Illinois' COMEBACK STORY STARTS HERE

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Illinois Policy / 2014 Annual Report

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	Illinois Policy Institute	Illinois Policy Action
VISION		
	The Illinois Policy Institute's vision is to make Illinois first in economic outlook and job creation, and to become a free enterprise leader for the rest of America.	Illinois Policy Action's vision is to make Illinois first in economic outlook and job creation, and to become a free enterprise leader for the rest of America.
MISSION		
	The Illinois Policy Institute is a nonpartisan research organization working to make Illinois first in economic outlook and job creation.	Illinois Policy Action is a nonpartisan advocacy organization that promotes free-market policies.
APPROACH		
	The Illinois Policy Institute is a 501(c)(3) nonprofit organization that generates marketable policy solutions to unleash Illinois' talent and entrepreneurial ability.	Illinois Policy Action is a 501(c)(4) advocacy organization that engages government officials to turn free-market policy solutions into law.

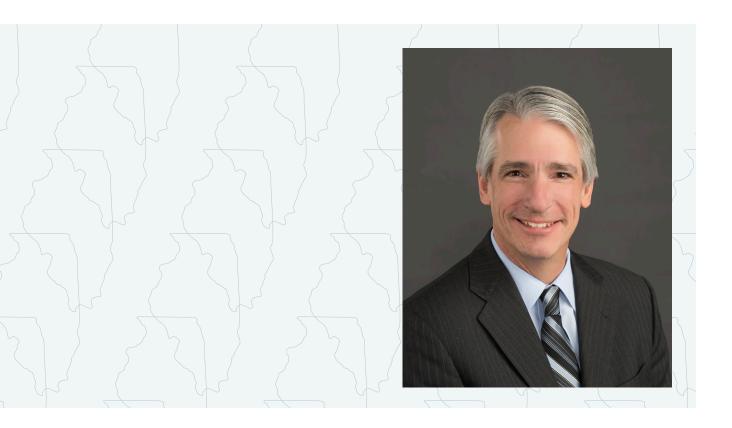


When we relaunched the Illinois Policy Institute in the summer of 2007, we had a simple vision – to see Illinois become a shining beacon of prosperity, casting its glow all across the Midwest. We believed that Illinois could rise once again and assume its rightful place as a destination state, where individuals and families would choose to come to pursue their own version of the American dream.

Opportunity for individuals and families means different things to each of us, but for me, it means this: No matter who you are, no matter where you came from, no matter rich or poor, no matter tall or short, fat or skinny, white, black or brown, this is a place where your days will be brighter tomorrow than they are today.

All it would take to succeed here would be a willingness to work, a kindness and generosity to your fellow citizens, and a belief not just in your own dreams but the dreams of a Rust Belt state rising once again.

Seven years later, 2014 proved to be a pivotal year in the dream so many of us shared in the summer of 2007. For the first time in a long time, the policies that could make Illinois the beacon of hope and aspiration we imagined began to prevail. Tax hikes were defeated (see pages 15 and 25), moms prevailed over the powerful in caring for their loved ones – choosing freedom over forced unionization (see page 13) – and in the political arena, our policy ideas prevailed.



It is a cliché to say that life is a journey. But clichés become such because of underlying truth. As you read this Annual Report, you will see a journey filled with triumph and success. But we must understand that those triumphs and successes are just a small part of the journey underway.

In 2014, we reached an interim destination that was joyful to experience. But great joy and greater challenges lie ahead. The coming year has the potential to see that beacon not just being erected on this beautiful prairie, but to see it lit brightly for all to see.

To accomplish that, we will be working with renewed focus and drive as we depart 2014 and forge the road to Illinois' comeback. We have hope in our hearts tempered by the recognition of many challenges ahead. I remain so deeply grateful that you are with us on this grand adventure to see Illinois rise once again.

