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Meet the group sharpening the GOP attack on ‘woke’ climate policies

Consumers’ Research, bolstered by millions in donations and the Republican takeover of the House, targets Wall Street’s evaluation of climate risks

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By Steven Mufson

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Vanguard, one of the world’s three biggest financial asset managers, recently dropped out of a coalition of firms committed to sustainable investing. (M. Spencer Green/AP)

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Bankrolled by mysterious donors, a little-known group named Consumers’ Research has emerged as a key player in the conservative crusade to prevent Wall Street from factoring climate change into its investment decisions.

On Dec. 1, the group joined 13 state attorneys general in calling for a federal regulatory agency to investigate Vanguard, one of the world’s three biggest financial asset managers. Consumers’ Research accused Vanguard of “meddling with [the] energy industry to achieve progressive political goals at the expense of market efficiency.”Within days, Vanguard announced it was quitting a coalition called the Net Zero Asset Managers Alliance and shelved its own modest pledges to cut the amount of greenhouse gas emissions linked to companies in which it invests. Leaders of Consumers’ Research were surprised — and elated.

“I knew we had found something important,” said Will Hild, who became executive director of the organization in March 2020, just as the pandemic hit. “But I didn’t know Vanguard would just capitulate.”

Vanguard didn’t put it that way. In a statement, it affirmed its commitment to “helping our investors navigate the risks that climate change can pose to their long-term returns,” despite leaving the business coalition.

Even so, Hild’s group and other opponents of “woke capitalism” are feeling emboldened now that Republicans control the House of Representatives. They see themselves as part of a political alliance that can scrutinize and possibly derail the environmental, social and governance — or ESG — goals of corporations and the Biden administration.

Some big Wall Street firms — most notably BlackRock, State Street, Vanguard and Fidelity Investments — have publicly embraced sustainable investing, partly because of investor demands and pressure on businesses to speed up climate measures.

But Republicans have promised to reverse what Rep. Garland "Andy" Barr (R) called a "cancer on our capital markets." In mid-December, Barr and Sen. Mike Braun (R-Ind.) introduced legislation to nullify a Labor Department regulation that allows ESG strategies to be used in retirement plans. In addition, Barr and Rep. Bill Huizenga, (R-Mich.) hope to revive legislation they introduced in December that would block the Securities and Exchange Commission from requiring publicly traded companies to disclose their climate risk.

Consumers' Research is one of several dark-money groups — nonprofits that seek to influence policy without disclosing their donors — that hope to derail the sustainable investments push. They often work in tandem with various GOP-led organizations, including the State Financial Officers Foundation, whose top donor is Consumers' Research, according to Hild.

These activists hope that House leaders will haul corporate executives before Congress to defend their ESG practices. The hearings will examine how many financial asset managers have used their large shareholdings to pressure other companies to curtail greenhouse gas emissions, improve sustainability or bolster corporate governance.

The Center for Political Accountability's president, Bruce Freed, whose nonprofit advocates for corporate transparency, said the goal of such groups is obvious — to pressure CEOs into submission. "There's a climate of intimidation that companies are facing today," he said.

Some companies are proving to be easier to pressure than others. Vanguard, which has roughly $7 trillion under management, has long been leery of making environmental commitments. Its most recent pledge to remove carbon emissions was a fraction the size of BlackRock's. When it exited the Net Zero Asset Managers Alliance, the firm said that such agreements can be constructive but can "also result in confusion about the views of individual investment firms. That has been the case in this instance."

With a name that belies its turn to the right, Consumers' Research was founded in 1929 by Frederick J. Schlink and Arthur Kallet — co-authors of "100,000,000 Guinea Pigs," an exposé of food and drug risks at the time. The group became the nation's first independent organization to test and report on consumer products. A labor dispute led to the spinoff of what became the well-known Consumer Reports.

The original group turned to criticizing policy. In 1981, M. Stanton Evans — an editor at both the conservative National Review and Human Events — became editor of Consumers' Research, which abandoned product assessments.
Over the past three years, Consumers' Research has morphed into a self-styled watchdog of liberal causes. It has singled out ESG, which it argues harms consumers, reduces

investment returns and contributes to inflation. In 2021, its budget grew 10-fold to more than $8 million, according to its 990 tax form. Nearly $6 million came from DonorsTrust, a conservative billion-dollar charity, according to its 990 tax document, though Hild declined to provide details. He said the largest single donation was in "the low seven figures" and the 2022 budget would end up closer to $10 million.

