The MoveOn Effect

Disruptive Innovation in the Interest Group Ecology of American Politics

"Membership as we know it is a myth of the past."

I first encountered MoveOn.org unexpectedly, in the spring of 2000. I was the National Director of the Sierra Student Coalition (SSC) and, like so many of my Sierra Club colleagues, had developed a healthy dose of skepticism toward the assorted attempts to apply dot-com era enthusiasm for all-things-digital to political organizing. While attending a national conference on youth civic engagement, a colleague and I happened upon Peter Schurman, a former SSC staffer. We spent 20 minutes in conversation discussing politics, organizations, and individuals. I had to sublimate my reaction to his new job, working with some startup organization that had launched an e-petition around the Clinton impeachment hearings. As Peter talked about combining technology and politics, engaging supporters online, and learning from successful tech startups, I nodded politely and said little. But as he walked away, I turned to my colleague and muttered, "E-petitions...what a joke. That organization will never amount to anything."

Six years later, while conducting background research for my doctoral dissertation, I ran across another reference to Schurman. His organization, whose name had promptly fled my memory, turned out to be MoveOn.org. Peter had served as their first Executive Director. The subtitle of this book is in part a reference to that early conversation. The use of the Internet by political associations has changed from the time I was an advocacy professional to today. Groups like MoveOn played a central role in facilitating that development, and neither political practitioners nor political scholars were quite able to see clearly as the change unfolded. Unexpected transformations indeed.

Today, it would be nearly impossible to dismiss MoveOn as I did over a decade previously. With an e-mail-based member list of over 5 million and 2008 election year expenditures in excess of $90 million, MoveOn.org stands as arguably the single largest interest group in American politics today. Founded by a pair of technology entrepreneurs, the organization has maintained its commitment to campaign tactical and communications innovations, creating field-defining shifts in membership engagement and small-dollar fundraising practices along the way. MoveOn is an essential case example, not only for understanding new groups like the Progressive Change Campaign Committee that mimic its structure, but for more broadly assessing how the underlying political economy of American political associations has been altered by the new communications environment. It was MoveOn’s successful experimentation with new organizational structures, communications practices, and campaign strategies that signaled to longstanding political associations that the Internet was useful for something more than placing petitions and clearinghouse information into a more accessible medium. What’s more, the new organizational practices MoveOn has pioneered have fundamentally disrupted in nature, yielding greater utility to newly formed organizations than to legacy groups with existing reputation and influence.

This chapter explores the structural and tactical innovations that have led to MoveOn’s meteoric rise in American politics. Drawing upon previous works detailing the history of civic associations in America, it argues that the changes in membership and fundraising regimes introduced by MoveOn are similar to the changes witnessed in the late 1960s and early 1970s—changes that led both to an “interest group explosion” and to the replacement of a previously dominant organization-type with a new modal organization-type. It provides a detailed account of the “Internet-mediated issue generalist” model, as typified by groups like MoveOn and the PCCC. Such groups span multiple issue spaces, function with greatly reduced overhead costs, mobilize their community-of-interest around the daily political headlines, and utilize data-rich “analytics” tools to obtain passive democratic feedback from their online memberships.

The chapter also explores the systematic impact of changing communications technology on existing advocacy organizations—“the MoveOn Effect.” To be clear, the MoveOn Effect is not a reference to the immediate effectiveness of the organization itself. Rather, it refers to the second-order impact of changes in membership and fundraising regimes—changes successfully pioneered by MoveOn.org—on an organizational population built in response to older membership and fundraising regimes. Based on a combination of in-person observation, elite interviews, e-mail content analysis, and secondary source literature review, the chapter delves into nonprofit fundraising, a topic that often remains obscured from view by organizational firewalls and confidential data-sharing agreements. Simply put, it is commonly known that direct-mail-based fundraising is in decline. American citizens have increasingly turned to online bill
payment. Response rates to direct-mail solicitation drop as a result. As a recent Monitor Institute study put it, “The expense of direct mail is going up, the yield rate is going down, but there is no replacement strategy.” Online fundraising provides an alternative, but one that better serves “headline chasing” groups with minimal overhead costs. The large staffing and office expenses of legacy organizations are based in a beneficial inefficiency of the old fundraising environment, ill-supported by targeted online fundraising techniques. The more efficient online communications medium comes at a cost for the old generation of political associations, just as the rise of direct-mail fundraising in the 1970s contributed to the decline of a previous generation of civic associations and enabled the rise of single-issue, professional advocacy organizations.

This chapter has four parts. It begins with a discussion of the historical analogues to the MoveOn Effect, drawing upon important research contributions by Theda Skocpol and Bruce Bimber in particular. It then offers a brief discussion of MoveOn’s history. The path from forgettable 1998 startup to left-wing juggernaut includes several important lessons regarding the partisan adoption of technological innovations. The third section will provide a detailed analysis of the “MoveOn model,” which approximates the Internet-mediated issue generalist model. Here I detail MoveOn’s staff structure, membership relations, engagement practices, and fundraising strategies. This section relies both on interviews with current and former MoveOn staff and on the Membership Communications Project (MCP), a large-scale analysis of six months of e-mail appeals that I collected from 70 major progressive advocacy groups (see Methods Appendix for details on the MCP data collection process). The final section will use MCP data along with secondary-source information on nonprofit fundraising techniques to highlight the disruptive character of the new fundraising practices, highlighting the “generational” nature of the current transition.

The Historical Analogue: Information Technology and the “Interest Group Explosion”

Theda Skocpol offers a key historical analogue in her 2003 book *Diminished Democracy*. Writing in response to Robert Putnam’s argument about the decline of social capital and civic engagement in 20th-century America, Skocpol argues that much of the drop can be attributed to the transformation of the organizational layer of American politics. Detailing the long history of cross-class federated membership organizations in American civic life, Skocpol demonstrates that a crucial shift “from membership to management” occurred in the late 1960s and early 1970s. That time period saw an explosion in the number of DC-based registered lobbying organizations, but also saw a substantial decline among federated membership organizations that had long provided an institutional basis for American civic participation. Skocpol attributes this shift to a number of important factors, including the rights-based issue framework emerging from the Civil Rights Movement, the governmental opportunity structure that placed a premium on expert lobbying opinion over citizen input, and a change of membership regimes from membership-as-participation to membership-by-mail.

This final point bears particular elaboration: the very concept of organizational membership changed. Membership in federated civic groups consisted of attending meetings, holding office, and otherwise forging an identity-based attachment as an “Elk” or a “Rotarian.” Such identity-based membership is evident in a host of historical artifacts from early generations, from ribbons and marches to gravestones and eulogies. It is also a necessary antecedent to the dues payments that early civic associations required for sustenance. Skocpol offers rich examples of early organizational founders traveling from city to city, developing the tapestry of local group affiliates necessary to fiscally sustain a national organization. The new generation of professionally managed political associations relied instead upon direct mail (and, later, door-to-door canvass operations) for their membership recruitment. This created a new category of “armchair activists” who, incentivized through some combination of solidarity, purposive, or other selective incentives, gave financially without participating locally. Armchair activists agreed with the issue focus and broad purpose of a political association, without directly participating in its activities. Such issue-based membership attachments were easier in a host of ways, requiring less time and commitment on the part of the individual and requiring less maintenance and attention on the part of the organization. However, the easier membership model also created far fewer attachments, making them less useful as “laboratories of democracy” and generators of social capital.

