The Changing World of Think Tanks

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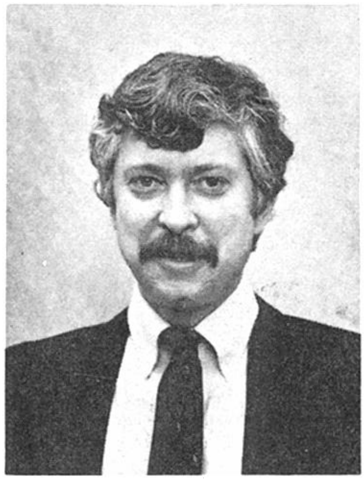

R. KENT WEAVER

Economists and political observers in recent years have bemoaned the decline of American competitiveness in traditional industries such as steel, automobiles, and textiles. Some of these observers worry that the U.S. economy will increasingly be dominated by service industries. At least one service industry in the United States does appear to be growing and thriving, despite some very adverse economic circumstances. That industry is the non-profit public policy research industry, more commonly known as "think tanks." The think tank universe has become much more diverse over the past decade, reflecting both new entrants into the marketplace of ideas and changes in these organizations' environment. There are, moreover, inherent tensions in any of the three main models ("university without students," contract researcher, and advocacy tank) that think tanks may pursue. Attempting to mix the models can be difficult too.

These tensions and environmental changes have created tremendous uncertainty, but also some entrepreneurial opportunities, for think tank managers. Increasingly, these managers must be concerned with finding a viable niche in a crowded, fragmented market. And they must do so while dealing with staffs who may be resistant not only to specific courses of change, but also to external direction of any sort.

An Overview

There is no accurate count of think tanks in the United States, or even an accepted definition of what a think tank is. This paper will deal only with non-profit organizations having substantial organizational independence. The boundary line between these organizations and others is not clear-cut. For example there are some university-based research centers (e.g., the University of Wisconsin's Institute for Research on Poverty) that do work that is identical to that at the independent think tanks. And some think tanks (e.g., the Hoover Institution on War, Revolution and Peace) have quite close, although often uneasy, relationships with specific universities.[1] Think tanks are also unusually thought of as non-profit, but the research done at some think tanks with a heavy reliance on government contracts (e.g., the Rand Corporation) is often indistinguishable from that done by for-profit companies (e.g., the Arthur D. Little Company).

There clearly has been an explosion in the number of think tanks in recent years.

There is also no accepted definition of what think tanks do or should do. One recent press report suggested that a think tank might be defined as "an arrangement by which millions of dollars are removed from the accounts of willing corporations, the government, and the eccentric wealthy and given to researchers who spend much of their time competing to get their names in print" (Kelley, 1988). This account is undoubtedly cynical. But it does point to a certain confusion about the functions performed by think tanks—a confusion sometimes shared by the managers, trustees, and researchers at these institutions. Misunderstandings about the role of think tanks also reflect an increasing diversity in think tank activities prompted in part by new entrants into the field. In particular, the boundary between objective policy evaluation and policy advocacy has become blurred by organizations such as the Heritage Foundation and Ralph Nader's research/advocacy groups.

There clearly has been an explosion in the number of think tanks in recent years The spring 1988 edition of the Washington directory *Capital Source* lists 69 organizations under the heading "Think Tanks." Moreover, a number of prominent think tanks are based "outside the Beltway," such as the Hudson Institute (Indianapolis), the Hoover Institution (Palo Alto) and the Rand Corporation (Santa Monica).[2] Indeed, much of the recent growth in think tank activity has occurred outside Washington, at institutions specializing in state and local issues (Moore, 1988). Despite their subnational focus, these institutions sometimes make a national splash: it was the New York City's Manhattan Institute for Policy Research, for example, that financed Charles Murray's *Losing Ground,* perhaps the most influential book published on social policy in this decade.[3] Some of the newer think tanks are extremely small—one to ten persons—and are really the personal vehicles of individual entrepreneurs. Many of these small organizations would not exist formally at all were it not for the preference of foundations to fund non-profit organizations rather than individual researchers.

The growth in the ranks of think tanks has come, ironically, at a time of decline in federal funding for social science research under the Reagan administration. At the Brookings Institution, for example, government contracts fell from 22 percent of revenues in 1982 to 3 percent in 1987 (Brookings 1987). The resulting fiscal crunch forced many think tanks to "downsize" and economize. The Urban Institute, for example, cut its staff in half in 1981-82. It also set off a serious scramble to replace lost government funding with other sources of revenue.[4]

University without Students

For many years, the think tank scene was dominated by a few institutions, which could be categorized roughly into two types: "universities without students" and non-profit government research contractors. The studentless universities tend to be characterized by heavy reliance on academics as researchers, by funding primarily from the private sector (with varying mixtures of foundation, corporate and individual funding), and by book-length studies as the primary research product. Although these organizations often address specific legislative proposals, their horizons have traditionally been long-term, focused on changing the climate of elite opinion

Table 1. Think Tanks Ranked by Size
(Data are operating revenues for 1987 fiscal year unless otherwise noted)

