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The Gilded Chamber 2.0

Bigger, Richer, and (Still) Undisclosed

Acknowledgments

This report was written by David King and Daniel Dudis of Public Citizen's U.S. Chamber Watch project and overseen by Lisa Gilbert, Director of Public Citizen's Congress Watch.

About Public Citizen

Public Citizen is a national non-profit organization with more than 400,000 members and supporters. We represent consumer interests through lobbying, litigation, administrative advocacy, research, and public education on a broad range of issues including consumer rights in the marketplace, product safety, financial regulation, worker safety, safe and affordable health care, campaign finance reform and government ethics, fair trade, climate change, and corporate and government accountability.

U.S. Chamber Watch is a project of Public Citizen whose mission is to promote greater transparency in the American political system by exposing the lobbying, campaign spending, and misinformation campaigns of the nation's largest and most powerful lobbying organization, the United States Chamber of Commerce.



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Introduction

The U.S. Chamber of Commerce styles itself as the nation’s leading business group. Its legitimacy as the voice of the business community rests largely on its purportedly broad and deep membership. The Chamber claims that it represents “300,000 direct members and indirectly an underlying membership of more than three million U.S. businesses and professional organizations of every size and in every economic sector and geographic region of the country.”¹

A 2014 report² published by Public Citizen’s Chamber Watch project found that whatever the Chamber’s claims about the size of its membership, a very small number of entities provided the vast majority of its funding. In this report, we update the numbers for the Chamber and its affiliated Institute for Legal Reform (ILR) as well as analyze the data for the Chamber-affiliated U.S. Chamber Litigation Center (USCLC) and Chamber of Commerce Foundation (CCF). As in our 2014 report, we find that the Chamber is funded by a handful of entities, with almost 60 percent of contributions coming from just 74 large donors and a whopping 96% of coming from approximately 1,500 entities. [Figure 1] Donations to the Chamber are up by over \$17 million or 10%.

Figure 1: Comparison of Itemized Donations to the Chamber, ILR, USCLC, and CCF

	Total Itemized Donations	Number of Itemized Donors	Mean Donation	Median Donation	Mode Donation
U.S. Chamber of Commerce	\$188,920,502	1,536	\$122,995	\$25,000	\$10,000 (245 donations)
Institute for Legal Reform	\$44,797,506	99	\$452,500	\$250,000	\$250,000 (22 donations)
U.S. Chamber Litigation Center	\$5,710,122	124	\$46,049	\$25,000	\$25,000 (15 donations)
U.S. Chamber of Commerce Foundation	\$13,599,106	10	\$1,359,911	\$993,998	N/A

We also show for the first time that the vast majority of the Chamber’s claimed direct membership of 300,000 may in fact pay nothing in membership dues.

¹ See, e.g., Brief of the United States Chamber of Commerce as *Amicus Curiae*, p. 1, Case No. 15-1456, *Acorda Therapeutics Inc. v. Mylan Pharmaceuticals Inc.*, United States Court of Appeals for the Federal Circuit, <http://bit.ly/29jQhDw> (viewed July 5, 2016)

² SAM JEWELER, PUBLIC CITIZEN, THE GILDED CHAMBER, at 3 (February 2014), <http://bit.ly/1QBfcdA>.

Methodology

Trade associations such as the Chamber are not required to publicly disclose the identities of their donors. They are, however, obligated to provide Internal Revenue Service (IRS) Form 990 upon request. Form 990 directs non-profits to itemize all contributions at or above a certain threshold.

For 501(c)(6) organizations, such as the Chamber, the ILR, and the USCLC, this threshold is \$5,000. On the other hand, 501(c)(3) charitable organizations such as the CCF are required to itemize donations greater than or equal to \$5,000 or those greater than two percent of total contributions and grants, whichever is greater. In the case of the CCF, two percent of its \$25,174,523 in total contributions is \$503,490.

Following a written request to the Chamber, Public Citizen obtained Form 990 tax forms for the Chamber, the ILR, the USCLC, and the CCF. The Form 990s that we received were redacted by the Chamber to conceal the identities of all donors.

Chamber Watch analyzed data from 2014, the most recent year for which Form 990s were available. By way of comparison, our 2014 report on the Chamber's finances examined data from 2012.

2014 Donations to the U.S. Chamber of Commerce

In 2014, the Chamber reported 1,536 donations of \$5,000 or greater totaling \$188.92 million.³ These itemized contributions accounted for more than 96 percent of the Chamber's total contributions of \$196.79 million. They averaged \$122,995 per donor, strongly indicating that many of these donors were big businesses or other deep-pocketed entities. For the purpose of this report, we consider any donation of at least \$5,000 to be a "large" donation, as the vast majority of small businesses do not have the resources to make a \$5,000 contribution to a trade association.

Even within this elite group of large donors, there was significant stratification, with very large donors providing the lion's share of the Chamber's funding. [Figure 2] The top 74 donors giving contributions of \$500,000 and up (5% of itemized donors), provided 59 percent of total itemized contributions and 57% of all contributions. The bottom 1,462 itemized donors (95%) provided just 41 percent of total itemized contributions. [Figure 3] The top 44 donors to the Chamber—each of which contributed \$1 million or more—gave almost \$100 million dollars. These donors accounted for 47% of all contributions to the Chamber.

