

THANKS A MILLION - Make that TWENTY-FOUR MILLION!

2014 ANNUAL REPORT

Congratulations and Thank You... to every supporter of Prager University.

Here is what we were able to achieve in 2014 thanks to you:

24 MILLION UNIQUE VIEWS ON YOUTUBE

300,000 AVERAGE COURSE VIEWS

82,000 YOUTUBE SUBSCRIBERS

200,000 FACEBOOK FOLLOWERS

60,000 NEWSLETTER SUBSCRIBERS

21,000 TWITTER FOLLOWERS

3,000 EDUCATORS USING PRAGER UNIVERSITY COURSES IN CLASSROOMS ACROSS THE U.S. AND BEYOND

OVER 60 VIDEOS RELEASED

20 NEW FACULTY MEMBERS



Dear Prager University Friend,

If you could take a time machine back a few years and invest in Facebook when only a bunch of college students knew there was such a thing as Facebook, would you do it? Of course you would, because with the benefit of hindsight, you'd know that you would make a fortune.

Now let me give you a different goal. Not money, but influence.

Would you make an investment in an enterprise if you knew it was going to have a positive, Facebook-like impact on the way people think about the culture, politics, and the economy? Of course you would, because you know the values you cherish are hanging by a very thin thread. You have done so already by supporting Prager University.

Prager University – right now, today – is the Facebook, circa 2008, of the 501(c)(3) world. If you want to invest for influence, Prager University is where you want to be.

Or, to put it another way, the best investment of your donation dollar is here.

Take a look at three numbers:

1.2 million 1.6 million 24 million

The first is the number of YouTube views PragerU had in 2012, the second the number of views in 2013 and the third the number of views in 2014.

The growth in average views per course, comments per course, Facebook and Twitter fans, newsletter and YouTube subscribers are similarly dramatic.

What does this mean?

First, it means that Prager University is now the most prolific producer of the most popular conservative video content in the world.

Second, it means that Prager University is filling a market need. Or, to put it another way, a lot of people want to consume our content.

And the more they consume, the more they understand:

- Why America is exceptional.
- Why Israel is morally superior to its enemies.
- Why lower taxes lead to higher revenue.
- That happiness is a moral obligation.
- That belief in God is more rational than atheism.
- That Iran might use a nuclear weapon if it ever got one.
- That the Ten Commandments are still the best moral code for a better society.
- That Leftist students are, ironically, cheated out of a well-rounded education by their Leftist professors.

Prager University is bringing important, mind-changing ideas to people who otherwise never would have been exposed to them.

Here is one example:

George Gilder wrote a fabulous book a few years ago, *The Israel Test*. It's one of the best books ever written on the Jewish state. The Israel Test, as Gilder devised it, is this: How do you react to people who exceed you in achievement? Do you envy them, blame them for your problems? Or do you admire them and try to learn from them in order to lift yourself higher? The Arab world has failed the Israel Test. Until they can pass it, there will never be peace in that region.

Gilder's book was published by a prestigious, but obscure press. I doubt it sold 3,000 copies. Of those who bought it, how many actually read it? So this magnificent book, with its profound theme, came and went without getting a fraction of the attention it deserved. That is, until Prager University came along and distilled Gilder's theme into a five-minute presentation! As of this writing, about 600,000 people have seen the Prager University course "Do You Pass the Israel Test?" presented by Gilder himself.

Please understand the power and the importance behind this five minute concept: an important idea that was lost has been resurrected; not only resurrected, but absorbed by an audience on an order of magnitude larger than its book audience.

Additionally, Gilder's video course remains perpetually available to anyone with an internet connection in any country in the world, at any moment of the day, every day of the year! Our university never closes.

As you will see in this annual report, there's still more.

We're making amazing progress with our Academic Partnership initiative. We have been signing up thousands of educators who want to show our courses to their students. The home school market has greeted us as a godsend. Our annual 4th of July Declaration is picking up steam with each passing year.

A few weeks ago we released our Ten Commandments series. In the first week there were 1.5 million cumulative views. We expect to reach over 2 million by the end of the year.

You've made this possible. You've made the investment in Prager University!

