2014 by the Numbers

- 46 People
- 54 Pardee RAND Graduate School
- 58 Investing in People and Ideas
- 48 Outreach
- 50 Events
- 70 Clients and Grantors
Nonprofit
Nonpartisan
Committed to the public interest
RAND develops solutions to public policy challenges to help make people throughout the world safer and more secure, healthier and more prosperous.
Message from the Chair and the President

In this age of information overload, the challenge for decisionmakers lies in finding information that is useful, timely, and trustworthy. Time and again, they turn to us for guidance, knowing that every undertaking at RAND is founded on a commitment to providing unbiased, uncensored, fact-based research and analysis.

Amid 2014’s violence, crises, and political upheaval, experts at RAND looked for solutions to some of the world’s most pressing challenges, including the rise of a powerful terrorist organization in the Middle East, destructive cyberattacks, the growing military caregiver crisis in the United States, and the relentless advance of dementia. They also looked ahead to emerging issues, studying the potential promise and peril of autonomous vehicles, new ways to structure and employ military power, means of curbing runaway health care spending, and how technology use in early childhood education might help level the playing field for disadvantaged children. Of course, these are just a few of the more than 1,700 ongoing research projects at RAND designed to help make people around the world safer and more secure, healthier and more prosperous.

With thanks to our clients, grantors, and donors, and to the thought-leaders and policy-minded individuals who rely on RAND for information they can trust, we are pleased to share the following stories of our accomplishments in 2014—another year at RAND of inspiring and inspired people and ideas.

Karen Elliott House, Chair, RAND Board of Trustees
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Michael D. Rich, President and Chief Executive Officer
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Millions of family members, friends, and health professionals provide essential care to the injured, ill, and disabled. But the landscape for many of these caregivers is bleak, and the number of people who need care is increasing. RAND’s work is shedding light on caregivers’ immediate and long-term needs and helping policymakers establish effective assistance programs.
Military Caregivers
America’s Hidden Heroes

The United States has seen a sharp increase in the number of veterans living with mental and physical disabilities. For their day-to-day needs, many rely on care provided by family or friends: informal caregivers who provide indispensable services and save the nation millions of dollars in health and long-term care costs.

There are approximately 5.5 million military caregivers in the United States today—including 1.1 million caring for service members and veterans who served after September 11, 2001—but no one has fully understood either their burden or their needs. In the largest such study to date, RAND researchers fielded a survey of military caregivers designed to shed light on these issues.

They found that, compared with noncaregivers, military caregivers consistently experience more health, family, and workplace problems—and that these problems are most acute among post-9/11 caregivers, who also face an elevated risk of depression. Additionally, few of the more than 100 programs designed to serve military caregivers actually target their services directly to that population.

These findings and RAND’s associated recommendations had immediate impact on Capitol Hill and beyond. In April 2014, The Military and Veteran Caregiver Services Improvement Act, which referenced RAND’s *Hidden Heroes* report, was introduced in the Senate; an identical bill was later introduced in the House of Representatives. In July, a bipartisan group of congressmen formed the Hidden Heroes Congressional Caucus for Military and Veteran Caregivers to develop legislation in support of military caregivers. The White House, the Chamber of Commerce, the Department of Defense, and other federal organizations are now working with advocates and industry partners to identify support solutions, create caregiver-friendly work environments, and prioritize and solve other caregiver issues.
A Blueprint for Dementia

Millions of Americans are struggling to help loved ones with dementia. And, between now and 2040, cases of dementia are projected to double, afflicting at least nine million people in the United States. As baby boomers begin to reach the ages of highest dementia risk, the nation must find ways to improve long-term services and supports (LTSS) specifically for this condition—an issue critical to the families and friends who provide the bulk of dementia care.

In 2013, RAND estimated that the annual costs of dementia care in the United States are between $159 billion and $215 billion, with most of that attributable to the cost of LTSS. Middle-class Americans in particular struggle with these costs because many can’t afford long-term care insurance policies and often don’t qualify for government help under Medicaid. Easing this mounting financial strain is crucial.

Federal efforts to develop a coordinated plan to address the growing impact of dementia on American society have focused either on preventing and treating dementia or on improving general (rather than specifically dementia-related) LTSS. However, the linked issues of quality of care for those with dementia and support for their caregivers have remained largely unaddressed. A 2014 RAND study supported by donor funds and led by senior behavioral scientist Regina Shih addressed these gaps, resulting in a national blueprint designed to provide relief to those with dementia and to their caregivers.

The blueprint outlines 25 high-impact policy recommendations organized around five objectives: increasing public awareness of dementia, improving access to LTSS for people with dementia, promoting high-quality care focused on meeting the needs of individuals and family caregivers, providing better support to family caregivers, and reducing the financial burden placed on individuals and families who must pay for LTSS for people with dementia.
There’s no single path toward providing better care for people with dementia and improving support for their caregivers. We need more and quicker action around a set of recommendations that respond to this growing problem.

Regina Shih, Senior Behavioral and Social Scientist
@ReginaShih
In a November 2014 hearing to examine mental health and suicide among veterans, Senator Patty Murray, a senior member of the Senate Veterans’ Affairs Committee, stated that there is no issue as pressing as providing quality, timely mental health care and suicide prevention programs to the nation’s military heroes. However, she also expressed concern about whether the U.S. Department of Veterans Affairs and local communities are equipped with the resources, policies, and training needed to help veterans in serious crisis.

Recent military veterans are at risk for major depressive disorder (MDD) and posttraumatic stress disorder (PTSD)—conditions prevalent among those who have deployed to combat zones. The Departments of Defense and Veterans Affairs have taken steps to improve access to high-quality mental health care for these veterans and their families by, for example, increasing the number of mental health professionals working in their facilities.

However, many veterans seek mental health services from practitioners outside the Veterans Affairs or military health system, often because these community-based providers are easier to get to. But are these providers prepared? Are they comfortable working with this unique group of patients? What do they know about the military and the experiences of veterans and their families? Are they trained in, and do they regularly practice, the evidence-based therapies recommended for MDD and PTSD?

In a survey of more than 500 psychiatrists, psychologists, licensed clinical social workers, and licensed counselors, RAND researchers found that most mental health providers are not well prepared to take care of the special needs of military veterans and their families. Very few meet key thresholds for two important factors: military cultural competence and use of evidence-based care.
Community-based mental health providers may not be as well prepared as they need to be to address the needs of veterans and their families.

Terri Tanielian, Senior Social Research Analyst
@TerriTanielian

Asked about factors related to military cultural competence—such as familiarity with military ranks, deployments, and other information and experiences common to veterans and their families—only one-fourth of participating mental health providers reported being very familiar with general and deployment-related stressors for service members and veterans; only about one-third reported prior training in military culture; and fewer than one-fifth demonstrated a high level of military cultural competence.

When it comes to evidence-based treatments for MDD and PTSD, 65 percent of the surveyed psychotherapists reported no prior training in these therapies. And even among those with training, only 41 percent reported actually delivering evidence-based therapies to most of their patients.

Overall, just 13 percent of the participating mental health providers met readiness criteria for both military cultural competence and delivering evidence-based care. As a group, they are considerably less prepared than providers who are affiliated with the Veterans Affairs or military health system.

Terri Tanielian, senior social research analyst, cautions that the results of this survey should not be overgeneralized. But as policies shift to permit millions of veterans and their families to seek mental health services in the private sector, she warns, providers they turn to across the country might need considerably more training, support, and resources.

Tanielian and her colleagues recommend that organizations that maintain provider registries include information about mental health practitioners’ ability to properly treat military and veteran populations. They also advise policymakers to expand access to effective training in evidence-based treatment approaches and to create incentives that encourage providers to use these strategies in their routine practice.
Education can play a vital role in nurturing productive citizens, preparing them for success in the workforce and helping close achievement gaps created by social and other factors. From preschools to prisons, from computers to community colleges, RAND's research helps families, educators, schools, and communities identify what works in education.
Learning Behind Bars

Each year, more than 700,000 adults are released from U.S. prisons. But 40 percent are usually reincarcerated within three years, often because they lack the skills needed to successfully reintegrate into communities. Between 2009 and 2012, states slashed spending on correctional education and training programs that aim, in part, to reduce this recidivism.

This dramatic decline in funding for correctional education and training programs is unfortunate because these programs work. In a meta-analysis of correctional education studies—the largest such analysis to date—RAND researchers found that these programs not only reduce recidivism and improve inmates’ post-release employment outcomes but are also cost-effective: Every $1 invested in these programs saves taxpayers an average of $5 in incarceration costs.

In 2014, RAND’s work on correctional education informed new legislation in California, which is struggling to reduce its prison population to comply with a U.S. Supreme Court order. In September, Governor Jerry Brown signed a bill that allows California community colleges to receive full funding for course instruction offered on-site in state prisons and that expands inmate access to courses that lead to degrees or certificates that enhance workforce skills or can be transferred to a four-year university. Previously, college courses at most California prisons were available only via recording or distance learning.

