ABE

American Bar Endowment
Board of Directors Meeting

Tuesday, February 4th, 2025

The Renaissance Hotel
Phoenix, Arizona

Our Vision: Making a difference by funding programs that advance the American justice system and the rule of law.

Our Mission: To generate funds for the support of law-related public service, educational, and research programs by building and sustaining the Legal Legacy Fund and by sponsoring insurance and other programs for the legal profession that encourage charitable giving.

American Bar Endowment
February 4, 2025
Maricopa Room, Lower Level
The Renaissance Hotel, Phoenix, AZ

Time	Matter	Action	Page #
9:00am - 12:00pm	**Open Session**		
9:00am - 10:00am	**Officers and Direct Reports**		
	a. ABE President - Hon. Lora J. Livingston		
	i. Approval of the Minutes - October 28-29, 2024	Approval	4
	b. ALIP President - Hon. Lee S. Edmon		
	c. ABA Officers		
	i. ABA President - Bill Bay (Jonathan Cole presenting)		
	ii. ABA Treasurer - Fritz Langrock		
	d. YLD Liaison - Dani Borel		
	e. A-E-F-C Pension Plan Committee Liaison - Randy D. Noel		
	f. ABE Executive Director - Dana Sturtz Hill		
10:00am - 12:00pm	**Committee Meetings**		
10:00am - 10:10am	Insurance Committee Update - Randy D. Noel, Chair, Hon. Lee S. Edmon, Vice Chair		
	a. January 20, 2025 Committee Meeting Minutes	Approval	10
	b. Insurance Committee Meeting Materials		12
10:10am - 10:20am	Communications Committee Update - Tommy D. Preston, Jr., Chair, Trish Lee Refo, Vice Chair		
	a. January 17, 2025 Committee Meeting Minutes	Approval	22
	b. Zeis Communication Meeting Materials		23
10:20am - 11:30pm	Finance Committee - Kevin L. Shepherd, Chair, Hilarie Bass, Vice Chair		
	a. December 11, 2024 Committee Meeting Minutes	Approval	40
	b. January 23, 2025 Committee Meeting Minutes	Approval	42
	c. Marquette Reports - Jamie Wesner		
	i. Active Fixed Income Manager Report		44
	A. Resolution to Approve Active Fixed Income Manager	Approval	78
	ii. December Flash Report		79
	iii. Portfolio Update		98
	d. Dividend Report - Dana Sturtz Hill		109
	e. FY24 Results & FY25 YTD Summary - Dana Sturtz Hill		110
	f. Audited Financial Statements - Kevin Shepherd		115
	i. Resolution to Approve Audited Financials	Approval	146
11:30am - 12:00pm	Grants Committee - Bobbi D. Liebenberg, Chair, Bob M. Carlson, Vice Chair		
	a. Grants Committee Functions and Duties and Historic Grants- Bobbi Liebenberg		147
	b. FJE Report - Orlando Lucero, Lea Snipes		
	i. Current Year Grant Submission (FJE)		152
	c. ABF Report - Mike Byowitz, Mark Suchman, Jimmy Goodman		
	i. Current Year Grant Submission (ABF)		218
	d. Charitable Gift Fund Update - Hon. Lora J. Livingston		

12:00pm - 1:00pm	*Lunch*		
1:00pm - 3:00pm	**Closed Session**		
1:00pm - 1:30pm	Grants Committee Continued: Executive Session Matters - Chair Bobbi D Liebenberg		
	a. January 23, 2025 Committee Meeting Minutes	Approval	*
	b. Funds Available for Grants		
	i. Resolution to Approve ABF/FJE Grants	Approval	*
	c. Opportunity Grants		
	i. Resolution to Approve 2025 Opportunity Grants	Approval	*
1:30pm - 2:30pm	Strategic Planning Committee - Tracy A. Giles, Chair		
	a. January 20, 2025 Committee Meeting Minutes	Approval	*
	b. Status of Discussions with ABA and ALIP Updates		
2:30pm - 3:00pm	Closing Remarks & Other Business - Hon. Lora J. Livingston		

Appendix Material

* Executive session materials will be distributed separately

Minutes of the Board of Directors Meeting
American Bar Endowment
Oct 27-30, 2024

The Board of Directors of the American Bar Endowment held a regular meeting October 27-30, 2024 at the Ritz Carlton Bacara in Santa Barbara, California. Directors in attendance for all or a portion of the meeting were:

Hon. Lora J. Livingston, *President*
Hilarie Bass, *Vice President*
Kevin L. Shepherd, *Treasurer*
Tommy Preston, *Secretary*
Michelle Gallardo
Deborah Enix-Ross
Jonathan Cole, *Ex-Officio*
Betty Balli Torres
Tracy A. Giles
Bob M. Carlson
Randy Noel
Roberta Liebenberg*
Patricia Lee Refo*
Fritz Langrock, *Ex-Officio*

Also present, either in person or virtually, for all or a portion of the meeting were:

Hon. Lee Edmon, *ALIP President*
Dani Borel, *YLD Representative*
Dave Armstrong, *SASS Associates*
Joe Schonhoff, *ZeisGroup*
Jamie Wesner, *Marquette Associates*
Ching Wang, *New York Life*
Dan O'Brien, *New York Life*
Maridsa Otero, *New York Life**
Dana Sturtz Hill, *ABE Executive Director*
Izzy Eisen, *ABE Executive Assistant*
Orlando Lucero, *FJE Chair*
Lea Snipes, *FJE Director*
Sandra Chan, *ABF President*
Mark Suchman, *ABF Executive Director*
Jimmy Goodman, *ABF Past President*

**Virtual Attendee*

I. Reports

A. Report of the ABE President

Judge Livingston opened the meeting by welcoming everyone to Santa Barbara, and everyone around the room introduced themself. She then proposed two small verbiage changes to the June 2024 BOD meeting minutes. A motion was made, seconded, and unanimously passed to adopt the minutes with the adjustments. Judge Livingston next reported on the updates since the last meeting, noting the New Director Orientation on September 13 and the Executive Committee meeting on September 27th which included Ms. Hill's one-year review. She reviewed some agenda items; the audit, Charitable Gift Funds (CGF), and talks with the American Bar Association (ABA) regarding American Lawyers Insurance Plans (ALIP). She closed with an overview of the dates and locations for the next meetings, Feb 3-4, 2025 in Phoenix, June 11-14, 2025 in New York, Aug 6, 2025 in Toronto, and possibilities for Nov 2025.

B. Reports of the ABA President & Treasurer

Mr. Cole, on behalf of ABA President Bill Bay, updated the Board on the ABA. He touched on the ABA's new five-year strategic plan and some personnel updates, specifically Jim Walsh's promotion to Chief Communications Officer, Jocelyn Johnson's hiring as Chief Marketing Officer, and their anticipated successful coordination and collaboration with the current Chief Product Officer, Josh Poje. Mr. Langrock then presented the status of the ABA's financial wellbeing. He also gave an update on the ABA's search for a new Chief Financial Officer, sharing that there was a search team currently working to find a replacement, and that the business intelligence team, under Mr. Poje, was analyzing the insights and findings from attribution, or lack thereof, associated with the $45 dues increase effective 9/1/24.

Judge Livingston asked what the trend of membership retention looked like. Mr. Langrock responded that approximately 48% were lost in the first year, and that retention would be a focus of the President in the coming year. Ms. Enix-Ross asked if there was a difference if the members were in Sections. Mr. Langrock responded that while that could be true, the business intelligence function under Mr. Poje is continuing to analyze proposed correlations to prove causation and continues to provide valuable insights to assist leadership in making decisions to improve the member experience and likelihood of renewal.

C. Report of the ALIP President

Judge Edmon gave an update on ALIP, starting with the movement of ~$250,000 from cash to an interest-bearing money market account. She noted that, with auditor approval, the ABE had changed how they are booking ALIP expenses, now rendered through an allocation, eliminating an onerous manual staffing process of charging portions of time directly. Otherwise, ALIP is currently dormant, and it would next be discussed in Executive Session.

D. Report of the YLD Liaison

YLD Chair Borel gave an update on the Young Lawyers Division (YLD). She shared about the current YLD initiatives; the YLD Literary Society, the student debt survey and the membership survey, and the YLD meetings coming up in February and April. She detailed the tentative planning she had done with ABE staff for ABE's participation at the YLD's Spring meeting. The group discussed the implications of the surveys, most notable the trend in decreased public service by young lawyers. Mr. Shepherd inquired into the survey sample size. Ms. Borel shared the survey was not statistically significant with it having 300 responses, but the fact that half of the responses came from ABA members who had no active involvement made the results instructive. Mr. Preston shared that he and Ms. Hill had been discussing possible evolutions for the ABE/YLD relationship and hoped to revisit the longstanding relationship moving forward to ensure we are continually adapting with new trends we are seeing in the young lawyer’s legal profession to provide benefits to both groups.

E. Report of the AEFC Pension Representative

Mr. Noel updated the Board that ABE maintains a healthy funding status at 87%, and that ABE has 21 participants in the plan and only 5 are active.

F. Report of the ABE Executive Director

Ms. Hill shared her view of the overarching status and strategy of the ABE, with a current focus on building foundational stability. This is accomplished with three priorities. The first, establishing financial confidence, is being addressed with the acquisition of external financial support to assist with the audit, reevaluation of the accounting software, transitioning to Bill.com for electronic payments, moving assets to a custodial relationship with PNC, and renegotiating office space. The second goal, modernizing the operations, is being achieved through the shredding of over 22,000 pounds of paper records, moved staff vacation and leave time reporting to an online system, adding technology to the conference room, removing bike messengers for check deposits, implemented cyber security training for the staff, and increased D&O insurance as well as other coverages for the ABE. It will also include a revamp of the chart of accounts, as well as an RFP for a new accounting system, both of which are already accounted for in the budget, as well as a new membership database which will cost around $1.5-2 million. The third priority, building an exceptional team, covers the people, HR, and culture at the Endowment, which will be covered more thoroughly in Strategic Planning Committee. It addresses staff turnover, a review of the staff handbook, formalization of HR support, and a transition of culture from sticking to tradition to problem solving, innovative thinking, and modernization. She highlighted the relationships being fostered between staff, consultants, and vendors, as well as the process of reviewing the distribution of responsibilities in the office. Ms. Borel asked if the new membership database needed to be built up specifically for the ABE as it was originally or if they could adapt one that exists. Ms. Hill replied that they were exploring all options but would likely do the latter. Mr. Armstrong shared that he would be connecting Ms. Hill with several different vendors that specialize in these systems, and they would go from there. Ms. Hill finished her presentation by stating her goal: securing that foundational base focused on the three priorities, which will give the ABE comprehensive ownership of its data and a more holistic view of the organization. Ms. Enix-Ross and Ms. Gallardo lauded the amount Ms. Hill had accomplished in her first year, emphasizing the tremendous amount of work she achieved.

II. Insurance Committee

Mr. Noel opened the Insurance Committee meeting, directing the Board's attention to the New York Life (NYL) representatives. Mr. Wang gave an overview of NYL, and a broader perspective on the macroeconomy and life insurance industry. He then shared some views about what the economy may be doing and the likelihood of a recession given the fact that we were in a very unique environment. He next gave a review of insurance company ownership structures: mutual companies, public companies, alternative asset private equity companies. Mr. Ching then went into some updates on the ABE's insurance realm. He first shared that the QuickDecision (QD) limit will be raised from $500 thousand to $1 million in the upcoming year, and they would be using a new risk mitigator called Milliman. His second update was about how NYL was incorporating generative AI into their business with a couple of very large initiatives, mainly focused on the retail side.

Mr. O'Brien then led the group through this year's policy financials, noting that while last year had been exceptionally good, this had still been a good year, exceeding historical averages. The program is in a great financial position with $16 million of dividends on deposit, on top of the Cost Stabilization Reserve (CSR), which is equal to 100% of the premium. In totality, ABE has over $27 million in reserves. He then discussed office overhead expense, which is a small program that used to be quite popular. New products weren't being sold, but the remaining open policies were quite profitable. Next, he discussed the plan to move the QD limit from $500 thousand to $1 million for all of the QD plans, starting with an ART, then implementing the higher limit for level-term plans after they have had the opportunity to collect additional data about its actuarial results. He detailed how the Milliman risk score works to mitigate risk for NYL and the ABE and will allow NYL to more widely offer super preferred rates. Mr. Noel presented a motion to the Board from the Insurance Committee proposing the increase of ABE QD insurance limit from $500,000 to $1,000,000 for life products offered by NYL, at a timeline ABE management (in counsel with NYL and other advisors) decides to implement and promote, which was unanimously passed by the Board.

Next Mr. O'Brien discussed the two New York Life assessments, the security review and the quality review. Really focusing on the ABE systems, the security review was completed in August and NYL has shared that they are comfortable with all the security that the ABE has in place on this program. Ms. Otero reported that the quality review, which reviews the day-to-day administration of the program, was expected to be completed this Friday. One finding in the quality review was that some of the policies included language that required insureds to maintain their Bar Association membership. Ms. Sturtz Hill reported that in regular reviews of ABE procedures, staff determined that there were no current procedures--and no readily available options--to easily verify bar association membership for ABE insureds. In order to avoid inaccuracies in our website and other communications regarding ABE's sponsored insurance programs, all references to verification of bar membership were removed. The Board discussed the matter, and upon motion made unanimously supported and ratified the decision of ABE Executive Director.

Mr. O'Brien closed by sharing how he and NYL are excited to host the ABE Board next June 2025 in New York.

Mr. Armstrong then gave his reserves report, pointing out three changes from the Charleston report: $3.3 million had been wired and invested, so was no longer showing on the report, office overhead was $180,000 in margin, also wired and invested, and the $1.1 million from the excess medical plan was being transferred to the Legal Legacy Fund, as the plan is sufficiently reserved already. Judge Livingston asked if the large disability claim was the same one the Board had seen in Charleston. Mr. Armstrong replied that it was the same case, that these numbers only get changed with the final accounting, and that his report and Marquette's material reflect the most up-to-date data.

III. Grants Committee

Ms. Liebenberg greeted the room and introduced the minutes of the Grants Committee from October 16, 2024 for review and approval by the Board. A motion was made, seconded, and passed to approve the minutes. She then updated the room on the status of the Opportunity Grant program that had been approved in Charleston.

Mr. Lucero greeted the room, thanking the ABE for their generosity. Ms. Snipes then highlighted some of the standout programs the FJE is focusing on, including programs focusing on LGBT representation and domestic violence issues, as well as an online repository of free legal answers. Mr. Lucero then spoke to the FJE's strategic plan, breaking down the three working groups and their responsibilities, as well as the training plans they had implemented. Ms. Snipes gave updates on the donor and donation numbers in general and for ABA Giving Day. Mr. Lucero detailed ABA's Giving Day, saying they had earned $437,000 from 1500 donors thus far, and final counts would be summed up in the coming weeks. He also mentioned some updates they had made to the process, such as getting a new online donor portal to improve the user experience. Ms. Snipes then shared several other improvements, such as personalized thank you messages from council members to donors, expansion of the Legal Opportunity Scholarship Fund, and fundraising for ProBAR.

Ms. Chan welcomed everyone to her hometown and thanked the room for inviting her into the Board meeting. She thanked the ABE for their incredible generosity and then provided a general overview of the ABF's strategic plan. Mr. Suchman talked about the Strategic Plan in more detail and discussed his hiring plan and status. Ms. Bass asked what the ratio was of part time to full time. Mr. Suchman replied that historically it had been as high as 50-50, but currently there were 14 part time and 2 full time faculty. Mr. Suchman thanked the ABE for their grant last year, which was a little over 40% of the ABF's budget. He also lauded the ABF fellows across the world for their support. He then highlighted the research of Traci Burch, who studied the verification of eligibility and its impact in voting.

The committee conducted its remaining business in Executive Session. Following full Board discussion, they exited Executive Session, where Ms. Liebenberg made the recommendation, which had been unanimously approved by the Grants Committee and was consistent with the Executive Director and external counsel’s advice, that the CGF program be discontinued and terminated. A motion was made, seconded, and passed with no further discussion.

IV. Communications Committee

Mr. Preston opened the Communications Committee by thanking Ms. Sturtz Hill, the Zeis team, and the insurance team for their collaboration over the past year. Ms. Sturtz Hill emphasized the importance of bringing the insurance and communications teams together.

Mr. Schonhoff then presented the ZeisGroup report, covering the New Business Report (which compares the year-to-year new insureds), the lifetime value of different marketing plans, ABE’s performance in the most recent campaigns, recent website updates, and the budget-to-date. Mr. Schonhoff highlighted an increase over the past year on applications and paid applications as well as other growth, all with cost being down by 47% as a result of minimizing direct mail. Mr. Schonhoff also highlighted wins associated with our new digital tactics and progress on a more iterative and agile marketing approach.

V. Finance Committee

Mr. Shepherd directed everyone’s attention to the minutes of the October 21, 2024 Finance Committee meeting for approval. A motion was made, seconded, and approved by all, and the minutes were approved with no edits.

Mr. Wesner then reviewed the third quarter market environment and ABE's portfolio performance and review. The market environment has performed remarkably well this year despite all of the global uncertainty but is expected to react dramatically to the presidential election in the following week. ABE's investment portfolio over the last year has performed exceptionally well, with the composition of the Funds closely meeting the target allocation, and Marquette continuing to make small adjustments to rebalance the portfolio. ABE's portfolio over the past 15 years has expanded and grown, with assets now in twice as many markets. ABE, in moving to a custodial relationship with PNC and reviewing it's investments from a more holistic perspective, will continue to see better results as the different pools of funding are centralized.

The Committee conducted its remaining business in Executive Session.

II. Strategic Planning Committee

The Committee conducted its business entirely in Executive Session.

There being no further business before the Board, the meeting was adjourned.

Respectfully submitted,

Tommy D. Preston
Secretary

Minutes of the Insurance Committee Meeting
American Bar Endowment
January 20, 2025

The Insurance Committee of the American Bar Endowment held a regular meeting January 20, 2025 via Zoom. Committee members in attendance for the meeting were:

Randy D. Noel, *Chair*
Hon. Lee S. Edmon, *Vice Chair*
Hon. Lora J. Livingston
Bob M. Carlson
Michelle Gallardo

Committee members not in attendance were:

Dani Borel, *YLD Liaison*

Also present for all or a part of the meeting were:

Dave Armstrong, *SASS* Advisors
Dana Sturtz Hill, *ABE Executive Director*
Dan O'Brien, *New York Life*
Izzy Eisen, *ABE Staff*

Mr. Noel opened the meeting, noting that there were no action items, and this was an informational meeting to prepare the Committee to share any updates with the full Board in Phoenix on behalf of New York Life (NYL). Mr. O'Brien then began the NYL presentation, noting that he would lay out the financials on two products, the disability plan (DI) and the hospital indemnity plan (HMI). The disability plan had a good year with relatively high dividends, however the premiums are declining. NYL plans to work with ABE's communications consultant, ZeisGroup to better market this program moving forward. The hospital indemnity plan had a consistent year financially but did have decreased premiums and has become a less desirable type of plan.

He gave updates on the recent changes, including the timeline to implement the Board's October 2024 decision to increase the annual renewable term (ART) plan QuickDecision (QD) limit to $1 million, the plan to hold off on increasing the Level Term Life QD limit to $1 million, and NYL's continued testing of the Milliman risk score. Mr. Noel asked for some clarity on what testing the Milliman risk score entails. Mr. O'Brien shared that they were implementing it first with underwritten applications and were spot testing those Milliman risk scores for alignment with the underwriting. He next updated that NYL will continue the no cost guaranteed issue offer with an additional DI benefit option for the Young Lawyers Division (YLD) members, launching at the April 2025 YLD Spring meeting. Mr. Carlson asked what the intent of the added DI option would be. Mr. O'Brien shared it would increase DI applications as well as those potential conversions increasing the cost justification of providing the no cost offer. Mr. O'Brien shared a brief overview of the two assessments NYL ran on the ABE in 2024, a security review and a compliance review, both of which will be finished in the next few weeks with positive results.

Mr. Armstrong ran the Committee through the reserves update, noting it was mostly consistent with the updates in Santa Barbara, with changes in the two plans Mr. O'Brien mentioned, the DI and HMI plans. ABE's bottom line is excellent, with fully stocked reserves, and would be most benefited by increasing the number of premiums in the door.

There being no further business before the Committee, the meeting was adjourned.

Respectfully submitted,

Randy Noel

NEW YORK LIFE UPDATE

ABE BOARD MEETING
PHOENIX, AZ

FEBRUARY 2025

ABE DISABILITY PLANS REPORT – 11/1/2023 - 10/31/2024

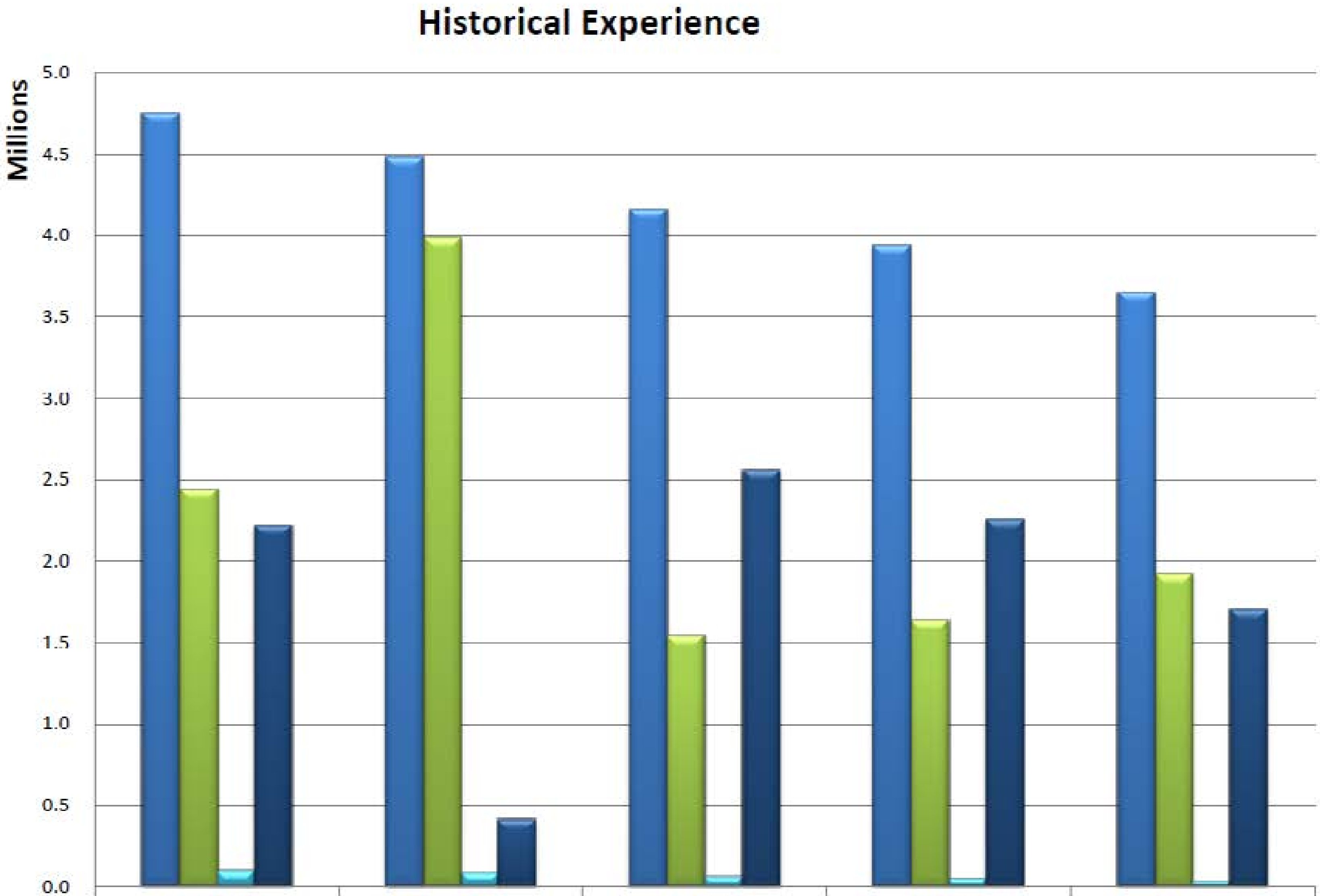
FINANCIAL EXPERIENCE SUMMARY

American Bar Endowment
LTD (G-29900 - 29903)
11/1/2023 - 10/31/2024
Financial Experience Summary

	Prior Year 11/1/22 - 10/31/23 Amount	%	Current Year 11/1/23 - 10/31/24 Amount	%
1. Earned Premium	3,940,792	100.0%	3,650,805	100.0%
2. Charge for Paid Claims	2,135,786	54.2%	2,065,041	56.6%
3. Claim/Policy Reserves - EOP				
A. IBNR/Disablements < 1 Year	2,924,838	74.2%	2,162,174	59.2%
B. Disablements > 1 year	4,743,267	120.4%	5,361,840	146.9%
C. Total	7,668,106	194.6%	7,524,014	206.1%
Claim/Policy Reserves - BOP	8,167,777	207.3%	7,668,106	210.0%
4. Charge For Incurred Claims	1,636,114	41.5%	1,920,949	52.6%
5. Retention				
A. Commissions	0	0.0%	0	0.0%
B. Premium Taxes	94,579	2.4%	87,619	2.4%
C. Marketing	0	0.0%	0	0.0%
D. Medical Fees	12,768	0.3%	6,033	0.2%
E. NYL Administration Charges	157,632	4.0%	164,286	4.5%
F. Risk Charges	63,053	1.6%	58,413	1.6%
H. Interest (Credits)/Charges (1)	(280,425)	-7.1%	(283,245)	-7.8%
I. Total	47,606	1.2%	33,106	0.9%
6. Margin	2,257,072	57.3%	1,696,750	46.5%
7. CSR - Beginning	3,351,944	85.1%	3,116,301	85.4%
- Deposit (excludes taxes)	0	0.0%	0	0.0%
- Margin	2,257,072	57.3%	1,696,750	46.5%
- Maximum	3,116,301	79.1%	2,858,989	78.3%
CSR - End	3,116,301	79.1%	2,858,989	78.3%
8. Preliminary Dividend	2,492,715	63.3%	1,954,062	53.5%
Dividend on Deposit	0	0.0%	0	0.0%
Dividend Paid in Cash (incl. Int)	2,494,628	63.3%	1,954,062	53.5%
<u>Dividend on Deposit Account</u>				
Beginning Balance	4,600,004		4,600,004	
Deposits / (Withdrawals)	0		0	
Ending Balance	4,600,004		4,600,004	

ABE DISABILITY PLANS

HISTORICAL EXPERIENCE 2020-2024



	2019 2020	2020 2021	2021 2022	2022 2023	2023 2024
Premium	4,751,692	4,484,382	4,162,209	3,940,792	3,650,805
Incurred Claims	2,437,432	3,985,752	1,541,003	1,636,114	1,920,949
Retention & Interest	96,823	83,983	62,470	47,606	33,106
Margins	2,217,437	414,647	2,558,736	2,257,072	1,696,750

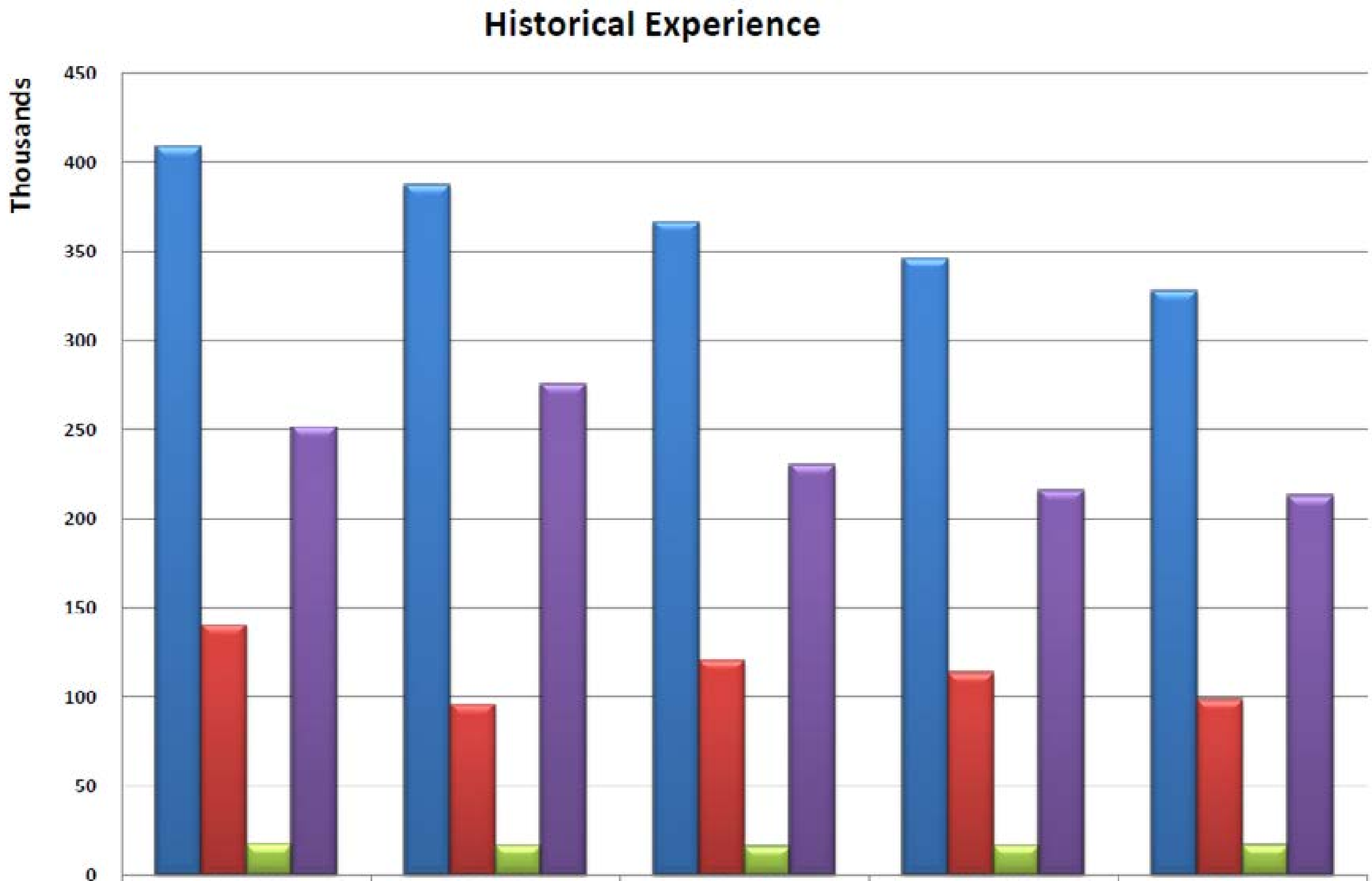
ABE HMI REPORT – 11/1/23-11/1/24 FINANCIAL EXPERIENCE SUMMARY

American Bar Endowment
HIP G-11459
11/1/2023 - 10/31/2024
Financial Experience Summary

	Prior Year 11/1/22 - 10/31/23 Amount	%	Current Year 11/1/23 - 10/31/24 Amount	%
1. Earned Premium	345,878	100.0%	328,135	100.0%
2. Charge for Paid Claims	118,857	34.4%	102,973	31.4%
3. Claim/Policy Reserves - EOP				
A. IBNR	86,469	25.0%	82,034	25.0%
Claim/Policy Reserves - BOP	91,718	26.5%	86,469	26.4%
4. Charge For Incurred Claims	113,608	32.8%	98,537	30.0%
5. Retention				
A. Commissions	0	0.0%	0	0.0%
B. Premium Taxes	8,301	2.4%	7,875	2.4%
C. Marketing	0	0.0%	0	0.0%
D. Medical Fees	0	0.0%	0	0.0%
E. NYL Administration Charges	6,918	2.0%	8,203	2.5%
F. Risk Charges	5,534	1.6%	5,250	1.6%
G. Interest (Credits)/ Charges [1]	(4,510)	-1.3%	(4,524)	-1.4%
H. Total	16,243	4.7%	16,805	5.1%
6. Margin	216,027	62.5%	212,793	64.8%
7. CSR - Beginning	181,046	52.3%	171,834	52.4%
- Deposit	0	0.0%	0	0.0%
- Margin	216,027	62.5%	212,793	64.8%
- Maximum*	171,834	49.7%	161,737	49.3%
CSR - End	171,834	49.7%	161,737	49.3%
8. Preliminary Dividend	225,238	65.1%	222,891	67.9%
Part B Premium	155,645	45.0%	147,661	45.0%
Dividend Available / (Due NYL)	69,593	20.1%	75,230	22.9%

* 50% of Annualized Premium at year-end.

HMI HISTORICAL EXPERIENCE 2020-2024



	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Premium	408,781	387,735	366,873	345,878	328,135
Incurred Claims	140,374	95,499	120,566	113,608	98,537
Retention	16,987	16,470	15,856	16,243	16,805
Margins	251,420	275,766	230,451	216,027	212,793

NEW QD launch! QuickDecision to $1Million on ART

ART Plan:

As approved by the Board at the October 2024 meeting, we are moving forward with the implementation of QD ART to $1Mil.

NEW Two two-tier QD model:

- Thru age 49 – Up to $1 million
- Ages 50-64 – Up to $500k

Target date:

- End of 1st quarter 2025 upon programming completion

Level Term Plans:

In 2025, we will be monitoring the percentage of fully underwritten insureds qualifying for the Super Preferred rate class before lifting the Level Term Life QD limit to $1M. Given that applicants applying for amounts over $500k typically expect the availability of a Super Preferred rate class.

We are also testing new underwriting enhancements with our vendor Milliman that allows us to obtain not only Prescription data but also Medical claims data.

We believe these new features will help us increase the QD limits on Level Term and potentially offer a Super Preferred rate class with QD in the future.

Special No Cost Guaranteed Issue Offer Approved in 2025

The 2023/2024 No Cost offer had an excellent response bringing in 155 new applications in 2023 and a 25% conversion rate in 2024. The industry average for conversion from free to paid is 1-2%.

Due to the success of the 2023 offer and ABE's strong financial experience, NYL has approved a repeat No Cost offer in 2025. This time with a $1000 monthly DI benefit as an added option.

Parameters:

-Uninsured Young Lawyer Division (YLD) Members

-Ages 36 and under

-12 months complimentary (Premiums funded by ABE)

-Limited time offer: 90 days

Products:

-Term Life: $100K coverage

-Mid-Term DI: $1000 mo. benefit

Promotions:

-Launch: April 2025 at YLD Spring Meeting.

-Meeting materials with Paper apps and drive to NYL Portal

-Email campaign to NYL Portal

NEW YORK LIFE

New York Life/GMAD Assessments completed in 2024

In 2024 NYL conducted a Security and Quality review. These reviews are conducted every 2 years.

Highlights from the assessments:

- ✓ ***Security Review by the NYL Third Party Risk Management Team (TPRM):***
  - Assessment was finalized in August 2024. The assessment highlighted the strength of the business resiliency controls, while identifying opportunities for improvement in the information security controls.
  - Due to ABE's IT diligence and recent collaboration with NYL IT, the Security Scorecard increased from an F in September to an A in December and as of January 2025 closed out all the observations identified.
- ✓ ***Quality Review by GMAD Compliance Department:***
  - The 2024 quality review performed was a full scope review of the administrative functions performed by ABE. Those functions include application processing, certificate issuance, member services, premium billing and collection, restoration of coverage, claims, regulatory requirements, service standards and unclaimed property.
  - NYL released the final report summary 10/30/24 and ABE submitted responses 11/27/24.
  - Final NYL review is underway, but we expect that there will be a closeout soon.

We thank you for taking the time out of your busy schedules to respond to our requests and meet on these reviews. ABE has a knowledgeable management team that is control conscious and understands risk. We appreciate the immediate attention to the areas of observation identified.

NEW YORK LIFE

NEW YORK LIFE

ABE
AMERICAN BAR
ENDOWMENT
More than 80 years of service

THANK YOU,
FOR YOUR PARTNERSHIP!

16-Jan-25 **Product/Category**	**Carrier Held Reserve***	**ABE Held Reserve****	**Total**	**Carrier**
Life Plans				
IBNR	$622,601	$0		NYL
Pending	$3,040,000	$0		NYL
Waiver	$23,774	$0		NYL
Policy/Deficiency	$21,676,250	$0		NYL
CSR	$11,526,682	$0		NYL
DOD	$16,167,025	$0		NYL
Total Life	$53,056,332	$0		NYL
Long Term Disability				
				NYL
IBNR/Disablements< 1 Year	$2,162,174	$0		NYL
Disablements> 1 Year	$5,361,840	$0		NYL
CSR	$2,858,989	$0		NYL
DOD	$4,600,004	$0		NYL
Misc	$0	$3,863,063		USL
Total LTD	$14,983,007	$3,863,063		NYL
Office Overhead				
IBNR	$34,075	$0		NYL
Disablements< 1 Year	$22,835	$0		NYL
Disablements> 1 Year	$0	$0		NYL
CSR	$116,561	$0		NYL
DOD	$400,000	$0		NYL
Total OOE	$573,471	$0		NYL
Total Disability	$15,556,478	$3,863,063		NYL
Accidental Death (AD&D)				
IBNR	$83,854	$0		NYL
Pending	$0	$0		NYL
CSR	$689,608	$0		NYL
Total AD&D	$773,462	$0		NYL
Hospital Money (HIP/HMP)				
IBNR	$82,034	$0		NYL
CSR	$161,737	$0		NYL
Total HIP/HMP	$243,771	$0		NYL
Excess Medical				
IBNR	$1,698,616	$0		USL
CSR	$693,021	$0		USL
Misc	$0	$9,790,726		USL
Total EMM	$2,391,637	$9,790,726		USL
Total Reserves	$72,021,680	$13,653,789	**$85,675,469**	NYL/USL

*Last Carrier Annual Accounting

**Last Marquette Report December 2024

Minutes of the Communications Committee Meeting
American Bar Endowment
January 17, 2025

The Communications Committee of the American Bar Endowment held a regular meeting January 17, 2025 via Zoom. Committee members in attendance for the meeting were:

Tommy Preston, *Chair*
Trish Lee Refo, *Vice Chair*
Deborah Enix-Ross
Fritz Langrock
Bobbi D. Liebenberg

Committee members not in attendance for the meeting were:

Dani Borel, *YLD Liaison*

Also present for all or a part of the meeting were:

Dana Sturtz Hill, *ABE Executive Director*
Izzy Eisen, *ABE Staff*
Joe Schonhoff, *ZeisGroup*
Dave Armstrong, *SASS Advisors*

Mr. Preston opened the meeting, noting that the Committee meeting today would consist of brief updates by Mr. Schonhoff. Mr. Preston also noted that because of the lack of action items and anticipated full agenda in Phoenix, the full Board will receive the material but will not be presented the full deck on February 4th. The committee and the full Board will hear a more in-depth report from Mr. Schonhoff at the June 2025 ABE meeting.

Mr. Schonhoff reviewed the new business report year over year comparison calendar year 2023 to 2024, highlighting increases in gross applications, approved applications, paid applications, and first year total annual premiums. He also discussed the impact of the cost-effective decision of reducing direct mail sends and the improved email communications. Ms. Refo noted her appreciation for the metrics provided, and wondered if there was any data that would give an overview of the lifetime value of the plans. Mr. Schonhoff noted that it wasn't data that they currently have access to, but that those tracking and calculating processes were being investigated and pursued in collaboration with Ms. Sturtz Hill. Currently ZeisGroup is conducting A/B testing to check the efficacy of various messages regarding the Super Preferred rates and QuickDecision (QD) option to determine the most impactful promotional email messaging.

In March, ABE is launching the new Annual Renewable Term of $1 million for QD, and ZeisGroup will provide tracking metrics associated with the new campaign. He then overviewed upcoming initiatives, including the 2025 Young Lawyers Division (YLD) No Cost Guaranteed Issue campaign being kicked off at the YLD annual meeting in April 2025, the paid search/persona targeting metrics, and further integration into the ABE holistic communications approach. Mr. Schonhoff closed by sharing one example of the new holistic approach, a before and after visual of the mandatory dividend advertisement the ABE includes in the ABA Journal each year. There being no further business before the Committee, the meeting was adjourned.

Respectfully submitted,

Tommy Preston

ABE Communications Committee Update

1/17/24

zeisGroup

Agenda

- New Business Report YOY Comparison
- Evaluation of Latest Email Test Results
- No Cost Guaranteed Issue Campaign Update
- Paid Search/Persona Targeting Update
- LTL End of Term Roll Updates
- ABA Journal Ad

New Business Report YOY Comparison

Metric	2023	2024	Change	% Favorable Change
Gross Applications	359	381	22	6%
Approved Applications	167	194	27	16%
Paid Applications	114	116	2	2%
Paid First Year Total Annual Premium	$150,711	$165,718	$15,007	10%
Communications Cost	$477,654	$308,933	-$168,721	-35%

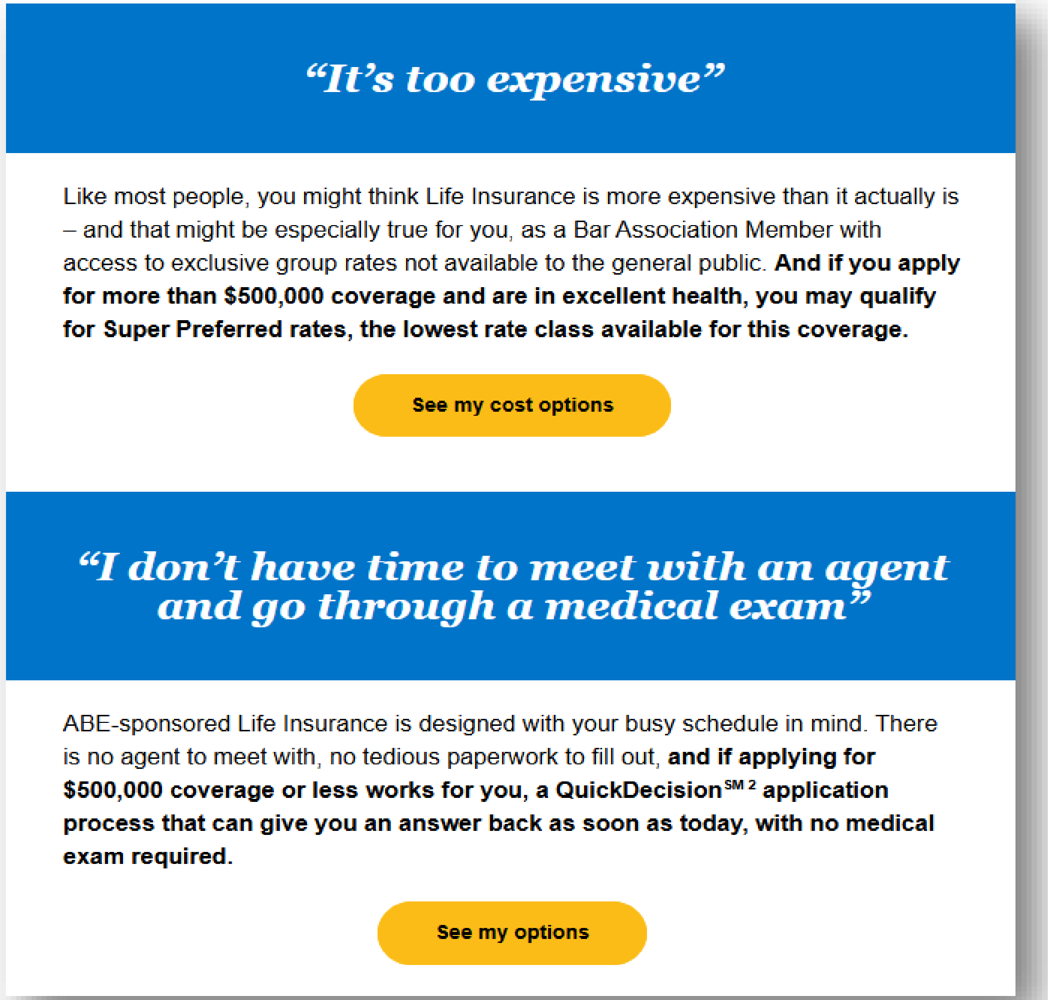
- Direct Mail campaigns every month of 2023 compared to April and August, September and December of 2024.
- Email campaigns in all months of both years.
- Increased digital ad investment (Google, banner ads, social) in 2024 vs. to 2023.
- Increased Zeis Group involvement in creating meeting materials, administrative communications, etc., in 2024 vs. 2023.

The ratio of Total Annual Premium to Marketing Cost (TAP/MC) is much more favorable in 2024. Continued analysis of the lifetime value of an insured will eventually get us to a true ROI of the spend based on the retention rates over time.
Note: As some applications that arrived in October-December have not had a chance to go through the entire underwriting process, it is likely that approved applications, paid applications, and Total Annual Premium for 2024 will continue to increase in the coming months.

Evaluation of Latest Email Test Results

- With the availability of so many new policy elements that lend themselves to marketing (Super Preferred rates, QuickDecision on Level Term Life, QuickDecision on Annual Renewable Term Life up to $1 million), we are looking to spend the next several months testing the efficacy of these various messages.
- Notably, in December 2024 and January 2025, we are looking to evaluate the effectiveness of marketing the Super Preferred rates (addressing the cost hurdle) vs. QuickDecision (addressing the time/hassle hurdle).

Evaluation of Latest Email Test Results



"It's too expensive"

Like most people, you might think Life Insurance is more expensive than it actually is – and that might be especially true for you, as a Bar Association Member with access to exclusive group rates not available to the general public. **And if you apply for more than $500,000 coverage and are in excellent health, you may qualify for Super Preferred rates, the lowest rate class available for this coverage.**

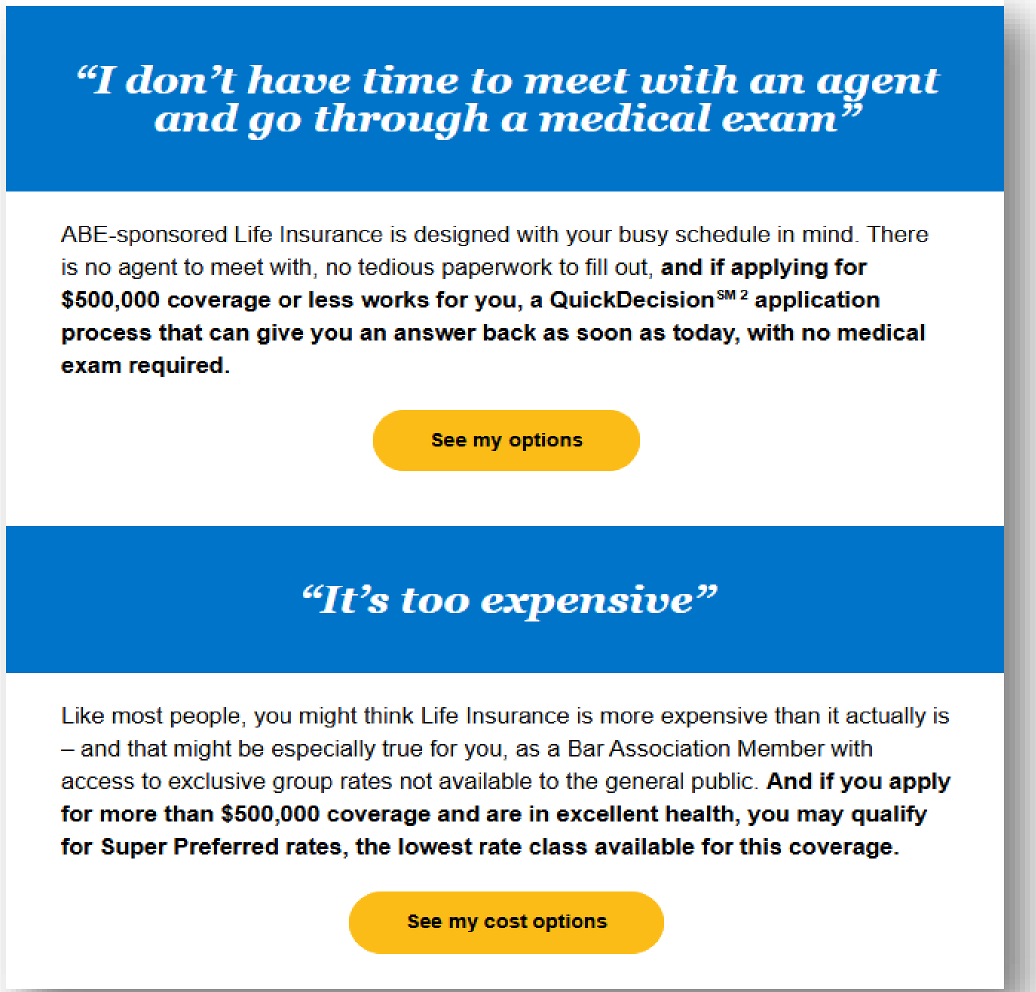
See my cost options

"I don't have time to meet with an agent and go through a medical exam"

ABE-sponsored Life Insurance is designed with your busy schedule in mind. There is no agent to meet with, no tedious paperwork to fill out, **and if applying for $500,000 coverage or less works for you, a QuickDecision℠[2] application process that can give you an answer back as soon as today, with no medical exam required.**

See my options

Email 1



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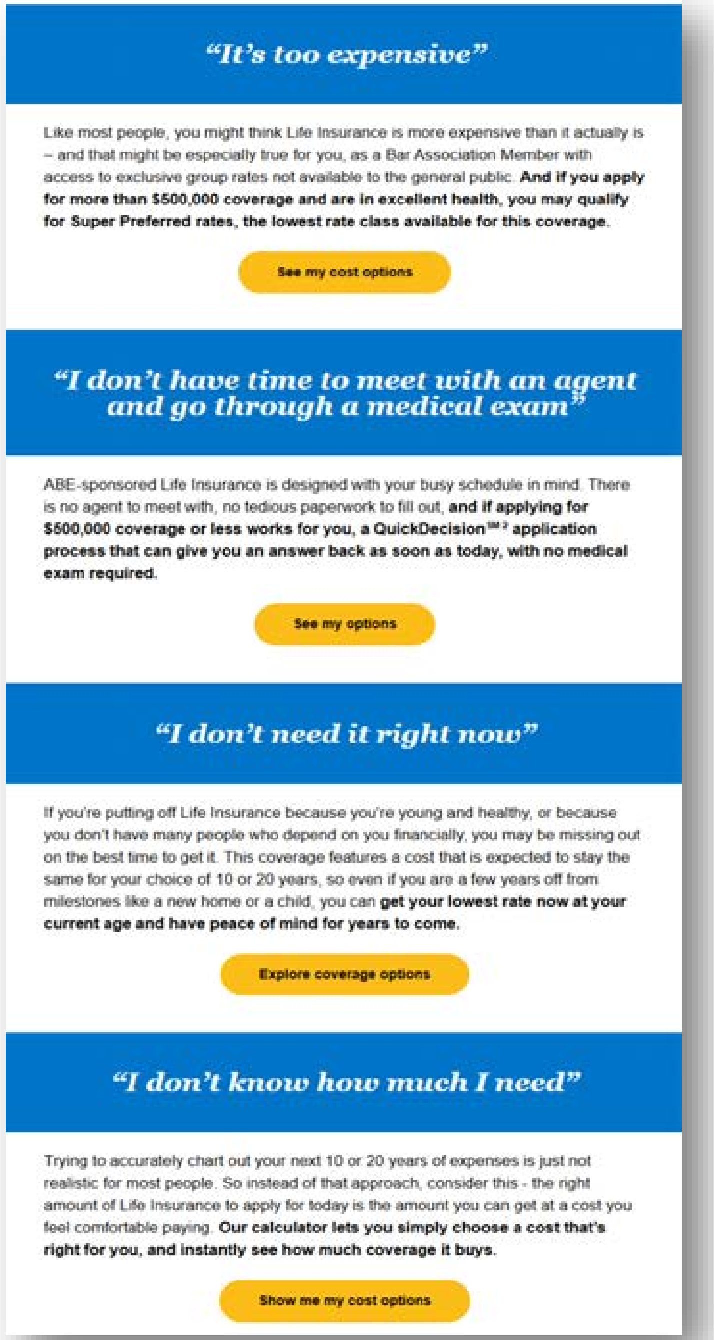
See my cost options

Email 2

- Overall, Email 2 showed a lift in click volume of 81.06%.
- Not only did it drive more clicks overall, but it showed an increased propensity for the user to read the whole email and click on links further down in the body.
- At least at a high level, this data shows that users' initial interest is more favorable to the quick and easy message, although further evaluation is needed to determine if that holds up through the entire application and underwriting process.
- This test is being re-run in January (typically a higher response month) to see if we can get sufficient sample size on the backend to evaluate effectiveness.

Evaluation of Latest Email Test Results



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See my options

"I don't need it right now"

If you're putting off Life Insurance because you're young and healthy, or because you don't have many people who depend on you financially, you may be missing out on the best time to get it. This coverage features a cost that is expected to stay the same for your choice of 10 or 20 years, so even if you are a few years off from milestones like a new home or a child, you can **get your lowest rate now at your current age and have peace of mind for years to come.**

Explore coverage options

"I don't know how much I need"

Trying to accurately chart out your next 10 or 20 years of expenses is just not realistic for most people. So instead of that approach, consider this - the right amount of Life Insurance to apply for today is the amount you can get at a cost you feel comfortable paying. **Our calculator lets you simply choose a cost that's right for you, and instantly see how much coverage it buys.**

Show me my cost options

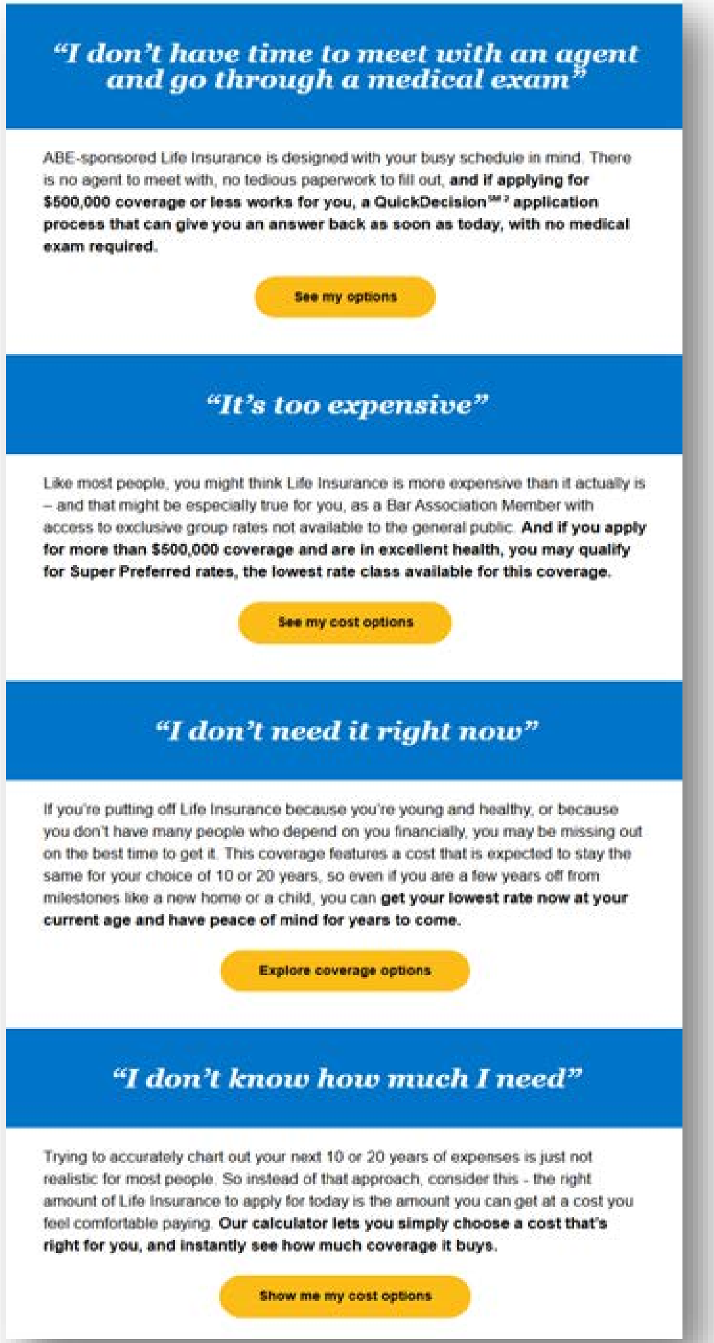
Email 1 Link Clicked:

Link #1 - 125

Link #2 - 53

Link #3 - 2

Link #4 - 14



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Show me my cost options

Email 2 Link Clicked:

Link #1 - 175

Link #2 - 67

Link #3 - 53

Link #4 - 75

Evaluation of Latest Email Test Results

- In March, we will be launching the new Annual Renewable Term Life with QuickDecision up to $1 million.
- We will be evaluating here whether the increase in benefit amount of QuickDecision leads to applicants applying for more coverage than they might have under the old QuickDecision limit of $500,000.
- The average application for the Level Term Life new rate launch featuring Super Preferred rates was for $667,000 coverage, compared to $371,000 in our most recent QuickDecision campaign (which heavily markets the QuickDecision limit of $500,000), so the hope is that the new maximum benefit will allow us to garner both the high response rate and the higher benefit amounts.
- Results will provide further data for our evaluation of increasing LTL QuickDecision up to $1 million.

No Cost Guaranteed Issue Campaign Update

- Initial offer ran in the months of May, June, August and September of 2023.
- Follow-up nurture email campaign sent 6 emails over the period of 5 months leading up to renewal date.
- Both the initial offer and the follow-up nurture campaign saw record response rates.
- 41 out of 155 insureds who took the no-cost offer have paid for their second year of coverage – a 26% conversion rate (industry average for conversion from free to paid insured is about 1-2%).

No Cost Guaranteed Issue Campaign Update

- Despite record-high response rates, the low average annual premiums and high startup costs make it difficult to achieve a positive ROI in Year 1.

Costs:

- Initial offer email – $3,826
- Follow-up emails – $11,529
- Payment of first-year premium by ABE – $8,792
- Total: **$24,147**

- Total Annual Premium generated from 41 paid applications: **$3,132**

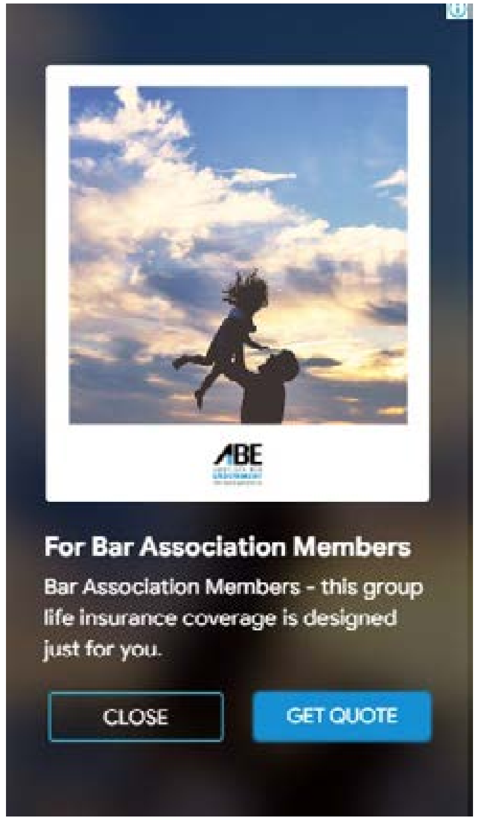
No Cost Guaranteed Issue Campaign Update

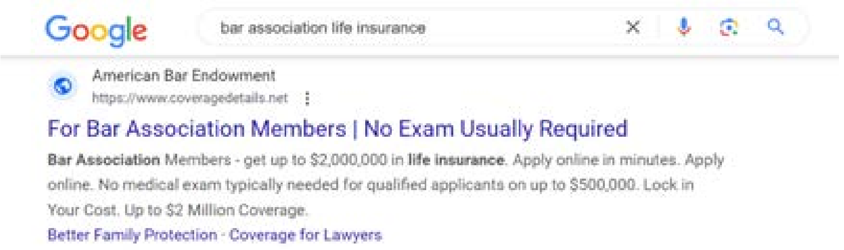
- Recognizing the value of the YLD audience, New York Life has approved this offer again in 2025, with the 90-day window kicking off at the April YLD meeting.
- The offer will include $1,000 Disability Income Insurance in addition to the $100,000 Life Insurance.
- Zeis Group is developing materials that are highly similar to the successful 2023 campaign with the expectation that development costs should only be about 25% of the previous effort (just adding Disability into the existing materials).

Paid Search/Persona Targeting Update

Campaign	Impressions	Clicks	CTR	Cost	Visits to App	Applications	Total Annual Premium
Paid Search 2023	1,622	146	9.00%	$1,048	14	3	$0
Paid Search 2024	2,120	371	17.50%	$2,077	38	10	$2,455
Persona Targeting 2024	224,209	1,948	0.87%	$2,584	90	10	$5,570

- In light of the new member class, we have updated our keyword targeting to also serve ads around various bar association queries.
- Both engagement rates and application volume have increased dramatically.
- We have also utilized the new member class to push our message outward to users that have a persona that makes it likely for them to be an attorney.
- We are targeting users who have an advanced degree, live in mandatory bar association states and have visited sites similar to state bar association sites.
- The persona targeting has driven a significant increase in impressions and clicks, and has driven double the TAP of the traditional Paid Search Campaign.
- We are currently throttling this tactic up to see how much volume we can drive.





LTL End of Term Roll Updates

- As always, the lowest hanging fruit are those who have already purchased from ABE.
- We are looking to update our communications to insureds who are coming to the end of their 10- or 20-year term and will be rolling onto Ultimate rates (much higher rates).
- Whereas previously many members would lapse their coverage because they did not want to pay Ultimate rates, we can now offer them the opportunity to reapply with QuickDecision without needing to go through a medical exam.

LTL End of Term Roll Updates

Previous Version

April, 2024

RE: Group Policy No. G-29104-0

Dear Insured Member:

Thank you again for your participation in ABE-sponsored 10-Year Level Term Life (YLT) Insurance. According to our records, your and your Spouse's/Domestic Partner's initial 10-year term will expire on May 31, 2025.

As the end of your initial 10-year term, you may want to consider the following ABE sponsored life insurance options available to you:

- Continue your current Level Term Life coverage at Ultimate premium rates;
- Apply for new 10-Year or 20-Year Level Term.

<u>1. Coverage at Ultimate Premium Rates</u>

Coverage under your initial Certificate of Insurance does not automatically terminate upon reaching the end of the 10-year term. Unless you submit your written request to terminate coverage under this Certificate, coverage will continue as long as premium is paid in a timely manner until the June 1st next following your 75th birthday, subject to the termination provisions, without the need to provide evidence of insurability. (As per the terms of your Certificate under "When Insurance Ends", a written request by the insured to terminate is a qualifying termination event or written notification or indication of a Replacement on an approved application for coverage put in force under a new Certificate will be considered sufficient written notification.) Coverage continued under this Certificate is subject to the Ultimate rate basis, effective June 1, 2025. Enclosed with this letter is a rate chart for the Ultimate premium rates.

<u>2. Apply for new 10-Year or 20-Year Level Term coverage</u>

You are eligible to apply for a new Certificate of Insurance for a new 10-year or 20-year term. If you wish to apply for coverage of $500,000 or less, you may be eligible to apply through the QuickDecision℠ tool at **https://abe.nylinsure.com**. There is no medical exam – just answer some questions about your health and other information. You'll know if you're approved in as little as one day.

Alternatively, an application for a new term of coverage or for more than $500,000 may require medical underwriting depending on insurability, which typically takes 6 to 8 weeks to complete. You may apply on-line at: **https://abe.nylinsure.com** or contact the ABE for an application kit. Coverage under the new Certificate of Insurance will be subject to the Incontestability Period, as defined in the Certificate. NOTE: When completing this new application, you will be required to answer "YES" to the Insurance Replacement question.*

Over

Other features of this insurance, including coverage amounts, and maximum amount of coverage available under all ABE-sponsored Life Insurance, including rates, features, eligibility, renewability, exclusions, and limitations will remain as outlined in your current Certificate. If approved for a new 10-year or 20-year term, you will be issued a new Certificate and the effective date for that Certificate will be the first of the month following the date of approval. Upon initial premium payment for the new Certificate of Coverage, coverage under the prior Certificate will be terminated for any insured whose initial term is affected under the new Certificate. You may wish to continue coverage under your expiring Certificate with the Ultimate rates to ensure continued coverage, until a decision is reached regarding your application for a new Certificate.

We sincerely appreciate your continued participation in the ABE-sponsored Level Term Life Insurance; the only insurance program where you can get quality, exclusively priced insurance from a trusted insurer and give back to the good works of the legal profession. If you have any questions about the Ultimate rates or other options, please do not hesitate to contact us at 1-800-621-8981 or by email at information@abenet.org.

Sincerely,

Bonnie M. Czarny, ACS, AIAA
Manager
Insurance Administration

P.S. Please note that Member coverage is required to maintain Spouse/Domestic Partner or child(ren) coverage.

*If you respond "YES" to the Replacement question on your application for a Certificate and new 10-year or 20-year term, your initial ABE-sponsored 10-Year Level Term Certificate will be terminated on midnight of the day preceding the effective date of your new Certificate.

If you respond "NO" to the Replacement question, coverage under your existing Certificate of Level Term Life will continue automatically. If you choose to continue your initial ABE-sponsored 10-Year Level Term coverage at the Ultimate rates as of June 1, 2025 (which may be higher than rates for a medically underwritten term, and will increase as you age) along with your new coverage, the total in-force coverage under all Certificates may not exceed the maximum benefit of $2 million, nor the $2 million aggregate maximum under all ABE-sponsored Life Insurance. Should the coverage requested under the new Certificate plus the continuance of coverage under the existing Certificate result in over insurance, benefits under the new Certificate will be reduced accordingly. Therefore, if you wish the reduction to impact your existing coverage with the higher Ultimate rates, you must provide a written statement to that effect with submission of your application.

Underwritten By: New York Life Insurance Company, 51 Madison Avenue, NY, NY 10010
On Policy Form GMR

Bonnie Czarny, (ABE), is licensed in AR, Insurance License #404091 and in CA, Insurance License #0H99426.

2025/EOT/10Y/MS/U55/X1

LTL End of Term Roll Updates

New Version

ABE
AMERICAN BAR
ENDOWMENT
More than 80 years of service

321 North Clark Street
Chicago, IL 60654-7648

[ADDRESSEE INFO]
[POLICY/ID NUMBER]

Dear [FIRSTNAME],

Thank you for choosing ABE-sponsored 10-Year/20-Year Level Term Life Insurance, the only insurance program that gives you exclusively priced insurance from a trusted insurer while helping you give back to the good works of the legal profession.

According to our records, your initial (10-Year/20-Year) term of coverage will expire on [DATE].[1]

IMPORTANT: Please note that if you don't act, your current coverage will NOT automatically terminate, and will continue at Ultimate rates, which may be higher than the rate you have been paying, as shown on the enclosed rate chart.

If you wish to remain insured while avoiding higher-cost Ultimate rates: You are eligible to apply online for up to $1,000,000 of Term Life Insurance or up to $500,000 of 10-Year or 20-Year Level Term Life Insurance without a medical exam, using the QuickDecision℠ online application process. Just answer some health questions, and you will have an approval decision within minutes.[2]

If you want to apply for more coverage than described above, you can still quickly and easily apply online. However, the application may require medical underwriting. If a medical exam is needed, it will be at our expense and a time and place that works for you.

Your coverage options and costs can be viewed at:

abe.nylinsure.com

PLEASE NOTE: If you choose to apply for new coverage, be sure to answer "Yes" when asked if the new insurance is intended to replace an existing policy. Otherwise, the application will be considered a request for additional coverage and your current coverage will continue under the Ultimate rates.[3]

If you do not wish to remain insured: To prevent your current coverage from continuing at Ultimate rates beginning [DATE], please provide a written request to cancel your coverage, including your full name, the ID number from your insurance certificate, your date of birth and mailing address. This information can be emailed to (EMAIL ADDRESS) or mailed to (ADDRESS).

If you have any questions, please contact us at 1-800-621-8981, M-F 8 a.m. – 4:30 p.m. CT, or by email at information@abenet.org. Thank you again for choosing ABE coverage.

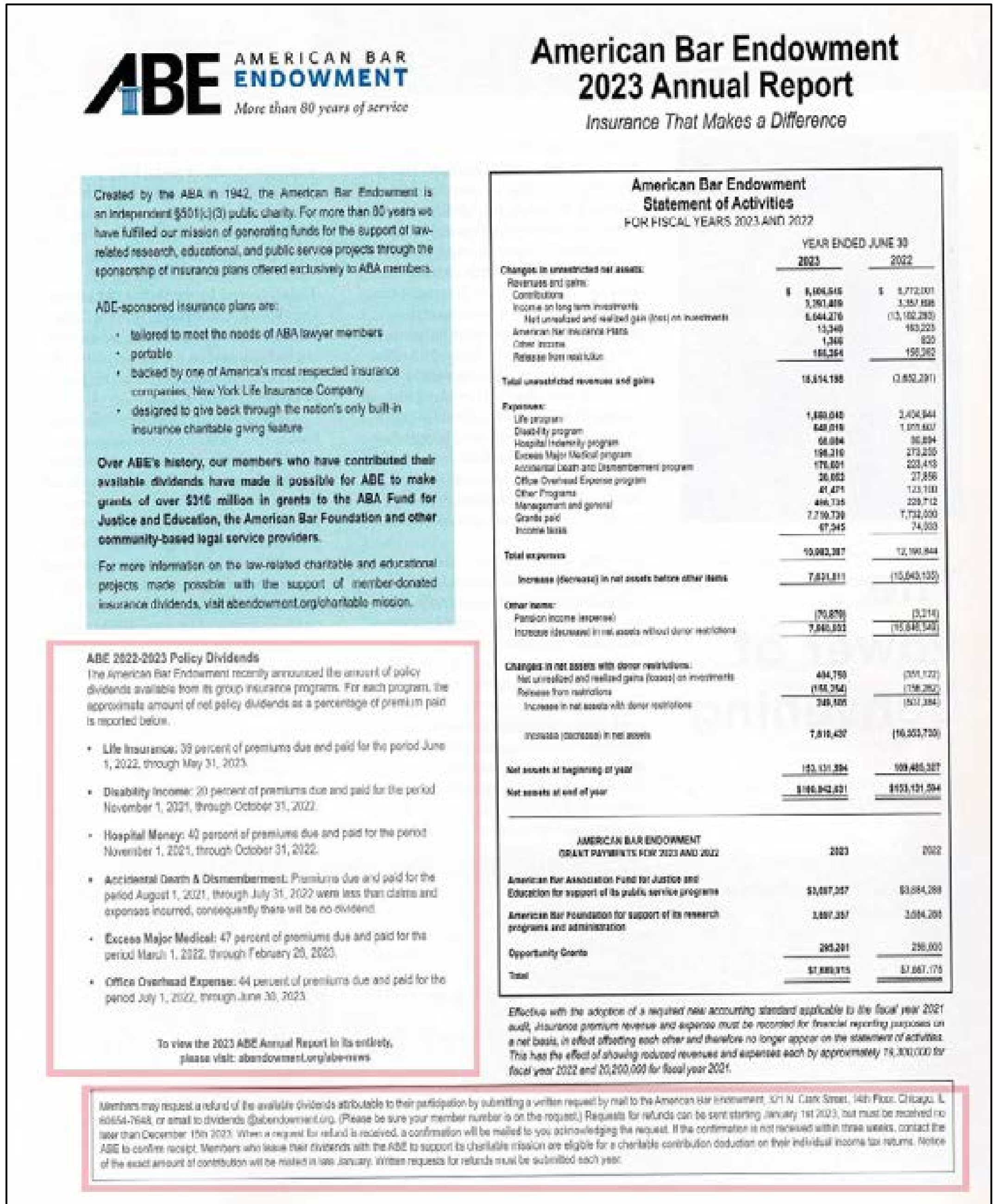
Sincerely,

Bonnie M. Czarny

Bonnie M. Czarny, ACS, AIAA
Manager, Insurance Administration

ABA Journal Ad

Previous Version



AMERICAN BAR ENDOWMENT

More than 80 years of service

American Bar Endowment 2023 Annual Report

Insurance That Makes a Difference

Created by the ABA in 1942, the American Bar Endowment is an independent §501(c)(3) public charity. For more than 80 years we have fulfilled our mission of generating funds for the support of law-related research, educational, and public service projects through the sponsorship of insurance plans offered exclusively to ABA members.

ABE-sponsored insurance plans are:

- tailored to meet the needs of ABA lawyer members
- portable
- backed by one of America's most respected insurance companies, New York Life Insurance Company
- designed to give back through the nation's only built-in insurance charitable giving feature

Over ABE's history, our members who have contributed their available dividends have made it possible for ABE to make grants of over $316 million in grants to the ABA Fund for Justice and Education, the American Bar Foundation and other community-based legal service providers.

For more information on the law-related charitable and educational projects made possible with the support of member-donated insurance dividends, visit abendowment.org/charitable mission.

ABE 2022-2023 Policy Dividends

The American Bar Endowment recently announced the amount of policy dividends available from its group insurance programs. For each program, the approximate amount of net policy dividends as a percentage of premium paid is reported below.

- **Life Insurance:** 39 percent of premiums due and paid for the period June 1, 2022, through May 31, 2023.
- **Disability Income:** 20 percent of premiums due and paid for the period November 1, 2021, through October 31, 2022.
- **Hospital Money:** 40 percent of premiums due and paid for the period November 1, 2021, through October 31, 2022.
- **Accidental Death & Dismemberment:** Premiums due and paid for the period August 1, 2021, through July 31, 2022 were less than claims and expenses incurred, consequently there will be no dividend.
- **Excess Major Medical:** 47 percent of premiums due and paid for the period March 1, 2022, through February 28, 2023.
- **Office Overhead Expense:** 44 percent of premiums due and paid for the period July 1, 2022, through June 30, 2023.

To view the 2023 ABE Annual Report in its entirety, please visit: abendowment.org/abe-news

American Bar Endowment
Statement of Activities
FOR FISCAL YEARS 2023 AND 2022

YEAR ENDED JUNE 30	2023	2022
Changes in unrestricted net assets:		
Revenues and gains:		
Contributions	$ 8,604,616	$ 8,772,001
Income on long term investments	3,291,409	3,357,898
Net unrealized and realized gain (loss) on investments	6,044,276	(15,102,283)
American Bar Insurance Plans	13,340	163,225
Other income	1,346	835
Release from restriction	168,264	156,262
Total unrestricted revenues and gains	18,614,198	(2,852,291)
Expenses:		
Life program	1,660,040	3,404,944
Disability program	640,019	1,077,607
Hospital Indemnity program	60,894	90,894
Excess Major Medical program	196,210	273,250
Accidental Death and Dismemberment program	170,601	223,413
Office Overhead Expense program	20,052	27,856
Other Programs	41,471	123,103
Management and general	466,735	229,712
Grants paid	7,710,730	7,732,000
Income taxes	67,045	74,333
Total expenses	10,983,387	12,190,844
Increase (decrease) in net assets before other items	7,631,811	(15,043,135)
Other items:		
Pension income (expense)	(70,878)	(3,214)
Increase (decrease) in net assets without donor restrictions	7,560,933	(15,046,349)
Changes in net assets with donor restrictions:		
Net unrealized and realized gains (losses) on investments	404,750	(351,122)
Release from restrictions	(156,254)	(156,262)
Increase in net assets with donor restrictions	249,505	(507,384)
Increase (decrease) in net assets	7,810,437	(16,353,733)
Net assets at beginning of year	153,131,594	169,485,327
Net assets at end of year	$160,942,031	$153,131,594

AMERICAN BAR ENDOWMENT GRANT PAYMENTS FOR 2023 AND 2022	2023	2022
American Bar Association Fund for Justice and Education for support of its public service programs	$3,687,357	$3,684,288
American Bar Foundation for support of its research programs and administration	3,687,357	3,684,288
Opportunity Grants	295,201	298,600
Total	$7,669,915	$7,667,176

Effective with the adoption of a required new accounting standard applicable to the fiscal year 2021 audit, insurance premium revenue and expense must be recorded for financial reporting purposes on a net basis, in effect offsetting each other and therefore no longer appear on the statement of activities. This has the effect of showing reduced revenues and expenses each by approximately 19,300,000 for fiscal year 2022 and 20,200,000 for fiscal year 2021.