In liberty,

Tillma

John Tillman CEO



Board of Directors

Ed Bachrach

Retired Chairman and CEO, Bachrach Clothing Inc. Founder, Build Cambodia

Steve Brown Partner, Promus Equity Partners

Beth Christie Former CEO and Founder, Avent America Inc.

Craig Manske Managing Principal, Development Solutions Inc. **Arthur Margulis** Founder and Managing Principal, Cognitive Capital LLC

Mark P. Miller Partner/Principal in the Advisory Services Practice of Ernst & Young LLP

Richard T. Weiss Managing Director, Wells Capital Management

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John Tillman Chief Executive Officer Kristina Rasmussen Executive Vice President

Policy

Ted Dabrowski Vice President of Policy

Naomi Lopez Bauman Director of Health Policy

Brian Costin Director of Government Reform

Paul Kersey Director of Labor Policy

Michael Lucci Managing Director of Jobs and Growth Robert Steere Senior Budget Advisor

Benjamin VanMetre Director of Pension Reform

John Klingner Policy Analyst

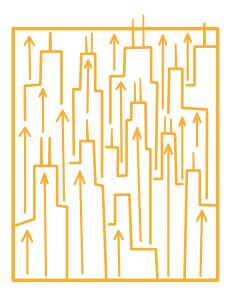
Erika Abad Field Director

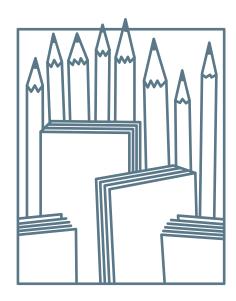
David Giuliani Government Reform Analyst

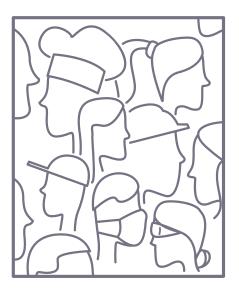
Jonelle Lesniak Special Projects Manager

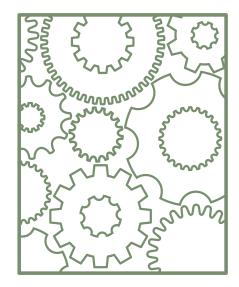
Marketing and Communications	Ryan GreenVice President of MarketingDiana RickertVice President of CommunicationsHilary Gowins YelvingtonManaging EditorChris AndriesenProject Manager	Nathaniel Hamilton Media Relations Manager Caleigh Ripp Digital Coordinator Austin Berg Assistant Editor Jacob Fout Graphic Designer
Operations	Jean Hutton Director of Operations Lauren Andriesen Executive Assistant	Michelle Mathia Chicago Facilities Coordinator Christina Hibbert Operations Assistant
Government Affairs	Matt Paprocki Vice President of Government Affairs Donovan Griffith Manager of Government Affairs	Jim Long Manager of Government Affairs Jane McEnaney Manager of Government Affairs
External Relations	Emily Rose Vice President of Development Sherry Street Director of External Relations Natalie Bezek Manager of Donor Communications	Zack Urevig External Relations Associate Judi Willard External Relations Coordinator Bradley Warren External Relations Officer Jonathan Greenberg Vice President of External Relations
Illinois News Network	Scott Reeder Executive Editor Lesley Nickus Editorial Manager	Greg Bishop Radio Reporter Mark Fitton Reporter
Liberty Justice Center	Jacob Huebert Senior Attorney Jeffrey Schwab Staff Attorney	Bryant Jackson-Green Legal Researcher and Policy Analyst Heather Niemetschek Public Service Initiative Fellow

OUR WORK

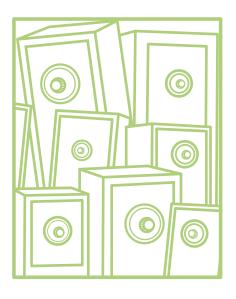




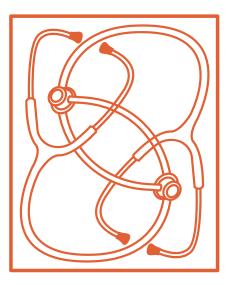














TELINOIS POLICY / 2014 ANNUAL REPORT

JOBS AND GROWTH



[Setting the record straight on jobs]