Writing contemporaneously with Skocpol, Bruce Bimber offered a valuable insight into the technological underpinnings of this sea change in organization type. Bimber’s *Information and American Democracy* describes the development of political associations in American politics over the course of four “information regimes.” Bimber’s central argument is that major changes to the costs and availability of information directly affect the political economy of association-building. Simply put, organizations prior to the late 1960s had to engage in the costly task of developing local infrastructure, because the mainframe computing database technology necessary for financially viable direct-mail appeals had not yet been invented. The falling costs of information, broadly defined, facilitate novel developments in membership and fundraising regimes, in turn encouraging the growth of new types of political associations. Skocpol makes brief note of these technological underpinnings but otherwise remains mute on the role of information technology in structuring decisions about the management, structure, and financing of nonprofit political and civic associations.

Bimber goes on to discuss the Internet as a “fourth information regime” and describes the features of “postbureaucratic” advocacy groups that he expects to
emerge in that system. Figure 2.1 summarizes these predictions, combining elements of Skocpol’s and Bimber’s work to highlight what we can think of as three “generations” of political associations in America. Centrally, the common thread between Skocpol’s and Bimber’s work is the contention that changes in membership and fundraising can produce a generational shift among advocacy organizations. In the language of population ecology researchers such as Virginia Gray and David Lowery, changes to membership-based funding streams affect the available “energy” in an interest group ecosystem, altering the arrangement of organizational niches and displacing the dominant organization-form.9 Organizational sociologist Debra Minkoff highlights that these generations are not monolithic—rather, she and her colleagues have found that the DC advocacy group system features multiple clusters of organization types.10 Not all legacy advocacy groups rely on direct-mail support and armchair activism. What’s more, Elisabeth Clemens has traced the roots of modern interest group politics back to the late 19th and early 20th century reform movements.11 The Generational concept is a heuristic device, a means of highlighting developments that affect which organizations gain resources and political influence — “market share,” so to speak.

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Figure 2.1 Core Features of Three Generations of Political Associations

They are only a rough tool for measuring the organizational diversity within an advocacy group system.

While decades of scholarship from the interest group and social movement traditions detail the “interest group explosion” of the 1970s, Skocpol and Bimber lead us to reflect specifically on changes among membership associations, a particularly vital, particularly public form of interest group.12 The very notion of organizational membership changed in the 1960s and 1970s, both as a response to the social movements of that era and as a response to advances in information and communications technology. New revenue streams emerged, and old ones decayed, leading not only to more political associations but also to an ecological change in the prevalent type of organization. Bimber predicted that a similar change would occur in response to the Internet. He viewed it as a sustaining (rather than a disruptive) innovation, based upon the early organizational case examples available at the time. As we see in the following section, MoveOn.org’s organizational model likewise revolves around a redefinition of associational membership.

The Growth of MoveOn

MoveOn.org was founded by Joan Blades and Wes Boyd, a married couple who made their fortune in the mid-90s tech boom when they created, among other things, the highly popular “flying toasters” screen saver. In 1998, during the midst of the Clinton-Lewinsky affair, the two grew tired of scandal politics and started a simple website where visitors could sign a petition asking Congress to censure Clinton and “move on.” Attention to the website diffused virally, and within a week 100,000 people had signed the petition, eventually attracting 500,000.13 When the petition failed to make an impression on Congressional decision-makers (as online petitions are wont to do), Blades and Boyd reached out to their list and invited people to engage in citizen lobbying and other pressure tactics. The group attracted a fair amount of media attention as a new, Internet-mediated interest group, but was viewed mostly as an odd anecdote rather than a game-changing powerhouse.14 Blades and Boyd’s experience as technologists have left an essential imprint on MoveOn’s organizational philosophy, leading the group to adopt and adapt the practices of a tech startup rather than the practices of legacy political associations. The result has been a culture of ongoing experimentation and technological innovation in the hopes of “bringing real Americans back into the political process.”15

In the aftermath of the Lewinsky scandal (and around the time when my own incidental encounter with Peter Schurman occurred), MoveOn remained an Internet-mediated organization, albeit one that lacked a particularly clear mission. It boasted a large e-mail list and a nimble, virtually networked staff that required
few overhead costs, but the organization's niche within the "interest group ecology" of the American Left was unclear. This is, in part, part of a pattern that we will see duplicated in later chapters—a feature of the partisan adoption of technology I refer to as the party innovation incentives thesis. The year 1999 featured a Democrat in the White House, facing off with insurgent Republican opponents in the House and Senate. What should a generally progressive/liberal "call to action" focus upon in such circumstances? Which issue demands immediate action, and what clear message should citizens send to their representatives? To be clear, I am not suggesting that new organizations are formed only during periods of oppositional politics, but rather that nascent organizations are being created at all times, and the circumstances that allow an organization to build a large membership, sustainable fundraising, and reputational authority are weighted toward periods of counter-mobilization.

Indeed, it wasn't until the post-September 11th lead-up to wars with Afghanistan and Iraq that MoveOn would emerge as a leading voice for self-identifying progressives in America. Eli Pariser, then a college student at Simon's Rock College, built a similarly large list around his website, 9-11peace.org.14 Blades and Boyd recruited Pariser to join MoveOn's staff, merged the two large e-mail lists, and the three of them quickly brought the organization to the forefront of the burgeoning anti-war movement (Pariser would become MoveOn's second Executive Director in 2004). Michael Heaney and Fabio Rojas find that MoveOn emerged as a central hub of anti-Iraq war mobilization activity.15 Whereas the political agenda for left-wing organizations in 1999 was fractured and opaque, the political agenda for the American left in 2003 was obvious: "Stop the War." Over the following half-dozen years, MoveOn would master this responsive, oppositional style of political engagement. The Bush administration set the national political agenda (and could count on supportive Republican congressional majorities from 2002–2006). MoveOn reacted to that political agenda, "chasing the headlines," so to speak, with timely calls to action.

MoveOn's e-mail-based appeals quickly moved well beyond the simple e-petition the organization had been founded upon. In the lead-up to the 2004 Democratic primaries, MoveOn launched its own "MoveOn primary," in which supporters could vote online for the candidate they felt the organization should endorse. Occurring during a lull in the campaign cycle, while political reporters were thirsting for a new angle on the impending Iowa caucus and New Hampshire primary, the primary attracted substantial national media attention. Howard Dean earned a plurality of these votes (and Dean's vocal online supporters thusly were added to MoveOn's member roles), but, lacking a majority, the organization made no endorsement. Also in 2004, MoveOn would host its "Bush in 30 seconds" competition, soliciting user-generated political commercials, encouraging supporters to vote on the best one, and then inviting those supporters to donate and help air the commercial during the Super Bowl.16 Through exhaustive message-testing and the development of several innovative campaign tools, MoveOn developed a capacity for generating millions in small-dollar contributions, launching online and offline oppositional tactics to the latest Bush administration efforts, and continually building its list of occasional-to-frequent left-wing political participants.

In the 2008 election, MoveOn's e-mail member list ballooned to over 5 million, much of it based on eye-catching viral videos and offers of free Obama/Biden merchandise. MoveOn members donated over $88,000,000 to Barack Obama, and 933,800 of them volunteered a combined 20,841,507 hours to his campaign. Much of this occurred through "online-to-offline organizing," with the help of the organization's system of location-based “MoveOn Councils” that act as an Internet-mediated equivalent to the local chapters of Skopelosian civic associations. In non-priority states, the group organized web-based "Call for Change" phone banks, with members in Vermont downloading a list of members in, for instance, Virginia, calling them, and inviting them to join the local organizing efforts. Far from the "clickstream" petitions often bemoaned by scholars and public intellectuals, the Call for Change program allowed MoveOn's network of political partisans to directly engage in one of the most traditional "offline" political tasks—Get-Out-the-Vote election phone calls. In battleground states, it also developed direct partnerships with the Obama campaign field system.17 The political advocacy start-up had become a well-established feature of the political advocacy system.

