Abstract

This paper argues that partisan think tanks played an important role in the rapid polarization of American politics that began in the late 1970s. Scholars of polarization conclude that political elites polarized long before their voters or districts did, directing our attention toward causes of elite polarization. I argue that partisan think tanks, particularly the Heritage Foundation, played an important role in elite polarization. Using data on partisan think tank testimony before Congress, newspaper citations and revenue from 1973-2016, I examine the time series relationship between partisan think tank outputs and polarization in Congress. I find strong evidence that partisan think tanks are related to polarization in Congress, although not necessarily directly causally connected. I conclude that researchers should further explore potential causes of both elite polarization and the growth of partisan think tanks.

Keywords

Think tanks, polarization, U.S. political parties
Since the 1970s, American politics has rapidly polarized (Poole and Rosenthal 1984). American political parties have always disagreed about important issues facing the country, but those disagreements were often confined to the two great cleavages of American politics: conflict over slavery and race and disagreement over the proper role of government in the economy (Gerring 2001). These disagreements persisted during the 20th century, but the Republican and Democratic parties worked together over the span of four decades on a variety of issues, including establishing programs like Medicare and Medicare, establishing the Departments of Education, Housing and Urban Development and Environmental Protection agency, deregulating the trucking, airline, and communications industries, and prosecuting the Cold War (Grossmann 2014; B. D. Jones, Theriault, and Whyman 2019). However, the relationship between the political parties rapidly changed beginning in the 1970s, leading eventually to the extreme partisan warfare embroiling the country today.

Scholars have long sought explanations for why polarization began to increase in the late 1970s. They have largely rejected electoral explanations during the first few decades of increased polarization (M. Barber and McCarty 2015). There is little evidence that changes in the electorate, the realignment of Southern Democrats and Northern Republicans, the growth of primaries, or the characteristics of member’s districts caused the initial phase of polarization, although they likely reinforced it beginning in the late 2000s (M. Barber and McCarty 2015; B. D. Jones, Theriault, and Whyman 2019; McCarty, Poole, and Rosenthal 2009). Thus, scholars seek out explanations for the causes of elite polarization that was eventually transferred to the electorate.

This paper argues that partisan think tanks like the Heritage Foundation and Center for American Progress played an important role in polarizing elites. In addition to rising elite polarization, the 1970s saw an explosive growth in advocacy-oriented partisan think tanks (Bertelli and Wenger 2009). In particular, the Heritage Foundation carved out a privileged role within the Republican Party, allowing it to provide biased policy analysis at the highest levels of American government. Using time series data on partisan think tank testimony before Congress, newspaper citations and Heritage’s reported revenue, I
find a strong and significant relationship between the growth of partisan think tanks and polarization in Congress over time. As think tanks became more influential, polarization closely followed. While these results do not imply a clean causal relationship, they suggest that partisan think tanks were an important mechanism used to polarization American politics.

The intertwined history of partisan think tanks and polarization

Scholars quickly recognized the increase in polarization in Congress which began in the 1970s. Poole and Rosenthal (1984) noticed that same-state Senators from different parties began to vote against each other more often beginning in the late-1970s. This early period saw the two parties develop many of the strong disagreements that define their issue portfolios today, such as polarization over women’s rights (Wolbrecht 2000) and environmental policy (Karol 2019). Congress slowly became more polarized in the 1980s, although it still managed to pass major bipartisan bills on tax reform, Social Security, immigration, disability rights and many other issues under divided government (Mayhew 2005). Party platforms had used very similar language previously, but began to diverge in 1980 (Wood and Jordan 2017). This equilibrium lasted until 1995, when the new Republican majority led by Newt Gingrich dramatically increased the level of partisan conflict (Theriault 2013). Since 1995, polarization has only increased. By the 2010s, the political parties rarely worked together outside of times of crisis and nearly every salient issue became deeply polarized.

