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Dear Friends:

2009 was a banner year for the National Center for Policy Analysis. We know that our success depends upon your confidence and support and we appreciate both.

NCPA Continues the *Free Our Health Care NOW!* Campaign. The NCPA's ongoing grassroots effort to inform citizens nationwide about the dangers of nationalizing the health care system continues to be phenomenally successful. We began by getting 1.35 million people to sign an online petition opposing a government takeover of the health care system. New features were added to the Salem Communications' "Take Further Action" website. As a result, Policy Patriots, informed by NCPA policy ideas, have written more than 500,000 email letters to their Congressional representatives and placed over 10,000 phone calls.

NCPA Benefits from *Free Our Health Care NOW!* Campaign. Thanks to the NCPA's campaign, attention to the NCPA's practical, market-oriented solutions to the nation's more difficult public policy problems has increased enormously. Subscribers to the NCPA's *Daily Policy Digest* have grown from 12,000 to more than 500,000. Visitors to the *John Goodman Health Policy Blog* has grown from 2,000 per day to almost 9,000.

NCPA Enjoys Unprecedented News Coverage. During 2009, NCPA experts and their ideas appeared more than 3,600 times online, in print, on the radio and on television for an advertising equivalent value of more than \$133,000,000. NCPA experts wrote for *The Wall Street Journal*, *Investors Business Daily*, *The Washington Times*, *Health Affairs*, *National Review*, *The New Republic*, *Liberty* and many other publications. They appeared on CNBC, Fox News, the CBS Evening News and CNN and numerous other radio and television outlets.

NCPA Hosts Popular Events & Speakers. In an effort to strengthen our relationship with the NCPA Policy Patriots, we've hosted several events in such places as Dallas and Miami and we are preparing to host one in South Carolina. In 2010, we plan to host meet-and-greets with Policy Patriots nationwide.

The NCPA's popular Hatton W. Sumners Distinguished Lecture Series concluded 2009 with me going one-on-one with Fox News commentator Juan Williams and with a PowerPoint presentation by pollster/author Frank Luntz. The NCPA's Fort Worth Speaker's Series hosted NCPA Board Member General Tommy R. Franks, interviewed by nationally syndicated radio host, Mike Gallagher.

NCPA Responds to Great Recession. We know that times are tough and the NCPA is doing its part to ease the burden of the recession by recommending pragmatic, market-oriented public policy solutions. Consider the following recent publications by NCPA policy experts:

Mark-to-Market: Shooting Ourselves in the Foot. Thanks to NCPA Distinguished Fellow Bob McTeer's highly-publicized campaign for accounting reforms, FASB loosened its overly strict accounting rules for lending institutions. Without McTeer's timely warnings, these reforms wouldn't have occurred and the recession would be far worse.

Roth 2010: Should You Convert? NCPA Senior Policy Analyst Pamela Villarreal and Policy Analyst Bethany Lowe advised holders of Individual Retirement Accounts (IRAs) on new regulations governing Roth IRAs, concluding that the new rules will give people more choices for their savings.

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It’s Time to Introduce Limited Purpose Banking. NCPA Senior Fellow Larry Kotlikoff and I argued that the federal government should limit banks to their legitimate purpose—connecting borrowers and lenders—rather than gambling with other people’s money without their consent. The proposal appeared in the *New Republic* and I must be one of few people who has been published in the *National Review* and the *New Republic* in the same week!

NCPA Looking Forward. Because the NCPA is strategically placed outside of Washington, we are able to provide solutions to public policy problems that are focused on policy rather than politics. Many of our ideas have been implemented because we have been able to educate Congress about the things that matter to the average American family. Free market ideas are the heart of what we do and as we move into 2010 we will continue to educate Washington about alternatives to cap-and-trade, innovative ideas on tort reform, solutions to the health care crisis and the overwhelming financial problem of the federal government’s unfunded entitlement liabilities.