The MoveOn Model

MoveOn's success in establishing itself as a major organization in 21st century American politics is undeniable. The organization has become a touchstone among the new generation of advocacy groups, spawning spinoffs such as ColorofChange.org, Momsrising.org, Avaaz.org, and (to a lesser extent) the PCCC. Former MoveOn staff play major roles in other central political organizations, including the Democratic National Committee (through Organizing for America, discussed in Chapter 4), the New Organizing Institute (discussed in Chapter 5), and legacy political associations. Its tactics and organizational practices have also been mimicked by a variety of Internet-mediated issue specialists—niche organizations that focus their attention on a specific issue area. As the organization moved from nascent political startup to central political hub, elements of its successful "model" received intense interest from the rest of the advocacy community—from public intellectuals, consultants, major donors and grantmakers, and peer organizations. The workings of that model can be divided into four categories: organizational structure, membership, engagement practices, and fundraising.
MoveOn Organizational Structure

Three features of MoveOn's organizational structure represent significant departures from traditional political associations. First is the small size of the core staff itself—despite having over 5 million members and being one of the most prominent political organizations in America, MoveOn's staff size fluctuates between 20 and 35. This core staff is augmented by a phantom staff numbering in the hundreds—short-term employees brought in to organize in election season, for instance. Second is the lack of physical infrastructure—there is no MoveOn central office, an organizational policy referred to as "radical decentralization." Third is the set of networked, hybrid organizational practices that the staff size and radical decentralization promote. Whereas older organizations, in line with Mario Diani's early predictions, have used the Internet to modestly increase the efficiency of intra-organizational communication, MoveOn and other newly founded organizations assume a radically different structure, made possible by the technical affordances of Internet communication.20

MoveOn's staff is remarkably small. Whereas other major nonprofits in America have professional staffs in the hundreds, MoveOn had only 21 full-time staff members in 2008. (Some organizations have this many people in their human resources department alone!) The organization has since increased staff size to support offline volunteer activism, primarily through MoveOn Councils discussed in a subsequent section. The organization's staff structure has often been misunderstood by researchers. Noriko Hara for instance, conducted volunteer and staff interviews in a study of MoveOn's 2004 "Leave No Voter Behind" campaign, but was able to gain access to only short-term staffers brought on for that particular campaign.21 These "phantom staff" occupy a limited space in the organizational hierarchy. Whereas the 20–30 core staffers are in frequent, active communication with one another, the hundreds of additional task-specific campaign workers are given much more limited roles. Hara draws the conclusion that "within the organization, MoveOn appeared to struggle with yielding control to some paid staff."22 In actuality, MoveOn actively involves their core staff in wide-ranging organizational decisions (one of the benefits of keeping its core staff so small). The larger group of task-specific staffers is accorded an equivalent lower level of decision input. The phantom staff is a key modification of Bimber's "post-bureaucratic" organizational form. Rather than employing a large staff and developing a bureaucratically departmental structure to manage their performance, the organization invests in a limited set of networked participants, hiring short-term organizers as needed.

The second key feature is the organizational policy against any established MoveOn offices. The organization eschews traditional overhead costs of office space, management staff, and paperwork support. There is a standing policy forbidding the creation of MoveOn field offices. Natalie Foster, who worked as Deputy Field Network Director from 2006–2008, explains the philosophy as follows: "If there are no offices, there's no water cooler talk. Offices create satellite offices. MoveOn wants to keep the organization flat, with no hub offices and no organizers stuck on the periphery."23 Rather than a human resources department, MoveOn has Chief Operating Officer Carrie Olson, who has worked with Blades' and Boyd since their time in the software industry. Olson turns to outside vendors for larger tasks, further leveraging the "phantom staff" system. MoveOn's core staff communicate with each other throughout the day via Google Chat, e-mail, cell phone, and conference call. They physically work from home offices or coffee-houses, though, a policy that flattens intra-organizational communication while lowering the overhead costs necessary for sustaining the organization.24

The staff size and infrastructure policy enables MoveOn to operate as a "networked nonprofit" in ways that older organizations cannot.25 When interviewing current and former core staffers, the common response to "what is your job title" was some variation on "job titles change a lot/ I've played a lot of different roles." The frequent communication and regular in-person staff retreats foster a style of network-oriented participation that cannot occur in larger organizations. Following the logic of the "birthday paradox," arranging a meeting of 20–30 people is a much different undertaking than arranging a meeting of 200–300.26 This contributes to the continuous tactical experimentation and innovation that we see from the organization. Staff teams can bridge multiple skill sets. Departmental hierarchies can remain fluid, allowing key individuals to be re-tasked to an emerging issue or political opportunity. Founded by technology entrepreneurs, MoveOn has borrowed from the "start-up" culture of the software industry, keeping the staff small so that the organization can remain nimble. That "nimbleness" infuses the membership, engagement, and fundraising practices of the organization as a whole.

MoveOn Membership

Membership in MoveOn is the singular most disruptive feature of the group's model. Much as the direct-mail pioneers redefined organizational membership from "participant" to "small donor," MoveOn redefines membership from "small donor" to "message recipient." The organization chose to decouple the member-donor linkage, counting all e-mail recipients as "members." As a result, many of the organization's members remain unaware that they merit such classification.27 If you have never given money or taken political action with the organization, but you once forwarded a funny election video of theirs to a friend, is "member" the right term for your involvement with the group?

For MoveOn's purposes, unlike the purposes of the large political advocacy associations that predate it, the breadth of their "membership" is justifiable. For
MoveOn, there is virtually no downside to having an expansive list. Matt Bai makes this distinction in his book, The Argument, terming it “The Power of the List”: “In a virtual world . . . few things [are] as valuable as a massive list—that is, a database of names and e-mail addresses that could be identified with a single need or interest, and thus could be mobilized with the push of a button.” The distinction here lies in the dramatic reduction in transaction costs online. When organizations communicate with their membership through the mail, a large, disorganized list consumes too many resources. This is because the savings through economies-of-scale are minimal: the postage on 1,000 pieces of mail is 10 times the postage on 100. Online, however, an e-mail to 100 consumes the same resources as an e-mail to 1,000 or 10,000. When the marginal cost of communicating with an additional member is greater than 0, there is an incentive to cultivate narrower and more responsive lists. When the marginal cost of each membership communication approximates 0, there is an incentive to cultivate broader lists, regardless of responsiveness.

The infinitesimal marginal costs of e-mail give rise to the “culture of analytics” or “culture of testing” found in MoveOn and other netroots organizations. MoveOn is able to engage in elaborate forms of message testing on a day-to-day basis. The organization actively monitors data on “open rates” (how many recipients open the e-mail), “clickthroughs” (how many readers click on the “ask”), “action rates” (how many readers sign the requested petition, forward the message, donate, etc.), and “removal” (how many recipients ask to be removed from the list). Test messages are sent out to subsets of MoveOn’s list, often with varying issue frames and political “asks,” in a methodology that approximates a randomized field experiment. Only those messages that receive acceptably high open and clickthrough rates are distributed to MoveOn’s entire list for action. Such practices, known as “A/B testing” originated with direct-mail fundraising but take on a different texture in the new medium. Whereas testing a direct-mail package takes weeks to yield results and carries with it significant financial expenditures, testing an e-mail produces results within hours and incurs no incremental expense. Likewise, the low costs of information storage and retrieval allow MoveOn to parse their list in a variety of ways, identifying high-activity and low-activity members, as well as members who display or report interests in specific issue areas. If even the lowest-involvement “member” takes one action per year, MoveOn captures additional value from their membership redefinition. And if such members never take action, the costs to the organization nonetheless hover close to zero.