Political scientists have largely rejected explanations that elites polarized in response to changes in electoral incentives. Median voter theory (Downs 1957; Holcombe 1980), and some related electoral-based theories of Congressional behavior (Mayhew 1974), predict that elected officials and parties will support policy that is close to their district’s median voter’s preferences in order to compete in elections. Thus, a polarizing electorate could create incentives for elected officials to support more extreme positions. However, studies find clear evidence that the mass public polarized only decades after their elected officials (Dimock et al. 2014; Fiorina 2017; Fiorina, Abrams, and Pope 2011). While there was some ideological shift by the electorate during the early period of polarization, it was confined to only a
few issues such as abortion (Fiorina, Abrams, and Pope 2011), while elected officials polarized on numerous other issues. Thus, the initial phase of polarization is unlikely to be caused by a shift in the distribution of public opinion in the general electorate. Similarly, scholars have hypothesized that a shift in primary electorates or the competitiveness of districts could cause the increase in polarization, but have found little evidence to support such a relationship (Abramowitz, Alexander, and Gunning 2006; Hirano et al. 2010; Layman, Carsey, and Horowitz 2006; McCarty, Poole, and Rosenthal 2006; McGhee et al. 2014). Republican representatives grew more conservative in both competitive and uncompetitive districts during the period (M. Barber and McCarty 2015; McCarty, Poole, and Rosenthal 2006). Changes in gerrymandering is only related to polarization in that it created more Republican representatives, who tended to be more extreme than their Democratic colleagues (McCarty, Poole, and Rosenthal 2009). Similarly, geographic sorting after the Civil Rights movement struggles to explain polarization, as Southern Democrats and Northern Republicans became more liberal and conservative at similar rates as their colleagues during the period (B. D. Jones, Theriault, and Whyman 2019). The literature thus reaches a consensus opinion that elites polarized before their electorates in the late 2000s, eventually transferring those opinions to their co-partisans in the mass electorate.

Indeed, more recent scholarship identifies important causes of elite polarization. Rising inequality and the political activities of billionaire donors helped tilt Republican Party politicians toward more conservative economic policy (Hertel-Fernandez 2019; McCarty, Poole, and Rosenthal 2009; Page, Seawright, and Lacombe 2019). Highly ideological small donors produce a similar incentive for more extreme policy positions (M. J. Barber 2016). Increased partisan competition and partisan warfare reduce incentives for cooperation (Lee 2009, 2016; Theriault 2013). Partisan media increases incentives for conflict and punishes compromise (Zelizer 2006). Moderates see these conditions as select out of running for office (Thomsen 2014). These explanations suggest that elite incentives increasingly encourage and reinforce polarization. However, they still mostly explain only more recent growth in polarization. They don’t identify a change to American politics in the 1970s that resulted in the rapid
polarization of elites, although they do suggest that the change should be endogenous to American political elites, particularly in the Republican Party.

One seismic change that occurred within the Republican Party in the 1970s was the creation of the Heritage Foundation in 1973. Paul Weyrich, Edwin Feulner, two former Republican Study Committee staffers, and Joseph Coors, the heir to the Coors Brewing fortune, created the think tank in response to perceived Republican moderation on economic and foreign policy issues (Edwards 1997). They believed that the Republican Party’s reliance on non-partisan information sources like professional civil servants and academics led them to avoid conservative policy positions (Campbell and Pedersen 2014; Rich 2005; Stahl 2016). Heritage would instead provide policy analysis that reached conservative conclusions. They also developed the advocacy think tank model, where Heritage would set their agenda to match the Congressional agenda and investing more resources into marketing (McGann 2016). Other think tanks had maintained either a contract or university-without-students model. Under the former, think tanks like the RAND Corporation and Urban Institute would produce research at the request of government. Under the latter, think tanks like the Brookings Institution and American Enterprise Institute operate as university-like anarchic organizations, with little coordination between researchers. They also adopted direct mail fundraising strategies from political campaigns and citizen groups, allowing them to take controversial stances that business and foundation-funded groups like the American Enterprise Institute were hesitant to adopt (Abelson 2004). Heritage’s model was a much more potent political tool, as nearly all salient items on the Congressional policy agenda received a conservative perspective.

