How Nonprofits Can Power a Pro-Democracy Movement to Withstand - and Confront – Authoritarianism

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Introduction

The constitutional system of the United States is under strain from a president who is "<u>allergic to the rule of law</u>," and moving to centralize power with "<u>greater momentum and rapidity</u>" than in other cases of democracies that "backslide" into authoritarianism.

In the face of rising authoritarianism, nonprofit leaders and their allies in the academic and philanthropic sectors need to see themselves as advocates for democracy, and act accordingly. In fact, through tangible actions, the United States's <u>robust nonprofit sector</u> can act as a key catalyst and accelerant for a Pro-Democracy Movement (PDM). **But nonprofit leaders must first see themselves as advocates, and act that way.**

This essay offers a few relevant lessons from right-wing infrastructure-building, as well as actions grouped into five categories that nonprofit and philanthropic leaders should embrace.

A note on terminology: I use "right-wing" and "authoritarian" interchangeably throughout this essay. President Donald Trump evinces authoritarian desires and takes actions characteristic of authoritarian breakthroughs. The Republican party is a right-wing party: 91 percent of Republican 2024 congressional candidates were rated "mainstream conservative" or "MAGA". Republican elites support the most authoritarian actions by the president, demonstrating their support for and cohesion around authoritarianism. I use "pro-democracy" to describe forces opposed to authoritarianism, and "Pro-Democracy Movement" or "PDM" to refer to a broad movement opposed to authoritarianism.

Right-Wing Infrastructure Has Lessons for the Pro-Democracy Movement

The <u>Powell Memorandum of 1971</u> is a detailed playbook that still guides right-wing politics today. Written for the U.S. Chamber of Commerce by future Supreme Court Justice Lewis Powell, the memo lays out a plan to roll back the New Deal and its "attack on the free enterprise system." Powell recognized the interlocking nature of political, educational, cultural, and media institutions - and the social circles that powered them. His memo describes a process for infiltrating and capturing them.

The Leo Model Is a Case Study in Movement Building

Leonard Leo is the most foremost disciple of the Powell Memorandum's holistic vision. The orchestrator of the Conservative Legal Movement (CLM), he has changed the culture of law schools, career pipelines within the legal profession, basic understandings of America's founding documents, and the trajectory of state and federal court rulings.

<u>All six right-wing Supreme Court justices are affiliated</u> with his primary organizational home, the Federalist Society.

He has cultivated funders - high-net-worth individuals, foundations, and to some extent small-dollar donors - and <u>directed their funds across a network of related organizations</u>. Some of these are 501(c)(3)s, some are 501(c)(4)s, and some are political action committees (PACs). He directs funds based on the interests of funders, but also their appetite for funding political and non-tax-deductible work.

Key characteristics of the Leo Model are:

- 1. Patience and long-term vision,
- 2. A willingness to keep failing until something works, and
- 3. A concern for taking care of people in the movement.

In recent years Leo has <u>turned his attention to influencing culture</u> through his new vehicle, the Marble Freedom Trust. The Trust is powered by a \$1.6 billion donation, which then-President Biden at the time <u>called out</u> as a "serious problem facing our democracy."

Nonprofit Leaders Can Build a Pro-Democracy Movement with These Actions

Nonprofit leaders must be central players in any thriving Pro-Democracy Movement. However, time is not on our side. Our authoritarian moment is the product of at least 50 years of concerted, well-resourced efforts.

Working in our favor are the lessons of the Leo Model, plus those of freedom, civil rights, and democracy movements around the world. These movements have intentionally operated in decentralized fashion. They have adapted to oppression and marginalization, ensuring no institution or leader is irreplaceable.

Public opinion is on the side of the PDM: <u>Majorities of Americans</u> feel the president is wielding too much power, that courts should rein in the president, and oppose the president targeted

disfavored institutions. Meanwhile, pro-democracy grassroots networks, such as <u>Indivisible</u> and <u>50501</u>, are growing rapidly.

Leaders in the nonprofit and philanthropic sectors can take actions within the following five categories to build a strong PDM.