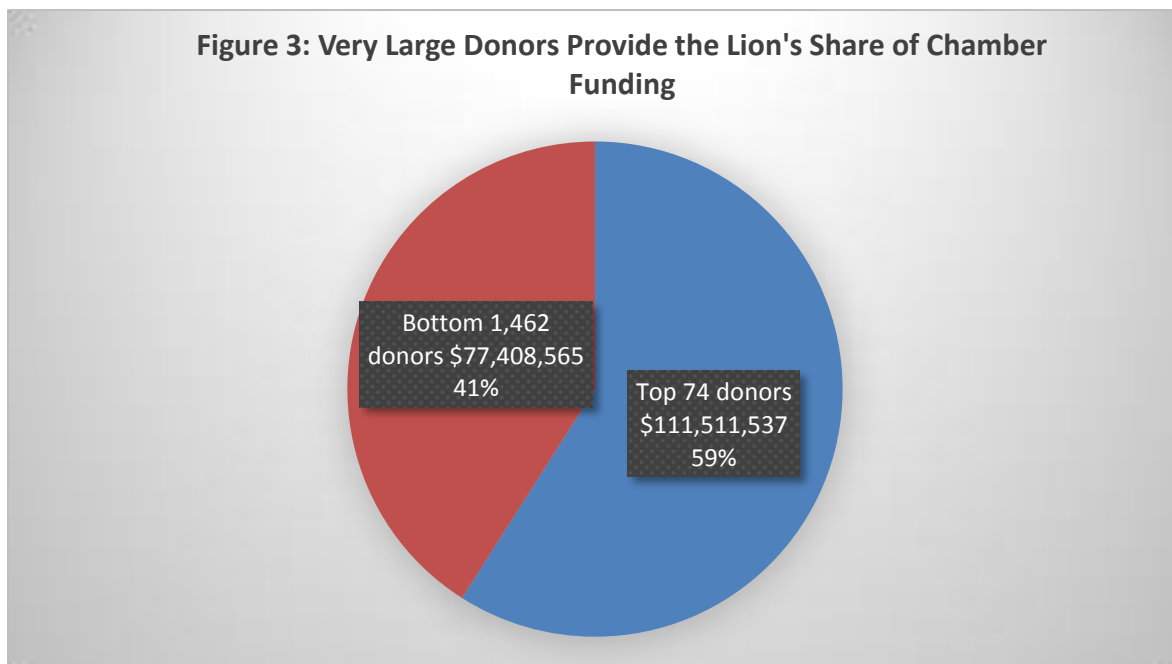
³ *U.S. Chamber of Commerce Form 990, Including Schedule O (2014)*. (Received by mail from the U.S. Chamber of Commerce, June 2016.)

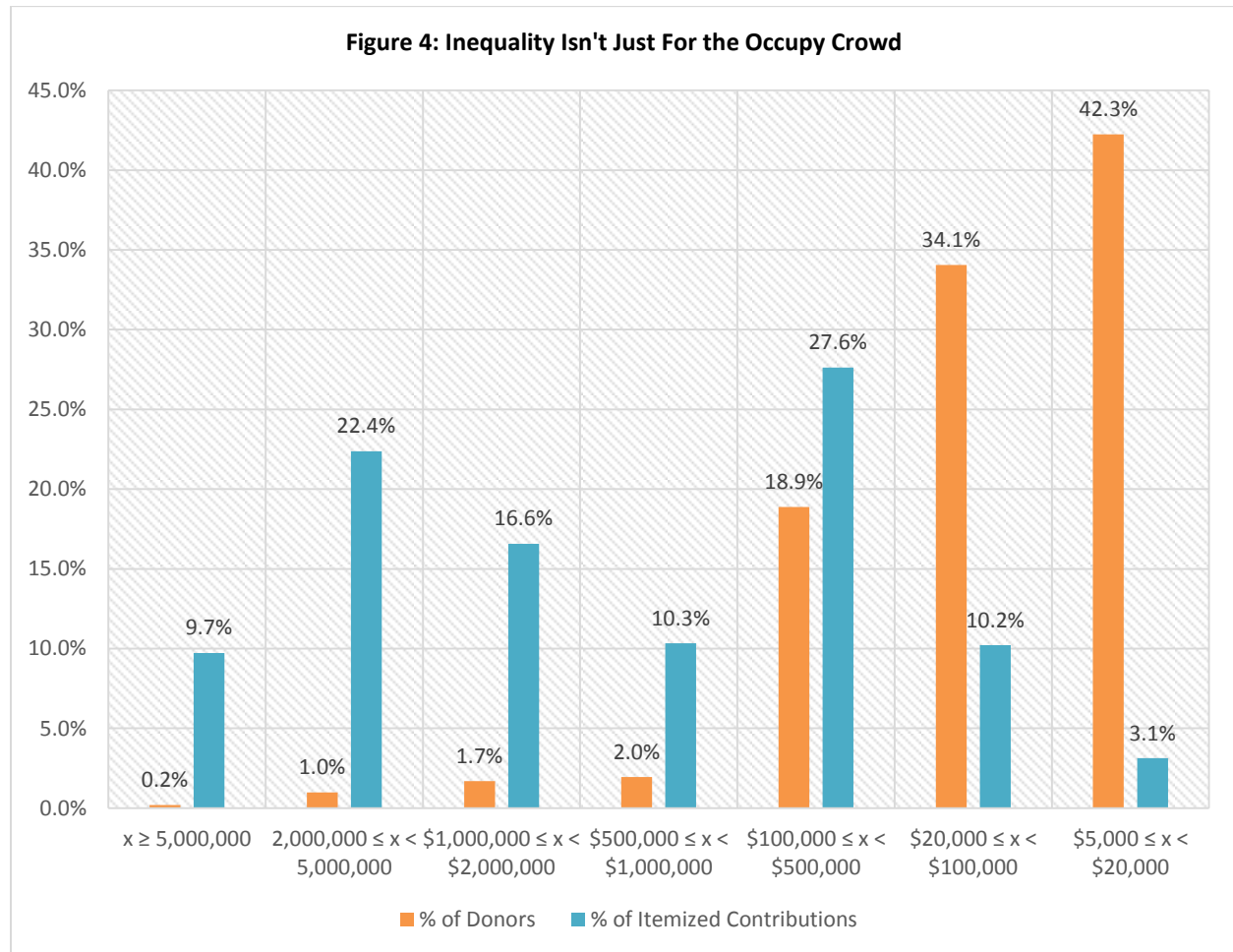
Looking at the extreme upper echelon, the top 18 donors (entities giving \$2 million or more) gave a total of \$60.7 million. That means the top 18 contributors provided 31% of the Chamber's total donations and gave approximately two-and-a-half times more than the bottom 1,172 itemized donors combined. [Figure 4] At the very top, the three largest donors, giving at least \$5 million each, contributed a total of \$18.3 million. The largest contribution was \$7.5 million. This one donation of \$7.5 million was larger than the total for the bottom 649 itemized donors.

