democratic agenda. The narrow niche focus of these groups has led to legislative success, but not to electoral success.

If Berry sees the glass as half full for liberals, Mark Smith sees the same glass as half empty. Smith (2007) notes that the issue appeals of liberal groups tend to be relatively narrow, and that the left lacks the infrastructure of think tanks, foundations, and so on that Republicans created, and that can craft a broad economic message – there are no liberal equivalents to, for instance, the Heritage Foundation. Public receptiveness to an economic message is “broad but thin” – that is, the public cares about economic issues, but there are few narrow policy niches from which advocacy groups can craft such a message. Voluntary membership groups, in particular, do not form around economic messages. For Smith, the constellations of groups on each side of the political spectrum work to

http://www.bepress.com/forum/vol5/iss2/art5
the disadvantage of liberal economic interests. There are, effectively, two types of liberalism, and they do not complement each other. As part of the “New Voice” Platform, the AFL-CIO’s John Sweeney had sought to expand the AFL-CIO’s coalition work with advocacy groups (see Gerber 1999, 86; Francia 2006, 7; Dark 1999, 183), and labor had sought to downplay its role as the largest group in such coalitions. Likewise, the networks among advocacy groups with different agendas, in 2000 and before, show a willingness on the part of such organizations to share ideas (see, e.g., Boatright, Malbin, Rozell, Skinner, and Wilcox 2003 for details on the NAACP and the Sierra Club). But the 2004 election represented, for liberal groups, a movement beyond this.

If one wishes to view these two arguments through a normative lens, it must be noted that the losers in both arguments are broadly based, participatory organizations. On the left, labor unions are by far the largest organizations, yet they are left out of both arguments. Their declining numbers and their lack of policy analysis credibility make labor unions unlikely vehicles for successful political advocacy. The largest liberal advocacy groups, such as the Sierra Club, still have fewer than one million members, a number large enough to fund skilled lobbying but too small to wield electoral clout simply by virtue of the number of members who can be mobilized to vote. On the right, a group like the Christian Coalition can boast a larger membership, but cannot necessarily boast of a skilled lobbying effort. And neither side would appear to be able to successfully bring about the type of citizen participation that political scientists such as Putnam (2000) and Skocpol (2003) have argued is necessary.

Hence the paradox of the pooling of resources by liberal groups in the new 527s and the emphasis on grassroots mobilization by many of these groups. A group like America Votes can enable Washington-based advocacy groups to pool their resources in order to reach a broader swath of the public in a more personal manner, and the fact that groups with diverse issue niches have joined together may signify an effort to craft a larger issue message. And a group like America Coming Together could reach more people in a face-to-face manner than had been done by interest groups in the past. These groups sought to stimulate participation, but they were not in and of themselves participatory, and the reluctance of many of these group leaders to court publicity made them unlikely vehicles for furthering participation in the long run.

These organizations gave the appearance, however, of being potential building blocks for a strikingly different group infrastructure than in the past. It is difficult to know whether this infrastructure was designed to address the structural issues Berry and Smith raise or merely a convenient financial arrangement. If one considers, for instance, the Media Fund, ACT, America Votes, the 501(c)(3) Center for American Progress, the 501(c)(4) Campaign for America’s Future, and the state- and local-election focused 527 Progressive Majority, it is clear that
these groups each sought a functional niche – one handled advertising, another handled voter mobilization, another brokered advocacy groups’ discussions, another served as a left-leaning think tank, and another focused on developing a “farm team.” These differences render these groups unique in that they do not square with previous understandings of interest groups or political parties, and they have implications for the behavior of these organizations. Republicans could, perhaps, have attempted something similar, but they did not need to in 2004; they already had a complex network of similar organizations in place, perhaps due to their minority status in Congress during the 1970s and 1980s.

Neither Fish nor Fowl: Classifying 527s

Interest Group Arguments

Political scientists have long endeavored to extrapolate interest group behavior according to particular group characteristics. As Baumgartner and Leech (1998, 22-23) point out, however, there is no commonly accepted definition of an interest group. They approvingly cite Salisbury’s (1984) contention that an adequate definition of an interest group must be expansive enough to cover every “active unit . . . that engages in interest-based activity relative to the process of making public policy.” According to this definition, 527s are arguably interest groups.