Hopefully, you now have a better idea of how well this investment is doing. We've been doing great things together. Next year, we will do more!

All the best,

Dennis Prager, President

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Prager University

P.S. The Ten Commandments video series is changing lives. We've heard from viewers who have said the series has given them a greater understanding of the Commandments and has helped them feel closer to God. We've even received positive feedback from atheist viewers. Your generosity has made this possible.

Thank you.

Prager University: A Cutting Edge Brand and Image



At the beginning of 2014, we redesigned the look of our website and videos. Our aim was to keep our message the same, but to re-focus it with cutting-edge graphics, animation and text. Our efforts have paid off: We have successfully developed a recognizable brand that appeals not only to traditional PragerU fans, but also to new viewers. The proof is in the numbers. Since the rebranding in January 2014, we've had over 14 times the number of unique views we had in 2013 – a point we'll discuss next.

PragerU has accumulated over 24 million unique video views in 2014

Twenty-four million viewers is impressive, but that's just a summation of how many different computers watched each video, which means far more than 24 million people have watched PragerU videos since January. In 2013 the number was 1.6 million.

Our top performing courses in 2014:

The Middle East Problem - 4.2 million views Iran and the Bomb – 2.1 million views Lower Taxes, Higher Revenue – 2 million views The Least Free Place in America – 2 million views

How did we do it? First, we improved our marketing so that we advertise every video on YouTube and Facebook and send the video to key connectors in the conservative and academic world. They, in turn, spread our videos to their fans and followers. The appearance of some of our videos on the social networking site Reddit has also accounted for a few hundred thousand views. Second, we have worked to increase the number of people who are notified whenever we post something new online -- subscribers



on YouTube, Likes on Facebook, and followers on Twitter. This is where our social media strategy overlaps with our views strategy.

As this goes to press, PragerU has more than 82,000 subscribers on YouTube, a net gain of 67,000 since the end of 2013. That means that every Monday, when we release a new video, 82,000 people see it on their personalized YouTube homepage. On Facebook, our 188,000 Likes is a nine-fold increase over last year's total of 20,000 Likes. That means that every time we post a video or a quote or anything on our Facebook page, 188,000 Facebook users are notified. Finally, our Twitter follower base has increased from about 6,000 to 21,000 since January, providing yet another social media platform that we're using to our advantage.

Prager University Releases a Course Every Week

In 2013, we released one video every two weeks. Demand for our content was growing so rapidly that we decided, as of January 2014, to release a new video every Monday. In 2014 alone, we released over 60 videos. Consistent, weekly delivery of high-quality videos is another reason people subscribe to Prager University.



Prager University Has Effective Outreach Initiatives

Prager University on College Campuses



One of PragerU's top priorities is to develop a visible presence on college campuses. Exposing students to Prager University (especially by having Dennis Prager give a public lecture to students) can be transformative.

In 2014, Dennis spoke about the American Trinity at Pierce College in Los Angeles. 400 students came to hear Dennis speak. And in 2015, Dennis will kick off his campus tour with a speech at Princeton. Over the coming years, Prager University plans to bring Dennis to campuses across the country so

that he and PragerU can reach students who may not have found us yet on the Internet.

Partnering with Educators and Churches

The biggest story of 2014 has been our success on YouTube and on social media. But there is another success story that deserves your attention: We launched partnership programs that have produced fruitful results for Prager University. The development of our relationships with educators (in college, high school, middle school, and homeschools) is a major priority for Prager University. The strategy is to get our message to America's students by providing ammunition to the educators who are on our side.



To that end, 3,000 educators have signed up for

PragerU's Educator Program. We provide educators with free study guides to go along with our video courses, which they receive every week upon release. And another 200 teachers and professors have enrolled in our Academic Partnership program, in which educators from California to South Carolina to Australia award their students extra credit for watching PragerU videos. The PragerU website allows educators to track how many videos each student has watched.

This past summer, PragerU exhibited at both the Great Homeschool Convention in Ontario, CA and the Christian Home Educators Association in Anaheim, CA. Over 3,500 people attended each of these events. Dennis Prager was the keynote speaker at the Great Homeschool Convention.

