

The Cato Institute

Cameron Wheeler

February 9, 2016

MISSION

Founded in 1974 as the Charles Koch Foundation, The Cato Institute works to create publications, policy, and advocacy programs for the purposes of promoting individual liberty, free markets, and peace inline with a Libertarian agenda.¹ As would be suggested by the institute's original name, the institute was originally founded by Charles G. Koch of Koch Industries for the purpose of promoting Libertarian ideals through publications and limited public policy research.²

While the publications arm of the institute is still important today, hosting at least six different print publications and a vast array of online publications, since relocating from Wichita, Kansas, home of Koch Industries, to Washington, D.C., the institute has expanded its horizons to increasing its work in public policy and research as well as hosting a number of seminars through their DC office.³

MEMBERSHIP

Members to the Cato Institute are referred to as “sponsors.” Sponsors make yearly donations to the institute in order to enjoy the benefits of 35% off merchandise purchased through the Cato Institute, as well as copies of Cato's publications and memos from the institute's president Peter Goettler.

While the institute does not publish exact figures for their membership, they do attribute 87% (2013) of their revenue to individual donations.⁴ Additionally, the institute publishes an excerpted list of their “Cato Club 200” sponsors each year. The Cato Club 200 is comprised of the institute's top donors. In order to become a member, sponsors must donate \$25,000 a year or more.⁵ The

¹“Business Entity Search,” Kansas Business Entity Search accessed February 07, 2016, <https://www.kansas.gov/bess/flow/main?execution=e1s5>.

²“Cato's Mission.” Cato Institute. Accessed February 07, 2016. <http://www.cato.org/mission>.

³“The Cato Institute.” *The Cato Institute Annual Report 25* (2001). Accessed February 7, 2016. http://object.cato.org/sites/cato.org/files/pubs/pdf/25th_annual_report.pdf.

⁴“Cato Institute 2013 Annual Report,” Cato Institute Annual Report, 2013, 19, accessed February 8, 2016, <http://object.cato.org/sites/cato.org/files/pubs/pdf/annual-report-2013.pdf>.

⁵“Benefits of Cato Sponsorship.” Cato Institute. Accessed February 08, 2016. <http://www.cato.org/support/levels-of-benefits>.

excerpted list released in 2013 listed more than 150 members of the Cato Club 200.⁶

The Club 200 represents the strongest of the incentives for sponsors to donate. Members of the club receive invitations to all of the Cato Institute’s conferences and functions as well as an invitation to the Club 200 exclusive annual summer retreat. It is on these retreats that members can rub shoulders with like-minded sponsors as well members of the Board of Directors and work to shape the research the institute will conduct over the next year.⁷

BUDGET

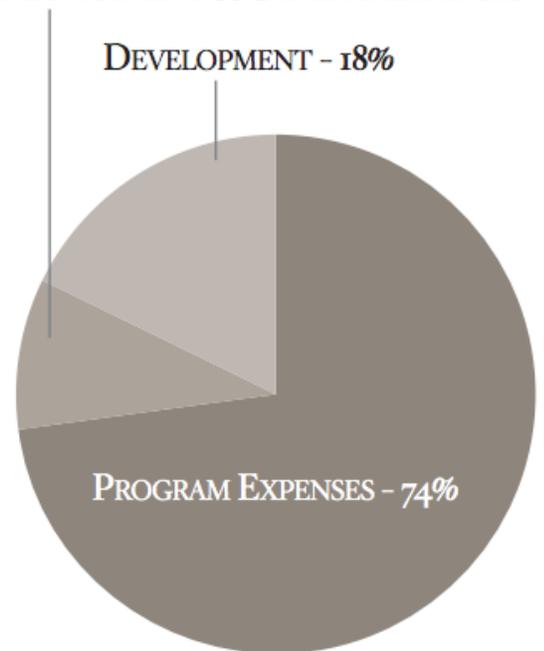
The Cato Institute operates with a yearly budget of over 29 million dollars.⁸ The money spent by the institute goes to maintaining the institute’s program, funding research and development through the work of grants, paying upkeep on the Cato building.

