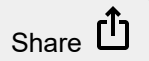




ECONOMY COMMENTARY

From Capital Markets to Free Enterprise

[Allen Mendenhall](#) February 02, 2026



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Allen Mendenhall is senior advisor of the Capital Markets Initiative at The Heritage Foundation. Institutions sometimes outgrow their names not because they erred, but because they succeeded. The Heritage Foundation's Capital Markets Initiative has reached that point, prompting its transition to the Free Enterprise Initiative, a change that is candid rather than cosmetic. Our work expanded beyond its original remit, so its label must follow that reality.

American prosperity does not depend solely on capital markets. It rests on whether the broader ecosystem is allowed to function: property rights, entrepreneurial freedom unencumbered by bureaucratic permission slips, competition judged by merit rather than political pull, and the elementary principle that one may harvest what one plants.

The former Capital Markets Initiative proved its effectiveness quickly. In 2024, we filed four shareholder resolutions. In 2025, we filed 26 across companies ranging from Salesforce to Meta, a more than fivefold increase in direct engagement with corporate leadership.

Heritage has, to date, withdrawn eight of these proposals after corporations adopted our recommendations or demonstrated that they had already discontinued the objectionable practices we targeted. The eighteen that remain guarantee Heritage's continued influence in boardrooms well into 2026. This is how leverage works when it's applied deliberately.

We have not lingered in the idle realm of aspiration: our record in corporate governance marks real triumphs of probity and accountability, the sort of victories that speak for themselves. Yet capital markets, indispensable though they are for allocating resources and bankrolling innovation, represent but one chamber in a far more capacious edifice.

Free enterprise is broader in scope, neither slogan nor abstraction. It's the shopkeeper hanging out his shingle, the inventor laboring in her garage, the farmer cultivating his acreage, the employee seeking greener pastures. In short: economic life conducted without bureaucratic sufferance from regulators who will never meet a payroll.

Whereas capital markets concern themselves with financial instruments, corporate governance, and investor machinations, free enterprise poses more elemental questions: Can Americans build without petitioning Washington? Are rewards distributed by value creation or partisan fluency? Are we cultivating ownership or dependency?



Such concerns animate Heritage's Four Cornerstones for preserving the Republic, among them "The Dignity of Work and the Future of Free Enterprise."

The truth is plain: people thrive when they are free to work, build, and provide for their families without ideological supervision or supplication. Such flourishing presupposes respect for private property, entrepreneurial autonomy, and economic arrangements that fortify rather than corrode family stability.

Free enterprise depends on moral and institutional foundations: enforceable contracts, sound money, and competition governed by neutral rules, not by regulatory favoritism or rent-seeking alliances between corporate power and the state.



Ownership must mean ownership. Exchange must be voluntary. Success must follow service, not proximity to power.

Ultimately, it comes down to people: their resourcefulness, ingenuity, and accountability. The system establishes conditions in which diligence produces upward mobility, family enterprises persist across generations, and labor furnishes not merely remuneration but also dignity and meaning.

The rechristening from Capital Markets Initiative to Free Enterprise Initiative acknowledges what our work has already become: a comprehensive defense of economic freedom that underpins American strength, family cohesion, and national greatness.



As consolidation menaces competition, regulation suffocates innovation, and the nexus between effort and reward frays beyond recognition, defending free enterprise will prove indispensable to what America most urgently requires: renewal. Not merely GDP expansion—though growth matters—but restoration of an economic order that honors human dignity and rewards virtue.

The Free Enterprise Initiative will pursue this agenda with characteristic analytical rigor, now unencumbered by nomenclature too confining for its actual scale. The task is simple to state yet formidable to execute: to preserve the conditions under which all Americans, we the people, remain free to accomplish extraordinary things.

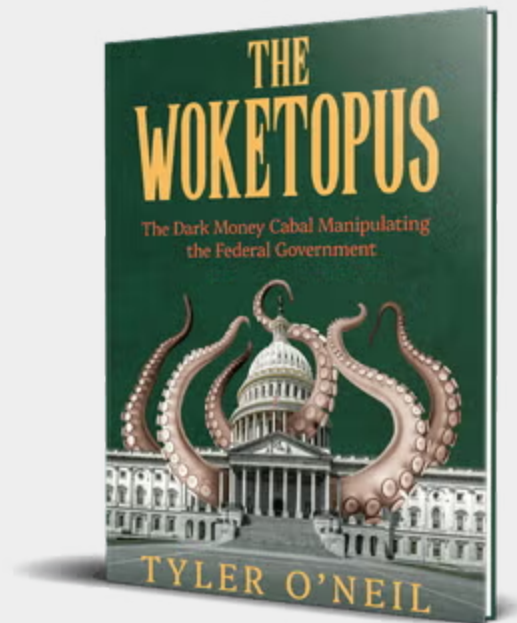
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