



HARNESSING THE POWER OF THE BEQUEST CHALLENGE MATCH

PG CALC WEBINAR

MARCH 31, 2016

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Presented by:

Michael Pohlmann
Campaign Strategist, Gift Planning
Planned Parenthood Federation of America
and

Mohammad Zaidi
Director of Gift Planning and Special Campaigns
American Civil Liberties Union Foundation

E-mail addresses: michael.pohlmann@ppfa.org; MZaidi@aclu.org

I. Introduction

The late Robert W. Wilson was a successful private investor, a creative thinker, and an iconoclast who often enjoyed confounding expectations. A philanthropist and board member of several nonprofit organizations, he often funded traditional matching challenges as a strategy to leverage the impact of his giving. He was also the first to conceive and sponsor a modern bequest challenge match.

Two of Mr. Wilson's causes, the Environmental Defense Fund (EDF) and American Civil Liberties Union Foundation (ACLU) were among the first organizations to launch a bequest challenge match, starting as early as 2003. It was a new idea. Instead of a donation triggering a matching gift, here a bequest intention would trigger an immediate cash match. The concept grew slowly at first, but has proven its practicality and effectiveness. Among the other organizations that have offered some form of bequest challenge match are AmeriCares, International Rescue Committee, Juvenile Diabetes Research Foundation, National Resources Defense Council, National Trust for Historic Preservation, Planned Parenthood Federation of America, United States Holocaust Memorial Museum, Wildlife Conservation Society (the Bronx Zoo), and the UJA-Federation of New York. In this paper, we'll present lessons learned through case studies of EDF and ACLU. We will also preview the Planned Parenthood Bequest Challenge that Michael Pohlmann is currently involved with.

Perhaps after reading, you'll agree with the ACLU donor who wrote to us "The guy who thought of this is a genius! Please thank Mr. Wilson for me."

II. Definition of a Bequest Challenge Match

A bequest challenge match is a special concentrated program to encourage bequest intentions and other planned gifts. As an incentive to prospective planned gift donors, a matching funder pledges to make an immediate cash gift when the charity is notified of a qualifying bequest intention or a life income gift is made. The most common model has been a match of 10% of the face amount of the bequest (or 10% of the deduction amount for a life income gift). For example, notification of a \$50,000 bequest intention would trigger a \$5,000 match. There is typically some limit. For example, a maximum match of \$10,000 per planned gift donor (corresponding to a \$100,000 bequest). It's the same concept as the widely-used matching challenge (think public radio pledge drives), but applied to planned gifts.

Since nearly every supporter of a charity is in the position to plan some form of bequest or beneficiary designation, many challenges have focused primarily on bequest intentions and not on life income gifts. Charitable gift annuities and other life income gifts appeal mostly to people in narrower circumstances. However, a Legacy Challenge maximizes each donor's options for participation and makes it efficient to promote to a broad audience. That's why we refer here to the "bequest challenge match". Even though gift annuities and other life income gifts can be

included in the match, revocable bequest intentions are typically the primary emphasis and driving force.

Here, we'll refer to "bequest challenge match" and "legacy challenge" interchangeably.

III. How and Why it Works

A legacy challenge is effective because it targets the largest source of planned gifts, revocable bequest intentions. It makes that vast pool of potential gifts concrete, accessible, and measurable. Internally within the nonprofit organization, it reinforces the understanding that revocable bequest intentions are "real gifts". It rewards the organization in the most tangible way for securing those gifts. If you're not including revocable intentions, you're walking away from all those benefits, as well as 80% of your potential planned gifts

What do we know about revocation rates? Only 5.9% of those who have made a charitable bequest have removed a charitable organization from their will, according to an analysis by Russell James in his report *Causes and correlates of charitable giving in estate planning: A cross-sectional and longitudinal examination of older adults, 2007*. This figure will vary based on the quality of the organization's stewardship. So, it's critical to thank, recognize, and keep up long-term relationships with planned gift donors. A legacy challenge will help you to do that by identifying planned gift donors, and by engaging them early with participation in the match itself. They will have the satisfaction of knowing that they've triggered a significant matching gift, to be applied to the organization's current priorities.

A legacy challenge works because donors respond to matches. Imagine you are a \$100 annual donor. You feel that you'll never be in a position to write a big check to your favored cause. However, you can leave a \$100,000 bequest. In a typical example, that \$100,000 bequest might trigger a \$10,000 matching gift. That's an immediate impact far beyond what you might have imagined possible, and something of which to be proud. It's a big incentive, and motivator. If your organization has a significant group of loyal, longtime supporters, there are probably also many who have thought about a charitable bequest or would consider it, but have been putting off their estate planning. A challenge is capable of moving them off the fence. One ACLU donor called it a "procrastinator's bonus". It's also effective as a "closing strategy" to close open solicitations by adding a sense of urgency.

IV. Organizational Benefits

The organizational benefits of a bequest match can be profound. So much so that many have concluded that legacy challenges are not just a superior way to run a planned giving program, but even represent a new model for how a planned giving program can work.

A. A compelling way to solicit a cash gift from a matching funder. Cash today.

EDF and ACLU have, between them, offered multiple iterations of legacy challenges. They've been funded by individual major donors, and by grant-making foundations. It may also be possible to fund a challenge through a pool of gifts pledged by a group of donors. Every donor, of whatever type, wants to leverage their giving and extend their impact. Many donors, especially foundations, want to see plans in place for the future sustainability of current or expanded programs. A typical bequest match offers 10:1 leverage. For every one dollar in matching funds, the program will raise planned gifts with a face value of ten dollars. The ratio may be even higher depending on the details of the matching offer. In the most recent legacy challenge at Environmental Defense Fund a \$1M in matching funds was leveraged into \$27M in bequest intentions. Some foundations seek to limit their ongoing annual support, and look for special, one-time opportunities to make lasting change and help organizations become self-sufficient. A legacy challenge is an ideal fit in those circumstances. A grant will cascade into years of future cash flow for the grantee, worth ten times the original investment.