Figure 2: U.S. Chamber Donor Profiles by Donation Range

Donation Range	Number of Donors	Total Given	Average (mean) Donation	% of Itemized Donors	% of Itemized Contributions
$x \geq 5,000,000$	3	\$18,374,425	\$6,124,808	0.20%	9.73%
$2,000,000 \leq x < 5,000,000$	15	\$42,282,181	\$2,818,812	0.98%	22.38%
$\$1,000,000 \leq x < \$2,000,000$	26	\$31,324,731	\$1,204,797	1.69%	16.58%
$\$500,000 \leq x < \$1,000,000$	30	\$19,530,600	\$651,020	1.95%	10.34%
$\$100,000 \leq x < \$500,000$	290	\$52,190,877	\$179,969	18.88%	27.63%
$\$20,000 \leq x < \$100,000$	523	\$19,311,426	\$36,924	34.05%	10.22%
$\$5,000 \leq x < \$20,000$	649	\$5,906,262	\$9,101	42.25%	3.13%

Figure 3: Very Large Donors Provide the Lion's Share of Chamber Funding





While the number of itemized donations to the Chamber in 2014 was almost identical to 2012, the amount of money that was given has substantially increased. Total donations rose from \$179.4 million to \$196.8 million, an increase of 10%. The mean itemized donation increased from \$111,254 to \$122,995, an increase of 11%. The median itemized donation jumped from \$20,000 to \$25,000, an increase of 25%. Simultaneously, donors of \$5 million or more have doubled and the top 5% of itemized contributors now make up nearly 60% of all contributions, as opposed to making up just 52% in 2012.

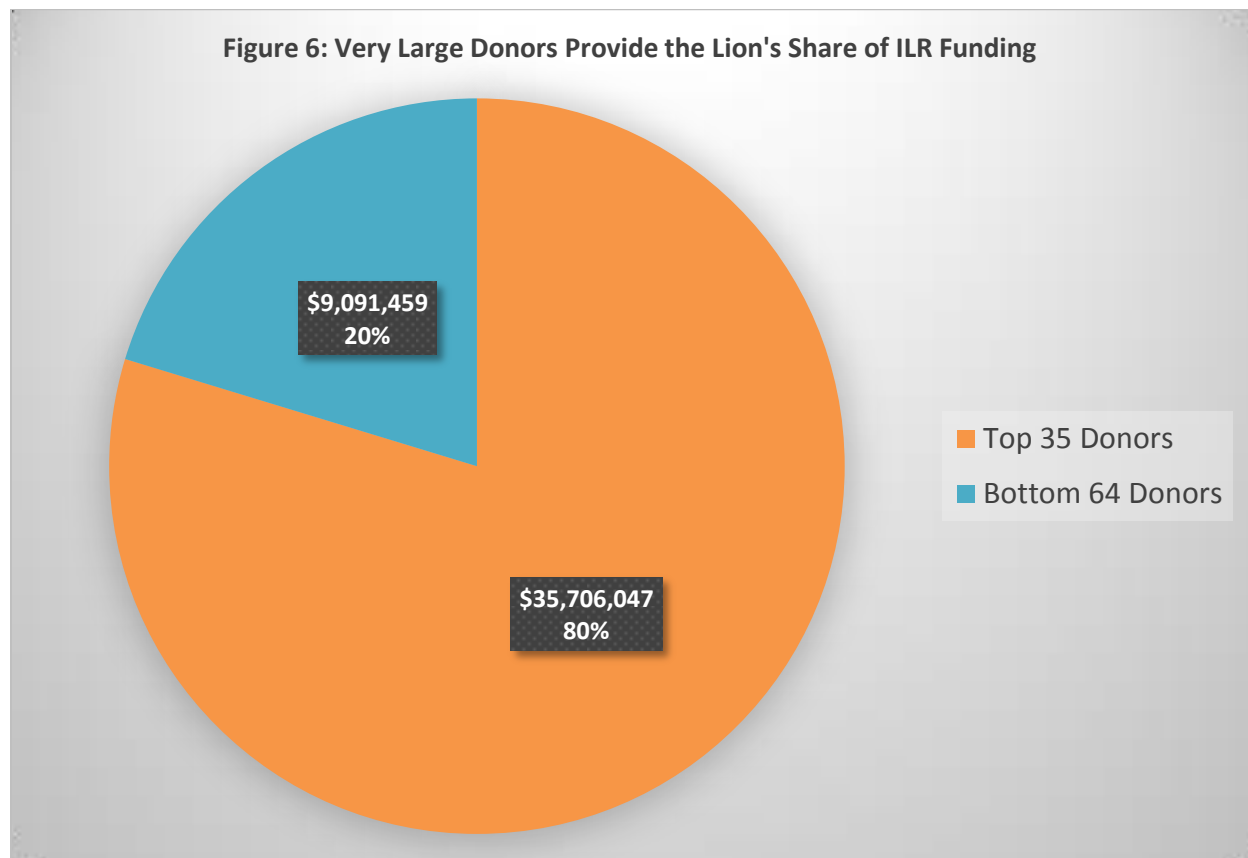
2014 Donations to the U.S. Chamber Institute for Legal Reform