The change in membership regimes favors Internet-mediated “issue generalists” like MoveOn over single-issue organizations focused on environmental protection women’s rights, civil rights, or other specific topics. Issue generalists can attract supporters interested in all of these topics, engaging in headline chasing when the subject is ripe for political action. In 2010, the organization worked on health care, climate change, women’s rights, labor issues, tax policy, Wall Street reform, net neutrality, gay rights, and the midterm election. They frequently partnered with single-issue legacy organizations on these actions. But while the legacy groups appealed to supporters only around their singular issue topic, regardless of the media agenda, MoveOn pivoted only when the issue was ripe for action. The practice of headline chasing is particularly well suited to changes in the news environment, matching the well-established newsroom trend toward more event-driven news.

The organization also selects a handful of priority campaign issues each year, serving as a bulwark against the limitation of headline chasing. The downside of headline chasing is that it is a purely reactive activity. Those topics that receive active media attention are at the “top of the head” for message recipients, and thus receive greater clickthrough rates. The danger is that an organization that bends with the political winds will have little capacity for setting the broader political agenda. In selecting priority campaigns, MoveOn seeks to take a more active role in setting the political agenda. As the following section describes, those MoveOn supporters who participate most actively in the organization are given some small franchise in setting the course of its activity through the priority campaign process.

MoveOn also launched a new initiative in 2011, SignOn.org, which allows members to create their own petitions. Though still in beta testing as this book goes to press, SignOn is designed like a “warehouse” site such as PetitionOnline and Change.org. Any supporter can craft their own e-petition through SignOn.org. MoveOn includes a disclaimer, taking no responsibility for the content of the petition. MoveOn monitors petition traffic to SignOn and selects popular topics to forward on to segments of its national membership. It thus allows for a “trickle-up” mechanism, in which activists around a local or peripheral issue can demonstrate the popularity of the topic, increasing the issue’s exposure in turn. Headline chasing may typify MoveOn’s Internet-based membership, but it is not the sole feature.

**MoveOn Engagement**

What does membership actually mean within MoveOn? How does the organization engage supporters, and what does it ask its members to do? Four elements of MoveOn’s membership engagement are particularly worthy of discussion. First is the set of activities in which the organization invites its membership to participate. Among the critics of “clicktivism,” MoveOn often is invoked as an organization that sends out a near-constant stream of e-petitions. As part of the Membership Communications Project (MCP), I analyzed six months’ worth of action alerts from the organization, categorizing them by action type. The results
reveal a far more varied tactical repertoire. Second is the process of passive democratic engagement enabled by the pervasive presence of A/B testing. Such engagement is a major benefit of the activity-based membership regime, solely available to organizations that have embraced this new conception of group membership. Third is the prevailing philosophy of "Strong Vision, Big Ears" that leverages various opportunities for active democratic input, albeit only under circumstances selected by the central staff. Fourth and finally, there is the MoveOn Council system—a limited version of the "neo-federated" organizational model that we will explore in detail in Chapter 4.

The "clicktivism" critique of MoveOn maintains that the organization engages its 5 million members through simple online e-petitions and other tactics that ask little of the membership and thus have little effect. Looking at the organization's actual e-mail trail leads to a very different perspective, however. From January through July 2010, I collected these e-mails through a dummy e-mail account as part of the MCP dataset. Seventy progressive organizations were included in the data analysis, based primarily on their inclusion in Erica Payne’s *The Practical Progressive*, a book that profiles a network of organizations supported by the Democracy Alliance donor community (see Chapter 5 for further discussion). It is important to note that, because of the A/B testing practices, the messages collected in the MCP do not constitute the entirety of MoveOn’s membership e-mail. MoveOn tests its messages with random segments of its overall list. It also sends weekly member input surveys to random segments of the overall list and sends additional e-mails to MoveOn Council members. The data provides a member’s-eye view of e-mail practices, providing a useful baseline for comparison, but it is not technically an exhaustive list.

MoveOn’s e-mail practices display a mix of online and offline action requests. The organization sends, on average, between three and four e-mails per week. These messages include informational updates, funding requests, action alerts, event announcements, and requests for member input. Of the 99 messages received between January and July 2010, 77 featured a call to action. Figure 2.2 provides a breakdown of those action requests. While 18 of these action alerts were indeed e-petitions, an equal number were requests to attend a local event—usually a house party or a rally. MoveOn also asked its membership 14 times to e-mail or call Congress, and 16 times asked its membership to donate to a political candidate they were supporting in the Arkansas Democratic Senate primary. Twice it asked members to make Get-Out-The-Vote (GOTV) calls for that candidate, and once it asked members to contact President Obama.

MoveOn’s tactical repertoire also includes more-participatory forms of engagement. In 2004, for instance, it announced the user-generated "Bush in 30 Seconds" advertisement contest. MoveOn members submitted potential videos highlighting their opposition to Republican policies, voted among the submissions to select a winner, and then were invited to donate $25 to help put that video on the air. This contest—the first of its kind—soon faced two problems, however: a "spatial voting" problem and a "merry prankster" problem.

The spatial voting problem is as follows: Ifissue ad submissions run the gamut from centrist to hard left, an online voting process should winnow to the median policy preference of a MoveOn member. As MoveOn members are, by definition, engaged partisans, this policy preference will be far to the left of the median American voter . . . the eventual audience of such commercials. Indeed, there is anecdotal evidence that this flaw creates practical issues, as with a 2008 campaign spot titled "Alex." The commercial featured a young mother with her baby, named Alex, asking John McCain, "When you say you would stay in Iraq for 100 years, were you counting on Alex? Because if you were, you can't have him." Comedian Jon Stewart previewed the campaign ad on *The Daily Show*, and Stewart followed it with the punchline: "That ad of course brought to you by MoveOn.org, ten years of making even people who agree with you cringe." The spatial voting problem is a variant on the polarization through participation issue referenced in Chapter 1.

The merry prankster problem will receive full attention in Chapter 6, but we see a preview of it in the Bush in 30 Seconds contest. Out of the thousands of videos submitted for consideration by MoveOn members, two of them labeled President Bush a war criminal and drew unfortunate comparisons to Adolf Hitler. MoveOn did not select this video or endorse the message, as its voting membership did not support either video. Nonetheless, conservative activists seized upon these ads as proof of the organization's radicalism. Seven years later, prominent conservatives continue to (falsely) claim that MoveOn produced an advertisement
comparing President Bush to Hitler. MoveOn took greater care in vetting its 2008 "Obama in 30 seconds" user-generated content contest and has otherwise eschewed such tactics, a recognition that open-source or commons-based production practices can carry serious risks when deployed against a motivated opposition.

There are several MoveOn engagement activities that offer less participation than Bush in 30 Seconds but more than the standard e-petition. These include the web-based "call for change" program, which enables members to host and attend Get-Out-The-Vote house parties by allowing them to download a voter list in a target state and then use their cell phones at a local member’s house to hold a no-cost phone banking event. The "Back America" bake sale is another such online/offline venture. In 2004, it involved 14,000 members holding a national bake sale, raising $750,000. The organization also coordinates nationwide "house parties," planned around campaign-related videos (such as Michael Moore’s Sicko and Al Gore’s An Inconvenient Truth) and events (such as presidential debates).

MoveOn’s A/B testing fosters a type of passive democratic engagement that represents a major advance over the tools used by legacy advocacy groups. Driven by a variety of "analytics" tools, MoveOn and similar Internet-mediated issue generalists simply know more about their online supporters than previous organizations could ever hope to. The Sierra Club, by contrast, has historically hired a survey research firm to conduct a biennial membership survey. Surveying a direct-mail-based membership is costly and slow. Surveying an e-mail-based membership can be incorporated into the daily workflow of an organization.

