



# ANNUAL REPORT 2017

Dedicated to Making North  
Carolina First in Freedom

[www.johnlocke.org](http://www.johnlocke.org)

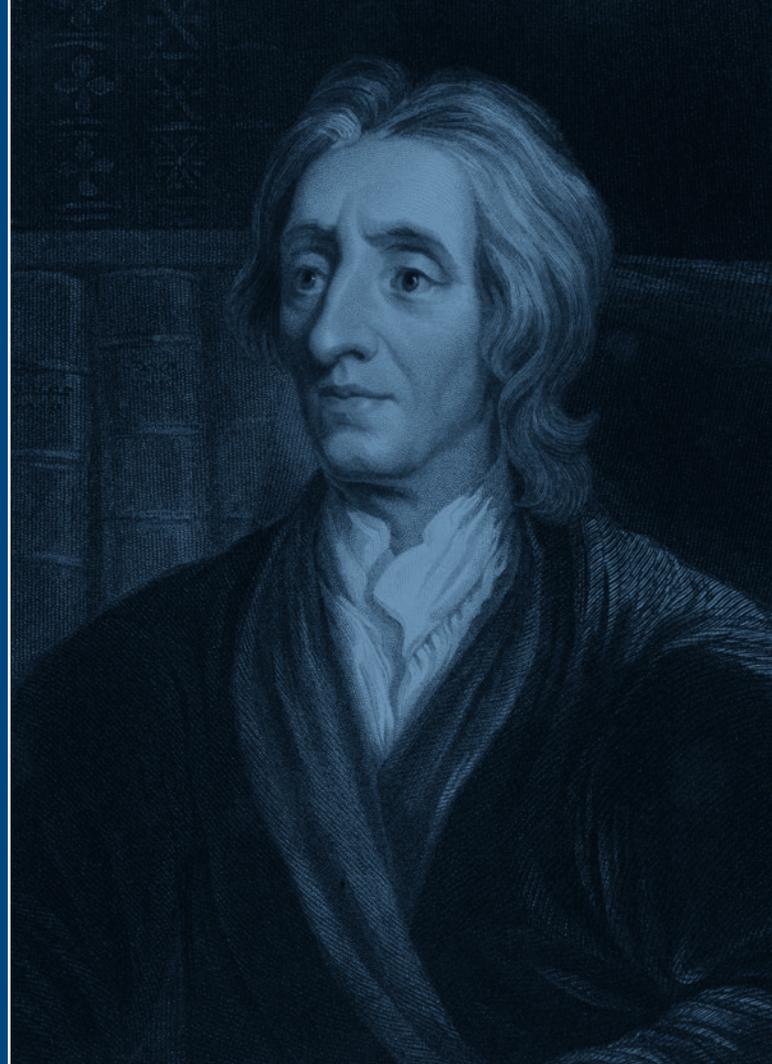


## WHO WE ARE

The John Locke Foundation was created in 1990 as an independent, nonprofit think tank that would work “for truth, for freedom, and for the future of North Carolina.” The Foundation is named for John Locke (1632-1704), an English philosopher whose writings inspired Thomas Jefferson and the other Founders. The John Locke Foundation is a 501(c)(3) research institute and is funded by thousands of individuals, foundations and corporations. The Foundation does not accept government funds or contributions to influence its work or the outcomes of its research.

### **Our Vision**

The John Locke Foundation envisions a North Carolina of responsible citizens, strong families, and successful communities committed to individual liberty and limited, constitutional government.



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## SPOTLIGHT ON:



Economic  
Transformation  
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Health Care  
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**Our highest duty is to advance economic liberty — the essential ingredient for human flourishing. Anything less is merely transactional politics, and we leave that to others.**

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**Kory Swanson**  
President and CEO

A black and white photograph of a hand holding a pen and writing on a document. The background is blurred, showing what appears to be a person's face in profile.

# **MESSAGE FROM THE PRESIDENT.**

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There is a reason our country is a beacon of hope for the world: its founding principles. As North Carolina's premier free-market public policy think tank, we believe these first principles are not only relevant today, they are proving transformational in North Carolina.

Our mission is well-defined and clear: We are dedicated to making North Carolina "First In Freedom" among the states. While these words are aspirational, they are also measurable. Using established standards of data analysis from national organizations like the Cato Institute and the Tax Foundation, we can measure our effectiveness through empirical rankings of the states on key measures of freedom.

