



# Policies on Grant Seeking, Disclosure, and the Influence of Donors

Last revised: October 2007

## Grants We Refuse to Accept

The Heartland Institute shall not accept grants of the following kind:

- *Grants from any government agencies.* We are prohibited by a policy adopted by the Board of Directors from accepting grants from any and all government agencies. We refuse government grants because a central part of our mission is to objectively scrutinize government programs and their funding. An organization that relies on government funding cannot be trusted to provide an independent voice in debates over public policy.
- *Grants to conduct contract research.* We are prohibited by a policy adopted by the Board of Directors from conducting research or write commentaries for the private use of interested parties. Everything we produce is subject to being widely distributed with or without the permission of donors whose generosity may have made production of the research possible.
- *Grants that compromise our independence.* We are prohibited by a policy adopted by the Board of Directors from accepting grants that might subordinate the direction and control of Heartland's research and other activities to any outside authorities.

## Donations from Corporations

In 2006, 25 percent of The Heartland Institute's income came from corporations and 75 percent from individuals and foundations. No one corporation gives more than 5 percent of our annual budget.

We believe individuals who work for corporations have as much right to participate in the public debate as do individuals who work for foundations, unions, and other interest groups. If the goal of public policy think tanks is to produce and disseminate high-quality research, a ban on corporate contributions would clearly be counterproductive. Many large corporations – Procter & Gamble, to name only one – have more Ph.D.s on their staffs than any of the nation's "think tanks."

Corporations recognize that our credibility relies on being truly independent from the special interests of our donors. Consequently, they seldom ask for and never receive "veto" authority over our publications.

We have found many corporate CEOs and government affairs managers believe (or can be persuaded) that their companies' long-term best interests are best served when public debate over important matters of public policy is free of intimidation and well-informed, even if that means funding a group that takes positions at odds with the company's short-term positions. Those we cannot persuade either don't contribute, or don't renew their support.

### **Disclosure of Funding Sources**

It was the policy of The Heartland Institute, until late in 2004, to identify on its Internet site ([www.heartland.org](http://www.heartland.org)) all corporate and foundation donors, though not the amounts of their gifts. We challenged other nonprofit research and advocacy groups to do likewise. None of our competitors followed our lead, and liberal critics and some journalists used our good-faith effort at transparency to demonize us by selectively reporting our most unpopular donors. So in December 2004 we removed the list from the Web site and no longer share that information.

If a donor so requests, we will identify a gift in a publication or in the program of an event made possible by the donor's generosity. We do not, however, make a policy of doing this. There are two reasons we do not:

- Money is "fungible," which is to say, the support of many donors might just as accurately be said to make possible a specific project as the gift from an especially interested donor. Most of the funds raised each year by Heartland are unrestricted gifts, enabling us to undertake specific projects *whether or not* earmarked gifts are raised.
- Anti-corporate activists and many journalists are too quick to judge research by "who funded it" rather than how accurate or carefully reasoned it is. Rather than rewarding a policy organization for volunteering information about funding from potentially interested sources, journalists are more likely to *punish* it by making the funding source the lead in whatever story gets written.

"Who funded it" is sometimes relevant to the debate and sometimes should be noted, but our experience has been that this question is raised selectively against groups that call for more individual freedom and less government. Rather than alert readers, viewers, or listeners to what might be alleged to be a conflict of interest, it only distracts the public from the real facts and issues at stake in the debate over public policy.

### **Donors' Influence on Research Agenda**

Heartland's research agenda is determined by its mission, as interpreted by its Board of Directors and staff. Heartland exists to discover, develop, and promote free-market solutions to social and

economic problems. All of our research is directed toward advancing that mission. In the interest of promoting informed debate and avoiding the appearance or reality of being dogmatic, we occasionally publicize research and commentary that run counter to our point of view. In those cases we make it clear that these opinions do not reflect the views of The Heartland Institute.

Heartland occasionally responds to requests for proposals (RFPs) issued by foundations, corporations, and individuals to conduct research on topics that lie within our range of expertise and that have the potential to advance our mission. In those cases, donors influence the details of our research agenda, though not its general thrust or results. In such cases we do not surrender control over the peer review process, and Heartland owns all rights to whatever publications are created.

### **Donor Participation in Programs**

In recognition that donors often have expertise that is beneficial to producing high-quality and timely research, The Heartland Institute does not exclude donors from its research and education programs. The following policies govern such participation:

- Donors may, upon request, participate in the peer review of the research they help to fund. Their comments are given no greater weight than those of other reviewers, and no more than the qualifications of their authors may merit. Authors, as a rule, are kept at “arm’s length” from funders and communicate only via the editor as part of a peer review process.
- Donors are not given the opportunity to “kill” research that turns out unfavorable to their interests, or to insist on changes to publications before their release.
- As a courtesy to donors, we share with them advance copies of the studies they helped fund, and we often solicit their advice on what audiences to target during promotional campaigns. We also provide donors with multiple copies of the studies they help fund for free or at reduced prices.

### **Disagreement with Donors**

Individuals, foundations, and corporations donate to The Heartland Institute because they agree with some of the things we have to say (or are likely to say). The opposite is never the case: We do not change our research or perspectives to accommodate our donors. Simply put, we raise funds primarily from people who agree with us.

Over the years, we have stood up to many donors who tried to dictate the results of our research. We often lost funding as a result. For example, publication of *Heartland Policy Studies* critical of government subsidies to businesses and of regulations that inhibit competition and protect

incumbents was followed by the termination of funding by corporations and some foundations with vested interests in such policies.

Our unpopular but principled stands on such issues as smoking bans, drug legalization, and climate change have cost us far more in contributions than they have attracted. Yet we will continue to speak out on these important issues.

Heartland can afford to take principled stands because it receives funding from a diverse group of about 1,600 individuals, corporations, and foundations. More than half of our annual budget consists of unrestricted gifts. This diverse funding base means the loss of a few donors does not threaten our financial viability.

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For additional comments on who funds The Heartland Institute, please call Joseph Bast, president, at 312/377-4000 or visit our Web site at <http://www.heartland.org>.