

Fighting Moneyed Interests with People Power: How Northwest Nonprofits Took on Influential Adversaries and Won

By Lisa Rangelhelli

On September 29, NCRP released the fifth report in our series, *Strengthening Democracy, Increasing Opportunities: The Impacts of Advocacy, Organizing and Civic Engagement in the Northwest Region*. It documented the impressive policy accomplishments of 20 organizations in four states: Idaho, Montana, Oregon and Washington. Collectively, they achieved more than \$5 billion in benefits for vulnerable communities and the broader public over five years. Many other policy victories were just as important but could not be quantified. For every dollar invested in these organizations for their advocacy, the return on investment was \$150.

These achievements are all the more impressive when one considers what the groups were up against in their policy battles. Often, advocates faced formidable opposition from those most vested in maintaining the status quo. These opponents frequently had much more money and political clout than the groups in our research sample did, yet in many cases the nonprofits won. What kind of muscle did each side bring to the fight? And how did community groups win despite the seeming power imbalance?

Some policy reform efforts are contentious because they touch on hot button social issues, such as immigrant rights and rights for lesbian, gay, bisexual, transgender and questioning (LGBTQ) individuals. Basic Rights Oregon was formed in 1996 in the wake of an onslaught of anti-LGBTQ campaigns. “We’ve seen more anti-



This volunteer handmade all these Montana Women Vote signs and banners

LGBTQ ballot measures than any other state,” noted executive director Jeana Frazzini. According to the Basic Rights Oregon web site: “For the past two decades, Oregon has been a testing ground for anti-LGBT policies. Through five statewide and more than 25 local anti-LGBT ballot measures, the far right has long used this state to assess public resonance with anti-equality policies, test messages and build infrastructure. Since the first ballot measure in 1988,

the right wing has spent well over \$8 million on statewide ballot measures alone [through 2007].”

Basic Rights Oregon started out being reactive to these attacks, but as it built its leadership and capacity, it became more proactive. Our report described how Basic Rights Oregon ultimately succeeded in winning two major victories in 2007: the Oregon Equality Act, banning discrimination based on sexual orientation, gender identity and gender expression, and the Oregon Family Fairness Act, creating domestic partnerships for same-sex couples. In 2008, Basic Rights Oregon successfully defended the nondiscrimination and domestic partnership laws against repeal attempts at the ballot.

In order to take on these well-financed and persistent opponents, Basic Rights Oregon adopted a number of strategies. Over time, it developed an organizational structure that allowed it to be politically nimble and to raise large sums of money, including a 501(c)(4) lobbying organization; a 501(c)(3) nonprofit, the Basic Rights Education Fund; a ballot measure political action committee (PAC); and a state candidate PAC. This structure enabled Basic Rights Oregon to use an array of tactics to achieve its goals, including getting more pro-equality legislators elected to office. The ability to raise money from multiple sources allowed Basic Rights Oregon to begin to level the playing field financially.

Basic Rights Oregon also credits its organizing, leadership development

PHOTO COURTESY OF MONTANA WOMEN VOTE

and alliances. Coalition building among business, labor, religious and other organizations to publicly support the campaign, grassroots organizing to bring constituents' views to legislators, and helping leaders tell their stories to the media and testify at hearings all were highly effective tools.

Finally, Basic Rights Oregon learned from its past defeats that it needed to transform itself into a fully inclusive organization. Frazzini reflected, "We had our moment in realizing that an LGBTQ movement that is led by white folks, primarily engaging white people, was not building relationships across race, or doing work to make sure we had relationships where we could support each other when these issues come up." Now Basic Rights Oregon is an anti-racist organization that integrates people of color as true leaders and partners in its work. Basic Rights Oregon makes broader connections to immigrant rights and other issues and explains why they matter to the LGBTQ community.

Other policy battles are hotly contested because they threaten the existing power and profitability of large institutions and groups, whether for-profit landlords, big business, predatory lenders or insurance companies. Washington Community Action Network (WCAN!) won the Washington Prescription Drug Card, a multistate purchasing pool that makes prescription drugs much more affordable, despite significant opposition from pharmaceutical companies. The Idaho Rural Council forced big dairy agribusinesses to negotiate stronger regulation of their toxic waste, and Northern Plain Resource Council in Montana successfully fought the efforts of coal bed methane companies to usurp water rights.