The office of State Senator Loni Hancock, the bill’s lead author, indicated that RAND’s work was key in setting the direction of the legislation, and the California Senate Committee on Education’s staff wrote that RAND’s report provided the basis for moving toward a “meaningful collaborative approach” between corrections facilities and course instructors.
Early Childhood Education and the Digital Divide

Digital literacy plays an important role in a child’s ability to succeed in school and beyond. Yet, despite rapid growth in society’s use of information and communication technology, many children in low-income families in the United States are unable to access and use technology in the same ways as their more-advantaged peers—a disparity commonly called the digital divide. The result? Fewer opportunities to learn, explore, and communicate digitally, and fewer chances to develop technology skills that might be needed for success in school and the workplace.

Could technology use in early childhood education help shrink the digital divide? If so, how can we ensure that technology is integrated into early childhood education settings in developmentally appropriate, intentional, and productive ways? What are the other potential rewards—and risks—of this integration?

In 2014, RAND researchers set out to answer these questions. They found that technology use in early childhood education has the potential not only to narrow the digital divide but also to ensure that all children enter kindergarten with increasingly important early digital literacy skills. Indeed, evidence suggests that technology use among children ages 3–5 may also help kids build literacy, math, and motor skills by providing additional opportunities for exploration, interaction, communication, and creativity.

People who use technology in the workplace earn more than those who don’t, and much of the nation’s future job growth may be concentrated in areas that require technology use. Technology is also becoming an increasingly important tool for learning in classrooms.

Rafiq Dossani, Senior Economist
We need to shift the conversation away from “Should young children use technology?” to “How can we use technology with young children to maximize its benefits?”

Lindsay Daugherty, Policy Researcher

Technology use among young children from all income groups is increasingly a fact of life, but not everyone is on board with technology use in early childhood education. Concerns include negative effects on the development of social and gross motor skills, contributions to obesity, and a decline in skill development in areas beyond digital literacy. So, in charting the road ahead, RAND researchers have remained mindful of the need to address potential harms while seeking to realize potential benefits.

In 2014, the team reached out to educators, policymakers, and others to launch a sustained national conversation aimed at addressing unresolved questions and providing evidence-based recommendations to ensure that technology betters children’s lives and learning. They advised stakeholders to define goals and identify roles for educators, other education providers, and families, who are critical partners in the education of their children.

There will be challenges. For example, identifying technology infrastructure requirements is not a straightforward undertaking, because many factors—such as the breakneck pace of technology development—make defining an “adequate infrastructure” a moving target. That said, the many potential benefits of technology use in early childhood education appear to outweigh the potential risks. With increased communication among stakeholders, commitment on the part of foundations and government agencies to contribute funding, and—most importantly—cooperation based on a shared dedication to preparing each child for success, it should be possible to integrate technology use into early childhood education in a way that benefits all children.
Computer Tutor?
Math, Machines, and Student Learning

Poor student performance in mathematics has long worried educators and policymakers in the United States. To boost performance, some districts and schools have turned to computer-based tools, which allow self-paced instruction and provide students with customized feedback—features that, it’s widely held, improve student engagement and proficiency. However, evidence to support these claims is scarce, and these tools have often been adopted with little or no evaluation.

To narrow this knowledge gap, RAND researchers conducted two parallel experiments involving a popular first-year algebra curriculum called Cognitive Tutor Algebra I, or CTAI. The CTAI course, offered in both middle school and high school, blends classroom instruction and textbook-based activities with computer-based instruction. RAND’s study—one of the largest and most comprehensive of its kind to date—used data from 147 school sites in 51 school districts in seven states. Schools participated for two years, and the experiment involved more than 20,000 students.

Using scores from standardized tests, researchers measured changes in students’ algebra proficiency after one year of instruction. Compared with control-group students who received traditional instruction, high school students in CTAI courses demonstrated significantly larger performance gains, although this effect appeared only in the second year of the experiment. (Performance gains were observable, but not statistically significant, among middle school students in CTAI courses.)

RAND’s findings—described in a practitioner-friendly summary lauded by an Education Week contributor as “excellent, readable, accurate, and fair”—are important for educators and policymakers seeking to improve algebra achievement. “But they may also be of broader interest,” says senior scientist John F. Pane. “Future research may reveal that using technology to enable a personalized, blended-learning approach is a way to improve student achievement in other subjects too.”
Expanding Access to Baccalaureate Degrees in Texas

In Texas, as elsewhere, obtaining a college education has become an increasingly expensive proposition. And in Texas, as elsewhere, workforce shortages in critical occupations have employers and students clamoring for new ways to develop needed skills.

To address these linked issues, the Texas Legislature commissioned a careful examination of the implications of authorizing an alternative, lower-cost pathway for obtaining a four-year degree: community college baccalaureates. The College for All Texans Foundation, which works to further the objectives of the Texas Higher Education Coordinating Board, asked RAND to conduct the study.

RAND researchers assessed unmet workforce-development needs in nursing and the applied sciences, finding that community college baccalaureate expansion has the potential both to help meet these needs and to increase student degree attainment in Texas. However, they caution that expansion is not without risks, including counterproductive competition between universities and community colleges and potential cost increases at community colleges.

In a report praised by stakeholders on all sides of the issue, researchers identified principles and activities designed to help Texas weigh tradeoffs and evaluate policy options. Members of the Texas Higher Education Coordinating Board credited the project with shaping—and in some cases changing—their views of baccalaureate expansion, and “the thoughtful and well-balanced study” ultimately led the board to recommend that the legislature authorize some community colleges to develop new baccalaureate degrees. State Senator Rodney Ellis has declared his intent to file legislation to implement the board’s recommendations in 2015.
In 2014, the Islamic State, Boko Haram, and other terrorist organizations entered the public consciousness through brazen acts of violence. “Lone wolves” terrorized communities in the United States and around the world. RAND’s efforts to understand and counter terrorism, begun in the 1970s, continue today, with an increased focus on identifying anti-terrorism measures and building resiliency in the face of potential attacks.
Salafi-Jihadists
A Persistent Threat

The status of al Qa’ida and other Salafi-jihadist groups is a subject of intense debate. Is al Qa’ida still a serious threat? Do homegrown terrorists constitute a greater danger? What are the aims of the broader panoply of Salafi-jihadist groups, including the self-styled Islamic State?

To answer these questions, senior political scientist Seth G. Jones examined thousands of documents, including the communications of al Qa’ida and other Salafi-jihadist leaders, and compiled an unprecedented database of information on Salafi-jihadist groups, including their activities and size.

Jones found that, since 2010, there has been a 5-percent increase in the number of Salafi-jihadist groups, a doubling of Salafi-jihadist fighters, and a tripling of attacks by al Qa’ida affiliates. But the threat posed by these diverse groups varies widely. Some show little interest in Western targets. Others pose an immediate threat to the U.S. homeland. Still others threaten U.S. interests, but only abroad.

The most significant threat to the United States, Jones suggests, comes from groups in such countries as Afghanistan, Iraq, Pakistan, Syria, and Yemen. Accordingly, Jones says, the United States cannot afford to withdraw from the Middle East. Yet it also cannot afford to remain disengaged from key parts of North Africa and South Asia, where weak government control creates opportunities for extremists.

“After more than a decade of war in Iraq and Afghanistan, it’s tempting to turn our attention elsewhere and scale back our counterterrorism efforts,” Jones says. “But the struggle is far from over.” Instead of reducing counterterrorism funding, Jones counsels policymakers to adopt a more adaptive counterterrorism strategy of engagement, forward partnering, and offshore balancing. He also advises aggressively targeting terrorist groups in Syria, which, in 2013, was host to more than half the world’s Salafi-jihadists.
Terrorism Risk Insurance

Insurance markets were unprepared for the aftermath of the terrorist attacks of September 11, 2001, and terrorism risk insurance—generally included in coverage for business interruption, property, and liability insurance—quickly became either unavailable or extremely expensive. Congress responded by passing the Terrorism Risk Insurance Act (TRIA) in 2002, creating mechanisms for spreading losses across policyholders nationwide and, in some cases, providing for government payments to cover the most-extreme losses.

Extended first in 2005 and again in 2007, TRIA was set to expire on December 31, 2014, and Congress was once again debating what role the government should play in terrorism insurance markets. Through two streams of research—one focusing on national security and the other on federal spending—RAND researchers identified the likely implications of allowing TRIA to expire.

From a national security perspective, researchers found that TRIA’s expiration could make the United States less resilient to future attacks, since many businesses eligible for terrorism insurance might not obtain it due to post-TRIA price hikes or reduced availability. Conversely, access to appropriately priced terrorism insurance could promote economic growth, making resources available to address national security threats or other social problems. Recovery and rebuilding could also occur more quickly and efficiently if businesses understood how much compensation would be available and how it would be distributed—clarity that TRIA helps provide.

Terrorism remains a real—albeit uncertain—threat to national security. TRIA helps companies cope with this risk.

Henry H. Willis, Director, Homeland Security and Defense Center
@HenryHWillis
In the absence of a terrorist attack, TRIA costs taxpayers little. In the event of a terrorist attack, it could actually save them money.

Tom LaTourrette, Senior Physical Scientist

From the federal spending perspective, letting TRIA expire could ultimately cost the federal government billions more in post-attack disaster assistance compared with a future in which the program is reauthorized. Because TRIA has helped keep terrorism risk insurance available and affordable for businesses, letting it expire could cause a sharp decline in the number of businesses with terrorism coverage, meaning that more attack losses would go uninsured and demand for disaster assistance would increase. Researchers note, however, that in the case of losses larger than $50 billion, federal government spending would be greater under TRIA than without it.

