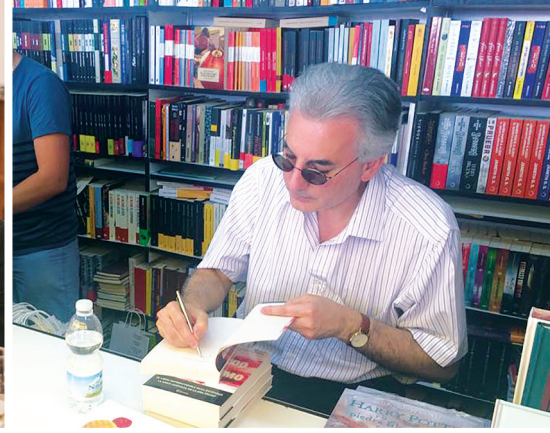




2018 | INDEPENDENT INSTITUTE ANNUAL REPORT

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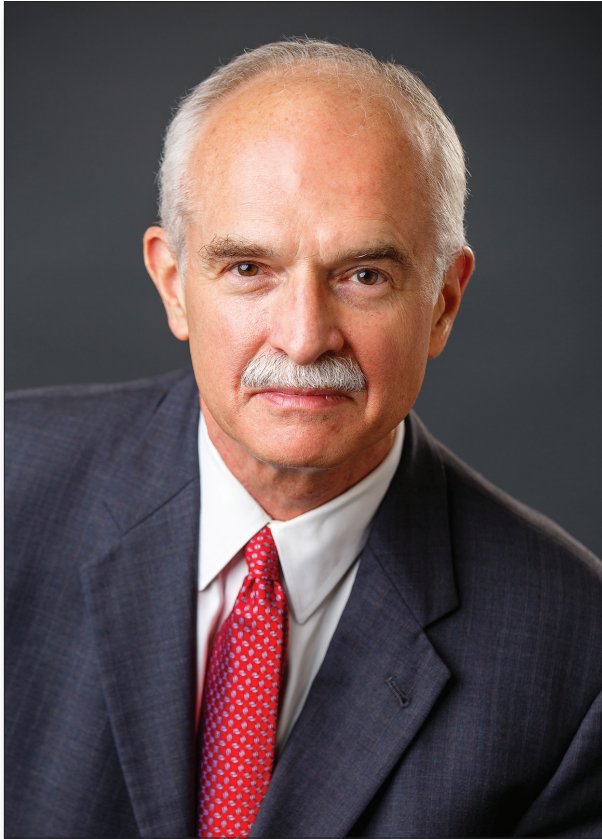
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GUN LAWS
Stephen Halbrook's new book, "Gun Control in Nazi-Occupied France", comes out in June.
C-SPAN
c-span.org
@cspan

FOX NEWS Channel
▶ IVAN ELAND | SR FELLOW, INDEPENDENT INST
TRUMP PUSHES REFORM AT U.N. DEBUT
LEADERS FROM BOTH CHAMBERS WILL HAVE TO GO TO CONFERENCE TO RESOLVE DIFFERENCES BETWEEN

GABRIEL GASAVE



A Letter from Our President

Dear Friends,

The word “catalyst” has been on my mind a great deal this year.

The *Merriam-Webster Dictionary* defines “catalyst” as “an agent that provokes or speeds significant change or action.”

That was my vision for the Independent Institute—a catalyst for liberty.

Thirty-two years ago, I founded Independent with a mission to boldly advance peaceful, prosperous, and free societies grounded in a commitment to human worth and dignity. Around me, I saw worthy organizations falter as they neglected principle in pursuit of the politically expedient.

Independent had to be different.

That’s why, with your support, we have maintained the same approach since Independent’s founding: principled, non-partisan, solutions-oriented, free-market, peer-reviewed work—which we have shared via hundreds of groundbreaking books, scholarly articles and policy briefings, legislative testimony, social media campaigns, YouTube videos, and much more.

And, like a true catalyst, Independent is inspiring positive change!

Several highlights from the past year include:

- Publishing five books and receiving four national book awards.
- Releasing three *California Golden Fleece® Awards*, motivating efforts to reduce government waste, fraud, and abuse including the resignation of government officials and the dismissal of government employees for misconduct.
- Launching *Love Gov²*, the second season of our satirical, free-market YouTube series for Millennials.
- Hosting our *30th Anniversary Gala for the Future of Liberty* with master of ceremonies P.J. O'Rourke, and Alexis de Tocqueville Award recipients Vernon L. Smith, Nobel Prize recipient in Economic Sciences, Yeonmi Park, North Korean refugee and human rights advocate, and Timothy C. Draper, entrepreneur and investor.

Each of these highlights, and the achievements noted in the pages that follow, are the result of your passion, support, and vision. Thank you!

And you are still very much needed. All around us, from both sides of the political aisle, government continues to threaten essential liberties. With your support, we will continue to work every day toward ending that threat and fostering truly peaceful, prosperous, and free societies.

Americans and individuals around the world need a consistent, compelling, and compassionate voice for liberty. With your help, we will make that voice heard.

Sincerely,

A handwritten signature in blue ink that reads "David". The letter "D" is large and stylized, with a long horizontal stroke that loops back under the "a". The "a" is lowercase and followed by "vid" in a cursive style.

David J. Theroux

About the Independent Institute

Our Mission

The mission of the Independent Institute is to advance peaceful, prosperous, and free societies grounded in a commitment to human worth and dignity.

Our Manifesto

The Independent Institute shapes ideas into impact. Applying independent thinking to issues that matter, we create transformational ideas for today's most pressing social and economic challenges.

By connecting these ideas with grassroots groups and networks that mobilize communities, we inspire action that can unleash an era of unparalleled human flourishing in peaceful, prosperous, and free societies at home and around the globe.



“Their stock-in-trade is ideological consistency. They win support precisely because they aren't for sale.”

—*The Wall Street Journal*

What Makes Independent Different?

Uncompromising

In 32 years, Independent's leadership, principles, and mission have remained consistent, and have achieved lasting change.

Non-Partisan

By concentrating on solutions over politics, Independent unites communities around common ground and appealing ideas.

