

# The Rise and Fall of ACORN

January 23, 2012

Most people never heard of ACORN (Association of Community Organization for Reform Now) until the conservatives attacked it. The media does not follow long and complicated organizing campaigns. It prefers more time limited dramatic news such as lawsuits or demonstrations. But even when ACORN organized large demonstrations, the media was not likely to credit ACORN. However, they eagerly featured false accusations of fraud in ACORN's voter registration drive, and when a man posing as a pimp and a woman as a prostitute videotaped an interview with an ACORN worker, hoping to trick her into giving illegal information, the media jumped on it like wolves snatching red meat. By that time, 82 percent of the public had heard about it.

I knew about ACORN, had even once considered joining it, but had never realized how large, powerful, and effective it was until I read this book. In 2007, there were 260,000 members in 100 field offices across the country. By 2008, the combined "family of organizations" had an annual budget of \$100 million, over a thousand employees, and 400,000 members. The "family" included two nonprofit corporations that conducted research, policy analysis, and leadership training, two union locals, two Southern-based radio stations (KNON and KABF), several publications (including the magazine *Social Policy*), an accounting, financial, and payroll services firm (Citizen Consulting, Inc.), a law office, and a variety of other vehicles that supported its organizing and issue campaigns, such as the Financial Justice Center, the Living Wage Resource Center, and Project Vote. There were even international chapters in Argentina, Canada, Peru, and Mexico, but these were short-lived.

In 1994, Saul Alinsky's Industrial Areas Foundation created a coalition of churches and labor unions called BUILD (Baltimoreans United in Leadership Development) to fight for higher wages for the working poor. They succeeded in passing the nation's first living-wage ordinance. Inspired by their success, ACORN led living- and minimum-wage campaigns to victory in Chicago, St. Louis, St. Paul, Minneapolis, Boston, Oakland, Denver, New Orleans, Detroit, New York City, Long Island, Sacramento, and San Francisco. In 2006, they won what the *New York Times* called a "groundbreaking ordinance," the first ordinance in the nation that required all big-box retailers (such as Wal-Mart) to pay a "living wage." Retailers with more than \$1 billion in annual income and stores of at least 90,000 square feet, by mid-2010, would pay workers at least ten dollars an hour in wages plus three dollars an hour in fringe benefits.

When I read this, it occurred to me that Wal-Mart's eagerness to build smaller stores in neighborhoods might be their strategy to get around this requirement, so that they would be able to pay smaller wages.

ACORN mobilized voters around ballot initiatives for minimum-wage campaigns. This strengthened ACORN's voter registration drives. One poll found that three-quarters of African-Americans who had not voted in the past said that the minimum-wage issue was "very important" and would motivate them to vote. Their voter registration drive helped Democrats take control of the House and the Senate and led to the federal increase in the minimum wage signed into law by George Bush in 2007. John Atlas sums up their victory as follows:

One cannot underestimate what ACORN had done. Until 2006, the living wage was a radical idea. John Kerry was afraid to promote it in 2004. The transfer of income from employers to workers in eleven states that passed minimum-wage increases in 2006 equaled some \$16 billion. Moreover, with such allies as the AFL-CIO and SEIU, ACORN had used its local minimum-wage and living-wage victories as stepping-stones to propel the new Democratic-controlled Congress to support a significant increase in the federal minimum wage. After the 2006 elections the Democratic Party leadership embraced ACORN and agreed to look more closely at its issues. (p. 117)

ACORN was founded in Arkansas in 1970 by Wade Rathke, along with other idealistic college graduates, with a vision of organizing the poor and working class to build a new political force. The organizers were mostly middle class, white, and college educated. Organizers were paid, and members paid a yearly fee of \$120. Rathke's vision was a multi-racial organization, which was easier to achieve in rural Arkansas than in segregated Philadelphia.