The Heritage Foundation became a potent force within the Republican Party almost immediately. After the 1980 election, they played an important role in the Reagan Transition (Brown 2011a; B. D. Jones and Williams 2008). Unlike in many democracies, U.S. parties do not form shadow governments to prepare a policy agenda should they win the next election. As a result, parties often draw many of their appointees from interest groups and think tanks (Brown 2011b; Ricci 1993). Heritage had spent much of 1979 and 1980 preparing a 3,000-page, 30-pound, document titled Mandate for Leadership, laying out a
plan for the first year of the Reagan Presidency (Edwards 1997). Reagan personally passed out copies of *Mandate* at his first cabinet meeting (Edwards 1997). Reagan appointed at least twenty-three contributors to *Mandate* into senior policy roles (Edwards 1997). Heritage cemented its place as the preferred policy advisory organization to the Republican Party and remains there today.

The Heritage Foundation inspired imitators in both parties. The late 1970s and 1980s saw an explosion in the number of partisan think tanks (Bertelli and Wenger 2009). Most of these think tanks were founded in Heritage’s image by adopting a partisan orientation, advocacy think tanks structure and decentralized fundraising (McGann 2016). The American Enterprise Institute, Heritage’s chief competitor within the Republican Party, adopted a more ideological, advocacy-oriented structure in response to Heritage’s success (Medvetz 2014; Stahl 2016). Democrats were slower to adjust to the new status quo, but by the mid-2000s founded their own network of partisan advocacy think tanks led by the Center for American Progress (Medvetz 2014). Today, they are pervasive in American partisan policymaking, on par with the formal party think tanks in many European democracies in terms of their role in advising political parties (Campbell and Pedersen 2014).

The beginning of the new age of polarization coincided with the increase in partisan think tanks, but should we expect a causal connection between the two variables? Bertelli and Wenger (2009) argue that as polarization increases, legislators advance competing policy claims. They seek out information to adjudicate these competing claims, resulting in greater think tank formation. Indeed, they find a strong correlation between polarization and the formation of new think tanks, both during the 1970s-1980s period and in the first three decades of the 20th century.

However, we might expect partisan think tanks to generate these policy disagreements by advancing competing policy claims and allowing members of Congress to seek out information that fits their ideological bias’. Elites are thus persuaded to support policy to the left or right of the conclusions of non-partisan information providers. After interacting with partisan think tanks, they may believe that, for example, the costs of their preferred policy options are less than neutral experts tell them, or the benefits
are stronger. For example, Jones and Williams (2008) find that partisan information providers propagate “bad ideas” long after higher-quality sources conclude they are wrong, such as the notion that tax cuts ultimately increase net revenue. As members substitute non-partisan expertise for the expertise of partisan think tanks, they take policy positions farther from center. We can hypothesize a positive relationship between partisan think tanks and polarization:

**Polarization Hypothesis**: As partisan think tank influence increases, polarization in Congress will increase.

**Data**

To examine the relationship between polarization and partisan think tanks, I collected data from several sources. The universe of think tanks that we might consider is vast and filled with edge cases. Scholars disagree about whether we should consider organizations like the Brookings Institution, Cato Institute, Mercatus Center or Urban Institute partisan or party-aligned think tanks (E. Fagan 2019; Grossmann and Hopkins 2016). However, there are some large institutions that are broadly describe their missions in partisan or ideological terms (Fagan 2019). For this study, I collected data the four such think tanks with the largest average revenues from 2001-2016: the Democratic-aligned Center for American Progress (CAP) and Center on Budget and Policy Priorities (CBPP) and the Republican-aligned Heritage Foundation and American Enterprise Institute (AEI).\(^1\) Appendix Table 1 shows their average real (2009 dollars) revenue during the period. Collectively, they averaged $144.1 million annual during the period, or roughly equivalent to the $139.4m combined budgets of the Congressional Budget Office and Congressional Research Service.

I measure partisan think tank influence in Congress by observing how frequently they testify before Congress. Think tanks have many means to advise members of Congress, including but not limited

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\(^1\) Expenditures are collected from IRS Form 990 disclosures contained in ProPublica’s Non-Profit Explorer database, which only maintains records beginning in 2001.
to testimony before formal hearings, private communications, events and seminars, staffing the executive branch, indirect communications through the media or intermediaries and passively through published materials (Campbell and Pedersen 2014; Rich 2005). Most of these activities are very difficult to comprehensively observe over long time periods. However, witness testimony is recorded in the Congressional record, allowing us to identify each time a witness identifying as an employee of a partisan think tank testified. I calculated the rate of partisan think tank testimony by dividing the number of times an employee of the four partisan think tanks testified before Congress and the number of hearings recorded by the Policy Agendas Project in each year.² Partisan think tanks testified 1,683 times from 1973-2014, although the first instance of a partisan think tank testifying does not occur until 1978. As more partisan think tank witnesses testify, polarization should increase.