Credible

Independent's solutions are anchored in evidence and peer-reviewed research. Our work has been awarded the Guidestar Platinum Seal of Transparency as well as Charity Navigator's four-star rating.

Creative

Reaching beyond our academic research, Independent also offers original, entertaining, and engaging multi-media efforts such as our hit YouTube series, *Love Gov*.

Compassionate

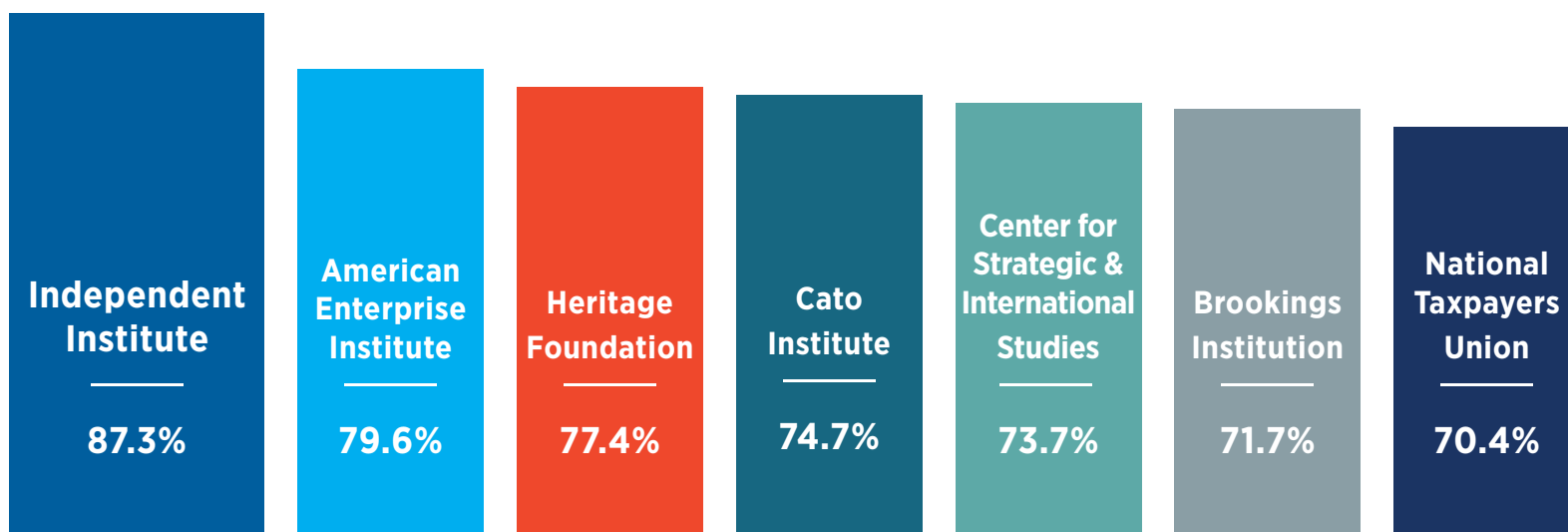
Independent promotes human dignity and works to end human suffering by pursuing liberty-oriented solutions that uplift the less privileged and upend the crippling dynamics of poverty.

Efficient

We run a lean operation. Of every dollar of your support, 87.3 cents goes directly to our programs.



Percent of Every Dollar Spent on Programs



A Year at the Independent Institute

5 Books Published



4 Book Awards Received



257



Radio & TV Interviews

Op-eds & Articles Published

914

Increase from last year **42%**

63,467



Online Article Views

5+ Billion



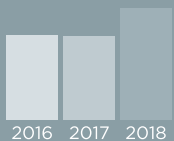
Media Impressions

Mentions & Quotes

267

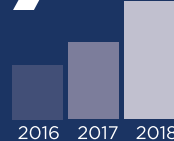
Increase from last year **16%**

364,812 Likes



Facebook Shares **36,755**

27,517

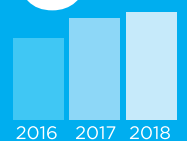


Twitter Followers

13,006



YouTube



Subscribers

Nationwide Impact

San Francisco, CA

Research Fellow
Bradley M. Gardner
speaks on his
Independent book,
*China's Great
Migration*, at the
World Affairs Council.

Las Vegas, NV

Senior Fellow and Center
on Entrepreneurial Innovation
Director **Dr. Lawrence J.
McQuillan**, Senior Fellow
Dr. Randy Simmons, and
Research Fellow and Co-Director
and Managing Editor for
The Independent Review
Dr. Robert M. Whaples speak
at the Association of Private
Enterprise Educators.

Jackson, MS

Research Fellows **Dr. David T.**
and **Dr. Linda Royster Beito**
speak on their Independent book,
T.R.M. Howard, at the Mississippi
Civil Rights Museum.

Princeton, NJ

Dr. Robert M. Whaples, Research Fellow and Co-Director
and Managing Editor for *The Independent Review*, speaks on
the Independent book, *Pope Francis and the Caring Society*, at
Princeton University.

Washington, DC

Senior Fellow **Dr. Stephen P.
Halbrook** testifies before
the US House Committee
on Natural Resources.

Washington, DC

Research Fellow **Bradley M. Gardner**
speaks on his Independent book,
China's Great Migration.

Fort Lauderdale, FL

Research Fellow **Dr. Vicki E. Alger**
speaks on Education Savings Accounts
at the International School Choice and
Reform Conference.

Orlando, FL

Senior Fellow **Dr. Stephen
P. Halbrook** speaks on the
Second Amendment at the
NRA-ILA Firearms Law &
The Second Amendment
Symposium.

Thank you to partners who have hosted our speakers this year and in recent years.

Ideas to Impact



INDEPENDENT INSTITUTE
GENERATES IDEAS



EVIDENCE-BASED
PUBLICATIONS
EXPRESS THOSE
IDEAS



IDEAS ARE SHARED WITH MILLIONS

BY INTEGRATING AND ACTING ON THESE IDEAS, INDIVIDUALS CREATE POSITIVE CHANGE IN THEIR COMMUNITIES AND AROUND THE WORLD



INDIVIDUALS AND THOUGHT LEADERS FORM NETWORKS OF IMPACT IN THEIR OWN LOCAL COMMUNITIES

Sparking Entrepreneurial Innovation

Directed by Senior Fellow **Dr. Lawrence J. McQuillan**, Independent's **Center on Entrepreneurial Innovation (COEI)** works to spotlight government wrongdoing and offer practical, tech-forward solutions.