Other, more restrictive definitions, however, would place them, at the least, in a separate category from most interest groups. Baumgartner and Leech go on to list ten different definitions for interest groups, of which these 527s fill only three. These groups do not represent clearly defined social or demographic groups; they are not membership organizations; they are not social movements; they do not employ lobbyists; they do not have affiliated PACs; they do not participate in legislative or rule-making hearings; and they do not have relationships with corporations or government institutions. They are arguably comprised of individuals with similar beliefs (that is, they do have a political interest, albeit a diffuse one), they are coalitions of different organizations, and they do feature individual political entrepreneurs, despite the low visibility of many of these individuals in the 2004 elections.

To put matters more broadly, if we consider these organizations interest groups, we must ask what their “interest” is. Each group took a clear partisan stance in the 2004 elections, but they did not seek to establish an issue agenda per se. The ACT promotional material, for instance, claimed that ACT’s goal was to build “the largest voter mobilization project in American history. Knocking on doors and speaking the truth, ACT canvassers are laying the groundwork to defeat George W. Bush and elect Democrats in federal, state, and local elections in 2004” (America Coming Together 2004). The group’s web site did list issues of
concern to the group – including the deficit, health care, and the war in Iraq – but the section on issues was simply a compilation of media quotes, and was much smaller than the pages explaining what ACT planned to do in the 2004 election. Similarly, the Media Fund claimed on its website that its agenda was to present a “progressive message” and to “ensure that a Democratic message focused on issues of concern to all Americans will be on the air during the critical period between the end of the primaries and the Democratic Convention.” Smaller groups adopted similar rhetoric; Environment 2004 claimed on its website that the difference between it and established environmental groups is that it was the only environmental organization committed to only supporting Democratic candidates.

With the exception of America Votes and the 527s that are or were exclusively supported by individual unions, these groups relied upon large, individual donors (as Table 1 shows). It is difficult to fully describe these donors as members. A patron may play a major role in setting the group’s agenda, but because of the dominant role a patron plays, he or she is not the sort of member that, for instance, a dues-paying member of an advocacy group is. If the patron departs, the group is defunct. In the case of smaller donors – as, for instance, is the case with smaller donors to ACT – donors may be recruited based on ties with the patron or with an understanding of the function the group is to fill. That is, these donors are largely dispensable for the group, play little or no role in setting group priorities, and would appear to be seeking little in the way of benefits – even less, perhaps, than a donor to a cause-oriented group might. 501(c) groups may depend heavily on large donors as well – as the Sierra Club’s Carl Pope suggests, limitations on large donations would irreparably harm many traditional advocacy groups (Weissman and Ryan 2006) but they would not put these groups out of business.

There are two basic elements missing, then. First, the lack of a well-defined interest makes it difficult to provide a benchmark for outsiders (that is, those who do not run the groups or provide their funds) to measure group success, and this would also seem to influence the organizations’ long-term prospects. Had John Kerry won the 2004 election, it might have been difficult for these organizations to convert their efforts towards other issues, and it does not appear that many groups successfully adapted their strategies to the 2006 midterm elections. The lack of an issue agenda makes evaluating subpresidential candidates and races of importance problematic, and few other elections seem likely to generate as much fervor as the 2004 presidential race. Indeed, some of the most prominent nonconnected 527 organizations in 2006 were state- or election-specific, as shown by the activities of Softer Voices (in the Pennsylvania Senate race) and Too Extreme for Colorado (in the Colorado 7th District House race). In both instances, the 527 groups appear largely to have been vehicles of one donor or a small number of donors. As Table 2 shows (again, with the nonconnected, nonparty
Table 2: 527 Organizations Active in the 2006 Elections With Receipts of Over $2 Million

