

9 of 29 DOCUMENTS

National Review

December 21, 2009

## The Fisherman's Friend - A look at Art Pope's distinctive, policy-centered brand of philanthropy

**BYLINE:** John J. Miller

**LENGTH:** 1868 words

Earlier this year, a well-heeled banker contacted North Carolina businessman Art Pope and offered to invest and manage the funds of the John William Pope Foundation. Pope explained his philanthropy: In addition to supporting food banks and hospice care, the foundation donated millions of dollars to right-of-center public-policy organizations. "[The banker] looked at me and very nicely, politely said, 'Well, Art, most of our clients are engaged in traditional charity to help people. We also have some clients who get involved in conservative causes.'"

That struck Pope as a strange distinction, which is why he told the story on November 3, at the State Policy Network's annual conference, in Asheville, N.C. A few minutes earlier, he had received the organization's Thomas Roe Award, given to the individual who has done the most to advance the national movement of free-market, state-level think tanks -- you know, organizations whose advocacy of low taxes, limited government, and individual freedom doesn't help people.

Among philanthropists who support the machinery of conservative public-policy making, Pope is a pioneer. His creative investments have shifted the political culture of North Carolina to the right. He hasn't mimicked the strategy of wealthy liberals in Colorado, who have turned their state in recent elections from Republican red to a purplish blue. Yet his story reveals a few similarities and may serve as a model for beleaguered conservatives who don't want merely to win the next election but also to create the conditions for long-term political success.

The 53-year-old James Arthur "Art" Pope was born in Fayetteville, N.C., and grew up in Raleigh. His father -- thenamesake of the family foundation -- was John William Pope, an entrepreneur who started Variety Wholesalers, which today owns and operates about 500 retail-merchandise stores in the South. Art could have joined the family business at a young age, but he found himself pulled in a different direction. He majored in political science at the University of North Carolina at Chapel Hill and studied law at Duke.

The most important part of his education took place outside the classroom. Pope attended a summer camp at Wake Forest that was run by the **Cato Institute**. He borrowed his father's copies of Reason and read books by Friedrich Hayek and Ayn Rand. "I did this in my spare time because none of my teachers assigned them," he says. After earning his law degree, he joined a law firm. Then he threw himself into politics, signing up for the gubernatorial campaign of Jim Martin in 1984.

Martin was elected North Carolina's governor, becoming only the second Republican to achieve this in the 20th century. Pope entered the administration as special counsel. He experienced almost immediate frustration: "The state had been Democratic for so long that everything was oriented toward Democratic priorities,"

he says. "There was nowhere to look for good public-policy ideas." Martin sent a delegation to Tennessee, where Republican Lamar Alexander (now a senator) was chief executive of a southern state. But Pope sensed the need for something else: an infrastructure of conservative organizations based in North Carolina.

In 1986, Pope left government and started working at Variety Wholesalers. His father charged him with setting up the Pope Foundation. "He wanted to preserve and protect the free-enterprise system that had allowed the business to do well," says Pope.

It was a good assignment for Pope, who describes himself as a policy wonk at heart. Initially, he tried to persuade national conservative organizations to focus some of their attention on North Carolina. He also tried to work with existing center-left groups within the state. Neither approach paid off. Then, in the late 1980s, the Heritage Foundation introduced Pope to the emerging effort to establish free-market think tanks in state capitals. "That led to the birth of the John Locke Foundation," he says.

The John Locke Foundation opened its doors in 1990. The organization is named after the 17th-century English philosopher because of his little-known local connection: Although Locke never set foot in the New World, he helped write the constitution of colonial Carolina. The foundation's first president was Marc Rotterman.

For several years, the John Locke Foundation was small: It had a budget in the low six figures and a staff that could be counted on one hand. But it was also feisty, and began to attract attention. During the first year of Bill Clinton's presidency, it issued a pair of papers on health care -- one on Clinton's plan, the other on health care in North Carolina. "Two months later, our tiny organization faced an IRS audit," says Rotterman. "Hell of a coincidence, isn't it?"

The author of the second study was John Hood. As a UNC student in the 1980s, he and his twin brother had started the Carolina Critic, a conservative campus newspaper. "The Popes were looking for opportunities to give on campus," says Hood. The Pope Foundation supported the Critic -- and, perhaps more important, Art Pope forged what would become a long tie with Hood. When Rotterman left the John Locke Foundation in 1996, Hood took over. He remains there today as president and chairman. The foundation currently has a budget of \$3.3 million and employs about 30 people. It is easily the most influential public-policy group in North Carolina and one of the most effective state-level think tanks in the country.

