



1977

MI

2017



1977

TURNING INTELLECT

2017

INTO INFLUENCE

OUR REACH

NUMBER OF EVENTS HELD IN EACH STATE

0

1-14

15-44

45+

SAN FRANCISCO / SILICON VALLEY, CA

The San Francisco chapter of the Adam Smith Society in July heard tech venture capitalist Joe Lonsdale explain the life-cycle of a startup and predict the future for Silicon Valley.

45

BEVERLY HILLS, CA

At a February media dinner hosted by *City Journal*, journalist Greg Ferenstein discussed his article, "The Disrupters," on Silicon Valley elites' vision of the future.

49

BOULDER, CO

Senior fellow Max Eden spoke to students at University of Colorado, Boulder about charter schools, vouchers, school discipline, and rural education.

DALLAS, TX

The Dallas chapter of the Adam Smith Society hosted a debate in October between Charles Murray and Jared Bernstein on the question, "Is a Universal Basic Income Needed in the Age of Automation?"



10

COUNTRIES VISITED



FRANCE



MONTREAL, CANADA

Adam Smith Society members trekked to Montreal in October to participate in discussions led by MI senior fellow Oren Cass and David Azerrad of the Heritage Foundation on the welfare state and the future of work.



AUSTRALIA



NEW DELHI, INDIA

Senior MI fellow Robert Bryce told an Observer Research Foundation roundtable in New Delhi what next steps India must take to meet its self-imposed "terawatt-size challenge": tripling the country's production of electricity.

550+

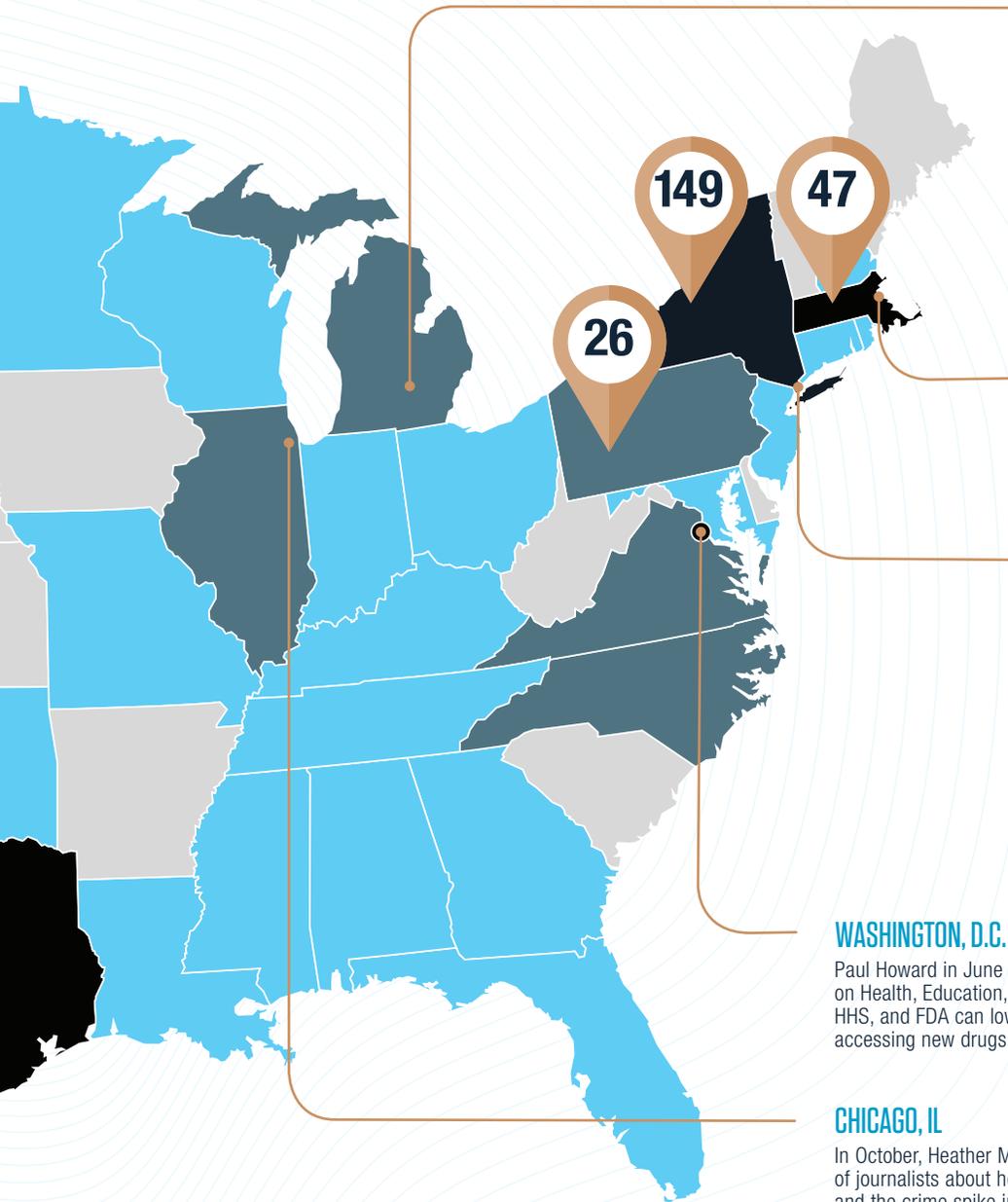
TOTAL NUMBER OF EVENTS

6 of 7

CONTINENTS VISITED BY SCHOLARS

175+

EVENTS ON COLLEGE CAMPUSES



KALAMAZOO, MI

Dr. Tom Coburn, MI's Nick Ohnell Fellow, discussed market-driven methods to lower drug prices with journalists and members of the Michigan biotech community.

BOSTON / CAMBRIDGE, MA

At a Harvard Institute of Politics John F. Kennedy Forum senior fellow Oren Cass was part of a panel discussion on "The Future of the Conservative Agenda."

NEW YORK, NY

Senior fellow James Copland convened and moderated a discussion in September on "The Legal Revolution to Come: How the Right Can Reshape the Federal Courts." Panelists included the Hoover Institution's Adam White, NYU's Richard Epstein, and Georgetown University's Randy Barnett.

WASHINGTON, D.C.

Paul Howard in June testified before the Senate Committee on Health, Education, Labor and Pensions on how Congress, HHS, and FDA can lower the barriers that patients face when accessing new drugs.

CHICAGO, IL

In October, Heather Mac Donald spoke to a table of journalists about her book *The War on Cops* and the crime spike in Chicago.



MEXICO



ARGENTINA



EGYPT



UKRAINE



LONDON, ENGLAND

The Adam Smith Society's first international chapter convened in London in November, where an audience of Society alumni and young professionals heard historian, author, and lecturer Andrew Roberts discuss the UK post-Brexit and the future of UK-US relations.

EDINBURGH, SCOTLAND

In November, members of the Adam Smith Society trekked to the home of the organization's namesake to take part in a seminar led by Dr. Craig Smith of the University of Glasgow on Smith's seminal works, *The Wealth of Nations* and *The Theory of Moral Sentiments*.

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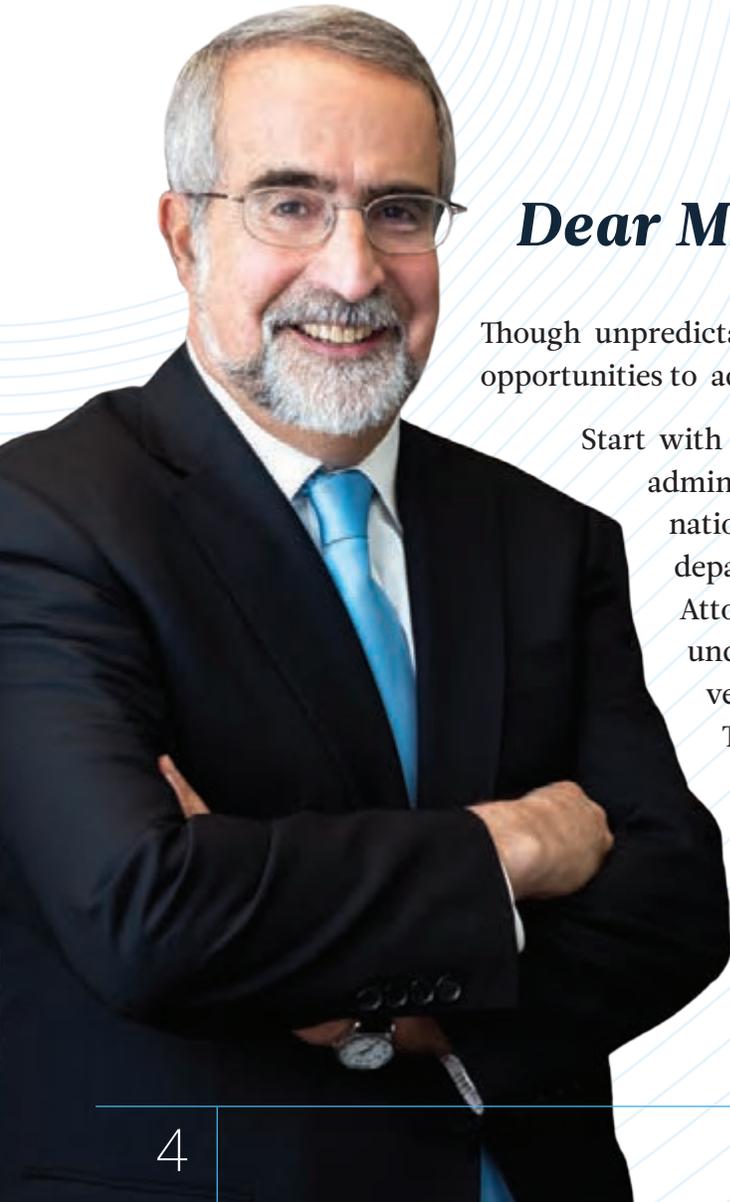
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LETTER FROM THE PRESIDENT



Dear MI Friends and Supporters,

Though unpredictable, 2017 has provided the Manhattan Institute with opportunities to advance good ideas.

Start with the Department of Justice (DOJ). Under the previous administration, as violent crime was on the rise in cities nationwide, the DOJ was handicapping many local police departments through consent decrees—but not anymore. Attorney General Jeff Sessions, in April, ordered the DOJ to undertake a comprehensive review of all consent decrees—very much in line with recommendations made by Thomas W. Smith Fellow Heather Mac Donald, whom the president cited explicitly during his campaign.

Then there is the Environmental Protection Agency (EPA), headed by Scott Pruitt, with whom MI collaborated on legal policy reform when he was Oklahoma attorney general, and who spoke at MI in June. Under his direction, the EPA has been rolling

back the regulatory overreach of the previous administration, including the Clean Power Plan (CPP). According to a 2016 MI study, CPP would have led to billions of dollars in higher electricity costs, with no measurable impacts on world temperatures and climate.