Reducing Taxes

California lawmakers banned soda taxes until 2030, after Independent provided research from a series of op-eds and articles by Research Director and Senior Fellow **Dr. William F. Shughart II** and Dr. McQuillan, showing that soda taxes disproportionately raise grocery bills for low-income families, fail to reduce obesity rates, and do not generate substantial revenue.



Senior Fellow and COEI Director Dr. Lawrence J. McQuillan presents on the future of technological innovation and its impact on the poor.



Protecting the Environment

Independent Institute Research Director and Senior Fellow **Dr. William F. Shughart II** and Policy Fellows **Katie Colton**, **Camille Harmer**, and **Brian Isom** address the challenges of plastic waste in their new Independent policy briefing, *Plastic Pollution: Bans vs. Recycling Solutions*. The briefing found that plastic bans fail to reduce plastic waste and stifle innovations in plastic recycling, and that private recycling innovations are more effective. Op-eds based on the briefing appeared in *Fortune* and the *Sacramento Bee*, and it was cited in *National Review*, *American Spectator*, and the *Toronto Star*.



Showcasing Private Solutions

The Independent op-ed, *“How to Eliminate the Great Pacific Garbage Patch,”* by Senior Fellow **Dr. Lawrence J. McQuillan** and Publication Project Manager **George L. Tibbitts** appeared in the *San Francisco Chronicle*. It reveals how The Ocean Cleanup, a nonprofit group, is using private innovation to remove trash from the ocean. The group invited Tibbitts and Dr. McQuillan to join them for the launch of their new ocean cleanup tool this summer in San Francisco Bay. The group now expects that it will remove half of the largest collection of ocean garbage in five years.



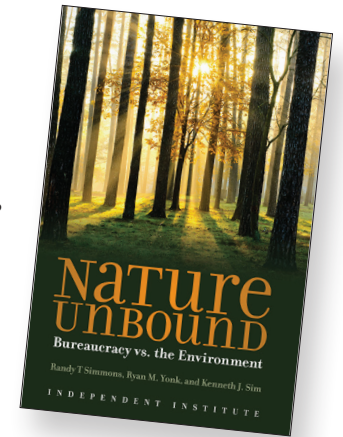
Senior Fellow and COEI Director Dr. Lawrence J. McQuillan at The Ocean Cleanup launch.

Nature Unbound

Independent’s recently published book, *Nature Unbound*, helps to provide a framework for our initiatives on market-based environmental policies.

“Read this book and learn the diverse ways in which organized interest groups, and prominent individuals, have sought to impose their idealizations of nature as ecological equilibrium on the rest of us. There is no such thing as nature undisturbed, and bureaucratic bad management is often the unintended consequence of our limited knowledge of ecosystem complexity. Improvement, if attainable, must be more marginal, more decentralized, and focused on learning.”

—**Vernon L. Smith**, Nobel Laureate in Economic Sciences; George L. Argyros Endowed Chair in Finance and Economics and Professor of Economics and Law, Chapman University



Uncovering Waste, Fraud and Abuse

The Independent Institute's **Center on Entrepreneurial Innovation** (COEI) exposes government waste, fraud, and abuse with our quarterly *California Golden Fleece Awards*.



Mismanagement, Waste, and Wildfires

Our *California Golden Fleece Award* calling out California's Department of Forestry and Fire Prevention for spending 80% or more of its budget on expensive and inefficient fire suppression techniques—and allowing cheating on cadet exams—helped motivate efforts to curb department wrongdoing, including the dismissal of dozens of department employees for misconduct.

Times the **California Golden Fleece® Award** was featured this year in newspapers and radio stations across California **36**

California Golden Fleece® Awards this year

3

Center on Entrepreneurial Innovation Online Article Views



22,760

Revealing the Oroville Dam's Safety Flaws



Last fall, another *California Golden Fleece® Award* revealed that the Department of Water Resources (DWR) failed to address erosion in the Oroville Dam until flooding destroyed thousands of acres of farmland and resulted in over \$1 billion in claims for damages. Our findings led to the resignation of California DWR Chief Grant Davis. Our recommendation to include private dam experts in state inspections was signed into law by California Governor Jerry Brown.

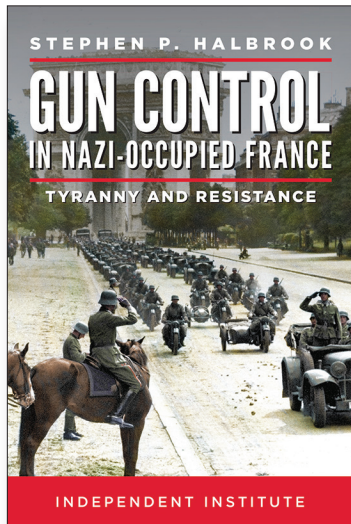
Smash-and-Grab: An Unintended Consequence



The summer 2018 *California Golden Fleece® Award* illustrated how California's Proposition 47, a ballot initiative passed in 2014, triggered a wave of "smash-and-grab" motor-vehicle burglaries and retail shopliftings. We found that communities could reduce break-ins by employing security technology, making property crimes a higher priority, and lowering the felony theft threshold to \$500.

Defending Constitutional and Civil Liberties

Too often, government exercises unwarranted power, bringing war, oppression, and the violation of essential freedoms. The Independent Institute reminds the public, media, and civic leaders about constitutional limits on government power and the civil liberties those limits exist to protect.