Rathke was a member of SDS until 1968, when he heard a member of the Progressive Labor Party talk about workers' "false consciousness" and challenged students to start a worker-student alliance. Rathke was disgusted by this. He told his wife that the speakers were a bunch of spoiled students who had never worked a day in their lives. He thought, "The idea that workers were looking for alliances with students, and that students would lead them to the Promised Land, was bullshit." (p. 10)

Rathke worked with a federally funded antipoverty program in North Adams, Massachusetts. The program informed welfare recipients of their rights. When Rathke read Frances Fox Piven and Richard Cloward's 1950 article in the *Nation*, "A Strategy to End Poverty," he was inspired to join the Welfare Rights movement, led by George Wiley. The Piven and Cloward strategy was to recruit people who were eligible for welfare, who would demand their rights and flood the welfare offices until their demands were met. According to the theory, this would precipitate a "profound financial crisis" because cities and states lacked the funds and the staff to meet the demands. This strategy, they said, would force governors and mayors to lobby Congress for a guaranteed adequate annual income for the poor.

Welfare recipients did flood the offices with their demands, including a guaranteed annual income; state and city officials cracked down on the recipients at welfare offices, which precipitated urban rebellions in several large cities. As we all know, the Piven and Cloward strategy didn't end poverty, but it later inspired conservatives to accuse Piven of trying to bring the capitalist system down! Glenn Beck described the "Cloward/Piven Strategy" as a world view responsible for everything from creating a "culture of poverty" and fomenting "violent revolution" to causing global warming and the recent financial crisis. Called an "enemy of the people," over the past year Piven has been subjected to an unprecedented campaign of hatred and disinformation, spearheaded by Beck. When Piven was interviewed by Scott McLemee of *Inside Higher Ed*, she said, "Bill O'Reilly has connected the dots to identify me as being behind the occupation (of Wall Street). I'm sorry to say that's not true." [1]

Conservatives argued against expanding welfare because, they said, it would foster dependency, and welfare recipients should be working. Some liberal critics also believed that strategy should focus on getting people work rather than welfare. But no one, not even John Atlas in his critique of the welfare rights strategy, pointed out that caring for children was *work* and should be paid.

By the early 1970s, the welfare rights movement had lost momentum. Conservatives and centrists had convinced the broad middle class majority that paying for welfare came out of their pocketbooks. NWRO had lost the support of the white middle class. George Wiley was planning to move NWRO organizing to Arkansas in order to lobby U.S. Senator Russell Long and Rep. Wilbur Mills to enact a national guaranteed annual income. Wiley asked Rathke to lead the Arkansas organizing. However, Rathke believed that "the base of welfare mothers and their children was too thin to support the heavy political weight needed to change the nation," (p. 17) and in order to change the nation, it was necessary to build a powerful poor people's organization that included working class as well as poor people. He persuaded Wiley to let him build a larger organization, beginning in Arkansas. Wiley agreed and raised \$5,500 from a foundation for Rathke's six months' salary and expenses. Rathke's new organization was named Arkansas Community Organization for Reform Now — ACORN.

Rathke subscribed to what Bill Fletcher, a labor activist, has called the white populist error. He thought he could build a cross-class association, with support from labor unions, by attacking poverty caused by corporate abuse; his populist error was ignoring cultural

issues or race and gender. . . . He was wrong, and in terms of organizational growth, his error kept large numbers of Americans away from ACORN. Its big tent was too small. (p. 85)

Rathke dismissed women's issues such as day care, equal wages, and abortion as unimportant. He rarely supported women's issues. "Although by the mid 1980s, 70 percent of ACORN's rank and file were women, most of them black, and the majority of its leaders were women, Rathke and other middle class white males like the Kest brothers dominated staff decisions. Not only did this discrimination contribute to the organization's neglect of women's concerns, it began to affect staff morale." (p. 85)

ACORN also avoided framing its issues racially. This hampered its work with local community black power organizations, and limited its ability to cooperate with single issue minority groups organized around desegregation, police brutality, or saving vital services.