The Cato Institute prides themselves in saying they are independent from government funding.⁹ They make up for this lack of government funding through the donations of their sponsors which account for 87% of the institute’s funding. The remainder of Cato’s income comes from foundations, corporate sponsors, and the sale of books and other Cato materials.¹⁰

One of the largest foundations to donate has been the Charles Koch Foundation associated with the oil moguls

FISCAL YEAR 2015 OPERATING EXPENSES

MANAGEMENT & GENERAL EXPENSES - 8%



⁶“Cato Institute 2013 Annual Report,” Cato Institute Annual Report, 2013, 20, accessed February 8, 2016, <http://object.cato.org/sites/cato.org/files/pubs/pdf/annual-report-2013.pdf>.

⁷Ibid. 19

⁸“Cato Institute 2014 Annual Report,” Cato Institute Annual Report, 2014, 43, accessed February 8, 2016, http://object.cato.org/sites/cato.org/files/pubs/pdf/annual_report_2014.pdf.

⁹“About Cato.” Cato Institute. Accessed February 08, 2016. <http://www.cato.org/about>.

¹⁰“Cato Institute 2014 Annual Report,” Cato Institute Annual Report, 2014, 43, accessed February 8, 2016, http://object.cato.org/sites/cato.org/files/pubs/pdf/annual_report_2014.pdf.

Charles G. and David H. Koch. In addition to the funding from the foundation, David H. Koch is a member of The Cato 200 and sits on the Board of Directors for the institute. ¹¹

STAFF

The Cato Institute maintains a staff of over 200 people with 69 of whom are considered policy scholars.¹² The institute's scholars work to conduct research to further the development of policy and policy recommendations for the institute's various publications. Scholars also work to publish materials through Cato's publications, acting as editors and writers.

LOBBYING

As a 501 (c)(3) charitable organization, the Cato Institute does not engage in lobbying.¹³ Instead, the institute looks to produce research to necessitate the lobbying efforts of other organizations. For this, the institute has endured a great criticism as it has endorsed studies which directly oppose those of the the scientific community.¹⁴

An example of this can be found in the institute's work regarding climate change and energy production. The Cato institute has been a longtime supporter of the skepticism to climate change. Time and time again they have bolstered that the research regarding it is not conclusive or skewed in favor of its existence and have thereby published worked to promote materials which plead against clean energy regulations.

In terms of energy production, the institute has been one of the lead supporters in the campaigns

¹¹Ibid. 45-47

¹²Internal Revenue Service. (2013). Form 990: Return of Organization Exempt from Income Tax: Cato Institute. http://object.cato.org/sites/cato.org/files/pubs/pdf/irs_form_990_2013.pdf

¹³Ibid.

¹⁴Farley, Robert. "Cato Institutes Claim on Global Warming Disputed by Most Experts." Politifact. April 1, 2009. Accessed February 08, 2016. <http://www.politifact.com/truth-o-meter/statements/2009/apr/01/cato-institute/cato-institutes-claim-global-warming-disputed-most/>.

to promote fracking and the construction of the Keystone XL Pipeline.¹⁵ Time and time again the research and commentary of the Cato Institute have run counter to the scientific community and have been relied upon by climate change deniers and lobbyists looking to eliminate environmental regulations.

While not a true form of lobbying, the institute also follows the route of producing and petitioning the court to file amicus briefs. The more than 50 briefs filed by the institute have been focussed primarily on civil rights and federal jurisdiction and have been cited in the majority opinions of several cases heard before the Supreme Court.¹⁶

PARTISANSHIP

The Cato Institute defines itself as a non-partisan organization working to promote the ideals of individual liberty, limited government, free markets, and peace.” Like many aspects of the Cato Institute, its explanations of what it labels itself however is contradictory as the institute states: “Cato is not associated with any political organization or party —Republican, Democrat, Libertarian, or other.” Only a few paragraphs later however the organization explains: “The . . . philosophy that animates Cato’s work . . . [is] called “libertarianism.”¹⁷

It is therefore difficult to interpret what the institute truly wishes to label themselves. The institute’s track record however does not. From the formation by Charles G. Koch and his continued support for the organization as well as the institute’s record for publishing materials which directly support the interests of Libertarians and Conservatives alike in the areas of environmental, foreign, and corporate regulation policy.