B. Energizing the entire organization around a common goal

A challenge provides a specific opportunity to talk about planned giving with all constituents. The news is that “The organization is offering a legacy challenge”, “Let me tell you how it works”, and “We invite you to participate.” Common barriers to talking about planned giving are removed. There is no mention of death, estate planning, or legacies. There is a sense that “We’re talking to everyone about this”, so neither solicitors nor prospects feel there is any implication to why this conversation is taking place. It becomes easy for both staff and volunteers to ask for a planned gift.

In the course of its first match, the ACLU discovered a whole community of people ready to be energized and activated:

1. Longtime, loyal donors who had thought about leaving a legacy but had been putting it off
2. Board members who already had a planned gift in place, who were excited to have a reason to advocate for these gifts in a highly visible way – and to solicit their peers
3. Major gift officers and solicitors who were relieved to have a simple, effective way to talk about planned giving
4. Staff, especially in small and mid-size affiliates, who now had a new funding stream in the form of matching funds that also encouraged them to build for the future

In short, we discovered that this was a way to turn the whole conversation around, both for internal and external constituencies.

C. Capacity building for federated organizations

Federated organizations have a national-chapter structure, with many chapters or affiliates under an umbrella organization. A few chapters may be large, with more middle-sized, and many smaller. Often, the priority in any given chapter is raising this year's operating budget, with planned gifts holding a far lower priority. Even though the (unrealized) potential for raising planned gifts might rival the potential for major gifts, the availability of resources and cash flow needs often prevent this from happening.

A bequest match can break this cycle when part of the current matching funds is shared with the chapter or affiliate. The local units gain a new funding stream in the form of matching funds. Critically, closing a planned gift becomes a way to raise operating funds. A chapter with few prospects with large outright capacity may have many loyal donors with planned gift capacity. In some cases, smaller organizational units may even have more ability to secure, for example, \$5,000 in matching funds by soliciting a bequest than by soliciting a \$5,000 outright gift. In this way, planned giving can be made to meet the immediate need at the same time that it strengthens long term permanence and stability.

D. Identifies top donors

A gift-range chart of planned gift amounts forms a pyramid, just like major gifts and other categories of giving. At the ACLU, data accumulated over several years of legacy challenges revealed this pattern of bequest expectancies:

Gift Amount	Count
\$5 mil - \$10 mil	7
\$3 mil - \$4.9 mil	8
\$1 mil – \$2.9 mil	90
\$500k-\$999k	97
\$100k-\$499k	629
\$1-\$99,999	1,717

A similar pattern emerged at EDF:

Gift Amount	Count
\$5 mil +	1
\$1 mil- \$4.9 mil	3
\$250k -\$999k	16
\$100k-\$249k	33
Exactly \$100k	26
\$1-\$99k	225

Not only did the data show that 70% of bequest dollars were coming from the top 10% of donors, the organization could now individually identify those top, living donors with known bequest provisions. This provided a dramatically new roadmap for focusing scarce stewardship resources.

Over time, understanding the vastly disproportionate impact of the largest donors also led to more strategic prospecting and solicitation efforts. Appeals are still directed broadly across our constituency, because gift planning is ideally suited to secure gifts of the “hidden wealth” of our supporters. However, the ACLU also added fundraising strategies designed to appeal to prospects known to be high-net-worth individuals with the capacity to make the largest bequests.

E. Makes the planned gift program data-driven

Development managers may often wonder “What is the planned giving program worth?”, “How do we measure it?”, “How much unrealized potential do we have?”, “How do we reach our potential?”, “Over what period of time and at what cost?”, and “When will the cash be received?” A traditional view is that planned giving is something an organization needs to undertake on faith. If they do, they will be rewarded. However, the lack of measurements often leads to underinvestment. Fundraisers can feel that the process is largely out of their hands. A common understanding is “People make planned gifts on their own schedule, not on the organization’s schedule.”

A bequest match overturns these traditional views. The challenge produces a wealth of documented information on intentions, including whether they are general amounts or residuary percentages, their dollar amounts or estimated

values, whether they are contingent or mirror-contingent, when they were executed, etc. It increases the number of closed bequest intentions. Within a few years, an organization may have granular details about the majority of its known intentions.

This feature of legacy challenges pairs well with the existing trend of planned gift programs to become more data-driven. Today, the portion of organizations showing the estimated dollar value of bequest intentions on internal management reports may be approaching 50%. For those intentions whose values are undisclosed by the donor, the best practice is to apply a five-year or ten-year rolling average, based on the pool of known amounts. On top of a legacy challenge, or without one, organizations can survey bequest donors to gather details of bequest provisions. They can publish donor lists for their bequest recognition society in dollar categories, and gather valuation information from donors in the process of seeking permission for those listings.

- F. Bequest expectancies can be measured, reported, used to calculate Return on Investment, and used to calibrate investment in the planned giving program.

