# The Interest Group Top Tier: More Groups, Concentrated Clout

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Abstract:

Recent research on influence has produced seemingly contradictory findings. On the one hand, some scholars have shown that on any given issue, economic resources show little relationship to the likelihood of policy success (Baumgartner et al. 2009). Yet, other scholars have found that policy outcomes match the preferences of the top interest groups and the well-off much better than the average citizen (Gilens 2012). This paper offers an empirical resolution to this puzzle by closely examining the advocacy activities of the top tier of interest groups in Washington. As the total population of interest organizations has increased beyond the capacity of the government to pay attention to all of them, the select few at the top—mostly business interests—have concentrated their resources toward maintaining their privileged status as major players. Using a new data set of 37,706 unique interest groups who reported lobbying between 1998 and 2012, we show that the organizations at the top in lobbying expenditures, number of lobbyists, and number of firms and staff, increasingly retain their privileged positions—but need to pay more to do so. We document lobbying activity trends for those organizations at the top of the extremely unequally distributed lobbying population. We find that organizations at the top in one year pay more to stay at the top each successive year, even if that means shifting their issue agenda to whatever is on the minds of Congress.

Research on the influence of lobbying presents a puzzle. On the one hand, the history of influence studies is largely one of null and inconsistent results. Scholars have been unable to consistently find that interest group lobbying dollars translate into policy influence (Baumgartner and Leech 1998). In the most large-scale project to date, Baumgartner et al. (2009) follow hundreds of policy issues and compare resources dedicated to each side of each issue, only to find that aggregate resources do not determine who wins. In short , researchers have not failed to find a direct relationship between money spent and policy outcomes for lack of trying.

On the other hand, a recent study finds considerable evidence of interest group influence by using a different approach. Rather than measure the resources spent on each side, Gilens (2012) records the positions of the 30 top interest groups (by reputation) and the top 10 industries (by lobbying) on over 2,000 policy questions raised in public opinion polls. He finds that the positions of these top groups and industries are substantially more influential than public opinion in predicting whether proposed policies are adopted. Policy historians also find that a small subset of major interest groups regularly help bring about policy change (see Grossmann 2014).

Recent findings on influence with new methodologies are different from canonical studies of lobbying influence in several ways, but we take note of one important distinction: traditional research assumed that all interest groups could buy the same amount of influence by dedicating resources to their cause, whereas the latest findings imply that not all groups are equivalent. Only the most well-known and active organizations—what we refer to as the top tier of interest groups—are consistently successful. These findings lead us to ask: What interests make the cut? And what does it take to stay there?

Consider a corporation with a household name that is also a Washington institution: AT&T. In the past 15 years, AT&T has transformed itself from a fixed-line telephone provider to a cable company to a mobile data firm. Its business evolution was far from smooth. After buying up all of the cable television assets it could, it abruptly sold them off. It even had a near death experience before the reabsorption of its mobile component (and the larger Cingular network) via its purchase by SBC, which took the AT&T name. AT&T's political environment has also transformed: the parties in control of the presidency and Congress have changed back and forth, the issues it confronts have multiplied, and its formerly largest political contributions (via soft money to both political parties) have been outlawed. Through it all, however, AT&T's Washington lobbying operation has remained massive and powerful. Regardless of what is happening in its business or in its politics, it has paid considerable sums to stay among the interest group top tier. As a Washington interest group, the only thing that has changed is the price: AT&T now pays considerably more to stay at the top.

The example generalizes to other leading interest groups that have faced less business disruption. The most important stable characteristic of interest group activity is its extreme concentration, primarily in the business sector: a small number of groups like AT&T—mostly corporations and business interest associations—always account for a very disproportionate share of lobbying activity. AT&T's resilience also exemplifies what has changed in the Washington interest group community: the top tier of interest groups is increasingly becoming more exclusive. The cost to maintain a top tier lobbying operation in Washington is continuing to rise; and the mobility in and out of the community of top tier lobbying organizations is continuing to decline. A handful of powerful lobbying organizations are increasingly dominant in Washington, and that handful is increasingly consistent from year-to-year, regardless of the policy or the politics du jour.

The expansion of the interest group community has increased the importance of being among the top tier of groups. Instead of "more groups, less clout" (Salisbury 1990), we argue that clout is *increasingly concentrated among the most engaged subset of groups*. As the interest group population has expanded, fortunes have diverged: most interest group voices are drowned out by the cacophony, but the top tier has become increasingly entrenched. This divergence can reconcile the two seemingly contradictory findings in the interest group literature. An increasingly stable top tier of groups invests more to retain its loud voice above the crowd.

We document three important structural features of the changes and continuities of American interest group behavior. First, the distribution of interest representation across different types of groups has remained stable, with business dominant. Second, there are large inequalities in interest group activity across multiple indicators. Third, the top tier of interest groups is increasingly stable, with declining rates of exit and entry. Our assessment comes from a comprehensive new analysis of the 37,706 interest groups reporting any lobbying between 1998 (when contemporary disclosure rules were formalized) and 2012. We are the first to use multiple measures of lobbying activity across all these groups over such a long period of time.

Our empirical aim is to fully document stylized claims about interest groups made in the scholarly literature and popular press—while challenging others—by exploring stability and change in interest group behavior. Our theoretical aim is to focus attention on the importance of concentration at the top of the interest group hierarchy, challenging claims of responsiveness to the political debate in favor of our emphasis on the stability of the top tier.

We proceed first with a review of what we know about the distribution of interest group activity and the evolution of lobbying. We then present our perspective: increased total lobbying has produced divergent clout, with a dominant top tier and a higher price of admission. We then report information on group diversity and inequality and document increasing stability at the top. Our conclusion speculates on the top tier's role in explaining the character of interest group policy influence, while acknowledging our limited evidence of how lobbying effort relates to its impact.

## What We Know and Think We Know

Since the heyday of pluralism and other attempts to explain political processes primarily in terms of group competition, scholars have reached agreement on two empirical trends in interest group mobilization: (1) the number of interest groups has increased dramatically; and (2) the most well-represented groups disproportionately represent business and other well-off sectors of society. The remaining puzzle has been why the increase in interest group activity coincided with a decline in the scholarly view of the importance of groups in American politics (Baumgartner and Leech 1998).

In the definitive statement, Robert Salisbury (1990) said Washington had "more groups, less clout." Increased mobilization, he argued, reduced the influence of the top groups:

> "the growth in the number, variety, and sophistication of interest groups represented in Washington has been associated with, and in some measure has helped to bring about, a transformation in the way much public policy is made… this transformed process is not dominated so often by a relatively small number of powerful interest groups as it may once have been." (Salisbury 1990, 204).

He pointed to several trends from the 1960s to the 1980s: (1) more organizations and more lobbyists; (2) a change in the composition of interests away from member-based associations and toward institutions, think tanks, lobbying firms, and citizens' groups; and (3) a fragmentation of sectors into narrower groups focusing on smaller issues. These trends, according to Salisbury, led to a reversal of the common direction of influence. More groups brought fragmentation, volatility, and uncertainty, he thought: this upset the traditional influence of entrenched interests.

### *Distributions of Interest Group Activity*

Several trends Salisbury noted have since continued and been better documented. By all available measures, the number of interest groups has continued to expand (Baumgatner and Leech

1998, Walker 1991, Schlozman, Verba, and Brady 2012). The lobbying industry, including both for-hire firms and full-time staff working inside of interest groups, has expanded and generated more income (Drutman forthcoming 2015). The strategies available to groups have multiplied and been more extensively utilized (Schlozman, Verba, and Brady 2012, Grossmann 2012, Karpf 2012).

Scholars have used two main methods of investigating how this increased interest group mobilization and lobbying activity is distributed across the community. The first uses categories of interests to assess which types account for the largest shares of activity. The main finding is that business dominates. Individual businesses, trade associations, and peak business associations together account for nearly half of Washington interest groups (Schlozman, Verba, and Brady 2012, 321) and greater than half of lobbying in Congress and administrative agencies (Boehmke, Gailmard, and Patty 2013). Although business has continued to face competition from new kinds of groups since the 1980s, its share of lobbying activities remains high.

Alternatively, scholars have used distributional analyses to look at how concentrated interest group activities are across the entire population of groups. Even if participating groups broadly represent the categories of mobilized groups, a small subset within each category may dominate participation (Grossmann 2012). Lobbying spending and other measures of interest group effort often have a power-law distribution (Drutman forthcoming 2015), with a small subset accounting for most activity and the vast majority of groups accounting for very little. The issues of concern to interest groups are also distributed quite unevenly, with a small number of issues consistently drawing most participation (Baumgartner and Leech 2001; LaPira, Thomas, and Baumgartner 2014). These distributions suggest at least a note of caution for Salisbury's view that the rise of more groups overall lessens the influence of the former power brokers. If most groups are on the sidelines while the major players dominate, the advocacy explosion might not reduce the influence of those select interests in the top tier of groups.