The U.S. Chamber Institute for Legal Reform's (ILR) is the arm of the Chamber dedicated to restricting consumer access to the courts and lobbying against more aggressive prosecution of corporate crime. Its funding is even more dependent on a small number of large donors than is the Chamber's. The ILR reported raising \$44.8 million from only 99 donors. [Figure 5] This represented 99% of its total contributions for 2014. Its average donation of \$452,500 was almost four times greater than the average donation to the Chamber.

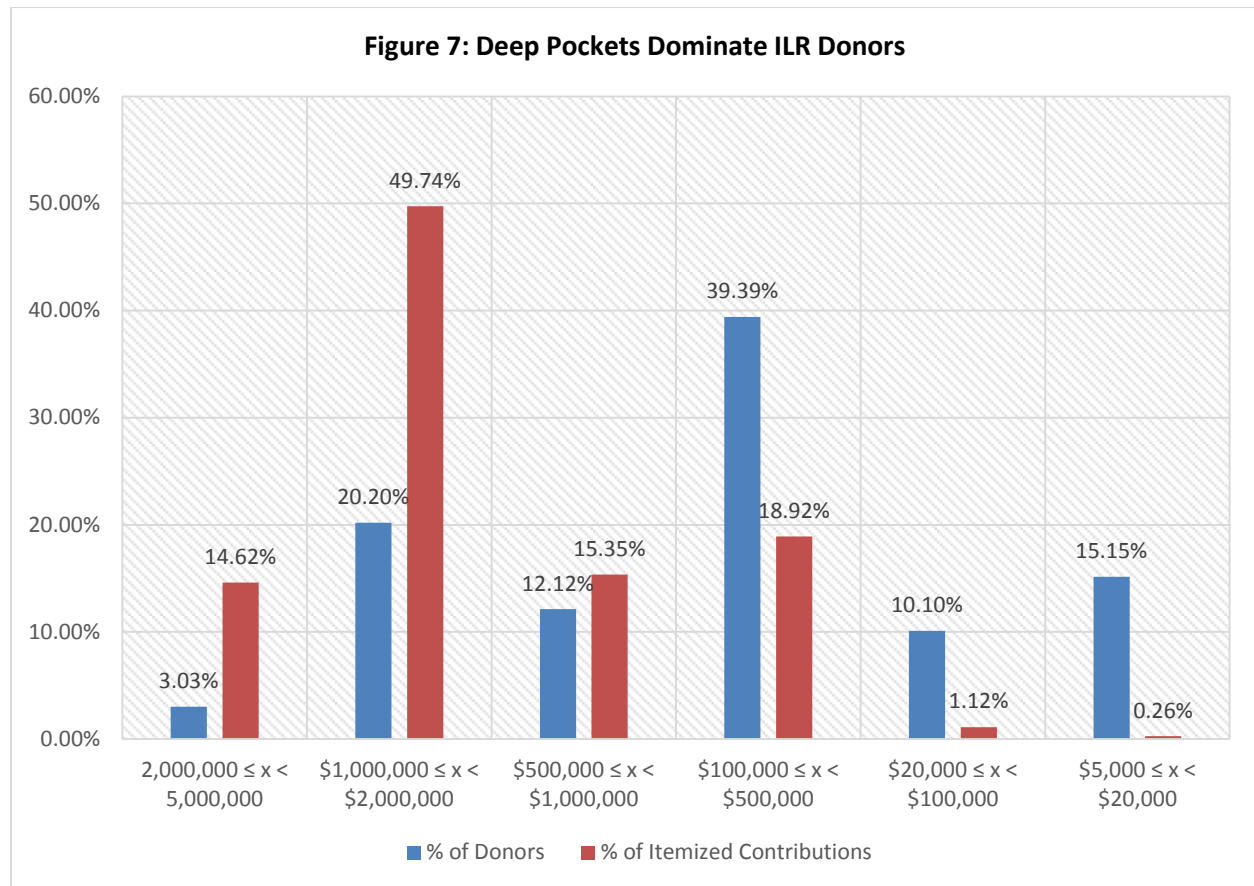
Figure 5: U.S. Chamber ILR Donor Profiles by Donation Range