While we are focused on the long term, change is accomplished through steady, step-by-step expansion of freedom and rejection of collectivist ideas and policies. Year by year, we are traveling the path toward First in Freedom.

By methodically adding victories, we are ushering in change that will make our state the leader in freedom for generations to come.

On the pages that follow, we proudly outline our ideas and our influence on policy — and importantly — on people. We highlight real, profound, and measurable impact, made possible by our dedicated team and our committed investors. And we hear from influential leaders who proudly support our efforts to relentlessly pursue economic liberty and human flourishing for every North Carolinian.

We invite you to join us on the journey to First in Freedom.



**Kory Swanson**  
President and CEO

# A 2016 private survey of 225 North Carolina political insiders illustrates our impact:

## Reach

JLF ranks as the most **“visible”** policy non-profit organization in North Carolina, with 46% of insiders saying they regularly see or hear our work. The nearest competitor was at 29%.

## Research

In terms of **“usefulness,”** JLF work is studied, cited, or used approximately twice as much as any other North Carolina policy nonprofit.

## Policy

In terms of how much **“influence”** over formulation and debate of public policy, 87% of respondents said JLF either influenced them “a great deal” or “a good amount.”

## Influence

JLF was cited as having “a great deal of influence” **twice as often** as our nearest competitor.



**The John Locke Foundation is a driving force for recent free-market reforms in North Carolina that are empowering our state's economy to thrive. Their experts provide immense value to North Carolina lawmakers and the state policy process.**



**Rep. Tim Moore**

Speaker, North Carolina House of Representatives



**When the Manhattan Institute's Center for Legal Policy published a study on North Carolina criminal law, JLF put us in front of 18 legislative leaders in private meetings, over just 48 hours – including the leadership of both houses, in both parties.**



**Jim Copland**

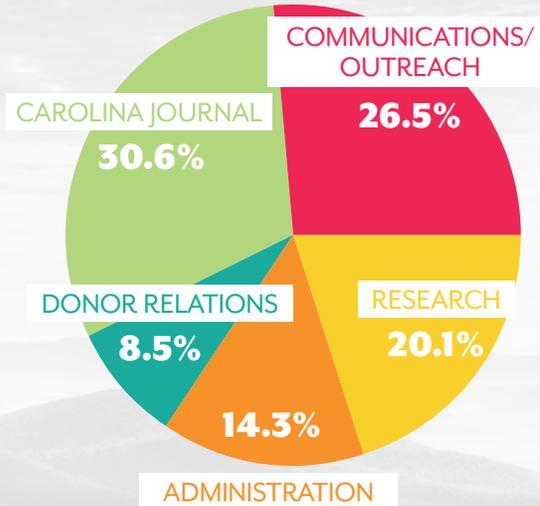
Manhattan Institute

# OUR FINANCIALS.

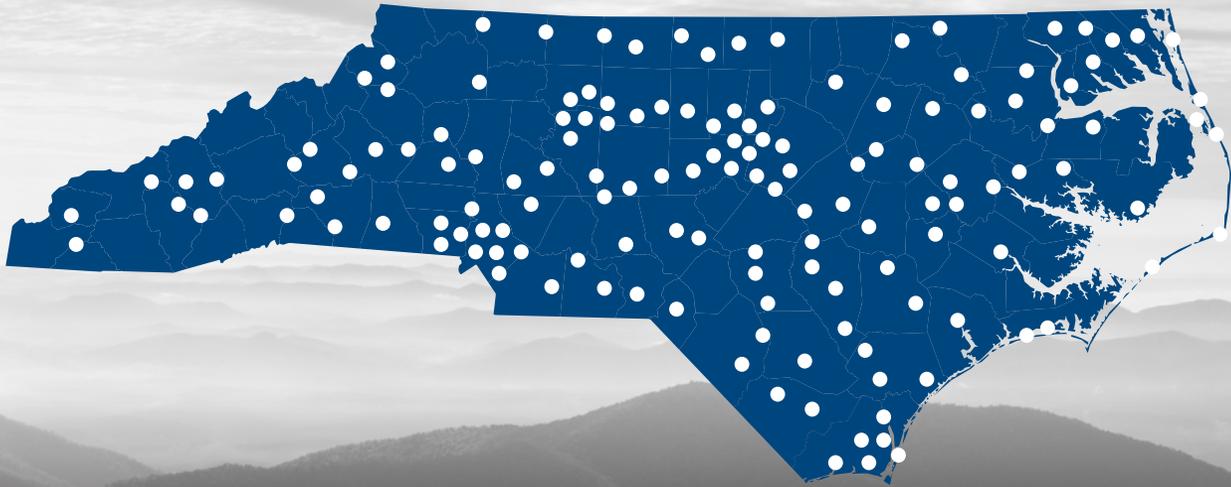
# \$885.93

THE AVERAGE GIFT TO THE  
JOHN LOCKE FOUNDATION

## How is Your Gift Used?



Support for the John Locke Foundation comes from all across the state because our ideas affect every citizen in every city and town.



