



President's Update

Year-End 2015

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TABLE OF CONTENTS

6 POLICY FOR THE NATION

Powering America with Cheap, Abundant, Reliable Energy
Prosperity and the Economy?
Shepherding a Golden Age of Medicine
Overcoming Legal Obstacles to Economic Growth

18 MILLENNIAL LEADERS

Adam Smith on Campus
Millennials and the City

26 POLICY SOLUTIONS FOR OUR CITIES & STATES

The New Nationwide Truth Wave
Reforming Public Employment
Schools That Work
The Tale of New York City
City Journal Celebrates 25 Years

40 RESEARCH 2015

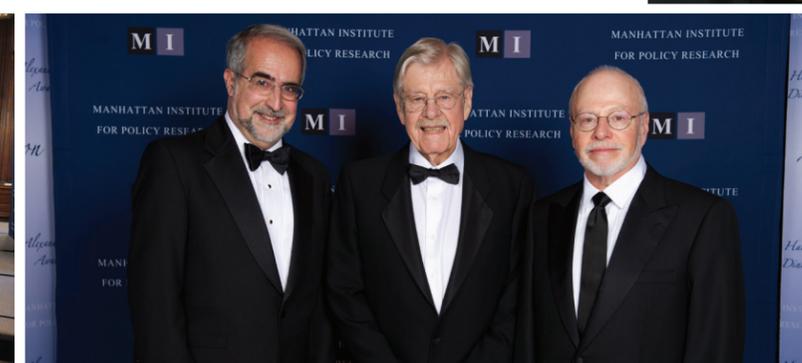
42 BOOKS 2015

43 ONLINE PRESENCE

44 BANNER EVENTS 2015

46 MI EXPERTS

48 MANHATTAN INSTITUTE EXPANDS



LETTER FROM THE PRESIDENT

Dear MI Friends and Supporters,

Good futures don't make themselves. They are made by the dedication of men and women of goodwill and, of course, smart policy. MI abounds in both—in these pages, that's exactly what you'll find: concrete policy ideas for health care, education, policing, energy, law, and more that promote economic growth and American excellence. From FDA reform that focuses on the needs of each and every patient to a pro-policing agenda that keeps minority neighborhoods free of violent crime to school choice that provides the poor with access to quality education, at MI we are working to do our part to make the future a good one.

The Institute has been growing over the past several years. As always, the American public is seeking sound policies that expand opportunity and stimulate growth. You have provided us with the means to guide this search and to offer many of our core principles as solutions. The Institute is doing this in a variety of ways. I urge you to check out [SchoolGrades.org](#)—our new website that allows you to measure your neighborhood public school against any other public school in the nation. The search function is completely personalized and even shows how your school compares internationally. Informed Americans are empowered Americans, and context brings clarity. SchoolGrades highlights a few very bright spots in education around the country (some will surprise you) and brings greater scrutiny to the failures that are so often overlooked (unfortunately, they abound).

With the presidential election in sight, the Institute has brought back its Issues Series of reports. I am very glad to welcome the director of the series and new senior fellow, Oren Cass, to the fold. The Institute is working to promote facts and correct the fallacies that election years inevitably stir up by speaking directly to the campaigns, the media, and, of course, the general public. See, for instance, our most recent Issues 2016 report, which forcefully demonstrates how fracking, not solar power, is reducing U.S. carbon-dioxide emissions.

The Institute has always been unique in devoting resources toward not just national but also state and local issues. Our urban work has always been most clearly reflected in the pages of our quarterly magazine, *City Journal*. This fall, which is the 25th anniversary of the magazine's first issue, we are very happy to celebrate its continued success and influence. New York City, as you might imagine, continues to be a focus of ours. With New York's mayor frequenting the national and international speaking circuit, it's critical that the Institute remind him, New York City, and the nation of the difference between good and bad policy.

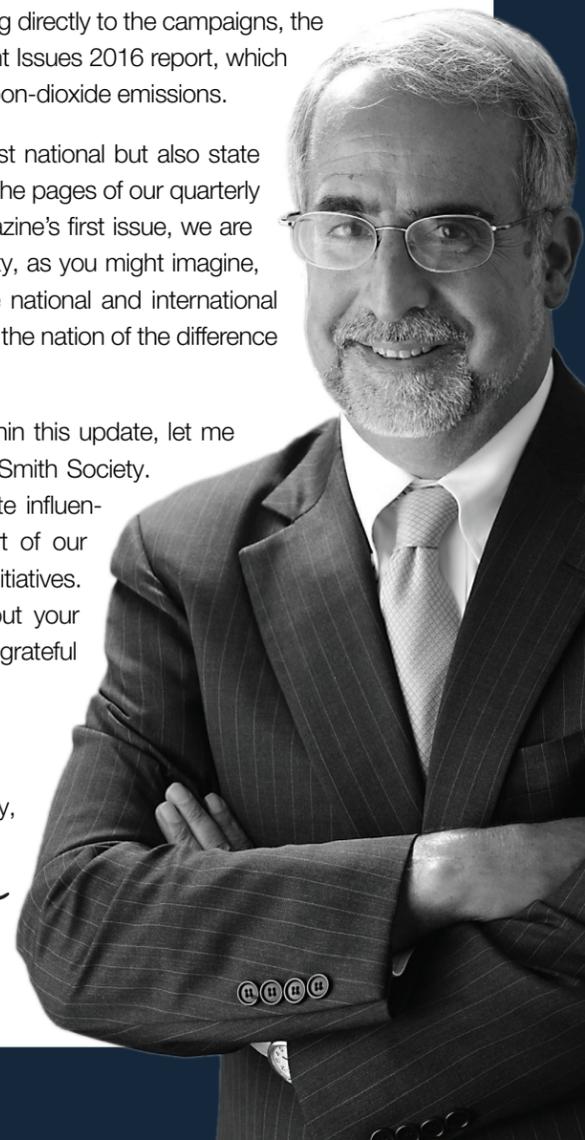
While there are many more Institute initiatives worthy of your attention within this update, let me suggest that you look closely at the work of our Project FDA and Adam Smith Society. Research will always be the bedrock of our effort, but working to educate influential Americans and soon-to-be-influential Americans is an important part of our success. I'm proud of the significant effort and results derived from both these initiatives. I hope that you will be proud, too. None of this work is possible without your support. Speaking on behalf of the entire Institute, I want you to know how grateful we are for your generosity.

Thank you for a great year.

Sincerely,



Lawrence Mone
President



OUR REACH

The Manhattan Institute convenes events and sends its fellows to speak in states—and on college and university campuses—across the country. The map is color-coded to represent the aggregate of events in each state where we've been active in 2015.

500+
events and speaking
engagements in 2015

39
states visited
by scholars

100+
events on
college campuses

WEST OF THE MISSISSIPPI

More than 100 events and speaking appearances took place west of the Mississippi in states such as Missouri, Oregon, Colorado, and Wyoming, to name a few.

CHICAGO

Chicago and Illinois have the two most severe pension debt crises of any city or state in the country, with pension bills of over \$60 billion and \$120 billion, respectively. As a result, MI has been a vocal proponent of reform, by placing op-eds in key Chicago media outlets and convening meetings with high-ranking state, county, and city officials.

NEW YORK

MI held more than 100 events in New York in 2015, featuring speakers such as Rupert Murdoch, Maurice "Hank" Greenberg, Doug Schoen, Ray Kelly, and British politician and journalist Nigel Lawson.

WASHINGTON, D.C.

In 2015, MI held more than 60 events featuring MI fellows in D.C., including media dinners, policy roundtables, and Hill briefings.

CALIFORNIA

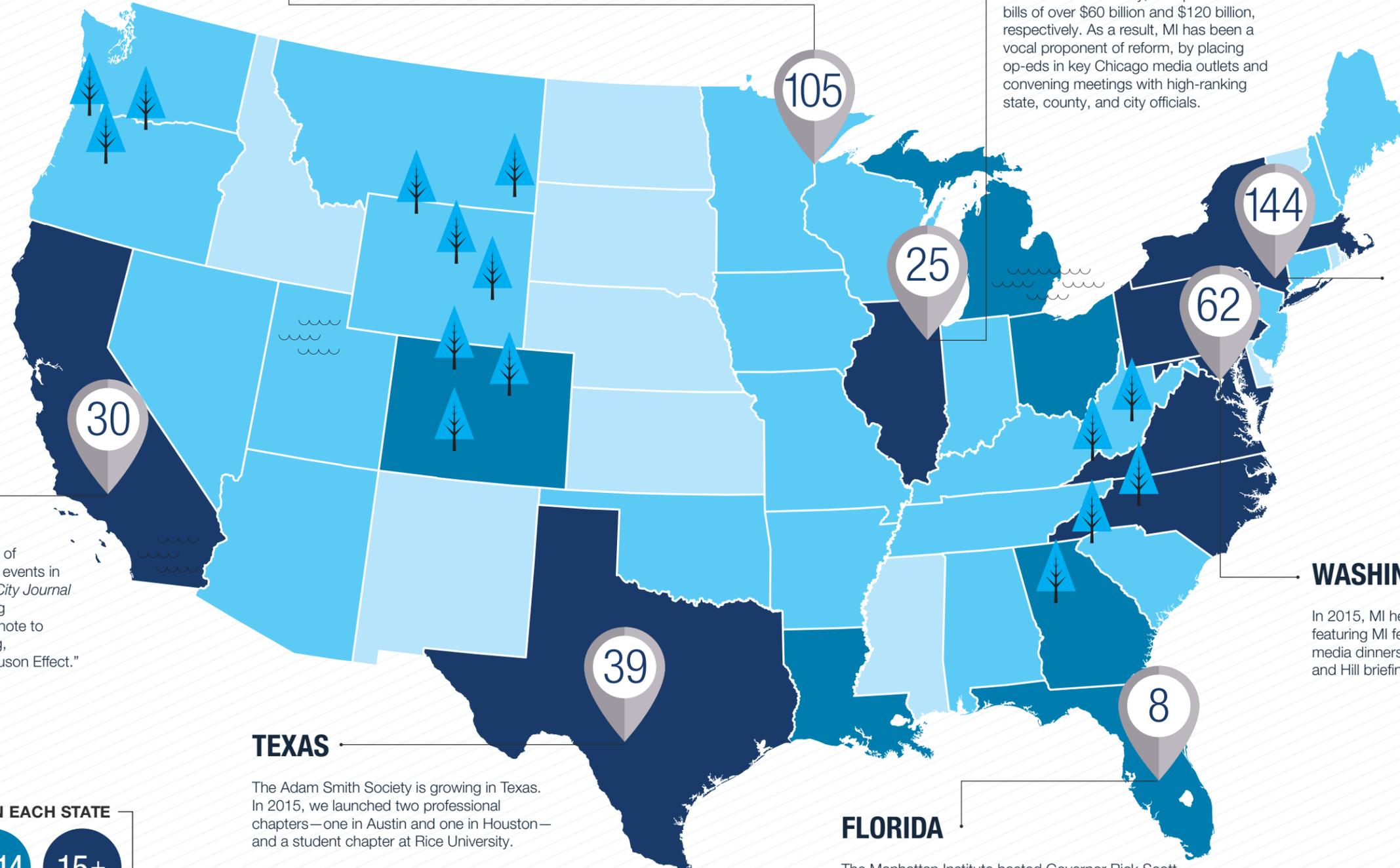
California is second only to New York in total readership of *City Journal*. MI has held 30 events in CA thus far, and will host a *City Journal* dinner in December featuring Heather Mac Donald as keynote to discuss her work on policing, incarceration, and the "Ferguson Effect."

TEXAS

The Adam Smith Society is growing in Texas. In 2015, we launched two professional chapters—one in Austin and one in Houston—and a student chapter at Rice University.

FLORIDA

The Manhattan Institute hosted Governor Rick Scott for an exchange of policy ideas focused on job growth and economic prosperity.



NUMBER OF EVENTS HELD IN EACH STATE



POLICY FOR THE NATION



Years of economic anemia, brazen government intervention in the private sector, and congressional gridlock have left citizens understandably dissatisfied—and concerned about the country’s direction. At MI, we believe that the coming election year presents a special opportunity to inform citizens about the growth-oriented policies that can help set the U.S. on the path to economic abundance and broad-based prosperity. MI scholars are charting such a course, question-

ing and, when necessary, debunking the conventional wisdom that has been ascendant in the first half of this decade. MI’s senior fellows are putting forward policy solutions on subjects such as mobility, poverty alleviation, health care, energy, and environmentalism—and the legal and regulatory climate that is stifling individual potential. In the year ahead, our scholars will redouble their efforts on all these fronts.