	(Thousands of Dollars)
Rand Corporation	77,693
Brookings Institution	14,940
Heritage Foundation	14,300
Hoover Institution	13,900[a]
Urban Institute	11,728
American Enterprise Institute	9,087
Center for Strategic and International Studies	8,576[b]
Hudson Institute	4,943[c]
Resources for the Future	4,485[d]
Cato Institute	2,161[b]
Institute for Policy Studies	2,100

[a]Estimated budget for 1987-88.
[b]Operating budget.
[c]Excluding the Center for Naval Analyses.
[d]Includes reserve fund investment income

The Brookings Institution is usually regarded as the progenitor of the first type of think tank. It dates back to 1927, when it was formed by merging three other institutions. From the outset, Brookings' management stressed the importance of rigorous academic standards of objectivity and non-partisanship in research. Institutions tend to take on the cast of their leaders, however, and Brookings acquired a reputation first as a conservative foe of the New Deal, later as a liberal proponent of the Great Society, and most recently as an institution that strives for the center.[5] Although Brookings has at times done substantial work on contract with the federal government, it has specialized in book-length studies done by an in-house staff. While most of the research staff are Ph.D. political scientists and economists, some are former journalists and government officials—and some staffers have a mixed background.

The American Enterprise Institute for Public Policy Research (AEI) is not quite as old as Brookings (1943) and has had a more consistent identity as a conservative institution. AEI has also traditionally had close ties to the business community: in 1987, 63 percent of its revenues came from corporations (American Enterprise Institute, 1987). For most of its history, it has also relied more heavily than Brookings on a non-resident research staff. But by the 1970s, its staffing and many of its research products were similar to those at Brookings. On the same side of the political spectrum as AEI, but on the opposite coast, is the Hoover Institution on War, Revolution and Peace.[6] All three of these institutions are quite large: Brookings' 1987 budget was $15.4 million, Hoover's about $12.7 million, and AEI's—after major cutbacks—about $7.7 million (see Table 1). Both Brookings and Hoover have staffs of about 200, including support staff as well as researchers. Also included in this group of "universities without students" are the libertarian Cato Institute and the leftish Institute for Policy Studies.[7]

Alongside these institutions, which address a broad spectrum of issues, have grown up another set of organizations—mostly newer, smaller and Washington-based—which focus on a narrower range of issues, but with the same stress on rigorous research and (in most cases) reliance on academic researchers. The Institute for International Economics (IIE), the Center for Strategic and International Studies (CSIS) and the Carnegie Endowment for International Peace all carry out research in the foreign policy area. The Joint Center for Political Studies, concentrates on issues of importance to black Americans.[8] Resources for the Future (RFF) and the Worldwatch Institute examine environmental issues

The label "universities without students' naturally raises a question: if these places are doing the same thing as university faculties, why should they exist at all? The answer is that research from the two types of organizations is usually somewhat different, for several reasons. First, university-based researchers face a different set of incentives: interest in substantive policy issues and in the policy process is rarely rewarded as much in the university as are theoretical contributions to the researcher's discipline. At think tanks, these priorities are reversed. A second reason university-based research may differ from that at think tanks is that university-based researchers are less likely to have contact with policy activists and other policy researchers than those at think tanks. For both of these reasons, the "studentless universities" are more likely than universities to produce research that is attuned to current policy debates. This research is also likely to take a different form—more likely books and monographs than articles in refereed academic journals. And it is more likely to include conclusions about how current policy should be modified, even if those conclusions are grudgingly tacked on by the researcher in the last chapter.

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The "university without students" model is not without its internal tensions, however. Most important is the tension between the professional norms of academic researchers (notably thoroughness and objectivity) and relevance to policy debates. Policymakers rarely have the time or inclination to read the book-length studies that academics produce. Recognition of this fact is reflected in a long-standing joke at the Brookings Institution that "our books are written for policymakers and read by college students." An optimistic way of looking at this is that such studies will influence not the current administration or the next administration, but several administrations down the road. But most think tank managers have also attempted to have a greater influence on current policy debates by altering their "product mix." The American Enterprise Institute has published a series of brief analyses of current legislation, for example.

The Contract Research Organization

The second type of think tank is the contract research organization. The research product of contract researchers more often consists of reports for specific government agencies than books or monographs for an academic audience. Indeed, these studies may not be available to the general public at all unless the agency chooses to release them. The research agenda for contract researchers is set primarily by what the agency is willing to pay for

Institutions tend to take on the cast of their leaders. . . .

Many of these organizations have especially close ties to a particular agency. The Rand Corporation, for example, is essentially a contract researcher for the Department of Defense, although it does some research for other government agencies and for foundations. The steady diet of defense dollars has made Rand by far the largest of the think tanks, with fiscal year 1986/87 revenues of almost $77 million.[9] The Urban Institute, originally established as an "Urban Rand" during the Johnson administration, also relies very heavily on federal contracts for program evaluation, although it has tried to broaden its fiscal base in recent years[10] In the 1980s, the Urban Institute is best known for its multivolume study of "Changing Domestic Priorities" in the Reagan administration, a research product very typical of the universities without students.

