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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2007

Open to Public Inspection

A For the 2007 calendar year, or tax year beginning 01-01-2007 and ending 12-31-2007

B Check if applicable
☐ Address change
☐ Name change
☐ Initial return
☐ Final return
☐ Amended return
☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
AMERICAN ENTERPRISE INSTITUTE FOR
PUBLIC POLICY RESEARCH

Number and street (or P O box if mail is not delivered to street address) | Room/suite
1150 SEVENTEENTH STREET NW

City or town, state or country, and ZIP + 4
WASHINGTON, DC 200364670

D Employer identification number
53-0218495

E Telephone number
(202) 862-5800

F Accounting method ☐ Cash ☑ Accrual
☐ Other (specify) ▶

● **Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).**

H and I are not applicable to section 527 organizations

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) If "Yes" enter number of affiliates ▶

H(c) Are all affiliates included? ☐ Yes ☐ No
(If "No," attach a list See instructions)

H(d) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☑ No

G Web site: ▶ HTTP //WWW AEI ORG

I Group Exemption Number ▶

J Organization type (check only one) ▶ ☑ 501(c) (3) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

K Check here ▶ ☐ if the organization is not a 509(a)(3) supporting organization **and** its gross receipts are normally **not** more than 25,000 A return is not required, but if the organization chooses to file a return, be sure to file a complete return

M Check ▶ ☐ if the organization is **not** required to attach Sch B (Form 990, 990-EZ, or 990-PF)

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 48,910,181

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances *(See the instructions.)*

Revenue	1	Contributions, gifts, grants, and similar amounts received					
	a	Contributions to donor advised funds		1a			
	b	Direct public support (not included on line 1a)		1b	34,063,743		
	c	Indirect public support (not included on line 1a)		1c			
	d	Government contributions (grants) (not included on line 1a)		1d			
	e	**Total** (add lines 1a through 1d) (cash $ 34,063,743 noncash $)				1e	34,063,743
	2	Program service revenue including government fees and contracts (from Part VII, line 93)				2	1,229,931
	3	Membership dues and assessments				3	
	4	Interest on savings and temporary cash investments				4	
	5	Dividends and interest from securities				5	709,322
	6a	Gross rents		6a			
	b	Less rental expenses		6b			
	c	Net rental income or (loss) subtract line 6b from line 6a				6c	
	7	Other investment income (describe ▶)				7	
	8a	Gross amount from sales of assets other than inventory	**(A)** Securities 12,699,592	8a	**(B)** Other		
	b	Less cost or other basis and sales expenses	8,000,125	8b			
	c	Gain or (loss) (attach schedule)	4,699,467	8c			
	d	Net gain or (loss) Combine line 8c, columns (A) and (B)				8d	4,699,467
	9	Special events and activities (attach schedule) If any amount is from **gaming**, check here ▶ ☐					
	a	Gross revenue (not including $ of contributions reported on line 1b)		9a			
	b	Less direct expenses other than fundraising expenses		9b			
	c	Net income or (loss) from special events Subtract line 9b from line 9a				9c	
	10a	Gross sales of inventory, less returns and allowances		10a			
	b	Less cost of goods sold		10b			
	c	Gross profit or (loss) from sales of inventory (attach schedule) Subtract line 10b from line 10a				10c	
	11	Other revenue (from Part VII, line 103)				11	207,593
	12	**Total revenue** Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11				12	40,910,056
Expenses	13	Program services (from line 44, column (B))				13	21,929,247
	14	Management and general (from line 44, column (C))				14	4,036,682
	15	Fundraising (from line 44, column (D))				15	1,160,792
	16	Payments to affiliates (attach schedule)				16	
	17	**Total expenses** Add lines 16 and 44, column (A)				17	27,126,721
Net Assets	18	Excess or (deficit) for the year Subtract line 17 from line 12				18	13,783,335
	19	Net assets or fund balances at beginning of year (from line 73, column (A))				19	74,043,858
	20	Other changes in net assets or fund balances (attach explanation)				20	920,668
	21	Net assets or fund balances at end of year Combine lines 18, 19, and 20				21	88,747,861

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. Cat No 11282Y

Part II Statement of Functional Expenses

All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others *(See the instructions.)*

	Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		**(A) Total**	**(B)** Program services	**(C)** Management and general	**(D)** Fundraising
22a	Grants paid from donor advised funds (attach Schedule) (cash $________ noncash $________) If this amount includes foreign grants, check here ▶ ☐	**22a**				
22b	Other grants and allocations (attach schedule) (cash $________ noncash $________) If this amount includes foreign grants, check here ▶ ☐	**22b**				
23	Specific assistance to individuals (attach schedule)	**23**				
24	Benefits paid to or for members (attach schedule)	**24**				
25a	Compensation of current officers, directors, key employees etc Listed in Part V-A (attach schedule)	**25a**	1,988,949	1,280,906	588,248	119,795
b	Compensation of former officers, directors, key employees etc listed in Part V-B (attach schedule)	**25b**				
c	Compensation and other distributions not icluded above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	**25c**				
26	Salaries and wages of employees not included on lines 25a, b and c	**26**	9,883,604	6,348,435	2,941,366	593,803
27	Pension plan contributions not included on lines 25a, b and c	**27**	751,603	494,373	211,042	46,188
28	Employee benefits not included on lines 25a - 27	**28**	1,415,000	670,569	681,781	62,650
29	Payroll taxes	**29**	745,577	490,409	209,350	45,818
30	Professional fundraising fees	**30**				
31	Accounting fees	**31**	78,619	400	78,219	
32	Legal fees	**32**	40,741	26,369	9,848	4,524
33	Supplies	**33**	560,586	496,765	31,015	32,806
34	Telephone	**34**	124,719	73,525	42,808	8,386
35	Postage and shipping	**35**	342,509	194,134	127,360	21,015
36	Occupancy	**36**	2,507,905	1,201,668	1,209,514	96,723
37	Equipment rental and maintenance	**37**	552,605	6,242	530,337	16,026
38	Printing and publications	**38**	1,765,313	1,654,401	81,080	29,832
39	Travel	**39**	629,889	532,473	51,405	46,011
40	Conferences, conventions, and meetings . .	**40**	1,645,171	1,141,785	499,930	3,456
41	Interest	**41**				
42	Depreciation, depletion, etc (attach schedule)	**42**	572,767	354,565	188,179	30,023
43	Other expenses not covered above (itemize)					
a	OTHER PROFESSIONAL FEES	**43a**	2,574,611	2,188,344	382,566	3,701
b	SCHOLAR FEES	**43b**	834,158	779,898	54,260	
c	SERVICE FEES	**43c**	30,849	37,642	-6,828	35
d	INSURANCE	**43d**	81,546		81,546	
e		**43e**				
f		**43f**				
g		**43g**				
44	**Total functional expenses.** Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13—15)	**44**	27,126,721	21,929,247	4,036,682	1,160,792

Joint Costs. Check ▶ ☐ if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in **(B)** Program services? ▶ ☐ **Yes** ☐ **No**

If "Yes," enter **(i)** the aggregate amount of these joint costs $________, **(ii)** the amount allocated to Program services $________, **(iii)** the amount allocated to Management and general $, and **(iv)** the amount allocated to Fundraising $

Part III Statement of Program Service Accomplishments *(See the instructions.)*

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization How the public perceives an organization in such cases may be determined by the information presented on its return Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments

	What is the organization's primary exempt purpose? ▶ EDUCATIONAL RESEARCH All organizations must describe their exempt purpose achievements in a clear and concise manner State the number of clients served, publications issued, etc Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others)	**Program Service Expenses** (Required for 501(c)(3) and (4) orgs , and 4947(a)(1) trusts, but optional for others)
a	MAGAZINE - MAGAZINE OFFERS STATISTICS ON SOCIAL AND ECONOMIC INDICATORS, DIGEST OF RECENTLY PUBLISHED POLICY STUDIES AND ARTICLES FOCUSING ON TIMELY ISSUES IN THE PUBLIC POLICY ARENA (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	2,944,138
b	ECONOMIC POLICY - SCHOLARS IN AREAS OF GENERAL ECONOMICS, FISCAL/MONETARY POLICY, INTERNATIONAL TRADE, FINANCIAL MARKETS/REGULATION AND HEALTH CONDUCT RESEARCH TO FURTHER THE UNDERSTANDING OF FREE ECONOMICS, DISSEMINATED THROUGH SEMINARS AND PUBLICATIONS (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	7,780,869
c	FOREIGN AND DEFENSE POLICY - SCHOLARS ANALYZE RELATIONS BETWEEN U S AND ALLIES, SECURITY THREATS GLOBALLY, TRANSITION TO DEMOCRATIC CAPITALISM IN DEVELOPING AND POST-COMMUNIST COUNTRIES, TERRORISM AND PERFORMANCE OF INTERNATIONAL ORGANIZATIONS (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	5,739,440
d	SOCIAL AND POLITICAL STUDIES - SCHOLARS' STUDIES INCLUDE CONSTITUTIONAL LAW AND THEORY, PUBLIC OPINION, POLITICAL CAMPAIGN ANALYSIS, GOVERNMENT, THE UNDERCLASS AND ITS STRUGGLES AND THE RELATION BETWEEN RELIGION AND ORDERED LIBERTY (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	5,464,800
e	Other program services (attach schedule) (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
f	**Total of Program Service Expenses** (should equal line 44, column (B), Program services) . . . . ▶	21,929,247