POWERING AMERICA

WITH CHEAP, ABUNDANT, RELIABLE ENERGY

In a September *Wall Street Journal* piece, “How to Lower U.S. Living Standards,” MI senior fellow Robert Bryce made a stark comparison: under the latest calls to reduce

of their take-home pay on energy bills (see MI paper “Less Carbon, Higher Prices: How California’s Climate Policies Affect Lower-Income Residents”).

Our modern economy relies on access to cheap, abundant, reliable energy to flourish. This was the premise of Bryce’s 2014 MI book, *Smaller Faster Lighter Denser Cheaper*, in which he sought to dispel the arguments of doom-sayers who claim that the age of great energy consumption and innovation is a step backward for humanity. Bryce has argued before more than 50 audiences since the book was released that energy has made life significantly better for people and makes it easier and cheaper to expand economic opportunity. However, state and federal regulations continue to hamstring our ability to bring more power to those who make job growth, innovation, and opportunity possible. As we struggle to jumpstart our economy, MI has cultivated a robust team of energy-policy scholars to explain why lifting limits on our ability to access, produce, distribute, and export America’s

abundant energy resources is in the best interest of citizens across the globe—especially the most impoverished.

Our energy-policy brain trust includes Bryce, Mark Mills, Diana Furchtgott-Roth, Oren Cass, Jim Manzi, and Peter Huber. This team is working to give the public the facts about the economic consequences of policies that seek to zero out the most powerful sources of energy (oil, natural gas, coal, and nuclear).

Bryce is currently working to reshape public perceptions about the merits of carbon-free nuclear energy—nuclear could do more to reduce carbon emissions than any proposal to replace hydrocarbon use (see his October paper, “Reactors Unplugged”). Notably, in an October *Wall Street Journal* letter to the editor, former Clinton EPA administrator Carol Browner agreed with Bryce’s assertion, stating: “Robert Bryce is spot on when he notes that existing nuclear energy is one of the most important factors in helping the U.S. reduce carbon pollution yet doesn’t get the credit it deserves.”

Innovation in new energy technologies has made it safer to generate nuclear power and to access other sources of energy with more

precision and efficiency, particularly oil and gas from U.S. shale. In fact, by harnessing advances in big-data analytics, senior fellow Mark Mills predicts that we are on track to experience a “Shale 2.0”—the title of his May MI paper—which will unleash more domestic energy production. With such an outlook on the horizon, Mills is doubling

from Representative Paul Ryan to comedian John Oliver to Facebook CEO Mark Zuckerberg. Since Cass joined MI this past March, his commentary has appeared in the *Wall Street Journal*, *New York Times*, *Washington Post*, and many other leading publications.

As part of our energy team, Cass is also helping the public see that

Robert Bryce is spot on when he notes that existing nuclear energy is one of the most important factors in helping the U.S. reduce carbon pollution yet doesn’t get the credit it deserves...

Carol Browner, former EPA administrator, letter to the editor, *Wall Street Journal*, October 16, 2016

his effort to educate the public and Washington on the advantages of removing barriers to exporting the U.S.’s abundant energy resources, both in terms of economic growth and strengthening our geopolitical position.

Bridging the energy-policy debate with efforts to improve our economy and combat poverty is also a forte of one of the Institute’s newest senior fellows, Oren Cass, who previously served as domestic-policy advisor to former governor Mitt Romney during his 2012 presidential run. In September, Cass was named one of Politico’s 50 most influential thinkers in public policy, which included names ranging

the majority of proposals to combat climate change—such as carbon taxes, global climate agreements, and renewable energy mandates—are far more façade than feasible when the realities of math and global demand for power are understood. For example, in his October paper, “Leading Nowhere: The Futility and Farce of Global Climate Negotiations,” released in advance of the United Nations Global Summit on Climate Change, Cass walked readers through the economic and political dynamics in play that, despite any global climate agreement, will discourage developing nations from participating and defeat the purpose of any agreement.

With anticipation that debates about energy and environmental policy will no doubt heat up during the 2016 presidential election, MI’s all-star team of experts will continue to be at the forefront of shaping public and policymaker thinking on these critical issues.



1. Anthony Kennedy
2. David Bossie
3. Alicia Garza, Patrisse Cullors, Opai Tometi
4. **Pope Francis**
5. Bernie Sanders
6. Charlet Koch, Mark Holden
7. John Kerry, Ernest Moniz
8. **Matt Drudge, Mark Zuckerberg**
9. Nikki Haley, Jenny Horne
10. Paul Ryan
11. Elizabeth Warren
12. Ron Dermer, Michael Oren
13. James Obergfell
14. **John Oliver**
15. Laverne Cox, Caitlyn Jenner
16. Sara Horowitz
17. Hugué Hewitt
18. Janet Yellen
19. Dianne Feinstein
20. Elon Musk
21. Robert Putnam
22. Tim Riesen
23. Bill Haslem
24. **Loretta Lynch**
25. Mark Bertolini, Mark Kat Henry
26. Michelle Alexander, Ta-Nehisi Coates
27. Brian Sandoval
28. Radley Balko
29. Charles Murray
30. Heather Boushey, Ann O’Leary
31. Marvin Ammori, Susan Crawford, Tim Wu
32. April Ponnuru, Ramesh Ponnuru
33. Michael Botticelli
34. Mary Anne Hitt, Bruce Nilles

35. Oren Cass

36. Joseph Stiglitz
37. Barbara Ortiz Howard, Susan Ades Stone
38. Mick Cornett
39. Raj Chetty
40. Ernie Chambers
41. Mikey Dickerson, Megan Smith
42. Timothy P. Carney, Veronique de Rugy
43. Jay Faison
44. Dana Bolger, Alexandra Brodsky
45. Lanlee Chen
46. Chris Soghoian
47. Nancy Sullivan, Clifford Lane, Julie Ledgerwood
48. William Voegeli
49. Michelle Lee
50. Atul Gawande

“Green” energy policies that currently govern the Golden State already force a million of its households to spend more than

10%

of their take-home pay on energy bills

carbon emissions (cut 80 percent by 2050), a typical Californian would be asked to emit less carbon dioxide than a resident of North Korea, where economic growth and opportunity are virtually nonexistent. “Green” energy policies that currently govern the Golden State already force a million of its residents to spend more than 10 percent

PROSPERITY AND THE ECONOMY?

America's sluggish economy is driving public anxiety about the future of our nation's middle class. To help people find prosperity and move up the economic ladder, we must implement public policies that increase economic growth and opportunity. But tune into many cable news shows, the presidential debates, or New York's local news: reducing income inequality and raising the minimum wage as a means to significantly improve people's livelihoods dominate the public discourse. Scholars at MI's Washington, D.C.-based policy center, Economics21 (e21), are sifting through misinformation that leads people to believe that such policy reforms are in their best interest, and they are offering better ideas that promote true prosperity.

Diana Furchtgott-Roth, former top economist at the U.S. Department of Labor, leads the strategic direction of e21 and is one of MI's chief examiners of backward government policies that result in little to no economic growth or opportunity for people. When Paul Krugman of the *New York Times* claims that there is no entitlement spending crisis or when Labor Secretary Thomas Perez claims that union membership is better for the economy, Furchtgott-Roth and her team

of e21 contributors are ready—data in hand—to debunk such wrong-headed assertions. Regular contributors to the e21 website and e-mail blast include heavyweights such as Charles Calomiris, MI adjunct fellow and Columbia University finance professor; and Charles Blahous, who served as a public trustee of the Social Security and Medicare programs. This year, to analyze issues that are clouded by myth, we also commissioned outside experts such as former Congressional Budget Office director

“We finally have a book that dares not lionize the generations that have come before the Millennials.”

John Tamny, *Forbes*, May 10, 2015

Douglas Holtz-Eakin, who demonstrated that raising the federal minimum wage to \$15 per hour—as some policymakers in Congress and the Obama administration have proposed—would result in the loss of 6.6 million jobs and hurt the very people whom a wage hike is intended to help. See Holtz-Eakin's e21 paper “Counterproductive: The Employment and Income Effects of Raising America's Minimum Wage to \$12 and to \$15,” which we published in July, jointly with the American Action Forum.

In leading e21, Furchtgott-Roth also works to shed light on the consequences of federal policies that are designed to help select groups of people—often at the expense of others. This is a theme of her new book, *Disinherited: How Washington Is Betraying America's Youth*, co-authored by MI fellow and e21 contributor Jared Meyer. In the book, they profile a group of young people to illustrate how millennials are being burdened as Washington relies on them to bankroll benefits for affluent seniors. Saddled with higher tax bills to pay for seniors' entitlements or increased health insurance premiums to subsidize older people's care, Furchtgott-Roth and Meyer argue that we are robbing today's youth and mortgaging their future. Drawing attention

to the book's message, Furchtgott-Roth and Meyer will have participated this year in 45 speaking engagements, including more than a dozen events on college campuses, where they have spoken directly to students—who have the most at stake.

This political game of favoring one group over the other is a dead end. Consider the findings of Meyer's September 2015 micro-study of UberX, “Uber-Positive,” which showed that in New York City, 60



Diana Furchtgott-Roth

percent of UberX pickups occurred in zip codes with lower median incomes—far outweighing those of yellow cabs. Politicians who want to see UberX brought under heel, ironically, are also those who say that they are fighting against social inequality; but in reality, they have thrown their weight behind an established company at the expense of the urban poor.

e21 is also home to MI senior fellow Scott Winship, a Harvard-trained empiricist who is concerned that public policies intended to give people a leg up do not stem from solid evidence that they will work—or that they even attack the right problem. Winship has dedicated much of his time at MI to examin-

ing the extent to which income inequality dampens upward mobility and recommending ways to expand opportunity for more people. In a paper released in June, “Policy Options for Expanding Economic Opportunity and Mobility,” Winship calls for reforms that could begin to undo welfare's “anti-mobility” hold on the poor. Winship's recommendations are contrasted with ideas put forth by Jared Bernstein of the Center for Budget Policy and Priorities, who suggests that improving mobility relies on the expansion of welfare.

With the e21 team located in Washington, they are in a prime position to educate policymakers inside the Beltway about their work at a

moment's notice. For example, Scott Winship has been called upon by several members of the house and senate—and presidential candidates—to share his ideas to improve the prospects of America's most impoverished. Through e21's daily “Morning eBrief,” we provide a means for congressional staff and other influentials to consistently receive our work and to arm themselves with the facts that they need to make good economic-policy decisions.

E21 Manhattan Institute

SOMC 2015



Since 2013, the Manhattan Institute has been privileged to call itself a formal partner of the Shadow Open Market Committee (SOMC), founded in 1973 to monitor and evaluate the actions of the Federal Reserve Bank, and to offer counter-protocols meant to foster market stability and lay the foundation for firm and abiding economic growth. SOMC, which consists of a select group of expert macroeconomists operating outside the circle of the central bank, meets biannually to present papers that analyze the consequences of Fed action and to promote alternatives. On October 2, 2015, SOMC convened in New York City and featured James Bullard, president of the Federal Reserve Bank of St. Louis, as keynote speaker. Bullard's comments were cited in the *Wall Street Journal's* October 6 article “Pro-Growth Tools for the Frozen Fed.”

MEDICINE

The report and ad are part of what is becoming a deafening chorus of voices that believe FDA needs the help of external expertise when it comes to regulatory decision-making on biomarkers.

The Pink Sheet

The New York Times

“Advancing new drug development tools, like biomarkers, cannot be the sole responsibility of FDA, NIH, or industry alone.”

Senior FDA Staff, *Clinical Pharmacology & Therapeutics*, July 2015

Everyone will be a patient someday.

“Everyone Will Be a Patient Someday.”

That is the headline of a full-page ad that MI ran in the *New York Times* this October to draw public attention to significant policy changes that need to be made at the Food and Drug Administration (FDA) if we are to utilize breakthroughs in science that can help save millions of lives. As patients wait years for the agency to allow cutting-edge therapies to come to market, senior fellows Peter Huber and Paul Howard are leading a national discussion about scientific tools that are at our fingertips—namely, biomarkers, the keys to our individual biology that guide specific treatments to those who can benefit from them and that could shorten the time it takes to safely approve new drugs—if only the FDA will embrace these tools.

▲ Yevgeniy Feynman and Paul Howard

“Advancing new drug development tools, like biomarkers, cannot be the sole responsibility of FDA, NIH, or industry alone.”

Senior FDA Staff, *Clinical Pharmacology & Therapeutics*, July 2015

Everyone will be a patient someday.