Donation Range	Number of Donors	Total Given	Average (mean) Donation	% of Itemized Donors	% of Itemized Contributions
$x \geq 5,000,000$	0	\$0	N/A	0.00%	0.00%
$2,000,000 \leq x < 5,000,000$	3	\$6,550,000	\$2,183,333	3.03%	14.62%
$\$1,000,000 \leq x < \$2,000,000$	20	\$22,281,047	\$1,114,052	20.20%	49.74%
$\$500,000 \leq x < \$1,000,000$	12	\$6,875,000	\$572,917	12.12%	15.35%
$\$100,000 \leq x < \$500,000$	39	\$8,475,000	\$217,308	39.39%	18.92%
$\$20,000 \leq x < \$100,000$	10	\$501,925	\$50,193	10.10%	1.12%
$\$5,000 \leq x < \$20,000$	15	\$114,534	\$7,636	15.15%	0.26%

Seventy four (75%) contributors gave over \$100,000 while 35 (35%) of contributors gave \$500,000 or more, totaling close to \$36 million or 80% of contributions. [Figure 6]



The change in total contributions and average donation size for the ILR was not as significant as it was for the Chamber. There was a \$1 million increase in itemized donations but a \$2,000 decrease in average donation size compared to 2012 figures. Regardless of the minor decrease in average donation size, almost 100% of money given to the ILR was from large contributors. [Figure 7]



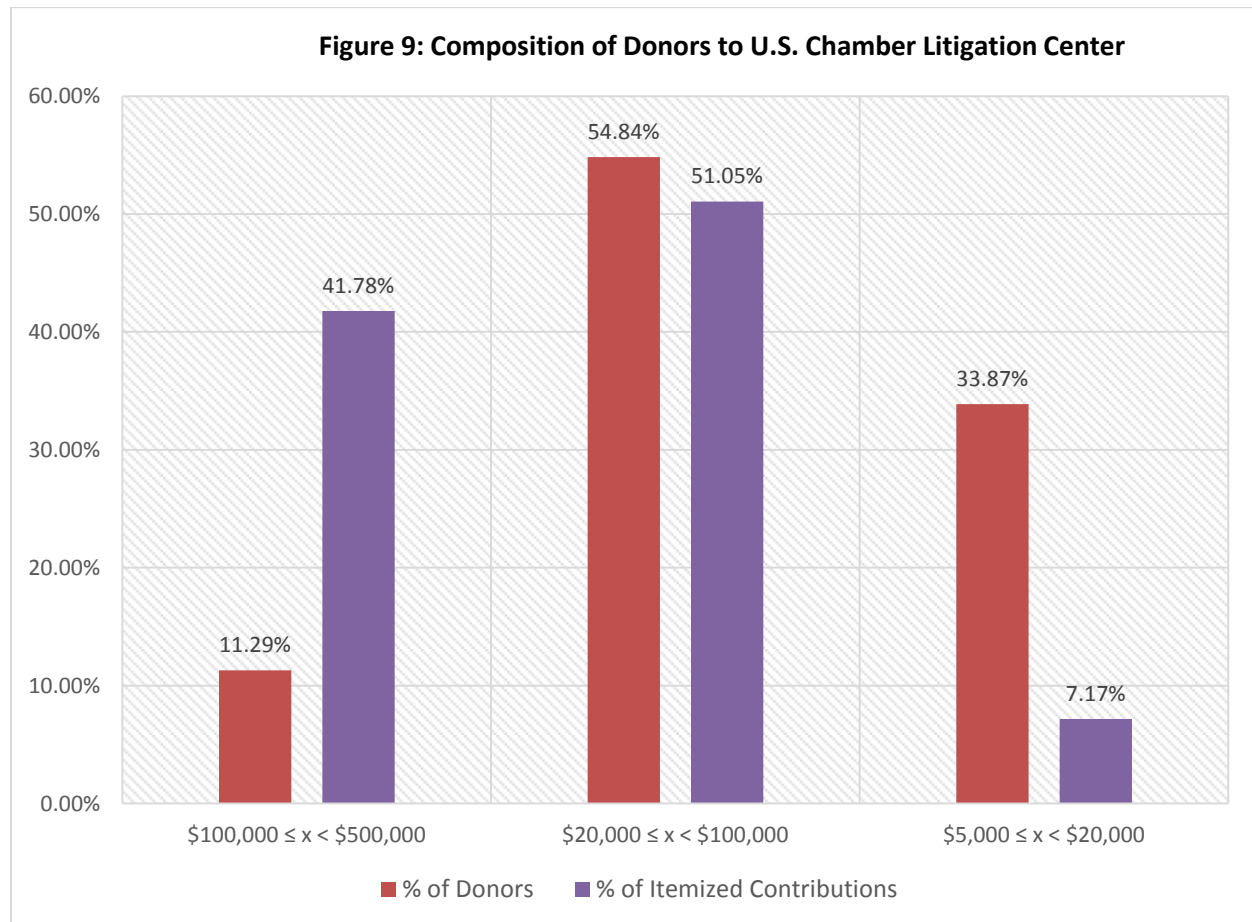
2014 Donations to the U.S. Chamber Litigation Center

The USCLC is the arm of the Chamber that engages in litigation. The USCLC files suit on behalf of the Chamber as well as files amicus briefs supporting almost exclusively big companies involved in litigation against individuals or the government.⁴ The USCLC reported just 124 donations totaling \$5,710,122 or 99% of its total contributions. The largest donation was \$400,000 and the average donation was \$46,049. [Figure 8] The USCLC obtained 42% of its contributions from just 14 (11%) of its largest contributors. [Figure 9]

⁴ An upcoming Chamber Watch report will examine the Chamber's litigation.

