

BRADLEY IMPACT BRIEF

FOURTH QUARTER 2022 ISSUE



BY THE NUMBERS

The Growing Impact of Donor-Advised Funds

Over 1 million DAF accounts

\$47.85 billion in contributions

\$159.83 billion in assets

\$34.67 billion in distributions

10.1% of total charitable giving

90% increase in DAF contributions (FY16 – FY20)

SOURCE: National Philanthropic Trust 2021 DAF Report

FROM THE DESK of gabe conger

Dear Friends,

o read Abraham Lincoln's October 1863 Thanksgiving Day proclamation is to tempt despair for how far our politics have fallen. Yet, returning to its elegant and profound vision is a valuable reminder that hope and gratitude remain not just possible, but necessary, especially in the darkest days.

Our sixteenth president surveys the wreckage of the still-ongoing war, yet still has the character to find promise in that precarious moment. After highlighting a range of developments beyond the war itself, Lincoln boldly offers that

the country, rejoicing in the consciousness of augmented strength and vigor, is permitted to expect continuance of years with large increase of freedom.

He would be right, of course. He led a nation through days whose darkness surpasses—and in some ways foreshadows—our own. Still, such audacious hope and gratitude are a welcome reminder to those of us who strive to preserve what matters most in a similarly precarious moment.

Hope and gratitude fairly summarize the response to October's Bradley Impact Conference. Because the Impact Fund community is based in reality, there wasn't a rosy assessment of the nation or the culture to be heard. But there were plenty of encouraging words and ideas shared by those who, well aware of both the state of the nation and the debt we owe to earlier generations, don't have much use for complaining.

If Honest Abe could see an increase in freedom from October 1863, the least we can do heading into 2023 is join today's champions of liberty—several of whom we feature in the pages that follow—and stand with them in the fight for our nation's future. The American Experiment is faltering but is worth the fight. And this Thanksgiving is happier for the fellowship of friends and fellow happy warriors like you.

Onward,

Gabe Conger President, Bradley Impact Fund

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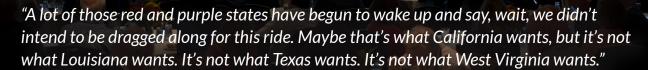
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2022 BRADLEY IMPACT CONFERENCE THE AMERICAN EXPERIMENT: WHY IDEAS MATTER

The following content is adapted from speeches and sessions held at the Bradley Impact Conference on October 6–7, 2022, at the Grand Geneva Resort in Lake Geveva, Wisconsin.

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ADLEY APACT FUND

- VIVEK RAMASWAMY CO-FOUNDER AND EXECUTIVE CHAIRMAN, STRIVE ASSET MANAGEMENT





Schools as the Heart of Community

n a breakout session highlighting two exceptional educational leaders in Milwaukee, ALICIA MANNING, VP for Programs for The Lynde and Harry Bradley Foundation, noted both the Foundation's long history of supporting education reform and the Board of Directors' insistence that education remain a top priority today. In today's context, this requires focusing not only on policy, but on incentives for meaningful parent engagement and identifying and supporting excellent schools run by courageous leaders.

Because the latter is increasingly important as parental choice measures advance at the state level, Ms. Manning spoke with two of Milwaukee's most impactful school founders—leaders whose remarkable results owe more to building a culture of high expectations and character than, at least to date, leveraging significant investment.

CHRIS HER-XIONG, Founder and Principal of Hmong American Peace Academy (HAPA), realized early on that children were not being challenged in public schools. Recounting the trials her family endured to come to America and live the American Dream, Ms. Her-Xiong became a passionate advocate for education as a means of escaping poverty. So, she built a local movement to launch a school that would emphasize character formation from the beginning. Since HAPA opened in 2000, the poverty rate in the Hmong community has dropped twenty percent, and more young women and men are seeing opportunities to grow and flourish. It's a bit of an understatement to say that what Ms. Her-Xiong and her staff have accomplished at HAPA is attracting a great deal of attention.

