



PACIFIC RESEARCH INSTITUTE
IDEAS IN
ACTION
ANNUAL REPORT 2016

MESSAGE FROM THE PRESIDENT

SALLY C. PIPES

In 2016, I celebrated my 25th anniversary as Pacific Research Institute's President, CEO, and Thomas W. Smith Fellow in Health Care Policy amid a time of considerable turmoil on the California and national political scenes.

Donald Trump's unexpected victory marked a turning point and left us hopeful that the Obama Era of big government was over. Unfortunately, at this writing, that hope has yet to materialize. Obamacare has not been repealed or replaced thanks to the rifts between the free-market and moderate Republican Members of Congress. Tax reform is still in its nascent stages. And the new administration has been distracted by staff shake-ups, congressional investigations, and fake media news.

In California, the Trump victory turned the state even further left. An emboldened supermajority tried to enact disastrous single-payer health care legislation in Summer 2017, deny parents educational choices for their kids, and impose new burdens—such as higher taxes on gas and vehicle registration fees—on the economy.

Now more than ever, PRI's leadership is needed to promote much-needed change in Washington and Sacramento. The battle for liberty is not over. There is much work to be done in the coming years.

2016 YEAR IN REVIEW

PRI's Center for Health Care was a leading voice exposing, after seven years, the problems with Obamacare—high premiums and deductibles, small networks of doctors and hospitals, and a declining number of insurers in the exchange marketplaces—and making the case against a “public option.”

Encounter Books published my latest book, *The Way Out of Obamacare*, as part of its Broadside series in January. President Trump's new Health and Human Services Secretary Dr. Tom Price sent copies of my book to all Members of Congress when he still served in the House.

In October, PRI produced “Health Care Reform: An Election Guide,” a fold-out poster-sized guide comparing the health care plans of candidates Hillary Clinton and Donald Trump, alongside House Speaker Paul Ryan's “A Better Way” white paper, and my own *The Way Out of Obamacare* plan. The guide was updated after the election to compare the different plans as President Trump launched his health care reform efforts.

As the debate over repealing and replacing Obamacare heated up, I continued a busy schedule of media interviews and speaking engagements across the country. In 2016, I wrote

more than 150 op-eds on health care, including my regular *Forbes.com* column. I also launched a new regular column in the *Washington Examiner's* “Beltway Confidential” blog. The fight for health freedom is far from over. I promise to fight for a plan that empowers doctors and patients and not the federal government.

PRI's Center for Education, led by Koret Senior Fellow and Senior Director of the Center for Education, Lance Izumi, had another impactful year. Continuing his work promoting school choice, he organized and emceed a State Capitol celebration of National School Choice Week that was attended by more than 150 people.

PRI released an animated video highlighting the “Elephant in the Room”—teachers who were not properly trained to utilize classroom technology. Lance convened a major conference at the State Capitol exploring the future of digital learning in California, featuring Senate Republican Leader Jean Fuller and Assemblyman Kevin Kiley. Key Democratic staff members also attended the event and expressed a willingness to embrace policies that unleash the potential of digital learning in California.

Lance also played an important role in setting the national educa-



tion agenda as a member of President-Elect Trump's transition agency action team for education. He produced analyses and policy recommendations for consideration by the incoming Trump Administration.

PRI's Center for the Environment continued to champion reforms to strengthen our environment through market-based solutions.

PRI Senior Fellow Dr. Wayne Winegarden released "The Clean Power Plan's Economic Impact" last October, showing how the federal government's Clean Power Plan would increase energy burdens. Wayne's study also included an online map where readers could look up how the Obama Administration's plan would impact their energy burden. His study generated national media coverage. Following its publication, the Trump Administration ended the controversial plan shortly after taking office.

Wayne continued to explore how misguided government policies hurt America's economy through PRI's

Center for Business and Economics. He spent much of 2016 working on his long-term, multi-part study, *Beyond the New Normal*, released in 2017. Wayne's new series is based on the premise that 1 to 2 percent annual growth rates are not the new normal for the U.S. economy. Robust economic growth rates can return if Washington cuts regulations and taxes and embraces free-market economic policies.