Rathke's model of organizing was Saul Alinsky's — organizing around issues that directly affect people in a community — but he envisioned a broader national organization that would take on political issues. Alinsky was adamant that campaign issues should be chosen by grassroots community people. I was part of an organizing campaign led by Alinsky in the 1950s at the Hudson Guild settlement house, in the Chelsea district of New York City. A friend of mine applied for a job with Alinsky and he asked my friend, "If the community wanted to organize to get a bar in the neighborhood, would my friend go along with that?" My friend said he wouldn't, and he didn't get the job. I doubt that Alinsky ever led a campaign to get a bar in the neighborhood, but he used the question to test organizers' commitment to honoring the wishes of neighborhood residents.

There are several organizations that advocate for the poor, but Alinsky and ACORN mobilized poor people to speak for themselves.

Unlike Rathke, Alinsky refused to participate in electoral campaigns. "He assumed that efforts to bring community groups into partisan electoral battles only sapped the organization's strength, co-opted its issue focus in a cult-of-the-candidate mentality, and alienated its members." (p. 43) "Alinsky feared the budding 'fascism' of large organizations and sought to build only local organizations." (p. 271) However, he was willing to put pressure on candidates after they were nominated.

ACORN realized that third parties had no chance of winning an election, but they were attracted to the theory of "electoral fusion" that was being used in New York City. They worked with the Communications Workers of America, United Auto Workers, New York Citizen Action, and many labor unions and other citizen organizations to create the Working Families Party (WFP) in New York, which replaced the Liberal Party as New York's most important third party.

Organizers disagree on whether to combine service work with organizing, but ACORN successfully conducted a campaign to get poor people enrolled in the Earned Income Tax Credit (EITC) while also carrying on other powerful organizing campaigns. In 2004, they had EITC tax assistance centers in 51 cities and generated \$19 million in total refunds.

ACORN won a nationwide battle against predatory mortgage lending. Through shareholder actions and local demonstrations, they kept a spotlight on predatory lending, and they were instrumental in persuading thirty-five state Attorneys General to work on the issue. They brought a class-action suit against the Housing Finance Corporation, and in 2003, HFC agreed to distribute \$484 million to abused borrowers. Iowa Attorney General Tom Miller called it "the largest restitution amount ever in a state or federal consumer case." (p. 129)

Conservatives blamed the subprime mortgage crisis on ACORN, based on its support of the Community Reinvestment Act. The *Wall Street Journal's* lead editorial on October 14, 2008, titled "Obama and ACORN," "described ACORN as a 'shady outfit' and accused the group of being 'a major contributor to the sub-prime meltdown by pushing lenders to make home loans on easy terms, conducting 'strikes' against banks so they'd lower credit standards." (p. 3)

In Philadelphia, ACORN initiated a campaign in "Urban Homesteading," i.e., squatting, which expanded into a nationwide campaign and led to a dramatic change in federal law. In 1982, Congress enacted the National Homestead Act, which reformed federal policies and procedures to

make it easier for low- and moderate-income people to purchase properties owned by HUD.

ACORN expanded its housing work by creating a new spin-off institution, ACORN Housing, that raised significant funds and became a vehicle for ACORN's role in the redevelopment of New Orleans and New York City. By 1982, headquartered in New Orleans, they had a national budget of \$2.3 million. Rathke wanted to expand further, but some organizers objected, feeling they did not have the resources or energy to do more.

Organizers burned out and quit. Mary Lassen left in 1980, she and her husband wanted children and Lassen didn't think ACORN's employment policies and culture were family friendly. Other good organizers left, feeling that as ACORN got larger, it had become lethargic. New organizers reflected a wide disparity in talent and commitment, as well as in local accomplishments. ACORN barely had enough money in the treasury to pay its staff. Personnel and bills were paid late. There were big communication gaps among members of local chapters. Except for those who attended national meetings, most of the members in one state had no idea what members in other states were doing. Unless addressed, these issues could undermine ACORN's future. (p. 79)

ACORN won a victory in mixed-income housing in a development in Brooklyn. A private developer, Bruce Ratner, wanted to move the pro basketball New Jersey Nets to Brooklyn to play in a new twenty-thousand-seat arena, "the crown jewel of his planned \$2.5 billion development, Atlantic Yards." (p. 138) In addition to office space and retail space, it included 4,500 units of housing. It did not initially include mixed-income housing, but ACORN, in cooperation with unions and neighborhood groups, succeeded in securing an agreement with the developers to guarantee that units would be affordable to families at five income levels — very low, low, moderate, low middle, and high middle. Rents would be subsidized by the New York City Housing Development Corporation.

