



## **The Lobbying Reform Working Group**

### **The Value and Purpose of Association Lobbying**

#### **I. Overview; Why Associations Matter**

Every day, associations are creating positive change in the economy and society throughout the nation. The numbers are impressive – according to the federal government there were over 93,000 associations in the U.S. in 2011, and that number is growing. Associations represent and employ millions of Americans, and as part of their charge have the ability and responsibility to represent their memberships before Congress and the federal government.

Associations provide valuable background, education, and viewpoints for every policy issue before every legislative body, from the U.S. Congress down to the smallest town council. Associations also represent their members before appropriate government bodies and share their members' views and opinions to positively influence policy.

This document focuses on the First Amendment right of associations to lobby within the United States' system of government, how they have historically influenced policy for the better, and how association communities function and represent diverse segments of the population. Finally, this document explains how associations draw from their nonprofit status and volunteer- driven policymaking processes to serve as valuable resources for policy makers – resources that assist policy makers in meeting their own public service responsibilities.

#### **II. Historical Background; a short history of associations and advocacy**

While organizations similar to associations have existed for centuries in both England and the United States, it was not until 1913 that tax-exempt organizations were recognized in the U.S. tax code as a specific class of organizations. The Revenue Act of 1913 separated “business leagues” and charitable organizations apart from for-profit corporations because, “associations earn their tax-exempt status by satisfying many of the needs of various industries, professions, and the general public that the government would otherwise have to address.”<sup>1</sup>

American history is full of examples of associations, small and large, working with elected officials to promote legislation that would improve the economy and society. It was the League of Women Voters (then the North American Women’s Suffrage Association) that led the push for voting rights for women and the 19th Amendment. The NAACP, a professional association, was one of the major drivers of the civil rights acts of the 1960s. While these are high-profile examples of associations changing the course of history, there are also many other important examples of the positive work associations do every day. Whether it is a counseling association pushing for legislation to increase training for school counselors, or an engineering society creating reports showing the decay of our nation’s infrastructure – associations every day are working to make our nation and society a better place.

#### **III. Advocacy Role of Associations; Providing a needed voice in the legislative and regulatory process**

---

<sup>1</sup> ASAE, *Associations Matter: Associations by the Numbers*. Washington: 2012.

<http://www.thepowerofa.org/wp-content/uploads/2012/03/Associations-Matter-FINAL.pdf>.

Advocacy is the act of promoting an idea, issue, or policy that is important to the organization espousing it. It's a fundamental right, guaranteed by the First Amendment to the U.S. Constitution. It is also a fundamental role of all associations, and a key reason why members join and support associations – that is, to give a collective voice to the individual concerns and objectives of a given organization and to speak on behalf of its members to those in the public policy arena who can and will influence the outcome of an issue, regulation, or legislation.

Advocating for something important to an individual or their industry or profession is what lobbying is all about. While the lobbying profession is sometimes cast in a negative light or blamed for exerting undue influence on the political process, lobbying is simply a person or group of people speaking up for the causes which affect them and which they consider important. All of us lobby in some form or fashion. Advocacy by associations (through both professional and volunteer lobbyists) allows a group of involved, informed individuals to share their knowledge, expertise, and professional experience and to speak collectively for their community.

What is often lost in the debate on advocacy is that policy makers on every level of government – local, state and federal – are consistent in expressing their appreciation and support for both professional and citizen lobbyists. Policy makers realize that associations represent and provide extensive information on all sides of an issue. For that reason, associations and their lobbyists are considered a valuable source of information to elected officials who are intricately involved in debating who gets what, when and how.

What associations, lobbyists, and their government affairs departments do is simply advocate for their fellow members who cannot take the time to regularly inform, educate and meet personally with officials about their concerns because they are too consumed with doing their jobs and running their businesses. Not surprisingly, the role of advocacy is often a major value proposition of membership in an association. These days, the advocacy role of associations takes on further importance, especially in an era of increasing competition for dwindling governmental resources at every level, and a time when government uncertainty has prevented the economy and many businesses from expanding and hiring new employees.

Lobbying and advocacy by associations helps promote a healthy economy and stimulate job growth through the creation of more globally competitive companies across the country. Among the compelling reasons people and businesses join an association is to have an organization that will speak for them and provide a clear, positive voice for the entire profession or industry.

While some in Washington and in the media may wish to demagogue lobbyists, advocacy efforts, and the groups that employ them – the truth is that lobbying plays an important and legitimate role in the nation's policy-making processes. It is a role as old and as time-honored as America itself, rooted in the U.S. Constitution; it is a role that is essential to the fundamental maintenance of democracy.

#### IV. Associations and Government; Providing knowledge, expertise, and real world experience

Few government officials have an in-depth working knowledge of all of the activities and expertise in which association members are involved. Associations are especially well-equipped to provide accurate and timely information about their respective areas of knowledge. The most successful advocacy strategies present issues in the context of the overall business and professional community and society in general – the framework in which government decisions are made. When laws and regulations are well-conceived and properly applied, they can

stimulate growth, create jobs, improve worker safety, and protect the public health. Conversely, the actions of uninformed lawmakers and regulators can adversely affect an industry or profession, thus unintentionally impacting services to the public.

Associations are uniquely capable of providing information to government officials on how a law or regulation might impact the economy or society at large. Associations also play an important role in ensuring that a lawmaker's constituents are consulted in the policy-making process. The involvement of associations in the public policy process enables government officials to work with an organized, coherent, and informed group of stakeholders on an issue, thus making the process more efficient and cost-effective.