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While there are important differences between the "universities without students" and contract researchers, there are also important similarities, notably heavy use of Ph.D.s and an emphasis on objective analysis. But the existence of contract researchers raises the same question as studentless universities: why can't their work be done elsewhere, notably by the agencies themselves? On the most mundane level, contract researchers allow agencies to get around personnel ceilings placed on the agency by Congress. Since contract researchers are not agency employees, they don't count against the ceilings. Agencies may also value contract researchers as an external voice that can be helpful in resolving disputes within the agency. Agency leaders and their oversight agencies may also believe that contract researchers are more free to say things that are critical of the agencies. Of course, contract researchers often face pressures to follow the agency line, especially if they are highly dependent on a single agency. But these pressures may be offset somewhat by the desire of the organization to maintain its reputation for objectivity and by the professional norms of researchers. Nevertheless, there is a fundamental, inevitable tension within the contract research organization model between the norm of objectivity and the organization's financial dependence on one or a few agencies.

Advocacy Tanks

A distinctive new think tank model has developed in recent years alongside the older think tank models of the studentless university and the contract researcher. While there are many differences among these organizations, they are often collectively labeled "advocacy tanks." Advocacy tanks combine a strong policy, partisan or ideological bent with aggressive salesmanship and an effort to influence current policy debates. Advocacy tanks synthesize and put a distinctive "spin" on existing research rather than carrying out original research. What may be lacking in scholarship is made up for in their accessibility to policymakers. The Heritage Foundation, for example, aims to make its policy issue papers brief enough to read in a limousine ride from National Airport to Capitol Hill (Bencivenga 1984). And it hand delivers them to congressional offices and other important powe centers.

"Our books are written for policymakers and read by college students."

Advocacy tanks are founded for several reasons. Many of them are unabashedly partisan and ideological, like the conservative Heritage Foundation. Others are tied closely to particular interests and organizations, such as the AARP (American Association of Retired Persons) Public Policy Institute, and the Economic Policy Institute, which is funded by a coalition of labor unions.[11] And in the 1988 election cycle, several presidential candidates found that establishing their own "think tanks" was a convenient way to finance their policy advice operations while getting around Federal Election Commission and Internal Revenue Service rules on political contributions (Fly, 1986).

Advocacy tanks also experience difficulties in their efforts to influence policy debates. The most important difficulty is maintaining clarity of vision without being ignored or discounted because the institution is perceived as rigid and predictable. This danger can be seen in the comment that the opinion page editor of the *Chicago Tribune* made about the conservative, Chicago-based Heartland Institute: "Their op-ed pieces are so terribly one-sided that after you read one or two you have read them all (Moore, 1988: p. 2456)."

Roles for Think Tanks

Think tanks play a variety of roles in the U.S. policy process. Among the tasks that think tanks commonly perform are the following:

Source of Policy Ideas: One of the tasks commonly associated with think tanks is the exploration and popularization of ideas that may not be politically feasible in the short term, but gradually gain acceptance among policymakers and eventually find enough champions that they can be enacted. Perhaps the classic policy example is the deregulation of the domestic transportation industry—an idea that most of the major think tanks (notably AEI, Hoover and Brookings) claim to have developed and championed. And the Heritage Foundation has been the center of proposals to "privatize" government operations by selling them or having them operated by private sector contractors.

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Source of and Evaluator of Policy Proposals: Much think tank research is concerned less with dissemination of new overall approaches to public policy than with advancing and evaluating specific policy proposals. This may take several forms. One of the best known is a collective effort published in book form, either at the beginning of a presidential administration or on a more frequent basis, that is intended to provide guidance on a broad range of policy issues. Two of the best known examples are Heritage's *Mandate for Leadership* and Brookings' *Setting National Priorities* and *Economic Choices* series. Heritage's claims about the influence of its first *Mandate for Leadership* volume were especially important in spawning competitors. No other group has attempted anything as large as *Mandate*, but by the 1988 presidential transition, almost every Washington-based think tank was preparing a volume of advice for the new president (Victor, 1988).

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The main product of most of the studentless universities, however, is books and monographs on specific policy topics (e.g., long-term care for the aged, strategic arms reductions or industrial policy). A number of the institutions (notably "advocacy tanks" like Heritage) also prepare brief analyses of specific pieces of legislation before Congress. Think tank research may help to prevent politically popular ideas from winning enactment as well as popularizing new proposals: writings by Brookings Economic Studies Director

Charles Schultze are often credited with keeping the Democratic Party from adopting positions in favor of an activist industrial policy.[12]

Evaluator of Government Programs: Once government programs are in place, think tanks are often used to evaluate those programs to see if they are operating efficiently and achieving their objectives. Much of this research is done on a contract basis with the administering agencies, but some is taken at the initiative of the think tanks themselves

Usually, the press is less interested in detailed research results than in briefings or commentary on current news stories.

Source of Personnel: One of the tasks long associated with think tanks is that of a source of personnel and expertise for government. The high turnover in the top ranks of the executive branch of government too often means that program officials come into government with limited knowledge of the programs they are to administer. Think tanks provide personnel who often have a lot of substantive expertise but also are less likely to be captives of program interests than department officials. Think tanks may also provide a "government in exile" where officials of the party whose presidential candidate has been defeated can seek gainful employment while they lick their wounds, wait for their party to come back to power and (hopefully) come up with new ideas. The Center for Strategic and International Studies, for example, has so many top ex-government officials that it has gained the nickname "National Security Advisors Stud Farm (Safire, 1986)."