# RESEARCH

We plead guilty to the charge that we're policy wonks. We take it as a compliment that acknowledges our reputation and our brand. What we're most proud of, however, is that we're *effective* policy wonks. We're invited to the decision-making table because our team is respected and our research is impeccable. Peruse North Carolina's most consequential, freedom-advancing policy choices of the past half-decade and you'll find the mark of the John Locke Foundation. You'll find the blueprint for state-based liberty. We compare and contrast options. We drill down

using cost-benefit analysis. We delve into potential unintended consequences. We mine the literature for illuminating facts. The result is a clear and actionable plan for those who govern, including grounding for their policy choices and benchmarks for evaluation and course correction. The result for you, our investor, is a respected voice for core, constitutional values — a voice you can count on. We are the thinkers behind a transformed and vibrant North Carolina — a North Carolina making its way toward First in Freedom status among the states.



## TAX AND FISCAL

People who turn over their hard-earned money to fund government services deserve to know their tax dollars are being spent cautiously and with a commitment to effectiveness and return on investment. We keep a watchful eye on spending, borrowing, and the tax burden. We fight spending subsidies and

preferential tax treatments for the well-connected, which are simply direct transfers of wealth from one group (taxpayers) to another (special interests). Our end game is fiscal restraint, sound stewardship, and transparency – the benchmarks that have made North Carolina a model for other states.

### Our Achievements

- ✓ **Tax cuts for wage earners, families with kids, and businesses of all sizes**
- ✓ **Surge in rainy-day savings fund, reaching the highest level in history**
- ✓ **Rejection of a new targeted tax credit to benefit a special interest group**



## EDUCATION

Parents know what's best for their kids. We fight the “edutocracy” that believes the system comes first. No parent should be treated as a cog in the education wheel, and in North Carolina, choices are expanding. Our mission is to empower every parent with an array of options that

ensures individual aptitudes are nurtured and unique challenges are addressed. No child should be trapped by a government-mandated, one-size-fits-all system, by financial circumstance, or by zip code. Fairness and equal opportunity begin by giving moms and dads the right to choose.

### Our Achievements

- ✓ **Creation of a legislative task force to study education finance reform**
- ✓ **Approval of a 10-year funding stream for voucher program serving low-income families**
- ✓ **Adoption of a performance-based bonus plan for public school principals**



## HEALTH CARE

Acute illnesses and chronic diseases account for a rising share of public resources and personal checkbooks. We fight to infuse the medical marketplace with competition and patient-centered care. Despite gridlock in Washington, D.C., states can reform how health care

is delivered and purchased by incentivizing innovation and eliminating costly central planning schemes that afflict government programs. A healthy North Carolina is a North Carolina with greater access to care, improved physical and mental health, and lower costs.



### Our Achievements

- ✓ **Fended off expansion of Medicaid under the Affordable Care Act**
- ✓ **Documented and showcased Union County, North Carolina's use of Direct Primary Care to lower county government employee health care costs**
- ✓ **Secured partial exemption from the state's required permission slip for facilities seeking to add psychiatric beds**

## REGULATION

No one who interacts with government should have their dreams dashed or be confused or overburdened by unnecessary red tape. We fight to break through the web of onerous government rules and clear pathways to opportunity and success. Too often, government regulators

with the best of intentions create barriers that ultimately hurt the very people they propose to help. When we unburden the single mom who dreams of starting a business, we create a spark of entrepreneurship that propels the economy forward and ignites generations of success.