We live in an era of breathtaking medical breakthroughs. Diseases that were once death sentences can now be managed or cured. The powerful combination of advances in biotechnology and precision medicine promises even more.

“Biomarkers” can provide keys to our individual biology, guiding specific treatments to those who can benefit from them. They are already helping us win our battles against cancer and HIV – and are vital to better treatments for millions of patients battling diabetes, Alzheimer’s, and Parkinson’s.

A new era in science and medicine calls for a new approach at the federal Food and Drug Administration, which determines whether any new treatment is safe and effective.

Every American has a stake in this change – because everyone will be a patient someday.

Congress should lay the foundation for a 21st century FDA by creating an external advisory network drawing on the expertise of the scientific and patient communities to assist the FDA in setting standards for how biomarkers can be better integrated into the drug development process.

This is a call for collaboration on an unprecedented scale to help the FDA chart a safe path for advancing biomarkers from discovery in a lab to your doctor’s office. We echo previous recommendations made by the President’s Council of Advisors on Science and Technology, the National Institutes of Health, a report from the National Research Council – and senior staff at the FDA itself.

There are those who believe the FDA should be siloed away from the doctors, patients, scientists and innovators who are at the forefront of developing cutting edge treatments. However, in order to bring lifesaving therapies to patients, we must fully empower the FDA to embrace precision medicine and promote a culture of collaboration with the broader scientific and patient communities.

A new golden age of medicine is within our grasp. We believe now is the time to seize it.

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|--|---|---|---|
| Linda Avey
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EVP, Health Affairs, UK HealthCare, University of Kentucky | Stephen Smith
Committee on Federal Legislation, The National MPS Society |
| Atul Butte, MD, PhD
Professor, UCSF | Joseph V. Gulfo, MD, MBA
Author, <i>Innovation Breakdown</i> , CEO, Breakthrough Medical Innovations | Mark P. Mills
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Professor of Economics, George Mason University, Chair in Economics, Mercatus Center |
| Tom Coburn, MD
Former U.S. Senator (R-OK), former Adviser, Project FDA | Jonathan Hirsch, MSci
Founder and President, Synapse | Elizabeth G. Nabel, MD
President, Brigham and Women’s Health Care | Marty Tenenbaum, PhD
Chairman and Founder, Cancer Commons |
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There are a number of opponents to reform both in and outside of Congress. They believe that an FDA that operates away from the “corrupting influence” of innovators, doctors, and patients on the front lines of health care is a safe FDA. Top scientists, patient advocates, and reform-minded policymakers, however, see that empowering the FDA to collaborate and use precision medicine tools—to move away from the old one-size-fits-all formula—is a way to strengthen the agency and, most importantly, save millions of lives. Through our *New York Times* ad, we brought 29 of these voices together to demonstrate the large and growing consensus for a new approach at the FDA. Signatories included former FDA commissioner Dr. Andrew von Eschenbach, Nobel laureate and MIT biologist Phillip Sharp, UCSF vice chancellor for research Keith Yamamoto, Scripps Health cardiologist and geneticist Dr. Eric Topol, former U.S. senator Dr. Tom Coburn, former U.S. House speaker Newt Gingrich, and others.

MI has spent a decade identifying challenges at the FDA and opportunities to improve it through deep-dive policy research (including a dozen Project FDA papers), Peter Huber’s book *The Cure in the Code* (2013), and hundreds of op-eds in national, Beltway, and mainstream media. The Institute’s recommendations have been echoed by the National Institute of Health, the President’s Council of Advisors on Science and Technology, the National Research Council, and senior officials with the FDA itself. As of the

writing of this update, a bill sits in the Senate that could provide the path forward. The authors of the bill have cited MI’s work extensively.

We need to change protocols at the FDA to bring about new innovations faster but also at lower cost. Patients are encountering steep price tags for cutting-edge treatments, partly because it takes years to get approval through the FDA. The indirect way we pay for health care—which is being compounded by Obamacare—also drives up prices. As people are burdened by these high costs, there are renewed calls for putting the government in charge of setting the price of drugs and other misguided policies that would deter investment in the next generation of medicine. See, for example, Hillary Clinton’s latest proposal to place price controls on drugs sold in the United States. MI fellows are countering these ideas by offering solutions that would lower the cost of drugs without sacrificing innovation. See an October *Wall Street Journal* op-ed where Paul Howard and former U.S. senator Tom Coburn explained that, in addition to improving the FDA, we can lower costs by instilling market-based incentives into the health care system that would allow insurers, doctors, and drug innovators to compete to meet the needs of patients (“The Answer to High Drug Prices Is

More Drugs, Faster”). To continue to develop the best ideas for bringing down drug prices, this past fall MI hosted its second workshop in New York, where scientists, patient advocates, insurers, drug manufacturers, and policy experts gathered to work through these issues collaboratively. Look for a paper outlining the results of this discussion and further research in this area this winter.

[An] urgent, compelling account of how 21st-century medicine is being hampered by a regulatory regime built for the science of the 20th century.

Wall Street Journal, book review of “The Cure and The Code”, December 23, 2013



▲ Senator Tom Coburn

OVERCOMING LEGAL OBSTACLES TO ECONOMIC GROWTH

▲ MI legal policy director James Copland discusses the federal government's rapidly increasing role in the private sector with Maurice "Hank" Greenberg.

A thriving America requires an abiding commitment to the rule of law: faithful protection of private property rights; carefully limited regulatory rules; and vigilance against abuse by special interests that would manipulate legal processes for pecuniary gain. MI scholars, led by legal policy director James R. Copland, are uncovering threats to economic freedom in the legal system, exposing the actions of special interests, and defending a classical understanding of the rule of law at the state and national levels.

We believe that opportunities to advance reform and protect individuals' rights will be most likely to take root at the state level. With this in mind, Copland has, through a series of papers, called attention to the "overcriminalization" of day-to-day conduct and small-business activities by overzealous legislatures and local prosecutors. MI's experts have crisscrossed the country with their research, meeting with citizens, educating policymakers, and sharing their findings with local media. In Ohio, for exam-

ple, Copland testified before state legislatures—and was pleased to see lawmakers begin rooting out overcriminalization through the passage of a landmark reform law. This spring, MI scholars were on the ground in Michigan, promoting their study "Overcriminalizing the Wolverine State" (coauthored with experts from the local Mackinac Center) and garnering media coverage in the *Detroit News*, *Michigan Capitol Confidential*, *Lansing State Journal*, and the ABC News affiliate in Grand Rapids. Not long after

this promotional tour in the state, Governor Rick Snyder published a wide-ranging criminal-justice reform plan (in May), incorporating a series of reforms recommended in the Manhattan Institute–Mackinac study. Working with South Carolina attorney general Alan Wilson, MI scholars will promote their newest state criminal-law study, "Overcriminalizing the Palmetto State," this winter.

At the federal level, Copland focuses on the criminalization of the American corporation. His 2015 report "Without Law or Limits: The Continued Growth of the Shadow Regulatory State" exposes a climate of persistent prosecution, in which companies are increasingly subject to overbroad charges and, without a trial, pressed to pay enormous fees to the U.S. government—totaling \$5.1 billion last year alone—and to change their business practices. Copland also uncovers what

and Exchange Commission (SEC) and other federal agencies are now partnering with the U.S. Justice Department in its "deferred-or non-prosecution agreements" (DPAs or NPAs), settling would-be criminal charges by compelling companies to give regulators influence over management—often for years into the future and with little oversight from a judge or court. This latest study follows three other MI studies that revealed the expanded use and broader economic costs of DPAs.

The SEC also figures prominently in MI's corporate-governance project, Proxy Monitor. Through its comprehensive database of companies' SEC proxy filings, Proxy Monitor tracks new and emergent forms of shareholder activism that seek to circumvent the rule of law by regulating companies—attempting to bypass the normal public-policy process and to use the proxy

Protecting citizens from criminal convictions for behaviors most people would not intuitively deem criminal should, like sensible sentencing reforms, appeal to lawyers on both ends of the political spectrum.

James Copland & Rafael Mangual, *The Hill*, October 12

appears to be a new and worrying trend: regulators at the Securities

process to influence business practices. This can be a backdoor route to imposing social or political agendas on companies and their shareholders and has no material benefit for shareholders—or, by extension, taxpayers. In fact, many public pension funds' socially oriented proxy proposals have a deleterious effect on corporations' shareholder value. Also, this fall, Proxy Monitor published Copland's "Report on Corporate Governance and Sharehold-

er Activism," which noted, among other things, the marked uptick in corporate-governance shareholder ballot initiatives driven by New York City comptroller Scott Stringer. The comptroller has leveraged these taxpayer assets to maximize his voice—and therefore his point of view—in corporate boardrooms. Please see the MI website for a lively discussion on the issues between Comptroller Stringer and Copland.

Economic losses have mounted in recent years at the hands of another special-interest group: trial lawyers. This fall, MI's long-running series, *Trial Lawyers Inc.*, exposed the nefarious activities of the plaintiffs' bar as it conspires to enrich itself through the U.S. civil-justice system. In its latest edition, *Trial Lawyers Inc.* examined the need to rein in the abuse of class-action lawsuits, showing how, ten years after the passage of the major reform law known as the Class Action Fairness Act of 2005, plaintiffs' attorneys are finding new ways of rewarding themselves with multimillion-dollar fees while actual victims receive minimal compensation. Through this research in the civil-justice realm, as well as MI's overcriminalization and corporate-governance programs, our scholars are rooting out legal-system abuse and helping restore a traditional understanding of the rule of law in America.

MILLENNIAL LEADERS

Since the 2008 financial crisis and Great Recession, millennials have experienced firsthand the downside of public policies that suppress economic growth and discourage entrepreneurship. While many college grads and their friends have struggled to find jobs, twenty and thirty somethings across the country have seen local governments attempt to regulate ride-sharing and other innovations out of business. With all the teachable moments of the past several years, the Institute has been developing oppor-

tunities for young people to encounter and examine ideas that have truly led to freedom and prosperity, such as limited government, competitive markets, the rule of law, and personal responsibility. Through initiatives such as the Adam Smith Society, based on business school campuses nationwide, and the Young Leaders Circle, we have been educating and cultivating networks of next-generation leaders with the potential to do great things for our country.

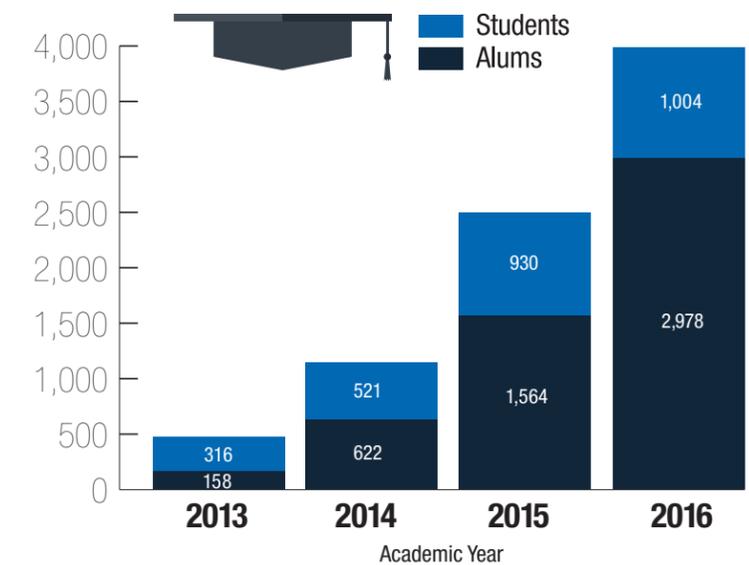
ADAM SMITH SOCIETY



New York University

Adam Smith Society Chapter of the Year

MEMBERSHIP BY THE NUMBERS



ECONOMIC SECTORS & FIRMS WITH ADAM SMITH SOCIETY ALUMS

CONSULTING

McKinsey, Bain, Deloitte, Boston Consulting

CONSUMER GOODS

Apple, Anheuser-Busch, Estee Lauder, Mars, PepsiCo, Kraft, Target

ENTERTAINMENT

Walt Disney, Sony Pictures

INFORMATION TECHNOLOGY

Microsoft, Amazon, Hewlett-Packard

INSURANCE

MetLife, Liberty Mutual

INVESTMENT BANKING

Morgan Stanley, Goldman Sachs, Barclays, J. P. Morgan, Citi, Bank of America, UBS

ENERGY

Chevron, Hess, ConocoPhillips

RETAIL

Whole Foods, Walmart

ADAM SMITH ON CAMPUS

At the closing session of the 2015 national meeting of the Adam Smith Society, 250 MBA students representing America's top business schools sat in rapt attention. Seated on the dais was hedge-fund manager and Manhattan Institute trustee Dan Loeb, joined by Campbell Brown, founder of the Partnership for Educational Justice. Though Loeb has made a name for himself as an activist investor, finance was not the subject of that day's panel; rather, it was the civic responsibility of business leaders. Loeb, who has championed competition and choice in K-12 education, spoke at length about his involvement in this and other policy areas—and why it was critical for those present to join in the fight on behalf of good ideas.