KEVIN FESTERLING, Founding Principal of Kingdom Prep Lutheran High School, taught at Milwaukee's St. Marcus Lutheran School right out of college. With an eye toward creating the best possible school for kids from disadvantaged backgrounds, Mr. Festerling looked across the country for the best models. He found that for the most heroic schools, the common denominator was high expectations what he calls the cheapest, most innovative way to transform a whole school. So, when he saw the city's strongest Lutheran high schools turning down hundreds of kids each year, he saw an opportunity, and he built a winning team of teachers from across the country with a profound sense of mission.

Both HAPA and Kingdom Prep buck national "teacher shortage" trends with full teaching staffs precisely by cultivating a culture of challenge, high expectations, and mission. It's a lesson with applications far beyond the classroom.



FEATURED SPEAKER: THE HON. BETSY DEVOS

Philanthropist, author, and former Secretary of Education Betsy DeVos spoke with Bradley Impact Fund's Sherry Street on a range of topics, from family philanthropy to her recent book, Hostages No More, to the broader movement for education freedom. Below are excerpts from the conversation.

n becoming Secretary of Education: "The day after the election in 2016, ... I opened an email from my friend Jeb Bush. And it was one line: "Would you ever consider being the Secretary of Education?" And I laughed out loud on the plane and then kind of put it away for the day and paid attention to the things at hand. Later, I joined up with my husband, and I showed it to him and told him about it and said I hadn't yet responded to Jeb, but "here's what I'm planning to say. I just want to check it with you." I literally had never thought about that, but if the opportunity ever presented itself, how could I not consider it? ... I thought it was probably the most farfetched idea that ever crossed my bow. But, Dick said "I think that's how you should respond to Jeb." That set off a very quick pattern of events and, just over two weeks later, then-President-elect Trump called and told me I was going to be a great Secretary of Education."

On her book: "The title (*Hostages No More*) was meant to be provocative. It's a reference to a line

from Horace Mann, who is known as the father of our K–12 education system. When the system was founded approximately 175 years ago, he said that educators are entitled to look upon parents as having given hostages to their cause. And I think the last two years have revealed to families across America just how their children have been held hostage by a system that is no longer relevant for many children, that does not work for too many children, and that is centered around adult issues and adult ideas and adult power and control, not around what's best for each child."

On family philanthropy: "We started out very early with our children, with the little envelope system where they got their weekly "spend" dollars, their weekly "save" dollars and their weekly "give" dollars. They got used to that kind of thinking and approach very early. And so, now they are involved in their own philanthropy—all of my children have young families themselves. This is not something they're starting from ground zero with. But it's a process. And it has to be, I think, an intentional process."



FEATURED SPEAKER: VIVEK RAMASWAMY

Vivek Ramaswamy graduated summa cum laude from Harvard in 2007 and Yale Law School in 2013. After resigning in 2021 as CEO of Roivant Sciences, one of multiple biotech companies he founded, Vivek began writing and speaking about recovering a spirit of excellence in America. He founded Strive Asset Management earlier this year, an investment company that advocates for excellence over politics in corporate boardrooms.



was in second grade here in Ohio, back in 1993, when I heard Martin Luther King's "I Have a Dream" speech for the first time. And I'll tell you something . . . that dream . . . it meant something to me. It stuck with me all those years, because it was the dream that allowed me to go from being the kid of Indian immigrants, who came to this country with almost no money, to becoming the founder of a multibillion-dollar company over the course of a single generation.

I think a lot of [the birth of woke capitalism] dates back to the crisis when after the government bailouts, when Occupy Wall Street was on Wall Street's doorstep, big business in this country made a move. . . They basically said "We'll propagate your values. But we don't quite do it for free. We expect you (the new left) to quietly look the other way when it comes to leaving our own corporate power structures intact." And it turned out that game worked out masterfully. It was an arranged marriage.

What's happening [with ESG standards] is there's a small group of financial institutions like BlackRock, State Street and Vanguard, who manage over \$21 trillion and use the money of everyday citizens to buy shares of companies through index funds... But they then use that money to mandate that those companies adopt social and political agendas that most of those everyday citizens who gave them the money actually disagree with... I don't say this lightly, but I view this as the largest scale fraud—not just a financial fraud, but a fraud on identity—of the 21st Century... And yet the worst part about it is most of you, most of us, undoubtedly are subsidizing it without even knowing it.