Part IV Balance Sheets *(See the instructions.)*

	Note:	*Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.*			**(A)** Beginning of year		**(B)** End of year
Assets	**45**	Cash—non-interest-bearing			500	**45**	500
	46	Savings and temporary cash investments			4,433,853	**46**	5,735,796
	47a	Accounts receivable	**47a**	451,939			
	b	Less allowance for doubtful accounts	**47b**		301,500	**47c**	451,939
	48a	Pledges receivable	**48a**	16,138,255			
	b	Less allowance for doubtful accounts	**48b**	41,306	11,310,611	**48c**	16,096,949
	49	Grants receivable				**49**	
	50a	Receivables from current and former officers, directors, trustees, and key employees (attach schedule)				**50a**	
	b	Receivables from other disqualified persons (as defined under section 4958(c)(3)(B) (attach schedule)				**50b**	
	51a	Other notes and loans receivable (attach schedule)	**51a**				
	b	Less allowance for doubtful accounts	**51b**			**51c**	
	52	Inventories for sale or use			233,447	**52**	183,342
	53	Prepaid expenses and deferred charges			190,931	**53**	169,927
	54a	Investments—publicly-traded securities ▶ ☐ Cost ☑ FMV			4,582,661	**54a**	22,570,114
	b	Investments—other securities (attach schedule) ▶ ☐ Cost ☑ FMV			54,447,461	**54b**	45,896,833
	55a	Investments—land, buildings, and equipment basis	**55a**				
	b	Less accumulated depreciation (attach schedule)	**55b**			**55c**	
	56	Investments—other (attach schedule)				**56**	
	57a	Land, buildings, and equipment basis	**57a**	5,867,797			
	b	Less accumulated depreciation (attach schedule)	**57b**	3,955,141	1,906,168	**57c**	1,912,656
	58	Other assets, including program-related investments (describe ▶)				**58**	
	59	**Total assets** (must equal line 74) Add lines 45 through 58			77,407,132	**59**	93,018,056
[illegible]	**60**	Accounts payable and accrued expenses			1,242,067	**60**	2,178,074
	61	Grants payable				**61**	
	62	Deferred revenue			607,370	**62**	423,095
	63	Loans from officers, directors, trustees, and key employees (attach schedule)				**63**	
	64a	Tax-exempt bond liabilities (attach schedule)				**64a**	
	b	Mortgages and other notes payable (attach schedule)				**64b**	
	65	Other liabilities (describe ▶)			1,513,837	**65**	1,669,026
	66	**Total liabilities** Add lines 60 through 65			3,363,274	**66**	4,270,195
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here** ▶ ☑ and complete lines 67 through 69 and lines 73 and 74					
	67	Unrestricted			2,333,995	**67**	4,710,565
	68	Temporarily restricted			63,584,269	**68**	67,404,376
	69	Permanently restricted			8,125,594	**69**	16,632,920
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 70 through 74					
	70	Capital stock, trust principal, or current funds				**70**	
	71	Paid-in or capital surplus, or land, building, and equipment fund				**71**	
	72	Retained earnings, endowment, accumulated income, or other funds				**72**	
	73	**Total net assets or fund balances** Add lines 67 through 69 **or** lines 70 through 72 (Column (A) **must** equal line 19 and column (B) **must** equal line 21)			74,043,858	**73**	88,747,861
	74	**Total liabilities and net assets / fund balances** Add lines 66 and 73			77,407,132	**74**	93,018,056

Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return *(See the instructions.)*

a	Total revenue, gains, and other support per audited financial statements			**a**	42,148,472
b	Amounts included on line **a** but not on Part I, line 12				
1	Net unrealized gains on investments	**b1**	920,668		
2	Donated services and use of facilities	**b2**	317,748		
3	Recoveries of prior year grants	**b3**			
4	Other (specify)	**b4**			
	Add lines **b1** through **b4**			**b**	1,238,416
c	Subtract line **b** from line **a**			**c**	40,910,056
d	Amounts included on Part I, line 12, but not on line **a**				
1	Investment expenses not included on Part I, line 6b	**d1**			
2	Other (specify)	**d2**			
	Add lines **d1** and **d2**			**d**	1,238,416
e	**Total revenue** (Part I, line 12) Add lines **c** and **d** ▶			**e**	40,910,056

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a	Total expenses and losses per audited financial statements			**a**	27,444,469
b	Amounts included on line **a** but not on Part I, line 17				
1	Donated services and use of facilities	**b1**	317,748		
2	Prior year adjustments reported on Part I, line 20	**b2**			
3	Losses reported on Part I, line 20	**b3**			
4	Other (specify)	**b4**			
	Add lines **b1** through **b4**			**b**	317,748
c	Subtract line **b** from line **a**			**c**	27,126,721
d	Amounts included on Part I, line 17, but not on line **a:**				
1	Investment expenses not included on Part I, line 6b	**d1**			
2	Other (specify)	**d2**			
	Add lines **d1** and **d2**			**d**	
e	**Total expenses** (Part I, line 17) Add lines **c** and **d** ▶			**e**	27,126,721

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) *(See the instructions.)*

(A) Name and address	**(B)** Title and average hours per week devoted to position	**(C)** Compensation **(If not paid, enter -0-.)**	**(D)** Contributions to employee benefit plans & deferred compensation plans	**(E)** Expense account and other allowances
See Additional Data Table				

Part V-A Current Officers, Directors, Trustees, and Key Employees *(continued)*

			Yes	No
75a	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings . . . ▶ 26			
b	Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s) .	**75b**		No
c	Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization" . . . ▶ If "Yes," attach a statement that includes the information described in the instructions	**75c**		No
d	Does the organization have a written conflict of interest policy? . . .	**75d**	Yes	

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits

(If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	**(B)** Loans and Advances	**(C)** Compensation (If not paid enter -0-)	**(D)** Contributions to employee benefit plans and deferred compensation plans	**(E)** Expense account and other allowances

Part VI Other Information *(See the instructions.)*

			Yes	No
76	Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change . . .	**76**		No
77	Were any changes made in the organizing or governing documents but not reported to the IRS? . . . If "Yes," attach a conformed copy of the changes	**77**		No
78a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return? . . .	**78a**	Yes	
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? . . .	**78b**	Yes	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement . . .	**79**		No
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc , to any other exempt or nonexempt organization? . . .	**80a**		No
b	If "Yes," enter the name of the organization ▶ ____ and check whether it is ☐ exempt **or** ☐ nonexempt			
81a	Enter direct or indirect political expenditures (See line 81 instructions) . . . **81a**			
b	Did the organization file **Form 1120-POL** for this year? . . .	**81b**		No

