The National Federation of Independent Business?

Driving a far-right political agenda far from the needs of small business

The National Federation of Independent Business (NFIB) bills itself as “The Voice of Small Business,” and carefully cultivates an image as a coalition of mom-and-pop small businesses, even including the word “Independent” in its name. However the NFIB is not independent at all. In fact, the evidence shows the lobby group has deep and longstanding ties to right-wing political movements and has been a partner in pushing a conservative ideology and agenda that is often at odds with the needs of small businesses.

Founded in 1944, NFIB began as a vigorous proponent of broad Federal action on antitrust issues and big business concentration - items which have completely disappeared from NFIB’s present agenda. In fact, one of NFIB’s partners is Crossroads GPS, a corporate funded 501(c)(4) connected to the American Crossroads Super PAC with close ties to right-wing operative Karl Rove. He is addressing NFIB’s 2012 Small Business Summit on May 14 in Washington, DC.

The connection is worth millions to both: In 2010, Crossroads GPS gave $3.7 million to NFIB – a contribution which a December 2011 opinion piece in the Wall Street Journal described as part of a “trial run” at what Crossroads called “funding the right,” adding that Crossroads CEO Steven Law considered the initiative “money well spent.” Donations for the second half of 2011 and 2012 are not yet public.

And in 2010, the NFIB reported paying more than $3 million for “advertising services” to Crossroads Media LLC, a Virginia-based firm that does media placement for American Crossroads and shares office space with a number of other Super PACs.

But Rove is not the NFIB’s sole connection to the ideological right.
NFIB Connections to the Right

NFIB President Dan Danner

NFIB president and CEO Donald A. “Dan” Danner was never a small businessman. Instead, he started out as a lobbyist for the steel industry. Before joining NFIB, Danner served as deputy director in the White House Office of Public Liaison during the first Reagan term. That office coordinated the Reagan administration's ties with the New Right and Christian evangelical political movements that had grown up during the late 1970s.

Dan Danner went on to become George Mason University's executive vice president for university advancement where he was caught up in a controversy over funneling federal grant money to right wing operative Paul Weyrich’s Free Congress Research and Education Foundation.7

As top lobbyist at NFIB, Danner attended meetings with Republican leaders at least twice a month for 12 years, according to the Washington Post,8 and was called “the go-to guy for the House Republican leadership” by a congressional staffer in 2005.9

Chief Lobbyist Susan Eckerly

Over the past two decades NFIB has become a recognized “farm team” for Republican staffers who went to work on K Street.10

NFIB’s in-house lobbying operation is headed by Senior Vice President for Public Policy Susan Eckerly, who came to NFIB in 1996 from Citizens for a Sound Economy, co-founded by oil billionaire David Koch in 1984 and since merged into the Koch-backed organizations FreedomWorks and Americans for Prosperity.

Before that Eckerly served in the Labor Department in the George H.W. Bush administration and had been deputy director of economic policy studies at the Heritage Foundation.11 While at Heritage, Eckerly endorsed the call to repeal the Community Reinvestment Act, the Civil Rights Act and the Americans with Disabilities Act.12 Eckerly also opposed minimum wage legislation in 1994 and again in 1999.

Communications Director Jean Card

NFIB’s National Media Office, based in Washington, DC, is headed by vice president of media and communications Jean Card. Card is a onetime Task Force Director of the American Legislative Exchange Council (ALEC) (September 1994–June 1996), which she left to work for NFIB for five years, a position she returned to in 201013

NFIB’s Lobbying and PAC

NFIB’s spent nearly $9.5 million on lobbying in 2010 and 2011, when it engaged in heavy activity over healthcare reform battles in Congress.14 The group recently retained Mark Warren, former chief counsel of the Senate Republican Policy Committee, as a lobbyist.15

According to the Center for Responsive Politics, NFIB’s PAC raised $20,157,250 from 1998-2012 to support candidates in state and federal elections.16 In 2010 nearly 94% of NFIB’s PAC contributions went to Republicans.17 This election cycle, the figure is closer to 98%.
The NFIB is the principal private litigant suing in the Supreme Court to overturn the Affordable Healthcare Act. President Dan Danner told The Wall Street Journal that the healthcare litigation cost NFIB $2.9 million in 2010 alone, with about $1.6 million coming from “‘contributed services,’ referring to an agreement with an outside law firm to handle the case.”

The NFIB Small Business Legal Center’s budget has grown from $300,000 in 2000 to over $2.2 million in 2010. As a tax-exempt 501c(3), NFIB SBLC is not required to disclose the source of its funding, and has refused to disclose from where it received the additional funding for the healthcare litigation.

From 2003-2004, NFIB’s Small Business Legal Center received $88,000 in funding from the Koch-controlled Claude R. Lambe Foundation. NFIB SBLC also received $100,000 from the Lynde and Harry Bradley Foundation, the leading foundation funder of the right wing think tank infrastructure, in the run-up to the fall 2010 congressional elections and just as its healthcare litigation was ramping up.

Questions are being raised about the NFIB carrying out this activity under the umbrella of a charitable non-profit organization whose supporters can take tax write-offs for their contributions to the group.

Questions have also arisen about the propriety of NFIB paying the lion’s share for litigation involving 26 states. “My concern is if it’s a lawsuit on behalf of the people of Florida, then I would believe it should be the people of Florida footing the bill,” state Rep. Mark Pafford, D-West Palm Beach, told the Palm Beach Post.
16 state coalitions working for paid sick days, family leave insurance and other policies that value families at work.

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2 American Crossroads, led by its president Steven Law (who was general counsel of the U.S. Chamber of Commerce before leaving to head Crossroads), is playing a central leadership role in coordinating right wing groups as they plan to deploy money and resources for the November 2012 elections. See Kenneth P. Vogel, “Karl Rove’s Fight Club,” Politico, March 27, 2012.
18 Claude R. Lambe Foundation, IRS Form 990s for 2003 and 2004.
19 Lynde and Harry Bradley Foundation, IRS Form 990, 2010, pp. 73-74.