In 2014, RAND researchers briefed audiences on Capitol Hill, hosted a conference, published an op-ed in U.S. News & World Report, and discussed their findings in an interview on C-SPAN. Their work was featured in insurance industry journals and on the websites of Roll Call, The Wall Street Journal, Bloomberg, and The Washington Times, among others.

In June, Representative Randy Hultgren, who sits on the House Financial Services Committee, cited RAND’s research in an op-ed expressing his support for extending TRIA and encouraging other Republican lawmakers to do the same; in December, he again referenced RAND’s findings during the House debate over reauthorization. On the other side of the political spectrum, Senator Tim Johnson, Chairman of the Senate Committee on Banking, Housing, and Urban Affairs, cited the same work in his pro-reauthorization statement at a TRIA markup session. In early 2015, a bill reauthorizing TRIA through 2020 became the first piece of legislation signed into law in the new year.
Countering the Islamic State

In the summer of 2014, the Sunni extremist organization known as the Islamic State made headlines as it swept through Fallujah, Mosul, and other Iraqi cities, quickly wresting control from Iraqi security forces and perpetrating human rights abuses and ethnic cleansing on what Amnesty International has called a “historic scale.”

Developing a strategy to neutralize the Islamic State is a difficult proposition with no easy answers. But weeks before President Obama vowed on September 10, 2014, to “degrade and ultimately destroy” the Islamic State, RAND researchers were briefing Congress on the group’s finances, management, safe havens, networks, use of social media, and local support—all with the aim of informing and improving the strategy adopted by the emerging anti-Islamic State coalition.

One week after President Obama’s announcement, senior international policy analyst Ben Connable testified before the Senate Committee on Foreign Relations about options for freeing northern and western Iraq from the clutches of the Islamic State. “The success or failure of any coalition effort to defeat the Islamic State,” he testified, “hinges not on tactical considerations or tribal engagement” but on the more critical issue of national reconciliation between Sunni and Shia Iraqis. If the coalition predicated its actions in Iraq on bringing about this reconciliation, he suggested, it can succeed. If it doesn’t, he warned, its efforts are, in the long run, likely to fail.

According to Connable, approaches to defeating the Islamic State through primarily military or counterterrorism activities are unlikely to weaken the group to the point of defeat. Neither airstrikes nor the Iraqi Army—even bolstered with coalition trainers and equipment—are likely to crush the primary sources of its fighting power: overall morale and aggressive, motivated small infantry units. Similarly, hopes that a “Second Awakening” will turn Sunni Arabs against the group and put an end to violence in Iraq are unfounded, Connable contends: “There is an ongoing Sunni revolt against the Iraqi government that, if not addressed, will continue even if the Islamic State is ejected.”
The threat posed by returning fighters cannot be dismissed. It takes only one or two determined individuals to carry out a deadly terrorist attack.

Brian Michael Jenkins, Senior Advisor to the President of RAND
@BrianMJenkins

"Only intensive, one-sided national reconciliation efforts aimed at the broad Sunni population will lead to lasting success," Connable testified. He advises the coalition to encourage Iraqi Prime Minister Haider al-Abadi to swiftly enact a list of measures intended to win Sunni support, including depoliticizing the Iraqi justice system and reconstructing damaged Sunni areas. Supported with tactical military action designed to preserve and improve relationships between the Sunni and the state, Connable contends, efforts to effect a Sunni-Shia reconciliation might be the best, least costly—and indeed only—option for defeating the Islamic State and ensuring enduring stability in Iraq.

As Connable testified before Congress, Brian Michael Jenkins, internationally renowned terrorism expert, was examining another aspect of the threat: Western recruits returning home after fighting for the Islamic State in Iraq and Syria.

Jenkins outlines several potential attack scenarios. The first is a major attack (along the lines of 9/11) in which Western recruits are trained, sent home, and then supported in carrying out a major terrorist operation in the West. The second is a Shoe Bomber–type scenario in which one or more recruits are equipped with concealed explosives and instructed to sabotage an airliner. The most likely scenario, Jenkins posits, is a series of low-level attacks on civilians or military service members—attacks that the Islamic State has publicly and explicitly encouraged.

Returning fighters add a layer to the terrorist threat the United States already confronts, but Jenkins suggests that it can be managed with existing resources and rules. However, he cautions that the threat cannot be dismissed. American intelligence efforts should focus on reducing the flow of foreign volunteers to Syria and Iraq, identifying those who have made the trip, and picking up or monitoring those who return.
Cyberspace and Big Data

Modern technology affords access to astonishing amounts of information. But with this access come concerns about privacy, information overload, and the security of networks, data repositories, and transmissions. RAND's exploration of the promise and potential pitfalls of the cyberrevolution continues, with a focus on the concerns of nations, citizens, and organizations both large and small.
Black markets for cybercrime tools and stolen data have grown and matured by leaps and bounds. We’re constantly playing this cat-and-mouse game, but ultimately companies just patch and pray.

Lillian Ablon, Researcher
@LilyAblon

Promising countermeasures include new encryption methods and technologies that promote safer password storage. Law enforcement might also begin infiltrating black markets and “hacking back” at the digital underworld. But cybercriminals always seem to be one step ahead, and researchers warn that the ability to attack may continue to outpace the ability to defend. In the absence of effective defensive strategies, the black market will continue to grow, and potential victims will stand to lose even more.

The Hackers’ Bazaar

In late 2013, hackers breached retail giant Target, compromising 40 million credit card numbers and 70 million user accounts. Within days, those data were available for purchase on black-market websites. This event was neither an anomaly nor even the largest such breach on record. But it was a very public reminder that cybercrime is inextricably tied to a growing and maturing underground economy—a veritable hacker’s bazaar.

This burgeoning market of tools for stealing the precious data of governments, businesses, and individuals lurks in the secret, dark recesses of the Internet. There, a growing number of cybercriminals—not only lone hackers but also highly organized groups with cartel, terrorist, or even nation-state connections—can also buy, sell, and trade everything from stolen personal information to account credentials.

In 2014, RAND researchers shed light on this shadowy world, describing cybercrime black markets and exploring how they may evolve. The news is not encouraging. Activity in “darknets” is poised to grow, and hackers will likely adopt ever-stronger encryption, obfuscation, and anonymization techniques.
Help Wanted
Cybersecurity Professionals

In 2010, National Public Radio reported that there may be "no country on the planet more vulnerable to a massive cyberattack than the United States, where financial, transportation, telecommunications and even military operations are now deeply dependent on data networking." The report also cautioned that the country’s cyberdefenses are "not up to the challenge."

In the intervening years, the nation’s dependence on cyberservices has grown and the supply of trained cybersecurity professionals has failed to keep pace. Today, demand for these professionals is high nationwide, but the shortage is particularly severe in the federal government, especially in the fields of national security and intelligence. This shortage complicates efforts to secure the nation’s networks and may leave the United States both ill-prepared to engage in cyberwarfare and more vulnerable to cyberattacks.

To gain a clearer picture of the labor market for cybersecurity professionals, RAND researchers reviewed previous studies, examined the economics of particular kinds of skilled labor shortages, interviewed managers and educators of cybersecurity professionals, and cataloged the skill sets required for these jobs. They found that demand for cybersecurity professionals began to overtake supply in 2007, mainly due to increased reports of large-scale hacking, including leaked credit card data, attacks on Internet connectivity, and the discovery of teams of hackers who target intellectual property by establishing a persistent presence in the networks of U.S. targets.

They also found that educating, recruiting, training, and hiring cybersecurity professionals takes time, and that, though varied, the cybersecurity manpower shortage in the federal government is primarily at the high end of the capability scale. At that level, professionals can command salaries of more than $200,000—figures that the private sector can pay but the government doesn’t match.
In time, market forces and existing programs may very well mitigate the shortage of cybersecurity professionals. Meanwhile, the government can take measured steps to address the shortfall.

Martin C. Libicki, Senior Management Scientist

The outlook seems grim, but there’s already been a large increase in relevant government-supported education, and the number of computer science majors in the United States has grown. Additionally, many large organizations have found innovative ways of dealing with the shortage through internal promotion and education efforts, although some still face difficulties in recruiting or retaining upper-tier cybersecurity professionals.

In the federal government’s case, the researchers recommend waiving civil service rules that make it hard to hire talented cybersecurity professionals, continuing to hire these professionals despite sequestrations, refining tests to identify candidates likely to succeed in these careers, and developing ways to attract women to the field. A longer-term approach entails reducing the demand for cybersecurity professionals in the first place by limiting the use of problematic computer applications or by encouraging the development of harder-to-hack operating systems.

But the researchers caution against taking drastic steps to increase the quantity and quality of cybersecurity professionals, as these measures are unlikely to bear fruit for another five to ten years. By then, current concern over cybersecurity could easily abate because of new technology and more-secure architectures. Pushing too many people into the profession now could result in a glut of highly trained but narrowly skilled individuals who could better serve national needs in other vocations.
Connected on the Couch
Data Devices in the Living Room

Smart TVs and game consoles, streaming devices, and other Internet-connected gadgets are ensuring that, very soon, we’ll never have to leave our sofas, much less our homes, in search of information or entertainment. But this shift toward greater connectivity also raises a host of security and privacy concerns, such as the potential for online fraud and data breaches. To better understand the implications of the connected living room, Ofcom, the United Kingdom’s communications regulator, asked RAND Europe to investigate.