There was a great deal of controversy over the project. The area was becoming gentrified by white liberals who opposed the development, and there was tension around the issues of class and race. Even ACORN members disagreed about the project. A few black leaders opposed the project, but most blacks in Brooklyn supported Atlantic Yards. The leader of the ACORN organizing, Bertha Lewis, was black and poor. "On more than one occasion, she called her opponents 'white liberals.' Although she would publicly apologize, in her heart it was partly about race." (p. 152) Letitia James, a black woman who was the Working Families Party candidate running against a Republican and a Democrat in the November 2001 elections in the Thirty-fifth Council District, opposed the development. She accused Ratner of intentionally stirring up racial divisions, typecasting upscale white residents as the main source of resistance and numb to the needs of black Brooklynites.

In 1983, ACORN began organizing in Chicago and founded the Chicago Homecare Organizing Project, which affiliated with SEIU through ACORN's own Local 880. In 1985, Obama started his new job as a community organizer with the Gameliel Foundation, helping poor blacks on the South Side. Madeline Talbott, the Chicago ACORN organizer, at first considered Obama a competitor "when both were working to get asbestos insulation removed from a Chicago housing project, but his work impressed her so much that she invited him to conduct a few trainings for her staff." (p. 100)

Obama saw that community organizers needed allies in city government and, inspired by the election and accomplishments of Harold Washington, Chicago's first black mayor, Obama began to think about running for public office. "Perhaps a charismatic elected official could make a bigger difference than a community organizer. He would soon decide to go to Harvard Law School, but he would return to Chicago and ACORN." (p. 100) In 1992, he returned to Chicago and took a job running Project Vote, a voter registration group. ACORN and Project Vote united in their voter registration drive to help Carol Moseley Braun run for the U.S. Senate. "Braun was elected, the first African-American woman senator in U. S. history." (p. 101)

In his run for the presidency in 2007, Obama would apply the philosophical and practical lessons he

learned on the streets of Chicago. He enlisted the help of Marshall Ganz, a Harvard lecturer and one of the country's most brilliant community organizers, to help train his get-out-the-vote volunteers. Sounding like an ACORN organizer, in his speeches he would often allude to his organizing history, urging followers to think of his campaign as a social movement in which he was just "an imperfect vessel of your hopes and dreams." (p. 101)

ACORN's success attracted enemies, many of whom were McCain supporters. For years ACORN was a target of Fox News, Bill O'Reilly, Rush Limbaugh, and conservative magazines. "Sol Stern in the *City Journal* argued that ACORN promotes 'a 1960s-bred agenda of anti-capitalism, central planning, victimology, and government handouts to the poor.'" (p. 3) The *New York Times* and CNN also attacked ACORN, alleging that it had submitted allegedly false or duplicate voter-registration applications in a number of states (an allegation that was proven untrue).

Internal troubles in ACORN added fuel to the fire. Rathke's brother Dale, whom Rathke had appointed to be the organization's comptroller, embezzled almost \$1 million from the organization in 2000. Wade had fired Dale as comptroller but kept him on as a special assistant. "Although this debt would be repaid, it turned out that Wade Rathke not only hid the embezzlement from ACORN's funders but also did not report all the details to the national board." (p. 223) An embittered ACORN member leaked the story to the press, and on July 9, 2008, the *New York Times* published an article about it.