*How Lobbying Evolves*

As lobbying data has become more accessible, scholars have begun to assess how lobbying activities change over time—especially in response to government activities. The expansion of the size and scope of government has long been a primary explanation for how, why, and when group mobilization exploded (Walker 1991). A new line of research now more directly accounts for how government activity in a specific issue area leads to group mobilization in that area. Congressional hearing topics are associated with lobbying registrations in those topic areas (Leech et al. 2005). Recent studies show how government attention to policy problems drives lobbying activities; these effects transcend the separations of powers across branches and federalist barriers (Lowery et al. 2005; Dusso 2008; Baumgartner, Gray, and Lowery 2009; Baumgartner et al. 2011).

The literature has typically measured the lobbying and the government agendas at the policy topic level, showing that changes in the aggregate issue focus of Congress change the aggregate issue focus of lobbyists. Despite short-term fluctuations of government activity and lobbying inside relatively walled-off policy domains, total lobbying is stable. Once established, a group's presence and issue engagement is sticky (Drutman forthcoming 2015, LaPira 2012). Most groups continue to lobby at the same amount in the same issue areas as the prior year (Leech et al. 2005; Baumgartner et al. 2011) and the overall structure of the interest group system varies little over time (LaPira, Thomas, and Baumgartner 2014). The issue agenda of lobbyists is remarkably stable and out of step with that of the public and, to a lesser extent, even Congress (Kimball et al. 2012).

Rather than mobilization by new interest groups, however, this may simply track changes in the issue agendas of the same players. The U.S. Chamber of Commerce may be lobbying on energy one year and health care the next, but it remains in the top tier. The responsiveness of interest group agendas to government agendas in the aggregate may not empirically capture new group mobilization. LaPira (2014) uses the introduction of the homeland security policy regime to distinguish between two kinds of mobilization: one in which well-established groups simply shift attention from one issue area to another, and one in which new groups establish a Washington presence solely to take advantage of new government actions. The implication here is that the total population of groups may grow on the fringes, but only the resource-rich top tier groups have the ability to spread themselves across more and more areas of activity.

There is reason to expect stability at the top of the interest group hierarchy, with lobbying remaining the dominant method of influencing policy. Drutman (forthcoming 2015) finds that corporate lobbying is self-reinforcing: once companies establish government relations departments, those departments find ways to justify their continued and often expanding existence, and corporate managers come to see politics as important, finding more and more reasons to stay involved and taking advantage of the decreased marginal costs of political activity once initial start-up costs are paid. Businesses often win policy changes by sticking around in Washington, establishing themselves as major players and waiting for the right opportunities to arise. One never knows when the opportunity to attach a last-minute amendment to a must-pass bill will arise, so better safe than sorry. AT&T might lobby every year, but even one policy change per decade can justify more than a decade's work of efforts. Moreover, much of lobbying is simply about keeping issues off the agenda by controlling the scope of conflict (Schattschneider 1960, Bachrach and Baratz 1962). Large companies like AT&T benefit from the current status quo of telecommunications regulation. It wants to be able to make sure that any attempt to use the law to threaten its current status is killed in its infancy. It can accomplish this by having 100 lobbyists standing guard.

Because new relationships can take a long time to build, and old relationships can be difficult to supplant, new entrants may fail to compete with established players, even with considerable resources. For example, newly rich Internet companies regularly lose to established telecommunications and computer firms (Grossmann 2005). Distributions of interest group prominence in the media and involvement in policymaking venues are even more skewed than distributions of group resources (Grossmann 2012). Unequal efforts lead to even more unequal involvement. As a consenquence, the lobbying system has divided into two systems: a core of interacting players addressing major issues and a periphery of assorted others fighting for attention (LaPira, Thomas, and Baumgartner 2014). Most interest groups face a choice: compete against the major players on the central issues, or burrow themselves into an obscure and quiet corner.

## Our View: More Groups, Diverging Clout

Since Salisbury's observations on the impact of the advocacy explosion on interest group influence, the number of active interest groups and lobbyists has continued to grow. Like Salisbury, we expect the growing size of the community to influence the role of interest groups in the policy process. Yet our view of the changes since the 1990s differs from Salisbury's assessment based on the 1960-1990 period. Rather than changes in the composition of interests, we see mostly stability (with corporations remaining dominant). Rather than fragmentation and volatility, we see an increasing stability in the top tier—a dominant subset of groups that retains its role despite political uncertainty. The proliferation of interests may mean this top tier has to dedicate more resources each year in order to stay at the top, but it does not foreshadow their fall from power.

We expect large inequalities across many measures of lobbying activity. The largest factor driving inequality should be the outsized activity among the top tier, which we define as the top 100 organizations. This should be true whether we measure activity in terms of dollars, lobbyists, or staff. These indicators should be converging across groups, creating a top tier that is strong by all measures. These patterns should reflect the role of the top tier as a whole, rather than a change in the relative political activities of business and other groups. Business dominance will remain high over time, but without much change from year to year. More generally, changes in the types of groups represented should be minimal over time. Additionally, top group dominance should be visible in both the business sector and among other groups. We hope to show how inequalities perpetuate, without regard to changes in the balance of power among the types of interests.

Most importantly, we expect to show that lobbying in the top tier is surprisingly stable and getting more so over time. The same groups stay at the top, regardless of party control of Congress or the Presidency or the changing issue agenda of government. Once an organization becomes a top tier group, it tends to stay a top tier group. Even with more total group mobilization, most groups will come nowhere close to the top tier. Because more money is spent overall, the threshold to reach the top tier will also be rising. The proposition we put to the test, then, is simple: organizations at the top in one year will pay more to stay at the top, even if that means shifting their agenda to whatever is on the minds of Congress. The top groups will pay to remain in their privileged positions.

We offer our preferred causal explanations for the trends we hope to document below. Yet we are ill equipped to directly test some of the mechanisms that we identify. We note that some of the most important findings in the interest group literature, such as the advocacy explosion and the dominance of institutions, were largely descriptive. Like prior scholars, we offer our own views while acknowledging that the true explanations are multifaceted and the evidence for them unobservable, or at least thus far unobserved.

*Why The Top Tier Dominates*

Elected and appointed officials carry out American policymaking with tremendous constraints on their time and limited abilities to gather information. As Herbert Simon (1956) argued, the result is that officials rely on their habitual practices and interactions to find acceptable solutions, rather than search for the optimal solution using all available sources. Much political competition entails attempts to get politicians to focus on particular issues, problems, and concerns—the limited carrying capacity of government means prioritization is paramount (Jones and Baumgartner 2005). Interest groups and lobbyists are prime sources of information in this frenzied environment, but they must develop relationships to become go-to sources (Wright 1996). The continuing rise of new groups makes it more difficult to build these relationships and stand out from the noise (Salisbury 1990). Some interest groups are able to develop identities as informed sources and representatives, dominating the flow of information and creating lasting reputations (Heaney 2004). These institutionalized groups become the taken-for-granted participants in policy debates, standing in for broader stakeholders (Grossmann 2012). In a Washington full of policy communities with revolving doors, it pays to devote resources to being part of all the key subsystems.

Because government official capacity is limited, only a small number of groups can become regularized participants in governance. Even if the total number of groups is growing, that should not change the number that can command the attention of policymakers. Like natural limits on the number of items individuals can hold in their short-term memory, policymakers can only keep a limited number of groups on their mind as important policy participants. A congressional office or government agency can only attend to so many different concerns and perspectives, given limited information processing capacity (Jones and Baumgartner 2005; Simon 1956). Being in the top tier of interest groups helps ensure that a group commands attention. It increasingly means being everywhere at all times: maintaining constant communication with Congressional offices; playing a steering role in coalitions and associations; and effectively setting the boundaries of acceptable policy considerations.

The role of the top tier is not just a consequence of inequality. It is a necessity given the limits of participation in an increasingly crowded lobbying space with limited government attention capacity. As the number of groups that can be heard is unchanging while the total mobilized is increasing, the proportion that have a voice is in decline and the cut-off point to make the top tier is continuing to increase. A larger community of groups requires more investment on the part of the top tier in order to have clout. More white noise means you need a bigger megaphone to be heard; a bigger crowd means you need more people and more resources to cut through the lines and be visible. Top tier organizations can also provide the largest "legislative subsidies" (Hall and Deardorff 2006). Congressional offices are besieged with requests and pleadings and arguments. Only those who do the most lobbying or have the longest standing relationships get their concerns addressed.