With President Trump's June pledge to "seek not only American energy independence...but American energy dominance," he echoed what senior fellow Mark Mills has been proposing in reports, op-eds, and on TV and radio for the past five years—a strategy of increasing domestic energy development and export, with benefits for the economy and the country's geopolitical position. To that end, the administration has been approving the construction of new pipelines, a policy that Mills and other MI fellows have long called for.

Restoring the rule of law will require reining in the administrative state, and on this score, ideas from MI's legal policy team, too, are gaining ground. In October, Congress undid a rule promulgated by the Consumer Financial Protection Bureau banning financial institutions from including mandatory arbitration clauses in consumer contracts, a rule that was designed exclusively to benefit plaintiffs' lawyers. Senior fellow James Copland criticized this rule when it was first proposed in 2016 and continued with a series of commentaries up until Congress acted this year.

While congressional action will be necessary to overcome some of the biggest problems with America's health-care system, in the interim, there is much the administration should do—and has started doing. In October, the president signed an

executive order deregulating short-term insurance plans, an Obamacare workaround that senior fellow Chris Pope proposed this summer. And when it comes to furthering medical innovation, new FDA commissioner Scott Gottlieb is off to a strong start; in April, the agency approved personal genetics tests to empower patients, a move that senior fellow Peter Huber had called for in his 2013 book, *The Cure in the Code*.

We have seen policy changes that advance core goals of MI's agenda: promoting public safety, sensible environmental regulation, energy dominance, the rule of law, health-care deregulation, and medical innovation—and there are more examples of reforms that I could list, and not just in Washington. MI's state and local policy team has been developing ideas on how to improve public services from transit to schools, as well as to rein in unsustainable public-sector legacy costs. And initiatives such as MI on Campus and the Adam Smith Society are encouraging intellectual pluralism on campuses from coast to coast. These are gains that we can build on, foreshadowing a strategy for moving forward.

I'd like to thank you for your support of our mission and for helping enable all that you will read about in the following pages. I also wish you and your family a happy holiday season.

Sincerely,



Lawrence Mone

President

NATIONAL POLICY AGENDA

In response to the challenges that America faces, MI is fighting hard both for systemic reforms and for immediate victories the new administration easily can seize. On that last score, there was much to cheer from 2017 (see the letter from the president on the previous pages). Plus, with the new administration poised to appoint potentially many new members to the federal judiciary, there is a renewed opportunity to recover the rule of law and constitutional limits on federal power.

Achieving policy change in some areas—from simplifying the tax code, to overcoming Obamacare, to reforming entitlements, to undoing financial-markets regulation enacted after the 2008 crisis—will require congressional action. To that end, MI is keeping up its presence

and voice in the nation’s capital, testifying before congressional committees and disseminating our research through a variety of media.

Not all problems, though, are wholly amenable to public-policy solutions. Cultural renewal will be necessary to address some of America’s most daunting social ills, such as family breakdown and intergenerational poverty, which have been especially prevalent among some minority groups—despite decades of government-led interventions. Thus, MI is also focused on ideas to reinvigorate civil society, in which inspired citizens and voluntary associations provide compassionate care for the needy and inculcate social norms that empower individuals and communities.



▲ In February, senior fellow **Beth Akers** testified before the House Education and Workforce Committee

Recovering the Rule of Law

“Make no mistake: the anti-arbitration rule was designed exclusively to benefit plaintiffs’ lawyers.”

— Senior fellow **James Copland**

With new appointments to the federal judiciary and with Congress increasingly attuned to abuses by what is often referred to as the “administrative,” or “regulatory,” state, MI is advocating ideas on how to restore the rule of law. Building on the Institute’s history of shaping the public debate on legal issues from civil justice reform to corporate governance to overcriminalization of ordinary conduct, legal-policy director James Copland and deputy director Rafael Mangual have been explaining how to undo some of the worst abuses and restore constitutional limits on federal power.

Over the past year, it has been encouraging to see Washington pick up our team’s recommendations. The House Financial Services Committee, for example, in May, passed the Financial CHOICE Act of 2017, which raises both the threshold amount of stock one must own to submit a shareholder proposal and the threshold level of support failed proposals must garner to be resubmitted. The committee, in explaining this provision, referred to MI’s Proxy Monitor, a project through which we have publicized attempts by activist investors to advance social and political agendas through the

shareholder proposal process. In June, Attorney General Jeff Sessions ended an Obama-era Department of Justice practice that Copland had long criticized: using “voluntary” settlement agreements called “deferred” and “non-prosecution” agreements (D/NPAs) to require corporate defendants to make payouts to outside groups that were not parties to the case—often nonprofits favored by the administration. And in August, the Trump administration undid an Obama-era rule that forbade nursing-home contracts that included clauses requiring arbitration instead of litigation.



▲ At a September forum, MI drew together three of America’s leading legal scholars—Georgetown University’s **Randy Barnett**, Hoover Institution’s **Adam White**, and NYU’s **Richard Epstein**—to discuss how the appointment of Neil Gorsuch to the Supreme Court (and the potential for additional Trump administration nominees) may create an opportunity to correct long-standing errors in federal jurisprudence.



On September 19, senior fellow **James Copland** spoke at the U.S. Chamber of Commerce on the rise of social-oriented shareholder activism, presenting findings from MI's Proxy Monitor.

INTELLECT INTO INFLUENCE

➤ In October, Congress followed senior fellow James Copland's recommendation to undo a rule imposed by the Consumer Financial Protection Bureau (CFPB) banning financial institutions from including mandatory arbitration clauses in consumer contracts. The anti-arbitration rule was designed exclusively to benefit plaintiffs' lawyers, and it would have ensured that consumers injured by financial companies would have no redress unless lumped into massive class-action lawsuits that paid them pennies on the dollar. Copland had issued a public comment opposing the rule when the CFPB proposed it in 2016, had published a report showing the costs of arbitration to be lower than those of litigation ("Trial Lawyers, Inc.: Arbitration"), and had authored a series of op-eds on the rule in the *Wall Street Journal*, *National Review Online*, and *Investor's Business Daily*.

Senior fellow **Diana Furchtgott-Roth** has directed E21 since it was incorporated as an MI division in 2013. In October, President Trump nominated her to be assistant secretary of transportation, research, and technology. Though we will miss her, she will be doing the nation a great service in her new capacity.



INTELLECT INTO INFLUENCE

➤ In October, Acting Comptroller of the Currency Keith Noreika suggested that Congress revisit the part of the Dodd-Frank Act that sets asset thresholds that determine when banks are subject to certain regulations. Noreika said that the current thresholds are “arbitrary” and “have the perverse effect of acting as competitive barriers.” This corresponds to the findings of a landmark empirical study, led by MI book fellow and Columbia Business School professor Charles Calomiris and consisting of eight papers by 19 economists, of the effects of financial-markets regulations promulgated during the Obama era. MI hosted a conference where the economists behind this study presented their findings, and Calomiris discussed the issue in his book *Reforming Financial Regulation After Dodd-Frank* and in his *Wall Street Journal* commentary “Four Principles for Replacing Dodd-Frank.”

Promoting Economic Growth

“Reforming Financial Regulation After Dodd-Frank is the very best analysis of the general problem of financial regulation ... that has been written.”

— Allan H. Meltzer, Carnegie Mellon University

The course of economic policy debate in Washington has always been unpredictable—and 2017 was no exception. Congress and regulatory agencies have addressed a number of issues that bear on economic growth, from financial-markets regulation to tax reform. In the midst of contentious debates, MI’s D.C.-based division, E21: Economic Policies for the 21st Century, has provided rapid-response analysis and commentary, refuting many of the falsehoods that arise in public discourse and promoting ideas that can revive economic growth—a baseline condition for improving the prospects of many struggling Americans.

Directed by senior fellow Diana Furchtgott-Roth, E21 has been working to influence policymakers and citizens inside and outside the Beltway. The E21 daily e-brief, containing our team’s latest articles, goes to a list of more than 4,000 Hill staffers, journalists, and public-policy researchers. Senior fellow Brian Riedl has been a prolific op-ed writer, puncturing many persistent myths on issues such as taxes and deficits. Policy analyst Charles Hughes’s

report, “The Energy Bottleneck,” advocated expanding and upgrading America’s pipeline infrastructure for transporting oil and natural gas—and in October, the Federal Energy Regulatory Commission did just that, approving two major proposals that had been under review. The Shadow Open Market Committee (SOMC), founded by legendary economist Allan Meltzer (1926–2017) and now under the umbrella of E21, monitors and evaluates specific policy choices and broader strategic goals of the Federal Open Market Committee (FOMC).



▲ In this book, published following a year-long MI study on Obama-era financial regulations, MI adjunct fellow **Charles Calomiris** reviews the shortcomings of current regulatory practice, identifies the principles that should guide our regulatory architecture, and suggests reforms that are consistent with those principles.

Restoring Law and Order

“In short, the FBI has again proved the Manhattan Institute’s Heather Mac Donald right.”

—*New York Post*

On September 25, 2017, the *New York Times* reported that violent crime had increased for the second consecutive year and that experts “continue to express puzzlement about the upsurge.” Yet there is one expert who was not puzzled; in fact, she predicted it. Since the spring of 2015, when violent crime rates began to climb in major cities, MI Thomas W. Smith Fellow Heather Mac Donald

has popularized the notion of the “Ferguson effect.” As rhetoric about police racism has escalated, officers have become more reluctant to confront suspects—and criminals have felt emboldened.

With violent crime on the rise, Mac Donald has been debunking the false narrative of police racism, with her bestselling book, *The War on Cops*, now in its second printing. To promote greater public awareness of Mac Donald’s research, MI placed 1,000 posters highlighting *The War on Cops* in subway cars throughout New York City, which were seen 8.7 million times by riders in a single month,



LATE 2014

Following the death of Eric Garner during an arrest in Staten Island, NY, and the shooting of Michael Brown in Ferguson, Missouri, “Black Lives Matter” demonstrations begin organizing across the country.

MAY 29

Heather Mac Donald coined the term “**Ferguson Effect**” in a *Wall Street Journal* op-ed, warning that police officers across the country were disengaging from discretionary enforcement activity and that poor minority communities would be the most likely to suffer from a subsequent increase in crime.

JULY 16

The *Wall Street Journal* reported that the American Society of Criminology’s policy committee chair e-mailed members, fretting that Mac Donald’s “misinformed campaign” was “getting a lot of play in the media” and “may have the attention of some key policymakers on the Hill.”



2015 YEAR-END FBI data show an increase in violent crime after years of decline. Homicides are up 17% in the largest 50 U.S. cities.

2014

2015

DECEMBER 20

As protests were carried out, two NYPD officers were assassinated inside their patrol car.

JUNE

Mac Donald’s “Ferguson Effect” theory garners national media attention, while many pundits and analysts deny a connection between the drop in proactive police enforcement and rise in violent crime.

NOVEMBER

President Obama claimed that there was no evidence of a Ferguson Effect and warned against “cherry-picking” data. The Brennan Center for Justice announced that claims of rising crime in the U.S. were “overblown.”