Philanthropists who invest in the development of public policy are a rare breed -- the kind whose unconventional giving confuses a lot of potential donors. Yet Pope sees it as an essential form of charity. "You've heard the old proverb that if you give a man a fish, you'll feed him for a day, and if you teach him how to fish, you'll feed him for a lifetime," he says. "A lot of philanthropy is about giving fish, which is very important." The Pope Foundation supports Habitat for Humanity, the Salvation Army, and similar groups. "But these are short-term, direct measures that treat symptoms." Teaching a person to fish involves addressing underlying causes through education -- so the Pope Foundation provides grants to schools, the Boy Scouts, and the Girl Scouts.

Even this isn't enough, however. "You have to take it one step further," says Pope. "Teaching a man to fish presupposes that you have a right to fish and a right to keep the fish you catch. It assumes that you can take your fish to market and sell it, and use the proceeds to buy clothes for your kids. Too many philanthropists don't even consider that in a just and functioning society, you must have individual liberty with property rights, the rule of law, and limited constitutional government." And that's where donations to groups that defend free

enterprise against the encroachments of government come in.

The John Locke Foundation accepts more support from the Pope Foundation than does any other organization: nearly \$2.4 million in the last fiscal year alone. But it is by no means the only recipient. There's also the John William Pope Civitas Institute, which encourages grassroots activism (\$1.5 million), the North Carolina Institute for Constitutional Law, which litigates (\$680,000), and the Pope Center for Higher Education Policy, which monitors colleges and universities (\$479,000). Altogether, the Pope Foundation disbursed more than \$6 million to North Carolina policy groups. Another \$4 million went to national organizations such as Americans for Prosperity, educational programs, and traditional charities.

That's a lot of money, but less than perhaps meets the eye. Hood counts about a dozen right-of-center groups in North Carolina with a combined budget of \$8.5 million. This compares with about 40 left-of-center organizations with budgets totaling \$22 million. So the Pope Foundation and its beneficiaries are like a small-market club in Major League Baseball: They can compete against a team that has more cash, but winning takes strong leadership, hard work, and a lot of ingenuity.

By creating a web of state-based organizations that promote free-market ideas in North Carolina, Pope has realized the vision he had as a young lawyer in Governor Martin's office. "He understands the intersection of politics and policy better than most," says Tracie Sharp, president of the State Policy Network. "That's because of his personal experience." In addition to working for a governor, Pope has tried his own hand at politics. He served four terms in the North Carolina House of Representatives and was an unsuccessful candidate for lieutenant governor. Pope says he has no plan to run for anything in the future but won't rule it out. He is currently busy overseeing Variety Wholesalers, a duty that became more demanding when his father died in 2006.

On the surface, North Carolina does not appear to be in the midst of a conservative renaissance. It routinely elects Democrats to statewide office. Democrats control both chambers of the state legislature; Republicans never have led the senate in modern times and only briefly have they led the house. Last year, Barack Obama carried the Tar Heel State. "If you measure success by electing Republicans, then we haven't been a success," says Pope. But that's not how he measures it. He can point to an array of policy victories. Earlier this year, when the state needed to make budget cuts, it turned to the John Locke Foundation for advice on where to trim. Pope-funded groups also played a role in defeating a bill that would have allowed cities to use tax dollars to fund political campaigns. In North Carolina, conservatives have a far greater role than the strength of the GOP would indicate.

The most noticeable example of influence may be the Carolina Journal, a publication of the Locke Foundation. At a time when many newspapers are downsizing, especially in the area of investigative journalism, the work of executive editor Don Carrington and others has put former Democratic governor Mike Easley on the brink of a federal corruption indictment. The Carolina Journal has reported on other major figures, too. Five years ago, its articles helped lead to the prison sentence of Frank Ballance, a former Democratic congressman. "We try to convince politicians to stop wasting our money and stealing our freedom, but a more permanent solution may be to incarcerate them," jokes Hood. Several other state think tanks are now trying to establish nonprofit journalism arms.

Pope has tried to persuade philanthropists within North Carolina to support his endeavors, but with only mixed success. "The problem is that many of them can't see the outcomes immediately," he says. "This kind of philanthropy isn't like giving money to a food bank, where you can count the number of people you feed. It isn't like giving a donation to a candidate, where you can know a result on Election Day.

We're trying to make good public policy and stop bad public policy." He mentions William Wilberforce, the British politician who fought to abolish the slave trade. "What he accomplished took decades," says Pope.

A generation into what may be his life's great cause, Art Pope is willing to wait.

**LOAD-DATE:** December 4, 2009

**LANGUAGE:** ENGLISH

**PUBLICATION-TYPE:** Magazine

Copyright 2009 National Review