Illinois' economy and jobless rates were the leading issues in the second half of 2014. While then-Gov. Pat Quinn claimed low unemployment rates and touted an Illinois comeback, our Managing Director of Jobs and Growth, Michael Lucci, closely tracked the numbers. He revealed the truth about Illinois' record workforce dropouts and showed that at its current growth rate, the state was likely still seven years away from a real comeback. The Illinois Policy Institute was the leading voice on Illinois' employment and economic standing, and changed the way the media reported on both.

To shed even more light on the state's anti-competitive business climate, the Institute launched a campaign to show that government picking winners and losers is not the answer to Illinois' moribund business climate. The No Cronies campaign calls attention to the millions of taxpayer dollars that politicians dole out to politically connected companies, while simultaneously regulating other businesses to death. No Cronies aims to end Illinois' culture of cronyism and restore fairness in the state's economic environment.







[Working toward local choice]

For years, Illinois lawmakers have failed to pass meaningful legislation to give parents control over the education of their children. Parents desperately sought solutions, but many were met with teacher strikes, further displaying the misplaced priorities of teachers unions and reinforcing the need for fundamental education reform.

In 2014, the Illinois Policy Institute launched Give Me Choice Waukegan in the city of Waukegan, Illinois, as a pilot test to bypass state politicians and give families in a single community more choice in their children's education. We're working with local influencers to rally community support and bring awareness to families about what school choice would mean for them.

Once successful in Waukegan, local school-choice initiatives can be rolled out across the state.





LABOR



[Beating back forced unionization]

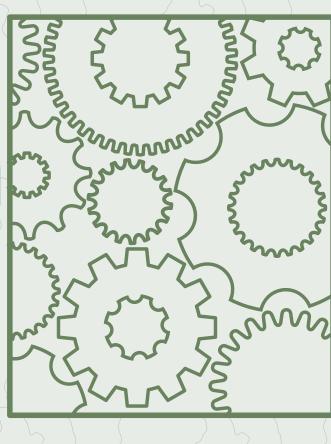
For years, Illinois has forced state employees to pay membership dues toward a union agenda with which they do not necessarily agree. In the summer of 2014, the U.S. Supreme Court issued a groundbreaking ruling in the Harris v. Quinn case, stating that governments cannot force-unionize participants in state entitlement programs, or force them to pay union dues or fees as a condition of receiving help from the state.

In an attempt to recoup their potential losses, the Service Employee International Union, or SEIU, was given 30 minutes to pitch membership at taxpayer-funded, mandatory "training" sessions for at-home caregivers. The Illinois Policy Institute team was at the entrance of every training session, making sure cargivers knew their right to opt out of membership should they choose. The team was able to help more than 128 individuals opt out of their union memberships on the spot.



TELINOIS POLICY / 2014 ANNUAL REPORT

BUDGET AND TAX



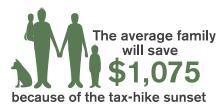


[Tax hikes don't defeat themselves]

The Illinois Policy Institute executed the largest holistic campaign the state had ever seen for tax relief in 2014. Our expert research showed the real-life implications that tax increases would have on Illinois taxpayers and businesses.

Armed with the Institute's research, Illinois Policy Action defeated three tax-hike proposals in 2014. First, a progressive income tax that would have increased taxes on 85 percent of Illinoisans; second, a 3 percent "surcharge" tax on incomes over \$1 million that would have crushed small businesses; and finally, an extension of the 2011 temporary income-tax increase.

Our multichannel campaign resulted in a tax victory that will keep more than \$31 billion in the hands of Illinois taxpayers over the next five years alone.