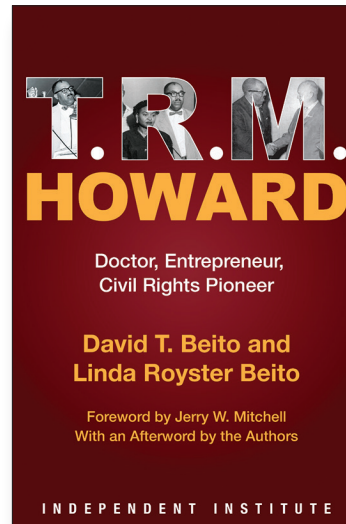
Defending the Second Amendment

By Senior Fellow Dr. Stephen P. Halbrook

“**Stephen Halbrook** has done it again, broken new ground with meticulous historical ‘gun control’ research. . . . *Gun Control in Nazi-Occupied France* is an important and highly readable addition to scholarship on how dictators and invaders have disarmed conquered populations.”

—**James B. Jacobs**, Chief Justice Warren E.

Burger Professor of Constitutional Law and the Courts



Economic Liberty and Civil Rights

By Research Fellows Dr. David T. and Dr. Linda Royster Beito

“*T.R.M. Howard* fills a gap. Too often today we conflate the civil rights movement with the legend of Martin Luther King, Jr. In fact, there were countless others who fought for racial justice within an indifferent—and often hostile—society. This is the richly detailed story of one such man.”

—**Shelby Steele**, author, *The Content of Our*

Character and A Dream Deferred

Dr. Halbrook testified before the House committee on Natural Resources and the Senate Judiciary Committee

2x

Center on Law and Justice
Op-eds & Articles
Published

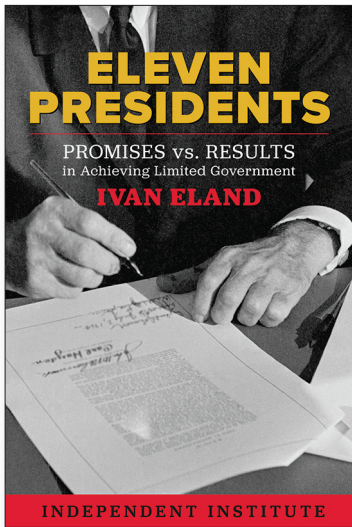
172

Center on Law and Justice
Mentions & Quotes

“ 38 ”

Liberty and Leadership

The Independent Institute respectfully challenges the notions of those in power, calling for earnest discussions of what policies and behaviors truly advance peace, prosperity, and liberty.



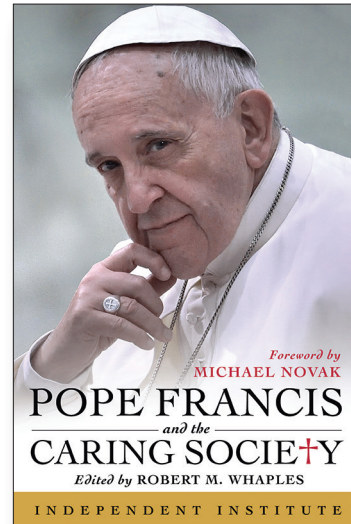
Holding Presidents Accountable

By Senior Fellow and Director of the Center on Peace and Liberty Dr. Ivan Eland

“Delivering even more than the title promises, this much-needed, liberty-minded work of scholarship gives us an objective comparative history of what we might call the limitations on limited government. . . . Along the way, this fine book becomes no less than a political history of the last hundred years, as well as a trove of Eland’s

insights . . . and some surprises as well.”

—**T. Hunt Tooley**, Professor of History, Austin College; author, *The Western Front: Battleground and Home Front in the First World War*



Engaging the Pope on Economics

Edited by Research Fellow and Co-Editor of *The Independent Review* Dr. Robert M. Whaples; with a foreword by Michael Novak

“Grounded in the Judeo-Christian principles of liberty, subsidiarity, and civic virtue, this luminous work shines through and shrivels the sanctimonious smog of socialist levelers who wreak demoralization and poverty wherever they rule.”

—**George Gilder**, bestselling author, *Life After Google, Wealth and Poverty, The Spirit of Enterprise, Microcosm, Knowledge and Power*, and other books.

Center on Peace and Liberty
Op-eds & Articles
Published

114

Center on Peace
and Liberty Interviews



140

Center on Peace and Liberty
Mentions & Quotes

“ 58 ”

The Much Anticipated *Love Gov*²: *A Crisis Not to Waste*

With Americans age 22–37 quickly becoming the largest generation, their views and values will shape the world for decades to come.

And Independent is reaching these changemakers with programs tailored to them.

In 2015, we debuted *Love Gov*, a 5-part satirical YouTube series, bringing the principles of liberty to our Millennial target audience.

Combined Views

LOVE GOV
LOVE GOV²

14 million+

Languages Love Gov season one has been translated into

6

Love Gov Season One Film Awards



10
Awards



18
Laurels



EPISODE 1: A Room Without a View



EPISODE 2: Young, Sick, and Broke

EPISODE 3: A License to Kill . . . Jobs



EPISODE 4: Spyn' and Lyin'

EPISODE 5: Moving Out and Up

Equipping Tomorrow's Leaders

To provide more resources for curious *Love Gov* viewers, Independent also launched our new Millennial website, *Catalyst*—focused on forward-looking alternatives to government involvement in our lives. *Catalyst* offers a welcoming community with information, ideas, practical guidance, and solutions to the issues that concern Millennials most, including housing, healthcare, employment, debt, and privacy. See for yourself at catalyst.independent.org.



Visit catalyst.independent.org

For those looking for a hands-on experience with free-market ideas, Independent offers our **Learning to Lead Internship Program**. This year the program hosted students from Hillsdale College, Grove City College, University of California at Los Angeles, New York University, University of Virginia, and other schools. Students conducted research, attended professional development seminars, called and thanked supporters, and trained to be ambassadors for liberty.



Some of the Summer 2018 Independent Institute collegiate interns.

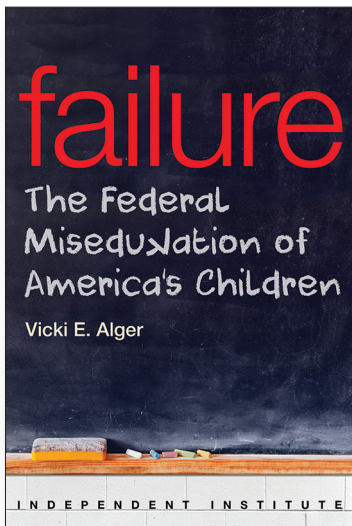
“Independent Institute is teaching me to question everything—even what I read here!”