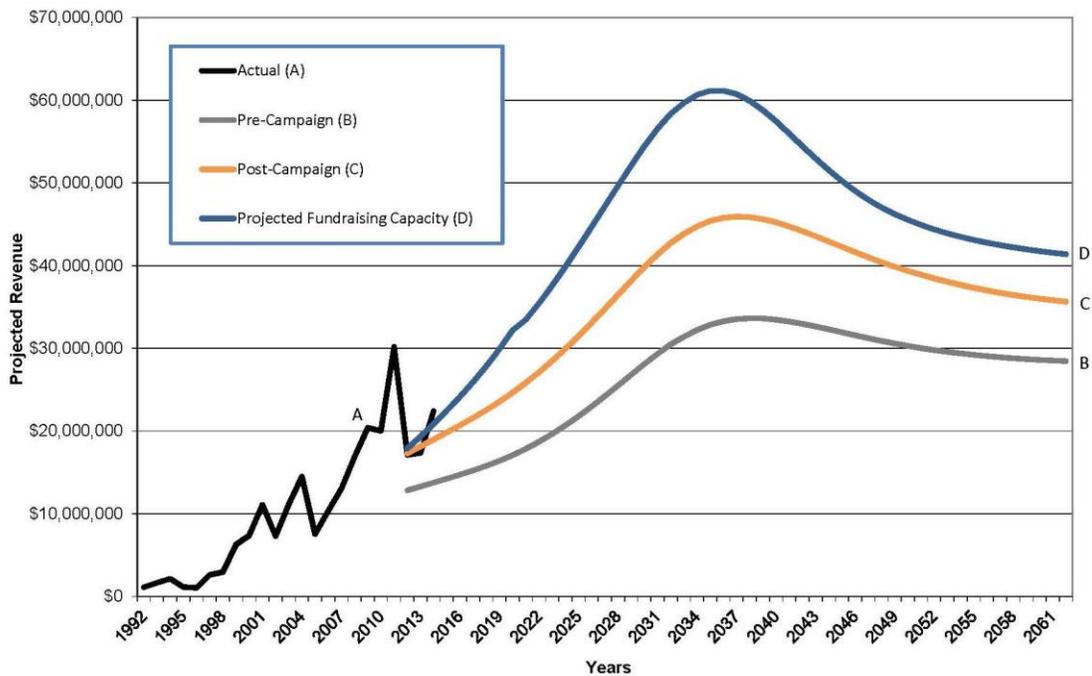
Over time, a series of bequest matches will make a planned giving program more measurable and transparent. Management can know exactly what the investment in staff and budget is producing, not in terms of cash receipts from estates in probate, but from the new bequest intentions that are the direct result of this year's budgetary investment. The numbers provide clear decision making on whether increased investment is worthwhile. The process establishes the value of the planned giving program.

G. Cash flow can be forecasted and used for organizational planning.

When paired with widely-available donor age data, a legacy challenge-driven program can deliver enough source data for accurate bequest cash flow projections. This can be useful for a variety of organizational planning purposes.

Bequest cash flow is also a clear and convincing demonstration of the impact of the organization’s investment in planned giving. The below graph shows how data sets can be “walked backward” in time, showing the state of projections before and after a bequest campaign. The result are two lines (B and C) that show exactly how the organization has “moved the needle” through its fundraising investment -- expressed concretely in year-by-year revenue projections. Line D is an example of a forward-looking scenario. For example, if we increase our planned gift budget by \$x, we can raise enough planned gifts to push our future revenue to line D.

Projected Bequest Cash Flow



V. Implementing a Bequest Challenge

A challenge can be tailored to your organization's needs, donor base, and target audience.

A. Organizational readiness

Whether your challenge is ultimately judged to be a success or failure will be determined largely in advance. The fundamentals must already exist. You can perform a self-assessment by asking yourself:

1. Does my organization have the right prospects?

Do we have longtime, loyal donors invested in the mission? Are a significant portion of them at least age 65 and older? Do we have their contact information on a house file? Do they believe our programs will be needed for decades to come, understand the organization to be well-run, and have faith in the durability of the organization?

2. Do we have the resources to reach them with our message?

Do we have effective marketing and solicitation strategies identified, with the expertise, staffing and budget to implement them? Do we have buy-in from executives?

3. Have we already been promoting and soliciting planned gifts?

A legacy challenge is not recommended as a strategy to launch a new planned giving program. Challenge results will be extremely limited without a base of identified and cultivated prospects.

4. Do we have a pool of prospects in the solicitation pipeline ready to close?

This is a positive factor that will enhance your results. You may even want to consider a “priming the pump” strategy. That means investing in a push to identify, cultivate, and solicit new planned gift prospects in advance of a challenge, in anticipation of later using a challenge as a closing strategy. This recognizes that a significant portion of challenge participants may have raised their hands with an interest in making a planned gift months or years before the challenge gave them a reason to focus on and conclude their estate plans.

5. Do we have the opportunity to dovetail with a comprehensive fundraising campaign?

A challenge can blend with and reinforce a comprehensive campaign. This is a time when you've invested considerable resources in developing a case,

building excitement, and raising donors' sights. The challenge gives campaign prospects a second reason to consider adding a bequest to their campaign pledge.

B. Securing a matching funder and structuring the matching formula and terms

1. Overview

The funder and match terms go hand-in-hand. The reason is that the challenge must be structured to be feasibly completed given the pledge amount, duration of funding, and reporting schedule of the funder. For example, a funder pledges \$1 million on June 30, and expects a report by next June 30 that qualifying planned gifts have been secured for the entire \$1 million. Once your organization knows the match has been approved, it will need two months lead time to produce mailings and other marketing to launch the challenge. Given your projected capacity to secure planned gifts, will the match terms allow you to qualify for the full \$1 million in ten months – or, more likely, nine months, in order for you to close out your records and prepare a report for the following June 30 reporting deadline? This is one reason that it's important to have an existing planned giving program. It provides baseline statistics on response rates and gifts typically closed over various periods of time. That will be your basis for charting the timeline of a challenge.