HEATHER MAC DONALD'S
THE WAR ON COPS STATS

450 | RADIO & TELEVISION

55K | BOOKS SOLD

6 | NATIONAL BESTSELLER LISTS

in addition to a full-force digital marketing campaign.

Mac Donald has also been explaining how the new administration can restore law and order. We have been encouraged to see Attorney General Sessions begin to implement policies that Mac Donalds has advocated, including calling for a review of all existing or contemplated DOJ police consent decrees that the Obama administration imposed on many police departments. Scaling back the federal government's inappropriate supervision of local law enforcement will let officers focus on fighting crime, instead of writing reports, and help cities avoid millions of dollars' worth of compliance costs.

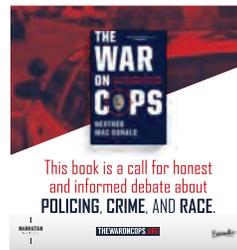


MI Thomas W. Smith Fellow
Heather Mac Donald



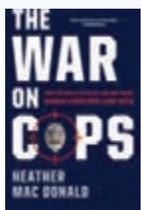
APRIL

MI ad campaign in NYC subway is seen 8.7 million times.

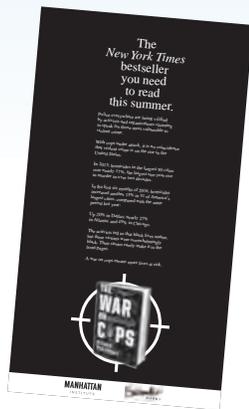


OCTOBER 6

Manhattan Institute publishes a full-page ad in the *New York Times*, reminding readers that one expert is not "puzzled" by the rise in violent crime.



JUNE 21
The War on Cops is published.



JULY 28

MI publishes a full-page *New York Times* ad about *The War on Cops*.

2016 YEAR-END
For the first time in decades, violent crime in the U.S. spiked for a second year in a row.

2017

JULY 7

In Dallas, a group of police officers were ambushed; five were killed and nine were wounded.

DECEMBER 20

The Brennan Center for Justice reported the "overall crime rate steady in 2016" but admitted that the *violent crime rate* had increased.

APRIL

Mac Donald is confronted by protesters at Claremont McKenna College, where she was invited to speak about the increase in violent crime and its effect on minority communities.

SEPTEMBER 25

Following the release of the FBI's 2016 crime data, the *New York Times* published an article, "**Violent Crime in U.S. Rises for Second Year in a Row, Leaving Experts Puzzled.**"

2016



▲ Senior fellow **Jason Riley**

Today, the gap between white and black American incomes is what it was 50 years ago. The same can be said about the gap between white and black student test scores. These inequalities persist despite decades of government interventions, programs, and billions of dollars to advance the well-being of America's minorities.

As MI senior fellows such as Jason Riley and Heather Mac Donald have shown, policy interventions intended to help minorities, well intentioned as they may be, often end up doing more harm than good, trapping people in cycles of dependency, among other effects. To promote black self-empowerment, Riley and Mac Donald have countered the narrative that prejudice and racism are the biggest obstacles to achieving upward mobility. Consider, for example, Mac Donald's lead essay in the Autumn issue of

“The thrust of [Jason Riley’s] slim but significant new book, *False Black Power?*, from Templeton Press, is the politically incorrect conclusion that black political clout is no substitute for self-development.”

— Mark Tapson, *Front Page Mag*

City Journal, “Are We All Unconscious Racists?,” a tour de force critique of the ideology and purported evidence behind the concept of “implicit bias.” Riley, in his latest book, *False Black Power?*, examines how the chief strategy of black civil rights leaders—pursuing political power—has failed to close inequalities

between whites and blacks. He explains how other ethnic and minority groups have done better by making economic, not political, advancement their top priority.

In December, at an MI conference, “Prospects for Black America,” Riley and other scholars will discuss policy reforms and cultural changes that can encourage upward mobility. The conference will be keynoted by Dr. Ben Carson, secretary of the U.S. Department of Housing and Urban Development.



Photo by Tioctaidh / Flickr

MI will honor former NYPD officer Steven McDonald (in memoriam) with the final William E. Simon Prize for Lifetime Achievement in Social Entrepreneurship.

America has always looked to civil society—that constellation of nonprofits, charities, and voluntary associations—to establish and reinforce cultural norms that promote the responsible exercise of freedom. But in recent years, many institutions of civil society have frayed, and new ones are needed to address some of America’s most serious social ills, from opioid addiction to gang violence to broken or never-formed families. To empower struggling individuals and communities to live self-sufficient lives and break cycles of dependency, MI’s Howard Husock has been focused on ideas to reinvigorate American civil society.

Central to this effort has been celebrating those nonprofit leaders who have developed creative ways to help the needy and introduce (and, in some cases, reintroduce) beneficial norms. At MI’s 17th annual Social

Entrepreneurship Awards banquet on November 29, we will honor organizations whose missions range from empowering ex-offenders to start small businesses to preparing disadvantaged students for STEM careers. We will also present the final William E. Simon Prize for Lifetime

Achievement in Social Entrepreneurship, posthumously, to Steven McDonald, former NYPD officer who was shot and paralyzed in the line of duty in 1986. From that time until his death earlier this year, McDonald worked to spread a message of forgiveness, faith, and community.

His story is that of the “everyman” social entrepreneur, working for and inspiring others, regardless of the hardships he faced. The Simon Foundation, which will soon sunset, has been a generous underwriter of MI’s efforts on civil society. We are grateful for the Foundation’s longtime support.

Steven McDonald ... reminds us that, for the person with vision and strength, one’s example can be as powerful as an entire organization.

— MI’s Howard Husock

Improving Education

What my analysis implies is that the city's charter schools post high test scores but not simply because of which students they enroll.

Senior fellow **Marcus Winters**

The education reform movement has led to some of the most encouraging public-policy developments of recent decades, such as charter schools in cities nationwide and new forms of career and technical education. As vested interests such as teachers' unions have resisted reforms grounded in the principles of choice, competition, and accountability, MI has fought back, educating citizens



50 MOST UNDERRATED K-8 SCHOOLS

- ▲ SchoolGrades.org: Launched in 2015, MI's online school-rating project has identified overachieving schools: those that are particularly successful at helping disadvantaged kids excel. Based on an analysis of data from SchoolGrades, **Max Eden** and **Charles Sahm** authored "Diamonds in the Rough," a report that highlighted the lessons that schools can take from these "islands of excellence." This September, MI launched a social media campaign to promote SchoolGrades.org, which **resulted in setting a new MI record for the greatest number of unique website users in a day.**

as to why some traditional systems are in need of change and how new models can help students develop their abilities.

On the K-12 education front, senior fellows Max Eden and Marcus Winters and education-policy director Charles Sahm have been focused on reforms that can improve the prospects of disadvantaged kids. Winters, in one of his reports this year, demonstrated that, when accounting for students' socioeconomic backgrounds, New York's charter schools outperform even the city's selective public schools, which admit students on the basis of entrance exams. This report, which falls in a line of previous MI studies on charters, further undercuts the canard that charters are successful because they cherry-pick better students and decline to educate those who struggle.

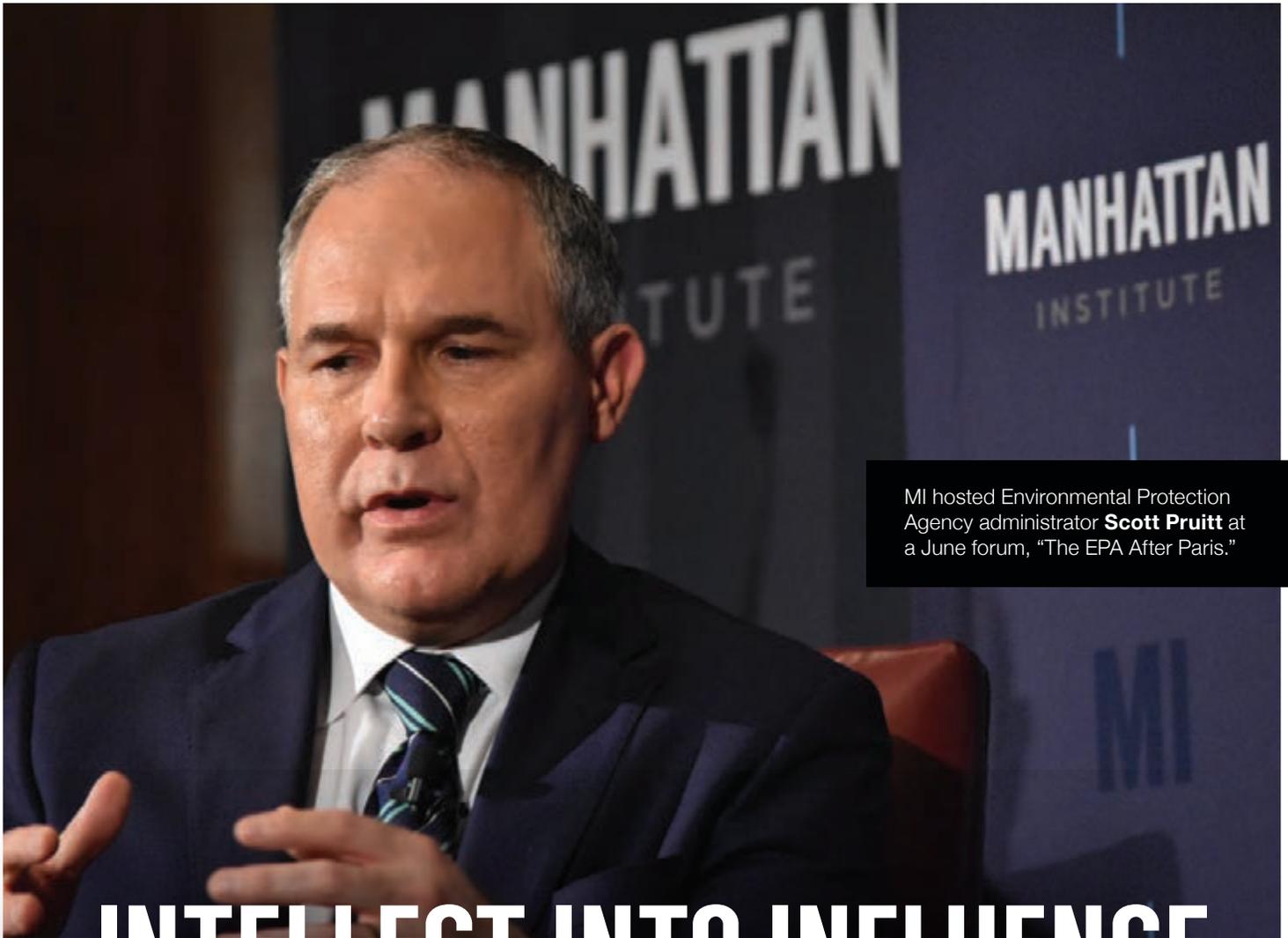
Beth Akers, the newest addition to MI's education-policy brain trust, is applying MI's core principles in the area of postsecondary education. Coauthor of the book, *Game of Loans: The Rhetoric and Reality of Student Debt*, Akers this year has written and testified before Congress about ideas to reform financial-aid policies in ways that make colleges more accountable for student employment outcomes and encourage college completion—unlike the idea of "free college," which advances neither goal.