Next, I measured the overall size of partisan think tanks. Non-profit organizations disclose their revenues and expenditures on IRS Form 990 each year. Unfortunately, the IRS destroys these data after seven years. ProPublica’s Non-Profit Explorer database maintains records through 2001, but no comprehensive record is available earlier. Thus, we cannot measure the revenue or expenditures of all four think tanks before 2001. However, the Heritage Foundation published annual records of its revenue in their annual reports for much of the 1980s and 1990s. Using these reports and several archival documents, I collected the full series of Heritage Foundation real revenue since its founding in 1973 through 2016, with only one interpolated year (Appendix Table 2). These data are limited in that they only capture one partisan think tank’s size over the full time period, but Heritage is recognized by most scholars as the most important partisan think tank during the period (Campbell and Pedersen 2014; McGann 2016; Medvetz 2014; Rich 2005; Stahl 2016). As the Heritage Foundation earns more real revenue, polarization should increase.

² These data stop in 2014 due to a lack of comprehensive hearings data released by committees beginning in 2015. See the related noted in the Policy Agendas Project hearings codebook (2019).
Finally, I measure media attention by partisan think tanks. Advocacy think tanks will often aggressively market their research and arguments in the media (Groseclose and Milyo 2005; Rich and Weaver 2000). Their research tends to gain more attention than most academic research, in part due to aggressive marketing strategy and in part due to journalistic equivalency norms (Boykoff and Boykoff 2004; Haas 2007). I collected each time one of the four partisan think tanks was mentioned by name in the Associated Press, New York Times, Reuters or Washington Post from 1977-2016. This process yielded 20,635 citations during the period. As partisan think tanks gain more media mentions, polarization should increase.

I measured polarization in Congress by using the DW-NOMINATE difference of party means (Lewis et al. 2019), averaged between the two chambers of Congress. I used time series regression models to estimate the temporal relationship between partisan think tank activities and polarization. Finally, all data are estimated at the two-year Congress unit of analysis.

Results

Figure 1 shows the relationship between partisan think tank testimony before Congress and polarization. There is a very close relationship between these two variables. Both begin to rise during the 96th Congress (1977-1978) and grow modestly throughout the 1980s. They then shoot up during the critical 104th Congress (1995-1996), although think tank testimony spikes far more than polarization. During this Congress, researchers at Republican-aligned think tanks testified heavily in support of policy promises made in the Contract for America (Gayner 1995). Many of the Contract’s promises were themselves based on research authored at the Heritage Foundation and American Enterprise Institute, including severe cuts to Congressional staff and legislative support organizations, the 1996 welfare reform law, cuts to the discretionary budget of the federal government and changes in the structure of the federal tax code for dual filers to eliminate the “marriage penalty” (Gayner 1995; Stahl 2016). After these promises were debated in Congress, partisan think tank testimony returns to a stable equilibrium with
polarization for much of the next ten years, before both finally accelerate again the late 2000s toward their present-day highs. The series drops off considerable during the 114th Congress. This may be due to the 114th’s status as a historically unproductive Congress in terms of legislation.

These results are complicated by the nature of the data. Both polarization and think tank activity are secular trends. They might both be related to a confounded variable related to time. We need to remove the trend to understand if the obvious correlation is spurious. I regressed both polarization and the rate of partisan think tank testimony on a trend variation and took the residuals of each. There is a positive and significant relationship between the detrended rate of partisan think tank testimony at \( t-1 \) and detrended polarization at \( t \) \( (r^2 = 0.21 \ p = 0.035) \), but no relationship between the variables at time \( t \) \( (r^2 = 0.01 \ p = 0.746) \). This relationship suggests that partisan think tank testimony increases about one Congress before polarization increases. This temporal order is consistent with a process where an increase in partisan think tanks predicts, or even causes, an increase in polarization.