The trend toward greater connectivity on the couch poses threats to consumers and challenges to industry, RAND researchers determined. Some risks to consumers stem from complacent end-users, who are not accustomed to thinking of their TVs as potential pathways for Internet threats, such as fraud, scams, and bullying. Connected devices also raise privacy concerns, because companies often gather users’ personal information in exchange for access to services or content—a process many users undergo unwittingly and sometimes without having given explicit consent.

For industry, one prominent concern is how this technology might affect business models. Subscription streaming services might help the bottom line, but seamless smart TV–smartphone integration might facilitate piracy. Businesses also worry about risks to their reputation in the event of data breaches, and about perceptions of the role industry could play in surveillance—concerns that might increase as more personal data are shared through Internet-connected devices.

Jon Freeman, research leader, notes that the connected living room is still evolving, along with our grasp of the full implications of related security and privacy issues. Existing strategies for tackling these concerns, such as public-awareness campaigns, may not be viable for much longer. But the evolution of the connected living room is also an opportunity to think afresh about security and privacy, not just in our living rooms but in every space.
The Navy was quickly approaching an intelligence-gathering “tipping point”—the point at which its analysts would no longer be able to exploit data as quickly as commanders needed it. The tactical cloud will be a big step forward.

Isaac R. Porche III,
Senior Engineer
@IsaacPorche

The U.S. Navy relies on intelligence, surveillance, and reconnaissance data for a host of mission-critical tasks. However, its analysts are struggling to keep pace with the flood of data generated by military and other sensors. Their challenges include extremely slow download times, workstations cluttered with applications, and siloed databases and networks—challenges that will only intensify as additional sensors go live in coming years.

Using a RAND-developed model of analyst productivity and a year of operational data, researchers found that one potential solution—dynamically managing analyst workloads across geographic areas—would help, but only to a point. A complete solution to the Navy’s challenge, they determined, must encompass changes along four dimensions: people, tools and technology, data and data architectures, and demand and demand management.

In work hailed by one Department of Defense official as the “best analysis of IT architectures to date” that focuses on human-computer interaction, researchers determined that the best of four options is a “cloud” strategy (similar to strategies used by the Intelligence Community and Google) that offers significant performance improvements and might prove most amenable to future technological advances.

In August 2014, shortly after RAND published the study’s results, the Navy announced plans to develop an Expeditionary Warfare Naval Tactical Cloud—an undertaking that incorporates the report’s main recommendations. This cloud’s services, analytics, and visualizations will help the Navy leverage big data to significantly improve and accelerate information integration, mission planning, and the execution of expeditionary operations.
A person’s health depends on many factors, including biology, genetics, and his or her social, economic, and physical environments. But it also depends on health care and personal health behaviors—two of the many areas RAND studies to advance the understanding of health dynamics and help policymakers make decisions that promote health among individuals, families, and communities.
Our results underscore the potential benefits of improving coordination. As health care delivery and payment programs evolve, we need to assess whether they improve continuity of care.

Peter S. Hussey, Director, Health Services Delivery Systems, RAND Health

Chronic Diseases and Continuity of Care

Coordination of care in the U.S. health care system is a popular topic in both the medical and policymaking communities, and with good reason: It’s been hailed as an effective way to provide high-quality care while driving down long-term costs.

Coordination is considered especially important in the case of patients with chronic illnesses, who see many different providers across many different settings and whose doctors don’t always communicate effectively with other physicians. Poor coordination, which is widespread in the health care system, has adverse effects on health care costs, patient outcomes, and patient experiences with care. So, does improving coordination make a difference?

To answer this question, RAND researchers studied one important aspect of care coordination: the extent to which a patient’s health care visits occur with the same provider, referred to as continuity of care. Reviewing insurance claims data, researchers assessed the association among continuity of care, costs, and patient outcomes during episodes of care for nearly 300,000 Medicare patients with one or more of three chronic diseases: congestive heart failure, chronic obstructive pulmonary disease, and type 2 diabetes. They found that higher levels of continuity of care were consistently associated with lower rates of hospitalizations, emergency room visits, and complications. They also found that costs per episode of care were, on average, 5 percent lower. These findings suggest that modest improvements in coordination of care for patients with these three conditions alone could save Medicare as much as $1.5 billion annually.
A Somewhat Rocky Road
Implementation of the Affordable Care Act

Implementation of the Patient Protection and Affordable Care Act (ACA) has been marked by controversy, delay, and unexpected twists and turns. Throughout 2013 and 2014, as the national debate over health care reform persisted, RAND continued to focus on the facts, providing objective, nonpartisan information on a host of issues.

When critics cited the Obama administration’s July 2013 decision to delay enforcement of the employer mandate as evidence of the mandate’s ultimate unworkability, researchers turned to COMPARE, a RAND-developed modeling tool that helps them estimate how policy changes might affect key outcomes, such as enrollment, consumer costs, and government spending. Their analysis suggested that the delay would, in fact, have only a modest effect on coverage and premiums. It also indicated that a full repeal of the employer mandate would cause federal revenue to fall by $149 billion over the next ten years.

Several months later, millions of Americans began receiving notices that their pre-ACA health insurance policies had been canceled. This contradicted President Obama’s assurance that Americans would be able to keep their existing health care plans. The administration’s “keep your plan” fix allowed consumers to extend their existing plan through 2016, even if it doesn’t comply with ACA regulations. Researchers estimated that this measure reduced the number of uninsured by approximately half a million and resulted in only modest declines in the number of individuals enrolled in individual exchanges—not the “death spiral” predicted by some.

As the first open enrollment period under the ACA got under way in late 2013, media outlets became saturated with predictions that if too few enrollees in the individual exchanges were young adults, the costs associated with older, less-healthy adults would lead to higher premiums...
Subsidies are essential to the functioning of the individual market and to ensuring that plans for nonsubsidized enrollees remain affordable.

In a study funded by RAND’s Investment in People and Ideas program, researchers modeled the likely effects of ending subsidies in the 34 states where the federal government operates individual insurance marketplaces. They estimated that eliminating subsidies for low- and moderate-income people who purchase ACA-compliant plans would reduce enrollment in those 34 states from 13.7 million to 4.1 million—a drop of 9.6 million, or 70 percent. The analysis also suggested that unsubsidized individual market premiums in states with federally run marketplaces would rise substantially: Annual premium costs for a 40-year-old nonsmoker purchasing a silver plan would rise from $3,450 to $5,060—a price hike of $1,610, or 47 percent.

and ultimately destabilize the exchanges. However, RAND analysis suggested that the share of “young invincible” enrollment had only a modest effect on market premiums and stability: A drop of 1 percentage point in the share of young adults translated into a premium increase of less than half of 1 percent.

In late 2014, the U.S. Supreme Court agreed to hear a case that challenges the legality of government subsidies that help low- and moderate-income people buy health insurance in marketplaces operated by the federal government. These subsidies were designed to help make health insurance affordable for a broad cross-section of Americans and to help hold down costs for nonsubsidized enrollees. The legal challenge to these subsidies rests on the grounds that the wording of the law allows such aid only to people who buy policies through state-run marketplaces.
The Health Experiences and Outcomes of Lesbian, Gay, and Bisexual Populations in the United Kingdom

The physical and mental health of sexual minorities appears to differ in several ways from that of the general population. For example, sexual minorities are more likely to suffer from depression, anxiety, and substance abuse, and more likely to report other adverse health conditions. Some also describe negative health care experiences after disclosing their sexual orientation, including denial of care and verbal abuse. However, much of what we know about these issues relies on studies involving small sample sizes, whereas larger, representative samples would be strongly preferred.

In September 2014, RAND researchers published the results of one of the largest studies of sexual minority health and health care ever conducted, drawing on responses from two million people who completed a government survey in the United Kingdom. More than 27,000 of the respondents described themselves as lesbian, gay, or bisexual.

Researchers found that sexual minorities were two to three times more likely to report having a longstanding psychological or emotional problem and 50 percent more likely to report negative experiences with primary care services, including in such areas as trust and confidence in their primary care physicians, communication with primary care physicians and nurses, and overall satisfaction with care.

Martin Roland, special advisor to RAND Europe, suggests that the poorer health reported by sexual minorities may be due in part to hostile environments created by stigma, prejudice, and discrimination—hostility that may have seeped into medical practice. Senior principal researcher Marc N. Elliott says that the results suggest a need to develop approaches tailored for lesbian, gay, and bisexual patients. In the future, Elliott hopes to explore these issues in the United States, where sexual minorities report health problems similar to those revealed in this work but where there have been no comparable studies.
Lowering the Incidence of Health Care–Associated Infections

Infections that strike patients as they undergo medical treatment are among the most preventable leading causes of death in the United States. For years, conventional wisdom held that these infections were simply an expected complication of illness, but evidence gradually began to suggest that many such infections are indeed preventable.

In 2009, the Department of Health and Human Services released a national action plan aimed at preventing and ultimately eliminating these life-threatening infections. The plan promoted actionable prevention initiatives, such as standardizing hand-washing among health care providers. It also urged providers to consider both the benefits and risks when deciding whether to use certain treatments, devices, and procedures that can help patients heal but that can also compromise the body’s natural defenses.