Traditionally, this process has been an ad hoc one. But that is beginning to change. The Heritage Foundation has once again been the leader in this process. Heritage identifies open positions in the executive and legislative branch and maintains a data bank of its employees and others who share the Foundation's views. Heritage seeks to place its candidates in those positions, creating a network of conservative activists with experience in government (Rosenthal, 1985).

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Punditry: Think tank researchers are often called upon by news organizations to serve as "authoritative" sources of information and opinion for the latter's stories. In one twelve-month period in 1986-87, for example, the Center for Strategic and International Studies logged 4,500 citations of its staff in print and broadcast media (Center for Strategic Studies, 1988). Usually, the press is less interested in detailed research results than in briefings or commentary on current news stories (Whittle, 1983). In recent years, several forces have increased press demands for access to think tank scholars. More local newspapers and broadcast outlets now have Washington bureaus. Improved satellite technology and WATS lines have also improved access for "outside the Beltway" media. And cable television has created a number of new news outlets, such as the Cable News Network and Christian Broadcasting Network. Media demands for researchers' time have also been encouraged by think tank managers, who believe that a higher public profile is helpful in raising funds in the new competitive environment. Several Washington think tanks prepare directories of their scholars for the media, listing areas of expertise.

Although there is no hard data on this subject, anecdotal evidence suggests that some think tank scholars spend a large share of their time dealing with the press.[13]

These press demands are not costless for the think tank. Reporters often request information on topics far removed from a staff member's current area of research. If a researcher is to comment intelligently, he or she has to spend a lot of time keeping up with current events—time that could otherwise be spent completing research projects.

Sources of Think Tank Influence

Think tanks are more numerous and probably play a more influential role in the United States than in most other western democracies. They are able to do so because of a number of unusual features of the American political system, notably the division of powers between the president and Congress, weak and relatively non-ideological parties, and permeability of administrative elites.

Think tanks' role as a supplier of personnel to government is in large measure a result of the permeability of administrative elites.

Division of power between the executive and legislature and lack of party discipline within Congress mean that the executive's proposals are not automatically adopted by the legislature. Policy entrepreneurs within Congress, particularly those on the specialist committees, have real opportunities to substitute their own initiatives for those of the President. This means that there is a ready-made audience both for critiques of the executive's proposals and for alternative proposals.

Weak and relatively non-ideological parties have enhanced think tanks' role in several ways. The most important effect of the U.S. party system is that parties have not themselves taken a major role in policy development by establishing sizeable policy research arms of their own. Think tanks have helped fill this void. Moreover, weak partisanship in the United States makes it easier both for the public and policy elites to view policy research as potentially non-partisan and for policy researchers to conduct and obtain financing for such research. Suspicion of researchers' motives is likely to be much stronger in a system where partisan and ideological divisions are more pervasive and intense. It remains to be seen whether the image of think tank research in the U.S. as objective can survive the growth of openly partisan and ideological advocacy tanks.

The desire to present one's institution as impartial and objective is certainly not dead, but the value of impartiality has been called into question by . . . the unabashedly partisan and ideological "advocacy tanks."

Think tanks' role as a supplier of personnel to government is in large measure a result of the permeability of administrative elites. Unlike in most parliamentary systems, cabinet ministers in the United States are not drawn exclusively from parliamentary caucuses, and senior department officials are not drawn primarily from the public service. There are multiple paths to such government posts, a lot of posts to be filled whenever an administration changes, and a lot of ex-government officials who cycle out of government service but want to remain involved in policy formation. Think tanks fit naturally into this system in the United States.

Use of non-resident researchers contracting for specific research projects also makes it easier for a think tank to change its base of expertise as its research agenda changes.

One other element of the American system has been critical to the growth and survival of think tanks: a tradition of corporate, foundation, and individual philanthropy to support non-partisan social science research. Without funding from these sources, think tanks would be far more dependent upon a single source of funding—government—and have far less autonomy in determining their research agenda and conclusions.

Issues in Think Tank Management

The proliferation of think tanks and the drying up of government funding sources has meant that there is increasing competition among them both for funding and for attention from policymakers and the media. The following are some of the important issues that think tank managers must take into account if their institutions are to thrive in today's competitive environment.

Image: Traditionally, think tanks have cultivated the image of impartial, non-partisan research organizations that investigate problems and then arrive at conclusions, rather than providing justifications for conclusions that have already been set by researchers or funders. This was necessary, these organizations felt, in order to maintain the respect of the policymakers who consumed their research and to retain a staff of high quality researchers, often drawn from universities, who wanted to maintain their scholarly credentials, and who often moved back and forth between the university and the think tank Think tank research was sometimes contrasted with that of the so-called "Beltway Bandits"—for-profit institutions clustered around the highway that circles Washington—whose research was viewed as sloppy or tainted by the objectives of those paying for the research.

