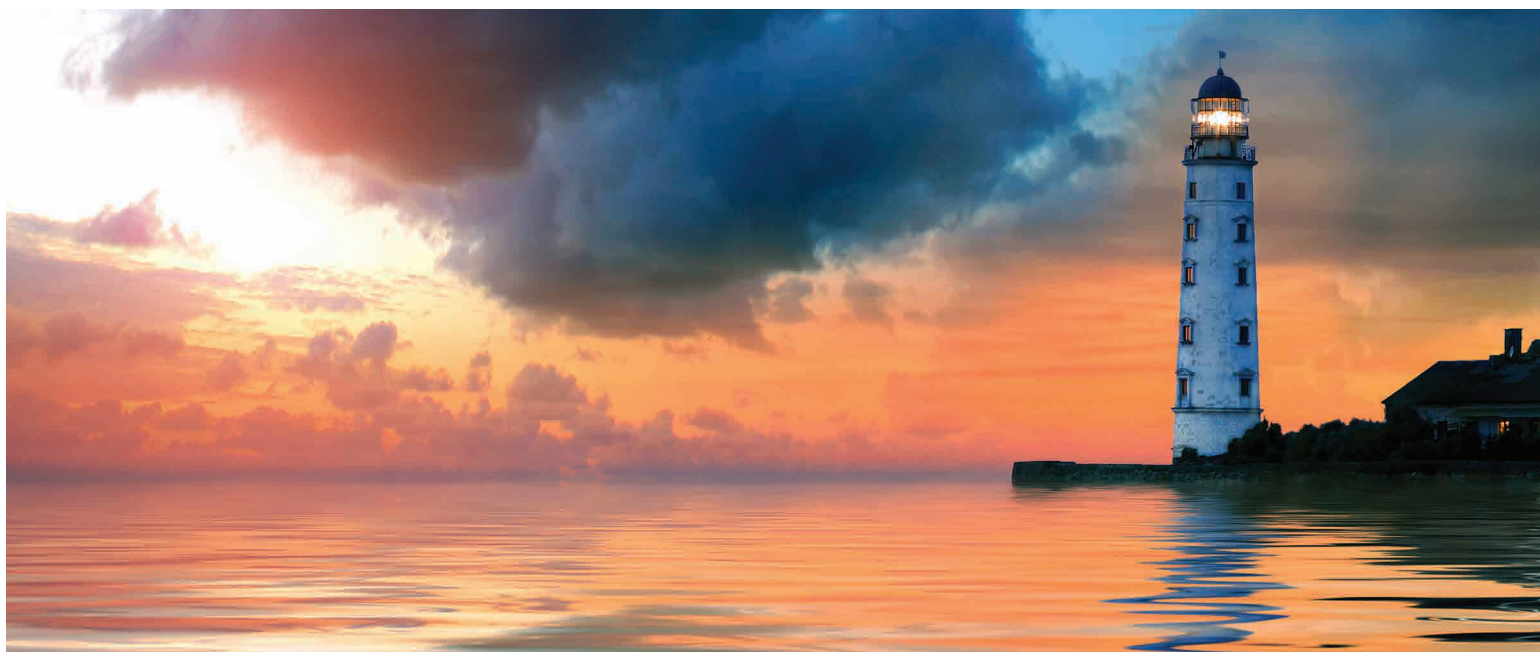


THE INDEPENDENT INSTITUTE

*2013 Annual Report*



*Enlightening ideas  
for public policy*





The Independent Institute is a non-profit, non-partisan, scholarly research and educational organization that sponsors in-depth studies of critical social and economic issues. Our mission is to boldly advance peaceful, prosperous, and free societies grounded in a commitment to human worth and dignity.

This work is conducted in conjunction with a series of educational centers on: Culture and Civil Society, Educational Excellence, Entrepreneurial Innovation, Global Prosperity, Health and the Environment, Law and Justice, and Peace and Liberty.

We invite your support in this crusade for freedom.



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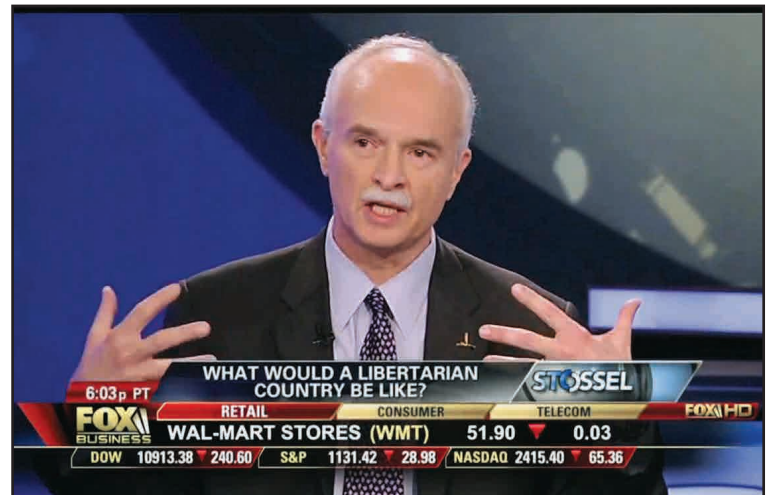






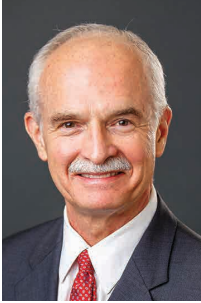
## Highlights

- Eight new books and dozens of eBooks
- Received two Eric Hoffer Book Awards
- Two IPPY Awards for Best Book
- Fellows testified before congressional committees
- Record combined reach across Internet and news media
- Presence in video and social media
- New *Independent Watch* YouTube Channel



“They win support precisely because they are not for sale.”  
— *The Wall Street Journal*

## A Message from the President



**W**hen I founded the Independent Institute in 1986, America’s national debt was about \$2 trillion. Today, it is over \$17 trillion—more than triple the debt in 2001. Despite runaway federal spending and debt and an explosion of new federal regulations and mandates, President Barack Obama’s second inaugural address called for even greater government spending and power: “preserving our individual freedoms ultimately requires collective action.”