—Rebecca Sklar, Summer 2018 intern

Expanding Choice in Education

The Independent Institute's **Center on Educational Excellence** introduces education solutions: putting parents in charge of their children's educations, and offering new, cost-effective education options in California and across the United States.

Campaign for School Choice



Independent Research Fellow **Dr. Vicki E. Alger** author of the acclaimed Independent book, *Failure: The Federal Miseducation of America's Children*, is working to bring Education Savings Accounts (ESAs) to California. Already, she has succeeded in empowering parents with these accounts in Arizona and Nevada, and her work has contributed to school choice reforms in Florida, Mississippi, North Carolina, and Tennessee, and encouraged legislation introduced in 21 other states. Now it's time for California.

Dr. Alger laid the groundwork for California ESAs this year. Her Independent policy report, *Customized Learning for California: Helping K-12 Students Thrive with Education Savings Accounts*, generated op-eds in the *Washington Times* and the *San Francisco Chronicle* and presentations before groups such as the International Conference on School Choice and Reform.



Research Fellow Dr. Vicki E. Alger speaks on education reform at FreedomFest 2018.

Center on Educational Excellence Op-eds & Articles Published **63**

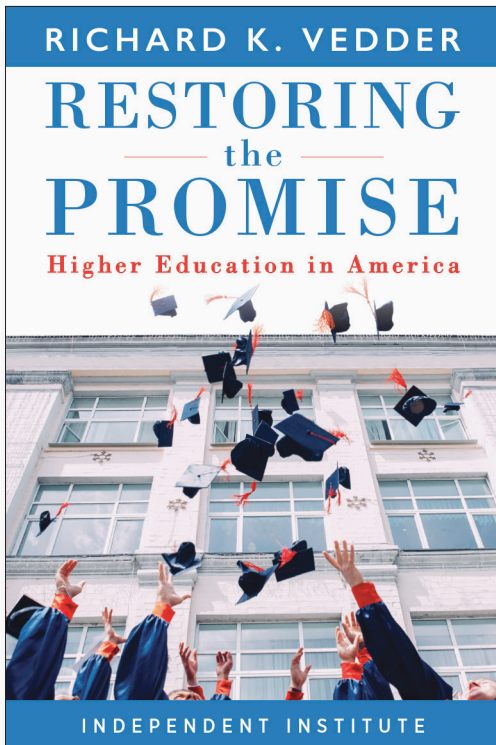
Online Article Views **34,419**

Facebook Shares **104**

Media Impressions **180 Million**

Developing Low-Cost Private Schools

Independent Research Fellow **Dr. James N. Tooley** has spent decades in Africa, Asia, and Latin America discovering how the private sector offers affordable, high-quality education even to those in great poverty. Dr. Tooley shares how the US can learn from these models in the upcoming Independent book, *Educational Emancipation*.



Research Fellow Dr. James N. Tooley working with students in Africa.

Improving Higher Education

Higher education is too expensive, students are not learning employable skills, and graduates are not finding jobs, according to research by Independent Senior Fellow **Dr. Richard K. Vedder**. His upcoming Independent book, *Restoring the Promise: Higher Education in America*, explores where higher education went wrong and how we can fix it.

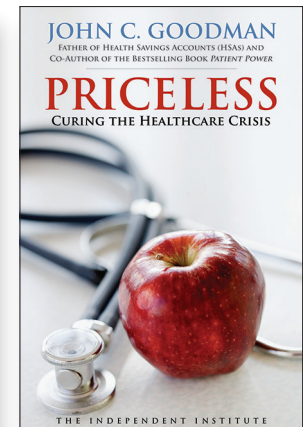
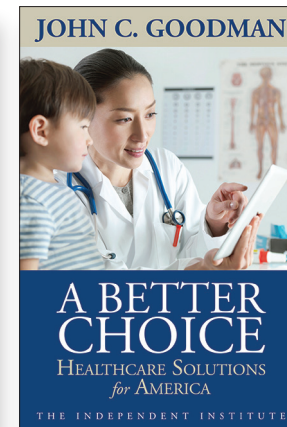
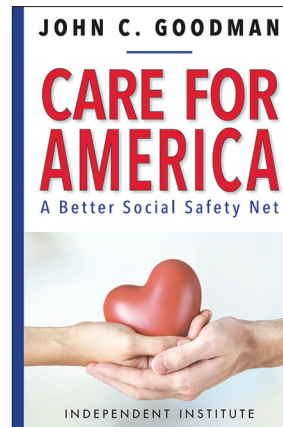


Senior Fellow Dr. Richard K. Vedder speaks on liberty and 21st-century thought control.

Making Healthcare Affordable

Repealing the Individual Mandate

This year offered a tremendous victory for American healthcare with help from Independent Senior Fellow and “Father of Health Savings Accounts” **Dr. John C. Goodman**. Today, Dr. Goodman is working on a new Independent book presenting critical market-based solutions to end the entitlements crisis, *Care for America: A Better Social Safety Net*.



Senior Fellow Dr. John C. Goodman appears on the Fox News Channel.

Journey Toward the Repeal of the Obamacare Individual Mandate

1. **Spring 2015:** Dr. Goodman recommended repeal in his Independent book, *A Better Choice: Healthcare Solutions for America*.
2. **Spring 2016:** Representative Pete Sessions (R-TX) and Senator Bill Cassidy, M.D. (R-LA) wrote H.R. 1275 entirely based on *A Better Choice*.
3. **Fall 2017:** Senators Cassidy and Lindsey Graham (R-SC) incorporated Dr. Goodman’s recommendations into the Graham-Cassidy Health Care Bill.
4. **December 2017:** Lawmakers included Dr. Goodman’s recommendation in the successful Tax Cuts and Jobs Act, freeing millions from costly penalties.
5. **September 2018:** Representative Pete Sessions offered a resolution sponsored by 18 other Republicans incorporating Dr. Goodman’s principles for healthcare reform.