For the past five years, the Manhattan Institute's Adam Smith Society has been cultivating a network of future CEOs, entrepreneurs, and financiers—intellectual business leaders who care about the direction of the country and the economy. Launched in partnership with

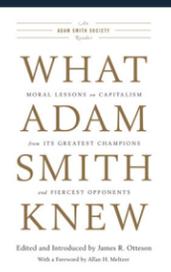
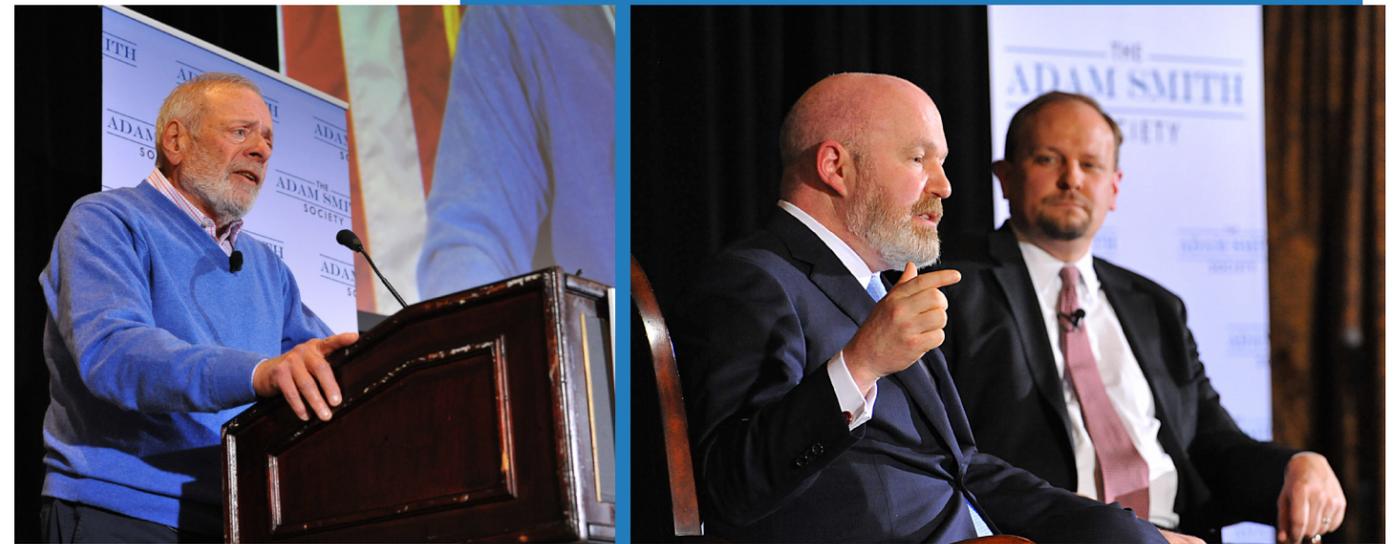
the Marilyn G. Fedak Capitalism Project and modeled after the Federalist Society based at U.S. law schools, this organization now has chapters established or in formation at 24 business schools. Each of our chapters coordinates on-campus discussion groups and events that focus members on the philosophical underpinnings of our free-enterprise system, provide them with a public-policy education, and introduce the students to business leaders who passionately care and advocate on behalf of our free-market system. The chapters are all growing at significant clips; in some cases, members constitute over 20 percent of the student body. The Adam Smith Society membership currently counts more than 4,000 students and alums. And now that we have established our program, we are growing each year by the thousands.

As members graduate, it is inspiring to see them start new businesses and land positions at premier firms in key economic sectors

(see box). The Manhattan Institute is committed to supporting these individuals as they grow in professional prestige and influence. To that end, we are founding alumni chapters in major metropolitan areas. This September, Houston joined New York, Chicago, and Austin as cities with Adam Smith Society professional chapters. By 2018, we will have professional chapters in at least ten U.S. cities—ensuring that we are positioned to continue to provide education as the students start and advance in their careers.

This program is a campaign for the best and brightest. We know that these young men and women are headed for impressive careers. By investing in their intellectual formation and providing them with a supportive community, we are assured that they will go on to demonstrate inspired leadership on behalf of the free-enterprise system.

2015
NATIONAL MEETING



In 2014, in partnership with Encounter Books, the Manhattan Institute produced a reader for the Adam Smith Society: *What Adam Smith Knew: Moral Lessons on Capitalism from Its Greatest Champions and Fiercest Opponents*, edited by James Otteson. This volume, which includes selections from thinkers including John Locke, Adam Smith, Friedrich Hayek, and Karl Marx, introduces students to the most compelling philosophical arguments on behalf of free markets, as well as the most powerful critiques of commercial society. While intended primarily as a resource for the Adam Smith Society, the reader has also been adopted for use in college courses across the country and is about to go into a second printing.

MILLENNIALS AND THE CITY

Younger Americans, at the local and national levels, will determine the nation's cultural, economic, and policy future. Much is made of today's "millennials," or Americans in their twenties and thirties, who are

in which they might exchange ideas and find common cause with their peers. At MI, however, these stereotypes do not apply. In 2007, we established the Young Leaders Circle (YLC) to create a new community of engaged New Yorkers who are passionate about American public policy, culture, and the best ways to improve life in U.S. cities for all inhabitants.

In the past eight years, YLC's membership has grown to more than 1,100 young professionals in the New York

area, including a leadership committee comprising dozens of the group's most committed supporters. Underwritten by membership fees, as well as the generosity of the Smith Family Foundation, YLC is a distinctive forum for informed professionals who want to connect with one another, learn about public policy, and share ideas. YLC members hail from every industry and background—finance, law, media, advertising, academia, government, politics, and more. At monthly cocktail parties, they interact with leading figures from around New York and across the nation. In the past year, YLC speakers have included: 21st Century Fox chairman Rupert Murdoch; former AIG CEO Hank Greenberg; Gallup CEO Jim Clifton; former BB&T CEO and Cato Institute president John Allison; journalist and MI scholar Judith Miller; and more.

disenchanted with politics-as-usual and seeking new paradigms and innovative solutions to address public problems. They are, it is said, living increasingly urbanized but disconnected lifestyles—searching for fulfillment through social media while eschewing traditional communities

area, including a leadership committee comprising dozens of the group's most committed supporters. Underwritten by membership fees, as well as the generosity of the Smith Family Foundation, YLC is a distinctive forum for informed professionals who want to connect

The Manhattan Institute's Young Leaders Circle (YLC) provides New York's young professionals with a unique forum to discuss free-market ideas and public policies.

MI Fellows Campus Tour

For years, the Institute has had a long-standing interest in promoting greater intellectual pluralism on our nation's campuses, introducing students to perspectives on public policy, economics, limited government, and culture that they might not otherwise encounter. Over the past several years, with essential support from the Thomas W. Smith Foundation, the Institute has begun a formal lecture series, which sends MI senior fellows to campuses across the country. As a result of this effort, thousands of undergraduates have had the opportunity to hear—many for the first time—persuasive arguments about the principles of economic choice and individual responsibility. In 2015, the Institute sponsored nearly 70 such events, such as Jason Riley on race relations (Yale), Heather Mac Donald on the importance of proactive policing (UCLA), and Diana Furchtgott-Roth on free markets (Swarthmore). If you are interested in sponsoring an MI senior fellow to speak at your alma mater or other schools, please contact the MI development office at 212-599-7000.



How to Join Young Leaders Circle

To give the gift of YLC membership to a young professional in New York—or to join yourself—contact MI's development team at ylc@manhattan-institute.org, or call us any time at 212-599-7000. General membership is available to those aged 21 to 45 who contribute \$250 annually to MI. YLC's leadership group, the Advisory Committee, is made up of those who contribute \$1,000 or more each year; at this level, members are invited to private dinners with YLC's guest speakers and a series of special events throughout the year, including the annual Advisory Committee holiday party each December.

POLICY SOLUTIONS FOR OUR CITIES & STATES



The primary responsibility of state and local leaders in America is to keep citizens safe. In the past year, debate has raged in neighborhoods and cities across the nation about the proper role of policing. MI scholars have compellingly argued on the national stage that proactive, effective law enforcement is most crucially important to the innocent and law-abiding. Smart public-safety strategies, argue Heather Mac Donald and “Broken Windows” progenitor George Kelling, focus police resources where they are most needed. Wise allocation of limited resources is required in every aspect of state and local governance, and MI scholars have been analyzing the tough choices that cities and states must make about their fiscal and social futures. Ballooning pension and health care costs are forcing municipalities around

the country to reduce the level of core services—such as education, libraries, and road and bridge maintenance. In New York and cities and states across the country, MI scholars are showing how so-called progressive policies often limit public resources as well as human progress—reducing opportunity, educational quality, and social mobility while bankrupting public agencies and costing taxpayers dearly. A robust agenda for the future of American cities and states must embrace technological innovation, give citizens more choices, eliminate economic barriers, and increase incentives to work. Reducing urban crime, educational gaps, and poverty—these are urgent priorities on which progressive policies have failed time and again. MI’s experts are showing Americans what works.

THE NEW NATIONWIDE TRUTH WAVE

“...this intellectual panic over Ms. Mac Donald is a tribute to the power of her persuasion...”

Wall Street Journal editorial, July 16, 2015

If we are to help generate economic upward mobility and fuller lives for American minorities, heal the wounds that divide our cities, and reestablish the proper role of American law enforcement, we have to unflinchingly tell the true story: that Broken Windows policing—preventive policing based on the maintenance of public order—makes minority communities safer for minorities, not over and against minorities; and that law enforcement is a necessary condition of good order, human freedom, economic flourishing, and upward mobility for all Americans. This is the joint message of two of the Manhattan Institute’s most prominent fellows, Heather Mac Donald and Jason Riley.

Since January 2015, Mac Donald has published 24 essays for national publications such as the *Wall Street Journal*, *New York Post*, *Time*, *New York Daily News*, and *National Review Online*—not to mention three major essays for *City Journal*. In October, she provided tour-de-force testimony before the Senate Judiciary Committee on a hearing on the Sentencing Reform and Corrections Act of 2015. On the topic of law enforcement, there is no stronger voice in America today. On May 29, 2015, in the *Wall Street Journal*, Mac Donald published “The New Nationwide Crime Wave,” a groundbreaking essay that argued that the spikes in murder rates in cities across America were not anomalous or part of some cyclical pattern of crime rates rising and falling but part of what she calls the “Ferguson Effect”: what happens when police officers disengage from using personally risky law-enforcement tactics because public opinion is against them and elected officials refuse to stand up for them. This disengagement gives criminals new latitude to perpetrate violent crime. Mac Donald’s message: if you want to stop violent crime, you must be willing to support law enforcement and to use stop, question, and frisk tactics and Broken Windows policing. She has effectively reframed the national debate, turning the Ferguson Effect almost into a household phrase. Indeed, as of late September, Mac Donald’s work has received more



than 1,000 mentions in publications nationwide. By year-end, she will have spoken at 19 colleges and universities, including Harvard Law, NYU Law, Duke, and UCLA.

Jason Riley has also been crisscrossing America’s college campuses, casting a counter-vision for black Americans. He has spoken to students on campuses including Dartmouth, Yale, and Dillard. Underlying Riley’s message is a classical vision of human freedom: that the power to act to achieve the good is the state of a free man. And he shares a line of critique that has been emanating from within the black community for decades—that, despite ostensibly good intentions, the heavy-handed actions of the state on behalf of blacks turns black Americans into dependent state clients. This is the thesis of Riley’s most recent book, *Please Stop Helping Us: How Liberals Make It Harder for Blacks to Succeed*.

Riley is one of America’s most prominent conservative voices. Since joining the Institute, he has

written an almost weekly column at the *Wall Street Journal*, where he has since published 31 articles, with—among other subjects—a special focus on American race relations and the state of black America. For instance, on September 9, 2015, he published “‘Black Lives Matter’—but Reality, Not So Much,” in which he called the antipolice movement “the great lie of the summer” and added: “It’s the black poor—the primary victims of violent crimes and thus the people most in need of effective policing—who must live with the effects of these falsehoods.” *Salon.com* stated: “The American left should start paying attention to ... Jason Riley. His name is on the rise.”