Members may request a refund of the available dividends attributable to their participation by submitting a written request by mail to the American Bar Endowment, 321 N. Clark Street, 14th Floor, Chicago, IL 60654-7648, or email to dividends @abendowment.org. (Please be sure your member number is on the request.) Requests for refunds can be sent starting January 1st 2023, but must be received no later than December 15th 2023. When a request for refund is received, a confirmation will be mailed to you acknowledging the request. If the confirmation is not received within three weeks, contact the ABE to confirm receipt. Members who leave their dividends with the ABE to support its charitable mission are eligible for a charitable contribution deduction on their individual income tax returns. Notice of the exact amount of contribution will be mailed in late January. Written requests for refunds must be submitted each year.

- Every year ABE is required to disclose the dividends that have been produced by their policies through the purchase of an ad in the December issue of the ABA Journal.
- Over time, that ad had become a full page "report" on the financials of the ABE, when only the portion highlighted in red was required to be disclosed.

ABA Journal Ad

New Ad

ABE AMERICAN BAR ENDOWMENT
More than 80 years of service

American Bar Endowment
2023–2024 Policy Dividends Report

Thank you to all of our American Bar Endowment insureds whose dividend donations have helped fund our charitable mission of supporting critical law-related programs and projects since 1956. For 2023-2024, the approximate amount of net policy dividends as a percentage of paid premium is reported below.

- **Life Insurance:** 35% of premiums due and paid for the period June 1, 2023, through May 31, 2024.
- **Disability Income:** 25% of premiums due and paid for the period November 1, 2022, through October 31, 2023.
- **Hospital Money:** 35% of premiums due and paid for the period November 1, 2022, through October 31, 2023.
- **Critical Illness:** 35% of premiums due and paid for the period June 1, 2023, through May 31, 2024.
- **Accidental Death & Dismemberment:** Premiums due and paid for the period August 1, 2022, through July 31, 2023 were less than claims and expenses incurred, consequently there will be no dividend.
- **Excess Major Medical:** 45% of premiums due and paid for the period March 1, 2023, through February 29, 2024.
- **Office Overhead Expense:** 30% of premiums due and paid for the period July 1, 2023, through June 30, 2024.

Members may request a refund of the available dividends attributable to their participation by submitting a written request by email to dividends@abendowment.org, or mail to the American Bar Endowment, 321 N. Clark Street, Chicago, IL 60654-7648. (Please be sure your member number is on the request.) Requests for refunds can be sent starting January 1, 2024, but must be received no later than December 15, 2024. When a request for refund is received, a confirmation will be mailed to you acknowledging the request. If the confirmation is not received within three weeks, contact the ABE to confirm receipt. Members who leave their dividends with the ABE to support its charitable mission are eligible for a charitable contribution deduction on their individual income tax returns. Notice of the exact amount of contribution will be mailed in late January. Written requests for refunds must be submitted each year.

- With limited lead time, Zeis Group simplified the ad, thanking our insureds and disclosing the dividends that they can expect.
- The size of ad was reduced to half a page.
- In the future, with more lead time, we are going to brainstorm making this piece something that provides more branding value to the ABE.

Takeaways

- Through 2025, our focus is going to be on testing messaging given all the new and forthcoming policy elements, so we can land on the mix of messaging that resonates with our audience.
- In the future, as the new database becomes available, we can explore further segmentation (perhaps QuickDecision is the best option among one segment and Super Preferred rates among another).
- In addition to testing messaging with new prospects, we will continue to take an increased role in optimizing ABE’s current administrative communications to maximize paid and renewal rates.

Minutes of the Finance Committee Meeting
American Bar Endowment
December 11, 2024

The Finance Committee of the American Bar Endowment held a regular meeting December 11, 2024, via Zoom. Committee members in attendance for the meeting were:

Kevin Shepherd, *Chair*
Hilarie Bass, *Vice Chair*
Deborah Enix-Ross
Randy Noel
Betty Balli Torres
Tracy Giles

Committee members not present for the meeting were:

Hon. Lora J. Livingston, *Ex-Officio*

Also present for the meeting were:

William O'Brien, *RSM*
Lauren Reeves, *RSM*
Dana Sturtz Hill, *ABE Executive Director*
Jessica West, *O'Connor Consulting*
Scott Steffens, *O'Connor Consulting*
Izzy Eisen, *ABE Staff*

Mr. Shepherd started the meeting by having everyone on the call introduce themselves.

Mr. Shepherd stated that the main purpose of the meeting was to hear the results of the FY23-24 audit from the RSM team and invited Mr. O'Brien and Ms. Reeves to take the lead. Mr. O'Brien first reviewed RSM's history working with the ABE and noted his appreciation for the improvements in this year's audit process. Ms. Reeves gave a brief overview of the audit process timeline, noting that fieldwork was completed in September 2024, and RSM had since been working on the financial statements and deliverables being presented, which they expected to be completed soon and with minimal changes. Mr. O'Brien discussed the restatement that was included in the report due to the discovery of an erroneous $7.5 million reported liability, the removal of which resulted in increased net assets. This incorrect liability was established in 2017, prior to RSM inheriting the records from the previous audit firm, Ernst & Young, and was detected by ABE's new management during the routine audit processes.

Mr. O'Brien then walked the Committee through the draft consolidated financial report as well as the RSM report to the Finance Committee. In the draft consolidated report, Mr. O'Brien highlighted the opinion, which was unmodified, which is consistent with past years and the most favorable opinion available. He also noted that the emphasis of matter paragraph referenced the restatement noted above. Ms. Reeves then reviewed the financials, highlighting the investments gains and decrease in cash balance, resulting in increased assets. She noted that the restatement is reflected in the beginning net assets in the prior period comparative. Ms. Reeves then discussed the statement of activities, noting the change in presentation of expenses, a new ABE management decision that RSM concurred was more appropriate for the reviewer. Mr. Shepherd noted that there are many ways to present financials, and this new categorization had been created with knowledgeable consultants and management and he appreciated the logic and transparency of the new division on expenses. Ms. Reeves then highlighted the bottom line, net assets, noting the $17.5 million increase from prior year (driven by investments).

Ms. Reeves reviewed the statement of cash flows, noting net cash used in investing activities had increased significantly from the prior year, due to the transition of assets to ABE's new custodial bank, PNC. Ms. Reeves highlighted several footnote disclosures, including the restatement, grants, related-party investments, the employee benefit plan, liquidity, and the allocation of functional expenses. Due to the short-term nature of the current lease agreement, Ms. Reeves notes that ABE has not yet needed to implement updated lease standards (recognition of a right-of-use asset and associated liability), but will be required to once it enters into a lease agreement with a term greater than one year. Mr. O'Brien mentioned that the financial documents are considered consolidated due to ABE's 100% ownership of its subsidiary ALIP, which has limited activity on its books, and approximately $400,000 in assets (cash). Mr. Shepherd asked why we would keep ALIP's assets in cash. Ms. Sturtz Hill replied it was actually a "cash equivalent" and was in a short-term, interest bearing money market account, as approved by the ALIP Board earlier in the year.

Mr. O'Brien then moved to the report to the Finance Committee, noting that it was intended to be an internal document between ABE and RSM to share more on the audit process itself. He noted an update in RSM's significant risk assessment to include the risk for certain alternative investments. This was due to an update in RSM audit methodology and was not unique to the ABE. Mr. O'Brien reviewed the restatement, the accounting policies and practices, and the significant accounting estimates. Despite the restatement, ABE received no audit adjustments or uncorrected misstatements, due to the efforts of ABE management and consultants. Mr. O'Brien then discussed the internal controls and auditor independence.

Mr. O'Brien then discussed the appendices, where he noted the significant written communication ABE would finalize and submit with the financial report, as well as the material weakness letter, a requirement of restated financials.

Mr. Shepherd thanked the RSM representatives, then asked the Committee for a motion to approve the audited financial statements, which would be presented to the full Board in February 2025. A motion was made, seconded, and unanimously approved by the Committee.

Mr. Shepherd then requested Ms. Sturtz Hill, Ms. Eisen, and the O'Connor consultants drop from the call, and moved to Executive Session for any further discussion directly with the auditors.

Respectfully submitted,

Kevin L. Shepherd
Chair

Minutes of the Finance Committee Meeting
American Bar Endowment
January 23, 2025

The Finance Committee of the American Bar Endowment held a regular meeting January 23, 2025, via Zoom. Committee members in attendance for the meeting were:

Kevin L. Shepherd, *Chair*
Hilarie Bass, *Vice Chair*
Deborah Enix-Ross
Betty Balli Torres

Committee members not in attendance were:

Tracy Giles
Randy Noel

Also present for the meeting were:

Jamie Wesner, *Marquette*
Dana Sturtz Hill, *ABE Executive Director*
Hon. Lora J. Livingston, *Ex-Officio*
Izzy Eisen, *ABE Staff*

Mr. Shepherd opened the meeting by giving a historical overview of the active fixed income manager search, which began nearly three years ago. Since then, the Investment Policy Statement has been amended to reflect ABE's commitment to utilize diverse owned vendors. The ABE has also engaged a traditional custodian, PNC, to facilitate investment operations and streamline the financial reporting process. The ABE is now positioned to review a fixed income manager search that is complementary to its existing fixed income strategies with Baird, which will replace the existing monies invested in the Northern Trust index fund.

Mr. Wesner, ABE's Marquette advisor, reiterated Mr. Shepherd's historical overview, noting that several years ago the Board committed to more practically considering diverse owned firms and discussed moving from a passive to active fixed income manager by way of a separate account and a custodial relationship at PNC. Mr. Wesner stated that separate accounts can enable smaller, emerging, or diverse-owned managers to compete, and data shows that active fixed income or bond managers can often outperform the benchmark consistently, justifying the shift.

Mr. Wesner then outlined the six candidates for managers that Marquette had identified. Baird (current manager, shown for reference), Commerce, CS McKee, LM Capital (Hispanic owned), Loop Capital (Black owned firm with a Hispanic led bond team), and Ramirez (Hispanic owned). He then told the committee he was recommending Ramirez, explaining key points on diversification. He reminded the committee that we are looking for a complementary manager to Baird, who focuses on corporate bonds. A complementary manager should exploit different strategies, e.g., taxable municipal bonds.

Ramirez's approach has a strong emphasis on taxable municipal bonds. They have historically and consistently outperformed the benchmark net of fees; with a fee quoted of around 25 basis points (slightly lower than Baird's 30 bps). Their unique strategy complements Baird's corporate bond-heavy style.

Ms. Enix-Ross asked if any Black women–owned bond managers were identified in the search. Jamie said none were in this specific pool of candidates. The committee reaffirmed continued diversity awareness.

Mr. Shepherd requested a motion to accept Marquette's recommendation of Ramirez as the new active fixed income manager. A motion was made, seconded, and approved without further discussion.

Mr. Shepherd noted next steps would include presenting the committee's recommendation for Ramirez to the Board at the upcoming Phoenix meeting, after which Marquette can finalize fee negotiations and handle onboarding details.

There being no more business before the committee, the meeting was adjourned.

Respectfully submitted,

Kevin L. Shepherd
Chair

Marquette Associates

September 30, 2024

American Bar Endowment

Fixed Income Core Search

Executive Summary

American Bar Endowment

Fixed Income Core Search

CONTENTS	EXHIBIT

APPENDIX	

Marquette Associates has prepared this search utilizing data from various sources. The sources of information are believed to be reliable. Marquette has not independently verified all of the information contained herein. Past performance is no guarantee of future results.

NOTE: All data is as of September 30, 2024

NOTE: Approximate amount of assets in consideration: $10,000,000

NOTE: Performance data is net of stated, undiscounted fees

NOTE: Glossary of definitions enclosed

Benchmark: Bloomberg Aggregate

Candidate Lineup

Baird : Core Bond
Commerce: Fixed Income-Core
C.S. McKee: Aggregate Fixed Income
LM Capital: Strategic Core Fixed Income
Loop Capital: Core Fixed Income - Aggregate
Ramirez: Core

The information below may help make distinctions between investment managers. This information is intended to make reference to general areas Marquette Associates believes are important to consider when evaluating fixed income core managers.

1. Risk and Return Statistics:

Total return should always be considered within the context of total risk. The ideal investment manager will outperform the benchmark while maintaining an acceptable level of risk.

2. Style Analysis:

Returns-based style analysis can both indicate whether a manager is generating alpha, and explain beta components of the manager's returns. Factor weights can be viewed across managers to compare different risk exposures. Equity factors considered include market, size and value. Fixed income factors considered include credit, duration, and MBS. A higher number indicates a higher exposure to a given risk factor, and a lower number indicates a lower exposure.

3. Rolling Three Year Risk and Returns:

Rolling returns are useful in reviewing historical performance over longer term investment cycles. Outperformance of the rolling three year returns of a manager over the benchmark is an indication of consistency. Likewise, rolling three year risk below the benchmark is an indication of managers with below market risk.

4. Three and Five Year Statistics:

Information Ratio and Sharpe Ratio help determine how much value a manager is contributing to performance, relative to risk. The best case scenario is a manager with historically strong returns without assuming too much market risk. As a result, high Information and Sharpe Ratios are signals of strong outperformance at reasonable risk levels. These two statistics become more accurate the higher the R-Squared Coefficient. Typically, an R-Squared Coefficient greater than 0.85 coincides with accurate Information and Sharpe Ratio statistics.

5. Up and Down Market Capture:

The greater the up-market capture ratio of a manager, the better they have performed when the market was positive. The lower the down-market capture ratio of a manager, the better they have preserved capital when the stock market is negative. Up-market capture ratios at or above 100% (indicating the manager performed at or above the index during periods of positive index performance), and the down-market capture ratios below 100% (indicating the manager outperformed during periods of negative index returns) are signals of strong managers.

Candidate Summary

Firm Name	Firm Assets ($MM)	Product ($MM)	Vehicle	Product Style	E&O Ins. Policy Limit ($MM)
Baird	$154,728.0	$65,689.0	Mutual Fund	Core	$40.0
Commerce	$45,143.0	$4,120.4	Separate Account	Core	--
C.S. McKee	$8,900.1	$2,928.7	Separate Account	Core	$10.0
LM Capital	$5,874.0	$1,439.5	Separate Account	Core	$5.0
Loop Capital	$8,930.0	$3,790.0	Separate Account	Core	$5.0
Ramirez	$12,256.4	$3,239.7	Separate Account	Core	$5.0

General Information Summary

Firm Name	Location	Phone	Contact Name
Baird	Milwaukee, WI	(414) 298-1060	Mike Possley
Commerce	Clayton, MO	(314) 746-8529	Amy DeLorenzo
C.S. McKee	Pittsburgh, PA	(412) 566-1234	Shane Nickolich
LM Capital	San Diego, CA	(619) 814-1401	Cheryl King
Loop Capital	Miami, FL	(305) 379-2100	Adam Phillipis
Ramirez	New York, NY	(212) 248-0531	Sam Ramirez Jr.

Firm Ownership

Firm Name	% Employee Owned	# Employee Owners	% Parent Owned	% Owned by Other*	% Minority Owned	% Female Owned
Baird	95.0%	4,080	0.0%	5.0%	0.0%	0.0%
Commerce	0.0%	0	100.0%	0.0%	0.0%	0.0%
C.S. McKee	7.7%	24	92.3%	0.0%	0.1%	1.2%
LM Capital	99.0%	11	0.0%	1.0%	87.0%	5.0%
Loop Capital	90.0%	--	0.0%	10.0%	76.0%	4.0%
Ramirez	0.0%	0	100.0%	0.0%	94.0%	0.0%

*See Other Manager Notes in Appendix

The following represents Marquette Associates' first take on each investment manager, serving as a brief introduction to each manager's strategy.

Baird Advisors

The Baird Core Bond strategy is a spread product-focused (corporate and securitized bonds), moderate-risk Aggregate strategy. It typically maintains neutral duration and focuses more on security selection. It is managed by a medium-sized team, with senior portfolio managers who have worked together for a very long time. The firm's low personnel turnover and strong, collegial culture has led to their frequently being nominated as a top place to work in the country. Baird is based in Milwaukee and was founded in 1919.

Commerce Bank

Commerce Bank's Core Bond strategy is considered an ultra-conservative core bond product, and, as such, has primarily attracted Taft-Hartley investors within their institutional clientele. It serves as a good conservative complement to more aggressive core bond products. The strategy is managed by a small team of seasoned bank trust professionals. Based in St. Louis, Missouri, Commerce Bank is a bank trust company providing investment management and commercial lending services. It is a medium-sized asset manager, with clients based primarily in Missouri, Kansas, Oklahoma, Illinois, Ohio, Texas, Tennessee and Colorado. Approximately two-thirds of their client base is high net worth, with the other one-third being institutional. Commerce Bank is one of the largest banks in the U.S. and one of the highest rated by Moody's.

C.S. McKee

The C.S. McKee core bond strategy is a conservative-to-moderate bond strategy that has consistently outperformed without taking significant credit risk compared to the benchmark. It outperforms primarily by selectively allocating to non-benchmark securitized, Treasury and agency securities such as range notes and TIPS. The team actively trades the portfolio, especially in the securitized space and corporate space, and therefore the strategy typically has higher turnover than peers. Additionally, the team adds value by searching for inefficiencies in securitized and corporate bond pricing and purchasing agency securities with embedded optionality. C.S. McKee was founded in 1931. The firm has extremely low employee turnover.

LM Capital Group

LM Capital was founded in 1989 by Luis Maizel and John Chalker as an institutional-only fixed income manager. LM's core fixed income product is moderately conservative and risk-averse. The approach involves a macroeconomic assessment that includes forecasts on global interest rates. The team uses top-down criteria to drive sector and duration decisions, while its credit decisions are made by a bottom-up, fundamental research process. Since the team also manages global fixed income and emerging markets debt products, it brings a global perspective to core bond management.

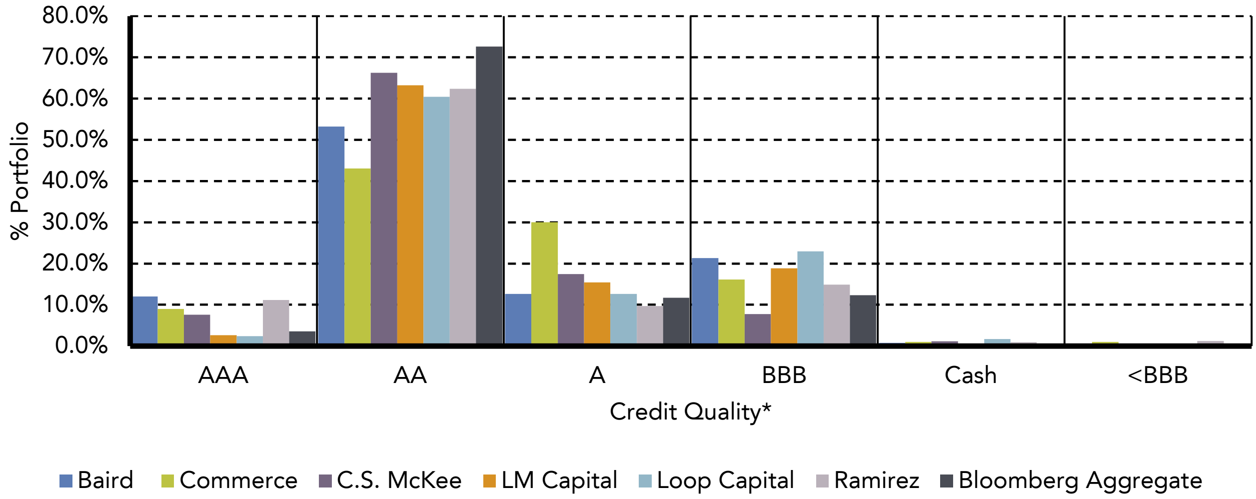
Loop Capital Investment Management

Based in Miami, Florida, this legacy TCH (Taplin, Canida, Habacht) product is managed by a medium-sized team and experienced portfolio managers. The strategy utilizes both a top-down macroeconomic and bottom-up fundamental approach. The strategy seeks to build a yield advantage with an overweight to corporate credit and a heavy allocation to structured products.

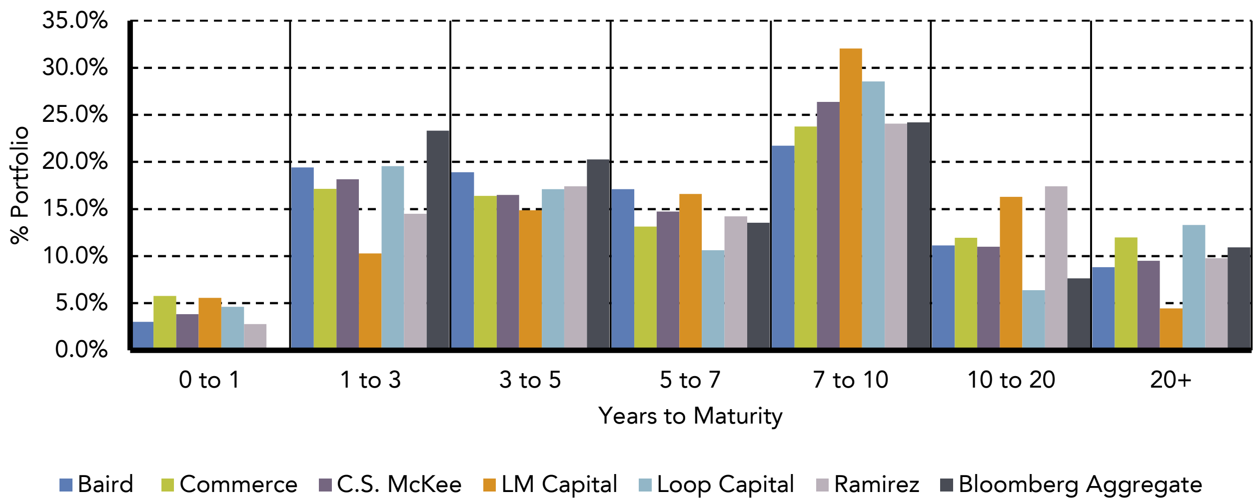
Ramirez Asset Management, Inc.

Based in New York, Ramirez Asset Management is part of a broader financial firm--Ramirez & Co.--that provides investment banking services. The overall company was founded in 1971 and is a minority business enterprise. The Ramirez Core Bond strategy is managed by a small team that employs both a top-down macro and bottom-up fundamental credit approach. The team has a unique expertise in taxable municipal debt and typically maintains an overweight to taxable municipal bonds in this Core Bond portfolio. They focus on municipals because of the inelasticity and essentiality of muni infrastructure, as taxpayers are incentivized to keep paying property taxes, etc., which forms the revenue for general obligation bonds.

Credit Quality Comparison



Maturity Comparison

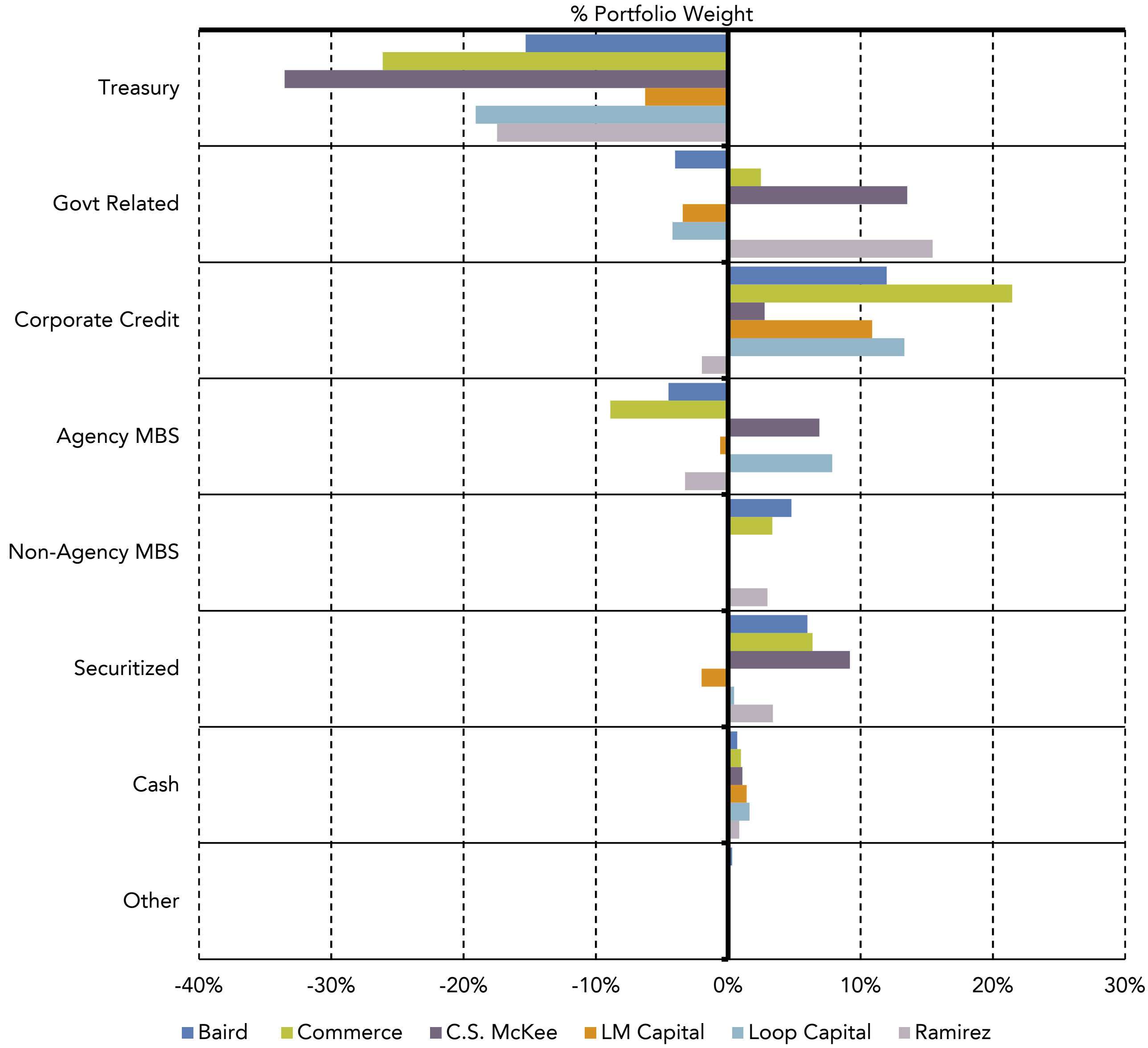


Portfolio Characteristics

Firm	# of Holdings	Average Turnover	Yield to Worst	Current Coupon	Time to Maturity	Avg Effective Duration	Average Quality
Baird	1,830	40.5%	4.5%	3.6%	8.2	6.2	AA
Commerce	172	19.0%	4.6%	3.7%	8.5	6.2	AA-
C.S. McKee	905	153.85%	4.5%	3.8%	9.1	6.0	AA
LM Capital	87	44.0%	4.3%	3.9%	8.3	6.1	AA
Loop Capital	182	37.1%	4.6%	3.8%	9.0	6.1	AA-
Ramirez	466	26.7%	4.5%	4.2%	9.3	6.2	AA
Bloomberg Aggregate	13,702	--	4.2%	3.4%	8.3	6.2	AA/AA-

* The Standard Bloomberg Index Rating Methodology utilizes a "two-out-of-three" rule. Some managers may utilize a different methodology.

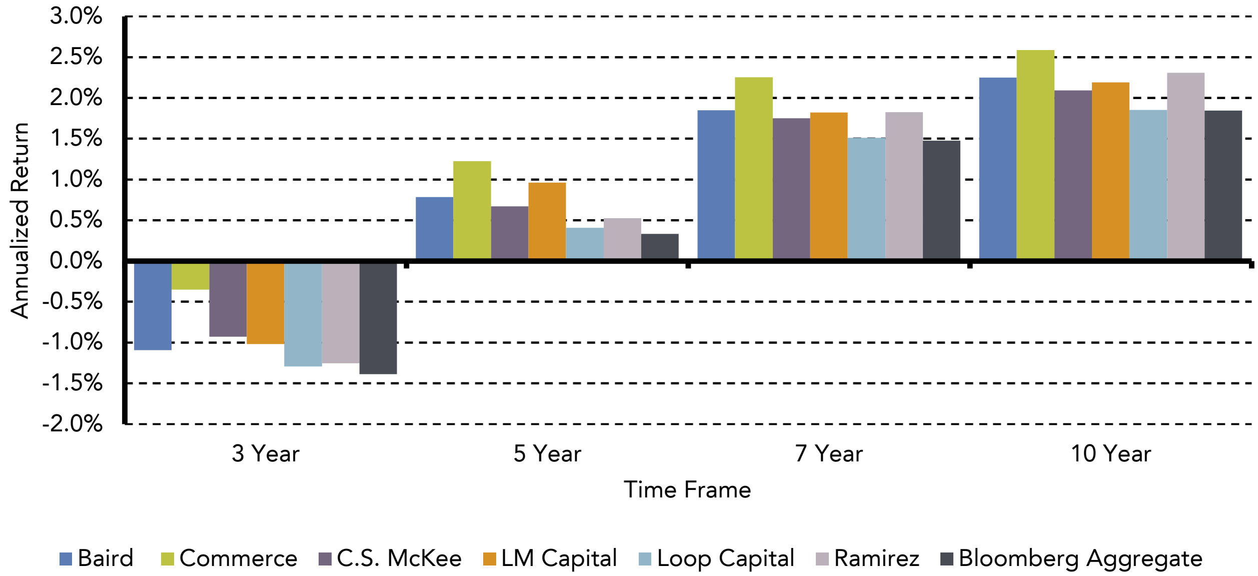
Sector Comparison Relative to the Bloomberg Aggregate



Current Weights, Absolute

Firm	Treasury	Govt Related	Corporate Credit	Agency MBS	Non-Agency MBS	ABS	CMBS	Cash	Other
Baird	28%	1%	37%	21%	5%	3%	5%	1%	0%
Commerce	17%	7%	46%	17%	3%	7%	2%	1%	0%
C.S. McKee	10%	18%	27%	32%	0%	9%	2%	1%	0%
LM Capital	37%	1%	35%	25%	0%	0%	0%	1%	0%
Loop Capital	25%	0%	38%	33%	0%	0%	2%	2%	0%
Ramirez	26%	20%	23%	22%	3%	3%	2%	1%	0%

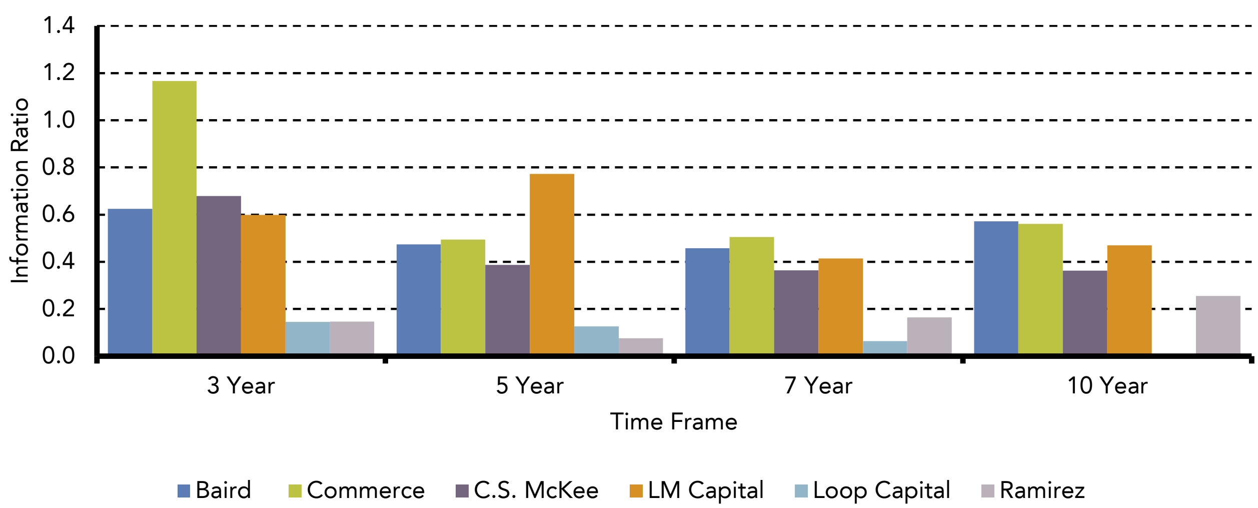
Trailing Returns



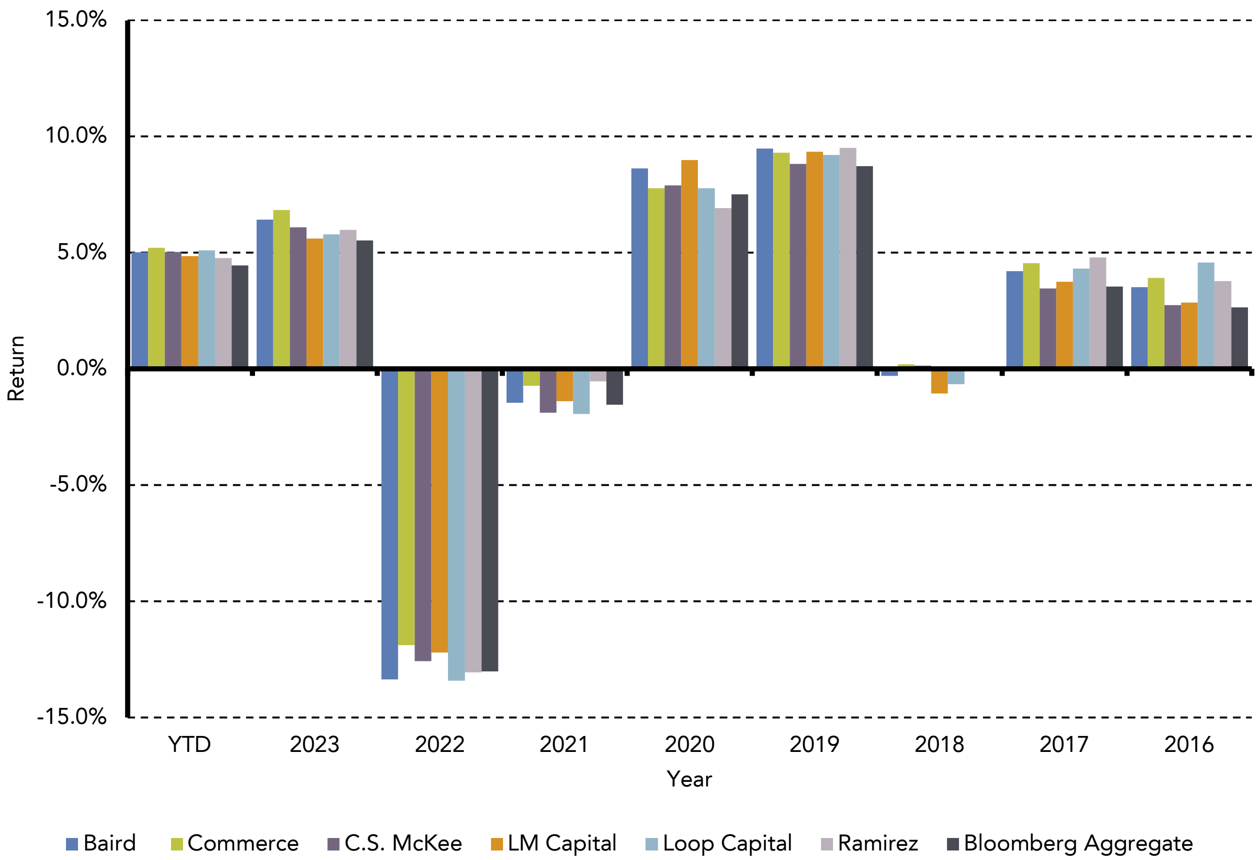
Trailing Returns and Risk

	3 Year		5 Year		7 Year		10 Year	
	Ret.	StDev	Ret.	StDev	Ret.	StDev	Ret.	StDev
Baird	-1.1%	7.7%	0.8%	6.5%	1.8%	5.8%	2.2%	5.1%
Commerce	-0.4%	7.0%	1.2%	6.2%	2.3%	5.5%	2.6%	4.8%
C.S. McKee	-0.9%	7.9%	0.7%	6.5%	1.7%	5.8%	2.1%	5.0%
LM Capital	-1.0%	7.3%	1.0%	6.1%	1.8%	5.4%	2.2%	4.7%
Loop Capital	-1.3%	7.6%	0.4%	6.3%	1.5%	5.6%	1.9%	5.0%
Ramirez	-1.3%	7.3%	0.5%	6.7%	1.8%	5.9%	2.3%	5.2%
Bloomberg Aggregate	-1.4%	7.6%	0.3%	6.3%	1.5%	5.6%	1.8%	4.9%

Trailing Information Ratios



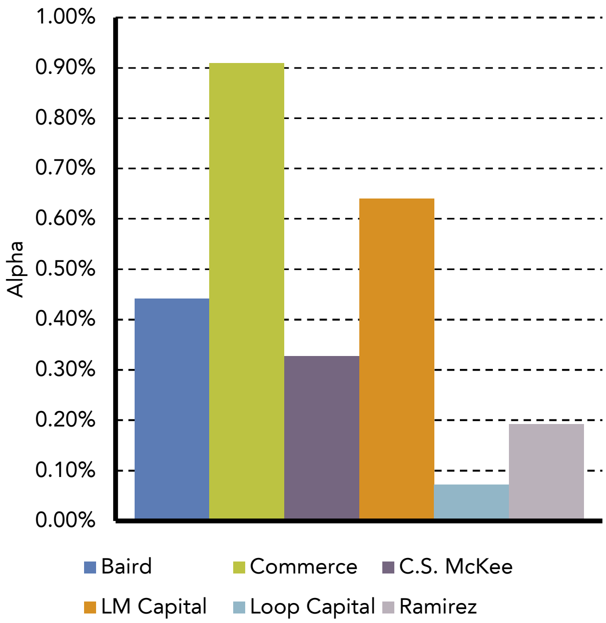
Calendar Returns - Net of Fees

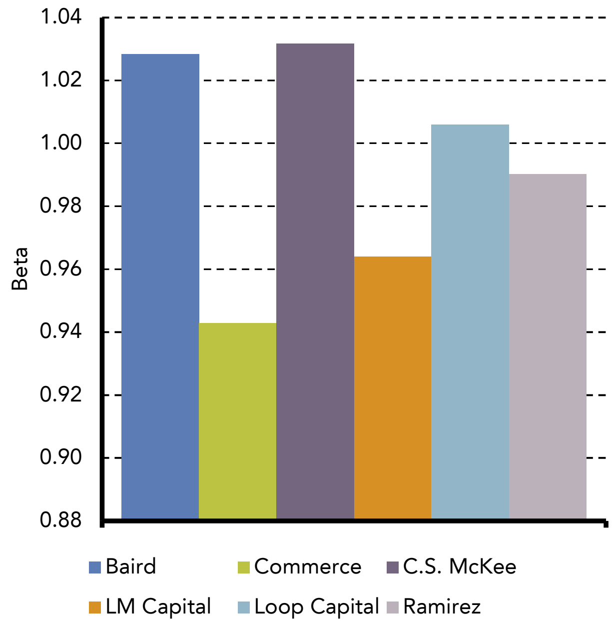


Calendar Year Returns Data - Net of Fees

	YTD	2023	2022	2021	2020	2019	2018	2017	2016
Baird	5.0%	6.4%	-13.4%	-1.5%	8.6%	9.5%	-0.3%	4.2%	3.5%
Commerce	5.2%	6.8%	-11.9%	-0.7%	7.8%	9.3%	0.2%	4.5%	3.9%
C.S. McKee	5.0%	6.1%	-12.6%	-1.9%	7.9%	8.8%	0.1%	3.5%	2.7%
LM Capital	4.9%	5.6%	-12.2%	-1.4%	9.0%	9.3%	-1.1%	3.8%	2.8%
Loop Capital	5.1%	5.8%	-13.4%	-1.9%	7.8%	9.2%	-0.7%	4.3%	4.6%
Ramirez	4.8%	6.0%	-13.1%	-0.5%	6.9%	9.5%	0.0%	4.8%	3.8%
Bloomberg Aggregate	4.4%	5.5%	-13.0%	-1.5%	7.5%	8.7%	0.0%	3.5%	2.6%

5 Year Benchmark Based Alpha (left), Beta (right)





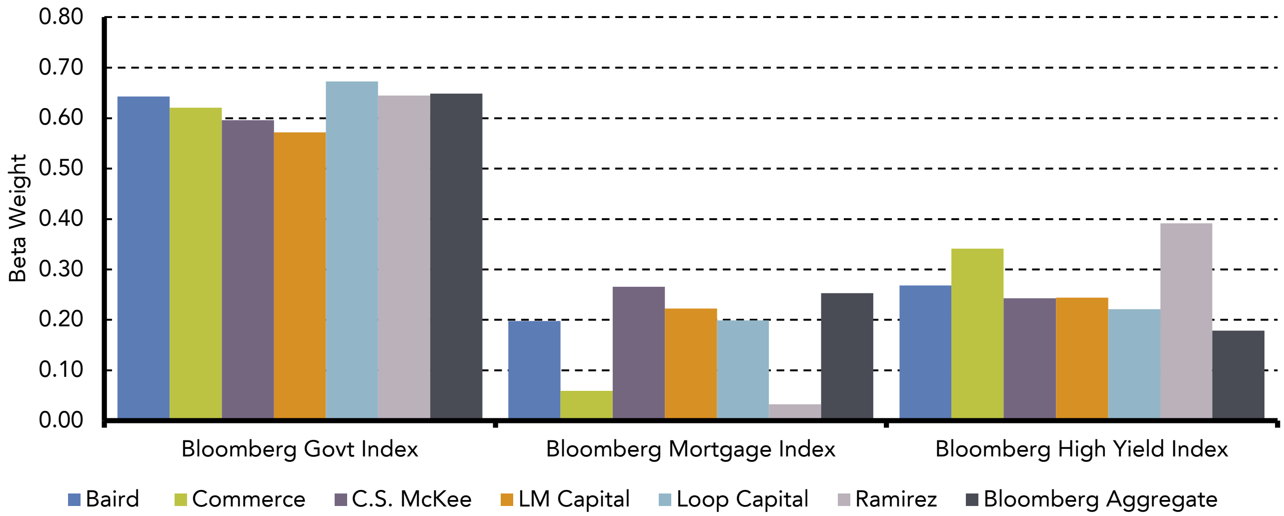
Return Statistics

	Alpha	Beta	R^2
Baird	0.44%	1.03	97.9%
Commerce	0.91%	0.94	91.8%
C.S. McKee	0.33%	1.03	98.3%
LM Capital	0.64%	0.96	98.3%
Loop Capital	0.07%	1.01	99.1%
Ramirez	0.19%	0.99	86.0%
Bloomberg Aggregate	0.00%	1.00	100.0%

Modern Portfolio Theory (Alpha & Beta) Explanation

The above calculations are based on the Capital Asset Pricing Model (CAPM). Developed in the 1960's, CAPM is a widely used method of understanding the relationship between risk and return. Under the CAPM, expected return is a function of risk. Assuming all security specific risk (the risk related to individual holdings and not to general market movements) is diversifiable, portfolios are then only exposed to market risk. Using a benchmark index as a proxy for "the market", past returns can be estimated as a function of market risk (beta), and unexplainable variance (alpha). By determining which segment of returns is derived from beta (market risk) or alpha (manager skill), investors can evaluate a product's performance record more accurately.

5 Year Returns Based Factor Analysis



Factor Based Return Statistics

	Bloomberg Govt Index	Bloomberg Mortgage Index	Bloomberg High Yield Index			Alpha	R^2
Baird	0.64	0.20	0.27	--	--	-2.6%	95.2%
Commerce	0.62	0.06	0.34	--	--	-2.5%	91.5%
C.S. McKee	0.60	0.27	0.24	--	--	-2.6%	95.6%
LM Capital	0.57	0.22	0.24	--	--	-2.4%	96.3%
Loop Capital	0.67	0.20	0.22	--	--	-2.8%	96.8%
Ramirez	0.64	0.03	0.39	--	--	-3.4%	86.5%
Bloomberg Aggregate	1.00	0.25	0.18	--	--	0.0%	97.4%

Factor Analysis Explanation

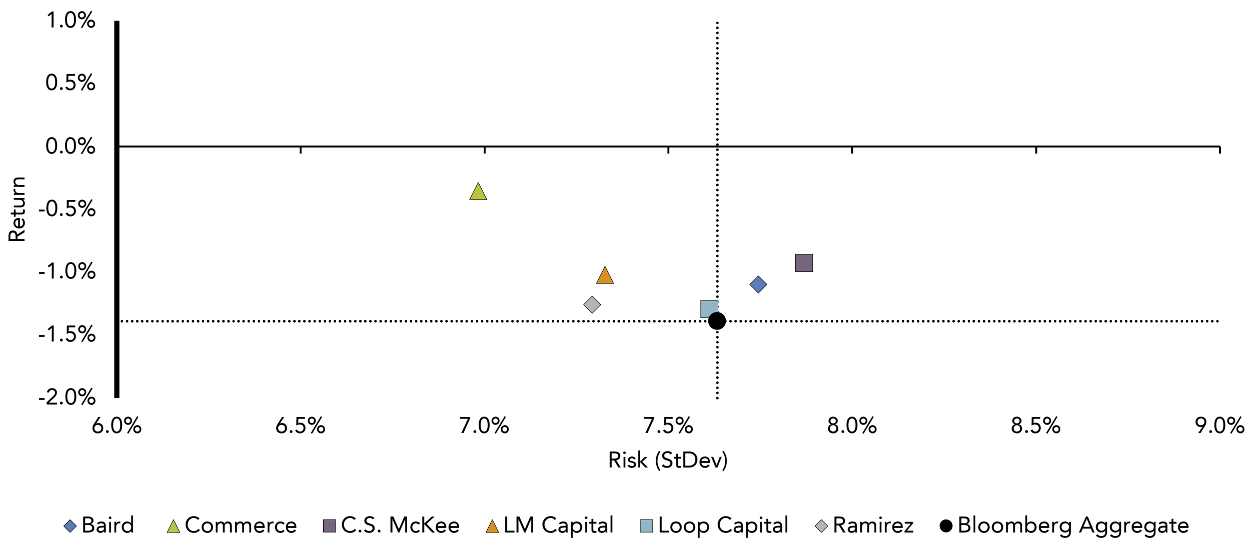
Returns based factor analysis attempts to take into account the fact that, in reality, there are multiple market risk factors that influence returns. Instead of one benchmark "market" factor, returns based style analysis uses multiple benchmarks as proxies for multiple sources of risk. The above calculations are based on a multiple linear regression using several benchmark returns to explain manager returns. Returns based factor analysis is useful to identify which risk factors different managers are exposed to relative to each other and to the benchmark, and to identify outperformance while controlling for multiple measures of risk.

Factor Weights represent manager exposure to benchmark risk factors, holding other factors constant. For example, a manager with a higher value factor likely invests in more value stocks. If the value factor is negative, this indicates a more growth oriented manager. Factor analysis can help determine a manager's historical style, such as small value. It can also help determine if excess returns over the benchmark are generated through security selection alpha, or simply by taking different small and value exposures than the benchmark.

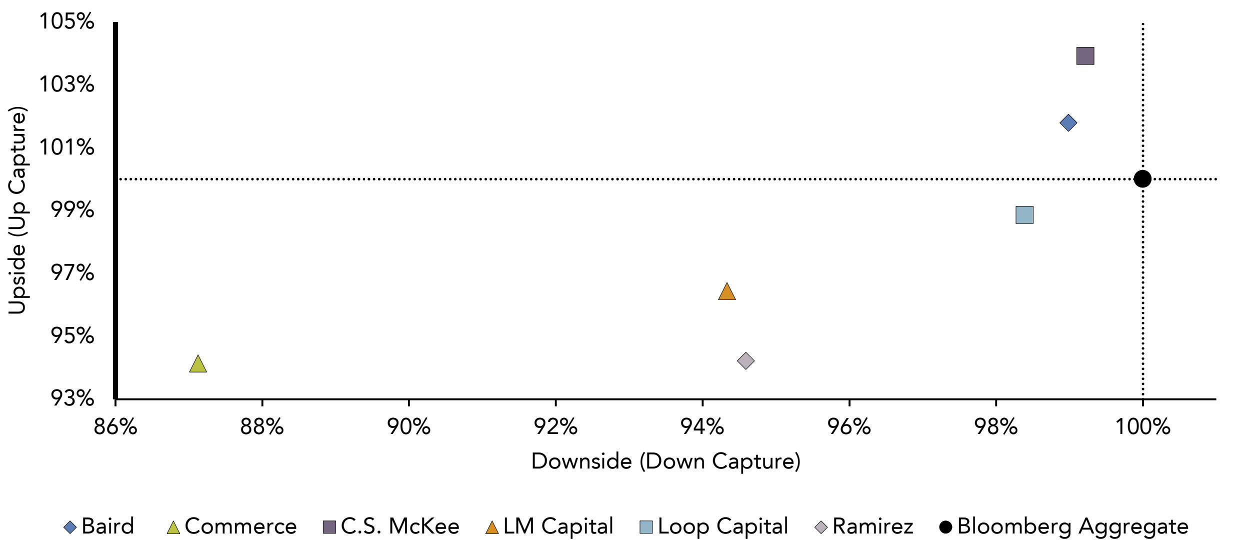
R^2 in the multi-factor model has the same interpretation under the CAPM model (goodness of fit). If R^2 is higher with a multi-factor model, manager returns are better explained by taking into account additional risk factors. Therefore, a higher R^2 is desirable because it indicates a more useful model, and more confidence in the beta and alpha calculation results.

Alpha in the multi-factor model has the same interpretation under the CAPM. A lower alpha term under multi-factor analysis indicates that some manager alpha compared to a single benchmark may be generated by taking out-of-benchmark risks. Alpha is not a static number, and varies based on the time period of the regression. Therefore, a positive alpha number, indicating that a manager has outperformed in the past controlling for risk, may be more important than the size of the alpha term.

3 Year Risk/Return



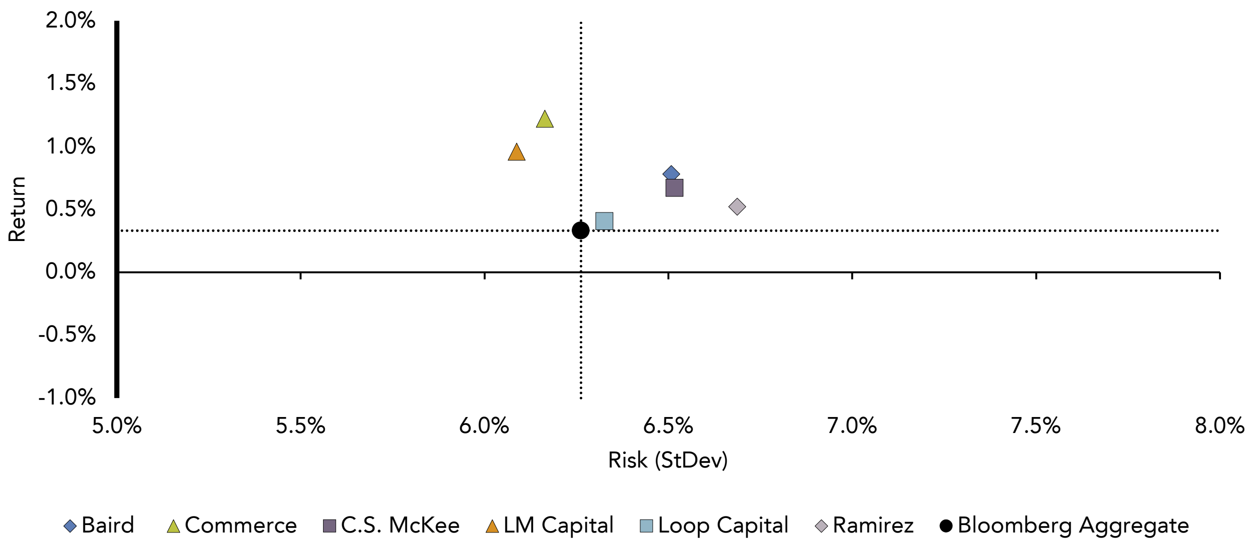
3 Year Upside and Downside Capture



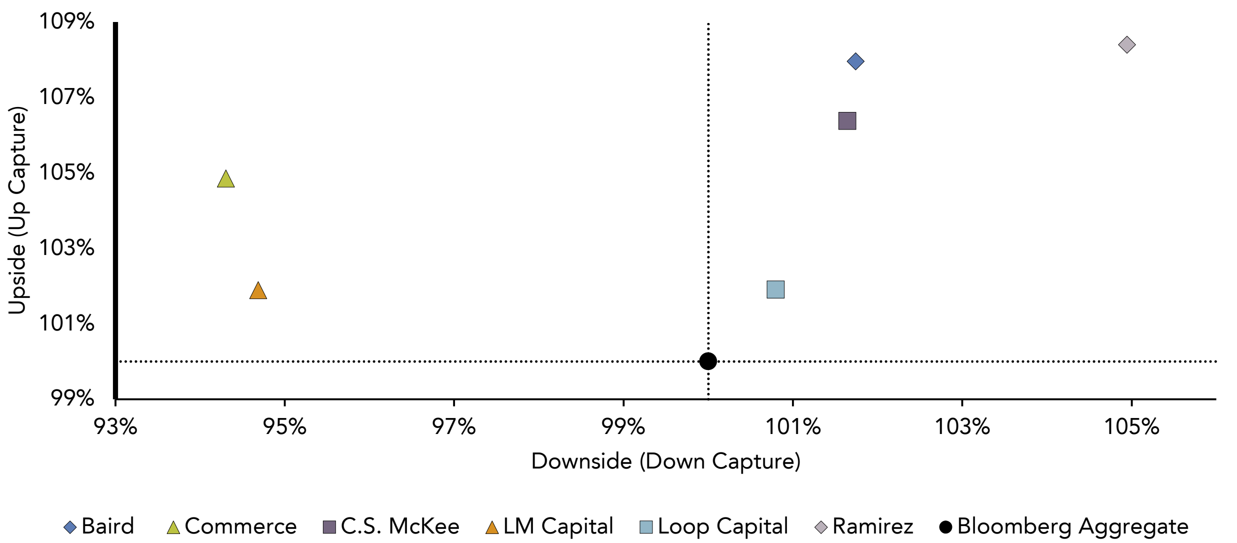
3 Year Return Statistics

	Return	StDev	Sharpe	Up Capture	Down Capture
Baird	-1.10%	7.74%	-0.59	101.80%	98.98%
Commerce	-0.35%	6.98%	-0.55	94.14%	87.12%
C.S. McKee	-0.93%	7.87%	-0.56	103.92%	99.22%
LM Capital	-1.02%	7.33%	-0.62	96.44%	94.33%
Loop Capital	-1.30%	7.61%	-0.63	98.86%	98.39%
Ramirez	-1.26%	7.29%	-0.65	94.22%	94.59%
Bloomberg Aggregate	-1.39%	7.63%	-0.64	100.00%	100.00%

5 Year Risk/Return



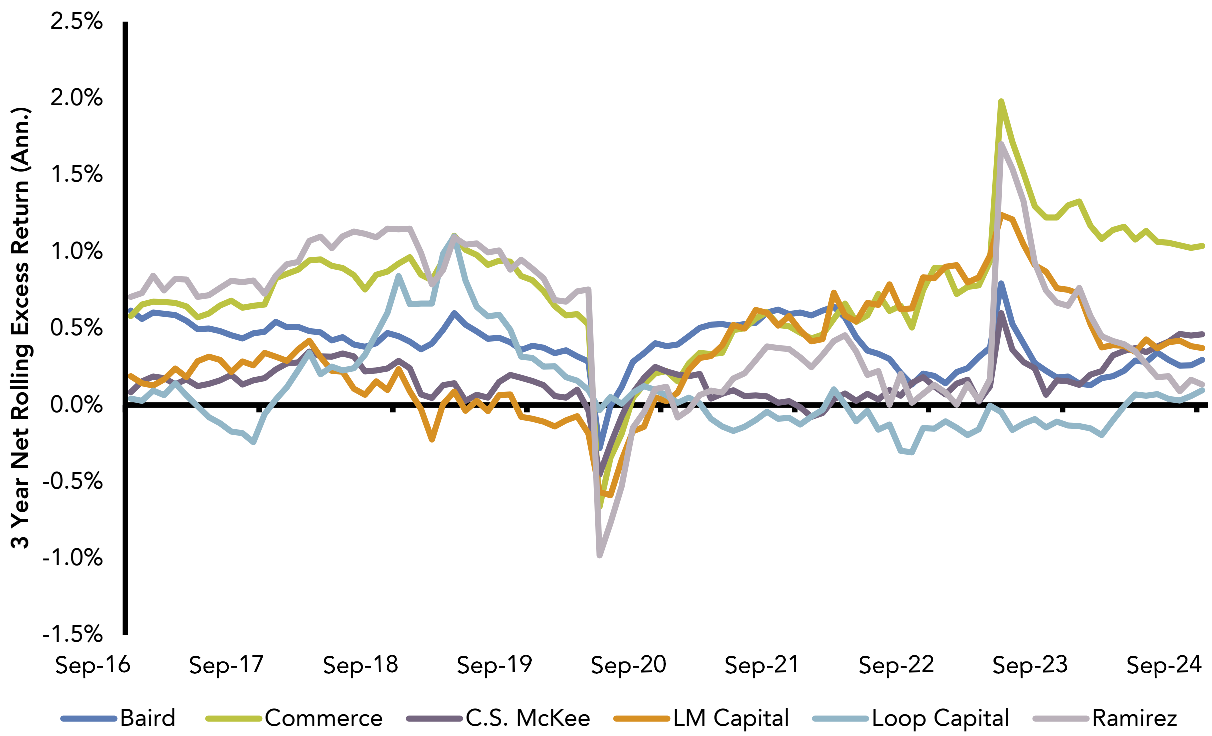
5 Year Upside and Downside Capture



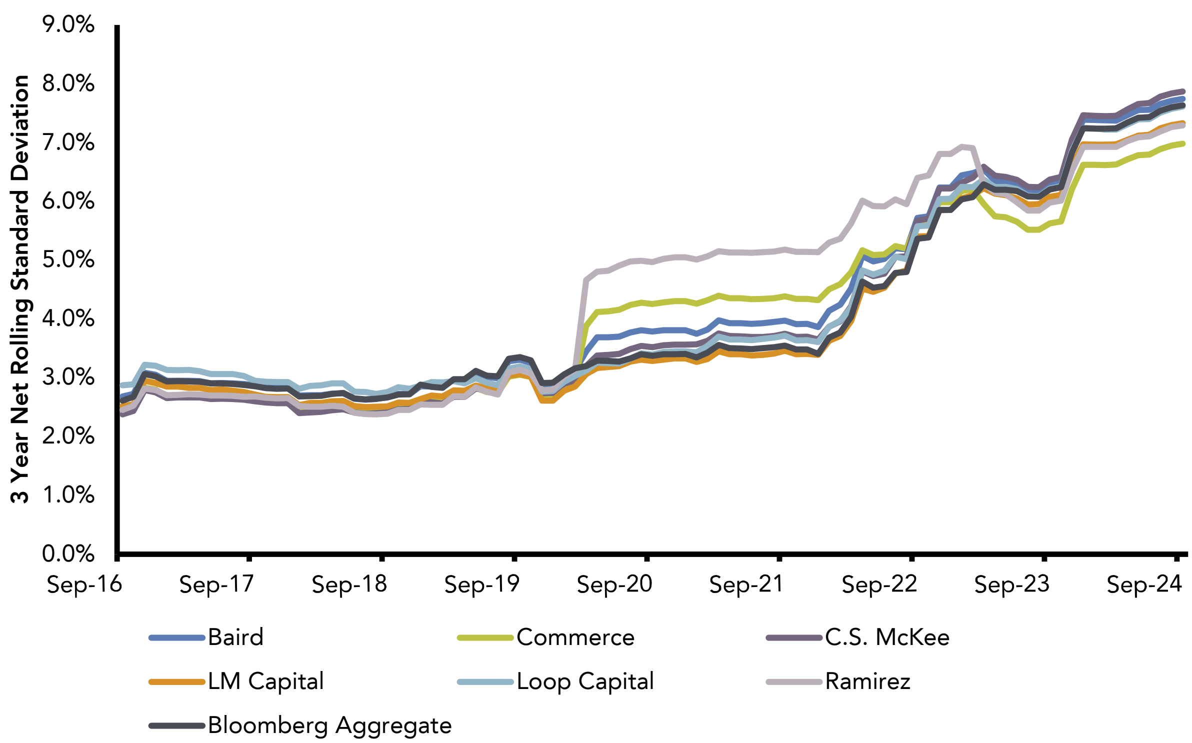
5 Year Return Statistics

	Return	StDev	Sharpe	Up Capture	Down Capture
Baird	0.78%	6.51%	-0.23	107.96%	101.74%
Commerce	1.22%	6.16%	-0.17	104.85%	94.30%
C.S. McKee	0.67%	6.52%	-0.24	106.37%	101.65%
LM Capital	0.96%	6.09%	-0.21	101.89%	94.68%
Loop Capital	0.41%	6.33%	-0.29	101.90%	100.80%
Ramirez	0.52%	6.69%	-0.26	108.40%	104.95%
Bloomberg Aggregate	0.33%	6.26%	-0.31	100.00%	100.00%

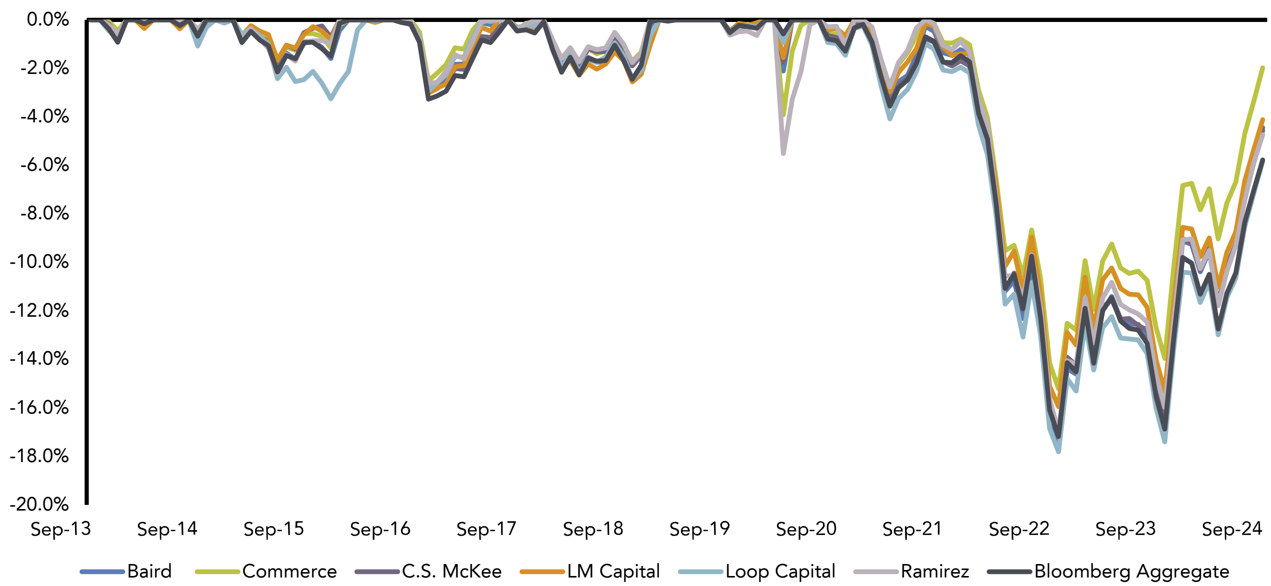
Rolling 3 Year Net Excess Returns over Bloomberg Aggregate



Rolling 3 Year Net Standard Deviation



Drawdown (10 Years)



Crisis Performance

	Financial Crisis May '07 - Feb '09	Euro Crisis April '11 - Sept '11	Taper Tantrum April '13 - Aug '13	Oil/Shale Crash May '15 - Jan '16	COVID-19 Crash Dec '19 - Mar '20
Baird	0.0%	3.6%	-3.9%	0.5%	1.5%
Commerce	--	4.1%	-3.2%	0.5%	-0.3%
C.S. McKee	12.8%	4.7%	-3.4%	1.4%	1.6%
LM Capital	--	2.2%	-4.1%	1.0%	1.9%
Loop Capital	--	3.3%	-4.9%	-1.6%	2.8%
Ramirez	--	3.7%	-3.5%	1.4%	-1.5%
Bloomberg Aggregate	9.8%	4.9%	-3.7%	0.9%	3.1%

5 Year Correlations Excess Return

	Baird	Commerce	C.S. McKee	LM Capital	Loop Capital	Ramirez
Baird	**1.00**					
Commerce	0.84	1.00				
C.S. McKee	0.68	0.59	1.00			
LM Capital	0.60	0.72	0.51	1.00		
Loop Capital	0.50	0.40	0.32	0.44	1.00	
Ramirez	0.84	0.94	0.63	0.66	0.36	1.00

5 Year Correlations with other Asset Classes

	S&P 500	Russell 2000	MSCI EAFE	Bloomberg Aggregate	Bloomberg High Yield	CS Leveraged Loans	HFRI Fund of Funds	HFRI Equity Hedge
Baird	0.60	0.53	0.62	0.99	0.68	0.34	0.45	0.55
Commerce	0.63	0.57	0.66	0.96	0.75	0.46	0.54	0.61
C.S. McKee	0.60	0.50	0.62	0.99	0.67	0.30	0.42	0.52
LM Capital	0.60	0.53	0.64	0.99	0.69	0.31	0.43	0.54
Loop Capital	0.58	0.49	0.60	1.00	0.64	0.26	0.39	0.50
Ramirez	0.62	0.57	0.65	0.93	0.75	0.51	0.57	0.62

Fee Schedule and Expense Ratios

Firm	Fee Schedule	Other Fees	Expense Ratio	Industry Avg.	Fee For $10,000,000
Baird BAGIX	30 bps on the Balance	0 bps	0.30%	0.44%[1]	$30,000
Commerce	30 bps on the first $10 million 20 bps on the next $40 million 15 bps on the Balance	0 bps	0.30%	0.31%[2]	$30,000
C.S. McKee	35 bps on the first $25 million 30 bps on the next $25 million 25 bps on the next $50 million 20 bps on the Balance	0 bps	0.35%	0.31%[2]	$35,000
LM Capital	22 bps on the first $50 million 18 bps on the next $50 million 14 bps on the next $100 million 12 bps on the Balance	0 bps	0.22%	0.31%[2]	$22,000
Loop Capital	30 bps on the first $25 million 25 bps on the next $75 million 20 bps on the next $100 million 15 bps on the Balance	0 bps	0.30%	0.31%[2]	$30,000
Ramirez	25 bps on the first $50 million 20 bps on the next $100 million 15 bps on the Balance	0 bps	0.25%	0.31%[2]	$25,000

[1]Industry Average Mutual Fund Fee.

[2]Industry Average Separate Account Fee.

Fund Terms & Liquidity

Firm	Minimum Account Size ($MM)	Redemptions	Days Notice	Vehicle Domicile	Vehicle Structure	Investor Restrictions
Baird BAGIX	$0.0	Daily	0	On-Shore	40 Act Mutual Fund	--
Commerce	$10.0	Daily	0	On-Shore	SMA	--
C.S. McKee	$5.0	Daily	0	On-Shore	SMA	--
LM Capital	$10.0	Daily	--	On-Shore	SMA	--
Loop Capital	$25.0	Daily	--	On-Shore	SMA	--
Ramirez	$10.0	Daily	1	On-Shore	SMA	--

Please note that, due to heightened scrutiny of adherence to Anti-Money Laundering ("AML")/Know-Your-Client ("KYC") regulations, commingled fund administrators may require the personal information, in the form of social security numbers or copies of driver's licenses, from authorized signatories such as the CEO/CFO/CCO of the investing institution in order for these organizations to access commingled funds.

Appendix

Current Team Key Employees

Name	Role on Product	Years Experience	Years with Firm	Years on Product	Education
Warren Pierson	Chief Investment Officer	36	25	25	CFA,BS
M. Sharon deGuzman	Senior Portfolio Manager	31	25	25	BS
Charlie Groeschell	Senior Portfolio Manager	43	25	25	MBA,BS
Mary Ellen Stanek	Chief Investment Officer	43	25	25	CFA,MBA,BA
Jeff Schrom	Senior Portfolio Manager	28	23	23	CFA,BS,Masters
Jay Schwister	Senior Portfolio Manager	38	20	20	CFA,BS,MBA
Meghan Dean	Senior Portfolio Manager	22	18	18	CFA,BS
Andrew O'Connell	Investment Analyst	15	14	14	BS,CFA
Abhishek Pulakanti	Investment Analyst	14	12	12	BA,CFA,Masters,MBA
Pat Brown	Senior Portfolio Manager	19	11	11	CFA,BS,Masters

Product Turnover

	2021	2022	2023	YTD
Total Clients	49	48	49	48
Total Assets $MM	$56,690.0	$48,512.0	$57,615.0	$65,689.0
Asset Inflow $MM	$734.0	$0.0	$246.0	$0.0
Asset Outflow $MM	$0.0	$34.0	$220.0	$63.0

Employee Turnover (5 Years)	
Hired	31
Terminated	0
Retired	6
Resigned	6
Total Firm Employees	76

Five Largest Clients

Client Type	Assets ($MM)	% of Assets
Mutual Fund	$49,222.0	74.9%
Sub-Advisory	$4,540.0	6.9%
Public	$1,258.0	1.9%
Insurance/Financial	$965.0	1.5%
Health Care	$757.0	1.2%

Client Averages ($MM)	
Average Client Size	$350.0
Smallest Client Size	$13.0

Current Team Key Employees

Name	Role on Product	Years Experience	Years with Firm	Years on Product	Education
Scott Colbert	Portfolio Manager	--	33	30	CFA,MBA,BS
Brent Schowe	Portfolio Manager/Analyst	--	26	25	CFA,BS
W. Michael Cody	Portfolio Manager	--	19	19	CFA,MBA,BS
John Kennedy	Portfolio Manager	--	17	17	BS
Ryan Craig	Portfolio Manager/Analyst	--	17	17	CFA,MBA,BS
Clint Bauer	Trader	--	17	13	BA,CFA,MBA
Shannon Bee	Analyst	--	13	11	BS
Matt McCarty	Portfolio Manager	--	10	5	BA
Amy DiLorenzo	Portfolio Manager/Analyst	--	4	4	BS

Product Turnover

	2021	2022	2023	YTD
Total Clients	80	78	66	71
Total Assets $MM	$5,133.0	$3,854.0	$4,024.9	$4,120.4
Asset Inflow $MM	$394.0	$210.0	$0.0	$0.0
Asset Outflow $MM	$155.0	$125.0	$0.0	$0.0

Employee Turnover (5 Years)	
Hired	168
Terminated	32
Retired	22
Resigned	106
Total Firm Employees	448

Five Largest Clients

Client Type	Assets ($MM)	% of Assets
--	--	--
--	--	--
--	--	--
--	--	--
--	--	--

Client Averages ($MM)	
Average Client Size	--
Smallest Client Size	--

Current Team Key Employees

Name	Role on Product	Years Experience	Years with Firm	Years on Product	Education
Bryan R. Johanson	Portfolio Manager	36	31	31	CFA,MBA,BS,CPA
Jack P. White	Portfolio Manager	26	28	28	CFA,MBA,BS
Brian S. Allen, CMT	Chief Investment Officer	36	26	26	CFA,MBA,BS
Zachary K. Hubert	Portfolio Manager	13	15	15	BS,CFA
Laura Piskurich	Analyst	7	9	3	BA
Jason T. Pettner, CFP	Investment Analyst	5	7	5	BS,CFA
Olivia Wininsky	Analyst	1	2	2	

Product Turnover

	2021	2022	2023	YTD
Total Clients	68	58	84	86
Total Assets $MM	$2,585.5	$2,128.1	$2,594.80	$2,928.70
Asset Inflow $MM	$0.0	$9.3	$0.80	$43.80
Asset Outflow $MM	$34.0	$115.6	$181.80	$13.20

Employee Turnover (5 Years)	
Hired	11
Terminated	2
Retired	4
Resigned	7
Total Firm Employees	37

Five Largest Clients

Client Type	Assets ($MM)	% of Assets
Public	$260.8	8.9%
Public	$216.9	7.4%
Insurance/Financial	$193.1	6.6%
Corporate	$188.7	6.4%
Health Care	$177.8	6.1%

Client Averages ($MM)	
Average Client Size	--
Smallest Client Size	--

Current Team Key Employees

Name	Role on Product	Years Experience	Years with Firm	Years on Product	Education
Luis Maizel	Portfolio Manager	39	36	36	MBA,BA
John Chalker	Portfolio Manager	43	36	36	BS
Mario Modiano	Portfolio Manager	20	21	21	MBA,Masters,BA
Rachel Wilson	Trader	30	21	21	CFA,BS
Michael Chalker	Portfolio Manager/Analyst	13	11	11	BA,MBA
Patrick Faul	Portfolio Manager	36	8	8	BS,CFA
Vikrant Khadilkar	Investment Analyst	10	7	7	CFA,Masters,BEing
Frank Hacklander	Analyst	33	3	3	CFA,MBA
Pablo Barrientos	Analyst	13	3	3	

Product Turnover

	2021	2022	2023	YTD
Total Clients	17	17	17	16
Total Assets $MM	$1,641.4	$1,421.4	$1,352.2	$1,439.5
Asset Inflow $MM	$163.1	$16.7	$38.5	$4.1
Asset Outflow $MM	$365.6	$39.2	$186.0	$23.7

Employee Turnover (5 Years)	
Hired	16
Terminated	0
Retired	0
Resigned	14
Total Firm Employees	22

Five Largest Clients

Client Type	Assets ($MM)	% of Assets
Public	$514.7	35.8%
Public	$348.0	24.2%
Public	$126.2	8.8%
Endowment/Foundation	$95.3	6.6%
Public	$71.6	5.0%

Client Averages ($MM)	
Average Client Size	--
Smallest Client Size	--

Current Team Key Employees

Name	Role on Product	Years Experience	Years with Firm	Years on Product	Education
James Reynolds	Chief Executive Officer	39	28	3	BA,CFA,Masters
Frank Reda, CMT	Portfolio Manager	22	24	24	BS,Masters
Ronald Salinas	Portfolio Manager	19	21	21	BBA,CFA,MBA
Julie Kwock	Analyst	17	19	19	BS,Masters,MBA
Scott Kimball	Chief Investment Officer	20	18	18	BBA,CFA,MBA
Adam Phillips	Investment Manager	19	11	11	BA,CFA
George Liu	Business Development	15	10	10	BS
Andre Villarreal	Portfolio Manager/Analyst	13	10	10	BBA,CFA
Joseph Magazine	Analyst	17	9	9	BS
Adam Eccles	Trader	19	6	6	Masters

Product Turnover

	2021	2022	2023	YTD
Total Clients	33	48	49	46
Total Assets $MM	$3,324.6	$3,254.6	$3,545.8	$3,790.0
Asset Inflow $MM	$29.9	$620.6	$213.7	$53.6
Asset Outflow $MM	$1,119.1	$63.2	$92.5	$201.0

Employee Turnover (5 Years)	
Hired	19
Terminated	8
Retired	0
Resigned	10
Total Firm Employees	29

Five Largest Clients

Client Type	Assets ($MM)	% of Assets
Public	$1,327.0	92.1%
Public	$601.0	41.8%
Sub-Advised	$272.0	18.9%
Public	$146.0	10.1%
Corporate	$110.0	7.6%

Client Averages ($MM)	
Average Client Size	--
Smallest Client Size	--

Current Team Key Employees

Name	Role on Product	Years Experience	Years with Firm	Years on Product	Education
Samuel Ramirez Jr.	Portfolio Manager	26	23	23	BA
Louis Sarno	Portfolio Manager	28	15	15	BA
Helen Yee	Portfolio Manager	26	15	15	BA,CFA,MBA
Ira Isaguirre	Investment Analyst	11	15	15	BA,Masters
Janet Henry	Investment Analyst	36	12	12	BA,CFA,MBA
Alex Bud	Investment Analyst	18	9	9	CFA,BS
Zach Grob	Investment Analyst	4	6	4	BA,MBA
Satyam Mallick	Investment Analyst	22	5	5	BA,CFA,MBA
Clyde Lane	Investment Analyst	11	5	5	BA,MBA
Mary Willis	Trader	7	3	3	BA,Masters

Product Turnover

	2021	2022	2023	YTD
Total Clients	22	25	27	32
Total Assets $MM	$1,725.0	$1,980.4	$2,476.8	$3,239.7
Asset Inflow $MM	$760.0	$250.0	$151.0	$497.0
Asset Outflow $MM	$68.0	$0.0	$0.0	$0.0

Employee Turnover (5 Years)	
Hired	24
Terminated	0
Retired	0
Resigned	3
Total Firm Employees	40

Five Largest Clients

Client Type	Assets ($MM)	% of Assets
Public	$535.7	16.5%
Foundation	$535.6	16.5%
Union	$469.2	14.5%
Foundation	$198.5	6.1%
Insurance	$176.8	5.5%

Client Averages ($MM)	
Average Client Size	--
Smallest Client Size	--

Notes on % Owned by Parent or Other

Firm Name	Notes
Baird	Baird is a privately held, employee-owned firm. More than 80% of Baird's 5,100 associates own Baird stock and no single associate owns more than 3%. Employees own 95% and Northwestern Mutual owns the remaining equity interest in the firm. Eligible members of Baird Advisors have an equity interest in Baird in the form of purchased stock.
Commerce	Commerce Trust Company is a division of Commerce Bank, a wholly owned subsidiary of Commerce Bancshares, Inc. (CBSH), a registered bank holding company.
C.S. McKee	We continue to do business as C.S. McKee; however the legal name of the new firm is CSM Advisors, LLC. North Square Investments owns 88.75% of profit units of CSM Advisors, LLC CSM Advisor Employees own 11.25% of the profit units of CSM Advisors, LLC.
LM Capital	Jack Maizel is a 1% shareholder.
Loop Capital	Loop Capital LLC is a privately held, employee and minority owned, limited liability company; Approximately 80% of Loop Capital is owned by persons who are racial or ethnic minorities and women. James Reynolds Jr. is the majority owner of Loop Capital LLC. Ownership is made available to long tenured senior employees. Loop Capital does not disclose specific employee ownership.
Ramirez	RAM is a wholly-owned subsidiary of SAR Holdings, Inc. (“SAR”), which is 100% employee owned, with 86% of SAR owned by Samuel A. Ramirez and Samuel A. Ramirez Jr. and the balance held by long term employees.