In partnership with IMPAQ, a public policy research firm, RAND researchers evaluated the outcome of the plan’s prevention efforts between 2009 and 2012. They found that the plan was indeed associated with reductions in the rates of health care–associated infections. “Much progress has been made in raising awareness of and developing strategies for curbing these life-threatening infections,” says Katherine L. Kahn, senior natural scientist.

But more needs to be done to eliminate this deadly problem. For example, more-robust efforts are needed to improve our basic scientific and epidemiologic understanding of these infections, and the science of how best to implement evidence-based prevention methods must be advanced. Efforts to prevent health care–associated infections need to be aligned with the broader patient safety movement and integrated into the ever-expanding field of health information technology. Additional funding will be required to meet these goals.

Kahn and social scientist Peter Mendel will continue to play an active role in evaluating the effectiveness of the national plan for the elimination of health care–associated infections. In 2015, they will continue to populate a national inventory of associated programs and projects, document ongoing trends in infection rates, and assess the progress of the national action plan as it broadens its focus from the inpatient setting to ambulatory care settings, dialysis units, and long-term care facilities.
In 2014, the United States confronted a panoply of threats that demanded sound strategy and considerable agility. The military shouldered a large share of the burden of confronting challenges to national security—a trend unlikely to diminish in the coming years. RAND is helping the nation understand how to position its resources, both military and otherwise, to counter persistent and emerging threats to national security.
Improving Strategic Competence

The United States has been engaged in 13 years of continuous military operations. Wartime pressures and the need to confront a wide range of complex threats have afforded little time for sustained reflection on the part of the architects of military policy and strategy. But reflecting on the past is critical for success in the future.

Through document reviews, interviews, and a workshop attended by policymakers and national security experts, RAND researchers identified seven lessons to be learned from the past 13 years of war. These include the imprudence of relying on technology as a substitute for sociocultural, political, and historical knowledge; the need to base strategy on the target country’s political realities; the inadvisability of launching military interventions without a plan to conduct stability operations, capacity-building, and counterinsurgency; and the potential for using cost-effective shaping, influence, and unconventional operations to obviate the need for larger, costlier interventions.

For the U.S. Army, whose interest lies in identifying changes needed in land and special operations forces, the researchers specifically recommend creating smaller units organized to accomplish a specific mission, increasing the number of “multifunctional personnel” with more than one specialty, and developing plans for quickly surging expertise in critical regions.

Linda Robinson, senior international policy analyst, reports that this work has gained considerable traction in key communities, including the Army’s Training and Doctrine Command and several civilian and military academic institutions, which are incorporating RAND’s findings into their curricula. Although the study examined past events, Robinson sees the report not as a history but rather as an “instruction manual” for meeting the challenges posed by the Islamic State, Russian aggression, and future conflicts.
missions in a single high-threat area could demand more than 270,000 troops, including special operations and technical units, general-purpose forces for security and logistics, and, potentially, combat troops.

To avoid a situation in which the United States finds that it lacks the capabilities and capacity needed to secure and neutralize WMDs, the researchers recommend that the military view WMD counterproliferation and elimination as missions that drive resourcing priorities and decisions. Additionally, they suggest that Department of Defense decisions concerning the Army’s force structure should account for how many conventional ground forces these missions will require.

To do this, policymakers must answer two key questions: How many WMD sites should the United States be prepared to secure and neutralize simultaneously, and how big are these sites? They must also determine the force requirements for counterproliferation and elimination missions across a range of scenarios, and in both contingency and operational campaign planning.

WMDs and the Strategy-Policy Mismatch

Two successive U.S. presidents have identified weapons of mass destruction (WMDs) as the greatest threat to the American people. Both declared that countering their proliferation is a top strategic priority. But did either president back these words with resources? RAND researchers studying potentially vulnerable WMD arsenals, such as those in North Korea, say no.

The U.S. military has made important progress in developing ways of countering WMDs, but there’s little evidence that it has adequately resourced the means to carry out counterproliferation and elimination missions. In other words, there appears to be a significant gap between the urgency of the threat—including the possibility of extremists absconding with WMDs during a civil war—and the resources allocated to that threat.

Ground forces, particularly those of the U.S. Army, are especially well-suited for WMD elimination missions. But, in a study funded by RAND’s Investment in People and Ideas program, researchers found that large elimination
The changes we propose could enhance the Air Force’s operational readiness and save hundreds of millions of dollars every year.

Patrick Mills, Senior Operations Research Analyst
The U.S. Army in Asia, 2030–2040

Asia as a whole is of great importance to the United States, but, for the next several decades, the Sino-U.S. relationship will be the fulcrum on which the region’s security order balances. What kind of strategy will allow the United States to pursue its goals in the region peacefully and, when possible, with China’s cooperation? How can the United States work to prevent the emergence of an overtly hostile relationship with China while simultaneously hedging against the possibility that one could nonetheless emerge?

RAND researchers studying these questions caution, first and foremost, that China should not be viewed as a 21st-century Soviet Union. The United States needs a strategy that acknowledges the potential for friction in the region while recognizing its shared interests with China at the global level—a strategy that combines both engagement and deterrence.

Robust military-to-military relations between the two countries will be critical to improving understanding and increasing transparency. But the U.S. military must also develop capabilities to counter Chinese force projection. The U.S. Army will play an important role in both.

Researchers recommend that although the Army should continue to explore ways of countering Chinese anti-access/area-denial capabilities, a more effective approach would focus on preventing regional aggression. To that end, the Army should emphasize acquiring capabilities needed to defeat Chinese force projection while simultaneously helping U.S. partners in the region build capacity to play a larger role in their own defense. The Army should also anticipate new requirements to conduct and support joint military operations that might significantly increase demands on its combat support and combat service support forces.

Positive relations between the United States and China are so important to U.S. global interests that this goal should be reinforced—rather than compromised—by any military strategy.

Terrence K. Kelly,
Director, Strategy and Resources Program, RAND Arroyo Center
Improving Demographic Diversity in the U.S. Air Force Officer Corps

Despite the U.S. Air Force’s efforts to create a force that mirrors the racial, ethnic, and gender differences of the nation’s population, minorities and women are underrepresented among active-duty line officers, who constitute about 80 percent of total Air Force officers. This disparity is especially evident at senior levels: As rank increases, the proportion of minority and female officers declines.

Why does diversity matter? One compelling answer is force readiness. As the congressionally mandated Military Leadership Diversity Commission reported in 2011, the military’s performance is explicitly tied to every individual’s belief that he or she will be treated fairly regardless of his or her background.

RAND researchers who analyzed data on Air Force eligibility, accessions, retention, and promotion found that disparities in representation begin with the population that joins the Air Force, which is less racially and ethnically diverse than the general U.S. population, mainly because some minority groups meet eligibility requirements at lower rates. They also found that female line officers choose to continue to serve at significantly lower rates than their male peers for reasons that are still unclear.

When it comes to advancement, researchers found no evidence that the Air Force promotion system is unfair. However, minorities and women are more likely than whites and men to choose career fields with lower rates of promotion to senior ranks, and certain characteristics particular to minority groups have a negative effect on promotion that builds over time.

The Air Force has little influence over the social patterns and other factors that contribute to lower eligibility among minorities. So, if it wants more minority candidates to join, it must either modify its selection criteria or improve its outreach and recruiting. The Air Force should also investigate why female officers have lower retention rates than male officers and encourage more minority and female cadets and officers to choose career fields with higher promotion rates.
Technology breakthroughs, incremental advances, new ways of thinking about and using existing systems and items—innovation in its many forms holds tremendous promise for improving the well-being of individuals, families, and communities. But innovation can also introduce challenges for policymakers, practitioners, and the public. RAND examines both the benefits and potential drawbacks of innovations to help improve decisions about their adoption and management.
The social benefits of autonomous vehicles—including decreased crashes, increased mobility, and improvements in fuel economy—will outweigh the likely disadvantages.

James Anderson, Senior Behavioral Scientist

The Future of Driving Just Pulled Up (on Its Own!)

Self-driving vehicles offer the promise of significant benefits to society. These include reductions in crashes, energy consumption, and pollution, as well as increases in fuel economy, ride-sharing, and mobility and independence for the elderly, the disabled, and the blind.

But autonomous vehicles also raise policy challenges, including the need to update insurance liability regulations, avoid conflicting state-based regulatory requirements, and assuage privacy concerns. Autonomous vehicles might also encourage greater travel and therefore increase congestion. Furthermore, if autonomous vehicle software becomes standardized and Internet-based, a single flaw or cyberattack could lead to many accidents.

To help state and federal policymakers understand the regulatory challenges and liability issues raised by autonomous vehicle technology, RAND researchers interviewed automobile manufacturers, technology companies, communications providers, representatives from state regulatory agencies, and other stakeholders. They learned that car manufacturers and policymakers will have to work through a host of issues before the use of driverless vehicles becomes widespread. These include identifying sensor failure, developing infrastructure that allows traffic signals and other systems to communicate with these cars, and making sure the technology can’t be hacked.