2. Identifying prospects to provide funding, and the proposal

a. Prospects

The ideal prospect to provide matching funds for a legacy challenge is a longtime insider. Obviously, they should be committed to the long-term financial health of the organization. They should understand the value of a challenge as a highly leveraged investment. They should be open to the data showing that the overwhelming majority of bequest intentions are never revoked. This could be a board member or major donor. It could be a foundation with a history of making grants to your organization. As mentioned in section IV. A., there are some circumstances that can make a bequest match appeal specifically to a foundation. A group of donors could even contribute to a pool of matching funds.

b. Use of funds

The proposal is your opportunity to potentially request both matching dollars and the marketing budget if it would otherwise be lacking. In fact, pledged matching dollars can always work double duty. The fact that the organization must qualify for the funds by securing certain planned gifts

does not determine how the funds will be spent once you've qualified for them. On top of the challenge match, a funder could direct their gift to a favored program, to cover planned gift marketing costs, to be unrestricted, etc. The ability to both leverage their funds through the match, and to direct the purpose of the gift may be an added incentive for your match funder.

- c. What amount of matching funds will you need to launch a challenge, and how long should the challenge last?

A good exercise is to start by estimating the time it will take to get the word out to your constituents, and to give an interested prospect enough time to realistically put a bequest provision in place. Suppose you judge that to be a minimum of six months. What are the numbers and amounts of planned gifts you typically close in a six month period? You might want to pull a list of gifts closed in an actual past six month test period. Then consider how much that baseline of fundraising might increase because of the challenge. A successful challenge can double the number of planned gifts closed. Next, consider a typical match formula, like 10% up to a maximum match of \$10,000 per donor. Apply that match formula to the upwardly-adjusted gifts in the test period to arrive at an amount of matching funds. If that target amount seems unrealistic given your potential match funders, try different scenarios of match formulas that seem like they would still provide an adequate incentive to planned gift prospects. The next section details options for matching formulas and ways to stretch matching dollars. Of course, you'll need to pair all of this with the needs and expectations of your matching funder.

- d. How long is too long to run a challenge?

You don't want the challenge to reach a point where it seems routine, and loses its sense of being a special opportunity. You also want to take advantage of a deadline -- the time when your prospects need to rally and complete their plans. The deadline is highly effective, but not if it never arrives. Typically, a challenge will run for no more than two years.

- e. Gift agreement

Agree on the timeframe of the challenge, reporting dates, and what information will be collected and reported to the funder. Typically a donor is asked to complete a matching form indicating the amount or estimated value of their bequest provision, whether it is contingent, and the date of the will or trust. The matching form is often signed and dated by the donor.

3. Options for the match formula and other terms

a. Model formula

The most common model has been a match of 10% of the face amount of the bequest (or 10% of the deduction amount for a life income gift). For example, notification of a \$50,000 bequest intention would trigger a \$5,000 match. There is typically some limit. For example, a maximum match of \$10,000 per planned gift donor (corresponding to a \$100,000 bequest).

b. Incentivizing larger bequests

Many variations are possible. For example, the cap could be higher. In Planned Parenthood's Bequest Challenge there is a 10% match with a limit of a \$25,000 match per qualifying donor. This means that the qualifying planned gift donor doesn't "max out" the match until a bequest of \$250,000, rather than \$100,000. The ACLU's current challenge offers a 20% match on bequests up to \$1 million. It offers a further match of 5% on bequest amounts in excess of \$1 million. Donors have responded to these terms with bequests as high as \$5 million, thus triggering a \$400,000 match. You may want to consider variations on this theme if crafting a challenge with top major donor prospects in mind.

c. Match for undisclosed amounts

Typically, there is a provision for some nominal match even for those donors who wish to keep the amount of their bequest private. This provision is designed to avoid having such donors "fall through the cracks" because the notification of the existence of their provision, and the ongoing stewardship of the donor, are still valuable goals. Often the match for undisclosed or private amounts is \$100, but could be higher.

d. Stretching matching dollars, Part 1: Two match tiers

One way to shepherd scarce matching dollars is to have a lower tier for notifications of provisions that were executed prior to the launch of the challenge, and targeting a higher match tier to provisions executed during the current match period. For example, a 10% match for new bequests, and a 5% match for the discovery of pre-existing bequests.

e. Stretching matching dollars, Part 2: The flat match

Organizations operating with limited available matching funds have also offered challenges with a flat match of, for example, \$1,000. This has some value in encouraging bequests. However, the significant drawbacks

are the lack of incentive for donors to consider larger bequests, and the loss of the opportunity to ask about bequest amounts and thus gather information about expectancies.

f. Match for increased bequests and additional gift annuities

Many of our existing bequest donors are in the position to later increase their gift provisions. Charitable gift annuity donors, of course, are good prospects for subsequent annuities. All of these prospects can be included. In the case of increased bequests, the match applies to the amount of the increase. Typically, the requirement is that the donor has made a change to their will or trust, either increasing the amount of the bequest, or increasing the percentage. “Increases” resulting merely from a higher net worth, with no other action on the donor’s part, are excluded. The disclosure of amounts or values from previously known bequest donors, where the amount had been previously undisclosed, are typically an exclusion from the challenge.

g. Match for beneficiary designations

We recommend that bequests by beneficiary designation, either through retirement accounts, life insurance, or Pay on Death accounts, be included in the challenge.