Marquette Manager Search Phase Process

Bottom-up Evaluation Process: We use a bottom-up process to vet investment ideas. As an idea passes through multiple evaluation phases, the idea is provided with additional resources (i.e. time, attention, and money) and will be placed at a higher level of scrutiny. While the traditional and alternative research efforts utilize the same general approach, there are differences due to the specifics of each asset class. There is a product Set-Up and five levels of due diligence. Phase I and Phase II are the initial evaluation phases, Phase III is the documentation phase, Phase IV is the validation phase, and the last phase is the final recommendation and on-going due diligence. During every stage of the process, the lead analyst presents information at the weekly Investment Manager Search Committee ("IMC") meetings. The lead analyst or the IMC may "fail" an idea at any step in the process. In order to pass Phase III and IV, an idea must receive unanimous support from the IMC. Note: Managers included in Marquette searches may not be fully through all five phases of the evaluation process at the time the search is published.

Manager Products	Set Up	Phase I	Phase II	Phase III	Phase IV	Recommendation / Ongoing
Traditional	Enter Product into proprietary MAI database	Collect Basic Information	Quantitative Screen	Asset-Class/Account Specific RFI	Full Due Diligence Check/Data Verification	Final Recommendations and Ongoing Due Diligence
Open Alternatives		Collect Basic Information	Qualitative /Quantitative Screen	Asset-Class/Account Specific RFI		
Closed Alternatives		Collect Basic Information	Qualitative /Quantitative Screen	Asset-Class/Account Specific RFI		
	Initial Product Discovery	Determine Viability of Product	Determine whether product is attractive	Develop clear understanding of necessary info, including potential shortfalls	Includes: 1.On-site visit 2.Reference check 3.Technology evaluation 4.Culture evaluation 5.Compliance evaluation 6.Peer comparisons 7.IMC follow-up review	Ongoing due diligence

Definitions

Alpha measures nonsystematic return, or the return of the manager that cannot be attributed to the market. It can be thought of as how the manager performed if the market has no gain or loss. Marquette calculates alpha as the annualized y-intercept of the best fit line based on the ordinary least squares regression, using the market's monthly return less the risk-free rate as the independent variable and the manager's monthly return less the risk-free rate as the dependent variable. Marquette uses the one month T-Bill returns as the risk-free rate.

Average Coupon is the arithmetic average of the coupon rates of all of the bonds in a portfolio. The Coupon Rate of a bond is the interest the bond issuer agrees to pay annually.

Average Time to Maturity is the arithmetic average of the maturities of all of the bonds in a portfolio. The Time to Maturity of a bond is the number of years remaining prior to final principal payment.

Average Yield to Worst is the arithmetic average of yield to worst of all of the bonds in a portfolio. The Yield to Worst of a bond is the lowest possible yield of a bond, represented by the lower of either the yield to maturity or the yield to call. Yield is defined as the interest earned on a bond, calculated as coupon rate divided by current price. Yield to Maturity or Yield to Call refers the yield an investor will earn if the bond is held from purchase date to redeem date.

Batting Average is a measure of a manager's ability to beat a benchmark consistently. It is calculated by dividing the number of months in which the manager beat or matched the benchmark by the total number of months in the period. For example, a manager who meets or outperforms the market every month in a given period would have a batting average of 100. A manager who beats the market half of the time would have a batting average of 50. Marquette calculates batting average on five years of monthly returns.

Beta measures the risk level of the manager. It is a measure of systematic risk, or the manager return attributable to market movements. A beta equal to 1.0 indicates a risk level equivalent to the market. Higher betas are associated with higher risk levels, while lower betas are associated with lower risk levels. Marquette calculates beta as the covariance (correlation of two assets multiplied by their standard deviation) divided by the variance (standard deviation squared) of the market.

Composite Dispersion measures the variability of returns amongst all of the underlying portfolios representing a composite. The higher the dispersion, the larger the differences between the various manager portfolios in the product.

Correlation measures the variation between two sets of historical returns and is a useful tool in portfolio diversification. The correlation between two sets of returns is a number between -1.0 and +1.0. A +1.0 means that the two sets of returns move in the exact same manner, while a -1.0 means the returns move exactly opposite. The lower the correlation number, the stronger the diversification between two products.

Dividend Yield measures the annual return of the portfolio attributable to dividends. It is determined by dividing the total amount of annual dividends per total shares by the average market price of the total stocks in the portfolio.

Down-Market Capture Ratio is a measure of a manager's performance relative to the benchmark when the benchmark's monthly return is less than zero. The lower the manager's down-market capture ratio, the better the manager protected capital during a market decline. For instance, a value of 90.0 suggests that the manager's losses were only 90% of the benchmark's losses when the benchmark declined. A negative down-market capture ratio indicates that the manager's returns were actually positive when the benchmark declined.

Duration is a measure of the approximate price sensitivity of a bond to interest rate changes. Rule of thumb: duration is the approximate percentage change in the price of a bond for a 1% change in interest rates.

Factor Analysis is based multi-variate regression. R-squared represents the percentage of manager returns explained by the underlying factors, and each factor weight can be interpreted as the manager's sensitivity to the underlying factor.

Global Investment Performance Standards ® (GIPS) is a set of standards developed by the CFA Institute to provide a common methodology of calculating and presenting historical performance. These standards provide uniformity for comparing investment returns and ensure accurate, accountant verified data.

GIPS Soft Dollar Standards is a voluntary set of standards developed by the CFA Institute that managers may choose to comply with in relation to their firm's soft dollar trading practices. The standards are primarily made up of four ethical principles applying to seven major areas of firm practice. They were developed to guide managers toward ethical practices in the use and application of soft dollar client brokerage.

Definitions

Information Ratio is a measure of risk-adjusted value added by a manager. It is the ratio of a manager's excess return over the benchmark over the tracking error (residual risk).

Kurtosis, or excess kurtosis as used in this report, measures peakedness of the distribution of manager returns. A value greater than zero indicates a more peaked distribution than a normal distribution, with more returns clustered around the mean and more extreme values.

Minority Status is defined by Marquette Associates as Female, African American, Hispanic, Asian, and/or Native American.

R-Squared measures how closely the manager's returns track the benchmark. The closer the R-squared statistic is to 1.0, the more closely related the manager's returns are to the benchmark. A higher R-squared also increases the reliability of alpha and beta.

Sharpe Ratio measures the excess return per unit of risk. The higher the ratio, the more efficient the manager. It is the average return of the manager minus the risk-free rate, divided by the standard deviation of the differences of the two return streams.

Skew measures the symmetry of the distribution of manager returns relative to a normal distribution. A negative skew implies more extreme negative return values, a positive skew implies more extreme positive return values.

Soft Dollars refer to non-cash revenue on commissions, spreads, and discounts generated by trades that the manager may use to pay for proprietary and third-party research, which provide lawful and appropriate assistance to the manager in the investment decision making process. The manager must use its best judgment as a fiduciary to justify the use of client brokerage to pay for a product or service. The CFA Institute has developed a set of Standards to aid GIPS members in their determination process.

Sub-Advisory relationships are where the manager oversees another investment firm's product.

Turnover measures the trading activity of a portfolio during a given time period. It is the percentage of the portfolio's assets that have changed over the course of the time period. Turnover is calculated by dividing the average market value during the time period by the lesser value of the value of purchases or sales during the same period.

Tracking Error, also known as residual risk, is a measure of how closely a manager's returns track the returns of the benchmark. It can also be viewed as a measure of consistency of excess returns. It is computed as the annualized standard deviation of the difference between a portfolio's return and the benchmark.

Up-Market Capture Ratio is a measure of a manager's performance relative to the benchmark when the benchmark's monthly return is greater than or equal to zero. The higher the manager's up-market capture ratio, the better the manager performed during a market rise. For instance, a value of 110.0 suggests that the manager's returns were 110% of the benchmark's returns when the benchmark rose. An up-market capture ratio under 100.0 indicates that the manager's returns were less than the benchmark's returns in a positive market.

Wrap Relationships are negotiated relationships between the manager and a brokerage firm(s), whereby the brokerage firm(s) provide their clients access to the manager's product through a sub account.

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PREPARED BY MARQUETTE ASSOCIATES

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About Marquette Associates

Marquette was founded in 1986 with the sole objective of providing investment consulting at the highest caliber of service. Our expertise is grounded in our commitment to client service — our team aims to be a trusted partner and as fiduciaries, our clients' interests and objectives are at the center of everything we do. Our approach brings together the real-world experience of our people and our dedication to creativity and critical thinking in order to empower our clients to meet their goals. Marquette is an independent investment adviser registered under the Investment Advisers Act of 1940, as amended. Registration does not imply a certain level of skill or training. More information about Marquette including our investment strategies, fees and objectives can be found in our ADV Part 2, which is available upon request and on our website. For more information, please visit www.MarquetteAssociates.com.

AMERICAN BAR ENDOWMENT
BOARD OF DIRECTORS

February 4, 2025

Approving the selection of an active fixed income manager for the American Bar Endowment.

PROPOSED TO: American Bar Endowment Board of Directors

WHEREAS, the American Bar Endowment (ABE) recently entered into a custodial banking relationship to improve ABE's financial efficiency and provide greater financial flexibility; and

WHEREAS, the ABE seeks to retain an active fixed income manager for its investment portfolio; and

WHEREAS, the ABE Finance Committee, with the guidance of Marquette Associates (Marquette), evaluated six potential candidates to serve as the active fixed income manager; and

WHEREAS, Marquette recommended Ramirez & Co. as the new active fixed income manager, based on that company's expertise in taxable municipal bonds, strong historical performance, desirable fee structure, and diverse ownership; and

WHEREAS, the Finance Committee accepted Marquette's recommendation; and

NOW THEREFORE, be it enacted by ABE Board of Directors:

SECTION 1. The ABE Board of Directors approves the engagement of Ramirez & Co. to serve as the new active fixed income manager for the ABE's investment portfolio.

SECTION 2. This Resolution shall take effect immediately upon approval of the ABE Board of Directors.

MarquetteAssociates

American Bar Endowment

Monthly Update
December 31, 2024

Market Tracker

December 2024

U.S. Equity Returns

	Dec	YTD	1 Yr
S&P 500	-2.4%	25.0%	25.0%
Russell 3000	-3.1%	23.8%	23.8%
NASDAQ	0.6%	29.6%	29.6%
Dow Jones	-5.1%	15.0%	15.0%

Non-U.S. Equity Returns

	Dec	YTD	1 Yr
ACWI	-2.4%	17.5%	17.5%
ACWI ex. US	-1.9%	5.5%	5.5%
EAFE Index	-2.3%	3.8%	3.8%
EAFE Local	0.4%	11.3%	11.3%
EAFE Growth	-2.8%	2.0%	2.0%
EAFE Value	-1.8%	5.7%	5.7%
EAFE Small Cap	-2.3%	1.8%	1.8%
Emerging Markets	-0.1%	7.5%	7.5%
EM Small Cap	-1.0%	4.8%	4.8%

Regional Returns

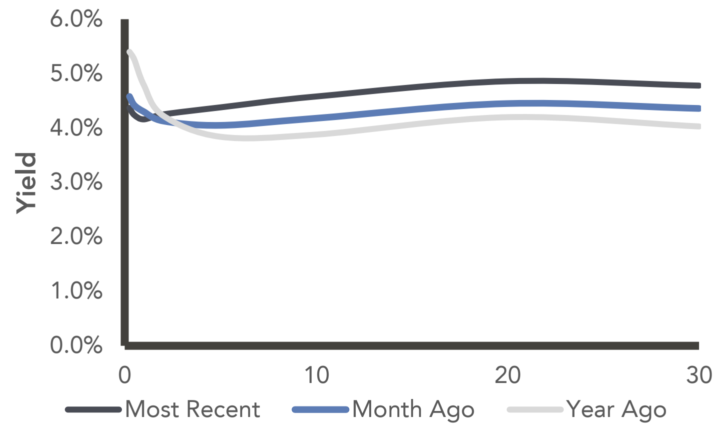
	Dec	YTD	1 Yr
Europe	-2.4%	1.8%	1.8%
Asia ex-Japan	0.1%	12.0%	12.0%
EM Latin America	-6.1%	-26.4%	-26.4%
UK	-2.8%	7.5%	7.5%
Germany	-1.0%	10.2%	10.2%
France	0.1%	-5.3%	-5.3%
Japan	-0.3%	8.3%	8.3%
China	2.7%	19.4%	19.4%
Brazil	-8.2%	-29.8%	-29.8%
India	-2.9%	11.2%	11.2%

Real Estate Returns

	Qtr	YTD	1 Yr
NCREIF NPI National*	0.8%	-0.5%	-3.5%
FTSE NAREIT	-8.2%	4.3%	4.3%

*Returns as of September 30, 2024

Yield Curve

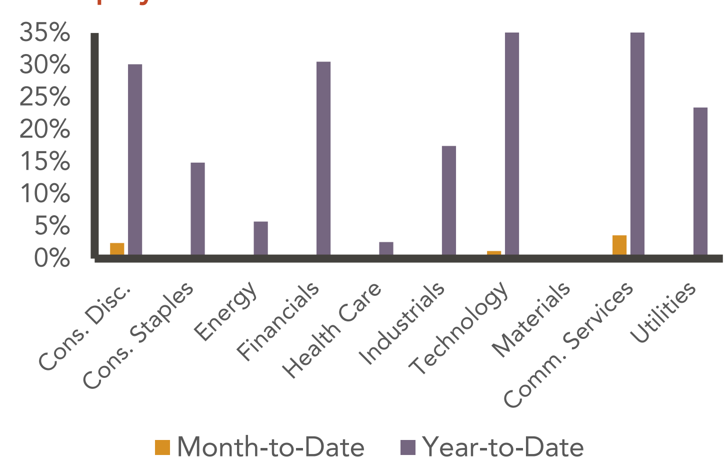


Style Index Returns

Month-to-Date	Value	Core	Growth
Large	-6.8%	-2.8%	0.9%
Mid	-7.3%	-7.0%	-6.2%
Small	-8.3%	-8.3%	-8.2%

Year-to-Date	Value	Core	Growth
Large	14.4%	24.5%	33.4%
Mid	13.1%	15.3%	22.1%
Small	8.1%	11.5%	15.2%

U.S. Equity Sector Returns



Fixed Income Returns

	Dec	YTD	1 Yr
Aggregate	-1.6%	1.3%	1.3%
Universal	-1.5%	2.0%	2.0%
Government	-1.5%	0.6%	0.6%
Treasury	-1.5%	0.6%	0.6%
Int. Gov/Credit	-0.6%	3.0%	3.0%
Long Gov/Credit	-4.8%	-4.2%	-4.2%
TIPS	-1.6%	1.8%	1.8%
Municipal 5 Year	-0.7%	1.2%	1.2%
High Yield	-0.4%	8.2%	8.2%
Bank Loans	0.6%	9.1%	9.1%
Global Hedged	-0.8%	3.4%	3.4%
EM Debt Hard Currency	-1.4%	6.5%	6.5%

Hedge Fund Returns

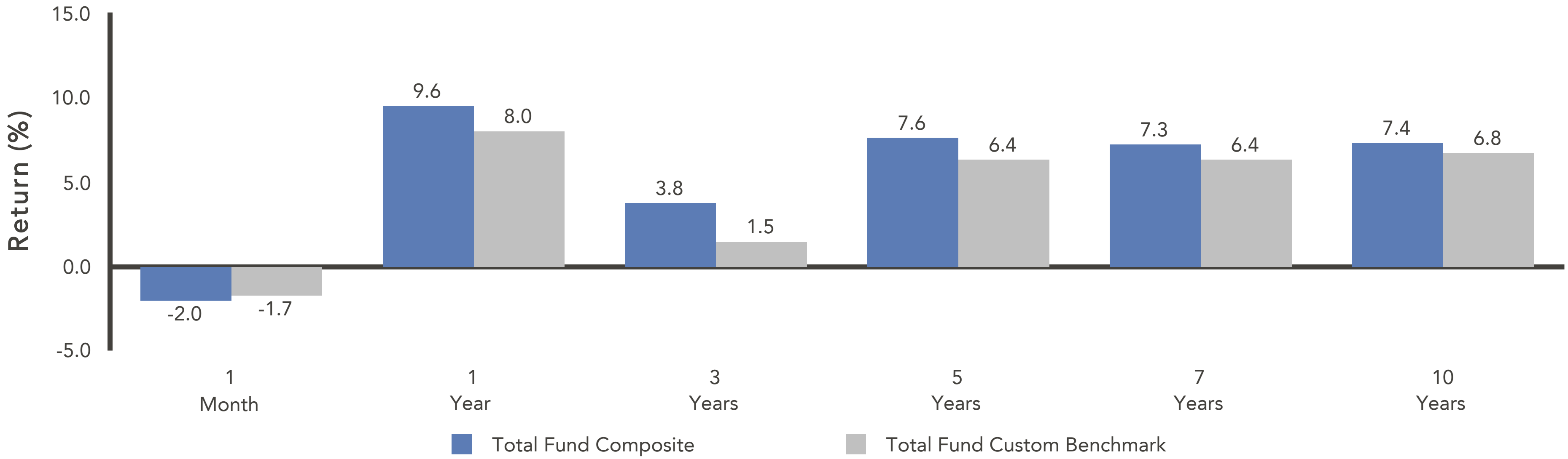
	Dec	YTD	1 Yr
HFRX Equal Wtd.	-0.2%	4.6%	4.6%
HFRX Hedged Equity	-0.4%	7.8%	7.8%
HFRX Event Driven	0.4%	3.6%	3.6%
HFRX Macro	0.2%	3.7%	3.7%
HFRX Relative Value	-0.3%	4.9%	4.9%
CBOE PutWrite	-0.1%	17.8%	17.8%

Commodity Returns

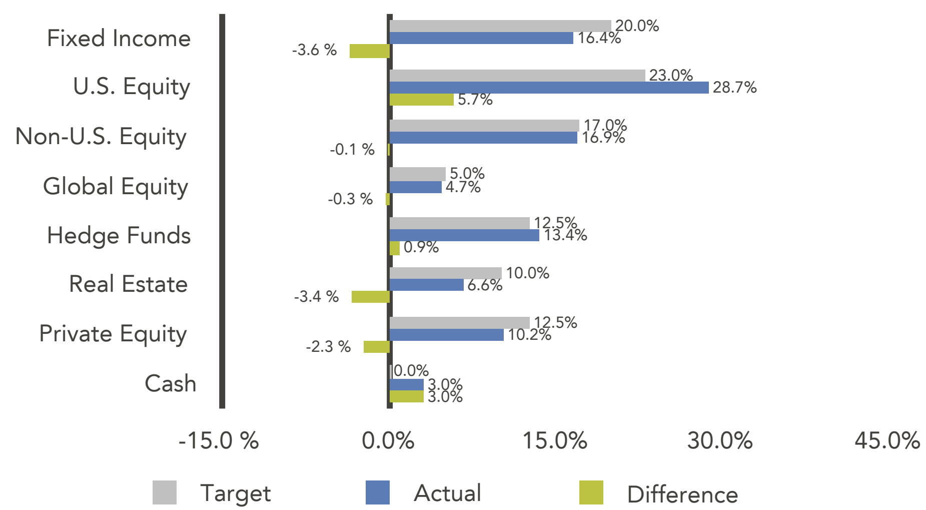
	Dec	YTD	1 Yr
GSCI Total	3.3%	9.2%	9.2%
Precious Metals	-2.2%	25.3%	25.3%
Livestock	-0.7%	20.2%	20.2%
Industrial Metals	-3.0%	3.5%	3.5%
Energy	6.5%	1.2%	1.2%
Agriculture	1.2%	-3.9%	-3.9%
WTI Crude Oil	6.1%	13.7%	13.7%
Gold	-1.1%	26.6%	26.6%

MarquetteAssociates

Investment Manager	Asset Class	Status	Reason
Baird Ultra Short Bond	Short-Term Fixed Income	In Compliance	--
Baird Aggregate Bond	Core Fixed Income	In Compliance	--
Northern Trust Aggregate Bond Index	Core Fixed Income	In Compliance	--
Rhumbline S&P 500 Index	Large-Cap Core	In Compliance	--
NT Russell 2000 Equity Index	Small-Cap Core	In Compliance	--
Dodge & Cox International Stock Fund	Non-U.S. Large-Cap Core	In Compliance	--
Northern Trust ACWI ex-US Equity Index	Non-U.S. All-Cap Core	In Compliance	--
Goldman Sachs International Small Cap Insights	Non-U.S. Small-Cap Core	In Compliance	--
MFS Low Volatility Global Equity Fund	Global Low-Volatility	In Compliance	--
Grosvenor Institutional Partners, L.P.	Multi-Strat. Hedge FoF	In Compliance	--
Parametric Defensive Equity Fund LLC	Defensive Equity	In Compliance	--
Morgan Stanley Prime Property Fund, LLC	Core Real Estate	In Compliance	--
Levine Leichtman Capital Partners V, LP	Mezz. Private Equity	In Compliance	--
Levine Leichtman Capital Partners VI, LP	Mezz. Private Equity	In Compliance	--
Levine Leichtman Captial Partners VII, LP	LBO Private Equity	In Compliance	--
PIMCO BRAVO Fund Onshore Feeder II, LP	Opportunistic Fixed Income	In Compliance	--
PIMCO BRAVO Fund III Onshore Feeder TE	Opportunistic Fixed Income	In Compliance	--
PIMCO BRAVO Fund IV Onshore Feeder, LP	Opportunistic Fixed Income	In Compliance	--



Total Fund Composite vs Target Allocation



Summary of Cash Flows

	1 Year ($)	3 Years ($)	5 Years ($)
Beginning Market Value	166,045,056	171,503,520	141,607,073
Net Cash Flow	-2,101,246	-10,514,785	-24,526,712
Gain/Loss	15,939,278	18,894,353	62,802,728
Ending Market Value	179,883,088	179,883,088	179,883,088

	Asset Class	Beginning MV ($)	Net Cash Flow ($)	Ending MV ($)	% of Portfolio	Policy (%)
Total Fund Composite		**183,603,644**	**-2,139**	**179,883,088**	**100.0**	**100.0**
Fixed Income Composite		**29,923,538**	**-**	**29,581,884**	**16.4**	**20.0**
Baird Ultra Short Bond	Short-Term Fixed Income	7,829,965	-	7,858,691	4.4	-
Baird Aggregate Bond	Core Fixed Income	11,633,980	-	11,434,937	6.4	-
Northern Trust Aggregate Bond Index	Core Fixed Income	10,459,593	-	10,288,256	5.7	-
U.S. Equity Composite		**53,695,847**	**-**	**51,577,493**	**28.7**	**23.0**
Rhumbline S&P 500 Index	Large-Cap Core	39,474,722	-	38,530,912	21.4	-
NT Russell 2000 Equity Index	Small-Cap Core	14,221,125	-	13,046,581	7.3	-
International Equity Composite		**31,253,292**	**-2,139**	**30,397,607**	**16.9**	**17.0**
Dodge & Cox International Stock Fund	Non-U.S. Large-Cap Core	12,912,003	-	12,471,101	6.9	-
Northern Trust ACWI ex-US Equity Index	Non-U.S. All-Cap Core	13,430,695	-2,139	13,156,666	7.3	-
Goldman Sachs International Small Cap Insights	Non-U.S. Small-Cap Core	4,910,594	-	4,769,840	2.7	-
Global Low Volatility Composite		**8,851,115**	**-**	**8,447,509**	**4.7**	**5.0**
MFS Low Volatility Global Equity Fund	Global Low-Volatility	8,851,115	-	8,447,509	4.7	-
Hedge Fund of Funds Composite		**24,178,288**	**-**	**24,156,358**	**13.4**	**12.5**
Grosvenor Institutional Partners, L.P.	Multi-Strat. Hedge FoF	8,986,089	-	9,105,446	5.1	-
Parametric Defensive Equity Fund LLC	Defensive Equity	15,192,199	-	15,050,912	8.4	-

	Asset Class	Beginning MV ($)	Net Cash Flow ($)	Ending MV ($)	% of Portfolio	Policy (%)
Real Estate Composite		**12,029,427**	**-118,500**	**11,910,927**	**6.6**	**10.0**
Morgan Stanley Prime Property Fund, LLC	Core Real Estate	12,029,427	-118,500	11,910,927	6.6	-
Private Equity/Opportunistic Investments		**18,409,047**	**-78,162**	**18,330,885**	**10.2**	**12.5**
Levine Leichtman Capital Partners V, LP	Mezz. Private Equity	436,152	-	436,152	0.2	-
Levine Leichtman Capital Partners VI, LP	Mezz. Private Equity	8,835,838	-19,362	8,816,476	4.9	-
Levine Leichtman Captial Partners VII, LP	LBO Private Equity	712,160	-58,800	653,360	0.4	-
PIMCO BRAVO Fund Onshore Feeder II, LP	Opportunistic Fixed Income	221,115	-	221,115	0.1	-
PIMCO BRAVO Fund III Onshore Feeder TE	Opportunistic Fixed Income	3,302,181	-	3,302,181	1.8	-
PIMCO BRAVO Fund IV Onshore Feeder, LP	Opportunistic Fixed Income	4,901,602	-	4,901,602	2.7	-
Cash Composite		**5,263,090**	**196,662**	**5,480,426**	**3.0**	**-**
Northern Trust Money Market	Cash & Equivalents	5,108,631	137,862	5,266,908	2.9	-
PNC Money Market	Cash & Equivalents	154,459	58,800	213,518	0.1	-

Endowment

Annualized Performance (Net of Fees)
As of December 31, 2024

	1 Mo (%)	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	SI (%)	Inception Date
Total Fund Composite	**-2.0**	**-1.0**	**9.6**	**3.8**	**7.6**	**7.3**	**7.4**	**5.2**	**Nov 99**
Total Fund Custom Benchmark	-1.7	-1.3	8.0	1.5	6.4	6.4	6.8	-	
Fixed Income Composite	**-1.1**	**-2.0**	**2.6**	**-1.1**	**0.6**	**1.6**	**1.9**	**3.7**	**Apr 03**
Blmbg. U.S. Aggregate Index	-1.6	-3.1	1.3	-2.4	-0.3	1.0	1.3	3.1	
Baird Ultra Short Bond	0.4	1.1	5.6	4.1	-	-	-	2.9	Jul 20
Blmbg. U.S. Short-term Government/Corporate Index	0.4	1.1	5.3	3.7	2.5	2.5	1.9	2.5	
Baird Aggregate Bond	-1.7	-3.0	1.9	-2.1	0.1	1.3	1.8	1.8	Jan 15
Blmbg. U.S. Aggregate Index	-1.6	-3.1	1.3	-2.4	-0.3	1.0	1.3	1.3	
Northern Trust Aggregate Bond Index	-1.6	-3.1	1.2	-2.5	-0.4	0.9	1.3	1.3	Nov 14
Blmbg. U.S. Aggregate Index	-1.6	-3.1	1.3	-2.4	-0.3	1.0	1.3	1.4	

	1 Mo (%)	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	SI (%)	Inception Date
U.S. Equity Composite	**-3.9**	**1.9**	**21.2**	**6.7**	**12.6**	**11.9**	**11.6**	**7.7**	**Nov 99**
Russell 3000 Index	-3.1	2.6	23.8	8.0	13.9	13.2	12.5	8.2	
Rhumbline S&P 500 Index	-2.4	2.4	24.9	-	-	-	-	25.5	Jan 23
S&P 500 Index	-2.4	2.4	25.0	8.9	14.5	13.8	13.1	25.7	
NT Russell 2000 Equity Index	-8.3	0.3	11.5	1.2	7.4	7.0	7.9	8.4	Jan 04
Russell 2000 Index	-8.3	0.3	11.5	1.2	7.4	6.9	7.8	8.3	
International Equity Composite	**-2.7**	**-8.0**	**4.7**	**1.9**	**4.4**	**3.4**	**4.5**	**3.6**	**Nov 99**
MSCI AC World ex USA (Net)	-1.9	-7.6	5.5	0.8	4.1	3.5	4.8	-	
Dodge & Cox International Stock Fund	-3.4	-8.5	3.8	4.1	5.1	3.7	4.4	4.4	Aug 08
MSCI AC World ex USA Value (Net)	-1.7	-7.3	6.0	4.4	4.5	3.1	4.1	3.1	
Northern Trust ACWI ex-US Equity Index	-2.0	-7.6	5.3	0.8	4.1	3.5	4.8	4.9	Oct 08
MSCI AC World ex USA (Net)	-1.9	-7.6	5.5	0.8	4.1	3.5	4.8	4.9	
Goldman Sachs International Small Cap Insights	-2.9	-7.7	5.6	-0.3	3.8	2.5	-	5.9	Jan 17
MSCI EAFE Small Cap (Net)	-2.3	-8.4	1.8	-3.2	2.3	2.0	5.5	5.5	
Global Low Volatility Composite	**-4.6**	**-3.9**	**12.8**	**-**	**-**	**-**	**-**	**11.2**	**Feb 23**
MSCI AC World Minimum Volatility Index (Net)	-3.8	-3.5	11.4	2.5	4.7	6.0	6.9	9.0	
MFS Low Volatility Global Equity Fund	-4.6	-3.9	12.8	-	-	-	-	11.2	Feb 23
MSCI AC World Minimum Volatility Index (Net)	-3.8	-3.5	11.4	2.5	4.7	6.0	6.9	9.0	

Annualized Performance (Net of Fees)
As of December 31, 2024

	1 Mo (%)	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	SI (%)	Inception Date
Hedge Fund of Funds Composite	**-0.1**	**3.3**	**14.5**	**6.4**	**8.5**	**7.2**	**6.5**	**6.8**	**Apr 09**
HFRI Fund of Funds Composite Index	0.5	2.6	9.7	3.3	5.3	4.4	3.8	4.2	
Grosvenor Institutional Partners, L.P.	1.3	4.4	12.5	4.6	7.6	6.0	5.0	5.8	Apr 09
HFRI Fund of Funds Composite Index	0.5	2.6	9.7	3.3	5.3	4.4	3.8	4.2	
Parametric Defensive Equity Fund LLC	-0.9	2.7	15.8	7.7	9.0	8.2	-	8.6	Sep 15
CBOE S&P 500 Covered Combo Index	1.0	5.0	21.2	6.2	7.6	7.3	7.9	8.5	
Real Estate Composite	**0.0**	**0.0**	**-1.3**	**-0.4**	**4.0**	**4.8**	**6.6**	**8.8**	**Jan 11**
NFI-ODCE	0.0	0.0	-3.2	-3.5	1.8	2.9	4.8	6.9	
Morgan Stanley Prime Property Fund, LLC	0.0	0.0	-1.3	-0.4	4.0	4.8	6.6	8.8	Jan 11
NFI-ODCE	0.0	0.0	-3.2	-3.5	1.8	2.9	4.8	6.9	

	YTD (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)
Total Fund Composite	**9.6**	**12.7**	**-9.4**	**17.0**	**10.3**	**17.0**	**-3.3**	**14.2**	**7.9**
Total Fund Custom Benchmark	8.0	9.8	-11.7	14.2	14.0	16.9	-3.0	14.5	7.1
Fixed Income Composite	**2.6**	**6.1**	**-11.1**	**-1.3**	**7.9**	**9.1**	**-0.2**	**3.8**	**3.0**
Blmbg. U.S. Aggregate Index	1.3	5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	2.6
Baird Ultra Short Bond	5.6	5.7	1.0	0.2	-	-	-	-	-
Blmbg. U.S. Short-term Government/Corporate Index	5.3	5.2	0.7	0.1	1.3	2.7	2.0	1.0	0.8
Baird Aggregate Bond	1.9	6.4	-13.4	-1.5	8.6	9.5	-0.3	4.2	3.5
Blmbg. U.S. Aggregate Index	1.3	5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	2.6
Northern Trust Aggregate Bond Index	1.2	5.2	-13.0	-1.3	7.2	8.7	-0.1	3.4	2.5
Blmbg. U.S. Aggregate Index	1.3	5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	2.6

	YTD (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)
U.S. Equity Composite	**21.2**	**23.5**	**-19.0**	**24.5**	**19.6**	**29.8**	**-6.3**	**19.7**	**14.3**
Russell 3000 Index	23.8	26.0	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7
Rhumbline S&P 500 Index	24.9	26.2	-	-	-	-	-	-	-
S&P 500 Index	25.0	26.3	-18.1	28.7	18.4	31.5	-4.4	21.8	12.0
NT Russell 2000 Equity Index	11.5	16.8	-20.4	14.7	20.2	25.6	-10.9	14.8	21.6
Russell 2000 Index	11.5	16.9	-20.4	14.8	20.0	25.5	-11.0	14.6	21.3
International Equity Composite	**4.7**	**15.8**	**-12.7**	**9.8**	**6.8**	**22.0**	**-16.4**	**26.7**	**6.3**
MSCI AC World ex USA (Net)	5.5	15.6	-16.0	7.8	10.7	21.5	-14.2	27.2	4.5
Dodge & Cox International Stock Fund	3.8	16.7	-6.8	11.0	2.1	22.8	-18.0	23.9	8.3
MSCI AC World ex USA Value (Net)	6.0	17.3	-8.6	10.5	-0.8	15.7	-14.0	22.7	8.9
Northern Trust ACWI ex-US Equity Index	5.3	15.2	-15.7	7.7	10.7	21.4	-13.9	26.9	4.6
MSCI AC World ex USA (Net)	5.5	15.6	-16.0	7.8	10.7	21.5	-14.2	27.2	4.5
Goldman Sachs International Small Cap Insights	5.6	15.1	-18.6	13.0	7.7	21.6	-18.8	33.0	-
MSCI EAFE Small Cap (Net)	1.8	13.2	-21.4	10.1	12.3	25.0	-17.9	33.0	2.2
Global Low Volatility Composite	**12.8**	**8.6**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
MSCI AC World Minimum Volatility Index (Net)	11.4	7.7	-10.3	13.9	2.7	21.1	-1.6	17.9	7.4
MFS Low Volatility Global Equity Fund	12.8	-	-	-	-	-	-	-	-
MSCI AC World Minimum Volatility Index (Net)	11.4	7.7	-10.3	13.9	2.7	21.1	-1.6	17.9	7.4

	YTD (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)
Hedge Fund of Funds Composite	**14.5**	**12.8**	**-6.8**	**12.9**	**10.6**	**11.1**	**-2.2**	**8.8**	**4.4**
HFRI Fund of Funds Composite Index	9.7	6.1	-5.3	6.2	10.9	8.4	-4.0	7.8	0.5
Grosvenor Institutional Partners, L.P.	12.5	8.0	-6.0	7.7	17.1	6.0	-1.6	6.1	2.3
HFRI Fund of Funds Composite Index	9.7	6.1	-5.3	6.2	10.9	8.4	-4.0	7.8	0.5
Parametric Defensive Equity Fund LLC	15.8	16.8	-7.6	17.7	4.6	16.3	-2.9	11.7	8.2
CBOE S&P 500 Covered Combo Index	21.2	14.7	-13.8	20.8	-0.2	19.5	-4.9	15.4	7.9
Real Estate Composite	**-1.3**	**-5.8**	**6.1**	**21.5**	**1.3**	**6.2**	**8.0**	**8.8**	**9.2**
NFI-ODCE	-3.2	-12.7	6.5	21.1	0.3	4.4	7.4	6.7	7.8
Morgan Stanley Prime Property Fund, LLC	-1.3	-5.8	6.1	21.5	1.3	6.2	8.0	8.8	9.2
NFI-ODCE	-3.2	-12.7	6.5	21.1	0.3	4.4	7.4	6.7	7.8

Investments					Valuations		Performance			
Account Name	Vintage Year	Commitment ($)	Cumulative Contributions ($)	Cumulative Distributions ($)	Valuation ($)	Total Value ($)	DPI	RVPI	TVPI	SI (%)
2013										
Levine Leichtman Capital Partners V, L.P.	2013	10,000,000	15,218,931	28,093,735	436,152	28,529,887	1.8	0.0	1.9	17.0
PIMCO BRAVO Fund II, L.P.	2013	5,000,000	4,375,502	5,588,453	221,115	5,809,568	1.3	0.1	1.3	6.3
Sub Total		15,000,000	19,594,433	33,682,188	657,267	34,339,455	1.7	0.0	1.8	14.8
2017										
Levine Leichtman Capital Partners VI-A, L.P.	2017	7,000,000	7,970,940	5,054,409	8,816,476	13,870,885	0.6	1.1	1.7	16.2
PIMCO BRAVO Fund III Onshore Feeder TE, L.P.	2017	4,000,000	4,000,000	2,494,319	3,302,181	5,796,500	0.6	0.8	1.4	8.1
Sub Total		11,000,000	11,970,940	7,548,728	12,118,656	19,667,385	0.6	1.0	1.6	13.0
2021										
PIMCO BRAVO Fund IV Onshore Feeder, L.P.	2021	7,000,000	6,300,000	32,973	4,901,602	4,934,575	0.0	0.8	0.8	-8.3
Sub Total		7,000,000	6,300,000	32,973	4,901,602	4,934,575	0.0	0.8	0.8	-8.3
2024										
Levine Leichtman Capital Partners, VII, L.P.	2024	7,000,000	1,014,319	131,906	653,360	785,265	0.1	0.6	0.8	-28.4
Sub Total		7,000,000	1,014,319	131,906	653,360	785,265	0.1	0.6	0.8	-28.4
Total		**40,000,000**	**38,879,692**	**41,395,794**	**18,330,885**	**59,726,679**	**1.1**	**0.5**	**1.5**	**13.8**

Investments					Performance			
Account Name	Vintage Year	1 Year	3 Years	5 Years	Since Inception (%)	PME (%)	Kaplan Schoar	PME Benchmark Name
2013								
Levine Leichtman Capital Partners V, L.P.	2013	7.6	10.7	29.5	17.0	13.2	1.1	Russell 3000 Index
PIMCO BRAVO Fund II, L.P.	2013	0.5	-13.9	-5.1	6.3	2.3	1.2	Blmbg. U.S. Aggregate Index
Sub Total		5.1	8.1	24.3	14.8	11.0	1.1	
2017								
Levine Leichtman Capital Partners VI-A, L.P.	2017	10.1	15.5	17.9	16.2	13.7	1.1	Russell 3000 Index
PIMCO BRAVO Fund III Onshore Feeder TE, L.P.	2017	-0.8	3.9	7.4	8.1	0.7	1.4	Blmbg. U.S. Aggregate Index
Sub Total		6.9	11.9	13.8	13.0	9.1	1.2	
2021								
PIMCO BRAVO Fund IV Onshore Feeder, L.P.	2021	-5.3	-11.2	-	-8.3	-1.6	0.8	Blmbg. U.S. Aggregate Index
Sub Total		-5.3	-11.2	-	-8.3	-1.6	0.8	
2024								
Levine Leichtman Capital Partners, VII, L.P.	2024	-	-	-	-28.4	8.2	0.7	Russell 3000 Index
Sub Total		-	-	-	-28.4	8.2	0.7	
Total		**2.2**	**4.7**	**16.0**	**13.8**	**9.9**	**1.1**	

Liquidity Schedule Summary

Investments	Inception	Subscriptions	Redemptions	Market Value	Daily	Monthly	Quarterly	Illiquid
Baird Ultra Short Bond	06/12/2020	Daily	Daily	7,858,691	7,858,691	-	-	-
Baird Aggregate Bond	12/30/2014	Daily	Daily	11,434,937	11,434,937	-	-	-
Northern Trust Aggregate Bond Index	10/29/2014	Daily	Daily	10,288,256	10,288,256	-	-	-
Rhumbline S&P 500 Index	12/30/2022	Daily	Daily	38,530,912	38,530,912	-	-	-
NT Russell 2000 Equity Index	12/31/2007	Daily	Daily	13,046,581	13,046,581	-	-	-
Dodge & Cox International Stock Fund	08/01/2008	Daily	Daily	12,471,101	12,471,101	-	-	-
Northern Trust ACWI ex-US Equity Index	09/11/2008	Daily	Daily	13,156,666	13,156,666	-	-	-
Goldman Sachs International Small Cap Insights	12/29/2016	Daily	Daily	4,769,840	4,769,840	-	-	-
MFS Low Volatility Global Equity Fund	01/31/2023	Daily	Daily	8,447,509	8,447,509	-	-	-
Grosvenor Institutional Partners, L.P.	04/01/2009	Quarterly	Quarterly	9,105,446	-	-	9,105,446	-
Parametric Defensive Equity Fund LLC	08/28/2015	Monthly	Monthly	15,050,912	-	15,050,912	-	-
Morgan Stanley Prime Property Fund, LLC	12/30/2010	Quarterly	Quarterly	11,910,927	-	-	11,910,927	-
Levine Leichtman Capital Partners V, LP	03/01/2013	Illiquid	Illiquid	436,152	-	-	-	436,152
Levine Leichtman Capital Partners VI, LP	12/31/2017	Illiquid	Illiquid	8,816,476	-	-	-	8,816,476
Levine Leichtman Captial Partners VII, LP	07/16/2024	Illiquid	Illiquid	653,360	-	-	-	653,360
PIMCO BRAVO Fund Onshore Feeder II, LP	12/16/2013	Illiquid	Illiquid	221,115	-	-	-	221,115
PIMCO BRAVO Fund III Onshore Feeder TE	11/16/2017	Illiquid	Illiquid	3,302,181	-	-	-	3,302,181
PIMCO BRAVO Fund IV Onshore Feeder, LP	12/23/2021	Illiquid	Illiquid	4,901,602	-	-	-	4,901,602
Northern Trust Money Market	11/14/2013	Daily	Daily	5,266,908	5,266,908	-	-	-
PNC Money Market	02/29/2024	Daily	Daily	213,518	213,518	-	-	-
Total ($)				179,883,088	125,484,919	15,050,912	21,016,373	18,330,885
Total (%)				100.0	69.8	8.4	11.7	10.2

Asset Class	Investment Manager	Fee Schedule	Est. Annual Fee[1]	Expense Ratio	Industry Median[2]
Short-Term Fixed Income	Baird Ultra Short Bond	0.15% on the Balance	$11,788	0.15%	0.50%
Core Fixed Income	Baird Aggregate Bond	0.30% on the Balance	$34,305	0.30%	0.30%
Core Fixed Income	Northern Trust Aggregate Bond Index	0.08% on the first $25 million 0.06% on the next $25 million 0.02% on the Balance	$8,231	0.08%	0.30%
Large-Cap Core	Rhumbline S&P 500 Index	0.04% on the Balance	$15,412	0.04%	0.50%
Small-Cap Core	NT Russell 2000 Equity Index	0.08% on the first $25 million 0.06% on the next $25 million 0.02% on the Balance	$10,437	0.08%	0.80%
Non-U.S. Large-Cap Core	Dodge & Cox International Stock Fund	0.60% on the Balance	$74,827	0.60%	0.85%
Non-U.S. All-Cap Core	Northern Trust ACWI ex-US Equity Index	0.12% on the Balance	$15,788	0.12%	0.75%
Non-U.S. Small-Cap Core	Goldman Sachs International Small Cap Insights	0.90% on the Balance	$42,929	0.90%	1.29%
Global Low-Volatility	MFS Low Volatility Global Equity Fund	0.68% on the Balance	$57,443	0.68%	0.72%

[1] Expense Ratio & Estimated Annual Fee are Based on Market Value at Quarter End.
[2] Source: Marquette Associates Investment Management Fee Study.

Asset Class	Investment Manager	Fee Schedule	Est. Annual Fee[1]	Expense Ratio	Industry Median[2]
Multi-Strat. Hedge FoF	Grosvenor Institutional Partners, L.P.	1.15% on the first $25 million 1.00% on the next $25 million	$104,713	1.15%	1.00%
Defensive Equity	Parametric Defensive Equity Fund LLC	0.325% on the Balance	$48,915	0.325%	1.00%
Core Real Estate	Morgan Stanley Prime Property Fund, LLC	0.84% on the Balance Plus 5% Incentive Fee	$100,052	0.84%	1.00%
Mezz. Private Equity	Levine Leichtman Capital Partners V, LP	1.50% on the Balance Plus 20% Carried Interest after 8% Preferred Return	$6,542	1.50%	1.50%
Mezz. Private Equity	Levine Leichtman Capital Partners VI, LP	1.75% on Committed Capital Plus 20% Carried Interest after 8% Preferred Return	$122,500	1.39%	1.19%
Opportunistic Fixed Income	PIMCO BRAVO Fund Onshore Feeder II, LP	1.80% on the Balance Plus 20% Carried Interest after 8% Preferred Return	$3,980	1.80%	1.75%
Opportunistic Fixed Income	PIMCO BRAVO Fund III Onshore Feeder TE	1.50% on the Balance Plus 20% Carried Interest after 8% Preferred Return	$49,533	1.50%	1.75%
Opportunistic Fixed Income	PIMCO BRAVO Fund IV Onshore Feeder, LP	1.50% on the Balance Plus 20% Carried Interest after 8% Preferred Return	$73,524	1.50%	1.75%
Total Investment Management Fees			**$780,918**	**0.43%**	**0.75%**

[1] Expense Ratio & Estimated Annual Fee are Based on Market Value at Quarter End.
[2] Source: Marquette Associates Investment Management Fee Study.

Investment Manager Evaluation Terminology

The following terminology has been developed by Marquette Associates to facilitate efficient communication among the Investment Manager, Investment Consultant, and the Plan Sponsor. Each term signifies a particular status with the Fund and any conditions that may require improvement. In each case, communication is made only after consultation with the Trustees and/or the Investment Committee of the Plan.

In Compliance – Marquette has not been notified of any issues or changes to the investment manager that would materially impede upon its ability to execute the investment strategy or adhere to any applicable investment guidelines.

Alert – The investment manager has experienced a problem in performance (usually relative to a benchmark), a change in investment characteristics, an alteration in management style, ownership, or key investment professionals, and/or any other irregularities that may impede upon its ability to execute the investment strategy or adhere to any applicable investment guidelines.

On Notice – The investment manager has experienced continued concern with one or more Alert issues. Failure to improve upon stated issues within a certain time frame may justify termination.

Termination – The investment manager has been terminated and transition plans are in place.

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Account and Composite characteristics data is derived from underlying holdings uploaded to the Investment Metrics Platform ("Platform"); the Platform then uses data for the noted time period from Standard & Poor's (equity holdings) and ICE (fixed income holdings) to populate the reporting templates. Some securities, including cash equivalents, may not be accurately classified during this population process due to missing identifiers or unavailable data. As a result, characteristics in this report may differ from other data sources. For example, Bloomberg indices may include additional rating information which may differ from the S&P rating used by the Platform.

Forward-looking statements, including without limitation any statement or prediction about a future event contained in this presentation, are based on a variety of estimates and assumptions by Marquette, including, but not limited to, estimates of future operating results, the value of assets and market conditions. These estimates and assumptions, including the risk assessments and projections referenced, are inherently uncertain and are subject to numerous business, industry, market, regulatory, geo-political, competitive, and financial risks that are outside of Marquette's control. There can be no assurance that the assumptions made in connection with any forward-looking statement will prove accurate, and actual results may differ materially.

The inclusion of any forward-looking statement herein should not be regarded as an indication that Marquette considers forward-looking statements to be a reliable prediction of future events. The views contained herein are those of Marquette and should not be taken as financial advice or a recommendation to buy or sell any security. Any forecasts, figures, opinions or investment techniques and strategies described are intended for informational purposes only. They are based on certain assumptions and current market conditions, and although accurate at the time of writing, are subject to change without prior notice. Opinions, estimates, projections, and comments on financial market trends constitute our judgment and are subject to change without notice. Marquette expressly disclaims all liability in respect to actions taken based on any or all of the information included or referenced in this document. **The information is being provided based on the understanding that each recipient has sufficient knowledge and experience to evaluate the merits and risks of investing.**

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January 2025

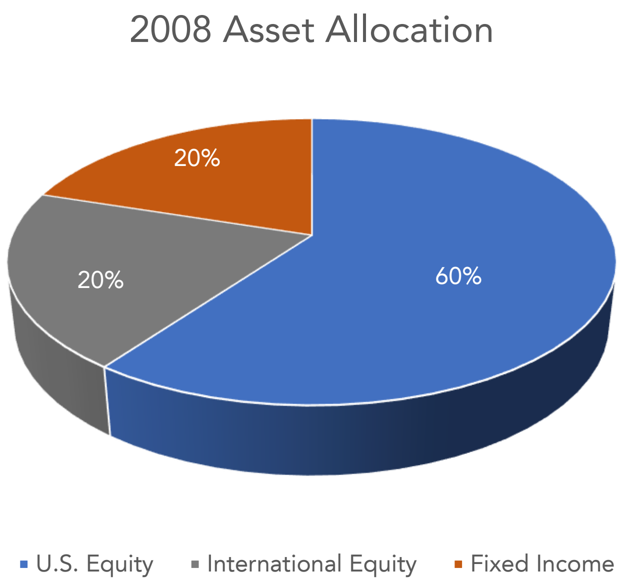
Portfolio Update

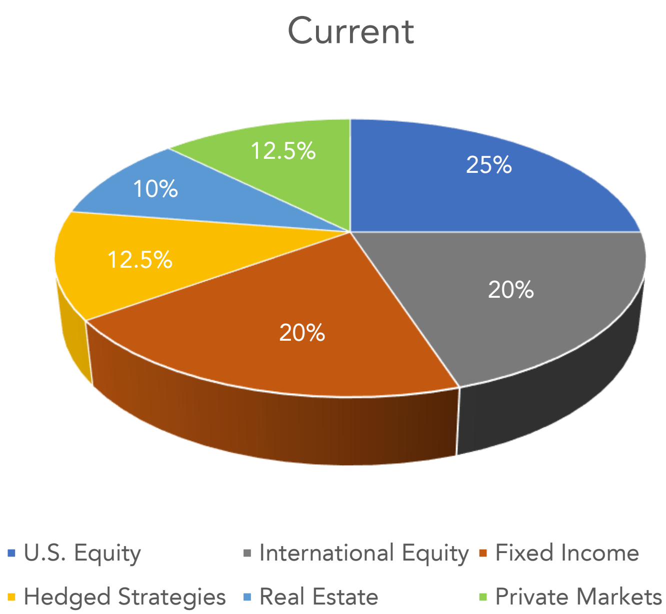
Presented by

James R. Wesner, CFA

Portfolio Review

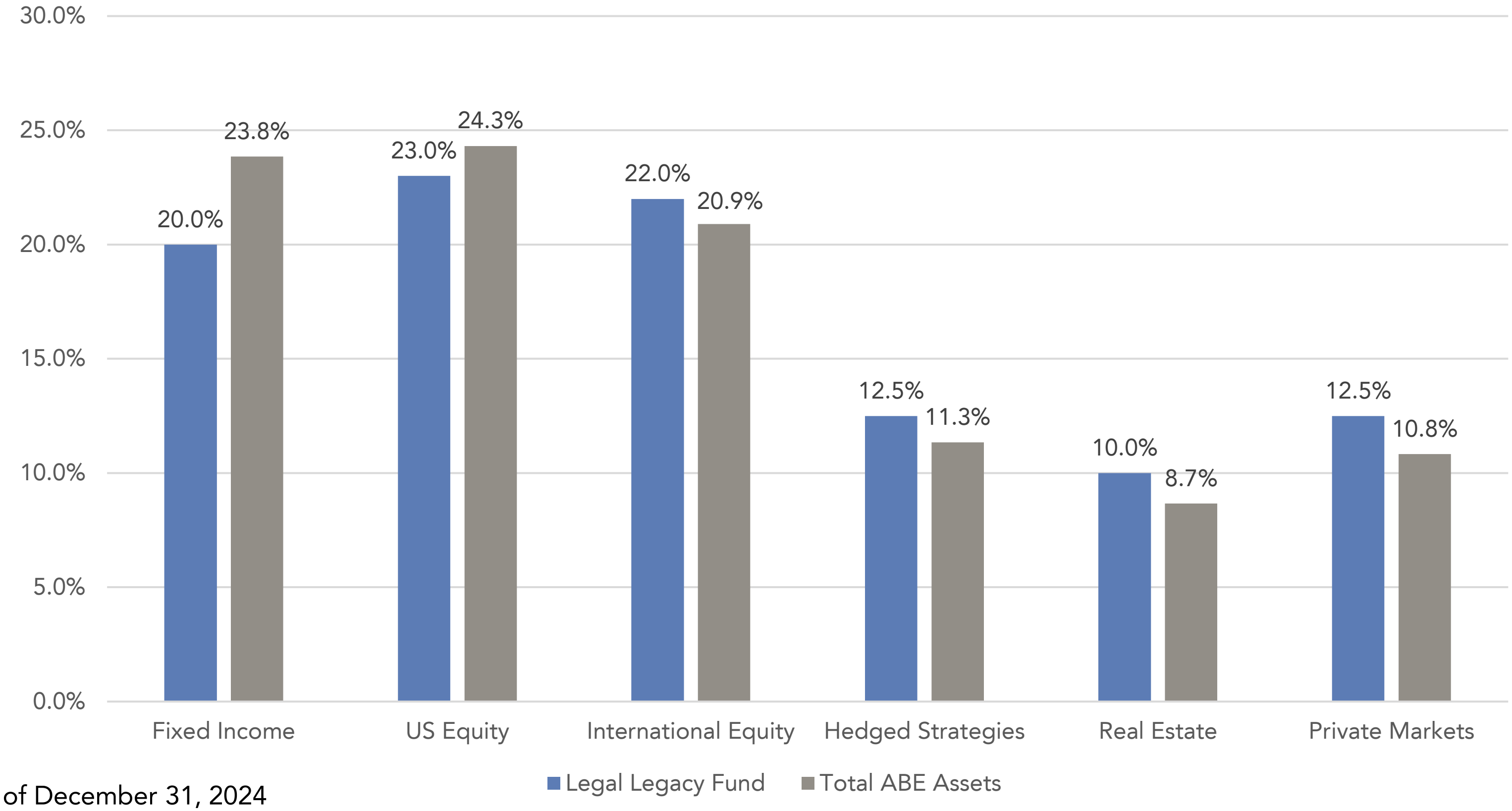
- Significant changes to asset allocation over past 15 years





Portfolio Review

- Asset Allocation for Total ABE Assets differs slightly from Legal Legacy Fund targets



* As of December 31, 2024

MarquetteAssociates

Additional ABE Assets

- Plans set to move to PNC by early February 2025:
  - Legal Legacy Fund
  - ALIP and Corporate accounts
  - Disability Reserve
  - EMM Reserve
  - Foulis Trust
- Accounts have been set up at PNC, for each ABE investment pool
- Excess Legal Legacy Fund cash at Northern Trust will be used for smoothly transitioning assets to PNC and funding capital calls for new Levine Leichtman VII commitment

	Market Value (as of 12/31/2024)
Legal Legacy Fund*	$ 179,883,088
Northern Trust - Charitable Gift Fund	$ 1,084,440
Northern Trust - Disability Reserve*	$ 3,863,063
Northern Trust - EMM Reserve*	$ 6,632,140
PNC - EMM Reserve	$ 3,158,586
Northern Trust Index Funds - Foulis*	$ 3,692,732
Parametric - Foulis	$ 716,157
PIMCO - Foulis	$ 372,316
BMO - Wealth Management	$ 7,808,287
Northern Trust - Corporation*	$ 285,552
Northern Trust - ALIP*	$ 213,686
Total	$ 207,710,048

* Moving to custodian account at PNC

Investment Best Practices

- Asset allocation discussion for each pool of capital
- Asset allocation reviewed at a minimum of every 3 years
  - Annual review for Legal Legacy Fund
- Clearly defined responsibilities for all parties
- Investment Policy Statement reviewed annually with staff
  - Changes to Investment Policy approved by Board
- Regular review of costs

Manager Concentration

- There is a significant allocation to the Rhumbline S&P 500 Index Fund
  - Roughly $38.5 million or 21.4% of the portfolio at 12/31/24
- Commingled fund structure, which is a pooled investment with a direct agreement with Rhumbline
- All underlying investments are extremely liquid large cap US Equity securities
- Marquette is comfortable with the creditworthiness of Rhumbline and the security of the underlying investments

PNC Custodian Transition Update

- PNC Custody account open and funded
- Mutual Funds transferred to PNC
  - Baird Ultra Short Bond
  - Baird Aggregate Bond
  - Dodge & Cox International Stock Fund
  - Goldman Sachs International Small Cap Insights
  - MFS Low Volatility Global Equity Fund

PNC Custodian Transition Update (Recommendation)

- Liquidate Northern Trust index funds, transfer cash to PNC, purchase more efficient Vanguard and Fidelity mutual funds:
  - Legal Legacy Fund
  - Disability Reserve
  - Foulis Trust
  - Corporation
  - ALIP

	Northern Trust		PNC	
Asset Class	Fund Name	Management Fee	Fund Name	Management Fee
Core Fixed Income	NTGI Aggregate Bond Index Fund	0.04%	Vanguard Total Bond Market Index Fund	0.035%
All Cap US Equity	NTGI Russell 3000 Index Fund	0.03%	Vanguard Total Stock Market Index Fund	0.03%
Large Cap US Equity	NTGI S&P 500 Index Fund	0.0075%	Fidelity 500 Index Fund	0.015%
Small Cap US Equity	NTGI Russell 2000 Index Fund	0.03%	Fidelity Small Cap Index Fund	0.025%
Broad Non-US Equity	NTGI MSCI ACWI ex-US Index Fund	0.06%	Fidelity Total International Index Fund	0.06%
Developed Non-US Equity	NTGI MSCI EAFE Index Fund	0.04%	Fidelity International Index Fund	0.035%

PNC Custodian Transition Update

- Commingled Funds and Limited Partnerships are tracked as line items at PNC, for accounting purposes:

  Liquid/Traditional Investments

  - Rhumbline S&P 500 Index Fund

  Illiquid/Alternative Investments

  - Parametric Defensive Equity
  - Grosvenor Multi-Strategy Hedge Fund
  - Morgan Stanley Prime Property Fund
  - Levine Leichtman Funds V, VI, and VII (Private Equity)
  - PIMCO BRAVO Funds II, III and IV (Private Debt)

Purpose:

Empower our clients to meet their investment objectives

Vision
Be a trusted partner to our clients through effective investment programs

Mission
Provide independent and thoughtful investment guidance

Why Marquette?

- ✓ Our people
- ✓ Independent expertise
- ✓ Focused client service
- ✓ Careful research

MarquetteAssociates

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ABOUT MARQUETTE ASSOCIATES

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Memorandum

To: ABE Board of Directors

From: Dana Hill

Date: January 24, 2025

Re: 2024 Charitable Contributions and Refunds Report

We have completed our calculations of the charitable contributions and dividend refund requests for the year 2024. Those who requested dividend refunds received their check and a letter asking that they would consider donating some or all of it. Those who allowed us to retain their dividend received a Charitable Contribution/Deduction Notice with a letter of appreciation. The following is a comparison of refunds and contributions for the last 3 years:

	2024	2023	2022
Contribution Notices	6,488	6,985	7,477
Total % Contributing	82%	82%	83%
Refund Checks	1,632	1,698	1,776
Total % Requesting Refund	18%	18%	17%
% Net Dividends Refunded	31%	31%	28%
% Net Dividends Contributed	69%	69%	72%
Total Contributions	$4,005,736	$4,430,517	$3,064,078
Total Refunds Issued	$1,793,938	$1,951,256	$1,187,969
Total Net Dividends	$5,799,674	$6,381,773	$4,252,047

Our 2024 reserve for refunds is $2,802,353 and total refunds to date equal $1,793,938. There will be late requests, so figures above are tentative

AMERICAN BAR ENDOWMENT FINANCIAL TRENDS

($ in millions)

	Full Year Actuals for years ended June 30									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Statement of Activities										
Operating Revenue	$ 9.4	$ 10.3	$ 10.9	$ 12.2	$ 10.2	$ 10.4	$ 9.8	$ 9.3	$ 11.9	$ 12.2
Operating Expense	10.9	13.4	10.5	11.6	11.2	11.5	10.3	12.2	10.9	10.9
Operating Surplus/(Deficit)	**$ (1.5)**	**$ (3.1)**	**$ 0.4**	**$ 0.5**	**$ (1.0)**	**$ (1.1)**	**$ (0.5)**	**$ (2.9)**	**$ 1.0**	**$ 1.3**
								10 Year Average		*$ (0.7)*
Net Investment Gain/(Loss)	2.5	(2.3)	12.6	7.4	3.6	(0.4)	36.6	(13.5)	10.5	16.2
Total Surplus/(Deficit)	**$ 1.0**	**$ (5.4)**	**$ 13.0**	**$ 8.0**	**$ 2.6**	**$ (1.5)**	**$ 36.1**	**$ (16.3)**	**$ 11.5**	**$ 17.5**
								10 Year Average		*$ 6.6*
Statement of Financial Position										
Beginning Net Assets	**$ 122.8**	**$ 123.7**	**$ 118.3**	**$ 131.3**	**$ 139.3**	**$ 134.9**	**$ 133.4**	**$ 169.5**	**$ 153.1**	**$ 171.8**
Total Surplus/(Deficit)	1.0	(5.4)	13.0	8.0	2.6	(1.5)	36.1	(16.3)	11.5	17.5
Accounting restatement					(7.1)				7.2	
Ending Net Assets	**$ 123.7**	**$ 118.3**	**$ 131.3**	**$ 139.3**	**$ 134.9**	**$ 133.4**	**$ 169.5**	**$ 153.1**	**$ 171.8**	**$ 189.3**
								10 Year % Change		*53%*
Long-Term Investment Balance	**$ 130.4**	**$ 123.1**	**$ 138.8**	**$ 146.0**	**$ 147.9**	**$ 146.2**	**$ 174.5**	**$ 164.2**	**$ 179.3**	**$ 201.6**
								10 Year % Change		*55%*

Trends

Our investment balance has increased ~$70m (55%) and our net assets have grown over $65m (53%)

While our investment balance and net assets continue to grow, our expenses have remained stable with no growth despite inflationary impacts.

2015 expenses were $10.9M and 2024 expenses were $10.9m, demonstrating the stable expenses year to year and prudent budget set by the board.

Our average expenses over the last 10 years are $11.3m/year (the majority of which is FJE and ABF grants).

Without any additional revenue (contributions) or investment earnings - the endowment could run another 17 years and cover our current expenses AND grant payments.

FY24 Budget to Actual

	FY24 Actual	FY24 Budget	Fav / (Unf) Variance
Salaries & Benefits			
Benefits & Payroll Taxes	261,118	305,942	44,824
Compensation	915,723	915,463	(260)
Pension Contribution	150,000	150,000	0
Staff Development	6,027	10,950	4,923
Salaries & Benefits Total	**1,332,869**	**1,382,355**	**49,486**
Professional Services			
Auditors	85,778	89,460	3,682
Grants CGF	105,750	40,000	(65,750)
Corporate Insurance & Bonds	75,631	77,761	2,130
Insurance & SME	485,942	467,410	(18,532)
Investment Management and Advisory Fees	216,349	223,700	7,351
Legal Counsel	50,230	50,000	(230)
Professional Services Total	**1,019,680**	**948,331**	**(71,349)**
Meetings & Travel			
ABA Meetings	2,159	5,000	2,841
ABE meeting	289,681	352,149	62,468
Miscellaneous	83,282	35,100	(48,182)
Meetings & Travel Total	**375,122**	**392,249**	**17,127**
Advertising & Marketing			
ABA Meetings	41,121	17,500	(23,621)
Charitable Gift Funds	0	15,000	15,000
Insurance Promotions	502,710	644,000	141,290
Marketing Research	335	35,000	34,665
Website	40,017	20,000	(20,017)
Advertising & Marketing Total	**584,183**	**731,500**	**147,317**
Printing & Postage			
Postage	39,579	45,269	5,690
Printing	52,151	81,430	29,279
Printing & Postage Total	**91,730**	**126,699**	**34,969**
Facilities			
Moving Expenses	2,542	519,590	517,048
Rent	332,803	331,161	(1,642)
Utilities	6,678	7,050	372
Facilities Total	**342,023**	**857,801**	**515,778**
Other Expense			
Miscellaneous	62,845	71,463	8,618
UBIT	45,922	0	(45,922)
Other Expense Total	**108,767**	**71,463**	**(37,304)**
Total Budget	**3,854,373**	**4,510,397**	**656,024**

True expenditure against budget*	**897,494**

**(includes $91K in investment expense and $150K pension expense that were budgeted, but do not hit the income statement (new Rev Rec rules)*

American Bar Endowment

Consolidated Statements of Financial Position

	December 31, 2024	June 20, 2024
Assets		
Cash and cash equivalents	$ 291,402	$ 1,946,944
Investments	207,710,048	201,569,117
Dividends receivable on group insurance policies	-	3,466,714
Property and equipment, net	25,449	32,504
Other assets	71,568	85,027
Total assets	$ 208,098,467	$ 207,100,306
Liabilities and Net Assets		
Liabilities:		
Premiums payable	$ 4,263,713	$ 4,513,850
Allowance for refunds of dividends	2,802,353	2,802,353
Grants payable	3,830,001	9,508,679
Accrued expenses and other liabilities	360,292	408,389
Pension liability	421,439	571,439
Total liabilities	11,677,798	17,804,710
Net assets:		
Without donor restrictions	191,966,476	184,894,395
With donor restrictions	4,454,193	4,401,201
Total net assets	196,420,669	189,295,596

American Bar Endowment

Consolidated Statements of Activities

	First 6 months of Fiscal Year		
	Actual	**Prior**	**Full Previous Year**
Revenues and gains:			
Contributions	$ 525	$ 21,870	$ 8,904,419
Income on investments, net	1,394,406	581,738	3,299,305
Net realized and unrealized gain on investments	7,410,884	2,864,438	15,632,815
Other income	201	166	16,625
Releases from restrictions	161,165	156,499	156,499
Total net revenues and gains	8,967,181	3,624,711	28,009,663
Expenses:			
Salary and benefits	459,659	657,436	1,168,587
Grants	190,726	72,920	8,065,750
Rent	96,250	164,457	332,803
Advertising and promotion	228,288	371,668	578,936
Meeting expense	154,800	159,547	331,255
Consulting services	471,176	265,455	669,111
Other expense	294,201	244,934	446,897
Total expenses	1,895,100	1,936,417	11,593,339
Increase in unrestricted net assets before pension	7,072,081	1,688,294	16,416,324
Other items:			
Net periodic benefit cost other than service cost	-	-	680,905
Increase (decrease) in unrestricted net assets	7,072,081	1,688,294	17,097,229
Changes in net assets with donor restrictions:			
Income on investments, net	47,955	17,038	132,431
Net realized and unrealized gain (loss) on investments	166,202	-	395,262
Releases from restrictions	(161,165)	(156,499)	(156,499)
Increase (dec) in net assets with donor restrictions	52,992	(139,461)	371,194
Increase in net assets	7,125,073	1,548,833	17,468,423

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

FY25 Budget to Actual

	FY25 Actual	FY25 Budget	% of Budget Spent	
Salaries & Benefits				
Benefits & Payroll Taxes	51,208	332,631	15%	
Compensation	409,892	961,236	43%	
Pension Contribution	150,000	150,000	100%	This is recorded as decrease in pension liability on the FS (not expense)
Staff Development	5,562	26,279	21%	
Salaries & Benefits Total	**616,661**	**1,470,146**	**42%**	
Professional Services				
Auditors	71,426	98,406	73%	
Grants CGF	190,726	83,200	229%	CGF discontinuation. Anticipate $1M unfavorable to budget by 6/30/25.
Corporate Insurance & Bonds	91,840	80,094	115%	Increased insurance coverage (D&O, Cyber, Etc)
Insurance & SME	328,393	767,410	43%	
Investment Management and Advisory Fees	115,276	230,411	50%	$104K of investment fees are netted against investment income on the FS
Legal Counsel	39,988	151,500	26%	
Professional Services Total	**837,649**	**1,411,021**	**59%**	
Meetings & Travel				
ABA Meetings	484	-	100%	
ABE meeting	151,445	362,713	42%	
Miscellaneous	25,189	35,123	72%	
Meetings & Travel Total	**177,117**	**397,836**	**45%**	
Advertising & Marketing				
ABA Meetings	9,133	27,000	34%	
Charitable Gift Funds	-	15,000	0%	Discontinuing program
Insurance Promotions	177,003	527,000	34%	
Marketing Research	7,082	35,000	20%	
Website	40,491	20,000	202%	
Advertising & Marketing Total	**233,708**	**624,000**	**37%**	
Printing & Postage				
Postage	108,945	46,627	234%	
Printing	37,602	83,872	45%	
Printing & Postage Total	**146,547**	**130,499**	**112%**	
Facilities				
Moving Expenses	-	10,000	0%	
Rent	96,250	331,161	29%	Anticipate > $100K savings by year end for space
Utilities	2,037	7,262	28%	
Facilities Total	**98,287**	**348,423**	**28%**	
Other Expense				
Miscellaneous	35,515	63,821	56%	
UBIT	-	58,000	0%	
Other Expense Total	**35,515**	**121,821**	**29%**	
Total Budget	**2,145,484**	**4,503,746**	**48%**	

American Bar Endowment

Consolidated Financial Report
June 30, 2024

Contents

Independent Auditor's Report

Board of Directors
American Bar Endowment

Report on the Audit of the Financial Statements

Opinion
We have audited the consolidated financial statements of American Bar Endowment (the Endowment), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Endowment as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Endowment and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter
As discussed in Note 2 to the financial statements, the fiscal year 2023 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Endowment's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Endowment's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Endowment's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Supplementary Information
Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position and results of activities of the individual entities and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Chicago, Illinois
[DATE]

American Bar Endowment

Consolidated Statements of Financial Position
June 30, 2024 and 2023

	2024	2023 (Restated)
Assets		
Cash and cash equivalents	**$ 1,946,944**	$ 7,790,476
Investments	**201,569,117**	179,341,446
Dividends receivable on group insurance policies	**3,466,714**	2,819,234
Property and equipment, net	**32,504**	21,061
Other assets	**85,027**	179,868
Total assets	**$ 207,100,306**	$ 190,152,085
Liabilities and Net Assets		
Liabilities:		
Premiums payable	**$ 4,513,850**	$ 4,823,548
Allowance for refunds of dividends	**2,802,353**	2,502,455
Grants payable	**9,508,679**	9,236,858
Accrued expenses and other liabilities	**408,389**	391,226
Pension liability	**571,439**	1,370,825
Total liabilities	**17,804,710**	18,324,912
Net assets:		
Without donor restrictions	**184,894,395**	167,797,166
With donor restrictions	**4,401,201**	4,030,007
Total net assets	**189,295,596**	171,827,173
Total liabilities and net assets	**$ 207,100,306**	$ 190,152,085

See notes to consolidated financial statements.

American Bar Endowment

Consolidated Statements of Activities
Years Ended June 30, 2024 and 2023

	2024	2023 (Restated)
Revenues and gains:		
Contributions	**$ 8,904,419**	$ 8,766,458
Income on investments, net	**3,299,305**	3,297,853
Net realized and unrealized gain on investments	**15,632,815**	10,046,139
Other income	**16,625**	14,715
Net assets released from restrictions	**156,499**	155,254
Total net revenues and gains without donor restrictions	**28,009,663**	22,280,419
Expenses:		
Salaries and benefits	**1,168,587**	1,060,350
Grants	**8,065,750**	7,710,730
Rent	**332,803**	323,286
Advertising and promotion	**578,936**	507,709
Meeting expense	**331,255**	242,649
Consulting services	**669,111**	424,119
Other expense	**446,897**	607,652
Total expenses	**11,593,339**	10,876,495
Increase in net assets without donor restrictions before other items	**16,416,324**	11,403,924
Other items:		
Net periodic benefit (cost) other than service cost and other pension benefit changes	**680,905**	(178,030)
Increase in net assets without donor restrictions	**17,097,229**	11,225,894
Changes in net assets with donor restrictions:		
Income on investments, net	**132,431**	71,944
Net realized and unrealized gain on investments	**395,262**	332,815
Net assets released from restrictions	**(156,499)**	(155,254)
Increase in net assets with donor restrictions	**371,194**	249,505
Increase in net assets	**17,468,423**	11,475,399
Net assets, beginning of year, as restated	**171,827,173**	160,351,774
Net assets, end of year	**$ 189,295,596**	$ 171,827,173

See notes to consolidated financial statements.