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Author or editor of more than twenty books, Professor Victor Davis Hanson is a Senior Fellow at the Hoover Institution. He also received the Bradley Prize in 2008 and serves on The Lynde and Harry Bradley Foundation's Board of Directors.



think all of us wake up every morning and we feel like we're strangers in a strange land, that we were in a bad dream, or that somebody hijacked the United States or that we were dropped off from another planet, because everything is unrecognizable. And I think the reason is that we're in the middle of something we don't quite understand. We're in the middle of a cultural revolution—a 24/7, 360-degree totalitarian revolution.

That's not new. We've seen its ugly face at the end of the Roman Republic with Catiline. We saw it in 1793 with the Jacobins, who were iconoclasts. They destroyed statues, destroyed monasteries, killed religious figures, priests, nuns. They renamed the days of the month, renamed the days of the week. We saw it with Mao. We saw it in the Bolshevik Revolution. These are not just political revolutions. They intrude into every aspect of your life. And we're seeing that in our own lives with the woke revolution. Many of these issues are going to be prominent in the midterms.

The woke revolution is very funny because they don't own up to their own success and they never change. I'll give you an example. The southern border is not porous—it's completely destroyed. It doesn't exist. Federal immigration law has been completely nullified. If there is such a thing as an impeachable



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offense, surely Joe Biden should be impeached for destroying the border.

So, they were successful in that revolutionary effort. But when you ask them about that, they don't want to take credit for it. I thought they would say, "Wow, that was great. We destroyed the border. No wall. We have three million illegal aliens that came in." But instead they say "No, the border is secure." In other words, they know that their revolution appeals to no

one but this small clique.

And take crime. Critical legal theory says laws are just constructs. The reason anyone gets arrested for stealing a bag of potato chips is not because it's a natural law—that society and civilization would unwind if everybody did that. Rather,

it was just a bunch of wealthy white people who don't steal bags of potato chips. So they made a law to hurt other people.

So, crime is up. You'd think they'd say, "This is really great! Poor people get to do whatever they want now. There's no crime. If you commit a crime, you don't get arrested. If you happen to get arrested, you don't get indicted. If you happen to be indicted, you don't get convicted. If you happen to be convicted, you don't get jail. If you get jail, you get let out. This is wonderful." But instead, they deny it. (...)

The reason they deny what they've done and the common denominator in all of this is that they're ideologues. They're not empirical. They have a particular ideology. So, what is their ideology?

> What is wokeism? As I said, it has an ancient face. It's simply this: they scan the horizon and they're looking for one thing inequality. And they believe that for any inequality, someone must be culpable. (...)

> They took Wokeism and inadvertently (maybe there is a sense of divine Nemesis) they turned the Republican Party

into an ecumenical, broad-based party. It's not the same Republican Party: they united people that had been at each other's throat. The one thing the new members of this party have in common is that whatever the Left is doing in terms of fuel, crime, the border, the economy . . . they don't want any part of it.

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"What is wokeism? As I said, it

REENGAGING WITH THE FOUNDING PRINCIPLES

n this session, **Bill of Rights Institute President DAVID BOBB** discussed with **The Claremont Institute Senior Fellow CHARLES KESLER** the unrelenting attack on America's founding principles, the rebirth of these principles that is now underway, and practical ways we can be sure that they endure.

Averring that "It's not a healthy situation to be one nation with two systems," Dr. Kesler drew an uncomfortable comparison between the situation in the United States and what China has been doing in Hong Kong. The agreement for years was based on the principle of *One nation, two systems*. But the result is that Hong Kong is losing its system and freedom and being absorbed into the mainland China system. A nation can't have two systems.

Similarly, and unfortunately, there are "two conflicting, contradictory views of America. Two visions of justice, two different understandings of what America is about and what the future of America ought to be."

