



BUILDING BRIDGES
2016 ANNUAL REPORT

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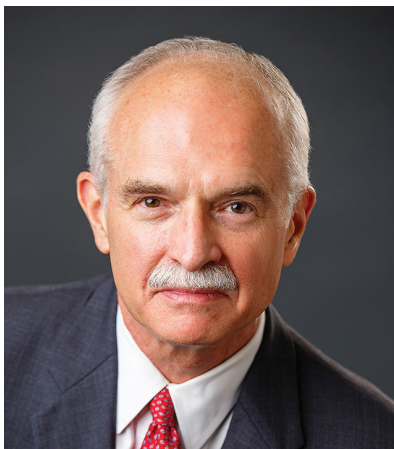
BUILDING BRIDGES

The 2016 election season revealed a political landscape of vast chasms dividing the United States into opposing factions that—on the surface, at least—seem to share little more than disillusionment with the status quo and pessimism about the world’s future. But while many have become resigned to the culture of bitter partisanship, the Independent Institute is proud to reflect the optimistic, entrepreneurial spirit of our home, centered in the innovative capital of the world, by *building bridges*.

By shaping cutting-edge solutions grounded in tested principles, Independent builds bridges across petty partisanship and generational and cultural divides, bringing people together around the timeless, bold, and transformative ideas of liberty.

The result, as this *2016 Annual Report* shows, is to help create a world that enjoys greater freedom and opportunity, where families are secure, where entrepreneurs are empowered, and where young people can have greater confidence and ability to pursue their dreams.

A MESSAGE FROM OUR FOUNDER AND PRESIDENT



DAVID J. THEROUX
Founder and President



Independent Institute's headquarters.

Dear Friends,

This year marks the Independent Institute's thirtieth year, an appropriate time for reflection. During the past three decades, we have grown from an ambitious but tiny "garage think tank" into an internationally recognized research and educational organization with a large and expanding reach in the global movement for freedom. Providing high-quality programs to advance the cause of liberty is an operating principle that we have always closely adhered to, thanks to the outstanding scholars and dedicated staffers on our team.

Especially this year, I am reminded that the insights of our scholarly, non-partisan work are not only *enlightening*, they are also *practical and evergreen*, offering solutions to every social and economic challenge we all face.

In 1987, one year after the founding of Independent, our Senior Fellow **Robert Higgs** first pioneered a new understanding of the causes and effects of government power with the publication of his landmark book, *Crisis and Leviathan: Critical Episodes in the Growth of American Government*. One of the most important books ever written on the nature of runaway government, it has grown more influential with each passing year, attracting scores of new readers who discover the ongoing relevance of the lessons Dr. Higgs has taught us.

As we face unprecedented government intrusions, ominous levels of spending and debt, scandalous cronyism and corruption, and misguided policies that threaten prosperity, innovation, and individual rights, taking a stand for the timeless principles of liberty is crucial for the advancement of the lives and well-being of people everywhere. Nowhere is this highlighted better than in our most recent book by Dr. Higgs, aptly named *Taking a Stand: Reflections on Life, Liberty, and the Economy*.

In reviewing our **2016 Annual Report**, I hope you will join with us in reflecting on Independent's pathbreaking successes in *taking a stand* for liberty.

Just a sampling of this year's top highlights includes *standing up* for students and parents facing a failing school system, with the publication of our book, *Failure: The Federal Misedukation*

of *America's Children*, by Research Fellow Vicki E. Alger, and our campaign for school choice and opportunity (see pp. 12–13). Also, through our **Center on Health Choices**, we have *stood up* for the health choices of the American people by providing the pivotal alternative to Obamacare (pp. 10–11). And with an eye on fundamental long-term change, we are empowering and inspiring millions of Millennials (see pp. 14–15), the largest generation in U.S. history, to *take a stand* and become effective advocates for a freer and more prosperous future.

In short, we believe the cause of liberty will continue to strengthen and improve the lives of countless people—but only if we continue to stand up for the “true north” of peaceful, prosperous, and free societies grounded in a commitment to human worth and dignity.

Our supporters, of course, deserve special recognition and thanks for providing essential fuel for our work, enabling us to look boldly into the future, face new challenges, and embrace exciting opportunities. It is only with their help that we are able to offer a growing number of high-quality programs and provide alternatives that do not yield to political expediency, powerful interest groups, or fleeting popular fashion. Words do little justice in expressing our gratitude for all our supporters do. We know history will remember them kindly.

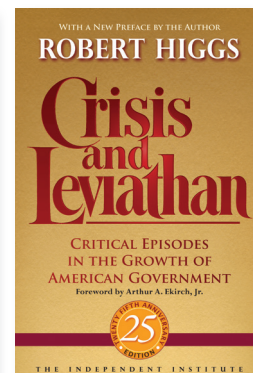
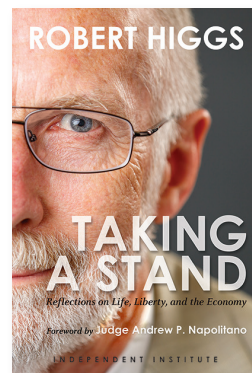
We hope you enjoy learning more about our programs and successes. We welcome your support and involvement. Thank you for being a critical part of achieving our shared vision of a free and prosperous society.



Senior Fellow **Robert Higgs** and President **David Theroux**.

“In the annals of academic fidelity to the Jeffersonian ideal that government is best which governs least, no one commands and deserves more respect than Dr. Robert Higgs, Senior Fellow in Political Economy at the Independent Institute.”

—JUDGE ANDREW P. NAPOLITANO,
Senior Judicial Analyst,
Fox News Channel and
Fox Business Network;
Distinguished Professor,
Brooklyn Law School




Two of **Robert Higgs's** Independent books.