1. Nonprofit and Philanthropic Leaders Must Aim for Political Outcomes

A first step toward the Pro-Democracy Movement is ending the conspiracy of silence around political impact. Nonprofits avoid describing their political wins to funders. Foundations rarely state what policy outcomes they seek, or what kind of advocacy-related work they support. Policymakers treat nonprofits as reactive service providers rather than proactive partners in democratic governance. The result is a risk-averse, cautious, and siloed ecosystem.

This silence is no longer just a barrier. It is dangerous. The Trump Administration is using investigations, defunding, and the threat of deregistration to attack nonprofits and philanthropies. In such a climate, funders and nonprofit leaders must be explicit about how they will contribute to the preservation of our democracy, and how they will work together to counter authoritarianism.

2. The Pro-Democracy Movement Must Take Advantage of the Full Suite of Advocacy Strategies

Reform efforts and movements often confine themselves to one or two strategies - protests and media coverage, or lobbying and litigation - rather than pursuing all strategies in a coherent way.

Table 1. Strategies for a Pro-Democracy Movement (Inspired by <u>Gen and Wright,</u> 2020)

Strategy	Characteristics
Lobbying	Pressuring policymakers (in legislative and executive roles at all levels of government) to take pro-democracy stands, including through funding political campaigns
Institutional Partnership	Working with those inside institutions to take pro-democracy actions, including local, state, and federal government; foundations; and academic institutions.
Litigation	Filing lawsuits and otherwise using the judicial system to seek pro-democracy actions.

Media and Cultural Influence	Influencing media portrayals and creating cultural products (especially on social media) that espouse pro-democracy messages.
Popular Power	Organizing mobilizations with the goal of forcing pro-democracy actions, such as through protests, strikes, ballot initiatives, and appearances at public meetings.
Inside-Outside	Synthesizing, within one effort, "inside" lobbying and partnership activities with "outside" pressure through media, cultural, and grassroots campaigns.

Right-wing organizations such as <u>Turning Point USA</u> (TPUSA) are masters of blending strategies. TPUSA influences elected officials through political contributions, via (c)(4) <u>Turning Point Action</u>; creates cultural products, including media and merchandise; and organizes local and campus-based mobilizations.

3. PDM Nonprofits and Funders Must Take Advantage of the Law

Foundations can support, and nonprofits can engage in, far more political activity than is taking place today. Solving this inefficiency could unlock billions of dollars for the PDM. What follows are actions for different kinds of organizations to take, as well as example organizations that are using the law to their advantage.

As they do this, they must take cues from the Leo Model: attention to long-term vision, willingness to fail, and taking care of people.

501(c)(3) Nonprofits

Approximately 75 percent of U.S. nonprofit organizations are 501(c)(3)s. These entities can engage in political activities, including lobbying. The easiest way for them to do so, without running afoul of IRS rules, is <u>taking the 501(h) election</u>. This allows organizations to use a simple expenditure test to measure their political activity.

For example, a small nonprofit that spends less than \$500,000 to advance its mission ("exempt purpose

Example: The Environmental Voter Project is a 501(c)(3) that focuses solely on increasing turnout among environmentally minded voters. It carefully avoids candidate endorsements, but achieves political outcomes by identifying and turning out low-propensity voters.

expenditures") may spend up to 20% of this amount on lobbying under the 501(h) election. (Foundations and faith-based organizations, and their affiliates, cannot take the 501h election.)

501(c)(4) Nonprofits and Political Action Committees

501(c)(4) "social welfare" organizations can engage in unlimited political activities, though influencing political campaigns cannot be their primary objective.

We need more of these, and more paired with 501(c)(3)s. Every 501(c)(3) - whether a homeless shelter, a nonprofit hospital system, or an issue-based advocacy organization - should consider establishing or partnering with a 501(c)(4). The (c)(4) may advocate for the interests of the (c)(3); it may contribute to coalitional efforts; it may fund prodemocracy media or cultural production. Once established, (c)(3) organizations may find their (c)(4) unlocks new donor interest.

