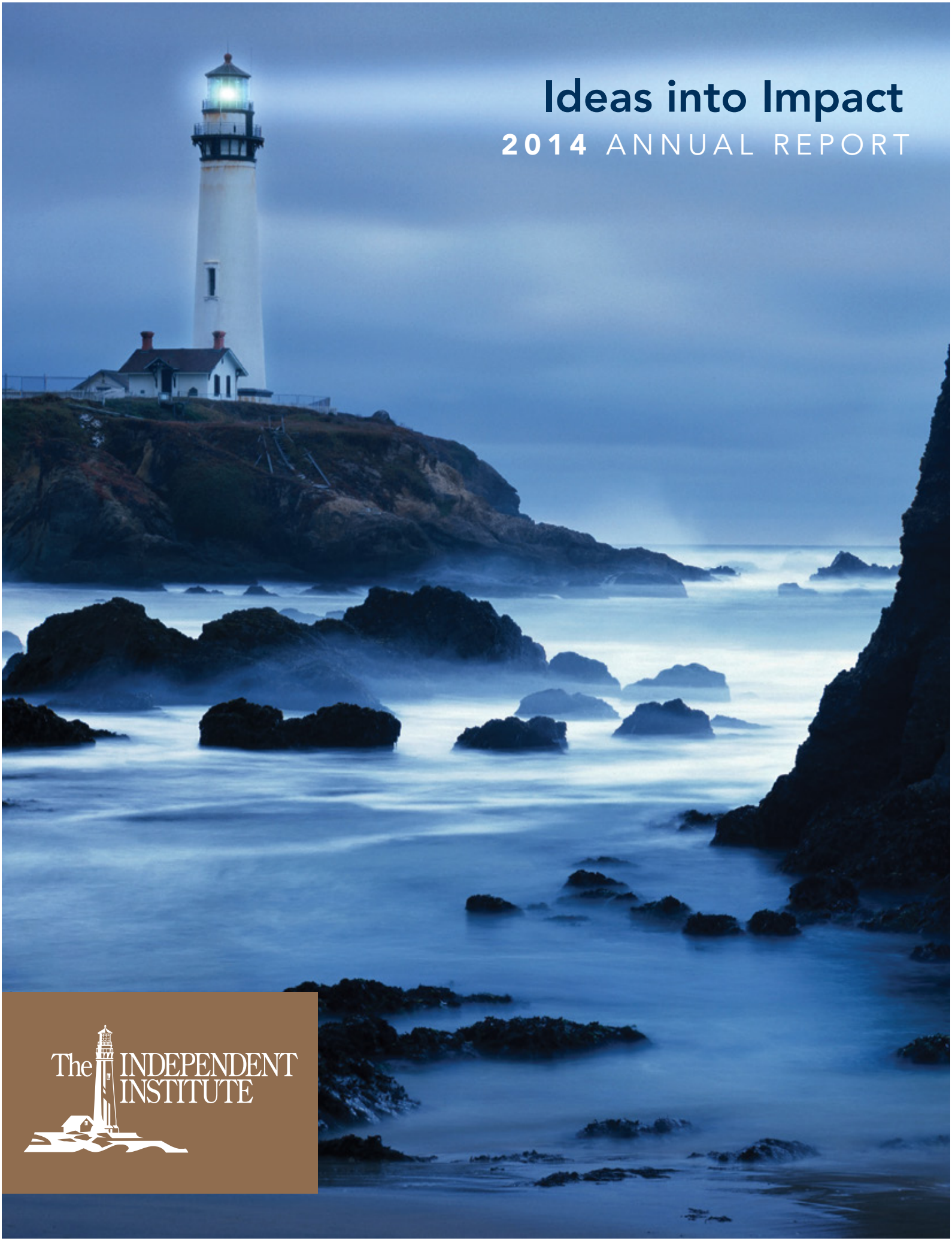

Ideas into Impact

2014 ANNUAL REPORT

The INDEPENDENT INSTITUTE

About the Independent Institute

The Independent Institute is a non-profit, non-partisan, public-policy research and educational organization that shapes ideas into impact. The mission of the Independent Institute is to boldly advance peaceful, prosperous, and free societies grounded in a commitment to human worth and dignity.

Applying independent thinking to issues that matter, we create transformational ideas for today's most pressing social and economic challenges. The results of this work are published as books, the quarterly journal *The Independent Review*, and other publications and form the basis for numerous conference and media programs. Student programs also include the Challenge of Liberty Seminars and student internships conducted throughout the year.

By connecting these ideas with organizations and networks that mobilize movements, we inspire action that can unleash an era of unparalleled human flourishing at home and around the globe.

The Independent Institute receives no government funding. Instead, it draws its support from a diverse range of foundations, businesses, and individuals, and from the sale of publications. Contributions are tax-deductible under Section 501(c)(3) of the Internal Revenue Code, and Independent Institute Members receive Institute publications and special discounts to upcoming events and other programs.

This report highlights the programs of our 2014 fiscal year, made possible by generous supporters committed to making voices for liberty heard. We thank you for your help in advancing the principles of a free society and invite you to join with us in continuing our efforts.

"The Independent Institute is an extremely important program, with a superb research and publishing track record, adding enormous value to the present discussions on the role of a state in society."

—**Václav Klaus**, former President, Czech Republic

"The Independent Institute upholds the finest tradition of policy analysis. In uncovering the truth, the Institute does not accept the pronouncements of government officials at face value, nor the conventional wisdom over problems."