The Statewide Poverty Action Network (SPAN) took on certain parts of the banking and finance industry when it tackled predatory mortgage and payday lending practices. In 2009, SPAN's coalition, the Alliance to Prevent Predatory Lending

(APPL), overcame powerful and well-resourced industry lobbyists when the legislature enacted Washington's first law to rein in predatory payday lenders. The law set a maximum loan amount, capped the number of loans an individual can take out in any one year, included a repayment plan of up to 180 days, and created a statewide database to ensure compliance by payday lenders. Before the law passed, typically a borrower's only option was to repay the loan in its entirety, plus 391 percent interest, or pay only the exorbitant interest and roll over the full principal, contributing to a spiral of debt.

According to the national Center for Responsible Lending (CRL), payday lending volume is \$1.5 billion a year in Washington; \$1.1 billion of that is from churning, which is when the same customer takes out new loans repeatedly. Payday lending fees incurred by Washington consumers total \$194.5 million annually. With that much profit at stake, it was no surprise that the industry fought hard against the bill. "They did anything and everything to stop regulations that would impede their profit making ability," said SPAN

executive director Beverly Spears. "We were up against an industry with billions of dollars to pay lobbyists and make media buys. They circulated false information in low-income communities, and they even bought the loyalty of community organizations."

Spears said that APPL's broad and diverse membership and the ability to mobilize its base were important in combating the opposition. APPL included military, faith, labor, human services agencies and other community organizations. APPL also refined its message over the course of the five-year campaign. "At first, we were very timid with our message, but then we took the gloves off and started talking about 'legal loan-sharking,'" recalled Spears. Finding the right message, launching an aggressive media campaign and coming back bigger and stronger against the industry year after year made all the difference.

This year, Montana Women Vote, Montana Human Rights Network and other advocacy groups also are battling payday lenders, but through the ballot initiative process. With leadership and seed funding from the Montana



Members of Basic Rights Oregon rally for immigrant rights.

PHOTO COURTESY OF GREENFOCAL.ORG

Community Foundation and its Women's Foundation, advocates gathered enough signatures to get a measure on the ballot curbing exorbitant interest rates. Their opponents in the payday lending industry immediately filed two lawsuits in the Montana Supreme Court. Montana Community Foundation president and CEO Linda Reed observed, "This is not work for the timid. ... They will use anything they can think of. They claimed we collected signatures incorrectly and that the attorney general's ballot language was incorrect. It is just a tactic to take our eyes off the ball and scare some of the participants."

CRL has helped advocates in many states enact anti-predatory lending laws, and its staff prepared Montana leaders for likely industry tactics. "We knew the industry would challenge us as they have in other states, so we were extra careful with our documentation during the signature gathering process," noted Alysha Jannotta, executive director of Montana Women Vote. "We did strict tracking of who gathered signatures, how signature gatherers were

trained on the issue and documented it all with affidavits from them. We always thoroughly prepare our signature gatherers during ballot campaigns, but we wanted to have even better record keeping this time." The campaign planners also budgeted for legal counsel, knowing that the industry would use legal tactics to challenge their effort.

The campaign also has adjusted its tactics to protect individuals and organizations that could be targeted by the opposition. MWV encourages people most affected by a problem to share their stories publicly, but quite a few people have chosen to share their negative experiences with pay day loans anonymously. And the campaign is focusing on getting a thousand individual endorsers rather than organizational endorsements, so that nonprofits can be shielded from potential nuisance legal threats. Organizers remain confident that the courts will throw out the allegations of signature-gathering fraud, since there is no evidence of any, and that the measure will be approved by voters in November. "The Montanans we've

talked to about this immediately support capping these predatory interest rates," said Jannotta. "It's a no-brainer."

The Washington Low Income Housing Alliance and its allies have garnered \$300 million in the last two bienniums for the state housing trust fund, which in turn has leveraged an additional \$1.2 billion for affordable housing. While banks can be important partners in affordable housing development, the alliance has championed other causes such as foreclosure protections and tenant protections that put it at odds with lenders and for-profit landlords – two interest groups that have deep pockets to both pay lobbyists and contribute to state legislators' campaigns.