One is the Founders' vision, which until recently was held by most Americans, regardless of party. The other is represented by the idea of the "living constitution," first stated by Woodrow Wilson—the only US president to hold a PhD. It was a kind of Darwinian constitution, constantly evolving with the times and the changing problems of society. Wilson made his philosophy clear when he said on multiple occasions that his job as president of Princeton was to make sure that the young men of this generation left Princeton as unlike their fathers as possible.

This wasn't just about the family and fathers, but about the Founding Fathers. The idea was to introduce a new and constantly changing wisdom which the Founders could not have dreamed of. That is the living constitution, and today it is, as Dr. Kesler put it, "more powerful, more protean, more active, more aggressive, and more ambitious than ever before."



Civic education is key to passing on the Founding principles to the next generation, and both The Claremont Institute, where Dr. Kesler is a Senior Fellow, and the Bill of Rights Institute—which has reached more than 60,000 civics teachers nationwide are in the thick of this battle.

In his closing remarks, Dr. Bobb affirmed Betsy DeVos' insight that millions of parents have had their eyes opened as to the failure of schools. The question now is: *What will they be able to do with that realization?*



Free Enterprise **STILL MATTERS**

AMUEL GREGG, PH.D., Distinguished Fellow in Political Economy for the American Institute for Economic Research launched into his remarks with a bleak summary of the state of America's economy. With China advancing an economic and moral vision that is a direct challenge to the American experiment in ordered liberty, the need to understand our nation's internal threats and restore faith in free market capitalism is great.

From the Left, the greatest threat is "stakeholder capitalism," which would have the effect of turning businesses into progressive NGOs. Business leaders who thought they could appease stakeholder advocates have made a serious mistake, leaving themselves vulnerable to people who want to strip them of the control of their companies.



Dr. Gregg also noted a surge of skepticism about the free enterprise system among some conservatives, who are increasingly open to protectionist policies designed to engineer economic outcomes. For reasons we might sympathize with, they propose methods destined to fail—methods whose history is one of unintended consequences and economic collapse. In this respect, the overlap between the Left and some on the Right is striking.

So, what do we do? Dr. Gregg says that the key is to reconnect free enterprise with what makes America truly great. In law and policy, we must limit the Federal Reserve's scope to price stability, stop legislators from handing their responsibilities to ever more federal agencies, and reduce incentives for cronyism by reducing the size and scope of America's regulatory regime.

Arguing for American greatness, we must make America entrepreneurial, competitive, and dynamic traders again. Acknowledging that regulations with regard to national security make sense, and that economic liberalization does not necessarily lead to political liberalization, Dr. Gregg concluded that,

I don't think those of us who believe in free enterprise have any choice. If we don't succeed in reconnecting the case for free enterprise back to who our founders wanted us to be, then we lose. [But] if we can connect free enterprise with what makes America great, then I think we have a fighting chance.

RECLAIMING THE FOURTH ESTATE

oderator JOHN J. MILLER, Founder and Executive Director of the Student Free Press Association (SFPA) asked his fellow panelists what can be done about the problem of liberal media bias. It's so entrenched that conservatives tend to treat it as a problem to manage rather than one to be solved.

ADELE MALPASS, President of the Daily Caller News Foundation, sketched out the media landscape, noting that *The New York Times* alone has more reporters on staff than the twenty-fiveor-so conservative outlets who produce original journalism, combined. So, while it's important to note the imbalance between left-of-center and rightof-center media power, we also have to get over it and focus on what advantages we have. Embrace the role of David vs. the Leftist Goliath and get to work.

DOMINIC PINO, Thomas L. Rhodes Journalism **Fellow at the National Review Institute (NRI)**, added that it's essential to find and train young conservatives like himself. Mr. Pino encouraged his peers to study the area they are most interested in rather than languishing in a journalism school that values conformity more than the craft of journalism. And work in the field. As editor of the op-ed page for the George Mason school newspaper, the fact that he was the only conservative on staff didn't matter because the quality of his work was undeniable. It was a good experience, as he focused on quality work and had to defend his ideas.