The researchers suggest that a guiding principle for policymaking is to encourage autonomous vehicle technologies when the facts indicate clear societal advantages over the capabilities of the average human driver. They advise policymakers to avoid passing regulations prematurely while the technology is still evolving, to consider how distracted-driving laws will need to be updated to incorporate autonomous vehicle technology, and to clarify who will own the various types of data generated by this technology and how they will be used.
Medical Innovation and the Cost Paradox

No matter how it’s tallied—in total, per capita, or as a percentage of gross domestic product—U.S. spending on health care outstrips that of any other nation, and costly new technology is one of the biggest drivers of that spending. Whereas innovation in other fields often drives costs down, in the U.S. health care environment, financial incentives encourage pharmaceutical companies and devicemakers to pursue increasingly expensive products that boost spending, regardless of whether they also substantially improve health.

With support from the Bill & Melinda Gates Foundation, RAND researchers explored ways to change the costs, risks, and rewards of medical product innovation so that inventors and investors are motivated to create technologies that could both improve health and reduce spending, or at least ensure that costlier advances produce large enough health benefits to justify their added expense.

There are several roadblocks to high-value medical product innovation. For example, scientific understanding of many medical conditions falls short of what inventors and investors consider a “good bet” for investment. And the time and money involved in obtaining regulatory approval pushes them in “safer” directions so that their products get to market more quickly and start generating sales.

The researchers identified ten policy options that could alter the financial incentives that drive medical-product innovation. These include offering prizes for inventions, buying out patents, expediting regulatory approval, reforming Medicare payment and coverage policies, and establishing a public-interest investment fund to provide inventors with capital. “Failing to address the status quo delays the establishment of stronger incentives for inventors to find ways to save money,” says Steven Garber, senior economist. “This means that money that could be spent on other social priorities will instead be spent on health care that isn’t worth the expense.”
There’s No App for That—Yet
Improving Access to Victim Services

The Bureau of Justice Statistics estimates that 26 million Americans become victims of crime every year—a figure that captures only a subset of crimes and undoubtedly understates the total number of victimizations. Government and private organizations offer a variety of victim services, but fewer than one in ten victims of serious violent crime receive such assistance. Why?

Many victims simply can’t figure out whom to call. There is no central list, website, or mobile application that catalogs services for victims of all types of crime. And although there are thousands of service providers, they largely operate in silos. Many are overwhelmed, and some don’t know how to refer clients to other organizations that offer needed services.

At the July 2014 Technology Summit for Victim Service Providers—an event made possible by donor dollars—RAND convened providers, technology firms, funders, and other stakeholders to discuss how technology might help address these challenges. They agreed that a promising first step is the creation of a comprehensive resource database that victims can use to identify resources available in their area.

Eventually, this database could become the centerpiece of a much broader victim services “technology ecosystem” that connects providers with each other, with technology tools for improving effectiveness, and with government agencies, funders, and research organizations—all with the goal of getting victims the support they need. Summit participants agreed that safeguarding victims’ privacy is a priority and noted that, for best practices, providers could look to the health care industry, which is already exploring how to maintain patient confidentiality in a digital environment with multiple care providers.
People

With locations in North America, Europe, and Australia, RAND attracts top talent from almost four dozen nations.

46 Countries

Many of our staff are multilingual. Languages spoken include Arabic, Chinese, Farsi, French, German, Japanese, Korean, Russian, and Spanish.

71 Languages

Well over half our research staff of ~850 hold one or more doctorates—and another 34 percent hold one or more master’s degrees—in a vast array of disciplines.

57% Hold Doctorates
Web Downloads: 6.8M

New Projects: 630

Twitter Followers: 75K+

Clients and Grantors: 350

Ideas: 1,000

Publications: We added more than 500 RAND publications and almost 500 journal articles to our growing library—14,000 and counting—of reports, podcasts, videos, tools, and commentary, almost all of which can be downloaded for free at www.rand.org.

$269.7M in Revenue*

U.S. Department of Health and Human Services and related agencies ($44.0M)
U.S. Army ($34.7M)
U.S. Air Force ($39.9M)
Office of the U.S. Secretary of Defense and other national security agencies ($64.9M)
Non-U.S. government agencies and international nongovernmental organizations ($17.8M)
Universities ($8.3M)
Other federal, state, and local government agencies ($12M)
Other nonprofit organizations ($14.1M)
Foundations ($12.1M)
Philanthropic contributions ($8.7M)
Private sector ($11.4M)
Other ($1.8M)

Expenses:

Research and analysis (77%)
Facilities (9%)
Staff development, information technology, and other administration (13%)
Fundraising expenses (1%)

A complete copy of RAND’s financial statements can be found at www.rand.org/about/financial_statements.

* FY2014, net of subcontracts and RAND-initiated research.
Winfield Boerckel is the new vice president for External Affairs. Since joining RAND in 2011, he has helped raise RAND’s profile and extend the impact of RAND’s work as the director of the Office of Congressional Relations, leveraging sharp insights into the policymaking process and the needs of legislators gleaned from nearly two decades as a Capitol Hill staffer. As vice president for External Affairs, Boerckel will oversee all of RAND’s outreach activities, including congressional relations, media relations, web and social media, publishing, brand identity, development, and community relations. With a focus on communicating RAND’s relevance to key audiences, Boerckel looks forward to leading the staff of the Office of External Affairs as they continue to pursue innovative, creative ideas for connecting RAND insights and expertise to decisionmakers, practitioners, and the public.

Anita Chandra is the new director of RAND Justice, Infrastructure, and Environment. With a background in public health, child and adolescent development, and community-based participatory research and evaluation, Chandra is well-suited to lead a unit whose research agenda is particularly broad and diverse and whose work touches multiple clients, policymakers, and stakeholders. Chandra is passionate about policy as a practical matter, and she has excelled at engaging “strange bedfellows” in discussions about cross-sector solutions for improving policy on such issues as community resilience, long-term disaster recovery, deployment and military families, and child health and development. Chandra is also on the faculty of the Pardee RAND Graduate School, where she enjoys mentoring graduate students who are preparing for careers in disaster response and community development.

Natalie W. Crawford, a RAND senior fellow, has been appointed Distinguished Chair in Air and Space Policy. Since joining RAND in 1964, Crawford has worked tirelessly to strengthen RAND’s ability to help the U.S. Air Force, bringing deep technical and operational knowledge and experience to bear in a wide range of areas, including attack and surveillance avionics, fighter and bomber aircraft performance, force modernization, and space systems and capabilities. She served as vice president and director of RAND Project AIR FORCE from 1997 to 2006 and has received numerous awards. In 2012, she received the Thomas D. White National Defense Award—an honor bestowed on very few civilians who have not served in government. In her new role, Crawford looks forward to maintaining and strengthening RAND’s connection with senior leaders in the Air Force and NASA, participating in and continuing to serve on senior-level advisory boards and industry panels, and serving as a mentor and adviser within RAND and the Pardee RAND Graduate School.

James Dobbins, a RAND senior fellow, has been appointed Distinguished Chair in Diplomacy and Security. A previous director of the RAND International Security and Defense Policy Center, Dobbins has also held multiple Department of State and White House posts, including Assistant Secretary of State for Europe, Special Assistant to the President, Special Adviser to the President and Secretary of State for the Balkans, and Ambassador to the European Community. Dobbins undertook numerous crisis management and diplomatic troubleshooting assignments as a special envoy for the administrations of Barack Obama, George W. Bush, and Bill Clinton. Dobbins served as the George W. Bush administration’s first special envoy for Afghanistan in the months immediately after 9/11. In 2013, after 11 years at RAND, Dobbins returned to the Department of State to serve as the Obama administration’s Special Representative for Afghanistan and Pakistan. He rejoined RAND in 2014 at the conclusion of that assignment.

Rafiq Dossani is the new director of the RAND Center for Asia Pacific Policy. His research at RAND encompasses education, workforce innovation, regional development, and security projects, and he also serves on the faculty of the Pardee RAND Graduate School. Dossani brings to his new position considerable expertise in the Asia Pacific. In 1999, he served on a national government commission to rewrite the rules for venture capital in India. A year later, he helped the Indian Department of Telecom design the competitive structure of the country’s telecommunications sector. In 2006, Dossani advised South Korea’s Ministry of Science and Technology on the software sector, and, in 2012, he helped India’s Planning Commission write the national strategic plan for higher education. In his new role, Dossani looks forward to creating new partnerships between RAND and research universities and organizations in the Asia Pacific.
Marc N. Elliott, Paul G. Shekelle, and Roland Sturm are among the world’s most cited scientists, according to the October 2014 Thomson Reuters ScienceWatch report, *The World’s Most Influential Scientific Minds*.

The report identifies 3,215 scientists in 21 fields who earned the distinction by authoring the greatest numbers of highly cited publications—publications that have ranked among the top 1 percent most cited for their subject since 2002 and that have had a “notable impact” on peers. Elliott and Sturm (acknowledged in the field of social science) and Shekelle (clinical medicine) are, in the language of Thomson Reuters, “[people] of influence in the sciences and social sciences. They are the people who are on the cutting edge of their fields. They are performing and publishing work that their peers recognize as vital to the advancement of their science.”