Does this mean that we are destined for fiscal ruin and further loss of liberty? On the contrary! Polls indicate that Americans are increasingly skeptical of Big Government schemes at home and abroad. And we agree.

The Independent Institute sees this as a time of tremendous opportunity for winning the vital battle of ideas—supplying clear thinking in redirecting and redefining the public debate, with a fresh consideration of solutions consistent with individual liberty, personal responsibility, civic virtue, free markets, and the rule of law. After twenty-seven years, our growing reputation for principled studies of today’s most pressing issues is taking hold in the public square.

Senior Fellow **Robert Higgs**’s early work on government growth and regime uncertainty has gained attention in the mainstream media. His prescient book, *Crisis and Leviathan: Critical Episodes in the Growth of American Government*, is now available in a 25th Anniversary Edition.

During this past year, we produced eight new books and dozens of eBooks; received two Eric Hoffer Book Awards and two IPPY Awards for Best Book; had Fellows testify before congressional committees; conducted our popular **Challenge of Liberty Summer Seminars for Students**; and achieved a record combined reach of 4 billion across Internet and news media!

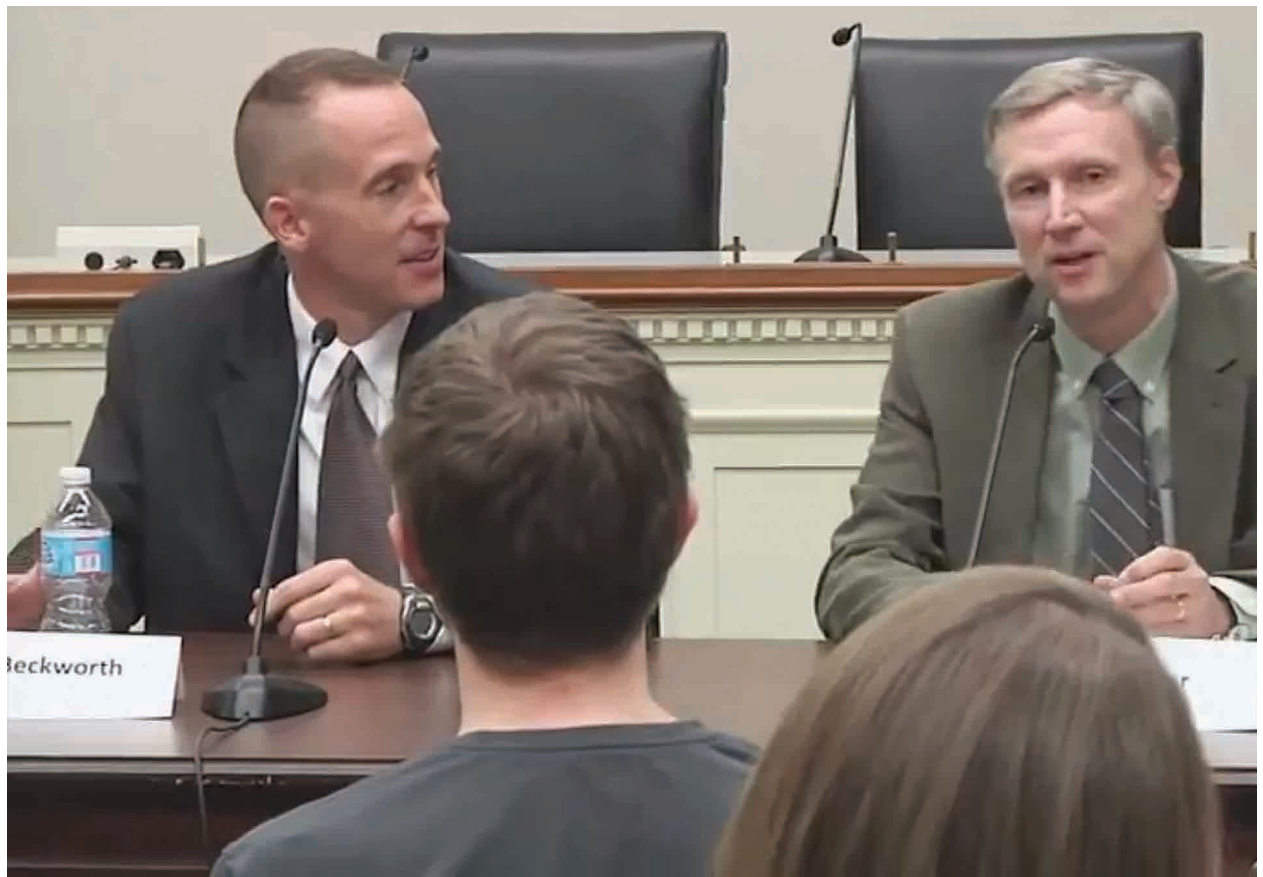
We also made a strategic commitment to increase our presence in video and social media, and it is paying off! We have posted hundreds of videos online and are producing a new video series on issues of the day, called *Independent Watch*. Our Google Ad Grant has generated more than 400,000 new site visits to date, and we have grown our Facebook fans to 390,000 and our Twitter followers to 9,000, and through them we are reaching 3.5 million per month!