American Bar Endowment

Consolidated Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	2024	2023 (Restated)
Operating activities:		
Increase in net assets	**$ 17,468,423**	$ 11,475,399
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Depreciation	**20,436**	19,484
Net unrealized and realized gain on investments	**(16,028,077)**	(10,378,954)
Changes in operating assets and liabilities:		
Dividends receivable on group insurance policies	**(647,480)**	(1,393,084)
Other assets	**94,841**	20,933
Premiums payable	**(309,698)**	(260,820)
Allowance for refunds of dividends	**299,898**	394,200
Grants payable	**271,821**	119,988
Accrued expenses and other liabilities	**17,163**	(153,235)
Pension liability	**(799,386)**	148,908
Net cash provided by (used in) operating activities	**387,941**	(7,181)
Investing activities:		
Purchases of investments	**(78,652,008)**	(38,997,707)
Sales and maturities of investments	**72,452,414**	34,271,954
Capital expenditures	**(31,879)**	(19,960)
Net cash used in investing activities	**(6,231,473)**	(4,745,713)
Decrease in cash and cash equivalents	**(5,843,532)**	(4,752,894)
Cash and cash equivalents:		
Beginning of year	**7,790,476**	12,543,370
End of year	**$ 1,946,944**	$ 7,790,476
Supplemental disclosure of cash flow information:		
Payments for income taxes	**$ 49,180**	$ 62,139

See notes to consolidated financial statements.

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: The American Bar Endowment is an Illinois nonprofit public charity organized to promote the administration of justice and the advancement of jurisprudence through education, public service, and research. The American Bar Endowment accomplishes this through the awarding of grants to qualified organizations. Grants are primarily made to two organizations: the American Bar Association Fund for Justice and Education (FJE) and the American Bar Foundation (ABF).

The American Bar Endowment sponsors and promotes several group insurance programs, which are offered in support of its charitable mission to lawyer Bar Association members through insurance carriers. The American Bar Endowment-sponsored insurance programs include coverage under life, disability income, hospital indemnity, excess major medical, accidental death and dismemberment, and office overhead expense. These programs are all experience-rated and earn dividends for the insured members, who are then given the option of contributing these dividends back to the American Bar Endowment for use in its operations and for the payment of grants. These are reflected as contributions on the consolidated statements of activities. Insurance premium receipt and disbursement activities are recorded on a net basis on the consolidated statements of activities.

The American Lawyers Insurance Plans (ALIP) was organized to market and administer insurance programs that could not be offered by the American Bar Endowment to American Bar Association (ABA) members. ALIP is a wholly owned for-profit subsidiary of the American Bar Endowment and is a taxable entity. ALIP originally earned commission and service charge income from the insurance carriers for placing insurance coverage for ABA members. In 2017, per an agreement with the ABA, ALIP discontinued acquisition of new business and entered into a run-off cycle. Most of the run-off business commission flows through USI, a third-party administrator which takes a commission and a fee, forwarding the remainder to ALIP. ALIP retained the administration of only one plan, a Mutual of Omaha long-term care plan, which was frozen to new entrants. The administration of the plan was transferred to Mutual of Omaha in 2021. ALIP had no active plans as of June 30, 2023 or 2024.

The "Endowment" as used herein refers to the American Bar Endowment and ALIP collectively, or to the American Bar Endowment individually, as the context may require.

ABA, ABF and FJE are considered to be related parties for financial statement reporting purposes.

A summary of the Endowment's significant accounting policies follows:

Principles of consolidation and basis of presentation: The consolidated financial statements (financial statements) include the accounts of the American Bar Endowment and its wholly owned, for-profit subsidiary, ALIP, and have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). All significant intercompany accounts and transactions have been eliminated in consolidation.

The financial statements are presented in accordance with the guidance on financial statements of nonprofit organizations, which establishes standards for general-purpose external financial statements issued by nonprofit organizations. It requires that net assets and related revenue, expenses, gains and losses be classified into two classes of net assets based upon the existence or absence of donor-imposed restrictions, as follows:

Net assets without donor restrictions are not subject to donor-imposed restrictions. Restricted contributions whose donor-imposed restrictions are met during the same fiscal year are reported within net assets without donor restrictions.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Net assets with donor restrictions are subject to donor-imposed restrictions which will be met either by the Endowment's actions or the passage of time. Net assets with donor restrictions are reclassified to net assets without donor restrictions when the restrictions have been met or have expired. Certain net assets with donor restrictions include those that are subject to donor-imposed restrictions requiring the principal to be maintained in perpetuity, and the income to be used only for certain purposes.

Use of estimates: In preparing financial statements in conformity with U.S. GAAP, management makes estimates and assumptions affecting the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents: The Endowment considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Endowment maintains its cash in bank accounts which, at times, may exceed federally insured limits. The Endowment has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Investments: Investments are recorded at fair value. The fair value of investments is based on quoted market prices, except for certain alternative investments, for which quoted market prices may not be available. The Endowment reports the fair value of market alternatives, also known as alternative investments, using the practical expedient. The practical expedient allows for the use of net asset value (NAV), as reported by the external investment manager. Realized and unrealized gains and losses are included on the consolidated statements of activities. Realized gains or losses on dispositions of investments are determined using the average-cost method. Interest and dividend income from investments is accrued as earned and included as income on investments, net of related investment management fees in the consolidated statements of activities. Income on investments and net realized and unrealized gains and losses on investments on a donor-restricted endowment fund are recorded as additions (or reductions) to net assets with donor restrictions.

Investments, in general, are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in values of investment securities could occur in the near term and such changes could materially affect the consolidated statements of financial position and change in net assets.

Concentration of credit risk: Investments are diversified in order to limit credit risk and are generally placed in managed funds administered by an investment manager and various clearing brokers. In the event these counterparties do not fulfill their obligations, the Endowment may be exposed to risk. The risk of default is dependent on the creditworthiness of the counterparty to these transactions. The Endowment attempts to minimize this credit risk by monitoring the creditworthiness of the investment managers and clearing brokers. As of June 30, 2024 and 2023, the Endowment has approximately $35,548,000 and $24,173,000 in one investment representing approximately 18% and 13%, respectively, of the Endowment's investment portfolio.

Property and equipment: Property and equipment are recorded at cost, if purchased, or at fair value if donated. In general, the Endowment capitalizes all property and equipment purchases over $500. Major renewals and improvements are also capitalized. General maintenance and repairs which do not improve or extend the lives of the assets are expensed. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, which are five years for furniture, three years for software and three years for equipment.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Revenue recognition: The Endowment recognizes revenue on exchange transactions in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers.

Contributions*:* The Endowment recognizes nonexchange transactions (contributions) in accordance with ASC Topic 958-605, Contributions. Contributions consist of dividends on members' group insurance policies and are accounted for as of the end of the policy year to which such dividends relate. The dividends receivable on group insurance policies, recorded on the consolidated statements of financial position, include amounts related to the Endowment's insurance plans. A provision is made for estimated amounts of such dividends, which may be claimed as refunds by members.

Other contributions are recorded at fair value when all conditions for their receipt have been met. The Endowment reports donations of cash and other assets as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. The Endowment's net assets with donor restrictions represent one single endowment fund to be maintained permanently (i.e., in perpetuity). Earnings on investments of this endowment fund are included as increases to net assets with donor restrictions until appropriated for future grant funding.

Grants: Grants are generally without future donor-imposed conditions and are therefore expensed when authorized and approved by the Board of Directors. A grant is considered to be conditional when it has both a right of return or release and one or more barriers that must be overcome before a recipient is entitled to the cash transferred or promised.

Pension benefits: The pension liability recorded on the consolidated statement of financial position considers anticipated payout patterns, as well as investment returns on available plan assets prior to payment. Various inputs are used in valuing the Endowment's pension liability.

The current years' service cost component of net periodic benefit cost is reported in the same consolidated statement of activities line item as other related employee compensation costs arising from services rendered during the period. Other components of net periodic benefit cost are aggregated and presented separately within other items on the consolidated statements of activities.

Functional allocation of expenses: The costs of providing insurance and grant programming, as well as other supporting activities have been presented on a functional basis in the consolidated statements of activities. Certain costs have been allocated among the insurance programs, grant making efforts and supporting services using ratios (based upon employee time and effort, for example, and other estimates) developed by management.

Tax status: The Endowment is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. However, income from certain activities not directly related to the Endowment's tax-exempt purposes is subject to taxation as unrelated business income.

The Endowment follows the accounting standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Endowment may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Endowment and positions related to the potential sources of unrelated business taxable income. There were no unrecognized tax benefits identified or recorded as liabilities during the reporting periods covered by these financial statements.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

The American Bar Endowment files Form 990 in the U.S. federal jurisdiction and the state of Illinois. ALIP files Form 1120 in the U.S. federal jurisdiction and the state of Illinois.

Reclassifications: Certain fiscal year 2023 balances have been reclassified to conform to the current year presentation without any effect on previously reported total net assets or total changes in net assets. In addition certain fiscal year 2023 balances have been restated. (Note 2)

Subsequent events: The Endowment has evaluated subsequent events through [DATE], the date on which the financial statements were available to be issued.

Note 2. Restatement

Net assets at July 1, 2022 have been restated, reflecting an increase of $7,220,180 to remove an excess major medical plan reserve liability previously reported at June 30, 2022. The previously recorded reserve was determined to have not met the criteria required for a contractual commitment with the plan's insurance carrier. The related funds included in this reserve were determined to be available for use at the discretion of the plan's policy holder (the Endowment). The impact of the adjustment on account balances as of and for the year ended June 30, 2023 is as follows:

	As of and for the Year Ended June 30, 2023		
	As Previously Reported	Prior Period Adjustment	As Restated
Consolidated statement of financial position:			
Excess major medical plan reserve liability	$ 7,457,705	$ (7,457,705)	$ -
Net assets, without donor restrictions	160,339,461	7,457,705	167,797,166
Consolidated statement of activities:			
Contributions	8,528,933	237,525	8,766,458
Total increase in net assets	11,237,874	237,525	11,475,399
Net assets, beginning of year	153,131,594	7,220,180	160,351,774
Net assets, end of year	164,369,468	7,457,705	171,827,173
Consolidated statement of cash flows:			
Increase in net assets	11,237,874	237,525	11,475,399
Change in excess major medical plan reserve	237,525	(237,525)	-
Cash used in operating activities	(79,125)	-	(79,125)

Note 3. Income Taxes

In 1987, the Endowment obtained a ruling from the National Office of the Internal Revenue Service (the IRS) that dividends received by the Endowment would not constitute unrelated business income (UBI), provided insured members have the option to have such amounts refunded to them. The Endowment notifies its members of this option and, for financial reporting purposes, provides estimates of amounts members may request as refunds.

ALIP is a for-profit entity and, as a result, files income tax returns that are separate from that of the Endowment.

Note 3. Income Taxes (Continued)

The provision for income taxes consists of the following at June 30, 2024 and 2023, respectively, and is included within other expenses on the consolidated statements of activities:

	2024	2023
Federal	$ 41,815	$ 43,739
State	11,195	23,606
	$ 53,010	$ 67,345

Income tax payments of $49,180 and $62,139 were made in 2024 and 2023, respectively.

Note 4. Dividends

The Endowment accrued $2,802,353 and $2,502,455 for estimated future refunds due to members at June 30, 2024 and 2023, respectively. For the years ended June 30, 2024 and 2023, contributions on the consolidated statements of activities include $444,433 and $818,963, respectively, attributable to the release of prior year reserves that were ultimately determined not to be required.

Note 5. Grants

The Endowment's policy is to record the provision for authorized grants on the date of the approval authorization by its Board of Directors. Grants are generally without future donor-imposed conditions and are therefore expensed when authorized by the Board of Directors.

Grants authorized during the fiscal years ended June 30, 2024 and 2023, were as follows:

	2024	2023
American Bar Association Fund for Justice and Education	$ 3,830,000	$ 3,697,357
American Bar Foundation	3,830,000	3,697,357
	7,660,000	7,394,714
Opportunity grants	300,000	262,996
Charitable Gift Fund grants	105,750	53,020
	$ 8,065,750	$ 7,710,730

In fiscal year 2024, the Endowment's Board of Directors authorized grants to the ABF and FJE in the above amounts to be paid in quarterly installments beginning in September 2024. Similarly, in fiscal year 2023, the Endowment's Board of Directors authorized the above grants to these organizations to be paid in quarterly installments beginning in September 2023. These grants are to be shared equally between the FJE and the ABF and are intended for their 2025 and 2024 fiscal years, respectively. The Endowment includes these amounts in grants payable on the June 30, 2024 and 2023 consolidated statements of financial position.

The Endowment follows a policy pertaining to the authorization and administration of grants on an annual basis. Grants are calculated using a five-year rolling average of available dividends, up to a maximum of 5% of the five-year average fair market value of the Endowment's investment portfolio and up to 4% of the funds available from the donor-restricted endowment fund.

Note 6. Related-Party Matter

The ABA is related to the Endowment principally through common membership. The Endowment's members independently elect 10 of the Endowment's 14 directors. The Endowment recognized expenses totaling approximately $35,000 in both fiscal years 2024 and 2023 related principally to data processing and administrative services provided by the ABA.

A previous sublease agreement with the ABA for office space required annual rental payments through June 2024. Rent expense incurred under the agreement amounted to $332,803 and $323,286 in fiscal years 2024 and 2023, respectively. The Endowment's annual expense included minimum base rental payments, as well as taxes and operational expenses for which the Endowment was liable. This lease expired on June 30, 2024.

A new short-term lease was executed in June 2024, directly with the building, maturing January 31, 2025, for the same office space. Minimal base rent, under this agreement, amounts to $16,042 per month. The Endowment defines a short-term lease as any lease arrangement with an original lease term of twelve months or less that does not include an option to purchase the underlying asset. The Endowment has made a policy election to not recognize right-of-use assets and lease liabilities for short-term leases. As a result, short-term lease payments are recognized as expense on a straight-line basis over the lease term. Due to its seven-month duration; this lease was accounted for as a short-term lease.

Note 7. Investments

Fair value measurements: Fair value is defined under U.S. GAAP as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. U.S. GAAP also establishes a three-level hierarchy, which is based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3).

The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels of the hierarchy are defined as follows:

Level 1: Valuations are based on unadjusted quoted prices in active markets for identical financial instruments.

Level 2: Valuations are based on quoted market prices, other than quoted prices included in Level 1, in markets that are not active or on inputs that are observable either directly or indirectly for the full term of the financial instrument.

Level 3: Valuations are based on pricing or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement of the financial instrument. Such inputs may reflect management's own assumptions about the assumptions a market participant would use in pricing the financial instrument.

Note 7. Investments (Continued)

Investments in fixed income and equity mutual funds traded on a national securities exchange, or reported on the NASDAQ national market, are stated at the last reported sales price on the day of valuation; other securities traded in over-the-counter markets and listed securities for which no sale was reported on that date are stated at the last quoted bid price, except for short sales positions and call options written, for which the last quoted asked price is used.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The Endowment's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment. The inputs or methodology used for valuing financial instruments are not necessarily an indication of the risks associated with investing in those instruments.

The Endowment assesses the levels of the investments at each measurement date. Transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer in accordance with the Endowment's accounting policy regarding the recognition of transfers between levels of the fair value hierarchy. There were no such transfers in the years ended June 30, 2024 and 2023.

The following tables present the categorization for the Endowment's financial assets measured at fair value on a recurring basis at June 30 on the consolidated statements of financial position:

	2024			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 2,708,346	$ -	$ -	$ 2,708,346
International equity	25,190,982	16,404,910	-	41,595,892
Domestic equity	-	56,545,746	-	56,545,746
Fixed income funds	21,948,988	10,551,817	-	32,500,805
U.S. Government bonds	1,480,923	-	-	1,480,923
Corporate bonds	3,937,169	-	-	3,937,169
Total assets at fair value	$ 55,266,408	$ 83,502,473	$ -	$ 138,768,881
Investments measured at NAV:				
Hedge funds (a)				14,922,444
Real estate fund (b)				12,123,066
Private equity (c)				18,045,457
Fund of funds (d)				8,592,997
Investments recorded at cost:				
Money market accounts				9,116,272
Total investments				$ 201,569,117

Note 7. Investments (Continued)

	2023			
	Level 1	Level 2	Level 3	Total
International equity	$ 22,689,488	$ 14,731,935	$ -	$ 37,421,423
Domestic equity	-	47,756,687	-	47,756,687
Fixed income funds	21,047,029	10,311,611	-	31,358,640
U.S. Government bonds	1,246,066	-	-	1,246,066
Corporate bonds	4,802,424	-	-	4,802,424
Total assets at fair value	$ 49,785,007	$ 72,800,233	$ -	122,585,240
Investments measured at NAV:				
Hedge funds (a)				13,015,729
Real estate fund (b)				13,130,946
Private equity (c)				22,867,007
Fund of funds (d)				7,742,524
Total investments				$ 179,341,446

Certain investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in the table above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

(a) The fair value of investments in hedge funds is determined based on the NAV of each fund, which is obtained directly from the related fund. The hedge funds invest in approximately 50% U.S. Treasury bills and 50% S&P 500 ETF and sells call and put options on the S&P 500 Index to gain option premium income. The strategy seeks to exceed the return of a blended benchmark of 50% 91-day Treasury bills and 50% S&P 500 Index, net of fees. Withdrawals from these funds are available monthly with a required five-day notice period. There are no unfunded commitments related to these funds.

(b) The fair value of the real estate fund is based on the value of the underlying holdings (primarily real property assets) for which fair value appraisals are performed quarterly. The real estate investment trust acquires, owns, and ultimately disposes of investments in real estate and real estate-related assets with the intention of achieving current income or capital appreciation or both. Withdrawals from the real estate investment trust fund are subject to the availability of cash in the fund and may be deferred as considered necessary to protect the interests of investors. There are no unfunded commitments related to this fund.

(c) The NAV of the private equity investments is based on the fair value of the underlying holdings for each fund. The funds seek long-term capital appreciation and long-term returns, by acquiring, holding, financing and disposing of public or private securities, as well as investing in asset-backed securities, including commercial and residential mortgage loans and consumer loans. Withdrawals from these funds vary from ten days with written notice to five years from the final close with two possible one-and-a-half year extensions. At June 30, 2024, the Endowment had unfunded commitments of $4,745,429 related to these funds.

Note 7. Investments (Continued)

(d) The NAV of the fund of funds is based on the fair value of the underlying holdings. The fund of funds investments primarily invests in offshore investment funds, investment partnerships, and pooled investment vehicles. Withdrawals from the fund of funds investment require a limited partner to provide 70 days' notice prior to the end of a calendar quarter to withdraw funds. There are no unfunded commitments related to this fund.

Note 8. Employee Benefit Plan

Some of the employees of the Endowment, together with the employees of the ABA, the ABF and the National Judicial College (an ABA affiliated entity), the Plan Sponsors, collectively, participate in the A-E-F-C Pension Plan (the Pension Plan), a defined benefit plan, and the ABA Thrift Plan, a contributory and defined contribution plan, (the Thrift Plan). The Pension Plan was frozen as of January 2007; employees hired on or after that date are not eligible to participate in the Pension Plan but participate in the defined contribution portion of the Thrift Plan. Employees as of December 31, 2006, could remain in and accrue additional benefits under the Pension Plan or could have elected to convert to the Thrift Plan as of January 1, 2007. Annual contributions to the defined contribution portion of the Thrift Plan are 5% of the participant's annual salary.

Under the Thrift Plan, participants may contribute to a 401(k) in which the employer matches each contribution at a rate of 50% of the participant's contribution, up to an employer maximum of 3% of a participant's annual salary.

Note 8. Employee Benefit Plan (Continued)

The following table sets forth the Pension Plan's funded status and the amounts recorded at June 30 on the Endowment's consolidated statements of financial position:

	2024	2023
Change in projected benefit obligation:		
Projected benefit obligations at beginning of year	$ 5,020,364	$ 5,787,599
Service cost	31,519	70,879
Interest cost	230,110	250,223
Actuarial gain	(902,286)	(133,530)
Benefits paid	(1,395,768)	(954,807)
Projected benefit obligations at end of year	$ 2,983,939	$ 5,020,364
Change in plan assets:		
Fair value of plan assets at beginning of year	$ 3,649,539	$ 4,565,682
Actual return on plan assets	8,729	(61,336)
Employer contributions	150,000	100,000
Benefits paid	(1,395,768)	(954,807)
Fair value of plan assets at end of year	$ 2,412,500	$ 3,649,539
Net amount recorded:		
Funded status	$ (571,439)	$ (1,370,825)
Unrecognized prior service cost	(2,524)	(5,638)
Unrecognized net loss	310,559	1,325,969
Change in funded status	(308,035)	(1,320,331)
Net amount recorded	$ (571,439)	$ (1,370,825)
Projected benefit obligation	$ 2,983,939	$ 5,020,364
Accumulated benefit obligation	2,958,548	4,983,740
Fair value of assets	2,412,500	3,649,539

Weighted-average assumptions used to determine the benefit obligation as of June 30, 2024 and 2023, were as follows:

	2024	2023
Discount rate	5.34%	4.94%
Expected return on plan assets	5.50%	5.50%
Rate of compensation increase	3.10%	3.10%

Note 8. Employee Benefit Plan (Continued)

The following table sets forth the Plan's net periodic pension expense and the amounts recognized for the years ended June 30 on the Endowment's consolidated statements of activities:

	2024	2023
Service cost	$ 31,519	$ 70,879
Interest cost	230,110	250,223
Expected return on plan assets	(188,178)	(236,436)
Amortization of net loss	152,863	180,019
Amortization of prior service cost	(3,114)	(10,231)
Change in funded status	(1,012,296)	(243,463)
Settlement/curtailment expense	139,710	237,917
Total net periodic pension (benefit) expense	$ (649,386)	$ 248,908

The following is recorded on the Endowment's consolidated statements of activities:

	2024	2023
Expenses included in salaries and benefits	$ 31,519	$ 70,879
Other items: net periodic benefit cost other than service cost	331,391	421,492
Other items: other pension benefit changes	(1,012,296)	(243,463)
	$ (649,386)	$ 248,908

Weighted-average assumptions used to determine the net periodic pension costs for the years ended June 30 were as follows:

	2024	2023
Discount rate	4.94%	4.61%
Expected return on plan assets	5.50%	5.50%
Rate of compensation increase	3.10%	3.10%

Note 8. Employee Benefit Plan (Continued)

Plan asset allocation information at June 30 is as follows:

	2024		
	Allocation Range	Target Allocation	Actual Allocation
Plan assets:			
Equity securities:			
Global	19-24%	22.2%	22.5%
Marketable real assets	6.5-8	7.4	7.2
Multi asset credit	0-7.4	3.7	4.4
Equity hedge funds	0-7.4	3.7	3.7
Debt securities:			
Fixed income—credit	40-66	53.0	54.6
Fixed income—government	0-26	10.0	6.1
Invested cash	0-5	0	1.5

	2023		
	Allocation Range	Target Allocation	Actual Allocation
Plan assets:			
Equity securities:			
Global	19-24%	22.2%	21.9%
Marketable real assets	6.5-8	7.4	7.4
Multi asset credit	0-7.4	3.7	5.3
Equity hedge funds	0-7.4	3.7	4.3
Debt securities:			
Fixed income—credit	40-66	53.0	36.0
Fixed income—government	0-26	10.0	23.3
Invested cash	0-5	0	4.5

The investment policy seeks reasonable asset growth at prudent risk levels within target allocations. Plan assets are invested within the asset allocation target ranges shown above, are well diversified, and are of appropriate quality. Asset allocation target ranges are reviewed quarterly and rebalanced to stay within policy target allocations. From time-to-time fluctuations in the market can cause the plan assets to fall outside of the target allocation range. Periodic re-balancing of the portfolio will take place to adjust for any differences. The investment policy is reviewed at least annually and is revised as deemed appropriate by the AEFC Pension Administration Committee.

To determine the expected long-term rate of return for the Plan, the historical performance, investment community forecasts, and current market conditions are analyzed to develop expected returns for each of the asset classes used by the Plan. The expected returns for each asset class are then weighted by the target allocations of the Plan. The expected long-term rate of return assumption used to determine pension expense for both the fiscal years ended 2024 and 2023 is 5.5%.

Note 8. Employee Benefit Plan (Continued)

Estimated future benefit payments reflecting expected future service for the fiscal years ending June 30:

2025	$	435,000
2026		363,000
2027		279,000
2028		259,000
2029 through 2033		874,000

The Endowment uses June 30, 2024, as the measurement date for the fair value of pension plan assets.

Following is a description of the valuation methodology used for pension plan assets measured at fair value.

Money market funds: These assets are valued at the daily closing price as reported by the fund. Shares of registered investment companies held by the Pension Plan are open-end funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The shares of the registered investment companies held by the Pension Plan are deemed to be actively traded.

The following table presents the categorization of pension plan assets at June 30 measured at fair value on a recurring basis:

	2024	2023
Investments measured at NAV:		
Alternative investments:		
Equity (a)	$ 541,364	$ 802,883
Hedge funds (b)	158,176	99,322
Fixed income (c)	322,363	-
Collective trust funds:		
Fixed income (d)	1,346,319	2,449,290
Equity (e)	-	155,871
	2,368,222	3,507,366
Investments recorded at cost:		
Money market funds	44,278	142,173
Total plan assets	$ 2,412,500	$ 3,649,539

Certain plan assets that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in the table above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

(a) Alternative equity investments consist of an institutional fund that invests in predominantly U.S. large-cap equities. These funds are valued at net asset value. There are no withdrawal restrictions, with a monthly withdrawal frequency and 100 days redemption period.

Note 8. Employee Benefit Plan (Continued)

(b) Alternative hedge funds consist of investments in a diverse range of hedge funds, as well as common stocks. These investments are valued using the net asset value provided by the administrator of the fund, as well as direct market quotes. There are currently a diverse amount of redemption restrictions depending on the fund. Withdrawals from these funds require notice periods that range from 10 to 105 days.

(c) Alternative fixed income securities consist of an institutional fund that invests in predominantly U.S. fixed income. These funds are valued at net asset value. There are no withdrawal restrictions, with a monthly withdrawal frequency and 100 days redemption period.

(d) Collective trust funds (fixed income) are designed to protect capital with low-risk investments and include cash, bank notes, corporate notes, government bills and various short-term debt instruments. These investments are valued using the net asset value provided by the administrator of the fund. There are no withdrawal restrictions, daily withdrawal frequency and a one- to two-day redemption period.

(e) Collective trust funds (equity) are designated to protect capital with low-risk investments and include cash, global energy equities, global metals and mining equities, non-U.S. equities, commodities and U.S. Treasury inflation protected securities. There are no withdrawal restrictions, monthly withdrawal frequency and a six- to 10-day redemption period.

Note 9. R.J. Foulis Memorial Fund

The Endowment has one donor-restricted endowment fund, the R.J. Foulis Memorial Fund. Net assets associated with this endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions. The earnings of this endowment fund are used to support efforts that advance legal study and research, as well as promote the administration of justice and other charitable endeavors consistent with the mission of the Endowment. This is accomplished through administration of grants.

Interpretation of relevant law: The Uniform Prudent Management of Institutional Funds Act (UPMIFA) was enacted in Illinois in 2009. The Board has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Endowment classified as net assets with donor restrictions (a) the original value of a restricted gift donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation was added to the fund. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions (temporary in nature) until those amounts are appropriated for expenditure by the Endowment in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Endowment considers the following factors in making a determination to appropriate or accumulate earnings on the donor-restricted endowment fund:

1. The duration and preservation of the fund;
2. The purpose of the Endowment and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;

Note 9. R.J. Foulis Memorial Fund (Continued)

6. Other resources of the Endowment; and

7. The investment policies of the Endowment.

Changes in endowment net assets with donor restrictions were as follows for the fiscal years ended June 30, 2024 and 2023:

Balance, July 1, 2022	$ 3,780,502
Investment gain, net	404,759
Appropriations	(155,254)
Balance, June 30, 2023	4,030,007
Investment gain, net	527,693
Appropriations	(156,499)
Balance, June 30, 2024	$ 4,401,201

The endowment net assets, with donor restrictions, presented above relate to the R.J. Foulis Memorial Fund. This fund was established as a result of a bequest, with the final distribution received in fiscal year 2018. Income is to be used to further the charitable mission of the Endowment. A spending policy has been established based upon the intent of the donor. The gift principal, or corpus, is separately invested. The corpus or endowment principal is $2,512,175 and represents net asset with donor restrictions that are perpetual in nature; the remaining balance of endowment net assets represents cumulative appreciation and is considered to be time restricted until appropriated for future grant funding.

Funds with deficiencies: From time to time, the fair value of assets associated with the donor-restricted endowment fund may fall below the level that the donor or Illinois UPMIFA requires the Endowment to retain as a fund of perpetual duration. The Endowment's donor-restricted endowment fund did not have a deficiency of this nature as of June 30, 2024 or 2023.

Return objectives and spending policy: The Endowment has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding for grant disbursement while seeking to maintain the purchasing power of the endowment assets. A maximum of 4% of the five-year rolling average value of the endowment fund on that date may be used to fund future grants. Further, the donor-restricted endowment fund will be invested consistent with the investment policy for the Endowment's investment portfolio without donor restrictions.

Note 10. Allocation of Functional Expenses

The costs of providing the various programs and other activities have been presented on a functional basis below. Expenses by their functional and natural categories for fiscal years 2024 and 2023 were as follows:

	2024				
	Program		Management		
	Insurance	Grants	and General	Fundraising	Total
Salary and benefits	$ 551,309	$ 95,672	$ 509,321	$ 12,285	$ 1,168,587
Grants	-	8,065,750	-	-	8,065,750
Rent	176,508	10,342	143,878	2,075	332,803
Advertising and promotion	529,227	21,959	-	27,750	578,936
Meeting expense	-	-	331,255	-	331,255
Consulting services	174,070	1,053	486,846	7,142	669,111
Other expense	165,241	1,891	279,466	299	446,897
Total expenses	$ 1,596,355	$ 8,196,667	$ 1,750,766	$ 49,551	$ 11,593,339

	2023				
	Program		Management		
	Insurance	Grants	and General	Fundraising	Total
Salary and benefits	$ 541,383	$ 108,191	$ 390,600	$ 20,176	$ 1,060,350
Grants	-	7,710,730	-	-	7,710,730
Rent	177,807	-	145,479	-	323,286
Advertising and promotion	467,978	16,244	-	23,487	507,709
Meeting expense	-	-	242,649	-	242,649
Consulting services	243,869	-	174,182	6,068	424,119
Other expense	199,384	6,068	391,802	10,398	607,652
Total expenses	$ 1,630,421	$ 7,841,233	$ 1,344,712	$ 60,129	$ 10,876,495

Expenses are charged directly to the categories based upon specific identification where possible. Expenses which are not directly identifiable to the program activities or supporting services are allocated on a reasonable basis that is consistently applied. Rent and utilities expenses are allocated based on square footage. Salary and benefit expenses are allocated based on time and effort.

A significant function of the Endowment is to promote and administer several group insurance programs. However, insurance premium amounts collected from the insureds and remitted to insurance carriers, totaling approximately $17,400,000 for fiscal year 2024 and $18,400,000 for fiscal year 2023, are recorded on a net basis, in effect offsetting each other, and do not appear on the consolidated statements of activities. These amounts are therefore not included in the Program-Insurance expenses above.

Note 11. Liquidity and Availability of Resources

Financial assets as of June 30 available to meet general expenditures over their respective subsequent 12-month periods consist of:

	2024	2023
Financial assets at year-end:		
Cash and cash equivalents	$ 1,946,944	$ 7,790,476
Other receivables included in other assets	15,000	120,067
Dividends receivable on group insurance policies	3,466,714	2,819,234
Investments	201,569,117	179,341,446
Total financial assets at year-end	$ 206,997,775	$ 190,071,223
Financial assets available to meet general expenditures over the next 12 months:		
Cash and cash equivalents	$ 1,946,944	$ 7,790,476
Dividends receivable on group insurance policies	3,466,714	2,819,234
Budgeted payout on donor-restricted endowments	161,165	156,499
Investments not encumbered by donor restrictions	197,167,916	175,311,439
	$ 202,742,739	$ 186,077,648

The Endowment utilizes the services of an investment manager. The Endowment also has a Board reviewed and approved asset allocation overlay for its investment portfolio without donor restrictions. The investment manager assists the Endowment by making recommendations with regard to cash holdings, the liquidity of the portfolio, and enabling transactions to move appropriate funds into cash accounts. A significant component of the Endowment's investment funds is invested in passive accounts. These accounts are highly liquid, and the Endowment will call on them as necessary working with the investment manager to ensure that the Endowment's investment asset allocations are maintained.

Supplementary Information

American Bar Endowment

Consolidating Statement of Financial Position
June 30, 2024

	American Bar Endowment			American Lawyers		
	General Fund	Insurance Premium Fund	Total	Insurance Plans, Inc. (ALIP)	Eliminations	Consolidated
Assets						
Cash and cash equivalents	$ 1,261,943	$ 244,320	$ 1,506,263	$ 440,681	$ -	$ 1,946,944
Investments	193,464,306	8,104,811	201,569,117	-	-	201,569,117
Investment in ALIP	421,587	-	421,587	-	(421,587)	-
Dividends receivable on group insurance policies	3,466,714	-	3,466,714	-	-	3,466,714
Amounts due from (to) other fund	3,637,190	(3,637,190)	-	-	-	-
Property and equipment, net	32,504	-	32,504	-	-	32,504
Due from ALIP	16,107	-	16,107	-	(16,107)	-
Other assets	80,229	4,798	85,027	-	-	85,027
Total assets	$ 202,380,580	$ 4,716,739	$ 207,097,319	$ 440,681	$ (437,694)	$ 207,100,306
Liabilities and Net Assets						
Liabilities:						
Premiums payable	$ -	$ 4,513,850	$ 4,513,850	$ -	$ -	$ 4,513,850
Allowance for refunds of dividends	2,802,353	-	2,802,353	-	-	2,802,353
Due to ABE	-	-	-	16,107	(16,107)	-
Grants payable	9,508,679	-	9,508,679	-	-	9,508,679
Accrued expenses and other liabilities	362,664	42,738	405,402	2,987	-	408,389
Pension liability	571,439	-	571,439	-	-	571,439
Total liabilities	13,245,135	4,556,588	17,801,723	19,094	(16,107)	17,804,710
Net assets:						
Without donor restrictions	184,734,244	160,151	184,894,395	421,587	(421,587)	184,894,395
With donor restrictions	4,401,201	-	4,401,201	-	-	4,401,201
Total net assets	189,135,445	160,151	189,295,596	421,587	(421,587)	189,295,596
Total liabilities and net assets	$ 202,380,580	$ 4,716,739	$ 207,097,319	$ 440,681	$ (437,694)	$ 207,100,306

American Bar Endowment

Consolidating Statement of Financial Position
June 30, 2023 (Restated)

	American Bar Endowment			American Lawyers		
	General Fund	Insurance Premium Fund	Total	Insurance Plans, Inc. (ALIP)	Eliminations	Consolidated
Assets						
Cash and cash equivalents	$ 4,474,581	$ 2,856,784	$ 7,331,365	$ 459,111	$ -	$ 7,790,476
Investments	173,292,957	6,048,489	179,341,446	-	-	179,341,446
Investment in ALIP	457,030	-	457,030	-	(457,030)	-
Dividends receivable on group insurance policies	2,819,234	-	2,819,234	-	-	2,819,234
Income tax receivable	-	-	-	-	-	-
Amounts due from (to) other fund	4,326,725	(4,326,725)	-	-	-	-
Property and equipment, net	21,061	-	21,061	-	-	21,061
Due from ALIP	1,601	-	1,601	-	(1,601)	-
Other assets	156,418	19,590	176,008	3,860	-	179,868
Total assets	$ 185,549,607	$ 4,598,138	$ 190,147,745	$ 462,971	$ (458,631)	$ 190,152,085
Liabilities and Net Assets						
Liabilities:						
Premiums payable	$ -	$ 4,823,548	$ 4,823,548	$ -	$ -	$ 4,823,548
Allowance for refunds of dividends	2,502,455	-	2,502,455	-	-	2,502,455
Due to ABE	-	-	-	1,601	(1,601)	-
Grants payable	9,236,858	-	9,236,858	-	-	9,236,858
Accrued expenses and other liabilities	334,012	52,874	386,886	4,340	-	391,226
Pension liability	1,370,825	-	1,370,825	-	-	1,370,825
Total liabilities	13,444,150	4,876,422	18,320,572	5,941	(1,601)	18,324,912
Net assets:						
Without donor restrictions	168,075,450	(278,284)	167,797,166	457,030	(457,030)	167,797,166
With donor restrictions	4,030,007	-	4,030,007	-	-	4,030,007
Total net assets (deficit)	172,105,457	(278,284)	171,827,173	457,030	(457,030)	171,827,173
Total liabilities and net assets	$ 185,549,607	$ 4,598,138	$ 190,147,745	$ 462,971	$ (458,631)	$ 190,152,085

American Bar Endowment

Consolidating Statement of Activities
Year Ended June 30, 2024

	American Bar Endowment	American Lawyers Insurance Plans, Inc. (ALIP)	Eliminations	Consolidated
Revenues and gains:				
Contributions	$ 8,904,419	$ -	$ -	$ 8,904,419
Income on investments, net	3,298,083	1,222	-	3,299,305
Net realized and unrealized gain on investments	15,632,815	-	-	15,632,815
ALIP net loss	(35,443)	-	35,443	-
Other income	21,566	449	(5,390)	16,625
Net assets released from restrictions	156,499	-	-	156,499
Total net revenues and gains without donor restrictions	27,977,939	1,671	30,053	28,009,663
Expenses:				
Salaries and benefits	1,163,246	10,731	(5,390)	1,168,587
Grants	8,065,750	-	-	8,065,750
Rent	332,803	-	-	332,803
Advertising and promotion	578,936	-	-	578,936
Meeting expense	331,255	-	-	331,255
Consulting services	666,398	2,713	-	669,111
Other expense	423,227	23,670	-	446,897
Total expenses	11,561,615	37,114	(5,390)	11,593,339
Increase (decrease) in net assets before other items	16,416,324	(35,443)	35,443	16,416,324
Other items:				
Net periodic benefit other than service cost and other pension benefit changes	680,905	-	-	680,905
Increase (decrease) in net assets without donor restrictions	17,097,229	(35,443)	35,443	17,097,229

(Continued)

American Bar Endowment

Consolidating Statement of Activities (Continued)
Year Ended June 30, 2024

	American Bar Endowment	American Lawyers Insurance Plans, Inc. (ALIP)	Eliminations	Consolidated
Changes in net assets with donor restrictions:				
Income on investments, net	$ 132,431	$ -	$ -	$ 132,431
Net realized and unrealized gain on investments	395,262	-	-	395,262
Net assets released from restrictions	(156,499)	-	-	(156,499)
Increase in net assets with donor restrictions	371,194	-	-	371,194
Increase (decrease) in net assets	17,468,423	(35,443)	35,443	17,468,423
Net assets, July 1, 2023, as restated	171,827,173	457,030	(457,030)	171,827,173
Net assets, June 30, 2024	$ 189,295,596	$ 421,587	$ (421,587)	$ 189,295,596

American Bar Endowment

Consolidating Statement of Activities
Year Ended June 30, 2023 (Restated)

	American Bar Endowment	American Lawyers Insurance Plans, Inc. (ALIP)	Eliminations	Consolidated
Revenues and gains:				
Contributions	$ 8,766,458	$ -	$ -	$ 8,766,458
Income on investments, net	3,296,705	1,148	-	3,297,853
Net realized and unrealized gain on investments	10,046,139	-	-	10,046,139
ALIP net loss	(42,316)	-	42,316	-
Other income	5,486	13,348	(4,119)	14,715
Net assets released from restrictions	155,254	-	-	155,254
Total net revenues and gains without donor restrictions	22,227,726	14,496	38,197	22,280,419
Expenses:				
Salaries and benefits	1,055,102	9,367	(4,119)	1,060,350
Grants	7,710,730	-	-	7,710,730
Rent	323,286	-	-	323,286
Advertising and promotion	507,709	-	-	507,709
Meeting expense	239,939	2,710	-	242,649
Consulting services	419,836	4,283	-	424,119
Other expense	567,200	40,452	-	607,652
Total expenses	10,823,802	56,812	(4,119)	10,876,495
Increase (decrease) in net assets before other items	11,403,924	(42,316)	42,316	11,403,924
Other items:				
Net periodic benefit cost other than service cost and other pension benefit changes	(178,030)	-	-	(178,030)
Increase (decrease) in net assets without donor restrictions	11,225,894	(42,316)	42,316	11,225,894

(Continued)

American Bar Endowment

Consolidating Statement of Activities (Continued)
Year Ended June 30, 2023 (Restated)

	American Bar Endowment	American Lawyers Insurance Plans, Inc. (ALIP)	Eliminations	Consolidated
Changes in net assets with donor restrictions:				
Income on investments, net	$ 71,944	$ -	$ -	$ 71,944
Net realized and unrealized gain on investments	332,815	-	-	332,815
Net assets released from restrictions	(155,254)	-	-	(155,254)
Increase in net assets with donor restrictions	249,505	-	-	249,505
Increase (decrease) in net assets	11,475,399	(42,316)	42,316	11,475,399
Net assets, July 1, 2022, as previously reported	153,131,594	499,346	(499,346)	153,131,594
Prior period adjustment to remove excess major medical plan reserve	7,220,180	-	-	7,220,180
Net assets, July 1, 2022, as restated	160,351,774	499,346	(499,346)	160,351,774
Net assets, June 30, 2023, as restated	$ 171,827,173	$ 457,030	$ (457,030)	$ 171,827,173

AMERICAN BAR ENDOWMENT
BOARD OF DIRECTORS

February 4, 2025

Approving the Fiscal Year 2023-2024 audit conducted by RSM.

PROPOSED TO: American Bar Endowment Board of Directors

WHEREAS, RSM conducted a comprehensive audit of the American Bar Endowment's (ABE) financial performance during the July 1, 2023 – June 30, 2024 fiscal year; and
WHEREAS, RSM presented the results of their audit, including the draft consolidated financial report, to the ABE Finance Committee; and

WHEREAS, the ABE Finance Committee voted unanimously to approve the audited financial statements;

NOW THEREFORE, be it enacted by ABE Board of Directors:

SECTION 1. The ABE Board of Directors approves the FY 2023-2024 audited financial statements prepared by RSM.

SECTION 2. This Resolution shall take effect immediately upon approval of the ABE Board of Directors.

FUNCTIONS, DUTIES AND RESPONSIBILITIES
OF THE GRANTS COMMITTEE
OF THE BOARD OF DIRECTORS
OF THE
AMERICAN BAR ENDOWMENT

FUNCTION

Review all requests for grants, determine if such grants are within the purposes of the American Bar Endowment (ABE) as expressed in its Articles of Incorporation and Bylaws and make recommendations for action to the Board of Directors dependent upon the availability of funds for:

1. American Bar Foundation (ABF)
2. American Bar Association Fund for Justice and Education (FJE)
3. Qualified organizations submitting proposals to the Opportunity Grants program
4. Other qualified organizations recommended to receive grants above a certain dollar amount through the ABE Charitable Gift Fund (CGF).

GUIDELINES

1. Review grant requests and recommendations as appropriate.

2. Review CGF donor grant recommendations for those over a certain Board approved dollar amount and approve or deny them for payment.

3. Determine the appropriateness of any grant in light of its purposes, its needs, it consistency with the purposes of the American Bar Endowment and the availability of grant funds.

4. Periodically review, with staff assistance, the programs funded by ABE at ABF and FJE to ensure consistency with ABE's exempt purposes.

5. Periodically review, with staff assistance, grants made through the CGF that are other than for routine operating or capital needs of the grantees.

FUND DISTRIBUTION PRIORITIES

Fund distributions for each of the following shall be made in the following order of priority:

1. Administrative expenses of the American Bar Endowment including, but not limited to, appropriate reserves for contingencies.

2. Ongoing research, education and public service projects of the American Bar Foundation and the American Bar Association Fund for Justice and Education.

3. Other grants.

Charitable Gift Fund

1. ABE and fund expenses up to the level approved by the Board.

2. Grant recommendations in order of approval.

GUIDELINES FOR THE AMOUNT OF ABE GRANTS

1. Policy Statement. These Guidelines are for the determination of the dollar amount of Grants that will be made for a given fiscal year of the ABE. Other guidelines apply to the selection of grantees and the administration of Grants. The Legal Legacy Fund of the American Bar Endowment will be managed as a so-called "quasi-endowment," or Board-restricted fund. It will be maintained as a resource for the making of distributions ("Grants") to organizations that qualify as exempt organizations under section 501 (c)(3) of the Internal Revenue Code, particularly in support of efforts that advance legal study and research and promote the administration of justice and uniformity of judicial decision throughout the United States and other charitable endeavors consistent with the mission of the ABE. It should not be considered a "reserve fund" from which Grants are to be made out of the principal or corpus of the fund in order to accommodate critical financial needs of the grantees.

2. Annual Limitation on Grants. The aggregate amount of annual Grants, including the Opportunity Grants, made from insurance dividends/experience credits and unrestricted funds of the Endowment's Legal Legacy Fund and the Foulis Fund for the next fiscal year will not exceed the sum of the following:

   (a) The average of 85% of each year's net insurance dividends/experience credits (defined as gross dividends/experience credits less reserve adjustments and all ABE expenses) received by ABE during the five previous fiscal years. The remaining 15% of the current fiscal year net insurance dividends/experience credits will be deposited into the Legal Legacy Fund for the long-term support of making Grants to eligible grantees; plus

   (b) Up to 5.0 percent of the average of the prior five (5) years' June 30th fair market value of the Legal Legacy Fund less (1) any expenses and (2) any Grant amounts previously declared based on this calculation that have not yet been withdrawn from the Legal Legacy Fund.

   (c) A maximum of four percent (4%) of the five (5) year rolling average value of the Foulis Funds on the annual valuation date. The annual valuation date for the purpose of grant-making from the Foulis Fund will be the same date as that used for the Legal Legacy Fund.

3. Opportunity Grants. The total funds available on an annual basis for the Opportunity Grants Program shall be $300,000 or 4% of the total amount granted to ABA/FJE and the ABF, whichever is less unless otherwise agreed to by the American Bar Association's Board of Governors and the American Bar Endowment's Board of Directors.

4. Effective Date. These guidelines shall become effective with respect to grants awarded in the American Bar Endowment's 2018/2019 fiscal year and payable beginning September 1, 2019, and shall remain in force annually thereafter until revoked or modified by the Board.

Approved by ABE Board of Directors — November 2018.

AMERICAN BAR ENDOWMENT GRANTS
Since Inception

YEAR	ABF	FJE	Other	TOTAL
1956-2005	97,514,533	92,102,076	5,142,451	194,759,061
2005 - 06	3,813,143	3,813,143		**7,626,286**
2006 - 07	3,677,773	3,677,773		**7,355,546**
2007 - 08	3,702,138	3,702,138		**7,404,276**
2008 - 09	3,750,000	3,750,000		**7,500,000**
2009 - 10	3,750,000	3,750,000		**7,500,000**
2010 - 11	3,524,213	3,524,213		**7,048,426**
2011 - 12	3,290,626	3,290,626		**6,581,252**
2012 - 13	3,160,518	3,160,518		**6,321,036**
2013 - 14	3,365,369	3,365,369		**6,730,738**
2014 - 15	3,012,373	3,012,373		**6,024,746**
2015 - 16	3,338,594	3,338,594		**6,677,187**
2016 - 17	2,930,998	2,930,998		**5,861,996**
2017 - 18	3,414,720	3,414,720	343,815	**7,173,255**
2018 - 19	3,545,630	3,545,630	296,694	**7,387,954**
2019 - 20	3,241,519	3,241,519	413,716	**6,896,754**
2020-2021	3,443,895	3,443,895	274,500	**7,162,290**
2021-2022	3,496,588	3,496,588	279,727	**7,272,903**
2022-2023	$3,684,288	3,684,288	295,000	**7,663,576**
2023-2024	$3,697,357	$3,697,357	295,201	**7,689,915**
2024-2025	$3,830,000	$3,830,000	300,000	**7,960,000**
2025-2026				**-**
TOTAL	**$167,184,246**	**$161,771,800**	**$ 7,641,104**	**$ 336,597,149**

American Bar Endowment

Grant Application

Instructions

Please complete and sign the following form and submit requested documents. You can e-mail your completed application, including listed attachments to Dana Sturtz Hill at dhill@abenet.org and cc to Izzy Eisen at ieisen@abenet.org. If you have any questions, please contract Izzy Eisen at ieisen@abenet.org.

Applicant Organizational Information

Applicant name (including any assumed business name(s) used): American Bar Association Fund for Justice and Education (ABA FJE)

The amount requested from the ABE: $3,830,000

Frequency of payments: Quarterly

Payment to start: September 1, 2025

Principal Contact for this Grant Application

Name: Lea Snipes
Title: Director, ABA Fund for Justice and Education
Email address: Lea.Snipes@americanbar.org
Phone: 312-988-5413
Street Address: 321 N. Clark Street
City: Chicago State: IL Zip: 60654

The applicant is recognized by the United States Internal Revenue Service as an organization described in section 501(c)(3) of the Internal Revenue Code and in the following category (check the appropriate box):

☐ Sections 509(a)(1) and 170(b)(1)(A)(vi)

☐ Sections 509 (a) (1), other than Section 170(b)(1)(A)(vi)

☐ Sections 509(a)(2)

☒ Sections 509 (a)(3)

☐ Sections 509(a)(4)

Applicant EIN: 36-6110299

Link to the organization's most recent 990 filing: [Financial Reports from the American Bar Association]

Please submit the following documents as part of a complete proposal.

☒ Application cover letter addressed to the ABE president.

☒ Proposal Narrative, answering these questions:

- Description of the planned new projects for the upcoming FY
- Summary of impact of the projects funded by the ABE in the previous FY and to date in the current fiscal year.
- Description of what portion of the grant would go towards general operating support vs. support in furtherance of a specific project.
- Summary of current and planned fundraising efforts.
- Description of how your organization furthers the ABE's charitable, educational, literary, religious, and scientific purposes, including, but not limited to, whether (and if so, how) your organization advances legal study and research and promotes the administration of justice and uniformity of judicial decision throughout the United States.
- Summary of how the applicant will publicly recognize the ABE grant.

☒ Most recent IRS determination letter.

☒ Most recent audited financial statement.

☒ Financial report of actual expenses and revenue from the most recently completed fiscal year.

☒ Proposed organizational budget of expenses and revenue for the year for which funds are requested. The budget should contain a column indicating which expenses ABE funds will support.

☒ List of organization's Board of Directors with names and affiliations.

☒ List of publications from the most recently completed fiscal year.

By signing this application, the applicant certifies the following:

1. To the best of the knowledge of the Applicant's officers and directors/trustees, no proposal, threat or suggestion by the Internal Revenue Service has been made concerning the Applicant's 501(c)(3) status.
2. The funds received from the ABE will not be used to lobby or otherwise attempt to influence legislation or to conduct any activities described in Sections 4945(d) and (e) of the United

States Internal Revenue Code. ABE funds will not be used to conduct voter registration drives or activities or to support or oppose any candidate for elected public office.

3. The funds received from the ABE will only be used to support programs and activities deemed charitable under Section 501(c)(3) of the United States Internal Revenue Code.
4. The Applicant does not discriminate in conducting affairs against any person on the basis of race, color, national origin/ancestry, religion, sex, sexual orientation, gender identity or expression, age, physical and mental disability, marital status, military or veteran status, or any other basis protected by federal, state or local law, ordinance, or regulation.
5. The application is signed by an authorized Board officer or senior staff person (Executive Director or Chief Financial Officer).
6. The Applicant will advise the American Bar Endowment of any change in these certifications while the application is being considered and during the grant period.
7. ABE funds will be used in compliance with all applicable anti-terrorist financing and asset control laws, regulations, rules, and executive orders, including but not limited to, the USA Patriot Act of 2001 and Executive Order No. 13224.

Lea Sn 1/21/2025

Grantee Signature (scanned signature is acceptable)	Date
Lea Snipes	Director
Print Name	Title

Email address: Lea.Snipes@americanbar.org
Phone: 312-988-5413

AMERICAN BAR ASSOCIATION

Fund for Justice and Education

January 21, 2025

The Honorable Lora J. Livingston
President, American Bar Endowment
321 North Clark Street
Chicago, IL 60654

Dear Judge Livingston,

On behalf of the American Bar Association Fund for Justice and Education (ABA FJE), please accept our thanks to the American Bar Endowment (ABE) for its longstanding dedication to the pursuit of a more just society. ABE's investment provides funding vital to developing and expanding direct legal services, client-centered attorney training, and efforts to diversify the legal profession. To further our collaboration, I respectfully submit the enclosed application on behalf of the ABA FJE requesting an unrestricted grant of $3,830,000 to support ABA public service programs in FY2025-2026.

At the ABA FJE, we see firsthand how the law can provide hope for families facing eviction, safety to a survivor of domestic violence, and opportunity to individuals who have been historically excluded. These are more than legal victories – they are life-changing moments that strengthen our communities. The continuing support of the ABE in the current bar year is helping the ABA FJE improve the legal system, protect civil rights, and make the promise of justice a reality for all.

As we look to the future with new strategic plans in place, both for the ABA and the ABA FJE, we are inspired by the opportunity to work together to uphold the principles that guide the legal profession: integrity, justice, and the Rule of Law. Over the next several years, ABA FJE supported programs will continue to build a network of empowered and engaged legal professionals who are dedicated to promoting justice for all. Our commitment to service, excellence, and advocacy could not be accomplished without the ABE's partnership.

Thank you for your consideration of our request and award of the largest contribution the ABE deems appropriate. Please do not hesitate to contact ABA FJE Director Lea Snipes (312-988-5413) or me about this application. As always, we deeply appreciate the ABE's generous partnership and look forward to continuing our shared efforts to advance equal justice for all.

Sincerely,

Orlando Lucero
Chair, Council of the
American Bar Association Fund for Justice and Education

CC:

Alpha Brady, Executive Director
American Bar Association

FY2025-2026
American Bar Endowment
Grant Application

Turning the Promise of Justice into Reality

AMERICAN BAR ASSOCIATION
Fund for Justice and Education

FY2025-2026 ABE Grant Application

TURNING THE PROMISE OF JUSTICE INTO REALITY

For nearly 250 years the United States has presented a vision of justice and democratic principles. Yet complicated histories underline the founding aspirations of our country. As the voice of the nation's legal profession, the American Bar Association (ABA) remains committed to fortifying America's commitment to equal justice for all. The American Bar Endowment (ABE) has been a crucial partner in our efforts to develop a more perfect nation. It's generous investment of unrestricted funds to the American Bar Association Fund for Justice and Education (ABA FJE), the 501(c)(3) charitable arm of the ABA, gives the flexibility to navigate challenges and address emerging needs.

This year, the ABA adopted a new strategic plan that focuses on the needs and interests of its members. By fostering a strong sense of community and collaboration among members, the ABA aims to build a network of empowered and engaged legal professionals who are dedicated to upholding the highest ethical standards and promoting justice for all. The new strategic plan better positions the ABA FJE to be good stewards of your investment by empowering members to protect the rule of law and advocate for justice.

To further the pursuit of our mutual goals, the ABA FJE respectfully requests unrestricted funding of $3,830,000 from the ABE. As in the past, this amount was determined with guidance from the ABE and in coordination with the American Bar Foundation. Should additional funding become available, an increased ABE contribution will further expand the ABA FJE's programmatic capabilities in FY2025-2026. Consistent with historical use of the ABE's grant, ABE funds will not support any ABA 501(c)(6) business costs.

This narrative illustrates the rich array of ABA FJE supported activities that further the ABE's goals by advancing legal learning, promoting equitable uniformity of judicial decision, and improving the administration of justice. A renewed ABE contribution will significantly strengthen the ABA FJE's work to make the promise of justice into a reality for all.

The ABE's Historic Support Fully Utilized by Entities

IMPACT: FY2024 ACHIEVEMENTS

Even as innovations open new horizons, core principles remain fundamental to an equitable society. ABA FJE supported projects promote civil rights and civic engagement across diverse communities while the legal profession examines how the rule of law helps society navigate change. The following accomplishments of ABE-supported programs contribute to a society where justice is an enduring promise for every citizen.

Projects and Entities

Task Force for American Democracy

As increased polarization and distrust clouded the approach of the 2024 election, ABA leaders gathered the legal community to promote deeper public understanding of the election process, democratic institutions, the Constitution, and the rule of law on which it is built. Guided by a bipartisan group of leaders, the **Task Force for American Democracy** engaged lawyers, bar associations, law firms, community groups, and nonprofits working on democracy, voting, and civil rights across the country with events, working papers, volunteer opportunities, and more.

Beginning at the ABA's 2024 Midyear Meeting, the Task Force has held Listening Tours in seven states, Georgia, Michigan, Wisconsin, Pennsylvania, Ohio, Connecticut, and Virginia, with an eighth in Arizona in January 2025. Panels and discussions covered issues defined by the hosting communities, from election administration and electoral reform to civics and civility, media, mis- and disinformation, educating citizens to increase confidence in the election process, and more. The Task Force developed Speakers Guides and Toolkits which Virginia and Connecticut used to plan their events. After each Listening Tour, the Task Force and local partners created Next Steps working groups that organized community gatherings on democracy and elections throughout the year leading up to the 2024 election.

The Task Force developed a robust strategic communications plan to remind American lawyers of their obligation to support the Constitution, the rule of law, and the courts. It created a letter signed by approximately 150 law school deans affirming their commitment to improve legal education on democracy, the rule of law, and methods for civil, respectful, constructive disagreement across political and ideological divides. Based on the success of the law deans' letter, the Task Force developed a similar letter for bar associations, signed by over 130 local, state, and national bar leaders. It also collaborated with the Knight Foundation to host a series of virtual Election Law Forums to equip journalists with essential, nonpartisan, fact-based knowledge on election law so they could better inform their communities.

Even after the election, lawyer volunteers continue to sign up, and a host of democracy-focused organizations are reaching out to the ABA regarding collaboration. The Task Force continues to collaborate with many democracy-focused nonprofits and other non-governmental organizations. Several have been key partners in the Listening Tours and in introducing the Task Force to other professions and demographics working on these issues. The Task Force is also a member of the Democracy Communications Coalition, which shares information and research, especially as it relates to messaging and communications. The Task Force's track record of accomplishments provides a platform on which to build.

Commission on Homelessness & Poverty

The U.S. Supreme Court's decision in ***City of Grants Pass, OR v. Johnson*** is the most significant case on homelessness in over 40 years. The Court narrowly ruled that laws regulating camping on public property do not constitute "cruel and unusual punishment" prohibited by the Eighth Amendment. While not directly addressing homelessness, the case has serious implications, permitting cities and states to criminalize homeless people for violations of laws involving life-sustaining activities such as sleeping in public – even if no shelter is available.

The Commission on Homelessness & Poverty **webinars** and **panels** before and after the ruling covered the impact on unhoused people and state and local governments, as advocates for the unhoused and lawyers representing state and local governments work to advance societal and governmental responses to unhoused individuals needing shelter and services. As then ABA **President Mary Smith noted**, the ABA remains committed to finding solutions to homelessness that address root causes and treat those affected with compassion and dignity.[1]

Commission on Sexual Orientation & Gender Identity

Despite recent challenges to diversity initiatives, the ABA FJE understands that bringing multiple perspectives into the profession enriches and improves the practice of law. The Commission on Sexual Orientation & Gender Identity's **LGBT Public Interest Scholarship Award** empowers law students to pursue the promotion of civil and human rights of LGBTQ+ persons and help secure full, equal treatment both in the legal profession and justice system. The Commission has awarded over a dozen $5,000 scholarships since 2019. Many scholarship recipients have gone on to become instrumental in the fight for LGBTQ+ rights.

> "Receiving the Public Interest Scholarship has been one of the affirming experiences for my personal and professional growth. Thanks to this scholarship, I was able to develop a polished National Science Foundation grant proposal with the Research Institute for Structural Change (RISC) for a legal database project that helps anti-discrimination advocates" –Taylor Mills, 2023 recipient

> "I'm incredibly grateful for the LGBTQ+ Scholarship. The award has helped make possible my summer public interest internship and my legal education. With the ABA's support, I have been able to further advance my commitment to protecting LGBTQ+ rights in the

[1] "Statement of ABA President Mary Smith RE: Supreme Court ruling in Grants Pass, Oregon v. Johnson," americanbar.org, 6/28/24.

South." - Jordan Crosby, 2024 recipient

"The SOGI Public Interest Scholarship has been instrumental in helping me fund the cost of moving to Atlanta and pursuing my work advocating for education justice on behalf of marginalized Black and Brown students in the Deep South…This scholarship has allowed me to do this incredibly important work without increasing my student debt, cementing the future viability of my career as a public interest attorney." –Harry Chui, 2022 recipient

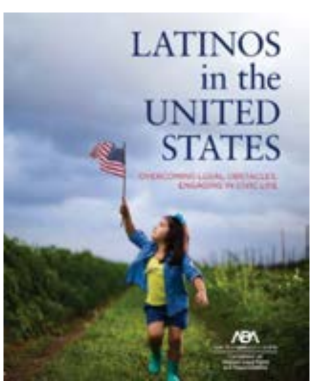
Commission on Disability Rights

The Commission on Disability Rights is dedicated to seeking the full and equal participation of people with a wide range of abilities throughout the legal profession. Its **Pledge for Change: Disability Diversity in the Legal Profession** provides the legal profession with an avenue for addressing the underrepresentation of lawyers with disabilities by fostering employment, advancement, empowerment, and inclusion of individuals with disabilities in the legal field.

Law firms, law schools, bar associations, judges, courts, corporations, and disability organizations can sign the Pledge to affirm their commitment to the recruitment, hiring, retention, and promotion of lawyers with disabilities. The Pledge also highlights 12 actions organizations can take to foster disability diversity, equity, and inclusion in the legal profession and society in general. There are nearly 400 Pledge signatories to date. Law firm signatories are undertaking an array of activities to uphold their commitment to disability equity and inclusion in the legal profession and society, such as actively recruiting from disability organizations and disability-focused bar associations, providing training featuring disability justice speakers, instituting accessibility enhancements to remove digital barriers for colleagues with disabilities and neurodivergences, offering disability and mental health benefits, and establishing employee affinity groups for attorneys and staff affected by disabilities of all types as well as caregivers, advocates and allies, to name just a few examples.

Publications

Commission on Hispanic Legal Rights & Responsibilities



The Commission's new 2024 ***Latinos in the U.S. – Overcoming Legal Obstacles, Engaging in Civic Life*** report has key findings on pressing legal challenges facing Latinos in education, employment, healthcare, housing, voting, and criminal justice. The report also highlights the importance of civic engagement and community building in addressing language access, immigration matters, and other issues. During the 2024-2025 bar year, the Commission is planning three to five in-person events focusing on specific issues raised by the report. Events will be located in places where there are large populations of Latinos, such as Arizona, California, Florida, and Texas.

Center for Innovation

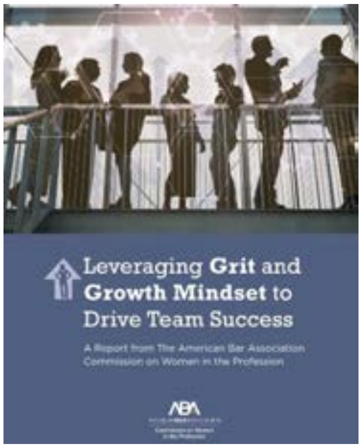
Artificial Intelligence (AI) has gone from an intellectual discussion among technology specialists to a widespread, tangible reality. The Center for Innovation's third ***2024 Midterm Innovation Trends Report*** focuses on the growing presence of AI in the delivery of legal services, exploring the implications of AI for lawyers in different stages of their careers and offering practical tips for integrating it into their day-to-day practices. This publication reports on advances in the legal profession, examines internal ABA innovations, and trends in legal technology and education.

ACTION: FY2025 FUNDS AT WORK

ABA FJE supported projects empower the public and our profession with the knowledge to pursue justice. Members' and volunteers' generosity with their time and expertise ensures more people have access to legal services that can transform lives. Programs that help people join and thrive in the legal profession enrich the justice system as well as increasing the number of lawyers ready to share their expertise.

Projects and Entities

Commission on Women in the Profession



Women continue to make a substantial mark in the legal profession. 41% of U.S. lawyers are women, and 2023 marked the first time a majority of law firm associates were women[2]. The Commission on Women in the Profession's **Grit & Growth Mindset** project has supported women in the legal profession for 10 years, educating on the science behind these two important traits that many successful women lawyers have in common. The Grit Project helps women lawyers develop leadership skills and become even better collaborators, team managers, and leaders in the profession. In September 2024, the Commission hosted a Summit for Law Firm and In-House leaders to celebrate the ten-year anniversary of the Project and lead a discussion on the critical benefits that "grit" and "growth mindset" can bring to the legal profession, including by strengthening the pipeline for advancement of women across the legal profession.

[2] "New report spotlights rise of women lawyers," americanbar.org, 11/18/24.

The Commission's ***Leveraging Grit and Growth Mindset to Drive Team Success*** report builds upon the original Grit project research, focusing on understanding the impact of this mindset on team performance, engagement, morale, and law firm culture and the steps that team leaders and members can take to increase a gritty, growth mindset. Research shows that team experience greatly influences job satisfaction, and adopting gritty, growth mindset-oriented behaviors on teams can increase teams' positive experiences. The information is particularly valuable in the wake of the Great Resignation, where women lawyers left jobs in droves. The full report, webinar, a Facilitator's guide, and accompanying discussion scenarios are **available online** free of charge.

Commission on Law & Aging and Standing Committee on Election Law

A democracy's strength is measured by the inclusivity it offers to every individual. All states allow voters with disabilities to receive assistance with the physical process of voting, but in every election thousands do not know they can ask for assistance or are denied assistance to which they are entitled. The Commission on Law & Aging developed Empowering Every Voter to safeguard voters' civic right to cast a ballot. The Commission partnered with the ABA Standing Committee on Election Law to develop an **Empowering Every Voter** webinar series, on topics including:

- *Accessible Voting Methods: The Future of Democracy*, on remote voting methods;
- *How Election Officials Should Approach Voter Outreach*, on how election officials can communicate with voters;
- *Ballot Handling: Casting Your Ballot Safely and Legally*, on third-party ballot collection laws;
- *Ballot Curing: Educating Voters and Reforming Procedures*, on methods for correcting ballots.

The full series is available for free to both ABA members and non-members along with links to information and materials related to each session.

ABA Free Legal Answers

ABA Free Legal Answers (ABA FLA) continues to achieve milestones. The nation's first and only national pro bono legal advice portal increases access to justice by connecting low-income people to pro bono attorneys who answer civil legal questions at no cost to the client. The virtual resource overcomes financial, geographic, and logistical barriers to accessing justice. ABA FLA is often clients' only opportunity to receive legal advice, providing information and resources for addressing civil legal issues. In FY2025 ABA FLA expects to reach 400,000 questions asked through the site, and 15,000 lawyer volunteers registered to answer those questions.

Active Jurisdictions

ABA FLA is active in 44 U.S. states and territories, working towards complete national coverage as it continues to narrow the justice gap.

A new feature ABA FLA is developing is a training series on bankruptcy. In 2021 and 2022 ABA FLA began developing Question Auto-Responses (QAR) for common topics, providing users with immediate legal information via email to help guide their next steps before corresponding with an attorney. Seeing the benefit of immediately delivering needed information and resources to clients, the ABA sought to expand QARs to question categories that see large numbers of questions submitted, including those on bankruptcy and financial information. ABA FLA is analyzing site data to understand what information is most needed in the QARs and will pilot them in three states where bankruptcy and financial issue questions have consistently been posted most often, in Indiana, Massachusetts, and North Carolina. It will also create bankruptcy-related training and educational materials for attorneys providing pro bono services on ABA FLA. A December 2024 webinar *Guiding People Through Bankruptcy: A Primer on the Law & Client Counseling* will train attorneys who volunteer with virtual legal aid clinics on advising low/modest means individuals on whether to file bankruptcy and how to navigate the bankruptcy court system.

Commission on Domestic and Sexual Violence

The Commission celebrates its **30th Anniversary** in FY2025 and that of the **Violence Against Women Act** (VAWA) that prompted its creation. This landmark legislation changed the way the nation views and responds to domestic violence, dating violence, sexual assault, and stalking. VAWA established federal protections and dedicated federal resources to support survivors. After its passage, the ABA created the Commission to mobilize the bar to improve the legal response to domestic violence by implementing provisions of VAWA and promoting successful policies and procedures in the legal and justice systems. The Commission in turn helped hone the legislation, advocating for the addition of the Legal Assistance for Victims Program to VAWA, which vastly expanded access to justice for survivors.[3]

[3] "Supporting Survivors: ABA and its members have shaped the Violence Against Women Act for 30 years," Amanda Robert, *ABA Journal*, 11/26/24.

Commission projects provide high quality training and technical assistance to attorneys, prosecutors, judges, legal advocates, and other legal professionals through in-person and virtual training modules, written tools, and resources that distill best practices on working with survivors of gender-based violence. The Commission's Trauma-Informed Representation Project provides attorneys with strategies for trauma-informed representation and organizations with tools for building trauma-informed workplaces. Its LGBTQ+ Legal Access Project helps address domestic and sexual violence in these communities.

This spring the Commission will host a pre-conference session on LGBTQ+ and gender-based violence issues at the Standing Committee on Pro Bono's **Equal Justice Conference**, the largest gathering of civil justice system lawyers, judges, and advocates in the United States. Workshops, networking opportunities, and special programming examine issues on accessing justice and strategize on delivery of legal services to poor and low-income individuals in need of legal assistance. Debuted in 2024, the pre-conference session will support access to justice advocates in their journey to sustaining a more equitable legal ecosystem.

Publications

Commission on Racial & Ethnic Diversity in the Profession

The Commission encourages law firms and legal service providers to expand and create opportunities at all levels of responsibility for diverse attorneys. Its **Model Diversity Survey** is an industry-leading tool for law firms to measure and report diversity metrics. The Survey's benefits include data uniformity, time efficiency, and trending year-over-year data for law firms, their clients, and the profession as a whole.

The most recent Report, issued in December 2024, underscores the undeniable impact of sociodemographic factors on the state of diversity, equity, and inclusion in law firms. While certain positive year-over-year trends are evident, discerning between statistical anomalies and genuine institutional change requires high levels of law firm participation, multiple years of consistently collected data, and careful consideration. The findings in the Report call for ongoing attention to create a legal profession that truly reflects and embraces the diversity of its practitioners and the U.S. population in general.

Legal Opportunity Scholarship Fund

Since the first class of Scholarship recipients entered law school in 2000, the legal community has seen great strides in efforts to bring about a more diverse, equitable, and inclusive profession. Scholarship alumni are transforming the justice system as they broaden the profession's horizons with their perspectives and experiences. In celebration of a quarter century helping talented students achieve their law school dreams, the Legal Opportunity Scholarship Fund plans to collate stories of Scholars and supporters in a **25th Anniversary Yearbook.** The ABA FJE is asking both alumni and supporters to share their stories to document the Scholarship's legacy and impact on the legal profession.

VISION: FY2026 ASPIRATIONS

Education is one key to the ongoing pursuit of liberty and a just society. The ABA FJE helps bring civic education to the public and fosters deeper understanding of the history of the rule of law. ABA FJE supported programs also train lawyers on all aspects of the law, civil rights, and complex issues in our justice system.

Projects and Entities

Section of Civil Rights & Social Justice (CRSJ)

This year, CRSJ is launching a two-year **Civil Rights Bootcamp** initiative, a virtual training program for young lawyers, law students, general and small practice lawyers, public service lawyers, and other advocates focused on providing resources, training, and information on aspects of practicing civil rights law. The Boot Camp will share insights and advice for law students and lawyers, whether newly barred or seasoned, in various ways one can be a civil rights advocate.

Sponsorship of CRSJ's Inaugural Civil Rights Bootcamp, that will be held in the Spring for the next three years, including unlimited registration and an invitation for firm attorneys to develop and present future trainings in the Bootcamp. This project is Chaired by Michael Bergmann and Dr. Daiquiri Steele. The Civil Rights Lawyer Bootcamp is a virtual multi-year training program aimed at educating and equipping aspiring civil rights and social justice advocates (at all stages) with practical insight and tools needed to advance important issues. The goal is to demystify the work of civil rights lawyers, facilitate networking and the exchange of knowledge among advocates and infuse the legal profession with the next generation of impassioned and empowered highly committed civil rights lawyers.

Division of Public Education

The Division for Public Education's **Teacher Institute** reaches more than 2 million teachers, students, journalists, and other members of the public every year through a wide array of programs that improve knowledge about law and civics. The professional development programs that the Division offers for teachers are among the best in the country, including its annual summer institute in Washington, DC, in collaboration with the Federal Judicial Center.

The Institute brings together 20 teachers from across the country for a week to study major federal court cases with judges, scholars, and curriculum experts and to develop new ways to teach these cases in the classroom. The highlight for many, however, is a visit to the United States Supreme Court and a meeting with a Supreme Court justice. Attendees' comments show how they value the Division's training:

> *"I will look back on this institute as one of the most valuable professional development experiences, not just for my understanding of the judicial system, but for my teaching."*

> *"This really was the best professional development I have ever attended! The ability to get to speak with judges was so helpful and insightful."*

In addition to the Institute, Division staff lead dozens of sessions for teachers at conferences and institutes throughout the year—and the educators who attend take the knowledge and skills they develop to improve the education of thousands of students every year.

Standing Committee on Law Library of Congress

The Standing Committee on the Law Library of Congress will mark the 250th Anniversary of the signing of the Declaration of Independence with a new traveling exhibit, ***250 Years of Independence: Fortifying America's Commitment to Democracy for All.*** Launching in the summer of 2025, it will explore how seeking independence from monarchy promoted democratic principles and upheld the rule of law in America. Text and images from the Law Library of Congress will delve into the Declaration of Independence's heroic and controversial legacy.

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are Life, Liberty and the pursuit of Happiness."

Although the meanings of these phrases from the Declaration have been endlessly debated, the declaration has served to justify the extension of American political and social democracy. Yet the document signed on July 4, 1776, was the result of much debate and modifications to accommodate regional interests ensued, including the removal of a condemnation of slavery. The exhibit will elevate voices for equity and inclusion and the many pivotal contributions of marginalized, underrepresented communities that have guided our nation toward fulfilling its greatest potential for the past 250 years. From the Native Americans and Native Hawaiians indigenous to this land to the powerful stories of immigration – through forced slavery or other hardships – of African Americans, Hispanics, Asian Americans, and Pacific Islanders, these often-overlooked stories will come alive in the exhibit.

Women's achievements also promulgated America's democratic ideals. From creating the first national flag to championing civil rights, shaping cultural narratives, and serving in the armed forces, the traveling exhibit will document how women have been a driving force in our nation since 1776. It will also spotlight the contributions, diverse identities, and legacy of the LGBTQ+ community and its progress in the fight for equality and justice for all.

Death Penalty Representation Project

The Death Penalty Representation Project works to address the crisis of counsel in the death penalty system. There is no constitutional guarantee of counsel for prisoners on death row who seek to challenge their convictions or death sentences. Many capital defendants and prisoners are represented by counsel without the necessary training and resources or have *no representation at all***.** The Project is the only national organization dedicated to improving the quality and availability of counsel for individuals facing the death penalty. It works with members of the private bar to ensure that no person faces a death sentence without a committed advocate by their side.

The Project is developing a **Capital Defense Training Initiative**, providing pro bono attorneys with a comprehensive and interactive curriculum on Capital Defense topics including Prosecutorial Misconduct, Racial Discrimination in Jury Selection, America's History of Racial Injustice & the Death Penalty, Intellectual Disability, Challenging State Court Process, Drafting Pleadings, and more. This training series will offer valuable insights and resources on an online platform, ensuring accessibility so pro bono attorneys can review the material at their convenience. Enhancing pro bono attorneys' competencies in capital defense and increasing the availability of legal representation will improve outcomes for people facing the death penalty.