TELINOIS POLICY / 2014 ANNUAL REPORT

PENSIONS

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[What real pension reform looks like]

The Illinois Policy Institute continued to be the leading voice in the state for true pension reform through 401(k)-style retirement plans. With state pension debt in excess of \$100 billion, Illinois has so far failed to effectively address this policy crisis. The Institute was the only group to release a sustainable retirement plan for the city of Chicago that was scored by an actuary to fix pension problems.

In 2014, we launched workerfreedom.com, a simple educational website marketed to government employees that shows why selfmanaged plans are viable and superior to politician-run plans.

> Our Chicago * * * * PENSION-REFORM PLAN

would immediately reduce the unfunded liability by nearly half

GOOD GOVERNMENT



[Shining a light on corruption]

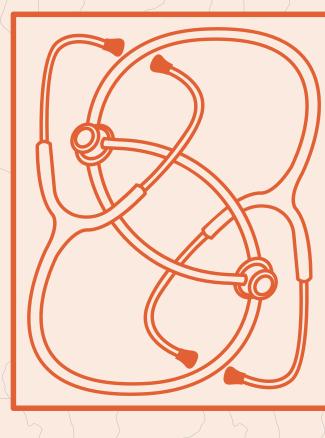
The Illinois Policy Institute continued efforts to improve online transparency at the local level. In today's digital age, the easiest way for taxing bodies to discourage corruption and improve accountability is by making information available to taxpayers online.

The Illinois Policy Institute's good-government team also discovered that some school districts were using taxpayer dollars to promote ballot measures that would increase sales taxes. While touted as a tax that would fund education, they found that an out-of-state corporation that would stand to benefit financially from the salestax increases was directly involved in promoting the referendums.

Illinois Policy Action formed a ballot committee to fight the salestax increases. The ballot committee informed Illinoisans about the consequences of higher taxes, and on Election Day, taxpayers in eight Illinois counties rejected the sales-tax hike, saving residents more than \$30 million annually.

> Taxpayers in 8 Illinois counties rejected the sales-tax hike, saving residents more than \$30 million

HEALTH CARE





[Defeating an ObamaCare expansion]

In the first full year of the Affordable Care Act, also known as ObamaCare, the Illinois Policy Institute worked to shed light on its implications for Illinoisans. We unwaveringly opposed a state-funded health-insurance exchange, a fundamental and failed component of ObamaCare. The team aggressively monitored the issue throughout the legislative sessions and caught state legislators as they attempted to secretly implement an exchange over a holiday weekend.

Illinois Policy Action was the first to catch legislation that would have passed a state-funded ObamaCare exchange during the December veto session. The team caught the bill, notified other liberty groups in the state, jumped into action and successfully defeated it. In just two days, Illinois Policy Action coordinated more than 1,800 constituent calls to targeted lawmakers' offices to defeat the proposed state-funded health-insurance exchange. Our quick action set the gold standard for effective robocalling, prompting other state-based and national advocacy groups to reach out and learn our process. Quick and effective action to head off this destructive bill is single-handedly responsible for saving Illinois more than \$100 million per year.



TELINOIS POLICY / 2014 ANNUAL REPORT

LIBERTY JUSTICE CENTER





[Truth to power]

The Liberty Justice Center continued defending economic liberties and First Amendment rights through strategic, precedent-setting litigation in 2014. They continued two ongoing cases and filed two new ones.

New cases:

Reeder v. Madigan was filed to challenge House Speaker Mike Madigan and Senate President John Cullerton, who have unfairly denied Scott Reeder access to press facilities in the Illinois General Assembly because he works for the Illinois Policy Institute's reporting project, the Illinois News Network. If Madigan and Cullerton were to win, it would mean they and future legislative leaders would be free to discriminate against journalists for any reason at all – even because of their race, sex, or political views – and not be held accountable in the courts.

Peterson v. Village of Downers Grove

challenges a harmful sign ordinance in the village of Downers Grove, Illinois. The ordinance imposes unnecessary restrictions on business signs, infringing on free speech and harming small businesses that rely on public advertising.

