

## Why tech bros are turning to Trump

23 July 2024

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BBC News

Longo said he had to keep quiet about his support for Trump

Donald Trump, whose time in office made him a pariah to many in the business world, has found new champions among tech leaders as his path back to the White House takes shape.

Elon Musk, the world's richest person, became the biggest name yet to throw his weight behind the former president this month, endorsing him and getting involved in fundraising efforts.

The move capped weeks of mounting support from the tech world, as influential venture capitalists and tech leaders, including former Democratic donor Allison Huynh, investors Marc Andreessen and Ben Horowitz and the Winklevoss twins, players in the world of crypto, rallied publicly around Trump.

Support for Trump is hardly universal.

But it marks a sharp turn from just a few years ago, when companies rushed to distance themselves from Trump in the weeks after the 2021 US Capitol riot.

Coming from Silicon Valley, where backing a ban on gay marriage - a Republican cause - once cost an executive his job, the change is especially striking.

At a cryptocurrency event at the Republican National Convention in Milwaukee, Wisconsin, Nicholas Longo, 27, of wealth management firm Fortuna Investors, said when he voted for Trump four years ago he felt there was stigma attached.

"In 2020, it would have been inadvisable for me to express support for Donald Trump," he said. Now, all that has changed.



The shift in the political winds has long been evident on social media, where Mr Musk and investor David Sacks are among those to regularly scorn President Joe Biden.

But their decision to open their wallets to the Trump campaign is poised to significantly expand their influence beyond their traditional circle - with major consequences for the election.

The support from tech leaders has helped Trump close the fundraising gap that he faced against Mr Biden a few months ago.

"He was pretty far behind and struggling at the end of April," said Sarah Bryner, research director at OpenSecrets. "In the last eight weeks, it's a completely different campaign."

She said the pledges sent a strong signal on how the tide is turning, noting that signs of victory at the polls often help push potential donors off the fence.

"Success begets success," she said.

Data from OpenSecrets shows Democrats claiming the larger share of venture capitalist donations in recent elections - and Mr Biden's decision to bow out of the race is expected to ignite further interest.

However, Trump's new friends remain committed.

According to the Wall Street Journal earlier this month, Mr Musk pledged \$45m a month to the Trump campaign - which would make him one of the biggest donors this year.

The billionaire has acknowledged his work on fundraising efforts tied to the campaign, but denied the sum, saying his contributions will be at a "much lower level".

"I believe in an America that maximizes individual freedom and merit. That used to be the Democratic Party, but now the pendulum has swung to the Republican Party," Mr Musk wrote on X, the social media platform he owns that was formerly known as Twitter, after Mr Biden dropped out.

Analysts said the backing from key figures in the tech world suggested that Trump was widening his appeal.

"He's convinced Republicans he's not as bad as they say... and now we're seeing that's broadening out," said Sal Russo, a veteran Republican consultant based in California.

"Do I think he's going to win Santa Clara County? No, but he's going to do better," said Mr Russo.



Elon Musk and other business leaders with Trump in 2017

## In Trump's corner: Elon Musk

Tech leaders have said they are concerned about the Biden administration's crackdown on crypto, and cautious approach to artificial intelligence. For example, a recent executive order requires firms to comply with government AI safety standards.

"Bad government policies are now the #1 threat to Little Tech," Mr Andreessen and Mr Horowitz, whose firm invests in start-ups and is a big player in crypto and AI, wrote in a recent essay. "The time has come to stand up."

Mr Musk's decision to back Trump might appear a startling shift for a man who had historically shunned political donations.

He reportedly once waited in line for six hours to shake Barack Obama's hand, and as recently as 2018 described himself as politically moderate.

In 2017, he was among the first members to quit a White House business council, parting ways with Trump over climate change policies.

His company, Tesla, makes electric cars, which Trump has repeatedly criticised as expensive and impractical.

However, Mr Musk has long bristled at oversight by financial regulators.

His criticism of Mr Biden ramped up two years ago, after he did not get an invite to a

The criticism of Mr Biden flared up two years ago, after he did not get an invite to a White House business meeting, a snub that led him to tell CNBC he felt unfairly "ignored".