Publications

Commission on Homelessness & Poverty

Lawyers have a critical role in ending and preventing youth homelessness. The Commission equips lawyers with the tools to remove legal barriers that interfere with young people's housing, education, employment, health care and self-sufficiency. In 2026 the Commission will update one of its core resources, ***Educating Students Experiencing Homelessness.*** This influential manual provides innovative strategies for educators and school administrators, state coordinators and policymakers, advocates, and attorneys to ensure the education rights of children and youth experiencing homelessness.

Standing Committee on Gun Violence

The ABA FJE helps support bipartisan efforts to take swift, evidence-informed actions to dramatically reduce the threat and devastating impact of gun violence nationwide. The Standing Committee on Gun Violence is working to address the problem of gun violence through education, activation of the legal profession, and legislative efforts. The Standing Committee has planned an upcoming project **"Lawyering After a Gun Violence Tragedy: A Convening and Toolkit."**

Lawyers experienced in working in communities affected by gun violence will brainstorm, exchange ideas, and formulate concrete strategies to meet communities' legal and social needs following these devastating occurrences. It will develop a toolkit for lawyers who work with victims, survivors, and communities to address the consequences. The project will create an expert network to support lawyers working with communities in the aftermath of a tragedy.

The ABE's Gift Amplifies Restricted Donations

This year, over $105 million is budgeted to run through the ABA FJE. Although this is a great deal of funding, nearly 90% of these dollars are due to the growing federal portfolio of the Commission on Immigration and the Rule of Law Initiative. These funds are limited to specific activities and have restrictions on how they can be spent. However, the ABA FJE's charitable work goes far beyond these two areas.

With unrestricted funding, the ABE provides the ultimate flexibility for the ABA FJE to help respond to an array of issues and be innovative in its approach. Whether it's a sudden surge in demand for legal assistance during a natural disaster or an unexpected change in policies affecting vulnerable populations, the ABE's unrestricted support allows the ABA FJE to pivot and allocate resources where they're needed most.

The ABE's grant is an instrumental component of the ABA FJE's philanthropic portfolio, supporting the infrastructure and staff necessary to conduct vital programming. However, unrestricted does not mean unaccountable. When the ABE provides unrestricted support, it means it is investing in the entire scope of the ABA FJE's charitable work to support people and programs improving our communities.

Unrestricted giving is also about trust. The ABA FJE is extremely appreciative that the ABE entrusts us to use this grant wisely. As requested, the ABA FJE spends each dollar received from the ABE on direct programmatic expenses, including staff who expertly conduct the programs and other direct costs associated with projects. ABE grant funds are not used to support ABA administrative costs.

Over the last several years, the ABA FJE has undertaken new initiatives and increased its outreach efforts to amplify the effectiveness of the ABE's grant. This includes the implementation of an ABA FJE Strategic Plan and an expanded ABA Giving Day celebration.

ABA FJE STRATEGIC PLAN

The ABA FJE FY2024-FY2026 Strategic Plan identifies goals, ways to strengthen operations, and how to prioritize resources to better advance its mission. The Plan's development was a collaborative effort between staff and leaders to ensure the ABA FJE is positioned for success as it works toward measurable goals and adapts to a changing environment. The ABA Center for Bar Leadership facilitated the creation of the new Strategic Plan, which was divided into the following three main goals:

- **Build** the ABA FJE's capacity to serve as the fundraising arm of the American Bar Association.
- **Strengthen** the ABA FJE's marketing and messaging to advance the ABA's charitable impact and motivate member giving.
- **Improve** understanding among ABA leaders of the ABA FJE's role to encourage their support and participation in fundraising efforts.

One of the many successful endeavors from the Strategic Plan includes the ABA FJE's Fundraising Training & Capacity Building training program. Outside gifts and grants are an integral part of the ABA FJE's revenue stream. To successfully increase charitable support, entities need a basic understanding of, and facilitated growth in, fundraising principles. Such knowledge empowers supported entities to raise outside dollars for their programs, thus increasing the ABA FJE's capacity to secure funding from individuals, law firms, corporations, foundations, and other sources.

To date, the following live or recorded sessions have taken place and are available to staff, along with associated informational materials, on the ABA FJE's intranet site.

- **ABA FJE Overview & Fundraising Best Practices** – ABA FJE launched its Fundraising and Capacity Building training program with a session equipping staff and members with the knowledge and tools needed to effectively solicit support for our charitable initiatives, thereby increasing our capacity to seek and receive outside dollars.

- **Leadership Involvement in Fundraising** – The ABA FJE's second training program featured ABA leaders who are effective fundraisers. FJE Chair Orlando Lucero moderated a panel discussion with ABA leaders Howard Wall, Michelle Behnke, and Buck Lewis as they described their ABA FJE fundraising experiences and reviewed best practices when seeking outside charitable support.

- **Kickstarting Leadership Fundraising** – During the session, the ABA FJE moderator interviewed staff directors who have had success with engaging their leaders in identifying, cultivating, soliciting, and stewarding individual donors. The panelists were Jennifer Michel (Dispute Resolution Section), Simeon Carson (Health Law Section), Skip Harsch (SOGI), Kelly Russo (Commission on Homelessness and Poverty), and Paula Shapiro (CRSJ). The live interactive session was recorded and added to the FJE's intranet training site.

- **Conversations With Funders** – Moderated by FJE Council Member Ruth Hill Bro, the ABA FJE coordinated interviews with grant officers of three foundations supporting ABA FJE entities/projects to offer advice on what foundations look for when seeking outside dollars and crafting a stand-out proposal. The interviews were with the:
    - Raikes Foundation
    - American Arbitration Association-ICDR Foundation
    - American College of Bankruptcy Foundation

- **Program Development & Measuring Impact** – The session focused on the crucial connection between program development and fundraising and the importance of managing programs that appeal to donors seeking long-term impact. Rachel Ellet of the Center for Bar Leadership, presented strategies to define clear objectives, create actionable steps, and identify outcomes that ensure programs are built to progress toward intended impact. The Measuring Impact session, also led by Rachel Ellet, will be recorded and shared later this month.

- **Donor Stewardship** – The most recent training provided a deep dive into donor stewardship. Attendees learned about the significance of stewardship in maintaining long-term relationships and discovered creative ways to recognize and thank valued supporters.

FUNDRAISING UPDATE

The implementation of our Strategic Plan comes at a time when the ABA FJE is seeing growth in individual giving. Each year, the ABA FJE sets financial goals around its individual, law firm, corporate, and foundation strategies. A snapshot of success includes the increase in the number of donors and the amount raised by individuals over time.

FY2024 Individual Donor Results

- GOAL: Increase number of donors by 10% over FY2023 to 2,405 donors in FY2024
    - Increase of 9% YTD

- GOAL: Increase amount raised by 5% over FY2023 to $1,232,000 in FY2024
    - Increase of 21% YTD

YEAR-END RESULTS
AUGUST 31

Direct Gifts	**FY2019**	**FY2020**	**FY2021**	**FY2022**	**FY2023**	**FY2024**
# of Ind Donors	1,900	2,102	2,007	2,204	2,186	***2,377***
Total Amt Raised	$1,085,000	$857,000	$1,051,000	$1,146,000	$1,173,000	***$1,422,000***

Recognizing that donors often want to designate gifts to specific programs that they care about, the ABA FJE works collaboratively with entities to increase donations for their mission-driven work. The ABA FJE understands that positioning the entities for transformational donations and grants is the goal in our development efforts. With the support of substantial unrestricted gifts like the ABE's, the ABA FJE is poised to strategize on the greater impact they want to have in the world. Based upon this growth over time, the ABA FJE has set the following individual goals for FY2025:

FY2025 Individual Donor Results

- GOAL: Increase number of donors by 10% over FY2024 to 2,615 donors in FY2025

- GOAL: Increase amount raised by 10% over FY2024 to $1,564,000 in FY2024

Another initiative of the Strategic Plan focuses on improved donor recognition. The ABA FJE wants donors to feel that they are part of a community and celebrate the power of collective giving. If we only recognize our President's Club level donors ($1,000 or more), then we are excluding a significant portion of our donor base. With nearly 70% of our individual donors giving below $250, we seized the opportunity to expand our donor appreciation with four new giving levels. These new levels provide us with the opportunity to thank our supporters but also a means of upgrading their giving by level year after year.

2022-2023 FY
2,186 Donors * $1,173,000 Raised

Gift Amt	# of Gifts	% of Gifts	Amt Raised	% of Amt Raised
$5,000+	38	1.7%	$489,000	41.7%
$2,500 - $4,999	45	2.1%	$133,000	11.3%
$1,000 - $2,499	191	8.7%	$244,000	20.8%
$500 - $999	170	7.8%	$97,000	8.3%
$250 - $499	302	13.8%	$90,000	7.7%
$100 - $249	670	30.6%	$89,000	7.6%
$1 - $99	771	35.2%	$32,000	2.6%
Total:	3,556	100.0%	$1,171,000*	100.0%

New FJE Donor Levels

Thought Leaders
$500 - $999

Catalyst
$250 - $499

Advocate
$100 - $249

Friend
$1 - $99

2023-2024 FY
2,377 Donors * $1,422,000 Raised

Gift Amt	# of Donors	% of Donors	Amt Raised	% of Amt Raised
$5,000+	46	1.9%	$624,000	43.9%
$2,500 - $4,999	61	2.6%	$182,000	12.8%
$1,000 - $2,499	225	9.5%	$289,000	20.3%
$500 - $999	181	7.6%	$105,000	7.4%
$250 - $499	314	13.2%	$93,000	6.5%
$100 - $249	687	28.9%	$91,000	6.4%
$1 - $99	863	36.3%	$39,000	2.7%
Total:	2,377	100.0%	$1,422,000	100.0%

ABA GIVING DAY

2020 — The inaugural event in October 2020 focused on eight programs that addressed the impact of the pandemic and racial injustice.

2021 — The 2021 theme, *Community First*, generated engagement from members and the public, raising more than $250,000 from over 730 donors.

2022 — The 2022 ABA Giving Day raised nearly $280,000 for ABA programs with the theme *Advancing Democracy, Equity & Justice.*

2023 — The 2023 ABA Giving Day expands to include all ABA entities conducting charitable work and continues the theme *Advancing Democracy, Equity & Justice*.

2024 — With the implementation of a new online platform, the 2024 celebration featured over 50 entities and raised nearly $460,000

The ABA FJE is proud to announce that the fifth annual 2024 ABA Giving Day celebration was a tremendous success. This year's campaign highlighted over 50 ABA charitable initiatives that provide free legal services, assist underserved populations, and promote diversity and inclusion within the legal field. The 2024 campaign set a stretch goal to raise $500,000 across participating entities, an increase of more than 25% from the $395,000 raised in 2023. Preliminary figures indicate that over $482,000 was raised, representing a 22% increase from the previous year. Although the $500,000 stretch goal was not achieved, the event continues to see significant year-over-year growth.

With the support of members, donors, and volunteers, donations collected during the celebration supported key ABA FJE initiatives, including:

- **Access to Justice**: Providing free and affordable legal services to low-income individuals and families, ensuring they receive the representation they deserve.

- **Advancing Diversity and Inclusion**: Funding scholarships, mentorships, and pipeline programs to increase representation in the legal profession and create a more equitable system.

- **Pro Bono Legal Support**: Supporting lawyers who volunteer their time to provide legal services to communities in need, reinforcing the ABA FJE's commitment to public service.

ABA Giving Day is an opportunity for the ABA's global community to come together and help ensure that critical ABA FJE charitable programs continue to thrive. To help incentivize giving, the FJE implemented several new items to its omni-challenge outreach strategy:

Donor Thank You Gift

Donors that made a gift of $100 or more will receive one pair of socks with the ABA Giving Day logo as a thank you for their contribution. Promotion of the new gift began at the Annual Meeting. From August 1 through September 20, two sock designs were promoted for members and the public to vote to select the winning design. Additional promotions ran across social media channels and by email. Nearly 500 votes were received, and a multi-color pattern was the winning design. The socks were promoted on the ABA Giving Day website and announced in social media messaging and emails leading up to ABA Giving Day.

Donor Challenges

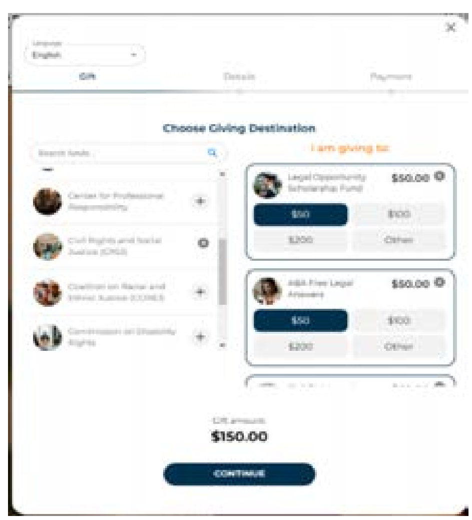
Matches and challenges are a brilliant way to incentivize donors to make a greater impact. By highlighting a dollar-for-dollar match or unlocking a challenge incentive during ABA Giving Day, the ABA FJE created added excitement for supporters. New ABA-wide challenges were held throughout the campaign that included two $2,500 challenges funded from a pool of $5,000 unrestricted dollars that the ABA FJE Council generously committed and leveraged to inspire giving.

- *New Donor Challenge:* The program that received the most gifts from first time donors by the end of ABA Giving Day unlocked an additional $2,500 for its program!
- *Race to the Top:* The program that received the greatest number of unique donations by the end of ABA Giving Day unlocked an additional $2,500 for its program!

Through strategic outreach and impactful programing, both challenges were won by the Section of Civil Rights and Social Justice.

New Technology

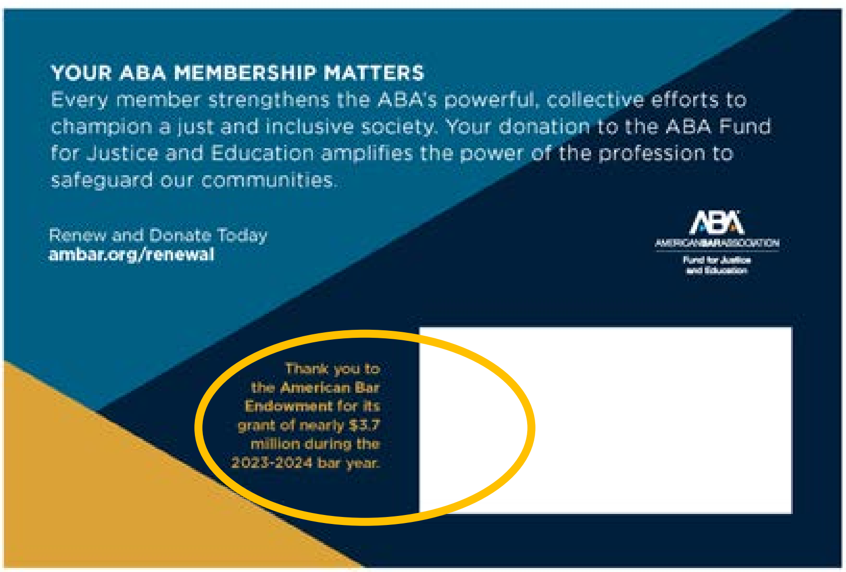
The ABA FJE invested in a new ABA Giving Day platform that included additional functionality, such as a cart function that allowed donors to easily give to multiple programs at one time. The layout of the entities on the ABA Giving Day website continued to be segmented by ABA departments for ease of navigation. Returning this year were the individual entity “story pages” to allow entities to have a personalized landing page outlining their programs and mission, recognized donors, and provided unique donation links to share in communications.



The ABE's Grant is Widely Recognized Across the ABA

Together we ensure that the legal profession stands resolute as the guardian of justice, democracy, and the rule of law. As our partner, the ABA FJE gratefully acknowledges the ABE throughout the year. In the 2023-2024 bar year, ABA FJE Impact and Donor Reports have highlighted the transformative power of gifts and grants. Within each report, we had the pleasure of recognizing the ABE as one of the ABA FJE's most loyal and generous supporters.

The ABA FJE Summer Impact Report spotlighted the ABE's grant of $3.7 million in the report and on the envelope of the mailer, distributed to over 30,000 individuals. Like other reports, this piece was distributed by mail and email to ABA members and donors and was hosted on the ABA FJE webpage throughout the year.



For the second year, the ABA FJE dedicated September as Donor Appreciation Month. Throughout that period, donors received emails thanking them for their support and offering an exclusive discount at *Shop ABA* for being a donor. Each email highlighted the impact of donor support and promoted the **Donor Gratitude Report** – a multi-page interactive digital piece that linked donor generosity with ways the ABA FJE is helping to change people's lives for the better. The ABE's annual grant prominently appears on its own page.

Ongoing Avenues for Recognition

- The ABA FJE's website prominently highlights the ABE's annual grant and drives visitors to learn more. The ABE's support receives the same recognition on the ABA Center for Public Interest Law and the ABA Diversity and Inclusion Center webpages.

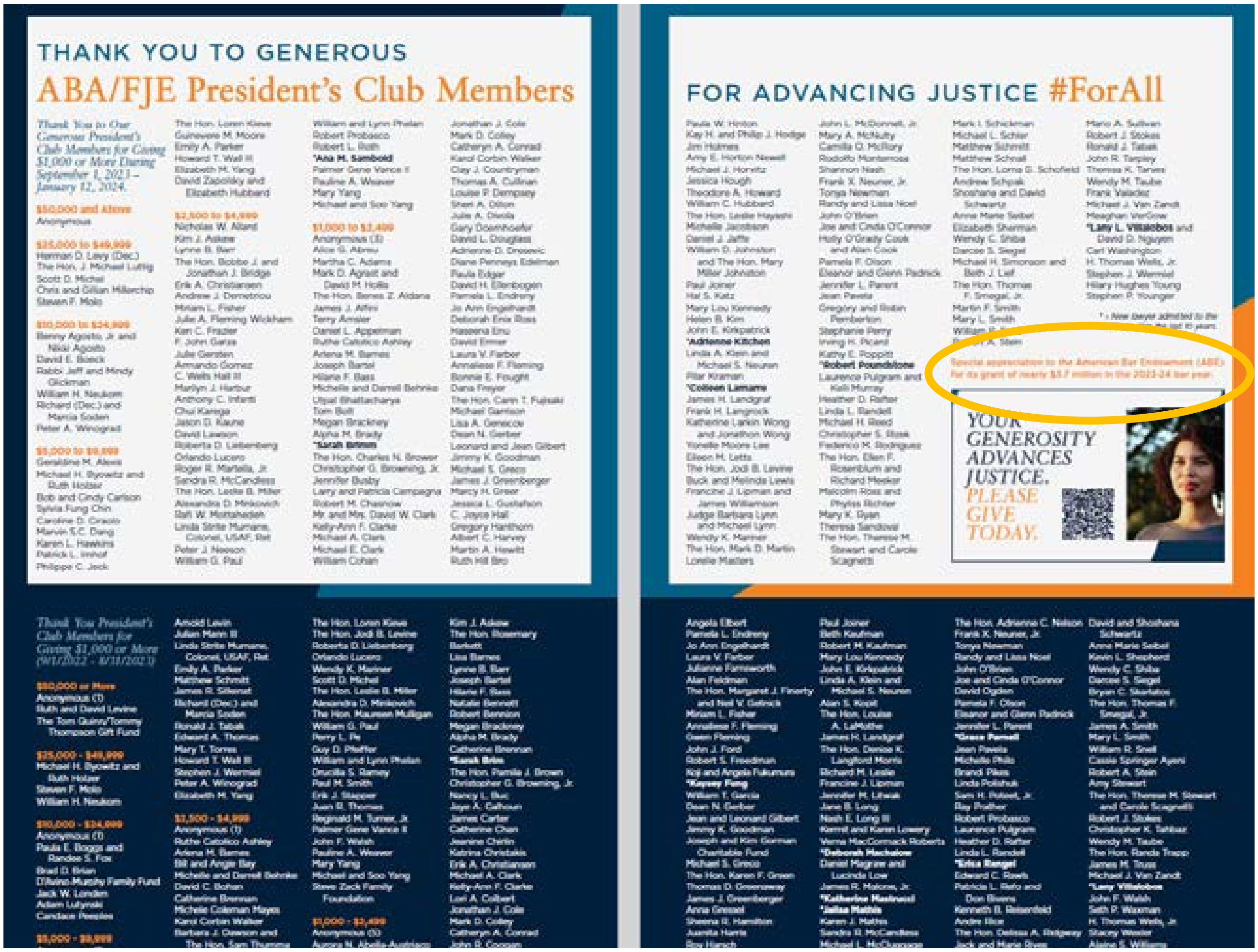
- Acknowledgement of ABA FJE donors is also displayed on the digital donor recognition board located on the 21st floor of ABA headquarters in Chicago.

- ABA FJE Chair Orlando Lucero verbally thanked the ABE during the 2024 President's Club reception which occurred during the ABA Annual Meeting in Chicago.

ABA FJE Cross-Promotion Recognition

The ABA FJE continually strives to improve donor stewardship and explore new ways to recognize donors when gathered at the Midyear and Annual Meetings and during the ABA FJE President's Club Reception. For the past several years, the ABA FJE has recognized the ABE, President's Club donors ($1,000+), and organizational supporters ($10,000+) on signage in various locations throughout the meetings. Since the 2019 Midyear Meeting, the ABA FJE began incorporating this recognition into the Meetings & Travel App used by registrants. The app includes information about the ABA FJE and a link to our donor recognition page.

Recognition Provided at the 2024 ABA Midyear Meeting



Recognition Provided at the 2024 ABA Annual Meeting

The ABE was recognized on both the donor wall and in Sidebar.

ABA Journal November/December 2024 Issue

For the past several years, the ABA FJE has worked with the *ABA Journal* to recognize our most generous supporters in its year-end publication. The two-page spread includes special recognition of the grant received from the ABE. The *ABA Journal* reaches more than 350,000 recipients and provides the ABE with substantial national exposure.

The ABE's Grant Charts the Future

As we look to the future, we know that the challenges our communities face are complex and evolving. Unrestricted funding ensures that we are equipped not only to meet today's needs but also to anticipate and adapt to tomorrow's needs. We are honored that the ABE partners with the ABA FJE to turn the promise of justice into reality.

The projects discussed represent a sample of our compelling work. These successes are a direct result of the flexibility and trust provided by unrestricted contributions. Please let us know if you would like additional information on any of our projects or programs. We are delighted to provide additional information. Thank you again for your consideration of our request for $3,830,000 to support these critical programs.

Department of the Treasury
Internal Revenue Service
Tax Exempt and Government Entities
PO Box 2508
Cincinnati, OH 45201

Date:
March 19, 2024
Employer ID number:
36-6110299
Form 990 required:
Yes
Person to contact:
Name: Mr. Meyer
ID number: 0194918

AMERICAN BAR ASSOCIATION FUND FOR
JUSTICE AND EDUCATION
321 N CLARK STREET
20TH FLOOR
CHICAGO, IL 60654

Dear Sir or Madam:

We're responding to your request dated March 04, 2024, about your tax-exempt status.

We issued you a determination letter in July 1963, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(3).

We also show you're not a private foundation as defined under IRC Section 509(a) because you're described in IRC Section 509(a)(3).

Donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax-deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106, and 2522.

In the heading, we indicated whether you must file an annual information return. If you're required to file a return, you must file one of the following by the 15th day of the 5th month after the end of your annual accounting period.

- Form 990, Return of Organization Exempt From Income Tax
- Form 990-EZ, Short Form Return of Organization Exempt From Income Tax
- Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or Form 990EZ
- Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation

According to IRC Section 6033(j), if you don't file a required annual information return or notice for 3 consecutive years, we'll revoke your tax-exempt status on the due date of the 3rd required return or notice.

You can get IRS forms or publications you need from our website at www.irs.gov/forms-pubs or by calling 800-TAX-FORM (800-829-3676).

If you have questions, call 877-829-5500 between 8 a.m. and 5 p.m., local time, Monday through Friday (Alaska and Hawaii follow Pacific time).

Thank you for your cooperation.

Sincerely,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements

Consolidated Financial Statements and Report of Independent Certified Public Accountants

American Bar Association

August 31, 2024 and 2023

Contents

GRANT THORNTON LLP
Grant Thornton Tower
171 N. Clark Street, Suite 200
Chicago, IL 60601

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F +1 312 602 8099

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Governors
American Bar Association

Opinion
We have audited the consolidated financial statements of American Bar Association (the "Entity"), which comprise the consolidated statements of financial position as of August 31, 2024 and 2023, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Entity as of August 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion
We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Entity and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud

may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating statement of activities is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Grant Thornton LLP

Chicago, Illinois
December 9, 2024

American Bar Association

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

August 31,
(Dollars in thousands)

	2024	2023
ASSETS		
Cash and cash equivalents	$ 2,578	$ 3,389
Accounts receivable (net of allowance for credit losses of $53 in 2024 and $178 in 2023)	6,119	6,602
Grants receivable	22,105	18,668
Contributions receivable	4,889	4,895
Prepaid and other assets	6,083	8,054
Due from related parties	326	205
Investments	270,803	257,894
Investments held for others	-	277
Operating lease right-of-use assets	42,001	46,751
Fixed assets, net	6,062	8,098
Total assets	$ 360,966	$ 354,833
LIABILITIES AND NET ASSETS		
Accounts payable	$ 9,934	$ 10,613
Deferred revenue	35,315	33,865
Short-term borrowing	19,500	14,000
Other liabilities	9,536	8,802
Operating lease liabilities	60,879	66,323
Pension liability	10,806	7,786
Long-term debt	36,517	46,820
Due to related parties	60	337
Total liabilities	182,547	188,546
Net assets		
Without donor restrictions:		
Board designated	68,065	61,371
Undesignated	92,831	89,468
Without donor restrictions	160,896	150,839
With donor restrictions	17,523	15,448
Total net assets	178,419	166,287
Total liabilities and net assets	$ 360,966	$ 354,833

The accompanying notes are an integral part of these consolidated financial statements.

American Bar Association

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended August 31, 2024
(Dollars in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
Operating			
Revenues			
Membership dues	$ 42,693	$ -	$ 42,693
Meeting fees	26,139	-	26,139
Advertising	1,257	-	1,257
Grants	104,508	-	104,508
Sponsorships	9,079	-	9,079
Gifts and contributions	4,217	4,905	9,122
Publications	4,696	-	4,696
Royalties	6,752	-	6,752
Accreditation fees	5,802	-	5,802
Other	4,229	-	4,229
Investment income for operations	5,240	-	5,240
Designated reserve for operations	2,206	-	2,206
Net assets released from restrictions	4,444	(4,444)	-
Total operating revenue	221,262	461	221,723
Expenses			
Salaries, wages, and benefits	119,812	-	119,812
Professional fees and services	43,795	-	43,795
Meetings and travel	38,836	-	38,836
Advertising and marketing	3,336	-	3,336
Printing and publications	5,162	-	5,162
Facilities	16,465	-	16,465
Supplies and other	8,023	-	8,023
Total operating expenses	235,429	-	235,429
Excess of operating expenses over revenues	(14,167)	461	(13,706)
Nonoperating items			
Investment return, excluding returns designated for operations			
Endowment funds	-	1,614	1,614
Other	31,630	-	31,630
Pension changes other than net periodic pension cost	736	-	736
Designated reserve for operations	(2,206)	-	(2,206)
Other nonoperating	(5,936)	-	(5,936)
Total nonoperating items	24,224	1,614	25,838
CHANGE IN NET ASSETS	10,057	2,075	12,132
Net assets at beginning of year	150,839	15,448	166,287
Net assets at end of year	$ 160,896	$ 17,523	$ 178,419

The accompanying notes are an integral part of this consolidated financial statement.

American Bar Association

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended August 31, 2023
(Dollars in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
Operating			
Revenues			
Membership dues	$ 43,055	$ -	$ 43,055
Meeting fees	22,903	-	22,903
Advertising	1,567	-	1,567
Grants	114,242	-	114,242
Sponsorships	8,924	-	8,924
Gifts and contributions	4,045	3,050	7,095
Publications	4,691	-	4,691
Royalties	6,670	-	6,670
Accreditation fees	5,684	-	5,684
Other	4,087	-	4,087
Investment income for operations	6,515	-	6,515
Designated reserve for operations	1,918	-	1,918
Net assets released from restrictions	3,449	(3,449)	-
Total operating revenue	227,750	(399)	227,351
Expenses			
Salaries, wages, and benefits	113,824	-	113,824
Professional fees and services	51,092	-	51,092
Meetings and travel	39,036	-	39,036
Advertising and marketing	3,599	-	3,599
Printing and publications	5,863	-	5,863
Facilities	17,724	-	17,724
Supplies and other	6,385	-	6,385
Total operating expenses	237,523	-	237,523
Excess of operating expenses over revenues	(9,773)	(399)	(10,172)
Nonoperating items			
Investment return, excluding returns designated for operations			
Endowment funds	-	886	886
Other	12,769	-	12,769
Pension changes other than net periodic pension cost	1,725	-	1,725
Designated reserve for operations	(1,918)	-	(1,918)
Other nonoperating	(3,463)	-	(3,463)
Total nonoperating items	9,113	886	9,999
CHANGE IN NET ASSETS	(660)	487	(173)
Net assets at beginning of year	151,499	14,961	166,460
Net assets at end of year	$ 150,839	$ 15,448	$ 166,287

The accompanying notes are an integral part of this consolidated financial statement.

American Bar Association

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended August 31,
(Dollars in thousands)

	2024	2023
Cash flows from operating activities:		
Change in net assets	$ 12,132	$ (173)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation expense	1,329	1,951
Loss on disposal of fixed assets	705	-
Pension changes other than net periodic pension cost	(736)	(1,725)
Realized and change in unrealized gains from investments	(39,817)	(20,997)
Changes in operating assets and liabilities		
Accounts receivable	483	(932)
Grants receivable	(3,437)	(135)
Contributions receivable	6	416
Prepaid and other assets	1,971	(1,116)
Investments held for others	277	6
Amounts due from related parties	(121)	49
Operating lease right-of-use assets and liabilities	(694)	19,572
Accounts payable	(626)	(1,907)
Deferred revenue	1,450	(10,761)
Deferred rent	-	(19,223)
Pension liability	3,756	2,572
Other liabilities	457	(7,147)
Net cash used in operating activities	(22,865)	(39,550)
Cash flows from investing activities:		
Sales of investments	27,159	38,110
Purchases of investments	(251)	(16,738)
Purchases of fixed assets	(51)	(1,593)
Net cash provided by investing activities	26,857	19,779
Cash flows from financing activities:		
Proceeds from borrowings on long-term debt	-	15,000
Proceeds from borrowings on short-term debt	72,500	70,000
Principal payments on long-term debt	(10,303)	(8,160)
Principal payments on short-term debt	(67,000)	(60,000)
Net cash (used in) provided by financing activities	(4,803)	16,840
NET CHANGE IN CASH AND CASH EQUIVALENTS	(811)	(2,931)
Cash and cash equivalents at beginning of year	3,389	6,320
Cash and cash equivalents at end of year	$ 2,578	$ 3,389
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 2,877	$ 2,198
Cash paid for income taxes	269	193

The accompanying notes are an integral part of these consolidated financial statements.

NOTE A - ORGANIZATION

The American Bar Association (the ABA) is the national professional association for the nation's lawyers and provides a wide range of services to its members and the public. The ABA's mission is to serve equally its members, its profession and the public by defending liberty and delivering justice as the national representative of the legal profession.

The consolidated financial statements of the ABA include the accounts of the ABA and the American Bar Association Fund for Justice and Education (the FJE). Inter-entity transactions and balances have been eliminated in consolidation.

The ABA established the FJE as a separate entity in order to obtain tax deductibility for contributions made to the FJE. The FJE has no existence separate from the ABA other than its having applied for and maintained its status as a tax-exempt entity. The FJE's bylaws require that the FJE maintain its assets separate and apart from the general and unrestricted assets of the ABA, that these assets may not be used in any manner for the general purposes of the ABA and that the FJE maintain books and records separate and apart from the general books and records of the ABA.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The ABA's consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). These principles require management to make estimates and judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses in the reporting period. Actual results could differ from those estimates.

Consolidated financial statement presentation follows the accounting standards for not-for-profit organizations. Under these standards, net assets, revenues, and investment income or loss are classified based on the existence or absence of donor-imposed restrictions, as follows:

- Net assets with donor restrictions represent contributions subject to donor-imposed restrictions. Some restrictions are temporary in nature, stipulating that resources be used after a specified date or for a particular purpose. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of a restriction is accomplished, net assets are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Some restrictions are perpetual in nature and mandate the original principal be invested in perpetuity. The majority of the earnings from net assets restricted in perpetuity are available for the general use of the ABA.

- Net assets without donor restrictions are not subject to donor-imposed stipulations other than broad restrictions relating to the nature or purposes of the entity. The ABA uses unrestricted contributions at its complete discretion without time or purpose limits. Board-designated net assets are net assets without donor restrictions designated by the Board of Governors (the Board) to be used for several specific purposes. The Board retains control over these net assets and may, at its discretion, subsequently use the net assets for other purposes.

Net Assets/Board-Designated Funding of Operations

The ABA's net assets without donor restrictions include certain amounts the Board has designated as a reserve for operations. As part of the ABA's annual budgeting process, the Board decides whether it is appropriate to increase or decrease operating revenues by transferring amounts from or to the non-operating section of the consolidated statements of activities. Allocations for operations from Board designated reserves were $2,206 and $1,918 for the fiscal years 2024 and 2023, respectively.

Cash and Cash Equivalents

Cash equivalents include money market funds with underlying securities having a dollar-weighted average maturity of 90 days or less at the time of purchase. The ABA can liquidate shares of the fund at any time without cost. The ABA had deposits in excess of federally insured limits at August 31, 2024 and 2023. The ABA has not experienced any losses in such deposit accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. The cash equivalents were $294 and $310 as of August 31, 2024 and 2023, respectively.

Accounts Receivable

Accounts receivable are stated at amounts due, net of an allowance for credit losses. The ABA evaluates the collectability of its accounts receivable based on the length of time the receivable is outstanding and the anticipated future uncollectible amounts based on historical experience, current conditions, and reasonable and supportable forecasts. Accounts receivable are charged to the allowance for credit losses when they are deemed uncollectible, and payments subsequently received on such receivables are credited to the allowance for credited losses.

Grants Receivable

Grants receivable include grant and contract expenses incurred in advance of the receipt of funds, from federal and local government agencies and private entities related to sponsored programs.

Contributions Receivable

Contributions are recognized as revenue upon the earlier of the receipt of a donor's unconditional written pledge to contribute or upon receipt of the contribution. Contributions are classified based on the existence or absence of donor-imposed restrictions. The ABA writes-off pledges when they are deemed uncollectible.

Investments

The ABA records at fair value all investments in debt securities and equity securities with readily determinable fair values based on quoted market prices. Investments held for others represent investments that are the property of related party organizations (see Note C), which are maintained in the ABA investment portfolio.

The estimated fair values of investments that do not have readily determinable fair values are based on the net asset value (NAV) per share or based on estimates provided by external investment managers. These fair values are examined through a valuation review process performed by management. A range of possible values exists for these investments and, therefore, the estimated values may differ from the values that would have been used had a ready market for these investments existed.

Leases

The ABA determines if an arrangement contains a lease at inception based on whether there is an identified asset and whether the ABA controls the use of the identified asset throughout the period of use. The ABA classifies leases as operating. Right-of-use (ROU) assets are recognized at the lease commencement date and represent the ABA's right to use an underlying asset for the lease term, and lease liabilities represent the ABA's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the remaining lease term. The present value of lease payments is discounted based on the ABA's incremental borrowing rate for all classes of underlying assets. The lease term used in determining the discount rate starts at the transition date. The lease term is the remaining lease term on the transition date. Leases with an initial term of 12 months or less are not recorded on the statements of financial position.

The ABA's operating lease ROU assets are measured based on the corresponding operating lease liability adjusted for (i) payments made to the lessor at or before the commencement date, (ii) initial direct costs incurred and (iii) lease incentives under the lease. Options to renew or terminate the lease are recognized as part of the ABA's ROU assets and lease liabilities when it is reasonably certain the options will be exercised. ROU assets are also assessed for impairments consistent with the ABA's long-lived asset policy.

Operating leases are presented separately as operating lease ROU assets and operating lease liabilities in the accompanying statements of financial position.

Fixed Assets, Net

The ABA records leasehold improvements, furniture and equipment at cost and capitalizes acquisitions of such items having an initial cost of $5 or more and an estimated useful life of greater than one year. Acquisitions with a cost of less than $5 are expensed in the current period. Depreciation and amortization are computed using the straight-line method over the estimated useful life of the assets, ranging from three to ten years. For the year ended August 31, 2024, there was $705 reported as a loss due to the disposal of fixed assets, recorded within supplies and other expenses.

Operations

In the consolidated financial statements, revenues earned and expenses incurred in conducting the programs and services of the ABA are presented as operating activities. Non-operating activities include investment return, net return designated and transferred to operations, pension changes other than net periodic pension costs, and other non-operating items.

Membership Dues

ABA membership benefits include access to exclusive internet content, networking and legal technical resources, discounts on purchases, and access to free continuing legal education. Access to these benefits is voluntary and can occur any time during the membership period, and are treated as part of the membership itself, rather than as multiple performance obligations. The ABA recognizes membership dues revenue pro-ratably over the 12-month membership period. The straight-line method is used to allocate the performance obligations over the performance measurement period. The ABA has determined this method provides a reasonable depiction of the transfer of goods or services because the member is required to pay regardless of how frequently the membership benefits are used. All benefits are available to the member on a constant basis over the contract period. Membership dues received but not yet recognized, including those for a future fiscal period, are accounted for as deferred revenue.

Meeting Fees

Meeting fees for the current fiscal year are recognized when the meeting dates occur. Payments received for meetings being held in the next fiscal year are accounted for as deferred revenue.

Advertising

Payments received in exchange for advertisements placed in ABA publications are deferred until the publications containing the advertisements are issued. Revenue for advertising on ABA websites is recognized over the contract period for which the advertisements appear.

Grant Revenue

The ABA recognizes grant revenue on grants that meet the criteria for exchange transactions when expenses are incurred for the purpose specified by the grantor.

A portion of the ABA's revenue is derived from federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when expenditures have been incurred or performance requirements have been met, in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position. At August 31, 2024 and 2023, unrecognized cost-reimbursable grant awards were $109,612 and $95,916, respectively, because qualifying expenditures have not yet been incurred. Amounts received in advance under federal and state contracts and grants of $3,700 and $4,500 recorded as refundable advances, in deferred revenue, in the consolidated statements of financial position as of August 31, 2024 and 2023, respectively.

Sponsorships Revenue

The ABA solicits and receives sponsorships for various meetings, events, and initiatives. Revenue is recognized at the conclusion of the sponsored event. For annual sponsorships, revenue is recognized ratably over the life of the sponsorship agreement. Payments received prior to recognition are accounted for as deferred revenue.

Gifts and Contributions

The ABA recognizes cash gifts and contributions as revenue in the period received. Gifts and contributions are reported as donor restricted if they are received with donor restrictions that limit their use other than for broad restrictions relating to the nature or purposes of the ABA. The expiration or fulfillment of donor-imposed restrictions on contributions result in those contributions being reported as net assets released from restrictions in the accompanying consolidated statements of activities. Pledges are recorded in the period pledged and included within accounts receivable on the consolidated statements of financial position.

Publications Revenue

The ABA publishes and distributes numerous magazines and books. Payment is requested in advance for all publications, except for publications sold to libraries and government agencies. Revenue is recorded upon shipment.

Royalty Revenue

The ABA receives various royalties from other organizations. These royalties are primarily from membership benefits offered to members and staff of the ABA. The revenue is recognized when earned according to contractual agreements with each organization.

Accreditation Fees

The ABA's Council of the Section of Legal Education and Admission to the Bar serves as the national accrediting agency, recognized by the U.S. Department of Education, for programs leading to the J.D. degree and as the entity that establishes educational standards for eligibility to sit for the bar examination accepted by all states and territories. Accredited institutions are charged for the accreditation service, and revenue is recognized on a straight-line basis over the accreditation period.

Allocation of Expenses

The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the ABA. Those expenses include payroll taxes, fringe benefits, facilities costs and technology costs. Payroll taxes and fringe benefits costs are allocated as a percentage of total salary costs to each department, line of business or function based on direct salary charges incurred. Facilities costs are assessed based on committed space each function occupies, and technology costs are spread based on headcount employed by each department, line of business, or function.

Income Taxes

The ABA and FJE have received favorable determination letters from the Internal Revenue Service as an exempt organization under Section 501(c)(6) and Section 501(c)(3), respectively, of the Internal Revenue Code of 1986, except for income taxes pertaining to unrelated business income. The Financial Accounting Standards Board (FASB) guidance requires tax effects from uncertain tax positions to be recognized only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. Management has determined there are no material uncertain positions that require recognition in the consolidated financial statements. No provision was necessary for ABA nor FJE for unrelated business income. The amount of unrelated business income after expenses for current year and prior year tax liability was not material overall to the consolidated financial statements.

Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued Accounting Standards Updated (ASU) 2016-13*, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (CECL).* ASU 2016-13 is intended to improve financial reporting by requiring timelier recording of credit losses on loans and other financial instruments held. This ASU requires the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This ASU requires enhanced disclosures to help financial statement users better understand significant estimates and judgments used in estimating credit losses. These disclosures include qualitative and quantitative requirements that provide additional information about the amounts recorded in the consolidated financial statements. The ABA adopted this new guidance effective September 1, 2023. There was no material impact on the consolidated financial statements as a result of the adoption of this guidance.

Reclassifications

Certain amounts in the prior year consolidated financial statements have been reclassified to conform to the current year presentation. These reclassifications had no effect on the reported changes in net assets.

(Dollars in thousands)

NOTE C - RELATED-PARTY TRANSACTIONS

Each of the American Bar Endowment, the American Bar Foundation, the ABA Retirement Funds and the National Judicial College is under its own management, but each is related to the ABA through some common directors, officers or members.

The American Bar Endowment contributed $3,697 and $3,684 to the ABA as of August 31, 2024 and 2023, respectively. In addition, in February 2024 the American Bar Endowment has pledged $3,830 to be contributed in 2025, and that contribution has also been recognized and is included in contributions receivable as of August 31, 2024. The ABA held $0 and $277 in long-term investments for the National Judicial College as of August 31, 2024 and 2023, respectively. The ABA received sublease rental income from related parties totaling $490 and $313 for the years ended August 31, 2024 and 2023, respectively.

NOTE D - INVESTMENTS

The ABA's consolidated investments (excluding cash equivalents and investments held for others) at August 31, 2024 and 2023 are as follows:

	2024	2023
Mutual funds	$ 60,817	$ 56,108
Alternative investments	209,986	201,786
Total investments	$ 270,803	$ 257,894

On an annual basis, the Board may approve the allocation of investment income to operating revenue. Investment income allocated to operations in 2024 and 2023 totaled $5,240 and $6,515, respectively. The allocated amount includes all short-term investment income earned and a percentage of the average balance of the long-term investments for a prior 12-quarter period. Investment returns excluding the return on investments allocated to operations, are recorded as a non-operating activity and totaled $33,244 and $13,655 for fiscal years 2024 and 2023, respectively.

NOTE E - FAIR VALUE OF FINANCIAL INSTRUMENTS

The ABA values its financial assets based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value in three broad levels, which are described below:

Level 1 - Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in inactive markets, or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3 - Unobservable inputs are used when little or no market data is available.

(Dollars in thousands)

In determining fair value, the ABA uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as considers counterparty credit risk in its assessment of fair value. Financial assets carried at fair value at August 31 are classified in the tables below.

	2024		2023	
	Level 1	Total	Level 1	Total
Money market accounts	$ 44	$ 44	$ 42	$ 42
Mutual funds - equity	60,817	60,817	56,108	56,108
Alternative investments				
Fixed (measured at NAV)	-	66,737	-	76,480
Equity (measured at NAV	-	141,958	-	123,916
Other (measured at NAV)	-	1,291	-	1,390
Total	60,861	270,847	56,150	257,936
Investments held for related parties				
Alternative investments				
Equity (measured at NAV)	-	-	-	277
Total assets, at fair value	$ 60,861	$ 270,847	$ 56,150	$ 258,213

The following table sets forth the investment strategies and redemption terms for those investments that are measured at NAV per share as of August 31:

	2024 Fair Value	2023 Fair Value	Redemption Restrictions	Redemption Frequency	Redemption Period
Alternative investments					
Fixed	$ 66,737	$ 76,480	No lock up	Daily	1 - 7 days
Equity	141,958	124,193	No lock up	Daily	1 day
Other	1,291	1,390	No lock up	Daily	1 day
Total	$ 209,986	$ 202,063			

Alternative investments (fixed, equity, and other) are composed of institutional funds that provide exposure to broadly diversified funds of return seeking assets including global equities, real assets and global fixed income. These investments are valued using NAV.

(Dollars in thousands)

NOTE F - FIXED ASSETS

Fixed assets and the related accumulated depreciation at August 31, 2024 and 2023 are as follows:

	2024	2023
Furniture and equipment	$ 3,280	$ 7,626
Leasehold improvements	10,639	10,880
Work in progress	42	1,577
Total fixed assets	13,961	20,083
Less: accumulated depreciation	(7,899)	(11,985)
Total fixed assets, net	$ 6,062	$ 8,098

NOTE G - EMPLOYEE BENEFIT PLANS

The employees of the ABA, together with the employees of the American Bar Endowment, the American Bar Foundation and the National Judicial College (the Plan Sponsors) participate in the A-E-F-C Pension Plan (the Pension Plan), a defined benefit plan, and the ABA Thrift Plan, a contributory and defined contribution plan (the Thrift Plan). In an amendment effective January 1, 2007, employees hired on or after that date are not eligible to participate in the Pension Plan but participate in the defined contribution portion of the Thrift Plan. Employees as of December 31, 2006 could remain in and accrue additional benefits under the Pension Plan or elect to convert to the defined contribution plan as of January 1, 2007. Annual employer contributions to the defined contribution plan are 5% of the participant’s annual salary. Employees who converted to the defined contribution plan retain vested benefits accrued as of December 31, 2006 under the Pension Plan.

Under the Thrift Plan, participants may contribute to a 401(k) in which the employer matches each contribution at a rate of 50% of the participant’s contribution, up to an employer maximum of 3% of a participant’s annual salary.

The ABA's portion of the Pension Plan expense for the years ended August 31, 2024 and 2023 was $3,756 and $2,561, respectively, of which $3,195 and $1,879, respectively, was recorded within nonoperating in the consolidated statements of activities. Effective January 1, 2011, the Pension Plan was amended to reduce the plan benefit formula with the intent that the expected cost of ABA’s future accrual would approximate 5% of total participants’ pay.

The Pension Plan pays management and consulting fees to various entities that are netted against investment income. These fees are in support of the Pension Plan as a whole, which also supports some ABA related parties. Total fees paid were $1,379 and $1,128 for fiscal years 2024 and 2023, respectively.

(Dollars in thousands)

The funded status of the ABA's portion of the Pension Plan at the measurement dates, August 31, 2024 and 2023, and the pension liability recognized in the ABA's consolidated statements of financial position at August 31, 2024 and 2023, are as follows:

	2024	2023
Change in projected benefit obligation		
Projected benefit obligation at beginning of year	$ 118,249	$ 131,357
Service cost	561	694
Interest cost	6,398	6,263
Actuarial loss (gain)	4,352	(9,307)
Benefits paid	(8,530)	(10,758)
Projected benefit obligation at end of year	121,030	118,249
Change in pension plan assets		
Fair value of Pension Plan assets at beginning of year	110,463	124,418
Actual return on Pension Plan assets	8,291	(3,197)
Benefits paid	(8,530)	(10,758)
Fair value of assets at end of year	110,224	110,463
Funded status as of the measurement date	$ (10,806)	$ (7,786)
Components of adjustments to net assets		
Unrecognized prior service cost	$ -	$ -
Unrecognized net loss	40,304	41,041
Total	$ 40,304	$ 41,041
Amounts recognized in the consolidated statements of financial position		
Pension liability	$ (10,806)	$ (7,786)
Accumulated benefit obligation	$ 121,030	$ 118,249

(Dollars in thousands)

	2024	2023
Weighted-average assumptions used to determine benefit obligation as of August 31		
Discount rate	5.26%	5.65%
Rate of compensation increase	4.16	4.19
Expected return on Pension Plan assets	6.00	6.00
Components of net periodic pension costs for the years ended August 31		
Service cost	$ 561	$ 694
Interest cost	6,398	6,263
Expected return on Pension Plan assets	(6,734)	(7,638)
Amortization of net loss	3,531	3,263
Amortization of prior service credit	-	(9)
Total net periodic pension cost	$ 3,756	$ 2,573

	2024	2023
Weighted-average assumptions used to determine net periodic benefit cost		
Discount rate	5.65%	4.97%
Rate of compensation increase	4.19	4.21
Expected return on Pension Plan assets	6.00	6.00

Components of pension-related changes other than net periodic pension costs are as follows for the years ended August 31:

	2024	2023
Net loss arising during the period	$ 2,795	$ 1,529
Amortization of net loss	(3,531)	(3,263)
Amortization of prior service credits	-	9
Total pension changes other than net periodic pension costs	$ (736)	$ (1,725)
Total net periodic cost and pension changes other than net periodic pension cost	$ 3,020	$ 848

The mortality actuarial assumption used in the August 31, 2024 and August 31, 2023 valuation was the MP-2021 mortality table, which was adjusted by the Aon-developed custom mortality improvement scale that reflects the impact of COVID-19.

Pension Plan Assets

The investment policy of the Pension Plan Administration Committee (the Committee) seeks reasonable asset growth at prudent risk levels within target allocations. Asset allocation target ranges are reviewed quarterly and re-balanced to within policy target allocations. The investment policy is reviewed at least annually, and revised, as deemed appropriate, by the Committee.

(Dollars in thousands)

The Pension Plan's investments are diversified to mitigate risks of loss yet maximize investment returns. Due to the volatility of the capital markets, there is a reasonable possibility of changes in fair value, resulting in additional losses in the near term. It is the intention of the ABA to fund its portion of the Pension Plan as required by the Employee Retirement Income Security Act of 1974.

The fair values of the Pension Plan assets at August 31, by asset category, are as follows:

	2024		2023	
	Level 1	Total	Level 1	Total
Money market funds	$ 29,599	$ 29,599	$ 4,645	$ 4,645
Collective trust funds				
Fixed (measured at NAV)	-	46,500	-	61,878
Equity (measured at NAV)	-	8,802	-	10,678
Alternative investments				
Equity (measured at NAV)	-	18,281	-	30,163
Hedge funds (measured at NAV)	-	7,042	-	3,099
Total pension plan assets	$ 29,599	$ 110,224	$ 4,645	$ 110,463

The following table sets forth the investment strategies and redemption terms for those investments that are measured at NAV per share as of August 31:

	2024 Fair Value	2023 Fair Value	Redemption Restrictions	Redemption Frequency	Redemption Period
Alternative investments					
Equity	$ 18,281	$ 30,163	No lock up	Daily	Daily
Hedge funds	7,042	3,099	0-12 month lock up	Monthly, quarterly, or annually	9 - 95 days
Collective trust funds					
Fixed	46,500	61,878	No lock up	Daily	1 - 95 days
Equity	8,802	10,678	No lock up	Daily	1 - 95 days
Total	$ 80,625	$ 105,818			

Alternative investments consist of institutional funds that invest predominantly in U.S. large-cap equities. These funds are valued using NAV.

Collective trust funds (fixed) are designed to protect capital with low-risk investments and include cash, bank notes, corporate notes, government bills and various short-term debt instruments. These investments are valued using the NAV provided by the administrator of the fund.

Collective trust funds (equity) are designated to protect capital with low-risk investments and include cash, global energy equities, global metals and mining equities, non-U.S. equities, commodities, and U.S. Treasury inflation-protected securities. They are valued using NAV.

(Dollars in thousands)

Hedge funds consist of investments in a diverse range of hedge funds as well as common stocks. These investments are valued using the NAV provided by the administrator of the fund as well as direct market quotes. There are currently diverse amounts of redemption restrictions depending on the fund.

To determine the expected annual long-term rate of return for the Pension Plan, the historical performance, investment community forecasts and current market conditions are analyzed to develop expected returns for each of the asset classes used by the Pension Plan. The expected returns for each asset class are then weighted by the target allocations of the Pension Plan.

Cash Flows

Expected contributions for the fiscal year ending August 31, 2025 are $0.

Estimated future benefit payments reflecting expected future service for the fiscal years ending August 31:

2025	$	11,878
2026		11,667
2027		11,390
2028		10,578
2029		10,191
2030 through 2034		48,106

ABA Thrift Plan

The ABA's expense related to the 401(k) match of the Thrift Plan for the years ended August 31, 2024 and 2023 totaled $1,790 and $1,614, respectively. The ABA's expense related to the discretionary contribution of the defined contribution for the years ended August 31, 2024 and 2023 totaled $3,474 and $2,896, respectively.

NOTE H - DEBT

In May 2015, the ABA entered into a variable rate line of credit agreement with a financial institution to borrow up to $10,000 to fund normal operating expenses. In August 2022, the line of credit was amended to increase the borrowing amount to $20,000 at 125 basis points above the Secured Overnight Financing Rate (SOFR). In August 2023, the line of credit was amended to increase borrowing up to $30,000 at 125 basis points above the SOFR. As of August 31, 2024 and 2023, $19,500 and $14,000 was outstanding on the agreement, respectively.

On October 4, 2019, the ABA entered into a loan agreement with a financial institution to borrow $48,000, which was funded on October 18, 2019. Proceeds of the loan were used to pay off the existing long-term debt balance of $28,000 and to contribute $19,951 to the Pension Plan. The loan bears a fixed rate of 3.22% per annum and matures on September 30, 2026. As of August 31, 2024 and 2023, the outstanding loan balance was $11,160 and $19,320, respectively.

On October 28, 2021, the ABA entered into an agreement with a financial institution to borrow $12,500 through a term loan bearing interest at an annual rate of 2.67% and maturing on June 30, 2027. Proceeds of the loan were used to pay off the outstanding balance on the line of credit at the time and to fund operations. As of August 31, 2024 and 2023, the outstanding loan balance was $12,500.

On March 10, 2023, the ABA entered into an agreement with a financial institution to borrow $15,000 through a term loan bearing interest at an annual rate of 5.66% and maturing on March 31, 2030. Proceeds of the loan were used to pay off the outstanding balance on the line of credit at the time and to fund operations. As of August 31, 2024 and 2023, the outstanding loan balance was $12,857 and $15,000, respectively.

(Dollars in thousands)

Total interest expense incurred and paid on the long-term loans was $1,652 and $1,528 in 2024 and 2023, respectively.

Future annual principal loan repayments under the terms of the agreement as of August 31, 2024 are as follows:

Fiscal years ending August 31,	Term Debt Principal Repayment
2025	$ 9,583
2026	10,303
2027	10,203
2028	2,143
2029	2,143
Thereafter	2,142
Total	$ 36,517

NOTE I - COMMITMENTS AND CONTINGENCIES

Leases

The ABA leases certain facilities under non-cancelable operating leases. In August 2017, the ABA amended the current operating lease agreement for the Chicago office space (North Clark Lease). The amendment extended the current lease for an additional seven-year period through June 2031, with a renewal option for an additional five years and the payment of allocated real estate taxes and certain other expenses. The amendment also reduced the overall square footage being leased. An additional amendment executed in 2019 further reduced the square footage but did not impact the expiration date of the lease. In June 2023, the ABA exercised the option to further reduce the square footage of the lease, which took effect in June 2024. This amendment did not impact the term of the lease.

In November 2016, the ABA entered into a lease agreement for office space located in Harlingen, Texas. The lease commenced on March 1, 2017, and terminates on February 28, 2025. A July 2019 amendment increased the square footage of the leased premises but did not impact the termination date.

In February 2012, the ABA entered into a lease agreement for office space located in Washington, D.C. (Washington Square Lease). The lease commenced on June 1, 2013, and was set to terminate on February 28, 2029. In August 2022, the ABA amended the Washington Square Lease to reduce the amount of square footage space leased and extend the lease for an additional ten years, modifying the termination date to February 28, 2039.

(Dollars in thousands)

Future undiscounted lease payments with initial or remaining terms of one year or more as of August 31, 2024, are as follows:

Years ending August 31,		
2025	$	7,766
2026		7,477
2027		7,681
2028		8,345
2029		8,574
Thereafter		39,600
Total minimum lease payments		79,443
Less: present value discount		(18,564)
Present value of future minimum lease payments	$	60,879

		2024		2023
Weighted-average remaining lease term (in years)		7.40		7.85
Weighted-average discount rate		5%		5%
Cash paid for amounts included in the measurement of lease liabilities	$	8,632	$	9,149
Operating lease liabilities arising from obtaining ROU assets	$	-	$	73,360

Rent expense for all operating leases totaled $8,987 and $8,346 for the years ended August 31, 2024 and 2023, respectively. In 2024, the ABA recognized a sublease loss of $858, recorded within supplies and other expenses.

The ABA subleases space to several related organizations. Under these agreements, annual sublease rental income may be adjusted for increases in operating expenses. Total sublease rental income for the years ended August 31, 2024 and 2023 totaled $782 and $590, respectively. Total sublease rental income to third parties for the years ended August 31, 2024 and 2023 totaled $292 and $277, respectively.

Future minimum sublease rental income as of August 31, 2024, is as follows:

Years ending August 31,		Minimum Sublease Rental Income
2025	$	534
2026		672
2027		693
2028		716
2029		750
Thereafter		1,445
Total minimum sublease rental income	$	4,810

(Dollars in thousands)

Litigation

The ABA records a liability when it is both probable that a loss has been incurred and the amount of the loss can be reasonably estimated. Significant judgement is required to determine both probability and the estimated loss.

On March 17, 2023, the ABA experienced a cybersecurity breach, as an external attacker gained access into the ABA's internal server and was able to access information. Due to internal cybersecurity controls and processes in place, the ABA's cybersecurity vendor detected this activity and responded accordingly. No sensitive or confidential information was compromised. The ABA believes it has strong defenses against all asserted claims related to this incident. The impact of this breach is not material to the operations and financial condition of the ABA.

NOTE J - FUNCTIONAL EXPENSES

Expenses related to program functions, grant-funded activities, membership functions, general and administrative functions, and fundraising functions are as follows for the years ended August 31:

2024	Program Services		Supporting Services			
	Member Programs	Grants	General and Administrative	Membership Development	Fundraising	Total
Salaries, wages and benefits	$ 43,626	$ 45,643	$ 17,100	$ 12,849	$ 594	$ 119,812
Professional fees and services	7,181	39,586	(4,777)	1,798	7	43,795
Meetings and travel	29,008	6,604	1,339	1,833	52	38,836
Advertising and marketing	1,030	41	72	2,191	2	3,336
Printing and publications	3,483	215	92	1,301	71	5,162
Facilities	5,939	4,505	3,848	2,027	146	16,465
Supplies and other	3,619	1,659	1,651	1,089	5	8,023
	$ 93,886	$ 98,253	$ 19,325	$ 23,088	$ 877	$ 235,429

2023	Program Services		Supporting Services			
	Member Programs	Grants	General and Administrative	Membership Development	Fundraising	Total
Salaries, wages and benefits	$ 40,340	$ 43,073	$ 17,085	$ 12,658	$ 668	$ 113,824
Professional fees and services	6,276	49,718	(6,661)	1,752	7	51,092
Meetings and travel	29,052	6,504	1,359	2,072	49	39,036
Advertising and marketing	1,096	23	60	2,368	52	3,599
Printing and publications	3,895	201	101	1,583	83	5,863
Facilities	6,095	4,431	5,333	1,742	123	17,724
Supplies and other	3,213	1,825	550	788	9	6,385
	$ 89,967	$ 105,775	$ 17,827	$ 22,963	$ 991	$ 237,523

(Dollars in thousands)

NOTE K - NET ASSETS

Net assets with and without donor restrictions at August 31, 2024 and 2023 consist of the following balances:

	2024	2023
Amounts without donor restrictions:		
Board designated		
Reserve for operations	$ 61,037	$ 55,019
Endowments	7,028	6,352
Undesignated	92,831	89,468
Net assets without donor restrictions	160,896	150,839
Amounts restricted by purpose:		
Program support funds	4,961	4,201
Accumulated endowment returns	3,720	2,697
Net assets restricted by purpose	8,681	6,898
Amounts with perpetual donor restrictions:		
FJE endowment fund	3,457	3,457
Other	5,385	5,093
Net assets with perpetual donor restrictions	8,842	8,550
Net assets with donor restrictions	17,523	15,448
Total net assets	$ 178,419	$ 166,287

Net assets were released from donor restrictions by incurring expenses, the passage of time, or the occurrence of other events satisfying the restricted purposes specified by donors. Other transfers relate to a change in restriction stipulation from a donor.

	2024	2023
Net assets released from purpose restrictions for operations:		
Litigation fellows support fund	$ 509	$ 491
Commission on immigration	565	433
Fund for justice improvement project	698	387
Task force for American democracy	292	-
Other	2,380	1,909
Total net assets released from restrictions	$ 4,444	$ 3,449

The FJE endowment fund consists of 45 individual funds established for a variety of purposes. Its endowments are classified as donor-restricted endowment funds. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The ABA has interpreted the Uniform Prudent Management of Institutional Act of 2006 (UPMIFA) as requiring the presentation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the ABA classifies as net assets with donor restrictions (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is also classified within net assets with donor restrictions for purpose until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the ABA considers the following factors when making a determination to appropriate or accumulate donor-restricted funds:

- The duration and preservation of the fund;
- The purposes of the ABA and the FJE, as applicable, and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the ABA; and
- The investment policies of the ABA.

The ABA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain purchasing power of endowment assets. Endowment assets include those assets of donor-restricted funds that the FJE must hold in perpetuity. Some of the endowment asset accounts were established by the Board or another ABA entity to be treated like endowment funds. These assets, referred to as quasi-endowment funds, follow the same protocol as endowment accounts but are classified as being without donor restrictions. Under this policy, endowment assets are invested in a manner that is intended to produce a real return, net of inflation and investment management costs, of at least 5% annually over the long term. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the ABA relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The ABA targets a diversified asset allocation that places a greater emphasis on equity based investments to achieve its long-term objectives within prudent risk constraints.

The ABA has a policy of appropriation for distribution each year up to 3.5% of its endowment funds' rolling average fair value over the prior 36 months through the calendar year end immediately preceding the fiscal year in which the distribution is planned. In establishing this policy, the ABA considered the long-term expected return on its endowments. Accordingly, over the long term, the ABA expects the current spending policy to allow its endowments to grow at an average of the estimated long-term rate of inflation. This is consistent with the ABA's objective to maintain the purchasing power of endowment assets held for a specific term, as well as to provide additional real growth through new gifts and investment return.

(Dollars in thousands)

From time to time, the ABA receives contributions subject to donor restrictions requiring their use for the specific purpose of an existing permanent endowment, but only temporarily restricting the use of those funds. These types of contributions are classified in the composition table below as without donor restriction or with donor restriction assets, depending on the intent of the donor.

Endowment net asset composition is as follows as of August 31:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment	$ -	$ 12,562	$ 12,562
Quasi endowment	7,028	-	7,028
Total	$ 7,028	$ 12,562	$ 19,590

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment	$ -	$ 11,247	$ 11,247
Quasi endowment	6,352	-	6,352
Total	$ 6,352	$ 11,247	$ 17,599

Changes in endowment net assets are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, August 31, 2023	$ 6,352	$ 11,247	$ 17,599
Investment gain	961	1,614	2,575
Contributions	-	293	293
Appropriation of endowment assets for expenditures	(285)	(592)	(877)
Endowment net assets, August 31, 2024	$ 7,028	$ 12,562	$ 19,590

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, August 31, 2022	$ 6,348	$ 10,555	$ 16,903
Investment gain	251	886	1,137
Contributions	-	239	239
Appropriation of endowment assets for expenditures	(247)	(433)	(680)
Endowment net assets, August 31, 2023	$ 6,352	$ 11,247	$ 17,599

(Dollars in thousands)

NOTE L - LIQUIDITY

The ABA's working capital and cash flows fluctuate during the year due to the timing of dues collections and grant funding, relative to expenditures for programming and operations. To manage liquidity, ABA monitors cash balances regularly and spreads the budgeted sale of investments to fund operations throughout the year to ensure adequate cash is on hand. In addition, ABA has a committed line of credit in the amount of $30,000; $10,500 of which was available to draw upon as of August 31, 2024.

ABA's financial assets available for general use within one year of August 31, are as follows:

	2024	2023
Cash and cash equivalents	$ 2,578	$ 3,389
Investments	270,803	257,894
Accounts receivable, net	6,119	6,602
Grants receivable	22,105	18,668
Contributions receivable	4,889	4,895
Total	306,494	291,448
Less:		
Net assets with perpetual donor restrictions	(8,842)	(8,550)
Board-designated endowments	(7,028)	(6,352)
Total financial assets available	$ 290,624	$ 276,546

NOTE M - SUBSEQUENT EVENTS

The ABA evaluated events and transactions occurring subsequent to December 9, 2024, the date the consolidated financial statements were available to be issued. During this period, there have been no subsequent events requiring recognition or disclosure in the consolidated financial statements.

DETAILS OF CONSOLIDATION

American Bar Association

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended August 31, 2024
(Dollars in thousands)

	American Bar Association	ABA Fund for Justice and Education	Consolidated
Operating			
Revenues			
Membership dues	$ 42,693	$ -	$ 42,693
Meeting fees	24,749	1,390	26,139
Advertising	1,257	-	1,257
Grants	-	104,508	104,508
Sponsorships	8,892	187	9,079
Gifts and contributions	-	9,122	9,122
Publications	4,637	59	4,696
Royalties	6,689	63	6,752
Accreditation fees	5,444	358	5,802
Other	2,917	1,312	4,229
Investment income for operations	5,240	-	5,240
Designated reserve for operations	2,206	-	2,206
Total operating revenue	104,724	116,999	221,723
Expenses			
Salaries, wages, and benefits	61,845	57,967	119,812
Professional fees and services	2,807	40,988	43,795
Meetings and travel	29,541	9,295	38,836
Advertising and marketing	3,275	61	3,336
Printing and publications	4,651	511	5,162
Facilities	10,330	6,135	16,465
Supplies and other	2,661	5,362	8,023
Total operating expenses	115,110	120,319	235,429
Interfund transfers	2,568	(2,568)	-
Total expenses and transfers	117,678	117,751	235,429
Excess revenues over (under) expenses after transfers	(12,954)	(752)	(13,706)
Nonoperating items			
Investment return, excluding returns designated for operations			
Endowment funds	-	1,614	1,614
Other	30,529	1,101	31,630
Pension changes other than net periodic pension cost	736	-	736
Designated reserve for operations	(2,206)	-	(2,206)
Other nonoperating	(5,936)	-	(5,936)
Total nonoperating items	23,123	2,715	25,838
CHANGE IN NET ASSETS	10,169	1,963	12,132
Net assets at beginning of year	132,876	33,411	166,287
Net assets at end of year	$ 143,045	$ 35,374	$ 178,419

ABA Fund for Justice and Education
Fiscal 2025 Budget
($ In Thousands)

Description	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Membership Dues	$ -	$ -	$ -
Meeting Fees	891		891
Advertising	-		-
Gifts, Contributions, and Sponsorships	4,697	2,994	7,691
Grants	107,032		107,032
Publications	73		73
Royalties	49		49
Rental Income	-		-
Accreditation Fees	368		368
Miscellaneous Other	1,750		1,750
Investment income from Operations	-		-
Designated Reserve for Operations	-		-
Net Assets Released from Restrictions	3,474	(3,474)	-
Total Revenues	**$ 118,334**	**$ (480)**	**$ 117,854**
Expenses			
Compensation	$ 49,640		$ 49,640
Fringe Benefits and Payroll Taxes	14,458		14,458
Professional Services	42,668		42,668
Meetings and Travel	9,976		9,976
Advertising and Marketing	103		103
Publishing	538		538
Facilities	6,564		6,564
Transfers	(2,771)		(2,771)
Other Expenses	5,742		5,742
Total Expenses	**$ 126,918**	**$ -**	**$ 126,918**
Net Revenues over/(under) Expenses	**$ (8,584)**	**$ (480)**	**$ (9,064)**
Non-Operating:			
Net Change in Pension Liability other than Periodic Cost	$ -	$ -	$ -
Investment Income	-	1,562	1,562
Reserve Transfers	-	-	-
Other Non-operating	-	-	-
Net Change in Total Net Assets	**$ (8,584)**	**$ 1,082**	**$ (7,502)**

FY2026 Budget

The FY2026 budget process is underway. For the upcoming bar year, the ABA FJE does not expect expenses to decrease dramatically from the nearly $127 million currently anticipated in FY2025. As an unrestricted grant, the ABE's generous funding of $3.83 million will be used to support the programmatic costs of ABA FJE supported charitable programs.

The most recent audited financial statement of actual revenue and expense for FY2023 and the most recent FJE 990 can be accessed by clicking this link:
https://www.americanbar.org/about_the_aba/financial_reports/

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AMERICAN BAR FOUNDATION

AMERICAN BAR FOUNDATION
Application to the American Bar Endowment
Funding for Fiscal Year 2025-2026

January 2025

AMERICAN BAR FOUNDATION
Application to the American Bar Endowment
Funding for Fiscal Year 2025-2026

January 2025

American Bar Endowment

Grant Application

Instructions

Please complete and sign the following form and submit requested documents. You can e-mail your completed application, including listed attachments to Dana Sturtz Hill at dhill@abenet.org and cc to Izzy Eisen at ieisen@abenet.org. If you have any questions, please contract Izzy Eisen at ieisen@abenet.org.

Applicant Organizational Information

Applicant name (including any assumed business name(s) used): American Bar Foundation

The amount requested from the ABE: $3,830,000

Frequency of payments: Quarterly

Payment to start: September 1, 2025

Principal Contact for this Grant Application

Name: Mark Suchman
Title: Executive Director
Email address: musuchman@abfn.org
Phone: 312-988-6548
Street Address: 750 N. Lake Shore Drive. 4th Floor
City: Chicago State: IL Zip: 60611

The applicant is recognized by the United States Internal Revenue Service as an organization described in section 501(c)(3) of the Internal Revenue Code and in the following category (check the appropriate box):

☑ Sections 509(a)(1) and 170(b)(1)(A)(vi)

☐ Sections 509 (a) (1), other than Section 170(b)(1)(A)(vi)

☐ Sections 509(a)(2)

☐ Sections 509 (a)(3)

☐ Sections 509(a)(4)

Applicant EIN: 36-6110271

Link to the organization's most recent 990 filing: **LINK**
https://abfn.sharepoint.com/:b:/s/ExecutiveOffice/EXa8f48FtEFGtUqrMiE4DvcBVR2_GDAKG0P4q4fT1nuXEw?e=1bKcQb

Please submit the following documents as part of a complete proposal.

☑ Application cover letter addressed to the ABE president.
☑ Proposal Narrative, answering these questions:

- Description of the planned new projects for the upcoming FY
- Summary of impact of the projects funded by the ABE in the previous FY and to date in the current fiscal year.
- Description of what portion of the grant would go towards general operating support vs. support in furtherance of a specific project.
- Summary of current and planned fundraising efforts.
- Description of how your organization furthers the ABE's charitable, educational, literary, religious, and scientific purposes, including, but not limited to, whether (and if so, how) your organization advances legal study and research and promotes the administration of justice and uniformity of judicial decision throughout the United States.
- Summary of how the applicant will publicly recognize the ABE grant.

☑ Most recent IRS determination letter.
☑ Most recent audited financial statement.
☑ Financial report of actual expenses and revenue from the most recently completed fiscal year.
☑ Proposed organizational budget of expenses and revenue for the year for which funds are requested. The budget should contain a column indicating which expenses ABE funds will support.
☑ List of organization's Board of Directors with names and affiliations.
☑ List of publications from the most recently completed fiscal year.

By signing this application, the applicant certifies the following:

1. To the best of the knowledge of the Applicant's officers and directors/trustees, no proposal, threat or suggestion by the Internal Revenue Service has been made concerning the Applicant's 501(c)(3) status.
2. The funds received from the ABE will not be used to lobby or otherwise attempt to influence legislation or to conduct any activities described in Sections 4945(d) and (e) of the United States Internal Revenue Code. ABE funds will not be used to conduct voter registration drives or activities or to support or oppose any candidate for elected public office.

3. The funds received from the ABE will only be used to support programs and activities deemed charitable under Section 501(c)(3) of the United States Internal Revenue Code.
4. The Applicant does not discriminate in conducting affairs against any person on the basis of race, color, national origin/ancestry, religion, sex, sexual orientation, gender identity or expression, age, physical and mental disability, marital status, military or veteran status, or any other basis protected by federal, state or local law, ordinance, or regulation.
5. The application is signed by an authorized Board officer or senior staff person (Executive Director or Chief Financial Officer).
6. The Applicant will advise the American Bar Endowment of any change in these certifications while the application is being considered and during the grant period.
7. ABE funds will be used in compliance with all applicable anti-terrorist financing and asset control laws, regulations, rules, and executive orders, including but not limited to, the USA Patriot Act of 2001 and Executive Order No. 13224.

	January 6, 2025
Grantee Signature (scanned signature is acceptable)	Date
Mark Suchman	Executive Director
Print Name	Title

Email address: msuchman@abfn.org
Phone: 312-988-658

AMERICAN BAR FOUNDATION

750 North Lake Shore Drive, 4th Floor
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americanbarfoundation.org

December 19, 2024

Honorable Lora J. Livingston, President
Roberta Liebenberg, Grants Committee Chair
Dana Hill, Executive Director
American Bar Endowment
321 N. Clark Street, Suite 1400
Chicago, IL 60654

Dear Judge Livingston, Roberta, and Dana:

As always, we are deeply grateful to you and your American Bar Endowment ("ABE" or "Endowment") colleagues for the essential support that you provide to the American Bar Foundation ("ABF" or "Foundation"). On behalf of the ABF, we are honored to submit the enclosed application for a grant of $3,830,000 for the coming 2026 fiscal year. The ABF can only conduct its mission of expanding knowledge and advancing justice with the ABE's continuing assistance. We look forward to many more years of this highly productive partnership.

INTRODUCTION

In accordance with your grant application request, this cover letter serves as our proposal narrative. Attached, please find our full grant application, containing the following materials:

1. Grant Application Form (Tab 1)
2. Cover Letter and Proposal Narrative (this document, under Tab 2)
3. Most recent IRS Determination Letter (Tab 3)
4. ABF Financial Reports (Tab 4):
   - 4.1. ABF FY23 Audited Financial Statement
   - 4.2. ABF FY24-26 Budgets and Financial Reports
     - 4.2.1. ABF FY24 Report of Actual Revenue and Expenses (unaudited)
     - 4.2.2. ABF FY25 Budgeted Revenue and Expenses (adopted)
     - 4.2.3. ABF FY26 Expected Revenue and Expenses (proposed)
   - 4.3. Spending to Research Projects and Programs
   - 4.4. 10-year Performance Summary FY15-FY24
5. List of Current ABF Board of Directors (Tab 5)
6. Summary of Current ABF Publications and Projects (Tab 6)
   - 6.1. Summary of ABF Publications FY24
   - 6.2. List of Recent ABF Research Projects and Impact
7. Description of Current and Ongoing ABF Development and Fundraising Efforts (Tab 7)
8. Summary of ABF Acknowledgements of ABE Support (Tab 8)

In this cover letter and proposal narrative, we summarize key aspects of our broader grant application. We begin with a description of several new and ongoing ABF research projects and programs. Next, we highlight our main revenue and expense estimates for the current and upcoming fiscal years, and we describe how the ABE grant directly supports ABF projects and programming – and how ABF projects and programming, in return, further the ABE's educational and scientific purposes by advancing legal study and research. We then summarize our ongoing and planned development and fundraising efforts; and finally, we conclude with a brief description of how we acknowledge the ABE's indispensable support in our many ABF communications. Each of these sections maps onto a subsequent tab in our application packet, where you will find a more detailed presentation.