Ongoing cases:

Beavers Donuts v. City of Evanston seeks to strike down arbitrary, anticompetitive restrictions that prohibit Beavers Donuts and other food trucks from operating in Evanston, Illinois. Evanston's city code only allows owners or agents of existing brick-and-mortar restaurants to operate food trucks there. The restriction serves only to protect certain established business owners from creative competition.

Illinois Liberty PAC v. Madigan et al. challenges Illinois campaign-finance law, the Illinois Disclosure and Regulation of Campaign Contributions and Expenditures Act. Currently, Illinois' campaignfinance law imposes a series of limits on state election contributions. Though enacted under the guise of fighting corruption in politics, Illinois' campaign finance law actually creates structures that enhance the potential for corruption.

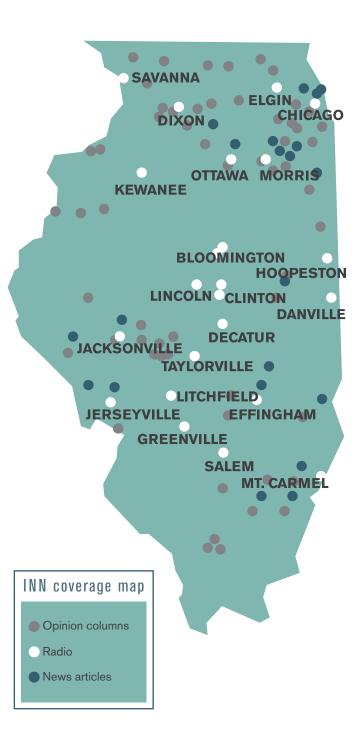


[A growing force for good]

As newsrooms across the country and state rolled back staff covering Statehouse happenings, the Illinois News Network expanded both its staff and audience.

Their hard-hitting stories are shaping the debate in Springfield. The INN also provided quality news content at no cost to an average of 60-80 news outlets each month.

In the fall of 2014, the INN successfully launched into the airwaves. They added a radio reporter who now produces daily radio content that is regularly broadcasted over more than 80 radio stations across Illinois.



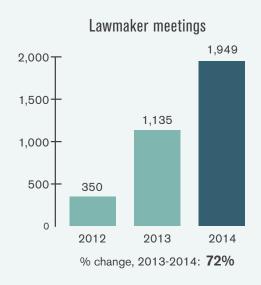
Illinois Policy Action

Illinois Policy Action's government-affairs team is the only free-market group in Illinois monitoring every piece of legislation introduced in the Statehouse, enabling them to catch harmful policies that may otherwise pass without notice. They are the most effective group advocating for free-market policy solutions across party lines in Springfield.

The team's greatest accomplishments in 2014 include defeating three tax-hike proposals, keeping more than \$31 billion in the hands of Illinois taxpayers and businesses over the next five years alone, and stopping a state-funded health-insurance exchange, saving Illinoisans more than \$100 million per year.

Additionally, Illinois Policy Action moved the ball forward on other critical issues like pension reform, labor freedom and school choice. Illinois Policy Action made the ground fertile for true reform to take place in coming years.

In 2014, Illinois Policy Action also launched its first ever "Ground Game" effort. The purpose was to connect with discontented Illinoisans, engage the "persuadable middle" and use the data collected to influence public policy. Illinois Policy Action made more than 541,300 direct contacts with Illinois residents. These efforts supplemented the "Lame-Duck Tax Pledge," enabling the government-affairs team to take thousands of signed, in-district petitions to swing legislators who were unaware of their constituents' resounding disapproval of the income-tax hike proposal.

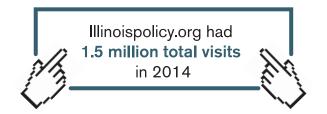






The driving goal of the Illinois Policy Institute is to transform liberty principles into marketable policies that become law. For that goal to become reality, we focus a great amount of time and talent to make sure that our research and policy solutions are marketing-centric and written through the lens that the free market is the greatest force for good in the human sphere. Our communications and marketing teams then distribute this content through multiple channels to reach our ultimate audiences: political decision-makers, the public, media and influencers.