Figure 1: Partisan Think Tank Witnesses Per Congress and Polarization in Congress.

Next, we turn to the relationship between the growth of the Heritage Foundation and polarization in Congress (Figure 2). These two variables are very closely correlated \( (\rho = 0.98) \). Polarization begins
to increase shortly after the Heritage Foundation is founded in 1973. When the trend is removed from each, there is a positive and significant relationship between the two variables at time $t$ ($r^2 = 0.37$ $p = .003$). The relationship between Heritage Foundation revenue at $t-1$ and polarization at $t$ ($r^2 = 0.29$ $p = 0.012$) is also significant, while the reverse is not ($r^2 = 0.13$, $p=0.139$), suggesting that the Heritage Foundation increased before polarization, although relationship at time $t$ is stronger.

Figure 2: Real Revenue of the Heritage Foundation and Polarization in Congress

Finally, we turn the relationship between partisan think tank activity in the Associated Press, New York Times, Reuters and Washington Post and polarization (Figure 3). Partisan think tank media mentions increase over time but are considerable right-shifted relative to polarization in Congress. This relationship may indicate that partisan think tanks were priming the pump of polarization by advocating for more extreme policy positions in the media for about a decade before those positions showed up in Congress. However, this relationship is much more likely to be spurious. While both are increasing over the period and thus correlated ($p<.001$), there is little relationship at $t$ once the series are detrended ($p=0.409$), and no significant relationship at times $t-1$ through $t-4$. The relationship appears to be entirely driven by a trend, rather than a more direct relationship between the two variables.
We should also consider an important potential confounding variable other than the time trend. In 1995, the new Republican majority in Congress fulfilled a promise it made in the Contract with American by dramatically cutting the budgets of the Congressional Research Service and Congressional Budget Office and eliminated the Office of Technology Assessment. These analytical bureaucracies are important sources of non-partisan expert information for members of Congress (Fagan and McGee 2020). They are also in direct competition with partisan information providers like partisan think tanks. Indeed, the proposal in the Contract with America had its origins in the Heritage Foundation. Conservative Republicans saw the decline of Congressional capacity as a feature, rather than a bug or just a side effect of reducing costs. A legislature with a reduced ability to search for policy problems will pass less legislation to solve those problems, reducing the size of the government’s policy agenda (Baumgartner and Jones 2015). While the Republican rhetoric in the Contract with America focused on over-spending in Congress, earlier work made it clear that their goal was to reduce Congressional capacity to process information. In an influential 1989 book, two Heritage Foundation authors argued that an “Imperial Congress” had stymied public mandates given to Republican presidents Richard Nixon and Ronald
Reagan to reduce the size and scope of government, and it needed to be hobbled to maintain the separation of powers (G. S. Jones and Marini 1988). Newt Gingrich, then the Republican Minority Whip, wrote the book’s foreword. These ideas were eventually incorporated into a promise in the Contract with America to cut staffing (Gayner 1995). Figure 4 shows the relationship between partisan think tank witnesses called to testify and staff at the analytical bureaucracies. We see a clear negative relationship, where 1995-1996 saw both huge declines in analytical bureaucracy staff and huge increases in partisan think tank testimony. Thus, we should ask if the increase in partisan think tank witnesses was caused by a decrease in the supply of internal expert information in Congress, forcing them to seek outside information.

Figure 4: Partisan Think Tank Witnesses Per Hearing and Analytical Bureaucracy Staffing

Notes: Data on CRS/CBO/OTA staff from Vital Statistics on Congress (Brookings 2019)

We can test this explanation by comparing testimony by partisan think tanks to outside non-partisan sources of information. If non-partisan testimony follows a similar pattern as partisan think tank testimony, we might infer that the increase in partisan think tanks is related to cuts to capacity rather than polarization.
Unlike partisan think tanks, the list of potential non-partisan outsiders is vast. Congress calls on experts from across the public and private sphere to share their expertise (Baumgartner and Jones 2015; Mills and Selin 2017; Workman, Jones, and Jochim 2009). To make matters more complicated, relatively few organizations were active and well-resourced sources of non-partisan information during the full period. We need to identify a sample of non-partisan organizations that provided information to Congress from the 1970s to present day. I selected four. First, three major research universities in Harvard University, Yale University and Stanford University. Second, the largest non-partisan think tank that, like the partisan think tanks, does not work for hire on government contracts, the Brookings Institution. Figure 5 compares testimony by these non-partisan organizations and partisan think tank testimony. All four organizations testified at a flat or decreasing rate during the period. There does not appear to be a surge in demand for outside expertise following the cuts to Congressional capacity.