New Web Design & New Ways to Give. The new NPCA home page is now easier to navigate and even more informative! You can see all our changes at www.ncpa.org. While you’re there, check out several new ways to give such as bequests, stock transfers and recurring donations.

Our success is possible because of your support. From everyone at the NCPA, thank you.

Warm Regards,



**Quarterly Report
Fourth Quarter, 2009**



Ideas Changing the World

ACTIVITIES

FOURTH QUARTER HIGHLIGHTS, 2009

NCPA Experts Brief Senate Staffers, Capitol Hill Media on Health Care Debate

NCPA President and Kellye Wright Fellow John C. Goodman and Senior Fellows Thomas Saving and Andrew Rettenmaier told Capitol Hill staff and media that the creation of a Medicare Advisory Board will not lower costs or improve quality.

“The notion that an independent Medicare commission will have much effect on Medicare costs is wrong,” Goodman said. “What is really needed are supply-side reforms that will free doctors to lower costs and provide greater access to higher quality health care.”



NCPA President and Kellye Wright Fellow John C. Goodman (far left) and NCPA Senior Fellows Andrew Rettenmaier (center) and Thomas Saving (right and above) spoke at a recent Senate health care reform briefing sponsored by the NCPA.

Luntz at Summers: Polls Emphasize American Values



Author, political consultant and pollster Frank Luntz showed how polls reflect what Americans value most at a recent Hatton W. Summers Distinguished Lecture Series luncheon.

“Poll after poll shows that having dinner with your kids is the single most important act you can take to ensure they are happy, healthy and drug free,” Luntz said. “Over the years, American values have not changed, but American politics have,” he added,

noting that the political freedoms we most treasure are freedom of speech and religion.

Luntz said findings in his new book, *What Americans Really Want... Really*, based on 10 years of research, produced surprising results. “For example, employees want respect, appreciation and individual recognition more than money.”

Author and political consultant Frank Luntz (above) spoke at a recent Summers luncheon about how polls reflect American values. NCPA donor Douglas Newby (far right) discusses policy with Luntz while he signs a copy of his new book.



Franks in Fort Worth: Gen. Talks About Leadership, the Middle East and Obama

In a wide-ranging discussion about current topics such as America's role in the Middle East and the presidency, NCPA Board Member Gen. Tommy Franks said that leadership is the key to solving most of America's thorniest problems, and nowhere is leadership more critical now than in Washington, D.C.



"If our government was nearly as good at asking questions as in giving guidance, we as Americans would be a lot better off," he said.

Franks also said, in an interview with nationally syndicated radio talk show host Mike Gallagher (*at left*), that the question isn't how many troops President Obama will send to Afghanistan. "The President and his advisers need to agree on the desired outcome, not just the military outcome, but the political, social and economic results," he added. "That will tell us how many troops will be needed on the ground."

Franks was also asked whether he thought Iraq would succeed as a nation. "I don't know," he said. "But I do know they have something now that they have not had in more than 2,000 years. They have a chance."

Free Our Health Care Now! Campaign Charges Forward

After delivering more than 1.35 million signatures to Congress — the largest policy petition ever delivered to Congress — NCPA Policy Patriots are keeping the heat on Capitol Hill to reject government-run health care. To date, NCPA Policy Patriots have delivered more than 485,000 letters and placed more than 10,000 calls to Members of Congress. Policy Patriots are definitely making a impact in the debate on the government takeover of health care.

O'Grady and Ansari Keynote Speakers at Sumners Weekend

Fifty Sumners Scholars gathered for the 2009 Sumners Scholars Public Policy Seminar in downtown Dallas, Texas. Public policy sessions took place throughout the weekend and included discussions about health care reform, retirement reform, green energy and increased regulation of U.S. financial markets.

Keynote speakers were Anousheh Ansari (far right), first female private space explorer and entrepreneur, and Capt. Scott O'Grady (near right), a former Air Force pilot who survived being shot down over Bosnia and author of *Return With Honor*.