<table>
<thead>
<tr>
<th>Organization</th>
<th>Partisanship</th>
<th>Connected?</th>
<th>Receipts (in millions)</th>
<th>Patron or Largest Donor</th>
<th>Active in 2002?</th>
<th>Active in 2004?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Employees International Union</td>
<td>Democratic</td>
<td>Yes</td>
<td>$25.1</td>
<td>SEIU</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>America Votes</td>
<td>Democratic</td>
<td>No</td>
<td>$14.4</td>
<td>SEIU ($2.2m); George Soros ($2.1m)</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>EMILY’s List Non-Federal</td>
<td>Democratic</td>
<td>Yes</td>
<td>$11.8</td>
<td>EMILY’s List</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Club for Growth</td>
<td>Republican</td>
<td>Yes</td>
<td>$7.2</td>
<td>Club for Growth</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Progress for America</td>
<td>Republican</td>
<td>No</td>
<td>$6.2</td>
<td>Chartwell Partners ($5.0m)</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Int'l Brotherhood of Electrical Workers</td>
<td>Democratic</td>
<td>Yes</td>
<td>$5.5</td>
<td>IBEW</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>September Fund</td>
<td>Democratic</td>
<td>No</td>
<td>$5.2</td>
<td>SEIU ($800,000)</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Economic Freedom Fund</td>
<td>Republican</td>
<td>No</td>
<td>$5.0</td>
<td>Perry Homes ($5.0m)</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>America Coming Together*</td>
<td>Democratic</td>
<td>No</td>
<td>$4.5</td>
<td>SEIU ($2.75m)</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>College Republicans National Committee</td>
<td>Republican</td>
<td>Yes</td>
<td>$3.7</td>
<td>College Republicans</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Laborers’ Political League Action Fund</td>
<td>Democratic</td>
<td>Yes</td>
<td>$3.7</td>
<td>LIUNA</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Americans for Honesty on Issues</td>
<td>Republican</td>
<td>No</td>
<td>$3.0</td>
<td>Perry Homes ($3.0m)</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>GOPAC</td>
<td>Republican</td>
<td>Yes</td>
<td>$2.9</td>
<td>GOPAC</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>Gay and Lesbian Victory Fund</td>
<td>Democratic</td>
<td>Yes</td>
<td>$2.2</td>
<td>John Stryker ($750,00)</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>United Food and Commercial Workers’ Union</td>
<td>Democratic</td>
<td>Yes</td>
<td>$2.2</td>
<td>UFCW</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Majority Action</td>
<td>Democratic</td>
<td>No</td>
<td>$2.2</td>
<td>Adam Rose ($500,000); SEIU ($450,000)</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Grassroots Democrats</td>
<td>Democratic</td>
<td>No</td>
<td>$2.0</td>
<td>AFSCME ($350,000)</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>SMWIA Political Education League</td>
<td>Democratic</td>
<td>Yes</td>
<td>$2.0</td>
<td>SMWIA</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

* ACT disbanded in early 2005.

Source: Center for Responsive Politics. Totals for some groups are aggregate figures for multiple 527 organizations. Table includes only groups focused on federal elections.

Nonconnected, ostensibly nonpartisan groups are listed in bold.
groups in bold), there were indeed fewer 527 groups active in the 2006 election cycle, and most of those that were not directly connected to a PAC were still heavily dependent on unions (on one union, actually, the SEIU). The only new, truly nonconnected 527s were two groups funded entirely by Texas homebuilder Robert J. Perry: Americans for Honesty on Issues and the Economic Freedom Fund, both of which ran attack advertisements against Democratic candidates.

Second, the lack of a mass membership base renders these organizations somewhat autonomous – they do not need to provide benefits to their members in the same manner that traditional interest groups do, nor do they need to establish policy expertise or political clout. The limited fundraising base ensures that those who do fund the organization may be privy to information about group activities that the public does not receive, and they may be more amenable to appeals for funding than one would expect a more results-oriented group member to be. It also provides flexibility to the group – with no mandate to talk about any particular issues, it can change focus according to prevailing political trends. Although I note above that Moveon.org is in many ways a more traditional interest group, its evolution from a group focused on the Clinton impeachment in 1998 to its focus on the economy and the Iraq War in 2004 and beyond shows that it, as well, was far more able to adapt than a more issue-specific advocacy group could have been. Overall, however, these groups resemble the portrait of political participation painted by E. E. Schattschneider (1975) in *The Semi-Sovereign People* – some aspects of political participation may be pursued by groups that are not particularly participatory in and of themselves, and a mass membership base is hardly necessary for a group which seeks to encourage participation in politics more generally.