Figure 5: Partisan Think Tank Testimony and Testimony by Non-Partisan Outside Organizations
Discussion

After rejecting many explanations for the increased ideological distance and partisan conflict between the Republican and Democratic parties, scholars look toward explanations of elite polarization that are not derived from the direct demands of their electorate. Partisan think tanks offer one such explanation.

The link between the growth of partisan think tanks and polarization is clear. As partisan think tanks became larger and more influential in American politics, polarization increased. The increase in partisan think tanks came about two years before the increase in polarization. Furthermore, the vast increase in partisan think tank activity in 1995-1996 occurred simultaneously with the vast decrease in staffing at the Congressional Budget Office, Congressional Research Service and Office of Technology assessment. We also see no related increase in the influence of major research universities or non-partisan think tanks.

However, to borrow a cliché, there is almost too much correlation between these two variables to imply causation. Polarization is a complex, multi-causal phenomenon. Even if partisan think tanks played an important role in polarizing the political parties, they could not have played as big of a role as implied by the results displayed in Figures 1 and 2. If there was a simple causal relationship between polarization and partisan think tanks, these data would imply that the growth of partisan think tanks beginning in the 1970s through present day is the sole cause of the polarization of American politics. This conclusion is clearly false. It is much more likely that partisan think tanks are one of several mechanisms through which some unobserved factor increases polarization.

Something changed among Republican Party elites in the 1970s. Republican Party elites began that decade with the administrations of Nixon and Ford supporting a policy agenda that was not all that different from the policy agenda of Lyndon Johnson and Dwight D. Eisenhower. It ended the decade with
Ronald Reagan, Newt Gingrich, and a generation of ideological conservatives seeking to radically change the American public policy status quo of the last half century.

Researchers should continue to explore the role of partisan think tanks in American party politics. They loom large in journalistic stories of American politics but are rarely centered by political scientists. We know that they play an important role in presidential transitions (Brown 2011), advising Congress
References


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Appendix

Table 1: Average Real Annual Revenue of the four largest Partisan Think Tanks

<table>
<thead>
<tr>
<th>Partisan Think Tank</th>
<th>Revenue</th>
</tr>
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<tbody>
<tr>
<td>American Enterprise Institute</td>
<td>$27.6m</td>
</tr>
<tr>
<td>Center on Budget and Policy Priorities</td>
<td>$20.5m</td>
</tr>
<tr>
<td>Center for American Progress</td>
<td>$32.9m</td>
</tr>
<tr>
<td>Heritage Foundation</td>
<td>$63.1m</td>
</tr>
</tbody>
</table>

Notes: 2009 dollars. Includes the 501(c) companion organizations of the Center for American Progress and Heritage Foundation. Data collected from ProPublica's Non-Profit Explorer database of IRS Form 990 disclosures.

Table 2: Heritage Foundation Revenue Archival Sources

<table>
<thead>
<tr>
<th>Years</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973-1976</td>
<td>1976 IRS Form 990</td>
</tr>
<tr>
<td>1977</td>
<td>1977 IRS Form 990</td>
</tr>
<tr>
<td>1992</td>
<td>Interpolated</td>
</tr>
<tr>
<td>1995</td>
<td>(Solomon 1996)</td>
</tr>
<tr>
<td>1996</td>
<td>1996 Heritage Foundation Annual Report</td>
</tr>
<tr>
<td>1997-2017</td>
<td>IRS Form 990s (retrieved from ProPublica Non-Profit Explorer)</td>
</tr>
</tbody>
</table>

Notes: The 1976 and 1977 IRS Form 990s were collected from records found in Document Cloud.