We tell stories about individuals to illustrate why our ideas are the better, moral choice. Then we sell our ideas in the language that appeals to the persuadable middle – those we aim to recruit to our point of view. In 2014, we had nearly 6,000 traditional media placements across the state and nation of our original work. As the numbers show, we went far beyond the usual audiences.





Likes

2012

3,942

Interactions	2012	2013	2014	% change, 2013-2014
	76,000	434,000	2,200,000	407%
Unique				
	41,000	275,000	1,500,000	445%
Impressions				
	63,000,000	195,000,000	188,000,000	-4%
	ER			
Followers	2012	2013	2014	% change, 2013-2014
	16,420	27,284	31,497	15%
Retweets				
	18,000	34,000	21,659	-36%
@mentions				
	12,000	21,000	11,435	-46%
) O K			
				% change,
People talking	August 2012	August 2013	August 2014	2013-2014
(monthly)	1,563	12,458	119,948	863%
Engaged users				
(monthly)	3,094	24,003	222,814	828%
Viral reach				
(monthly)	45,973	260,232	2,313,600	789%

2013

13,662

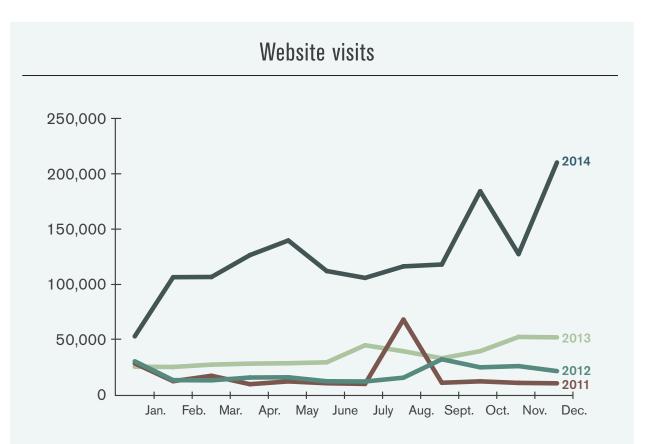
2014

48,367

254%



				% change,
Visits	2012	2013	2014	2013-2014
	212,352	426,474	1,505,546	253%
Unique visits				
	140,500	276,870	1,133,973	310%
Referral traffic				
	86,299	161,308	602,001	273%





Views	2012	2013	2014	% change, 2013-2014
	40,970	55,976	424,772	659%

Featured media outlets



Chicago Tribune Chicago Sun-Times Crain's Chicago Business **Belleville News Democrat**

NBC 5 Chicago

CBS 2 Chicago

ABC 7 Chicago

WGN-TV

CLTV

WGN

WLS WIND State Journal, Register The Southern Illinois Business Journal Illinois Times

The Wall Street Journal **USA** Today U.S. News and World Report

WREX

CNBC

Fox News Fox Business

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Television



Online

Forbes	Foxbusiness.com	Daily Caller
Investor's Business Daily	Foxnews.com	The Blaze
Washington Free Beacon	Al Jazeera America	
Huffington Post	CNN.com	

WTTW

WYCO

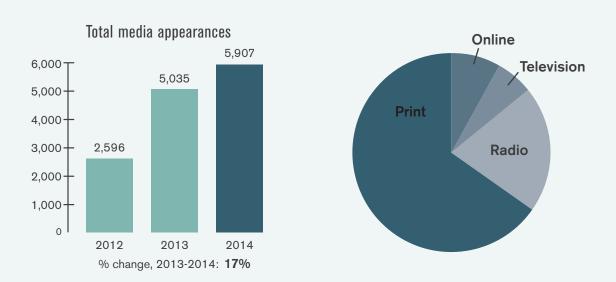
WCIA

WCIS



Radio

WBBM
WROK
WMAY



Earned media by market

Earned media by policy focus, 2014*

Policy center	Total hits**
Jobs and Growth	348
Labor	287
Good Government	223
Pension	218
Budget and Tax	163
Health	108
Education	77
Other	621