**Parties Arguments**

If 527 groups are not quite traditional interest groups, though, they also fit uncomfortably within the rubric of political parties. According to John Aldrich’s definition, political parties are first and foremost a creation of politicians; politicians create parties to pursue their own ends (Aldrich 1995, 4). As noted above, politicians and activists of good standing in their parties did have a hand in the creation of several of the larger 527s. Politicians, of course, create entities besides parties – the most notable recent example being, perhaps, the Leadership PACs of many members of Congress. This definition of parties, then, is necessarily broad (as Aldrich acknowledges). 527s clearly were created to engage in activities that the formal national party organizations, under BCRA, would have difficulty doing (see Skinner 2005, 1). As Skinner notes, there is a long history of 527 groups serving as “subcontractors” for the parties, engaging in activities that the parties are unable to perform. They can, then, be easily
reconciled with the party network or the so-called “shadow party.” The fact that Ickes’ next step after leaving ACT was to set up a private corporation to handle ACT’s database merely formalizes and routinizes the subcontracting process (see Edsall 2006).

To classify 527s in this nature, however, makes the party/group distinction fuzzy. To the extent that any conflict existed between 527 groups and the party, it was a conflict about which methods would work. ACT’s Ellen Malcolm, for instance, explicitly denied the contention that party leaders were active in forming 527 groups, arguing that a group backed by Democrats or which supported Democrats was entirely different from the formal party (Malcolm 2005). Rosenthal’s description of the AFL-CIO’s voter contacting method in the late 1990s – essentially the same method used by ACT – tended to set the AFL-CIO up in contrast to the parties, as an example of an organization that was able to demonstrate results in campaigns. Prior to the creation of ACT, Rosenthal speculated that former soft money donors would look for new “smart organizations” that were able to demonstrate their effectiveness in getting candidates elected (Rosenthal 2002, 554-55). That is, these groups were cast as competitors with the parties not in terms of the type of product offered, but in terms of the quality of the service. Individual politicians often compete in their efforts to define their parties, but there is little in party theory to demonstrate this sort of market-based competition among groups in their efforts to, in effect, show politicians how campaigns can effectively be run. This sort of competition does, however, take place among interest groups, as they seek to demonstrate their ability to mobilize members and achieve results – as, for instance, the National Rifle Association is said to have done in 2000 (see, e.g. Patterson and Singer 2002). Rosenthal’s (2004) post-election retrospective on ACT detailed the group’s targets and argued that the group had been effective – he cast blame instead on the party’s message.

Structure and Intentions

If 527s were engaged in this sort of effort to “show the party how it’s done” then their lack of endurance makes sense, as does their functional nature. Each of the major 527 groups appears to have selected a particular task, and to have courted donors based upon its ability to fulfill that task. The tasks of the major Democratic organizations – voter mobilization, advertising, and group coordination – would clearly have been diluted had there been competition within groups over the priority of each effort. For advertising groups, the intention may have been simple, or ephemeral – to, for instance, broadcast views about John Kerry’s war record. For others, the intention may have been slightly more enduring; ACT’s stated goal of creating a grassroots organization may have
appeared to be a multi-election goal, but to the extent that the DNC devoted more
effort to this or at least shifted its strategies in response (see Green 2006, Bai
2006), it would seem that ACT did also have a more short-term goal.

The sorting of interest groups (and parties, for that matter) into various tax
categories can provide a ready-made means of categorization. Students of interest
groups and parties, though, have long struggled over precise definitions. Most
studies of interest group politics begin with an acknowledgment that while some
groups are clearly interest groups, other organizations are somewhat more
difficult to define as interest groups. The same holds for parties; while the
national party committees are clearly part of the parties, other components of the
Democratic and Republican parties – voters, activists, organized interests, and so
on – are more ambiguous. 527 groups demonstrate this ambiguity.