—**John R. MacArthur**, President and Publisher, *Harper's*

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The INDEPENDENT INSTITUTE

Top to Bottom: **John C. Goodman** testifies before the U.S. House Subcommittee on Energy Policy, Health Care and Entitlements; **Stephen P. Halbrook** is interviewed on *Stossel*, Fox Business Network; **Ivan Eland** (L) addresses the conference "Whither America," at George Washington University; and the Independent Institute's headquarters in Oakland, Calif.

Shifting the Culture in 2014

In 2014

783 media hits
appearing
1,501 times in
546
different outlets

Broadcast, web and print placements produced over
3.1 billion impressions

"[T]heir stock-in-trade is ideological consistency. They win support precisely because they aren't for sale." ***—The Wall Street Journal***

"I'm trying to educate people about what's going on . . . And so I celebrate the Independent Institute because there are countries all around the world where we need to know what's going on."
—Andy Garcia, Academy Award- Nominated Actor, Director, and Producer

440,000
Facebook Fans

10,400
Twitter Followers

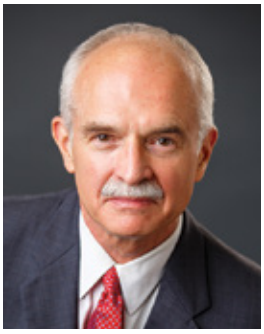
Over **2 million**
visits to independent.org

7
Book Awards

2
Books Cited in Federal Court Rulings

18,000 Books Distributed

A Message from Our Founder and President



Especially during election years, the trivial too often dominates, with truth hardly audible amid the noise and spin.

We at the Independent Institute, by contrast, focus on identifying those key issues that really do matter in order to shape ideas into a profound and lasting impact in our culture and communities. Seismic shifts in culture and the prospects for a better future lie not in Ivory Towers or the hallowed halls of capitols, but in the enterprise, civic virtues, and institutions of Main Street.

Our Fellows engage in discovering the underlying causes of dysfunction with such issues—stagnant growth and unemployment, inaccessible and costly healthcare, abuses of privacy rights and due process, unending wars, cronyism and corruption, smothering bureaucracies, and failing education systems, among others—and proposing innovative solutions to achieve our shared goals of individual liberty, opportunity, health, educational excellence, justice, prosperity, and peace.

As this *2014 Annual Report* highlights, our non-partisan, non-politicized approach resonates widely across ideologies and populations, garnering our publications and other projects influence that spans the media spectrum, as well as among policymakers, academics and students, business and civic leaders, and the general public.

And this approach resonates especially among younger generations increasingly faced with barriers to opportunities that government follies have produced: runaway spending and debt that cripples job and business creation; galloping tuition costs and student debt; sky-rocketing healthcare premiums; abuses of personal liberties; and much more.

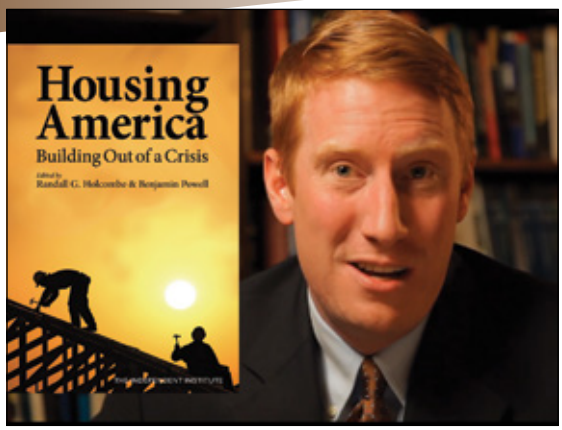
In this 25th Anniversary Year of the Fall of the Berlin Wall, and with pro-liberty movements spreading in America and globally, it is important to remember that, above all, *ideas have consequences*: pundits and political prognosticators are more often than not wrong, and one should *never* underestimate the power of better ideas to foster positive change that can boldly advance peaceful, prosperous, and free societies.

Through our independent thinking that *there is a better way*, we leverage our research, education, and communications on key social and economic issues into action through a wide range of organizations and networks. By connecting leading-edge ideas with the enterprise of Main Street, we help unleash waves of change and unparalleled human flourishing around the globe and around town.

We hope you enjoy learning more about our programs and we welcome your support and involvement.

David J. Theroux, *Founder and President*

Ideas into Impact



In 2014, we celebrated a victory for millions of Californians when Governor Jerry Brown vetoed a harmful "affordable housing" bill that would have put even more pressure on the state's already skyrocketing housing prices. Brown had earlier included the Independent Institute on a commission formed to study such policy in Oakland, for which Senior Fellow **Benjamin Powell**'s expert analysis showed that such measures would actually make housing much more expensive. Brown's statement in vetoing the bill shows how the Independent Institute's work provides the seeds for future action:

"As mayor of Oakland, I saw how difficult it can be to attract development to low and middle income communities. Requiring developers to include below-market units in their projects can exacerbate these challenges, even while not meaningfully increasing the amount of affordable housing in a given community."

Center on Entrepreneurial Innovation

258 media hits appearing **588** times in **267** different outlets

Broadcast, web and print placements produced over **850** million impressions

August 17, 2013

The High Cost of Economic Policy Uncertainty

America's economic recovery has been slow by historical standards. Growth has been slow, unemployment stubbornly high, and "green shoots" have wilted fast.

If you listen to some, such as Paul Krugman of the *New York Times*, the reason for the anemic recovery is that governments at all levels have been "slashing spending in the face of a depressed economy."