Part VI Other Information *(continued)*

					Yes	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?			**82a**	Yes	
b	If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III)	**82b**	317,748			
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?			**83a**	Yes	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?			**83b**	Yes	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?			**84a**		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			**84b**		
85	*501(c)(4), (5), or (6) organizations.* **a** Were substantially all dues nondeductible by members?			**85a**		
b	Did the organization make only in-house lobbying expenditures of $2,000 or less?			**85b**		
	If "Yes," was answered to either 85a or 85b, **do not** complete 85c through 85h below unless the organization received a waiver for proxy tax owed the prior year					
c	Dues assessments, and similar amounts from members	**85c**				
d	Section 162(e) lobbying and political expenditures	**85d**				
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	**85e**				
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	**85f**				
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?			**85g**		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?			**85h**		
86	*501(c)(7) orgs.* Enter **a** Initiation fees and capital contributions included on line 12	**86a**				
b	Gross receipts, included on line 12, for public use of club facilities	**86b**				
87	*501(c)(12) orgs.* Enter **a** Gross income from members or shareholders	**87a**				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**87b**				
88a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? If "Yes," complete Part IX			**88a**		No
b	At any time during the year, did the organization directly or indirectly own a controlled entity within the meaning of section 512(b)(13)? If yes complete Part XI			**88b**		No
89a	*501(c)(3) organizations* Enter Amount of tax imposed on the organization during the year under section 4911 ▶ 0 , section 4912 ▶ 0 , section 4955 ▶ 0					
b	*501(c)(3) and 501(c)(4) orgs.* Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction			**89b**		No
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶		0			
d	Enter Amount of tax on line 89c, above, reimbursed by the organization ▶					
e	*All organizations.* At any time during the tax year was the organization a party to a prohibited tax shelter transaction?			**89e**		No
f	*All organizations.* Did the organization acquire direct or indirect interest in any applicable insurance contract?			**89f**		No
g	*For supporting organizations and sponsoring organizations maintaining donor advised funds.* Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			**89g**		No
90a	List the states with which a copy of this return is filed ▶ DC,NJ,NY					
b	Number of employees employed in the pay period that includes March 12, 2007 (See instructions)	**90b**	153			
91a	The books are in care of ▶ MARTHA NEWTON Telephone no ▶ (202) 862-7167 Located at ▶ 1150 SEVENTEENTH STREET NW WASHINGTON, DC ZIP + 4 ▶ 200364670					
					Yes	No
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			**91b**	Yes	
	If "Yes," enter the name of the foreign country ▶ See Additional Data Table					
	See the instructions for exceptions and filing requirements for **Form TD F 90-22.1**, Report of Foreign Bank and Financial Accounts					

Part VI Other Information *(continued)*

			Yes	No
c	At any time during the calendar year, did the organization maintain an office outside of the United States?	**91c**		No

If "Yes," enter the name of the foreign country ▶ ____________

92 *Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of* ***Form 1041***—Check here . . . . ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the tax year . . . . ▶ | **92** |

Part VII Analysis of Income-Producing Activities *(See the instructions.)*

Note: *Enter gross amounts unless otherwise indicated.*	Unrelated business income		Excluded by section 512, 513, or 514		**(E)** Related or exempt function income
	(A) Business code	**(B)** Amount	**(C)** Exclusion code	**(D)** Amount	
93 Program service revenue					
a EDU SEMCONFERENCE					266,817
b RESEARCH PUBMATERIALS	541800	327,047			591,768
c ROYALTIES SALE PUB			15	11,402	
d MAILING LIST RENTAL			13	32,897	
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments . . .					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities . . .			14	709,322	
97 Net rental income or (loss) from real estate					
a debt-financed property					
b non debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory	900000	197,117	18	4,502,350	
101 Net income or (loss) from special events . .					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue **a** PARTNERSHIP INCOME	900000	207,593			
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E)) . .		731,757		5,255,971	858,585

105 **Total** (add line 104, columns (B), (D), and (E)) . . . . ▶ 6,846,313

Note: *Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.*

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes *(See the instructions.)*

Line No. ▼	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93A	AEI SEMINARS/CONFERENCES/OUTREACH BRING TOGETHER SCHOLARS, POLITICIANS AND THE GENERAL PUBLIC AND MEDIA TO ADDRESS, DISCUSS AND DEBATE PUBLIC POLICY AND OPTIONS IN THE AREA OF ECONOMIC, HEALTH, ENVIRONMENTAL, REGULATORY, FOREIGN, POLITICAL AND SOCIAL POLICY
93B	AEI PUBLICATIONS PROVIDE SOURCES OF ORIGINAL NON-PARTISAN, PRACTICAL RESEARCH ON ECONOMIC, HEALTH, ENVIRONMENTAL, REGULATORY, FOREIGN, POLITICAL AND SOCIAL POLICY

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities *(See the instructions.)*

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	**(B)** Percentage of ownership interest	**(C)** Nature of activities	**(D)** Total income	**(E)** End-of-year assets
	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts *(See the instructions.)*

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . ☐ **Yes** ☑ **No**

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . ☐ **Yes** ☑ **No**

NOTE: *If "Yes" to* ***(b)****, file Form 8870* ***and*** *Form 4720 (see instructions).*