Like SPAN, the alliance has learned that strong, aggressive messaging is important before the opposition can get to legislators with their own talking points. In 2005, the alliance won approval of the "Slumlord Accountability Act" to provide stronger tenant rights and protections. The bill's title and the framing of the issue were so effective that for-profit landlords were shouted out of the legislature when they tried to defend unfair practices.

The media stories and testimony of tenants who had lost their homes and rent deposits also were persuasive. "We ask legislators over and over who are the most effective messengers, and they always tell us that hearing from the people who are directly impacted gets their attention," commented Michele Thomas, the alliance's policy director. Legislators also value the knowledge and expertise of service providers. "It helps that we are statewide. We have members all over the state who have developed relationships with elected officials and can educate them about housing and homelessness issues."

These legs on the ground – and in the state capital – are all the more important when the opposition's lobby-

PHOTO COURTESY OF STATEWIDE POVERTY ACTION NETWORK.



Young volunteers participate in a voter registration drive.

ists resort to blatant lies to confuse their own constituency and legislators, as when for-profit landlord lobbyists painted a bill to curb discrimination based on renters' source of income as a "rent control" bill. "We are combating these tactics by bringing in national experts who can help our members and allies in the legislature understand complex topics," said Thomas. "And our long-term hope is that we can better educate elected officials about the challenges the poor, tenants and the homeless face, so that legislators are less vulnerable to being confused and manipulated."

Advocates urge grantmakers, when making funding decisions, to keep in mind what communities are up against. Thomas noted, "It's labor intensive and costly to get service providers and affected constituents to Olympia to tell their stories to legislators. That's who elected officials want to hear from. We



Photo by Bill Wartley, Washington State Housing Finance, courtesy of the Washington Low Income Housing Alliance.

need more money just to do that."

Legislators also have confirmed what advocates already know – that nonpartisan voter registration and education are critical if advocates want to break through the wall of paid lobbyists who spend 24/7 at the Capitol.

Funders who want to see progress on issues that require challenges to entrenched and well-financed interests need to make a long-term commitment

to their nonprofit partners and provide flexible resources so they can get the job done. SPAN's Beverly Spears added, "It took us five years to win. That's the nature of advocacy. We depended on a lot of different sources of general operating funding to keep the momentum going."

Creative organizational structures, coalition-building among diverse sectors, statewide grassroots organizing, strong messaging, personal testimony and nonpartisan voter engagement all are proven strategies that advocates have used in successfully fighting powerful, entrenched interests. ■

Lisa Ranghelli is director of the Grantmaking for Community Impact Project and co-authored Strengthening Democracy, Increasing Opportunities: Impacts of Advocacy, Organizing and Civic Engagement in the Northwest Region.

Reflections on Sustainability *(continued from page 7)*

opportunity to reshape the future trajectory of our communities, our economy, and our social fabric. With our sharpened emphasis on sustainability, Surdna and many of our fellow foundations have found great partners in Washington who are intent on pushing sustainable practices into the mainstream of our economic future. From the Department of Housing and Urban Development, to the Department of Transportation, to the Department of Energy, the notion of sustainable communities has become the byword among the leadership. Even the National Endowment for the Arts is in on the conversation.

At Surdna, we see unprecedented opportunity in the period ahead. This economic crisis has been deep and we are not out of the woods yet, but the long-term prospects for building more

resilient and vibrant communities never have seemed more possible. With huge federal dollars being poured into innovation in spheres that will stimulate smarter and more sustainable economic development, like clean energy, a smarter electric grid, and more thoughtful transportation and land use policies, we see the table being set for strong and inclusive economic development in America's communities. Foundations like ours continue to play a key role in ensuring that these investments are made wisely and have the maximum impact over time, but we also must use our convening power and grantmaking influence to help ensure that the next economy includes those who have been left behind by structural racism or stagnant middle class wages.

Surdna's focus on the long term and

on the whole community, we believe, is the best bet. We all have been buffeted by the countercurrents of the deep economic distress of our communities on one hand and, on the other hand, the substantial down payment we are seeing in the economy, indeed the society, of the future. At Surdna, success will depend not only on whether concepts of sustainability become core to our collective understanding of what the future looks like, but also whether all members of our society participate and thrive in this future. In fact, we cannot see how a society can be sustainable without embracing the values of fairness and justice at its core. ■

Phillip Henderson is the President of the Surdna Foundation.