The transition toward a "culture of testing" has illustrative parallels in the news industry. In his landmark newsroom study, Herbert Gans (1979) noted his surprise "that [journalists] had little knowledge about the actual audience and rejected feedback from it. Although they had a vague image of the audience, they paid little attention to it; instead, they filmed and wrote for their superiors and themselves." Recent research from Joseph Turow, Pablo Boczkowski, Philip Napoli, and C.W. Anderson examines how changes in the "industrial construction of audiences" have affected newsrooms. Anderson describes how the introduction of web metrics (the number of clicks and comments per story) facilitates "management strategies that emphasized the widespread diffusion of audience metrics." At one online news site, Anderson finds, "It is not an exaggeration to say that website traffic often appeared to be the primary ingredient in news judgment." The introduction of tools that provide a rough quantitative measure of audience interest can dramatically change work routines for a news organization. Once a measure of audience feedback has been constructed, it takes on meaning within the newsroom.

Consider the parallel among advocacy groups: for Skocpol’s traditional federated membership organizations, member input moved slowly up the organizational hierarchy, generally taking the form of an annual convention where local delegates could weigh in on important organizational matters. For the issue-based, professional organizations that replaced the federated civic associations, member input was even more limited, occurring through infrequent membership surveys and annual reports, if at all. (As Bimber notes, this one-way, national-scale communication was the hallmark of the broadcast information regime.) Membership surveys among these professional organizations frequently arrived as thinly disguised fundraising appeals, meant to increase supporter response rates through a veneer of grassroots participation.

MoveOn, by contrast, is capable of measuring, nearly in real-time, which issue topics, message frames, and action requests are of greatest interest to their online membership. A/B testing, in this sense, serves not only to optimize the efficiency of their action requests but also to keep them abreast of member interest. This is a particularly important point to consider in light of some of the group’s more controversial tactics. MoveOn received a formal Congressional rebuke and outraged national headlines after it ran a 2007 full-page advertisement in the New York Times referring to General David Petraeus as "General Betray-Us." As one staffer noted to me, this tactic was overwhelmingly popular with their membership. Not only had thousands of individual small donors "chipped in" for that specific ad; the comparative open and clickthrough rates revealed that this action was more popular than more moderate frames. The supposedly radical action gave voice to the preferences of a massive, participatory membership.

Awareness of these activist preferences is a mixed blessing of sorts. It is a boon to fundraising and engagement practices—MoveOn does not need to guess whether a message frame or action request is too strident for its membership; it can run a test. But, having already attracted a polarized segment of the broader populace, it then selects tactics that appeal to the engaged minority. Much as A/B testing at The Huffington Post yields strident headlines even when little controversy is present, A/B testing within advocacy organizations moves them further away from the passive and moderate median American voter. In the tradeoff between political participation and public deliberation, MoveOn’s engagement repertoire is weighted toward improving participation.

Legacy organizations claim to speak for hundreds of thousands of "armchair activists" who support their day-to-day strategic choices through a small annual donation. By contrast, MoveOn and similar netroots groups are constantly aware of the revealed preferences of their activity-based, online membership. And, importantly, such results can be obtained only if an organization embraces MoveOn’s definition of membership. Legacy political associations have also developed large e-mail lists, but they maintain a distinction between e-mail "supporters" and dues-paying "members." While doing so offers them some of the benefits of the new communications environment, it raises the technical challenge that these constitute two non-overlapping sets of stakeholders.

MoveOn also employs a range of active democratic engagement tools. Research and Development Director Daniel Mintz describes the organization’s guiding
philosophy as "Strong Vision, Big Ears," and this is evidenced in three forms of member input. MoveOn sends out a weekly membership survey to a random segment of its list (screenshot in Figure 2.3). Through this active form of input, they moderate the dangers of "headline chasing" by seeking clear indications of what the organization's positive priorities ought to be. Former staffer Matt Ewing noted that input from these surveys guided the organization's decision to endorse Barack Obama on February 1, 2008—before the "Super Tuesday" primaries, when Hillary Clinton still appeared to be a strong frontrunner for the nomination. For weeks, MoveOn had monitored member interest through the weekly surveys. After John Edwards suspended his campaign, member interest in a MoveOn endorsement rose dramatically. Ewing described it as a "very scary moment" when the organization sent out a membership-wide vote, yielding 70% support for Obama over Clinton. Figure 2.4 provides the text of the organization's endorsement announcement.

In a similar vein, since the Democratic Party retook the Congressional majority in 2007, MoveOn has held a biennial voting process to establish its major priority campaigns. The multi-stage process includes online submissions of suggested priorities, local deliberation at house party events, and worldwide Internet-based voting on priority issues. Membership votes serve to minimize the downsides of headline chasing. They provide digital members with greater ownership of MoveOn's campaign efforts, while also attracting media attention by signaling the results of a membership vote.

Figure 2.3 Screenshot of MoveOn Weekly Member Survey

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**Forwarded message**

**From:** Eli Pariser, MoveOn.org Political Action <moveon-help@list.moveon.org>
**Date:** Fri, Feb 1, 2008 at 12:10 PM
**Subject:** [Bounce] (3,074-336: IDbb8b16; 12015) MoveOn Members Endorse Obama
**To:** Johnny Neumann <johny.neumann@example.com>

Dear MoveOn member,

With hundreds of thousands of ballots cast across the country, for the first time in MoveOn's history, we've voted together to endorse a presidential candidate in the primary. That candidate is Barack Obama.

Something big is clearly happening. A few weeks ago, MoveOn members we surveyed were split. But with John Edwards bowing out, progressives are coming together. Obama won over 70% of the vote yesterday, and he's moving up in polls nationwide. As comments poured in from MoveOn members across the country, the sense of hope was inspiring. Here's how Christine Y. from New Jersey put it:

"I've never felt so strongly about any one candidate in my entire life. He's truly an inspiration to all of us—especially the younger generation. I will stand by him 100% for as long as he's willing to stand up and fight for this country!"

What does MoveOn's endorsement mean? People-power. Together, we are 3.2 million Americans who care about our country and want change. Half of us live in states with primaries or caucuses this coming "Super Tuesday."

Vote results

<table>
<thead>
<tr>
<th>Candidate</th>
<th>Votes</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obama</td>
<td>197,444</td>
<td>70.4%</td>
</tr>
<tr>
<td>Clinton</td>
<td>83,084</td>
<td>29.6%</td>
</tr>
</tbody>
</table>

Figure 2.4 MoveOn's 2008 Presidential Endorsement E-mail

MoveOn's redefinition of the membership concept alleviates controversies over membership enfranchisement. A serious threat for an issue-based or identity-based membership organization is that online voting could be swamped by supporters of a candidate who has no other stake in the organization's work—another iteration of the merry prankster problem discussed in Chapter 6. The Sierra Club, for instance, has a 133-page manual devoted to the particularities of its local, state, and national endorsement process. The manual is designed specifically to prevent such attempted takeovers by "outsiders." For MoveOn, though, there is no such thing as an outsider; there is just a large swath of people who have yet to sign up. If supporters of a fringe candidate want to mobilize to join MoveOn and vote in favor of his or her issue positions, that just increases the size and power of MoveOn's list! Such supporters, assuming they share MoveOn's general values, can become the most active MoveOn volunteers—local campaign partisans are among the most likely to remain politically active once the campaign has ended.
In theory at least, this provides an opening for conservatives to join the organization in a new way in order to distort its election results and priorities. Three barriers remain to a takeover likely. First, the sheer scale of the organization, with 5 million members, means that a conservative takeover would have to be truly breathtaking in scale. Conservative groups have yet to assemble 5 million online members for any joint effort. Second, such a large-scale mobilization could not happen quickly, meaning that progressives could just as easily counter-mobilize to balance out the attack. Third (and, from a structural perspective, most importantly), MoveOn's central staff decides which questions will be posed to the membership. MoveOn is participatory and democratic in practice, but this participation is based in philosophy rather than bylaws. In the case of a massive, malicious strategic voting effort, the staff could just stop asking for the membership for their opinions.