The Center for California Reform continued to promote PRI's California Prosperity Agenda and expanded outreach efforts to legislators, policymakers, and opinion leaders. We opened new offices near the State Capitol in Sacramento, and in Pasadena. In 2016, we released a new study on California's pension crisis by Dr. Wayne Winegarden, and held a forum at the State Capitol exploring the potential for California water markets. We hired Kerry Jackson, formerly of *Investor's Business Daily*, as our Center for California Reform fellow. His regular commentaries on the Golden State's key challenges made an impact in Sacramento's halls of power.

To turn around the Golden State, we must also inspire the next generation of leaders to become free-market advocates. That's why PRI launched the Young Leaders Circle in 2016, bringing together young professionals between the ages of 21 and 40 who are interested in the ideas of liberty. YLC members network and learn more about today's public policy issues from high-caliber speakers at well-attended events in San Francisco.

2016 was a busy yet productive year for PRI. However, we are excited by the opportunities that lay ahead in 2017 to finally enact the free-market reforms championed by PRI.

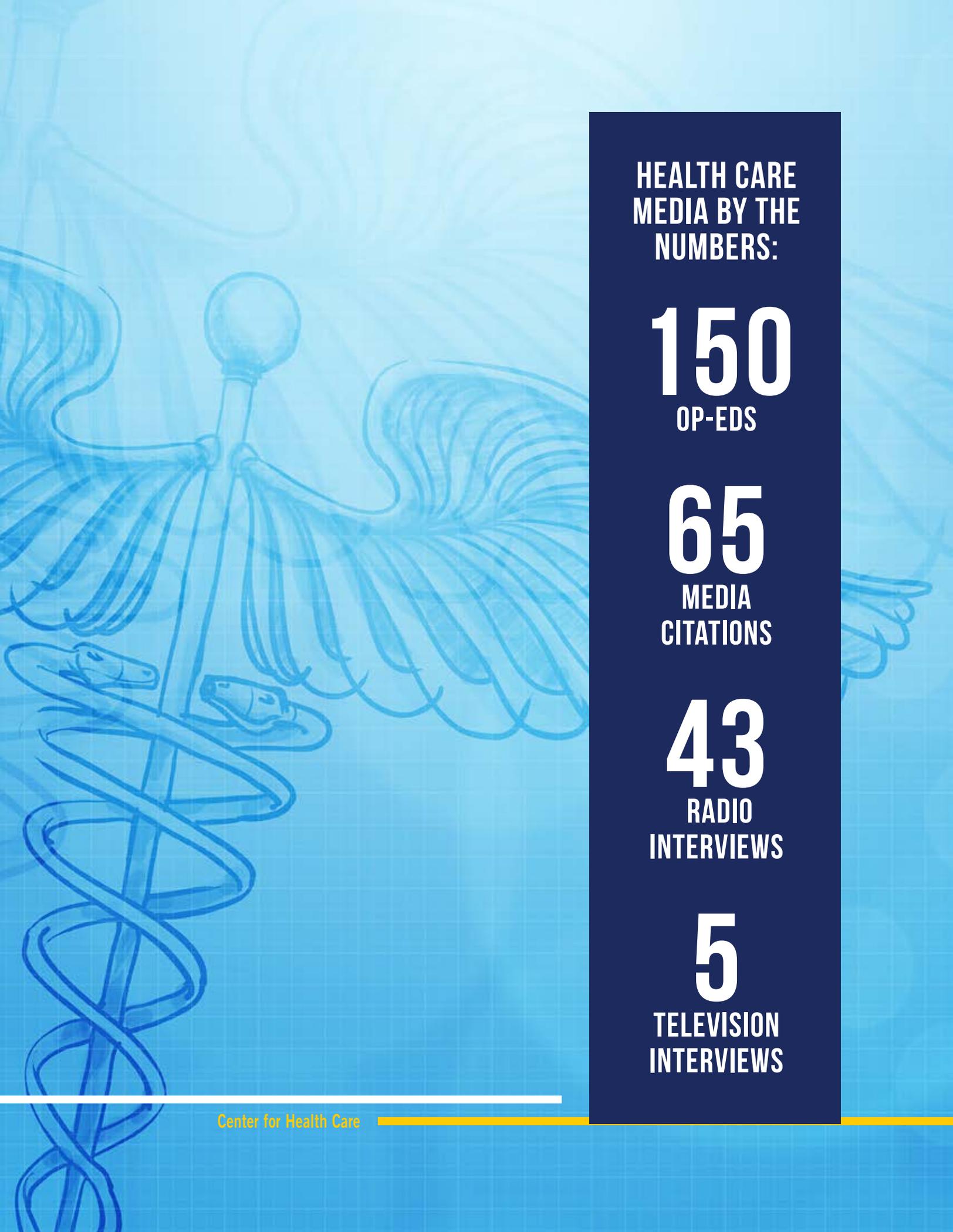
PRI's leadership is badly needed in Washington and Sacramento to turn our free-market ideas into policy victories. Thanks to your ongoing support and generosity, PRI will continue to provide the ideas and inspiration to, borrowing the President's slogan, make America and California great again.