Regular high-level participation also signals that a group is a major player that is in Washington to stay. Policymakers develop reciprocal ties to repeated players, meaning that continued involvement is necessary even if there is little chance that Congress or the administration will address those groups' key concerns anytime soon. Actual policy influence should be even more concentrated at the top than measures of resources. If we could directly observe important meetings between interest groups and policymakers or the extent to which a group's suggested language was incorporated into legislation, we believe that only a small group would make the cut for any influence at all. Top tier organizations have the resources to build the coalitions necessary to draft and see language through the often-tortuous legislative process.

If a group is devoting the average amount of resources to lobbying, it may look that group has a reasonable chance to be heard. Yet, in a system where rates of lobbying are so lopsided as to generate a Pareto distribution, it makes little sense to think in terms of "average" policy influence. A small company or group may very well still be influential if its objective is obscure and uncontested, so long as they gain the attention of the right policymaker at the right time. But if that same organization is the 50$^{th}$ voice to weigh in a major policy debate, then its influence will likely be zero. Alternatively, AT&T and the US Chamber are more likely to have some influence on that high salience issue and generate attention for their myriad specialized concerns. To put the interest organization in a position to substantially influence policy, it needs to be among those with the highest rates of consistent involvement.

In addition, the top tier groups have the resources to play both offense and defense. Mostly, they win when they play defense. Those groups at the top are the most likely to have already "won" a favorable status quo. As Baumgartner et al. (2009, 19-20) conclude, "...existing public policy is already the fruit of policy discussions...if the wealthy are better mobilized and more prone to get what they want in Washington, they should already have gotten what they wanted in previous rounds of the of the policy process." Even in the Gilens (2012) dataset, where he finds evidence of offensive success, the top interest groups were more likely to take positions in favor of the status quo. By our calculations, the average group favored 54 policy changes and opposed 94.[1] Only occasionally do even the top interest groups get the changes they want when they play offense. Even if they get one of ten changes they seek, however, that one change could more than make up for the nine attempts that fail. And these privileged groups have the resources, connections, and reputation to keep trying to get what they seek, over and over. That is what being in the top tier allows—it provides the resources to set limits on the range of possible policy changes, as well as resources to keep generating new proposals and keep trying to move them forward.

The Cable television and Internet service company Comcast provides a good example. Their most important objective is to preserve the status quo, making sure that Internet service is not regulated under Title II of the Telecommunications Act. Even if Comcast does not win approval of its proposed merger with Time Warner, or achieve several other dozen lower profile goals, winning on its defensive objective will be worth every penny Comcast spends on lobbying. Comcast's

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[1] Our calculations are based on data that is publicly available at: <http://www.russellsage.org/research/data/economic-inequality-and-political-representation>.

impressive lobbying presence sends a key message to Congress: you do not want to take us on by pursuing Title II changes. The example extends to other top tier players. Almost any company that is big enough to spend millions annually on lobbying benefits from the status quo (otherwise, it would not be in a position to spend that kind of money). These companies want even more favorable policy, but as long as they keep the status quo, they can continue to lead their industries.

The logic applies to non-business interest groups as well. The National Rifle Association (NRA), for example, has lots of proposals to make gun laws more lax. But mostly, the NRA is focused on keeping the status quo. In the Gilens data, the NRA has opposed 139 policy changes and only supported 4. It has the resources and reputation to tell members of Congress: do not mess with us. Though it is highly unlikely that this single organization alone can determine the outcome of elections, risk-averse legislators perceive little upside of taking the organization on. This reputational advantage gives the NRA the freedom to keep trying to get its other ideas passed. For example, the NRA spent several years trying to pass a bill that protected gun manufacturers, importers, distributors and dealers from civil liability for gun violence. It succeeded in 2005. All it took was getting that bill passed once and that civil liability protection became the new status quo.

Changing policy is hard, but all it takes is one success and that success is often semi-permanent. The many resources jointly spent by the increasingly sizeable middle and bottom tiers of the interest group universe, however, are unlikely to make much of a difference. These groups lack the notoriety and experience to be heard above the cacophony and they lack the staying power for the repeated pursuit of policy influence.

## New Data on the Scope and Distribution of Lobbying

Our empirical objective is to track the distribution and evolution of influence activities in the interest group system. To do so, we compiled the population of all organizations that reported lobbying in Washington at any time between 1998 and 2012. The full lobbying disclosure data set is archived by the Center for Responsive Politics (CRP), and consists of 37,706 unique organizations. Our population includes clients of lobbying firms, organizations lobbying on their own behalf, and those using both firms and their own staff. Lobbying reports include estimates of expenditures and the names of individual lobbyists. If an organization spends more than $5,000 per quarter (or, in years prior to 2008, $10,000 per semi-annual period) on direct-contact lobbying, then it is required to report its activity with the Clerk of the House or the Secretary of the Senate. Likewise, lobbying firms contracted by organizations must also file reports of income on the organization's behalf. The CRP data aggregate all reported lobbying activity to the organization, even though in-house and contract reports are filed separately. Using this data, we generated annual sums for amount of money spent on lobbying activities, the number of in-house lobbyists, and the number of lobbying firm consulting contracts for each organization.

Consistent with previous work on the distribution of interest groups (Schlozman and Tierney 1986, Baumgartner and Leech 2001, Schlozman, Brady, and Verba 2012), we used a combination of manual and machine-learning techniques to code all organizations by organization type. As a reliability check, we confirmed that the distributions for the first year closely match those previously reported (Baumgartner and Leech 2001). Figure 1 shows the trends in the number of organizations reporting lobbying between 1998 and 2013; Figure 2 displays the data as shares of the total number of organizations.

[Insert Figures 1 and 2]

These figures show the interest group system's stability over time. Although there appears to be a decline in the nominal number of business interests beginning in 2007, LaPira and Thomas (2013) showed that this decline is likely an artifact of changes in lobbying reporting requirements. Despite the nominal decline, the proportion of business groups shown in Figure 2 remains relatively stable, and clearly dominant. As a share of all lobbying organizations, businesses were 39.0% in 1998 and 38.4% in 2012, reaching as high as 44.5% of all organizations in 2007. Trade Associations, the next most common category, have declined from a high of 15.8% in 1998 to as low as 10.0% in 2010, slightly back up to 11.1% in 2012. Institutions (a somewhat diverse category that includes hospitals and universities) increased from 8.3% of all organizations in 1998 to as high as 12.1% in 2006, down to 10.2% in 2012. Citizen Groups have hovered at between three and four percent of the total organizations; non-profits have made up only between two and three percent of all organizations. Labor Unions have only represented about one percent of all organizations. Of course, businesses do not only lobby directly, but also join business, trade, and professional associations to advocate their interests. We simplify our subsequent analyses by collapsing the categories business, business associations, professionals, and trade associations and analyzing these categories together as "Business" and others as "non-business."

Figure 3 shows the share of business interest lobbying across our three key measures: lobbying spending, number of in-house lobbyists, and lobbying "presence."

[Insert Figure 3]

The lobbying "presence" is the sum of all in-house lobbyists plus all outside firms retained. It is intended to give a sense of an organization's reach by counting in-house lobbyists and outside lobbying firms equally (see Drutman forthcoming). Business interests produce a majority of the influence activity across all three measures. Business interests consistently retain over 80% of lobbyists, spend more than 70 cents of every lobbying dollar in Washington, and control roughly 60% of the lobbying "presence". Note, however, that the overall share of activity coming from business declined up until about 2005. Since 2005, the share of activity coming from business has increased slightly. We learn two key points from these broad descriptions of the entire set of lobbying organizations. We confirm that business is dominant, and that its dominance is stable over time.

Though these findings are not necessarily new or surprising, they show that any changes in the role of the top tier of interest groups are not being driven by changes in the distributions of types of Washington interests. To assess the role of the top tier, we selected the 100 organizations that spent the most money lobbying, hired the most lobbyists, or had the greatest presence for each year from 1998 through 2012. The top 100 lobbying organizations represent what we call the "top tier" of the lobbying community. We acknowledge that 100 is an arbitrary round number, but believe that it reasonably captures those groups that most major Washington policymakers could conceivably keep in their minds and regularly follow. Alternative thresholds did not substantially change the trends or associations that we identify. The exact threshold should matter little, as those groups at the high end of the power-law distribution are engaged in more lobbying than typical organizations by logarithmic orders, not linear ones. Unarguably, these 100 organizations are overwhelmingly more engaged than the typical interest group..

Figure 4 describes the business share of the top 100 organizations based on our three different measures of lobbying activity.

