

OUR IMPACT

How Third Way Rescued the Affordable Care Act

By the summer of 2009, the Affordable Care Act was tanking, with New York Times headlines predicting it could be “dead on arrival” on the floor of Congress. The reason? Democrats were selling it the wrong way. Third Way was the only group in DC that understood why.

Our own public opinion research showed that less than a third of voters thought Obamacare would help people like them. The Administration was marketing the ACA as a way of covering the uninsured, but 83% of Americans—and 82% of voters—already had stable coverage through either the government or their employer. Our research revealed that instead of seeing the ACA as a new benefit being offered to them, those insured Americans viewed it as a request being made of them to support the uninsured. Not surprisingly, they believed the ACA would leave them worse off.

But we also found the solution in our data. What people actually wanted was simple: security and stability. And the Affordable Care Act had a lot of major policy changes to offer on that front—no lifetime caps, a ban on preexisting conditions, and allowing kids to stay on their parents’ plans longer.

Alarmed by the direction the Obama Administration was going, we brought our findings to a top White House aide. We told him that to stop Republicans from killing the ACA, the Administration needed to focus mainly on what the middle class would be getting from the bill: stability and security. By the end of the meeting, he knew we were right.

Within a few weeks, the messaging changed. The president made “stability and security” the theme of his address to Congress later that summer—the same aide called us on the day of the speech to tell us that we were “going to love it.” The White House even handed out laminated cards to every House and Senate Democrat on the floor with “stability and security” bolded at the top as the key message. And as Third Way’s framing took hold, the politics of the ACA shifted enough for it to pass in 2010, offering financial and medical security for tens of millions of Americans.



How Third Way Transformed the Approach to Marriage Equality

We woke up the morning after 2008’s historic election to a grim reality: marriage equality’s record at the ballot box was an even 0 for 30. In the soul-searching that followed, we launched a coordinated effort with a handful of key organizations in the LGBT movement to understand how we could start convincing a lot more swing voters to pull the lever for marriage.

After several rounds of deep psychological and public opinion research, we found that “marriage” conjured for voters thoughts of responsibility, obligation, fidelity, and commitment—no one said anything about rights. That revealed a huge disconnect from the arguments marriage advocates were making, which focused on “the 1,138 federal rights” tied to marriage.

When we probed further, we found that people who believed gay couples married because of love and commitment were much more likely to support marriage equality than those who thought couples were motivated by rights.

We realized that to move the needle, we needed to convince Americans in the middle that gay couples want to marry for the same reason any other couple does—not to get a tax break, but to make a promise of lifetime commitment and fidelity to the person they love.

We launched the Commitment Campaign to do exactly that. Travelling to the four states with marriage ballot initiatives in 2012, we made the case to advocates that they should talk about marriage in terms of commitment to persuade voters in the middle.

Our efforts worked. Advocates and political leaders at all levels (including President Obama) fully embraced this new values-based message, and marriage equality swept to victory in all four states. But that was just the beginning. As our messaging took root, polls showed skyrocketing support for marriage equality, and three more state legislatures passed laws permitting marriage for gay couples. By June, the Supreme Court had struck down the Defense of Marriage Act, establishing federal support for marriage equality.



How Third Way Preserved Groundbreaking K-12 Education Reform

In July 2009, President Barack Obama gave a speech outlining Race to the Top, his plan to implement the most ambitious K-12 education reform in a generation. That speech spurred a transformation of the American educational system that Third Way strongly supported from the beginning. It benefited all students, especially disadvantaged students and those of color.

But in January 2015, the Republican Chairman of the Senate Education Committee released a draft bill aimed at gutting those reforms and rolling back nearly a decade of progress. By including provisions that he thought would attract a group of Senate Democratic moderates, he had a real shot at rallying up just enough votes to pass.

At that point, the battle looked lost.

But Third Way stepped into the breach to save these groundbreaking reforms. We organized a bipartisan coalition, armed them with a bold set of principles and ideas to rally around, and persuaded them to lead the fight to preserve the core of Race to the Top. We gave them the data and messaging they needed to make their case, and we shredded the arguments of those seeking to dismantle the progress we had made on reform. For example, we argued that a proposal to test students only once every few years would make it harder to hold failing teachers accountable. That provision didn't even come up for a vote after our Democratic allies in Congress rallied publicly around the need to maintain annual testing.

Not a single one of our Senate allies backed the Republicans' proposal, forcing the GOP to go back to the drawing board and cooperate on a bipartisan bill. In the end, we preserved most of Race to the Top's best elements—a huge victory for education reform and for America's most vulnerable children.



How Third Way Reinvented American Nuclear Energy Policy

Despite the Obama Administration's efforts to address it, by 2014 the climate crisis was so dire that it was clear we would need to do more than just expand renewables like wind and solar. Third Way set out to find new solutions. Through our network of investors, academics, and energy experts, we heard murmurs of progress on a new energy source that would be safe, affordable, and—most importantly—zero-emissions: advanced nuclear technology.