PACIFIC RESEARCH INSTITUTE 1979–2016

The Pacific Research Institute champions freedom, opportunity, and personal responsibility by advancing free-market policy solutions to the issues that impact the daily lives of all Americans. PRI believes that these principles are best encouraged through policies that emphasize a free economy, private initiative, and limited government. By focusing on public policy issues such as health care, education, regulation, economic growth, the environment, innovation, and entrepreneurship, the Institute strives to advance the principles of a free society among leaders in government, academia, the media, the business community, and the public. PRI fills a critical role in the public debate because of California's influence as a national trendsetter. Its "outside the beltway" independence enables PRI to anticipate developing issues before they reach national prominence, and to lead the way in confronting future threats to liberty.

Founded in 1979 and based in San Francisco with offices in Sacramento and Pasadena, PRI is a non-profit, non-partisan think tank supported by private contributions. Through its six research centers, PRI advances its mission through books and studies, media commentary, invited legislative testimony, *amicus* briefs, public events, and conducts comprehensive grassroots and community outreach.



HEALTH CARE
MEDIA BY THE
NUMBERS:

150
OP-EDS

65
MEDIA
CITATIONS

43
RADIO
INTERVIEWS

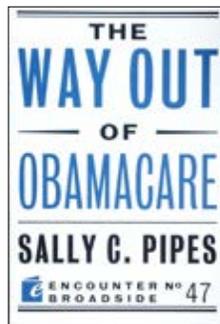
5
TELEVISION
INTERVIEWS

CENTER FOR HEALTH CARE

MISSION

PRI proposes market-based policy reforms that would provide greater access to care, improve quality, and increase affordability. PRI reveals the failure of a single-payer, government-run model for health care, drawing particularly on the problems with the Canadian system.

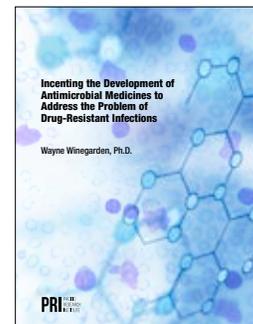
PUBLICATIONS



The Way Out of Obamacare
by Sally Pipes, January 2016



Health Care Reform:
An Election Guide
October 2016



*Incenting the Development of
Antimicrobial Medicines to Address
the Problem of Drug Resistant
Infections* by Wayne Winegarden,
November 2016

IMPACT

The Way Out of Obamacare was distributed to Members of Congress by then-Representative Tom Price. He is now Secretary of Health and Human Services.