We strive to make the Independent Institute’s program among the most cost-effective of any educational or public-policy organization; with G&A accounting for only 7% and Fundraising 8% of expenses, nearly 85¢ of every dollar go directly to Program Services to produce and broadly disseminate our award-winning analysis and solutions.

I invite you to enjoy this report’s summary of the Independent Institute’s work for fiscal year 2013, and thank you for your interest in building popular, informed support for liberty and in reestablishing the moral and cultural imperative that attains the free, prosperous, and peaceful society America’s Founders intended.

A handwritten signature in blue ink, appearing to read "David J. Theroux". The signature is fluid and cursive.

**DAVID J. THEROUX**  
*Founder and President*



“Sumner just might have permanently shifted U.S. monetary policy.”  
 — *Foreign Policy*



**Top:** Research Fellows David Beckworth (L) and Scott Sumner (R) talk before Congress in Washington, D.C. **Bottom left:** Research Fellow Vern McKinley speaks about the financial crisis. **Bottom right:** Research Fellow Peter J. Boettke is interviewed by Luis Figueroa of UFM on his journey as a free-market economics teacher and on his book *Living Economics: Yesterday, Today, and Tomorrow*.



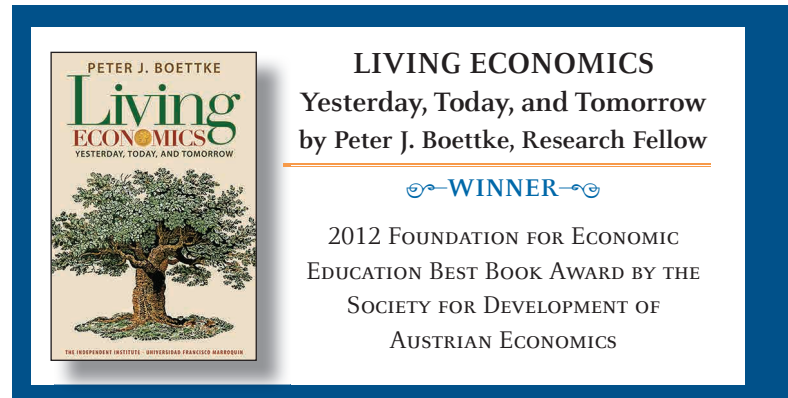
## Research and Studies | Economics

### Financial Crisis

After the financial meltdown of 2008, the Independent Institute's Center on Entrepreneurial Innovation began work on a series of studies to examine the causes and solutions to the crisis.

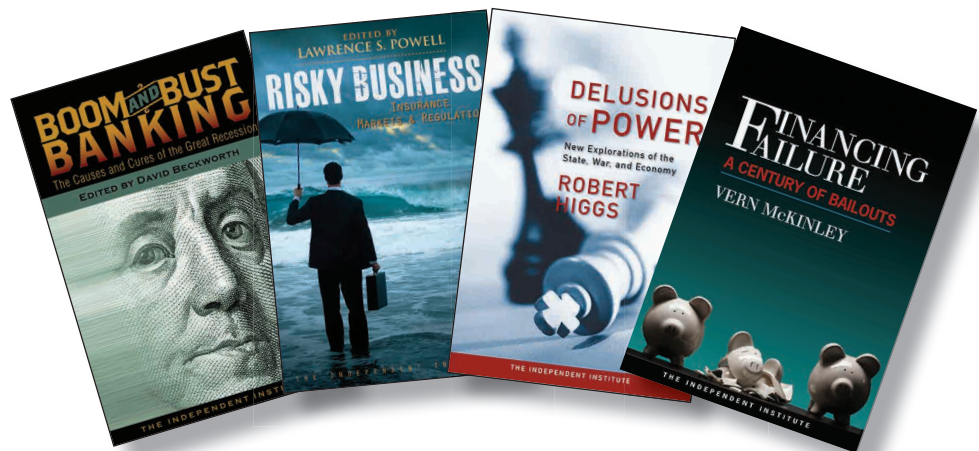
*Financing Failure: A Century of Bailouts* by Research Fellow Vern McKinley was published in early 2012 and unveiled the policy decisions behind the bailouts during the crisis and explained why government regulators continue to favor this approach. We promoted this work and McKinley heavily during the ensuing year, generating additional book reviews and media on this important topic.

In October 2012, we published *Boom and Bust Banking: The Causes and Cures of the Great Recession*, edited by Research Fellow David Beckworth. Addressing a lack of critical studies of recent Federal Reserve policy, this insightful book reveals the Federal Reserve's hand in the economy's deterioration. As part of our promotional campaign, Beckworth and Research Fellow Scott Sumner briefed Congressional staff members on the role of the Federal Reserve in causing the Great Recession. Professor Sumner was named #15 of *Foreign Policy's* Top 100 Global Thinkers for his insight into U.S. monetary policy.



### Insurance Regulation

Released in 2013, *Risky Business: Insurance Markets and Regulation*, edited by Research Fellow Lawrence S. Powell and with contributions by leading scholars in risk management, addresses some of the most important questions about state and federal regulation of the property and casualty insurance industry. This project also spans several years of work, including a number of policy reports released in 2012 and additional plans for promotion in the coming year.





## Accomplishments

- **6,000** *Priceless* copies sold
- Featured by Fox News, CNN, PBS, the *Wall Street Journal*, *Investor's Business Daily*, and *National Review*
- Generated more than **42 million print, 75 million radio and television, and 840 million web impressions**
- Created the **Healthcare Contract with America**
- Briefed **Congressional Committees**
- Senior Fellow John Goodman spoke about *Priceless* at over **30 national events** for the year!