Part XI Information Regarding Transfers To and From Controlled Entities *Complete only if the organization is a controlling organization as defined in section 512(b)(13)*

		Yes	No
106	Did the reporting organization **make** any transfers **to** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity		

	(A) Name and address of each controlled entity	**(B)** Employer Identification Number	**(C)** Description of transfer	**(D)** Amount of transfer
a				
b				
c				
Totals				

		Yes	No
107	Did the reporting organization **receive** any transfers **from** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity		

	(A) Name and address of each controlled entity	**(B)** Employer Identification Number	**(C)** Description of transfer	**(D)** Amount of transfer
a				
b				
c				
Totals				

		Yes	No
108	Did the organization have a binding written contract in effect on August 17, 2006 covering the interests, rents, royalties and annuities described in question 107 above?		

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

****** 2008-11-07

Signature of officer Date

MARTHA NEWTON CHIEF FINANCIAL OFFICER

Type or print name and title

Paid Preparer's Use Only

Preparer's signature B JENNINE ANDERSON	Date	Check if self-empolyed ☐	Preparer's SSN or PTIN (See Gen Inst W)
Firm's name (or yours if self-employed), address, and ZIP + 4	UHY ADVISORS MID-ATLANTIC MD INC 6851 OAK HALL LANE STE 300 COLUMBIA, MD 21045		EIN Phone no (410) 720-5220

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n), or 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information—(See separate instructions.)

▶ MUST be completed by the above organizations and attached to their Form 990 or 990-EZ

OMB No 1545-0047

2007

Name of the organization
AMERICAN ENTERPRISE INSTITUTE FOR
PUBLIC POLICY RESEARCH

Employer identification number
53-0218495

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than $50,000	**(b)** Title and average hours per week devoted to position	**(c)** Compensation	(d) Contributions to employee benefit plans & deferred compensation	**(e)** Expense account and other allowances
KEVIN HASSETT 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	SCHOLAR 40 00	181,250	32,857	0
JOHN BOLTON 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	SCHOLAR 40 00	175,000	32,394	0
MICHAEL GREVE 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	SCHOLAR 40 00	158,750	19,569	0
CHARLES MURRAY 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	SCHOLAR 40 00	148,750	28,595	0
NICHOLAS EBERSTADT 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	SCHOLAR 40 00	138,750	27,818	0
Total number of other employees paid over $50,000 ▶	71			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions. List each one (whether individual or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than $50,000	**(b)** Type of service	**(c)** Compensation
CONTROL RISKS PO BOX 406287 ATLANTA,GA 30387	SECURITY FOR SCHOLARS	240,660
JOEL SCHWARTZ 531 PICO WAY SACRAMENTO,CA 95819	SCHOLAR	115,150
DORE GOLD 17 MEHALKA HA-MAYIM STREET JERUSALEM 093222 IS	SCHOLAR	96,000
ANNE APPLEBAUM 7104 BEECHWOOD DRIVE CHEVY CHASE,MD 20815	SCHOLAR	95,455
RICHARD VEDDER 7464 RIDGEVIEW CIRCLE ATHENS,OH 45701	SCHOLAR	80,000
Total number of others receiving over $50,000 for professional services ▶ 7		

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individual or firms. If there are none, enter "None". See page 2 for instructions.)

(a) Name and address of each independent contractor paid more than $50,000	**(b)** Type of service	**(c)** Compensation
None		
Total number of other contractors receiving over $50,000 for other services ▶		

Part III Statements About Activities (See page 2 of the instructions.)

			Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, include any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶$ ____________ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B)	**1**		No
	Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities			
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? *(If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)*			
a	Sale, exchange, or leasing property?	**2a**		No
b	Lending of money or other extension of credit?	**2b**		No
c	Furnishing of goods, services, or facilities?	**2c**		No
d	Payment of compensation (or payment or reimbursement of expenses if more than $1,000)?	**2d**	Yes	
e	Transfer of any part of its income or assets?	**2e**		No
3a	Did the organization make grants for scholarships, fellowships, student loans, etc ? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments)	**3a**		No
b	Did the organization have a section 403(b) annuity plan for its employees?	**3b**	Yes	
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment , historic land areas or structures? If "Yes" attach a detailed statement	**3c**		No
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	**3d**		No
4a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g If "No," complete lines 4f and 4g	**4a**		No
b	Did the organization make any taxable distributions under section 4966?	**4b**		
c	Did the organization make a distribution to a donor, donor advisor, or related person?	**4c**		

d Enter the total number of donor advised funds owned at the end of the tax year ▶

e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶

f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶0

g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶0

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions.)

I certify that the organization is not a private foundation because it is (Please check only **ONE** applicable box)

5 ☐ A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)

6 ☐ A school Section 170(b)(1)(A)(ii) (Also complete Part V)

7 ☐ A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)

8 ☐ A federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)

9 ☐ A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) **Enter the hospital's name, city, and state** ▶

10 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A)

11a ☑ An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)

11b ☐ A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)

12 ☐ An organization that normally receives **(1) more than 331/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc , functions—subject to certain exceptions, and **(2) no more than 331/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A)

13 ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3) Check the box that describes the type of supporting organization

☐ Type I ☐ Type II ☐ Type III - Functionally Integrated ☐ Type III - Other

Provide the following information about the supported organizations. (see page 7 of the instructions.)