### Our Achievements

- ✓ **Tightened criteria for formal rules review program, with 1,400 rules already removed, and deemed unnecessary**
- ✓ **Eased rules that unfairly restricted entrepreneurs in the distillery industry**
- ✓ **Rolled back burdensome regulation, thereby decreasing the cost of energy**



## LEGAL

A fair and just legal system must hold law-breakers accountable while strengthening property rights and protecting individuals from government intrusion and excess. We believe the rule of law is the ultimate defender of individual rights. We fight to ensure honest people aren't

entrapped by obscure regulatory crimes buried in an incoherent, opaque, and rapidly expanding body of criminal law. By subjecting existing criminal law to critical scrutiny, and by helping to rein in its growth, we work to ensure equal protection under just and sensible laws.



### Our Achievements

- ✓ **Raised the age of juvenile jurisdiction from 16 to 18 for non-violent offenders**
- ✓ **Formed coalition to support recodification of North Carolina's criminal code and restoration of the 'guilty mind' provision to regulatory and administrative crimes**
- ✓ **Repeal of the state's sweeping anti-property rights law, the Map Act**

## LOCAL GOVERNMENT

Cities and counties often expand government and increase taxes in the name of a better “quality of life.” We assess the costs and benefits of their tax and spending proposals and give voice to reasoned analysis. Our mission is to offer cost-benefit analysis and fend off taxpayer funding

for dubious projects such as convention centers and ballparks, which reside clearly outside the boundaries of core local services. We reject the concept of politicians guiding local investment decisions rather than allowing individuals to decide what is most valuable to them.



### Our Achievements

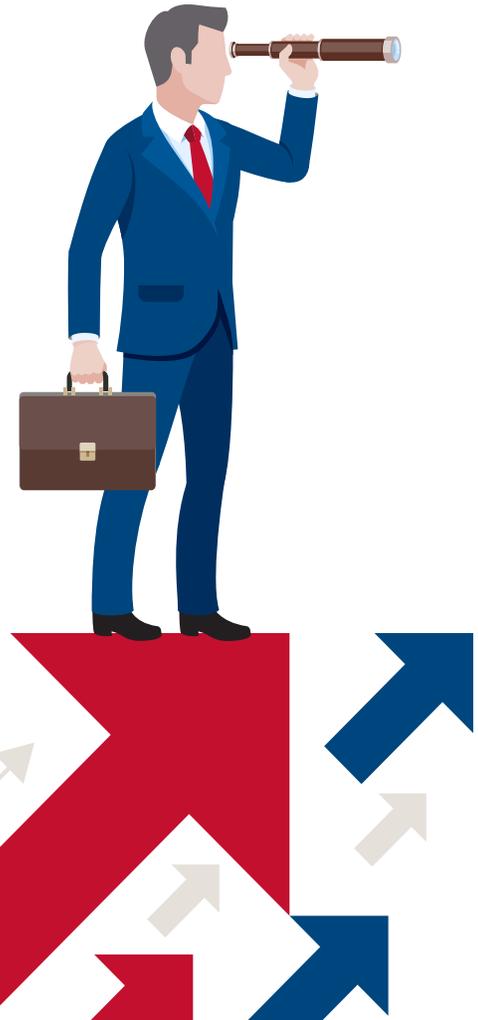
- ✓ Led the debate on the BRIGHT Futures municipal broadband bill, which did not become law
- ✓ Brought to bear cost-benefit analysis on the use of local and state transportation dollars to fund bike lanes
- ✓ Propelled public awareness of the burden borne by taxpayers in competing North Carolina bids for a Major League Soccer franchise

## ECONOMIC TRANSFORMATION

**We are remaking North Carolina, and we have our goal in sight: First in Freedom among the states.**

North Carolina progressives lament the historic changes that are recasting our state's reputation and economic profile. No longer can they claim North Carolina as a progressive beacon. No longer can they assure their movement that government will play a growing role in North Carolinians' lives, dictating more rules and imposing more taxes. In fact, we are witnessing a renaissance of freedom in North Carolina with the John Locke Foundation's mark imprinted on state budget and policy decisions. For the third consecutive budget year, the tax burden on families

and businesses has been reduced. The growth of spending has been kept in check. Job creators have been freed from smothering requirements. The criminal justice system is more fair and effective for teen offenders. Every North Carolinian is sharing in the new North Carolina, for as government shrinks, opportunity grows. And as freedom grows, so does economic vitality and optimism. The U.S. Census Bureau ranks North Carolina with the fourth-fastest wage growth in 2016, and the Tax Foundation moved North Carolina up to No. 11 on its 2018 business climate index.