PROPOSAL NARRATIVE

I. New and Ongoing Projects Planned for Fiscal Year 2026

The ABF organizes its research around three core themes: (1) Learning and Practicing Law; (2) Protecting Rights, Accessing Justice; and (3) Making and Implementing Law. To illustrate the continuing relevance of each of these themes, this section highlights the new projects approved since our previous ABE grant proposal, along with a small selection of the ABF's many other ongoing projects and initiatives.

A. Newly Approved Projects

In the year since our previous ABE grant proposal, the ABF Board of Directors has approved two major new research projects, and two substantial ABF-organized conferences. In addition, we anticipate collaborating with other institutions on several smaller conferences, supported by ABE grant funds. These new activities are outlined below.

1. New Research Projects:

(a) The Least of These: Violence, Freedom, and the Promise of a New World – ***Reuben Jonathan Miller*****:** Approved by the ABF Board in Spring 2024 as part of the "**Protecting Rights, Accessing Justice**" portfolio, this ambitious, globally-focused investigation explores the legacies of Black emancipation and the complex interplay of freedom and violence in post-emancipation societies. Professor Miller seeks to understand how various Black communities have engaged in "freedom-making" under conditions shaped by both the realities and the (mis)perceptions of Black violence. Blending personal narrative with a broad suite of interdisciplinary research methods and data sources – including historical archives, qualitative fieldwork, and interviews – the study spans continents and centuries, across the United States, the United Kingdom, Nigeria, and Cameroon, from the 19th-century to the present day.

This research holds the potential to redefine our understanding of freedom and violence in post-emancipation societies. It simultaneously interrogates how freedom has been conceptualized, contested, built, and rebuilt across eras and regions, while also exploring how laws and policies grounded in a fear of Black violence have shaped the lives and freedom-making efforts of formerly-enslaved people and their descendants. Praised by reviewers for its scope, innovative approach, and relevance to contemporary social justice debates, the project also benefits from Professor Miller's engaging narrative voice and proven ability to render complex insights accessible to both academic and public audiences. This groundbreaking work promises significant contributions to scholarship and public discourse on racial equity and the meaning of freedom.

(b) Modernizing Tax Administration with Predictive Algorithms – *Jacob Goldin*: This project, approved by the ABF Board in Fall 2024 as part of the "**Making and Implementing Law**" portfolio, explores a novel strategy for enhancing the efficiency and fairness of IRS tax enforcement through advanced artificial intelligence (AI) techniques. Using data-driven machine learning and predictive algorithms, Professor Goldin aims to improve the accuracy of IRS audit selections, simultaneously increasing the detection of tax evasion while reducing the audit burden on compliant taxpayers and IRS personnel. Building on his successful prior collaborations with the Stanford RegLab and the IRS, the project has two main objectives: (a) to strengthen the identification of tax evasion in partnerships and other complex "pass-through" business entities, and (b) to measure and mitigate racial disparities in IRS audit selection procedures by improving data on taxpayer race. Although these goals are conceptually distinct, they share similar computational challenges and programming requirements, allowing them to be productively combined into a single research project.

Goldin's study promises to generate crucial insights for optimizing audit resources, enhancing tax compliance, and increasing tax fairness. Given recent advances in AI technology and ongoing efforts to modernize the IRS, this research is both highly timely and potentially transformative.

2. New Conference Projects:

(a) Juries in the Americas: Variation and Change – *Shari Diamond (with Valerie Hans)*: Scheduled for May 2025, this conference will trace the evolution and implementation of jury systems across the Americas, bringing together experts from Argentina, Brazil, Canada, Chile, the United States, and Uruguay. The event will provide an invaluable comparative perspective on "citizen participation" in the administration of justice, exploring the historical roots, cultural influences, and legal reforms that have shaped these countries' jury systems. Panels will examine both long-established and newly created jury systems, juxtaposing the introduction of juries into Latin American legal systems that historically lacked them against growing skepticism about juries in Anglo-American legal systems where they have long been commonplace. The conference proceedings, to be published in a dedicated volume, will contribute to the ABF's portfolios on "**Learning and Practicing Law**" and "**Making and Implementing Law**," advancing the ABF's strategic goal of linking academic research to practical legal innovation worldwide.

(b) Modest Proposals? Exploring the Potential of Markets and Technology to Promote Access to Civil Justice – *William H. J. Hubbard (with Ronen Avraham)*: Scheduled for July 2025, this conference will convene socio-legal scholars, legal academics, and practitioners to explore how novel market mechanisms and new computing technologies might improve access to civil justice. Drawing on game theory and behavioral economics, the event will challenge conventional approaches and propose innovative alternatives for enhancing court efficiency and promoting equitable dispute resolution. Panels will examine whether emerging technologies could enable market-like procedural solutions to barriers such as court overload and strategic delay, while broader discussions will explore the multiple purposes of civil procedure and the political and administrative challenges of procedural reform. The conference will culminate in an edited volume or journal symposium, showcasing fresh ideas for civil litigation policy and practice. Spanning the ABF portfolios on "**Protecting Rights/Accessing Justice**" and "**Making and Implementing Law**," the project exemplifies the ABF's commitment to creative, empirically informed policy thinking.

(c) Other upcoming conferences: The ABE's generous annual support will enable the ABF to collaborate with other institutions on several cosponsored events at or near the ABF headquarters in 2025, including:

i. **Plaintiff-Side Practice: Scholars and Practitioners in Dialogue**: Offered in collaboration with Berkeley Law's Civil Justice Research Initiative, this symposium will bring together scholars and practitioners to discuss the history and state of research on plaintiff-side legal practice.

ii. **Law and the Interloper: Queer Theory in Critical Global Law and Society Scholarship**: This day-long workshop, co-sponsored with the Law and Society Association and co-organized by ABF affiliate Swethaa Ballakrishnen, will draw on queer and anti-colonial theories to explore how law is shaped by "interlopers" – actors from outside the prevailing power structure who challenge and unsettle established categories, frameworks, and assumptions.

iii. **Intercampus North Coast Retreat for Emerging and Advanced Sociolegal Empirical Researchers (INCREASER)**: This two-day capacity-building mini-conference will gather advanced graduate students, post-doctoral scholars, and their faculty advisors from the ABF, Purdue, the University of Michigan, and Indiana University to workshop dissertation projects and strengthen collegial networks.

These diverse and innovative gatherings reflect the ABF's commitment to fostering interdisciplinary dialogue, supporting emerging scholars, and advancing cutting-edge research.

B. Ongoing Projects

In addition to these new initiatives, ABF researchers continue to pursue a diverse range of ongoing projects across all three of the Foundation's core portfolios. These projects embody the ABF's commitment to rigorous empirical research that expands knowledge and advances justice. Below, we highlight two key projects from each portfolio, demonstrating the breadth and impact of the ABF's ongoing work. **Tab 6** of this grant application lists many more of our current projects and describes their publications and impact.

1. Learning and Practicing Law

Since at least the 1980s, the ABF has been the world's leading research institute for the empirical study of legal education and the legal profession. In this section, we highlight two ABF research projects that fall within this category. The first explores the role of scientists in litigation; the second examines the rise of non-lawyer legal service providers.

(a) Science and the Legal System – *Shari Seidman Diamond*: Although scientific evidence plays an increasingly central role in modern litigation, the challenges of identifying, recruiting, and productively incorporating scientific experts often daunt both individual attorneys and the larger legal system. To address the obstacles that undermine successful partnerships between science and law, Shari Seidman Diamond and her colleagues are surveying scientists and trial attorneys, exploring what these two groups expect from each other and what they experience in their interactions.

Findings and impact: Now concluding a second phase of follow-up surveys, the project finds that contrary to common belief, most scientists are willing to assist in legal proceedings, and in response to open-ended survey questions, many offered detailed qualitative suggestions on how such collaborations might be improved. As Professor Diamond described in a packed and lively CLE session at the 2024 ABA Midyear meeting, one emerging theme is the importance of starting with a good "match" -- potentially through the development of better directories and more sophisticated recruitment processes.

(b) Alternative Legal Professionals – *Stephen Daniels (with James Bowers)*: This project investigates the spread of innovative legal service delivery models designed to address the "justice gap" in access to legal assistance. Focusing on Washington State's pioneering Limited Licensed Legal Practitioner (LLLT) program, the research applies a policy diffusion framework to examine how the training and licensing of non-lawyer professionals has expanded to other states. The research combines process tracing, documentary analysis, archival research, and interviews, to follow the evolution of these programs as states adapt the LLLT model to new political and professional environments.

Findings and impact: Professor Daniels' finds that while Washington's LLLT program sparked immediate interest and rapid emulation, the concept evolved as states grappled with implementation challenges such as uncertainty about the model's effectiveness, resistance to the new professional group, and variation across legal and regulatory contexts. These findings offer crucial insights for policymakers, bar associations, and courts seeking to enhance access to justice, as well as for scholars studying the states as laboratories for innovation. With the research phase complete, the researchers are now focusing on dissemination – with an ABF-organized CLE session at the 2025 ABA Midyear meeting and a book manuscript on non-lawyer legal professionals and the access-to-justice gap.

2. Protecting Rights, Accessing Justice

The second category of ABF research, "protecting rights and accessing justice," examines how claimants encounter, experience, and mobilize (or challenge) the law. Here we highlight two projects that showcase the ABF's conceptual and methodological breadth: In the first, social-psychologist Janice Nadler explores public reactions to corporate social responsibility signals, while in the second, historian Tera Agyepong investigates the emergence and racialization of specialized women's courts and prisons in the early 1900s.

(a) Public Opinion, Private Governance, and the Influence of Source Credibility – *Janice Nadler*: This project investigates whether corporate endorsements and voluntary implementation of "corporate social responsibility" (CSR) policies influence public support for related legislation and regulation. For instance, does McDonald's discontinuation of eggs from caged hens increase customer support for legislation banning such cages – or do such corporate actions reduce pressures for legal change by suggesting that the private sector is adequately addressing the issue? Using survey experiments and case studies, Professor Nadler is examining these dynamics across multiple domains, including corporate stances on climate change, transgender identity, and animal welfare. Addressing a critical gap in the literature, this project explores the interplay between corporate self-regulation, public attitudes, and the lawmaking process.

Findings and impact: Preliminary results show that corporate announcements can increase public support for legislation, but the effects depend on the political orientation of the audience. These findings carry significant implications for public-interest strategies, corporate governance, and the broader dynamics of legal and regulatory change, particularly amidst a rising backlash against "woke" corporate practices from the political right. The project is now advancing with a book manuscript under development at Cambridge University Press.

(b) Constructing Feminized Courts and Carceral Institutions – *Tera Agyepong*: This project traces the emergence and development of new legal and carceral institutions for women and girls in the early 1900s. Current racial disparities in criminal justice did not arise in a vacuum, but rather evolved over more than a century, as judges, practitioners, academics, and legislators debated and redefined the very meaning of race and criminality. Shifting understandings of gender contributed to this history as well; however, research to date has largely ignored or misrepresented the distinct path that these processes took for women and girls. ABF Research Professor Tera Agyepong is filling in this missing piece of the puzzle, through a ground-breaking study of the specialized women's courts and prisons that emerged in the early twentieth century in cities like Chicago, New York, Philadelphia, and Los Angeles.

Findings and impact: Professor Agyepong's research is finding that these courts and prisons focused almost exclusively on criminalizing women who violated Victorian notions of femininity – punishing a gamut of affronts from prostitution to simply riding in cars with boys. Institutional records from New York and Chicago reveal that by 1930, the weight of these gender norms had become deeply entangled with race: For African Americans, West Indians, and Puerto Ricans, the criminalization of gender became a central part of the immigrant experience, with poverty and discrimination often returning mothers and children from the same family to juvenile court repeatedly across generations. With immigration, criminal justice, and gender norms once again at the center of political debate, the policy relevance of this history is increasingly clear.

3. Making and Implementing Law

The third category of ABF research and programming addresses the often-neglected question of how laws come into being and enter into practice. The two projects summarized below illustrate the value of broad cross-national research and in-depth multi-method research for uncovering the underlying forces that shape the law as we know it. In the first, political scientist and law professor Tom Ginsburg explores the vast variety of international organizations in the changing global order. And in the second, sociologist Laura Beth Nielsen examines how shifting regulatory guidance on campus sexual assault has shaped both university policies and student culture.

(a) Legal Characteristics of International Organizations – *Tom Ginsburg*: This project traces the charters of IOs at a time of rising authoritarianism in world affairs. Since the end of World War II, a heterogeneous and ever-growing collection of IOs have become major players in international relations and international law, producing and enforcing rules, gathering information, and facilitating state-to-state cooperation on a wide array of governance issues. To explore how these organizations form and evolve, ABF Research Professor Tom Ginsburg, a leading international expert on democratic governance, is tracking several hundred IO charters from adoption to dissolution. In July 2024, this research won a substantial National Science Foundation (NSF) grant to support completion of the envisioned database.

Findings and impact: Although coding is still underway, preliminary analysis suggests that democracies guard their sovereignty more jealously than authoritarian regimes. This tendency is particularly apparent in the reluctance of democratic regimes to delegate collective decision-making power to IO bodies. As the research team adds more years and more cases to the data set, Professor Ginsburg hopes to be able to disentangle regional and temporal patterns, to examine, for example, whether the behavior of democratic and authoritarian states has changed since the breakdown of the bipolar Cold War order.

(b) Consent to Sex on Campus – *Laura Beth Nielsen*: In this project, sociologist and former Law and Society Association president Laura Beth Nielsen examines the evolving landscape of civil rights and sexual violence in higher education, focusing on how shifting federal regulatory guidance has affected university Title IX compliance. The research combines a nationwide quantitative analysis of campus sexual harassment policies with in-depth qualitative interviews at five Midwestern universities to explore how the Obama Administration's "Dear Colleague Letter" (DCL) influenced institutional policies and student behaviors around alcohol, drugs, and sexual activity. The project also investigates the effects of subsequent regulatory rollbacks under the first Trump Administration, yielding important insights into how unsettled civil rights policies influence university practices and student experiences.

Findings and impact: Preliminary findings reveal significant gaps in undergraduate understandings of affirmative consent, along with notable variations by school type (e.g., religious vs. secular, elite vs. non-elite). Moreover, while student culture on many campuses is gradually shifting from a "no means no" to a "yes means yes" model, this change appears to be driven more by peer-to-peer education than by formal legal or institutional policies. Supported in part by a sizable grant from the National Science Foundation, the project is drawing on these findings to develop actionable recommendations for policymakers, university leaders, and advocates seeking to address campus sexual violence.

II. Project Impact

As illustrated by the projects highlighted above, ABF research influences knowledge, policy, and legal practice across a wide range of domains. Throughout its research portfolio, the ABF has earned a sterling reputation for quality, integrity, and independent analysis. This hard-won credibility enhances not only the influence of ABF research in the scholarly world but also the impact of ABF research in the world of policy.

Among the clearest indicators of the global respect for our research is the fact that our researchers are frequently called upon to serve as experts within the profession and beyond. A few of the most noteworthy instances in the past year include the following:

- **Tera Agyepong** delivered an invited presentation on "Girls of Color and the Juvenile Justice System" at the New York Judicial Institute.
- **Shari Seidman Diamond** was appointed by the Chief Justice of the Illinois Supreme Court to serve on the Illinois Jury Experience Task Force, which submitted its report in

early October. She also served as a special advisor on the ABA Jury Commission, contributing to the revised *Principles for Juries and Jury Trials*, approved by the ABA House of Delegates at the 2024 ABA Midyear Meeting. In addition, she authored a revised and expanded "Reference Guide on Survey Research" for the *Reference Manual on Scientific Evidence*, co-published by the Federal Judicial Center and the National Academy of Sciences.

- **Tom Ginsburg** is in his second year as the inaugural Faculty Director of the University of Chicago Forum on Free Inquiry and Expression.
- **Carol Heimer** continues her service as editor of the Annual Review of Law and Social Science.
- **Ajay Mehrotra** serves as on the Board of the Southern Education Foundation and on the Diversity, Equity, and Inclusion Committee of the National Asian Pacific American Bar Association (NAPABA).
- **Reuben Jonathan Miller** delivered keynote addresses at the Justice Reform Initiative's 17th annual Reintegration Puzzle Conference in Sydney, Australia and at the Annual Meeting of the British Society of Criminology in Glasgow, Scotland.
- **Anna Reosti** co-authored a public comment, with Robin Bartram, on a proposed regulation by the US Department of Housing and Urban Development, designed to reduce barriers to housing for renters with criminal conviction histories.
- **Mark Suchman** delivered the keynote address at the inauguration of the Hong Kong University Law School's Centre for Interdisciplinary Legal Studies.

ABF researchers have also served as commentators in a wide range of major national print, radio, and television news outlets, as well as in leading legal trade publications such as *Canadian Lawyer* and *Law360*:

- **Tom Ginsburg** commented extensively on questions of academic freedom, presidential immunity, and war crimes, in publications ranging from *Inside Higher Ed* and the *Chronicle of Higher Education* to the *New York Times*, the *Washington Post*, the *Guardian*, and *Forbes*, and in broadcasts by ABC News, MSNBC, and Al Jazeera. He also hosted his own podcast, *Entitled*.
- **Jacob Goldin** addressed IRS audit algorithms on CNBC and discussed the future of IRS Direct File in *Bloomberg Tax*.
- **Robert Nelson** critiqued the Supreme Court's approach to racial history in an opinion essay for *Scientific American*.
- **Ajay Mehrotra** examined President-Elect Trump's proposed tariffs in historical context in *Time*.
- **Reuben Jonathan Miller** explained how local jails contribute to mass incarceration in *The Nation* and discussed strategies for transforming the post-incarceration experience on NPR's *Marketplace*.
- **Christopher Schmidt** commented on the Supreme Court's surprising unanimity in the *Baltimore Post-Examiner*.

In recognition of their contributions, ABF faculty have garnered several highly competitive honors during the past year:

- **Hardeep Dhillon** (former ABF Post-Doctoral Scholar) received The Richard S. Dunn Award for Distinguished Teaching at the University of Pennsylvania, and the Vicki L. Ruiz Award from the *Law and History Review* for her article "The Making of Modern US Citizenship and Alienage: The History of Asian Immigration, Racial Capital, and US Law."
- **Shari Seidman Diamond** received the 2024 Lawrence S. Wrightsman Book Award from the American Psychology-Law Society for her edited volume, *Juries, Lay Judges, and Mixed Courts: A Global Perspective*.
- **Jacob Goldin** was awarded the 2024 Donald M. Ephraim Prize in Law and Economics from the University of Chicago.
- **Tom Ginsburg** was awarded a grant of over $200,000 from the National Science Foundation for his ABF research project, "Legal Characteristics of International Organizations."
- **Dylan Penningroth** (former ABF Research Professor) received multiple awards for his book, *Before the Movement*, from the Law & Society Association, the Organization of American Historians, and the Langum Foundation.

III. ABF Revenues and Expenses (Use of the ABE Grant)

The ABE's generous ongoing support fuels the research projects described above, and we steward our ABE funds with great care. To clarify how the ABE annual grant fits into the ABF's overall financial picture, this section summarizes the main sources of ABF revenues and expenses for the current and upcoming fiscal years. More detailed budget and finance tables can be found at **Tab 4** of this application. As enumerated below, we expect ABF research and programming expenses to exceed the total amount of the ABE grant, indicating that the full ABE award will go toward furtherance of specific projects and programs, and none will go toward general operating support.

In addition to reflecting the ongoing work of our current researchers, these budgets reflect our continued commitment to the Faculty Succession Plan that we adopted in 2018, and to the Strategic Plan that we adopted in 2024. Among other things, these plans establish a multi-year trajectory for rejuvenating our ranks with new hires, as our senior scholars enter retirement. In the six years since the Succession Plan went into effect, four senior research professors have transitioned to emeritus status, one mid-career scholar has moved out of state and become an unpaid "faculty fellow," and three others have departed for unrelated reasons. Meanwhile, six new research professors have joined the ABF, and we have also added two other out-of-state faculty fellows. We anticipate at least one additional senior research professor will begin the retirement process in 2024-25, and one or more new junior research professors will join us in 2025-26. This orderly succession – and with it, the ABF's ongoing intellectual vitality – rests squarely on the continuity of the ABE's annual, unrestricted grant.

A. Current Fiscal Year (2025)

We are deeply grateful for the current fiscal year's ABE grant of $3.83 million. As our activities continue to ramp up from the pandemic slowdown, we expect our research expenditures and in-person meeting expenses to increase again.

1. **Current Fiscal Year Revenue:** We anticipate that our total revenue for this current fiscal year will be approximately $9.1 million. Your annual ABE grant of over $3.8 million will account for 42% of this year's total revenue. The ABF's four most significant sources of revenue for this current fiscal year, and their respective percentage of total revenue, are as follows:

• **American Bar Endowment Grant**	**$ 3.8 million**	**(42%)**
• ABF Fellows Donations	$ 2.1 million	(23%)
• Third-Party Grants	$ 1.6 million	(18%)
• ABF Endowment Income	$ 1.3 million	(14%)

2. **Current Fiscal Year Expenses:** We anticipate that total ABF research expenses this year will be about $5.3 million. This represents an 8% increase from the previous fiscal year, as recently hired faculty come online and research activities accelerate. The top three internal ABF research expenses alone account for approximately $4.1 million, substantially exceeding the current ABE grant amount of $3.83 million:

• Research Faculty Salaries & Benefits	$ 2.1 million
• Research Projects (ABF internal variable costs)	$ 0.9 million
• Fellowships, Journal, and Academic Affairs	$ 1.1 million
Subtotal of top research expenses:	**$ 4.1 million**

In addition to these internal ABF research and programming costs, we anticipate spending an additional $1.1 million on research funded by external third parties. This figure includes grants from organizations such as the National Science Foundation (NSF), the AccessLex Institute, and the former JPB Foundation.[1] We also expect to devote a further $112,000 in ABF endowment revenue to faculty salary and research support, through the Neukom Fellows Research Chair in Diversity and Law.

B. Next Fiscal Year (2026)

1. **Next Fiscal Year Revenue:** For the next fiscal year, we expect our total revenue to decrease slightly to $8.9 million, assuming an unchanged $3.83 million ABE grant. This decrease reflects the anticipated expiration in 2025 of the JPB Foundation's large grant to our Access to Justice Scholars program. Although we intend to seek renewal of that award, our projected FY26 budget reflects only grant funding that is already in hand. Under our preliminary projections, our four largest sources of FY26 revenue (and their percentage of total revenue) will be as follows:

• **American Bar Endowment Grant**	**$3.8 million**	**(43%)**
• ABF Fellows Donations	$2.2 million	(25%)
• Third-Party Grants	$0.9 million	(11%)
• ABF Endowment Income	$1.6 million	(17%)

[1] During the final preparation of this application, the JPB Foundation announced that it is changing its name to the "Freedom Together Foundation." To avoid confusion or inconsistency, we will continue to refer to it as the "JPB Foundation" during the current application cycle.

2. **Next Fiscal Year Expenses:** We anticipate that our total research expenses for the next fiscal year will decrease slightly to $5.2 million. This decline is based on our conservative assumption that the JPB award will end as currently scheduled. In contrast, our *internally* funded research expenses will continue to rise, as new faculty come on board and current faculty salaries grow. Overall, we expect our largest research expense categories to total approximately $4.5 million, consisting of the following expected expenditures:

• Research Faculty Salaries & Benefits	$ 2.5 million
• Research Projects (ABF internal variable costs)	$ 0.9 million
• Fellowships, Journal, and Academic Affairs	$ 1.1 million
Subtotal of top research expenses:	**$ 4.5 million**

C. Use of the ABE Annual Grant

As demonstrated in the financial summary above, we expect to use the full ABE grant for research and programming; no portion of these funds would go toward general operating support. Our anticipated research and programming expenses substantially exceed the requested award, and indeed, if we were to have the good fortune of receiving a higher-than-requested ABE contribution for next year – even up to approximately $4 million – your funding would still go toward ABF research and programming, rather than administrative expenses.

IV. Furthering the ABE's Purposes

ABF research and programming directly and unequivocally furthers the ABE’s charitable, educational, literary, and scientific purposes – by advancing legal study and research, and by building a strong foundation of empirical evidence and theoretical insight for promoting the administration of justice and the uniformity of judicial decision-making throughout the United States. As highlighted in Section I above, ABF scholars conduct a broad spectrum of high-impact research on critical legal topics, including:

- Legal education and the legal profession
- Legal rights, remedies, and access to justice
- Legal disputing and adjudication
- Lawmaking and regulation
- The implementation and impact of legal policy

Additionally, the ABF plays a pivotal role in cultivating future generations of legal scholars and practitioners. Through our undergraduate, doctoral, and post-doctoral fellowship programs, weekly seminar series, and various conferences and training initiatives, we invest over $500,000 annually in preparing emerging legal researchers to tackle the most pressing challenges in the field. Further, the ABF edits, manages, and publishes *Law and Social Inquiry*, one of the world’s leading scholarly journals in socio-legal studies, and our faculty contribute extensively to the larger body of legal writing through their many books, articles, and other literary works.

Moreover, as illustrated in Section II above, the ABF pursues all these activities at the highest level of quality, with a strong emphasis on dissemination and impact as well as on scholarly rigor. Although our Communications staff is not currently funded by the ABE grant, their efforts significantly amplify the reach of ABF research and programming, bringing our findings – and the ABE's sponsorship – to the attention of policymakers, practicing attorneys, and public audiences alike. Under our new 2024–2029 Strategic Plan, we will continue to enhance the visibility and impact of these dissemination and outreach initiatives, further strengthening the ABF's role in expanding knowledge, advancing justice, and promoting the integrity of legal systems worldwide.

V. Current and Planned ABF Fundraising and Development Efforts

As detailed above, the ABE annual grant remains our most significant source of revenue, and it has been essential to the ABF's work for more than seven decades. Nonetheless, we also recognize the importance of building on this solid foundation, and in recent years we have taken deliberate steps to diversify and expand our other revenue streams. These efforts leverage the ABE's bedrock support into a broader, more diverse, and more visible research portfolio than the ABE grant alone could sustain. This section summarizes three primary strategies driving our fundraising success. A more comprehensive discussion appears under **Tab 7**.

A. The Fellows of the American Bar Foundation

The Fellows of the American Bar Foundation, an international honorary society of more than 16,000 leading legal professionals, remains the ABF's second-largest funding source after the ABE annual grant. Contributions from the Fellows have accounted for 25%-35% of the ABF's total revenue over the past decade, and we anticipate that the Fellows will provide over $2 million in both this fiscal year and the next. These contributions support the ABF's general operations as well as our robust research portfolio.

Equally important, gatherings of the Fellows showcase ABF scholarship, strengthen connections between ABF researchers and the practicing bar, and foster loyalty and recognition for the ABF, the ABA, and the ABE (whose vital support is acknowledged at every Fellows event). With the exception of the first year of the COVID pandemic, the ABF has consistently added 500-900 new Fellows annually, with approximately 700 new inductees expected in the current fiscal year. In addition to strengthening the ABF's own ties to the practicing bar, our outreach to prospective Fellows complements the ABA's parallel recruiting efforts: Since 2014, the ABF Fellows staff has contacted over 1,100 nominees who were not yet members of the ABA, leading to more than 180 of these nominees joining both the ABA and the Fellows.

B. Third-Party Grants

In recent years, we have significantly expanded our external grant-seeking efforts, achieving substantial success. For example, in FY23, both the AccessLex Institute and the National Science Foundation (NSF) awarded major grants to support the ABF's doctoral and postdoctoral fellowship programs, providing vital funding for additional cohorts of research trainees over the following three years. Additionally, the ABF's Access to Justice Initiative (originally seeded by a major grant from the JPB Foundation) received a $48,000 subaward to collaborate with former ABF/JPB Scholar Michele Statz on a $1 million NSF "CIVIC" project, which aims to build a community justice-worker network in rural Alaska.

Collectively, such third-party grants significantly bolster our capacity to support fellowships, workshops, and faculty research. We are especially gratified to see several of these funding streams maturing into lasting inter-institutional partnerships, further amplifying the reach and impact of ABF initiatives.

C. Private Donors

We have achieved remarkable success in major gifts and planned giving in recent years, significantly growing our restricted endowments and enhancing our relationships with private individuals and institutional donors. For example, the William H. Neukom Fellows Research Chair in Diversity and Law Endowment brings leading diversity scholars to the ABF for yearlong sabbatical visits. These visitorships have been a resounding success, and we ultimately hope to fund a permanent position from this endowment. Similarly, the William C. Hubbard Law and Education Conference Endowment supports a high-profile biennial conference on the intersection of learning and legality.

Building on these successes, we are now fundraising for the Ruth Bader Ginsburg Endowment for Research in Civil Rights and Gender Equality. In its first three years, this endowment has raised more than $300,000 from individual and organizational donors, including ABF Fellows, officers, and directors, as well as several individuals and law firms that had never previously contributed to our work. To further expand private giving, we continue to pursue innovative approaches, such as event sponsorships from law firms and other institutions, an ABF Legacy Society for estate-plan donations, and an ABF Alumni Association to engage former students, faculty, staff, and affiliated scholars.

In short, we are actively and strategically raising funds from both established and new sources. However, we hope and believe that the ABE will always remain our most important institutional partner and financial supporter. We have grown up together, and this long-standing relationship has been foundational to the ABF's success. We look forward to nurturing and strengthening our vital partnership in the years to come.

VI. ABF's Acknowledgement of ABE Support

Throughout our long and storied partnership, the Foundation has gratefully acknowledged the Endowment's generous support for our research and programming, and (as detailed at **Tab 8**) we continue to do so at every opportunity. All formal ABF communications, from press releases to annual reports to policy briefs, list the ABE as our primary funder. Further, ABF researchers routinely express their personal appreciation for ABE support in their presentations and publications. Many of these communications are disseminated widely across media channels and stakeholder networks in the bar, bench, and legal academy, ensuring that the ABE name, brand, and reputation remain salient among both our key constituencies and yours.

In addition, our digital platforms provide frequent hyperlinks to the ABE's homepage. The "About" page on the ABF website highlights the ABE's support, and our social media presence (including Twitter, Facebook, LinkedIn, and Instagram) regularly acknowledges the Endowment's funding. ABF-produced videos, such as a recent segment about Research Professor Traci Burch's work on voter eligibility verification, also recognize the ABE's generous underwriting.

Perhaps most significantly, our mailings to the ABF Fellows community always acknowledge the ABE's backing and often include publicity for ABE Opportunity Grants. With over 16,000 Fellows worldwide, these communications reach a broad audience of ABF supporters, reminding them that the ABE is a crucial partner in our (and their) work.

CONCLUSION

As the preceding narrative conveys, we are deeply proud of what the ABF has accomplished – and of what we can accomplish in the future – thanks to the generous grant funding that you entrust to us. As you review the materials in our application, we hope you will share in that pride, seeing all that your steadfast support has enabled.

Since our founding in 1952, we have cherished our partnership with the American Bar Endowment. We gratefully celebrate the innovative and influential research and programming that the ABF and the ABE have produced together over the past seven decades, and we look forward to deepening our collaboration in the years to come.

Thank you for your thoughtful consideration of our grant request. We remain ever grateful for the ABE's steadfast and unwavering support.

Sincerely,

Sandra J. Chan
President, American Bar Foundation

Mark C. Suchman
Executive Director and Research Professor,
American Bar Foundation

Internal Revenue Service

Department of the Treasury

P. O. Box 2508
Cincinnati, OH 45201

Date: July 16, 2002

American Bar Foundation
750 N Lake Shore Dr.
Chicago, IL 60611

Person to Contact:
Ms. Edwards 31-07427
Customer Service Representative
Toll Free Telephone Number:
8:00 a.m. to 6:30 p.m. EST
877-829-5500
Fax Number:
513-263-3756
Federal Identification Number:
36-6110271

Dear Sir or Madam:

This letter is in response to your request for a copy of your organization's determination letter. This letter will take the place of the copy you requested.

Our records indicate that a determination letter issued in February 1952 granted your organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

Based on information subsequently submitted, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's sources of support, or its character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on the exempt status and foundation status of your organization.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than $25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of $20 a day, up to a maximum of $10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of $100 or more paid to each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

American Bar Foundation
36-6110271

Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

The law requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. If your organization had a copy of its application for recognition of exemption on July 15, 1987, it is also required to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. You can charge only a reasonable fee for reproduction and actual postage costs for the copied materials. The law does not require you to provide copies of public inspection documents that are widely available, such as by posting them on the Internet (World Wide Web). You may be liable for a penalty of $20 a day for each day you do not make these documents available for public inspection (up to a maximum of $10,000 in the case of an annual return).

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

This letter affirms your organization's exempt status.

Sincerely,

John E. Ricketts

John E. Ricketts, Director, TE/GE
Customer Account Services

American Bar Foundation

Financial Report
August 31, 2023

American Bar Foundation

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Independent Auditor's Report

To the Board of Directors
American Bar Foundation

Opinion

We have audited the financial statements of American Bar Foundation (the "ABF"), which comprise the statement of financial position as of August 31, 2023 and 2022 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the ABF as of August 31, 2023 and 2022 and the changes in its net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the ABF and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the ABF's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Directors
American Bar Foundation

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the ABF's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the ABF's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Plante & Moran, PLLC

January 4, 2024

American Bar Foundation

Statement of Financial Position

August 31, 2023 and 2022

	2023	2022
Assets		
Cash	$ 1,494,774	$ 1,779,000
Investments (Notes 3 and 4)	30,139,209	28,578,442
Receivables:		
Contribution and grant receivables	235,653	343,997
Related party receivable (Note 5)	3,697,357	3,684,288
Total receivables	3,933,010	4,028,285
Prepaid expenses	91,269	62,109
Right-of-use operating lease asset (Note 12)	3,798,515	-
Beneficial interest in trust	18,500	19,500
Property and equipment - Net (Note 6)	76,501	97,109
Total assets	**$ 39,551,778**	**$ 34,564,445**
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 131,677	$ 153,423
Refundable grant advances	453,336	261,626
Due to related party (Note 5)	57,681	74,805
Accrued vacation benefits and payroll	224,238	318,716
Capital lease obligations	-	29,658
Deferred rent	-	212,138
Lease liabilities - Operating (Note 12)	4,043,339	-
Total liabilities	4,910,271	1,050,366
Net Assets		
Without donor restrictions:		
Undesignated	1,583,116	802,531
Board-designated net assets for endowment (Note 11)	20,051,447	19,900,665
With donor restrictions (Notes 10 and 11)	13,006,944	12,810,883
Total net assets	34,641,507	33,514,079
Total liabilities and net assets	**$ 39,551,778**	**$ 34,564,445**

See notes to financial statements.

American Bar Foundation

Statement of Activities and Changes in Net Assets

Years Ended August 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support						
American Bar Endowment Grant	$ -	$ 3,697,357	$ 3,697,357	$ -	$ 3,684,288	$ 3,684,288
Membership fees/contributions - The Fellows	2,238,249	-	2,238,249	2,335,763	-	2,335,763
Other contributions and support	956,766	101,000	1,057,766	1,305,625	165,666	1,471,291
Other contributions of nonfinancial assets	14,059	-	14,059	37,008	-	37,008
Net assets released from restrictions - Spending allowance	281,377	(281,377)	-	151,850	(151,850)	-
Endowment spending allowance	698,623	-	698,623	133,911	-	133,911
Net assets released from restrictions	3,894,179	(3,894,179)	-	3,969,384	(3,969,384)	-
Total revenue, gains, and other support	8,083,253	(377,199)	7,706,054	7,933,541	(271,280)	7,662,261
Expenses	8,057,885	-	8,057,885	7,900,913	-	7,900,913
Increase (Decrease) in Net Assets - Before nonoperating income (expense)	25,368	(377,199)	(351,831)	32,628	(271,280)	(238,652)
Nonoperating Income (Expense)						
Net realized and unrealized gains (losses) on investments	394,417	165,267	559,684	(2,346,442)	(1,001,384)	(3,347,826)
Employee Retention Credit revenue	287,102	-	287,102	-	-	-
Income on investments - Net of fees	923,103	407,993	1,331,096	713,293	320,172	1,033,465
Endowment spending allowance	(698,623)	-	(698,623)	(133,911)	-	(133,911)
Total nonoperating income (expense)	905,999	573,260	1,479,259	(1,767,060)	(681,212)	(2,448,272)
Increase (Decrease) in Net Assets	931,367	196,061	1,127,428	(1,734,432)	(952,492)	(2,686,924)
Net Assets - Beginning of year	20,703,196	12,810,883	33,514,079	22,437,628	13,763,375	36,201,003
Net Assets - End of year	**$ 21,634,563**	**$ 13,006,944**	**$ 34,641,507**	**$ 20,703,196**	**$ 12,810,883**	**$ 33,514,079**

See notes to financial statements.

American Bar Foundation

Statement of Functional Expenses

Year Ended August 31, 2023

	Program Services					Support Services			
	Research	The Fellows of the American Bar Foundation	Law and Social Inquiry (Journal)	Academic Affairs and Fellowships	Total Program Services	Administrative, Facilities, and Communication	Fundraising and Development	Total Support Services	Total Expenses
Salaries, wages, stipends, and fringe	$ 2,806,249	$ 146,848	$ 74,741	$ 476,825	$ 3,504,663	$ 1,337,979	$ 508,150	$ 1,846,129	$ 5,350,792
Occupancy	305,980	34,861	26,123	174,745	541,709	319,749	47,922	367,671	909,380
Meetings, functions, and travel	170,070	196,464	-	79,447	445,981	95,107	26,361	121,468	567,449
Business administration	88,699	92,159	6,610	46,983	234,451	162,545	36,108	198,653	433,104
Professional services and subawards	364,362	4,275	16,900	8,773	394,310	187,160	360	187,520	581,830
Printing and publications	-	25,196	-	2,606	27,802	9,332	94,801	104,133	131,935
Office expenses and other	29,578	25,332	-	12,204	67,114	12,465	3,816	16,281	83,395
Total functional expenses	**$ 3,764,938**	**$ 525,135**	**$ 124,374**	**$ 801,583**	**$ 5,216,030**	**$ 2,124,337**	**$ 717,518**	**$ 2,841,855**	**$ 8,057,885**

See notes to financial statements.

American Bar Foundation

Statement of Functional Expenses

Year Ended August 31, 2022

	Program Services					Support Services			
	Research	The Fellows of the American Bar Foundation	Law and Social Inquiry (Journal)	Academic Affairs and Fellowships	Total Program Services	Administrative, Facilities, and Communication	Fundraising and Development	Total Support Services	Total Expenses
Salaries, wages, stipends, and fringe	$ 2,777,763	$ 210,929	$ 100,857	$ 512,589	$ 3,602,138	$ 1,095,264	$ 347,326	$ 1,442,590	$ 5,044,728
Occupancy	294,511	33,554	25,144	177,539	530,748	298,419	46,126	344,545	875,293
Meetings, functions, and travel	253,423	95,034	-	79,814	428,271	97,802	43,972	141,774	570,045
Business administration	89,788	69,062	6,691	47,484	213,025	132,304	15,706	148,010	361,035
Professional services and subawards	547,500	6,158	15,900	15,801	585,359	165,380	3,605	168,985	754,344
Printing and publications	16,419	20,362	-	1,807	38,588	5,873	77,959	83,832	122,420
Office expenses and other	32,092	39,300	-	17,079	88,471	65,079	19,498	84,577	173,048
Total functional expenses	**$ 4,011,496**	**$ 474,399**	**$ 148,592**	**$ 852,113**	**$ 5,486,600**	**$ 1,860,121**	**$ 554,192**	**$ 2,414,313**	**$ 7,900,913**

See notes to financial statements.

American Bar Foundation

Statement of Cash Flows

Years Ended August 31, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Increase (decrease) in net assets	$ 1,127,428	$ (2,686,924)
Adjustments to reconcile increase (decrease) in net assets to net cash from operating activities:		
Depreciation	31,936	22,607
Change in deferred rent	-	52,073
Change in beneficial interest in trust	1,000	(2,500)
Realized and unrealized (gains) losses on investments	(559,684)	3,347,826
Donor-restricted contributions	(48,500)	(53,897)
Changes in operating assets and liabilities that provided (used) cash:		
Receivables	95,275	24,710
Prepaid expenses	(29,160)	63,227
Accounts payable and accrued expenses	(36,953)	(200,964)
Due to related party	(17,124)	20,131
Accrued vacation and payroll benefits	(94,478)	14,011
Refundable grant advances	191,710	(370,046)
Accrued and other liabilities	(14,451)	(13,954)
Right-of-use operating lease asset and lease liability - Net	32,686	-
Net cash provided by operating activities	679,685	216,300
Cash Flows from Investing Activities		
Purchase of property and equipment	(11,328)	(37,592)
Sales of investments	2,093,631	1,302,997
Purchases of investments	(3,094,714)	(2,056,681)
Net cash used in investing activities	(1,012,411)	(791,276)
Cash Flows from Financing Activities		
Donor-restricted contributions	48,500	53,897
Payments on notes payable	-	(175,532)
Net cash provided by (used in) financing activities	48,500	(121,635)
Net Decrease in Cash	(284,226)	(696,611)
Cash - Beginning of year	1,779,000	2,475,611
Cash - End of year	**$ 1,494,774**	**$ 1,779,000**

See notes to financial statements.

Note 1 - Nature of Business

American Bar Foundation (the "ABF") is a nonprofit legal research organization whose purpose is to plan and execute innovative, interdisciplinary, and rigorous empirical research in the following areas: learning and practicing law, protecting rights/accessing justice, and making and implementing law.

Note 2 - Significant Accounting Policies

Basis of Presentation

The financial statements of the ABF have been prepared on the basis of accounting principles generally accepted in the United States of America (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from those estimates.

Measure of Operations

Operating results in the statement of activities and changes in net assets reflect all day-to-day operating transactions that increase or decrease net assets, except those related to endowed gifts or other nonrecurring transactions.

Concentrations of Credit Risk

The ABF maintains its cash in bank deposit accounts that at times may exceed federally insured limits. Accounts at each institute are insured by the Federal Deposit Insurance Corporation up to $250,000.

Investments

The ABF's investments are reported at fair value. Investment income and net realized and unrealized gains and losses are reflected in the statement of activities and changes in net assets. Interest and dividend income is recorded on the accrual basis.

The ABF's investments are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to these risk factors, it is reasonably possible that changes in the value of investments will occur in the near term that could materially affect the amounts reported in the statement of financial position.

Contribution and Grant Receivables

Receivables primarily consist of grant revenue due from the American Bar Endowment (ABE), the National Science Foundation (NSF), contributions due from The Fellows of the American Bar Foundation (The Fellows), pledges made toward diversity research, and other miscellaneous receivables. An allowance for doubtful accounts is established based on a specific assessment of all invoices that remain unpaid following normal customer payment periods. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period that determination is made. There is no allowance for doubtful accounts as of August 31, 2023 and 2022. All receivables are expected to be collected within one year.

Property and Equipment

Property and equipment are recorded at cost. Assets are depreciated on a straight-line basis over their estimated useful lives. The cost of leasehold improvements is depreciated over the lesser of the length of the related leases or the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

Classification of Net Assets

Net assets of the ABF are classified based on the presence or absence of donor-imposed restrictions.

Note 2 - Significant Accounting Policies (Continued)

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the ABF.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the ABF or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

The Fellows of the American Bar Foundation

Membership in The Fellows is attained by invitation only; contributions are voluntary and are subject to The Fellows' continuing interest in membership. Membership dues are recognized as contribution revenue when received.

Contributions

Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received, measured at fair value. Donor promises to give in the future are recorded at the present value of estimated future cash flows. Contributions resulting from split-interest agreements, measured at the time the agreements are entered into, are based on the difference between the fair value of the assets received or promised and the present value of the obligation to the third-party recipient(s) under the contract. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until the conditions on which they depend have been met. Conditional contributions that have been awarded but not yet recognized as revenue total $1,829,346 and $386,697 as of August 31, 2023 and 2022, respectively. These awards are conditional upon incurring eligible expenses.

Employee Retention Credit Revenue

The Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 introduced the Employee Retention Credit (ERC) as pandemic relief for eligible organizations. The ERC is a refundable credit against certain employment taxes and qualifies as a government grant. For the year ended August 31, 2023, the ABF recognized $287,102 of ERC revenue.

Refundable Grant Advances

Cash received in advance for conditional contributions is recorded in refundable grant advances until expenses have been incurred or agreed-upon barriers have been met, at which point the advance is recognized as revenue without donor restrictions on the statement of activities and changes in net assets.

Functional Allocation of Expenses

Costs of providing the program and support services have been reported on a functional basis in the statement of functional expenses. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries and related expenses are allocated on the basis of time and effort. Business administration expenses, such as insurance, IT support, and office supplies, are allocated based on headcount. Other expenses utilized by all employees, such as occupancy, utilities, and depreciation, are allocated on the basis of square footage. Depreciation expense is included within the office expenses and other line item on the statement of functional expenses. Costs have been allocated between the various program and support services based on estimates determined by management. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Note 2 - Significant Accounting Policies (Continued)

Leases

The ABF has an operating lease for office space. The ABF recognizes expense for operating leases on a straight-line basis over the lease term. The ABF made a policy election not to separate lease and nonlease components for the office space lease. Therefore, all payments are included in the calculation of the right-of-use asset and lease liability.

The ABF has operating leases for office equipment, with a lease term of one year or less that the ABF elected to account for as short-term leases. As these leases are short-term leases, they are not included in the right-of-use asset and lease liability. Total expense related to short-term leases was $14,451 and $13,954 for 2023 and 2022, respectively.

The ABF elected to use the risk-free rate as the discount rate for calculating the right-of-use asset and lease liability in place of the incremental borrowing rate for the office space lease.

Federal Income Taxes

The ABF is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3).

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including January 4, 2024, which is the date the financial statements were available to be issued.

Note 3 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the ABF's assets measured at fair value on a recurring basis at August 31, 2023 and 2022 and the valuation techniques used by the ABF to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the ABF has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The ABF's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Note 3 - Fair Value Measurements (Continued)

	Assets Measured at Fair Value on a Recurring Basis at August 31, 2023				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value	Balance at August 31, 2023
Assets					
Principal High Yield Institutional	$ 2,680,531	$ -	$ -	$ -	$ 2,680,531
Schwab US Aggregate Bond Index Fund	4,989,129	-	-	-	4,989,129
Schwab International Index Fund	5,790,189	-	-	-	5,790,189
Schwab Total Stock Market Index Fund	7,276,348	-	-	-	7,276,348
Schwab Government Money	304,463	-	-	-	304,463
PIMCO Commodity Real Return Strategy Fund	1,456,515	-	-	-	1,456,515
Parametric Volatility Risk Premium - Defensive Fund Institutional Class	3,139,959	-	-	-	3,139,959
RREEF America REIT II, Inc.	-	-	-	2,917,397	2,917,397
Partners Group Private Credit Strategy B, LLC	-	-	-	1,584,678	1,584,678
Total assets	$ 25,637,134	$ -	$ -	$ 4,502,075	$ 30,139,209

	Assets Measured at Fair Value on a Recurring Basis at August 31, 2022				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value	Balance at August 31, 2022
Assets					
Principal High Yield Institutional	$ 2,482,632	$ -	$ -	$ -	$ 2,482,632
Schwab US Aggregate Bond Index Fund	4,760,697	-	-	-	4,760,697
Schwab International Index Fund	5,392,872	-	-	-	5,392,872
Schwab Total Stock Market Index Fund	7,214,772	-	-	-	7,214,772
Schwab Government Money	375,755	-	-	-	375,755
PIMCO Commodity Real Return Strategy Fund	1,765,334	-	-	-	1,765,334
Parametric Volatility Risk Premium - Defensive Fund Institutional Class	3,133,990	-	-	-	3,133,990
RREEF America REIT II, Inc.	-	-	-	3,452,390	3,452,390
Total assets	$ 25,126,052	$ -	$ -	$ 3,452,390	$ 28,578,442

Investments in Entities that Calculate Net Asset Value per Share

The ABF holds shares or interests in investment companies where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

American Bar Foundation

Notes to Financial Statements

August 31, 2023 and 2022

Note 3 - Fair Value Measurements (Continued)

At year end, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	2023	2022	2023		
	Fair Value	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
RREEF America REIT II, Inc.	$ 2,917,397	$ 3,452,390	$ -	Quarterly	45 days
Partners Group Private Credit Strategy B, LLC	1,584,678	-	-	Quarterly	90 days
Total	$ 4,502,075	$ 3,452,390	$ -		

The primary objective of RREEF America REIT II, Inc. is to hold a portfolio that outperforms the NCREIF Fund Index and the Vanguard REIT ETF by diversifying investments held in retail, commercial, industrial, and household real estate throughout the U.S.

The primary objective of Partners Group Private Credit Strategy B, LLC is to generate long-term investment growth by issuing private debt instruments across economic sectors, both domestically and internationally.

Note 4 - Investments

The ABF pools the assets of 17 funds, which primarily include donor-restricted, board-designated net assets, and one unrestricted fund, in the investments in the tables in Note 3. The balances of these individual funds as of August 31, 2023 and 2022 are as follows:

	2023	2022
Contributors' Memorial Fund I	$ 10,117,211	$ 10,123,530
Contributors' Memorial Fund II	9,812,344	9,508,263
Capacity Building Fund	121,892	139,572
Unrestricted	931,500	-
MacCrate Research Chair in the Legal Profession	1,516,760	1,469,633
Liz and Peter Moser Research Fund in Legal Ethics, Professional Responsibility, and Access to Legal Services	1,059,743	1,026,432
Kenneth F. and Harle G. Montgomery Summer Fellowship Program for Minority Undergraduate Students	234,322	226,285
Samuel Pool Weaver Fund	2,398,032	2,323,595
Solon E. Summerfield Foundation Fund	211,335	204,142
Sustain the Vision Fund (STV)	501,035	485,603
Maynard Toll Fund	221,113	214,138
William Reece Smith Jr. Research Fund	93,649	90,523
Summer Research Diversity Fellowship Program Fund	51,827	50,272
Robert O. Hetlage Scholarship Fund	33,332	32,162
William H. Neukom Fellows Research Chair in Diversity and Law Fund	2,167,139	2,104,071
Hubbard Conference Fund	371,197	347,748
Ruth Bader Ginsburg Civil Rights/Gender Equality Fund	296,778	232,473
Total	$ 30,139,209	$ 28,578,442

Note 5 - Related Party Transactions

The American Bar Association (ABA) and ABE are tax-exempt organizations related to the ABF, as certain officers of those organizations are ex officio members of the ABF's board of directors. ABA provided various services to the ABF, such as processing payroll and the management of human resources administrative functions. The amounts of such services charged to the statement of activities and changes in net assets in 2023 and 2022 were $580,712 and $433,641, respectively.

Grants received from ABE amount to $3,697,357 and $3,684,288 in 2023 and 2022, respectively. Of the grants received from ABE, $3,697,357 and $3,684,288 is recorded as a related party receivable at August 31, 2023 and 2022, respectively. Receivables are expected to be received in the next fiscal year. For the years ended August 31, 2023 and 2022, revenue from ABE exceeded 10 percent of total revenue.

Neither ABA nor ABE has controlling or economic interests in the ABF.

Note 6 - Property and Equipment

Property and equipment are summarized as follows:

	2023	2022	Depreciable Life - Years
Furniture and fixtures	$ 376,097	$ 376,097	5
Equipment	780,651	781,822	5
Leasehold improvements	935,907	935,907	5
Software	39,530	39,530	5
Total cost	2,132,185	2,133,356	
Accumulated depreciation	2,055,684	2,036,247	
Net property and equipment	$ 76,501	$ 97,109	

Depreciation expense for 2023 and 2022 was $31,936 and $22,607, respectively.

Note 7 - The Fellows

Contributions generated from members of The Fellows consisted of the following:

	2023	2022
Membership support	$ 1,749,760	$ 1,859,913
Contributions	461,839	451,800
Event sponsorship	26,650	24,050
Total	$ 2,238,249	$ 2,335,763

Note 8 - Retirement Plan

The ABF offers participation in the American Bar Foundation DC Retirement Plan (the "Plan"), a 403(b) plan, to all of its full-time employees. The Plan's assets are held at TIAA-CREF. The ABF makes a nonelective contribution of 5 percent of each participant's annual salary to the Plan and makes a discretionary matching contribution of an employee's contribution up to 5 percent.

The ABF contributed $209,583 and $153,940 for professional research staff and $159,773 and $180,259 for nonprofessional research staff under the Plan as of August 31, 2023 and 2022, respectively.

Note 9 - Long-term Debt

During 2018, the ABF entered into a nonrevolving line of credit with Bank of America that converted into a term loan on April 28, 2019. The term loan was fully paid off during the year ended August 31, 2022. This debt facility was collateralized by all equipment, fixtures, and receivables owned by the ABF. Starting on June 30, 2019, and on the last day of each month thereafter, equal principal installments of $21,277 were due through the original maturity of April 28, 2023. The interest rate was equal to the LIBOR daily floating rate plus 1.25 percentage points.

Interest expense for 2022 was $956.

Note 10 - Net Assets

Net assets with donor restrictions as of August 31 are available for the following purposes:

	2023	2022
Subject to expenditures for a specified purpose	$ 239,691	$ 396,083
Subject to the passage of time	3,715,856	3,703,787
Subject to the ABF's spending policy and appropriation	4,479,635	4,187,752
Not subject to appropriation or expenditure	4,571,762	4,523,261
Total	$ 13,006,944	$ 12,810,883

Note 11 - Endowments

The ABF's endowment includes both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. Net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Note 11 - Endowments (Continued)

Interpretation of Relevant Law

The ABF is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board of directors appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The board of directors of the ABF had interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the ABF considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The ABF has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with SPMIFA, the ABF considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the ABF and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the ABF
- The investment policies of the ABF

	Endowment Net Asset Composition by Type of Fund as of August 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 20,051,447	$ -	$ 20,051,447
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	4,571,762	4,571,762
Accumulated investment gains	-	4,479,635	4,479,635
Total	$ 20,051,447	$ 9,051,397	$ 29,102,844

Note 11 - Endowments (Continued)

	Changes in Endowment Net Assets for the Fiscal Year Ended August 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	$ 19,900,665	$ 8,711,014	$ 28,611,679
Investment return:			
Investment income (net of fees)	923,103	407,993	1,331,096
Net appreciation (realized and unrealized)	394,417	165,267	559,684
Total investment return	1,317,520	573,260	1,890,780
Contributions	-	48,500	48,500
Appropriation of endowment assets for expenditure	(698,623)	(281,377)	(980,000)
Other changes - Transfers to undesignated net assets	(468,115)	-	(468,115)
Endowment net assets - End of year	$ 20,051,447	$ 9,051,397	$ 29,102,844

	Endowment Net Asset Composition by Type of Fund as of August 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 19,900,665	$ -	$ 19,900,665
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	4,523,262	4,523,262
Accumulated investment gains	-	4,187,752	4,187,752
Total	$ 19,900,665	$ 8,711,014	$ 28,611,679

	Changes in Endowment Net Assets for the Fiscal Year Ended August 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	$ 21,800,372	$ 9,490,179	$ 31,290,551
Investment return:			
Investment income (net of fees)	713,293	320,172	1,033,465
Net depreciation (realized and unrealized)	(2,346,442)	(1,001,384)	(3,347,826)
Total investment return	(1,633,149)	(681,212)	(2,314,361)
Contributions	-	53,897	53,897
Appropriation of endowment assets for expenditure	(133,911)	(151,850)	(285,761)
Other changes - Transfers to undesignated net assets	(132,647)	-	(132,647)
Endowment net assets - End of year	$ 19,900,665	$ 8,711,014	$ 28,611,679

Note 11 - Endowments (Continued)

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the ABF to retain as a fund of perpetual duration. As of August 31, 2023, there were no funds with deficiencies. A deficiency of this nature existed during the year ended August 31, 2022, in one donor-restricted endowment fund, which had an original gift value of $245,190, a fair value of $232,273, and a deficiency of $12,717 as of August 31, 2022. This deficiency resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions received for the fund.

Return Objectives and Risk Parameters

The ABF has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the ABF must hold in perpetuity or for a donor-specified period, as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce a moderate return while assuming a moderate level of investment risk. The ABF expects its endowment funds, over time, to provide a minimum average rate of return equal to its annual spending policy rate. The approved maximum spending policy rate for 2023 and 2022 was 5 percent and 4.5 percent, respectively. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the ABF relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The ABF targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The ABF has a policy of appropriating for distribution each year up to 5.0 percent in 2023 and 2022 for its endowed funds' average fair value over the prior 12 quarters. There is no spending policy for the remaining funds. The amount is determined as of the quarter ending in March of the fiscal year prior to the fiscal year in which the distribution is planned. In establishing this policy, the ABF expects its endowment to grow at an average of 6 percent annually. This is consistent with the ABF's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term and to provide additional real growth through new gifts and investment return.

Note 12 - Lease Commitments

The ABF is obligated under an operating lease for office space. The existing lease is effective from September 1, 2019 through 2029. The right-of-use asset and related lease liability have been calculated using a discount rate of 3.00 percent. The lease requires the ABF to pay taxes, insurance, utilities, and maintenance costs. Total rent expense under this lease was $698,300 and $701,606 for 2023 and 2022, respectively. Total cash paid under this lease was $665,614 and $646,227 for 2023 and 2022, respectively

Note 12 - Lease Commitments (Continued)

Future minimum annual commitments under the extended operating lease are as follows:

Years Ending August 31	Amount
2024	$ 685,582
2025	706,150
2026	727,334
2027	749,154
2028	771,629
Thereafter	794,778
Less amount representing interest	(391,288)
Total	$ 4,043,339

Note 13 - Liquidity and Availability of Resources

The following reflects the ABF's financial assets as of August 31, 2023 and 2022, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

	2023	2022
Cash	$ 1,494,774	$ 1,779,000
Accounts and contributions receivable	3,933,010	4,028,285
Investments	30,139,209	28,578,442
Financial assets - At year end	35,566,993	34,385,727
Less those unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions - Net of appropriations	4,075,914	3,786,102
Restricted in perpetuity	4,571,761	4,523,262
Board designations - Quasi-endowment fund, primarily for long-term investing - Net of appropriations	19,034,266	18,666,293
Financial assets available to meet cash needs for general expenditures within one year	$ 7,885,052	$ 7,410,070

The contributions receivable are subject to implied time restrictions, but the amount reported above is expected to be collected within one year.

The ABF has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The ABF also realizes there could be unanticipated liquidity needs.

Note 13 - Liquidity and Availability of Resources (Continued)

Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure. As described in Note 11, the quasi endowment has a spending rate of 5.0 and 4.5 percent at August 31, 2023 and 2022, respectively. A total of $1,017,181 of appropriations from the quasi endowment will be available within the next 12 months. Although the ABF does not intend to spend from its quasi endowment, other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its quasi endowment could be made available if necessary. However, both the quasi endowment and donor-restricted endowments contain investments with lock-up provisions that would reduce the total investments that could be made available (see Note 3 for disclosures about investments).

Note 14 - Contributed Nonfinancial Assets

The ABF recorded the following contributed nonfinancial assets on the statement of activities and changes in net assets for the years ended August 31, 2023 and 2022 as follows:

	2023	2022
Professional services - Legal	$ 12,559	$ 7,008
Professional services - Arts performance	-	3,000
Professional services - Marketing	1,500	-
Events	-	10,000
Contributed research	-	17,000
Total	$ 14,059	$ 37,008

Contributed nonfinancial assets did not have donor-imposed restrictions. Contributed professional services are valued and reported at their estimated fair value in the financial statements based on current rates for similar professional services. Contributed event expenses consist of fees for an event the ABF hosted that were covered by a donor; the contributed nonfinancial asset is valued based on the actual amount charged by the event venue. Contributed research is valued based on the number of hours incurred at established rates for qualified researchers.

Note 15 - Adoption of New Accounting Pronouncement

As of September 1, 2022, the ABF adopted Financial Accounting Standards Board Accounting Standards Update (ASU) No. 2016-02, *Leases*. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. The ABF elected to adopt the ASU using the modified retrospective method as of September 1, 2022 and applied the following practical expedients:

- The ABF did not reassess if expired or existing contracts are or contain a lease.
- The ABF did not reassess the lease classification for expired or existing leases.
- The ABF did not reassess initial direct costs for any existing leases.
- The ABF used hindsight to determine the lease term and to assess impairment of the right-of-use assets for existing leases.

As a result of the adoption of the ASU, the ABF recorded a right-of-use asset of $4,366,772 and a lease liability of $4,578,910 as of September 1, 2022 for existing operating leases. There was no impact on net assets as a result of adopting the new ASU.

AMERICAN BAR FOUNDATION

FY2024 Actuals / FY2025 Budget / FY2026 Preliminary Budget

	Column A	Column B		Column C		
	FY 2024 Actuals (Unaudited) 9/1/2023- 8/31/2024	**FY 2025 Budget 9/1/2024 - 8/31/2025**	**% Chg**	**FY 2026 Preliminary Budget, 9/1/2025 - 8/31/2026**	**% Chg**	**ABE Support**
REVENUE						
American Bar Endowment Grant	$3,697,357	$3,830,000	4%	$3,830,000	0%	
The Fellows	2,046,704	2,100,000	3%	2,200,000	5%	
The Fellows Event Revenues	99,647	113,000	13%	116,390	3%	
ABF Endowment Income	918,188	1,199,799	31%	1,422,834	19%	
ABF Endowment Income - Neukom Diversity Chair	80,000	112,166	40%	112,166	0%	
ABF Endowment Income - Hubbard Conference	16,232	-	-100%	15,000		
Third-party grants/contributions	1,389,632	1,606,781	16%	949,872	-41%	
ABA Liaison Projects - third party funding	0	0	100%	20,000		
Corporate Giving/Major Donors	19,512	50,000	0%	75,000	50%	
Special Events	0	13,000	100%	15,000	15%	
Publications and royalties	49,238	43,000	-13%	54,000	26%	
Miscellaneous income and other support	45,857	10,000	0%	47,691	0%	
In-Kind Contributions Received	8,271	50,000	505%	25,000	-50%	
TOTAL REVENUE	**8,370,638**	**9,127,746**	**9%**	**8,882,953**	**-3%**	
EXPENSES						
Research						
Research faculty - salaries and benefits	2,270,231	2,094,536	-8%	2,531,974	21%	x
Research projects - ABF variable funding	685,084	843,298	23%	805,097	-5%	x
Research projects - third party variable funding	1,045,909	1,060,259	1%	512,000	-52%	
Research projects - Neukom Diversity Chair	80,000	112,166	40%	112,166	0%	
Project development/project dissemination	36,544	85,000	133%	65,000	-24%	x
Research partnerships and liaison research	-	-	100%	20,000		
Law and Social Inquiry (LSI) - salaries and benefits	101,725	102,493	1%	99,843	-3%	x
Law and Social Inquiry (LSI) - other	26,055	29,356	13%	30,237	3%	x
Speaker Series and other academic affairs	249,061	320,380	29%	275,078	-14%	x
Doctoral fellowships	316,420	530,513	68%	546,429	3%	x
Summer Diversity program	35,806	38,386	7%	38,857	1%	x
Faculty Fellows and Visiting Scholars	89,026	93,480	100%	96,210	3%	x
Other research expenses	12,385	20,000	61%	20,000	0%	x
In-Kind Contributions Used	0	0	100%	0		
Total Research	**4,948,245**	**5,329,867**	**8%**	**5,152,890**	**-3%**	
Development						
Fellows						
Fellows salaries and benefits	426,154	484,215	14%	529,120	9%	
Fellows fundraising	103,631	203,220	96%	209,316	3%	
Fellows' administration	159,464	76,983	-52%	79,293	3%	
Fellows' meetings	228,200	273,900	20%	282,117	3%	
Total Fellows	**917,449**	**1,038,318**	**13%**	**1,099,846**	**6%**	
Grants/Corporate Giving/Major Donor Gifts						
Grants/Corporate Giving/Major Donor Gifts - salaries and benefits	266,601	254,849	-4%	196,800	-23%	
Grants/Corporate Giving/Major Donor Gifts - other variable	78,932	77,079	-2%	79,391	3%	
Grants/Corporate Giving/Major Donor Gifts - Special Events	0	13,000	#DIV/0!	10,000	-23%	
Total Grants/Corporate Giving/Major Donor Gifts	**345,533**	**344,928**	**0%**	**286,191**	**-17%**	
Total Development	**1,262,982**	**1,383,246**	**10%**	**1,386,037**	**0%**	
Communications						
Communications - salaries and benefits	249,349	230,956	-7%	259,373	12%	
Communications - other	70,921	106,949	51%	110,157	3%	
Total Communications	**320,269**	**337,905**	**6%**	**369,530**	**9%**	
General Administration						
Administration salaries and benefits	1,145,315	1,283,185	12%	1,216,019	-5%	
Legal, audit and insurance	130,581	140,000	7%	144,200	3%	
Board meetings	60,618	78,900	30%	78,900	0%	
Information Technology (IT)	55,618	84,645	52%	87,184	3%	
Staff travel and group functions	21,159	30,500	44%	31,415	3%	
Other administrative expenses	418,439	386,617	-8%	388,215	0%	
In-Kind Contributions Expenses	8,271	50,000	505%	25,000	-50%	
Total General Administration	**1,840,001**	**2,053,847**	**12%**	**1,970,934**	**-4%**	
TOTAL EXPENSES	**8,371,498**	**9,104,865**	**9%**	**8,879,391**	**-2%**	
Net Surplus (Deficit)	**($860)**	**$22,881**		**3,562**		

Link to an electronic copy of our most recent IRS Form 990: ABF FY2023 Form 990

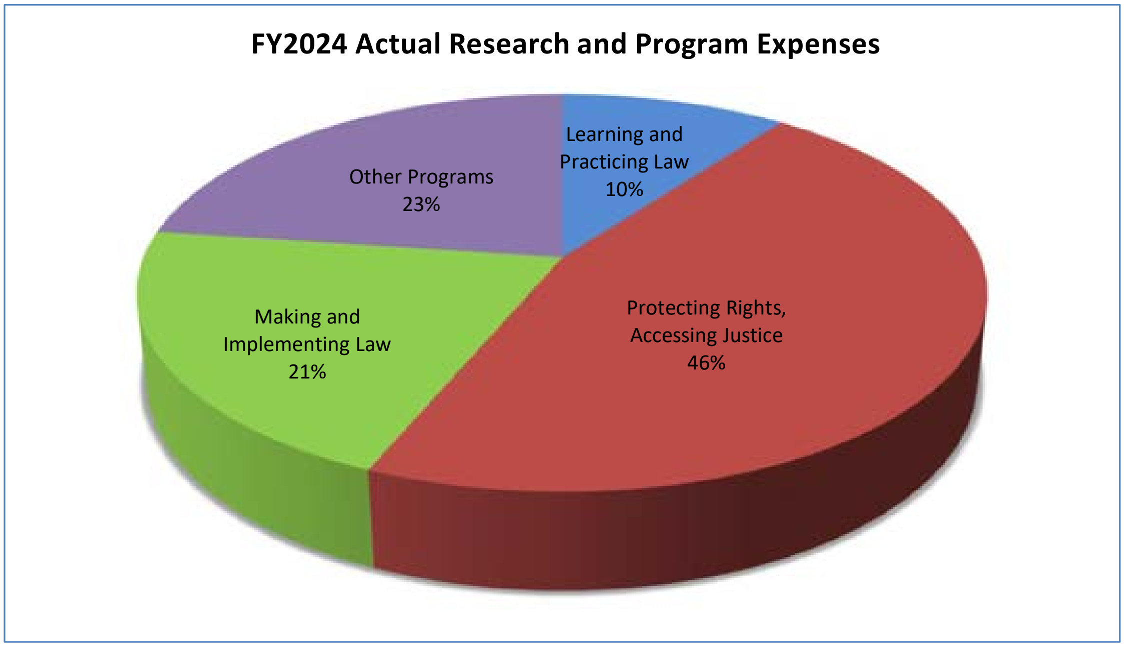
Link to an electronic copy of our most recent Audit Report: ABF FY2023 Audit Report

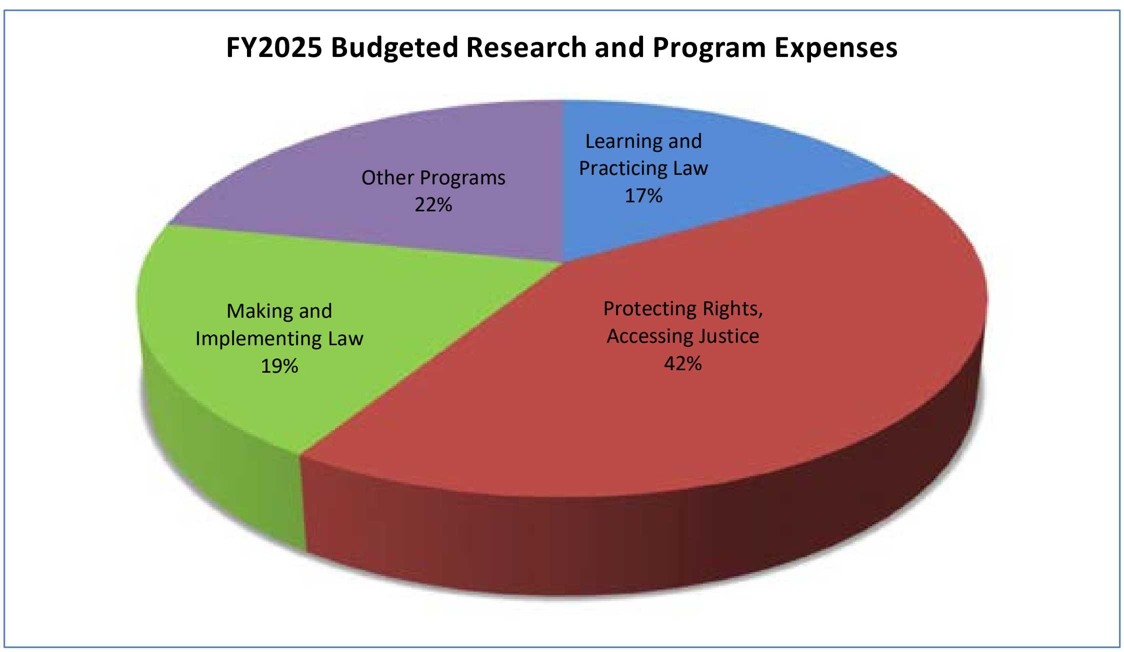
AMERICAN BAR FOUNDATION
FY2024 Actual Spending for Research Projects and Programs
For the Fiscal Year Ending August 31, 2024

	Project Title	Research Costs	Other Indirect Costs	Total Costs	% of Total
Learning and Practicing Law	After the JD: Trajectory of Legal Careers	48,039	1,085	49,124	
	Language of Law Professors	144,784	1,502	146,286	
	Senior Status - Book Write-up	34,876	-	34,876	
	Widening the Lens of Justice	106,367	1,502	107,869	
	Portrait Project 2.0	92,925	1,210	94,135	
	The Rise of Lawyer Activism in China	37,884	2,003	39,887	
	Prosecutors and Law Students (Development)	9,392	-	9,392	
	Licensed Legal Practitioners	32,689	1,585	34,274	
		506,956	**8,887**	**515,843**	**10%**
Protecting Rights, Accessing Justice	Verification of Voter Eligibility: The Process of Disenfranchisement	116,161	3,171	119,332	
	Constructing Feminized Courts and Carceral Institutions	74,411	3,004	77,415	
	Science and the Legal System, Phase II	307,500	5,174	312,674	
	NCSC - Elimination of Peremptory Challenges in AZ	11,178	-	11,178	
	The Least of These: Empire, Freedom, and the Many Uses of Violence	138,997	3,004	142,001	
	The Probative Versus Prejudicial Effect of Gruesome Photographs in Court	80,849	1,085	81,934	
	Public Opinion, Private Governance, and the Influence of Source Credibility	80,849	1,085	81,934	
	Neukom Fellows Diversity Chair Project	95,301	2,754	98,055	
	The Hero and the Monsignor/Priest Abuse Litigation	200,686	2,546	203,232	
	BNP Paribas Sudan Genocide	4,389	-	4,389	
	Influences of State Policies and Racialized Parental Incarceration	77,969	2,003	79,972	
	Regulating the Crisis: Phase I	155,110	2,170	157,280	
	Access to Justice Scholars Program	734,630	2,003	736,633	
	Justice Data Observatory	101,337	-	101,337	
	CIVIC - Bridging the Rural Justice Gap	15,624	-	15,624	
	NORC - DOJ Design/Test Program	110,061	-	110,061	
		2,305,052	**27,999**	**2,333,051**	**46%**
Making and Implementing Law	Trust 2.0: Law, Social Control, and New Technologies of Trust	173,344	2,921	176,265	
	The VAT Laggard: A Comparative History of US Resistance to the Value-Added Tax	98,996	1,210	100,206	
	Academically Informed Tax Policy	20,169	-	20,169	
	Campus Consent Rules	185,312	1,461	186,773	
	Anti-Corruption and Illiberalism in the Global South - Stage 1	40,245	-	40,245	
	The Legal Characteristics of International Organizations	113,233	2,170	115,403	
	Legal Characteristics of International Organizations (NSF)	21,765	-	21,765	
	The Legal Transformation of Medicine	149,788	3,004	152,792	
	Branding Law: Genre, Rule of Law, and U.S. Federal Public Legislation	183,281	2,587	185,868	
	Our Court: A Sociolegal History of the US Supreme Court	53,922	1,335	55,257	
		1,040,055	**14,688**	**1,054,743**	**21%**
Total Research Projects		**3,852,063**	**51,574**	**3,903,637**	**77%**
Other Programs	Doctoral and Post-Doctoral Fellowship Program	316,420	31,129	347,549	
	Summer Diversity Program	35,806	-	35,806	
	Academic Affairs	338,087	7,004	345,091	
	Law & Social Inquiry	127,779	3,372	131,151	
	Research - Other	278,090	17,687	295,777	
		1,096,182	**59,192**	**1,155,374**	**23%**
ABF All Research Projects and Programs		**4,948,245**	**110,766**	**5,059,011**	**100%**

AMERICAN BAR FOUNDATION
FY2025 Budgeted Spending for Research Projects and Programs
For the Fiscal Year Ending August 31, 2025