BUILDING BRIDGES BY THE NUMBERS

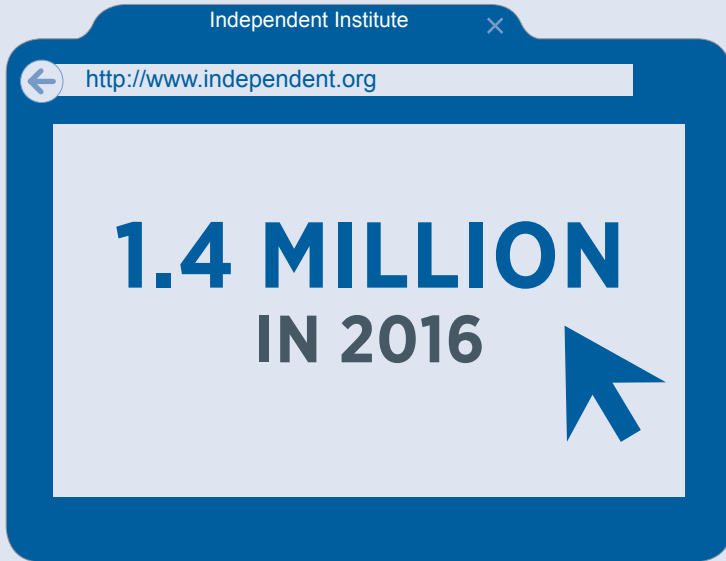
 **FACEBOOK REACH:**
1.7+ MILLION

ONLINE STUDIES AND ARTICLES:
 **11,000+**


**SOCIAL MEDIA
AUDIENCE:**
475,000+


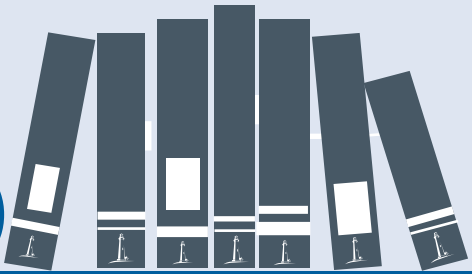

**TOTAL PRINT
PUBLICATONS
DISTRIBUTED
IN 2016**
99,000+


MEDIA REACH:
7 BILLION
**UP 23% FROM
LAST YEAR**

WEBSITE VISITS:

**1.4 MILLION
IN 2016**

BOOKS PUBLISHED SINCE
OUR FOUNDING:

200



978

Op-eds 
PLACED THIS YEAR

YOUTUBE VIEWS:
8 MILLION

UP
242%



511 VIDEOS



SUBSCRIBERS

11,300

UP
60%

“The future well-being of all Americans and people worldwide depends on the embrace of liberty. In their superb advancing of free societies, the Independent Institute is producing the highest quality, reach, and influence essential to effect change. On issue after issue, Independent has led the way with solid analysis, timely insights, and innovative solutions that are crucial for securing a brighter future. I strongly encourage everyone to join with me in sharing in Independent’s publications, events, media, and other programs and in supporting Independent in every way possible.”

—RAND PAUL, U.S. Senator



Senior Vice President **Mary Theroux**, Senator **Rand Paul**, and President **David Theroux**.

BUILDING BRIDGES NATIONWIDE AND WORLDWIDE



1 Las Vegas, NV: Independent Fellows **Robert Murphy**, **Lawrence McQuillan**, and **John Goodman** speak at Freedom Fest. Meanwhile, Independent's Millennial video series, *Love Gov: From First Date to Mandate*, wins the Anthem Film Festival Award.

2 Oakland, CA: Acclaimed author **George Gilder** speaks to a packed room at the Independent Institute as part of our Independent Policy Forum, *Restoring the American Dream*.

3 Sacramento, CA: The California High-Speed Rail Authority, the agency managing California's "bullet train" to nowhere, wins Independent's **Golden Fleece Award**, which is given each quarter to a state or local agency, official, or program guilty of egregiously fleecing taxpayers, consumers, and businesses.

4 Palo Alto, CA: Senior Fellow **Lawrence McQuillan** speaks to an audience of attorneys general and their staff on public pension reform as part of the George Mason University School of Law Symposium on the Economics & Law of Public Pension Reform.

5 Park City, UT: Research Director and Senior Fellow **William Shughart** speaks at the American Coal Council's Coal Market Strategies Conference to audiences of industry experts on the evolving energy space.

6 Colorado Springs, CO: Students gather for one of our annual **Challenge of Liberty Summer Seminars** to learn about the principles of liberty and economic freedom as well as their practical applications to current public policy issues.

Paths to Freedom Around the Globe

Independent's ideas aren't just influential nationwide; they transcend national borders. In fact, some of our most important work is to provide a voice for liberty in countries where personal and economic freedoms face especially difficult challenges.

Our Research Fellows **Gabriel Gasave** and **Alvaro Vargas Llosa** deliver pro-liberty ideas throughout Latin America through hosting webinars, speaking at events and meetings, writing articles, and giving interviews on a variety of topics affecting the region. Our Spanish Language Blog continues to be an invaluable resource where many Latin American activists and scholars can publish their work. The blog has reached over 6 billion people to date.



Senior Fellow **Alvaro Vargas Llosa**.



“I want to commend David Theroux and everyone at the Independent Institute for all of their magnificent, principled, and courageous work. The Independent Institute is a unique and essential beacon of light and hope in advancing peaceful, free, and prosperous societies, all grounded in a commitment to human worth and dignity. The world needs you more than ever.”