MI's education policy team: Education-policy director **Charles Sahn**, and senior fellows **Beth Akers**, **Marcus Winters**, and **Max Eden**.

INTELLECT INTO INFLUENCE

➤ Nationwide, there has been a dramatic shift in school discipline policy. With pressure coming from the Obama administration, schools grew reluctant to impose suspensions. Learning environments have subsequently deteriorated—especially at schools with high concentrations of minority students, diminishing their educational opportunities. This was one of the main findings of senior fellow Max Eden's report "School Discipline Reform and Disorder: Evidence from New York City Public Schools, 2012–2016." Eden has raised the school-safety issue in the national public discourse, with his op-eds appearing in *USA Today*, *New York Post*, and *New York Daily News*, and his findings publicized by NPR, the *Wall Street Journal*, and other outlets.



MI hosted Environmental Protection Agency administrator **Scott Pruitt** at a June forum, “The EPA After Paris.”

INTELLECT INTO INFLUENCE



On October 10, EPA administrator Scott Pruitt repealed the Clean Power Plan (CPP), an Obama-era policy that called for reducing emissions of carbon dioxide from U.S. electric generating plants by 870 million tons below 2005 levels by 2030. In June 2016, MI published a report, “Missing Benefits, Hidden Costs: The Cloudy Numbers in the EPA’s Proposed Clean Power Plan,” by Jonathan Lesser, president of Continental Economics. This was a comprehensive look at the assumptions and methodology that the EPA used in its cost-benefit analysis to justify the plan. Lesser found that CPP would have increased annual electricity costs by the billions in exchange for carbon emissions reductions that would have had no measurable impact on global temperature. This study was editorialized in papers nationwide, and MI shared the report with Pruitt and his team.

Achieving American Energy Dominance

“Peter Huber and Mark Mills were the great exponents of the ‘Bottomless Well’ of energy potential. They never believed for a minute that we were anywhere near peak oil.”

— George Gilder

In June of this year, President Trump delivered a speech in which he pledged that his administration would “seek not only American energy independence ... but American energy dominance.” With these words, Trump echoed what senior fellow Mark Mills wrote in an MI paper from five years ago, “Unleashing the North American Energy Colossus,” in which he argued that policymakers should “push beyond self-sufficiency to energy influence, even dominance.” Through subsequent reports, commentary and congressional testimony, Mills has argued that America achieve dominance through an export-centric energy strategy, which will have not only economic benefits but geopolitical ones as well. The administration, in addition to calling for dominance, has begun implementing specific policy ideas that Mills has recommended, such as approving the construction of new pipelines.

Robert Bryce and Oren Cass, the other members of MI’s energy- and-environmental-policy brain trust, have been showing how the U.S. can

ensure reliable, affordable electricity at home and promote environmental protection without needlessly undermining economic growth. In these areas, too, the administration has been embracing our fellows’ ideas. Two years before President Trump withdrew the United States from the Paris Climate Accord, Cass had explained how the agreement would impose great economic costs on America while doing little to reduce emissions. And the EPA, under new administrator Scott Pruitt, has backed off of pushing states toward renewable energy mandates. In a series of reports, Bryce has shown that such mandates lead to higher energy costs, as well as negative environmental repercussions; subsidizing wind turbines results in wasteful land use and is destructive of wildlife.



▲ Senior fellow **Mark Mills** testified before the U.S. Senate Energy and Natural Resources Committee in July about American energy dominance and the geopolitical implications of new digital oilfield technologies.

Reforming Health Care Policy

We applaud [the FDA's] decision. Consumers' right to know their own genetic health risks will become more important as sophisticated diagnostics like whole-genome scans, artificial intelligence, and targeted drug and gene therapies reach doctors' offices in the years to come. Together, these tools can empower patients to become co-directors of their own medical destinies.

— Paul Howard and Peter Huber, *Wall Street Journal*

With Washington repeatedly failing to come to an agreement on how to overcome the problems of the Affordable Care Act (Obamacare), MI senior fellows Paul Howard, Tom Coburn, and Chris Pope, while not giving up on a possible legislative solution, have been highlighting what the administration can do in the absence of congressional action to provide consumers with better options—and it has been encouraging to see action on this front. In October, President Trump signed an executive order that rolled back Obama-era regulations designed to sabotage Short Term Limited Duration (STLD) insurance plans. STLD plans provide similar health-care benefits, for an average of a third of the premium costs of the cheapest plans available on the Obamacare exchanges. This reform followed recommendations that Pope put forth in an article for the journal *Health Affairs*. Beyond this, in op-eds and congressional testimony, Howard

and Coburn have recommended that the Department of Health and Human Services (HHS) invite state governors to apply for waivers to opt out of many of Obamacare's most onerous and expensive regulations.

The U.S. Food and Drug Administration (FDA), now under new leadership, also has a significant role to play in improving health-care outcomes. In late 2016, following years of educational efforts on the Hill and in the public discourse by the Manhattan Institute's Project FDA and others, the 21st Century Cures Act was passed into law. This legislation empowers the FDA to streamline drug development and accelerate advances in personalized medicine, advancing the vision that senior fellow Peter Huber articulated in his 2013 book, *The Cure in the Code: How 20th Century Law Is Undermining 21st Century Medicine*. Paul Howard built upon this vision in his June testimony before the Senate Committee on Health, Education, Labor and Pensions, providing specific recommendations on how Congress, HHS, and FDA can lower the barriers that patients face in accessing new drugs.



Senior fellows **Chris Pope** and **Paul Howard**

INTELLECT INTO INFLUENCE

➤ A decade ago, when the public and the media were obsessed with rare adverse events that might be linked to certain drugs, MI recognized that far more lives were being lost due to the FDA's outdated regulations. To change the national conversation, MI launched Project FDA in 2008. Through research, public education, and advising Congress, Project FDA helped pave the way for the 21st Century Cures Act. Enacted in 2016, this legislation modernizes America's system for developing and approving new medicines. Dr. Scott Gottlieb, before President Trump appointed him FDA commissioner, cosigned Project FDA's October 2015 statement, which called for empowering the FDA to embrace precision medicine. Senior fellow Paul Howard looks forward to working closely with Commissioner Scott Gottlieb in the coming year.

IDEAS FOR CITIES & STATES

Policy decisions that affect quality of life, more often than not, are made at the state and local levels of government. As America becomes increasingly urbanized, the challenges facing cities are being felt countrywide, from traffic congestion to high housing costs to the plight of the mentally ill. The decentralization of American government offers copious opportunities for policy innovation—and MI fellows provide recommendations and on-the-ground assistance for reformist mayors, governors, and state and local legislators.

Because many promised public-sector pension benefits are unsustainable, with legacy costs diverting resources from core public services and investment, reforming the terms of public employment is at the forefront of MI's agenda to strengthen cities and states. Next comes developing innovative ideas to make cities of all kinds work; to help them achieve solvency and promote a strong quality of life. And as always, we are deeply engaged in the debate over prominent issues facing our home city of New York, many of which are also pressing for other cities across the United States.



Arizona Governor Jan Brewer



Rhode Island Governor Gina Raimondo



Mississippi Governor Haley Barbour



Massachusetts Governor Charles Baker



Michigan Governor Rick Snyder



Indiana Governor Mitchell Daniels Jr.



Wisconsin Governor Scott Walker



Kansas Governor Sam Brownback



Missouri Governor Eric Greitens



Pennsylvania Governor Edward Rendell



Florida Governor Jeb Bush

MI has a long history of advising and collaborating with governors from states across America, as well as highlighting areas in which they have put good ideas to work.

Fixing Public-Sector Pensions

The Manhattan Institute’s Josh B. McGee reports that teachers’ pension plans ... have at least a \$500 billion problem. This is the gap between promised benefits and money set aside to fund them.

— George Will, *Washington Post*

Public-employee pension systems throughout America are underfunded—some drastically so, with politicians beholden to the public sector having promised unsustainable benefits. To pave the way for reform-minded leadership, MI has been laying bare the true extent of pension liabilities. We have also been showing how those liabilities affect citizens and their home cities and states, helping the public internalize the gravity of the problem.

Take, for example, senior fellow Stephen Eide’s October report, “Rust Belt Cities and Their Burden of Legacy Costs.” Particularly since the 2016 presidential race, the future of postindustrial regions has become an issue of national concern. Eide, in his paper, shows how these cities’ public-employee pension obligations pose an obstacle to their recovery. In the absence of reform, Rust Belt cities will struggle to maintain existing public services and make future investments. This report falls in a line of MI research documenting the “crowd-out” effect of public pensions and benefits on core services, from police and fire protection to schools and roads.

Though pension reform is an uphill battle, it is not impossible. In an op-ed for the *Houston Chronicle*, senior fellow Josh McGee, who also serves as chairman of the Texas Pension Review Board, explained how Houston’s mayor and local public unions agreed to modify unsustainable benefits and reduce long-term costs, a plan that was then approved by the Texas state legislature. McGee concluded that Houston provides a model for how other cities and states can provide retirement security for public employees and avert fiscal disaster.



▲ New York City in 1978 promised that it would have its public pension costs under control in 40 years. But as adjunct fellow **Edmund J. McMahon** and senior fellow **Josh McGee** found in their market-value assessment of the city’s pension funds, Gotham’s pensions are \$142 billion underfunded—twice the amount admitted to by the city’s actuary. Their findings were reported by the *New York Times*, “New York City Pensions Are Still in Crisis,” among other media coverage.