—Senior Fellow Lawrence J. McQuillan

Creating Opportunities for Enterprise

Runaway government spending and regulation are antithetical to economic opportunity, equality, and human flourishing. Continuing economic sluggishness, stagnant living standards, and unemployment show the folly of this course, providing new opportunities for the message of enterprise.

THE TERRIBLE 10
A Century of Economic Folly
by Burton A. Abrams, Research Fellow
WINNER
2014 Eric Hoffer Award for Short Prose and Independent Books
2014 Silver Independent Publisher Book Award
HONORABLE MENTION

Our **Center on Entrepreneurial Innovation**, headed by Senior Fellow **Lawrence J. McQuillan**, spotlights the barriers bad policy erects, making the powerful case for freedom of opportunity and free enterprise.

The Terrible 10: A Century of Economic Folly

Research Fellow and MyGovCost director Burton A. Abrams leads us through the worst government policy failures of the past 100 years, providing key lessons for reform. The lessons resonated widely, covered by media outlets reaching 5.5 million readers with articles such as "Central Planning" and the "Great Recession and The New Red Menace: Deficit Spending."

MyGovCost: Government Cost Calculator

The MyGovCost Government Cost Calculator was created as an innovative tool to illuminate the very real threat to individuals from runaway spending and debt—too often obscured by dizzying numbers and political spin. This year, we made the Calculator's insights more widely available and easier to share than ever—especially for millennials—with the MyGovCost App for iOS devices.

MyGovCost.org
Government Co$t Calculator

	TOTAL
Facebook Fans	159,000
Users	185,000
Page Views	288,000

Patent Trolls: Predatory Litigation and the Smothering of Innovation

Patent trolls—a.k.a. "non-practicing entities" that make money by buying, licensing, and enforcing patents rather than by selling products—are exploiting the U.S. patent system and stifling the innovation it was created to encourage. In clear, non-lawyerly language, William J. Watkins shows the human and economic costs of this legal maneuvering, and lays out the reforms needed to restore safeguards for innovators.

Research Fellow **William J. Watkins, Jr.** is interviewed on the *Steve Malzberg Show* on Newsmax TV, regarding his book *Patent Trolls*.

Ideas into Impact

John C. Goodman is interviewed on *Your World with Neil Cavuto* on Fox News Channel regarding his book, *Priceless: Curing the Healthcare Crisis.*

Independent Institute Senior Fellow **John C. Goodman** was dubbed the "Father of Health Savings Accounts" by the *Wall Street Journal*! These accounts—HSAs for short—offer one of the few bright spots on the healthcare scene today. Goodman continues to lead the way in offering up innovative—and practical—alternative solutions for widespread access to truly affordable healthcare.

Center on Health and the Environment

163 media hits appearing **366** times in **147** different outlets

Broadcast, web and print placements produced over **395** million impressions

"The Independent Institute has developed a reputation for publishing solidly-researched, well-written monographs of interest to academic scribblers and policy makers alike."
—Public Choice

THE WALL STREET JOURNAL.

January 23, 2014

The ObamaCare Carnival of Perverse Incentives

Cities With Unfunded Health-Care Commitments Are Getting Ready to Dump Their Retirees on the State Exchanges

With fewer glitches to deter them, millions of Americans are now logging on to the ObamaCare health-insurance-exchange websites. When they get there, many are discovering some unpleasant surprises.

—**Senior Fellow John C. Goodman**,
Featured in *The Wall Street Journal*

"The program of The Independent Institute is excellent."
—**Gary S. Becker**, Nobel Laureate in Economic Sciences, University of Chicago

Making Healthcare Affordable

With the rollout of the Obamacare exchanges and the snafus of Healthcare.gov, this ill-begotten legislation has perversely hit those it was meant to help—creating shrinking provider networks, rising premiums, and resulting in policy cancellations. Simultaneously, stories continue to unfold about the Department of Veterans Affairs' failure to provide basic medical care promised to veterans. Independent's healthcare experts took the lead in spreading the word: it doesn't have to be this way!

John C. Goodman is interviewed on *Lou Dobbs Tonight* on Fox Business Network.

Innovative Healthcare Solutions

Senior Fellow John C. Goodman, author of the Institute's landmark book, ***Priceless: Curing the Healthcare Crisis***, along with Senior Fellows John R. Graham and Lawrence McQuillan, launched a powerful communications campaign providing topical commentaries and alternative proposals for addressing healthcare challenges! Since the release of ***Priceless***, Dr. Goodman's national presence through Forbes.com provides real-time answers to the public's healthcare concerns as they develop. Short, topical videos released through our ***Independent Watch*** YouTube series provide engaging answers to pressing questions like "What's the Alternative to Obamacare?" to an even broader audience.

Countering Special Interests on Capitol Hill

Independent Senior Fellows John C. Goodman and John R. Graham presented expert testimony before House Committees investigating aspects of healthcare policy—providing non-partisan analysis grounded in peer-reviewed research and encouraging market-based approaches.

"It is always a privilege to participate in supporting The Independent Institute for all of its excellent work."

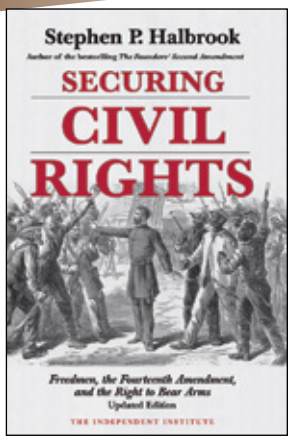
—**Michael J. Boskin**, former Chairman, President's Council of Economic Advisors; Tully Friedman Professor of Economics, Stanford University

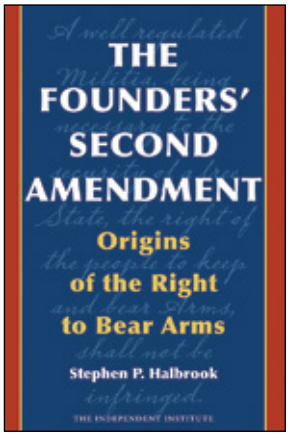
What Next?