—**DESMOND M. TUTU**, Nobel Laureate in Peace; Archbishop Emeritus of Cape Town, South Africa

7 Nashville, TN: Research Fellow **Robert Murphy** speaks at the Bastiat Society of Nashville and the Beacon Center of Tennessee on his book, **Choice: Cooperation, Enterprise, and Human Action**, which has been praised as the most accessible and comprehensive elucidation of Ludwig von Mises's treatise on economics.

8 Keystone, CO: Senior Fellow **John C. Goodman** speaks to the “Summit at the Summit” hosted by the United Physicians and Surgeons of America on the future of healthcare policy.

9 Auburn, AL: Senior Fellow **Robert Higgs** speaks at Mises University on his new book, **Taking a Stand: Reflections on Life, Liberty, and the Economy**, and his pioneering work on the effects of government power and the need to deconstruct statism to promote liberty, prosperity, and peace.

10 New York, NY: **Love Gov** wins the Atlas Network's *Lights, Camera, Liberty* film award which recognizes the top liberty video project of the year.

11 Washington DC: Independent Institute's book, **A Better Choice**, by Senior Fellow **John C. Goodman** is cited as the basis for House Speaker Paul Ryan's plan to reform healthcare. The Ryan plan included several elements shared with legislation to repeal and replace Obamacare by Representative Pete Sessions and Senator Bill Cassidy, a bill that Goodman helped to draft.

12 Senior Fellow and Director of the Center on Peace and Liberty **Ivan Eland** speaks on a panel of experts in Washington, D.C., to address the chaos in Libya.

13 Research Fellows **Stephen Halbrook** and **Robert Murphy** speak to audiences of young advocates for liberty at this year's International Students for Liberty Conference while outreach and student programs staff got the word out about Independent's work, expanding our ever-growing, international network of students.

BUILDING BRIDGES TO CHOICES IN HEALTHCARE

Developing Actionable Alternatives

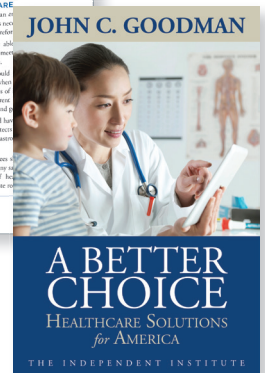
American healthcare continued to be less accessible and affordable for most Americans in 2016. As Democrats continued to defend the Affordable Care Act (“Obamacare”), Republicans elected with a mandate to repeal and reform failed to propose any systematic alternative, leaving the majority of Americans forgotten on the sidelines, frustrated by the lack of solutions.

Our **Center on Health Choices** answered this call by providing and promoting solutions that bridge divides and return the power of choice back to patients and doctors—all while expanding access, encouraging innovation, and decreasing costs. Senior Fellows **John C. Goodman** and **John R. Graham** led our **Healthcare Choices 3.0** media and communications campaign, impacting the debate in substantial ways, including working directly with opinion leaders and policymakers, and achieving a broad reach across all media platforms.

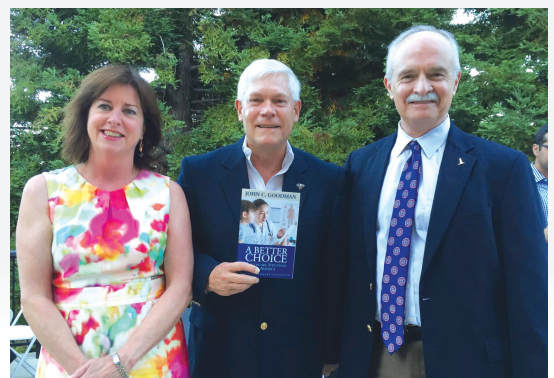
Bridging the Divide with Landmark Legislation

Based on our important work in healthcare policy, including our book, *A Better Choice: Healthcare Solutions for America*, Senior Fellow **John C. Goodman** worked with **Rep. Pete Sessions** (Chair, House Rules Committee) and **Sen. Bill Cassidy** (M.D., R-LA) in crafting the bicameral “World’s Greatest Health Care Bill,” bridging concerns and legalizing alternatives to provide better, more affordable access to healthcare for all Americans.


Providing intellectual firepower grounded in peer-reviewed research to key decision makers and opinion leaders, Independent continues our tradition of leading change in market-based healthcare reform.



“John Goodman has been developing innovative ideas on how to create a better health system, a less expensive health system, a health system with more access for well over two decades.”
—**NEWT GINGRICH**, 58th Speaker of the U.S. House of Representatives



Senior Vice President **Mary Theroux**, Congressman **Pete Sessions**, and President **David Theroux**.

 **335** Op-eds on health care

3.4 BILLION Media circulation across all forms

“The World’s Greatest Health Care Bill proposal is the freest enterprise reform ever introduced in the U.S. Congress. It minimizes and streamlines the role of the federal government and eliminates perverse incentives caused by federal tax and spending policies and unwise regulations.”

—**JOHN C. GOODMAN,**

Senior Fellow, Independent Institute;
President, Goodman Institute for
Public Policy Research



“John Goodman understands the real life effects of the Affordable Care Act and the proposed alternatives. John also writes extremely well, making complicated concepts clear. All this makes *A Better Choice* a highly recommended read for those who wish to understand the current health policy debate.” —**BILL CASSIDY, M.D., U.S. Senator**



BUILDING BRIDGES TO EDUCATIONAL OPPORTUNITY

More than 30 years after the creation of the U.S. Department of Education, American K–12 and higher education is second rate, increasingly expensive, and getting worse. It is bogged down in a morass of mediocrity, politics, and bureaucracy. The Independent Institute’s **Center on Educational Excellence** was established to explore why this is so, and what is to be done, in the process bridging many of the barriers to truly reforming America’s education system by suggesting innovative, non-politicized options.