Figure 8: U.S. Chamber Litigation Center Donors by Donation Range

Donation Range	Number of Donors	Total Given	Average (mean) Donation	% of Reported Donors	% of Itemized Contributions
$\$100,000 \leq x < \$500,000$	14	\$2,385,956	\$170,425.43	11.29%	41.78%
$\$20,000 \leq x < \$100,000$	68	\$2,914,916	\$42,866	54.84%	51.05%
$\$5,000 \leq x < \$20,000$	42	\$409,250	\$9,744	33.87%	7.17%

Figure 9: Composition of Donors to U.S. Chamber Litigation Center

2014 Donations to the U.S. Chamber of Commerce Foundation

The U.S. Chamber of Commerce Foundation is the charitable arm of the Chamber. According to its website, the CCF educates the public on business issues and promotes the

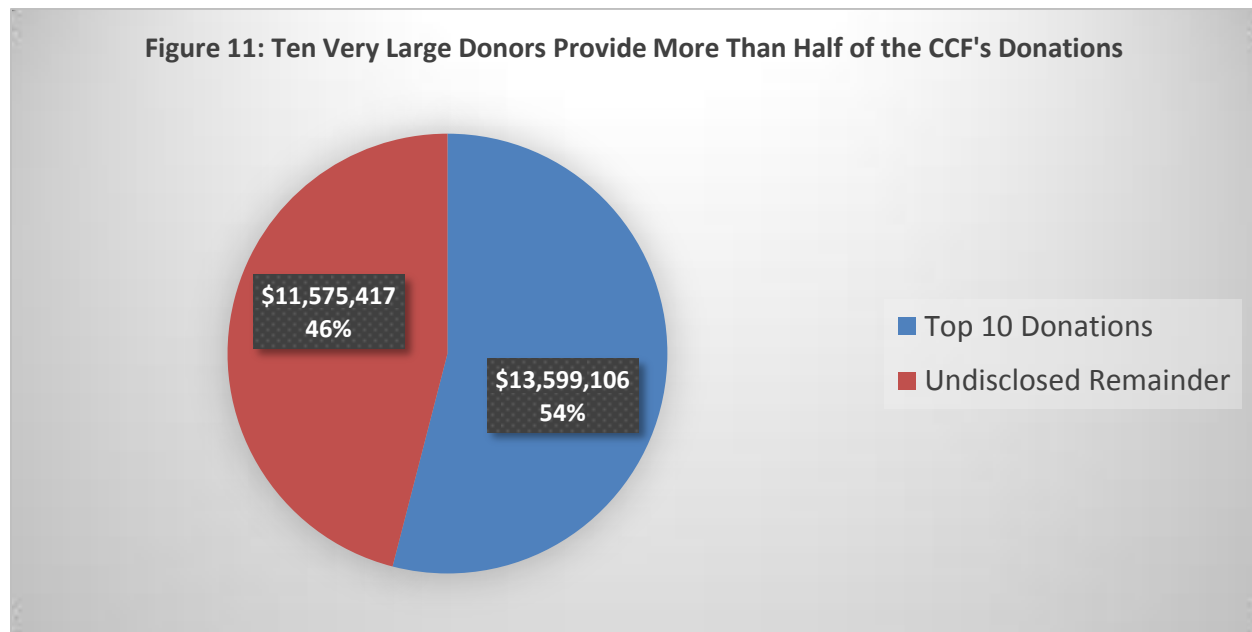
hiring of veterans, among other projects.⁵ The CCF reported the lowest number of itemized donations. With only 10 disclosed donations, the CCF raised approximately \$14 million. [Figure 10] The average donation was approximately \$1.4 million and the median donation was nearly \$1 million.

The CCF, due to its status as a 501(c)(3), was only required to itemize individual donations greater than 2% of its total contributions. With total contributions of over \$25 million, this means that contributions of less than \$503,490 do not have to be itemized. As such, the CCF only itemized 54% of its total donations, leaving \$11.6 million non-itemized. [Figure 11] (The \$11.6 million not reported on the Schedule O contribution list presumably represents the sum of contributions of less than \$503,490.)