This does not mean that think tanks do not have—often with some justification—ideological labels attached to them. Brookings, for example, has often been labeled a liberal, Democratic think tank, while AEI has been seen (and often portrayed itself) as the conservative, Republican alternative to Brookings. These images were always oversimplifications; indeed, there has been a lot of staff movement between the two institutions. And these images were often seen as mixed blessings at best by think tank managers and staff. The current president of Brookings, for example, has tried to change Brookings' moderately liberal image to a firmly centrist one, arguing that the latter image is more accurate (Landers, 1984; Kidder, 1984). A centrist image also facilitates fundraising in the private sector.

The desire to present one's institution as impartial and objective is certainly not dead, but the value of impartiality has been called into question by some of the important developments on the think tank scene. One has been the spectacular growth of the unabashedly partisan and ideological "advocacy tanks." The best known of these organizations is the conservative Heritage Foundation, which now rivals the Brookings Institution as the largest of the Washington-based think tanks. At the same time, the American Enterprise Institute, an institution that had long been seen as the "conservative alternative to Brookings", fell on hard economic times in the 1980s, in part due to poor management but also because it was seen by some donors as too centrist in its orientation (Blumenthal, 1986). AEI has recently acted to bolster its conservative image by bringing aboard high-profile conservative heroes like former State Department official Richard Perle and rejected Supreme Court nominee Robert Bork.

. . . a successful university scholar will not necessarily be an ideal think tank researcher.

Demands by the media also undermine to some extent efforts to maintain a neutral image. Ironically, this is in many ways a consequence of media attempts to show that they themselves are unbiased: often they attempt to do so by pairing rival experts with "conservative" and "liberal" leanings. This is especially likely to happen on television, where a lively discussion is needed to relieve the visual tedium of "talking heads." The plethora of experts in Washington and the lack of expertise and short deadlines of most reporters create additional incentives for the press to seek out reliable defenders of one or another point of view. Given the increased competition for and sensitivity of think tanks to media attention, a clear ideological image may be the easiest way for a think tank to increase its visibility in the media.

Product Lines: Think tanks can offer a variety of research products. The "universities without students" have traditionally concentrated on book-length studies. The major product of contract researchers like Rand and the Urban Institute, on the other hand, is reports for particular agencies, although they publish some books as well.

Think tank managers hope that the ideas in their studies will be read and acted upon. Concern that policymakers will not read book-length studies has prompted many think tanks to develop new product lines. Some think tanks, notably the "advocacy tanks" like the Heritage Foundation and Center for Budget and Policy Priorities publish a number of brief analyses of pending legislation which are intended to influence legislators' decisions in the short-term. In addition, nearly all of the large think tanks have some sort of journal, and some (notably the American Enterprise Institute) have several. These journals vary widely in style. Some, like the *Brookings Review*, Heritage's *Policy Review* and AEI's *Public Opinion* and *Regulation* are similar in style and size to for-profit opinion magazines such as *Harper's, Atlantic Monthly,* and *The New Republic*. They offer brief, non-technical articles that think tank managers hope will influence busy policymakers who do not have the time or inclination to read full scale studies. Other think tank journals, such as the *Rand Journal of Economics* and the *Cato Journal*, are closer in style and content to academic journals. Journals of both types serve as the equivalent of merchandising "loss-leaders," producing a deficit for the organization, but giving the think tank greater visibility and/or academic respectability.

In addition to their own journals, almost all think-tanks encourage their researchers to write brief opinion pieces for the editorial pages of the large-circulation daily newspapers. The latter are seen as easy ways to raise the visibility of their organizations. The Heritage Foundation even operates a syndicated newspaper features service, while the Cato Institute has a daily radio program.

In choosing to develop a new product line or modify existing ones, think tank managers need to consider a variety of factors. Staffing is a major constraint. Ph.D.s may see writing brief position papers as inconsistent with their own career objectives. The effect of the product on the organization's finances is another obvious consideration. The paucity of government funding has forced most think tanks to operate on a more business-like basis, and to begin thinking about developing profitable operations that can be used to cross-subsidize unprofitable ones. The Brookings Institution, for example, has expanded its operation of fee-producing conferences for government and business executives. These operations help Brookings to derive by far the largest percentage of its revenues from fees and sales (excluding contract research) of any of the major think tanks (see Table 2).

Staffing: Four staffing issues confront think tank managers. First, they must decide whether to build a resident staff or contract out the research function to outsiders. In the non-resident model, the think tank staff is freed to plan, publish, and publicize the results of the research. This approach can allow a think tank to cover a broader range of issues, or to cover them in more depth, than it could possibly do with its own staff. Both the Cato and Manhattan Institutes rely almost exclusively on non-resident researchers. But even institutions with a resident staff draw on outsiders to provide additional expertise. Indeed, the edited volume with some staff and some non-staff participation has become a staple product of many think tanks.

The non-resident model also has the obvious advantage of reducing costs. In particular, salary costs are usually borne by the universities or other organizations who remain the

Table 2. Sources of Think Tank Operating Revenue, FY 1987

	Government Contracts	Endowment and Similar	Fees and Sales	Private Grants and Gifts: Total	Foundations	Corporations	Individuals	Other
American Enterprise Institute	—	—	9[a]	91	22	63	6	—
Brookings Institution	3	23	31	43	23	15	4	—
Cato Institute[b]	—	2	9	89	n.a.	n.a.	n.a.	—
Center for Strategic and International Studies[b]	6.5	5	3.5	85	40	34	11	—
Heritage Foundation	—	16	2	82	32	14	36	—
Hoover Institution[c]	4	28	3	38	n.a.	n.a.	n.a.	27[d]
Hudson Institute[e]	60	—	2	38[f]	n.a.	n.a.	n.a.	—
Rand Corporation	84	1	—	15[g]	n.a.	n.a.	n.a.	—
Resources for the Future	23	28	—	49	34	15	—	—
Urban Institute	55[h]	2	1	42[i]	n.a.	n.a.	n.a.	—

n.a. = not available

[a]Includes other

[b]1986.