[Figure 4 here]

Business dominance is even clearer when we look at the top tier organizations. When we arrange the top 100 organizations by spending or total number of lobbyists, consistently between 90-95 of those top organizations represent business (either they are corporations, trade associations, or business associations). Measuring lobbying activity by "presence" (total in-house lobbyists plus outside firms retained) usually allows a few more non-business organizations into the top tier, though the business share is between 75% and 85% throughout the entire 15-year period under consideration here. By these measures, business dominance of the top tier is not only high but generally increasing during this time period.

To account for any potential differences between business interest groups and other types of interests, we also analyze two separate top tiers: the business top tier and the non-business top tier. This allows us to ask whether the same trends are taking place among business and non-business organizations. Figures 5 and 6 allow us to see the increasing price of entry to reach the top tier, among both business and non-business organizations. Holding constant in 2012 dollars, the minimum lobbying expenditure for a top 100 business organization more than doubled from 1998 to 2009, from $2.36 million to $4.93 million. However, since 2009, the threshold to be in the top 100 has plateaued, with a slight decline. Similarly, the threshold for a non-business organization in the top tier roughly doubled from 1998 to 2009, going from $480,000 to $940,000, with a similar plateau or slight decline. Throughout this period, the threshold for being in the business top tier has consistently been at least five times the threshold for being in the non-business top tier.

[Figure 5 here]

Figure 6 looks at the changing threshold in terms of personnel. Here, the trend is slightly less dramatic. At a high, every business organization in the top tier had at least 46 different lobbyists representing them in 2007, but that threshold actually fell to 37 by 2012. It is still an impressive number. It is one lobbyist for every 14 members of Congress. The non-business top tier went from a threshold of 7 lobbyists in 1998 to 14 lobbyists in 2007, though that number also fell, to 10 in 2012. Some of this decline is almost certainly due to the fact that following the passage of the Honest Leadership and Open Government Act, the number of registered lobbyists declined, largely because a significant number of individuals in the influence industry became more careful about not registering to lobby (LaPira and Thomas 2013).

[Figure 6 here]

Most of the organizations in the top tier by one measure are also in the top tier by other measures. Over time, our different measures of activity are becoming even less distinct. Figure 7 compares the overlap in the top tier as measured in different ways.

[Figure 7 here]

The Venn diagrams allow us to see that in 1998, no matter how we measured the top tier, 47 different organizations would be included; By 2012, 60 different organizations would be included in our top tier regardless of the measure. Also worth noting: there has been a decline in the number of organizations that would only be included in the top tier on a single measure over time.

More importantly, the year-to-year similarity of the top tier is increasing. Figure 8 shows that across all of our measures, for business and non-business organizations, the turnover within the top tier is declining.

[Figure 8 here]

Increasingly, the same organizations that are in the top tier one year are in the top tier the next year. Among business organizations, the year-to-year persistence of the top tier as measured by spending has increased from 76% (1998-1999) to 91% (2011-2012). As measured by number of lobbyists it has increased from 69% to 88%, and as measured by "presence" it has increased from 63% to 89%. The community is becoming even more stable each year.

Among non-business organizations, the year-to-year persistence of the top tier as measured by spending has increased from 69% to 88%. As measured by number of lobbyists, it has increased from 65% to 75%. As measured by presence, however, it has remained roughly stable, increasing from a low of 73% (1998-1999) to a high of 81% (2005-2006) before declining again slightly.

In both groups there is some ebb and flow in the persistence measures. A new Congress brings new issues, and higher rates of turnover. The smoothed lines draw attention to the general trends towards more stability.

Finally, Figure 9 displays our measures of concentration show that across multiple measures.

[Figure 9 here]

There is a high degree of concentration of activity among the top tier lobbying organizations. For business, the share of lobbying expenditures accounted for by the top 100 organizations is between 37% (2011) and 48% (1998); and the share of personnel representing the top 100 organization is between 35% (2008, 2009) and 47% (2000). For non-business organizations, the spending concentrated in the top tier organizations ranges between 31% (2008-2009) and 46% (1998), and the personnel concentration ranges between 48% (2008-2009) and 74% (1998). Though the concentration does decline somewhat over the 15-year period, one has to keep in mind that the overall lobbying expenditures more than double between 1998 and 2009. So the denominator is increasing significantly. That the concentration of activity in a small number of organizations relatively remains stable during this period of generally increasing expenditures is important.

## Discussion and Implications

Our analysis describes a number of systematic trends. First is that the set of top tier groups is dominated by business interests. The pattern confirms decades of research on the business interest bias, though the stability of the specific interests at the top of the business hierarchy is underappreciated. Second, even controlling for inflation, top tier groups have increased the amount of resources they allocate toward lobbying activities. Reaching the top tier requires more money, lobbyists, and presence over time. Third, the persistence of groups in the top tier is increasing. Not only is the top tier increasingly representing business, the groups in the top tier are more likely to stay there from one year to the next. Finally, amid increasing lobbying spending and persistence, we observe a small decline in the top tier's share of lobbying activity overall.

Our evidence shows a very different process of growth in the interest group system than was implied by Salisbury's famous paradox. Rather than more groups simply diluting the influence of the top groups, as he assumed, it appears that this growth is compelling major players to become even more entrenched and, we speculate, perhaps more influential in the policy process. The trends in the types of interest groups that mobilize (a focus of Salisbury 1990) have become less pronounced, compared to the changes in total lobbying spending and the increasing stability of the top tier groups. Salisbury's emphasis on volatility and uncertainty in the interest group community is less relevant to contemporary lobbying, which is built instead on the continued involvement of major players and the increasing requirements to stay at the top of the well-defined hierarchy. Although we cannot directly analyze whether more groups have led to "less clout" or "concentrated clout," we doubt that the increasing number of groups has led to less influence by the major players; instead, it may make it difficult for anyone else to break through the cacophony of voices in Washington.

The importance of the top tier helps reconcile the findings of the interest group influence literature: the positions taken by the entrenched top tier of interest groups influence whether policies are adopted (Gilens 2012), but the aggregate resources spent by all groups on each side cancel each other out and thus do not change results (Baumgartner et al. 2009). That a select few interests tend to have their preferences translate into policies (Gilens 2012) is not inconsistent with the fact that money doesn't buy influence (Baumgartner et al. 2009). More groups spending more money in the aggregate does not mean that the few groups at the top get marginalized. Previous status quo success (and a bit of offensive success) creates a policy feedback mechanism that changes interest group behavior: it provides incentives to take all of the actions necessary to stay at the top (such as spending more money and hiring more lobbyists) to maintain the status quo. Baumgartner et al. (2009), after all, explain their (largely) null results by arguing that they reflect status quo bias: after having won a change in policy in the past, interests exploit the institutionalized status quo bias to fend off changes.

The limitation of the Gilens data is that it can only evaluate issues on which there has been a public opinion poll. Most policy problems in Washington are narrow, highly specialized, and obscure to even the most engaged observers. The interest group system is mostly a system of balkanized niche issues, with only a handful that ever garner the attention of pollsters. For top tier organizations, the high salience issues are mostly issues of defensive lobbying. But at the same time, these organizations are trying to change policy in lower salience issues—and occasionally succeeding.

Our findings also challenge prior research on how lobbying evolves in response to government agendas. Although the number of groups lobbying on an issue area is associated with the level of government activity cross sectionally by topic (Lowery et al. 2005; Leech et al. 2005; Baumgartner et al. 2011), the same groups increasingly stay at the top of the lobbying hierarchy no matter what Congress or administrative agencies are considering at any given moment. We did not observe any major changes in the types of mobilized groups or the stability of the top tier that correspond to changes in party control of Congress (in 2007 and 2011) or the White House (2001 and 2009), except for the changes in lobbying registration (but likely not actual lobbying) associated with Obama's rule changes. We also did not see evidence that the lobbying system changed dramatically following large changes in the issue agenda (after 9/11/2001 or Obama's election, for example). In other words, aggregate changes in reported lobbying by issue area may not entail actual changes in the power hierarchy of Washington: the same *major players* simply shift to match the agenda of the moment.