**Predicting Group Behavior (or, Why does it Matter What 527 Groups Are?)**

Why, then, does it matter how one classifies 527 organizations? The 2004 and the
2006 election seasons provide several reasons:

First, 527 groups cannot be disciplined by the parties. Although many of the
major 527 groups did receive support from traditional party donors and in some
cases drew their staffers from the ranks of national party organizations, they are
able to become involved in party primaries and can run afoul of party goals.
Whereas traditional interest groups have generally sought access to legislators,
527 groups are not necessarily even interested in ongoing relationships with
legislators. If one is to link 527s with the parties, it makes more sense to group
them with party factions than with the parties more generally. Several ongoing
interest groups, most notably MoveOn.org and the Club for Growth, do at least
organize themselves in the manner of a traditional interest group, but these
organizations have shown that they can effectively act counter to the interest of
the parties. One would expect a freestanding 527 group to be able to do this as
well.

Second, 527 groups in 2004 tended to have a functional, not issue-based,
appeal. While I have noted above that a free-standing 527 organization is less
accountable to politicians and voters than are parties or interest groups, this can
make them more accountable to their principal donors. That is, donors to 527
groups may contribute based upon a particular strategic plan, and may expect
particular results. Donors to the parties cannot expect such results. Some donors
to issue-based groups may contemplate the effectiveness of the group, but many
donors to such groups may also give out of a shared concern for issues. A donor
to the Sierra Club is likely to give primarily out of concern for the environment,
and only secondarily out of clearly defined goals or a clearly defined plan as to
how to use the money contributed. On the one hand, this appeal may lead to the
transience of 527 groups—goals may, for instance, be election-specific or
determined by the context of the election. A focus on voter mobilization may
matter more in a closely fought, ideologically polarized election such as that of
2004 than in another election, but may matter less in other contexts. This is
ultimately a research question—do the large contributors to groups such as ACT
have a clearer understanding of how their money will be used than those who give
to an issue-based group?

Third, again in regard to the functional basis of 527 groups in 2004, the
Democratic 527 organizations conformed to much of the rhetoric prevalent among
liberals about the need for greater infrastructure. Insofar as the Democratic Party
has traditionally drawn more upon the support of advocacy groups than has the
Republican Party, this represents a shift in the Democratic coalition. The
involvement of liberal advocacy groups and organized labor in differing
functional groups such as ACT, the Media Fund, and America Votes may
represent a denouement to the sort of conflict described by Berry—but then,
again, it may merely reflect the clear ideological divisions of the 2004 election.

Fourth, 527s appear to have drawn major donors away from established
interest groups, and any restrictions on 527 groups pose the possibility of
returning that money to groups. The major concern among some analysts in 2004
was that 527 groups would replace party soft money. This was clearly a valid
concern, despite the fact that this does not appear to have happened in 2004.
There has been less discussion, however, of competition between 527s and
established interest groups for the same pool of money, and there had not been,
prior to 2004, very much discussion of competition between the parties and
organized interests for money. It is clear that 527 groups did corral money that
might otherwise have gone to organized interests—for instance, several 501(c)(4)
groups, including the NAACP, NARAL, Planned Parenthood, and LCV, raised
money in large donations in 2000, but in 2004 only one of these traditional, issue-
based groups (LCV) received an individual donation of over $1 million—and this
donation went to the group’s 527 fund (John Harris gave $1,479,000 during the
2004 cycle another $722,000 in 2005). Many issue-based groups expressed
optimism after the passage of BCRA that they would receive larger donations, but
527 groups appear to have received these instead. Thus, 527 groups may work in
conjunction with advocacy groups, and may pursue similar electoral goals, but it
seems clear that they are also in competition with them for funds, and that this
competition may have normative consequences.

All of these factors indicate that during the 2004 elections, 527 groups
represented something new in interest group politics. It is unclear at this point
whether any of these changes will endure—but the rapid changes in interest group
behavior in elections during the late 1990s and the 2000 and 2002 elections
indicate that they represented more of an evolution than a sharp break in interest
group politics. 527 groups do not appear to have had the consequences for political parties that some had forecast – in 2004, at least, they neither replaced the parties nor clearly weakened the parties. To the degree that they could, if unregulated, pose a threat to the national party organizations in the future, it is more of a threat of strengthening factions than of replacing the parties as major funding vehicles.