*does not include Illinois News Network

**does not include syndicated media

Awards



2014 SparkFreedom Trendsetter awards for:

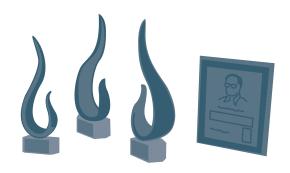
- Identity (No Cronies)
- Promotional and Collateral Materials (2013 Annual Report)
- Events (Education event with Sen. Rand Paul)





Atlas Network, "Lights, Camera, Liberty! Film Festival" Award ("Coffee Run")

2014 Lisagor Award: Best Individual Blog Post (Hilary Gowins, "Houston woos Dwight Howard with state income tax")





Hacking leviathan: How entrepreneurs and individuals stay a step ahead

Liberty innovator and author Jeffrey Tucker joined us and more than 80 guests to discuss how the state makes a mess of everything it touches, and as a result, individuals and entrepreneurs are finding new ways to get ahead of and around burdensome regulations and restrictions to get on with the business of civilized living.

Legal and practical implications of ObamaCare

We hosted a panel discussion with the Federalist Society focusing on the legal challenges facing ObamaCare and how the implementation of the law is affecting physicians, patients and medical practice.

Terms of engagement: How our courts should enforce the constitution's promise of limited government

Clark Neily, senior attorney at the Institute for Justice, discussed how the Constitution was designed to limit government power and protect individuals, but these protections are meaningless without judges who are fully committed to enforcing them.

MK Hammer time

We welcomed Mary Katherine Ham, editor-at-large at Hot Air and a contributing editor at Townhall magazine, to hear her entertaining look at politics and big government.

S.E. Cupp: "Rise of the millennials"

Well-known conservative commentator and writer S.E. Cupp spoke on the millennial generation's increasing skepticism of big government.

Bourgeois dignity: How we got rich, and how everyone else will, too

Highly respected economist and historian Deirdre McCloskey joined us to discuss what made modern states wealthy and how others will follow. Deirdre goes against the mainstream school of thought of many before her and made an innovative argument that the explosion of economic growth within modern capitalism should be attributed to ideological shifts, not material causes.

Links and Liberty

Nearly 40 golfers hit the links with CEO John Tillman in Romeoville, Illinois, for our Links and Liberty golf outing, making their way through 18 challenging holes at the beautiful Mistwood Golf Club. Players were joined by Illinois Policy Institute staff for a full day on the course followed by a dinner and awards ceremony.

Dodd-Frank: The fallout

We welcomed three key individuals who dealt closely with the Dodd-Frank Act, one of the most defining and detrimental pieces of financial legislation in modern history. They discussed the act's history, its economic implications and what can be done, bringing incredible clarity to a topic that few outside the financial world truly understand.



Wealth of states

Steve Moore joined us in our ongoing discussion of why low-tax states are outperforming hightax states like Illinois. His extensive insight and presentation of his research complemented the Institute's efforts to expose the truth about Illinois' poor economic and business health.

Obamacare: What's next for Illinois?

We partnered with the Competitive Enterprise Institute, or CEI, for a special luncheon to discuss the Supreme Court's decision to hear King v. Burwell, CEI's case against Obamacare. Our Director of Health Policy, Naomi Lopez Bauman, and CEI's General Counsel and case coordinator, Sam Kazman, discussed the implications of the court's decision and what it could mean for Illinois.

