

LIBERTAS INSTITUTE

2021 ANNUAL REPORT

A YEAR OF EXPANSION

A MESSAGE FROM THE PRESIDENT

Despite busybody bureaucrats and a woke world gone crazy, Libertas is thriving and making an impact.

When we moved into our new office space two years ago, I thought that it would suffice for our needs for several years. I was quickly proven wrong, as we've already exceeded our capacity.

When we leased some warehouse space for the Tuttle Twins team to package and ship our books, I thought it would last us a while. Two months later, we had to move out into a warehouse double the size. We're already expanding yet again.

What does all this mean—other than the fact that I'm not very good at forecasting the future? It means that Libertas is thriving and exceed-

ing previous expectations about our work and its impact. It means that our materials are in demand, and our policy proposals are making a difference. It means that donors like you recognize a good ROI when they see one, and that Libertas is a safe bet.

I wake up each morning energized to slay new dragons and serve more people. I'm eager to reach and teach as many children as possible. Our whole team is in this fight to make a difference and help others.

What I love about our work is that it's so innovative and unique. We seek out ideas that haven't been tried, problems people say can't be eas-

ily solved, and laws that are causing real harm to people. This is where our team thrives.

In fact, just this year, we led legislators to enact two first-in-the-nation policies that are game-changers to address clear issues. Our "regulatory" sandbox law shields innovative entrepreneurs from outdated or problematic laws and regulations to free up the market and get out of their way. And our new privacy oversight process ensures that the government's acquisition and use of surveillance tools and technologies undergo a transparent review process. Both of these laws are first of their kind in the country.



Connor speaking to 350+ teachers about the Tuttle Twins

And following our new strategy of "nail it, then scale it," we're taking these innovative policies across the country, helping hundreds of organizations, legislators, and stakeholders replicate our success and make a difference in their community, too.

Our national profile has also been elevated through the Tuttle Twins,

where millions of children across the country are learning the ideas of liberty. We have a podcast, curriculum, and a brand new animated cartoon series. And just this year, we sold over 1.5 million books! Our team is making a huge impact in the lives of families in every state—and, with translations in 15 languages, many other countries as well!

This year, our team created a Vivid Vision—a three-year strategic plan to expand our efforts further and stretch to achieve some massive milestones. This is going to require us to generate more support, more investment, and more interest. And that's where you come in.

I have recently spoken with many donors who have a sense of fatigue, not knowing whether their donations to other groups are really helping. But none of them feel that way with us. Our impact is clear, our innovations are exciting, and they know we're making a difference. I'm confident you see it, too.

So I'd like to invite you to increase your investment in Libertas. We need you by our side to make an impact!



ENTREPRENEURS 1 REGULATIONS 0

There's a simple truth in politics: the government can't keep up with the market. Innovations outpace the ability of legislators and regulators to keep up. And elected officials can't anticipate and accommodate these future innovations, so their laws and regulations often restrict them once they emerge.

When Libertas Institute came onto the scene in 2011, many questioned whether our organization was needed. After all, Utah was a conservative, "solid red" state that was "pro-business" and winning all kinds of awards. Why would a free-market advocacy group be helpful? Would it have any work to do?

As it turns out, in every one of our ten years of operation, we've had a "free-market fight"—a battle to legalize and allow new innovations that were hampered by outdated and restrictive regulations. Uber and Lyft were outlawed before they even got started. It was illegal for Tesla to sell its cars directly to consumers. Food trucks were

put out of business due to excessive and redundant regulations. Over and over again, companies trying to do things differently—and better—than their existing competitors faced an uphill battle on Capitol hill.

Our team grew tired of being reactive to regulations and restrictions that were frustrating innovators in our state. What if we could flip the problem on its head? How might we be proactive in allowing entrepreneurs to avoid these problems, instead of always having to fix things after the fact? Enter the regulatory sandbox.

This new legal concept allows business owners to apply for a full exemption from a particular law or regulation that inhibits their innovative product, service, or business model. While they are in the "sandbox" and shielded from this enforcement, regulators monitor the business activity to see if there are any harms to consumer as a result of waiving the law or regulation. Transparent reports are provided to the Legislature, which can then have a data-driven approach to amending the law to ensure that when the company emerges from the sandbox, they face a fairer playing field that has narrower regulations designed to only protect public health and safety—not protect incumbent competitors and preserve an outdated status quo.