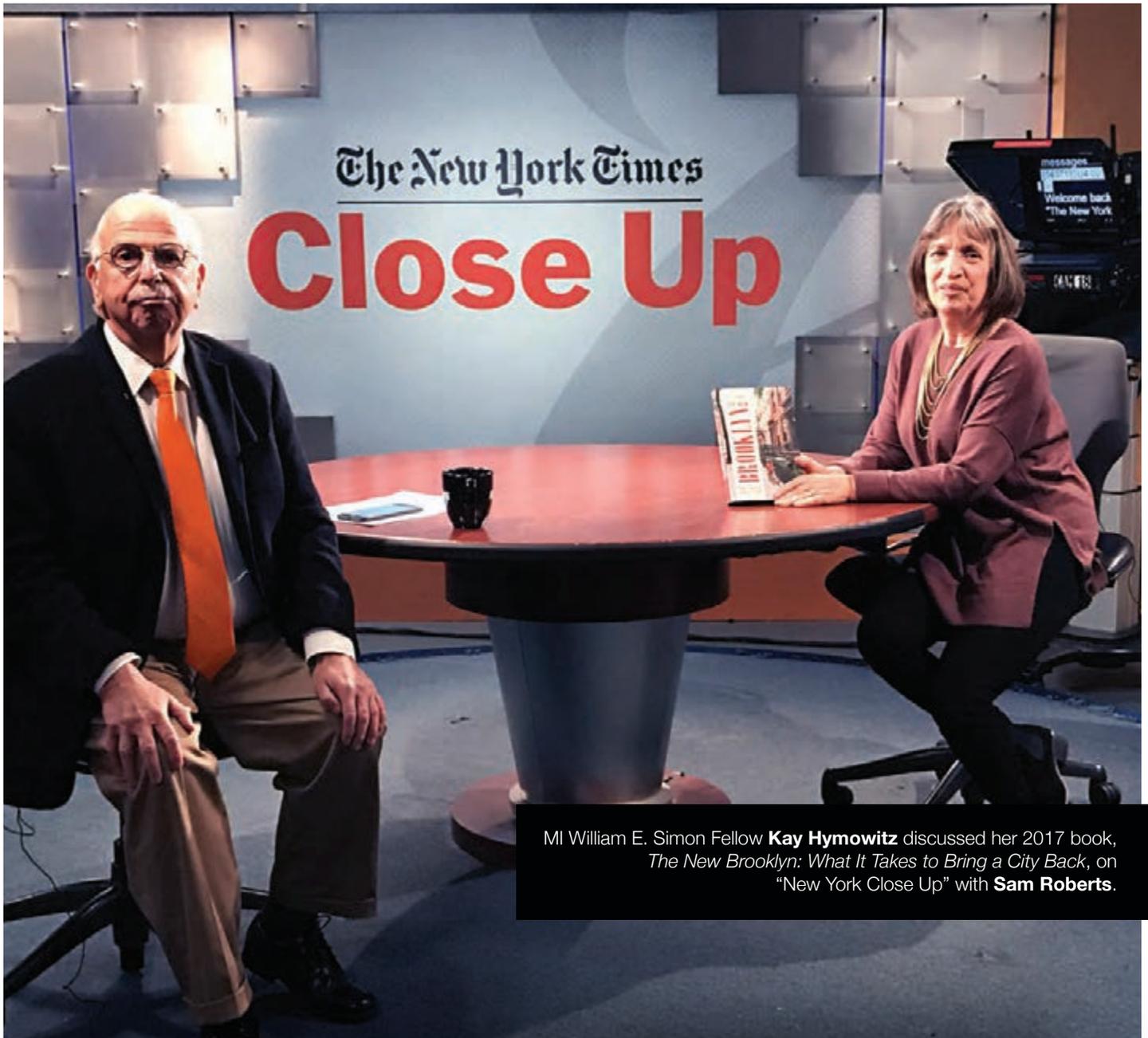


Senior fellow **Daniel DiSalvo** (pictured here), also a professor of political science at the City University of New York (CUNY) coauthored an MI report finding that 46 states spent less money last year per student at public colleges and universities than was spent in 2008. DiSalvo and coauthor Jeffrey Kucik's analysis, publicized in an op-ed in *U.S. News and World Report*, identified the culprit: "Pensions Are Killing Higher Education."

INTELLECT INTO INFLUENCE



As America's public-sector pension crisis has unfolded, MI has sought to empower and spread the example of reformist leaders, Republican and Democrat alike, from Indiana and Wisconsin governors Mitch Daniels and Scott Walker to Rhode Island general treasurer Gina Raimondo and San Jose mayor Chuck Reed. In 2018, look for MI to build on our track record of advising and supporting state and local officials.



MI William E. Simon Fellow **Kay Hymowitz** discussed her 2017 book, *The New Brooklyn: What It Takes to Bring a City Back*, on “New York Close Up” with **Sam Roberts**.

INTELLECT INTO INFLUENCE



William E. Simon Fellow Kay Hymowitz’s book *The New Brooklyn: What It Takes to Bring a City Back* demolished popular misconceptions about gentrification, including the notion that it leads to communities becoming less diverse. The review that appeared in the *New York Times Book Review* noted that “the volume of disingenuous posturing on [gentrification] has increased dramatically” but praised Hymowitz as “one writer who has managed to speak sensibly above the din.”

Making Cities Work

“140,000 seriously mentally ill are homeless, 392,000 are in jails and prisons, and 3 million get zero treatment. We should solve those problems but attention to them is largely drowned out.”

— D. J. Jaffe, author of *Insane Consequences*

MI has a vision for cities at their best: as safe, entrepreneurial, and culturally vibrant. Our team of urban-policy scholars—Stephen Eide, Nicole Gelinas, Edward Glaeser, Howard Husock, Kay Hymowitz, Aaron Renn, and Fred Siegel—brings a clear-eyed perspective to the challenges affecting cities of all sizes and circumstances, from knowledge-economy hubs that need to keep up with an influx of newcomers, to Rust Belt cities that may need to reinvent themselves and shore up certain fundamentals to prosper long-term.

For many cities, especially those burdened by high public-pension debt, averting insolvency is the most urgent priority. In a January report, senior fellows Daniel DiSalvo and Stephen Eide argued that “intervention bankruptcy,” in which the state government steps in to implement fiscal reform, may be the most promising solution for many distressed locales. Senior fellow Aaron Renn, too, has looked at governance reforms that can help struggling municipalities, in particular the so-called inner-ring suburbs. Renn, in a September issue brief, proposed that some such suburbs, to prevent a true crisis,

consider merging with the adjacent central city.

Quality of life, much the purview of local officials, has long been part of MI’s agenda. In 2017, we focused a great deal on the plight of the severely mentally ill, who, when lacking proper treatment, can pose a danger to themselves and others. To elevate this issue in the public discourse, MI supported the promotion of the book *Insane Consequences: How the Mental Health Industry Fails the Mentally Ill*, by D. J. Jaffe, executive director of mentalillnesspolicy.org. We also convened forums on the shortcomings of the current system of assisting those with severe mental illness. Our fall symposium on mental-illness policy featured Elinore McCance-Katz, a long time critic of the status quo who was recently sworn in as the U.S. Department of Health and Human Services’ first assistant secretary for Mental Health and Substance Use.



Elinore McCance-Katz, assistant secretary ▲
for Mental Health and Substance Use,
Department of Health and Human Services

Uplifting New York City

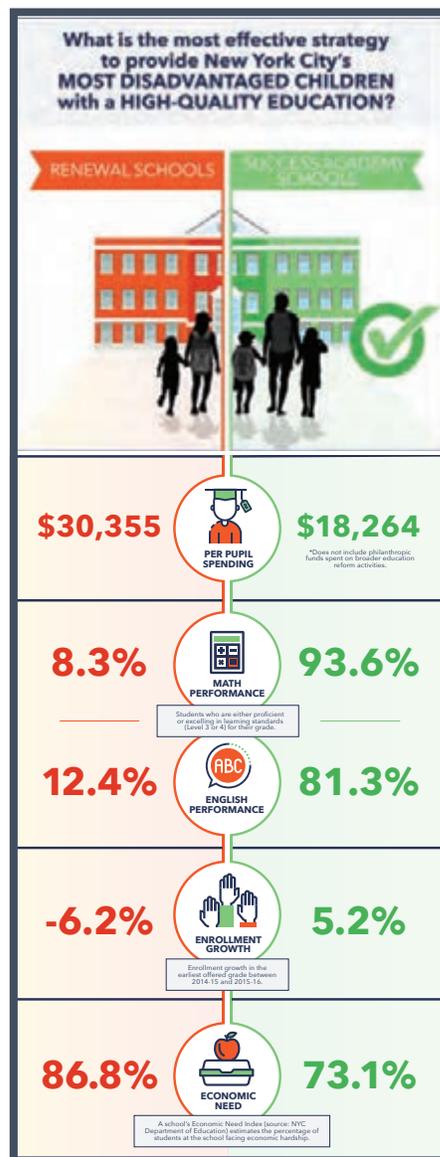
New York City has thrived because of capitalism, not in spite of it.

This was MI's response to Mayor Bill de Blasio, published in our newsletter, The BEAT, when he said that the city ought to exercise direct control over all construction plans—determining who gets to live in which apartments, and what the rent should be.

In public-policy debates affecting our home city, MI provides a voice of sobriety, monitoring the policies and proposals coming out of city hall and tracking how New York fares. When de Blasio took office in 2014, he stated, “We are called to put an end to economic and social inequalities that threaten to unravel the city we love.” But research by MI fellow Alex Armlovich, published as part of our “Poverty and Progress” report series, shows that the mayor’s agenda has failed on its own terms: income inequality in 2016 stood where it was when Mayor Bloomberg left office.

Even more to the point: a focus on inequality is not the way to help improve people’s lives. MI, in contrast, has been developing ideas that can give Gotham’s disadvantaged citizens more opportunity to get ahead. In her column for the *New York Post*, senior fellow Nicole Gelinas is constantly pushing for reforms to improve the cost-efficiency of the city’s subway system: an indispensable means for people to get to work. MI vice president for research and publications Howard Husock has explained how the city’s public housing system ill-serves low-income New Yorkers and has called for increasing the supply of

market-rate housing to put downward pressure on rent. And in a series of reports, senior fellows Marcus Winters and Max Eden have made the case for greater school choice, showing how charters not only outperform even the city’s selective public schools with kids from similar racial and socioeconomic backgrounds but are safer learning environments as well.



◀ **“STUDY UP: The Manhattan Institute outdoes itself in a new infographic comparing the performance of the city’s struggling Renewal Schools to the Success Academy charter network, one of the country’s highest-performing charter groups.”**
- *Politico NY Education*

Senior fellow **Nicole Gelinas** speaking on a panel, “Urban Planning & Smart Infrastructure,” at a conference on the state of New York’s transportation and infrastructure, presented by City & State



INTELLECT INTO INFLUENCE



New York City’s “transit backbone”—its MTA bus system—is showing fractures. As fellow Alex Armlovich warned in a May op-ed for the *New York Daily News*, ridership has collapsed 16% since 2002. His solution? Give “Uberized” buses a try: riders hail a bus by smartphone, and the bus then uses Uber-type algorithms to find the most efficient route. Armlovich shared findings from his paper “How Micro-Transit Companies Can Make America’s Buses Hum” (published in the MI volume *Urban Policy Frontiers*) with city officials. Following his efforts, the NYC Department of Transportation authorized Uberized bus service, providing residents with a new transportation option.

“City Journal offers a fresh, in-depth examination with hard facts, clear logic, and sharp insights.”