Testimonials from Educators

To give you a sense of the influence our outreach has had, here are just a few testimonials from educators on the effectiveness of PragerU:

Russell R. wrote that Abington Friends School "is dominated by liberal thought" but that he provides "the only dissenting faculty voice for students who come from conservative backgrounds and feel silenced in the classroom." He added: "I applaud your work. Please keep it up."



Randy M. wrote in to thank us for our iPad app: "As we flip our classrooms this year, each student on an iPad, having online resources becomes immensely helpful. I have followed Prager for 20 years and know I can trust his perspectives, and that my students will benefit much from these videos."

Michelle B. says that PragerU videos "are perfect to start a class discussion" because their reason-based points don't "automatically generate a knee-jerk response from so many of my 'properly indoctrinated' students." She notes: "I have used your videos in almost all my classes. And I look forward to continuing to do so."

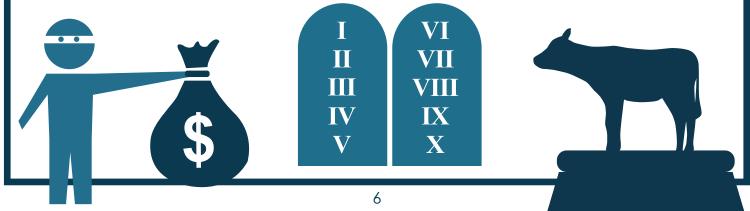
Ten Commandments Series

On December 1st, 2014, we released the biggest video series in PragerU history: The Ten Commandments, taught by Dennis Prager. (The series comprises 11 videos total: an introductory video, plus one video dedicated to each commandment.) There is nothing like this series on the Internet. Only Prager University has -- in about an hour -- clarified the greatest moral code known to humanity. There has never been anything like this since, well, since Sinai. That's not hyperbole -- no book, no movie, no anything has ever explained the Ten Commandments the way we have. And the impact speaks for itself. In its first week of release, the series has gone viral with more than 1.2 million views -- a number so large in such a short time span that it's worth recalling that 1.2 million was the number of YouTube views we had for all our videos in 2012.

The Ten Commandments series has been accompanied by two major initiatives: an essay contest for students, and a DVD program aimed at clergy, educators, and youth leaders.

The essay contest asks students under 23 years of age to watch the entire series, choose one Commandment and then write an essay about how the PragerU video on that particular Commandment changed their understanding of it. A panel of professors and professional writers will judge the essays. Winners will receive cash prizes ranging from \$100 to \$1,500.

The DVD program allows clergy, educators, and youth leaders to request free copies of the DVD of the Ten Commandments series, and the supplementary transcripts of each video course. In the first week of release, 250 people have signed up to receive these free resources.



What People Are Saying About the Ten Commandments Series

"I came upon your videos by happenstance today. I am sending a donation this minute. Your videos are the best examples of wisdom I have encountered. I wish everyone would see them. God bless you." - Cecil Q.

"Love the Ten Commandments series. Thank you for all your hard work.
I'll share them with my Sunday School class soon." - Doug N.

"The PragerU videos are very helpful when we laymen get involved in discussions with others, to be able to share that video with the other person. They are so helpful because they are so well done. The ideas presented are so well developed and refined, and so well presented, that it's nearly impossible for any of us to convey it as well. But with a single link, the whole idea is conveyed in a neat five-minute package." - Don H.



2014 Faculty and Courses

The composition of our faculty has never been stronger or more impressive. The range of courses we've been able to offer, on crucial topics from a range of disciplines, is truly impressive. Below is a brief summary.

Our 2014 Faculty

Alison Armstrong, Jose Aznar, Anne Bayefsky, Arthur Brooks, Tammy Bruce, Adam Carolla, Harry Crocker III, Alan Dershowitz, John Eastman, Nicholas Eberstadt, Anthony Esolen, Robert Florczak, Nicole Gelinas, George Gilder, Jonah Goldberg, Daniel Gordis, Derryck Green, Tim Groseclose, Kip Hagopian, David Henderson, Bruce Herschensohn, Christina Hoff Summers, Philip Howard, Raymond Ibrahim, Paul Johnson, Peter Kreeft, Greg Lukianoff, Stephen Marmer, Kenneth Meshoe, Wilson Miscamble, Terry Moe, Stephen Moore, Lee Ohanian, Frank Pastore, Andrew Roberts, Amity Shlaes, Michael Tanner, Joseph Telushkin, George Will, Walter Williams, Matthew Woessner