The McCain campaign used this information to link Obama with ACORN, describing it as an outlaw leftist group. "Despite ACORN's endorsement of Obama, he immediately distanced himself from the group. 'The only involvement I've had with ACORN,' Obama told the media, 'is I represented them alongside the U.S. Justice Department in making Illinois implement a motor voter law that helped people get registered at DMVs.'" (p. 4)

Several politicians and legislators supported ACORN until the conservatives attacked it. Hillary Clinton was the keynote speaker at ACORN's 2006 annual convention, and Bill Clinton gave the keynote speech at New York's twenty-fifth anniversary gala in 2007. Yet, while Community Reinvestment Act enforcement improved under Clinton's Justice Department and bank regulators, and ACORN received funds from HUD for housing counseling and racial testing, Clinton made compromises that alienated some of his key supporters, including ACORN, in November 1994, after the Republicans won a majority of seats in the House under the leadership of Newt Gingrich. (His signing the welfare "reform" bill was one of those compromises, but John Atlas doesn't mention that particular devastating compromise.)

Even Rick Perry supported ACORN. A reporter from the *Economic Policy Journal* said, "I found that Perry had *good friends in ACORN*, a community organization that Republicans love to hate. In 2006, Perry signed into law a bill which benefited low-income homeowners. ACORN called this their 'proudest moment.' When Senator Kay Bailey Hutchinson opposed funding ACORN in 2007, he attacked her." [2] When a *Economic Policy Journal* reader confronted Rick Perry about tripling the state debt, massively increasing spending, and helping out ACORN, his response was "you obviously don't know what you're talking about." Yet there on the internet for all to see is his picture, smiling with his pen poised to sign a bill, and ACORN members standing around him. [3]

Hurricane Katrina created a crisis for ACORN, as its headquarters were there and the hurricane destroyed their homes and all their records. Rathke and his family lost their homes. Phone lines were down, including cell phone towers. Few ACORN members had e-mail. "How was the organization to give voice to members who were now scattered across Louisiana, Texas, and Mississippi, and elsewhere?" (p. 160)

ACORN had done significant organizing in New Orleans. The local chapter had more than nine thousand dues-paying members in 2005. "Sixty-six people — the local staff as well as some of ACORN's national staff — worked in a crowded two-story wood-frame house, a former funeral home that now served as the New Orleans office." (p. 159) Most of the operations had to relocate to Baton Rouge. From there, the staff worked to locate ACORN members. They were helped by nationwide

staff and members, who were able to find housing for displaced New Orleans members in Houston, Dallas, San Antonio, Little Rock, Atlanta, Birmingham, Seattle, Vancouver, and New York. A message board on the ACORN website made it possible for those who had e-mail to contact each other. Using creative improvised technology, staff set up a communications center in Baton Rouge. They assisted evacuees with financial and housing matters, giving advice about mortgage relief, preventing foreclosures and evictions, available credit, and their entitlement under the emergency.

ACORN joined the AFL-CIO and consumer groups to pressure mortgage holders not to foreclose on New Orleans houses. They worked to postpone the deadline for owners to rebuild, and worked to rebuild houses. Rathke described it as a "guerilla war in which people are fighting house by house, block by block, to save their neighborhoods." (p. 182) They organized a demonstration in Washington, D.C. in February 2006 and lobbied Congress. Working with other groups, they organized a Home Cleaning Program and met their goal of saving a thousand homes.

Rathke was a charismatic leader, but tried to keep control of decision-making. Atlas says, "Most successful large organizations, even non-profit and activist ones, depend on dynamic, innovation, risk-taking leaders who mirror the savvy successful entrepreneur who starts a small business and grows it into a large profitable company. Rathke was ACORN's venture capitalist." (p. 219) Since he was focused on building relationships, tactics, and campaign strategies, he delegated administration to others, especially his brother Dale. But it was hard to keep track of such a large and scattered organization. Staffing and training staff was a continual problem. There was large turnover, and only volunteers staffed some offices. Despite strenuous efforts to recruit black organizers, most of them were white. There was tension among board and staff over Rathke's authority and leadership ability. Despite these problems, Rathke wanted to expand ACORN to 2,500,000 members by 2010. Some experienced lead organizers opposed his plan as unrealistic. Madeline Talbott, an experienced organizer, wanted to focus on building alliances with other organizations that were working on economic justice issues. She and others thought Rathke was being driven by ambition and dreams of an unrealistic legacy. She led her large Illinois chapter out of ACORN.