Exposing the Failure of Government Education

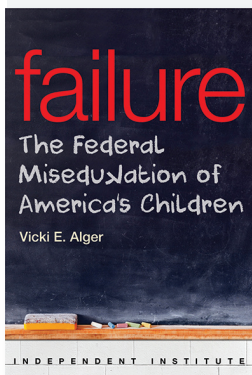
Our new book by Research Fellow Vicki E. Alger, *Failure: The Federal Misedukation of America’s Children*, offers the much-needed, comprehensive account and frank assessment of federal involvement in education. Alger demonstrates how the U.S. Department of Education has failed, by its own stated standards, to improve the education of America’s children and explains the systematic reasons for this failure. Alger compares our educational system to those of countries outperforming us around the world and makes ambitious yet practical policy recommendations that would expand educational opportunities for every American child.



Research Fellow **Vicki Alger** on C-SPAN.



Research Fellow **Vicki Alger** on Focus Today.



“In *Failure*, Vicki Alger provides a provocative look at the current condition of the American education system and why dramatic changes are needed immediately.”

—DIANE M. DOUGLAS, State Superintendent of Public Instruction,
Arizona Department of Education

“It’s time to end the U.S. Department of Education and put the real experts—parents—back in charge of their children’s education.”

—**VICKI E. ALGER**, Research Fellow, Independent Institute



ALGER featured
in **137** major
news outlets

REACHING
91 MILLION
people

Building a Bridge to a Better Future

Independent is also committed to producing studies that go beyond “reform” to provide truly transformative ideas for the future for our children. With education policy long having been burdened by controversy and entrenched interests, Independent’s pioneering research in education blazes new frontiers to prioritize the needs of students, teachers, and parents over those of bureaucrats. Rooted in rigorous, peer-reviewed research conducted by world-renowned education experts, our current and forthcoming projects offer both innovative ideas as well as making the compelling case for far-reaching change.

BUILDING BRIDGES ACROSS GENERATIONS

Millennials—the 83 million Americans ages 18 to 34—are an “unclaimed generation,” distrustful of *both* major political parties and yet naturally inclined to value individual liberties and free enterprise. They are far more entrepreneurial than their parents, and they are averse to the paternalism of Big Government. Based on recent studies by the Harvard Institute of Politics and Pew Research, Independent saw reason to believe that this next influential generation could be open to embracing the principles of liberty and prosperity. We are building bridges to reach out to Millennials, addressing their greatest concerns, and presenting them with pro-liberty solutions to the problems they care most deeply about.

Inspiring Millennials for Liberty

This year, Independent’s community of Millennials continued to grow through the promotion of our innovative online video series, *Love Gov: From First Date to Mandate*. *Love Gov* is a satirical video series that personifies the federal government as an overbearing boyfriend who foists his “good intentions” on a young college student. Although light-hearted and entertaining, *Love Gov* clearly addresses important issues, including student debt, unemployment, housing and healthcare costs, and government surveillance, challenging Millennials to consider the negative role played by government in their everyday lives.

Since its release, *Love Gov* has greatly surpassed our expectations, gaining more than 7.3 million combined views from Millennials, widespread praise from the media, and 8 film festival awards. Subscriptions to our YouTube channel, which contains a wealth of educational content on liberty, have increased by 33% this past year, demonstrating that we have truly “struck a nerve” for confused and frustrated Millennials.

Educating Tomorrow’s Leaders

Independent is dedicated to educating young people in meaningful ways and developing the leaders who will continue to build bridges for liberty in their own careers. This year, students from 25 states and 7 countries participated in two, week-long *Challenge of Liberty Seminars* in California and Colorado, where they learned about the ethics and economics of liberty and how their principles can be applied to today’s most pressing challenges. We also hosted eight student interns at our headquarters in Oakland, California, where they spent the summer working alongside staff and gaining strong skills for advancing liberty in each of their careers.

“This program has really broadened my knowledge of classical liberalism and I’ve had an amazing time meeting like-minded students from around the country and world.”
—FIONA HARRIGAN, *Challenge of Liberty Seminar Participant*

LOVE GOV

From first date to mandate.

7.3 MILLION VIEWS



8
AWARDS



9
FILM FESTIVALS



“I am glad the Independent Institute made *Love Gov* to tell young people the truth. . . . Let’s break up with Big Government!”

—**JOHN STOSSEL**, Host, *Stossel*, Fox Business Network

“A fun YouTube video series . . . *Love Gov* essentially answers the big questions young people have about how politics affects their lives.”

—**DEBRA SAUNDERS**, columnist, *San Francisco Chronicle*

INDEPENDENT STUDENT NETWORK

650+

Young
Activists

SEMINARS

Student Attendees from
25 States, 7 Countries

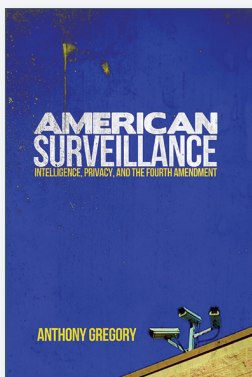
BUILDING BRIDGES TO A FREE AND PEACEFUL SOCIETY

Since 9/11, Independent has provided the bold, and often lone, consistently principled call for the wisdom of adhering to the Constitution's limits on government power. On the 15th anniversary of the terrorist attacks, it is abundantly clear that government is as incapable at dealing with national security as it is in most every other realm. James Madison said, "Of all the enemies of public liberty, war is perhaps the most to be dreaded, because it comprises and develops the germ of every other." Our **Center on Peace and Liberty** continues to advocate for peace, security, and the protection of individual rights. Just this year, our Senior Fellow and Center Director **Ivan Eland** gave nearly 200 interviews in addition to publishing over 170 op-eds on current developments, which appeared in outlets such as the *Huffington Post*, *National Interest*, *New York Post*, and *Washington Examiner*.