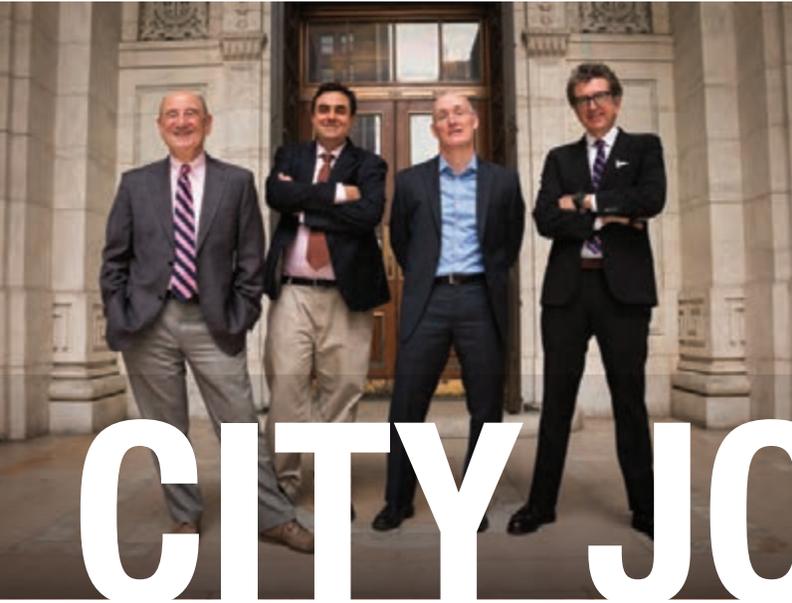
THOMAS SOWELL
Economist



**“In the age of the internet,
how is it possible for a quarterly
magazine to seem the most timely
publication in the country?”**

SCOTT JOHNSON
Power Line

▲ The *City Journal* editorial team in Bryant Park, blocks from the magazine's headquarters. Seated from left to right are: **Steven Malanga** (senior editor), **Paul Beston** (managing editor), **Brian Anderson** (editor), and newest member, **Seth Barron** (associate editor).



CITY JOURNAL

Everything about MI’s magazine, *City Journal*, has persuasion as its goal—to disabuse readers of bad ideas that are gaining credence in the public discourse and advance good ones in their place. Our team of writers, led by editor Brian Anderson, show that civility need not imply a loss of principle or lack of forcefulness. Even the magazine’s aesthetic, from the artwork that graces the cover of each quarterly to the art deco-inspired logo to the photographs and images that appear alongside the article text, seeks to engage readers of all political and ideological stripes.

The “City” in *City Journal* reflects our abiding interest in urban affairs; how the metropolis can be commercially and culturally vibrant and provide opportunity for all who dwell in it. It also reflects a deeper concern about the well-being of the underlying *civitas*—what holds the political community together and

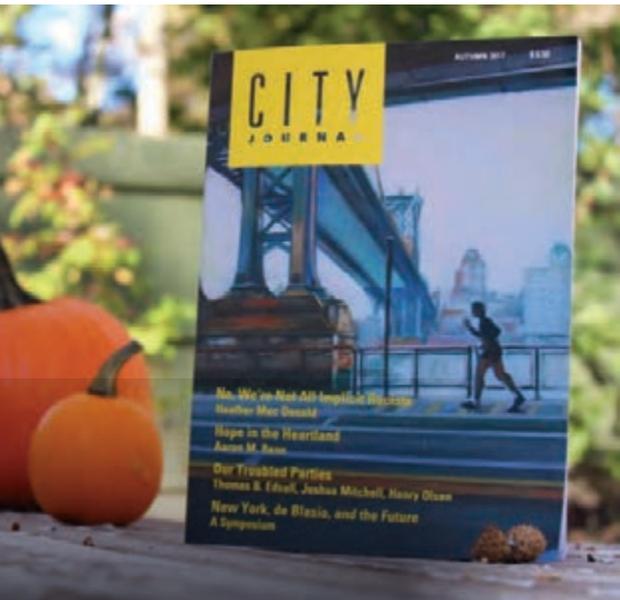
where it threatens to unwind. At a time when many commentators, politicians, and intellectuals seek to reinforce the notion of division in America, the writers of *City Journal* have highlighted the mores, laws, and practices that have fostered civic unity and been the warp and woof of Western civilization itself.



700K

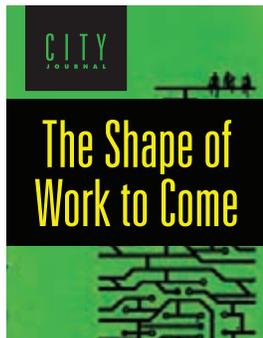


AVG. MONTHLY
CITY-JOURNAL.ORG
PAGEVIEWS



▲ In September, **Mene Ukueberuwa** joined *City Journal* as an assistant editor. Previously, he was the Robert L. Bartley Fellow at the *Wall Street Journal* and the Hilton Kramer Fellow in Criticism at *The New Criterion*.

Long-term joblessness has emerged as one of the major crises of the 21st century, with millions of prime working-age men out of the labor force. In a special issue of *City Journal*, “The Shape of Work to Come,” published in the summer, authors explain the reasons behind the crisis and present an ambitious, practical agenda for addressing it. The special issue treated issues from the effects of artificial intelligence and globalization on labor markets to the promise of new forms of vocational education and gained widespread attention. Not only did the White House request copies of the magazine, but articles were also adapted 13 times in other publications, including the *Wall Street Journal*, *Dallas Morning News*, *Los Angeles Times*, and *Sacramento Bee*.



Though the unemployment rate has fallen, 15% of prime-age men are jobless.* Long-term unemployment is a very real issue.

*As of December 2016

About 4 in 10 stay at home moms say that their ideal situation would be to work part-time.

93%

The high school graduation rate for students concentrating in career and technical training was 93%, compared with an overall graduation rate of 80%.

*According to a 2014 study

The World Bank estimates that 57% of jobs in the developed countries could be automated over the next two decades.

INTELLECTUAL PLURALISM ON AMERICA'S CAMPUSES AND BEYOND

For a long while, the professoriate within many (maybe most) humanities and social science departments has been ideologically monolithic. University administrators have been implementing policies that infantilize students and reinforce exaggerated notions of student victimhood and oppression. Yet the adamant refusal of some students even to allow an exchange of views—and with the faculty complicit in that refusal—seems to augur something new and appalling: mob rule of the mind. This was the spectacle that we observed these past several years, when conservative intellectuals—including MI's own Heather Mac Donald and Jason Riley—were harassed and disinvited to lecture at some of America's most elite colleges and universities.

In the face of these developments, MI has stood for recalling higher education back to what should

be its highest ideals—the pursuit of truth and the transmission of knowledge. Mac Donald has been one of MI's—and America's—most trenchant critics of the aforementioned trends in academia, while stressing the importance of introducing today's students to the greatness of Western history, literature, music, and philosophy. Through MI on Campus, our undergraduate lecture series, and the Adam Smith Society, based on business school campuses, we are creating contexts for genuine discussion and debate about important questions. And because, as Mac Donald has explained, the university's diversity ideology has been filtering into the business world, we are providing young professionals with opportunities for intellectual refreshment, primarily through MI's Young Leaders Circle.



▲ Journalist **Jared Lindzon** moderates an Adam Smith Society debate at Dallas's famed Old Parkland on the resolution: "A universal basic income is necessary in the age of automation."

“The need to support capitalism is as great as ever. Anti-capitalist forces in our society are pervasive and they are particularly pronounced among young people. At the Adam Smith Society, we believe that our members, the future leaders of the business community, can turn this around and, thus, improve the prospects for global economic growth.”

MARILYN FEDAK

Vice President Emeritus, AllianceBernstein
Founder, Marilyn G. Fedak Capitalism Project

**ADAM
SMITH**
SOCIETY

MANHATTAN INSTITUTE





BY THE NUMBERS



8,695

MBA students who
have participated
in Smith Soc

30
student
chapters



8
professional
chapters

400+
leaders in the
Speakers Bureau





ADAM SMITH SOCIETY

At business school, who makes the moral case for capitalism? Who explains the philosophical foundations on which free markets rest? Prior to the founding of the Adam Smith Society in 2011, hardly anybody.

Modeled after the Federalist Society at law schools, the Adam Smith Society, an MI program, is a national, chapter-based association of MBA students and business leaders promoting on-campus discussion and debate about the moral, social, and economic benefits of capitalism. MI launched this initiative following the financial crisis, when the perceived failure of free-market ideas was a prevalent theme in the public

discourse, and many young people were buying into the negative rhetoric about capitalism (this was at the height of the Occupy Wall Street movement). Since then, we have expanded to 30 business school campuses across the country, where chapters sponsor debates, lectures, salons, and other activities with scholars, public-policy experts, journalists, and market-minded business leaders.

While the Adam Smith Society begins in business school, it does not end there. The program is meant to be a resource for business professionals as they advance in their careers—empowering them to be



thoughtful, passionate advocates for the free-enterprise system. Over the past several years, we have been developing opportunities for alumni members to network with one another and keep up their education, including professional chapters in major cities (now spanning from San Francisco to London) and intensive weekend seminars (Smith Soc Treks).

To put the influence of business leaders in perspective, consider the following facts: Bill Gates has the 26th-highest Twitter following in the world; at 34.7 million, he has more followers than CNN, ESPN, President

Trump, and Leonardo DiCaprio, among other celebrities. Richard Branson (10.6 million followers) and Elon Musk (8.6 million) have quite a following, too. Of the top 100 super PAC donors, for both parties, 20 are MBA grads—and they all went to schools that currently have Adam Smith Society chapters. And of the top 50 philanthropists of 2015, 11 are MBA grads—and again, all of them went to schools with chapters.

Needless to say, MI has high expectations, as well as great confidence, in the thousands of young men and women who have joined this movement of capitalists for capitalism.

THE FUTURE OF AMERICA'S ENERGY

LOS CABOS, MEXICO

CAPITALISM VS. SOCIALISM

BOCA RATON, FL

REBOOTING HEALTH CARE

NAPA, CA

PARTIES IN THE USA

SCOTTSDALE, AZ

WORK & WELFARE IN THE 21ST CENTURY

MONTREAL, CANADA

ADAM SMITH ON ETHICS & ECONOMICS

EDINBURGH, SCOTLAND

“The health-care trek was definitely an experience like none other during my MBA. The access to health-care industry experts in a small-group setting was fantastic, and the contributions of the Trek attendees were impressive in their own right. I still remember when one of the speakers asked rhetorically whether anyone had actually read their own health-insurance policy, and one of the attendees raised his hand and offered that he had helped write one. This is when it really sunk in for me that I was truly grateful to be a member of such an auspicious network.”

- **Matthew M.** | University of Michigan
Ross School of Business

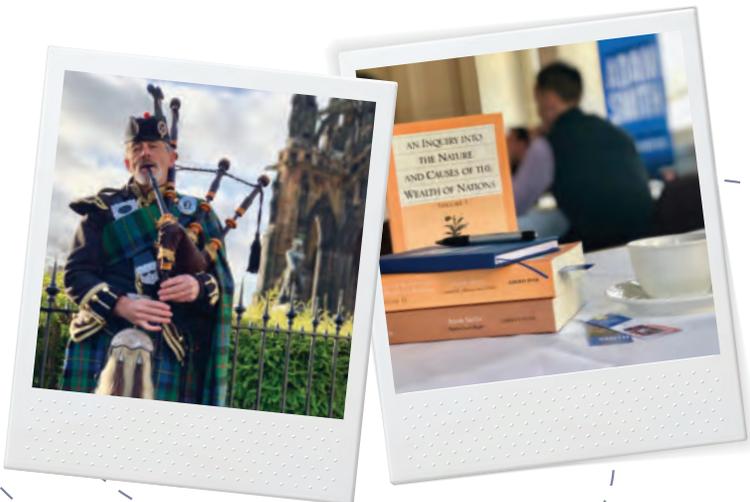
Smith Soc Treks

Smith Soc Treks is a series of destination-based, weekend-long retreats designed to allow members to explore big ideas in depth and network with one another.