Improving Healthcare

New research by Independent Research Fellow **Dr. Raymond J. March** in *“Telemedicine: Answering the Call of Those Who Need It Most,”* reveals how telemedicine can save lives by quickly connecting patients with doctors across the country, as long as government allows healthcare providers to use it.

Interested in what the FDA is doing behind the scenes? Join with Independent as we track the FDA’s activity and call for greater freedom to innovate on our **FDAReview.org** website.

The screenshot shows the homepage of FDAReview.org. At the top, the logo reads "FDAReview.org A PROJECT OF THE INDEPENDENT INSTITUTE". Below the logo is a navigation menu with links for HOME, BLOG, ISSUES, PUBLICATIONS, FEATURES, and ABOUT. A search icon is located to the right of the menu. The main content area features an article titled "Three Reasons To Be Optimistic about Pharmaceutical Policy" by Raymond March, dated August 2, 2018. Below the article title are social media sharing icons for Facebook, Twitter, LinkedIn, Email, and Print. To the right of the article is a "Recent Posts" section with a list of five articles: "When Healthy Policy Neglects Economic Principles, Patients Suffer", "FDA Still Hooked on Meddling in Nicotine Markets", "FDA Struggles to Develop 'Sugar Added' Labels for Honey and Maple Syrup", "Let Competition, Not the FDA, Resolve the EpiPen Shortage", and "Government vs. Private Efforts to Promote Breastfeeding: My Response to a Critic". Below the recent posts is an "Archives" section with a list of months from October 2018 to March 2018. The background of the article section features a blue-tinted image of laboratory glassware and chemical structures.

Center on Health
and the Environment
Op-eds & Articles
Published

137

Facebook
Shares



1,134

Online Article
Views



58,910

Animating Liberty Around the World

The Independent Institute's Center on Global Prosperity works to improve the world by encouraging cultures that value personal responsibility, free enterprise, and innovation.

Latin America

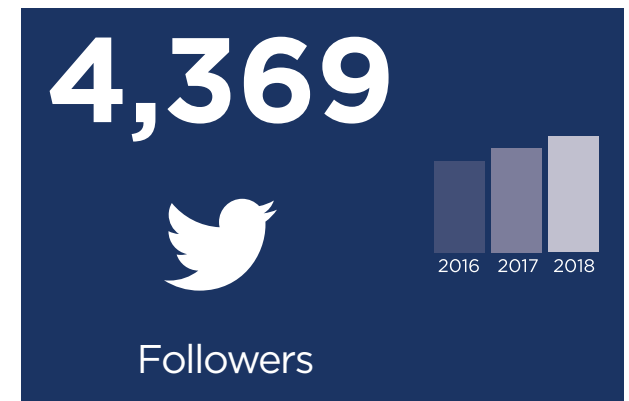
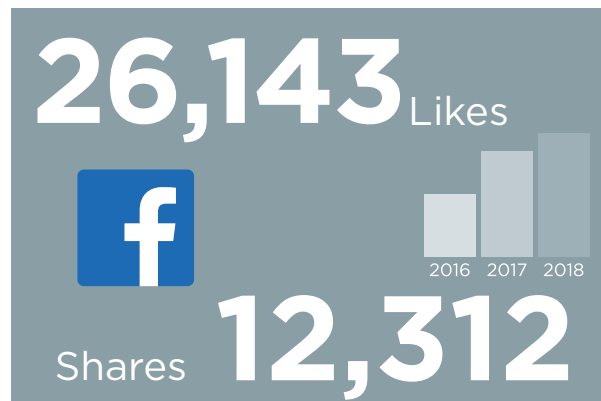
Independent Research Fellow **Gabriel Gasave** and Senior Fellow **Alvaro Vargas Llosa** share free-market principles throughout Latin America, using webinars, media interviews, public speaking, publications, and Independent's Spanish-language social media, website: www.elindependent.org, and blog: **Voces de Libertad**.



Senior Fellow Alvaro Vargas Llosa (left) in a joint appearance with Iván Duque Márquez, President of Colombia.

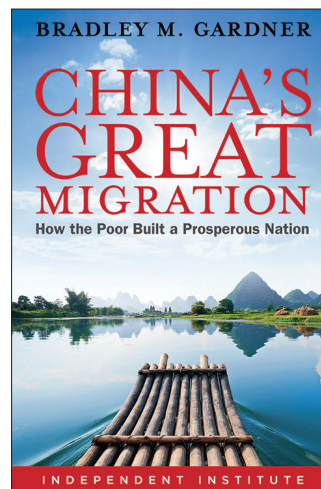


Research Fellow Gabriel Gasave appears on Brazilian television.



China

China's economic transformation has lifted more than half of its population out of poverty and reshaped its economy. Independent Research Fellow **Bradley Gardner** explains how this transformation resulted from market-driven internal migration in his new Independent book, *China's Great Migration: How the Poor Built a Prosperous Nation*.

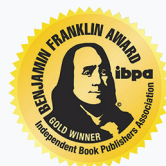


Research Fellow Bradley Gardner on a book tour for *China's Great Migration*.

Awards Received By *China's Great Migration*



Benjamin Franklin Gold Award
in Political/Current Events



Gold Medal IPPY
Award Winner



INDIES Book of the Year Bronze
Award for Political Science



Addressing Hard Questions at Home and Abroad

The Independent Review, our award-winning, peer-reviewed, non-partisan journal, tackled a host of complex policy questions including how to interpret the legacy of the Russian Revolution, the parameters of international immigration, and the failures of socialism in Venezuela and elsewhere.