Mac Donald and Riley are veterans—but yes, their profiles are on the rise. Rising with them is the story that law enforcement is not the enemy and that minorities need not be subject to the power of the American political elite. If America continues to heed this story, it would portend a monumental shift and great promise for all Americans.

REFORMING PUBLIC EMPLOYMENT

Across America, cities and states are bankrupt—or in various stages of insolvency. Chief among the great fiscal burdens facing cities, states, and the taxpaying public is the skyrocketing cost of public-employee pensions and benefits. These benefits, often secured and perpetuated through the efforts of powerful public unions, are compromising local governments' ability to deliver cost-effective public services to citizens. The closure of parks and libraries, deferral of basic road maintenance, and elimination of police officers or firefighters can be the public's only warning that local officials have lost control of the budget. MI scholars have helped coin a phrase to describe this phenomenon: "crowd-out."

To strengthen the hand of reform-minded officials who are serious about reining in employee-compensation costs and championing economic policies that will foster rather than hamper growth, MI has assembled the nation's premier team of state and local policy experts, including Steven Malanga, Nicole Gelinias, E. J. McMahon, Stephen Eide, Daniel DiSalvo, and two senior fellows who are new to MI this year: Josh McGee and Aaron Renn. These and other MI scholars are educating citizens and policymakers about the daunting crises facing states and municipalities and are promoting a range of new policy ideas. Of-

ten these scholars are strategically deployed in the states and locales most in need of reform—especially when reform-minded leaders, local journalists, and the public at large might be most attuned to MI's prescriptions for meaningful change for example, when the citizens of Wisconsin weighed much-needed public labor and pension reform proposals in 2012, ultimately opting not to recall Governor Scott Walker). This year, the MI team has been spending time in Chicago and across California.

The crowd-out problem has been particularly pronounced in the Golden State, where cities such as Vallejo, Stockton, and San Bernardino have been forced into outright bankruptcy in recent years. To help strengthen the hand of local officials in California who are working to forestall more municipal bankruptcies and maintain cost-effective public services, this spring we published and promoted an MI study, "California Crowd-Out," by senior fellow Stephen Eide. He examines the budgets of a variety of California municipalities, tracks the rise in benefits costs over time, and shows its negative impact on the quality of public-service delivery. Our promotional campaign involved distributing the report to public officials and opinion leaders in cities throughout California, elevating the

findings through national and California media (op-eds by Eide and mentions appeared in publications including the *Wall Street Journal*, *Orange County Register*, *Sacramento Bee's* "State Worker Blog," *The Weekly Standard*, and *Los Angeles Business Journal*, among others) and events in California and New York. Eide and MI's Steven Malanga both visited the state to speak to audiences of policymakers, academics, and journalists. In April, we convened a dinner where Eide presented his findings to representatives of national media outlets alongside former San Jose mayor and leading California pension-reform advocate Chuck Reed.

In California, as in states such as Illinois and New Jersey, the significant political influence of public labor unions has been a driving cause of the rise in unsustainable benefits and deeply troublesome debt problems that threaten to

The next buzzword in California's episodic public pension debate: "crowd-out."

Jon Ortiz, *Sacramento Bee*, April 29, 2015

bankrupt entire cities and, if left unchecked, the states themselves. For the past several years, MI senior fellow Daniel DiSalvo, who also is a professor of political science at the City College of New York, has



▶ Dan DiSalvo

been one of our lead scholars on the political power of public unions. DiSalvo has focused much of his effort on promoting his recent book, which draws upon past MI research on public unions: *Government Against Itself: Public Union Power and Its Consequences* (Oxford University Press). Along with senior fellow Steven Malanga's *Shakedown* (published 2010), DiSalvo's book shines a light on the nature of public labor and its influence on policymaking in cities and states. With the support of the MI communications team, DiSalvo crisscrossed the country to inject his message into the public debate, appearing on radio and TV programs airing on dozens of stations, meeting with editorial boards, and speaking on college campuses.

Given the immense influence of public labor—and decades of state leaders' acceding to its demands—prospects for reforming the terms of public employment might appear

bleak. But in recent years, state and local officials across the country, and of both political parties, have achieved significant reforms—or, at least, have tried. Sites of reform and reform efforts have included Utah, Wisconsin, Rhode Island, and San Diego and San Jose, California. In a recent MI study, "The Limits of Retrenchment: The Politics of Pension Reform," DiSalvo examines the successes and failures of a select group of attempted pension reforms and draws lessons about how skillful local politicians can advance significant improvements. DiSalvo's findings were a cornerstone of an extended profile of Rhode Island governor Gina Raimondo, which ran in the *New York Times* just after the study's release in late September ("Rhode Island Averts Pension Disaster Without Raising Taxes").

While such stark contrasts help show the public all that's wrong with the public-pension status quo,

making an effective case for pension reform also means offering alternatives that are fiscally sound and manageable and that will provide retirement security for workers. In his recent study, MI senior fellow Josh McGee does just that ("Defined-Contribution Pensions Are Cost-Effective," August 2015). He argues that by phasing out defined-benefit (DB) pensions and replacing them with defined-contribution (DC) plans (similar to what is found in the private sector), public officials can ensure that workers have retirement security without saddling taxpayers with ever-growing fiscal obligations. Proving the case for lower-cost alternatives to traditional public-worker retirement plans will remain at the heart of MI's agenda in the year ahead. And our public-sector reform team will continue arguing for fiscal restraint, cost transparency and the public interest nationwide.

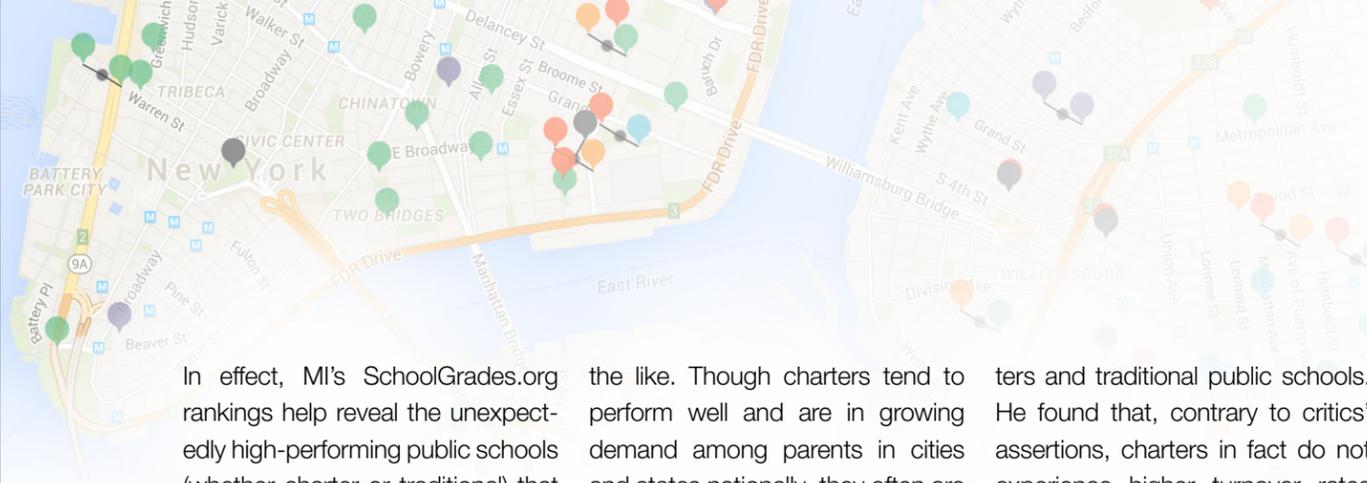
SCHOOLS THAT WORK

Across America, children are trapped in failing public schools. Unfortunately, most of the students attending underperforming K–12 schools come from underprivileged households—whether in urban neighborhoods or remote rural areas. The status quo in U.S. education—often perpetuated by powerful and entrenched special interests, such as teachers’ unions, as well as local politicians and state-level bureaucracies—too often does not prepare students for twenty-first-century jobs or active engagement in the broader culture. MI’s scholars are leading the intellectual debate around school reform across the U.S., arguing for changes that empower parents in every community to make informed choices and determine the course of their children’s educational—and economic—futures.

High-quality information about schools’ performance is needed to ensure that parents can make informed choices and to help failing schools improve. To be truly useful in this regard, school-performance information must objectively measure schools’ effectiveness with respect to improving student learning, and results must be framed against a meaningful and objective standard. The ways that U.S. states measure student performance, however, vary widely—and for years, there has been no way to directly compare an individual public school with others across state lines, much less across the country or around the world. To fill this need, MI scholars Jacob Vigdor and Josh McGee this fall launched an innovative online tool, SchoolGrades.org, to help parents, journalists, and policymakers to see more clearly

how U.S. schools are performing, as compared with their local, national, and international peers. MI’s SchoolGrades.org is the first nationwide school-comparison site that uses a common yardstick to grade every public school in the country. For the first time, every school in the nation is accountable not just with respect to its local competitors but as compared with every other public school in America. And through an exciting partnership with America’s leading parent-information website—GreatSchools.org—MI’s school grades are now presented to the 50+ million parents who visit that site annually.

In developing SchoolGrades.org, Vigdor and McGee designed a system that creates an apples-to-apples comparison by factoring the socioeconomic characteristics of each school’s student body.



In effect, MI’s SchoolGrades.org rankings help reveal the unexpectedly high-performing public schools (whether charter or traditional) that previously were hidden in communities across America. For example, the vast majority of the highest-graded schools in New York State are not in the suburbs but in New York City. In California, two of the state’s best schools are in Oakland and inner-city East Los Angeles. And in the tiny Kansas town of Bartlett (population: 80), one of the state’s best K–8 schools serves a student body of 130 students—83 percent of whom receive federally subsidized free or reduced-price lunch. In the increasingly borderless U.S. economy, this meaningful

measure of school effectiveness allows local citizens to compare their school on equal footing with schools out of state and even internationally. It reveals previously unknown high performers and will help researchers, administrators, and parents to identify and replicate best practices. Many of America’s highest-performing schools are charters—privately run, publicly funded schools—that are intentionally kept independent of traditional public-school management, teachers’ unions, and

the like. Though charters tend to perform well and are in growing demand among parents in cities and states nationally, they often are subject to criticism by special interests in the educational community. Claiming that charters underserve the neediest students—those with special needs, for example, or low academic performers—critics say that charters “push out” challenging students in order to boost the schools’ performance metrics. In

America’s best schools aren’t all in the suburbs.



SCHOOLGRADES

New York, for example, Mayor Bill de Blasio and his appointed schools chief, Carmen Fariña, have made such criticisms but cite little empirical evidence to substantiate their claims. MI’s scholars are working to better inform the public debate and provide policymakers and citizens with data and analysis to evaluate the administration’s claims. For example, senior fellow Marcus Winters this spring published “Pushed Out? Low-Performing Students and New York City Charter Schools,” evaluating attrition rates for char-

ters and traditional public schools. He found that, contrary to critics’ assertions, charters in fact do not experience higher turnover rates among lower-performing students than do other city schools. He publicized his findings through op-ed writing, an event, and social media, and he was cited as a “myth-buster” for his efforts. MI’s work to dispel misinformation and promote better-informed education policies applies to a range of school-reform subjects—teacher quality, high-quality curriculum that gives students much-needed background knowledge (for example, in American history), and new career and technical education models that can equip students for twenty-first-century jobs, to name a few. On each topic, MI scholars are defending the principles of choice, competition, and innovation in K–12 education.



“An addictive, interactive website.” - Forbes

NEW YORK CITY

▲ Nicole Gelinas

New York's mayor has, as you've no doubt noticed, taken his show on the road—to Iowa, Nebraska, Washington, D.C., and across the ocean to France, Italy, and even the Vatican. He's certainly right about one thing: the mayoralty of New York City provides a national—even global—stage.

But here is what we know: welfare rolls are spiking (they jumped up by 16,000 recipients from May 2014 to December 31, 2014); the murder rate is increasing (up 7.1 percent from this time last year); the homeless population is one of the largest the city has ever known (as of August, there are 56,000 on the street, slightly under NYC's all-time high); and New Yorkers just don't feel safe (according to an August 2015 Quinnipiac poll, only 33 percent of New Yorkers say that the quality of life is "good" or "very good"—the lowest percentage since 1997—and 46 percent say that crime is very "serious"). When New York's police officers turned their backs on their

mayor earlier this year, they were turning their backs on all the policies behind these distressing statistics.