Sally Pipes launched a new regular column in the *Washington Examiner's* "Beltway Confidential" blog to accompany her bi-weekly *Forbes.com* column.

Sally Pipes spoke to many audiences nationwide, including the California Association of Neurological Surgeons in Pismo Beach; a panel presentation on income inequality and equal pay for equal work at the Hillsdale College Free Market Forum in Atlanta; an introduction of Dr. Art Laffer at the State Policy Network annual meeting in Nashville; a reception in La Jolla, California; and to Republican Women's club luncheons in Novato, California and Santa Rosa, California.

**EDUCATION
MEDIA BY THE
NUMBERS:**

25
OP-EDS

17
MEDIA
CITATIONS

7
RADIO
INTERVIEWS

2
TELEVISION
INTERVIEWS

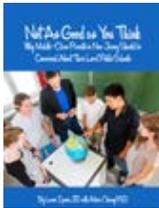
Center for
Education

CENTER FOR EDUCATION

MISSION

The Center for Education works to restore to all parents the basic right to choose the best educational opportunities for their children. Through research and grassroots outreach, our scholars advance parental choice in education, high academic standards, charter schools, digital learning, teacher quality, and school finance reform.

PUBLICATIONS



Not as Good as You Think: New Jersey
Lance Izumi, February 2016



Video: *The Elephant in the Room*, written and narrated by Lance Izumi, Summer 2016

IMPACT

Lance Izumi played an important role in setting the national education agenda as a member of President-elect Trump's transition agency action team for education. He produced analyses and policy recommendations for consideration by the Trump Administration.

Lance Izumi organized and emceed a State Capitol celebration of National School Choice Week that was attended by more than 150 people and generated statewide press coverage. He was also featured in a web video on ChoiceMedia.TV, presenting the school choice story of the day.

PRI released an animated video highlighting the "Elephant in the Room" about teachers not being properly trained to utilize classroom technology.

PRI convened a major conference at the State Capitol exploring the future of digital learning in California, featuring then-Senate Republican Leader Jean Fuller and Assemblyman Kevin Kiley. Key Democratic staff members attended the event and expressed a willingness to embrace policies that unleash the potential of digital learning in California. Lance was also a panelist at two State Assembly education reform town hall forums in the Bakersfield area.

CENTER FOR BUSINESS & ECONOMICS

MISSION

The Center for Business and Economics examines how the entrepreneurial spirit, the engine of economic growth and opportunity, is stifled by onerous taxes, regulations, and health care policies. Its scholars recommend comprehensive public-policy reforms that will maintain a robust economy, ensure consumer choice, and spur creativity and innovation.

PUBLICATIONS

Corporate Inversions Are the Symptoms; Poor Tax Policies Are the Disease

Wayne Winegarden
February 2016



IMPACT

Senior Fellow Wayne Winegarden continued to promote PRI's *Small Business Regulation Index*, and discussed with the media California's ongoing pension problems and Proposition 55 (education tax increase).



**BUSINESS &
ECONOMICS
MEDIA BY THE
NUMBERS:**

28
OP-EDS

16
MEDIA
CITATIONS

10
RADIO
INTERVIEWS

Center for
Business and Economics

The image shows the California State Capitol building in Sacramento, California, during sunset. The building's iconic dome is illuminated with a warm, golden light, contrasting with the clear blue sky. The architecture features classical elements like columns and arches. An American flag and a California state flag are visible on a tall pole in front of the building. The foreground shows the lower part of the building's facade with more columns.

**CALIFORNIA
MEDIA BY THE
NUMBERS:**

43
OP-EDS

2
RADIO
INTERVIEWS

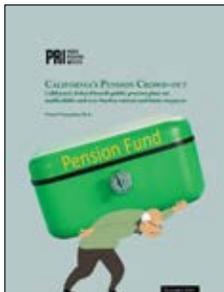
Center for California Reform

CENTER FOR CALIFORNIA REFORM

MISSION

The Center for California Reform seeks to reinvigorate California's entrepreneurial, self-reliant traditions. It champions solutions in education, business, and the environment that work to advance prosperity and opportunity for all the state's residents.