h. Match for second-to-die mirror contingencies

A small but significant portion of bequest intentions tend to be contingent, usually on the prior death of a spouse. We recommend asking about this on the matching form, and excluding them from the challenge or providing a nominal amount like that for a donor with an undisclosed bequest value. However, mirror contingencies will eventually be received, are a useful planning tool for donors, and should be accommodated by the terms of the challenge.

i. Requiring copies of wills, trusts, or other gift documents

Our experience has been that donors tend to take great care about realizing the spirit of a bequest match. If anything, some donors are reluctant to estimate the values of their percentage bequests, pointing out that their lives and financial circumstances could change. We don’t believe there is any real incidence of donors reporting a bequest when it doesn’t exist. Any misunderstandings in the initial notification are quickly corrected when the organization acknowledges the notification back to the donor. We recommend a best practice of asking for copies of gift documents, but not requiring them for the match.

C. Marketing

1. Designing matching forms

One of the first things you'll need to do is design the matching form that the qualifying planned gift donor completes in order to participate in the challenge. We've discussed above the various considerations for the terms of the match, including what types of gifts can qualify, the types of gifts excluded, and gifts that qualify for alternative match amounts or percentages. Obviously, all those decisions need to be taken into account so that the information collected on the matching form allows you to administer the match terms that you've set. A sample matching form follows this paper.

2. Recording data and designing reports

Another early consideration is how you will capture the data you'll need to gauge your progress, plan ahead, and ultimately to report back to your challenge funder. It's important to establish workflow and processes early on. Define all the data points and decide how they'll be tracked. Have a report prepared so you'll know at any given time how much of a match you've qualified for, the amount of planned gifts raised, and other measurements that are important to you and your match funder.

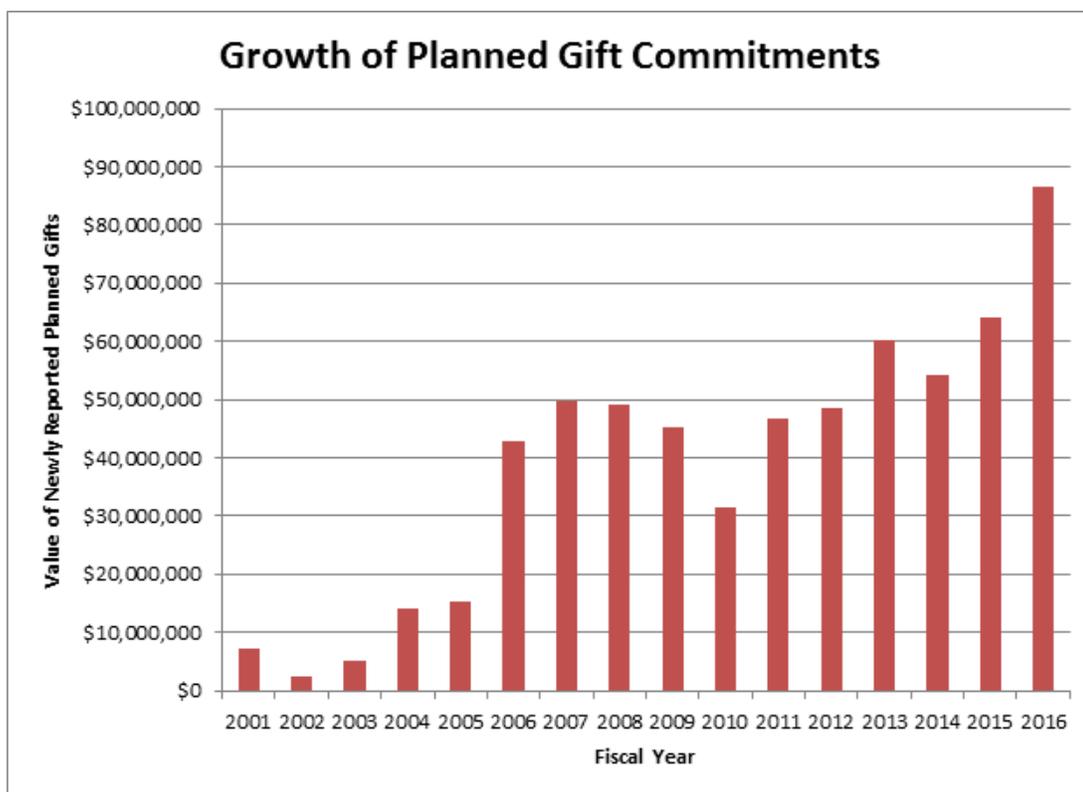
3. Marketing channels

Both EDF and ACLU found direct mail to be an effective way to promote a challenge.