Libertas Institute launched a three-year campaign, the goal of which was to have Utah become the first state in the country to have an "all-inclusive" regulatory sandbox that catered to businesses in every industry.

We accomplished our goal in two years.

Now, Utah is the first and only state to have such a sandbox—and because we're the tip of the spear, we are actively helping other states follow in our path. There is very strong interest for this policy proposal, since other states have experienced what Utah long had—the restriction on innovations due to outdated and conflicting laws and regulations that favored incumbents over innovators. Our team is now consulting with and supporting hundreds of think tanks, legislators, and stakeholders across the nation to follow in our footsteps.

PUBLIC POLICY BRIEF
Utah Innovates:
Regulatory Frameworks for the Future



**“A really innovative proposal that...
could not have come at a better time.”**

A BAD CHORD ON THE BANJO

'Banjo' quickly became somewhat of a bad word in Utah, bringing to mind government surveillance and using our private information in ways we didn't intend or authorize. The company, seen at right, came under fire for its founder's racist past, but we had been monitoring its work for some time, concerned about the ramifications of applying artificial intelligence to our information in order to help the government.

The broad claims are noble—we all want to catch bad guys more quickly and at a reduced cost for taxpayers. But when technological advancements outpace the ability of legislatures and courts to keep up, this typically means government assumes broad power and deep access to information about each person... and we're simply to trust that it's all being used appropriately and with sufficient oversight.

But what happens when that's not the case?

For example, the public learned last year that the government had been using facial recognition technology, scanning all our driver license photos multiple times daily. This technology was never headline news nor the

subject of a legislative vote when it was introduced; the public was entirely unaware that this was being done. This is one of many examples of the government getting ahead of public awareness when it comes to tools and technologies that can undermine privacy if not appropriately limited. To impose such limits, policy-makers first have to know that the technology is even being used.

That's where our first-in-the-nation law comes in. The Utah Legislature unanimously supported our proposal to require an ongoing and proactive review of new surveillance technologies to ensure that the public is aware of what the government is doing with our data and how they are monitoring our activities. Moving forward, we will work with state privacy officers to ensure a thorough and transparent review in order to better protect our privacy and personal freedoms.



LICENSE SUSPENSIONS

Tens of thousands of people no longer punished unnecessarily

Lindsey fell behind in payments for court debt she owed over some crimes she had committed to support a drug addiction. The government suspended her driver license, like it did for over 33,000 Utahns yearly, simply because she owed the government money—preventing her from driving herself to a job to earn money to pay the debt. Libertas led the effort to repeal this onerous law and help tens of thousands of people like Lindsey maintain their ability to drive despite owing money to the state.

HAIR, LIBERATED AGAIN

Blow dry bars freed from licensure restrictions

Julie and her daughter launched a “blow dry bar” in Salt Lake City, but soon found it difficult to afford hiring enough help. Utah law required that they only hire licensed cosmetologists, but these individuals were overqualified for simple styling of hair which they could train anyone to do with minimal time required. Libertas helped pursue a full exemption from the law for people to style hair—over the protectionist protests of many in the industry—to ensure that more Utahns have a path to employment in a job they want without barriers standing in their way.



CONSTITUTIONAL CARRY

Permission slip no longer required for concealed carry

After several years of failed attempts, Libertas and allies prevailed in protecting the right to bear arms without a government permission slip as a prerequisite. Utah’s new law ensures that people age 21 and up can carry a firearm without having to pay a fee and obtain a permit. While training and education is important, it shouldn’t be a requirement for being able to defend and protect yourself, which is why it was so important to remove this legal barrier that criminalized people merely for wearing a jacket over their firearm.

EMERGENCY POWERS

The executive branch faces new restrictions in emergencies

The executive branch’s assumption of powers during Covid-19 was alarming to many, including business owners like Susan who had to navigate shutdown orders, mask mandates, and other restrictions. Libertas worked with stakeholders to substantially limit these powers and prevent unelected bureaucrats from imposing their decrees on others without oversight. Utah’s new law better protects the rights of individuals during an emergency and creates more oversight to ensure that elected officials can limit or overturn executive branch mandates that restrict people’s rights.