“This book is a call to arms. . . . You should read this book if you want to be an informed participant in the debate over the future of healthcare in this country.”

—Peter R. Orszag, former Director, Congressional Budget Office

**Top:** Senior Fellow John C. Goodman signs copies of *Priceless* at the Independent Institute’s Policy Forum on healthcare in Oakland, California. **Bottom:** Dr. Goodman speaking on Fox News.

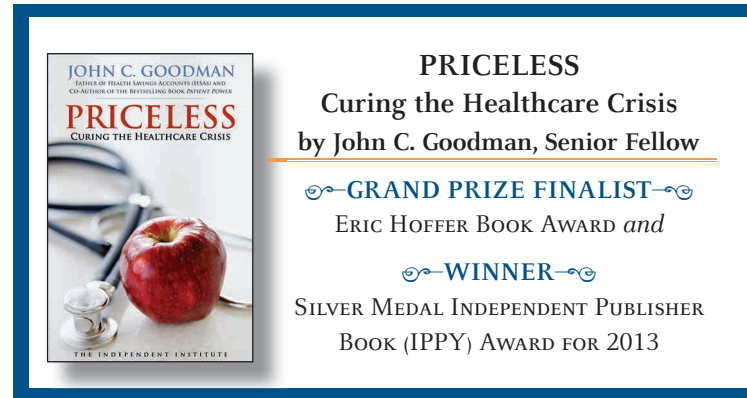


## Research and Studies | Healthcare Policy

America's healthcare system is broken and remains one of the biggest issues facing this country. Seeing the need for a thoughtful and intelligent critique of the current system, the Independent Institute joined forces with Senior Fellows John C. Goodman (President, NCPA), John R. Graham, and Lawrence J. McQuillan, to produce and promote a new book by Dr. Goodman reviewing the state of healthcare policy and measures for reforming it.

In advance of a Supreme Court decision, the June 2012 release of *Priceless: Curing the Healthcare Crisis* by Dr. Goodman coincided with the launch of a full-throttled media campaign to bring his insights on healthcare policy to a broad audience.

Our concerted, multi-media campaign to "Repeal and Replace Obamacare" featured practical, workable solutions to the problems of affordability and access. Dr. Goodman



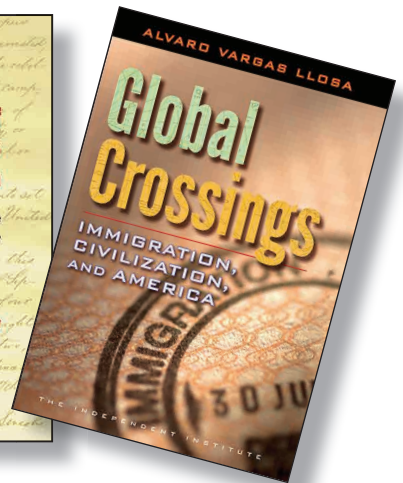
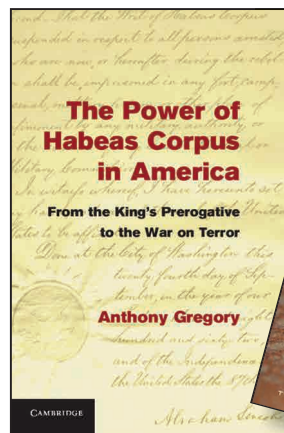
has spoken to over 30 policy, business, and academic groups as well as a packed audience at our conference center in Oakland, California; testified before the Congressional Health Care Caucus, which posted our "Healthcare Contract with America" on its website; and addressed the House Committee on Oversight and Government Reform. Our campaign has reached almost 1 billion across all media.



**Top:** Senior Fellow John R. Graham speaks on the cost of health care reform on Fox News. **Right:** Senior Fellow and Director of the Center on Entrepreneurial Innovation Lawrence J. McQuillan speaks on the new *Independent Watch* YouTube Channel.



“This book is so well researched and written, it will soon become the bible on all things Habeas Corpus for generations.”  
 — Andrew P. Napolitano, Senior Judicial Analyst, Fox News Channel



**Top and bottom right:** Senior Fellow Alvaro Vargas Llosa discusses immigration policy on various media outlets. **Left:** Senior Fellow Ivan Eland appears on GBTV's Real News.

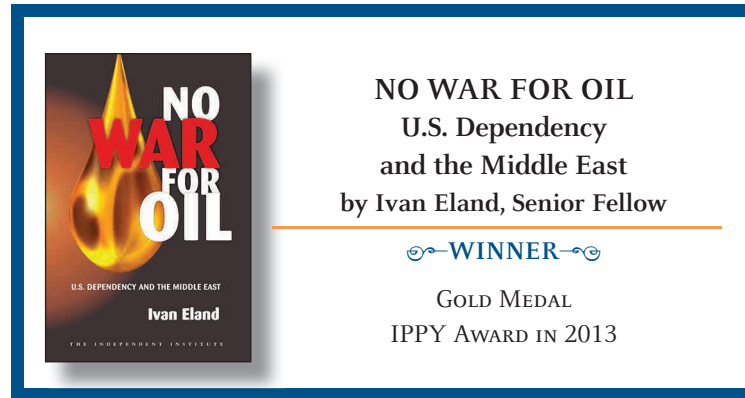


## Research and Studies | Liberty for the World

In addition to our main initiatives on the financial crisis, government spending and debt, and healthcare, the Independent Institute also pursued and promoted several other projects.