VI. Results

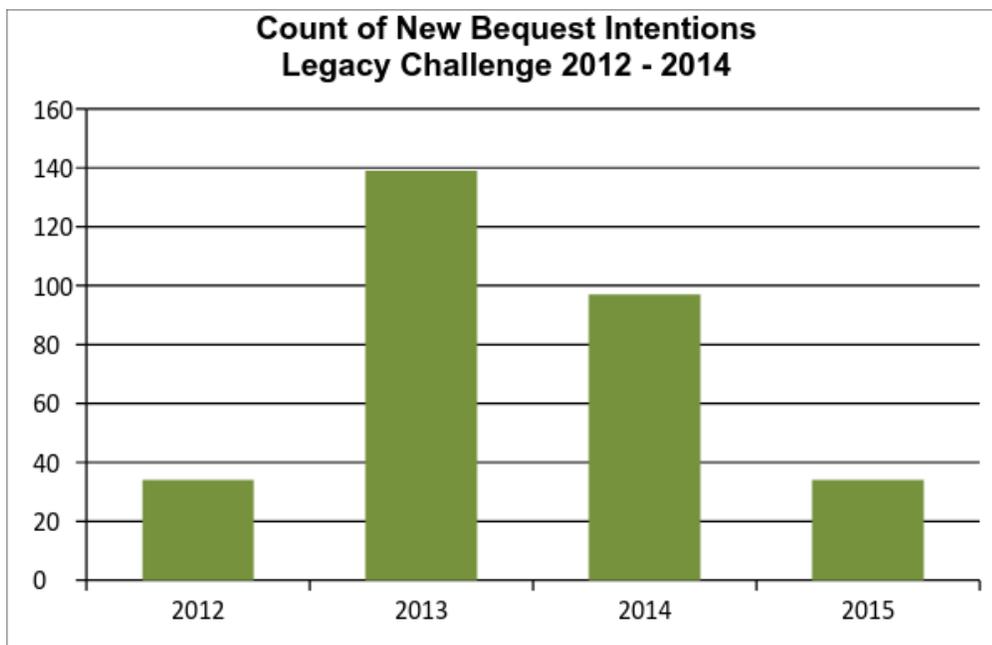
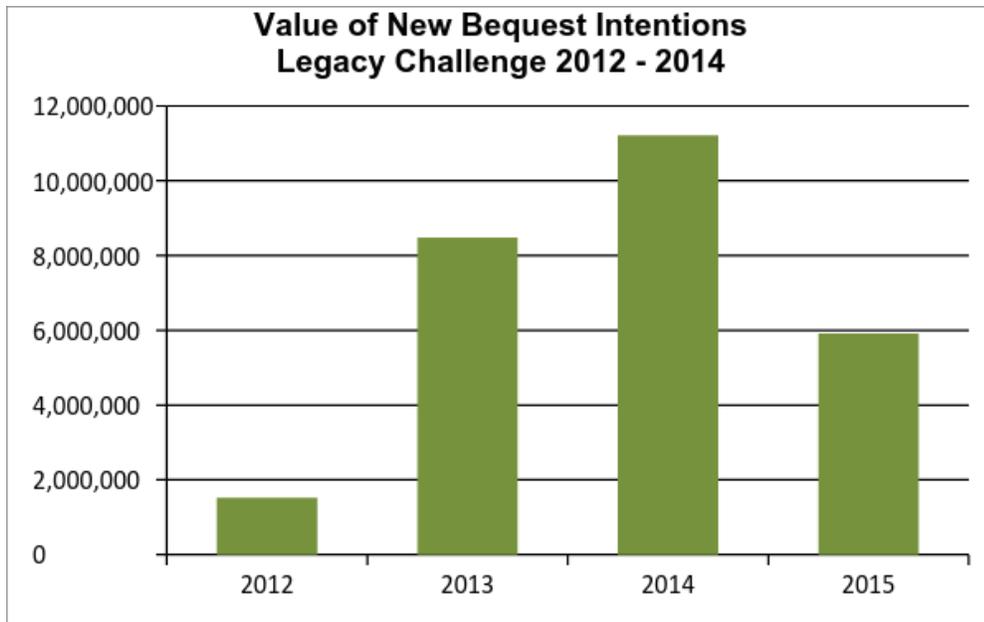
ACLU Results

- New planned gifts increased from \$15 million to \$43 million in the first year of the challenge. Ten years out, subsequent iterations of the challenge have continued to increase results, recently reaching nearly \$90 million. (See below graph.)
- Marketing dollars became more effective, allowing us to invest more in planned giving
- Measurable ROI for the PG program: average \$30 in planned gifts for every \$1 invested in the expense budget
- Both donors and volunteers got excited about planned giving, and ambassadors emerged to promote it to their peers
- Reached an 80% board participation rate



EDF Results

- The value of new planned gifts rose from \$1.5 million to \$8 million the first year and \$11 million the second year of the Challenge.
- Annual number of planned gifts increased from an average of 50 to over 120 during the first two years of the challenge.
- Average amount of bequest intentions more than doubled from \$25,000 to \$73,000.
- \$1 million bequest challenge leveraged \$27 million in current value bequest intentions.



Examples:

ACLU Legacy Challenge bequest documentation form

AMERICAN CIVIL LIBERTIES UNION

LEGACY CHALLENGE

- Name the ACLU in your will, or as a beneficiary of your retirement plan, savings account or life insurance policy.
- Complete this matching form.
- A matching donation of 20%* will be made to the ACLU today in your name, while matching funds are available.

Signature _____ Date _____

Name (Please Print) _____

Address _____

City _____ State _____ Zip _____

Email _____ Phone _____

I'd Like to Qualify My Planned Gift for a Matching Donation

1. I have included the ACLU ACLU Foundation as a beneficiary of my
 Will / Living Trust Retirement Plan Savings Account Life Insurance Policy Charitable Trust
2. My bequest is in the specific amount of: \$ _____
 My bequest is stated as a percentage and is worth approximately: \$ _____
(Please provide your best good-faith estimate of the value of your future bequest, based on the approximate current value of your assets.)
 I wish to keep the value of my bequest private at this time.
(Your intended bequest will qualify for a matching gift of \$100.)
3. My bequest to the ACLU depends upon a contingency, such as the prior death of a spouse, partner or child.
 My spouse/partner has done the same. The ACLU will receive a gift upon the death of the second-to-die.
4. I added this bequest to my will or trust, or updated my beneficiary designation forms to include a gift to the ACLU
 Prior to April 1, 2015 After April 1, 2015*
5. Please contact me about being recognized on the DeSilver Legacy Society honor roll.
or
 I prefer to remain anonymous.