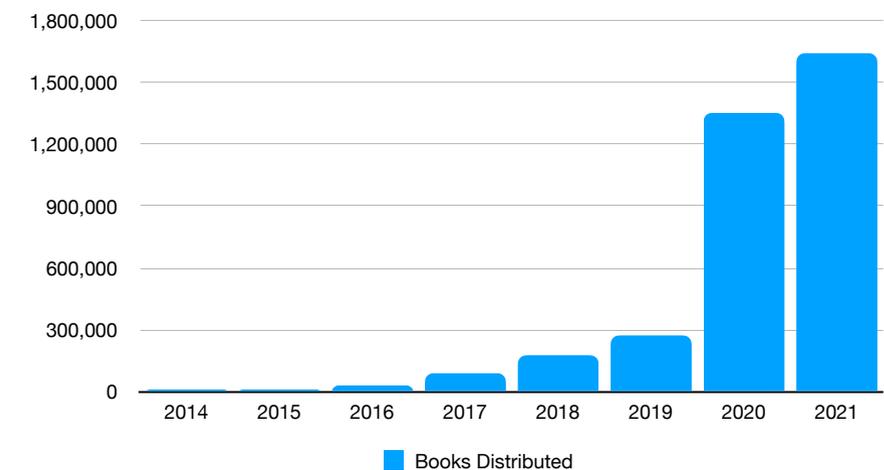
The Tuttle Twins project is on its way to becoming a household name. We've signed on big advertisers like Glenn Beck, we're spending millions of dollars on marketing to spread the word, and we're creating additional books, curriculum, and other content to teach the rising generation the ideas of freedom.

That includes a new animated cartoon series which launched this year. We partnered with the Harmon Brothers, a well-known and highly successful marketing agency, along with Angel Studios, a new distribution company, to produce and market the cartoon. Each episode is loosely based on the storyline and ideas from the books, but the cartoon takes the Tuttle Twins universe in a different direction as well.

What's exciting about the cartoon is that it's free to watch, helping us reach even more people without a

barrier in the way such as a subscription service or account creation. This maximizes how many people will see the cartoon and thus learn the ideas it shares.

The graph below shows the total books we've distributed to homes and schools since we started the project. The explosion of interest we saw in 2020, when schools were shut down and parents were clamoring for content to help teach their children, was sustained this year.



Libertas Institute is engaged in short-term policy battles to change the law and effect political change, but we know that these are mere Band-aids for the bigger problems we face. We need a generational impact and a re-awakening that requires a heavy investment in education for the rising generation.

The Tuttle Twins is a unique, high impact, and entertaining approach to helping children—and their parents!—learn the ideas of a free society.

“Our family loves the Tuttle Twins! I read the books to my kids each day, and when we finish them all, we start right back over again. Our reading leads to very relevant discussion of current events and helping them understand what’s going on in the world. And we love the new magazine, too! Thank you for helping my kids!”

—Sarah P., Texas



85%

OF LIBERTAS PROPOSALS BECOME LAW

Nonprofit public policy groups like Libertas Institute are often called “think tanks,” but we really consider ourselves a do tank. We don’t just publish our opinions in whitepapers and articles and hope somebody does something about them. We recognize that opinions are a dime a dozen and even when backed by an influential group, they don’t spring into life all on their own.

That’s why we engage in strategic outreach designed to take our ideas and actually turn them into policy. We’ve been around for ten years now, and since then we have refined our approach, strengthened relationships, and honed in on a few different methods we can use—depending on the issue—to elicit support and create consensus among elected officials and the public.

It’s no easy task. After all, for each of our core areas of focus, there are entrenched and well-funded opponents. Even worse, we often fight against our own taxpayer dollars that are being used to lobby for more taxes, more control, etc. But we recognize the urgency of our work and the vacuum that would exist if we weren’t in the trenches fighting for freedom in Utah and around the country.



WHO REPORTED ON OUR WORK IN 2021?



MEDIA MENTIONS

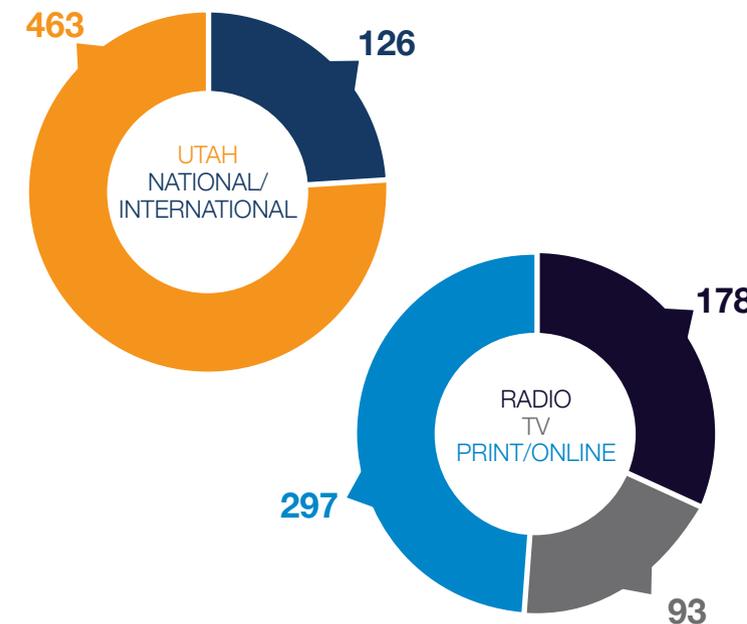
Whether we are named directly or our work is featured with other interviews—especially the people our work is benefitting—we try to track how much media impact our work has created.