(a) Name(s) of supported organization(s)	**(b)** Employer identification number	**(c)** Type of organization (described in lines 5 through 12 above or IRC section)	**(d)** Is the supported organization listed in the supporting organization's governing documents?		**(e)** Amount of support?
			Yes	**No**	
Total				▶	

14 ☐ An organization organized and operated to test for public safety Section 509(a)(4) (See page 7 of the instructions)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12) *Use cash method of accounting.*

Note: *You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.*

Calendar year (or fiscal year beginning in) ▶	**(a)** 2006	**(b)** 2005	**(c)** 2004	**(d)** 2003	**(e)** Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	21,633,115	23,831,268	19,476,933	24,652,342	89,593,658
16 Membership fees received					0
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc , purpose	1,241,901	1,802,595	1,835,042	1,657,439	6,536,977
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	270,866	365,350	327,787	266,073	1,230,076
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
21 The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge					0
22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets					0
23 Total of lines 15 through 22	23,145,882	25,999,213	21,639,762	26,575,854	97,360,711
24 Line 23 minus line 17	21,903,981	24,196,618	19,804,720	24,918,415	90,823,734
25 Enter 1% of line 23	231,459	259,992	216,398	265,759	

26 Organizations described on lines 10 or 11: **a** Enter 2% of amount in column (e), line 24 ▶ **26a** 1,816,475

b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a **Do not file this list with your return.** Enter the total of all these excess amounts ▶ **26b** 32,432,792

c Total support for section 509(a)(1) test Enter line 24, column (e) ▶ **26c** 90,823,734

d Add Amounts from column (e) for lines 18 1,230,076 19 0
22 ______ 26b 32,432,792 ▶ **26d** 33,662,868

e Public support (line 26c minus line 26d total) ▶ **26e** 57,160,866

f **Public support percentage (line 26e (numerator) divided by line 26c (denominator))** ▶ **26f** 6293 60 %

27 Organizations described on line 12: **a** For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person " **Do not file this list with your return.** Enter the sum of such amounts for each year

(2006) ______ (2005) ______ (2004) ______ (2003) ______

b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the **larger** of **(1)** the amount on line 25 for the year or **(2)** $5,000 (Include in the list organizations described in lines 5 through 11b, as well as individuals) **Do not file this list with your return.** After computing the difference between the amount received and the larger amount described in **(1)** or **(2)**, enter the sum of these differences (the excess amounts) for each year

(2006) ______ (2005) ______ (2004) ______ (2003) ______

c Add Amounts from column (e) for lines 15 ______ 16 ______
17 ______ 20 ______ 21 ______ ▶ **27c**

d Add Line 27a total ______ and line 27b total ______ ▶ **27d**

e Public support (line 27c total minus line 27d total) ▶ **27e**

f Total support for section 509(a)(2) test Enter amount from line 23, column (e) ▶ **27f**

g **Public support percentage (line 27e (numerator) divided by line 27f (denominator))** ▶ **27g**

h **Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))** ▶ **27h**

28 **Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant **Do not file this list with your return.** Do not include these grants in line 15

Part V Private School Questionnaire (See page 7 of the instructions.)

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

			Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?	31		
	If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement)			
32	Does the organization maintain the following			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b	Records documenting that scholarships and other financial assistance are awarded on racially nondiscriminatory basis?	32b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
	If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)			
33	Does the organization discriminate by race in any way with respect to			
a	Students' rights or privileges?	33a		
b	Admissions policies?	33b		
c	Employment of faculty or administrative staff?	33c		
d	Scholarships or other financial assistance?	33d		
e	Educational policies?	33e		
f	Use of facilities?	33f		
g	Athletic programs?	33g		
h	Other extracurricular activities?	33h		
	If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)			
34a	Does the organization receive any financial aid or assistance from a governmental agency?	34a		
b	Has the organization's right to such aid ever been revoked or suspended?	34b		
	If you answered "Yes" to either 34a or b, please explain using an attached statement			
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)

(To be completed **ONLY** by an eligible organization that filed Form 5768)

Check ► **a** ☐ if the organization belongs to an affiliated group Check ► **b** ☐ if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred)		**(a)** Affiliated group totals	**(b)** To be completed for all electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	**36**		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	**37**		
38 Total lobbying expenditures (add lines 36 and 37)	**38**		
39 Other exempt purpose expenditures	**39**		
40 Total exempt purpose expenditures (add lines 38 and 39)	**40**		
41 Lobbying nontaxable amount Enter the amount from the following table—	**41**		
42 Grassroots nontaxable amount (enter 25% of line 41)	**42**		
43 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	**43**		
44 Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	**44**		

If the amount on line 40 is—	**The lobbying nontaxable amount is—**
Not over $500,000	20% of the amount on line 40
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

Caution: *If there is an amount on either line 43 or line 44, you must file Form 4720.*

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below See the instructions for lines 45 through 50 on page 11 of the instructions)

	Lobbying Expenditures During 4-Year Averaging Period				
Calendar year (or fiscal year beginning in) ►	**(a)** 2007	**(b)** 2006	**(c)** 2005	**(d)** 2004	**(e)** Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	**Yes**	**No**	**Amount**
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines **c** through **h.**)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines **c** through **h.**)			

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 12 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