With mid-term elections offering no immediate relief from the continuing healthcare malaise, we will continue to release and promote our findings and recommendations for true, lasting solutions, including the following:

- ***Healthcare Solutions for Post-Obamacare America***
- ***A Better Choice: Healthcare Solutions for America***
- **Health Contract with America**
- **Seven Principles for Replacing Obamacare**

Ideas into Impact





Building upon previous victories at the Supreme Court in the *Heller* and *McDonald vs. Chicago* cases—both of which extensively cited Research Fellow **Stephen P. Halbrook** and his Independent Institute books—this year's Ninth Circuit ruling in *Peruta v. County of San Diego* cited both the *Heller* precedent, and Dr. Halbrook's book, ***Securing Civil Rights*** (pictured at left).

Center on Law and Justice

90 media hits appearing **113** times in **96** different outlets

Broadcast, web and print placements produced over **92** million impressions

"The excellent program of the Independent Institute is profoundly important."
—**Tom Peters**, co-author, *In Search of Excellence*

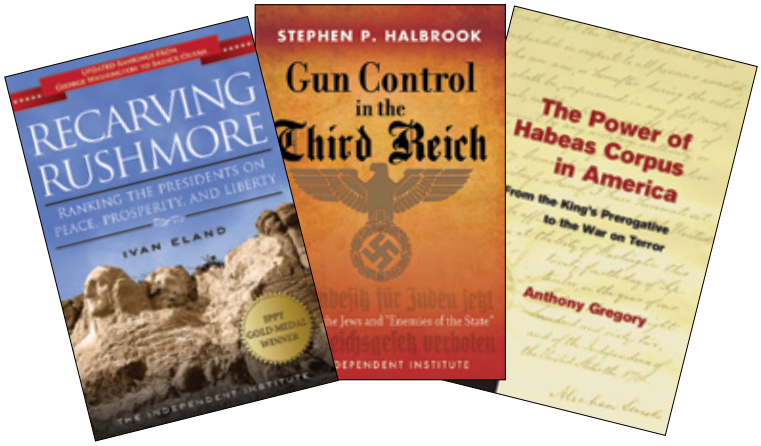
The Washington Times

December 29, 2013

BOOK REVIEW:
'Gun Control in the Third Reich'

And at last we have the historical information we need to investigate those questions, in the form of Second Amendment lawyer Stephen P. Halbrook's "Gun Control in the Third Reich." It is the most extensive history to date of Nazi Germany's policies on firearms, drawing largely on original documents.

—***Gun Control in the Third Reich***, reviewed in the *Washington Times*



Strengthening Individual Liberties

America's Founders knew that people remain free only so long as their government is kept in check, and, significantly, they ratified our Constitution only when a clear Bill of Rights was added to it. Independent Institute scholars provide expert analysis of what rights precisely those amendments were intended to enshrine—providing a powerful voice against government's creeping encroachment and a solid case for strict adherence to limits on government's power at every level.

THE POWER OF HABEAS CORPUS IN AMERICA
From the King's Preogative to the War on Terror
by Anthony Gregory, Research Fellow
WINNER
2013 PROSE Award for Best Book in Law and Legal Studies Awarded by the Association of American Publishers
2014 Silver Independent Publisher Book Award
HONORABLE MENTION

This year's revelations of systemic spying on ordinary Americans created a wave of outrage—and a critical opportunity to direct public concern toward action for reform. We seized the moment with a special Independent Policy Forum, "Civil Liberties and Security in an Age of Terrorism," which aired repeatedly on C-SPAN's Book TV. We also capitalized on strong youth interest in this issue to inspire action among student groups, with Research Fellow Anthony Gregory speaking on related topics for student groups and releasing more exciting videos on civil liberties for our *Independent Watch* series.

Above: **Mary Theroux**, **Robert Higgs**, and **Anthony Gregory** discuss "Civil Liberties and Security in an Age of Terrorism" on C-SPAN's *BookTV*. ***Below:*** **Ivan Eland** is interviewed on *Fox and Friends* on Fox News Channel regarding his book, *Recarving Rushmore: Ranking the Presidents on Peace, Prosperity, and Liberty*.

***Recarving Rushmore: Ranking the Presidents on Peace, Prosperity, and Liberty* (Updated Edition)**
Who were the best and worst U.S. presidents? In the past when historians and scholars have rated the presidents, their evaluations often have been based on individual charisma, activism, and service during periods of crisis.

Taking a distinctly new approach in ***Recarving Rushmore***, Ivan Eland profiles each U.S. president from Washington to Obama on the merits of his policies and whether those strategies contributed to peace, prosperity, and liberty. This ranking system is based on how closely each president fulfilled his oath to uphold the Constitution. Contrary to the preferences of many modern conservatives and liberals, this oath was intended to limit the role of the federal government, and provides the basis for the author's contention that, of the four men given exalted representations on Mount Rushmore, only one deserves the honor.