What remnants of this model will exist in 2008? The implicit demand or need will not be as strong in 2008 as it was in 2004. With all of the major candidates prepared to forego public funding, and with the track record of the parties raising ample funds in 2004 and 2006, it does not appear likely that there will be a concerted call for large contributions. The persistence of connected 527s in 2006, particularly with reference to the SEIU, probably means that there will still be substantial 527 spending, and the appearance of temporary 527 groups in 2006 would again seem to indicate that such groups will appear again. The sort of infrastructure created by Democrats in 2004, however, appears likely to be less dependent on 527s. The candidates and the party have already spoken of engaging in the type of effort ACT pursued in 2004, so an independent mobilization group does not seem likely. What does appear possible, and intriguing, however, is the potential for a re-emergence of issue-based groups. The new organizations that have attracted the most attention in the run-up to the 2008 election are groups that have vowed to inject a particular policy topic into the presidential debate; the $60 million “Ed in ‘08” initiative by the Gates Foundation and the Eli Broad Foundation, and the $30 million “One Vote in ‘08” campaign spearheaded by Bono are two such examples. While these groups’ efforts will not be organized as 527s, they may well be the most prominent large-donor groups. This may suggest that absent a polarizing issue or candidate, issue-based appeals can be more attractive. In other words, we may well have an election more like 2000 than 2004.

Conclusions

There were few defenders of 527 groups in 2004 or 2006. These groups were often presented as a deliberate exploitation of vagaries in the new campaign finance laws. One can certainly develop normative defenses of these groups, as Mike Russell’s quote above shows, but these were defenses without wide currency. ACT’s Ellen Malcolm repeatedly stressed that ACT had a connected PAC, and that it was not merely an attempt to circumvent the law (Malcolm 2005). She noted, in addition, the appeal ACT’s functional goal had for donors. There is, indeed, something appealing in the notion of organized interests that prioritize their method over their issue priorities. The policy consequences of such goals, however, are not clear. To the extent that functional groups are successful
in elections, it may be at the cost of limiting the discussion of issues in campaigns and of educating voters about policy options. In 2004, 527 groups represented an attempt by political elites, and Democratic political elites in particular, to substantially alter their political coalitions. Had the Democrats gained the White House in 2004, these groups might have been heralded as representing a new set of prominent political actors. As it stands, they present an example of fluidity in interest group politics, but it is unclear whether they represent an enduring change or merely a temporary sublimation of the goals of issue-based groups.

In this article I have sought to outline ways in which the development of independent 527 groups may have seemed promising at least to theorists, if not necessarily to good government advocates. At this point, it certainly does not appear that the candidates themselves will be in need of a major infusion of outside money; there will undoubtedly be substantial spending by organized interests, but the need will be less acute than it appeared to be for liberal groups in 2004. The dominance of connected 527s, of labor union 527s, and of 527s drawing primarily upon one individual or a small number of individuals in 2006 appears to indicate that if the major 527s represented a change in interest group politics in 2004, the intriguing theoretical dimensions of this change will have largely fallen by the wayside. The stated goals of some of these groups, however, provide some support for the notion that 527 groups were at least intended as something more than conduits for money; these goals give a glimpse of structural changes among interest groups that will be ongoing during the next election cycle.

One thing I have not done here, however, is address whether 527s are or were good or bad for American politics. As this article should show, the casual equation of 527s with soft money or wealthy donors misses much of the groups’ complexity. One must separate the inputs from the outputs here. In terms of their role in raising multi-million-dollar contributions, it is hard to argue that they have a salutary effect on the political process. And given the preference for bland, occasionally deceptive names, it is hard to argue that their benefactors felt entirely comfortable with the groups’ role in the election. If one looks at the outputs, however, the picture becomes more complicated. The merits of a media campaign are largely a function of one’s partisan views; it is difficult to evaluate the Swift Boat ads or the Media Fund ads without first considering one’s own views on Bush and Kerry. These groups are not solely to blame for these ads, however; nasty advertisements have been a feature of elections for years, and it may well be that the ads aired by 527 groups were no worse than ads run by candidates, parties, or advocacy groups in past elections. And the structural differentiation among groups may not give the average citizen much clue as to how to influence the election, but it does allow large donors the ability to demand some accountability for their donations. 527s may well be efficient for large donors; whether this is a good or a bad development is subject to debate.
Bibliography