In the words of one Sumners student, "I continue to be impressed with the NCPA and especially the Policy Seminar. We were able to enjoy close contact with some of the greatest thinkers in policy today, as well as some exceptional leaders."



Anousheh Ansari (above) and Capt. Scott O'Grady (left) gave compelling keynote speeches at this year's Sumners Seminar.

IN THE NEWS

FOURTH QUARTER HIGHLIGHTS, 2009

- In October, [CNN Online](#) cited the NCPA as one of the leading groups involved in opposing current health care reform plans.
- [Yahoo! News](#) quoted NCPA research on the high cost of defensive medicine in a story on uncontrolled medical malpractice costs.
- [ABC News reported](#), “For the first time in our history, the federal government will tell you what type of insurance you have to have and -- effectively -- where you will get it and even what price you have to pay, according to John Goodman of the conservative think tank National Center for Policy Analysis.”
- [NPR aired](#) NCPA President John Goodman’s interview on the widespread grassroots opposition to currently proposed health care reform.
- In a November op-ed for [The Wall Street Journal](#), NCPA Chairman Pete du Pont wrote that voters are sending a message that the White House is ignoring.
- The [General Tommy Franks luncheon](#) on October 26 was covered by the Dallas CBS and FOX affiliates, KDAF and the *Fort Worth Star-Telegram*.
- “Congress may be overemphasizing the influence of reserve bank boards, they just don’t have that much power and influence,” NCPA Distinguished Fellow Robert McTeer told [Bloomberg News](#) regarding Timothy Geithner’s support of Congress taking a look at how regional Federal Reserve bank presidents are appointed.
- On November 10, Goodman told the [Washington Examiner](#) that the Senate health care reform proposals amounted to a “huge tax on labor.”
- NCPA Senior Policy Analyst Pamela Villarreal told [MSNBC.com](#) that it’s difficult to determine who is in poverty based on the national one-size-fits all calculation used by the Census Bureau, but that there have been some positive reforms to the formula.



In December, NCPA President John Goodman explained solutions to the health care crisis on Fox Business Network.



NCPA Senior Fellow Devon Herrick authored a Health Care News commentary in October, clarifying the real number of uninsured Americans.

- Goodman authored a commentary, “Government-Centered Health Care Overhaul Bound to Fail,” published in the October issue of [Health Care News](#).
- NCPA Senior Fellow Devon Herrick authored a [Health Care News](#) commentary in October, clarifying the real number of uninsured Americans.
- In the November issue of [Health Care News](#), Herrick warned that “Provisions in the Baucus bill increase the burden on taxpayers as well as requiring higher federal taxes.”
- Goodman’s commentary, “The Worst Bill Ever,” was published online by [Kaiser Health News](#).
- Herrick told [Health Care News](#) on November 18 that wellness programs are more productive when they are not mandated by the government.
- In December, the [Washington Examiner](#) called Goodman’s latest commentary on the Senate health bill “a chilling new analysis.”