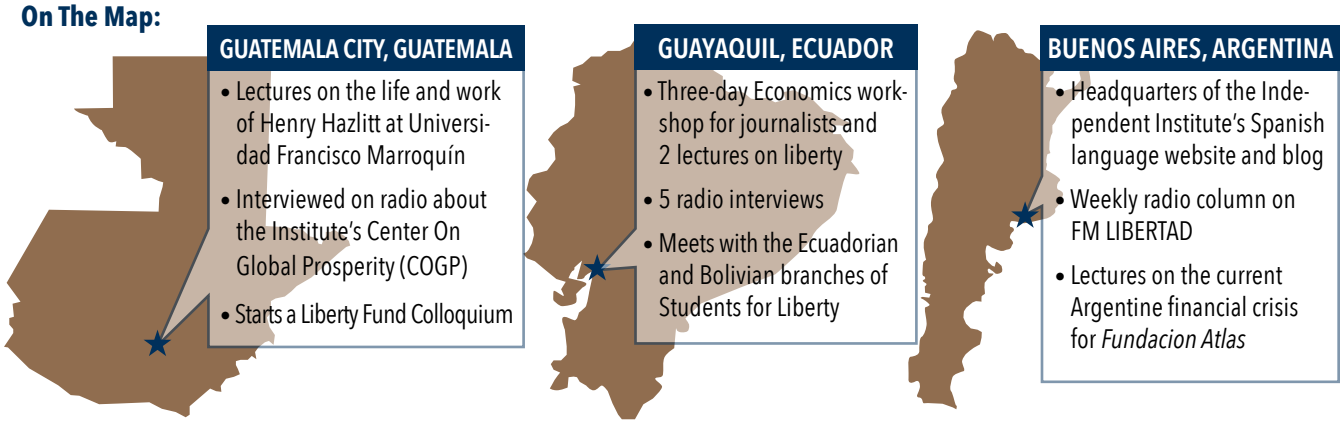
Liberty for the Spanish-Speaking World

Research Fellow **Gabriel Gasave**.

Under the direction of Research Fellow **Gabriel Gasave**, our Spanish language website, elindependent.org is a leading forum for scholars in the Spanish-speaking world, bringing structure to the growing freedom movement in Latin America and providing a vehicle for inspiring solutions on liberty.

Elindependent.org, offers hundreds of translations of Independent Institute articles, and our Spanish-language blog and social media channels generate millions of page views and thousands of fans. Content from leading experts such as Senior Fellow **Alvaro Vargas Llosa** is updated 365 days a year at all times of day to cover each Spanish-speaking time zone.

On The Map:



GUATEMALA CITY, GUATEMALA

- Lectures on the life and work of Henry Hazlitt at Universidad Francisco Marroquín
- Interviewed on radio about the Institute's Center On Global Prosperity (COGP)
- Starts a Liberty Fund Colloquium

GUAYAQUIL, ECUADOR

- Three-day Economics workshop for journalists and 2 lectures on liberty
- 5 radio interviews
- Meets with the Ecuadorian and Bolivian branches of Students for Liberty

BUENOS AIRES, ARGENTINA

- Headquarters of the Independent Institute's Spanish language website and blog
- Weekly radio column on FM LIBERTAD
- Lectures on the current Argentine financial crisis for *Fundacion Atlas*

Center on Global Prosperity

39 media hits appearing **60** times in **49** different outlets

Broadcast, web and print placements produced over **110** million impressions

elindependent.org by the numbers

Over **5 million** Lifetime page views

37,000 Posts

5,000 Facebook Followers

20,600 Tweets on Twitter

Inspiring Free Societies Around the Globe

The need for transformational perspectives on liberty stretches across national borders. Our work combines compelling narrative with expert analysis to show that cooperation across boundaries allows free societies to thrive, while our Spanish language outreach leads the intellectual movement for freedom in Latin America.

GLOBAL CROSSINGS
Immigration, Civilization, and America
by Alvaro Vargas Llosa , Senior Fellow

WINNER
Benjamin Franklin Silver Award in Political/Current Events

WINNER
Bronze Medal IPPY Award Winner Awarded by The Jenkins Group and Independent Publisher in the category of Political/Economic/Legal/Media

HONORABLE MENTION
2013 PROSE for Best Book in Economics
Awarded by the Association of American Publishers

Building on the success of his Independent Institute book, ***Global Crossings***—the winner of 3 recent awards—Senior Fellow **Alvaro Vargas Llosa** offered humane insights on immigration that made millions of media impressions this year alone. Senior Fellow **Benjamin Powell**, co-author of our Independent Policy Report, ***Broken Borders: Government, Foreign-Born Workers, and the U.S. Economy***, also continued his work to show that societies prosper when immigration policy rests on sound economics.

THE GLOBE AND MAIL
March 11 2014

Swiss Quotas Threaten the Best of the European Project

Not even in the worst times since the bursting of the bubble has the Swiss economy been negatively affected by immigration. On the contrary, it has been one of the few countries to weather the postbubble storm successfully. What a pity that, because of a referendum won by just 20,000 votes, the best of the European project, namely the single market and the free circulation of people and goods, is now under serious threat.

—**Senior Fellow Alvaro Vargas Llosa**, featured in *The Globe and Mail*

INVESTOR'S BUSINESS DAILY
June 30, 2014

World Cup Exposes Brazil's Broken and Corrupt Economic Model

For those of us who love the World Cup, there is something disturbing about the protests and organizational deficiencies overshadowing the international tournament, competing for headlines with Brazilian soccer star Neymar's dribbling and Argentinian Messi's sprints.