Fighting for Constitutional Rights

Events this year have brought to light fundamental questions about privacy and our constitutional protections: To defend its citizens from harm, must the government have unfettered access to all information? Or, must personal privacy be defended from the encroachment of unlimited surveillance? And, doesn't the Constitution already protect us from such intrusions? Again, Independent was on the forefront of important debates. In his new Independent book, *American Surveillance: Intelligence, Privacy, and the Fourth Amendment*, Research Fellow **Anthony Gregory** sheds light on the important though often divisive debate over safety and privacy in the context of current developments in technology.

Independent's research continues to focus on the limits on government outlined in America's founding documents. Our new book, *Crossroads for Liberty: Recovering the Anti-Federalist Values of America's First Constitution*, by **William J. Watkins, Jr.**, reacquaints readers with the republicanism of our founders and how these essential principles can be applied today.



“The authoritative and auspicious book *American Surveillance* now tackles the critical national security, constitutional, and civil liberties issues involved in the most profound way. Those who want to protect and defend liberty, peace, and justice, and who want to take the debate to the highest level, will find this book indispensable.”

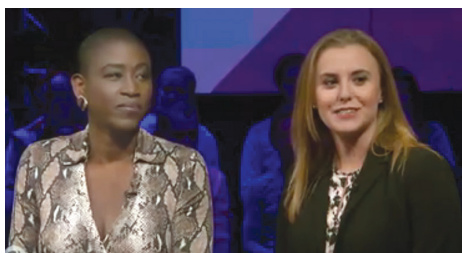
—DANIEL ELLSBERG, PH.D., whistleblower who released *The Pentagon Papers*

“Without a robust Fourth Amendment protection of our communications, we risk losing our freedom of speech and other civil liberties guarded by the Bill of Rights.”

—**ANTHONY GREGORY**, Research Fellow, Independent Institute



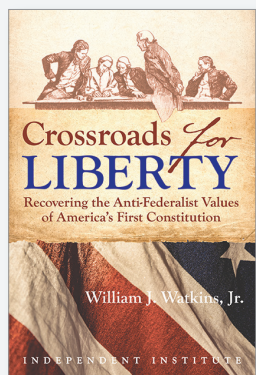
Senior Fellow **Ivan Eland** on CCTV.



Research Fellow **Abigail Hall Blanco** on PBS Debate.



Senior Fellow **Benjamin Powell** on Fox Business.



“At a time in our history when most people take it as an article of faith that the federal government must provide a solution to every major problem, from education to terrorism to economic downturn, the indispensable book *Crossroads for Liberty* advances the notion that our massive federal government is the problem, and that the solution lies in ideas that have lain dormant for over two centuries.”

—**ALEX A. KOZINSKI**, JUDGE, U.S. Court of Appeals for the Ninth Circuit

BUILDING BRIDGES TO ECONOMIC PROSPERITY

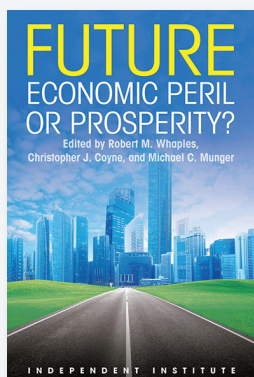
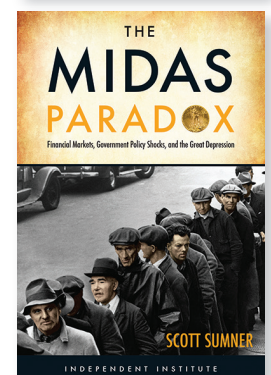
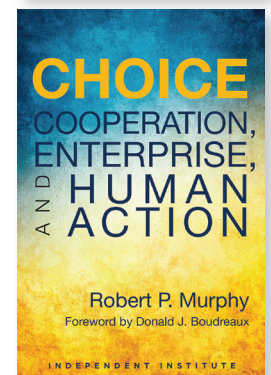
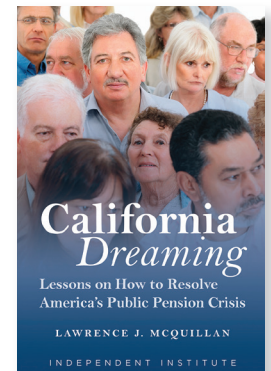
At Independent we believe that the greatest force for economic prosperity is the entrepreneur who is unburdened by harmful regulation or a government picking favorites. This year, our **Center on Entrepreneurial Innovation** criticized burdensome government regulation and cronyism that obstruct opportunity, while also providing an optimistic guide to the future of the economy.

Breaking Down Policy that Stifles Innovation

This year, we drew attention to dysfunctional government policies that yield perverse results for the economy. Notably, our Senior Fellow and Director of the Center on Entrepreneurial Innovation **Lawrence J. McQuillan** exposed the disastrous effects of unfunded pension liabilities while offering the way out in his well-respected book on the issue, *California Dreaming: Lessons on How to Resolve America's Public Pension Crisis*. The robust media and communications campaign achieved a total reach of over 125 million across all forms of media, and resulted in influencing top decision makers, including reform of the University of California's pension system.

Mapping the Future of the Economy

While shining a bright light on government policies that hinder innovation and progress, Independent also took the occasion of our 30th anniversary to look forward at the prospects for innovation and economic prosperity in the future. Commissioning essays from today's top market-based economists, our resulting new book, *Future: Economic Peril or Prosperity?*, explores the opportunities that "uberization" of the economy, Bitcoin, and other innovations provide, as well as the challenges that new innovators will face. Anticipating fifty years into the future and laying out what needs to be done now to ensure it is one of prosperity, Independent is helping to provide a bridge to a brighter future for people at all levels of society.