PUBLICATIONS



California's Pension Crisis by Wayne Winegarden, January 2016.



Renewed publication of *Capital Ideas*, a monthly column focusing on California issues.

IMPACT

PRI began holding quarterly receptions in Sacramento to revitalize and re-invigorate the free-market policy community at the capital.

PRI held a Water Conference at the State Capitol, featuring key California leaders on water policy. The event was well attended and covered in the Sacramento press.

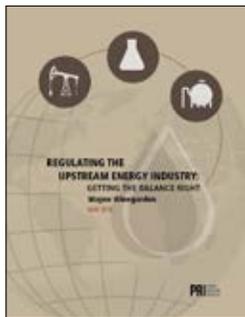
PRI made two additions to its team to strengthen its presence in Sacramento. Tim Anaya, an 18-year veteran of the state legislature joined PRI as Director of Communications. In addition, PRI hired former *Investor's Business Daily* editorial writer Kerry Jackson to write weekly on California issues.

CENTER FOR THE ENVIRONMENT

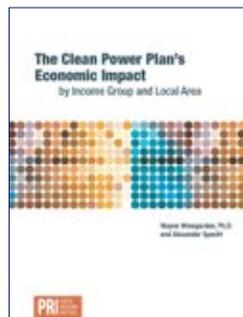
MISSION

The Center for the Environment reveals the dramatic and long-term trend towards a cleaner, healthier environment. It also examines and promotes the essential ingredients for abundant resources and environmental quality – property rights, markets, local action, and private initiative.

PUBLICATIONS



Regulating the Upstream Energy Industry: Getting the Balance Right
Wayne Winegarden, May 2016



The Clean Power Plan's Economic Impact
Wayne Winegarden
October 2016

IMPACT

Senior Fellow Dr. Wayne Winegarden released “The Clean Power Plan’s Economic Impact,” showing how the Clean Power Plan would increase energy burdens, especially in poor and working-class communities. Following its publication, the Trump Administration ended the controversial plan shortly after taking office.



**ENVIRONMENT
MEDIA BY THE
NUMBERS:**

9

OP-EDS

21

**MEDIA
CITATIONS**

9

**RADIO
INTERVIEWS**

WITH GRATITUDE

Since our founding in 1979, the Pacific Research Institute has been a leading voice in promoting the values of freedom, free markets, and limited government. Our substantive research and policy recommendations continue to inform the debate on important legislative issues in California and throughout the nation. This work would not be possible without our financial supporters: hundreds of Americans who share our vision of a free and civil society where all individuals can achieve their full potential.

In 2016, more than 1,000 individuals, foundations, and corporations joined with us to stand up to government overreach and protect our cherished liberties. Last year, PRI donors contributed over \$5 million in cash and multi-year commitments. This financial support enables us to ensure that policymakers, the media, and the public are armed with timely, accurate research on key policy issues that affect each of us, every day.

Last year marked the first year of our Sir Antony Fisher Freedom Society at PRI—a new society that recognizes our most loyal supporters – those who contribute gifts of \$1,000 or more each year—and provides them with exclusive access to our events, publications, scholars, and leadership. The society is named after PRI's co-founder, Sir Antony Fisher. We are pleased to have welcomed more than 350 members into the Society. We encourage those interested in the Society to learn more about the benefits of becoming a member by visiting www.pacificresearch.org/sir-antony-fisher-freedom-society/.

An important part of the Society is our Young Leaders Circle (YLC), launched in June 2016. The YLC introduces young professionals in the San Francisco Bay Area to free-market concepts, increasing their understanding of the economy and the role free-enterprise plays in solving polit-

ical, social, and economic problems. Our monthly events bring in authors, policy experts, and industry leaders in tech, business, and finance to discuss how and why free-markets foster innovation and benefit all members of society. These events also provide networking opportunities for members to engage with one another, share ideas, and discuss these topics in a relaxed and enjoyable environment.