—**Senior Fellow Alvaro Vargas Llosa**, featured in *Investor's Business Daily*

Alvaro Vargas Llosa addresses the Robert J. Dole Institute at the University of Kansas regarding his book, *Global Crossings: Immigration, Civilization, and America.*

Ideas into Impact

Rebecca Harris

Joanna Samuels

Adam Bartha

2014 Research Intern Rebecca Harris worked closely with C**enter on Entrepreneurial Innovation** Director **Lawrence J. McQuillan** on water policy analysis, co-authoring two op-eds on the subject. Rebecca takes these insights directly to the policy world as a legislative intern in the California State Senate.

Publications Intern Joanna Samuels researched, evaluated, and presented recommendations for migrating our scholarly journal ***The Independent Review*** into the digital marketplace.

Marketing and Communications Intern Adam Bartha joined us from Hungary to research, evaluate, and develop a proposal to reach even greater audiences through new web-marketing partners.

The Independent Institute's summer seminars are a wonderful opportunity for students interested in economics and the science of liberty to interact with high-quality passionate faculty members and like minded students.

—**Benjamin Powell**, Director, Free Market Institute, Texas Tech University

It is always an immense pleasure to see the twinkle in the eyes of the seminar students as they finally—for the first time in their young lives—'get' why liberty matters and free markets work. I've seen it happen many times at the Institute's seminars, and it is inevitably followed by a passion and even urgency to bring about a freer society.

—**Ivan Pongracic, Jr.** Ludwig von Mises Professor of Economics, Hillsdale College and *Challenge of Liberty* Faculty Member

This page left: *Challenge of Liberty* faculty member **Ivan Pongracic, Jr.**
Above: Students and faculty at a *Challenge of Liberty* seminar in Berkeley, Calif.

Growing Tomorrow's Leaders

Inspiring young minds to shape a brighter future for liberty, our 2014 **Student Programs** were our most successful ever. Thanks to the support of our donors, our **Challenge of Liberty Summer Seminars** included students from 22 states, 7 countries, and 54 universities and high schools pursuing 24 majors.

Our intensive weeklong **Summer Seminars** offer a rich experience of over 20 advanced courses, daily faculty discussion panels, and collegial interaction with faculty and other students, equipping young minds to become powerful activists for free societies throughout their careers.

Our transformational **Internships** program engaged twelve interns across all departments. Independent Institute interns take integral roles on our team and ownership of important projects, lending their energy and excitement to furthering the principles and practice of liberty, enterprise, and innovative, market-based solutions to next-generation challenges.

Alumni of Independent Institute student programs are prepared to lead in their respective fields—policy, academia, business, media, or other—armed with a rich understanding and appreciation of the conditions critical to entrepreneurship and innovation.

"As a politics undergraduate coming from a post-communist country, I really appreciated the insights into free-market ideas that the lecturers provide us. The speakers were able to present complex problems in a very engaging manner and facilitate great discussions."

—**Challenge of Liberty student**

Seminar Attendees Represented

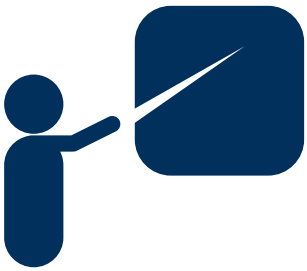
7 COUNTRIES

22 U.S. STATES

54 SCHOOLS

24 MAJORS

63 STUDENTS TRAVELLED A TOTAL OF **85,000** MILES



14 SCHOLARS TAUGHT

84 COURSES

JOINED NEARLY **450** INDEPENDENT INSTITUTE ALUMNI

Independent Thinking on the Road

The Independent Institute Fellows hit the road as speakers as well as appearing on the airwaves this past year, providing our innovative solutions to networks, groups, and policymakers seeking alternatives to the failed status quo. Here is just a sampling of such events.

San Francisco, CA: Senior Fellow **Lawrence McQuillan** speaks on resolving California's public pension crisis.

New York, NY: Research Fellow **Stephen P. Halbrook** addresses the question, "Are There Lessons for Us Today from Nazi Gun Control?" at the University Club.

Hayward, CA: The Independent Institute joins with the Smith Center for Private Enterprise Studies at California State University, East Bay to host former twelve-term Congressman and Presidential Candidate **Ron Paul** on "Liberty Defined: The Future of Freedom."

Washington, D.C.: The Independent Institute co-sponsors "Wither America: A Foreign Policy Debate Among Realists, Nationalists, and Internationalists," featuring **Ivan Eland**, Senior Fellow and Director of the Independent Institute's Center for Peace and Liberty.

New Haven, CT: Senior Fellow **John R. Graham** debates the question "How should physicians be paid?" at an event sponsored by the Benjamin Rush Institute.

Las Vegas, NV: FreedomFest 2014 features Senior Fellow **Benjamin Powell** on "Economic Growth and Development: Are We Rome?"

Arlington, VA: Senior Fellow **Robert Higgs** presents "The Logic of Crisis and Leviathan and Why It Still Holds" as part of the ongoing Economic Liberty Lecture Series at George Mason University.

Oakland, CA: The Independent Institute hosts **P. J. O'Rourke** on his recent book, *The Baby Boom*.

San Jose, CA: Research Fellow **Robert P. Murphy** speaks on "Socialism, Capitalism, and Interventionism" at the 5th Annual Ludwig von Mises Birthday Celebration Dinner. Look out for Murphy's upcoming book, ***Choice: Cooperation, Enterprise and Human Action***.

Indianapolis, IN: **Stephen P. Halbrook** speaks at the17th Annual Firearms Law Seminar, NRA Annual Meeting.