We are working around the clock to remind New Yorkers—through a flood of articles and op-eds in New York's major newspapers; public speaking events; radio and television; long-form investigative essays in our magazine, *City Journal*; and through one of our latest initiatives, *The Beat* (more on this below)—that with the right policies in place and with the will to implement them, quality-of-life social reform is possible, necessary, and humane. As former mayor Rudolph Giuliani wrote in the September 6 edition of the *New York Post*: "A city with homeless on its streets is a city that has no love of its people.... In a humane, decent and civilized city, the problems of the homeless are dealt with through intervention rather than denial." We could not have said it better. That's exactly why we're intervening: to keep New York a humane and decent city.

We have undertaken a full-scale communications plan to saturate the New York market with the policy analyses and ideas of our fellows. For example, our fellows have published 22 op-eds in the *New York Daily News* and 76 in the *New York Post*, among many other New York-based news outlets in just the past eleven months.

Senior fellow Nicole Gelinas's column in the *New York Post*, where she writes about all things New York City—transportation, crime and law enforcement, business and economic development, housing, architecture, counterterrorism, and the general state of New York City life (among many other topics)—is one of the main platforms from which the Institute speaks into New York's fast-changing policy environment. On May 25, for instance, Gelinas published "Un-Fare Treatment: City Shouldn't Decriminalize Theft," in which she called for a halt on City Council Speaker Melissa Mark-Viverito's ongoing effort to make it a

mere civil offense for riders caught skipping out on their subway fare. For Mark-Viverito, this was only right; for Gelinas, it was a red herring. Gelinas summarized succinctly: "In 1993, cops caught 1,232 people on the subways with illegal guns. Last year, they nabbed just 33." This, she added, "shows how good policing works."

In April 2015, our communications team embarked on a new project to disseminate the thought of the Institute as strategically—and as widely—as possible. Known as "The Beat" by the Manhattan Institute, it is a three-issue-a-week e-mail blast that rapidly informs subscribers about new and unfolding NYC events by curating for them the three most important facts behind the stories that matter most. *The Beat* is a fast-reaction communications tool that helps the Institute interject its studied voice into the daily routines of New Yorkers, who, at 12:15 PM, receive a perfectly fashioned e-mail that cuts through the noise of the headlines and gets to the heart of the matter. Three facts—because New Yorkers need to know, and they need to know fast.

For nearly two years, the mayor's office has been telling what it calls "A Tale of Two Cities": that the policy gains of the last 20 years were really just social goods for the rich. Clearly, poverty is a problem—on that, we can wholeheartedly agree with the mayor. Indeed, we fight for the policies that we do in order to alleviate poverty. To open new and excellent schools and give the poor the freedom to choose among them, to

confront violent crime on the streets, and to incentivize work (instead of leaving urban minorities prey to the infantilizing power of government handouts) are concrete ways to open new horizons of life. To politicians who say that

they are fighting for equality, even as they actively undermine these programs, we ask, "Whose equality?" It can't be the equality of the poor minority students, for instance, whose flourishing new charter schools these politicians are working to shut down.

Whose equality? is one of the animating questions behind two of our New York City-focused report series, "Poverty and Progress" and "Affordable Housing Policy in New York City: Myths and Facts." The affordable housing series—by Howard Husock, vice president for policy and publications; and Alex Armlovich, MI research associate—which began in 2014, released two new installments in 2015. One of the key findings of this year's series is that New York City currently contains 49,000 "naturally occurring affordable housing" (NOAH) units—affordable housing available apart from government planning. The key point: the mayor's office, seeking to expand affordable housing for low-wage New Yorkers, has announced a plan to build 80,000 new "permanently affordable" rental units to solve the problem. But if 49,000 units are naturally available right now, is there really a problem? And for whom are these units being built—and why?

It's the report's main finding... that the private market is offering plenty of the same kind of affordable apartments de Blasio hopes to preserve and build at public expense.

Citylimits.org, October 20, 2015

This year, we published "Poverty and Progress" installments 3 and 4, by senior fellow Stephen Eide, and 5, by Armlovich. The series has been tracking crime rates and welfare numbers since 2014. As mentioned above, even as the local economy prospered (2014 saw the creation of 90,000 new jobs), welfare rolls jumped—in many instances, sucking able workers out of an expanding market. Perhaps most tellingly, Eide reports, the greatest volume of 911 calls (by far) are being made in poor minority neighborhoods—even as politicians are demanding that the police lighten their activity in these areas. So, again, whose equality?





City Journal is something that makes me proud to be a conservative. When I read you, I think, “If those guys are conservative, that’s what I am. Whatever they are — that’s what I am.” Jay Nordlinger, *National Review*



CITY JOURNAL TURNS

25

According to the 2010 census, nearly 81 percent of Americans live in urban areas. So when *City Journal* asks what policies lead to the best lives in New York, Pittsburgh, Buffalo, Los Angeles, Detroit, Baltimore, Cleveland, Milwaukee, and Boston, it is asking one of the most important questions about America’s present reality. It is also asking one of the oldest questions in political philosophy, born in ancient Greece: an inquiry into the nature of the good city and, with it, the nature of the good man.

▲ Matthew Hennessey, Brain Anderson, Steven Malanga and Paul Beston

25 Years of City Journal



When we think about America's future, our minds turn to the moral, social, business, and technological trends emerging from cities such as San Francisco, Seattle, Washington, D.C., and, of course, New York. When we worry about the state of the economy, we mull over the performance of Detroit, Buffalo, and Philadelphia. And when, in April, rocks flew in Baltimore, the news struck all Americans as if those rocks were being thrown in their own hometowns. *City Journal* has always scrutinized the best and the worst trends emerging from our great cities—and cities around the world—and has proposed ways forward to prosperity.

This year, *City Journal* turned 25, and it is thriving because it is deep-rooted, present-minded, and prescient. Take two major essays from 2015: "What Must We Think About When We Think About Politics?" by Myron Magnet, editor-at-large, in which he argues—drawing on Plato, Hobbes, Freud, Madison, and others—that the politics of the true statesman reflects

the deeply conflicted psychology of man, a creature both angelic and bestial; and "State of Disunion," in which Steven Malanga, senior editor and MI senior fellow, explores the widening rift between pro-tax government unions and pro-growth private unions, a division, he argues, exposed by postrecession fiscal restraint. Magnet, searching the foundations of statecraft; and Malanga, weighing the political present—together, part of a cultured and sophisticated magazine that reaches high and digs deep.

The magazine's editors demand a lot from their writers: a dogged pursuit of truth and clean, economical prose—a rare combination that, we hope, makes *City Journal* both enlightening and a joy to read. The tone is set by editor-in-chief Brian Anderson, an accomplished scholar and writer who has assembled a group of erudite and urbane journalists. Consider just a few names (in addition to Magnet and Malanga) from the roster of frequent contributors: Theodore Dalrymple, Heather Mac Donald, Victor Davis Hanson,

Kay Hymowitz, Nicole Gelinas, Fred Siegel, and Edward Glaeser.

City Journal is a magazine whose writers immerse themselves in their subjects. For example, Heather Mac Donald is famous for her hot-knife-through-butter use of facts in her defense of stop, question, and frisk against those who seek its ban. "What worries me is that so few on 'our' side can, or bother to, go toe to toe with her," despaired a writer on the blog Mother Jones. "Just about every one of her pieces is a statistical and analytical tour-de-force, while we liberals tend too often to mouth liberal pieties like inside jokes." That writer, of course, is correct. But what he failed to acknowledge is that Mac Donald doesn't just know *what* she's talking about; she knows *whom* she's talking about. In the many town hall meetings that she has attended where policing strategies were being debated, she has witnessed that the average attendees—black men and women from the communities in question—want more law enforcement, not less.

Of course, people want their streets free of drugs and violent crime—that is common sense; but for a truly textured and humane journalism, one must see for oneself. This boots-on-the-ground, facts-behind-the-facts, person-to-person investigation is a tried-and-true journalistic approach that has fallen out of fashion in our publish-now digital age. It lives on in *City Journal*.

City Journal...takes on some of the controversial issues of our times and offers a fresh, in-depth examination with hard facts, clear logic and sharp insights.

Thomas Sowell, economist & syndicated columnist

In honor of the magazine's 25th anniversary, the editors have published an extra-large issue in which they cast a powerful policy vision for our cities, states, and nation for years to come. Many of the magazine's most trusted writers—includ-

ing Aaron Renn and Adam White, contributing editors who joined the *City Journal* team this year—were on hand to sound out America's political, economic, and cultural prospects. Renn and White are part of a larger program to continually replenish the magazine's store of intellect; we also celebrate the addition of John Tierney, a science columnist for the *New York Times*, who joins our ranks as a contributing editor this winter.

City Journal is thriving. Its website—where one can access all the magazine's articles free of charge, in addition to thousands of online-only articles—gets millions of visitors not only from the U.S. but from all over the world. Its social media following is in growth mode, with 23,000 new Facebook fans since January 2014 and more than 11,000 new Twitter followers over that same period. The magazine has expanded its readership in the

millions through a promotion program that seeks to place its essays in other national publications, such as the *Wall Street Journal*, *New York Post*, *Los Angeles Times*, *Orange County Register*, and *New York Daily News*. More than 80 reprints have appeared so far in this year alone—multiplying our reach more than tenfold. We are excited that this year, upon turning 25, *City Journal* will unveil a new website to match the aesthetic beauty of the print magazine. *New York Times* op-ed columnist David Brooks described the magazine as "the most beautiful magazine in the world that regularly contains the phrase 'housing vouchers.'" So, too, will be the new city-journal.org.

Here's to 25 more years of political philosophy, policy-weighing, moral authority, fact-finding, humaneness, prose craft, and beauty. America's cities, I'm sure you'll agree, will be much the better for it.

2015 RESEARCH

The Manhattan Institute annually publishes numerous full-length research reports on topics related to key issue areas. This body of work—authored by our resident fellows, associated scholars, and outside experts—has shaped the thinking of policymakers, thought leaders, the media, and the general public.



When Moving Matters: Residential and Economic Mobility Trends in America, 1880–2010

by Scott Winship
e21 Report 2, November 2015

Reality Check: Fracking, Not Solar Power, Is Reducing U.S. Carbon-Dioxide Emissions

by Oren Cass
Issues 2016, November 2015

Poverty and Progress in New York V: Crime Trends in Public Housing, 2006–15

by Alex Armlovich
Issue Brief 42, November 2015

Beyond Repair? America's Infrastructure Crisis Is Local

by Aaron M. Renn
Issue Brief 41, October 2015

NOAH in New York: The Surprising Extent of Naturally Occurring Affordable Housing

by Howard Husock, Alex Armlovich
Issue Brief 40, October 2015

Leading Nowhere: The Futility and Farce of Global Climate Negotiations

by Oren Cass
Energy Policy & the Environment Report 19, October 2015

Reality Check: Drug Price Controls Hurt Patients Most

by Paul Howard, Yevgeniy Feyman
Issues 2016, October 2015

Rewarding Experienced Teachers: How Much Do Schools Really Pay?

by Josh B. McGee, Marcus A. Winters
Civic Report 104, October 2015

A Report on Corporate Governance and Shareholder Activism

by James R. Copland, Margaret M. O'Keefe
Proxy Monitor Report 11, September 2015

Public Pension Fund Activism and Firm Value

by Tracie Woidtke
Legal Policy Report 20, September 2015

Reactors Unplugged: Can the Decline of America's Nuclear Sector Be Stopped?