**I believe the most consistent and effective voice of conservative principles and ideas in North Carolina is the John Locke Foundation. Accordingly, when I'm in doubt, I frequently ask myself: 'What do the folks at the John Locke Foundation think about this?' They've never disappointed me.**

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**Richard A. Vinroot**

Former Mayor of Charlotte and Republican nominee for Governor of North Carolina



## ADVANCING HEALTH CARE FREEDOM

**It's a completely new paradigm: Medical care without the frustration of endless paperwork, complicated insurance codes, long waits, and rushed office visits.**

For Dr. Amy Walsh of Raleigh, health care freedom advanced by the John Locke Foundation is freedom she embraces each day. As a doctor practicing in the Direct Primary Care (DPC) model, Dr. Walsh is putting patients first. Her experience is exactly why we battle to unleash the power of choice and why we urge the medical community and policymakers to learn more. Rather than accepting insurance, DPC physicians charge a modest monthly fee, akin to a gym membership or a cable contract. In return, patients have virtually unlimited access to their doctor. Not feeling well? Schedule a same-day appointment. Worried about a rash? Text a photo. Questions

about medication side effects? Email a question. Patients rely on insurance for hospitalization, specialty care, and more advanced testing and treatment. While DPC is innovative, Dr. Walsh says it's also returning to the basics of good quality care. With Direct Primary Care, there is more time for developing personalized treatment plans, for carefully managing chronic conditions, and for being a healer and partner. At its core, DPC's patient-centered approach – and Dr. Walsh's practice – are about empowering people with simple, timely access at a lower cost. "It brought my passion back into medicine because DPC allows me to be a doctor."





**The John Locke  
Foundation is  
supportive of new  
ideas and new  
ways to look at  
health care, and  
innovative ways  
that actually work  
best for the patient  
and the doctor.**

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**Dr. Amy Walsh**  
*doctor direct*  
Raleigh, North Carolina



# CAROLINA JOURNAL

Including readers of our print edition, our website, and our distribution partners, *Carolina Journal* serves more than a million people each month.

Through the pursuit of accountability and transparency in government, *Carolina Journal* has for 26 years served as the watchdog of our state's elected, appointed, and administrative officials. From county commissioners to governors and from city ordinances to General Assembly legislation, *Carolina Journal* has investigated spending, revealed boondoggles, and rooted out corruption. Our influence is growing.





***Carolina Journal* gives me the freedom to uncover potential public corruption and taxpayer abuses with stories that may take months to report thoroughly. Reporters on daily deadlines rarely get to dig into the subjects I take on.**

---

**Don Carrington**  
Executive Editor

# IN THEIR

## OWN WORDS.



**John Allison**  
Retired Chairman  
and CEO, BB&T,  
Retired President  
and CEO,  
Cato Institute

**“In America, freedom represents our ability to pursue our own goals without unjust interference from others – including government. I value personal freedom and so does the John Locke Foundation. It’s one of the reasons I support their work.”**



**Rodney Pitts**  
CEO, Southern  
Elevator Group, Inc.

**“In-depth research and long-term thinking about public policies that define our state’s future. That’s what the John Locke Foundation is known for, and it’s the reason I support its work as a member of the 1775 Society. North Carolina is a more prosperous and forward-thinking state because of the foundation’s fine work, and I hope you’ll join me with a generous donation.”**



**Christine Mele**  
Pamlico County  
Commissioner  
(Ret.), Member  
of JLF Board of  
Directors

**“The citizens and elected officials of North Carolina continue to be grateful for the impressive, nonpartisan, fact-based research of the John Locke Foundation. We can always rely on their position papers and commentaries to cut through common rhetoric and give us the rest of the story.”**



**Gene Boyce**  
Raleigh Attorney,  
Defender of  
Constitutional  
Government

**“I’ve heard, ‘Giving is the best path to eternity.’ I am eternally grateful for what John Locke did in 1690 that helps you and me today. And for what the John Locke Foundation does for you and me – every day, week, month, and more.”**



**Lee Roberts**  
Managing Director,  
SharpVue Capital  
and former North  
Carolina State  
Budget Director

**“I know firsthand that the work done by the Locke Foundation is vital to the budget development process. Moreover, the Locke Foundation is the only organization in North Carolina providing that kind of analysis.”**

# MEDIA PRESENCE.



**1,302**

TELEVISION  
APPEARANCES



**1,578**

RADIO  
APPEARANCES



**142**

PUBLISHED  
OP-EDS



**120**

PANEL  
DISCUSSIONS  
AND SPEECHES

A man in a dark suit and patterned tie is shown in profile, speaking and gesturing with his hands. He is seated at a desk in a television studio. The background features a large graphic with the words "CAPITAL TONIGHT" in white and blue. The word "CAPITAL" is in a smaller font and is partially enclosed in a red rectangular box. The word "TONIGHT" is in a larger, bold font. The background also has orange and blue horizontal bands.