Please return to:
ACLU Office of Gift Planning
125 Broad Street, 18th Floor
New York, NY 10004

For questions or more information:
website: www.aclu.org/legacy
toll-free: 877-867-1025
email: legacy@aclu.org



AMERICAN CIVIL LIBERTIES UNION

*Qualifying planned gifts up to \$1 million will be matched with a 20% cash donation if completed after April 1, 2015 and with a 10% cash donation if completed prior to April 1, 2015. A 5% match applies to the portion of a planned gift in excess of \$1 million if completed after April 1, 2015.

EDF Legacy Match documentation form



Name EDF in your will, or as a beneficiary of your retirement plan, bank account or life insurance policy and a generous supporter will make a matching donation today of up to \$10,000 (10% of your future gift's value).

Yes! I want my future gift to qualify for a matching donation today.

I have named EDF in my:

- Will /Trust Retirement plan Bank Account Life Insurance

For EDF to receive a matching donation, please use your best estimate of the current value of your future gift.

- My bequest is stated as a percentage and is worth approximately: \$ _____
- My bequest is in the specific amount of: \$ _____
- I wish to keep the value of my bequest private at this time.

Name _____

Address _____

City _____ State _____ Zip _____

Email _____ Phone _____

Thank you.

If you have questions about the Legacy Match or would like help in finding a gift that is right for you, please contact Mike Pohlmann, Associate Director of Planned Giving, toll-free at 1-877-677-7397, directly at 212-616-1201, or by email at legacy@edf.org.

Use the enclosed envelope or return to:



Environmental Defense Fund
Office of Planned Giving
257 Park Avenue South
New York, NY 10010

Totally chlorine free 100% post-consumer recycled paper

ACLU ad

With a Single Sentence, You Can Defend Freedom Now and Forever.

Right now, by adding the ACLU to your will, you can leave a legacy of liberty for generations to come and defend our freedom today.

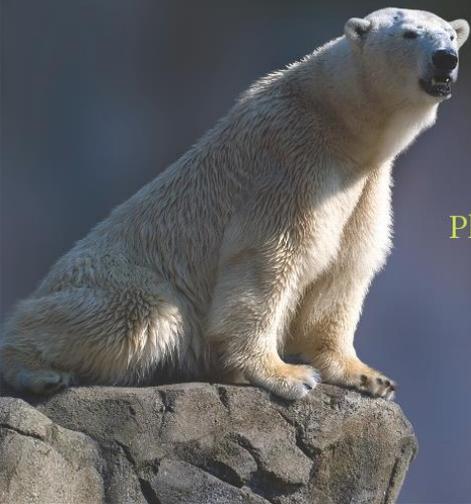
Name the ACLU in your estate plans and the LuEsther T. Mertz Charitable Trust will make a cash matching contribution of up to \$10,000 to the ACLU today, while matching funds are available.

For simple bequest language to include in your will and for information on other gifts that qualify for the Legacy Challenge, visit www.aclu.org/legacy or call toll-free 877-867-1025.

AMERICAN CIVIL LIBERTIES UNION
LEGACY
CHALLENGE



EDF brochure



Plan for your future.
Protect them today.



Include EDF in your estate plan and we will receive a matching donation of up to \$10,000 today.

EDF Legacy Match

EDF Legacy Match

Here's how it works:

- Name EDF in your will, or as a beneficiary of your retirement plan, bank account or life insurance
- Tell us about it
- A generous supporter will make a matching donation today of up to \$10,000 (10% of your future gift's value)

It's that simple.