“It’s an amazing experience being in the country that inspired Adam Smith. Walking the streets that he walked, you come to more fully understand his ideas and what he stood for. I can’t thank the Adam Smith Society enough for this incredible opportunity.”

- **David G.** | Carnegie Mellon Tepper
School of Business



HEATHER MAC DONALD
The War on Cops
CLEMSON
MCKENNA
—COLLEGE—

BETH AKERS
"College Affordability"

HOWARD HUSOCK
"Food Deserts in Public Housing"
The City
University
of
New York

MAX EDEN
"Education Policy"
Calvin
COLLEGE 1876

MI ON CAMPUS

KAY HYMOWITZ
"Gentrification"

JAMES PIERESON
Shattered Consensus
HARVARD

The disinclination and protesting of conservative speakers, including MI's own Jason Riley and Heather Mac Donald, have been some of the most appalling trends in American higher education. Yet while some students, faculty, and administrators push for restrictions on free speech, many others still desire to hear a diversity of perspectives on important questions. To provide such opportunities for undergraduate students, in 2014, with leadership and support from trustee Thomas W. Smith, MI inaugurated "MI on Campus," a program that supports lectures by MI fellows at colleges and universities nationwide. Since inception, "MI on Campus" has introduced thousands of students to perspectives on public policy, culture, and economics that, but for this program (and a handful of other efforts like it), they might not otherwise encounter during college.

JASON RILEY
False Black Power?
SAINT FRANCIS
UNIVERSITY
FOUNDED 1847

OREN CASS
"Paris Accord"
UNIVERSITY OF NORTH CAROLINA
PEMBROKE

BETH AKERS
"Costs of Higher Education"

AARON RENN
"Flint Water Crisis"

NICOLE GELINAS
"2008 Financial Crisis"

PAUL HOWARD
"Debate on Affordable Care Act"
Yale

ALEX ARMLOVICH
"The Sharing Economy"
FLORIDA
SOUTHERN
COLLEGE

DIANA FURCHTGOTT-ROTH
Disinherited
Manhattanville
COLLEGE

◀ Sampling of "MI on Campus" lectures from 2017

YOUNG LEADERS CIRCLE

America's major cities attract talented and ambitious young people from across the nation. Even if they live and work there for but a few years, the experience, knowledge, and connections that they gain are assets that stay with them throughout their lives—benefiting not only them but also the communities where they eventually settle. Mindful of the future influencers that reside in and pass through New York, the Manhattan Institute has developed a program for metropolitan-area professionals: the Young Leaders Circle (YLC).

Throughout the year, the YLC hosts monthly events featuring a policy expert and ample time for networking. These events draw people who are looking for more than just a chance for a new professional opportunity—they are in search of real conversation about issues that matter. At many places of work, discussions about public policy are often taboo, with pressure to censor one's views if they go against the grain. Members of Young Leaders, therefore, find the group an oasis: a chance to share their opinions openly, be exposed to new ideas, and engage with other people who think about public policy and culture.



CLIFFORD S. ASNESS
AQR Capital Management





JOHN CROWLEY
Amicus Therapeutics



DAVID COHEN
U.S. CIA & NYPD



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.





Adam Smith Society National Meeting

Every year, the Adam Smith Society holds its National Meeting in New York, bringing together hundreds of MBA student and alumni members from across the country for an intense weekend of education and networking. Members attend industry-focused breakout sessions, pairing scholars with practitioners, and hear panels and lectures addressing such topics as the morality of capitalism. At the 2017 Meeting, the Society presented its Principled Leadership Award to Kenneth Griffin, founder and CEO of Citadel. Speakers included Marilyn G. Fedak, vice president emeritus, Alliance Bernstein, and founder, Marilyn G. Fedak Capitalism Project; Howard Milstein, president and CEO of New York Private Bank & Trust and its operating bank, Emigrant Bank; Paul Singer, MI chairman and CEO of Elliott Management Corporation; and author J. D. Vance.



Alexander Hamilton Award Dinner

The Alexander Hamilton Award was created to honor those individuals who, like Hamilton, are avid proponents of commerce and civic life. Throughout the years, we have recognized leaders who have made remarkable things happen in realms including public policy, culture, and philanthropy. The 2017 Alexander Hamilton Awards were presented to William J. Bratton, former New York City Police Commissioner, and to Ravenel B. Curry III, cofounder of Eagle Capital Management.



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 F. A. Hayek's vision of economic and individual liberty. Conceived and funded by Manhattan Institute trustee Thomas W. Smith, the Hayek Prize, with its \$50,000 award, is among the world's most generous book prizes. The 2017 recipient was University of Illinois at Chicago professor Deirdre N. McCloskey, for *Bourgeois Equality: How Ideas, Not Capital or Institutions, Enriched the World*.



James Q. Wilson Lecture

In honor of James Q. Wilson (1931–2012), one of the 20th century's most prolific and accomplished political scientists, MI sponsors an annual eponymously named lecture on urban affairs. In 2017, it was delivered by MI senior fellow and Harvard University economics professor Edward Glaeser on the topic "Reviving the American Heartland."



Social Entrepreneurship Awards

Each year since 2001, the Institute has presented up to five Richard Cornuelle Awards for Social Entrepreneurship to individuals who have originated and effectively steered a nonprofit organization serving those in need, bringing their original ideas to fruition primarily by means of private, rather than government, support. In addition, MI has annually presented the William E. Simon Prize for Lifetime Achievement in Social Entrepreneurship. In 2017, for the final Simon Prize (as the Simon Foundation prepares to sunset), we chose to honor, in memoriam, Steven McDonald, an NYPD Detective wounded in the line of duty in 1986.

William E. Simon Lecture

Annually, since 2007, the Manhattan Institute has sponsored the William E. Simon Forum on philanthropy and social entrepreneurship to discuss trends in American charity and charitable enterprises. In 2017, the Simon Forum focused on the implications of foundation "sunset provisions" (requiring all assets be spent by a specified date) for the future of public-policy research. Participants included Howard Husock, MI vice president of research and publications; Edwin Feulner, founding trustee and former president, Heritage Foundation; Heather Higgins, president & CEO, Independent Women's Voice and president of the Randolph Foundation; and James Piereson, president, William E. Simon Foundation.

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. The 2017 Wriston Lecture was delivered by Jonathan Haidt, author of the *New York Times* best-seller *The Righteous Mind* and Thomas Cooley Professor of Ethical Leadership at NYU's Stern School of Business.

The Manhattan Institute annually publishes 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.

Ideas for the New Administration: Two Strategic Energy Pivots

Mark P. Mills
ISSUE BRIEF, January 5, 2017

Ideas for the New Administration: Four Urgent Health-Care Reforms

Paul Howard
ISSUE BRIEF, January 10, 2017

Ideas for the New Administration: Private Infrastructure Provision

Edward L. Glaeser
ISSUE BRIEF, January 12, 2017

When Cities Are at the Financial Brink: The Case for “Intervention Bankruptcy”

Daniel DiSalvo and Stephen Eide
REPORT, January 12, 2017

Ideas for the New Administration: Five Reforms to Improve Higher Ed

Beth Akers
ISSUE BRIEF, January 17, 2017

Special Report: Connecticut’s Broken Cities

Stephen Eide
REPORT, January 18, 2017

Ideas for the New Administration: Two K-12 Federal Education Strategies

Max Eden
ISSUE BRIEF, January 18, 2017

Reinventing the Port Authority of New York & New Jersey

Robert W. Poole
REPORT, January 26, 2017

Driverless Cars and the Future of American Infrastructure

Aaron M. Renn
REPORT, January 31, 2017

Diamonds in the Rough: How Schools Can Rise to the Top

Charles Upton Sahn and Max Eden
REPORT, February 1, 2017

State Waivers: A Federalist Rx for Obamacare Ills

Yevgeniy Feyman
ISSUE BRIEF, February 1, 2017

Will Repealing Obamacare Kill People?

Oren Cass
ISSUE BRIEF, February 22, 2017

Three Reforms That Can Help Balance Medicare Finances

Yevgeniy Feyman
ISSUE BRIEF, February 23, 2017

School Discipline Reform and Disorder: Evidence from New York City Public Schools, 2012–16

Max Eden
REPORT, March 14, 2017

The Ticket to Work Program: Helping the Disabled to Achieve Self-Sufficiency

William Eimicke, Steven Cohen, and Alison Miller
REPORT, March 15, 2017

When Policy-Oriented Foundations Sunset

Howard Husock
REPORT, March 21, 2017

New York Charter Schools Outperform Traditional Selective Public Schools

Marcus A. Winters
REPORT, March 22, 2017

Michigan Overcriminalization: Update 2017

James R. Copland and Rafael Mangual
ISSUE BRIEF, March 30, 2017

The Affordability Conundrum: Value, Price, and Choice in Higher Education Today

Beth Akers, Kim Dancy, and Jason Delisle
REPORT, April 12, 2017

Yelp for Health: Using the Wisdom of Crowds to Find High-Quality Hospitals

Paul Howard and Yevgeniy Feyman
REPORT, April 12, 2017

Reforming Obama-Era Financial Regulation

Nicole Gelinias
REPORT, April 13, 2017

Proxy Season Preview: Shareholder Activism en Marche

James R. Copland and Margaret M. O’Keefe
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Rust Belt Cities and Their Burden of Legacy Costs

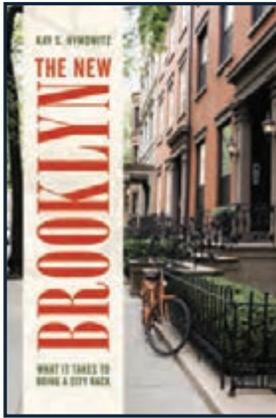
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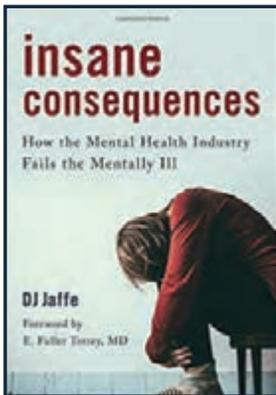


The New Brooklyn

What It Takes to Bring a City Back

by Kay Hymowitz
Rowman & Littlefield, January 2017

Once stereotyped by *The Honeymooners* and *Welcome Back, Kotter* as the schlub of boroughs, Brooklyn now rivals Manhattan in sophistication and desirability. Longtime Brooklyn resident Kay Hymowitz, MI William E. Simon Fellow and *City Journal* contributing editor, details the revival of her community in this book described by the *Wall Street Journal* as “nuanced” and “engaging.” Her analysis speaks to many issues facing urban America in general, including gentrification, a source of much controversy. Hymowitz demolishes popular misconceptions about gentrification, including the notion that it leads to communities becoming less diverse. While gentrification may have its winners and its losers, urban decline, in the words of the *New York Times Book Review*, “makes losers out of everyone.”