We knew that few of the huge, old-style reactors would be built in the United States. So we were intrigued to hear that American companies were pursuing new technologies. We started putting them on a map, expecting to find a small handful. We found 48. When we looked again in 2018, there were 75.

We discovered that the Department of Energy was blind to this burgeoning new industry, so we set up a meeting with some agency senior staff. Midway through, Secretary Ernest Moniz dropped by to say hello. He sat down and joined us for real when he got a look at our map and we told him that private sector investors had already sunk several billion dollars into dozens of advanced nuclear startups.

Building off that meeting, we launched an advocacy campaign to get the word out about advanced nuclear, which resulted in the DOE and Obama Administration becoming some of the sector's strongest champions. At our recommendation, the DOE launched a new program that matches advanced nuclear entrepreneurs with the intellectual power of the national labs. Soon after, we helped plan and publicize the first-ever White House conference on advanced nuclear technology, where Third Way President Jon Cowan was the only speaker from outside the administration.

We also brought a bipartisan group of powerful senators on board, including Lisa Murkowski (R-AK), Chair of the Energy Committee, and Sheldon Whitehouse (D-RI), one of the leading climate advocates in Congress. We helped write and move several different advanced nuclear proposals that are now making their way through Congress, as well as one that has already been passed into law. And we have held three annual standing room-only Advanced Nuclear Summits to drive change forward.

Our sustained efforts have taken advanced nuclear energy from obscurity to the spotlight. Because of our work, Congress, the Nuclear Regulatory Commission, and the DOE are expected to enact over the next decade a series of sweeping reforms to make America the leader in advanced nuclear technology.



How Third Way Spurred Huge Gains in Free Trade

In February 2008, presidential candidates Hillary Clinton and Barack Obama vowed that if they took office, they would repeal NAFTA.

But after President Obama was inaugurated the following January, what actually happened was nearly the opposite.

Third Way took the leading role on the Democratic side to pass three expansive trade deals—with South Korea, Colombia, and Panama—that are collectively worth billions of dollars to American exporters and are creating tens of thousands of US jobs. As an intellectual base camp on trade, we provided research, memos, and talking points to Congress and spent hundreds of hours defending, educating, and backing each of the House and Senate Democrats who supported free trade bills.

With these victories in hand, we turned our attention to the Trans-Pacific Partnership (TPP), a twelve-country agreement that the Obama Administration negotiated with nations that combine for 40% of global trade. It was a very tough job, given the vast differences in regulatory standards and economic capabilities of the partnership countries.

The political problems were not only international. Despite clear evidence that the deal would raise incomes and exports at home, public opinion on TPP was so divided that simply passing the preliminary legislation that Obama needed to negotiate the final deal (called TPA) seemed unlikely.

When Third Way got involved, failure seemed imminent. We told the Administration they needed to make it clear to Americans that if we don't set the rules in Asia, China will. We knew from our public opinion research that identifying an opponent like China was the only way to convince the public that the deal would be good for America.

Later that month, the Administration released the full text of the TPP, along with a statement using our exact framing. President Obama repeated it constantly in interviews, in his addresses to Congress, and in conversations with his staff. As they later told us, this concerted effort turned out to be instrumental in passing TPA.

Unfortunately, TPP itself didn't come to a vote before the 2016 election, and President Trump has abrogated the agreement in service to his destructive protectionism. But when he is gone and an internationalist is once again in the Oval Office, our approach to trade will be the only way to reassert America's role as a leader of global commerce.



How Third Way Revolutionized the Federal Pension System (and Saved Hundreds of Billions)

By 2012, states were struggling to close enormous budget gaps caused by the Great Recession—mainly because tanking local government fiscal reserves had sunk to new lows. The cement blocks dragging them down? Their government employee pension systems.

We thought this might apply to the federal government, too—and when we looked closer, we found a system that was crying out for reform. Specifically, we were alarmed by the strain that aging Baby Boomers would put on the federal pension system, fearing it would crowd out funding for key government investments.

We discovered an arcane rule written in 1986 mandating that for every \$13 the federal government contributed to the pension system, employees were only required to put in \$1. Even the most generous private retirement sector plans didn't offer this high of an employer match.

Once we isolated the problem, we developed a proposal to gradually shift this balance from 13:1 to 1:1, and we built a bipartisan coalition to pass it.

In one of the most significant fiscal deals of the Obama era, Congress passed legislation in 2012 phasing in our recommendation over a period of three years. This saved billions and showed that the federal government was capable of starting to address its own pension problems.



How Third Way Helped Prevent the Collapse of the Army

In 2005, it became clear that the US Army was being stretched to its breaking point. The incessant demands of two punishing ground wars were taking their toll, and our troops and their families were paying the price.

With too few troops to send into battle, the Army couldn't rotate soldiers through proper rest and training cycles. That meant they weren't spending enough time recharging at home or training for the wars' ever-changing demands before going back into war zones. The active duty forces were exhausted, and the Army struggled to recruit and retain service members, further compounding the problem. Beyond that, the Army was leaning heavily on the National Guard and Reserves and using emergency stop-loss rules prevent some soldiers from retiring.