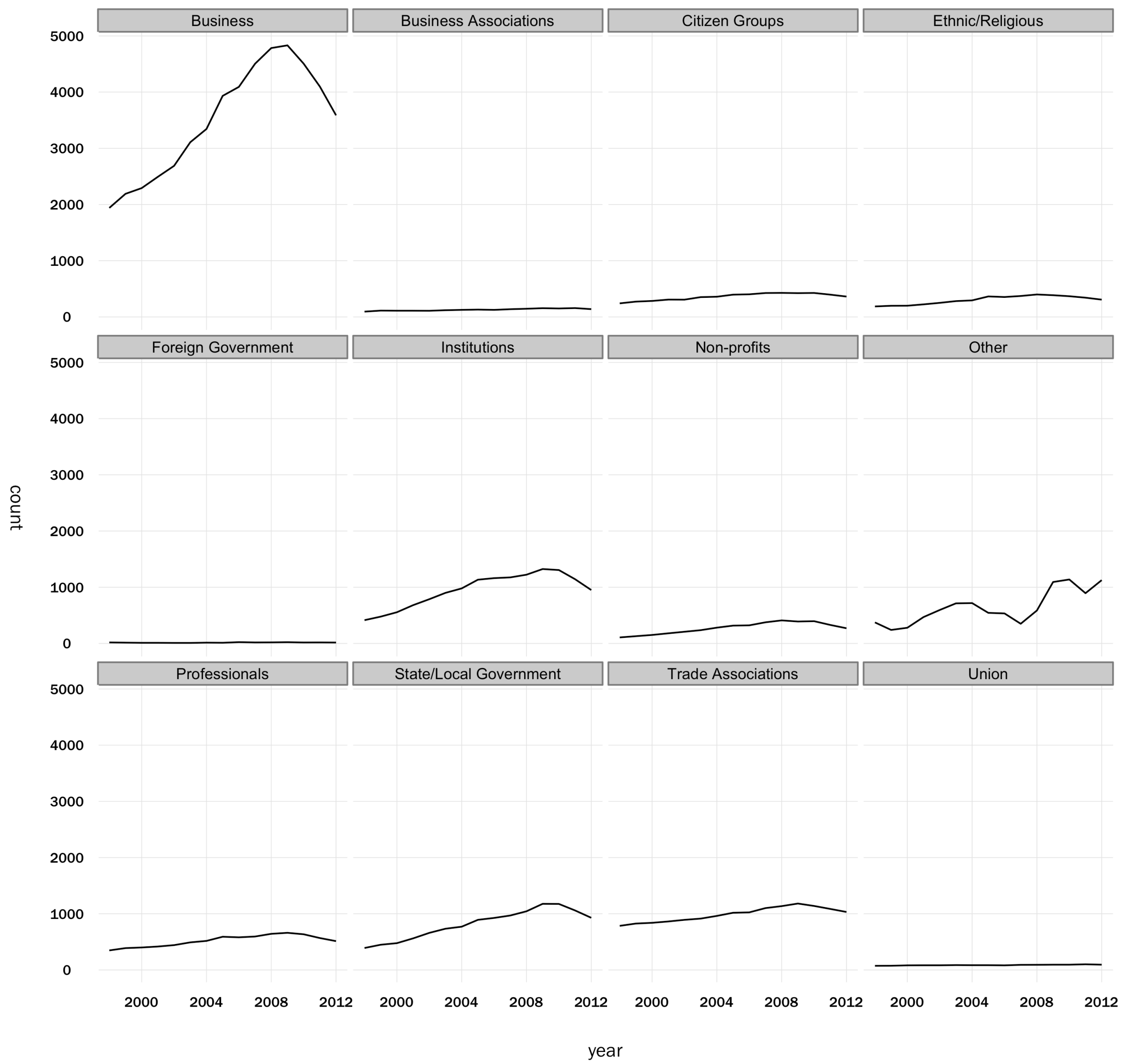
Recall AT&T's evolution in lobbying. The highly-regulated telecommunication utility has experienced many changes in both its business structure and its regulatory environment, but it has consistently maintained a large and well connected presence in Washington. In 2013 alone, the corporation and its subsidiaries employed at least 16 in-house lobbyists and retained more than twenty lobbying firms—including nearly all of the K Street titans like Patton Boggs and Akin Gump—to lobby on issues as commonsensical as "telecommunications" to the less obvious "immigration" and "torts." Not all interest groups are this flexible. AT&T could do so because it has developed the internal capacity to do so, and has made a choice to dedicate almost any amount of resources to be engaged on salient issues like immigration, but also on their bread-and-butter regulatory policies. It would be unthinkable for a corporate behemoth like AT&T to reduce or eliminate its lobbying and advocacy resources, even though there are many more voices in Washington today than there were decades ago. Rather than letting its voice get drowned out by its new market competition such as Google and Facebook, AT&T has sunk more and more resources to rise above the crowd. And, as we show here, so too have the other top corporations and business associations redoubled their advocacy efforts to maintain their status as major players in an increasingly crowded environment.

We are confident that we have uncovered systematic patterns in the structure of the interest group system: lobbying is concentrated at the top, and it is expensive to stay there. We suspect that the influence documented by Gilens (2012) comes precisely from these top tier groups that have been compelled to spend more and more. But this process is not as simple as the popular money-buys-influence folk theory; it does not (Baumgartner et al. 2009). Rather, after decades in Washington, the top tier of (mostly business) interests have invested to establish their reputation and capacity to engage in the policy process.

Our argument that the central role of the top tier reflects the unchanging capacity of government officials to learn from interest groups remains untested. We built on traditional theories of policymaking (Simon 1956; Jones and Baumgartner 2005) to suggest a simple arithmetic reality: if there are more groups in Washington but no increase in the number of groups that government officials can accommodate, a smaller share of interest groups will have their voices heard. The patterns we demonstrate are consistent with this idea. Lobbying activity is distributed quite unevenly, with the top tier accounting for a large share of activity. The cost of reaching the top tier is rising but the number of organizations capable of reaching this status in any given year is in decline. Our ideas about the relationship between lobbying and the behavior of government officials, however, have not yet been subjected to direct tests.

We thus offer fresh evidence to challenge popular notions of money's influence in politics, and suggest that the patterns we reveal here can help resolve a puzzle in the interest group literature. But the key question remains for future research: does the structure of the top tier we describe here actually translate into policy change? Does the top tier win policy changes—or at least deter unwanted changes—for its efforts? We acknowledge that lobbying disclosure reports alone do little to reveal interest group influence on policy outcomes per se, an observational problem that has dogged interest group studies for decades. We hope that our logic offers a resolution to the puzzle in the literature, but future work ought to more carefully associate the trends in top tier lobbying spending and persistence with specific policy outcomes.