			Yes	No
a	Transfers from the reporting organization to a noncharitable exempt organization of			
(i)	Cash	**51a(i)**		No
(ii)	Other assets	**a(ii)**		No
b	Other transactions			
(i)	Sales or exchanges of assets with a noncharitable exempt organization	**b(i)**		No
(ii)	Purchases of assets from a noncharitable exempt organization	**b(ii)**		No
(iii)	Rental of facilities, equipment, or other assets	**b(iii)**		No
(iv)	Reimbursement arrangements	**b(iv)**		No
(v)	Loans or loan guarantees	**b(v)**		No
(vi)	Performance of services or membership or fundraising solicitations	**b(vi)**		No
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	**c**		No

d If the answer to any of the above is "Yes," complete the following schedule Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

(a) Line no	**(b)** Amount involved	**(c)** Name of noncharitable exempt organization	**(d)** Description of transfers, transactions, and sharing arrangements

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ▶ ☐ Yes ☑ No

b If "Yes," complete the following schedule

(a) Name of organization	**(b)** Type of organization	**(c)** Description of relationship

Form **4562**

Department of the Treasury
Internal Revenue Service

Depreciation and Amortization

(Including Information on Listed Property)

▶ **See separate instructions.** ▶ **Attach to your tax return.**

OMB No 1545-0172

2007

Attachment
Sequence No **67**

Name(s) shown on return	Business or activity to which this form relates	**Identifying number**
AMERICAN ENTERPRISE INSTITUTE FOR PUBLIC POLICY RESEARCH	Form 990 Page 2	53-0218495

Part I Election To Expense Certain Property Under Section 179

Note: *If you have any listed property, complete Part V before you complete Part I.*

1	Maximum amount See the instructions for a higher limit for certain businesses	1	125,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	500,000
4	Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	

	(a) Description of property	**(b)** Cost (business use only)	**(c)** Elected cost
6			

7	Listed property Enter the amount from line 29	7			
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7			8	
9	Tentative deduction Enter the **smaller** of line 5 or line 8			9	
10	Carryover of disallowed deduction from line 13 of your 2006 Form 4562			10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)			11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11			12	
13	Carryover of disallowed deduction to 2008 Add lines 9 and 10, less line 12 ▶	13			

Note: *Do not use Part II or Part III below for listed property. Instead, use Part V.*

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property) (See instructions)

14	Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) and cellulosic biomass ethanol plant property placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2007	17	572,767
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶☐		

(a) Classification of property	**(b)** Month and year placed in service	**(c)** Basis for depreciation (business/investment use only—see instructions)	**(d)** Recovery period	**(e)** Convention	**(f)** Method	**(g)** Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
			27 5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2007 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (see instructions)

21	Listed property Enter amount from line 28			21	
22	**Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instr			22	572,767
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23			

For Paperwork Reduction Act Notice, see separate instructions. Cat No 12906N Form **4562** (2007)

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.*

Section A—Depreciation and Other Information (Caution: *See the instructions for limits for passenger automobiles.*)

24a Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☐ **No**

24b If "Yes," is the evidence written? ☐ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	**(b)** Date placed in service	**(c)** Business/ investment use percentage	**(d)** Cost or other basis	**(e)** Basis for depreciation (business/investment use only)	**(f)** Recovery period	**(g)** Method/ Convention	**(h)** Depreciation/ deduction	**(i)** Elected section 179 cost
25 Special allowance for qualified New York Liberty or Gulf Opportunity Zone property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)						**25**		
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use								
		%				S/L -		
		%				S/L -		
		%				S/L -		

28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1 . **28**

29 Add amounts in column (i), line 26 Enter here and on line 7, page 1 . . . . **29**

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle 1		**(b)** Vehicle 2		**(c)** Vehicle 3		**(d)** Vehicle 4		**(e)** Vehicle 5		**(f)** Vehicle 6	
30 Total business/investment miles driven during the year (**do not** include commuting miles) . .												
31 Total commuting miles driven during the year .												
32 Total other personal(noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use? .												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions)

	Yes	**No**
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles		

Part VI Amortization

(a) Description of costs	**(b)** Date amortization begins	**(c)** Amortizable amount	**(d)** Code section	**(e)** Amortization period or percentage	**(f)** Amortization for this year
42 Amortization of costs that begins during your 2007 tax year (see instructions)					

43 Amortization of costs that began before your 2007 tax year **43**

44 Total. Add amounts in column (f) See the instructions for where to report . . **44**

Additional Data

Software ID:
Software Version:
EIN: 53-0218495
Name: AMERICAN ENTERPRISE INSTITUTE FOR PUBLIC POLICY RESEARCH

Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
CHRISTOPHER DEMUTH 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	PRESIDENT 40 00	675,000	38,184	0
DAVID GERSON 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	EXECUTIVE VICE PRESIDENT 40 00	350,000	35,611	0
DANIELLE PLETKA 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	VP FOREIGN & DEFENSE 40 00	180,250	32,907	0
HENRY OLSEN III 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	VP NRI 40 00	171,000	32,337	0
JASON BERTSCH 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	VP MARKETING 40 00	167,250	31,313	0
ELIZABETH BOWEN 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	BOARD SEC'Y DIR OPS 40 00	128,750	24,654	0
MARTHA NEWTON 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	CFO 40 00	98,750	22,943	0
BRUCE KOVNER 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	BD OF TRUSTEES - CHAIRMAN 1 00	0	0	0
KEVIN ROLLINS 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	BD OF TRUSTEES - VICE CHAIR 1 00	0	0	0
TULLY FRIEDMAN 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	BD OF TRUSTEES - TREASURER 1 00	0	0	0

Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
GORDON BINDER 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	BD OF TRUSTEES 1 00	0	0	0
HARLAN CHOW 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	BD OF TRUSTEES 1 00	0	0	0
JOHN FARACI 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	BD OF TRUSTEES 1 00	0	0	0
CHRISTOPHER GALVIN 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	BD OF TRUSTEES 1 00	0	0	0
RAYMOND GILMARTIN 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	BD OF TRUSTEES 1 00	0	0	0
HARVEY GOLUB 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	BD OF TRUSTEES 1 00	0	0	0
ROBERT GREENHILL 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	BD OF TRUSTEES 1 00	0	0	0
ROGER HERTOG 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	BD OF TRUSTEES 1 00	0	0	0
ALAN HOWARD 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	BD OF TRUSTEES 1 00	0	0	0
JOHN LUKE JR 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	BD OF TRUSTEES 1 00	0	0	0

Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
ROBERT PRITZKER 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	BD OF TRUSTEES 1 00	0	0	0
LEE RAYMOND 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	BD OF TRUSTEES 1 00	0	0	0
J PETER RICKETTS 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	BD OF TRUSTEES 1 00	0	0	0
EDWARD RUST JR 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	BD OF TRUSTEES 1 00	0	0	0
D GIDEON SEARLE 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	BD OF TRUSTEES 1 00	0	0	0
MEL SEMBLER 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	BD OF TRUSTEES 1 00	0	0	0
WILLIAM STAVROPOULOS 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	BD OF TRUSTEES 1 00	0	0	0
WILSON TAYLOR 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	BD OF TRUSTEES 1 00	0	0	0
WILLIAM WALTON 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	BD OF TRUSTEES 1 00	0	0	0
JAMES WILSON 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	BD OF TRUSTEES 1 00	0	0	0

Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
MARTIN KOFFEL 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	BD OF TRUSTEES 1 00	0	0	0
MARC LIPSCHULTZ 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	BD OF TRUSTEES 1 00	0	0	0
WILLARD BUTCHER 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	EMERITUS TRUSTEE 1 00	0	0	0
RICHARD MADDEN 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	EMERITUS TRUSTEE 1 00	0	0	0
ROBERT MALOTT 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	EMERITUS TRUSTEE 1 00	0	0	0
PAUL MCCRACKEN 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	EMERITUS TRUSTEE 1 00	0	0	0
PAUL OREFFICE 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	EMERITUS TRUSTEE 1 00	0	0	0
HENRY WENDT 1150 SEVENTEENTH ST NW WASHINGTON,DC 20036	EMERITUS TRUSTEE 1 00	0	0	0

Form 990, Part VI, Line 91b - If “Yes,” enter the name of the foreign country:

Country
NT
CJ
EI

TY 2007 Depreciation and Depletion Schedule

Name: AMERICAN ENTERPRISE INSTITUTE FOR
PUBLIC POLICY RESEARCH

EIN: 53-0218495

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2003 Gain/Loss from Sale of Nonpublic Securities Schedule

Name: AMERICAN ENTERPRISE INSTITUTE FOR
PUBLIC POLICY RESEARCH
EIN: 53-0218495

Name	Date Acquired	How Acquired	Date Sold	Purchaser Name	Gross Sales Price	Basis	Sales Expenses	Total (net)
SALE OF MARKETABLE SECURITIES	2007-01	PURCHASED	2007-12	VARIOUS	12,699,592	8,000,125	0	4,699,467

TY 2007 Investments - Securities Schedule

Name: AMERICAN ENTERPRISE INSTITUTE FOR
PUBLIC POLICY RESEARCH
EIN: 53-0218495

Description	Book Value	Cost/FMV
OFFIT HALL ABSOLUTE RTN FUND OFFSHORE FDR	9,634,163	F
VALUEACT CAPITAL PTRS II	4,306,640	F
FARALLON FUNDS	6,350,575	F
ETON PARK OVERSEAS FUND LTD	4,210,648	F
GANDHARA FUND LTD	2,484,111	F
CAXTON SELECT LLC	18,910,696	F

TY 2007 Land etc. Schedule

Name: AMERICAN ENTERPRISE INSTITUTE FOR
PUBLIC POLICY RESEARCH

EIN: 53-0218495

Category/Item	Cost/Other Basis	Accumulated Depreciation	Book Value
FURNITURE AND EQUIPMENT	4,033,683	2,963,952	1,069,731
LEASEHOLD IMPROVEMENTS	1,834,114	991,189	842,925

TY 2007 Other Changes in Net Assets Schedule

Name: AMERICAN ENTERPRISE INSTITUTE FOR
PUBLIC POLICY RESEARCH

EIN: 53-0218495

Description	Amount
UNREALIZED GAINS ON MARKETABLE SECURITIES	920,668

TY 2007 Other Liabilities Schedule

Name: AMERICAN ENTERPRISE INSTITUTE FOR
PUBLIC POLICY RESEARCH

EIN: 53-0218495

Description	Beginning of Year Amount	End of Year Amount
DEFERRED RENT	1,513,837	1,322,347
DEFERRED GOODWILL	0	346,679