While much of our work is behind the scenes or on issues that are unlikely to attract attention, we take advantage of opportunities to influence public opinion and shape the debate on important topics.



A SAMPLE OF OUR OP-EDS:

- This Is the Real Reason We Don't Have Flying Cars (*Deseret News*)
- Utah Blazing a Trail for Welcoming Innovation (*Silicon Slopes Magazine*)
- How Utah Aims to Help Businesses Flourish After Pandemic (*U.S. News and World Report*)
- COVID has changed education forever. Let's embrace the new direction. (*Salt Lake Tribune*)
- Utah needs to streamline its permitting processes (*Salt Lake Tribune*)
- I'm pro-life, so I'm anti-capital punishment (*Deseret News*)





Our landmark regulatory sandbox was signed into law at an official signing ceremony.



Our Leadership Academy participants pitched their capstone projects to our supporters.



Rees attends many conferences to network and support our partners who help our work.



Connor and Elijah at FreedomFest sharing updates on the Tuttle Twins project.



Donors, legislators, and supporters joined us for our strategic planning meeting.



Michael and the rest of our team love helping at our Children's Entrepreneur Markets.



At ALEC and NCSL we share our policy ideas with legislators from across the country.



Emma speaking to Fox Business about our Tuttle Twins work.



Connor and Elijah at the premiere of the new Tuttle Twins cartoon.



Nichelle films a scene in a new video she has been working on about local government.



Our board chairman speaking at our 10th anniversary birthday party.



Some of our team at the State Policy Network annual event where we won their top award.

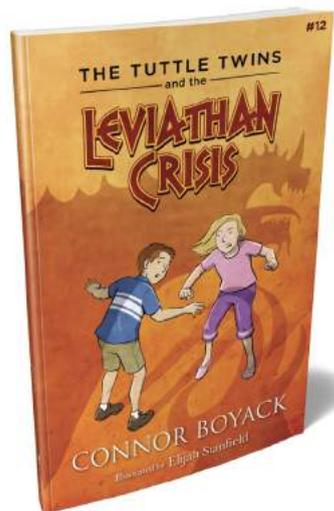
LIBERTAS INSTITUTE'S LATEST BOOKS

REACHING NEW AUDIENCES WITH OUR MESSAGE

We've now sold over 3.5 million copies of our popular Tuttle Twins children's books! We are convinced that more educational material for children is needed so parents and teachers can help children understand important principles.

This year we published a few new books to help us reach new audiences and increase knowledge about the ideas of a free society. And we have big plans for many more books in the next year which we're excited to soon share!

With our books now in 15 languages and spreading across the world, our small organization is having a big impact. Your support helps make this possible, and it's immensely exciting for our team to ponder the massive impact this effort is having.