Celebrating 30 Years and the Future of Liberty

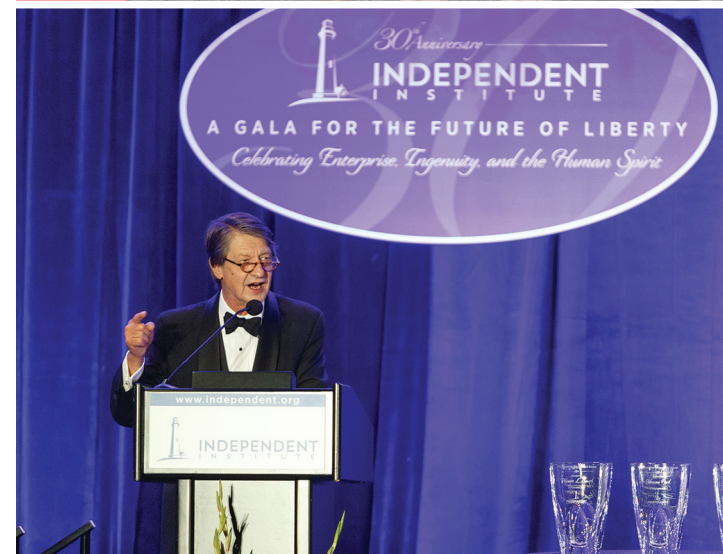
On September 22, 2017, the Independent Institute celebrated three decades of advancing enterprise, ingenuity, and the human spirit with our **30th Anniversary: A Gala for the Future of Liberty** jubilee.

The Ritz-Carlton, San Francisco was filled to capacity for an inspiring night celebrating past accomplishments and looking forward to the future.

Leading political humorist and bestselling author, **P.J. O'Rourke** served as master of ceremonies. World-renowned technology investor **Timothy C. Draper**, Nobel Laureate in Economic Sciences **Vernon L. Smith**, and North Korean refugee and human rights activist **Yeonmi Park** each received Independent's Alexis de Tocqueville Award for their work championing liberty, entrepreneurial innovation, and human well-being.

“ I probably don't have to tell you what the Independent Institute is or that it does a wonderful job. Its 30-year record of great work—empowering individuals with its transformative policy ideas—speaks for itself. ”

—P.J. O'Rourke, leading political humorist and bestselling author





Supporter Spotlight

John P. Kayser

Share a little bit about your life and background.

I grew up in a western suburb of Chicago. Went to public school. Graduated from Princeton '71 (political science), Stanford MBA '74.

Worked at William Blair & Company, a mid-sized, international investment bank and money management firm, for 25+ years. Close relationships with fathers of two friends of mine influenced me to go into business. One was an entrepreneur and one was a Fortune 100 CEO.

What values do you hold most dear?

The values of classical economic liberalism. They are responsible for the dramatic improvements in the Western world over the last few centuries.

What is your first memory of the Independent Institute?

The quarterly Independent journal, *The Independent Review*. The first thing I remember specifically is picking up the book and thinking 'Wow, that's pretty big.' It was intellectually pretty rigorous and challenging. For a lot of organizations, I get smaller periodicals and updates and quarterly reports and smaller things, but this was a substantial publication. None of the articles were for a lightweight.



Why do you give to Independent? What do you hope to achieve?

I believe in its overall mission. I think the academics are the ones to generate the ideas and sometimes create the public policies. I hope to help them spread their ideas to the Millennials. And that is why I'm interested in the Independent Institute's *Love Gov* program and am interested in communicating with Millennials, because you have to be able to take the academic ideas and the public policy ideas and disseminate and sell those ideas to others.

What do you wish others knew about Independent?

The breadth of its academic work and its relatively new attention on the Millennials.

Is there anything else you would like to share?

I've interacted with Lawrence McQuillan and there are some projects that he is pursuing that I have funded and find interesting. Particularly, he is looking at how technology can be utilized and help in a free market civil society, libertarian approach.

I try to fund organizations who I think are smart and aggressive. . . . It's like the marketplace of ideas. To me, it's a marketplace of different groups who are not necessarily trying to accomplish exactly the same thing but who have objectives that I feel are worthwhile. I donate. . . because they'll try some things that may work, and I hope a lot of them are successful.