Figure 1: Organizations by Category and Year



## Figure 2: Share of Organizations in Category by Year

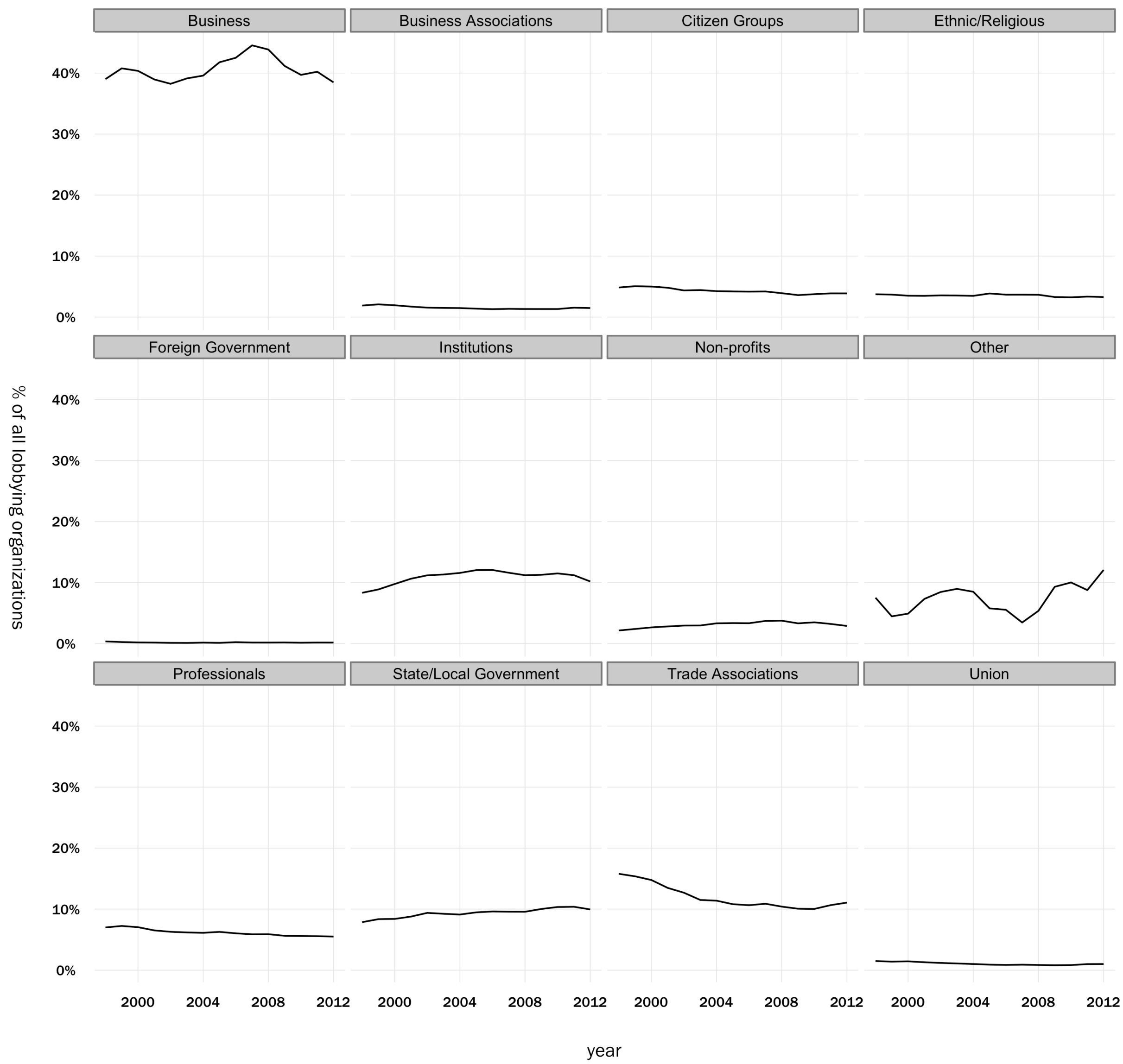


Figure 3: Business Share of Lobbying Dollars and Lobbyists by Year

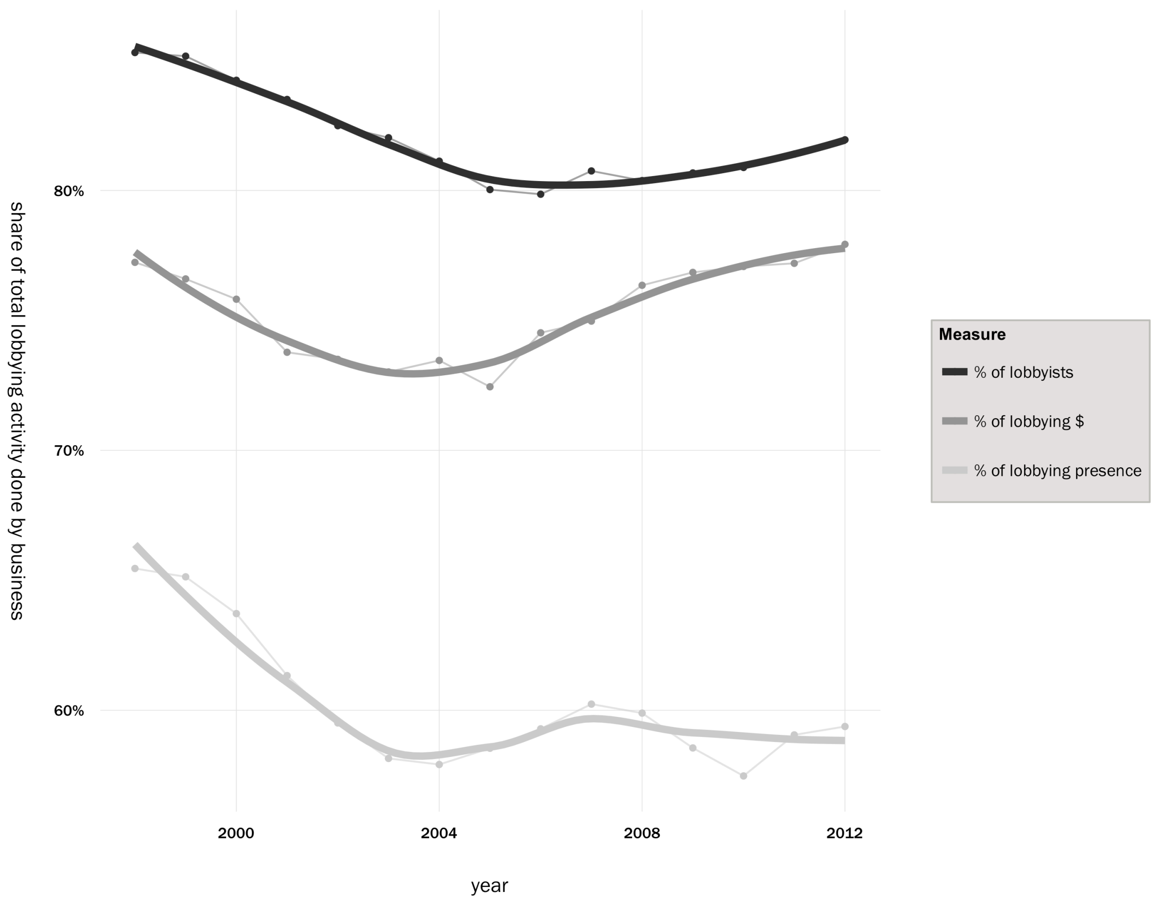


Figure 4: Business Share of Top Tier