A final element of MoveOn's participatory framework is their system of roughly 200 MoveOn Councils. These Councils consist of a minimum of four active members in a given locality. The members receive increased attention and authority, and are charged with planning local actions and fostering a sense of local identity. In operation since 2004, the Council structure has been a relatively minor part of the MoveOn system, an indicator of the organization's status as a primarily e-mail-based political association. In the aftermath of Barack Obama's presidential victory, MoveOn increased staff support to the Council system, hiring 11 new field organizers to increase offline volunteer capacity. The existence of the Council system provides a cautionary note when trying to affix a single model type to any Internet-mediated organization. Just as Democracy for America is best known for its neo-federated system of strong local groups but also engages in MoveOn-style nationwide e-mail initiatives, MoveOn primarily speaks with a single voice to its national e-mail list but also includes some locally federated elements. For theoretical clarity, the role of such online-to-offline engagement tools will be relegated to Chapter 4, but it bears repeating at this point that MoveOn does not eschew such practices.

**MoveOn Fundraising**

There are three distinguishing features of a MoveOn fundraising appeal: medium, audience breadth, and issue salience. The first two have already been discussed to a certain extent: (1) MoveOn fundraising occurs via e-mail, a "push" medium that scales up near-costlessly from 500 recipients to 5 million recipients. The incremental cost of including an additional e-mail approaches zero, with the only limitation being server capacity. This allows the organization to operate as (2) an "issue generalist," reaching the broadest possible audience rather than confining itself to those members with a high propensity to give. The third feature is particularly important, however: because of their large member base and issue-generalist stance, MoveOn is capable of targeting their fundraising appeals to whatever issue dominates the current media cycle. Many controversies erupt briefly in national politics and occupy media and public attention for a single news cycle. The speed of the Internet as a medium allows groups like MoveOn to fundraise and organize public pressure around these short-run controversies. Bureaucratically organized, single-issue interest groups built for the older communications environment lack the staff structure and fundraising capacity to engage around such an issue, instead remaining focused within their issue niche. But for the duration of that short window, fundraising around the topic is particularly successful because the issue is at the "top of the head" among the politically aware masses. The tremendous difference between MoveOn's online fundraising and the online fundraising of the earlier generation of political associations lies in these distinctions of audience breadth and issue salience.

Consider the following fundraising e-mails, the first from SaveOurEnvironment.org, the second from MoveOn, both of which were sent out a few days prior to December 31, 2008:

"We have less than 48 hours to reach our goal of raising $10,000 by 11:59PM on December 31—and we're not there yet . . .

There are lots of reasons why you should give to SaveOurEnvironment.org right now:

First, because we're counting on you. [...] Second, because the year is coming to a close. [...] And third, because there is no time like the present. The time for excuses is over—America needs strong environmental policies that support a sustainable green economy today. Help us make it happen."

SaveOurEnvironment has, in essence, moved their traditional direct-mail-based fundraising operation online. They thus take advantage of the reduced costs of the medium, but they reach a much smaller audience than MoveOn, and their appeal lacks clear issue salience, suggesting that members should give "because there is no time like the present." Compare this to MoveOn's appeal:

"Dear MoveOn member, You've probably heard about how Wall Street financier Bernard Madoff scammed investors out of at least $50 billion. But you may not have heard that his victims included the foundations that support some really important progressive organizations. Groups that fight for human rights, fair elections and racial justice are getting hit hard—just in time for the holidays. We've worked side-by-side with many of them.

If these groups can't replace the funding that came from investment accounts that Madoff stole, they may be forced to start cutting important projects or, in some cases, even lay off staff. Can you pitch in $25 or $50 for each of the four organizations we're highlighting below? Our friends at Atlantic Philanthropies..."
and the Open Society Institute will each match every dollar that comes in until January 11. So, for the next three days, your donation of $25 or $50 means $75 or $150 for groups affected by Madoff. If a few thousand of us give together, it can make an enormous difference—and help repair some of the damage Madoff has done. Click here to contribute."

MoveOn then goes on to note that the year-end contribution will be 100% tax-deductible and provides a brief description of the four organizations they are supporting. The “MoveOn Effect” in fundraising regimes can be understood thusly: While direct-mail fundraising uses relatively generic issue appeals to solicit small general funding donations, MoveOn uses targeted e-mail fundraising to make timely appeals related to a specific fundraising purpose. MoveOn frequently will send out a newly produced television commercial, asking their members to view the commercial and then “chip in a few dollars” to help put it on the air.

The specificity of MoveOn-style targeted funding requests comes at a cost, however: legally, organizations must obey “donor intent” in their expenditures. Most of MoveOn’s fundraising appeals ask for a highly targeted form of support—$25 to put a campaign commercial on the air or place a field organizer in a critical state. Targeted appeals have always had a higher rate of success, and they are routinely used by large nonprofits when approaching major donors and foundations. Anyone familiar with university administration is familiar with the challenge this presents: donors would prefer to give money toward a particular, tangible project than toward the general fund. Many nonprofits divide their fundraising efforts accordingly, with direct mail based in a “Development” office and major gifts coordinated through an “Advancement” office. Direct-mail fundraising offers the longstanding benefit that the money is unrestricted—direct-mail dollars are general fund dollars, so to speak. They can be used to pay for human resources departments, staff trainings, and physical infrastructure, whereas organizations are legally prevented from applying too large a percentage of targeted, project-specific funds to these overhead costs. For MoveOn, with its “phantom staff” and “radical decentralization” of office space, restricted online donations present little problem. But for legacy organizations forged under earlier membership and fundraising regimes, all fundraising dollars are hardly created equal. Thus, the disruptive pattern emerges.

The MoveOn Effect: Generational Displacement and Interest Group Reformation

In 2011, the Monitor Institute produced a study titled “Disruption: Evolving Models of Engagement and Support.” With the backing of the Packard, Knight, and Robert Wood Johnson Foundations, Monitor Institute staff were able to conduct comprehensive interviews with membership-based advocacy group staffers. Foundation funders wanted to know how the Internet was affecting legacy organizations, and the organizations complied. The report reveals trends that have been quietly acknowledged among advocacy professionals for years: direct mail is dying. A core revenue stream for organizations built in the past 40 years, it has now entered a steep decline. Like their analogues in the news industry, none of the longstanding organizations know quite what to do about this dilemma. Despite pedigree, reputation, and continued mass support, leading organizations face a disrupted organizational field and serious funding questions.

Two quotations from the report are particularly illuminating, colorfully illustrating trends that I witnessed during off-the-record interview sessions. The first regards the state of direct mail. The second offers a comparison with online fundraising:

1. “Over the last 15 years our direct mail fundraising has been an attempt to do more faster in order to hold on to what we have. Postage and production costs have gone up. We’re like raccoons on a wheel at the zoo—going as fast as we can and not getting anywhere. Direct mail had a growth decade in the 80s. In the 90s it continued to grow but at a slower pace and, ever since 2000 it’s been going downhill. But we don’t yet have a proven model to replace it.”

2. “We’re holding on to one trapeze bar while grabbing for the next. The formula for Direct Mail membership is tried and true. It’s proven. But the pitiful thing about the formula is that the percentage is so low. Money from Internet fundraising is potentially bigger and cheaper, but no one has figured out the formula and none of us is yet willing to give up what we know for what we think might work.”