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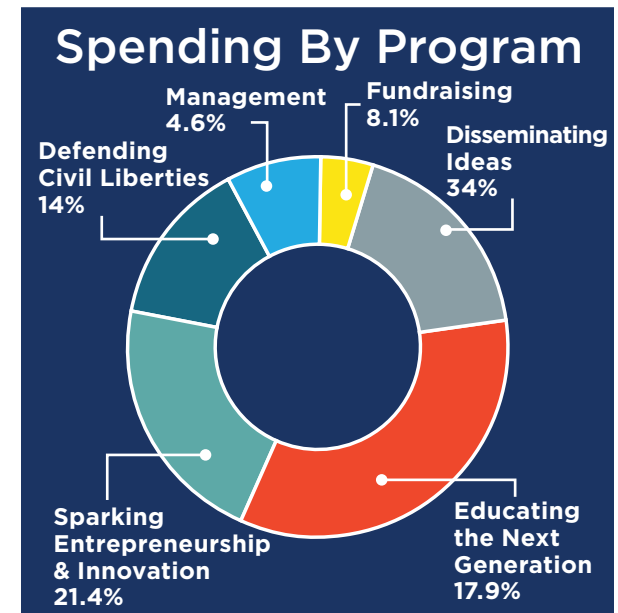
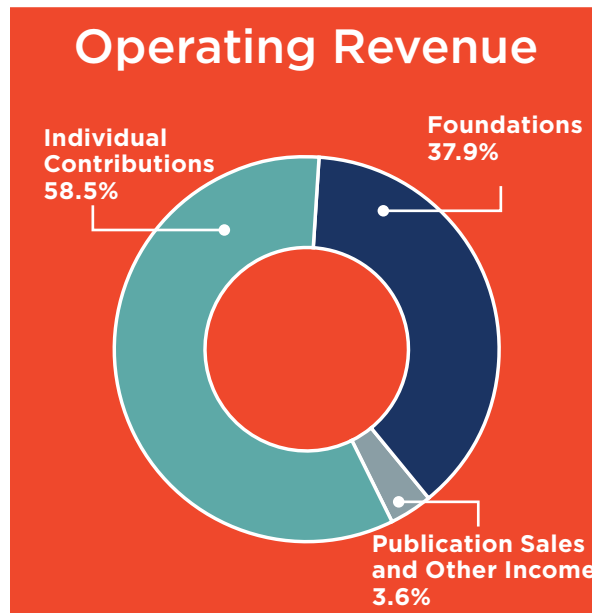
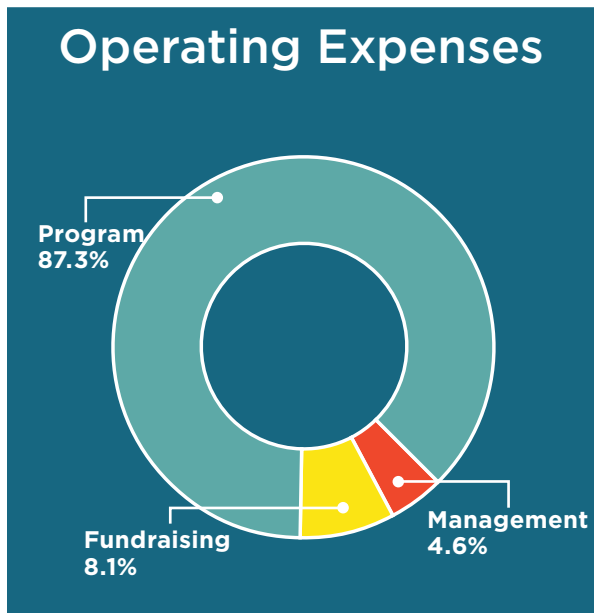
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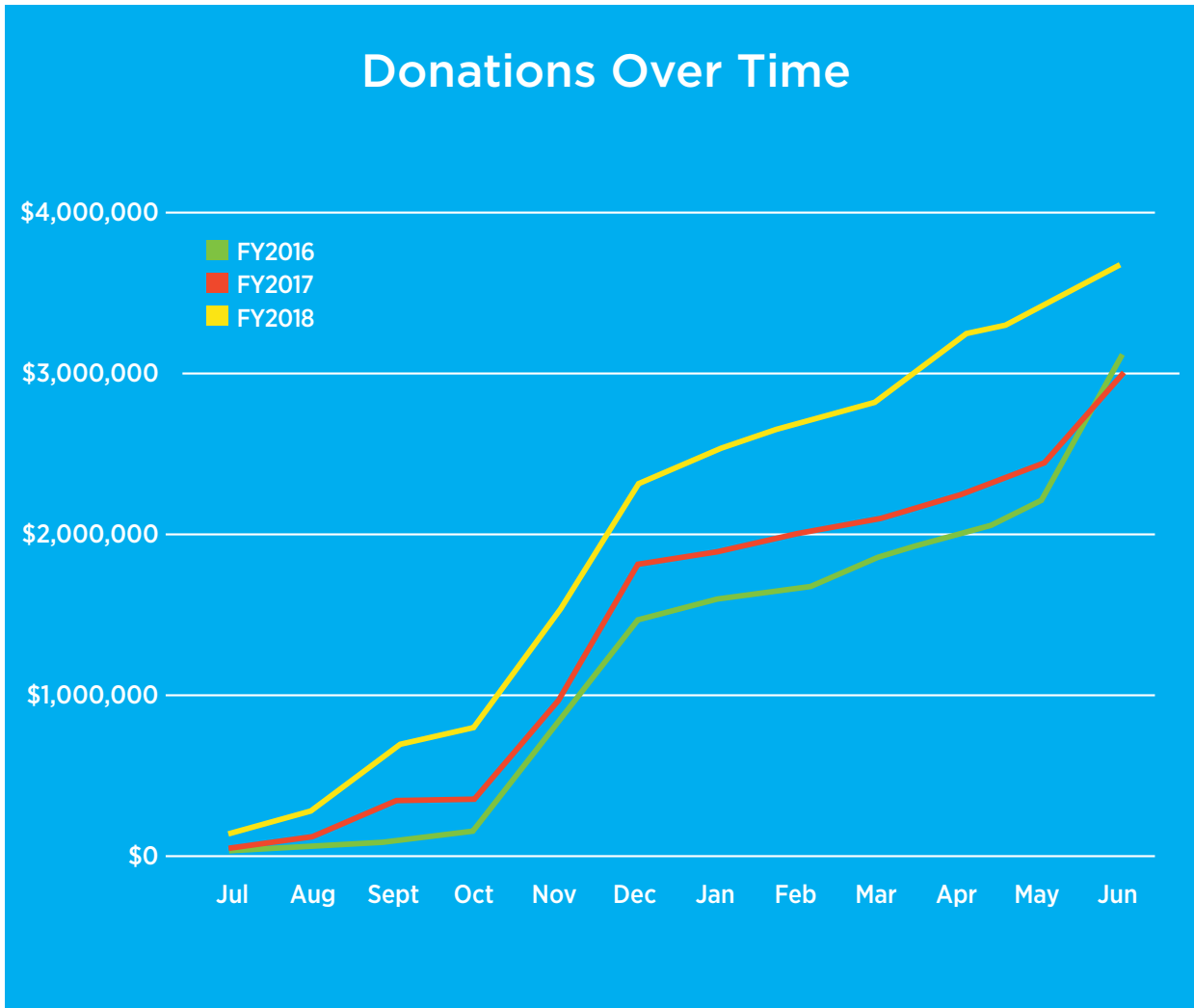
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This year has been exciting, but there is much more still to do! That's why Independent has set several ambitious goals for the future. And we need your help to achieve them!

Together, we will:

1. **Inspire and practically equip ordinary individuals to effect real change at the local, state, national, and global levels.**
2. **Target key issue areas where Independent can achieve outsized impact.**
3. **Employ our opportunity-based narrative to help shape a society and culture that will enable all to achieve their full potential.**
4. **Expand on our recent success engaging Millennials in the ideas of freedom and prosperity.**
5. **Leverage our San Francisco/Silicon Valley location, forming strategic alliances with entrepreneurs and investors to innovate bold solutions grounded in human dignity.**
6. **Lead community engagement in education, healthcare, national security and peace, and enterprise and entrepreneurship.**

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The Independent Institute's lighthouse logo was inspired by 1991 Nobel laureate 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 held that the lighthouse was the quintessential "public good," which had to be provided by government due to the 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 lighthouse services under its own monopoly to eliminate competition and 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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