The Tuttle Twins and the Leviathan Crisis

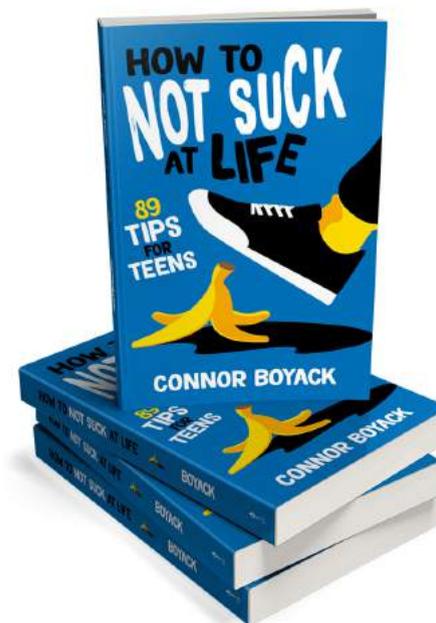
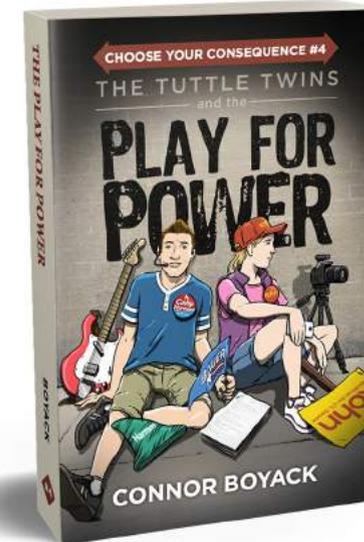
When the chaos and government overreach of 2020 was on full tilt, our team wanted to add a Tuttle Twins book to the series that could speak to the glaring problems many had experienced: fearmongering, expansion of government authority, a scared society in submission, and the unlikelihood that these newly-assumed powers would ever be relinquished by the state.

Based on *Crisis and Leviathan* by Robert Higgs, which chronicles the relationship between emergency situations and the growth of government to respond to them, our edition finds the Tuttle Twins learning about these ideas through the lens of a fantasy card game. It's been a huge hit with over 90,000 copies already sold!

The Tuttle Twins and the Play for Power

Our fourth installment in our popular "Choose Your Consequence" series for teens has nine possible endings across 359 pages of content, helping readers learn political and economic ideas through storytelling and adventure.

In this episode, the twins become involved in a political campaign that involves stolen materials, fundraising, spying, new friends—girlfriends?—and plenty of opportunity for Ethan and Emily to show off their skills. They'll need all of them to successfully navigate one of their toughest challenges so far.



How to Not Suck at Life: 89 Tips for Teens

Many parents of Tuttle Twins readers have told us how their teens are struggling and don't have strong mentors helping them learn how to become successful and confident. *How to Not Suck at Life* is the result of these many conversations—a series of short explanations and ideas with long-lasting benefits.

Today's "influencers" often encourage victimhood, complain about "adulting," and promote harmful ideas. Now more than ever, young people need wisdom from trusted sources that will lead to well-being and fulfillment. That's what this book offers to young people looking to level up in life.

EQUIPPING PEOPLE WITH TOOLS FOR CHANGE



PRE-LEGISLATIVE BOOTCAMP

Each year before the annual legislative session, we team up with Americans for Prosperity to host a bootcamp that trains individuals about how the political process works and how they can make an impact. Hundreds of people attend, and we provide multiple breakout sessions so people with varying levels of experience and knowledge can find something that works for them. It's an exciting event that prepares people for what's to come in the weeks ahead as legislators convene.

LEADERSHIP ACADEMY

This year we continued our Leadership Academy to train a small cohort of college-age individuals about how to effect change in our community. We took applications and selectively invited ten people who we felt were eager to learn and apply what we shared. With the help of several guest speakers, we spent eight weeks going in depth on a wide range of issues and finished with an evening where participants pitched a project that they plan to work on in 2022 to apply what they've learned.

DEFENDERS OF LIBERTY AWARD

The following legislators achieved a Libertas Index ranking of 85% or higher during the 2021 session.

REPRESENTATIVES:

Cory Maloy | Ryan Wilcox | Jordan Teuscher | Mark Strong
Walt Brooks | Robert Spendlove | Steve Christiansen
Norm Thurston | Adam Robertson | Jeff Moss | Mike Schultz
Travis Seegmiller | Karianne Lisonbee | Cal Musselman

SENATORS:

Lincoln Fillmore | Dan McCay | Jake Anderegg | Mike Kennedy

AVERAGE 2021 LIBERTAS INDEX RANKINGS

HOUSE

70%

SENATE

73%

Higher is better. Score is out of 100%.

A VIVID VISION FOR LIBERTAS INSTITUTE

This fall, our executive team established a series of goals for Libertas Institute to accomplish in the next three years. More than a mere vision statement that is soon forgotten, this “Vivid Vision” is an explicitly detailed review of what Libertas will look like three years from now. More importantly, it is a statement of how our work will grow and impact even more people to achieve greater successes and make a bigger difference in the world.



We’d like to share it with you. Scan the QR code below and you’ll be able to access this five-page PDF document. As you’ll see, it goes through each of our departments and projects to spell out what we want them to look like, and do, three years now. This intentional goal setting allows us to now reverse engineer our success and identify the specific steps needed to get there. We’d love your help to make this vision a reality!