# CAPITAL TONIGHT

Becki Gray, SVP of the John  
Locke Foundation, appearing on  
Spectrum News' *Capital Tonight*



**KORY SWANSON**  
President & CEO  
John Locke Foundation



**TERRY STOOPS**  
JOHN LOCKE FOUNDATION

WASHINGTON 11:43 63°  
SPECTRUM NEWS  
LIES 103 FINAL NBA: LAKERS 81 JAZZ 96 FINAL NBA: SUNS 107 TRAIL BLAZERS 114 FINAL



**Becki Gray**  
JOHN LOCKE FOUNDATION

NC SPIN

“  
**The John Locke Foundation gives people facts, reasons and arguments and turns every citizen into someone making progress for liberty.**

---

**Grover Norquist**  
Americans for Tax Reform



**DON CARRINGTON**  
CAROLINA JOURNAL



**MITCH KOKAI**  
THE JOHN LOCKE FOUNDATION

**CRITICS SAY OTHER ISSUES HAVE OVERSHADOWED JUDICIAL REMAKE**  
FRONT ROW FOR OCTOBER 23RD-OCTOBER 29TH, 2017



**Wake County Taxpayers Association**



 **10,548**  
TWITTER FOLLOWERS

 **11,922**  
FACEBOOK FANS



— 2017 OP-EDS PUBLISHED IN —

**THE WALL STREET JOURNAL.**

*the*

**FEDERALIST**

**NATIONAL REVIEW**



**FEE** FOUNDATION *for*  
ECONOMIC EDUCATION



Kari Travis, associate editor at *Carolina Journal*, with University of North Carolina System President Margaret Spellings



**CAROLINA  
JOURNAL**

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**MONTHLY PRINT  
READERS**

**880,275**

**ANNUAL WEBSITE  
PAGE VIEWS**

**29,341**

**SOCIAL MEDIA  
REACH**

**OUR**

**LEADERSHIP.**

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**Kory Swanson**  
President and CEO

For nearly two decades, Kory has been a central figure in the growth and influence of the foundation. As President and CEO, he oversees the organization's three divisions: research, outreach, and journalism. This includes strategic planning, operations, investor relations, and staff development. Prior to being named President in 2015, he held the position of Executive Vice President. Kory received his master's degree in philosophy from Bowling Green State University and his J.D. from the University of Toledo College of Law.



**When we unleash the power of freedom, we secure the bedrock elements of a flourishing society. By advancing time-tested ideas, we deliver policymakers a lighted pathway that levels the playing field and provides hope for every person, regardless of background or circumstance.**

---

**Kory Swanson**  
President and CEO



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**Becki Gray**  
Senior Vice President

As senior lobbyist, Becki provides research and consultation to influential state and local policymakers. She has developed relationships with legislators and community and industry leaders across North Carolina and the nation to ensure the foundation influences decision-makers. Becki is a sought-after commentator on television and radio and writes for *Carolina Journal*. She directs the foundation's Candidate Education project and the NC Capitol Leaders program for legislative staffers.



**Freedom, free markets, and limited, constitutional government. We are uncompromising in our grounding principles and proud of our reputation as serious, reasoned thinkers who are trusted by our allies and respected by our adversaries.**

---

**Becki Gray**  
Senior Vice President



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**Jon Pritchett**  
Senior Vice President

Jon brings three decades of private sector business, marketing, and leadership experience to the foundation's investor relations division. Among his previous accomplishments: partner in a Chicago-based investment bank, vice chairman at French West Vaughan, CEO of AstroTurf USA, president at ScheerSports, and vice president at Host Communications. He has served on the boards of public and private companies as well as nonprofit organizations. Jon and wife Joan live in the Raleigh area and have four children.



**Those who think defending liberty is an irrelevant discussion among the stodgy fail to appreciate the elements of a thriving society: With liberty comes freedom, with freedom comes opportunity, and with opportunity comes the unencumbered pursuit of a productive life of your own choosing.**

---

**Jon Pritchett**  
Senior Vice President



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