*The Power of Habeas Corpus in America: From the King's Prerogative to the War on Terror* by Anthony Gregory was published in April 2013 in conjunction with Cambridge University Press and weighs in on the controversial and wide-ranging history of the writ of Habeas Corpus as a government power. A regular contributor to the *Huffington Post*, Mr. Gregory is Research Fellow with our Center on Law and Justice and has spoken to audiences eager to learn about civil liberty at events such as: Freedom Fest in Las Vegas; the Ron Paul Festival in Tampa; and Students For Liberty in Washington, D.C. Although early in its promotional campaign, the book has received glowing reviews for its wide-ranging history of the writ of Habeas Corpus as a government power from legal scholars and magazines such as *Reason* and *The Freeman*.

The recent reawakening of the long-standing debate about immigration has evoked intense emotion. *Global Crossings: Immigration, Civilization, and America* by Alvaro Vargas Llosa,



Senior Fellow with our Center on Global Prosperity, was released in June 2013 and stands out as a thoughtful and personal story addressing the facts and misconceptions that dominate the issue. The Independent Institute has undertaken a major educational initiative based on the book, which kicked off with a feature on *Wall Street Journal Live*, and appearances at policy organizations such as the Cato Institute and the Heritage Foundation. *Global Crossings* built on Vargas Llosa's prior successes working with the *Washington Post* Writers Group, *Miami Herald*, and National Geographic Channel, and his earlier publications such as *Lessons From the Poor*, winner of the 2010 **Templeton Freedom Award**.



### Ahead of the Curve in Spanish Outreach

El Instituto Independiente, our Spanish language website and blog, played a facilitating role in the community of Latin American free-market thinkers. Last year, Director Gabriel Gasave (pictured left) introduced and translated hundreds of articles and features, which generated over 4.5 million views and an accompanying large Facebook and Twitter follower base. With top reach in Spain, Mexico, Argentina, and Colombia, this site has enabled us to more than double our reach to the Spanish-speaking world. In addition, Mr. Gasave has begun hosting a weekly FM radio show, *El Libertad*, in Argentina.





**Clockwise from top left:** Senior Fellow and Editor-at-Large Robert Higgs addresses students and supporters at our forum, “Lessons From the Great Depression and Recession” at Notre Dame de Namur University in Belmont, California; *The Independent Review* Co-Editors: Christopher J. Coyne, Michael C. Munger, and Robert M. Whaples.

“Robert Higgs is a true treasure on every level, and my colleagues and I at the Independent Institute are deeply privileged to have the opportunity to work with him.”  
— **David Theroux**, *The Independent Review*, Fall 2013

## Research and Studies | *The Independent Review*

Since 1996, the Independent Institute has published *The Independent Review*, a quarterly interdisciplinary journal devoted to the study of political economy and the critical analysis of government policy. For seventeen years, Robert Higgs served as the journal's meticulous editor, overseeing all aspects of its content and working closely with its authors to ensure high scholarly quality and uncommonly lucid prose.

A year ago, Dr. Higgs suggested that it was time to bring in a new editorial team. We were fortunate to enlist three highly capable scholars to act as co-editors: Christopher J. Coyne of George Mason University, Michael C. Munger of Duke University, and Robert M. Whaples of Wake Forest University. This spring, they took over in a smooth and seamless transition. Professor Whaples leads the team as Managing Editor, and Dr. Higgs continues to contribute his ever-popular and insightful column "Etceteras" as Editor-at-Large.

### Robert Higgs

In the course of his career, Robert Higgs has authored nine books, edited six, written more than one hundred articles and reviews for scholarly journals, and contributed essays to twenty-five collected volumes. But his output stretches even farther, including 600 articles in newspapers, magazines, and blogs; interviews on Fox, NPR, NBC, ABC, C-SPAN, and elsewhere; and lectures at more than one hundred colleges and universities as well as dozens of professional academic organizations.

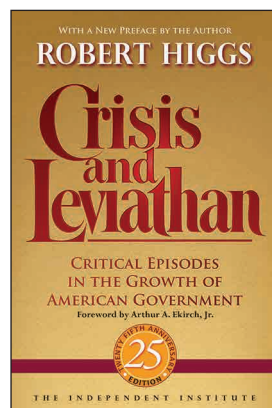
Two of his books continue to generate widespread attention. The Independent Institute's re-release of Higgs's *Crisis and Leviathan* in the fall of 2012 could not have been more timely. As influential economist Price Fishback noted: "In *Crisis and Leviathan* he documents a 'ratchet effect' in the scope of government



### THE INDEPENDENT REVIEW

—FINALIST—

2012 SIR ANTHONY FISHER AWARD  
recognizing the publication's contribution  
to public understanding of a free society.



authority associated with the major crises of the twentieth century, the world wars and the Great Depression." This highly regarded book provides lessons that become more relevant with each passing day and remains a favorite among scholars and for course adoptions.

As described in his book *Depression, War, and Cold War: Challenging the Myths of Conflict and Prosperity*, Higgs also coined "regime uncertainty" to explain how the U.S. government prolonged and deepened the Great Depression. Such uncertainty is now a well-recognized cause of economic malaise and has

become the basis for important work across the freedom movement—including work by analysts at Cato Institute, Mackinac Center, Ludwig von Mises Institute, and George Mason University.





Over 50% more students attended our 2013 summer seminars!



**Top and bottom left:** Students at the Challenge of Liberty Seminars. **Right:** Teaching Fellow Gregory Rehmke and Senior Fellow Robert Higgs with students.