The first quote depicts the state of direct mail. Improvements in data management and targeting have only served to slow the decline of direct-mail fundraising. A core revenue stream for longstanding membership-based interest groups is disappearing. The second quote highlights the danger that legacy organizations face. Having built stable, successful direct-mail fundraising programs, there is a strong rationale for legacy organizations to maintain them. They remain rooted in older membership and fundraising regimes, recognizing the potential of online fundraising but sensibly holding to their tried and true model. Another Monitor interviewee noted candidly that “Membership as we know it is a myth of the past.” We have seen throughout this chapter that MoveOn’s membership and funding models offer several opportunities for a new organization. The transition to these models is not a smooth one for legacy organizations, though. Much like the newspaper industry, whose disruptive crisis has been extensively documented, legacy groups cannot simply abandon their core capacities, but they no longer have a clear picture of how to pay for them.”
The newspaper industry has coined a fitting term: “analog dollars to digital dimes.” There is money to be made in online advertising. New online news ventures such as the Huffington Post and Talking Points Memo produce high-quality journalism, paid for through this revenue stream. But the money found online is far less, and much less reliable, than the money found in traditional revenue streams. The classified advertising market has collapsed, due not to political blogs but to competition from Craigslist.

Competition for commercial advertisements has driven prices down. Additional data on advertising effectiveness has as well. Consider the classic advertising quote, “Half the money I spend on advertising is wasted; the trouble is I don’t know which half.” Traditional newspaper and television advertisements benefited from being in a data-poor environment. Advertisers had little way of knowing whether readers were skipping past their two-page spread in The New York Times or not. For the newspapers, that was a beneficial inefficiency. The lack of information on advertising effectiveness, combined with scarce advertising space, inflated prices. Digital advertising, by contrast, is data-rich. Advertisers can measure impressions and clickthroughs. They can target their advertisements toward niche markets and populations. These greater efficiencies drive advertising prices downward. Legacy media organizations then have trouble paying for their existing overhead and infrastructure.

For legacy advocacy groups, the MoveOn Effect traces a parallel arc. Historically, these organizations are grounded in the 1970s-era shift “from membership to management.” That generation shift was itself premised upon the emergence of novel funding mechanisms. Simply put, before there could be a large cadre of professionally managed public interest groups in DC, there had to be some way for these organizations to pay their bills. Direct mail was not the only such mechanism, but it was an important one. Jeffrey Berry has noted the role of foundations, particularly the Ford Foundation, in providing “seed money” for groups such as the Environmental Defense Fund and the Natural Resource Defense Council.

“Seed money” is an important turn of phrase: foundations provide only 7.3% of philanthropic contributions in America. Left-wing foundations in particular have a well-known habit of providing only short-term help, offering grants to fledgling organizations to get them on their feet but expecting organizations to develop their own external funding capacity within a few years. The emergence of prospect direct mail (PDM) as a fundraising model was a primary enabling condition—necessary, though not sufficient—to the 1970s generational displacement among interest groups. It is called “prospecting” for a reason—a closer look at the functions of direct-mail fundraising reveals that it bears much in common with gold rush prospectors spending their days panning for gold by a riverside.

Kim Klein is the author of *Fundraising for Social Change*, the leading nonprofit fundraising text (now in its fifth edition). Klein details the mechanics of creating a healthy direct-mail program through a sample balance sheet, reproduced below:

### Acquisition and Renewal through Direct Mail: One Organization’s Results (from Klein 1994)

**Income**
- Acquisition mailings: 5 mailings of 2,000 pieces each; 1% response @ $25 = $2,500
  - (100 donors acquired from these mailings)
- Three more mailings to those who gave asking for extra gifts: 10% response from 100 donors at various amounts = $750
  - (30 extra gifts from the 100 acquired donors)
- One renewal mailing to these 100 donors; 66% at $25 = $1,650
- **Total Income = $4,900**

**Expenses**
- Acquisition mailings: renting or exchanging lists, printing postage, etc.
  - 10,000 pieces at .35 = $3,500
- Three more mailings to 100 donors
  - 3 x 100 x .40 = $120
- Renewal mailings (one to everyone and a second to those who do not respond to the first)
  - 150 letters total x .40 = $60
- **Total Expenses = $3,680**
- **Net Gain, 66 donors, $1,670**

Note that the initial fundraising appeal (costing $3,500 but raising only $2,500) comes at a net cost of $1,000 to the organization, and that is assuming a 1% rate of return. Klein summarizes, “The vast majority of fundraising time is spent getting people to give once and then getting them to give again.” Her point is that the initial mailing is meant to prospect for donors—individuals with a high propensity to give—so that future mailings, sent to this smaller pool, can provide a net profit and sustainable revenue stream. As Joseph Turow indicates in *Niche Envy*, “the technology that led direct marketers to revolutionize their industry was the computer. . . The computer made it easy to store, combine, and cross-tabulate many different lists. Large direct-marketing firms began to keep names, addresses, and other information on computers in the 1960s.”

The difference between a profitable direct-mail program and an unprofitable one is calculated through two factors: cost per member acquired and average lifetime giving rate. Without high-quality prospecting lists, the cost per member acquired [(acquisition mailing expenses – average initial gift)/total new donors] rises to an unaffordable rate. Chris Bosso, author of *Environment, Inc.*, notes that PDM is a “loss leader, the cost of building a base of regular contributors who in time may be convinced to go higher on the ‘pyramid of support’—where the real money is.” This pyramid of support is central to the second factor calculated by fundraising professionals: average lifetime giving rate. Notice that this metric can
be calculated only retrospectively. A longstanding organization can look back on their fundraising efforts and calculate how long and how much the average member contributed. But it is forced to assume that a member acquired in 2012 will have the same average lifetime giving rate as a member acquired in 2010. So long as this average exceeds the costs per member acquired, PDM offers a source of unrestricted organizational funding.

There is a threshold, reached when the average lifetime giving rate is too low or the cost per member acquired is too high, where PDM takes on a "shell game" quality. The initial expenditures on building a member list fail to return net revenues in the longer term. The organization keeps gaining members but finds itself in ever-worsening financial straits. Conservative direct-mail pioneer Richard Viguerie, for instance, specialized in the 1980s and early 1990s in setting up conservative public interest organizations through direct-mail operations. From 1992 through 1995, Viguerie set up three conservative senior organizations to combat the American Association of Retired Persons—the Seniors Coalition, the United Seniors Association, and 60/Plus. Created in quick succession, each organization prospected from the previous Viguerie-founded organization's mailing list. This resulted in large overlapping memberships and eventually exhausted the response rate and average lifetime gift, leaving each organization in debt despite their large member rolls (while Viguerie himself made millions in consulting fees, leading Jeffrey Berry to artfully describe him as a "one man tragedy of the commons").

**REACTIONS AMONG LEGACY ORGANIZATIONS**

The Internet has rendered two major changes to direct-mail fundraising. The first, reflected in the initial Monitor Institute quote, is the introduction of **better databases**. Joseph Turow and Philip Howard have each covered aspects of the burgeoning "microtargeting" industry. Whereas advocacy groups have historically bought and sold lists from one another in order to boost the return rate on those initial prospecting mailings (thus leading to the background noise/junk mail problem discussed in Chapter 7), a new set of vendors traffic in sophisticated consumer profiling that offers substantial increases in return rate. Microtargeting offers marginal improvements in direct-mail efficiency, lowering the cost per member acquired.

But better databases can take you only so far when faced with the broader behavioral trend. Direct-mail fundraising as a whole has "fallen off a cliff." Cost per member acquired is rising steeply for nonprofits as supporters turn toward online bill payment. A 2008 study by Target Analysis Group, which aggregates data on nonprofit fundraising, indicates that donation by mail has entered a demonstrable decline, replaced by Internet-based giving. Another study by the same group made note of a sharp demographic split between donors aged 65 and older, who still give through the mail, and donors younger than 65, who primarily give online. One prominent progressive nonprofit noted that its cost per member acquired, which had sunk to a historic low of $7/member in 2000 in response to the Bush threat, had trended up to $21/member after September 11th and then steadily risen to over $40/member in the summer of 2008.