- [Health Care News](#) quoted Goodman warning that the administration's health care reform would mean many Americans will be forced to give up their current health care plans.
- NCPA Senior Fellow H. Sterling Burnett wrote in a [Washington Times](#) editorial that the president's proposal on "green" programs could cause more job losses than gains.
- McTeer told [CNBC Market Alert](#) on November 4 that he thinks we got what we expected to get from the federal report earlier that day.
- Burnett told the [Dallas Business Journal](#) that because of government mandates and huge tax subsidies, renewable energy is growing, but the real need for innovation and development needs to come from the distribution side.
- In a December 22 [Human Events](#) commentary, David Limbaugh wrote, "NCPA health care expert John C. Goodman says: This bill does not curb health care expenses, but it will increase taxes and cost jobs. The end result of this bill: most Americans will wait longer for poorer quality care."
- McTeer appeared on the [CNBC's The Call](#) on December 31 to discuss the Fed's Policy in 2010.
- In an October op-ed for [The Wall Street Journal](#), du Pont wrote that Congress should consider the costs before passing "cap and trade."
- Goodman was quoted in a [Dallas Morning News](#) story on the high cost of health reform changes affecting seniors and their Medicare coverage.
- Burnett told [Environment and Climate News](#) that in less than one month, the cost estimate for a proposed 75 megawatt solar power plant has soared by more than 200 percent.
- Goodman's commentary, "[Obama Passed Up Opportunity for Real Reform](#)," appeared in the December issue of *Health Care News*.
- On December 11, Goodman explained solutions to the health care crisis on [Fox Business Network](#).
- When news broke about Climategate, Burnett told the [National Review](#) that scientists have tried to suppress criticism of the "hockey stick" graph, and when that proved impossible and researchers exposed the graph's deep flaws, the scientists settled for ignoring or downplaying the problem.
- In December, Herrick's bylined article "[Six Ways to Slash Your Health Care Costs](#)" was picked up by 203 print media and online publications, including Yahoo News, MSN Money and most of the major market Business Journal publications.
- Villarreal told the [Detroit Free Press](#) on October 15 that taking a \$30,000 loan out of a 401K plan and paying it back over five years could leave some retirees with \$200,000 less at retirement.
- McTeer was on the [Kudlow Report](#) December 2 discussing Ben Bernanke's second term.
- Villarreal told [Investor's Business Daily](#) on December 11 that monetary missteps can maim retirement savings, but you can max out your nest egg by avoiding some of the worst errors.
- Herrick was quoted by [Health Care News](#) on the uncertainty of continuing Health Savings Accounts under the Senate health bill.
- On December 30, Goodman explained to [American Family Radio Network](#) that the Senate health bill will create more problems and expenses than it resolves.
- McTeer told the [Dallas Business Journal](#) that a lot of the measures that were taken to cope with the economic crisis are increasing the role of government and increasing the debt, which isn't good for free enterprise.



NCPA Distinguished Fellow Bob McTeer appeared on the Kudlow Report in December to discuss Ben Bernanke's second term.

PUBLICATIONS

FOURTH QUARTER, 2009

- The Obama administration and its allies have cited studies from the U.S. Conference of Mayors, the American Solar Energy Society, the Center for American Progress and the United Nations Environment Programme, among others, to support their claims that green investments will provide millions of new jobs. These analyses share a number of flaws, says Pete Geddes, an adjunct scholar with the National Center for Policy Analysis. Read “[Green Jobs: Hope or Hype?](#)”
- If Congress truly wants to stimulate the economy, it ought to end the estate tax permanently, say NCPA Distinguished Fellow Terry Neese and NCPA Legislative Assistant Bethany Lowe. Read “[Estate Tax Myths.](#)”
- Local government policies that increase building costs and/or restrict the supply of housing are one of the primary reasons for the lack of affordable housing, according to NCPA Researcher James Franko. Read “[Barriers to Affordable Housing.](#)”
- At a time when the economy is still struggling to recover, the last thing Congress ought to consider is an additional layer of regulation that could discourage new job creation, say NCPA Distinguished Fellow Terry Neese and NCPA Legislative Assistant Bethany Lowe. Read “[New Federal Regulations Threaten Small Business Access to Credit.](#)”
- There will be many unintended consequences if Medicare is extended to include the 55- to 64-year-old population, say NCPA Senior Fellows Andrew Rettenmaier and Thomas Saving. Read “[Medicare at 55.](#)”
- At current rates of consumption with present technologies, uranium reserves in the United States can supply all of the world’s existing nuclear reactors for 300 years, say NCPA Senior Fellow H. Sterling Burnett and NCPA Legislative Assistant James Franko. Read “[Nuclear Power and the U.S. Energy Future.](#)”
- Before deciding to convert a traditional Individual Retirement Account to a Roth IRA, there are a few important things to consider, say NCPA Senior Policy Analyst Pamela Villarreal and NCPA Legislative Assistant Bethany Lowe. Read “[Roth 2010: Should You Convert?](#)”



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