

Inside Philanthropy

Rightward, Ho! Ten Top Funders Behind the Surging Libertarian Movement

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These are boom times for libertarians. Over the past decade or so, the political right has moved away from its long entwinement with Christian evangelicals, talked less about "moral values," and focused more on downsizing government and protecting individual rights.

While the official Libertarian Party is a political lightweight, libertarian candidates—Ron and Rand Paul—have made serious runs for the presidency in recent electoral cycles. Also, even if the Tea Party has lost some of its influence lately, it still stands as among the most successful libertarian-infused social movement in U.S. history.

A number of factors explain the recent surge in libertarianism, including demographic shifts. Younger Americans are more likely to embrace a secular and socially permissive brand of conservatism. But without question, philanthropy has been a key factor.

Starting just before the Reagan era, a cadre of dedicated funders worked hard to bankroll libertarian politics. They built a robust infrastructure of policy groups, legal organizations, and leadership training institutes to develop the intellectual and human capital to power a movement. They established specific goals for dismantling entitlement programs, rolling back large swaths of regulation, privatizing key government services, strengthening specific individual rights, and opening the global trading system.

Unlike the religious right, which has largely lost the culture war, libertarian funders have enjoyed a good deal of success, pulling Democrats—and the nation—closer to the center on economic policy.

Conservative and libertarian giving overlaps, and some of the top funders on this list check both boxes. But as things have shaken out on the right in the past decade, it's become clearer that—on the funding side, anyway—libertarianism was always the far richer tributary in the conservative river of philanthropic wealth.

Without further ado, today's top libertarian funders.

1. The Koch Brothers

Libertarianism would not be what it is today without the sibling philanthropists America loves to hate. While Charles and David Koch have lately become infamous for the boost they've given Republicans during the Obama years, these industrialists have long believed that investing in libertarian ideas through

think tanks and universities offers more bang for the buck. And they've recently indicated that such philanthropic giving is likely to take priority over political giving in coming years.

The Koch funding apparatus is complex, but the core philanthropic pieces are the duo's charitable foundations, which have been dispensing grants to libertarian groups for some four decades. In terms of overall impact, the Koch brothers may have done more for the libertarian cause in America than any other funder. (In 1980, David Koch was even the Libertarian Party's vice presidential nominee.)

The Cato Institute, which Charles Koch helped create in 1974 and which was initially named after him, stands as the signature achievement of the Kochs' public policy philanthropy. It isn't just the flagship libertarian think tank in America, but it's consistently been ranked as among the top 25 U.S. think tanks overall in terms of influence.

Another major recipient of Koch money (to the tune of \$30 million) is the Institute for Humane Studies, which describes itself as a "nonprofit educational organization that engages with students and professors around the country to encourage the study and advancement of freedom." The institute is the nerve center of a sprawling grantmaking operation funded by Charles Koch that channels some \$20 million a year to several hundred U.S. universities to promote libertarian studies and activities on campus.

No university has received more Koch money than George Mason in Virginia, which has emerged as a leading home for libertarian scholars, thanks to tens of millions in Koch donations.

Koch grants have also gone to a wide range of other groups that promote libertarian policies, such as the Institute for Justice, the Federalist Society, the Bill of Rights Institute, the Foundation for Economic Education, and the Mercatus Center. (Visit Conservativetransparency.org for handy-one stop shopping to research this and other funders on the right.)

2. Dunn's Foundation for the Advancement of Right Thinking

From his foundation's name alone, we know quant trader William A. Dunn is a man who feels strongly about what he believes. Dunn's Foundation operates with a laser-like focus to advance libertarian policy.

It isn't the oldest or wealthiest funder on this list, but Dunn's Foundation deserves a spot near the top for its ideological and strategic purity. Since the foundation set up shop in 1994, it has channelled over \$60 million to libertarian policy shops, education initiatives and legal groups. Social conservatives get nothing from Dunn's. In fact, one of its only acts in the culture wars has been to support the pro-legalization Marijuana Policy Project.

Dunn's Foundation enjoys a tight-knit relationship with the Cato Institute and the Reason Foundation, and William Dunn sits on both boards. Thomas A. Beach, current Reason Foundation president, is a Dunn's Foundation trustee. Some other libertarian heavyweights receiving Dunn's money are the Competitive Enterprise Institute, the Institute for Justice, the Atlas Society, the Mackinac Center, and the Foundation for Economic Education.

3. DonorsTrust

The top donor-advised fund on the right, DonorsTrust has grown rapidly in the last 15 years, and now channels over \$100 million annually to a wide range of conservative and libertarian policy groups. This

money comes from its many clients with funds at the trust, and they are not exclusively a libertarian crowd. You'll find plenty of grants going to conservative groups involved in the cultural war. But donors moving money through DonorsTrust definitely lean strongly in the libertarian direction in their grantmaking, supplying a steady stream of funding to nearly all the top libertarian groups in the U.S. The president of DonorsTrust, Lawson Bader, is the former CEO of the Competitive Enterprise Institute, a libertarian policy outfit in Washington, D.C.

