



Why Not **AARP?**

AARP Politics Lean Liberal. Is This Where
Your Membership Dollars Should Go?

AARP'S LONG HISTORY OF BREAKING THE RULES & SIDING WITH BIG INSURANCE OVER SENIORS

Everyone knows what AARP is. But does everyone know its history and what it stands for?

Believe it or not, AARP was originally founded as a teachers' association¹, but quickly grew into a brand used as a means to sell insurance policies² to members. As the AARP grew, it developed a history of several scandals.

AARP Playing Fast and Loose

In the 1990s, AARP was the subject of congressional scrutiny³ as it simultaneously benefited from the tax benefits of being a non-profit while running a massive business empire and lobbying organization. AARP has managed to convince the public, the media, and its members that it was nothing more than a non-profit interest group looking out for seniors. In reality, the corporate machine underneath was busy selling insurance, lobbying members of Congress (often in conflict of seniors' best interests), and paying its staff large salaries to do so.

Ultimately, these tensions culminated in a dispute with the IRS, where AARP was forced to pay \$135 million in back taxes and penalties.⁴ However, the underlying issue was far from resolved—AARP simply spun off its business operations into a new, commercial subsidiary that would run the commercial end of its activities. This was little more than a paperwork gimmick.

Over the same period, AARP was receiving millions in taxpayer-funded federal grants—

1 AARP.ORG Aug. 1, 2017 "NRTA – The Seed That Grew Into AARP"

2 NYT: Oct. 20, 1996

3 The Washington Post May 4, 1995 "Sen. Simpson Assails AARP Empire"

4 LA Times Aug. 31, 1994 "AARP Settles IRS Dispute for \$135 Million..."

which some members of Congress pointed out was a conflict of interest since AARP engaged in lobbying activities. Congress passed the Lobbying Disclosure Act of 1995, prompting AARP to create yet another spin-off, the “AARP Foundation”—which describes itself as a “charitable affiliate” of AARP¹. A better description would be a “legal loophole” that allows AARP to continue to receive taxpayer-funded grants.

Yet even new laws couldn't stop AARP from running afoul of the federal government. In the late 1990s, the United States Postal Service followed the IRS's lead in fining AARP—this time for \$5.6 million² as a result of AARP mailing millions of commercial insurance solicitations at the non-profit postage rate instead of the commercial rate.

AARP Picks Insurers and Its Bottom Line Over Seniors

These penalties scratch the surface of what AARP really is: a massive business enterprise operating under the guise of a non-profit. For example, one of AARP's primary revenue sources is royalty fees made by allowing insurance companies to use the AARP brand when marketing products. For example, in 2009, AARP made more than \$650 million from UnitedHealth Group alone in its insurance partnership.³ When UnitedHealthcare contracted with AARP to sell Medigap policies to seniors (also known as Medicare supplemental coverage), AARP received nearly five percent of seniors' premiums.

Put simply, as AARP was asking seniors to pay membership fees so it could advocate for their interests, it was also taking money out of their back pocket by inherently charging them higher health insurance premiums to fund its massive insurance arm.

Unfortunately, this has become typical for AARP. Playing fast and loose with the rules while misleading seniors isn't the exception—it's the rule. Without it, their revenue streams would dry up. It's one of the reasons AARP is so close with liberal politicians—a subject we'll explore in our next commentary piece.

So when you hear “AARP”—don't just remember what the letters stand for. Remember what the organization stands for—big government and big insurance, joined at the hip through a so-called “non-profit.”

1 AARP.ORG Annual Reports on page of website

2 NYT March 21, 2021 “The World According to AARP”

3 Capital Research Center May 1, 2012 “AARP: Advocacy Group or Crony Capitalists?”

AARP'S POLITICS LEAN LIBERAL

AARP has operated much less like a non-profit and much more like an insurance company or marketing scheme used to make millions for their business ventures. However, one of the reasons they can get away with their operations is through their lobbying network.

But far from lobbying for seniors' interests, AARP seems to only lobby for its own interests. Over the years, AARP has carefully structured itself as one of the foremost lobbying organizations in the nation—headed by liberal staffers and donors to covertly promote a liberal agenda that stands against the interest of seniors.

For example, AARP's Chief Advocacy & Engagement Officer is Nancy LeaMond, who has a long history of working for liberal causes and politicians. In the late 1970s and early 1980s, LeaMond served on the staff of the U.S. Department of Education under President Jimmy Carter. After Carter lost re-election to President Ronald Reagan, LeaMond spent much of the 1980s as an administrative assistant to Congresswoman Mary Rose Oakar (D-Ohio). In the 1990s, LeaMond served in both the Commerce Department and Treasury Department under the Clinton administration. After President Clinton left office, LeaMond quickly shifted to AARP, where she has remained for two decades.

But LeaMond is far from the only AARP senior staff member to have deep liberal ties. AARP Chief of Staff Kevin Donnellan previously served as a legislative assistant to Congresswoman Geraldine Ferraro (D-New York). Ferraro notably ran as the vice presidential nominee to Walter Mondale in his unsuccessful bid to unseat President Ronald Reagan.