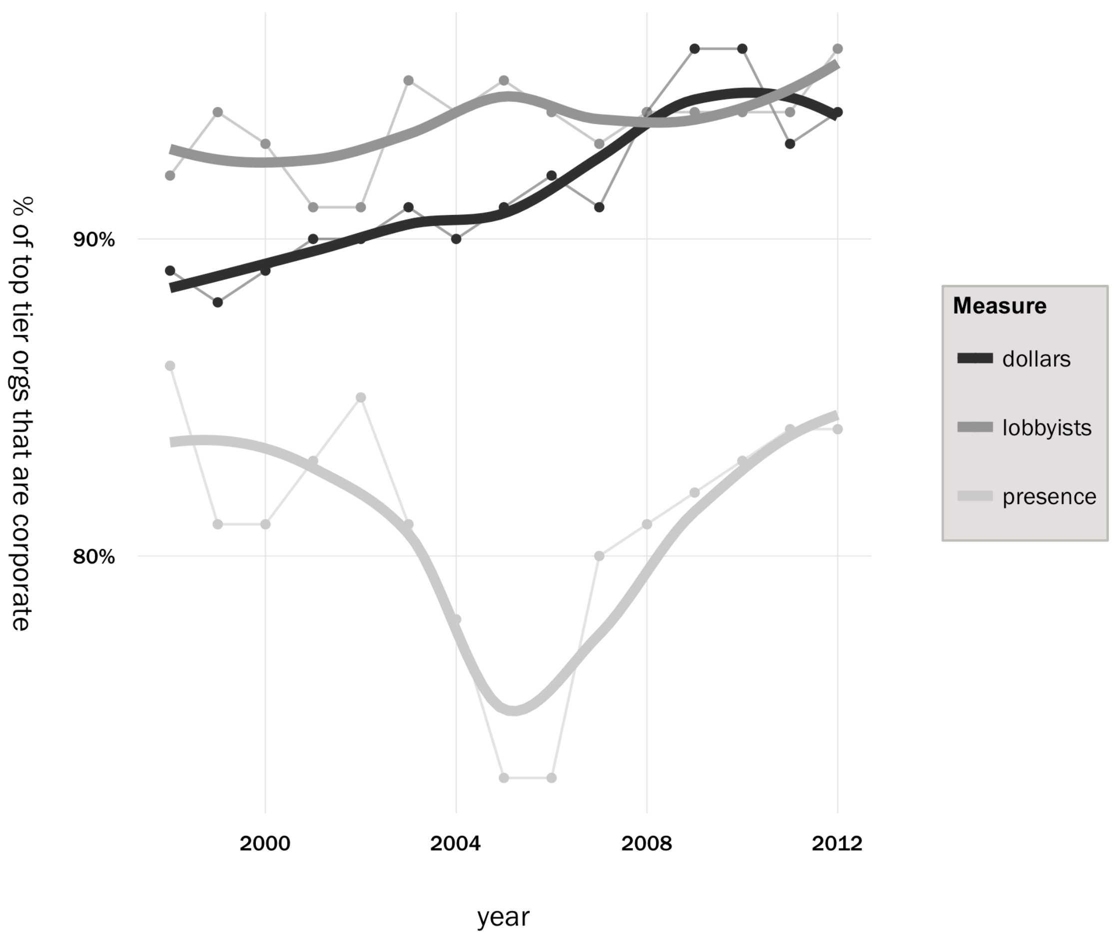


Figure 5: Dollar Threshold for Top Tier

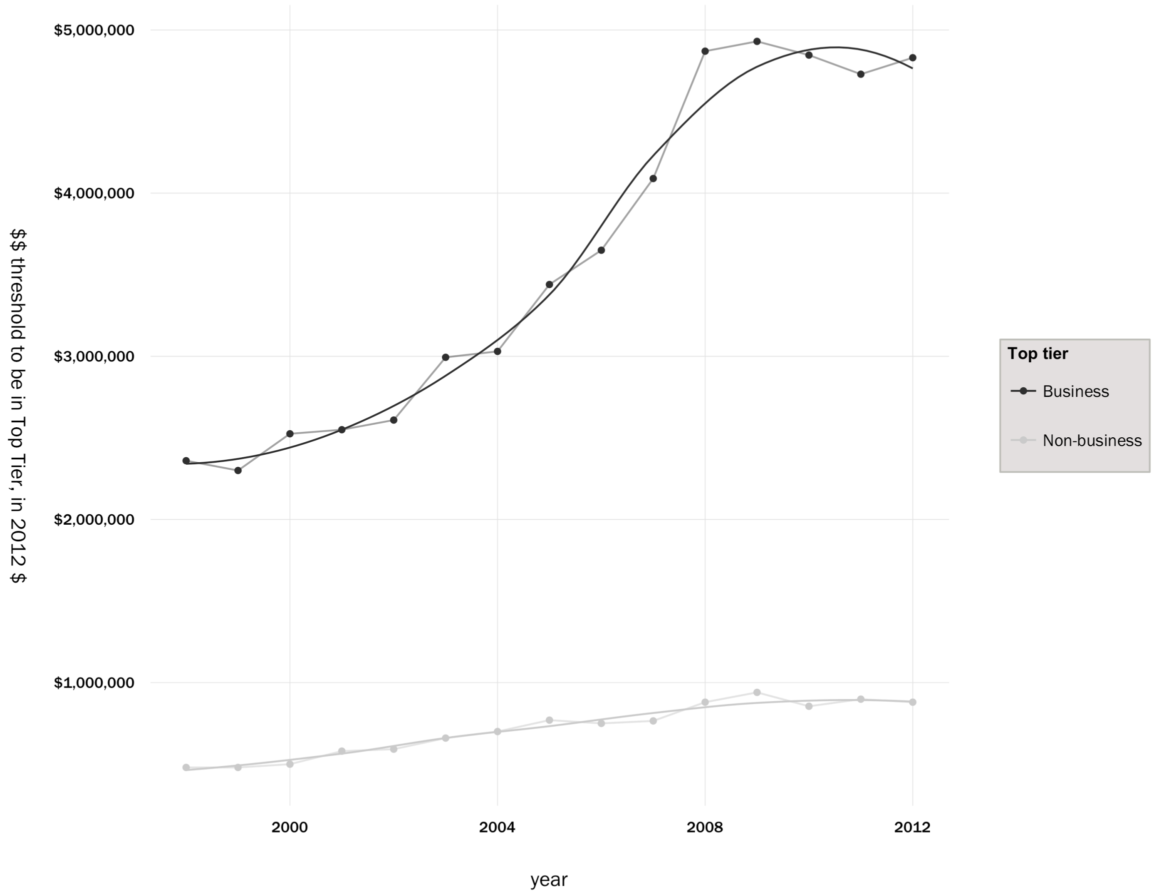


Figure 6: Lobbyist Threshold for Top Tier

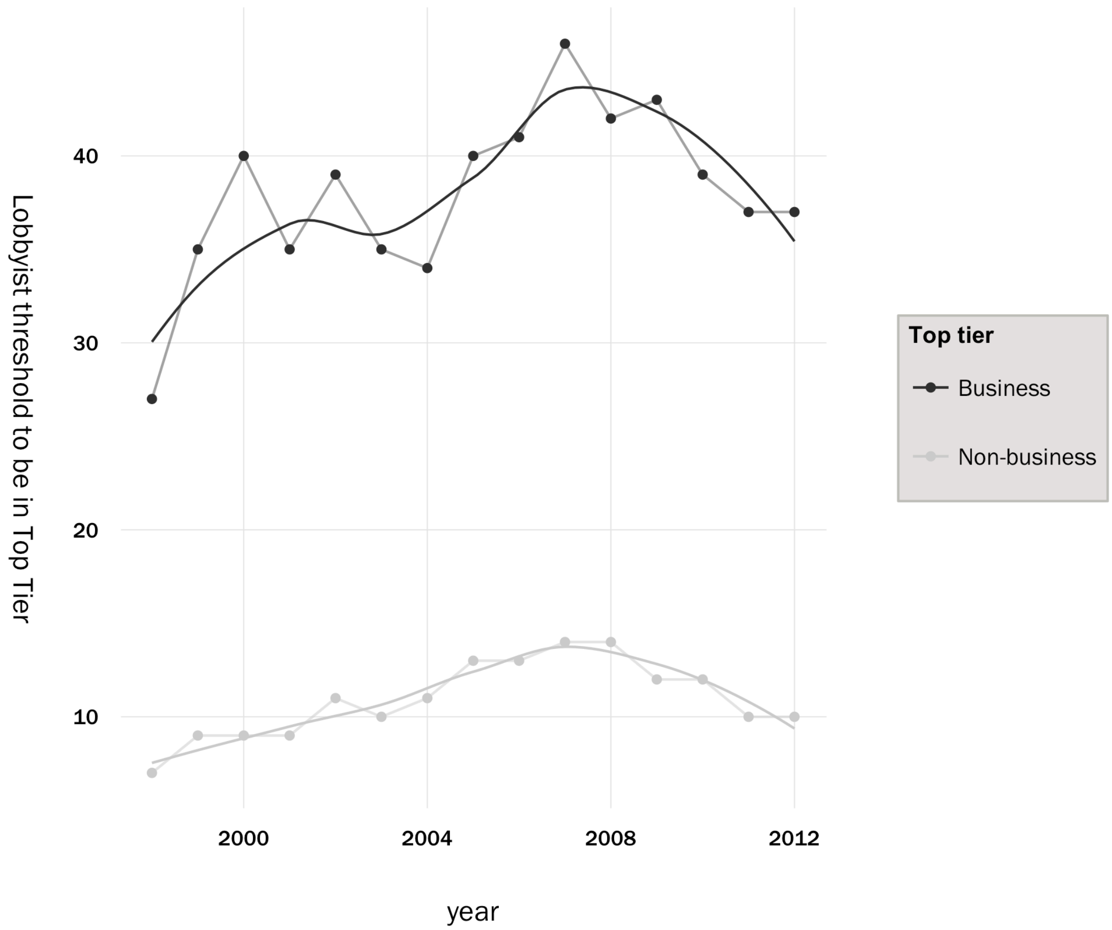
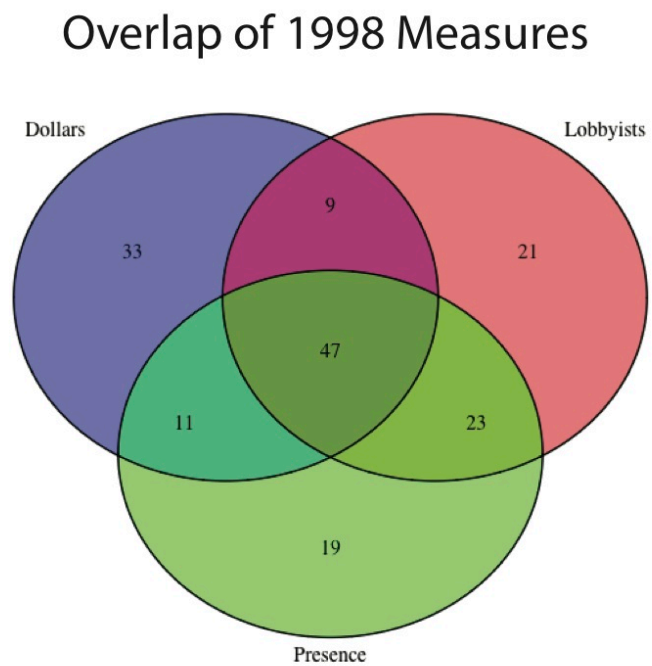
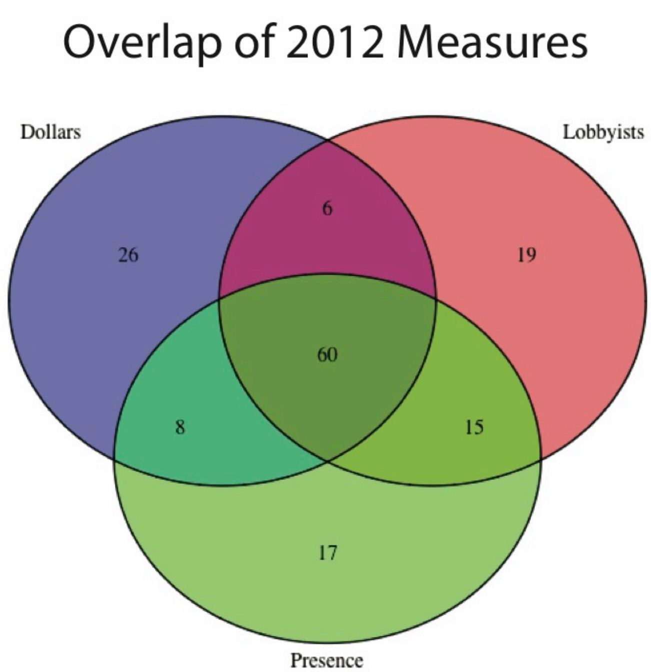
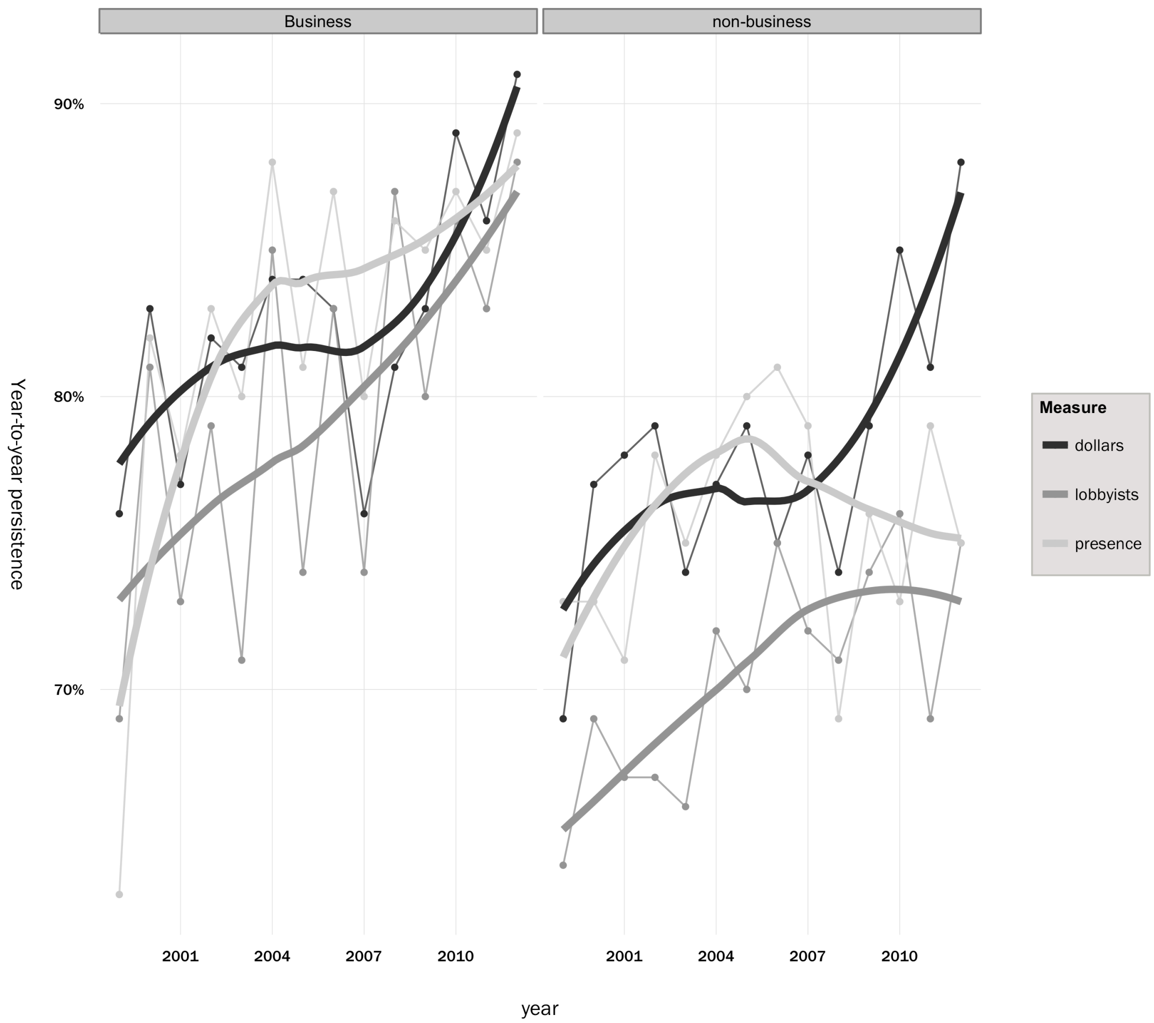