# Student Programs

**F**ew students have the opportunity to learn the basic ethical and economic principles of open markets and free societies. Our *Challenge of Liberty Summer Seminars* teach students to integrate the principles of liberty with today's challenges in order to affect change in school, work, and throughout life. In 2013, we expanded our program, adding a college seminar in Colorado to our long-established college and high school seminars in the San Francisco Bay Area. Our thriving program trained students from 16 states, 7 countries, and 37 universities this summer!



José J. Yulo teaching at the Challenge of Liberty Student Seminars.

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## What Students Had to Say

*“What I can really appreciate about a lot of these speakers is that they are able to break down these complex situations and theories.”*

*“I hadn’t really done a lot of economic work before this seminar. I, for instance, had no idea really how the business cycle and how the real estate market worked. . . . I had only known what happened, not the background and all the economic information.”*



Students attending a Challenge of Liberty Seminar in Colorado Springs, CO.



Kyle Marchini leading a discussion group at the Challenge of Liberty Seminars.

Intern Kyle Marchini was featured on Free Talk Live Radio, discussing our exciting high school and college Challenge of Liberty Summer Seminars. In our recent newsletter, Kyle described his experience working on the Seminars:

*“Since I plan to go into teaching economics, I find working with the students not only enjoyable, but also instrumental in developing my abilities to effectively explain critical concepts.”*

## Events

To create high impact on key areas of public policy, the Independent Institute hosted and participated in numerous events around the nation. Event topics included **healthcare reform**, **Second Amendment rights**, **the financial crisis**, and **civil liberties**, and engaged audiences ranging from students to members of Congress.

### SAMPLE EVENTS IN ASSOCIATION V

American Health Care Congress Meeti

Knee Surgeons • American Physiolo

**Oakland, CA:** Senior Fellow Robert Higgs and Fellow Anthony Gregory, moderated by Mary L. G. Theroux, spoke on **“Civil Liberties and Security in an Age of Terror”** to a large audience in our Oakland conference center, which was also viewed by countless others on live stream and on C-SPAN.

**Colorado Springs, CO:** The Independent Institute hosted its **first ever seminar in Colorado Springs** this year, significantly increasing our outreach to students.



**Belmont, CA:** Students and supporters came together to learn at our summer forum, **“Lessons from the Great Depression and Recession”** featuring Senior Fellow Robert Higgs, at a combined VIP and student seminar event at Notre Dame de Namur University.

**Las Vegas, NV:** Senior Fellow John C. Goodman spoke at **FreedomFest** and with C-SPAN in Las Vegas on the Institute’s publication, *Priceless: Curing the Healthcare Crisis*.



**Maui, HI:** Author and Research Fellow Peter J. Boettke, *The Independent Review* Co-Editor Christopher J. Coyne, and Research Fellow Benjamin W. Powell spoke at the Association of Private Enterprise Education to promote **Living Economics** and other Institute publications.

# WITH THE INDEPENDENT INSTITUTE

**IL:** Books by Research Fellow Stephen Halbrook, *The Founders' Second Amendment* and *Securing Civil Rights*, were cited six times by the U.S. Supreme Court and assisted the Illinois Supreme Court decision to strike Illinois's punitive gun control law.

**New York, NY:** Senior Fellow Alvaro Llosa spoke at the **Manhattan Institute** promoting the release of the Institute publication, *Global Crossings*.



**Washington, D.C.:** Author David Beckwith and Research Fellow Scott Sumner **briefed Congressional staff members** on the role of the Federal Reserve in causing the Great Recession.

**Washington, D.C.:** Senior Fellow John C. Goodman testified before the **U.S. House Committee on Oversight and Government Reform** on "Examining the Impact of Obamacare on Job Creators and the Economy" and **Congressional Health Care Caucus** on "The Response to the Current State of Health Care."

**Tampa, FL; Amelia Island, FL:** Senior Fellow John C. Goodman was honored as keynote speaker at the **State Policy Network Conference** and spoke at **P.A.U.L. Festival** along with David J. Theroux and Anthony Gregory.

**Washington, D.C.:** Fellows Anthony Gregory, Ivan Eland, Peter Boettke, and Donald Boudreaux spoke to the next generation of leaders at the International **Students For Liberty Conference**, which was attended by over 1,000 students.

**Dallas, TX:** Senior Fellow **John C. Goodman** spoke with health organizations including American Association of Hip and Knee Surgeons, Association of American Physicians and Surgeons, and Dallas Association of Health Underwriters.

**Washington, D.C.:** Senior Fellow Alvaro Vargas Llosa spoke about *Global Crossings* and solutions for immigration reform at the **Cato Institute** and **Heritage Foundation**.





## We lead the way in winning hearts and minds for liberty by:

- Utilizing the world-class research of more than 120 Research Fellows who are noted experts in their fields
- Offering innovative pro-freedom solutions to the world’s most pressing challenges
- Reaching out to a variety of media to target policy makers, industry leaders, academics and students, opinion leaders, and the general public



**Clockwise from top:** Senior Fellow Alvaro Vargas Llosa on Oppenheimer Presenta; Research Fellow Art Carden on Stossel discusses the topic “What you think you know...may not be so”; Senior Fellow Ivan Eland discusses the use of chemical weapons by the government of Syria and the ongoing civil war on CTV News Channel.

# Media

The start of something big . . . that's how we would describe this past year in our media growth. Our Fellows are actively promoting bold solutions on outlets such as Fox News, Fox Business, CNN, CBS, PBS, CNBC, NPR, C-SPAN, *Wall Street Journal*, *Forbes*, *The Hill*, *National Review*, *Huffington Post*, and *USA Today*!