Political Action Committees (PACs), also called Section 527 organizations, are primarily tools for electing candidates: they can give to politicians' campaigns and other PACs, and endorse candidates. **PACs are key**

Project (MVP) is a 501(c)(4) that serves as an ecosystem connector, linking dozens of local groups through 501(c)(3) and (c)(4) arms. MVP funds coordinated—but legally distinct—advocacy infrastructures, dramatically increasing community power without jeopardizing tax status. Many of MVP's partners use their 501(c)(3) capacity to run civic engagement campaigns and build trust year-round.

instruments for political campaigns, but are less needed for the PDM.

Charitable Foundations

A critical way for foundations to support the PDM is to award more general-support and capacity-building grants. In addition to being easier to administer, these grants are easier for nonprofits (especially small nonprofits) to receive, and make it easier to mask support for political activity.

When awarding project-based grants, **foundations can offer unlimited support to advocacy activities.** These include analyzing and developing policies, educating policymakers, and engaging voters.

Example: The Texas Education Grantmakers Advocacy Consortium (now called Philanthropy Advocates) was a coalition of funders that coordinated research, policy advocacy, and legislative engagement to restore public education funding—while remaining fully compliant with legal limits.

Foundations also can, and must, support grantees that engage in lobbying. Grantees may engage in lobbying as a component of achieving the goals of project-based grants, or to advance their mission.

Further, foundations can, and should, award grants and contracts to for-profit entities that can help them advance a pro-democracy agenda. As long as these awards advance the foundation's mission, and are subject to due diligence oversight, they are permissible.

For example, when a foundation awards a grant or contract to a law firm to "safeguard the rights of immigrants to due process," they should document that funds are being spent to advance this goal. However, this does not mean that the foundation needs to seek detailed documentation on the specific activities used to advance the goal of the contract.

Nonprofit and Philanthropic Sectors Should Consider a "Tip" to Pro-Democracy Work

To fund the PDM, all pro-democracy foundations and nonprofits should consider a "tip" to the PDM, setting aside 20% of their giving or expenditures for pro-democracy work. For foundations, this could mean creating a new democracy portfolio equating to 20% of outlays, or it could mean requiring grantees to build democracy work into their grants. Nonprofit leaders should generate buy-in to devote 20% of their effort to pro-democracy work, and seek funding to get it done.

A tip to pro-democracy work could generate billions of dollars per year. According to the Federal Reserve, private foundations currently held approximately \$1.5 trillion in assets in 2023. Thus, one-fifth of the 5% minimum payout of U.S. foundations equals \$15 billion per year. Not all foundations and nonprofits are pro-democracy, but this tip approach would generate significant revenue for PDM infrastructure.

5. The Pro-Democracy Movement Must Emphasize Art and Community

The Pro-Democracy Movement must embody a pro-democracy future. This includes creating media, art, and culture. Right—wing movements have increasingly recognized the importance of cultural production, as evidenced by TPUSA's turn toward media and cultural production, as well as the rise of right-wing media and culture organizations like The Daily Caller, Babylon Bee, and Countless right—wing influencers.

Art, especially <u>humor</u>, has always been a tool of anti-authoritarian movements. We must create safe, comfortable, and fun spaces for movement actors to convene, especially those who pursue different tactics, those who occupy different roles, and those who work on different issues.

Our authoritarian moment has been organized in the open at lavish convenings. At the 2024 Conservative Political Action Conference, <u>one speaker</u> called to "overthrow [democracy] completely," while January 6th rioters were featured on a podcast taped at the gathering.

TPUSA's AmericaFest is a giant, subsidized festival for young people on the right. Both convenings emphasize <u>networking and fun</u>.

These convenings span issues and factions. The PDM needs similar spaces.

Conclusion

To build a pro-democracy infrastructure, nonprofit and philanthropic leaders must undertake collective action spanning many strategies, take advantage of current law, and emphasize building connection across disparate communities and approaches.

Through the Pro-Democracy Movement, the nonprofit sector will become a potent counterweight to authoritarian drift. Mainstream philanthropy will act as an explicit partner in policy change.

One advantage of pro-democracy movements is their flexibility. PDM participants need not share a detailed agenda, only support the continuance of the United States as a constitutional republic. Organizations may continue to prioritize other issues, so long as they explicitly support democracy and devote some of their resources to pro-democracy activities.

The nonprofit sector faces existential threats. This may be the last chance we have to protect the civic infrastructure on which our democracy depends.