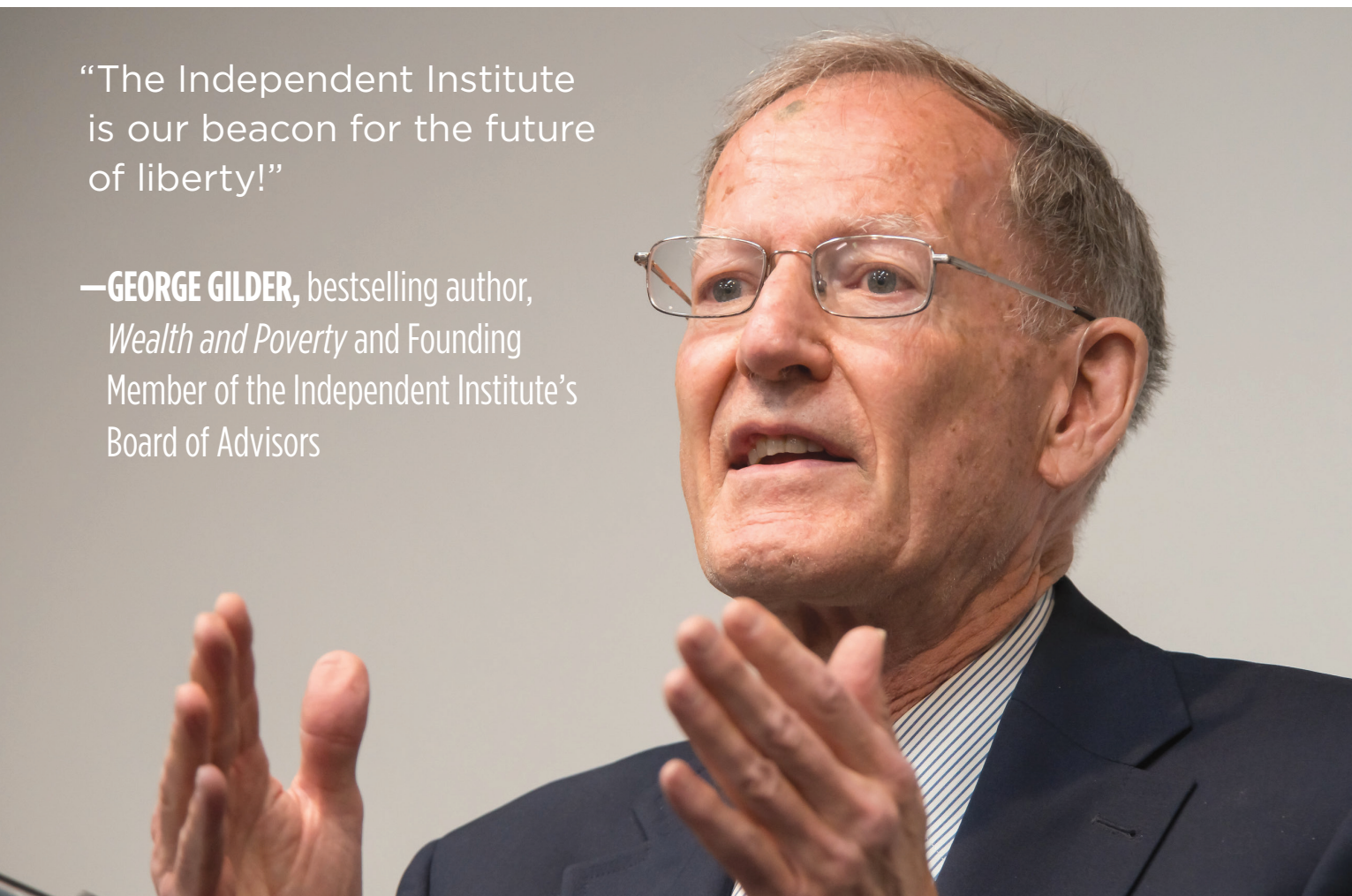


“Strategic thinking requires understanding of the impact and implications of our present decisions, and predictions for the next fifty years can be a valuable way to critique the state of our world today. The fascinating book *Future* succeeds admirably in provoking and informing about the directions our choices may take us. Those who fail to think about the future are destined to repeat the mistakes of the past!”

—GARRY K. KASPAROV, Chairman, Human Rights Foundation;
13th World Chess Champion

“The Independent Institute is our beacon for the future of liberty!”

—**GEORGE GILDER**, bestselling author, *Wealth and Poverty* and Founding Member of the Independent Institute’s Board of Advisors



Friends of Independent gather at our Independent Policy Forum with **George Gilder**.



Robert Murphy signing books at the 2016 Book-Expo America.



Senior Fellow **Lawrence McQuillan** on *Wall Street Journal TV*.

Bringing People Together for Liberty

The Independent Institute hosts numerous events to encourage discussion and understanding of key issues in current affairs, public policy, and political economy. At each event, distinguished and well-known scholars, policy experts, and others speak at length and engage audience discussions about important issues.

BUILDING BRIDGES

INDEPENDENT PUBLICATIONS

Our peer-reviewed research that forms the foundation of Independent’s work establishes our unique credibility that cuts across partisanship. This means that our analysis and alternative solutions on even the most politicized, controversial issues earn serious attention by policymakers, the media, and the general public—rather than dismissed as many groups are as simply fronts for special interests or rehashing the status quo.

Our studies are then repurposed in a variety of formats. They are the foundation for our books, which are used by policymakers, in college course adoptions, and by those with a deep interest in a particular issue. At the same time, our work informs timely op-eds and articles across mainstream print and online media, TV and radio appearances, YouTube videos, and more, thereby reaching large and diverse audiences.