	Project Title	Research Costs	Other Indirect Costs	Total Costs	% of Total
Learning and Practicing Law	After the JD: Trajectory of Legal Careers	$ 56,559	$ 1,364	$ 57,923	
	Juries in the Americas Conference	106,899	543	107,442	
	Elimination of Peremptory Challenges in Arizona	99,158	815	99,973	
	Language of Law Professors	234,972	4,346	239,318	
	Senior Status - Book Write-up	43,848	543	44,391	
	Widening the Lens of Justice	83,245	543	83,788	
	Portrait Project 2.0	140,993	1,358	142,351	
	Crime Podcast Project	66,771	1,358	68,129	
	The Rise of Lawyer Activism in China	30,259	1,358	31,617	
	Licensed Legal Practitioners	27,405	-	27,405	
		890,109	**12,228**	**902,337**	**17%**
Protecting Rights, Accessing Justice	Verification of Voter Eligibility: The Process of Disenfranchisement	101,651	2,716	104,367	
	Constructing Feminized Courts and Carceral Institutions	70,489	2,716	73,205	
	Science and the Legal System, Phase II	167,807	1,358	169,165	
	The Least of These: Empire, Freedom, and the Many Uses of Violence	157,453	2,716	160,169	
	The Probative Versus Prejudicial Effect of Gruesome Photographs in Court	63,028	1,358	64,386	
	Public Opinion, Private Governance, and the Influence of Source Credibility	136,025	1,358	137,383	
	Neukom Fellows Diversity Chair Project	128,079	5,433	133,512	
	The Hero and the Monsignor/Priest Abuse Litigation	183,589	2,716	186,305	
	BNP Paribas Sudan Genocide	7,993	-	7,993	
	Influences of State Policies and Racialized Parental Incarceration	32,092	2,716	34,808	
	Modest Proposals Conference	104,412	2,716	107,128	
	Regulating the Crisis: Phase I	164,132	5,433	169,565	
	Access to Justice Scholars Program	801,757	5,433	807,190	
	Justice Data Observatory	66,385	-	66,385	
	CIVIC - Bridging the Rural Justice Gap	17,102	-	17,102	
	Access to Justice Design and Testing Program	66,262	-	66,262	
		2,268,256	**36,669**	**2,304,925**	**42%**
Making and Implementing Law	The VAT Laggard: A Comparative History of US Resistance to the Value-Added Tax	124,866	1,358	126,224	
	Campus Consent Rules	136,396	2,716	139,112	
	Anti-Corruption and Illiberalism in the Global South - Stage 1	27,106	-	27,106	
	The Legal Characteristics of International Organizations	76,176	2,716	78,892	
	Legal Characteristics of International Organizations (NSF)	78,128	-	78,128	
	Modernizing Tax Administration with Predictive Algorithms	114,067	2,716	116,783	
	The Legal Transformation of Medicine	96,328	1,358	97,686	
	Punctuated Globalization (Development)	45,309	1,358	46,667	
	Branding Law: Genre, Rule of Law, and U.S. Federal Public Legislation	224,605	5,433	230,038	
	Our Court: A Sociolegal History of the US Supreme Court	113,913	2,716	116,629	
		1,036,894	**20,371**	**1,057,265**	**19%**
Total Research Projects		**4,195,259**	**69,268**	**4,264,527**	**78%**
Other Programs	Doctoral and Post-Doctoral Fellowship Program	530,513	38,030	568,543	
	Summer Diversity Program	38,386	-	38,386	
	Academic Affairs and Visiting Scholars	413,860	5,433	419,293	
	Law & Social Inquiry	131,849	1,358	133,207	
	Research - Other	20,000	-	20,000	
		1,134,608	**44,821**	**1,179,429**	**22%**
		$5,329,867	**$114,089**	**$5,443,956**	**100%**


FY2024 Actual Research and Program Expenses
Learning and
Practicing Law
10%
Other Programs
23%
Making and
Implementing Law
21%
Protecting Rights,
Accessing Justice
46%


FY2025 Budgeted Research and Program Expenses
Learning and
Practicing Law
17%
Other Programs
22%
Making and
Implementing Law
19%
Protecting Rights,
Accessing Justice
42%

AMERICAN BAR FOUNDATION
10-Year Trend of Financial Performance from Operations
For Fiscal Years Ending August 31, 2015 to 2024

	2014-2015		2015-2016		2016-2017		2017-2018		2018-2019		2019-2020		2020-2021		2021-2022		2022-2023		2023-2024	
REVENUE																			UNAUDITED	
American Bar Endowment	$ 3,012,372	49%	$ 3,277,417	48%	$ 2,930,998	42%	$ 3,414,720	45%	$ 3,545,630	47%	$ 3,241,519	47%	$ 3,443,994	46%	$ 3,496,588	44%	$ 3,684,288	46%	$ 3,697,357	44%
The Fellows	1,751,059	28%	1,896,493	28%	2,202,467	32%	2,414,997	32%	2,561,014	34%	2,279,243	33%	2,402,818	32%	2,311,712	29%	2,293,779	28%	2,146,351	26%
ABF Endowment Income	1,099,613	18%	1,223,725	18%	1,278,787	18%	785,000	10%	667,600	9%	395,215	6%	319,319	4%	285,761	4%	980,000	12%	1,014,420	12%
Third-Party Grants/Contributions & Liaison Projects	266,521	4%	415,399	6%	376,368	5%	771,584	10%	568,754	7%	670,425	10%	1,098,003	15%	1,658,540	21%	1,021,974	13%	1,389,632	17%
Corporate Giving/Major Donor Gifts/Cornerstone Giving	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	57,451	1%	2,317	0%	3,360	0%	19,512	0%
Events (includes SRDF Dinner)	38,658	1%	37,750	1%	65,773	1%	100,604	1%	181,401	2%	76,278	1%	14,305	0%	81,563	1%	20,070	0%	0	0%
Publications and Royalties	26,974	0%	25,802	0%	17,818	0%	17,846	0%	40,933	1%	49,550	1%	63,063	1%	60,132	1%	58,339	1%	49,238	1%
Misc & In-Kind Income	3,159	0%	2,995	0%	64,161	1%	40,287	1%	23,190	0%	222,800	3%	160,500	2%	37,009	0%	21,442	0%	54,128	1%
Total Revenues	**6,198,356**	**100%**	**6,879,581**	**100%**	**6,936,372**	**100%**	**7,545,039**	**100%**	**7,588,522**	**100%**	**6,935,030**	**100%**	**7,559,452**	**100%**	**7,933,621**	**100%**	**8,083,251**	**100%**	**8,370,638**	**100%**
EXPENSES																				
Research																				
Research faculty - salaries and benefits	2,189,717	36%	2,256,577	33%	2,279,097	33%	2,282,482	31%	2,461,120	33%	2,348,064	33%	2,295,923	30%	2,190,223	28%	2,305,349	29%	2,186,231	26%
Research projects - ABF funded	330,389	5%	220,266	3%	248,454	4%	431,341	6%	395,725	5%	256,379	4%	476,336	6%	146,472	2%	253,793	3%	300,234	4%
Research projects - externally funded	192,735	3%	303,331	4%	184,317	3%	237,970	3%	221,791	3%	305,907	4%	672,576	9%	1,108,284	14%	663,662	8%	1,045,909	13%
Research Projects - Neukom Diversity Chair	-	0%	62,905	1%	170,787	2%	116,335	2%	80,561	1%	95,215	1%	99,423	1%	100,203	1%	80,000	1%	80,000	1%
Project development	33,813	1%	35,060	1%	9,803	0%	14,318	0%	15,095	0%	5,715	0%	6,221	0%	44,334	1%	46,086	1%	36,544	0%
Research partnerships and liaison research	6,027	0%	1,591	0%	17,962	0%	168,964	2%	18,138	0%	2,226	0%	0	0%	0	0%	0	0%	0	0%
Law and Social Inquiry (LSI) - salaries and benefits	39,216	1%	99,434	1%	116,411	2%	121,353	2%	123,830	2%	132,059	2%	99,236	1%	100,857	1%	74,740	1%	101,725	1%
Law and Social Inquiry (LSI) - other	96,707	2%	35,856	1%	48,757	1%	36,392	0%	29,171	0%	27,135	0%	27,000	0%	15,900	0%	16,900	0%	16,411	0%
Speaker series and other academic affairs	24,894	0%	15,868	0%	66,131	1%	61,349	1%	121,531	2%	49,969	1%	55,543	1%	154,535	2%	207,137	3%	249,061	3%
Doctoral fellowships	40,198	1%	92,024	1%	154,941	2%	363,726	5%	385,833	5%	305,994	4%	303,544	4%	435,211	6%	342,764	4%	251,042	3%
Summer Diversity program	33,864	1%	43,127	1%	32,777	0%	36,133	0%	33,072	0%	23,790	0%	17,722	0%	29,671	0%	30,027	0%	30,242	0%
Other & In-Kind research expenses	19,500	0%	36,146	1%	65,911	1%	20,495	0%	46,995	1%	17,739	0%	7,680	0%	45,353	1%	21,367	0%	112,385	1%
Total Research expense	3,007,060	49%	3,202,185	46%	3,395,347	49%	3,890,859	52%	3,932,862	52%	3,570,193	51%	4,061,203	54%	4,371,043	55%	4,041,825	50%	4,409,783	53%
Development - The Fellows																				
Fellows salaries and benefits	285,144	5%	333,515	5%	340,961	5%	331,552	4%	322,495	4%	260,715	4%	319,539	4%	366,952	5%	352,046	4%	426,154	5%
Fellows' administration & fundraising	199,433	3%	182,126	3%	166,208	2%	190,412	3%	213,979	3%	226,752	3%	194,582	3%	200,804	3%	196,637	2%	209,773	3%
Fellows' meetings	138,797	2%	155,203	2%	194,143	3%	196,393	3%	285,352	4%	148,117	2%	10,604	0%	105,968	1%	213,737	3%	228,200	3%
Total Development - The Fellows expense	623,374	10%	670,844	10%	701,312	10%	718,357	10%	821,826	11%	635,584	9%	524,724	7%	673,724	9%	762,420	9%	864,127	10%
Development - Grants/Corporate Giving/Major Donor Gifts																				
Development - salaries and benefits	169,734	3%	194,593	3%	136,450	2%	91,690	1%	173,337	2%	231,951	3%	246,047	3%	172,849	2%	302,953	4%	260,601	3%
Development - other (includes SRDF Dinner)	39,389	1%	27,376	0%	33,239	0%	43,315	1%	113,572	2%	48,107	1%	39,687	1%	73,716	1%	66,140	1%	39,983	0%
Total Development - Grants/Corporate Giving/Major Donor Gifts expense	209,123	3%	221,969	3%	169,689	2%	135,005	2%	286,909	4%	280,058	4%	285,734	4%	246,565	3%	369,093	5%	300,584	4%
Total Development Expense	832,497	14%	892,813	13%	871,001	13%	853,362	11%	1,108,735	15%	915,643	13%	810,459	11%	920,289	12%	1,131,513	14%	1,164,711	14%
Communications - salaries and benefits	42,146	1%	73,808	1%	101,375	1%	119,477	2%	154,268	2%	139,822	2%	155,197	2%	141,859	2%	251,160	3%	249,349	3%
Communications - other (annual report, newsletter and other)	131,098	2%	141,067	2%	128,917	2%	111,090	1%	80,350	1%	80,902	1%	123,542	2%	48,525	1%	54,803	1%	48,108	1%
Total Communications	173,244	3%	214,875	3%	230,292	3%	230,568	3%	234,618	3%	220,724	3%	278,739	4%	190,384	2%	305,963	4%	297,456	4%
General Administration																				
Administration salaries and benefits	998,225	16%	981,296	14%	1,075,876	16%	895,506	12%	1,033,347	14%	904,345	13%	985,593	13%	1,037,467	13%	1,174,626	15%	1,135,315	14%
Long-term lease/rent (net of rental income)	678,908	11%	617,640	9%	647,880	9%	650,894	9%	628,481	8%	889,461	13%	873,766	12%	873,428	11%	909,084	11%	931,522	11%
Legal, audit and insurance	73,459	1%	111,057	2%	48,259	1%	75,084	1%	92,828	1%	93,738	1%	108,934	1%	111,739	1%	106,022	1%	130,581	2%
Board meetings	108,734	2%	107,550	2%	79,890	1%	78,701	1%	82,053	1%	43,282	1%	3,421	0%	68,813	1%	58,991	1%	60,618	1%
Information Technology (IT)	99,931	2%	133,094	2%	173,274	3%	321,165	4%	77,940	1%	60,168	1%	60,995	1%	80,959	1%	61,564	1%	55,618	1%
Staff travel and group functions	42,024	1%	40,165	1%	48,033	1%	32,212	0%	32,491	0%	11,642	0%	1,882	0%	15,044	0%	23,761	0%	21,159	0%
Professional services	35,040	1%	24,059	0%	28,879	0%	55,293	1%	38,584	1%	69,147	1%	104,763	1%	114,122	1%	46,228	1%	47,900	1%
Office equipment and supplies	26,820	0%	21,272	0%	19,277	0%	20,806	0%	17,567	0%	5,979	0%	2,442	0%	4,431	0%	5,080	0%	4,366	0%
Other administrative expenses	86,771	1%	81,268	1%	102,307	1%	111,150	1%	80,463	1%	47,939	1%	98,819	1%	83,661	1%	148,728	2%	38,280	0%
In-Kind Contributions Expenses	-	0%	-	0%	-	0%	-	0%	-	0%	218,500	3%	125,500	2%	7,009	0%	12,559	0%	8,271	0%
Depreciation (reported beginning FY2016-2017)	-	0%	46,853	1%	42,543	1%	43,935	1%	34,863	0%	18,078	0%	13,475	0%	22,607	0%	31,936	0%	32,694	0%
A-E-F-C Pension	-	0%	432,564	6%	103,612	2%	195,856	3%	117,927	2%	-	0%	-	0%	-	0%	-	0%	-	0%
Total general administration expenses	2,149,912	35%	2,596,819	38%	2,369,832	35%	2,480,604	33%	2,236,544	30%	2,362,278	33%	2,379,590	32%	2,419,279	31%	2,578,578	32%	2,466,324	30%
Total Expenses	**6,162,713**	**100%**	**6,906,692**	**100%**	**6,866,473**	**100%**	**7,455,392**	**100%**	**7,512,759**	**100%**	**7,068,838**	**100%**	**7,529,990**	**100%**	**7,900,995**	**100%**	**8,057,879**	**100%**	**8,338,275**	**100%**
Net Surplus (Deficit) from Operations	**$35,643**	**1%**	**($27,111)**	**0%**	**$69,899**	**1%**	**$89,647**	**1%**	**$75,763**	**1%**	**($133,808)**	**-2%**	**$29,462**	**0%**	**$32,625**	**0%**	**$25,372**	**0%**	**$32,363**	**0%**

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As of January 6, 2025

FY24 Selected Publications

Leslie Abramson (Visiting Scholar)

- "A Legal Framework of Urban Modernity: The Court of Criminal Appeals, Chicago (1927) Style" in *The Routledge Handbook of Cultural Legal Studies* (May 2024)

Traci Burch

- *Which Lives Matter? Elements in Race, Ethnicity, and Politics* (Cambridge University Press, October 2023)
- "Streets, Suites, and States: John Hagan's Contributions to the Study of Law, Power, and Inequality," with Ron Levi and Robert L. Nelson, *Law & Social Inquiry* (November 2023)

Daniel L. Chen (Visiting Scholar)

- "Gender Attitudes in the Judiciary: Evidence from U.S. Circuit Courts," with Elliott Ash and Arianna Ornaghi, *American Economic Journal: Applied Economics* (January 2024)

Kirsten Matoy Carlson (Access to Justice Scholar)

- "Access to Justice in the Shadow of Colonialism," *Harvard Civil Rights-Civil Liberties Law Review* (forthcoming)

Shari Seidman Diamond

- "The Arrival of the Civil Jury in Argentina: The Case of Chaco," with Valerie P. Hans, Natali Chizik, and Andres Harfuch, *Chicago-Kent Law Review* (February 2024)
- "Judgment by Peers: Lay Participation in Legal Decision Making," with Valerie P. Hans, Sanja Kutnjak Ivković, and Nancy S. Marder, *Annual Review of Law & Social Science* (2024)

Deisy Del Real (Access to Justice Scholar)

- "The Tools of Autocracy Worldwide: Authoritarian Networks, the Façade of Democracy and Neo-Repression," with Cecilia Menjívar, *American Behavioral Scientist* (August 2023)
- "Remitting Amid Autocracy: Venezuelan Migrant Remittances to Relatives Enduring Widespread Structural Violence," with Blanca A. Ramirez, *Current Sociology* (September 2023)

Tom Ginsburg

- "American Exceptionalism and the Comparative Constitutional Law of Abortion," in *Roe v. Dobbs: The Past, Present, and Future of a Constitutional Right to Abortion,* (February 2024)
- "International Law and Democratic Backsliding," in *By Peaceful Means: International Adjudication and Arbitration-Essays in Honor of David D. Carson* (January 2024)
- "Impeachment in Comparative Perspective," with Aziz Huq and David Landau, in *Impeachment in a Global Context* (Routledge, 2024)

- “Contrariness and Contradiction in Constitutional Law” with Zachary Elkins, *Deciphering the Genome of Constitutionalism* (Cambridge University Press)
- “It’s in the Procedures, Stupid: The Success and Failures of Chile’s Constitutional Convention,” with Isabel Álvarez, *Global Constitutionalism* (September 2023)

Chiara Galli (Access to Justice Scholar)

- “Child Migration: Who, Where, When and Why?” in *Handbook of Human Mobility and Migration* (Edward Elgar Publishing, January 2024)
- “Bringing Children to the Center of Migration Theory” with Filiz Garip, *International Migration Review* (September 2024)

Jacob Goldin

- “Quantifying the Uncertainty of Imputed Demographic Disparity Estimates: The Dual-Bootstrap” with Benjamin Lu, Jia Wan, Derek Ouyang, and Daniel E. Ho, National Bureau of Economic Research

John Hagan (Research Professor Emeritus)

- “Homelessness, Offending, Victimization, and Criminal Legal System Contact,” with Bill McCarthy, *Annual Review of Criminology* (January 2024)

Terence Halliday

- "Global Legal Change from Below and Above," *Journal of Law and Society* (September 2023)
- “"Transnational Legal Order Through Rule of Law? Appraising the United Nations Security Council, 1990-2022," with J. Farrall, *UC Irvine Journal of International, Transnational, and Comparative Law* (2023)

Carol A. Heimer

- *Governing the Global Clinic: HIV and the Legal Transformation of Medicine* (University of Chicago Press, forthcoming in April 2025)
- "Where Law and Morality Meet: Moral Agency and Moral Deskilling in Organizations," in *Handbook of the Sociology of Morality* (Springer, October 2023)
- "The Algorithm Will See You Now," *Sociological Forum* (December 2023)

Claire Johnson Raba (Access to Justice Scholar)

- “Forfeiting Due Process: How Adjudicative Reform Fails Property Owners,” *Fordham Urban Law Journal* (2023)

Laura Beth Nielsen

- “Relational Rights: A Vision for Law and Society Scholarship,” *Law & Society Review* (March 2024)

- "A Face-to-Face Approach to Preventing Campus Sexual Assault," *Contexts* (November 2024)

Reuben Miller

- "Toward a Politic of Welcome: A Response to Laura Beth Nielsen's Presidential Address," *Law & Society Review* (March 2024)
- "Book Review: *Indefinite: Doing Time in Jail* by Michael L. Walker," *Theoretical Criminology* (September 2023)

Ajay K. Mehrotra

- "The Lasting Legacy of Stanley S. Surrey," *Law & Contemporary Problems* (2023)
- "The Surprising Surrey: Stanley S. Surrey as Educator, Mentor, and Institutional Builder," *Law & Contemporary Problems* (October 2023)

Janice Nadler

- "White Mock Jurors' Moral Emotional Responses to Viewing Female Victim Photographs Depend on the Victim's Race," with Hannah J. Phalen, Jessica M. Salerno, and Madison Adamoli, *Law & Human Behavior* (December 2024)
- "Expressive Law and Social Norms," in *Research Handbook on Law and Psychology* (Edward Elgar, August 2024)
- "Stategraft vs. Corruption: A Survey Experiment," with Bernadette Atuahene, *Wisconsin Law Review* (2024)

Robert L. Nelson

- "SCOTUS Rewriting the History of Race in America," *Contexts* (May 2024)
- "Streets, Suites, and States: John Hagan's Contributions to the Study of Law, Power, and Inequality," with Traci Burch, *Law & Social Inquiry* (November 2023)
- *The Making of Lawyers' Careers: Inequality and Opportunity in the American Legal Profession*, with Ronit Dinovitzer, Bryant Garth, Joyce S. Sterling, David B. Wilkins, Meghan Dawe, and Ethan Michelson (University of Chicago Press, October 2023)

Kamaria B. Porter (Visiting Scholar)

- "Campus Police and Racialized Barriers to Reporting Sexual Assault for Black Women," in *Cops on Campus: Rethinking Safety and Confronting Police Violence* (University of Washington Press, 2024)
- "Sexual Consent and Relational Rights: A Call for Relational Repair," *Law & Society Review* (March 2024)

Jothie Rajah

- "Normalising Authoritarianism: Authoritarian Rule of Law in Singapore and Hong Kong," in *Palgrave Handbook of Political Norms in Southeast Asia* (Palgrave, 2024)

- "Authoritarian Rule of Law Deploys Political Gaslighting: Singapore Legislates Against Fake News," in *Routledge Handbook of the Rule of Law* (Routledge 2024)

Anna Reosti (Research Professor)

- "Rental Housing and the Continuum of Carcerality," with Rahim Kurwa and Robin Bartram, *Theoretical Criminology* (September 2024)
- "'Mom-and-Pop' Landlords and Regulatory Backlash: A Seattle Case Study," with Chris Hess, Courtney Allen, and Kyle Crowder, *Socius: Sociological Research for a Dynamic World* (November 2024)

Rebecca L. Sandefur

- "Outside the Box: How States Are Increasing Access to Justice Through Evidence-Based Regulation of the Practice of Law" with Lucy Ricca, *Judicature* (2024)
- "Justice Futures: Access to Justice and the Future of Justice Work," with Matthew Burnett, in *Rethinking the Lawyer's Monopoly: Access to Justice and the Future of Legal Services,* (forthcoming, working paper June 2024)
- "Public Understanding of Law Survey, Volume 2: Understanding and Capability," with Pascoe Pleasence, Nigel Balmer, and Hugh McDonald (2024)

Neel U. Sukhatme (Access to Justice Scholar)

- "Creditor Courts," with Alexander Billy, *Ohio State Law Journal* (2024)

Summary of Current ABF Projects and Programs and Their Impact

The American Bar Foundation (ABF) serves the bar, the bench, the legal academy, and the broader community by producing cutting-edge, award-winning research on critical issues facing the legal profession and society at large. By conducting projects of unmatched scale, quality, and methodological rigor on topics of fundamental and current interest, the ABF sets the standard for policy-relevant research on law, legal institutions, and legal processes. Moreover, ABF researchers are widely recognized as thought leaders in their respective fields, and by gathering them in dialog around the questions and challenges of the legal system, the ABF helps to place law at the center of intellectual attention throughout the social sciences.

The following is a report on the impact of current ABF programs and projects. The list below is representative but not exhaustive. We have categorized the projects within our three broad areas of research: (1) Learning and Practicing Law; (2) Protecting Rights and Accessing Justice; and (3) Making and Implementing Law.

Learning and Practicing Law

After the JD: A National Study of Lawyers Careers
Robert L. Nelson, et al.

The ABF has long been recognized as the leading source of research on legal education and the profession. One of the ABF's hallmark projects in this area is *After the JD* (AJD), the first in-depth, nationwide, longitudinal study of legal careers. AJD followed a large national sample of more than 4,500 lawyers admitted to the bar in 2000 over the first decade-plus of their careers. The study design was longitudinal: the first cohort of lawyers was surveyed in 2002, the second in 2007, and the third in 2012. In addition to survey data, the project has collected more than two hundred in-depth interviews with respondents that provide narrative accounts of how lawyers change their careers.

Impact: In November 2023, the project's capstone book summarizing more than twenty years of research, *The Making of Lawyers' Careers: Inequality and Opportunity in the American Legal Profession* was published by the University of Chicago Press. Researchers found that racial and gender disparities persist in career advancement and that wage gaps exist at all stages of lawyers' careers, even in the first few years after law school**.** Despite these challenges, 78% of the cohort reported being moderately or extremely satisfied with their decision to become a lawyer. The book has been widely acclaimed and the subject of several conferences and conference sessions.

Selected Presentations
- "The Making of Lawyers' Careers" | Hubbard Conference on Law and Education, Stanford Law School | March 2024
- "The Making of Lawyers' Careers: Inequality and Opportunity" | Conference on Researching Professional Careers in the Age of AI; Harvard Law School | April 2024
- "The Making of Lawyers' Careers: Inequality and Opportunity" | Legal Profession of International Sociological Association, International Institute for the Sociology of Law | June 2024
- "The Making of Lawyers' Careers" | Law & Society Association Meetings| June 2024

Media Coverage
- Off the Shelf: Recent Books with Harvard Connections | Review of *The Making of Lawyers' Careers* | *Harvard Magazine* | March 2024

- The Supreme Court's Contempt for History Promises a Worse Racial Future | **Robert L. Nelson** | *Scientific American* | September 2024

Alternative Legal Professionals
Stephen Daniels

Lack of access to competent legal assistance because of the absence of resources, social capital, awareness, or because of geographic distance is described as a justice gap. The existence of this gap is uncontested, and the gap is wide. In response, bar groups, the courts, and academic commentators are giving increasing attention to a range of access-enhancing innovations, all of which share a greater role for nonlawyers. This project explores the recent implementation of one of those innovations, Washington State's Limited Licensed Legal Technician (LLLT) program. Created in 2012, the program authorized licensed, mid-level professionals to perform certain kinds of "substantive law-related work" without the supervision of an attorney. This research project examines the origin, development, and characteristics of the program and examines its role in the efforts of eight other states as they consider following the same approach to enhancing access to justice. Daniels has since concluded his research and is in the process of preparing his findings as a book manuscript.

Impact: Early results from data and interviews conducted thus far appeared in the article "Alternative Legal Professionals and Access to Justice" in the *DePaul Law Review*, which outlines four issues related to the availability of legal services today, (1) affordability of legal services, (2) declining law school enrollment, (3) lack of access to services in rural areas, and (4) the quality of legal education in preparing young lawyers to serve clients. In early analysis of LLLT programs, Daniels concluded that implementing these programs is a leap of faith, as there is no guarantee of successful outcomes for clients. However, a public opinion survey in Arizona indicated a high level of public support for the state's proposed LLLT program, with respondents comparing it to the role of nurse practitioners in the medical profession.

Media Coverage
- Featured Researcher: Stephen Daniels | **Stephen Daniels** (Research Professor Emeritus) interviewed | American Bar Foundation Featured Researcher series | September 2024

The Language of Law Professors
Elizabeth Mertz and Frances Tung

This project builds on the Senior Status, Gender, and Race in the Legal and Liberal Arts Academies project. Using linguistic methods to tease out subtleties in how the professors understand their situations, researchers will examine law professors "in their own voices." At a time when law schools and law professors are under much public scrutiny, this study will help researchers analyze how current pressures are affecting the intersection of race, gender, and professional identity in law schools and inform efforts to build new generations of lawyers.

Impact: In a part of the project that focuses on professors from traditionally excluded groups, Mertz and Tung found that these professors have a more expansive and sophisticated understanding of the contextual aspects of speech and language. They also report hidden metalinguistic assumptions in mainstream law school cultures, assumptions that shape discourse in ways that silence minoritized professors and students. There are also important differences among minoritized professors that may be glossed over by traditional quantitative and qualitative methods.

Selected Presentations
- "Core Values in the U.S. Legal Academy and Conceptualizations of Merit" | Law & Society Association Annual Meeting | July 2022

- "Aspiration and Reality in Legal Education | Law & Society Association Annual Meeting | May 2021

Portrait Project 2.0: Asian Americans in the Legal Profession
Ajay K. Mehrotra and Hon. Goodwin Liu

Asian Americans are a growing presence in all sectors of the legal profession. They work in BigLaw and in smaller firms and solo practice, and as government attorneys, corporate counsel, prosecutors, public defenders, judges, and more. But they fall short in attaining leadership positions and have the highest attrition rates from major law firms. Research has not substantially studied the many ways in which Asian American lawyers and law students struggle and thrive, and the unique incentives and constraints that shape their career paths. The first phase of the Portrait study in 2017 resulted in a widely circulated report that revealed that while Asian Americans have entered every facet of the legal profession, they are underrepresented in top leadership positions across all sectors. The second phase of the study aims to understand the factors, from self-selection to discriminatory bias, that dictate the careers of Asian American lawyers to understand why they are not reaching the upper echelons of the profession.

Impact: In December 2022, an updated report on Asian Americans in the Legal Profession, *A Portrait of Asian Americans in the Law 2.0: Identity and Action in Challenging Times,* was published. There were several important findings, including the stubborn persistence of limited leadership opportunities for AAPI lawyers in large law firms and elsewhere, the lack of overall racial diversity in judicial clerkships, and the continuing lack of Asian American representation among federal prosecutors. There were, however, some bright spots. The number of AAPI federal judges has increased, as has the number of GCs. Also, AAPI attorneys report increasing social and political engagement, desire to improve society, and racial-justice advocacy, with particularly marked shifts among first-generation immigrants. Once the report was completed, the team presented the findings to roughly thirty different law firms and affinity bar groups throughout the country in 2023 and 2024. Mehrotra and Liu also spent the summer and fall of 2024 working on a journal article, submitted as part of special Russell Sage Foundation (RSF) conference.

Selected Presentations
- "Portrait Project 2.0" | Asian/Pacific Islander Employees Advisory Committee at the California Office of the Attorney General | September 2023
- "Law Clerk Selection and Diversity" | Harvard Law School American Constitution Society| September 2023
- "Law Clerk Selection and Diversity" | 10th Circuit Judicial Conference | September 2023

Media Coverage
- Real Diversity = Providing the Opportunity to Lead | *Law.com* | July 2023

The Rise of Lawyer Activism in China
Terence Halliday and Sida Liu

Following earlier research on lawyers and the defense of basic legal freedoms in China, this project addresses the question: how does an international legal complex shape struggles over basic legal freedoms within China? The present moment is a critical historical juncture for China and in China's relations with the United States and other states, institutions, and publics. This project is creating an empirically grounded understanding of activism to influence legal change within China and China's role as an actor within international arenas to shape global norms and practices on legal rights and freedoms. The project collects and analyzes three bodies of new data from 2015 to 2021: (1) archival and documentary analysis of international organizations and international governance institutions; (2) interviews with state and nonstate actors in international arenas; and (3) participant observation in civil society and governance settings. The project has major salience for legal rights in China, for national and international policymaking on China, and for international civil society and publics.

Impact: Halliday and Liu's research has found that, in addition to the everyday criminal defense lawyers who routinely engage with low-level functionaries, a smaller group of elite human-rights lawyers directly challenge the Chinese state. Despite their high-profile status, these lawyers operate as part of wider cross-border networks with substantial capacity to mobilize domestic and international support for legal change. Drawing on in-person interviews and participant observation, this research sheds new light on the prospects for liberal reform in China's increasingly authoritarian regime. Halliday and Liu have conducted many hours of interviews with several of the most prominent lawyers at the forefront of rights struggles in China, and will be publishing his findings in installments, especially for wider publics and legal professions worldwide.

Media Coverage

- Freedom Struggles of China's Christian Rights Lawyers | *The Immanent Frame* | September 2023
- A Law to Protect China's Feelings | *China Media Project* | September 2023

Science and the Legal System
Shari Seidman Diamond

This project investigates the relationship between science and law. While the legal system often—and increasingly—must call on scientists for assistance, studies show many scientists regard the legal system with suspicion or discomfort. The first systematic look at the sometimes-strained relationship between science and law, this project draws on detailed surveys with expert scientists and engineers, grouped by their past participation or willingness to serve as expert witness in a courtroom trial. The surveys offer valuable ideas about what might promote a better relationship when expert testimonies are needed.

Impact: Last year, Diamond augmented four earlier surveys of expert scientists and engineers with a survey of experienced trial attorneys and is currently at work coding the open-ended responses and conducting reliability checks. Although both the experts and the attorneys supported some reforms to optimize the science-law relationship, such as permitting jurors to submit questions for experts, the experts were more supportive than the attorneys of several other reform proposals, including greater use of judge-appointed experts and joint reports from opposing experts. Science is an increasingly important tool for the legal system, and obtaining and using competent experts is crucial. Yet the current system faces problems in identifying those experts and using their expertise effectively. Diamond's project is addressing this conflict.

Selected Presentations

- "Scientific Experts in Court (and how jurors respond)" | American College of Trial Attorneys, Indianapolis | October 2024
- "Utilizing Scientific and Technical Expertise" | American Association for the Advancement of Science | September 2023
- "Surveys in Jack Daniel's v. VIP, Supreme Court IP Review" | Chicago-Kent Law School | September 2023

Media Coverage

- Inside the Jury Room (with Shari Seidman Diamond) | **Shari Seidman Diamond** interviewed | *Stay Tuned with Preet Bharara* | June 2024
- Is Jurors' Sexual Abuse History Relevant in Sexual Abuse Cases | *Psychology Today* | October 2022

- ‘Unbelievable’ Verdicts in Email Forwards Usually Are Just That | *The News-Gazette* | May 2021
- New ABA Study Explains Why Civil and Criminal Jury Trials are Disappearing | *Legal News* | February 2021

Senior Status, Gender, and Race in the Legal and Liberal Arts Academies
Elizabeth Mertz, Meghan Dawe, and Frances Tung

This is the first national study examining the post-tenure experiences of law professors in the United States. The study combines a national survey of tenured law professors and in-depth follow-up interviews with one hundred of those professors. The project addresses several core questions: Do the experiences of female or minorities law professors differ significantly from those of white male law professors? If so, in what ways do they differ? Is there variation in law professors’ experiences according to institutional characteristics, such as the size or status of the law school? The research team has also built a law school database, tracking data on factors including demographic composition of faculty and students, varying rankings of schools over a number of years, religious affiliations, and geographic locations.

Impact: Project collaborators are completing a book that summarizes their research findings, tentatively titled *The Identity Crisis in the U.S. Legal Education.* The data shows that, although 76% of all professors in the study felt that the tenure process was fair, tenured female and POC faculty members perceived the tenure process as less fair than their male or white counterparts. In addition, while the gender pay gap in the legal academy decreased from 8% in 2006 to 4% in 2017, the gap persists even after controlling for factors such as educational attainment, school type, and institutional selectivity. The gap is also most pronounced at the higher end of the pay scale, with women earning 16% less than men at the 75th percentile of pay. For Black women, the gender pay gap at the higher end of the pay scale is most pronounced—19% less than White men.

Selected Presentations
- “From Deficit to Democracy Models in US Legal Education: The ‘After Tenure’ Study.” | Presentation to New York ABF Fellows | September 2023
- “Law Professors’ Values: Hierarchy, Democracy, and Diversity in U.S. Law Teaching.” | William Hubbard Conference on Law and Education, Deborah Rhode Center on the Legal Profession, Stanford University, CA | March, 2024

Protecting Rights and Accessing Justice

Constructing Feminized Courts and Carceral Institutions: Gender, the Legal Regulation of Race, and the Making of Modern Criminal Justice
Tera Agyepong

The study, which focuses on the twentieth-century emergence of women’s courts and carceral institutions for girls, will elucidate the ways gender has shaped racialized processes of criminalization in Illinois, New York, Pennsylvania, and California. By exploring the advent of these institutions alongside the ideals that guided their institutional practices, this project will shed light on the kinds of local-level processes that undergird the modern criminal justice system.

Impact: Agyepong’s research shows that the urban North played a critical role in shaping the modern criminal justice system and notions of racialized criminality. Preliminary findings reveal a close relationship between the juvenile justice system and the women’s courts, with some states creating a hybrid court system for women and girls. Across all examined locations, Black women and girls were the majority—and at times the exclusive—demographic group processed in these courts.

Selected Presentations

- "Girls of Color and the Juvenile Justice System" | New York Judicial Institute | April 2024
- "Constructing Race and Gendered Delinquency in the Juvenile Justice System" | American Society for Legal History | November 2023
- "Constructing Race and Gendered Delinquency in the Juvenile Justice System" | American Society for Legal History | November 2022

Media Coverage

- Child Welfare Systems Have Long Harmed Black Children like Ma'Khia Bryant | *The Washington Post* | April 2021
- The Black Cops Who Fought Brutality on Their Own Force | *JSTOR Daily* | February 2021

The Hero and the Monsignor: Law, Violence, and the Catholic Church
Robert Nelson & Laura Beth Nielsen

This project examines the sexual abuse of minors through a case study of lawsuits brought against a Catholic archdiocese for failure to prevent sexual abuse by priests. With permission from the plaintiff's family (who is now deceased) and the efforts of one of the plaintiffs' attorneys who redacted the names of other parties and witnesses, Nelson and Nielsen have obtained the entire case file from beginning to end. The research will examine the legal consciousness of parties and plaintiffs in cases of sexual abuse of minors; the lawyering involved in mounting and defending such lawsuits; the likely scope and character of clerical sexual abuse in the defendant archdiocese in the period leading to the lawsuit and the organizational processes that hid this abuse; how the lawsuit put a price on abuse in awarding economic settlements to the plaintiffs but also provided other kinds of noneconomic relief; and the likely effectiveness of new safeguards adopted by the archdiocese in the aftermath of the lawsuit as measured in annual audits conducted by the archdiocese from 2005 to present.

Impact: This rare access to a case will allow Nelson and Nielsen to see the dynamics at work in the Catholic Church that allowed such abuse to occur and go unreported. It will illuminate the problem of sexual abuse in institutions and the capacity of law to address this problem.

Selected Presentations

- "The Hero and the Monsignor: Law, Sexual Violence, and the Catholic Church" | Civil Justice Research Institute and the Center for the Study of Law and Society, University of California-Berkeley | February 2024
- "The Hero and the Monsignor: Law, Sexual Violence, and the Catholic Church" | Speakers' Series in Center for Study of Law and Society | April 2024
- "The Hero and the Monsignor: Law, Sexual Violence, and the Catholic Church" | Departmental Colloquium, Department of Sociology, Northwestern University | September 2024.

The Least of These: Violence, freedom and the promise of a new world
Reuben Jonathan Miller

The Least of These traces the legacy of black freedom making in former slave societies. It attends to the ways that emergent collectives imagined and enacted forms of freedom, for themselves and for others, and worked toward a future without bondage. The project does so to better inform how we might design a more just world. Extending the analytic and methodological work begun in what Miller has termed "the gift of proximity" and the "sociology of being together" in prior work, he draws from biography, the researchers body and emotion, and their training in the social sciences to access, analyze and render the social world in ways that draw ones reader into the social situation of the people the research follows.

Miller uses family history to set the bounds of this project, drawing on DNA and family records to trace his grandmother's maternal line from Limbe in Cameroon and his paternal line from Badagry in Nigeria to Chicago, with stops in London, Liverpool and New Orleans along the way. In this way, he uses DNA as a map to transcend time and geography. Doing so allows him to peer into the machinations of four slave economies: The US, The UK, Nigeria and Cameroon.

Impact: Miller examines the work of freedom making and tends to the legacy of those efforts to capture lessons that might be instructive in our attempts to make a freer and more just world. Rather than attempt to offer a definitive account of black emancipation or construct a linear history of black freedom making practices in the nations involved in the transatlantic slave trade, his study juxtaposes the work of collectives comprised of black people and their allies who operated before, during and after black emancipation to build social worlds free from bondage.

Selected Presentations

- "The Least of These" | College de France | May 2024
- "The Least of These" | Keynote, Reintegration Puzzle Annual Conference | June 2024
- "What is Justice?" | Invited Plenary Presentation, British Society of Criminology Annual Conference | July 2024

Media Coverage

- "Toward a politic of welcome: A response to Laura Beth Nielsen's presidential address." | *Law and Society Review* | 2024

Public Opinion, Private Governance, and the Influence of Source Credibility
Janice Nadler

While scholars have addressed the effects of popular media and political polarization on public opinion toward new laws, previous studies have largely ignored the effects of corporate endorsements. Building on surveys and case studies focused especially on food and animal law and sustainability, this project aims to fill that gap by exploring whether corporate endorsements—whether public statements or implementations of the endorsed practice—influence public support for legislation and regulation mandating said practice.

Impact: Nadler has conducted multiple studies under this project, and her findings suggest corporate sustainable practices can have a transformative effect on public attitudes and potentially reduce political polarization, making public regulation more achievable. Recently she was a member of a team that published research findings that showed how appeals to animal welfare concerns specifically may lead people to consume less meat, limiting factory farms and curbing environmental damage from industrial farming practices. The findings were cited by more than seventy news outlets. Along with Justin Marceau (University of Denver Law School) and David Dana (Northwestern Law School), Nadler is working with Cambridge University Press on a book length manuscript, empirically examining the potential for the voluntary self-regulation efforts of private consumer-facing firms to influence public attitudes about the treatment of industrial agricultural animals.

Selected Presentations

- "Expressive Law and Social Norms" | Tulane University | March 2023
- "Disgust, Harm, and Animal Welfare" | Northwestern University School of Law | June 2021

Racial and Ethnic Inequalities in Paternal Imprisonment, Investment in Families and Schools, and Child Inequity
John Hagan

For at least three decades, African American parents and their adolescent children have been at disproportionate risk of being imprisoned and removed from their families and communities. Some of these parents and children are now slowly returning to society. The primary goal of this research is to increase the understanding of processes leading into and out of the exclusionary traps of mass incarceration experienced by these parents and children. The research proposes to focus on (1) the family trajectories associated with variation across states in the imprisonment of Black and Latinx as contrasted with White parents and their offspring, (2) the patterns of youth profiling and punishment through which this variation has unfolded differently for minority youth compared to more privileged White youth, and (4) the later life outcomes that have followed from these differences in racialized treatment.

Impact: Given the disproportionate impact of mass incarceration on African American families and communities, this research offers critical insights not only for criminal justice policy but also for racial equity. Among the early findings Hagan and Foster have uncovered, heavier policing of schools in segregated neighborhoods amplifies perceptions pf police bias, particularly among African American men. Moreover, the shadow of school policing extends well into adulthood, increasing Black men's lifelong risks of social and financial exclusion. In future work, the research team hopes to extend these findings into a broader account of the role of neighborhoods and schools in perpetuating the patterns of incarceration, social marginalization, and economic disadvantage.

Selected Presentations
- "Chicago's Reckoning: Racism, Politics, and the Deep History of Policing in an American City" | ABF Illinois Fellows and ABA Business Law Dinner | September 2023
- "Chicago's Reckoning: Racism, Politics, and the Deep History of Policing in an American City" | Wachtell, Lipton, Rosen & Katz | January 2023

Regulating the Crisis, Phase I: An Exploratory Study of Landlord Responses to Pandemic-Era Tenant Protection Regulations
Anna Reosti

This project examines how landlords' ground-level business practices and interactions with tenants have affected the implementation and impact of pro-tenant regulations adopted during the COVID-19 pandemic. The initial phase of this study investigated how landlords responded to the immediate challenges of the pandemic for the rental industry, such as missed rent payments and a changing regulatory environment. The next phase of the project will draw on in-depth interviews with a diverse group of Chicago area landlords and other rental industry agents, housing advocates and policymakers, and distressed renters.

Impact: In housing markets across the country, rental industry groups have argued that new tenant protection laws are driving out mom and pop landlords, resulting in the loss of affordable housing. Leveraging a changing regulatory environment in Seattle, Reosti and collaborators investigated these claims, publishing their findings as a working paper, "'Mom-and-Pop' Landlords and Regulatory Backlash: A Seattle Case Study." Their findings run counter to pervasive political narratives and have received attention in the local media. In the project's next phase, they will replicate this research in Chicago, which has also seen significant policy change in recent years, but has a much larger, older, and financially distressed small-scale rental sector.

Selected Presentations
- "How do landlords respond to tenant protection regulations?" | Meeting of the Colorado ABF Fellows, Denver, Colorado | September 2024

- **“**Regulatory Backlash in an Era of Resurgent Tenant Power.” | EVICT Seminar (Online), University of Groningen, the Netherlands | April 2024
- “How Durable are the Tenant-Friendly Business Practices of Small Landlords?” | American Sociology Association | August 2023
- “Regulatory Backlash in an Era of Resurgent Tenant Power: The Case of “Mom & Pop” Landlords.” | Law & Society Association Annual Meeting | June 2023

Media Coverage

- No, Renter Protections Aren’t Driving Out “Mom-and-Pop" Landlords | *Publicola* | December 2023
- Chicago’s Two-, Three-, and Four-flats Are a Key Source of Affordable Housing. The Pandemic Might be Changing That | *The Chicago Tribune* | March 2022
- If Small Landlords in King County are Selling Their Rentals, Should We Care? | *Crosscut* | July 2021

Verification of Voter Eligibility: The Process of Disenfranchisement
Traci Burch

States and local jurisdictions allow their residents to vote to elect many local, state, and federal officials. However, most jurisdictions restrict the eligibility to vote based on age, citizenship, residency, felony convictions, and, in some cases, even mental capacity. The rules of eligibility can seem simple and straightforward to apply in most cases, but for many people who want to vote, establishing that they meet these eligibility criteria is difficult. This project explores the process of registering or staying registered to vote for people in the gray areas of eligibility. Data and evidence will be collected to examine how administrative practices create these gray areas and to attempt to trace how government acquires additional information that can verify eligibility.

Impact: This project will document the processes for verifying eligibility in several counties. Burch will show how these processes can pose barriers for voters from different demographic groups—and how, in some cases, enterprising political actors have used verification processes to create intentional barriers for people who want to vote. Burch is currently leveraging new election data following the 2024 elections.

Selected Presentations

- “Race and Electoral Reform Panel” | Harvard Law School | September 2023

Media Coverage

- Federal Lawsuit Alleges Galveston County Redistricting Violated Voting Rights Act | *The Texan* | August 2023
- County a ‘Largely Segregated Place’ Gerrymandering Witness Asserts | *Galveston County Daily News* | August 2023
- A Government Official Helped Them Register. Now They’ve Been Charged with Voter Fraud | *ProPublica* | July 2022

Making and Implementing Law

Anti-Corruption and Illiberalism in the Global South
Tom Ginsburg & John Hagan

Democracy is in recession around the world. Illiberal rhetoric and challenges to the foundational democratic institutions, including fair elections, independent judiciaries, and free press, are no longer limited to developing countries and hybrid regimes; instead, they have become commonplace in the United States and other rich, consolidated democracies. Ginsburg and Hagan explore whether and how the recent surges in anti-corruption activity, conceived within the neoliberal framework of the post-Cold War era, contribute to heightened illiberalism in the national politics. Using a wide array of data – from policy documents, court cases, criminal justice statistics, political speeches, and NGO reports, to interviews with local and international experts, public opinion surveys, political and economic indicators, and media reports, researchers will map out the sequences of social processes connecting surges in anti-corruptionism to the different manifestations of illiberal governance.

Impact: The country cases will be constructed in a way that allows for cross-case, cross-region, and cross-time comparisons, which will reveal the political, economic, and cultural scope conditions under which anti-corruptionism leads to heightened illiberalism and theorize which combinations of them may be either necessary or sufficient.

Selected Presentations

- "Anti-Corruption and Illiberalism in the Global South" | Conference, American Bar Foundation | April 2024

Branding Law: Genre, Rule of Law, and U.S. Federal Public Legislation
Jothie Rajah

In a liberal democracy, legislation is meant to be accessible. Yet it is rife with illegible syntax, which is in tension with rule of law ideals requiring law to be published, clear, and generally accessible. Since the 1980s, legislation has incorporated elements from popular genres to make it more easily understood. Rajah questions whether these additions actually improve accessibility—or whether the nationalistic and populist rhetoric only appears to do so. Richly interdisciplinary, this project looks at concepts central to law, including freedom, democracy, human rights, jurisdiction, sovereignty, and "the people," and analyzes how this blending of genres is reconfiguring the meanings of these concepts, as well as the overall language and politics of law.

Impact: By bringing much-needed attention to hidden influences behind the language of law, this project stands to help scholars and the public understand how legislation may—or may not—truly align with the principles of the rule of law and liberal legality. As part of the project, Rajah intends to develop a public website, which will feature data from the analysis of legislation, congressional debates, and news media.

Selected Presentations

- "Critical Discourse Studies as Sociolegal Methodology" | Law & Society Association Conference, Denver | June 2024
- "Populism's Melodramatic International Law: The 1998 U.S. International Religious Freedom Act" | Monash Law Chambers | June 2023
- "Law, Development, and Violence in the 21st Century" | Geneva Graduate Institute | April 2023
- "New Directions for Law and Language | North-West University, South Africa | March 2022

Consent to Sex on Campus: How Undergraduates Understand and Enact Sexual Consent in the Title IX Era
Laura Beth Nielsen

This project studies the impact on university undergraduates of the Obama-era "Dear Colleague" (DCL) letter addressing campus sexual harassment and assault. Nielsen completed quantitative analyses of Title IX compliance policies at a national sample of universities, along with in-person interviews with undergraduates at five college campuses in the Midwest about Title IX compliance regarding sexual assault. The study builds on Nielsen's previous scholarly work on the dissemination of information about civil rights; how organizations respond when they are responsible for enforcement; the institutional structures that interfere with—or complement—the goals of the civil rights movement; and, most importantly, how ordinary people think about the law as they go about their daily lives.

Impact: Nielsen found undergraduates had only a limited understanding of critical terms and concepts in typical Title IX policies, in keeping with computational analysis that found the average Title IX policy harder to read than the *New York Times* or the *Harvard Law Review*. In November 2022, Nielsen released initial findings in "Misunderstanding Law," published in *Educational Evaluation and Policy Analysis*, where she also shared that students who undergo any kind of violence while at school experience impaired academic outcomes, but targets of sexual violence face the most negative outcomes with, on average, a GPA decline of full letter grade. In a second article, "The Exonerating 'Guise of Brotherhood'," published in *Men and Masculinities*, Nielsen interviewed fraternity members at a midwestern university about their experiences of sexual violence. She concluded that fraternities use a specific way of talking about "brotherhood" that normalizes and hides sexual violence, protecting those who commit such acts from consequences.

Selected Presentations
- "Legal Pluralism When Formal Systems Fail: Title IX, Legal Consciousness, and Informal Sexual Assault Prevention Strategies on Campus" | Berkeley Law | February 2023

Media Coverage
- Trump was Found Liable for Sexual Abuse. What Happens Now? | *Vice* | May 2023
- Trump Trial and Legal Accountability in Sexual Assault Cases | *PBS Newshour* | May 2023
- Sticks and Stones: The Problem of Hate Speech | *Entitled* podcast | November 2, 2023
- The Politics of Campus Free Speech Draw Scrutiny | **Laura Beth Nielsen** cited | *Wall Street Journal* | December 9, 2023

Legal Characteristics of International Organizations
Tom Ginsburg

This project aims to examine the legal characteristics of international organizations (IOs), or organizations composed of multiple states, formed under international law, and which are major actors on the international stage. The project will produce the first publicly available database of IO legal characteristics, including IO powers, voting rules, budget processes, immunities, secretariat, systems of dispute resolution, and more. This database will for the first time elucidate the most common legal features that are characteristic of IOs. This in turn will help consolidate the sometimes-fuzzy definition of IOs that is standard in academic accounts, informing legal decision-makers and improving our understanding of the relationship between democracy and international law.

Impact: Legal Characteristics of International Organizations has the potential to inform the work of international lawyers both within and outside of international organizations. With the project still in the early stages of data-gathering, Ginsburg has presented the work in various environments and conducted interviews with IOs in several countries to test ideas and gather additional qualitative data. In addition, the expectation is that he will create a publicly accessible website to stimulate greater awareness of international organization charters.

Selected Presentations
- "Proposed Changes to the Israeli Legal System: Background, Process, and Outlook" | American Bar Association International Law Section | April 2023
- "Democracies and International Law" | American Society of International Law | March 2023

- "Democracies and International Law" | American Society of International Law | March 2023
- "Incentivizing Political Succession" | Hamburg University | January 2023

Media Coverage

- Opinion: Having a King Like Charles is a Good Defense for Democracy | Project Syndicate | May 2023
- Israel's Constitutional Crisis | *We the People* | March 2023
- A Law Professor Worries Israel Could Become the Next Hungary | Jewish Telegraphic Agency | January 2023
- Chile Votes on Constitution That Would Enshrine Record Number of Rights | *New York Times* | September 2022
- Dictators and Utopians are Fond of Fiddling with Constitutions | *Economist* | August 2022

Modernizing Tax Administration with Predictive Algorithms
Jacob Goldin

Goldin's project attempts to articulate the transformative potential of technology in tax administration. The annual tax gap – the difference between taxes owed and taxes received – is estimated to be around $500B. Yet the Internal Revenue Service (IRS) relies on a hodgepodge of models – many of them dated – to allocate enforcement resources and estimate taxpayers' risk of noncompliance. The failure of the IRS to employ state-of-the-art technological resources is in large part due to dramatic (and partisan) budget cuts during the 2010s that have hampered the ability of the agency to upgrade its IT systems or to hire and retain technologically sophisticated employees. More recently, the IRS received an infusion of funds through the 2021 Inflation Reduction Act. Poor audit selection, however, risks squandering the resources provided to the IRS under this legislation, while undermining political support for a well-funded revenue collection agency going forward.

Impact: Goldin's research will help us better understand the efficiency and fairness properties of alternative methods for forming predictions. Modern data-driven methods of forming predictions from the machine learning and artificial intelligence literatures have the potential to greatly improve the efficiency of this task. This project will help shed light on potential tradeoffs between fairness and efficiency in a high-stakes real-world setting. His research will also shed light on how substantive elements of the law interact with social and demographic patterns in the contemporary US to shape the efficiency and distribution of tax noncompliance and deployed enforcement resources. This research will thus highlight important interactions between formal legal rules and differences in demographic characteristics, which shape the practical effect of those rules, across various groups of taxpayers.

Media Coverage

- IRS Weighs "Audit Selection Algorithm" Changes for Low-Income Taxpayer Credit | **Jacob Goldin's** "Measuring and Mitigating Racial Disparities in Tax Audits" cited | *CNBC* | February 2024
- Future of IRS Direct File Hinges on Pilot Results, Politics | **Jacob Goldin** cited | Bloomberg Tax | March 2024
- Tax Code Must Promote, Not Hinder, Fairness for Black Taxpayers | **Jacob Goldin** cited | *Bloomberg Tax* | June 2024

Our Court: A New History of the United States Supreme Court
Christopher Schmidt

This project examines the evolution of the United States Supreme Court's relationship with various extrajudicial actors—from presidents to public interest groups to everyday citizens—over the past century. At the heart of the study are the attitudes, expectations, practices, and institutions that connect the Court to American society and American society to the Court. This project asks why, in the period from 1930 to today, the Supreme Court evolved from an institution that was generally understood as standing apart from the American society to an institution that politicians, reformers, and much of the public treat as an integral component of American political and cultural life.

Impact: Schmidt is currently conducting research on this project. He is collecting secondary source literature on legal histories of the modern Supreme Court and primary sources from the Library of Congress and the personal papers of 1930 Supreme Court nominee John Parker. He is drafting an article on the defeat of Parker and Franklin D. Roosevelt's 1937 Court-Packing Plan.

Selected Presentations

- "Making the Supreme Court a Political Issue" | Seventh Circuit Bar Foundation Conference on Political Polarization and Judicial Legitimacy | September 2024.
- "A History of Scandals at the Supreme Court" | Dartmouth Lawyers Association | April 2024.
- "The Defeat of Judge Parker and the Making of the Modern Supreme Court" | University of California, Los Angeles, Legal History Workshop | April 2024.
- "The Defeat of Judge Parker and the Making of the Modern Supreme Court" | American Bar Foundation Maryland Fellows Meeting | February 2024.
- "A History of the History of the Fourteenth Amendment in Constitutional Adjuration," Journal of American Constitutional History Biennial Conference | September 2023
- "The Defeat of Judge Parker and the Making of the Modern Supreme Court" | University of Minnesota Legal History Workshop | September 2023
- "The Dilemma of the Supreme Court" | University of Georgia Faculty Workshop | April 2023
- "The Dilemma of the Supreme Court" | St. Louis University | April 2023

Media Coverage

- Amid Controversy, Supreme Court Shows Surprising Unanimity in Most Rulings—So Far | **Christopher W. Schmidt** cited | *Daily Record* | May 17, 2024
- Gen Z Roiled by Supreme Court Rulings on Student Loans, Abortion | *Bloomberg Law* | July 2023
- 80 Years Ago This Week, Activists Staged one of Nation's First Sit-Ins at Kenwood Coffee Shop | *Hyde Park Herald* | May 2023

The Probative Versus Prejudicial Effect of Gruesome Photographs in Court
Janice Nadler

Courtroom images can influence beliefs, emotions, and judgments in ways that have never been empirically examined. This project will investigate how these emotionally evocative modes of visual evidence can affect the psychology of jurors' decision-making processes through influence on emotions, attention to evidence, and legal judgments at the individual and group level. This project examines the extent to which gruesome photographs (versus verbal descriptions or neutral photographs) rouse negative emotion, causing jurors to pay more selective attention to case evidence that is consistent with their emotions and less attention to evidence that is not consistent with them.

Impact: The ubiquity of cellphone cameras has sparked an explosion of visual evidence, much of which is gruesome or emotionally charged. Meanwhile, empirical knowledge of the effects of such evidence has lagged behind. Nadler is testing individual and group responses to gruesome or emotionally charged photos and video shown as evidence, as well as the efficacy of possible safeguards, such as substituting black and white photographs. Her testing thus far raises the possibility that Victim Life Photograph laws may unintentionally exacerbate racial bias.

Selected Presentations

- "Gruesome Photographs and Group Deliberation" | San Diego Fellows of the American Bar Foundation | May 2023
- "The Impact of Gruesome Photographs, Emotion-Awareness Jury Instructions, and Deliberation on Mock Juror Verdicts" | Law & Society Association Annual Meeting | June 2022
- "The Emotional Influence of Gruesome Photographs in the Courtroom" | Harvard University Law School | May 2021

Media Coverage

- How to Gain Trust: A Practical Guide | *The New York Times* | June 2021

The VAT Laggard: A Comparative History of U.S. Tax Resistance to the Value-added Tax
Ajay K. Mehrotra

The US is among the least taxed industrialized nations in the world, with total taxes/GDP ratio of 26%, well below the OECD average of 34%. New, more robust forms of taxation such as the VAT, popular throughout much of the world, offer one way to address growing American economic inequality, which leads much of the developed world and is skewed disproportionately by race and gender. Yet attempts to address growing inequality through US fiscal policy have been burdened by the myth of the "overtaxed" American, the misguided notion that US taxpayers pay more in taxes. This project explores three key historical periods from a comparative perspective to study how and why the U.S. has failed to adopt national consumption taxes like the VAT, and what that might tell us about American views towards taxes and government spending.

Impact: This project aims to understand why the U.S. is the only advanced industrialized country without a value-added tax—and what this absence tells us about the peculiar historical development of the modern American fiscal and social welfare state. It shows that the absence of a VAT in the U.S. is an example of American fiscal exceptionalism that has hindered progress towards greater economic equality. Mehrotra published two articles related to this project. "The Missing U.S. VAT," published in the *Northwestern University Law Review,* was a broad overview of the research question and its implications for the looming U.S. fiscal crisis. The second article in the journal *Modern American History* focused on a pivotal historical case study—the consideration and rejection of a national consumption tax in the 1920s.

Selected Presentations

- "Nixon's VAT: Lawyers, Economists, and the Rise and Fall of 1970s Value-Added Tax to Fund Education" | Law, Culture & Humanities Conference | July 2023
- "Nixon's VAT: Lawyers, Economists, and the Rise and Fall of 1970s Value-Added Tax to Fund Education" | Law & Society Association Annual Conference | June 2023
- "Nixon's VAT: Lawyers, Economists, and the Rise and Fall of 1970s Value-Added Tax to Fund Education" | University of Melbourne Law School | February 2023
- "The VAT Laggard: A Comparative History of U.S. Resistance to National Consumption Taxes" | Australian National University | February 2023

Media Coverage

- Moores Lean on 1916 Tax Expert to Argue No Realization Means No Income | *Forbes* | November 2023
- Windfall Profit Taxes Have Benefits, But the Devil is in the Details | *Washington Post* | October 2022
- Biden Threatens Windfall Tax on Oil Profits and War Profiteers | *Forbes* | November 2022

Detailed Fundraising Efforts

In addition to the ABE annual grant, the ABF relies upon several other funding sources to support its research, programming, and operations: (1) the Fellows of the ABF; (2) third-party grantmaking entities such as the National Science Foundation (NSF), the AccessLex Institute, and the JPB Foundation; (3) individual contributors who are not Fellows; (4) organizational contributors that are not primarily grantmaking entities, such as law firms and corporations; and (5) the annual yield from our own ABF endowment. We describe below the importance of each of these funding sources, and the steps we are taking to maintain and enhance these sources of revenue.

1. The Fellows of the American Bar Foundation

The Fellows of the American Bar Foundation (the Fellows) comprise an international honorary society of more than 16,000 leading members of the organized bar, bench, and legal academy. Through annual charitable donations, the Fellows support the ABF's general operations as well as the Foundation's robust research and programming portfolio. These contributions have accounted for approximately 25%-35% of the ABF's total revenue since FY15. Since FY15, the ABF has added 550-900 new Fellows each year, with the exception of FY20 due to the pandemic. Barring any unforeseen circumstances, we anticipate adding roughly 700 new Fellows during the current fiscal year. This year, we have budgeted Fellows' revenue to be $2.1 million.

Continuing the ABF's collaborative relationship with the ABA, since 2014 the ABF staff has reached out to more than 1,100 non-ABA members who were nominated to become Fellows by their peers. This outreach, which encourages joining the ABA and provides an ABA link and phone number to do so, has resulted in more than 180 individuals joining the ABA.

In a continued effort to reduce the cost associated with printing and mailing Fellows materials, the ABF staff has fully implemented a digital invitation process to Fellows nominees. This fiscal year, more than 85% of Fellows nominees are receiving digital invitations. Fellows staff are also streamlining appeal efforts by reducing the number of mailed solicitations, resulting in additional savings.

2. Third-Party Grants

External funding from institutions such as the National Science Foundation (NSF), the AccessLex Institute, and the JPB Foundation continues to be an important part of the ABF's revenue stream. Support from these grantmaking institutions allows the ABF to launch and expand fellowship programs, host workshops, and further faculty research. Third-party grants awarded or initiated in the current calendar year thus far are listed below:

1. AccessLex Institute awarded $661,294 over three years for the ABF's Emerging Scholars Fellowship Program in Legal and Higher Education. Awarded in November, 2023, this grant will support doctoral and post-doctoral Fellows for three fiscal years.
2. The National Science Foundation (NSF) awarded $356,972 over three years for the Law and Social Science Fellowship and Mentoring Program on Law & Inequality. Awarded in July, 2023, this grant will support doctoral and post-doctoral Fellows in the three fiscal years beginning September 1, 2023.
3. NSF also awarded Research Professor Thomas Ginsburg (jointly appointed with the University of Chicago) $206,574 across two and a half years for his project entitled "Legal Characteristics of International Organizations." This project seeks to provide an empirical explanation of the charters of international organizations, which are major players in international relations and international law.

In some cases, the ABF is a subrecipient of a grant from a pass-through entity. Most recently, the ABF has received the following two subawards for its Access to Justice Research Initiative, led by Faculty Fellow Rebecca Sandefur:

1. The National Science Foundation (NSF) awarded $49,382 to Arizona State University (with an ABF subaward of $4,706) across one year, to support a workshop on Advancing Federal Policy Priorities through Access to Justice Research. (August 2023).
2. The National Science Foundation (NSF) awarded $999,999 to the University of Minnesota (with an ABF subaward of $48,466) for a one-year pilot project exploring the potential of community justice-workers to address access to justice issues. (September 2023).

3. Other Individual Contributors

i. Committed Fellows: We are grateful for the many ABF Fellows who continue to make financial contributions after their initial pledge commitment is fulfilled. Continued giving is a signal that these Life Fellows believe in the ABF's mission and value our research and programming. In recent years, we have made concerted efforts to engage these committed individuals more deeply with the ABF. We have developed several vehicles to further a Fellow's involvement with the ABF: serving as a Fellows State Chair, a National Fellows Officer, an ABF Board member, a member of the Fellows Research Advisory Committee (FRAC), or a Fellows Ambassador to an ABA Section/Division/Forum or a specialty bar. We have found that an invitation to serve in one of these capacities is considered a great honor and is an excellent way for our most committed supporters to learn more about the ABF's work.

ii. Non-Fellow Supporters: We are increasingly receiving support from individuals outside of the Fellows. Most often, these individuals learn about the ABF by reading about one of our special endowed funds (described in the following section) or by attending a Fellows event as a guest of a Fellow. To help grow support from individuals outside the auspices of the Fellows, we established the Council of Advisors (CoA) in 2019. The CoA provides volunteer leadership to the ABF through their skills, networks, and business and professional acumen. CoA members are selected based upon their distinct area(s) of expertise and their past, present, or anticipated future interest in advancing the ABF's research agenda. The CoA currently consists of six members – a federal judge, a publisher, a physician, a CPA, an educator, and a government general counsel. CoA members attend FRAC meetings every year to gain an in-depth understanding of select ABF research projects.

iii. ABF Leadership: Our organization's leadership is also deeply committed to diversifying revenue streams and increasing individual contributions through their personal support and networks. At our Spring 2024 Board Meeting, our Executive Director announced a challenge to personally match up to $10,000 in gifts from the Board of Directors (BOD). This initiative was quickly embraced, and it led to over $28,000 in individual contributions from BOD members. This highlights the strong belief our leaders have in the ABF's mission, as well as their dedication to setting an example for others to follow. By the end of FY24, the ABF Directors, Officers, and Faculty contributed over $76,000 to support the organization and its programs. The success of this initiative demonstrates the impact of leadership giving and its role in inspiring others to contribute, ultimately strengthening the ABF's ability to advance its mission and programs.

iv. Legacy Society: The ABF's Legacy Society honors and recognizes those who have committed to enabling the ABF to further its mission through their estate plans or other deferred gift vehicles. Currently, the Legacy Society has 38 members. We recently established a professional advisory service for our Legacy Society members who seek assistance but either 1) have not retained their own legal counsel to advise them on gift planning; or 2) would like to have a second set of eyes review their plan. Five ABF Fellows, who are also Fellows of the American College of Trust & Estate Counsel (ACTEC), have agreed to serve on the Planned Giving Professional Council.

v. ABF Alumni Association*:* We are excited to report that planning for the launch of the ABF Alumni Association is well underway. Our goal is to recognize and stay connected with the hundreds of scholars who have passed through the ABF and whose careers have been launched and enriched by their experiences here. This includes a diverse group of individuals, such as

Research Professors, Doctoral and Post-Doctoral Fellows, Summer Undergraduate Research Fellows, and Executive Directors. As we move forward, we are preparing to send out the initial outreach to alumni in the coming months. The Alumni Association will not only serve to build and maintain community but also aim to inspire further engagement with the ABF, elevate the ABF's profile, and provide a platform for alumni to stay connected. With time, we hope the Association will also become a vital source of contributed revenue to support the ABF's ongoing success.

4. Other Organizational Contributors

i. Event sponsorship: Institutions have been providing ABF event sponsorship support for many years. Since FY15, 125 entities have provided sponsorship support for ABF events. Law firms are our largest category of sponsor organizations, followed by state and local bar associations, and university departments. The remaining sponsors have been cultural institutions, foundations, corporations, and legal organizations such as the Legal Aid Society, the Chicago Community Trust, and the Practicing Law Institute. Sponsorship support more than tripled from a total of $37,000 in FY15 to $120,500 in FY19. The global pandemic in the spring of 2020 ushered in an abrupt halt to in-person gatherings, thereby decreasing event sponsorship drastically. As we return to in-person events, sponsorship from institutions is also slowly bouncing back, receiving close to $45,000 in institutional sponsorship support during FY23. We are increasingly focused on seeking general and programmatic support from law firms and corporations. For example, six national law firms, four specialty bar associations, two universities, and one corporation have all provided generous support for Portrait Project 2.0, a research project exploring the current challenges and opportunities faced by the Asian American legal community.

ii. William Hubbard Conference on Law & Education Endowment: William Neukom's lead investment of $150,000 to endow the Hubbard Conferences on Law & Education has been matched and exceeded with gifts and commitments from 97 individuals and three organizations contributing $180,000 in gifts ranging from $10 to $27,500. The total endowment is now $332,478. The inaugural ABF William Hubbard Conference on Law & Education was held on February 25, 2022 at the University of South Carolina School of Law in Columbia, SC. as a part of the South Carolina Law Review's annual symposium, and carried the theme "Law, Education, and Democracy." The second Hubbard Conference was held at Stanford Law School in March 2024 and featured California Supreme Court Associate Justice Goodwin Liu as the keynote speaker. The next Hubbard Conference on Law & Education is expected to take place in Chicago in 2025.

iii. Ruth Bader Ginsburg Endowed Fund for Research in Civil Rights & Gender Equality: Sixty-seven individuals and three organizations have provided support totaling $309,884 for the

Ruth Bader Ginsburg Endowed Fund for Research in Civil Rights & Gender Equality. The ABF has hosted three events to celebrate and publicize the RBG Fund: Chicago (October, 2021), Washington, D.C. (July, 2022), and Los Angeles (January, 2023). All events were well attended – at or near capacity – and for each event, ticket sales and sponsorships covered or slightly exceeded expenses. Planning has begun for a fourth RBG Fund Reception, that will highlight some of the research that the Fund makes possible.

5. ABF Endowment

The ABF currently has its own academic endowment, similar to the ABE's Legal Legacy Fund. Although we have historically maintained an aggressive spending policy from this endowment, in recent years we have adopted a new spending policy to scale back the draw on our endowment and thus preserve the long-term integrity of the endowment.

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In our ongoing efforts to diversify and expand our fundraising initiatives, we are pleased to announce that, in mid-2024, the ABF reorganized its Development team by promoting Natalie Shoop to the role of Senior Director of the Fellows, and by recruiting Erla Teli to the role of Director of Major Gifts and Grants. This strategic restructuring is aimed at further strengthening the Fellows community while simultaneously ramping up our external fundraising capabilities, particularly with individual donors. The new Director of Major Gifts and Grants' role focuses on cultivating and strengthening relationships with major donors, enhancing our efforts to secure gifts that align with the ABF's mission and long-term goals. With this enhanced capacity, the ABF is poised to further broaden its donor base, increase financial contributions, and ensure the continued growth of our research and programming.

While we hope that the ABE will always remain our primary source of unrestricted funding, we understand that we must continue to solidify our financial future by enhancing our development efforts and diversifying our revenue sources. The efforts described above illustrate our commitment to doing so.

Acknowledging ABE Support for ABF Research and Programming

None of our ABF achievements would be possible without the assistance of the American Bar Endowment. To recognize your generous annual grant, we acknowledge the ABE's support in several ways.

First, our current ABF Communications Policy specifies that we list the ABE as our primary funder on all formal ABF communications, including press releases, which are generated and circulated to media and a broad audience of ABF stakeholders among the practicing bar, bench, and the academy. All press releases, containing our acknowledgement of ABE funding, can be found within the Press Release section of the ABF website. Here are a few recent examples:

- The Making of Lawyers' Careers: A Twenty-Year ABF Study Finds Systemic Inequality in the Legal Profession Still Exists (March 19, 2024)
- The ABF Hosts Webinar on the Role of Education in Safeguarding Democracy as part of the Hubbard Conference Series (April 3, 2024)
- Special Issue of *Law & Society Review* Celebrates Laura Beth Nielsen's Outgoing Presidential Address to the LSA (May 21, 2024)
- Mark Suchman Delivers the Keynote Address at the Hong Kong University Centre for Interdisciplinary Studies Inaugural Conference (July 11, 2024)
- The ABF Access to Justice Research Initiative Launches Early Career Workshop with First Cohort of Scholars (Sept. 12, 2024)

Second, we communicate ABE support for our research and programming through our ABF Fellows network. Our quarterly Fellows newsletters and State Chair updates, for instance, contain an acknowledgement of the ABE's support for ABF research. We continue to work closely with the ABE Communications Team to notify ABF Fellows in states where organizations have received ABE Opportunity Grants.

Third, we use our website and broad social media channels to regularly communicate ABE support. The About page of the ABF website contains an acknowledgement of ABE support and a direct link to the ABE website. Our ABF Twitter, ABF Facebook, ABF LinkedIn, and ABF Instagram regularly communicate the ABF's research and programming, as well as acknowledging the generous annual ABE grant. In addition, video produced by the ABF and focused on our research or researchers and posted to our YouTube account includes an acknowledgment of the ABE's generous support. Most recently, for example, please see a video featuring ABF Research Professor Traci Burch on how voter eligibility verification systems impact political participation.

Finally, we consistently encourage our ABF researchers to recognize ABE support in their research presentations and publications. For example, Robert L. Nelson, Ronit Dinovitzer, Bryant Garth, Joyce Sterling, David B. Wilkins, Meghan Dawe, and Ethan Michelson's book, *The Making of Lawyers' Careers: Inequality and Opportunity in the American Legal Profession*, contains formal thanks for the ABE's support in the Acknowledgement section. Similarly, during the opening remarks of our many ABF virtual research presentations, our director and others regularly acknowledge ABE support.

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Updated 5/28/24

AMERICAN BAR ENDOWMENT

CONFLICT OF INTEREST POLICY

(Amended and Restated as of August 5, 2022)

The American Bar Endowment (the "ABE") is committed to integrity and fairness in the conduct of all of its activities. All decisions of the ABE's Directors, officers, committee members, and employees, whether or not compensated by the ABE (each, a "Covered Person" and, collectively, the "Covered Persons"), shall be made solely on the basis of a desire to promote the best interests of the ABE. From time to time, potential conflicts of interest or the appearance of conflicts of interest inevitably will arise. The ABE will deal with such conflicts of interest openly and in accordance with the following principles and procedures.

The Board of Directors of the ABE (the "Board of Directors" or the "Board") recognizes and acknowledges that the Covered Persons have significant professional, business, and personal interests and relationships. The Board has determined that the most appropriate manner in which to address actual, potential, or apparent conflicts of interest is initially through liberal disclosure of any relationship or interest which might result in such a conflict. Disclosure under this Conflict of Interest Policy (this "Policy") should not be construed as creating a presumption of impropriety.

This Policy is intended to supplement, but not replace, any federal or state laws governing conflicts of interest applicable to not-for-profit organizations that are described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and are further classified as public charities within the meaning of Section 509(a) of the Code. This Policy may be amended from time to time by the Board of Directors.

CONFLICTS OF INTEREST

Each Covered Person shall disclose all conflicts of interest, including, but not limited to, the following:

- Service as a Board member, trustee, officer, or employee of, or a Material Financial Interest (as defined below) in, an organization with which the ABE conducts or may conduct a financial or business transaction;
- Similar service with or a Material Financial Interest in any such organization by any Family Member (as defined below) of such Covered Person;
- Any affiliation (as an officer, director, trustee, employee, or partner) with, or any Material Financial Interest in, any organization that currently receives or applies to receive funds, services, or other support from the ABE or from which the ABE

receives or applies to receive funds, services, or other support, or whose products or services are in competition with or serving the same community as those of the ABE, or any such similar affiliation of any Family Member of such Covered Person;

- A relationship as a Family Member of any individual who (a) currently conducts or may conduct a financial or business transaction with the ABE, (b) receives or applies to receive funds, services, or other support from the ABE, or (c) furnishes or may furnish services to the ABE for compensation;
- Any other situation that may prevent or appear to prevent the Covered Person from acting impartially and in the best interests of the ABE.

For purposes of the foregoing, potentially conflicting interests may relate to the ABE's mission and programs (e.g., grants) or its operations (e.g., contracts with third parties).

With respect to any Covered Person who holds a position with a law firm, the Covered Person is not expected to disclose any relationships with those for whom their law firm provides legal services, provided that the Covered Person does not participate in decisions concerning those services.

Covered Persons should disclose interests or relationships held by others that may impact their decision-making to the extent they are aware of such information. Covered Persons are under no obligation to determine the nature of every interest or relationship held by a Family Member if they have no independent knowledge of such interest or relationship.

DEFINITIONS

The term "Family Member" means an individual's spouse, domestic partner, parent, in-law, sibling, ancestor, child, grandchild, great grandchild, immediate household member, or the spouse of the individual's sibling, child, grandchild, great grandchild, or other close personal relationship (such as dating or live-in relationships).

The term "Material Financial Interest" means ownership of 10% or more of the equity interest in a corporation, profits interest in a partnership, or beneficial interest in a trust.

DISCLOSURE

Disclosure Statement and Continuing Obligation

A *Conflict of Interest Disclosure Statement* in the form attached to this Policy as Exhibit A shall be submitted annually by each Covered Person and by any other person determined by the Executive Director to be subject to this Policy. The completed *Conflict of Interest Disclosure Statements* will be kept on file at the ABE for a period of two (2) years; they shall be kept confidential and shall be disclosed only upon the authority of the ABE's President.