[c]Estimates

[d]University funds

[e]Excludes Center for Naval Analyses

[f]Includes all non-U.S. government project grants and contract research (19%) and unrestricted grants, donations and gifts (19%).

[g]Includes all non-U.S. government grants and contracts

[h]Includes all federal contracts, subcontracts, grants and contract fees.

[i]Includes all non-federal program and project grants, as well as unrestricted grants and contributions.

Source. Annual reports, unpublished data.

employers of the researchers. Overhead costs are lower as well. A non-resident research staff also gives the organization increased flexibility: if funding sources dry up, not renewing existing grants and failing to make new grants to researchers scattered around the country creates less organizational stress than laying off existing staff. Use of non-resident researchers contracting for specific research projects also makes it easier for a think tank to change its base of expertise as its research agenda changes.

Using a non-resident research staff also has costs, however. It is much harder to build an intellectual community devoted to policy research when those researchers have only occasional direct contact with one another. It is also more difficult to establish a strong public profile when the research staff is not physically present to have contact with the media and policymakers and when researchers have other, dominant affiliations that they may stress when they do make such contacts.

The acknowledged leader in think tank marketing is the Heritage Foundation, which hand delivers many of its studies to Capitol Hill, the executive branch, and interest groups.

Perhaps the greatest drawback of not having a resident research staff is reduced capacity to monitor researchers' work and prod them to complete it in a timely fashion. University-based researchers have many competing priorities, and pledges to complete a project are likely to fall by the wayside. While foundations may be tolerant of missed deadlines, agencies sponsoring contract research are less likely to be so. Thus think tanks that rely heavily on contract research almost inevitably have a resident staff, as do those, like the Heritage Foundation, which place a heavy emphasis on influencing current legislation. For these tasks, timeliness is likely to be crucial.

If a think tank's managers do decide to have a resident research staff—and nearly all of them have at least a small one—they face two more staffing decisions: whether to rely primarily on a permanent staff or a rotating staff drawn from other organizations, and whether to draw their staff primarily from university-based Ph.D.s or from non-academics. The advantage of a rotating staff is similar to that of a non-resident one: since researchers often begin and complete their research done for the think tank at another organization, it allows costs to be lowered. But the same problems of timeliness are likely to arise. Most of the research centers that rely almost exclusively on a rotating staff (notably the Center for the Advanced Study of the Behavioral Sciences in California and the Wilson Center in Washington, D.C.) are really not think tanks at all, but rather centers where university faculty can spend a sabbatical period. These institutions do not stress in-house publishing and do not have a strong policy focus or attempt to influence short-term policy debates.

The type of researchers that a think tank should employ depends heavily on the kinds of things that it does. For both the studentless universities and government contract researchers, staffing will almost inevitably draw heavily on academics. Despite their often leaden prose, academics have the paper credentials that foundations and government agencies look for to reassure themselves that a commissioned study will be methodologically sound. But a staff of academics is almost certainly inappropriate for an "advocacy tank" like Heritage. Most academics would resist spending the bulk of their time writing brief, legislation-oriented papers, since they tend to share the professional norms of their academic specialty. Moreover, legislative analyses would not win them any professional credit if they wished to move back to the university.

If managers do choose to draw their staff primarily from universities, they should be aware that a successful university scholar will not necessarily be an ideal think tank researcher. The latter requires an ability to write in language accessible to the general public rather than the jargon of a particular discipline. It also requires an interest in the substance of specific policy areas or the policy process. And it requires a willingness to draw conclusions about what should be done as well as why events have turned out as they have. These are not qualities that academics inevitably acquire in their formal training: often the opposite occurs.

A final staffing issue for think tank managers is whether to strive for ideological and methodological coherence or to seek diversity. At the older, more established think tanks, ideology has generally played a relatively weak role in selection of staff except at the superstar level (e.g., AEI's Perle and Bork). Ideology in these institutions has generally involved exclusion of extremes (e.g., no Marxists), self-selection and ad hocery rather than a conscious effort to establish uniformity.

Once again, the newer advocacy tanks have called the value of this process (or non-process) into question. Ideological uniformity can have several advantages, notably ensuring a relative consistency of research products. But it may also lead to an organization's research being ignored because it is seen as too predictable.

Financing: Financing is not an irrelevant issue for non-profit organizations. Indeed, the initial decision to be a non-profit rather than a profit-making enterprise was for some think-tank founders a business decision: many of the philanthropic foundations that think tanks draw upon for revenues are forbidden by their charters from giving money to profit-making enterprises. Establishing a think tank on a non-profit basis was necessary to gain access to these funding sources.