All of this adds up to impact for transformative ideas that offer innovative market-based solutions to seemingly intractable challenges.

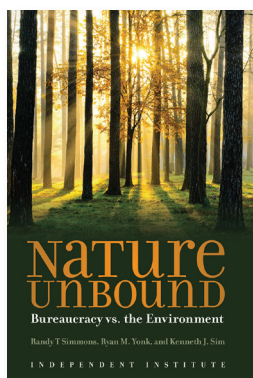
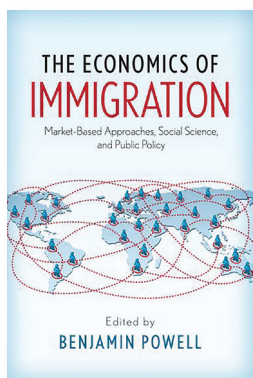
In-Depth Conversations on Current Issues: The Independent Review

In addition to our books, Independent’s quarterly journal, *The Independent Review*, provides a more timely forum for thoughtful, in-depth discussion on both the timeless ideas of liberty and new and pressing policy challenges. Recent topics have included a consideration of the morality of passing public debt onto future generations, the benefits of and barriers to Bitcoin or other cryptocurrencies replacing government-issued monies, the future of the economy over fifty years, causes and consequences of the climate-science boom, a reconsideration of Dodd-Frank, and more!



Robert Higgs, *Founding Editor and Editor at Large*
Christopher J. Coyne, *Co-Editor*
Michael C. Munger, *Co-Editor*
Robert M. Whaples, *Co-Editor and Managing Editor*

55% increase from last year in digital subscriptions and
135% increase in digital issues sold
30,000 average monthly downloads



Featured Books

In this last year, and especially this election season, immigration has resurfaced as a controversial and significant issue. Independent’s timely book, *The Economics of Immigration: Market-Based Approaches, Social Science, and Public Policy*, edited by Senior Fellow **Benjamin Powell**, combines rigor and readability to dispel common immigration myths and provide insight into market-based reforms. At the same time we released the insightful critique of federal environmental policy in *Nature Unbound: Bureacracy vs. the Environment*, by **Randy Simmons**, **Ryan Yonk**, and **Kenneth Sim**. This book offers a framework through which to view such important issues as air and water pollution, endangered species, wilderness, energy, and more.

BRIDGE BUILDER

THANK YOU TO OUR SUPPORTERS

The Independent Institute's donor community grew by 13% this year. We are grateful for the collaboration and investment in our work by our supporters. Their help is essential to boldly advance peaceful, prosperous, and free societies grounded in a commitment to human worth and dignity.

Independent neither seeks nor accepts government funding, instead drawing support from a diverse range of individuals, foundations, and businesses that recognize the value and effectiveness of our unique and far-reaching programs. All contributions are tax-deductible under Section 501(c)(3) of the Internal Revenue Code.

The Achelis and Bodman Foundation
The Anschutz Foundation
The Armstrong Foundation
The Atlas Network
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Michael Soo on behalf of Draper Fisher Jurvetson

Timothy Draper is a legendary venture capitalist and champion of liberty. He is founding partner of leading venture capital firms Draper Associates and DFJ. His venture successes include Skype, Overture, Baidu, Hotmail, Tesla, and hundreds of others.

“So I think we’ve got a huge opportunity right now. We can go one of two ways: we can be the dying lion who lashes out (you know, our government) and just keeps eating the spirit and the food of the population. Or, we can end up being the new spiritual leader of the world, which we have been for many years. But we have to make some changes to do it.”

—TIMOTHY C. DRAPER

Meet Timothy C. Draper

Timothy Draper understands the transformative power of innovative ideas, well executed. As one of Silicon Valley’s most successful venture capitalists, as well as a principled champion of enterprise and responsive governance, Tim offers a unique perspective on the dynamics between government and innovation.

For America to thrive, Tim notes, “requires a major change in how the government is working now.” He notes the frustration of many entrepreneurs who feel that the private sector is generating value while the government actively stifles innovations. Tim is passionate about moving towards what he calls “a lighter touch that builds a greater economy, more jobs, more income, better education.”

This is why Tim says he is proud to support the Independent Institute.

Before choosing to support Independent, Tim was familiar with many other research institutions but always found himself running into the same problem: their ideas were not reaching strategic audiences. “Okay, you come up with all these great ideas [but] the only people that read it are a few other researchers,” Tim laughs. “The world doesn’t hear about what it is that they should actually be doing.” But Tim recognized early on that Independent is different.

Tim is “thrilled and blown away” with the success of *Love Gov: From First Date to Mandate* (see pp. 14–15), our award-winning video series, calling it “the first real public outreach attempted by any think tank that has been successful.” For Tim, *Love Gov* presents the promise that Millennials will recognize bureaucracy as a threat and overcome it.