AARP's contributions to political candidates tell a similar story. In 2020, more than 90 percent¹ of AARP-related political donations went to Democrat candidates for office, with the largest recipients being Joe Biden, Pete Buttigieg, Bernie Sanders, and Elizabeth Warren. According to the Federal Elections Commission, AARP Board of Directors member Robert Blancato is a long-time donor to Democratic leadership, sending \$3,000 to Nancy Pelosi since 2019, plus \$1,000 to Joe Biden and Chuck Schumer each over the same period. Board member Beth Ellard donated hundreds through "ActBlue"—a Democratic donor soft-

1 Open Secrets: AARP

ware vendor—and to “Win the Era PAC” formed by Pete Buttigieg. Meanwhile, LaMond donated \$2,700 to elect Hillary Clinton as president in 2016. While top AARP staff may make the occasional token donation to a conservative candidate, these are overwhelmingly outweighed by their much more robust financial support for liberal politicians.

AARP’s contributions closely match its politics and policies that are not in the interest of conservative seniors. AARP openly admits¹ that it supports the estate tax, otherwise known as the death tax, which taxes the inheritance of individuals once they pass away. AARP also advocates for progressive taxation promoted by Democratic politicians. AARP was one of the largest champions for the Affordable Care Act, also known as ObamaCare.

From its staffers to its board members to its policies, AARP is solidly in the left wing of an increasingly liberal Democratic Party. While AARP prefers to keep its politics as concealed as possible in order to appear “non-partisan,” the reality is undeniable from campaign donations, policy documents, and more. The truth is clear: AARP has become a de facto liberal advocacy organization, not a senior advocacy organization.

1 AARP Public Policies

ARE AARP'S POLITICS IN THE WAY OF ITS MISSION?

In many ways, AARP operates more like an ideological activist entity as opposed to a pro-senior advocacy organization. Unfortunately, that reality has harmful consequences for the millions of seniors that AARP purports to serve—especially when it comes to health care policy.

AARP Lobbied for ObamaCare

AARP was one of the loudest cheerleaders for ObamaCare, otherwise known as the Affordable Care Act. When ObamaCare—which removed more than \$700 billion from Medicare¹ — was being debated, AARP reframed dramatic programmatic cuts as “savings”² just as it was emailing with the Obama White House³ on how to strategize on the wide-sweeping federal takeover of health care. This was, of course, despite the fact that AARP's own internal communications⁴ with constituents suggested that seniors overwhelmingly opposed ObamaCare.

While ObamaCare was being debated, AARP continued to earn hundreds of millions of dollars⁵ from lucrative contracts with insurance companies through royalties from up-charging seniors' Medigap premiums.

And when the debate to end ObamaCare was occurring, AARP came out staunchly on the side of keeping the unpopular program instead of shifting to a lower-cost alternative.⁶

AARP Fought Effort to Reduce Drug Costs

Unfortunately, AARP's anti-senior health care antics have continued. In 2019, the Trump administration was pushing a new federal rule to lower prescription drug costs for sen-

1 WSJ Sept. 20, 2012 “The Love Song of AARP and Obama”

2 Capital Research Group May 1, 2012 “AARP: Advocacy Group or Crony Capitalists?”

3 WSJ Sept. 20, 2012 “The Love Song of AARP and Obama”

4 See attached footnote for redacted AARP internal communication

5 Capital Research Group May 1, 2012 “AARP: Advocacy Group or Crony Capitalists?”

6 AARPORG: March 7, 2017 “AARP Opposes Health Care Bill”

iors.¹ AARP opposed it. Why? Yet again, AARP was found to have let big insurance companies use its branding to sell Medicare Part D prescription drug benefits. These same insurance companies had partnerships with prescription drug middlemen who were the focus of the proposed rule. Instead of siding with seniors, AARP came down on the side of the Big Pharma lobby and its bottom line.

Put simply, while AARP was receiving millions from insurance giants who benefited from partnerships with pharmaceutical giants, AARP was also lobbying for restricting kick-backs to those same Big Pharma giants—and then failed to mention its own conflict of interest.²

AARP Lobbies Against Affordable Options at the State Level

The same pattern exists at the state level. For example, when the Texas Legislature led the nation in reforms that would lower health care costs and add more affordable coverage options for those under 65,³ AARP opposed these measures every step of the way.⁴ These changes wouldn't take away any benefits from Texas seniors—they would simply give them more choices and options in their health care decisions. But, since that was something AARP's insurance partners didn't like, it's no surprise AARP opposed it too. One Texas public policy specialist even referred to AARP as “basically an arm” of UnitedHealthCare.⁵ AARP follows the same blueprint in all the states where they lobby state lawmakers.

From ObamaCare at the federal level to health care reform at the state level, AARP has shown repeatedly that its interests lie with its bottom line and insurance partners—not with what benefits American seniors. When it comes to health care policy, AARP would rather see competition restricted and choice eliminated so that it could continue to prosper from its insurance royalties, all while seniors pay the price.

1 Daily Caller May 13, 2019 “Trump Administration Says This Proposal Will Not Help Seniors Afford Their Drugs. AARP Says Not So Fast.”

2 Goerie.com Aug. 13, 2021 “AARP Response to Column Fails to Mention Conflict of Interest”

3 TPPF May 5, 2021 “(TX) House Passes Healthcare Reforms...”

4 ARPorg April 7, 2021 “AARP Texas Statement on Health Care Legislation in the Texas House”

5 @DavidBalatHC Twitter April 24, 2021

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