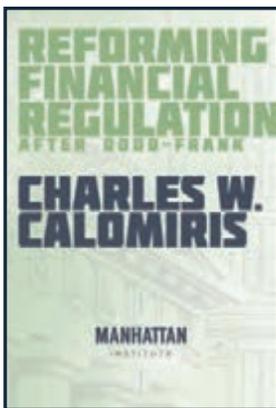


Insane Consequences

How the Mental Health Industry Fails the Mentally Ill

by D. J. Jaffe
Prometheus Books, April 2017

Since the 1960s, a bias against hospitalizing people afflicted with serious mental illnesses such as schizophrenia and psychosis has overwhelmed our criminal-justice system and contributed to a homeless population in New York City that in 2017 exceeds that of the Great Depression. The problem is not lack of available public funds, argues D. J. Jaffe, executive director of mentalillnesspolicy.org, but a mental health “industry” that puts concerns about the civil rights and stigmatization of the afflicted ahead of their physical safety and the safety of those living with them. *Insane Consequences* details the suffering and injustice that result when the mental health industry focuses on treating broad-based “wellness” complaints such as anxiety and depression but fails to mandate long-term hospitalization and monitor medication for persons who pose a danger to themselves and to society. MI partnered with Jaffe to promote this book, as part of the Institute’s broader efforts to influence the public debate about how to address the plight of the severely mentally ill.

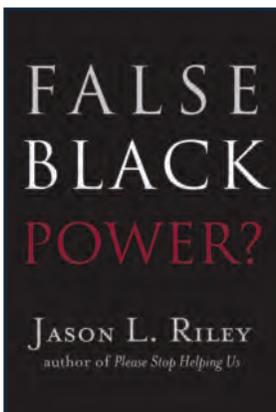


Reforming Financial Regulation

After Dodd-Frank

by Charles W. Calomiris
Amazon e-book, May 2017

Post-2008 financial regulatory changes largely have been a failure. They have produced high compliance costs, while constructing regulatory mechanisms that are unlikely to achieve their intended objectives. Furthermore, financial regulation increasingly has adopted processes that are inconsistent with adherence to the rule of law. In this monograph, Charles W. Calomiris, the Henry Kaufman Professor of Financial Institutions at Columbia Business School and Manhattan Institute book fellow, reviews the shortcomings of current regulatory practice, lays out the principles that should guild our regulatory architecture, and suggests reforms that are consistent with those principles.



False Black Power?

by Jason Riley
Templeton Press, June 2017

The number of black elected officials nationwide increased from 1,500 to 10,000 between 1970 and 2010, culminating in the election of America’s first black president. But during this same period, blacks progressed more slowly economically than whites, and the black poor actually lost ground, observes Manhattan Institute senior fellow Jason Riley. Riley challenges the idea, embraced by many civil rights leaders, that blacks’ socioeconomic success depends on having more black Americans in public office. Riley examines the roles of culture, family, and character in influencing minority success. With response essays contributed by Brown University’s Glenn Loury and Columbia University’s John McWhorter, *False Black Power?* generated in-depth coverage by ABC News, C-SPAN, the *New York Post*, and others.

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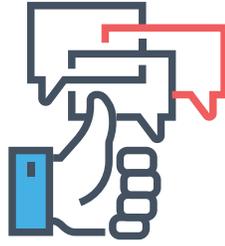
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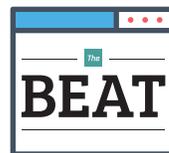
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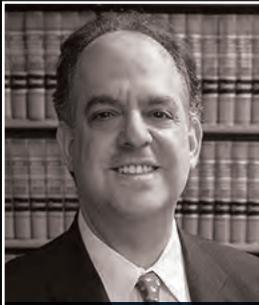
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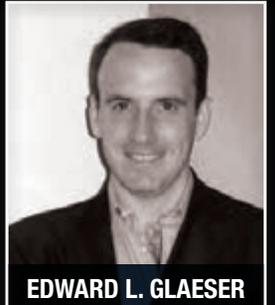
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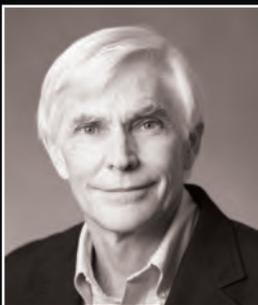
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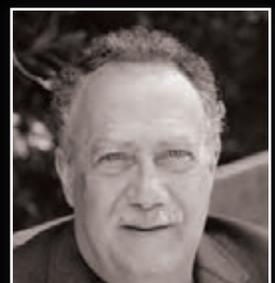
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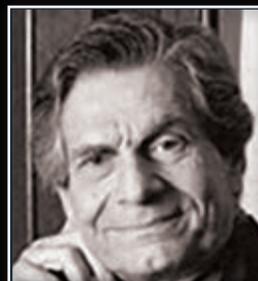
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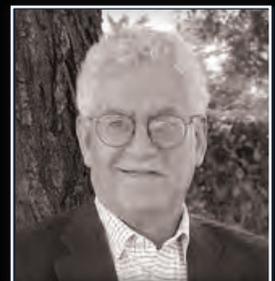
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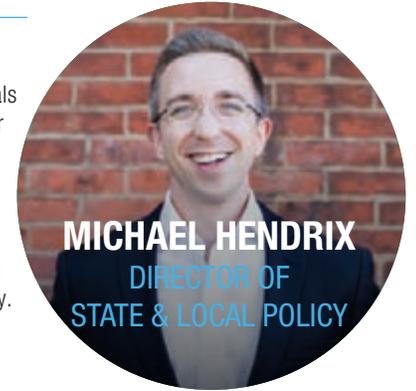
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To outsiders, New York City’s baroque political scene can seem impenetrable. Seth Barron knows it from the perspective of having been an insider. *City Journal*’s new associate editor is well acquainted with all the players, personalities, and policies that make New York hum. Experience gained from having worked inside the New York City Council and numerous political campaigns informs his writing and editorial work. Concurrently the director of the New York Initiative at the Manhattan Institute, he publishes regularly on a range of topics in the *New York Post*, *City Journal*, and the *Daily News*.

Real public-policy innovation is often driven by leaders at the city and state level, not distant officials in Washington. Few people understand that principle as well as Michael Hendrix, MI’s new director of State & Local Policy. Hendrix, previously senior director for Emerging Issues and Research at the U.S. Chamber of Commerce Foundation, has long stressed the importance of a conservative policy agenda for America’s urban centers, a cause he has advanced in *National Affairs*, *City Journal*, *The Federalist*, *National Review*, and other publications. At MI, he will spearhead our efforts to cultivate a new generation of market-driven reforms in state and local governments, tackling such issues as public pensions, economic opportunity, housing, and public safety.



MICHAEL HENDRIX
DIRECTOR OF
STATE & LOCAL POLICY



CHRIS POPE
SENIOR FELLOW

Health care policy, as Americans have learned all over again this year, is fiendishly complicated. Luckily for MI, our newest health care scholar, Chris Pope, is a walking encyclopedia on the subject. A veteran of the American Enterprise Institute, the Heritage Foundation, and the U.S. House Committee on Energy and Commerce, Pope comes to MI following a stint as the Director of Policy Research at West Health. It hasn’t taken long for him to make an impact. Over the summer, Pope proposed that short-term health insurance plans be deregulated in order to create an Obamacare workaround. That idea was enshrined into law via an executive order from President Trump in October. As the health care debate continues to rage, Pope will ensure that MI remains at the center of the conversation.

How can America foster economic growth while making an honest reckoning with its entitlement-driven debt? No one is better positioned to answer that question Brian Riedl, MI’s newest economic-policy scholar. After beginning his career at the Heritage Foundation, Riedl spent six years as chief economist to Senator Rob Portman (R-OH) and as staff director of the Senate Finance Subcommittee on Fiscal Responsibility and Economic Growth. He also served as a director of budget and spending policy for Marco Rubio’s presidential campaign and was the lead architect of the 10-year deficit-reduction plan for Mitt Romney’s presidential campaign. A widely recognized authority on all things related to the federal budget, Riedl has written for publications that include the *New York Times*, *Wall Street Journal*, *Washington Post*, and *Los Angeles Times*.



BRIAN RIEDL
SENIOR FELLOW



BRIAN STEWART
DIRECTOR OF
MEDIA RELATIONS

Brian Stewart is MI’s new director of Media Relations. In various roles, Stewart has advanced a policy agenda that supports a free-enterprise economy, limited government, and a peaceful American-led global order. He previously served on the communications teams at the Counter Extremism Project and United Against Nuclear Iran, and has written on domestic and foreign affairs for the *Wall Street Journal*, *National Review Online*, *The American Interest*, and the *Daily Beast*, among other publications. At MI, he will help formulate communications to foster awareness of the Institute’s mission, scholarship, and proposals to reform public policy at the national, state, and local levels of government.

About the Manhattan Institute

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

Manhattan Institute 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 constantly develop new ways of advancing our message in the battle of ideas.

MI Policy Research

MI recruits experts in a range of domestic-policy areas. Fellows shape the public discourse through authoring reports, essays, and books; testifying at government hearings; and reaching citizens directly through various media (op-eds, TV, radio, social media, etc.).

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. 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). And in 2017, MI launched a project to identify ways to finance charter school facilities in New York, enabling the sector to keep up its growth and be able to educate more students.

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 “the best magazine in America” by the *Wall Street Journal*’s Peggy Noonan and “the great Fool Killer in the arena of urban policy” by novelist Tom Wolfe, *City Journal* has promoted ideas in response to the challenges facing urban America, promoting a vision of cities as safe, entrepreneurial, and culturally vibrant. 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 Heather Mac Donald’s *The War on Cops: How the New Attack on Law and Order Makes Everyone Less Safe* has made six national bestseller lists, with Thomas Sowell saying, “This is a book that can save lives.”

MI and the Next Generation

As the perpetuation of the American experiment depends on the next generation, MI has developed initiatives to support the intellectual formation of tomorrow’s leaders—both on and off the campus. Our outreach to students consists primarily of two programs: MI on Campus and the Adam Smith Society. Through MI on Campus, fellows give lectures to undergraduate students at colleges and universities across America. The Adam Smith Society, based at business schools, is a nationwide chapter-based association of MBA students and business leaders promoting on-campus debate and discussion about the moral, social, and economic benefits of capitalism. After business school, MBA alums can become part of the Adam Smith Society alumni network, based in a growing number of city-based professional chapters. For young professionals in the New York metropolitan area, MI sponsors the Young Leaders Circle, a monthly speaker series that provides opportunity for intellectual refreshment and networking with others interested in public policy.