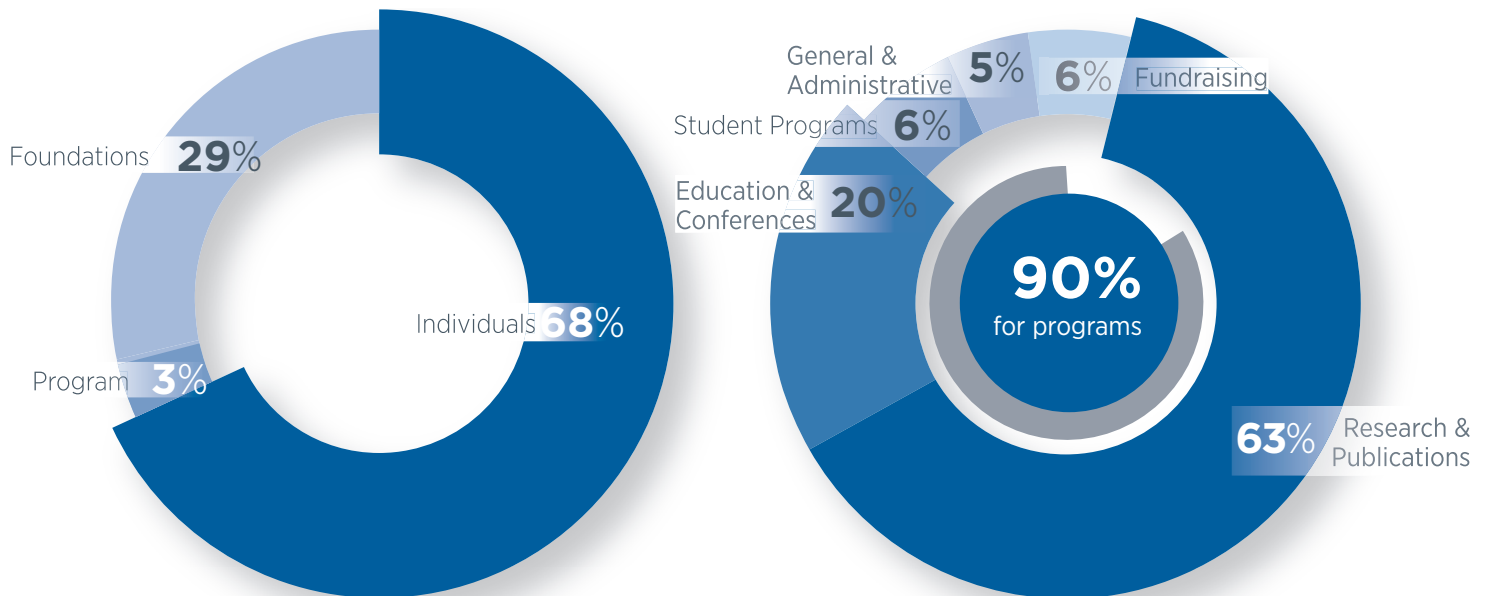
As a leader and innovator, committed to helping others succeed, Tim represents the spirit of why we do our work. We are honored to have his support and proud to work with him in together building a future of liberty and increased prosperity for all.

BUILDING BRIDGES

FINANCIALS

Independent’s supporters produce windfall gains for liberty, and we take responsible stewardship of their contributions seriously. Independent operates on a lean model that focuses on results, directing all resources for maximum impact. Eighty-five percent of our contributions go directly toward underwriting programs on liberty—among the highest percentage of any non-profit. And we are dedicated to an open relationship with our supporters, making our tax returns and audited financials available on our website. Independent has earned a **Four Star Rating from Charity Navigator**, and is a **Guidestar Exchange Gold Level Participant**.

Investment flows toward high returns. More and more supporters, recognizing the impact and efficiency of Independent’s program, are turning to us to help effect the change they seek. As a result, 2015 saw significant financial growth over the prior year. We look forward to further deepening our partnerships and expanding our dedicated circle of supporters in the coming year.



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BUILDING BRIDGES GET INVOLVED



Clockwise from top left: Staff celebrates Independent's 30th birthday; Students at our Santa Clara University **Challenge of Liberty Seminar**; Independent Interns enjoy a reception with friends and staff; Senior Fellow **Lawrence McQuillan** addresses thousands at Freedom Fest; McQuillan participates on a panel about the sharing economy; Senior Fellow **Randy Simmons** and Research Fellow **Ryan Yonk** with copies of their Independent book, **Nature Unbound**.



Stay Informed

Sign up to receive our quarterly newsletter, quarterly academic journal, *The Independent Review*, or weekly e-newsletter, *The Lighthouse*, by contacting **Adriana Vazquez** at avazquez@independent.org.

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Our mission to advance liberty and prosperity starts with our donors. Find out more about giving and the benefits of membership with the Independent Institute by visiting independent.org/donate or contacting **Katie Modesitt** at kmodesitt@independent.org.



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Independent hosts numerous events to encourage discussion and understanding of key issues in current affairs. Please visit independent.org/events for upcoming and past events.

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Are you a college student or recent graduate? Independent offers internships at our Oakland, California, headquarters as well as educational opportunities nationwide. Please visit independent.org/students or contact **Martha Ekdahl** at mekdahl@independent.org for more information.



Top: Staff members **Adriana Vazquez** and **Martha Ekdahl** at an Independent Policy Forum with **George Gilder**; Center: President **David Theroux** with award-winning actor **Kevin Sorbo**; Bottom: Faculty and students at our Santa Clara University *Challenge of Liberty Seminar*.



The Lighthouse Logo

The Independent Institute’s logo is inspired by Ronald Coase’s renowned 1974 essay in the *Journal of Law and Economics*, “The Lighthouse in Economics,” (reprinted in the book, *The Firm, the Market and the Law*, by Ronald Coase). Until that time, conventional wisdom from John Stuart Mill to Paul Samuelson had claimed that the lighthouse was the quintessential “public good,” which allegedly had to be provided by government due to the inherent free-riding of those who could not be charged for the services being provided. Coase showed, however, that in Britain, “contrary to the belief of many economists, a lighthouse service can be provided by private enterprise. . . . The lighthouses

were built, operated, financed and owned by private individuals, who could sell a lighthouse or dispose of it by bequest. The role of the government was limited to the establishment and enforcement of property rights in the lighthouse.” Only later did the British government consolidate all lighthouse services under its own monopoly in order to eliminate competition and directly reap the financial benefits developed by private entrepreneurs.

In addition to exposing the fallacies of a favorite public-goods rationalization, Coase’s essay rescued the lighthouse as a symbol of courage, enlightenment and independence.

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