¹⁵Knappenberger, Paul C. “Keystone XL Pipeline: Examination of Scientific and Environmental Issues.” Cato Institute. May 07, 2013. Accessed February 08, 2016. <http://www.cato.org/publications/testimony/keystone-xl-pipeline-examination-scientific-environmental-issues>.

¹⁶“Cato’s Amicus Program.” Cato Institute. Accessed February 08, 2016. <http://www.cato.org/about/cato-amicus-program>.

¹⁷“Cato’s Mission.” Cato Institute. Accessed February 07, 2016. <http://www.cato.org/mission>.

ACCOMPLISHMENTS

The Cato Institute has received much recognition for their policy programs. In a 2014 index report on think tanks conducted by The University of Pennsylvania, The Cato Institute ranked eighth out of the 60 indexed and 16th out of the 150 worldwide.¹⁸ A similar study conducted in 2014 by the Center for Global Development, another think tank in Washington, ranked the institute first in the 22 international development think tanks indexed.¹⁹

Other accomplishments can be seen from Cato's amicus briefs. Working to promote free speech through litigation, The Cato Institute has filed more than 50 briefs with The Supreme Court and in 2013 was ranked fourth in number of briefs filed by popular Supreme Court law blog, SCOTUSblog.²⁰

EVALUTATION

Whether the Cato Institute likes it or not—and a 2012 shareholder dispute for control over the company between the institute's staff and the Koch brothers would suggest not—the Cato Institute should be regarded as a puppet of wealthy corporations looking to minimize the impact of federal regulation and promotion of their interests. This claim is supported if not exemplified by the very existence of the institute's Club 200 program which offers those with the ability to spend \$25,000 or more with the opportunity to shape the research the institute conducts.

It should come as no surprise then that the institute's work has been largely to provide research supporting claims by the oil and archaic energy corporations. These have included instances of finding that fracking is not a danger to our groundwater, despite the wide amount of research to the

¹⁸McGann, James G. 2014 Global Go To Think Tank Index Report. University of Pennsylvania. University of Pennsylvania ScholarlyCommons. March 1, 2015. Accessed February 8, 2016. http://repository.upenn.edu/cgi/viewcontent.cgi?article=1008&context=think_tanks.

¹⁹Gelb, Alan. "Measuring Think Tank Performance: Updated with 2014 Data." Center For Global Development. March 17, 2015. Accessed February 08, 2016. <http://www.cgdev.org/publication/ft/measuring-think-tank-performance-updated-2014-data>.

²⁰Chandler, Adam. "Cert.-stage Amicus "all Stars": Where Are They Now?" SCOTUSblog. April 04, 2013. Accessed February 08, 2016. <http://www.scotusblog.com/2013/04/cert-stage-amicus-all-stars-where-are-they-now/>.

contrary, and stating that there is no method of reducing global warming despite the suggestions which have been put forward by The United Nations among many others.

The institute's sponsors represent a direct contraction of interest. It is because of this that the institute's research is done narrowly as it looks to produce research and policy suggestions which benefit their members. The opinions of the institute should be taken lightly, their motives questioned incessantly.

The success of the group is widespread. How can it not be when it is a well-funded organization looking to produce studies and research for the sole purpose of supporting dissenting opinions? As long as politicians and lobbyists look for research to support their little-supported notions on public policy—and as long as the institute continues to receive the funding it is now—it should be expected that the Cato Institute will continue to produce materials to support the interests of a minority of Americans. Little can be done to stop the institute that produces the materials so eagerly sought after by those who have a vested interest in preventing progress. ■

Bibliography

“About Cato.” Cato Institute. Accessed February 08, 2016. <http://www.cato.org/about>.

Ames, Mark. “Independent and Principled? Behind the Cato Myth.” *The Nation*. April 20, 2012. Accessed February 07, 2016. <http://www.thenation.com/article/independent-and-principled-behind-cato-myth/>.