At Third Way, we opposed the Iraq War. But while we knew we couldn't change the fact that we were already in Iraq, we knew that we could address the strain on our ground forces. At a packed press conference with then-Senate Majority Leader Harry Reid and General Barry McCaffrey (USA ret.), we released a study showing that the pace was unsustainable and that the Army's ability to meet future sudden threats was deeply imperiled.

Next, we put together a campaign to demand that Congress increase the end-strength of the Army by 100,000 troops and persuaded a group of leading senators to introduce legislation supporting it. We orchestrated the press conference for the introduction of the US Army Relief Act of 2006 with then-Senators Hillary Clinton and Joe Lieberman (D-CT), a leading expert on military affairs, as well as Senator Jack Reed (D-RI), now the top Democrat on the Armed Services Committee. Senator John McCain (R-AZ), the ranking Republican on Armed Services, also signed on.

Because of the high-profile co-sponsors and our report on the nature of the problem, the bill made a huge splash. Within months, language increasing Army end-strength by more than 80,000 became law as part of the Defense Authorization Act. This eased pressure on our soldiers and dramatically improved their rest and training schedules—and not a moment too soon: A number of high-ranking retired generals said that without the increase, the all-volunteer force would have quickly and resolutely unraveled.



How Third Way Helped Democrats to Close the Security Gap on National Security

For three decades after the Vietnam War, Democrats consistently trailed Republicans by enormous margins on the question of which party they trust to keep the country safe. We dubbed it the “security gap,” and we noted that it was a serious problem both substantively and politically for Democrats.

Substantively, it’s dangerous if one of the country’s major parties is viewed as unreliable on national security—the public must have faith that a president of either party could preserve, protect, and defend the nation.

Politically, national security was badly hurting Democrats. Just before the 2004 election, the security gap yawned to a 35-point chasm, and polls showed that John Kerry lost the presidential election largely on the depth and persistence of that gap—even despite him being a decorated war hero. Democrats down the ballot from Kerry also lost, especially to voters highly concerned about national security.

Third Way launched a campaign in 2005 to explore ways to close the security gap. Through our extensive public opinion research and a series of retreats with high-ranking security experts, we evaluated the depth of the problem. Then, we released a groundbreaking framework to help Democrats characterize their approach to national security as “Tough and Smart,” enabling them to deftly address these issues as the Iraq War approached its nadir.

Incumbent Senators, dozens of congressional candidates, and both Hillary Clinton and Barack Obama used our “tough and smart” messaging and ideas in their 2008 campaigns. Over the following years, we worked closely with Democratic campaign committees and individual Members of Congress to train them on our approach and regularly update them on how to respond to new issues. Former Secretary of Defense William Perry, a project ally, called our “Tough and Smart” campaign “one of the best things to happen to Democrats in a long, long time.”

After we took on this campaign, the security gap narrowed dramatically, falling to zero in 2011. Despite Democratic losses since, the gap was just seven percent in 2016, putting Democrats on far better footing to debate Republicans on national defense issues.



How Third Way Thwarted Attempts to Sabotage Dodd-Frank

The Dodd-Frank bill, passed in the wake of the 2008 calamity in the financial sector, was a vital part of stabilizing the economy and moving out of a recession. By 2012, Dodd-Frank reforms had helped bring economic stability, and they could potentially add \$351 billion to the US economy over the next decade—but the law has been under attack since the moment it was passed in 2010. Those on the right have blamed Dodd-Frank for slowing economic recovery, and those on the left have considered the law ineffective and called for a total overhaul.

Enter Third Way. We have staunchly defended Dodd-Frank for years: holding events with key Senators, firing off a litany of educational products, and presenting in front of the Democratic caucus.

But most importantly, we've challenged the extremes. Our educational work on capital markets wasn't just about fighting back against Republicans—it was about creating a more informed debate on both sides. We arranged intensive financial regulation educations for dozens of top staffers at Wharton's business school. We testified to the positive impact of Dodd-Frank to congressional committees. We developed a speaker series (with key figures like Paul Volker and Sheila Bair) that has drawn hundreds of staffers from both sides of the aisle. And we rolled out a consistent drumbeat of reports quantifying the ways Dodd-Frank strengthens the US economy. The end result of our efforts? A bipartisan constituency dedicated to protecting Dodd-Frank's most substantial reforms.

We realized the full power of our strategy when the House voted in 2017 on the Financial CHOICE Act, the most serious legislative threat to emerge against Dodd-Frank. At the bill's hearing, ours was the only expert testimony from a left-leaning group that defended Dodd-Frank from a pro-market perspective. We also published a report quantifying the value of financial stability provided by the law, which Members of Congress cited in debates on the House floor.

Our educational groundwork had laid a rock-solid foundation of understanding of the importance of Dodd-Frank. As a result, the CHOICE Act had no chance: it died instantly in the Senate and was immediately replaced with a narrower, bipartisan bill that makes necessary and reasonable tweaks to the law while leaving its central components intact.