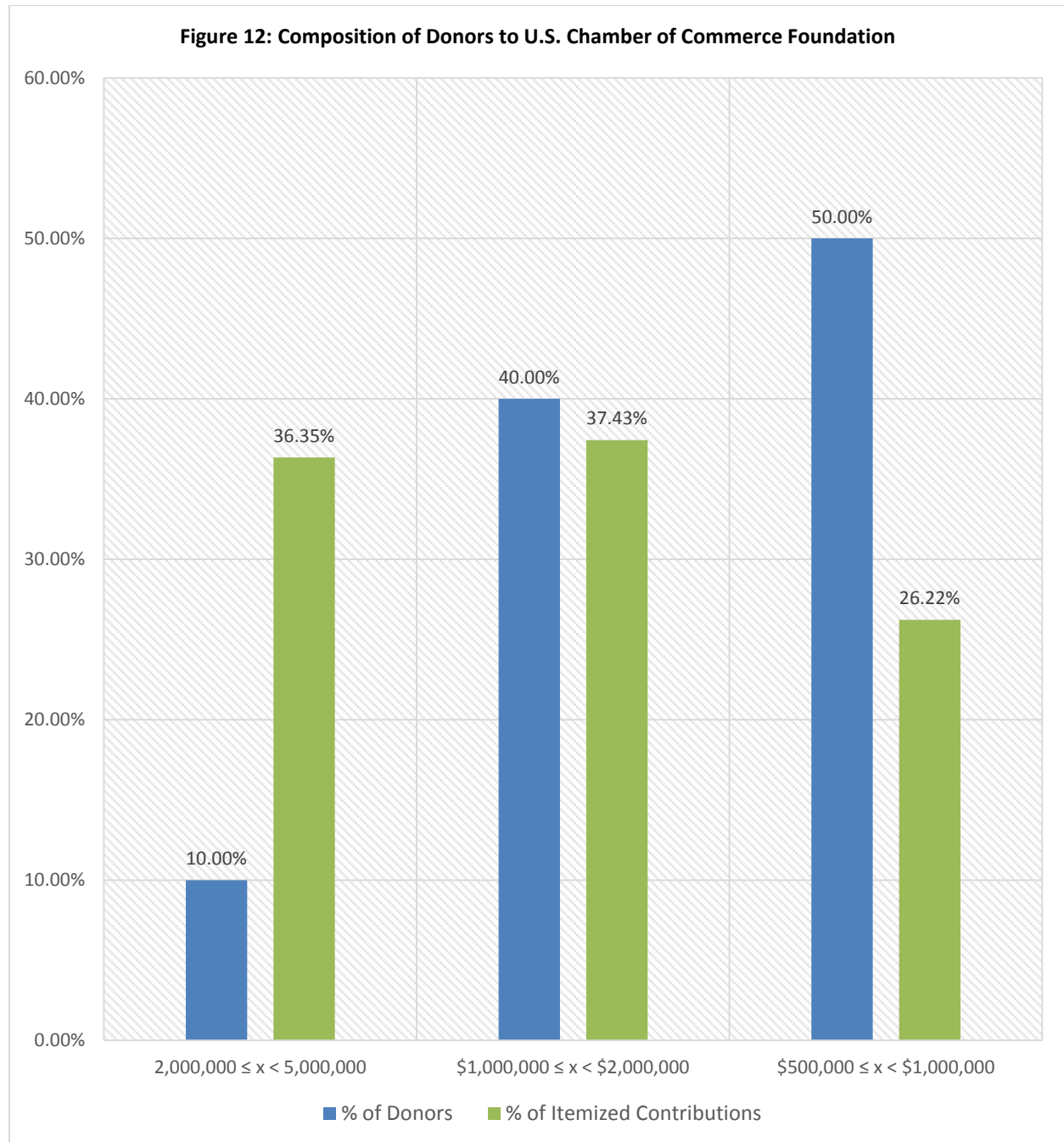
Figure 10: U.S. Chamber of Commerce Foundation Donors by Donation Range

Donation Range	Number of Donors	Total Given	Average (mean) Donation	% of Reported Donors	% of Itemized Contributions
$2,000,000 \leq x < 5,000,000$	1	\$4,943,173	\$4,943,173	10%	36.35%
$\$1,000,000 \leq x < \$2,000,000$	4	\$5,090,000	\$1,272,500	40%	37.43%
$\$500,000 \leq x < \$1,000,000$	5	\$3,565,933	\$713,187	50%	26.22%

Figure 11: Ten Very Large Donors Provide More Than Half of the CCF's Donations



⁵ U.S. Chamber of Commerce Foundation, <https://www.uschamberfoundation.org/> (viewed July 5, 2016).



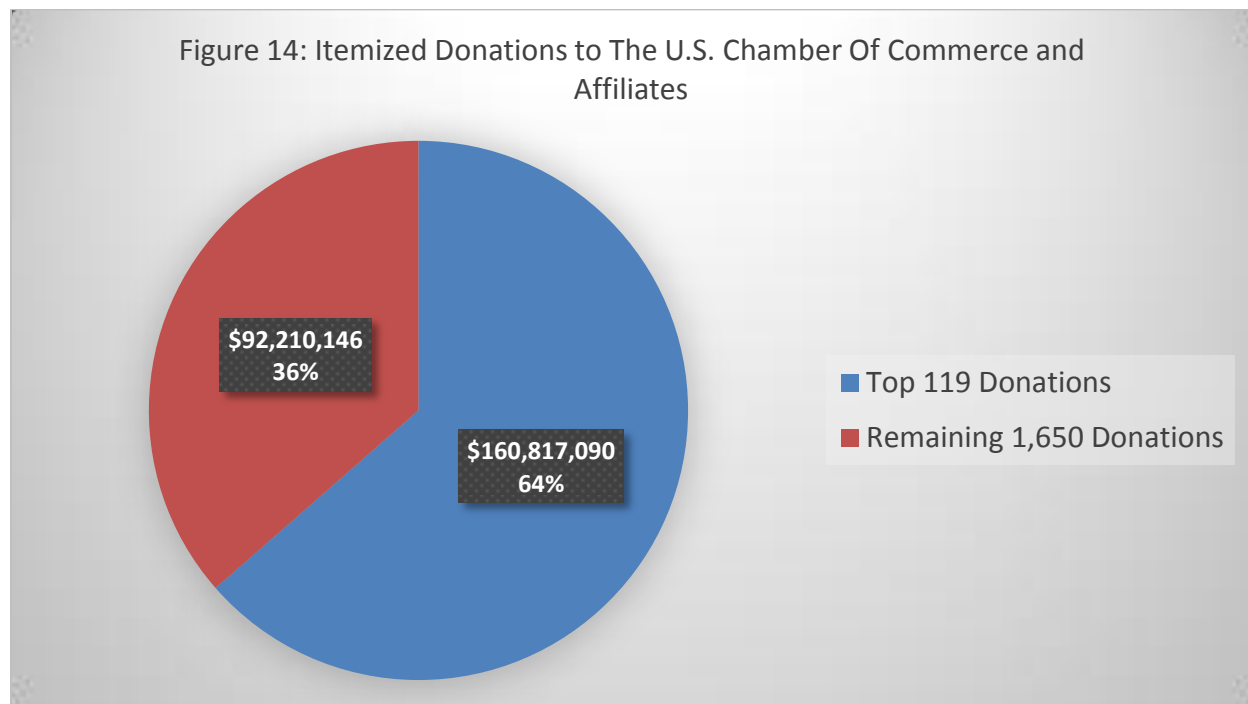
The Chamber and its Affiliate Organizations Combined