**Katherine L. Kahn**, senior natural scientist, has been appointed Distinguished Chair in Health Care Delivery Measurement and Evaluation. Her 30 years of experience in medical and health care research have included health care program evaluation, health care quality measurement, health care access and satisfaction, and health promotion and disease prevention. In addition to leading research projects, Kahn is a professor of medicine and the associate division chief for research in the Division of General Internal Medicine and Health Services Research in the Department of Medicine at the David Geffen School of Medicine at UCLA. She finds that her clinical expertise informs the development and analysis of research and policy questions, and that her research and policy expertise enhance her clinical care and teaching. Having led many large national studies, Kahn has developed considerable expertise in conceptualizing and testing broad new approaches to studying the effect of policies on personal and population health.

**Jennifer D. P. Moroney** is the first director of RAND Australia, a RAND subsidiary in Canberra. In her first few months as director, Moroney will lay the foundation for a strong and diversified base of research in a country where RAND already has an excellent reputation and track record in national security research. In her new role, she looks forward to forging new connections between RAND expertise and important health, education, and other domestic issues in Australia. Moroney brings to Canberra more than a decade of experience as a RAND researcher investigating a variety of issues, including U.S. government security cooperation, U.S. military involvement in humanitarian assistance missions, and the effectiveness of security cooperation programs and activities. She also brings a wealth of leadership experience, having served both as an associate program director in RAND Project AIR FORCE and as the director of the Defense and Political Sciences Department.

**Andrew Parasiliti** is the new director of the RAND Center for Global Risk and Security. Parasiliti joined RAND in 2014 after serving as editor of Al-Monitor.com, which received the International Press Institute’s 2014 Free Media Pioneer Award. His previous positions include executive director of the International Institute for Strategic Studies–U.S. and corresponding director of the International Institute for Strategic Studies–Middle East; principal in the international practice of The BGR Group; foreign policy adviser to Senator Chuck Hagel; director of the Middle East Initiative, John F. Kennedy School of Government, Harvard University; and director of programs at the Middle East Institute. In his new role, Parasiliti looks forward to leveraging RAND’s cross-cutting, multidisciplinary research and analysis to anticipate global security threats and identify steps to mitigate and prepare for emerging challenges.

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Outreach

The scholarly objectives of expanding knowledge, illuminating issues, and developing new ideas are only the first step in RAND’s mission to help improve policy and decisionmaking through research and analysis. We also strive to reach key decisionmakers, practitioners, and the broader public to enrich the quality of public debate.

RAND on Reddit: “Ask Me Anything”

RAND’s commitment to the public good means that we want our work to reach as many people as possible. In 2014, researchers participated in several “Ask Me Anything” sessions hosted by Reddit, a social-networking service and news website with more than 100 million unique visitors every month. These sessions gave the public an opportunity to ask RAND experts literally anything about a given topic, such as obesity, sleep, and military caregivers. “I didn’t expect the session to spread so quickly across the country and even around the world,” says public health physician and senior researcher Melinda Moore, who led a session on Ebola in October. “Thanks in large part to highly socially networked millennials, the Reddit session has been a really effective way of clarifying facts and correcting misconceptions about the disease. It’s another good way for RAND to connect with people.”

Twitter

Since joining Twitter in March 2009, @RANDCorporation has gained more than 75,000 followers and posted more than 9,000 tweets, including hundreds of photos, videos, and illustrations. Join the discussion by following us on Twitter, liking us on Facebook, and visiting www.rand.org.

RAND Review

RAND’s flagship magazine, RAND Review, helps readers stay ahead of the curve on the issues that matter most. In 2014, the magazine presented insights on cybercrime, joint fighter programs, water management, income inequality in the European Union, and approaches to averting a doctor shortage in the United States. The rebooted RAND Review, which debuted in early 2015, features a new editorial focus and will be issued six times a year. The magazine can be found online at www.randreview.org (where you can also subscribe to the digital edition) and is now available as an app for smartphones and tablets.
**Congressional Briefings**

RAND’s Office of Congressional Relations arranges for RAND experts to visit Capitol Hill to inform policymakers about research and analysis that is relevant to current legislative debates. Video and audio recordings of briefings on topics ranging from education to nuclear weapons are available at www.rand.org/congress.

**Congressional Testimony**

RAND experts are frequently invited to testify before members of Congress. Testimonies are available at www.rand.org/testimony. Highlights from 2014 include the following:

- **Preparing for the Possibility of a North Korean Collapse**  
  Bruce W. Bennett | presented before the U.S.-China Economic and Security Review Commission | January 29, 2014

- **Evidence on Home Visiting and Suggestions for Implementing Evidence-Based Home Visiting Through MIECHV**  
  M. Rebecca Kilburn | presented before the House Ways and Means Committee, Subcommittee on Human Resources | April 2, 2014

- **Counterterrorism and the Role of Special Operations Forces**  
  Seth G. Jones | presented before the House Foreign Affairs Committee, Subcommittee on Terrorism, Non-Proliferation, and Trade | April 8, 2014

- **Expanding the Use of Telehealth: Promise and Potential Pitfalls**  
  Ateev Mehrotra | presented before the House Energy and Commerce Committee, Subcommittee on Health | May 1, 2014

- **Applying Lessons Learned from Past Response Operations to Strengthening National Preparedness**  
  Brian A. Jackson | presented before the House Homeland Security Committee | June 18, 2014

- **Risks and Mitigation Options Regarding Use of Foreign Components in U.S. Launch Vehicles**  
  Yool Kim | presented before a joint hearing of the Senate Armed Services Committee, Subcommittee on Strategic Forces, and the Senate Commerce, Science, and Transportation Committee | July 16, 2014

- **The Effectiveness of China’s Industrial Policies in Commercial Aviation Manufacturing**  
  Keith Crane | presented before the Senate Commerce, Science, and Transportation Committee | July 31, 2014

- **Strategic Planning for Border Security**  
  K. Jack Riley | presented before the House Science, Space, and Technology Committee, Subcommittee on Research and Technology and Subcommittee on Oversight | July 31, 2014

- **The U.S. Strategy to Defeat the Islamic State in Iraq and the Levant**  
  Ben Connable | presented before the Senate Appropriations Committee, Subcommittee on Labor, Health and Human Services, Education, and Related Agencies on February 26, 2014. He was joined by actor and Alzheimer’s activist Seth Rogen.

**Michael D. Hurd**, director of the RAND Center for the Study of Aging, presented testimony on the monetary costs of dementia in the United States before the Senate Appropriations Committee, Subcommittee on Labor, Health and Human Services, Education, and Related Agencies on February 26, 2014. He was joined by actor and Alzheimer’s activist Seth Rogen.

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**RAND is committed to making our research accessible to people throughout the world.**
Jeffrey Hiday, director of Media Relations, and senior behavioral scientists Kristie Gore and Andrew Morral attended a Pentagon press conference at which Secretary of Defense Chuck Hagel described how the Department of Defense plans to respond to the initial results from RAND’s study of sexual assault and sexual harassment in the U.S. military. The study will conclude in spring 2015. At a forum hosted by RAND and the PNC Foundation, panelists Kaveri Subrahmanyam of CSU Los Angeles, Katrina Stevens of EdSurge, and Chip Donohue of the Erikson Institute joined stakeholders to discuss key questions about integrating technology into early childhood education. Dalia Dassa Kaye, Director, RAND Center for Middle East Public Policy, joined Aaron David Miller of The Wilson Center and Nicholas Goldberg of The Los Angeles Times to discuss current events in the Middle East and weigh the prospects for U.S. diplomatic success in the region.
Rajeev Ramchand and Terri Tanielian joined **Elizabeth Dole** in announcing the publication of *Hidden Heroes: America’s Military Caregivers*, a groundbreaking study of military caregivers commissioned by the Elizabeth Dole Foundation. **Simon Sinek**, author of the best-selling book *Start with Why*, spoke at RAND’s headquarters campus in Santa Monica on the hidden dynamics of leadership and teamwork, describing how to create stable, adaptive, confident teams. At RANDNext’s inaugural event, an elite group of early- to mid-career professionals convened for a conversation with Dave Baiocchi on his book, *Surprise! From CEOs to Navy SEALs: How a Select Group of Professionals Prepare for and Respond to the Unexpected*, and engaged in cross-industry networking and policy discussions. **Peter Glick** represented RAND at the launch of Establish Solutions for Youth Employment, a global coalition that will address the pervasive challenges of youth employment in the developing world. RAND will lead the coalition’s work to collect, interpret, and disseminate evidence on what works for improving youth employment around the globe.
In November 2014, RAND hosted its flagship Politics Aside event to convene thought leaders in a nonpartisan examination of pressing policy challenges. A collaboration with media partner Thomson Reuters, the gathering engaged policymakers, business leaders, researchers, entrepreneurs, and philanthropists in conversation on topics ranging from shifting Middle East alignments and international affairs to space and technology and innovations in health care. Proceeds from the event benefited RAND’s Investment in People and Ideas program. Visit www.rand.org/politicsaside to watch video highlights featuring our distinguished speakers.

Cady Coleman | NASA Astronaut

On her 159-day mission aboard the International Space Station

To live in a place where all the rules are different . . . when you change the environment, you change what people can do, and that’s what exploration is all about. The science experiments and the engineering experiments that we do up there can’t be done down here, and that’s why we do it.

Sue Siegel | GE Ventures and Healthymagination CEO

On innovations in health

Brain health, because of this aging demographic, is in an emergency situation. As we start to bring new technologies into the marketplace, instead of thinking about pharmaceuticals, think about apps being prescribed by your physician. Just like we brush our teeth or work out, there’s going to be this notion of working out your brain in these e-neuro applications.