Fundraising professionals have responded by moving their direct-mail appeals online, taking advantage of the lowered marginal costs of the new medium. This results in the gap in fundraising e-mails witnessed in the previous section. The problem is that, in direct competition with the MoveOn-style targeted appeals, such generic requests for annual donations are less successful. Legacy organizations are facing an "analog dollars to digital dimes" problem. They cannot raise enough money online to make up for the extensive overhead costs developed during the direct-mail era. As another Monitor interviewee put it, "E-mail doesn't actually give you better yield—at least not yet, but it is less expensive. And no one yet knows what to replace direct mail with."

Complicating matters further, the most successful funding requests are tied to the day's headline news. But headline-chasing funding requests are restricted in nature: an organization that raises money promising to put a commercial on the air but uses it to pay the human resources department places itself in a legally risky position. Legacy groups have instead chosen to place traditional, generic requests for financial support into their online funding appeals. The yield of such requests is lower, but the money can go into the organization's general fund.

This MCP e-mail dataset offers a stark picture of how wide the gap is between netroots fundraising appeals and legacy group fundraising appeals. As an empirical test, I conducted a content analysis of all fundraising e-mails in the dataset. Among the 70 organizations in the study, 350 fundraising e-mails were sent to my dummy e-mail account over the first six months of 2010. Those fundraisers fell into three categories: general funding requests (similar to the SaveOurEnvironment example), targeted fundraising requests (similar to the MoveOn example), and pass-through fundraising requests. "Pass-through" fundraising was first developed by EMILY's List in 1985 and consists of an organization fundraising directly on behalf of a candidate for office. None of this money enters the organization's coffers, but by acting as a "bundler" the group is able to strengthen its relationship with the candidate. Pass-through fundraising during the first half of 2010 was mostly directed at candidates in Democratic primary elections.

Out of the 350 fundraising e-mails, 214 were general funding requests, 56 were targeted funding requests, and 80 were pass-through funding requests. As a test of generational effects, I then divided the organizational population according to the year of their founding. Organizations founded after 1996 were responsible for 185 fundraising messages, while organizations founded before 1993 were responsible for 165 fundraising messages. The results are
displayed graphically in Figure 2.5. While all organizations used e-mail to at least occasionally fundraise unrestricted, general donations, the targeted and pass-through fundraising came almost entirely from the netroots generation of organizations.74

Empirically, we can safely conclude that prominent legacy advocacy groups simply do not engage in the type of targeted fundraising pioneered by MoveOn. The reasoning for this becomes clear when we observe the offices and staff systems of these longstanding groups: “headline chasing” is ill-suited to large, hierarchically structured organizations with high, fixed overhead costs. The new Internet-mediated issue generalists are free to engage in such fundraising because they lack the infrastructure that professionalized political associations developed after the 1970s-era generation shift.

Thus, we arrive at the disruptive implications of the MoveOn Effect. Newly formed advocacy groups adopt variations on the membership and fundraising practices pioneered by MoveOn. Legacy organizations face declining membership rates and an “analog dollars to digital dimes” problem. From an interest group ecology standpoint, this changes the “energy” (or types of available funding) in the system, forcing changes in organizational niches and the emergence of newly dominant organization types.

Not all legacy organizations are equally threatened by these changes in membership and fundraising regimes. As Figure 2.1 indicated, prospect direct mail comprises one of three major funding sources for nonprofit advocacy groups. As Debra Minkoff and her colleagues have documented, the DC advocacy community was not composed of a single hegemonic organization type to begin with.75 Variation in organization type will play a major role in determining how the MoveOn Effect changes each individual political association. Some associations rely disproportionately on a small number of major donors, catering program development to the whims and interests of those few individuals, while others have developed longstanding corporate, foundation, or governmental ties. The formation of the Democracy Alliance in 2005, a collaborative effort among left-wing major donors to coordinate their giving and invest in new progressive infrastructure, produces similar tremors for large donor-reliant organizations (see Chapter 5 for further discussion), as do foundation-driven studies like the Monitor Institute report.

Unions are a particular exception, having never relied on armchair activists and direct-mail fundraising. While unions face their own distinct set of pressures in the early 21st century, these pressures are simply not attributable to the MoveOn Effect. But for a wide variety of legacy nonprofit political associations, the change in membership and fundraising regimes carries a menacing undertone. MoveOn and the other Internet-mediated issue generalists do not directly threaten the work of legacy groups—indeed, they frequently collaborate in their campaign efforts—but the membership and fundraising practices MoveOn pioneered leave legacy advocacy groups in a similar position to the cross-class membership federations of a previous era. Advances in information and communication technology have altered membership and fundraising regimes, and that tends to produce a generational moment at the organizational layer of the public sphere.

For advocacy groups with high overhead costs, the general funds that used to come from small-donor “members” are growing scarce. Advances in direct-mail databases cannot outpace the change in how supporters give money and conceive of organizational membership. As a result, those groups are forced to either heavily downsize, cutting core staff and programs, or else become over-reliant on alternate funding streams, putting themselves at risk. The American Civil Liberties Union, for instance, faced an organizational crisis in December 2009 when their largest single donor announced that he would be withdrawing his annual gift (due to stock market losses).76 That donor was responsible for 25% of the organization’s annual budget, placing the longstanding interest group in a financial panic. The loss of the single major donor is not caused by changes in membership and fundraising regimes. The over-reliance on him is. Direct mail was a stable, reliable, and growing funding stream throughout the 1980s and 1990s. Its decline has forced legacy organizations to search for other revenue streams or massively cut overhead costs, placing them in an increasingly precarious position. A period of organizational crises, mass layoffs, and the eventual collapse of at least a few longstanding advocacy groups is a likely implication of the MoveOn Effect.77
VARIATIONS ON A THEME: INTERNET-MEDIATED ISSUE SPECIALISTS

Many of the newer organizations included in the Membership Communications Project differ from MoveOn and the PCCC in the area of issue generality. Groups like 350.org and ISky (climate), Color of Change (civil rights), Change Congress (campaign finance), and the Courage Campaign (LGBTQ issues) all focus on a single issue area. These groups still engage in a limited form of “headline chasing,” tying their fundraising and action appeals to events in the news, but they send fewer mobilization messages to their member list than their issue generalist peers. They also have small, networked staff structures and limited office space. The niche specialists have adapted to the new membership and fundraising regimes—defining all e-mail recipients as members and frequently sending out targeted fundraising requests—but they have carved out specific issue niches rather than engaging in the type of “issue grazing” for which Internet-mediated generalists are occasionally criticized.

In terms of the ecology of the broader advocacy system, we should expect issue specialists to be more numerous than issue generalists, but we should expect the generalists to have larger member lists, fundraising capacity, and reputational cache than the issue specialists. The MoveOn Effect does not make all organizations into issue generalists, but it does yield additional incentives for chasing headlines that were not present in the previous information environment.

Conclusion

This chapter has highlighted three central themes. First is the historical pattern that predates the current generation of “netroots” political associations. Drawing deeply from the well of previous scholarship provides a theoretical lens for understanding the broader importance of new groups like MoveOn.org and the PCCC. Second is an evaluation of MoveOn’s organizational model, including staff structure, membership philosophy, engagement practices, and fundraising strategy. Borrowing from Silicon Valley tech startups rather than standard interest group practices, MoveOn’s growth has been characterized by innovative policies and practices, including headline chasing, phantom staff, radical decentralization, and passive democratic engagement. Far from sending out a constant stream of e-petitions, MoveOn seeks to engage its membership in a variety of participatory activities, both online and off. Third and finally is a full enunciation of the MoveOn Effect. Through a detailed analysis of nonprofit fundraising techniques and through content analysis of e-mail fundraising appeals, the chapter has demonstrated why the rise of “postbureaucratic” organizations is unlikely to be a smooth transition for well-known, longstanding political associations. Rather,