The Chamber and its affiliated organizations reported 1,769 total itemized donations, and these large donations totaled an astounding \$253,027,236. In total, the Chamber and its affiliated organizations raised \$272,524,414 and itemized 93% of all donations. [Figure 13]

Figure 13: Total Donations

Organization	Total Donations
U.S. Chamber	\$196,792,567
ILR	\$44,800,508
USCLC	\$5,756,816
CCF	\$25,174,523
Total	\$272,524,414

The majority of the \$253,027,236 in itemized donations came from just 119 mega-donations (donations of \$500,000 or more). The top 119 donations, representing a total of \$160,817,090, made up 64% of total itemized contributions and 59% of all contributions. [Figure 14]



The Gilded Chamber Stays Dark

As mentioned above, organizations such as the Chamber are not legally required to disclose their donors' identities, and the Chamber exercises this right. This means that it is almost

always impossible to know which companies and other organizations act as the Chamber's primary benefactors.

It also means that the 119 largest donations may include donations from the same corporation or entity to multiple Chamber-affiliated groups. For example, the 35 donors that gave at least \$500,000 to the ILR and the 10 that gave at least \$500,000 to the CCF may be among the 74 donors that gave at least \$500,000 to the Chamber. If this were the case, it would mean that just 74 donors contributed \$160 million or 59% of all funding to the Chamber and its affiliated organizations. However, regardless of the exact number of individual mega-donors, the evidence is clear that the Chamber is overwhelmingly funded by a few extremely wealthy entities.

Lifting the Curtain on the Chamber's Membership

As mentioned in the introduction, the Chamber claims to represent "300,000 direct members..."⁶ Of those 300,000, 1,536 made donations of \$5,000 or greater, totaling \$188,920,502 representing 96% of all contributions. The 4% of money that was not itemized totals \$7,872,065, and is presumably composed of donations smaller than \$5,000. If we believe the Chamber's own assertion that it has 300,000 members, then there must be 298,464 Chamber members (the mom and pop shops the Chamber loves to claim to represent) who donated less than \$5,000. These donations of less than \$5,000 likely make up the remaining \$7,872,065 (the 4% of non-itemized donations).

The Chamber, like almost all trade associations, has membership dues. For small businesses, membership dues are \$250 per year.⁷ For associations, the minimum dues are \$500 per year.⁸ For local Chambers of Commerce, minimum dues are \$300 per year.⁹ The Chamber also has a program called "Small Business Nation" that offers a free "membership" that appears to consist of little more than receiving a weekly email newsletter and is apparently available to anyone willing to fill out a brief form online.¹⁰

If we conservatively assume that all of the non-itemized members are paying the \$250 minimum memberships dues (a highly unlikely scenario, as there are almost certainly plenty of \$4,000, \$3,000 and \$2,000 donations and everything in between), then the *maximum* number of paying members that the Chamber could possibly have in addition to

⁶ See, e.g., Brief of the United States Chamber of Commerce as *Amicus Curiae*, p. 1, Case No. 15-1456, *Acorda Therapeutics Inc. v. Mylan Pharmaceuticals Inc.*, United States Court of Appeals for the Federal Circuit, <http://bit.ly/29jQhDw> (viewed July 5, 2016)

⁷ U.S. Chamber of Commerce, <http://bit.ly/28S5CEO> (viewed June 23, 2016)

⁸ U.S. Chamber of Commerce, <http://uscham.com/28SFRra> (viewed June 23, 2016)

⁹ U.S. Chamber of Commerce, <http://uscham.com/28TbQ8I> (viewed June 23, 2016)

¹⁰ U.S. Chamber of Commerce, <http://bit.ly/28TcMKn> (viewed on June 23, 2016)

the 1,536 itemized donors would be 31,488 (\$7,872,065 divided by \$250). Such a scenario would leave 266,976 “members” (almost 90% of its claimed membership) who are not paying a dime and may have done nothing but sign up for email updates from the Chamber.

Conclusion

The U.S. Chamber of Commerce, Institute for Legal Reform, Chamber Litigation Center, and Chamber of Commerce Foundation are funded by a small number of wealthy entities.

While the Chamber could easily disclose where the money is coming from, it chooses to hide this information as it is legally allowed to do. Disclosing its donor base would undercut its repeated claims to represent the interests of small businesses. However, even without knowing the identities of the Chamber’s deep-pocketed donors, its claims to represent small businesses are undermined by the extremely large size and limited number of its donations. The Chamber’s real intentions were perfectly summed up by its own president, Thomas J. Donohue, when he said that small firms “provide the foot soldiers, and often the political cover, for issues big companies want pursued.”¹¹

¹¹ Danny Hakim, Big Tobacco’s Staunch Friend in Washington: U.S. Chamber of Commerce, NEW YORK TIMES (October 9, 2015), <http://nyti.ms/29im2HP>.