Admiral Michael S. Rogers | National Security Agency Director

On 21st-century threats

When we started off this whole idea of deterrence within the nuclear framework, we dealt with nation-states only—no individuals, no groups. Our nuclear capability resided solely at the time within the nation-state framework, and quite frankly, it was an incredibly small number of nation-states. Cyber is fundamentally different in that regard.
The conversation has only begun.

JUDITH RODIN | ROCKEFELLER FOUNDATION PRESIDENT

On resilient communities Planning and readiness are critical, but they can’t always keep bad things from happening. When bad things do happen, recovery must not be based on the “build it back” mentality that has guided the past. Rather, we need to ensure the recovery process unfolds in ways that better prepare us for the future.

JAMES DOBBINS | RAND DISTINGUISHED CHAIR IN DIPLOMACY AND SECURITY

On ISIS The Taliban never had any intention of striking the United States. But they were willing to host groups that did and facilitate their operations. And it’s hard to believe that ISIS wouldn’t do the same thing, whatever its own intentions are, if they were allowed to take and hold territory and set up a state.

EVAN SPIEGEL | SNAPCHAT COFOUNDER

On social media It can be very challenging to turn attention into action. There’s this myth that if you post something, people are listening. But they’re not. While it seems like you’re shouting into the world, people aren’t listening and aren’t necessarily taking action because there is such a high quantity of information being distributed.
Founded in 1970 as one of eight graduate programs created to train future leaders in public policy, the Pardee RAND Graduate School is the only program specializing exclusively in the Ph.D. and the only one based at a public policy research organization. The student body represents diversity in work experience; academic training; country of origin; and race, gender, and ethnicity.

For both RAND and the Pardee RAND Graduate School, this diversity promotes creativity, deepens understanding of the practical effects of policy, and ensures that multiple viewpoints and perspectives are heard in the classroom and beyond. More than 30 percent of the incoming cohort hails from countries outside the United States, including China, India, Mexico, Ukraine, and—for the first time—the Czech Republic.

NEW COURSES

Members of the faculty drive the improvement of Pardee RAND’s curriculum. Drawing on their own substantive interests and technical expertise, they regularly propose new courses to ensure that students are exposed to cutting-edge methods and policy perspectives.

Predictive Analytics for Public Policy. This course covers the major families of predictive analytics models, the end-to-end business processes for building models, the history of predictive analytics, and the policy implications of predictive analytics in the policy arena.

Quantitative Methods with Applications in Intelligence, Surveillance and Reconnaissance (ISR) Policy. This course teaches students quantitative methods for assessing the right mix and quantity of ISR systems to meet the emerging demands of a continually changing national security environment.

Technology Foresight and Public Policy. Using foresight methods, this course explores the effects of changing technology on democratic government and policy institutions and their ability to operate effectively.

Understanding Macroeconomic Policy II. Building on knowledge gained through a core Pardee RAND course, this elective challenges students to rethink their view of macroeconomic policy.
Philanthropic support helps Pardee RAND continue to offer students a world-class education—and extend the impact its graduates have on communities throughout the world. Gifts provide critical scholarship and dissertation support for students and nurture important collaborations between students and faculty. The Be the Answer campaign was launched in 2011. By the end of 2014, dedicated donors, board members, RAND trustees, and friends and alumni had contributed more than $20 million to the campaign.

Pardee RAND has the potential to help RAND chart an entire new course. It can transform not just the science and art of policy analysis but, by serving as an engine of innovation for the world’s most prominent policy-research institution, can help transform the practice of policy analysis, too.

Michael D. Rich, President and CEO, RAND Corporation
The Pardee RAND Graduate School is producing the next generation of policy leaders who will help keep RAND at the forefront of innovation.

Each graduate is taking the tools, experience, and education gained at the Pardee RAND Graduate School and combining them with individual talents, intelligence, and heart to make a difference and make the world a better place: to be the answer.

Susan L. Marquis,
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THE LYNGDA AND STEWART RESNICK ENDOWED SCHOLARSHIP
Lives in public policy and public service can be richly rewarding on a personal and professional basis, but they can be less rewarding financially. Those considering graduate study for public policy careers often express concern about taking on added educational debt. A new $1 million gift from philanthropists Lynda and Stewart Resnick will help the policy leaders of tomorrow receive exceptional training today to embark on careers in public service.
PRIVATE LAW ENFORCEMENT AND ITS EFFECTS ON PUBLIC SAFETY

The private law enforcement industry employs more than one million people in the United States, but we know very little about how private police compare with traditional police in terms of promoting public safety. To better understand the effects of private police on crime, RAND researchers studied the University of Chicago Police Department (UCPD)—the largest private police department in the city—which operates in the Hyde Park neighborhood, a dense, racially diverse, and relatively crime-prone area.

The researchers found that overall crime rates were 60 percent higher in areas of the city similar to those covered by the UCPD but just beyond its patrol borders, suggesting that supplementing traditional police with private police can produce public safety benefits. However, after two expansions of the UCPD’s patrol area, there were no immediate reductions in crime, indicating that the crime-reducing effects of private police might take time to mature. Nationally, more crimes involving college students occur off-campus rather than on-campus, and this study suggests that allowing campus police departments to patrol beyond campus borders might be a means of increasing student safety—an issue that attracted considerable attention in 2014.
An investment in RAND research is an investment in a better world: Philanthropic support helps us tackle emerging challenges and long-term questions that aren’t yet the subject of focused research and analysis.

ARMED DRONES AND U.S. SECURITY

Armed drones made headlines around the world in 2014. Some suggested that these platforms have “transformed” the nature of warfare. Some cautioned that they will proliferate widely, creating the kind of global danger that calls for new arms-control efforts. RAND researchers contend that neither view is quite right. Armed drones, despite their advantages (e.g., no risk to the pilot-operator), are not truly revolutionary: Many of their capabilities are found in other weapon systems, and, in many situations, they are easily shot down.

Armed drones also don’t create the kind of global danger presented by such innovations as nuclear weapons, and only a handful of rich countries will be in a position to develop higher-technology and longer-range armed drones. Nonetheless, risks associated with the proliferation of armed drones can’t be entirely dismissed. In certain circumstances, these drones could undermine stability and introduce new threats in regions already mired in conflict. Therefore, the researchers advise U.S. policymakers to help establish international norms that discourage the misuse of armed drones.

THE DAYS AFTER A DEAL WITH IRAN

Iran is engaged in negotiations with the five permanent members of the United Nations Security Council (plus Germany) over a comprehensive deal that would ensure that Tehran’s nuclear program is used for peaceful purposes. The parties missed their November 2014 deadline for a deal but have committed to completing a full technical accord by July 2015. A successful agreement, if and when it comes, could have wide-ranging and long-term implications for Iranian foreign policy, for Iran’s neighbors (especially Israel and Saudi Arabia), and for U.S. policies in the Middle East.

RAND researchers contend that, in the “days after a deal,” it may be easier—though still challenging—for Iranian President Hassan Rouhani to reduce Iran’s global isolation, improve relations with some of its neighbors, and court foreign investments in the country’s declining energy sector. They suggest that U.S. policymakers should not “wait and see” but rather exploit post-deal opportunities and more seriously consider policies of broader engagement with Iran. They also caution that although both Israel and Saudi Arabia are likely to ultimately accept a final deal, they will continue to mistrust Iranian intentions and influence in the Middle East. These U.S. partners will thus require reassurance from the United States that a final deal does not come at their expense and could indeed enhance regional security.
Philanthropy supports distinguished chairs for outstanding researchers recognized as world-class among peers. Distinguished chairs, listed below, pursue bold, new ideas; help deliver RAND’s findings and recommendations to influential audiences; and mentor junior policy analysts.

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RAND also uses philanthropic support to engage individuals who have recently completed distinguished government or other policy analysis service as fellows who contribute to RAND research activities and the development of our research practices and talent.

For more examples of work funded through RAND’s Investment in People and Ideas program, scan the code with your smartphone.
The RAND Policy Circle is a community of engagement-minded individuals who are committed to nonpartisan analysis, smarter decisionmaking, and a more prosperous world. Members enjoy special events and access to RAND researchers, policymakers, and thought-leaders from around the world. In 2014, Policy Circle programs addressed such issues as the challenges for democracies facing asymmetric conflicts, breakthrough technologies for national security, and health care costs and their relationship to the federal deficit and debt. Conference calls with RAND experts were convened in the wake of breaking developments, offering Policy Circle members an opportunity to go “behind the headlines” on such issues as the Russian invasion of Ukraine and the rise of the self-styled Islamic State. Member gifts of $1,000 or more support RAND’s Investment in People and Ideas program and make possible innovative work on new and emerging policy challenges.

RANDNext convenes early- to mid-career professionals for exclusive opportunities to interact with RAND experts, key policy influencers, and other young professionals while supporting RAND with philanthropic contributions.
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RAND’s Investment in People and Ideas program combines annual philanthropic funds from individuals, foundations, and private-sector firms with earnings from RAND’s endowment and operations to help RAND identify and pursue—independent of our work for clients—big ideas, emerging challenges, and long-term questions. Our donors share RAND’s commitment to quality, objectivity, and independence and entrust us with protecting these values in our research and analysis.

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