4. The Sarah Scaife Foundation

When Richard Mellon Scaife passed away in 2014, much of his \$1.4 billion fortune went into the family foundations he nurtured, especially the Sarah Scaife Foundation. Now, with assets of over \$700 million and a total giving history that tops \$368 million, this foundation is one of libertarian policy's foremost backers.

In the 1970s and over the following decades, Richard Mellon Scaife emerged as a conservative philanthropy champion. His giving allowed a young Heritage Foundation to flourish, and helped establish the policy-focused grantmaking strategy that has done so much to keep free market principles in the limelight.

Like the Kochs, Scaife was unafraid to enter the political fray. In fact, he emerged on the giving scene as an early financial supporter of Nixon's 1972 campaign. He was also the money behind the investigative journalism that led to Bill Clinton's impeachment, and, perhaps, Al Gore's loss in 2000.

As the largest of the Scaife family foundations, Sarah Scaife carries on that tradition, granting large sums to think tanks, academics and foreign policy shops. The foundation's giving strategy covers a wider territory than Dunn's, encompassing a distinct foreign policy element, but that territory is still well within the realm of libertarian/conservative politics.

Key grant recipients include the Hoover Institution, the Intercollegiate Studies Institute, the Manhattan Institution, the Reason Foundation, the Competitive Enterprise Institute, and many others.

5. Searle Freedom Trust

Closely associated with top conservative organizations like DonorsTrust and the American Enterprise Institute, Searle Freedom Trust is a steadfast source of funding for libertarian think tanks and intellectuals. Founded to assuage Daniel C. Searle's worry that future generations would "end up living in a world dominated by big government, devoid of ethical values, and lacking in individual initiative and responsibility," this funder gives away upwards of \$14 million a year.

Some of its key beneficiaries are the Reason Foundation, the Manhattan Institute, Cato, and the Competitive Enterprise Institute. In other words, the same group of free market thought leaders that shows up time and again on this list. Like the Kochs, Searle also looks for ways to influence policy through lobbying, notably via the Pacific Research Institute's battles against the Affordable Care Act.

Taking its cue from the spent-down John M. Olin Foundation and the recently sunsetted Earhart Foundation (another libertarian stalwart), the Searle Freedom Trust is set to deplete its assets by 2025.

6. Jaquelin Hume Foundation

Here's another funder that's spending down its assets. [According to the Philanthropy Roundtable](#), Jaquelin Hume has another three or four years left to finish its grantmaking, a focused effort beginning in the 1970s to push free market economics education in American high schools.

In this, Hume has a lot in common with the Institute for Intercollegiate Studies, a nonprofit that promotes libertarian/conservative principles on college campuses. That organization gets a lot of money from another funder on this list, the Sarah Scaife Foundation. [We've also covered](#) Hume's support for blended learning approaches, a technique that (at some level) moves the focal point of instruction away from government and toward the individual.

7. Claws Foundation

Founded and overseen by Philadelphia investor Arthur Dantchik, the Claws Foundation is a regular contributor to the libertarian policy universe. With a relatively limited roster of grantees, Claws focuses its resources, giving away about \$15 million a year.

On the policy side, beneficiaries include the Institute for Justice (where Arthur Dantchik sits on the board), the Cato Institute, the Reason Foundation, the Atlas Economic Research Foundation, and the Ayn Rand Institute. Claws also channels lots of money to the Children's Hospital of Philadelphia and various Jewish causes.

8. John William Pope Foundation

With nearly \$150 million in assets, this North Carolina funder is undoubtedly libertarian. But it's hardly purist in this respect, also promoting a conservative values agenda that has recently—and famously—included restrictions on LGBT rights in North Carolina. Directing the action, here, is Art Pope, who started the foundation with his father in the 1980s and also took over as CEO of Variety Wholesalers, which is largely a family business. Grantees include the John Locke Foundation, the Civitas Institute, the Americans for Prosperity Foundation, and the Institute for Humane Studies. The John William Pope Center for Higher Education Policy got its start from Pope donations.

9. The Pierre F. and Enid Goodrich Foundation

This foundation and the next on the list are notable for their libertarian focus, not their overall level of giving, which is relatively small in both cases. But the Goodrich Foundation started from a position of strength: Its eponymous founder started the Liberty Fund, a major libertarian educational nonprofit and publisher.

Most of Pierre Goodrich's philanthropy fittingly went to the Liberty Fund, but the foundation he started with his wife continues to support libertarian education nationwide. Major grantees include the Intercollegiate Studies Institute, which we discuss above, the Foundation for Economic Education, the Mont Pelerin Society, the Institute for Humane Studies, the Atlas Economic Research Foundation, and the Cato Institute.

10. The Rodney Fund

With total assets under \$10 million, the Rodney Fund follows the example of its larger compatriots, giving almost exclusively to policy shops and public affairs institutes. The Michigan-based funder doles

out to the local Mackinac Center for Public Policy and has given decent sums to other libertarian powerhouses like Cato, the Foundation for Economic Education, the Ludwig von Mises Institute (which formed because Cato wasn't free market enough), and the Ayn Rand Institute.

This overview of libertarian funders has only focused on those operating through transparent foundations. But lots of money flows to libertarian causes outside of those channels. Cato, for example, relies heavily on individual donations from wealthy individuals and this money can be harder to track. Much of it comes from donors in the financial world.