While Hild depicts his group as a consumer watchdog, others see it as a right-wing front group with anonymous donors seeking to stall action on climate change.

Erich Pica, president of Friends of the Earth, said in an email that "there is a deep irony with Republicans opposing ESG while pushing companies to have unfettered free-speech" thanks to Supreme Court cases allowing unlimited campaign spending by corporations and outside groups.

Hild, however, says Consumers' Research is all about focusing on corporations, but with a different agenda than those of liberal groups. "We want to educate consumers about the issues important to their interests," he said.

In 2021, the group paid $1.6 million to the law firm Jones Day to file suit against the Consumer Financial Protection Bureau, established under President Barack Obama, arguing that its members should not be shielded from being fired by Congress or the president. The case is on appeal.

That same year, Consumers' Research took aim at the Federal Communications Commission, arguing that the FCC's Universal Service Fund — which takes money from one area of the country and provides it to underserved areas — is "an unconstitutional tax raised and spent by an unaccountable federal agency." It paid $400,000 to the law firm of GOP veteran Boyden Gray to handle the case.

A graduate of Georgetown University Law School, Hild spent a decade among Washington's conservative and libertarian organizations, including the Federalist Society, where he worked on initiatives to limit the federal government's ability to set new regulations. Leonard A. Leo, the Federalist Society's co-chairman who helped persuade President Donald Trump to embrace three conservative Supreme Court nominees, has been one of Hild's mentors. Hild called Leo, "a good friend and adviser to Consumers' Research."

"Consumers' Research and its leader Will Hild are executing the most impactful pushback I know against ESG and other aspects of woke corporate culture," Leo said in an email. "It's time that businesses that are out of step with the sentiments of most Americans pay a price for their standing up for woke special interest instead of consumers."

Hild also worked at Philanthropy Roundtable, where he said he aided donors who wanted to pursue policies to "increase the percentage of children who get to benefit from growing up in a two-parent household."

Hild now runs a staff of just under a dozen people, half of them interns. They issue brief reports, links or videos on BlackRock's ESG stance, its chief executive, Larry Fink, and its ties to China. And they go after other companies, such as "like a creepy neighbor" State Farm — which Consumers' Research said was giving inappropriate books to kindergartens about gender identity — and "woke washed" jeans made by Levi Strauss, whose chief executive once asked customers to leave guns at home. State Farm did not return calls or emails, and Levi's declined to comment.

While many environmentalists say BlackRock has been a laggard in decarbonizing its portfolio, Fink has called for a shift toward clean energy. In January at the Davos, Switzerland, economic forum, Fink said he was "very optimistic on the U.S. and its decarbonization process."

To hit back against climate-minded investment companies, Consumers' Research has worked with Republican politicians in several states. Texas, Louisiana, Florida, West Virginia and Missouri,, among others have moved to bar BlackRock and other firms from managing all or part of their pensions.

To recognize state politicians, Consumers' Research hosts regular events and prizes. A year ago, it gave the "Consumers' Champion Award" to West Virginia Treasurer Riley Moore for defending his state "against the progressive ESG agenda." Mark Brnovich, then Arizona's attorney general, also won a Consumers' Champion Award.

This month, 21 Republican state attorneys general sent a terse letter to two corporate proxy advisers, Institutional Shareholder Services and Glass Lewis, challenging their ESG practices.

In what could be seen as a dress rehearsal for congressional hearings, a Texas state Senate committee quizzed senior executives of BlackRock, State Street and ISS for more than six hours in mid-December.

Senators pressed Dalia Blass, BlackRock's head of external affairs, about whether the firm's membership in Climate Action 100 had created a "bias" against investing in a Permian Basin oil project versus a solar project.

"We do not use ESG scoring for our investments," she said, adding that its one bias was "to get the best risk-adjusted returns for our clients."

Many financial analysts say eliminating analysis of climate risks would be shortsighted for elected officials and for corporations. Such restrictions would "oversimplify the issue," said Susan H. Mac Cormac, a partner and ESG expert at the law firm Morrison Foerster. She said many Wall Street strategies "are fundamentally part of risk assessment and are specifically tied to improving returns."

But Hild said his group will continue to focus on BlackRock and other companies, with an overall aim "to end the scam on consumers that is ESG."

Like BlackRock and Vanguard, he said, “any companies engaging in the same sorts of behavior are on notice they could be our next targets.”