Washington, DC: Research Fellow **Peter Boettke** addresses the National Economics Club on his Institute book, L*iving Economics: Yesterday, Today, and Tomorrow.*

Multimedia Outreach and Impact

Moving the Independent Institute's pathbreaking ideas into impact requires entrepreneurial and innovative dissemination across every media channel—print, broadcast, and electronic—as well as our active conference and event program.

Yearly Reach

	PLACEMENT	REACH
PRINT	409	80 MILLION
WEB	860	2.5 BILLION
BROADCAST	232	561 MILLION

George Ayittey is interviewed on BBC World Service.

Totaling over 3.1 billion impressions *in the last year!*

"The Independent Institute should be commended for its role in supporting neutral research which is driven neither by the politics of the left or the right."
—**Rinaldo S. Brutoco**, President, The World Business Academy

"The Independent Institute, the Oakland, Calif.-based think tank, is widely praised as being one of the best and least partisan public policy research institutions in the country."
—**United Press International**

Benjamin Powell is interviewed on Fox Business Channel regarding his book, *Out of Poverty.*

"The Independent Institute is spearheading a revolution."
—***Success Magazine***

Independent Thinking on the Web

Our 2014 Fiscal Year saw over 2 million page views from 1.25 million users!

Conversations on policy issues are increasingly taking place online, and we are working to create engaging online content steeped in liberty. And it is paying off in a booming web presence!

Independent.org

Our site is a vital resource in making transformative research and analysis available all to independent thinkers over the world, informing opinion leaders, policymakers, and the general public alike about free-market solutions to public policy debates.

The Beacon

This year, *The Beacon* was rated the Number 1 Best Libertarian Blog!

> *"A delicate balance of positive and normative analysis, together with unrivaled consistency in quality, elevates this blog above the rest."* —***Washington Times***

The Beacon saw over one and a quarter million page views from nearly 1,000,000 unique visitors in the past year—a dramatic increase over the previous period! We added hundreds of new posts, bringing the total number up to over 2,400! With forty different authors posting in hundreds of categories, generating thousands of comments from individual users, *The Beacon* leads the online debate on contemporary policy issues.

Currently in its 16th year, *The Lighthouse* has 60,000 subscribers!

The Lighthouse

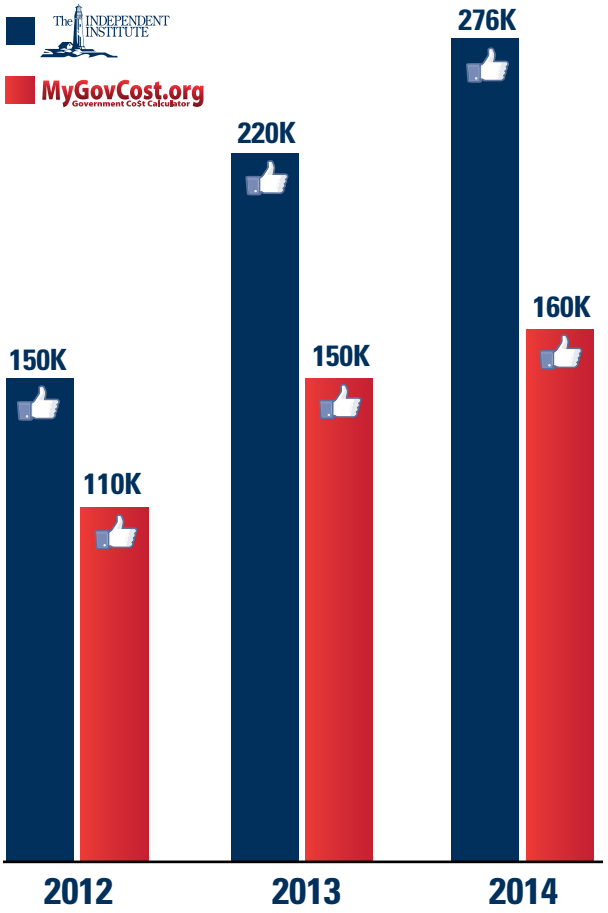
The weekly email newsletter of the Independent Institute, edited by Research Fellow and Senior Editor Carl P. Close, digests four recent commentaries published by Independent Institute researchers. Information about the latest Independent Institute books, articles, events, blog posts, and news items brings highly readable independent perspectives to issues of the day.

Inspiring Change through Social Networks

Increasing numbers of young minds are rejecting the status quo and seeking independent perspectives on policy issues, giving us a critical opportunity to redefine the online conversation about the role of government. Our goal to increase engagement of new audiences through social media and to inspire action has seen phenomenal results.

Our already strong Facebook fan base is growing rapidly and powerfully engaging with our content. Our combined monthly post reach is stronger than ever. Other growing fan bases, on Twitter and YouTube, are bringing independent thinking to massive new audiences, particularly millennials.

Facebook Page Likes



85 million
Facebook reach annually

440,000
Combined Facebook fans

10,400
Twitter Followers

7,500
Tweets

382
Videos

350,000
Views

1.6 million
Minutes of content watched

Independent Periodicals

The Independent Review and **Independent Policy Reports** present innovative perspectives on topical issues. Providing the rigor of peer-reviewed analysis and solutions, while remaining highly accessible to the lay person, these publications are valued additions to today's top discussions!