BOARD OF TRUSTEES REORGANIZED

Our board recently went through a few changes to include some new members! Ty Brewer and Jonathan Johnson completed their service, and we are deeply grateful for their contributions to our work.

From left to right, here are the current members of our board: Patrick Donohoe, Jeffrey Harmon, Andrea Golding, Connor Boyack, John Pestana, and Doug Holmes. These changes became effective in October.

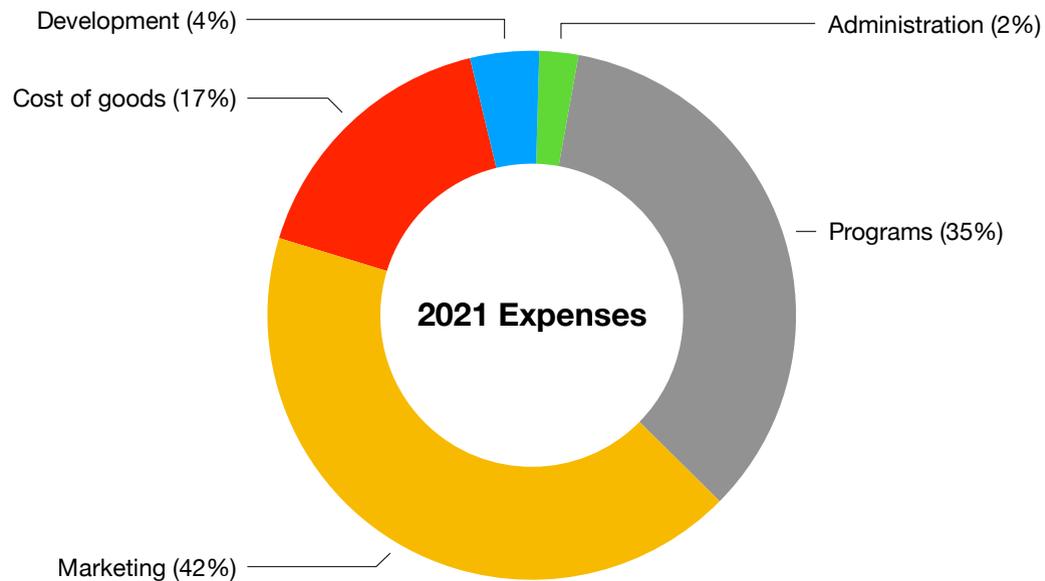
Libertas Institute has some exciting and ambitious goals for the next three years, and we are thankful to have such a strong and active board to help us navigate these opportunities and serve as many people as possible!



A YEAR OF GROWTH

2021 saw Libertas' budget exceed in two primary capacities. Our philanthropic revenues nearly tripled compared to last year, from significant investments for our large projects we are launching. And our popular Tuttle Twins books generated 35% higher revenue relative to 2020. These increases allowed us to substantially increase our expenditures this year to expand our team and launch new projects and products.

Our heavy increase in book sales is fueled by a self-perpetuating marketing machine, where book sale revenue is reinvested into marketing the books to new audiences to sustainably raise awareness and educate more families about the ideas of freedom. And as you can see, our overhead and fundraising expenses are extremely low compared to our organization's output. We aim to be wise stewards of your gifts to maximize our impact!



Senator Mike Lee

“Connor is a great friend of mine and I believe in what he is doing. The Libertas Institute and the Tuttle Twins are transforming this country and one our most promising ways to fight back against socialism in schools.”



Rebecca T.

“Our family is so, so appreciative of the Tuttle Twins materials that Libertas Institute puts out. It gives me confidence as a parent to help my girls learn true principles and be prepared for the crazy world we live in. It is such a blessing to our family!”

A CAUSE WORTHY OF YOUR SUPPORT

The past decade is full of examples of the impact our team has had, thanks to supporters like you who make our work possible. But there are so many problems that need our attention—so we have a game plan to increase the reach and impact of our work.

Scan the QR code at right to read our full prospectus and see what we're up to in the next year. Want a printed copy? Reach out and let us know!



OUR MISSION
IS TO CHANGE
**HEARTS
MINDS
& LAWS**
TO BUILD A
FREER SOCIETY
BY CREATING
AND IMPLEMENTING
INNOVATIVE
POLICY REFORMS
AND EXCEPTIONAL
**EDUCATIONAL
RESOURCES.**