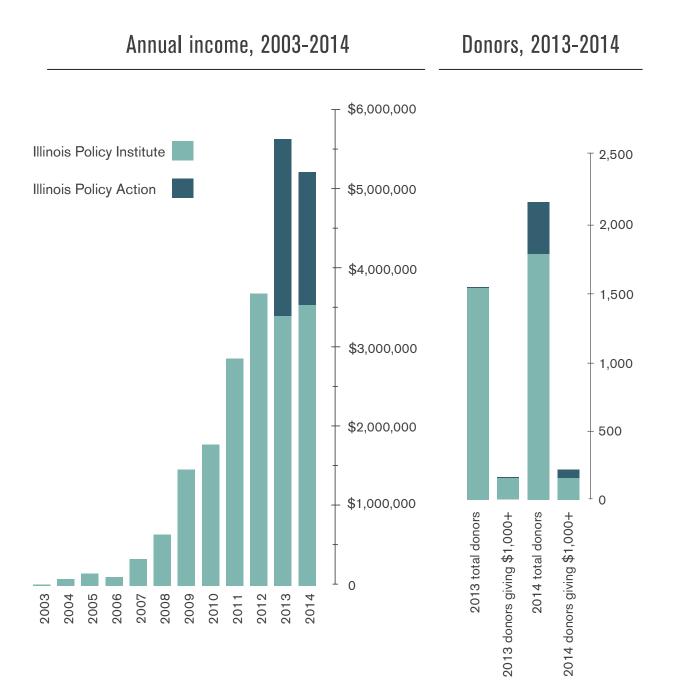


Gifts of the Free Market

Our annual Gifts of the Free Market Christmas party was once again a night to remember as we celebrated the amazing gifts that the free market provides to all Americans. Gov. Bruce Rauner also stopped by to share in the celebrations. The party was filled with Christmas cheer, incredible people, great food and drink, and of course, a deep gratitude for the gifts of the free market.

FINANCIAL REPORT

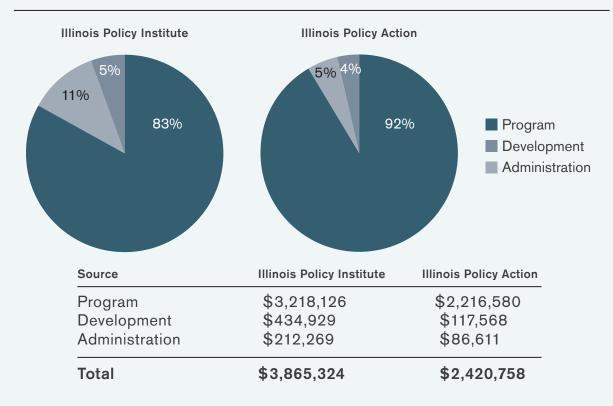
We aim to steward the resources you entrust to us as effectively and efficiently as possible. In 2014, more people than ever invested in the work of the Illinois Policy Institute and Illinois Policy Action.



Annual	income,	2014
Annuu	moomo,	2017

Source	Illinois Policy Institute	Illinois Policy Action
Individual	\$3,356,464	\$1,668,486
Foundation	\$174,360	-
Corporate	\$11,000	\$10,000
Other	\$17,971	-
Total	\$3,559,795	\$1,678,486
Number of donors	1,790	365
Donors giving \$1,000 or more	158	60

Expenditure areas, 2014



Invest in the comeback

2015 has the makings of a big year. Massive problems loom, but truly transformative policy solutions are closer at hand than ever before.

At the Illinois Policy Institute and Illinois Policy Action, we've been getting ready for this moment. Since my tenure with the organization began in 2009, we've recruited some of the best and the brightest to help build an incredibly powerful force for liberty right here in Illinois.

We're ready to make lasting change.

This is all made possible by your generous support. Every gift we receive is voluntarily given and made only with the expectation that we deliver on our mission of a freer, more prosperous Illinois.

Our fights in 2014 were the warm-up laps for 2015.

Stick with us as we accomplish great things together.

Kristina

Kristina Rasmussen Executive Vice President



THE COMEBACK STORY STARTS HERE

Illinois' COMEBACK STORY STARTS HERE

Illinois Policy

R.I.Jc. Am

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