The Independent Review

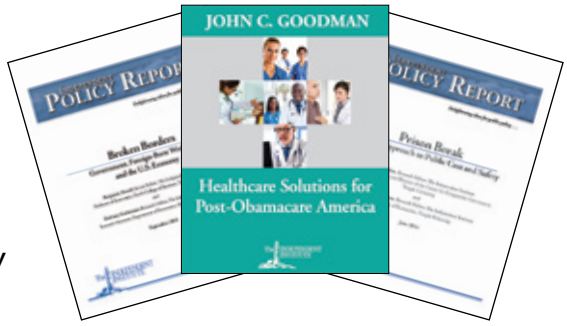
This acclaimed interdisciplinary journal features pioneering insights from both young and established scholars. Provocative, lucid, and engaging, *The Independent Review* is a valued resource for original thought on issues of current concern—with **more than 30,000 copies of articles downloaded each month.**

> "The Independent Review *combines scholarly excellence with literary elegance to examine critically the most pressing of public issues, past, present and future. In so doing, the journal always delights and challenges the reader."*
>
> —***Kevin Starr***, State Librarian Emeritus of California

Left to Right: Founding Editor **Robert Higgs** and Co-Editors **Christopher C. Coyne**, **Michael C. Munger**, and **Robert M. Whaples**.

Independent Policy Reports

Independent Policy Reports also provide piercing, peer-reviewed analyses of critical policy issues.



Broken Borders: Government, Foreign-Born Workers, and the U.S. Economy

This illuminating report from Senior Fellow Benjamin Powell and Research Fellow Zachary Gochenour demonstrates that U.S. government interference distorts labor markets, driving the illegal immigration system we confront today. The authors argue that, ultimately, an immigration market free from government limitations and interference would be the most efficient and equitable solution.

Prison Break: A New Approach to Public Cost and Safety

In this report, Simon Hakim and Erwin A. Blackstone, Professors of Economics at Temple University, demonstrate not only that public and private competition and cooperation in the provision of prison services has worked in terms of cost savings and performance measures, but that such measures could be extended and improved.

The Independent

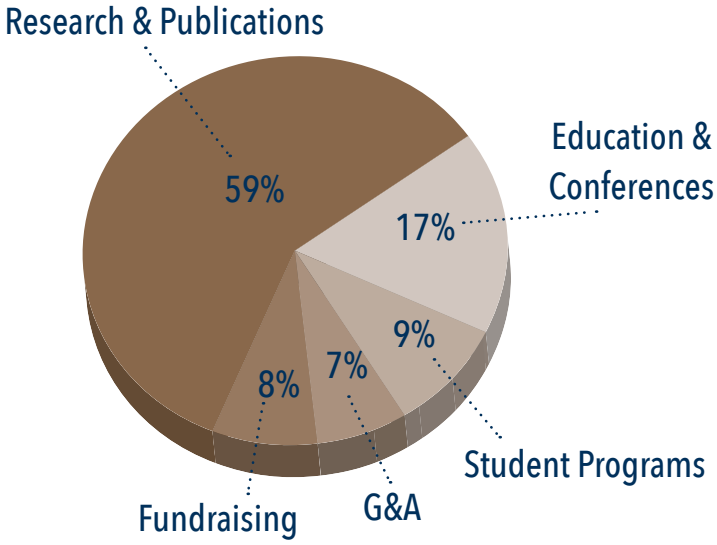
The quarterly newsletter of the Independent Institute, *The Independent*, informs a broad audience about current and future Independent Institute research and publications, along with events, media and student programs, and more. Currently in its 24th volume, this powerful educational outreach tool reached 25,000 readers this year!

Resource Deployment

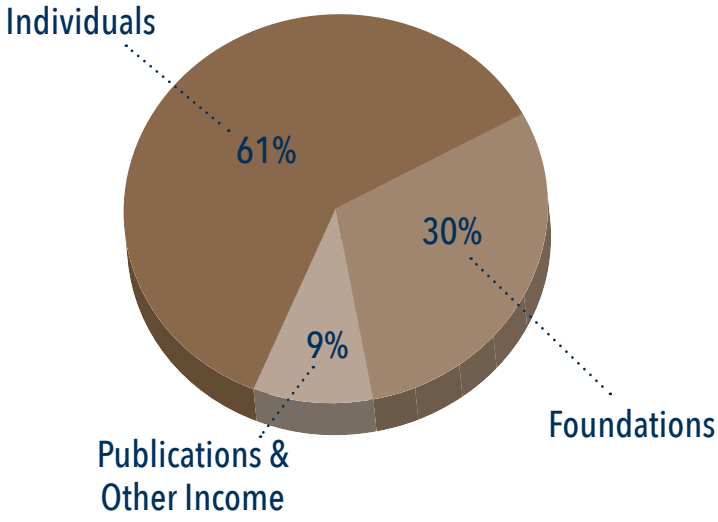
The Independent Institute seeks to deploy our supporters' investments efficiently and effectively. With general, administrative, and fundraising covered by only 15% of revenues, 85¢ of every dollar spent goes *directly* into programs that illuminate minds and inspire action for liberty.

The Independent Institute
Fiscal Year 2014

Expenses: $2,521,856



Revenue Sources: $2,634,226



Cash & Investments	$4,967,865
Promise to Give to Endowment	625,000
Fixed and Other Assets	359,416
Total Assets	**$5,952,281**
Liabilities	88,419
Net Assets	**$5,863,862**

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The Lighthouse Logo

The Independent Institute's logo is inspired by the renowned 1974 essay, "The Lighthouse in Economics," by Nobel Prize-winning economist Ronald H. Coase (available in his book, *The Firm, the Market and the Law*). Until that time, conventional wisdom from John Stuart Mill to Paul Samuelson had claimed that the lighthouse was the quintessential "public good," which allegedly could be supplied only by government due to the inherent free-riding of those who could not be charged for the services 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 rescued the lighthouse as a symbol of entrepreneurship, courage, enlightenment, and independence.

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