“Benefits of Cato Sponsorship.” Cato Institute. Accessed February 08, 2016. <http://www.cato.org/support/levels-of-benefits>.

Bennett, Laurie. “The Kochs Aren’t the Only Funders of Cato.” *Forbes*. March 13, 2012. Accessed February 07, 2016. <http://www.forbes.com/sites/lauriebennett/2012/03/13/the-kochs-arent-the-only-funders-of-cato/>.

“Business Entity Search.” Kansas Business Entity Search. Accessed February 07, 2016. <https://www.kansas.gov/b>

“Cato Institute 2013 Annual Report.” *Cato Institute Annual Report*, 2013. Accessed February 8, 2016. <http://object.cato.org/sites/cato.org/files/pubs/pdf/annual-report-2013.pdf>.

“Cato Institute 2014 Annual Report.” *Cato Institute Annual Report*, 2014. Accessed February 8, 2016. http://object.cato.org/sites/cato.org/files/pubs/pdf/annual_report_2014.pdf.

“The Cato Institute.” *The Cato Institute Annual Report 25* (2001). Accessed February 7, 2016. http://object.cato.org/sites/cato.org/files/pubs/pdf/25th_annual_report.pdf.

“Cato Institute.” Greenpeace USA. Accessed February 08, 2016. <http://www.greenpeace.org/usa/global-warming/climate-deniers/front-groups/cato-institute/>.

“Cato Institute.” Right Wing Watch. September 2006. Accessed February 07, 2016. <http://www.rightwingwatch.org/cato-institute>.

“Cato’s Amicus Program.” Cato Institute. Accessed February 08, 2016. <http://www.cato.org/about/cato-amicus-program>.

“Cato’s Mission.” Cato Institute. Accessed February 07, 2016. <http://www.cato.org/mission>.

Chandler, Adam. “Cert.-stage Amicus “all Stars”: Where Are They Now?” SCOTUSblog. April 04, 2013. Accessed February 08, 2016. <http://www.scotusblog.com/2013/04/cert-stage-amicus-all-stars-where-are-they-now/>.

Farley, Robert. “Cato Institutes Claim on Global Warming Disputed by Most Experts.” Politifact. April 1, 2009. Accessed February 08, 2016. <http://www.politifact.com/truth-o-meter/statements/2009/apr/01/cato-institute/cato-institutes-claim-global-warming-disputed-most/>.

Gelb, Alan. “Measuring Think Tank Performance: Updated with 2014 Data.” Center For Global Development. March 17, 2015. Accessed February 08, 2016. <http://www.cgdev.org/publication/ft/measuring-think-tank-performance-updated-2014-data>.

Internal Revenue Service. (2013). Form 990: Return of Organization Exempt from Income Tax: Cato Institute. [Http://object.cato.org/sites/cato.org/files/pubs/pdf/irs_form_990_2013.pdf](http://object.cato.org/sites/cato.org/files/pubs/pdf/irs_form_990_2013.pdf)

Knappenberger, Paul C. “Keystone XL Pipeline: Examination of Scientific and Environmental Issues.” Cato Institute. May 07, 2013. Accessed February 08, 2016. <http://www.cato.org/publications/testimony/keystone-xl-pipeline-examination-scientific-environmental-issues>.

Lichtblau, Eric. “Cato Institute and Koch Brothers Reach Agreement.” The New York Times. June 25, 2012. Accessed February 07, 2016. <http://thecaucus.blogs.nytimes.com/2012/06/25/cato->

institute-and-koch-brothers-reach-agreement/.

McGann, James G. *2014 Global Go To Think Tank Index Report*. University of Pennsylvania.

University of Pennsylvania Scholarly Commons. March 1, 2015. Accessed February 8, 2016.

http://repository.upenn.edu/cgi/viewcontent.cgi?article=1008&context=think_tanks.

Michaels, Patrick J. "Global-Warming Myth." Cato Institute. May 16, 2008. Accessed February

08, 2016. <http://www.cato.org/publications/commentary/globalwarming-myth>.

"Policy Scholars." Cato Institute. Accessed February 08, 2016. <http://www.cato.org/people/policy-scholars>.