Financing in many think tanks is quite different from most profit-making enterprises, however. In the latter case, the consumers who pay for the company's product and those who actually use them are closely related, if not identical. With a think tank, this is often not the case. Work done on contract with a government agency fits the private enterprise fairly closely, but think tank research that is funded by foundations but targeted at government policymakers does not. Even where founders and consumers of research are separate, however, funders are usually buying an institution's image and reputation.

It has become very clear in recent years that funding is available for a wide variety of purposes beyond the traditional ones of program evaluation and general research. As William Safire put it, "instead of research and development in engine design, tax exempt money is now directed into active back-seat driving (Safire, 1986). The Heritage Foundation has proven particularly adept at tapping conservative foundations, corporations, and individuals for its advocacy-oriented activities.

It has also become clear that sound financial management and attention to fundraising are critical. The fate of the American Enterprise Institute, which underwent massive layoffs and a budget cut from $12.7 million in 1985 to $7.7 million in 1987, are a good lesson about what can happen when the "bottom line" is ignored for too long. Many think tanks are now attempting to develop steady sources of revenue that are not likely to disappear with changes in policy fads or the party in power. An endowment is the most obvious source, and many American think tanks are increasingly approaching foundations to ask for general endowment support and endowed chairs as well as donations for specific pieces of research. But foundations are often resistant to these requests. They usually want to see some concrete results for their financial inputs.

Setting A Research Agenda: Closely related to the issues of staffing and funding research is the question of how the organization's research agenda is to be set. One important issue is whether the organization should specialize in one or a few policy areas or try to cover a broad spectrum of issues. The advantage of a narrow specialization is that it is easier to build a reputation for expertise quickly, and to become the "natural" source of advice or grantee for contract research. This process has allowed a very small organization like the Center for Budget and Policy Priorities (a geographic, but not ideological, neighbor of the

Heritage Foundation) to become a major player in the formulation of nutrition and welfare policies. Most of the Center's expertise is in these fields, and it has built up a strong network of nutrition advocates at the state level who look to the Center for expertise and information on current policy initiatives. The disadvantage of specialization is that it can lead to organizational calamity if interest in and funding for a particular policy field (e.g., energy, urban housing) suddenly wanes.

Another important agenda-setting issue is whether research proposals should come primarily from individual researchers in the organization, with top officials (e.g., directors of individual research programs) primarily exercising a veto role, or whether top officials should set the agenda, allocating research tasks among the staff. While most think tanks have a mix of these two approaches, the one they stress is likely to reflect the financing and staffing of the organization. For an organization which has little endowment and is heavily dependent on government contracts, a top-down model is likely to prove necessary. On the other hand, an organization which has a greater independent income is likely to carry more projects in hopes that they can get outside funding, as well as some projects which it knows are unlikely to secure funding. And an organization that is made up primarily of Ph.D researchers who are used to and value university traditions of intellectual inquiry may find that it starts losing staff if it starts to dictate their research agenda.

Marketing: Even the best set of research products is of little value it it does not reach its target audience. Think tanks are increasingly aware that marketing their products is an important part of their operations. The acknowledged leader in think tank marketing is the Heritage Foundation, which hand delivers many of its studies to Capitol Hill, the executive branch, and interest groups. Effective marketing does not come cheaply, however: in 1987, the Heritage Foundation spent 37% of its budget on marketing and another 13% on fundraising—a combined total of more than the 43% it spent on research (Heritage Foundation, 1987).

Contracting Out: Research is not the only function that can be contracted out by a think tank. Another likely candidate is book publishing operations. Publishing arrangements among think tanks vary widely. The Brookings Institution, for example, has a fairly complete internal publishing operation, doing most of its editing, marketing, and distribution in-house. Resources for the Future does its book editing in-house, but production and distribution operations are handled by Johns Hopkins University Press. The American Enterprise Institute and the Urban Institute have a similar arrangement with University Presses of America. Other organizations, such as the Manhattan Institute, work exclusively with commercial publishers in publishing book-length studies.

Working with commercial publishers or university presses can have several advantages It is likely to lower costs, because the larger presses can take advantage of economies of scale. And commercial publishers, in particular, usually have greater marketing expertise, a bigger marketing budget, and better relationships with non-academic bookstores. Editors at commercial publishers are also likely to encourage authors to make changes that will increase leadership and sales, since they are concerned with making a profit.

Contracting out publication of books has drawbacks as well, however. It may lengthen the publication process considerably, which could make a study less timely. Perhaps most important, contracting out lessens the visibility of the think tank as a steady source of policy ideas, since its role in sponsoring the research is likely to be obscured.

Lessons

This review of non-profit think tanks in the United States offers several lessons for managers of such organizations in this country and elsewhere.

A first lesson is that there is no single model for what a think tank does or how it operates and is financed. There are several models to choose from, notably the "university without students" (e.g., Brookings, AEI, Hoover), the "advocacy tank" (e.g., Heritage, the Center on Budget and Policy Priorities), and the government contract organization (e.g., Rand). Think tank managers can, to a limited degree, change their product lines and staffing arrangements to adhere more closely to one or another model.