ACLU ad

The Legacy Challenge



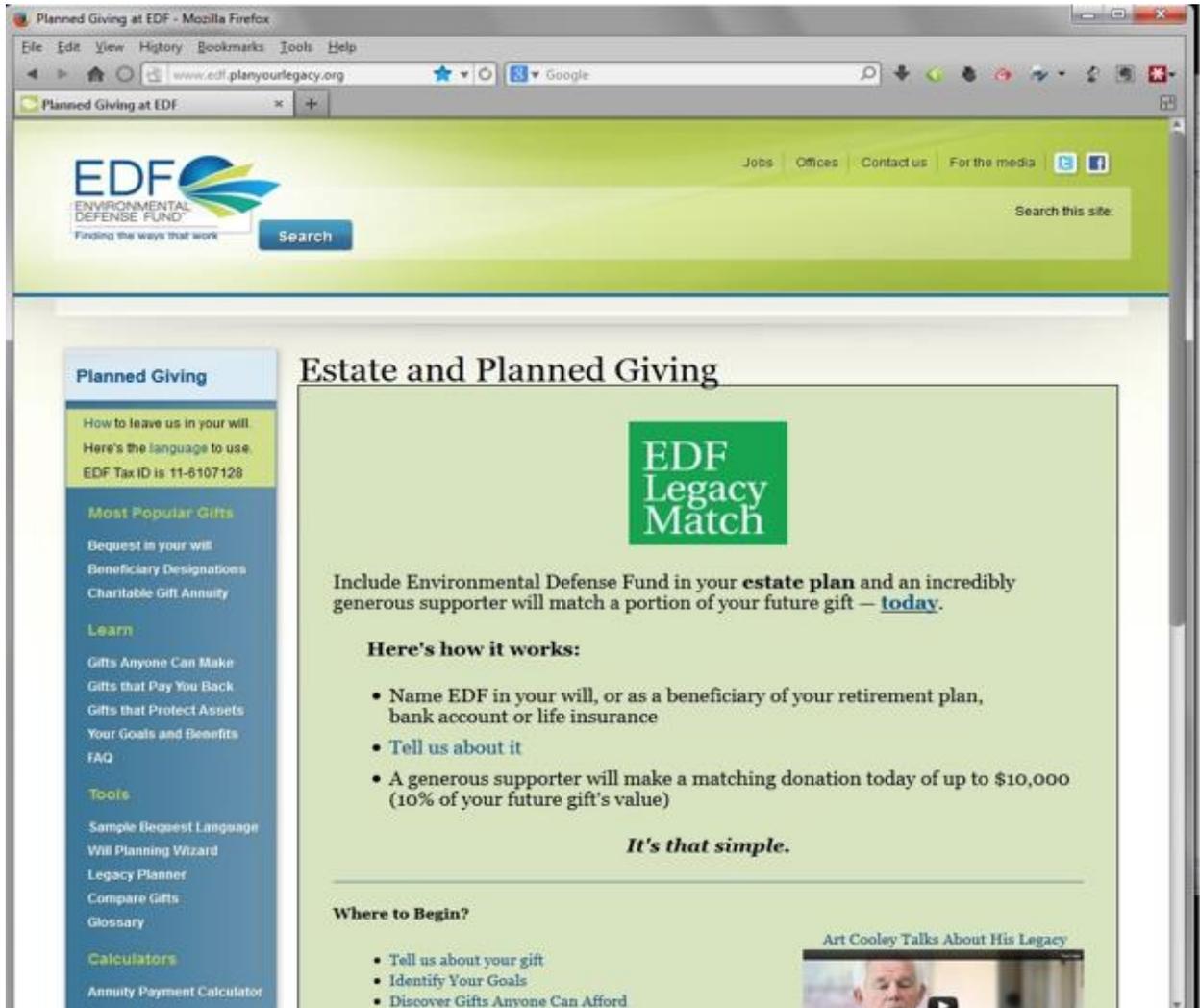
Act Now. Ends in less than 90 days!

You can protect freedom's future and spark a Legacy Challenge donation to support immediate ACLU priorities — it's as easy as 1 - 2 - 3!

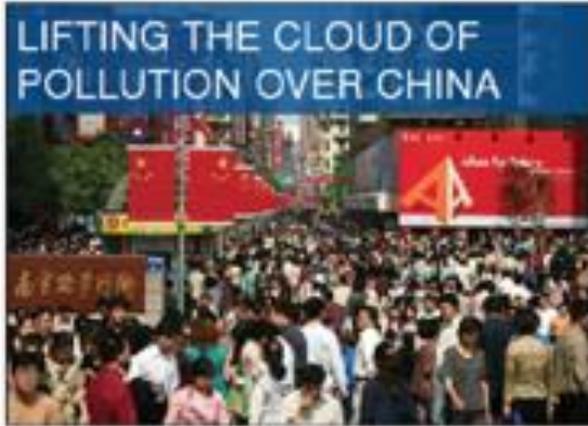
1. Name the ACLU in your will or trust (see reverse for bequest instructions).
2. Tell us about it using the enclosed reply form.
3. A matching cash donation of up to \$10,000 (equal to 10% of your planned gift) will be made to the ACLU today by The LuEsther T. Mertz Charitable Trust.

125 BROAD STREET, 18TH FLOOR • NEW YORK, NY 10004-2400 • 877-867-1025 • WWW.ACLU.ORG/LEGACY

EDF web page



EDF newsletter ad



This January, the air in Beijing was so polluted that people could not see the tops of buildings. U.S. Embassy measurements for fine particulate matter (PM2.5) reached record levels – all three the exposure limit recommended by the World Health Organization.

The road-burning factories that ring Beijing played a leading role. Coal has fueled China's prosperity. The nation burns more than half the world's coal, using it to generate 70% of its electricity.

The pollution from coal and automobiles has created an ongoing public health problem. New research by

London's Health Effects Institute estimates that 1.2 million people die prematurely in China each year from breathing dangerously polluted air.

"Public outcry over air pollution is growing in China," says Dr. Dan Dudas, who has headed EDF's China team for two decades. "People are saying economic growth is not enough without healthy air."

The government is listening. The State Council has developed a two-point plan to address air quality. In June, with EDF's help, China launched the first of seven carbon-trading pilots that will eventually cover 200 million people in Shanghai,

Beijing, Chongqing, Shanghai and Tianjin, as well as the provinces of Guangdong and Hubei. Cutting emissions from coal-fired plants and factories slashes both climate and conventional air pollution.

EDF began a formal collaboration with Shanghai last November, providing technical and policy support. With 15 million people, Shanghai is a microcosm of the challenges facing China due to rapid urbanization. Over the past decade, the number of cars has ballooned from 200,000 to 2.4 million, accounting for half the city's carbon emissions.

The Shanghai pilot will limit emissions from 600 companies responsible for about 40% of the city's carbon pollution. Companies able to reduce their emissions below their limit will be able to sell unused permits to companies unable to meet their targets – creating a financial incentive to reduce emissions while ensuring environmental improvement.

"We are grateful for EDF's support as we design and implement Shanghai's carbon-trading program," Vice Mayor Tang He said at the inaugural ceremony.

EDF also helped broker a deal that opens the door to technical cooperation between Shanghai and California, the first U.S. state to develop its own emissions trading system.

"China is the world's biggest greenhouse gas polluter," Dudas said. "The seven new pilots are the boldest experiment yet to curb greenhouse gas emissions."