After Rathke's brother Dale embezzled a million dollars, Rathke hid it from his board for eight months, believing he could continue as usual. The Rathke family pledged to repay the money. When the scandal surfaced inside the organization, before the *New York Times* article came out, the board was angry that Rathke had kept his brother on the payroll for eight years and that Rathke failed to inform them immediately. They forced Rathke to resign and fired his brother. "In an act that reaffirmed the democratic nature of ACORN, the board replaced Rathke with Bertha Lewis because of her proven leadership qualities and her reputation for fighting for more transparency and accountability." (p. 225) Bertha Lewis was a black woman. After the *New York Times* broke the story, given to them by disgruntled ACORN members, some foundations that had funded them, including the Catholic Church, withdrew their grants.

Some foundations offered Bertha Lewis their help in reorganizing ACORN. Her difficulties were compounded by the factionalism within the organization. The majority of the board supported Lewis' decision to fire Rathke and move on. The New Orleans chapter valued Rathke's work and wanted to keep him. A third faction had for years tried to wrest control over ACORN from Rathke and run it themselves. They were the source of many negative articles in the *New York Times* and Fox News. Despite all these troubles, ACORN continued its organizing work and won a major victory when, along with other groups, they pressured President Bush to sign a federal affordable housing bill, which provided five billion dollars for low-income housing, financial counseling, and mortgage restructuring for people and neighborhoods hit hard by the predatory subprime mortgage crisis.

Conservatives had been gunning for ACORN for years, especially its work on voter registration. The final blow was struck in July 2009 when James O'Keefe and Hannah Giles, posing as a pimp and a prostitute, asked an ACORN staff member to give them information on how to establish a brothel. Apparently the staff member gave them irresponsible information. O'Keefe videotaped the interview and publicized it widely. ACORN fired the staff member and hired Scott Harshbarger, former attorney general of Massachusetts, to investigate the charge and implement necessary management

changes. Harshbarger's report said that although some of the statements by ACORN staff were inappropriate and unprofessional, it was not illegal. He found that the video had been doctored but was unable to obtain the original video to compare. The video that was publicized showed O'Keefe and Giles in ridiculous costumes, although when they conducted the interview in the ACORN office they were dressed in regular street clothing. The fact that ACORN had done nothing illegal got little publicity in the media, but the media continued its negative assault.

Bertha Lewis and other ACORN staff, following the recommendations made by Harshbarger, reorganized. Seventeen state chapters established statewide groups separate from ACORN, including the adoption of a new name. The new groups will emphasize state and local issues. In January 2010, California ACORN became the first chapter to go independent, calling itself the Alliance of Californians for Community Empowerment.

In an epilogue, John Atlas asks, "Is a twenty-first century social movement likely?" (p. 252) As I write, the Occupy Wall Street movement is gathering steam. It rejects the charismatic leader, seeking to make decisions collectively and democratically. No one can predict what change it will accomplish, but they are dealing with the same issues that ACORN dealt with and it is possible that they will accomplish change that is deeper and more profound than ACORN was able to do.

This would be a good training book for students of community organizers. As an organizer myself, I was interested in the blow-by-blow descriptions of strategies and tactics. The research is exhaustive. It reads well. Atlas says he consulted with a novelist to help him with his style, and it shows. There are a couple of minor flaws. In listing potential allies of ACORN, he includes neoliberals. (p. 274) When talking about compromises that President Clinton made that alienated supporters, including ACORN, he does not mention Clinton signing the welfare "reform" bill. (p. 64) Since Rathke began his career working with the welfare rights movement, that was a particularly bitter pill. Not only had the welfare rights movement died, but welfare itself was eviscerated by Clinton.

The biggest mistake is the misplacement of pages in the book. Page 49 comes after page 52, 53 comes after 56, and it doesn't straighten out until page 65. Still, it is worth the trouble to figure it out as this is a valuable book.