Both SFPA's *College Fix* and the Daily Caller News Foundation recruit and train conservative college students as reporters, but both also work in a rapidly evolving media environment. Some are calling the 2022 midterms, for example, the "TikTok" election given the reach of the popular video platform. Knowing how this works is crucial to expanding conservatives' reach in the culture, though creating high-quality journalism through venues like NRI must remain a priority.

In conclusion, Ms. Malpass noted, with optimism, that the rapidly shifting media landscape has opened up numerous opportunities and new models for conservative journalism. Each of the organizations represented—SFPA, NRI, and Daily Caller News Foundation, along with many others—takes advantage of philanthropic support, though each does so in different ways. Generous and engaged conservative donors have made a positive impact on media.



Litigating to Protect Your Rights

J ASON CRYE, Program Director for The Lynde and Harry Bradley Foundation, asked three leaders in public interest litigation their opinions on what seems to be a relatively friendly legal environment for conservative jurisprudence, and why a strategic approach matters.

MARK RIENZI, President & CEO of the Becket Fund for Religious Liberty, responded that while they litigate cases for people of all faiths, they can't take every worthy case. With limited resources and an eye toward changing American law and society, they focus on cases that are most likely to set important precedents for religious liberty at the highest courts possible. In thirty years, for example, Becket has won twelve times at the Supreme Court. So, he agreed with the proposition that, in general, when one chooses the right religious liberty cases and litigates well, favorable outcomes are attainable. More victories in this area may well help the country to rediscover its pluralism. MARK CHENOWETH, President and General Counsel for New Civil Liberties Alliance (NCLA) added that while NCLA exists to "dismantle the administrative state," Rome wasn't built in a day, so it won't be torn down in a day. They also choose cases strategically, pushing back against "judicial deference doctrine," or the idea that courts must defer to an out-of-control executive branch as much as possible. Given the state of such litigation, NCLA is about to have their first Supreme Court case argument, only five years after their founding.

RICK ESENBERG, President and General Counsel for Wisconsin Institute for Law & Liberty (WILL) noted that while WILL litigates on a broader range of freedom-related issues, focusing primarily on one state comes with the advantage of having an extended conversation with the state supreme court. Do this long and successfully enough, and you can move the law in that state, as WILL has, most notably with pushback against government overreach in the COVID era. By staying out of medical debates and focusing on law and the limits of government power, WILL was able to force the state government to follow its own rules and loosen restrictions.



PRINCIPLED PHILANTHROPY

THREATS TO YOUR PHILANTHROPY: A VIEW FROM WASHINGTON



B radley Impact Fund President GABE CONGER hosted a panel discussion on threats to donoradvised funds and philanthropy more broadly threats that are coming from our nation's capital.

KRISTINA RASMUSSEN, Project Lead, Philanthropy Roundtable, reviewed threats from the Left, including the ACE Act, which has received mostly progressive support in the Senate but also has the backing of Republican Chuck Grassley. The Act would restrict the freedom of donor-advised fund account holders and threaten donor privacy. Due to pushback from both Left and Right, the bill has stalled, so its supporters are working with the Biden administration to advance smaller versions. The Philanthropy Roundtable has been especially effective at pushing back on the bill at the national and state level. Another problem has emerged with government agencies and employees intentionally targeting conservative nonprofits with selective leaks. In one case, a small Alabama nonprofit that pushes back against transgender therapies for kids had all its

documents subpoenaed by the Department of Justice. DOJ's harassment didn't work thanks to prompt legal support, but the move signaled where the current Justice Department seems to be headed.

SARA BARBA, Vice President of Integer, LLC, argued that there are also significant threats from the Right. Although, as Ms. Rasmussen said, the ACE Act has stalled in the Senate, Senator Grassley's support for the bill is problematic because of his leadership in rooting out corruption in philanthropy. In the House, a large class of new, conservative legislators could be troublesome due to increasing openness to targeting large, progressive foundations and college endowments. Whatever their reasons, conservative nonprofits and foundations could easily suffer if conservatives pursue this mistaken strategy while in power. Lawmakers have to be very careful when it comes to policy and become educated in the nuances of philanthropy and nonprofit law.

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