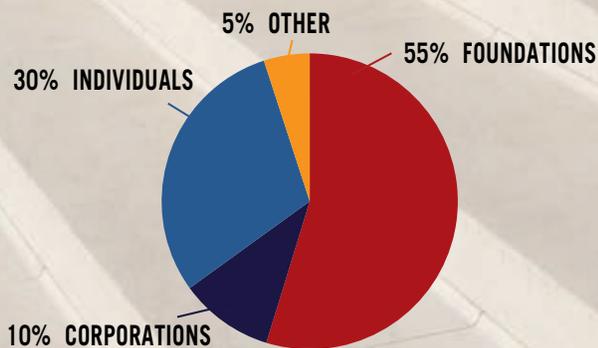
The YLC is a membership organization open to anyone aged 21 to 40. Annual membership requires a gift of \$250 or more. Since the launch of the YLC, PRI has enrolled more than 70 members. YLC members come from diverse political and professional backgrounds yet share an interest in the ideas of liberty and in how these ideas translate into their professional careers. In the months and years ahead, we look forward to building on the success of this program and to welcoming many more young professionals to the YLC.

One of our greatest strengths is our Board of Directors – an engaged and committed group of individuals from a wide range of backgrounds who provide important expertise and insights to help advance our mission. We are particularly grateful for the guidance of the members of the Board Development Committee. Their unique perspectives and creative vision have allowed us to strengthen our Development Department and enhance our ability to attract new supporters to our work.

Whether the struggle is over public pensions, health care, tax and regulatory policy, energy, or education, PRI has the experts and the experience to drive the debate. We are enormously grateful to our supporters for partnering with us in 2016 to advance free-market policies that will lead to a stronger, freer America. For details on how to make a gift to PRI, please call (415) 955-6111 or visit pacificresearch.org

FINANCIALS

REVENUE BY SOURCE



TOTAL REVENUE \$5,274,427

TOTAL EXPENSES \$3,835,139

ASSETS & LIABILITIES

Cash & Equivalents	6,522,165
Investments	7,101,128
Net Fixed Assets	93,516
Other Assets	1,180,330
Liabilities	160,957
NET ASSETS	\$14,736,182

STAFF

Sally C. Pipes
President, CEO, and
Thomas W. Smith Fellow in Health Care Policy

Rowena M. Itchon
Senior Vice President

Sally A. Stegeman
Vice President, Development and Administration

Lance T. Izumi
Senior Director, Center for Education
Koret Senior Fellow in Education Studies

Timothy Anaya
Director of Communications

Dana Beigel
Creative Director

Ben Smithwick
Director of Development

Vickie Nelson
Director of Events

Mary Long
Bookkeeper

Barbara Hetherington
Administration

FELLOWS

Jeffrey H. Anderson, Ph.D.
Senior Fellow, Center for Health Care

John R. Graham
Senior Fellow, Center for Health Care

Kenneth P. Green, Ph.D.
Senior Fellow, Center for the Environment

Steven F. Hayward, Ph.D.
Senior Fellow, Government and Politics

Beth Haynes, M.D.
Fellow, Center for Health Care

Kerry Jackson
Fellow, Center for California Reform

Arthur B. Laffer, Ph.D.
Founder, The Laffer Center at PRI

Lawrence J. Siskind, J.D.
Adjunct Fellow, Legal Studies

Wayne Winegarden, Ph.D.
Senior Fellow, Center for Business and Economics

BOARD OF DIRECTORS

Chairman, Clark S. Judge
White House Writers Group

Sally C. Pipes
Pacific Research Institute

Secretary/Treasurer, Sean M. McAvoy
Hillair Capital Management

Katherine H. Alden
Woodside Hotels & Resorts

The Honorable Christopher Cox
Morgan Lewis Consulting

Peter C. Farrell, Ph.D., AM
ResMed

Russell A. Johnson
KPLJ Ventures

The Honorable Daniel M. Kolkey
Gibson, Dunn & Crutcher, LLP

The Honorable Daniel Oliver
Chairman Emeritus
White House Writers Group

Sandra E. Gale
Retired Business Owner, Gourmet Center, Inc.