Totaling over **3.5 billion** impressions in the last year!

## Trending Now . . . Freedom

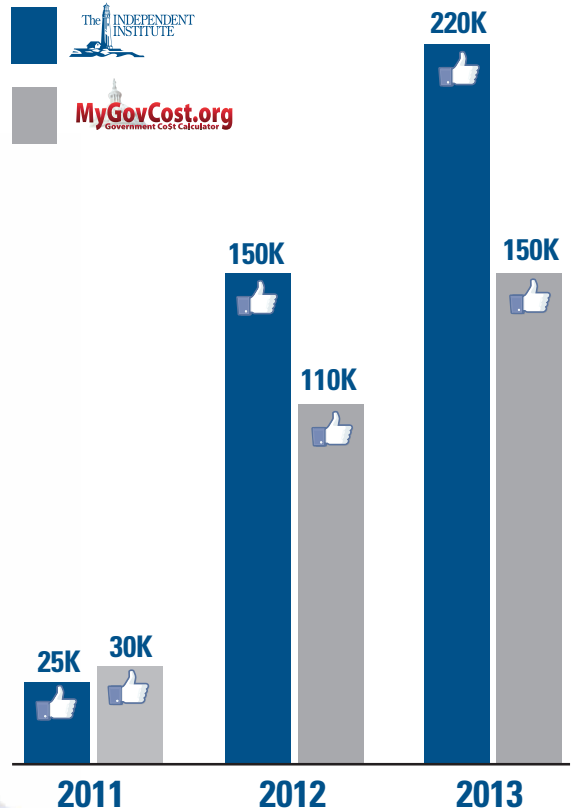
While print publication remains the backbone of our research program, our digital and social media campaigns have enabled us to bring our message to huge new audiences. With more than 390,000 fans on Facebook, 300 YouTube videos, and 9,000 followers on Twitter, we are reaching 3.5 million viewers per month.



## YEARLY REACH

	PLACEMENT	REACH
 PRINT	360	120,000,000
 WEB	1,531	3,000,000,000
 TV & RADIO	202	435,000,000

## FACEBOOK PAGE LIKES



## The Beacon was named #1 Libertarian Blog by the Washington Times

Our weekly email newsletter, *The Lighthouse*, offers synopses of recent commentaries by Institute Fellows, announcements of new books and journals, news of Institute events, and updates of our student programs. With a mailing list of 57,000, it is one of our most important tools for disseminating information about Institute publications and programs. It also serves as an effective portal, directing readers to the voluminous material on the Institute's blogs and websites.

# Independent Watch



## The Washington Times

1. The Beacon is the flagship blog of the Independent Institute. Marked by a calm demeanor, it features over forty authors — Art Carden, Anthony Gregory, and Robert Higgs among the most well known of them — covering topics from healthcare to privacy and everything in between.

Unemotional yet unique, The Beacon is a must-read for all libertarians — young or old, monarchist or anarchist, Austrian or Public Choice. A delicate balance of positive and normative analysis, together with unrivaled consistency in quality, elevates this blog above the rest.

### Independent Watch and Video Outreach

Our online video presence has jumped dramatically during the past year. We currently host more than 300 videos on our website [independent.org](http://independent.org) and YouTube channel.

In the second half of the year, we set up a new in-house studio for producing brief, timely video interviews with our Fellows. With seed funding from Atlas Education Foundation and consultation by L.A. film professionals of Taliesin Nexus, we produced several two-minute *Independent Watch* videos, spotlighting current issues and making the clips available for distribution on the web. Our YouTube channel, *Independent Watch*, generated more than 4,000 views and 100 likes for our episode with Anthony Gregory on Rand Paul's Senate filibuster. We plan to produce one or two videos every month in the coming year.

### What Is Washington's Spending Costing You?

We continued to update and promote our Government Cost Calculator at [MyGovCost.org](http://MyGovCost.org), which provides a powerful picture of the personal impact that the growing national debt has on each of us. Over the past two years, the Calculator's Facebook fans quadrupled to more than 150,000, and our release of a new iPhone app is imminent.





# Financials

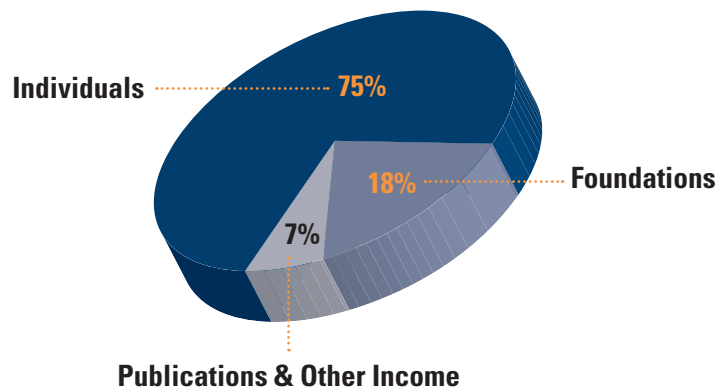
We are one of the most cost-effective non-profit organizations: with G&A accounting for only 7%, and Fundraising expenses only 8%, 85¢ of every dollar spent go *directly* to Program Services.

