


CATO

Memorandum

TO: BOARD OF DIRECTORS, SPONSORS, AND FRIENDS OF CATO
FROM: PETER GOETTLER 
DATE: MARCH 1, 2021
SUBJECT: QUARTERLY UPDATE

Like many, I've often given priority to issues of economic liberty. After all, we are regularly reminded of the cost of big government in our paychecks.

When I got out of school, even my entry-level job with a good—but still modest—salary seemed like big bucks. After getting through college by waiting tables, I thought I had it made. But opening my first paycheck was a shock. “Where’s the other half?” Federal income tax. FICA. Medicare. State income tax. Even city income tax!

Since my involvement with Cato began 20 years ago, the Institute has taught me to appreciate the costs and dangers of government that are not so easily observed: The infringements on free expression that jeopardize discourse and progress. The steady erosion of civil liberties that steals our freedom. The scope for abuse by a growing surveillance state that robs us of privacy. The criminal justice system that can lock up innocent people. The blowback against domestic liberty that results from military intervention.

I'll never forget these lessons. It's why Cato's voice for liberty across the board is indispensable. Liberty can't be measured simply by dollars and cents.

But those dollars and cents matter. They make the cost of big government more tangible to us. They also make it easier to see the immoral threats we're perpetrating against future generations. Our government is spending so much, and our entitlement programs are so obviously unsustainable, that you don't have to turn on your calculator or computer to see these threats.

These problems have become more sickening in the past year. The COVID-19-related blowouts of government spending and the Fed's balance sheet come on the heels of similar blowouts in the wake of the 2008 financial crisis—and amid trillion-dollar deficits we were already running with a robust economy. And the Fed's balance sheet hadn't even begun to recover from the crisis of a decade earlier. With

round three of COVID-19 spending on its way, the spending numbers and the distortion of monetary policy are more frightening than ever—and a clear threat to the economic well-being of our children and grandchildren.

These are the toughest issues we face and the most difficult on which to make progress. But they may well carry the highest stakes. I'm repeatedly told by policymakers—and even some of you—that there's no constituency to cut spending. Which only means we need to work harder than ever to create one. I'm proud that Cato has remained steadfast on these issues and has worked hard to keep them at the front of the policy debates—even when the politics of the day make it a lonely fight. I was so happy to receive the following message one of our Cato Club members recently sent to David Boaz:

So glad that I have had the privilege of reading and listening to your freedom-with-limited-government ethos all these years. The world has changed since Cato began, but you and Cato have stayed the course of freedom. My wife and I are proud to be benefactors and lucky to have your insights. I do not know of anyone whom I do not respect at Cato. In this changing world, by contrast, I cannot name 5 out of 535 federal politicians I admire and 20 of 535 that I respect. My wife of 50 years and I are childless and we think that America will outlast us with its current state of lawless chaos and probable bankruptcy, and we take some comfort in that. But, we cannot understand how parents and grandparents can sleep at night, nor how younger people are willing to sacrifice their freedoms and are willing to accept the debt burden being backpacked upon them. The best hope for America is that Cato and a few others will ultimately win over the minds of the collectivist populace. I am sure that you have had days where the task seems overwhelming. I could not do it. Some of us out here notice your efforts and are thankful. I regret that I have failed to tell you that during these 25+ years.

It's true that the battle against spending and our unsustainable fiscal situation feels like pushing Sisyphus's boulder up the hill. But this friend of Cato highlights why we can never give up. We've all been blessed to live in prosperous times and to each live our own version of the American dream. But our current course threatens to rob future generations of their prosperity. And we're threatening to deny them their own American dream. We must do everything we can to not fail this moral responsibility.

WITH THANKS

We are especially grateful to you, our community of Cato Sponsors, for the overwhelming financial support you provided in 2020 that has allowed us to grow our audience and expand our efforts to advance our mission. This past year was filled with uncertainty, but your generous support of our work will allow us to remain at the forefront of the biggest policy debates in our country in 2021. To the thousands across the country renewing their annual contributions despite the challenging economy and to others providing bonus gifts during our year-end matching campaign, my colleagues and I cannot thank you enough. It is this community that truly makes being a part of Cato special.

I wrote last quarter that Cynthia and I welcomed our first grandson in September. The little guy makes the things we're fighting for—the liberty and dreams of future generations—all the more real to us. It also makes us appreciate your partnership with Cato more than ever.