A second lesson, however, is that the various models may come into conflict with one another. Think tank managers must be certain that the financing, image, staffing and product line decisions that they make are consistent with one another. Focus on brief, current legislation-oriented staff papers is likely to be inconsistent with the career objectives of a Ph.D-dominated staff which wants to have the option of leaving the think tank for a university career. And a strong policy advocacy point of view may scare off government funding and some foundations. Thus it remains to be seen whether the American Enterprise Institute, for example, can simultaneously bolster its image among conservatives and be seen as a place where objective research is possible.

A third lesson is that the increase in the number of think tanks in recent years does not necessarily mean that the influence of think tanks has increased. Indeed, precisely the opposite may have occurred. When there were just a few think tanks on the scene, with strong reputations for objectivity in research, their views carried a high degree of authority. Now there are many voices clamoring to be heard. Moreover, these organizations vary widely in their standards, and claims, about objectivity. In this new environment, it is difficult for either the public or policymakers to know the difference between sound, reliable research and propagandizing. And it is easier for policymakers to find some think tank study to support their current views, no matter what they may be.

A final lesson is that the U.S. experience with think tanks may not be readily transferable to other settings. Think tank influence depends quite heavily on unique attributes of the American political system (e.g., weak parties, division of powers, and permeable administrative elites) and social system (notably a tradition of philanthropy) that are not to be found in many other countries. In the absence of these conditions, the role played by think tanks will inevitably be different, and their ability to influence policy will probably be lower.

About the Author

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Notes

1. For an account of the Hoover-Stanford dispute very sympathetic to Hoover, see Tom Bethell, "Liberalism, Stanford Style," *Commentary*, 77, 1 (January 1984) pp. 42-47. The Center for Strategic and International Studies (CSIS) also had a troubled relationship with its university partner, Georgetown University. The Georgetown board of trustees decided in 1986 to sever the university's relationship with CSIS. See Alison Muscatine, "Georgetown's Media Profs," *Washington Post*, May 11, 1986, pp. D1-D2, and Mary Jordan, "GU Severs Ties with Think Tank," *Washington Post*, October 18, 1986, p. B1.

2. Both the Rand Corporation and the Hudson Institute have Washington branches.

3. On the Manhattan Institute, see Martin Gottlieb, "Conservative Policy Unit Takes Aim at New York," *The New York Times*, May 5, 1986, p. B4, and Chuck Lane, "The Manhattan Project," *The New Republic*, March 25, 1985, pp. 14-15.

4. See Ralph Z. Hallow, "Donations Fuel Think Tank Battle to Control Field of Policy Ideas," *Washington Times*, November 26, 1985.

5. On the history of the Brookings Institution, see Donald T. Critchlow, *The Brookings Institution*,

1916-1952, Expertise and the Public Interest in a Democratic Society, DeKalb, IL: Northern Illinois University Press, 1985. Brookings, the American Enterprise Institute, and the Heritage Foundation are profiled in Robert K. Landers, "Think Tanks: The New Partisans?," *Editorial Research Reports*, 1, 23 (June 20, 1986) pp. 455-472.

6. Profiles of AEI, Hoover, the Center for Strategic and International Studies and the Cato Institute appear in Greg Easterbrook, " 'Ideas Move Nations,' " *The Atlantic Monthly*, January 1986.

7. On Cato, see Colleen O'Connor, "A Baby Boomers' Think Tank," *Newsweek*, September 1, 1986. On the Institute for Policy Studies, see Sidney Blumenthal, "The Left Stuff: IPS and the Long Road Back," *Washington Post*, July 30, 1986, pp. D1-D3. IPS is not "studentless," however: it offers courses through its own Washington School.

8. On the Joint Center, see Kenneth B. Noble, "Research Unit Focuses on Progress for Blacks," *New York Times*, September 11, 1986, p. B14.

9. Rand also operates its own graduate school, offering a Ph.D in public policy analysis, and (in cooperation with the University of California at Los Angeles) graduate degrees in health policy analysis and Soviet International Behavior. On Rand, see Bruce L. R. Smith, *The Rand Corporation: Case Study of a Nonprofit Advisory Corporation*, Cambridge: Harvard University Press, 1966, and Fred Kaplan, *The Wizards of Armageddon*, New York: Simon and Schuster, 1983. The Navy Department has its own contract researcher, the Center for Naval Analysis, which is now managed by the Hudson Institute, an Indianapolis-based think tank founded by Herman Kahn.

10. On the early history of the Urban Institute, see Paul Dickson, *Think Tanks*, New York: Atheneum, 1971, pp. 221-235. See also Howard Gleckman, "A Washington Wallflower Starts to Bloom," *Business Week*, March 9, 1987, pp. 112, 116 and Spencer Rich, "Think Tank Survives Lean Times," *Washington Post*, May 16, 1988, p. A13.

11. On the Economic Policy Institute, see Paul Taylor, "Analyzing Alternatives in Labor's Think Tank," *Washington Post*, February 19, 1987, p. A25.

12. Schultze served as Budget Director in the Johnson administration and Chairman of the Council of Economic Advisors in the Carter Administration.

13. See, for example, Steven Waldman, "The King of Quotes: Why the Press is Addicted to Norman Ornstein," *The Washington Monthly*, vol. 18, no. 11 (December 1986) pp. 33-40.

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