On social media, he has increasingly waded into other debates over Covid lockdowns, the war in Ukraine, China policy and transgender issues.

Mr Musk, whose SpaceX rocket firm does billions of dollars of government business, has a relationship with a possible Trump administration to consider as well.

## Self-interest in Silicon Valley

Democrats said the shift in the tech world has been motivated by self-interest, noting that Mr Biden has proposed new taxes on multi-millionaires and unrealised capital gains.

He has also alienated some with his embrace of organised labour, and his administration's pursuit of tech companies in anti-monopoly and other cases.

Businessman Mark Cuban, who supports Democrats, suggested that the gravitation towards Trump was a "bitcoin play" - a bet that cryptocurrency value could be boosted by high inflation and political chaos that Democrats say would result under a Trump administration.



Venture capitalist David Sacks

## Swing to the right

Stanford Business School professor Neil Malhotra, who has studied the political views of tech founders, said it would be a mistake to conflate the "most vocal people on Twitter" with the industry overall - or even its elites, whose views historically have straddled both parties.

A 2017 survey he and colleagues conducted found that as a group, tech leaders were aligned with Democrats on issues such as gay marriage and abortion - even taxes. However, they swung Republican in strongly opposing regulation.

He noted that since the survey, new social issues such as policing, schooling and transgender rights have come to the fore. San Francisco has been a key battleground in those debates, driving some of the tech world backlash.

"The suspicion is that most people in venture capital are still centre-left," Prof Malhotra said. But, he added: "There's definitely a movement to the Republican Party."

## Trump's shift on tech

Evan Swarztrauber, an adviser to the Foundation for American Innovation thinktank, said tech leaders were betting Trump would be more hands-off on crypto and AI.

But the gamble is not without risk.

As president, Trump won praise from the business community by cutting taxes, putting anti-labour officials in charge of labour rights and generally veering away from regulation.

But he also took a markedly more interventionist approach to the economy - and to tech - than previous administrations - starting a trade war with China, ordering a TikTok ban, and launching some of the ongoing anti-monopoly lawsuits against tech companies.

Since then, he has pushed the Republican party further in that direction - while at the same time moderating or reversing himself on issues such as the TikTok ban and crypto.

Jennifer Huddleston, a senior fellow in tech policy for the libertarian Cato Institute, said Trump may be shifting his stance on some tech issues, noting that he is now the owner of a social media platform.

JD Vance, Trump's choice for vice-president, also previously worked in venture capital and got key support from PayPal's Peter Thiel during his 2022 senate campaign.

But she warned that the effort to distinguish between the interests of "big" tech and "little" tech would prove difficult when it comes time to govern.



Getty Images

JD Vance previously worked as a tech investor. He has called for Google to be broken up

David Broockman, a political science professor at the University of California, Berkeley, said Trump was finding success in the business world by presenting himself as more moderate than other members of his party on social issues such as abortion.

After boasting of being "proudly the person responsible" for removing Roe v Wade protections, Trump has rejected claims he will back a national ban pushed by many conservatives, and says the matter should be left up to the states.

But Prof Broockman noted that Trump also ran a relatively moderate campaign in 2016, only to adopt more extreme policies once in office.

Those hurt his public approval and eventually frayed Republican ties to Wall Street, a traditional source of support for the party.

"Tech and other business leaders are banking on a lot of Trump's more eccentric policy ideas ... just not happening," Prof Broockman said. "But they really could happen."

Outside of tech, Trump has backed radical changes including mass deportations of undocumented immigrants, a dramatic reduction in the government workforce and a 10% tariff on all goods coming into the country.

But Garrett Johnson, co-founder of the Foundation for American Innovation and now an executive at a venture-backed tech firm, said he thought that as time had passed more tech and business elites have come around to Trump's views.

"Trump singlehandedly made the threat that China poses to our country a national topic," he said. "He was right and everyone else had to come along."

"So absolutely I think that is part of the dynamic, of the vibe shift," he said. "Was he right on everything? No, but on many big issues Trump was right."

*Reporting contributed by Jude Sheerin at the Republican National Convention*

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