For industries and professions that are highly regulated by local, state and federal government, allowing government officials to participate in association meetings and events provides an important means of sharing ideas and information. The dialogue that takes place at these meetings between government and the private sector is essential to the development of informed policymaking that facilitates economic growth and job creation. The dangers of government operating in a vacuum – with fewer opportunities to learn and exchange information with private industries in a conference or meeting setting – are too great to ignore.

## V. Transparency and Ethics; Setting the standard and raising the bar

Associations respect and follow the current laws and regulations governing all levels of political interaction, whether it be national, state or local, in order to ensure ethical and transparent behavior. Similarly, there are clear guidelines of appropriate behavior that govern the activities of members of Congress, state legislatures and the governing bodies of local municipalities. All government affairs and association lobbyist professionals must have a thorough understanding of existing ethics and disclosure laws and comply fully with these as they interact and work to educate legislators and their staff on the issues important to the association and its members.

At the federal level, the Lobbying Disclosure Act (LDA) and the Honest Leadership and Open Government Act (HLOGA) are the principal means by which transparency is achieved and ethics are enforced. Associations must register in order to lobby either Congress or the Executive Branch. Registered associations must also file quarterly disclosure reports listing their employees who are acting as lobbyists, the issues and committees/agencies being lobbied, and the dollar amounts spent on these activities. Finally, both registered associations and their listed lobbyists must file semi-annual reports, in order to disclose contributions and disbursements to or on behalf of public officials, as well as to certify that associations and all listed lobbyists are aware of and in compliance with Congressional ethics rules regarding lobbying interactions, travel, gifts and entertainment.

The association community fully supports the transparency that results from registering and filing reports of lobbying activities and ethics compliance. This includes compliance not only with the Congressional ethics rules that are mandated under LDA and HLOGA, but also the ethics rules covering lobbyist interactions, travel, gifts and entertainment issued by the Executive Branch and its various agencies. It also includes comparable state and local registration and reporting requirements and ethics compliance.

Public disclosure can result in many positive outcomes for an association, such as discouraging illegal or questionable behavior by establishing a transparent record of activities, efforts, and accomplishments. Reporting also serves to enhance transparency, which provides the press

and general public the ability to review and scrutinize association records – in turn serving as an additional deterrent to ethics violations among registered lobbyists.

## VI. Association Governance; Out in the open, on the record

However, associations in general go much further than just adhering to the law and regulations. Most have an extensive and transparent governance and decision-making process. Much like large public companies, all associations have a board of directors that approves policy decisions for the association, including its positions on various legislative and regulatory issues. The board's deliberations are captured in minutes that are available to the members of the association and the public. This official record of deliberation by the association's leaders and members in regards to policy positions clearly defines the path to be taken by the association and to be lobbied by its government relations professionals.

As stated, when policy is developed, it is a public document. It is generally posted on the association's website, made available to the members of the association and even the press and the media. Because associations represent entire industries or groups of individuals, the public policies they are seeking will benefit some part of society or the economy. While there may still be some individuals who oppose a particular position, it is meant to benefit not just one individual or company, but rather, the entire industry or profession, and in turn, society or the economy at large.

Most associations also have a volunteer government affairs or public policy committee that makes policy recommendations to the board of directors or governing body. These committees often are comprised of members who have a wealth of knowledge on the issues of importance to the industry or practice, and that have a vested interest in representing their profession. In addition, the committees are a key mechanism for providing oversight of the association's lobbying activities. The government affairs staff and senior staff leadership of an association are accountable to these committees, who actively monitor staff activities and progress on a regular basis.

## VII. Grassroots Advocacy: Democracy in action

Another way that members of associations provide oversight of an association's lobbying activities is in grassroots lobbying campaigns, through which members often join their professional lobbyists in meetings and communications with their elected representatives. This gives association members the opportunity to hear their issues presented and to evaluate the conduct of their representatives. Such campaigns can be essential to getting the coordinated public policy message out to the association's membership, as well as extremely valuable in ensuring that elected officials understand the importance of the issues being brought to them directly by their constituents. Further, such grassroots meetings establish the member and association staff as a resource to the elected official and his/her staff – a relationship that can provide positive and constructive information over time, enabling the elected official to meet his/her public service responsibilities.

Some associations can be relatively large or high-profile entities and therefore can attract attention in trade or niche press, and even in regional and national mainstream media. Associations are public entities and can be scrutinized by the press just as are public figures, such as Members of Congress. For many associations, their membership expects the association to speak on members' behalf, and to provide them a voice in policy issues in Washington, D.C., their state capitol or to the entire nation. This underscores the importance of

associations operating in a transparent, accountable fashion. Transparency is integral to association policy development, as it leads to strong, ethical decision-making that benefits the association, its industry and community stakeholders, and the broader national economy, infrastructure and society.

#### VIII. Making Governance Work for all of us

As they have for a hundred years, each and every day association professionals are working to advance causes and shape legislation and regulation important to their members, the economy and society, and therefore to the country at large. This active engagement with the issues impacting the nation helps to build bridges between organizations, foster understanding, and contribute to the wealth of knowledge generated from our time-honored tradition of discourse and petition with our government. Not only do these professionals and the associations they represent strive to build understanding and a stronger nation, but they do so with the spirit of the law and adherence to best practices. This is what sets apart the association professional and his or her work within the nation's process of government.

We advocate for the recognition of association professionals engaged in advocacy, government relations and public relations as not only a fundamental element of our individual associations, but also of the entire framework of our country. "The right of the people to petition their government for redress of grievances" is a hallmark of our country's founding, and is woven into the fabric of what we all work to accomplish and maintain.

Ultimately, the public policy process works best when there is a meaningful discourse between policymakers and the private sector interests that are represented by America's associations. We are all stakeholders in America's future and powerful contributors to the exchange of ideas that results in good decision-making.