Figure 7: Change in Top Tier Overlap

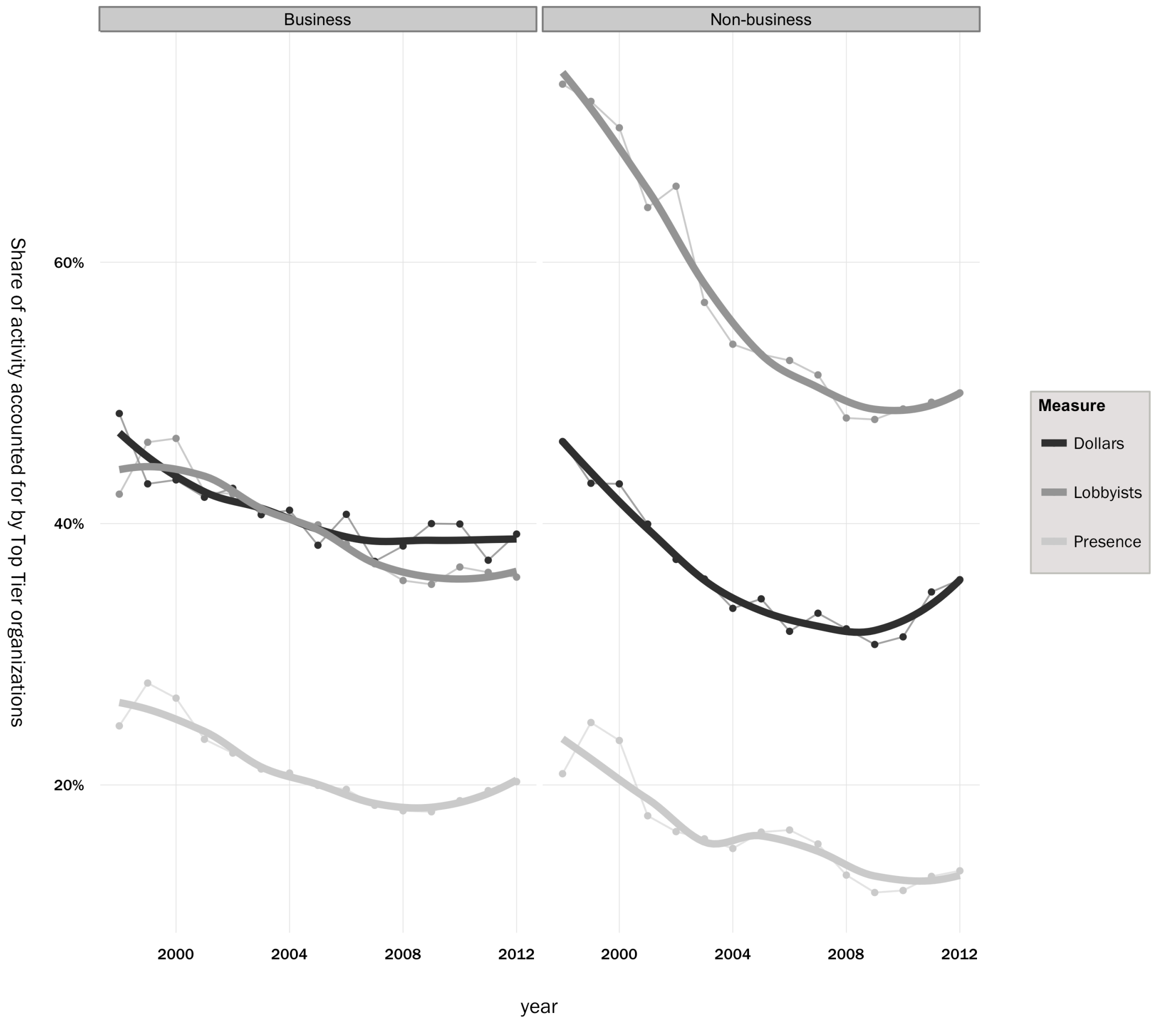


## Figure 8: Persistence of Top Tier Lobbying



## Figure 9: Concentration within the Top Tier



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