## The Independent Institute Fiscal Year 2013

Cash & Investments	\$ 4,208,459
Promise to Give to Endowment	625,000
Fixed and Other Assets	304,001
<b>Total Assets</b>	<b>\$ 5,137,460</b>
Liabilities	(125,669)
<b>Net Assets</b>	<b>\$ 5,011,791</b>

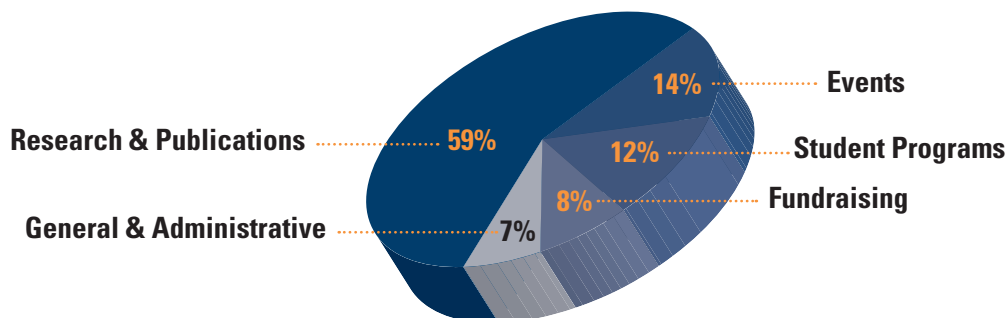
### Revenue Sources

\$2,448,464



### Operating Expenses

\$2,387,480



## Executive Staff

### David J. Theroux

Founder, President, and Chief Executive Officer

### Mary L. G. Theroux

Senior Vice President

### Martin Buerger

Vice President and Chief Operating Officer

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Acquisitions Director

### Carl P. Close

Research Fellow and Senior Editor

### Jodi DuFrane

Development Director

### Sarah Kusnick

Controller

### Gail Saari

Publications Director

### William F. Shughart II

Research Director

### Paul J. Theroux

Technology Director

## Senior Fellows

### Bruce L. Benson

DeVoe Moore Distinguished Research Professor of Economics,  
Florida State University

### Ivan Eland

Senior Fellow and Director, Center on Peace & Liberty,  
The Independent Institute

### John C. Goodman

President and Kellye Wright Fellow in Health Care,  
National Center for Policy Analysis

### John R. Graham

Senior Fellow, The Independent Institute

### Robert Higgs

Senior Fellow in Political Economy,  
Editor at Large, *The Independent Review*

### Lawrence J. McQuillan

Senior Fellow and Director,  
Center on Entrepreneurial Innovation

### Robert H. Nelson

Professor of Environmental Policy, School of Public Policy,  
University of Maryland

### Charles V. Peña

Senior Fellow, The Independent Institute

### Benjamin W. Powell

Director, Free Market Institute, Texas Tech University

### William F. Shughart II

J. Fish Smith Professor in Public Choice, Utah State University

### Randy T. Simmons

Professor of Economics, Utah State University

### Alexander T. Tabarrok

Senior Fellow, Barton J. Madden Chair in Economics,  
George Mason University

### Alvaro Vargas Llosa

Senior Fellow, The Independent Institute

### Richard K. Vedder

Edwin and Ruth Kennedy Distinguished Professor  
of Economics, Ohio University

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### David J. Teece, Ph.D.

Chairman and CEO, Berkeley Research Group, LLC

### David J. Theroux

Founder and President, The Independent Institute

### Mary L. G. Theroux

Former Chairman, Garvey International

### Sally von Behren

Businesswoman

# Thank You

Your valued support has helped make possible our tremendous gains of the past year, and we hope you share our excitement about these achievements. Thanks to our generous supporters, the Independent Institute is having a tremendous impact. With your help, we are optimistic about the future of freedom. Your continued investment in our work is fueling the ideas of liberty that are fostering opportunity and prosperity across the globe. Below we've honored our **Gold Supporters Group**, donors who gave significant foundational contributions this year:

## GOLD SUPPORTERS GROUP

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<i>Adolph Coors Foundation</i>	<i>Charles and Ann Johnson Foundation</i>
<i>Armstrong Foundation</i>	<i>Koret Foundation</i>
<i>Anschutz Foundation</i>	<i>John W. Kieckhefer Foundation</i>
<i>Atlas Economic Research Foundation</i>	<i>Dean &amp; Margaret Lesher Foundation</i>
<i>Beach Foundation</i>	<i>Liberty Fund, Inc.</i>
<i>Robert and Lois C. Braddock Charitable Foundation</i>	<i>The Lowell Berry Foundation</i>
<i>The Brinson Foundation</i>	<i>Lowndes Foundation</i>
<i>Chase Foundation of Virginia</i>	<i>Edward A. &amp; Catherine L. Lozick Foundation</i>
<i>Peter and Melinda Darbee Foundation</i>	<i>National Christian Foundation</i>
<i>Daniels Fund</i>	<i>NRA Civil Rights Defense Fund</i>
<i>Hugh and Hazel Darling Foundation</i>	<i>Ravenal Foundation</i>
<i>Ken W. Davis Foundation</i>	<i>Richard E. Fox Charitable Foundation</i>
<i>Dodge Jones Foundation</i>	<i>Rodney Fund</i>
<i>The Draper Foundation</i>	<i>Robert P. Rotella Foundation</i>
<i>El Pomar Foundation</i>	<i>Robert D. Sanders Foundation</i>
<i>Philip M. Friedmann Family Charitable Trust</i>	<i>Valerie Beth Schwartz Foundation</i>
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## The Lighthouse Logo

The 1991 Nobel Prize in Economic Sciences was awarded to the late Ronald H. Coase (1910–2013), Clifton R. Musser Professor Emeritus of Economics at the University of Chicago. Coase's pioneering microeconomic forays into law, sociology, history, and other social sciences developed important insights for industrial organization and antitrust, tort law, economic and environmental regulation, property rights, zoning and land use controls, and many other issues.

The Independent Institute's logo was 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 could be supplied only 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.