CATO.ORG

By now you've all noticed the redesign of our main website, Cato.org. Hats off to our digital team for creating this beautiful new platform that provides lots of new tools for showcasing and spreading our ideas. Usually, a shift from the familiar is accompanied by complaints from those who are uncomfortable with the new. (I whine every time I update iOS and something has changed.) Your feedback so far has only been positive. But good, bad, or indifferent—keep the suggestions and input coming.

Steve Kurtz, our chief digital officer, tells me the content management system underpinning our platform is something to behold (I'll take his word on it). This means you'll be seeing new features and more engaging, easy-to-share content in the days ahead as we continue building our creative resources. Congratulations to Steve, Drew Mast, Jason Vines, Kristy Glassick, and the rest of our digital pros for a job well done.

DUELING CONSTITUTIONS

Speaking of websites, please visit the National Constitution Center's to have a look at the "Constitution Drafting Project": <https://constitutioncenter.org/debate/special-projects/constitution-drafting-project>. Cato board director Jeff Yass developed and sponsored the idea of having separate teams of libertarians, conservatives, and progressives each draft a constitution. "Team Libertarian" was led by Cato's Ilya Shapiro, along with Cato adjunct scholar Tim Sandefur and Christina Mulligan of Brooklyn Law School. The comparative libertarian, conservative, and progressive constitutions are a great way to showcase the internal consistency of the libertarian philosophy as well as to highlight the fact that the framing of the U.S. Constitution was indeed a "libertarian moment." I like the Constitution we've got, so had I been faced with the task of drafting a new libertarian constitution, I wouldn't have known where to begin. For as Ilya often reminds us, taking the U.S. Constitution and adding "and we mean it!" to the end of each sentence would satisfy most of us.

BRIEFLY . . .

Jeff Clemens's Cato policy analysis "Making Sense of the Minimum Wage: A Roadmap for Navigating Recent Research" is assigned reading this semester in Jason Furman's Principles of Economics class at Harvard University . . . Cato's manager of foundation and corporate relations **Maria Santos Bier** and our immigration policy analyst **David Bier** recently welcomed their second child, a baby boy named Ezekiel David Bier, on January 6 (what a day!). Cato's research fellow **William Yeatman** and his wife Nicole also welcomed a baby boy, Mickey Baker Yeatman, on January 11. Congratulations! . . . The pandemic caused Cato's executive assistant to the president, **Charrisse Wilson**, to postpone her wedding not once—but twice! She and her fiancé, Brandon Santiago, finally decided to avoid a possible third delay...and tied the knot on February 1—with only the two of them present. Congratulations and best wishes for many happy years together! . . . Former Cato-ite **Justin Logan** returned to our ranks on February 1. Justin joins our defense and foreign policy team as a senior fellow. Welcome back, Justin! . . . Thanks to your generous support, we are reaching bigger audiences than ever before. In 2020, Cato podcast downloads grew by 93 percent over the previous year, garnering more than 8.4 million downloads. And this January, we hit a record of over 1 million downloads for the *Cato Daily Podcast* . . . The Cato

Institute is often people's first introduction to libertarianism, and the latest think tank rankings released by the University of Pennsylvania reveal our growing footprint in influencing policy debates. Cato is ranked the no. 13 top think tank in the United States and the no. 8 top domestic economic policy think tank. The latest rankings also highlight our successful efforts in growing our global digital audience, placing us at no. 22 for think tanks with the best use of social media and networks worldwide, no. 17 for best use of the internet worldwide, and no. 13 for best use of media worldwide . . . Books can be transformative and so have always had an important place in the Cato portfolio—we've published more than 400 books in the Institute's 40+-year history! Three of our colleagues recently received high praise in major media outlets for their books: *The Economist* gave a glowing review for *Wretched Refuse?*, coauthored by Cato's director of immigration policy **Alex Nowrasteh**; *The Economist* also named *Open* by Cato's senior fellow **Johan Norberg** among the best books of the year; and the *Wall Street Journal* named **Paul Matzko's** book *The Radio Right: How a Band of Broadcasters Took on the Federal Government and Built the Modern Conservative Movement* one of the best books of the year . . . Cato's **Scott Lincicome** recently won a Soho Forum debate with Oren Cass on whether the government should assume a larger role in managing the economy (I think you can guess which side Scott was on).

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