by Robert Bryce
Energy Policy & the Environment Report 18, September 2015

Promise Unmet: How to Fix America's Community Colleges

by Judah Bellin
Issue Brief 39, September 2015

Uber-Positive: The Ride-Share Firm Expands Transportation Options in Low-Income New York

by Jared Meyer
Issue Brief 38, September 2015

The Limits of Retrenchment: The Politics of Pension Reform

by Daniel DiSalvo
Civic Report 103, September 2015

Brain Gain in America's Shrinking Cities

by Aaron M. Renn
Civic Report 102, August 2015

The Wage Subsidy: A Better Way to Help the Poor

by Oren Cass
Issue Brief 37, August 2015

Poverty and Progress in New York IV: Crime Trends During the First Six Months of 2015

by Stephen Eide
Civic Report 101, August 2015

Defined-Contribution Pensions Are Cost-Effective

by Josh B. McGee
Civic Report 100, August 2015

Less Carbon, Higher Prices: How California's Climate Policies Affect Lower-Income Residents

by Jonathan A. Lesser
Energy Policy & the Environment Report 17, July 2015

Counterproductive: The Employment and Income Effects of Raising America's Minimum Wage

by Douglas Holtz-Eakin, Ben Gitis
Issue Brief 36, July 2015

2015 Proxy Season Wrap-Up

by James R. Copland
Proxy Monitor Finding, 2015

Step on the Gas! How to Extend America's Energy Advantage

by Oren Cass
Issue Brief 35, July 2015

2015 Special Report: Public Pension Funds' Shareholder-Proposal Activism

by James R. Copland
Proxy Monitor Finding, 2015

Curriculum Counts: NYC Public Schools and the Common Core

by Charles Upton Sahn
Civic Report 99, June 2015

Policy Options for Improving Economic Opportunity and Mobility

by Scott Winship
e21 Report 05, June 2015

2015 Mid-Season Report

by James R. Copland
Proxy Monitor Finding, 2015

Shale 2.0: Technology and the Coming Big-Data Revolution in America's Shale Oil Fields

by Mark P. Mills
Energy Policy & the Environment Report 16, May 2015

Mend It, Don't End It: NYC's 421-a Affordable Housing Tax Exemption

by Howard Husock, Alex Armlovich
Issue Brief 34, May 2015

2015 Proxy Season Early Report

by James R. Copland
Proxy Monitor Finding, 2015

California Crowd-Out: How Rising Retirement Benefit Costs Threaten Municipal Services

by Stephen Eide
Civic Report 98, April 2015

Held Hostage: U.S. Ports, Labor Unrest, and the Threat to National Commerce

by Diana Furchtgott-Roth
e21 Report 4, April 2015

Growing Giving: American Philanthropy and the Potential of Donor-Advised Funds

by Howard Husock
Civic Report 97, April 2015

Recent Legal and Regulatory Changes Create Uncertain Landscape for 2015 Proxy Season: Proxy Access on the Agenda

by James R. Copland
Proxy Monitor Report, April 2015

Without Law Or Limits: The Continued Growth of the Shadow Regulatory State

by James R. Copland, Isaac Gorodetski
Legal Policy Report 19, March 2015

Prison-To-Work: The Benefits of Intensive Job-Search Assistance for Former Inmates

by Aaron Yelowitz, Christopher Bollinger
Civic Report 96, March 2015

Replacing Medicare's Unsustainable Sustainable Growth Rate: A Better Way to Determine Doctors' Pay

by Yevgeniy Feyman, Robert A. Book
Issue Brief 33, March 2015

Pushed Out? Low-Performing Students and New York City Charter Schools

by Marcus A. Winters
Civic Report 95, March 2015

Unlocking the Code of Health: Bridging the Gap Between Precision Medicine and FDA Regulation

by Peter W. Huber, Paul Howard
Project FDA Report, March 2015

Poverty And Progress In New York III: Crime and Welfare Enrollment One

by Stephen Eide
Civic Report 94, March 2015

The Hidden Corn Ethanol Tax: How Much Does the Renewable Fuel Standard Cost Motorists?

by Robert Bryce
Issue Brief 32, March 2015

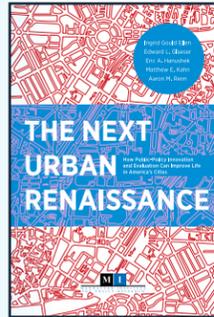
Basic Research And The Innovation Frontier: Decentralizing Federal Support and Stimulating Market Solutions

by Mark P. Mills
Energy Policy & the Environment Report 15, February 2015

Welfare in America, 1998–2013: The Case for Further Reform

by Diana Furchtgott-Roth
e21 Report 3, January 2015

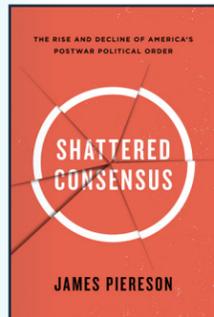
2015 BOOKS



The Next Urban Renaissance How Public-Policy Innovation and Evaluation Can Improve Life in America's Cities

by Ingrid Gould Ellen, Edward L. Glaeser, Eric A. Hanushek, Matthew E. Kahn, Aaron M. Renn
Manhattan Institute, September 2015

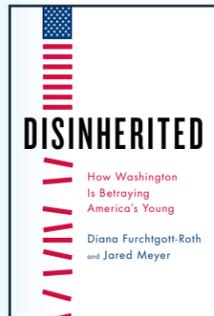
Many U.S. cities—from New York to San Francisco—have experienced remarkable rebirths over the past 30 years. But even America's most successful cities contain large numbers of poorer citizens left behind by this urban renaissance. *The Next Urban Renaissance*, which includes essays by MI senior fellows Edward Glaeser and Aaron Renn, brings together the best ideas from scholars with expertise across a broad spectrum of urban issues. The book urges local governments to innovate, evaluate, and leverage the remarkable private talent that is so abundant in U.S. cities.



Shattered Consensus The Rise and Decline of America's Postwar Political Order

by James Piereson
Encounter Books, July 2015

America has been shaped by three sweeping political revolutions: Jefferson's "revolution of 1800," the Civil War, and the New Deal. Each of these upheavals concluded with lasting institutional and cultural adjustments. In *Shattered Consensus*, MI senior fellow James Piereson describes the inevitable political turmoil that will overtake America in the next decade as a consequence of economic stagnation, the unsustainable growth of government, and the exhaustion of postwar international arrangements.



Disinherited How Washington Is Betraying America's Young

by Diana Furchtgott-Roth, Jared Meyer
Encounter Books, May 2015

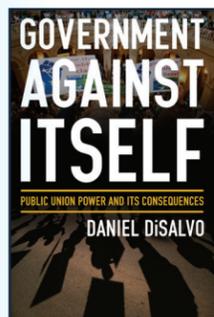
Tens of millions of Americans, aged 18 to 30, are embarking on careers. For these "Millennials," achieving success will be more difficult than for generations past. In *Disinherited*, MI senior fellow Diana Furchtgott-Roth and MI fellow Jared Meyer profile members of this disinherited generation. Their stories are an indictment of America's treatment of its young: a nation that prides itself on its future has mortgaged it. Furchtgott-Roth and Meyer diagnose the problem and propose a cure.



New York's Next Health Care Revolution How Public and Private Employers Can Empower Patients and Consumers

Edited by Paul Howard, David Goldhill
Manhattan Institute, May 2015

Health care policy debates often center on the role of the federal government, but states also have important roles to play. New York's health care system, like that of other states, does not provide the information on safety and quality necessary for consumer-driven health care to succeed. *New York's Next Health Care Revolution*, edited by David Goldhill and MI senior fellow Paul Howard, identifies New York's major hurdles to reform—and proposes solutions to overcome them.



Government Against Itself Public Union Power and Its Consequences

by Daniel DiSalvo
Oxford University Press, January 2015

As workers in the private sector struggle with stagnant wages, disappearing benefits, and rising retirement ages, unionized public employees retire in their fifties with over \$100,000 a year in pension and health care benefits. Such benefits increasingly crowd out important government services on which the poor and middle class rely. In *Government Against Itself*, MI senior fellow Daniel DiSalvo explains why public-sector unions threaten the integrity of American democracy.

ALL TOPICS

MI New Website

We're pleased to announce the launch of our newly redesigned website, **Manhattan-Institute.org!** In addition to easier site navigation, an enhanced search engine, and a mobile friendly design, we've built in brand-new features that will allow our registered users to:

- + Bookmark articles for future reading
- + Curate your own weekly newsfeed on the topics and experts you want to follow closely
- + See an upcoming calendar of MI's events
- + RSVP for events that correspond with your membership level
- + Easily share MI content across Twitter and Facebook
- + Update your personal Manhattan Institute member profile and contribution levels



MI Facebook Post
Engagement Increased

253%



MI Facebook Fans
Increased By

244%



Twitter Followers
Increased By

41%

Statistics taken from October 2014 - October 2015

The
BEAT

In its first 6 months,
the Beat acquired more than
2,000
social media
followers

CITY
JOURNAL

In the last year, City Journal gained
19,000
followers
on Twitter and Facebook

BANNER EVENTS 2015

Alexander Hamilton Awards

The Alexander Hamilton Award was created to honor those individuals helping to foster the revitalization of our nation's cities. We chose to name the award after Hamilton because, like the Manhattan Institute, he was a fervent proponent of commerce and civic life. Throughout the years, we have expanded the scope of our prize to celebrate leaders on local as well as state and national levels who have—whether in public policy, culture, or philanthropy—made remarkable things happen. The 2015 Alexander Hamilton Awards were presented to George Kelling, MI senior fellow and coauthor of *Broken Windows* policing, and Eva Moskowitz, founder and CEO of Success Academy Charter Schools.

Hayek Lecture

The Hayek Lecture is delivered by the recipient of the Hayek Prize, which honors the book published within the past two years that best reflects Hayek's vision of economic and individual liberty. The Hayek Prize, with its \$50,000 award, is among the world's most generous book prizes. It was conceived and funded by Manhattan Institute trustee Thomas W. Smith to recognize the influence of F. A. Hayek and to encourage other scholars to follow his example. The winner of the Hayek Prize is chosen from among the nominations by a selection committee of distinguished economists, journalists, and scholars. Past winners include William Easterly, for *The White Man's Burden*; John Taylor, for *First Principles*; and, most recently, James Grant, for *The Forgotten Depression: 1921, The Crash That Cured Itself*.

Wriston Lecture

In 1987, the Manhattan Institute initiated a lecture series in honor of Walter B. Wriston: banker, author, government advisor, and member of the Manhattan Institute's board of trustees. The Wriston Lecture has since been delivered annually in New York City, with honorees drawn from the worlds of government, the academy, religion, business, and the arts. In establishing the lecture, the trustees of the Manhattan Institute—who serve as the selection committee—have sought to inform and enrich intellectual debate surrounding the great public issues of our day and to recognize individuals whose ideas or accomplishments have left a mark on their world. The 2015 Wriston Lecture was delivered by Robert D. Kaplan, geopolitical analyst and best-selling author.

Social Entrepreneurship Awards

Each year since 2001, the Institute, in conjunction with a committee of distinguished scholars, practitioners, and foundation leaders, selects up to five individuals who have originated and effectively steered a nonprofit organization providing direct services to those in need as winners of the Richard Cornuelle Award for Social Entrepreneurship. In keeping with the social entrepreneurship program's emphasis on the vitality of American civil society, the award is aimed at those with original ideas brought to fruition with predominantly private support, rather than in response to government grant programs. In addition, the Institute annually presents the William E. Simon Prize for Lifetime Achievement in Social Entrepreneurship. This year's winner was Norman Atkins, co-founder and president of the Relay Graduate School of Education.

William E. Simon Lecture

Annually, since 2007, the Manhattan Institute has sponsored the William E. Simon Lecture on philanthropy and social entrepreneurship. This lecture series seeks to provide a framework—historical and current, scholarly and personal—for understanding trends in American charity and charitable enterprises. The 2015 lecture, "Building an Organization Outside Government," was delivered by Eric Greitens, former Navy Seal, Rhodes Scholar, and founder of The Mission Continues.

James Q. Wilson Lecture

For 15 years, James Q. Wilson, who died in 2012, delivered an annual lecture for the Manhattan Institute. To continue to honor Wilson's legacy, the Manhattan Institute has inaugurated an annual lecture series on urban affairs bearing his name. Through this series, we intend to give prominence to new ideas that, like those developed by Wilson, can improve the quality of life in New York and cities across America. The second annual James Q. Wilson Lecture on Urban Affairs was delivered by MI senior fellow and Harvard University economics professor Edward Glaeser.

Adam Smith Society

Every February, the Adam Smith Society holds its annual national meeting in New York. This conference brings together MBA student and alumni members from across the country for an intense weekend of education and networking. Past national meetings have featured keynote addresses by prominent executives such as Whole Foods CEO John Mackey, former Hewlett-Packard CEO Carly Fiorina, and Amicus Therapeutics CEO John Crowley, in addition to industry-focused breakout sessions that pair scholars and practitioners, and panels on topics such as the morality of capitalism and how the media portrays business. The national meeting provides an invaluable context in which members can get to know one another, begin lifelong connections, and develop a spirit of camaraderie.