Courses Released in 2014

Adam Carolla: Change Your Life

Lower Taxes, Higher Revenue

The Ten Commandments Series

The Least Free Place in America Why Rent Control Hurts Renters Does God Exist? Four New Arguments The Bigger the Government, the Smaller the Citizen What Did Your Parents Most Want You to Be? Are People Born Good? The Government vs. the American Character Forgiveness War on Boys What Every Graduate Should Know Hoover and the Great Depression Do You Pass the Israel Test? What Matters Most in Life? The War on Work The Missing Tile Syndrome God and Suffering Why Is Modern Art So Bad? Is the UN Fair to Israel? How to Solve America's Spending Problem A Black South African on Israel and Apartheid The Progressive Income Tax: A Tale of Three Brothers

Why Be Happy? Feminism 2.0 America's Debt Crisis Explained Why Capitalism Works What is Social Justice? God vs. Atheism: Which is More Rational? The Middle East Problem Iran and the Bomb Why America's Military Must be Strong The Promise of Free Enterprise The Truth About the Vietnam War The American Trinity BDS: The Attempt to Strangle Israel Teachers Unions vs. Students What Creates Wealth? How the Liberal University Hurts the Liberal Student Was it Wrong to Drop the Atom Bomb on Japan? Feminism vs. Truth Money in Politics: What's the Problem? Who Are the Racists: Conservatives or Liberals? The World's Most Persecuted Minority: Christians Why Bad Luck Is Good Is the Customer Always Right?

A Sneak Preview of What's Happening in 2015

Because you are a supporter of PragerU, we want to give you a preview of what will be happening in 2015:

In the spring 2015, Dennis will be speaking to students at Princeton University.

In March, a major publisher, Regnery, will release a DVD and accompanying short book of our Ten Commandment series. The DVD will be available at all retail outlets and Internet sites such as Amazon. This release will be accompanied by a major marketing campaign.

We will grow our fundraising and donor outreach with more events and more frequent updates to donors. We are exploring ways to motivate the millions of world-wide viewers who enjoy our content to contribute to PragerU.

We will continue to experiment with new styles of animation and storytelling. Our video, "A Tale of Three Brothers," is an example of a Prager University video that deviates from the traditional lecturer model but still illustrates a key economic concept. Our aim is to be entertaining, get the message across as clearly as possible and attract new viewers, while keeping PragerU's brand identity and graphic design consistent.

Translating and subtitling Prager University videos into Spanish will be a high priority because PragerU is very popular in South America. (There is also a growing need for translations in other languages due to the fact that we are attracting viewers from around the world).

We will ramp up our merchandising. Selling DVDs of all the courses as well as a Ten Commandments DVD are two important components. We want to expand our marketing of PragerU clothing (t-shirts and sweatshirts), in addition to designing clever, eye-catching bumper stickers and refrigerator magnets.



We will continue to develop sophisticated strategies in social media engagement. For example, suppose you took a PragerU quiz on a particular video course. We want to give you, the viewer, the option to include Facebook shares on both viewing the course and taking the quiz. You would be able to tell your Facebook friends that you are now an "expert" in the particular topic of the video course you've just viewed.

We Need You in 2015

Our growth in 2014 was phenomenal, and we plan to excel in 2015. But we can't do anything without support from our donors. If you haven't done so already, please support Prager University with a tax-deductible contribution so we can continue influencing minds and hearts around the world.

DONATION FORM

Thank you for supporting our mission to offer free, high quality educational courses to anyone, anywhere, who has a desire to learn and grow. Your generosity helps us to recruit more faculty, create more videos and spread them to more people over the Internet.

Together we can change the world - five minutes at a time.

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| Enclosed is my check for \$ | I would like to donate by credit card | | | |
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| Please mail your check to: 15021 Ventura Blvd. #552 | Exp. Date CVV Code: | | | |
| Sherman Oaks, CA 91403 | Billing Address: | | | |
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