Thomas C. Magowan
Club Minibar, Inc.

Richard A. Wallace

Christopher Wright
Liberty Resources, LLC



EVENTS

January 2016

California Prosperity Agenda Reception
Sacramento, California

February 2016

Luncheon and Book Signing with Jay Nordlinger
San Francisco, California

The Way Out of Obamacare
Sally Pipes' Book Reception and Signing
San Francisco, California
Newport Beach, California

March 2016

Baroness Thatcher Dinner Gala
Keynote Speaker: Jonah Goldberg
Newport Beach, California

Not As Good As You Think: New Jersey
Luncheon and Discussion with Lance Izumi
Trenton, New Jersey

April 2016

Luncheon and Book Announcement with Pete Hegseth
San Francisco, California

Not As Good As You Think: Colorado
Luncheon and Discussion with Lance Izumi
Denver, Colorado

Luncheon, Discussion, and Book Signing with Karl Zinsmeister
San Francisco, California

June 2016

PRI Water Conference
State Capitol
Sacramento, California

Center for California Reform Reception
Sacramento, California

Luncheon and Discussion with *Wall Street Journal's* James Taranto
San Francisco, California

Young Leaders Circle Launch Party Reception
San Francisco, California

July 2016

Luncheon and Book Signing with John Tamny
San Francisco, California

August 2016

Luncheon and Discussion with Andrew McCarthy
San Francisco, California

"Is San Francisco A Soft Target?" with Andrew McCarthy
Young Leaders Circle
San Francisco, California

3rd Annual Villa Taverna Dinner
Featuring Dr. Arthur Laffer and Sally Pipes' 25th Anniversary Celebration
San Francisco, California

September 2016

"One Bay Under Tech"
Young Leaders Circle
San Francisco, California

October 2016

Breakfast with Dr. Arthur Laffer
The State Policy Network Annual Meeting
Nashville, Tennessee

Young Leaders Circle Event with Speakers: Margo Hirsch, Kelly McKenna, Carson Bruno, and Steve Hayward
San Francisco, California

November 2016

Young Leaders Circle Event with Speakers:
• Kelly Gorton, Attorney
• Jason Clark, San Francisco Republican Party Chair
• Alexander McCobin, Co-CEO at Conscious Capitalism
San Francisco, California

2016 Annual Gala Dinner with Charles Krauthammer
San Francisco, California

December 2016

"The Future Is Now"
Panel discussion on ed tech and blended learning in the classroom
Speakers:
• PRI's Lance Izumi (Moderator)
• Paul Escala of Grimmway Academy
• Jean Fuller, Senate Republican Leader
• Catlin Tucker, Author and Teacher
• Assemblyman Kevin Kiley
State Capitol
Sacramento, California

Luncheon and Discussion with Rob Arnott and John Tamny
Newport Beach, California

"Man vs. Machine"
Co-sponsored with Lincoln Network
San Francisco, California

Holiday Party
Joint event of the Sir Antony Fisher Freedom Society and Young Leaders Circle
San Francisco, California





www.pacificresearch.org

SAN FRANCISCO HEADQUARTERS

101 Montgomery Street, Suite 1300
San Francisco, CA 94104
Tel 415-989-0833
Fax 415-989-2411

SACRAMENTO OFFICE

2110 K Street, Suite 28
Sacramento, CA 95816
Tel 916-389-9774

PASADENA OFFICE

680 E. Colorado Blvd.
Pasadena, CA 91107
Tel 626-714-7572

CONNECT WITH US



facebook.com/pacificresearchinstitute



[@pacificresearch](https://twitter.com/pacificresearch)



youtube.com/pacificresearch1



www.linkedin.com/company/pacific-research-institute