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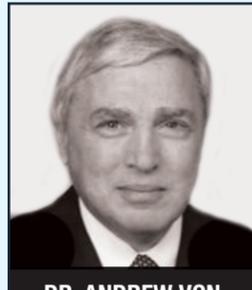
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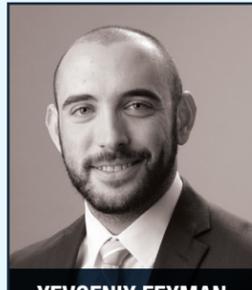
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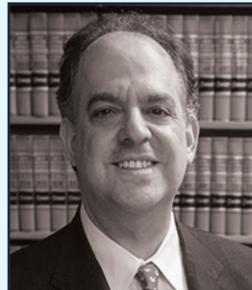
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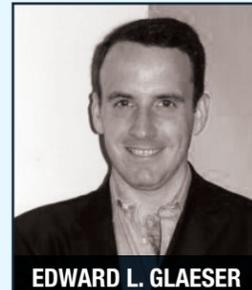
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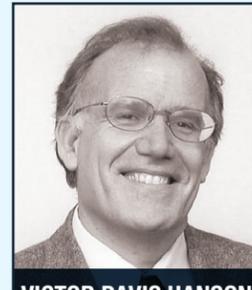
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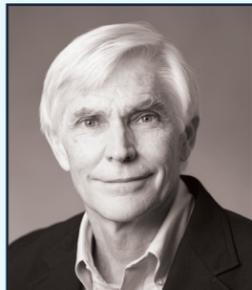
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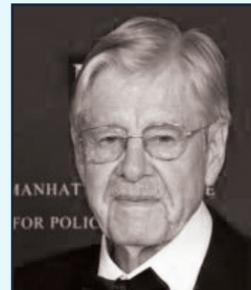
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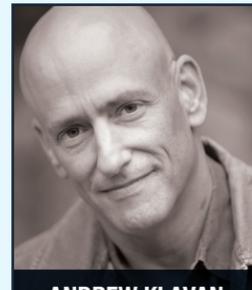
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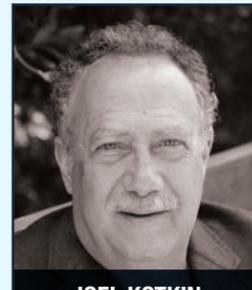
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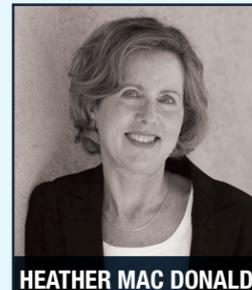
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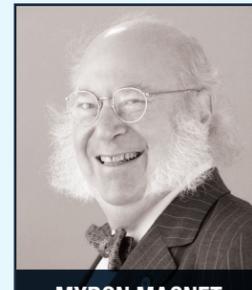
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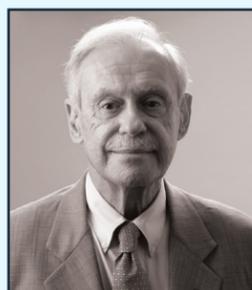
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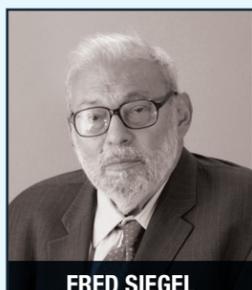
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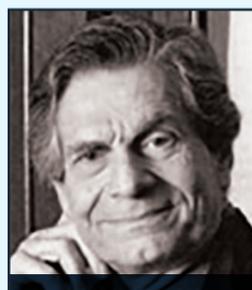
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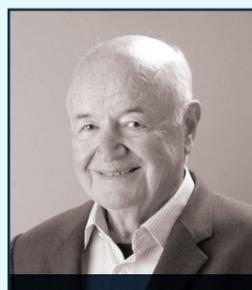
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OREN CASS
SENIOR FELLOW

This year, Oren Cass, domestic policy director of the 2012 Romney Campaign, joined MI as a senior fellow, concentrating his research on energy policy, the environment, and poverty. In addition to his policy expertise, Cass brings a deep understanding of the flow of national campaigns. For that reason, he will direct Issues 2016, a program to interject the Institute's analyses and findings into the debates surrounding the 2016 election. Cass is also an accomplished writer, having penned op-eds for the *New York Times*, *Washington Post*, *Wall Street Journal*, *National Affairs*, and more.



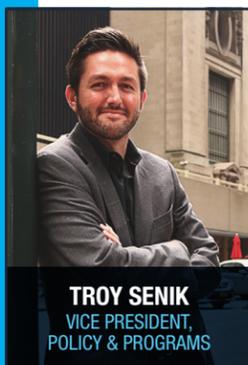
JOSH B. MCGEE
SENIOR FELLOW

All our fellows are intrepid fact-finders, but some live and breathe data. This describes our new senior fellow Josh McGee, a veteran data analyst who uses his statistical tools to understand and address challenges in state and local governance—from public financing of retiree pensions to K–12 education. McGee is also a nimble writer who contributes to scholarly journals—for instance, *National Affairs*, *Education Finance and Policy*, and *Education Next*—as well as state and local publications, such as the *Dallas Morning News*, *Philadelphia Inquirer*, *Atlanta Journal Constitution*, and *Houston Chronicle*.



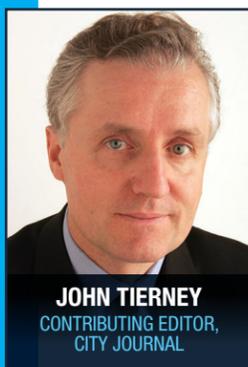
JASON L. RILEY
SENIOR FELLOW

We are pleased to welcome Jason Riley, longtime *Wall Street Journal* editorialist, to MI. He brings with him decades of journalistic excellence and a unique voice that speaks powerfully on issues of race in America today. As senior fellow and head of MI's new Initiative on Race, Culture, and Economics, Riley will advance the original ideals of American civil rights: that each man, regardless of color, should be treated as an individual, free and encouraged to act for his own betterment and the good of his community. Riley is a member of the *Wall Street Journal's* editorial board, a Fox News contributor, and author of *Please Stop Helping Us: How Liberals Make it Harder for Blacks to Succeed* (2014).



TROY SENIK
VICE PRESIDENT,
POLICY & PROGRAMS

Troy Senik, our new VP of Policy and Programs, oversees the progress of our projects, manages the flow of our publications, and ensures that they are effectively influencing public debates. He brings years of experience in public policy, media, and management as former editor-in-chief of Ricochet.com, host of Ricochet's Law Talk podcast, vice president of programs for the Los Angeles World Affairs Council and a former speechwriter for President George W. Bush. Senik has written for the *Wall Street Journal*, *Los Angeles Times*, and *City Journal* and is a former member of the *Orange County Register's* editorial board.



JOHN TIERNEY
CONTRIBUTING EDITOR,
CITY JOURNAL

It is a privilege to welcome John Tierney as a contributing editor to *City Journal*. So declares our magazine's editor-in-chief, Brian Anderson, who says, "He's a terrific journalist with deep knowledge about an array of policy issues and a unique understanding of how science and politics intersect." Tierney has spent two decades as a *New York Times* reporter and columnist, where he writes about science, urban politics, economics, and culture; had editorial posts at *Discover* and *Health* magazines; and contributed to major publications, such as the *Atlantic*, *Esquire*, *New York Magazine*, *Reader's Digest*, *Vogue*, *Chicago Tribune*, *Wall Street Journal*, and *Washington Post*.

Why Invest in MI?

An investment in the Manhattan Institute is a demonstration of belief in the intellectual and moral ideals that our scholars advance: economic choice, individual liberty, the rule of law, free markets, and responsible government. Your contribution also represents a uniquely American approach to social engagement, in which private citizens, foundations, and organizations direct their resources to the causes of their choosing. MI's trustees, scholars, and staff deeply value this trust, your contribution, and the confidence that it signifies. With your support, MI's scholars are putting forward fresh ideas about public policies that can help Americans live healthier, more productive, and more fulfilling lives. When you give to MI, your generosity turns intellect into influence.

Traditional Support

To donate to MI via check, wire, or stock transfer, please call us at **212-599-7000** or e-mail support@manhattan-institute.org.

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To submit a gift of any amount via MI's website, visit us at www.manhattan-institute.org/support.

Planned Giving

Please consider making a planned gift to the Manhattan Institute. Such gifts can include bequests by will or living trust, charitable trusts, a designation in a retirement plan, charitable gift annuities, or a designation in a life insurance policy. For more information, please visit our website at www.manhattan-institute.org and download the printer-friendly information sheet on our sponsorship page or contact the MI sponsorship office at **212-599-7000**.

Young Leaders Circle

The Young Leaders Circle (YLC) welcomes members (membership fee is \$250/year) who are in their twenties and thirties to ten evening cocktail parties per year. These events feature guest speakers on a variety of public policy topics. Donors under 40 who give at the \$1,000 level are invited to join the Young Leaders Advisory Committee, which, in addition to the monthly YLC events, holds two private events with Manhattan Institute trustees and fellows. We are proud to report that our program is growing by leaps and bounds. If you know anyone under the age of 40 who might be interested in membership, please be sure to let us know.

Adam Smith Society

If you are an MBA student or business school graduate—or know someone who is—and would like to become part of the national Adam Smith Society network, please contact us at adamsmith@manhattan-institute.org or **212-599-7000**.

Lawrence Mone, President

Vanessa Mendoza, Executive Vice President

Troy Senik, Vice President, Policy and Programs

Brian Anderson, Editor, *City Journal*

Michael Barreiro, Vice President, Operations

Leigh Harrington, Vice President, Communications & Marketing

Howard Husock, Vice President, Research & Publications

Sponsorship Office

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About the Manhattan Institute

The mission of the Manhattan Institute is to develop and disseminate new ideas that foster greater economic choice and individual responsibility.

The Manhattan Institute for Policy Research is a leading voice of free-market ideas, shaping political culture since our founding in 1977. Ideas that have changed the United States for the better—welfare reform, tort reform, proactive policing, and supply-side tax policies, among others—are the heart of MI's legacy.

While continuing with what is tried and true, we are constantly developing new ways of advancing our message in the battle of ideas.

MI Policy Research

The Manhattan Institute recruits experts in a range of domestic-policy areas. Fellows write papers, books, and reports; convene conferences; testify at government hearings; and publicize their research and ideas through public speaking and constant media engagement, including op-eds, TV and radio appearances, and blogging.

MI's Work on the Ground

To show the efficacy of putting policy prescriptions into practice, MI will often collaborate with cities and public officials. Following the 9/11 terrorist attacks, at the NYPD's request we launched a policy division to advise the police on the development of a counterterrorism strategy. In Newark, New Jersey, the Institute partnered with Mayor Cory Booker to implement a new approach to prisoner reentry, based on the principle of connecting ex-offenders with paid work immediately upon release. And in 2012–13, MI experts were embedded in the Detroit Police Department, helping the Motor City implement Broken Windows policing (a long-standing focus of the Institute) in order to get a handle on the city's crime problem.

MI's Quarterly Magazine, *City Journal*

In 1990, the Institute founded its magazine, *City Journal*, as an intellectual and journalistic response to New York's downward spiral and to the illness of the American city generally. Called "arguably America's best magazine" by economist Thomas Sowell and "the great Fool Killer in the arena of urban policy" by novelist Tom Wolfe, *City Journal* has articulated and promoted ideas that have driven the urban renaissance of recent decades. According to former New York mayor Rudolph Giuliani, "If there was a charge of plagiarism for political programs, I'd probably be in a lot of trouble, because I think we plagiarized most of them, if not all of them, from the pages of *City Journal* and the thinking and analysis of the Manhattan Institute."

MI's Book Program

MI books have a habit of sparking national conversation and reframing the public debate. An early example was Charles Murray's *Losing Ground* (1984), which demonstrated empirically that open-ended welfare benefits incentivize self-destructive behavior among the poor and which helped pave the way for landmark federal welfare reform in 1996. *The Bottomless Well* (2005), by Peter Huber and Mark Mills, was referred to by Bill Gates as "the only book I've seen that really explains energy, its history, and what it will be like going forward." Zappos CEO Tony Hsieh has cited *Triumph of the City* (2011), by Edward Glaeser, as a key influence in his urban experiment to revitalize downtown Las Vegas. And George Gilder has called Huber's *The Cure in the Code* (2013) the "most important policy book of the decade."

MI and the Next Generation

As the perpetuation of the American experiment depends on the next generation, the Institute has developed initiatives to influence the intellectual formation of tomorrow's leaders, such as the Adam Smith Society, based at business school campuses. In the wake of the financial crisis and in response to the charged rhetoric in the air about capitalism, the Institute started this new program, modeling it after the Federalist Society at law schools. With a growing number of chapters at MBA programs nationwide and alumni chapters springing up in major cities, the Adam Smith Society is preparing the CEOs, financiers, and entrepreneurs of tomorrow to be intelligent, engaged participants in the debate over the future of the free-enterprise system.