Any individual who has an actual or potential conflict of interest as to any proposed grant, transaction, or other matter shall disclose the conflict of interest before any deliberations on the matter. All Covered Persons are under a continuing obligation to make full disclosure of all situations involving either actual or potential conflicts of interest whenever such situations may arise. Any such disclosure shall contain sufficient detail to apprise the relevant reviewer of the Covered Person's potential bias or interest in the matter. When in doubt as to the existence of a conflict of interest, the individuals should err on the side of disclosure.

Attached hereto as Exhibit B is a list of service providers and ABE contractors to assist the Covered Persons in identifying potential conflicts.

Special Situations

Individuals may be confronted with special situations that are not specifically addressed by this Policy. In any individual has a question as to the proper course of action, the matter should be disclosed to the Executive Director or to the Board of Directors. The Executive Director or the Board of Directors, as the case may be, shall determine the appropriate handling of the special situation.

Potential Failure to Disclose

If there is reasonable cause to believe that a Covered Person has failed to disclose actual or possible conflicts of interest, such person will be informed of the basis for such belief and afford him/her an opportunity to explain the alleged failure to disclose. If, after hearing the response of the Covered Person and making such further investigation as may be warranted in the circumstances, and it is determined that such person has in fact intentionally failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action, including, if necessary, action to remove the affected Covered Person from his or her position.

Predetermined Conflicts of Interest

For purposes of this Policy, due to the potential for competitive activities between the ABE and the American Bar Association, any Covered Person who also serves as an officer, director, trustee, or employee of the American Bar Association (each, a "Dual Interests Individual") automatically shall be deemed to have a real or potential conflict of interest with respect to (a) the development, discussion, and approval of the ABE's strategic plan, and (b) the development, discussion, and approval of existing and potential lines of business for the ABE (each, a "Strategic Discussion"). Each Dual Interests Individual shall leave the room during the discussion, debate, and vote (and abstain from any vote) of any Strategic Discussion. Additionally, each Dual Interests Individual automatically shall be deemed excused from the portion of all future meetings of the Board of Directors related to any Strategic Discussion; provided, however, that the Board of Directors shall, whenever practicable, provide advance notice to each Dual Interests Individual of the scheduling of any discussion from which the Dual Interests Individual shall be excused.

DEALING WITH CONFLICTS

Once an actual or potential conflict of interest has been identified (e.g., through an individual's disclosure, vote of the Board of Directors, or a matter deemed a conflict for purposes of this Policy), the Board of Directors or relevant committee of disinterested persons (the "Authorized Body"), as the case may be, shall determine whether a conflict of interest exists and, if so, shall determine the proper course of action to address the conflict of interest, including following the protocols set forth below. If each of the other Directors or committee members, as the case may be, has a conflict of interest with respect to a matter to be considered, then the Board of Directors shall develop an appropriate method of addressing the conflict of interest.

Unless otherwise determined by the Board of Directors, after having fully disclosed an actual or potential conflict of interest, the individual who has the actual or potential conflict of interest shall:

- provide information requested by the Authorized Body with respect to the conflict of interest;
- leave the room during the discussion and debate on the matter;
- leave the room during the vote on the matter;
- abstain from any vote on the matter; and
- be deemed excused from the portion of all future meetings of the Board of Directors or the Authorized Body, as the case may be, related to the matter.

The minutes of meetings of the Authorized Body shall (1) state the name of each individual who disclosed, or otherwise was found to have, a conflict of interest, (2) describe any actions taken by the Authorized Body in response, and (3) note the abstention of the individual or individuals with the conflict of interest from the vote on the matter involved (if applicable).

At all times, each individual affiliated with the ABE shall act in a manner consistent with his or her fiduciary obligations to the ABE and shall exercise particular care that no detriment (or appearance of a detriment) to the interests of the ABE may result from a conflict between these interests and any personal interests the individual may have.

Any Covered Person who discloses or is determined to have a conflict of interest under this Policy shall be deemed to have waived their right to obtain any ABE attorney-client privileged information with respect to the matter with which they have a conflict.

NO RETURN BENEFIT

No Covered Person shall knowingly accept any material gift of goods or services when it could reasonably be inferred that the gift was intended to influence an official action in the individual's position with the ABE.

AVOIDANCE OF EXCESS BENEFIT TRANSACTIONS

The ABE shall avoid any transaction that results in an "excess benefit transaction" within the meaning of section 4958 of the Code and the Treasury Regulations thereunder. For example, the ABE shall take steps to review and approve compensation paid to its directors, officers, key employees, and other persons with substantial influence over the affairs of the ABE pursuant to the "rebuttable presumption" procedures set forth in the Treasury Regulations under section 4958 of the Code.

A voting member of the Board of Directors who receives compensation, directly or indirectly, from ABE for services rendered as an officer or employee of, or professional advisor to, ABE is precluded from voting on matters pertaining to that member's compensation.

PERIODIC REVIEWS

To ensure that ABE operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable and are the results of arm's-length bargaining.

2. Whether the Conflict of Interest Policy has been followed or is in need of revision.

In conducting the periodic reviews provided for above, ABE may, but need not, use outside advisors who are not interested persons and who are selected by the Board of Directors. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring that periodic reviews are conducted. The Executive Committee shall have the authority to amend the form and instructions from time to time after seeking the advice of counsel.

The below is the 2024 Conflict of Interest Form. An updated one will be provided.

EXHIBIT A

CONFIDENTIAL

AMERICAN BAR ENDOWMENT
Conflict of Interest Annual Disclosure Statement

To: Executive Director, American Bar Endowment

As part of its Conflict of Interest Policy (the "Policy"), the American Bar Endowment (the "ABE") requires that its directors, officers, committee members, advisors, and employees disclose any actual or potential conflicts of interest. This disclosure statement assists in the implementation of that requirement.

Your name: ________________________________

Capacity (please check the appropriate box below):

- ☐ Director
- ☐ Officer
- ☐ Committee Member
- ☐ Advisor
- ☐ Employee
- ☐ Other (please describe:_____________________________)

DISCLOSURE

1. These are, to the best of my knowledge, the names of all corporations, companies, firms, or other business enterprises (a) with which I am affiliated (or with which any Family Member, as defined below, is affiliated), as an employee, officer, director, trustee, partner, or similar position; or (b) in which I (or any Family Member) have an ownership interest as a 10% or more owner, in each case if such entity is likely to do business with the ABE. (If none, please check here ____.)

Name of Business or Organization	Position or Relationship

2. These are, to the best of my knowledge, the names of all not-for-profit, non-governmental, or governmental organizations with which I am affiliated (or with which any Family Member is affiliated) as an employee, officer, director, trustee, or member of an advisory board or committee. (If none, please check here ____.)

Name of Organization	Position or Relationship

3. I have set forth below any information concerning myself or any Family Member not requested in the preceding paragraphs that I feel may present an actual or potential conflict of interest. (If none, please check here ____.)

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* The term "Family Member" has the meaning set forth in the Policy.

4. Charitable Registrations and Solicitation

a. Had your registration to solicit charitable contributions denied or revoked by a governmental authority? Yes ☐ No ☐

b. Been the subject of any administrative, civil or criminal proceeding regarding any charitable contribution solicitation or registration? Yes ☐ No ☐

c. Entered into a voluntary agreement of compliance or discontinuance regarding charitable solicitations with any government agency or in a case before a court or administrative agency? Yes ☐ No ☐

d. Applied for registration or exemption from charitable contribution registration (that is not yet completed or has not yet been obtained)? Yes ☐ No ☐

e. Solicited charitable contributions or funds in any state on behalf of ABE?
Yes ☐ No ☐

If the answer to any of these is yes, attach a detailed explanation. Also attach a copy of any orders, judgments, consent agreements or other documents, which show any allegations against you and the final disposition of the matter.

If yes to Item b, also give name and address of the court, nature of the offense, and month and year of the conviction.

CERTIFICATION

I have read and understand the ABE's Conflict of Interest Policy and agree to comply with it in good faith. I certify that I have completed the above disclosure statement fully and truthfully to the best of my knowledge, and I agree to promptly report to the Board of Directors any changes in the foregoing information as well as any possible conflict of interest that might develop before the completion of my next disclosure statement. I also acknowledge and agree that, in accordance with ABE's Conflict of Interest Policy, I waive my right to any ABE attorney-client privileged information regarding any matter with which I have disclosed or otherwise been determined to have a conflict of interest under the ABE's Conflict of Interest Policy.

__________________________	__________________________	____________________
Print Name	Signature	Date

Exhibit B

CONFIDENTIAL

List of Suppliers, Vendors and Fundraising Firms
Paid Over $5,000 in the 2022/2023 Fiscal Year or With
Whom the ABE Has a Continuing Relationship

ABA Journal
ABA Fund for Justice & Education
Action Mailing & Printing Solutions
AIG (United States Life)/Corebridge
Alliant Financial Institution Group
Allied Universal Technology Services
American Bar Association
American Bar Foundation
AON Consulting, Inc.
Baird Funds
BMO Harris Bank N.A.
Pam Bronkema
Fabienne Brooks
C3 Legal
Ceridian HCM, Inc.
CNA (Directors/Officers Liability, Crime Insurer)
Comcast
ComEd
Dodge & Cox
Garvey's Office Products
Goldman Sachs
GoTo
Grosvenor Institutional Partners, LP
Hines
IronShore (Misc. Professional Liability)
Gary Karlowicz
Michele Karlowicz
Levine Leichtman Capital Partners, LP
Marquette Associates, Inc.
Morgan Stanley (Prime Property Funds)
New York Life Insurance Company
The Northern Trust Company
Noventech, Inc.
ODP Business Solutions, LLC
One Step
Parametric
PIMCO
Regal Business Machines, Inc.
Renaissance Administration LLC
RSM US LLP
RSUI (Excess Directors/Officers Liability)
Sass Advisors
STOW Enterprises, Inc.
UPS
Van Santen Studio
Vanguard Archives
WorldPay Merchant Services
Young Mayden LLC
ZeisGroup

C3 LEGAL

To: Board of Directors, American Bar Endowment

From: Jodi Patt, C3 Legal

Subject: Dual Director Conflicts of Interest

Date: October 12, 2022

Privileged & Confidential

We understand that, from time to time, there are matters that come before the Board of Directors (the "**Board**") of the American Bar Endowment (the "**ABE**") for discussion or vote that may create a real or perceived conflict of interest for certain ABE directors who also serve on the boards of directors of, or as officers of, other organizations, specifically including the American Bar Association (the "**ABA**"). This memorandum sets forth a summary of (i) the conflict of interest provisions of the Illinois General Not for Profit Corporation Act, 805 ILCS 105/101.01 *et. seq*. (the "**Act**"), as well as the recommended conflict of interest procedures under federal law applicable to tax-exempt organizations; (ii) the general fiduciary duties of directors of not-for-profit corporations and additional key principles in examining conflicting organizational interests and specifically those arising from serving on the board of two organizations with diverging or competing interests; (iii) the procedures set forth in the ABE's Statement of Policy on Conflict of Interest, as amended and restated on August 15, 2022 (the "**COI Policy**"); and (iv) the applicability of these laws and duties to the ABE Board of Directors and our recommended protocols for addressing such conflicts within the ABE[1]. We acknowledge that you have been provided pieces of this guidance in different formats over the years, and the objective of this memorandum is to address these related matters in one document.

I. Conflicts of Interest Under the Act and Federal Law

Section 108.60 of the Act governs director conflicts of interest. As discussed below, Section 108.60 of the Act generally addresses actual and potential conflicts only in the context of transactions entered into by the organization, and not with respect to "organizational" conflicts such as board or officer service to another organization.

Section 108.60 of the Act provides that, if a transaction is fair to a not-for-profit corporation at the time it is authorized, approved, or ratified, the fact that a director of the not-for-profit corporation is directly or indirectly a party to the transaction is not grounds for invalidating the transaction. *Act §108.60(a)*. A director is "indirectly" a party to a transaction if the other party to the transaction is an entity in which the director has a material financial

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[1] This memorandum does not address any potential anti-trust laws that may or may not apply.

interest or of which the director is a director, officer, or general partner. However, if a director is an officer or director of both parties to a transaction involving a grant or contribution, without consideration, from one entity to the other, that director is not "indirectly" a party to the transaction provided that he or she does not have a material financial interest in the entity that receives the grant or contribution. *Act §108.60(d).*

In a proceeding contesting the validity of such a transaction, the person asserting validity has the burden of proving fairness unless, in general, the material facts of the transaction and the director's interest were disclosed or known to the board of directors (or members, as applicable) and the board (or members, as applicable) authorized, approved, or ratified the transaction by a majority vote of disinterested directors. *Act §108.60(b).* The presence of a director who is directly or indirectly a party to the transaction, or a director who is otherwise not disinterested, may not be counted when the board takes action on the transaction. *Act §108.60(c).*

Importantly, while Section 108.60 of the Act addresses the validity of transactions entered into by an Illinois not-for-profit corporation, it does not preclude such a not-for-profit corporation from adopting a more comprehensive conflict of interest policy. In fact, it is considered a best practice for a not-for-profit corporation to adopt a more comprehensive conflict of interest policy that is tailored to the specific operations and needs of the corporation. Once such a policy is adopted by a not-for-profit corporation, the directors generally must adhere to it and will be bound by the terms of the policy.

The federal law applicable to tax-exempt organizations does not explicitly address conflicts of interest or require that a tax-exempt organization adopt a conflicts of interest policy. In the instructions to the IRS Form 990 (Part VI, Section B, Item 12a), the IRS explains that a "conflict of interest arises when a person in a position of authority over an organization, such as an officer, director, manager, or key employee can benefit financially from a decision he or she could make in such capacity, including indirect benefits such as to family members or businesses with which the person is closely associated." While the Internal Revenue Service (the "**IRS**") generally encourages such organizations to adopt a conflict of interest policy and includes a sample policy as part of Form 1023 (*Application for Recognition of Exemption from Federal Income Tax)*, that sample policy specifically notes that it is intended to provide an example of a conflict of interest policy, that it does not prescribe any specific requirements, and that an organization should use a conflict of interest policy that best fits the organization.

Accordingly, ABE must look to Illinois law, the fiduciary duties of a director, and its own COI Policy to address potential conflict of interest situations.

II. Director Fiduciary Duties & Other Key Principles in Examining Conflicts of Interest

A. *Fiduciary Duties*

Beyond the specific conflict of interest provisions of the Act, all directors of a not-for-profit corporation owe certain fiduciary duties to the corporation as a matter of law. Two of the primary fiduciary duties are the duty of care and the duty of loyalty. The duty of care requires that a director be informed and discharge their duties in good faith, with the care that an ordinarily prudent person in a like position would reasonably believe to be appropriate under similar circumstances. The duty of loyalty requires that a director exercise their powers in good faith and in the best interests of the corporation, rather than in their own interest or the interests of another entity or person.

With respect to conflicts of interest, the duty of loyalty requires that a director be conscious of the potential for such conflicts and act with candor and care in dealing with such situations. One of the most regularly cited summaries of the duty of loyalty is from the early case, *Litwin v. Allen*, 25 N.Y.S. 2d 667 (N.Y. Sup. Ct. 1940), in which the court explained:

> It is clear that a director owes loyalty and allegiance to the company—a loyalty that is undivided and an allegiance that is influence in action by no consideration other than the welfare of the corporation.

> Any adverse interests of the director will be subjected to a scrutiny rigid and uncompromising. He may not profit at the expense of his corporation and in conflict with its rights; he may not for personal gain divert unto himself the opportunities which in equity and fairness belong to the corporation.

Id. at 677.

Established law treatises also address conflicts of interest and the duty of loyalty owed by directors of a nonprofit organization.

> So-called interested director transactions are simply conflicts of interest. They arise when a proposed transaction creates a possible conflict between the interests of the nonprofit, and the personal interests of a director. This could include, for example, a business transaction with the director, as well as a transaction with an entity to which the director has a close relationship, such as in the form of ownership or in leadership position. It is important to observe that there is nothing inherently unethical about a director who has a conflict of interest…Indeed, "[d]espite a corporate director's exacting adherence to his [or her] fiduciary responsibilities, circumstances can arise when the director's interests may conflict with the interests of the corporation." And it may not even be actionable if there is no harm or adverse impact from the conflict. Still, there can be liability associated with having a conflict of interest or, as a Board member, allowing conflicts to occur without following proper procedures.

BNA Tax Management Portfolio 488-2nd: Fiduciary Duties of Nonprofit Directors and Officers, V. The Duty of Loyalty, A. Interested Director Transactions.

This treatise goes on to describe a *material* conflicting interest as, among other things, an interest, direct or indirect, "which might affect, or might reasonably be thought by others to affect, the judgment or conduct of a director, officer, or employee" of the non-profit; such an interest might arise through, among other things, (a) "holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) in any third party dealing with" the nonprofit, and (b) using nonprofit personnel, equipment, supplies, or goodwill for anything other than nonprofit-approved activities, programs, and purposes. *Id.*

It is noted that, in the nonprofit field, most conflict of interests involve "a relationship that the director has with another nonprofit organization, such as another association that is in some manner competitive." *Id.* (*See, e.g., Principles of the Law of Nonprofit Org., Tentative Draft No. 1, American Law Institute (2008)*("The law is fairly well developed regarding financial conflicts of interest, but a board member may also violate the duty of loyalty when a nonfinancial conflict prevents him or her from acting in the best interests of the organization.")

The duty of loyalty also requires a director, in certain circumstances, to treat a business opportunity as a "corporate opportunity," which must first be offered to the nonprofit before the director, or another entity with which the director is affiliated, may take advantage of such opportunity.

> A 'corporate opportunity' is any kind of venture, activity, property, or even idea that an organization has or might have a legitimate interest in pursuing consistent with its nonprofit purposes. A nonprofit director violates the doctrine of corporate opportunity when the director learns of a corporate opportunity by virtue of his or her insider status and then diverts that opportunity to his or her own use.

BNA Tax Management Portfolio 488-2nd: Fiduciary Duties of Nonprofit Directors and Officers, V. The Duty of Loyalty, B. Corporate Opportunity.

One of the tests utilized in determining the applicability of the corporate opportunity doctrine is the "line of business" test, which generally characterizes an opportunity as one belonging to the nonprofit whenever a managing officer of the nonprofit becomes closely involved with existing or prospective activities of the corporation.

> It should be noted that in determining whether or not an activity, property, concept, etc. is within the line of business of a nonprofit corporation, courts will give latitude for development and expansion. In other words, even though an organization may not currently be in a particular line of business, if it is logical that the corporation would expand into a particular area, and that area includes the corporate opportunity, then a court will do so."

Id.

Another fiduciary duty of a director of a not-for-profit corporation is the duty of obedience. The duty of obedience "requires directors to evaluate all decisions and actions for whether they further the organization's mission and protect the organization's nonprofit and, if applicable, tax-exempt status, and cannot be satisfied merely by complying with the duty of care and duty of loyalty." *Id.* at VII. Duty of Obedience. In order to satisfy the duty of obedience, "each director must be reasonably familiar with the organization's governing documents and policies, including any procedures set forth therein. In making decisions or taking actions, the board of directors should be knowledgeable about what procedural steps must be complied with and take steps to insure these procedures are followed." *Id.* at B. Obedience to Governing Documents and Policies. This requirement to be familiar with and follow the organization's policies would include familiarity with and compliance with an organization's conflict of interest policy.

Additionally, a director owes a duty of confidentiality to its organization and should not disclose information about the corporation's legitimate activities unless they are already known by the public or are of public record.

State attorneys general and fellow directors, among others, have standing to sue a director of a nonprofit for breach of fiduciary duty.

B. *Conflicts Specific to Serving Two Organizations with Diverging or Competing Interests*

The types of conflicts of interest, real or perceived, and the potential for breaching one's fiduciary duties are increased when a director or officer serves two organizations with diverging or competing interests. These individuals, often known as "dual" directors or "horizontal" directors, face the unique challenge of owing the same fiduciary duties to both organizations that they serve. Put another way, these directors must not violate their fiduciary duties to either corporation. "In situations in which a director holds dual or multiple fiduciary obligations, if the interests of the beneficiaries to whom the dual fiduciary duties are aligned, there is no conflict; but if the interests of the beneficiaries diverge, the fiduciary faces an inherent conflict of interest." *19 C.J.S. Corporations §597, Authority and Duty of Dual Directors or Officers of Different Corporations.*

> Horizontal directors serving two companies operating in the same industry are at heightened risk for violating their fiduciary duties…[These] directors are likely to be more vulnerable to potential duty of loyalty conflicts and corporate opportunity concerns. These directors should, therefore, limit their service on other boards, or at the very least restrict their exposure through corporate opportunity waivers, recusals, and nondisclosure agreements.

Yaron Nili, *Horizontal Directors*, 114 Nw. U. L. Rev. 1179 (2020)

III. **ABE's COI Policy**

ABE's COI Policy is consistent with Section 108.60 of the Act regarding conflicts of interest. As permitted by the Act, the COI Policy provides a more detailed definition of "conflict of interest" and sets forth the process by which the Board may approve a transaction when there is a potential conflict (which process is generally consistent with the sample conflict of interest policy included as part of the IRS Form 1023).

Under the COI Policy, each ABE Director (and certain other individuals covered by the COI Policy) must disclose, among other things, (a) service as a director, trustee, officer, or employee of, or a Material Financial Interest (as that term is defined in the COI Policy) in, an organization with which the ABE conducts or may conduct a financial or business transaction, and (b) any affiliation (including as an officer or director) with, or any Material Financial Interest in, any organization that currently receives or applies to receive funds, services, or other support from the ABE or from which the ABE receives or applies to receive funds, services, or other support, or whose products or services are in competition with or serving the same community as those of the ABE, and (c) any other situation that may prevent or appear to prevent the ABE Director from acting impartially and in the best interests of the ABE.

Directors must disclose any existing or potential conflict through annual submission of a Conflict of Interest Disclosure Statement (in such form as attached to the COI Policy as an exhibit), as well as the Board or relevant committee before any deliberations on a matter involving an actual or potential conflicts of interest as to any proposed grant, transaction, or other matter. The COI Policy also provides that, when in doubt as to whether a conflict of interest exists, the ABE Directors should err on the side of a disclosure. It is also noted in the COI Policy that special situations may arise that are not specifically addressed by the COI Policy and that if an ABE Director has a question as to the proper course of action, the matter should be disclosed to the Executive Director or to the Board of Directors of the ABE.

The COI Policy also addresses certain predetermined conflicts of interest related to dual directors of the ABA and the ABA. It states:

> For purposes of this Policy, due to the potential for competitive activities between the ABE and the American Bar Association, any Covered Person who also serves as an officer, director, trustee, or employee of the American Bar Association (each, a "Dual Interests Individual") automatically shall be deemed to have a real or potential conflict of interest with respect to (a) the development, discussion, and approval of the ABE's strategic plan, and (b) the development, discussion, and approval of existing and potential lines of business for the ABE (each, a "Strategic Discussion"). Each Dual Interests Individual shall leave the room during the discussion, debate, and vote (and abstain from any vote) of any Strategic Discussion. Additionally, each Dual Interests Individual automatically shall be deemed excused from the portion of all future meetings of the Board of Directors related to any Strategic Discussion; provided, however, that the Board of Directors shall, whenever practicable, provide advance notice to each Dual Interests Individual of the scheduling of any discussion from which the Dual Interests Individual shall be excused.

The COI Policy provides that, once an actual or potential conflict of interest has been identified (through disclosure, a vote of the Board of Directors, or a matter deemed a conflict for purposes of the COI Policy (such as a predetermined conflict)), the ABE Board of Directors (or relevant committee of disinterested persons, as the case may be) shall determine whether a conflict of interest exists and, if so, how to address it. The COI Policy provides the following protocols to be followed in general to address a conflict of interest: Unless otherwise determined by the Board of Directors, the individual who has the actual or potential conflict of interest shall (1) provide information requested by the ABE Board (or relevant committee) with respect to the conflict of interest; (2) leave the room during the discussion and debate on the matter; (3) leave the room during the vote on the matter; (4) abstain from any vote on the matter; and (5) be deemed excused from the portion of all future meetings of the Board of Directors (or relevant committee) related to the matter.

The COI Policy addresses an ABE Director's failure to disclose a conflict of interest, as well. According to the Policy, if the ABE Board of Directors (or relevant committee) has reasonable cause to believe that an ABE Director has failed to disclose actual or possible conflicts of interest, the ABE Director shall be given the opportunity to explain the alleged failure to disclose. If, after hearing from the ABE Director and undertaking further investigation, the ABE Board determines that there was a failure to disclose an actual or possible conflict of interest, corrective action may be taken (including removing the ABE Director from their position).

Finally, but importantly, the COI Policy also provides that any person subject to the COI Policy who discloses or is determined to have a conflict of interest under the COI Policy shall be deemed to have waived their right to obtain any ABE attorney-client privileged information with respect to any matter in which such individual has been determined to have a real or perceived conflict of interest.

IV. **Applicability to ABE**

We understand that, in accordance with the ABE's governing documents, certain ABE Directors also serve as directors or officers of the ABA (each, a "**Dual Director**"). We also understand that, from time to time, the ABE Board of Directors may discuss, consider, or vote on matters in which the interests of the ABE are or may become adverse to or in competition with the interests of the ABA (collectively, the "**Divergent Interest Issues**").

Under Illinois law and ABE's COI Policy, the ABE Board of Directors would not be precluded from voting on a transaction involving one or more Divergent Interest Issues. As described above, the provisions of the Act governing conflicts of interest, as well as the terms of the COI Policy, do not explicitly prohibit transactions involving potential conflicts of interest, but rather they focus on full disclosure of the relationship and the potential conflict of interest; Illinois law and the ABE COI Policy would require that the Dual Directors abstain from the discussion and vote on the transaction.

We recognize, however, that some of the more difficult issues arise not with respect to whether a transaction may be voted on but instead with respect to whether (and how) the ABE Board and, specifically the Dual Directors, should navigate the sharing among the ABE Board of confidential or otherwise sensitive information of ABE that may be adverse to or in competition with the interests of the ABA. The disclosure or discussion of this type of information within the ABE Board may raise certain potential "organizational" conflicts to the extent that the information could be used by a Dual Director to further their own personal interests or the interests of another organization with which such Dual Director is affiliated (i.e., the ABA). As discussed above, each ABE Director (including the Dual Directors) must act in accordance with the fiduciary duties of care, loyalty, and obedience, which require not only that the ABE Directors have access to relevant information regarding ABE, but also that he or she keep such information confidential and not use it for their own advantage or the advantage of an organization with which the director is affiliated, and also to act in accordance with the ABE's COI Policy.

Under the COI Policy, the conflict of Dual Directors pertaining to (a) the development, discussion, and approval of the ABE's strategic plan, and (b) the development, discussion, and approval of existing and potential lines of business for the ABE, has been predetermined. Under the COI Policy, each Dual Director must leave the room during the discussion, debate, and vote (and abstain from vote) of any such matter, and each Dual Director shall be deemed excused from all future meetings related to any such matter. These procedures are to be followed *regardless* of whether a vote is taking place at such meeting. These protocols exist to protect both the ABE and the Dual Director(s). It is worth noting that the BNA Tax Management Portfolio describes a *material* conflicting interest as including "holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) by any third party dealing with" the nonprofit, and it explains that most conflicts of interests in the nonprofit sector involve "a relationship that the director has with another nonprofit organization, such as another association that is in some manner competitive." BNA Tax Management Portfolio 488-2nd: Fiduciary Duties of Nonprofit Directors and Officers, V. The Duty of Loyalty, A. Interested Director Transactions. It is difficult to envision how a discussion of, or dissemination of information pertaining to, the Divergent Interest Issues would not present a real, possible, or perceived conflict of interest for the Dual Directors under Illinois law (and it clearly does under the ABE's COI Policy).

If a Dual Director does not follow the procedures set forth in the COI Policy and abstain from participation in any meeting to discuss the Divergent Interest Issues, such Dual Director may place themselves at heightened risk of breaching the Dual Director's fiduciary duties, whether intentionally or inadvertently. Failure to disclose a real or potential conflict of interest may also result in removal from the ABE Board of Directors, in accordance with the COI Policy.

Additionally, the Dual Director's presence at a meeting among the members of the ABE Board of Directors and the ABE's legal counsel regarding any of the Diverging Interest Issues may impact the attorney-client privilege that would otherwise extend to such a discussion. It is our understanding that the nature of the Divergent Interest Issues is such that a discussion of those Issues among the ABE Board and the ABE's legal counsel may include information pertaining to a potential adversity to the ABA. Although the presence of a Dual Director during such a meeting may not necessarily waive the attorney-client privilege because the Dual Directors would likely be included in the control group for the ABE, an argument may be made that the ABE, acting through its Board of Directors, had voluntarily waived the privilege on topics regarding ABE's opposition to the ABA when the ABE's Board of Directors included the Dual Directors (i.e., individuals who are directors or officers of the potential adverse party) in its communications with its lawyers on topics pertaining to that adversity. Further, on a practical level, even if the attorney-client privilege was not waived by the presence or inclusion of the Dual Directors in any such communications, the Dual Directors would be unable to, when acting as an ABA director or officer, unlearn the privileged communications they learned as an ABE Director; accordingly, any action or inaction taken by a Dual Director with respect to what they learned from the privileged communications may increase the likelihood of such individual being accused of violating their fiduciary duties. The mere possession of confidential (whether or not attorney-client privileged) information from one organization may make it impossible for a Dual Director to carry out their fiduciary duties or job responsibilities to the other organization.

Accordingly, and as required by the COI Policy, each Dual Director must excuse themselves from all meetings, communications, and receipt of other information regarding the matter (unless otherwise requested by the Board in accordance with the ABE COI Policy).

You have asked us to consider what our recommended protocols would be in the event that a Dual Director refused to comply with the COI Policy, including by refusing to leave a meeting at which a discussion pertaining to a predetermined conflict was occurring. We understand that, from time to time, the Board of Directors may consider the rules set forth in *Robert's Rules of Order Newly Revised, 12th edition*, or the then-current edition thereof (collectively, "**Roberts' Rules**") to address matters of procedure. It is important to note, however, that Roberts' Rules are not binding on the ABE and need not be followed. Even so, Section 49:15 of Roberts' Rules provides that a board that is not part of a "society" can adopt its own rules and procedures, provided that such rules do not conflict with the Articles of Incorporation or Bylaws of the organization[2]; the COI Policy would be considered a set of rules adopted by the Board of Directors that does not conflict with the Articles of Incorporation or Bylaws of the ABE. Accordingly, under Roberts' Rules, the procedures set forth in the COI Policy would govern appropriate protocols at a Board meeting.

If a Dual Director refuses to follow the COI Policy, including by refusing to leave a meeting at which a discussion regarding a predetermined conflict was occurring, we recommend that (1) notes regarding the Dual Director's failure to comply with the COI Policy be maintained and included with the minutes of the meeting; (2) the meeting be adjourned; and (3) a new meeting be called to discuss (in the absence of the Dual Director(s)) the matter involving the predetermined conflict. We recommend that notice of the time and place (e.g., by zoom or teleconference) be provided to the Dual Director(s), but certain additional details (such as the dial-in information) not be provided to the applicable Dual Director(s). Further, we would strongly urge the non-Dual Directors to consult with legal counsel on additional actions that may be appropriate to take under such circumstances; Directors who permit other Directors to breach their fiduciary duties to the ABE without consequences could be deemed to breach their own fiduciary duties for failing to protect the best interests of the ABE.

[2] Many of the provisions of Roberts' Rules pertaining to Board governance of a "society" conflict with the Act; accordingly, we do not believe it would be reasonable to consider the ABE a "society" for purposes of Roberts' Rules.

In summary:

- All ABE Directors are subject to various laws and the ABE COI Policy with respect to conflicts of interest and fiduciary duties.
- Serving as a Dual Director may heighten the scrutiny regarding how such individual handles potential conflicts of interest.
- A Dual Director with a predetermined conflict under the COI Policy (or other conflict of interest (real or perceived)) must leave the meeting at which the interested transaction is being discussed, and recuse themselves from voting on the transaction and receiving confidential and attorney-client privileged information regarding the matter.

BYLAWS of the
AMERICAN BAR ENDOWMENT

ARTICLE I
Members

Section 1. The members of the Endowment shall be the persons who from time to time constitute the members in good standing of the American Bar Association. The Board of Directors may from time to time establish such other class or classes of members of the Endowment comprised of other persons deemed by the Board to have an appropriate relationship with the American Bar Association. In so acting, the Board shall prescribe the privileges thereof and shall retain the authority to discontinue any such class of members at any time.

Section 2. The annual meeting of the members, for the election of Directors and the transaction of such other business as may come before the meeting, shall be held during and in the same city as the annual meeting of the American Bar Association. Notice of the day, time, and place of the annual meeting of the members and the slate of nominees for election as Directors shall be published in the *American Bar Association Journal*, posted on the website of the American Bar Endowment and, to the extent reasonably possible, transmitted by electronic means (including email or facsimile) to all members in good standing not less than five or more than sixty days before the date of the meeting.

Section 3. Special meetings of the members may be held at such time and place within or without the state of incorporation as the President or the Board of Directors may from time to time determine. Notice of the day, time and place of any such special meeting and the purpose or purposes for which the meeting is called shall be published in the *American Bar Association Journal*, posted on the website of the American Bar Endowment and to the extent reasonably possible, transmitted by electronic means (including email or facsimile) to all members in good standing not less than five nor more than sixty days before the date of the meeting.

Section 4. Fifty members shall constitute a quorum at any meeting. Voting by proxy shall not be permitted. Members must be present to vote; participation by conference telephone or other communication equipment shall not constitute attendance and will not be permitted.

Section 5. Any member who desires to bring an action or a resolution before the membership must first give written notice thereof to the Secretary. The Secretary shall provide the member with the form of a petition which must set forth the proposed action or resolution, be signed by fifty members of the Endowment, and be served upon the Secretary at least one hundred eighty days prior to the meeting of members at which the action or resolution is to be presented. The Secretary shall promptly transmit any such petition to the Board of Directors.

Section 6. No action shall be taken by the members except at the annual meeting or a duly called special meeting.

ARTICLE II
Directors

Section 1. The affairs of the Endowment shall be managed by a Board of fourteen Directors as follows: ten Directors elected by the members; two Directors appointed by the Board of Governors of the American Bar Association; and two *ex officio* Directors with full voting rights selected by the ABA President from among the ABA officers for the duration of their terms as officers. The terms of all Directors shall commence upon the adjournment of the annual meeting of the American Bar Association during which they are elected or appointed and until their successors shall have been elected and qualified. Directors elected by the members shall serve five-year terms and may not serve for more than two terms or ten years with the exception that any Director in office and currently in line to serve as President at the time these amended bylaws are adopted will be able to be elected and serve through the end of his or her term as President. To create a staggered rotation of Directors, two member-elected Directors shall be elected each year to five year terms by the members. The Directors in office at the time these amended bylaws are adopted will remain in office for their current terms and the Board shall implement a schedule for rotation off the Board to maintain the staggered election schedule. ABA appointed Directors shall be appointed to five-year terms and may serve a total of two terms or ten years. To create a staggered rotation, the ABA Board of Governors and President will initially appoint two Directors, one to a four year term and one to a five year term. To be eligible to serve as a Director, a person must be a member of the Endowment.

Section 2. A majority of the whole Board of Directors shall constitute a quorum.

Section 3. If any vacancy occurs among the elected Directors, the remaining Directors by majority vote shall elect an eligible person to fill such vacancy until the next meeting of members, at which meeting the members shall elect an eligible person for the remainder of the term in respect of which the vacancy occurred. If any vacancy occurs among the appointed Directors, the person or entity responsible for the appointment will appoint an eligible person to fill the vacancy for the remainder of the term.

Section 4. One regular meeting of the Board of Directors shall be held each year following the adjournment of the annual meeting of the members. Additional regular meetings may be established by the Board. Special meetings may be held upon the call of the President, the Vice President, or any three Directors. Notice of the time and place of each meeting of the Board shall be sent by mail or by electronic means to each Director not less than five days before such meeting is to be held. Any Director may waive notice of any meeting. Any meeting, however called, for which there is a Waiver of Notice signed by all of the Directors, shall be deemed a valid meeting. Any action which is required to be taken or which may be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all Directors.

Section 5. The Board of Directors shall have an Executive Committee, consisting of the President, Vice President, Treasurer and Secretary of the Endowment, which except as may otherwise be provided in the Illinois General Not for Profit Corporation Act, shall have and exercise the authority of the Board in the management of the Endowment during intervals between meetings of the Board. The minutes of all proceedings of the Executive Committee shall be recorded in writing by the Secretary and shall be promptly served upon all Directors.

Section 6. The Nominating Committee shall consist of four members serving for annual terms ending at the conclusion of the ABE Annual meeting of members, two appointed by the Board of Directors of the ABE and two appointed by the Board of Governors of the ABA, one of whom will be the Chair of the House of Delegates of the American Bar Association. The Nominating Committee will identify potential candidates to serve as elected Directors and submit those names to the ABE members, subject to the prior approval of the Board of Governors of the ABA and the Board of Directors of the ABE. If the Board of Governors and the ABE Board of Directors do not approve the recommended candidates, the Nominating Committee will identify and propose different candidates. If the Board of Governors and the ABE Board of Directors still do not approve the Nominating Committee's recommendation, the Board of Governors and the ABE Board of Directors each shall identify and submit to the ABE members the names of potential candidates for election.

Section 7. Other committees may be established by resolution, members of each committee shall be appointed by the President. Any committee member may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the Endowment shall be served by such removal.

ARTICLE III
Officers

Section 1. The officers shall consist of a President, a Vice President, a Secretary, and a Treasurer, who shall be elected annually by the Board of Directors and shall hold office for the term of one year commencing upon the adjournment of the annual meeting of the American Bar Association during which they are elected and until their successors shall have been elected and qualified. Only Directors may be elected or serve as officers. All officers authorized to sign checks or withdraw funds shall furnish a fiduciary bond in such amount as the Board may determine at the expense of the Endowment.

Section 2. The duties of such officers shall be such as usually attach to such offices, and in addition thereto, such further duties as shall be designated from time to time by the Board of Directors.

Section 3. The Board of Directors may appoint assistants to the officers who serve at the pleasure of the Board and whose duties shall be designated from time to time by the officer being assisted or by the Board.

ARTICLE IV
Gifts, Donations and Requests

Section 1. Gifts, donations and bequests may be given directly to the Endowment with directions that the principal or the income therefrom shall be used for certain specified purposes, or the principal of such gift, donation or bequest may be given to some other person, corporation or trustee with instructions that the income therefrom shall either be paid to the Endowment or disbursed in accordance with the instructions of the Board of Directors of the Endowment, provided, however, that the uses and purposes of all such gifts, donations and bequests, either of income or principal, shall be in accord with the purposes specified in the Articles of lncorporation.

Section 2. Unless some special purpose accompanies such gift, donation or bequest, the Board of Directors of the Endowment may disburse the income for the purpose specified in the Articles of Incorporation.

Section 3. Unless prohibited by the terms of the gift, donation or bequest, the Endowment may by vote of four-fifths of the Directors then in office expend the principal of any gift, donation or bequests, for any or all of the purposes specified in the Articles of lncorporation.

Section 4. The Board of Directors shall have the authority and power to establish a charitable gift fund within the Endowment as a means for members to make lifetime testamentary contributions to be used for charitable purposes in accord with the purposes of the Endowment specified in its Articles of lncorporation. The Board of Directors, in its discretion, may establish by resolution from time to time the terms and provisions for the organization and operation of the charitable gift fund. Notwithstanding Sections 2 and 3 of this Article IV, the income and principal of gifts, donations and bequests to such a charitable gift fund of the Endowment may be expended or disbursed by conditions established from time to time by the Board of Directors for such charitable gift fund. If such a charitable gift fund is created, the Board of Directors shall have the power to modify any restriction or condition on the distribution of funds from the charitable gift fund for any specified charitable purposes or to any specified organization if in the sole judgment of the Board of Directors (without the necessity of the approval of any participating trustee, custodian, or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served by the specified purpose or organization, and the Board of Directors shall have the power to transfer the assets of such charitable gift fund to a separate charitable trust or nonprofit corporation if, in its sole discretion, it determines such action to be in the best interests of the Endowment. The Board of Directors shall have the power to replace any participating trustee, custodian or agent of the charitable gift fund for any reason, including but not limited to a breach of fiduciary duty under the laws of the State of Illinois or a failure to produce a reasonable return of net income over a reasonable period of time,. as determined by the Board of Directors in accordance with applicable Treasury Regulations.

ARTICLE V
Staff and Agents

Section 1. The Board of Directors in behalf of the Endowment may employ a staff to assist it in implementing its management of the affairs of the Endowment, and may retain the services of one or more agents to provide such additional services as the Board deems necessary or convenient in further implementation thereof, including, without limitation, the carrying on of its investment program, the purchase and sale of securities and investments, the custody of all securities and investments, and the auditing of the Endowment's accounts and records.

ARTICLE VI
Books of Account

Section 1. All books and records of the Endowment may be inspected by any member, or his agent or attorney, for any proper purpose at any reasonable time. The books of account shall be audited annually by Certified Public Accountants selected from time to time by the Board of Directors.

ARTICLE VII
Fiscal Year

Section 1.The fiscal year of the Endowment shall begin on the first day of July in each year and end on the last day of June in the succeeding year.

ARTICLE VIII
Indemnification

Section 1. The Directors, officers, employees and agents of the Endowment shall be indemnified by the Endowment to the fullest extent permitted by the Illinois General Not for Profit Corporation Act, without limitation upon any other right to indemnification to which any of them may otherwise be entitled, and the Board of Directors may authorize the purchase of insurance by the Endowment in behalf of any such Directors, officers, employees or agents against any liability asserted against any one or more of them in such capacity or arising from his, her or their status as such whether or not the Endowment would have the power to indemnify him or them against such liability under the provisions of the Act.

ARTICLE IX
Amendments to Bylaws

Section 1. These Bylaws may be amended by a majority vote of the members present at any annual or special meeting of the members, provided notice of intention to amend and the substance of the proposed amendment is included in the notice of the meeting given in accordance with Article I, Section 2 or Section 3 (as applicable) not less than five nor more than forty days before any such meeting.

Section 2. No amendment shall alter substantially the general objects set forth in the Articles of Incorporation.

Approved	August 25, 1958
Amended	August 8, 1966
Amended	August 12, 1970
Amended	August 8, 1977
Amended	August 6, 1984
Amended	August 8, 1987
Amended	August 5, 1997
Amended	July 10, 2000
Amended	August 13, 2007
Amended	August 11, 2008
Amended	August 8, 2016
Amended	August 14, 2017

MEMORANDUM OF AGREEEMENT

among the

AMERICAN BAR ASSOCIATION, AMERICAN BAR ENDOWMENT

and

AMERICAN LAWYERS INSURANCE PLANS INC

WHEREAS, the American Bar Association ("ABA"), the American Bar Endowment ("ABE"), and the American Lawyers Insurance Plans Inc ("ALIP"), each a "Party" and collectively the "Parties", seek to identify a set of cooperative principles to guide their intersecting activities in the areas of insurance, charitable grants and fundraising by entry into this Memorandum of Agreement ("MOA"), effective August 1, 2017 ("Effective Date");

WHEREAS, the Parties seek to harmonize and de-conflict their respective insurance programs to eliminate marketing confusion and effect greater efficiencies;

WHEREAS, each of ABA and ABE are committing to take certain actions set forth below with respect to ABE's bylaws and amendments to ABE's bylaws;

WHEREAS, the Parties acknowledge that there is good and valuable consideration for the Parties' execution of this MOA and all necessary follow-on implementation agreements required to effect the purposes of the MOA;

WHEREAS, the Parties agree that they enter into this MOA in good faith and will use their best efforts to effectuate the intent and purposes of this MOA; and,

NOW THEREFORE, it is hereby agreed, by and between the Parties, as follows:

BYLAWS

1. Subject to and conditioned upon the Parties approving and executing this MOA and entering into definitive transaction agreements implementing the understandings outlined in the MOA by no later than August 1, 2017, ABA will agree to support the adoption of the bylaws proposed by the ABE's Board of Directors ("ABE Bylaws" Exhibit A), as generally outlined in sections 2 through 6 below, and will further support a motion to withdraw the ABE-member proposed Resolution of January 20, 2017 ("Resolution" Exhibit B) at the August 2017 ABE Annual Meeting. If the ABE amendments are adopted by the ABE membership, the proposed changes will take effect immediately after the ABE Annual Meeting. ABE agrees to properly notice its amendments.

2. The ABE Board shall be increased to a total of 14 members, which membership shall consist of the 10 existing ABE Directors, two additional members appointed by the ABA's Board of Governors, and two ABA *ex officio* members with full voting rights selected by the ABA President from among the ABA officers. The four new positions will be filled following adoption of these amendments in August 2017.

3. The terms of service for ABE Board members will be limited to two terms of five years each. All current directors' terms will expire on reaching the 10-year point; an exception will be made for any Board member currently in line to be President who otherwise will hit the 10-year cap before being able to serve (the only known exception that will extend the term of any ABE Board member under this provision is Howard Vogel).

4. The ABE Board will have no emeritus members.

5. Thereafter, ABE Board members will be nominated by a Nominating Committee made up of two ABE representatives appointed by the ABE Board of Directors and two ABA representatives appointed by the ABA Board of Governors, one of whom shall be the Chair of the ABA House of Delegates. The names of proposed ABE Board members nominated by the Nominating Committee will be considered for approval by the ABA Board of Governors (BOG) and the ABE Board. To the extent that the BOG and the ABE Board do not approve the proposed slate, the Nominating Committee will propose new candidates. In the event of deadlock, the ABE and the ABA may each put forth their respective candidates or slates of candidates for approval by the ABE membership.

6. The ABE Bylaws notice provisions will be amended to reflect that notice of ABE member meetings shall be given by publication in the ABA Journal, and that notice and the substance of proposed actions are also to be posted prominently on the ABE website and distributed by electronic means to the extent reasonably possible to all ABE members no later than five days before the meeting and no earlier than 40 days before the meeting.

ABE GRANTS

7. The maximum amount available to be granted by ABE to charitable entities other than ABA/FJE and ABF shall be $300,000 or 4% of the total amount granted to ABA/FJE and ABF, whichever amount is less, unless otherwise agreed to by the American Bar Association Board of Governors and the American Bar Endowment Board of Directors.

8. Grants made by the ABE from the Legal Legacy Fund will be made equally to the ABA/FJE and the ABF.

STUDY OF ABA AND ABE FUNDRAISING STRUCTURES

9. Upon the execution of this MOA, ABE and ABA will form a Joint Committee of six members, three appointed by ABA and three by ABE, to evaluate and make recommendations regarding the possibility of aligning all of the fundraising and 501(c)(3) activities of the two organizations under a single leadership and management structure to maximize efficiencies and effectiveness (e.g., in order to minimize confusion in the marketplace as to which entities are involved in providing funds for the ABA's and ABE's activities). A key component of such a new structure would be to align the FJE as a fund within ABE. The Joint Committee shall provide its final report, in writing, no later than the 2018 Annual Meeting of the ABA.

10. The concept to be evaluated is the possible transfer of responsibility of the operations of the FJE to the ABE Board, with input and oversight from the ABA BOG and programmatic priorities being provided by the FJE Council.

11. The FJE Council would continue its work of seeking grants and outside funding from non-ABA sources.

12. The Joint Committee shall consider and recommend staffing and support services, the structure of this new arrangement, and the office and administrative requirements for the FJE and ABE staff and activities.

13. The ABE will continue to administer the Legal Legacy Fund, and will continue to provide grants from that Fund as set forth in section 8 above.

INSURANCE

14. ALIP shall, by August 1, 2017, retain USI to become its Broker of Record for all ALIP programs (except for any programs, policies, or contracts that require a registered securities representative to serve as the broker), to the extent consistent with legal obligations, and all policies shall thereafter go into runoff. The ALIP corporate entity shall remain with ABE through runoff to dissolution and will not engage in any other business except as authorized by the Steering Committee, and any such business shall be marketed only under the ABA Insurance banner. ALIP agrees it shall not compete with or otherwise operate to the detriment of the ABA affinity insurance program; and that, at the end of the five-year period during which ALIP receives Residuals (Section 22 below), it

will take all necessary actions required by law to effect its dissolution or to make such other revisions to the arrangement as needed to assure that any remaining residuals ultimately redound to the benefit of the ABA.

15. To the extent permitted by applicable law, ALIP shall agree to cooperate with ABA and USI in transferring ALIP's existing agency agreements with insurance carriers to USI to enable USI to serve as broker of record with respect to all insurance products offered by ALIP as of the Effective Date except for any products, policies, or contracts that require a registered securities representative to serve as the broker.

16. The current participating programs offered by ABE will continue to be overseen and controlled by ABE in coordination with ABA Insurance as facilitated by the Steering Committee. The proceeds of the participating programs will continue to flow to ABE and will be used for charitable programs which benefit ABA/FJE and the ABF and the Opportunity Grants.

17. A Steering Committee consisting of six members (2 from USI, 2 from ABA, and 2 from ABE) will be established.

18. ABE may continue to offer only its historic six lines of participating programs. The Steering Committee shall have responsibility for coordinating the annual marketing plans for ABA and ABE which will be reviewed and approved by a majority vote of the Steering Committee; provided, however, that ABE shall not be required to take any action that would be prohibited by applicable law, regulation or contractual obligation.

19. Each organization (ABA, ABE, ALIP) is responsible for paying its expenses to fund marketing programs and campaigns for their respective programs. Should any marketing activity be shared, each organization will pay its pro rata share of expense.

20. Residuals. "Residuals" means all commissions and fees received and actually collected by or on behalf of ALIP, specifically on a policy which existed with ALIP at the date of acquisition, less payments to co-brokers, sub-producers, external service providers, or any servicing expenses related to the ALIP programs incurred by USI as broker of record. "Residuals" shall not include any overrides or profit-sharing; interest on premiums on deposit; or contingent, bonus, excess, supplemental, non-standard, annually computed, non-specific volume based, or any other similar commissions or fees.

21. Receipt of Residuals. ABA agrees that ALIP shall receive all Residuals from the programs and policies USI acquires as Broker of Record for ALIP for a period of five years from the Effective Date of those Parties' agreement or as otherwise

may be defined by the parties. Other than such Residuals, ABE and ALIP shall have no rights with respect to any products sold under the ABA affinity insurance program, whether such sales are effected using the Expirations ("Expirations" defined in section 26 below) or otherwise. After this five-year period, USI, on behalf of ABA Insurance, will remain the Broker on ALIP insurance programs, with rights to its records, commissions, and other income. Other than as described herein, the proceeds of products now or in the future sold under the ABA Insurance Program will flow directly to the ABA.

22. The Parties acknowledge that the relationships between ABE, ALIP, ABA and USI are subject to and conditioned upon separate agreement(s) among those Parties as required. Usual and mutual indemnification provisions consistent with market practices shall be incorporated therein which, at minimum, indemnify the Parties for another Party's wrongful acts and omissions and indemnify USI for all acts or omissions occuring prior to USI becoming broker of record for ALIP programs.

23. ABE shall agree that, so long as ALIP has any issued and outstanding stock owned by ABE, ABE shall own 100% of such stock and will be responsible for all costs associated with maintaining ALIP as a corporate entity in good standing.

24. The ALIP programs shall be managed exclusively under the ABA Insurance banner by USI as Broker of Record unless otherwise determin~~ed~~ed by USI.

25. At the end of the five-year period during which ALIP is entitled to receive Residuals (Section 23), ALIP shall transfer to ABA, unless ABA declines such transfer or third party agreements prevent, (a) the Expirations with respect to all of ALIP's customer accounts and (b) all related books and records, to the full extent it has such information or materials. As used herein, "Expirations" means customer lists and the following information related to each of the customers comprising ALIP's customer accounts as of the Effective Date (as defined below): (i) the customer name, address and contact information; (ii) insurance products purchased from ALIP; (iii) the terms, conditions, premium rates and dates of expiration of such policies; (iv) customer purchasing preferences to the extent documented by ALIP; and (v) strategies for placing insurance for such customers to the extent documented by ALIP.

26. ALIP shall provide ABA with satisfactory evidence of title to the Expirations and all related books and records

27. To the extent they exist or are in the future created, ALIP shall provide ABA with satisfactory evidence of non-compete, confidentiality and non-solicitation agreements with ALIP's employees and individual licensed insurance producers, which agreements shall be transferable to and enforceable by ABA upon transfer.

GENERAL PROVISIONS

28. The provisions of this MOA are subject to the approval of the Parties' respective governing boards and by the execution by August 1, 2017, of all definitive transaction agreements necessary to effect the objectives of the MOA.

29. To the extent the terms of this MOA conflict with any prior agreements among the Parties, the terms of this MOA shall control.

30. Governing Law and Choice of Forum. This MOA is made and entered into within and shall be governed by, construed, interpreted and enforced in accordance with the laws of the State of Illinois, without regard to the principles of conflicts of laws. Any disputes that may arise out of or related to this Agreement shall be resolved through Binding Arbitration, other than an action requiring injunctive relief, under AAA Commercial Arbitration Rules in Chicago, Illinois.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement.

AMERICAN BAR ASSOCIATION

By: Linda A. Klein

Printed Name: Linda A. Klein
Title: President
Date: 7/5/17

AMERICAN BAR ENDOWMENT

By: J. Patterson Jr

Printed Name: J. Anthony Patterson, Jr.
Title: President
Date: 6.24.17

AMERICAN LAWYERS INSURANCE PLANS INC

By: Harry Simms Hardin

Printed Name: Harry Simms Hardin III
Title: President

CONFIDENTIAL

Date: 6/24/17

EXHIBIT A

PROPOSED ABE BYLAW AMENDMENTS

ARTICLE I
Members

Section 1. The members of the Endowment shall be the persons who from time to time constitute the members in good standing of the American Bar Association. The Board of Directors may from time to time establish such other class or classes of members of the Endowment comprised of other persons deemed by the Board to have an appropriate relationship with the American Bar Association. In so acting, the Board shall prescribe the privileges thereof and shall retain the authority to discontinue any such call of members at any time.

Section 2. The annual meeting of the members, for the election of Directors and the transaction of such other business as may come before the meeting, shall be held during and in the same city as the annual meeting of the American Bar Association. Notice of the day, time and place of the annual meeting of the members shall be published in the American Bar Association Journal, posted on the website of the American Bar Endowment and, to the extent reasonably possible, transmitted by electronic means (including email or facsimile) to all members in good standing not less than five or more than forty days before the date of the meeting.

Section 3. Special meetings of the members may be held at such time and place within or without the state of incorporation as the President or the Board of Directors may from time to time determine. Notice of the day, time and place of any such special meeting and the purpose or purposes for which the meeting is called shall be published in the American Bar Association, posted on the website of the American Bar Endowment and to the extent reasonably possible, transmitted by electronic means (including email or facsimile) to all members in good standing not less than five nor more than forty days before the date of the meeting.

Section 4. Fifty members shall constitute a quorum at any meeting. Voting by proxy shall not be permitted. Members must be present to vote; participation by conference telephone or other communication equipment shall not constitute attendance and will not be per- mitted.

Section 5. Any member who desires to bring an action or a resolution before the membership must first give written notice thereof to the Secretary. The Secretary shall provide the member with the form of a petition which must set forth the proposed action or resolution, be signed by fifty members of the Endowment, and be served upon the Secretary at least one hundred eighty days prior to the meeting of members at which the action or resolution is to be presented. The Secretary shall promptly transmit any such petition to the Board of Directors.

Section 6. No action shall be taken by the members except at the annual meeting or a duly called special meeting.

ARTICLE II

Directors

Section 1. The affairs of the Endowment shall be managed by a Board of fourteen Directors as follows: ten Directors elected by the members; two Directors appointed by the Board of Governors of the American Bar Association; and two *ex officio* Directors with full voting rights selected by the ABA President from among the ABA officers for the duration of their terms as officers. The terms of all Directors shall commence upon the adjournment of the annual meeting of the American Bar Association during which they are elected or appointed and until their successors shall have been elected and qualified. Directors elected by the members shall serve five-year terms and may not serve for more than two terms or ten years with the exception that any Director in office and currently in line to serve as Presidentat the time these amended bylaws are adopted will be able to be elected and serve through the end of his or her term as President. To create a staggered rotation of Directors, two member-elected Directors shall be elected each year to five year terms by the members. The Directors in office at the time these amended bylaws are adopted will remain in office for their current terms and the Board shall implement a schedule for rotation off the Board to maintain the staggered election schedule. ABA appointed Directors shall be appointed to five-year terms and may serve a total of two terms or ten years. To create a staggered rotation, the ABA Board of Governors and President will initially appoint two directors, one to a four year term and one to a five year term. To be eligible to serve as a Director, a person must be a member of the Endowment.

Section 2. A majority of the whole Board of Directors shall constitute a quorum.

Section 3. If any vacancy occurs among the elected Directors, the remaining Directors by majority vote shall elect an eligible person to fill such vacancy until the next meeting of members, at which meeting the members shall elect an eligible person for the remainder of the term in respect of which the vacancy occurred. If any vacancy occurs among the appointed Directors, the person or entity responsible for the appointment will appoint an eligible person to fill the vacancy for the remainder of the term.

Section 4. One regular meeting of the Board of Directors shall be held each year following the adjournment of the annual meeting of the members. Additional regular meetings may be established by the Board. Special meetings may be held upon the call of the President, the Vice President, or any three Directors. Notice of the time and place of each meeting of the Board shall be sent by mail or by electronic means to each Director not less than five days before such meeting is to be held. Any Director may waive notice of any meeting. Any meeting, however called, for which there is a Waiver of Notice signed by all of the Directors, shall be deemed a valid meeting. Any action which is required to be taken or which may be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all Directors.

Section 5. The Board of Directors shall have an Executive Committee, consisting of the President, Vice President, Treasurer and Secretary of the Endowment, which except as may otherwise be provided in the Illinois General Not for Profit Corporation Act, shall have and exercise the authority of the Board in the management of the Endowment during intervals between meetings of the Board. The minutes of all proceedings of the Executive Committee shall be recorded in writing by the Secretary and shall be promptly served upon all Directors.

Section 6. The Nominating Committee shall consist of four members serving for annual terms ending at the conclusion of the ABE Annual meeting, two appointed by the Board of Directors of the ABE and two appointed by the Board of Governors of the ABA, one of whom will be the Chair of the House of Delegates of the American Bar Association. The Nominating Committee will identify potential candidates to serve as elected Directors and submit those names to the ABE members, subject to the prior approval of the Board of Governors of the ABA and the Board of the ABE. If the Board of Governors and the ABE Board do not approve the recommended candidates, the Nominating Committee will identify and propose different candidates. If the Board of Governors and the ABE Board still do not approve the Nominating Committee's recommendation, the Board of Governors and the ABE Board each shall identify and submit to the ABE members the names of potential candidates for election.

Section 7. Other committees may be established by resolution, members of each committee shall be appointed by the President. Any committee member may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the Endowment shall be served by such removal.

ARTICLE III

Officers

Section 1. The officers shall consist of a President, a Vice President, a Secretary, and a Treasurer, who shall be elected annually by the Board of Directors and shall hold office for the term of one year commencing upon the adjournment of the annual meeting of the American Bar Association during which they are elected and until their successors shall have been elected and qualified. Only Directors may be elected or serve as officers. All officers authorized to sign checks or withdraw funds shall furnish a fiduciary bond in such amount as the Board may determine at the expense of the Endowment.

Section 2. The duties of such officers shall be such as usually attach to such offices, and in addition thereto, such further duties as shall be designated from time to time by the Board of Directors.

Section 3. The Board of Directors may appoint assistants to the officers who serve at the pleasure of the Board and whose duties shall be designated from time to time by the officer being assisted or by the Board.

ARTICLE IV
Gifts, Donations and Requests

Section 1. Gifts, donations and bequests may be given directly to the Endowment with directions that the principal or the income therefrom shall be used for certain specified purposes, or the principal of such gift, donation or bequest may be given to some other person, corporation or trustee with instructions that the income therefrom shall either be paid to the Endowment or disbursed in accordance with the instructions of the Board of Directors of the Endowment, provided, however, that the uses and purposes of all such gifts, donations and bequests, either of income or principal, shall be in accord with the purposes specified in the Articles of Incorporation.

Section 2. Unless some special purpose accompanies such gift, donation or bequest, the Board of Directors of the Endowment may disburse the income for the purpose specified in the Articles of Incorporation.

Section 3. Unless prohibited by the terms of the gift, donation or bequest, the Endowment may by vote of four-fifths of the Directors then in office expend the principal of any gift, donation or bequests, for any or all of the purposes specified in the Articles of Incorporation.

Section 4. The Board of Directors shall have the authority and power to establish a charitable gift fund within the Endowment as a means for members to make lifetime testamentary contributions to be used for charitable purposes in accord with the purposes of the Endowment specified in its Articles of Incorporation. The Board of Directors, in its discretion, may establish by resolution from time to time the terms and provisions for the organization and operation of the charitable gift fund. Notwithstanding Sections 2 and 3 of this Article IV, the income and principal of gifts, donations and bequests to such a charitable gift fund of the Endowment may be expended or disbursed by conditions established from time to time by the Board of Directors for such charitable gift fund. If such a charitable gift fund is created, the Board of Directors shall have the power to modify any restriction or condition on the distribution of funds from the charitable gift fund for any specified charitable purposes or to any specified organization if in the sole judgment of the Board of Directors (without the necessity of the approval of any participating trustee, custodian, or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served by the specified purpose or organization, and the Board of Directors shall have the power to transfer the assets of such charitable gift fund to a separate charitable trust or nonprofit corporation if, in its sole discretion, it determines such action to be in the best interests of the Endowment. The Board of Directors shall have the power to replace any participating trustee, custodian, or agent of the charitable gift fund for any reason, including but not limited to a breach of fiduciary duty under the laws of the State of Illinois or a failure to produce a reasonable return of net income over a reasonable period of time, as determined by the Board of Directors in accordance with applicable Treasury Regulations.

ARTICLE V
Staff and Agents

Section 1. The Board of Directors in behalf of the Endowment may employ a staff to assist it in implementing its management of the affairs of the Endowment, and may retain the services of one or more agents to provide such additional services as the Board deems necessary or convenient in further implementation thereof, including, without limitation, the carrying on of its investment program, the purchase and sale of securities and investments, the custody of all securities and investments, and the auditing of the Endowment's accounts and records.

ARTICLE VI
Books of Account

Section 1. All books and records of the Endowment may be inspected by any member, or his agent or attorney, for any proper purpose at any reasonable time. The books of account shall be audited annually by Certified Public Accountants selected from time to time by the Board of Directors.

ARTICLE VII
Fiscal Year

Section 1. The fiscal year of the Endowment shall begin on the first day of July in each year and end on the last day of June in the succeeding year.

ARTICLE VIII
Indemnification

Section 1. The Directors, officers, employees and agents of the Endowment shall be indemnified by the Endowment to the fullest extent permitted by the Illinois General Not for Profit Corporation Act, without limitation upon any other right to indemnification to which any of them may otherwise be entitled, and the Board of Directors may authorize the purchase of insurance by the Endowment in behalf of any such Directors, officers, employees or agents against any liability asserted against any one or more of them in such capacity or arising from his, her or their status as such whether or not the Endowment would have the power to indemnify him or them against such liability under the provisions of the Act.

ARTICLE IX
Amendments to By-Laws

Section 1. These By-Laws may be amended by a majority vote of the members present at any annual or special meeting of the members, provided notice of intention to amend and the substance of the proposed amendment is included in the notice of the meeting given in accordence with Article I

Section 2 or Section 3 (as applicable). not less than five nor more than forty days before any such meeting.

Section 2. No amendment shall alter substantially the general objects set forth in the Articles of Incorporation.

AMERICAN BAR ENDOWMENT
BOARD OF DIRECTORS
EXPENSE REPORT

AMERICAN BAR ENDOWMENT
Insuring your life's needs. Advancing your life's work

321 NORTH CLARK STREET
CHICAGO, IL 60654-7648
PHONE: 312-988-6400
TOLL-FREE: 800-621-8981

NAME:			PERIOD COVERED FROM:	
DESTINATION:			PURPOSE:	
EXPENSES:				
ITEM	Date:	Vendor Name:	Expense Description:	Amount:
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
			TOTAL EXPENSES	0

The expenses above are business expenses. Personal expenses are not included.

SIGNED:		**DATE:**	
APPROVED:		**DATE:**	

Hilarie Bass, Treasurer: ☐ **Pay as is** ☐ **Pay as amended** ☐ **Pay by exception** **$_________**
Staff Recommendation: ☐ **Pay as is** ☐ **Pay as amended** ☐ **Pay by exception** **$_________**

MAKE CHECK PAYABLE TO:

NAME: ______________________________

ADDRESS: ______________________________

For Accounting Use Only	
Adjustments, if any:	
Total Reimbursement:	
Charge Account #:	

Mail or email completed report to:

Izzy Eisen
ieisen@abenet.org
AMERICAN BAR ENDOWMENT
321 N. CLARK STREET, STE 1400
CHICAGO, IL 60654-7648

REV. 3/2024

AMERICAN BAR ENDOWMENT POLICY FOR REIMBURSEMENT OF EXPENSES OF DIRECTORS AND DIRECTORS EMERITI*

A. **Reimbursable Expenses:** It shall be the policy of the Endowment to reimburse its Directors and Directors Emeriti for necessary, actual and reasonable expenses incurred in connection with the performance of their duties. Under no circumstances will reimbursement be made if the request is submitted more than six months after the end of the fiscal year during which the expenses were incurred. Reimbursement of expenses shall be made in accordance with the following guidelines:

1. **Office Expenses:** Office expenses incurred in the furtherance of ABE's work, such as copying, postage, long distance fax and phone charges, are reimbursable. The President shall have the authority to approve other necessary office expenses, if deemed appropriate.

2. **Meetings of the Board of Directors and its Committees** (except meetings held in conjunction with ABA Annual and Mid-Year Meetings) and travel directed by the President on business of the Endowment:

a. Transportation: Reimbursement is made for long-distance transportation at coach or economy fares, and local transportation between terminals and hotel, home or office.

(1) Common Carriers: Reimbursement shall not exceed the lowest available rate for coach airfare. Members of the Board who buy an advance purchase ticket in order to save Endowment funds, and are then unable to travel because of unforeseen circumstances, will be reimbursed for such tickets to encourage preplanning and cost saving by advance purchase. No reimbursement may be made for tickets acquired through frequent flyer programs.

(2) Personal automobiles: The rate for reimbursement for the use of a private automobile shall be the amount authorized by the Internal Revenue Service for a business expense deduction under its rules at the time such expense is incurred. When air transportation is not used for long-distance travel, no reimbursement will be made for lodging and meals en route. The total reimbursement for mileage cannot exceed the cost of the air travel as outlined in 2a(1) above.

(3) Other related expenses: Transportation to and from air and rail terminals, parking fees and highway toll charges shall be reimbursed in the amount actually incurred.

b. Lodging and Meals: Expenses shall be reimbursed, except for group meals. If a Board member chooses not to participate in a group meal, he/she will not be reimbursed for a separate meal. Expenses for meals not provided by ABE will be reimbursable up to a maximum of $100.00 per day.

c. Gratuities: Expenses incurred for services in connection with transportation, lodging and meals are reimbursable.

3. **American Bar Association Annual and Mid-Year Meetings:**

a. Transportation: No reimbursement will be made for air transportation or local transportation expenses incurred related to attendance at a Board meeting that occurs during an Annual Meeting. Travel-related expenses as defined in paragraph 2 above related to attendance at a Board meeting occurring during a Mid-Year Meeting will be reimbursed, if such expense is not reimbursable to a Director or a Director Emeritus by the ABA or another entity.

b. Lodging, meals and gratuities: Expenses incurred in connection with a meeting of the Board or its Committees, when such Committee meeting is not held on the same day as a Board meeting for which reimbursement is authorized, shall be reimbursed but not to exceed two days. Given the variety of room rates available, the rate for such reimbursement shall not be more than the highest Standard rate at an ABA-approved hotel.

c. The ABE President shall be reimbursed for the cost of a one-bedroom suite for up to a total of five (5) days in connection with the Annual and Mid-Year Meetings. At least two days must be allocated to each of the two meetings; the remaining allotment of up to one day can be allocated between the two meetings at the President's discretion.

B. **Non-reimbursable Expenses:** The following expenses shall not be reimbursed:

1. Any expense, including lodging and meals, that may be incurred either prior to or after the scheduled dates of meetings of the Board or its Committees, except to the extent that a transportation schedule may necessitate an earlier arrival or later departure.
2. Travel and expenses incurred by a spouse except for those incurred by the Vice President and the Assistant Vice President for Board Activities in furtherance of their duties and as defined in the Policy for the Vice President and Assistant Vice President for Board Activities.
3. Automobile rental expenses incurred for personal convenience.
4. Personal expenses, such as those incurred for recreational activities, valet services or beverages.

C. **Reimbursement Request Procedures:**

1. A request for reimbursement shall be made in writing on an Expense Report form issued by the ABE and shall be submitted to the Treasurer for approval, except that expenses of the Treasurer shall be submitted to the President for approval.
2. Supporting receipts: Any expense that exceeds $75.00 must be supported by a receipt attached to the Expense Report.

D. **Policy Interpretation:** Questions concerning this policy statement shall be referred to the Treasurer for interpretation.

*This expense reimbursement policy does not apply to Ex-Officio Directors.

(Updated 8/15/2014)
(Approved 9/24/10)

Supplemental Policy for Expense Reimbursement for ABE/ALIP Elected Directors and YLD Liaison

(Revised 9/13/2019)

In addition to the ABE/ALIP Policy for Reimbursement of Expenses of Directors as set out on the back of ABE/ALIP Expense Report forms, the following is offered as further guidance.

Meals and Accommodations at June and November Board Meetings

If the Endowment sponsors a meal during the November and June Board meetings and the Board member and/or spouse/guest chooses not to participate, the Board member will not be reimbursed for separate meals. Expenses for meals not already provided by ABE/ALIP will be reimbursable up to a maximum of $100.00 per day. If several Board members have dinner together and one Board member pays the bill, a list of the names of those attending the dinner must accompany a reimbursement request.

During these meetings, Board members should provide staff with as much advance notice as possible if either they and/or their spouse/guest will not be attending a group meal, function or tour. Because of typical guarantees, ABE must pay for projected attendance, unless advance notice is provided.

Arrangements for the accommodations and group meal functions at these two meetings are handled by and billed to ABE. Board members are responsible for personal and incidental expenses when they check out.

Site Inspections for Future Board Members

It is expected that the President and Vice President will participate in site inspections for the November and June Board meetings that will take place during the year(s) that they hold the office of President. Their spouses/designees may also be involved in these inspections. (For expense reimbursement policies regarding spouse/designee participation in site visits, see the "Expense Reimbursement Policy for the Assistant Vice President for Board Activities and the Vice President for Board Activities.") Reimbursement for expenses incurred during these site inspections are limited to the actual costs incurred, but no more than the cost of coach airfare in the event of air travel (or the use of a private automobile in the amount authorized by the IRS for a business expense deduction at the time such expense is incurred; the total reimbursement for mileage cannot exceed the cost of air travel to and from the same destination), transportation to and from airports, hotel room expenses for two nights per site inspection, and meals not to exceed $100 per day for no more than three days per site inspection. Expenses will be reimbursed for only one visit to each site.

Board Member's Spouse/Guest Expenses

Travel and other expenses incurred by a spouse/guest of a Board member are NOT reimbursable costs (except those incurred by the Vice President and Assistant Vice President for Board Activities as outlined in the Expense Reimbursement Policy for the Vice President and the Assistant Vice President for Board Activities. Meal and tour expenses are not covered for spouses/guests unless they are participating in a group function (defined as an event that includes the entire Board, staff, spouses and guests). Restaurant bills for the Board member and his or her spouse/guest should be divided by two as reimbursement is allows only for the Board member.

Separate breakfasts, lunches and tours, which are set up for spouses/guests when the Board members are meeting, are not covered expenses. If a spouse/guest signs up for one of these functions, the Board member will be responsible for reimbursing ABE/ALIP for any costs the organization incurs for that Board member's spouse/guest participation or failure to participate.

The charge for all spouse/guest functions will be listed on the registration forms. To avoid the expense of billing a Board member for these costs, the charges will be deducted from the Board member's expense reimbursement for the respective meeting. If the charges incurred for any spouse/guest exceed what is due on the Board member's request for reimbursement, the Board member must reimburse ABE/ALIP for the balance due within 90 days of the Board meeting.

Hotel Accommodations During the Mid-year and Annual ABA Meetings

As many room rates are offered to ABA members attending ABA Midyear and Annual Meetings, to the extent that Board members can be reimbursed for hotel stays during these meetings, the reimbursable room rate shall be no more than the highest Standard rate at an ABA-approved hotel.

Transportation Expenses

Airline upgrades are not reimbursable. Reimbursement for airfare shall not exceed the lowest available rate for coach fare. To ensure the best rates, tickets should be purchased a minimum of two weeks prior to the dates of your travel. Tickets purchased within two weeks of departure will be reimbursed only up to the amount the ticket would have cost had the ticket been purchased more than two weeks in advance. (Such reimbursement will not exceed 20% of the ticket price available on the day the reimbursement request is received by ABE.)

Members of the Board who purchase an advance ticket in order to save the organization money and have subsequently been unable to travel or have had to change travel plans because of unforeseen circumstances, can be reimbursed for such tickets or change fees. The dates of ABE/ALIP Board meetings are announced more than a year in advance, to assist in planning. Board members may be reimbursed for the expense of airline baggage fees for one piece of luggage per flight.

For pilots who fly themselves to the meeting or for those Board members using corporate jets, ABE will reimburse for the lowest fare (14-day advance purchase and nonrefundable) on a common carrier by using the same calculation as outlined in the first paragraph above under Transportation Expenses.

Transportation to and from air and rail terminals is reimbursable except in connection with the Annual Meeting. These expenses may include the use of a full size rental car, if it is comparable to the cost of other forms of transportation; however, rental car expenses outside that scope (to include upgrades to a luxury car, etc.), as well as the cost of parking the car at the hotel, will be considered rental for the Board member's personal convenience and not reimbursable. However, if flying into a different city, renting a car and driving a longer distance to the meeting provides a net savings over flying into a closer airport, an exception will be granted. Documentation of the difference in airfares must be provided with the submitted expense report.

Prior to a June or November Board Meeting, one or more spouses may be asked to and agree to act as drivers to and from planned spouse events held during the meeting. In that event, the spouse should be added in the car rental agreement as an additional driver. The cost of adding an additional driver under these circumstances is reimbursable.

Additionally, the loss damage and liability insurance coverage offered by car rental agencies is not a reimbursable expense. It is an optional charge and unnecessary if the Board member's personal car insurance covers car rentals. However, if a Board member does not have car insurance or has car insurance that would not cover the Board member at the location of the meeting (i.e., outside of the U.S.), two days of coverage are reimbursable.

It is important to remember that the transportation policies for meetings held in conjunction with the ABA Annual and Midyear Meetings are different from what is outlined above. Transportation expenses (airfare, airport transportation, taxis, mileage, parking etc.) are not reimbursed for these meetings except for meetings held during the Midyear when such expenses are not reimbursable by the ABA or another entity.

Submission of Reimbursement Requests

Expense reimbursement requests must be submitted within three months after the end of the fiscal year in which incurred. ABE's fiscal year is July 1 to June 30. Because the ABE/ALIP fiscal year ends on June 30, expense reports must be submitted as soon as possible after the June meeting in order to close the books in preparation for the annual audit. No expenses incurred for any given fiscal year will be reimbursed after September 30th of the succeeding fiscal year.

Completed expense reports should be sent to the attention of ABE's Accounting Manager at the ABE headquarters building in Chicago. The Treasurer will submit his or her expense report to the President. All requests for reimbursement must be reviewed and approved by the Treasurer or President, and the ABE Accounting Manager for compliance with these policies. Any questions concerning the request for reimbursement form or the policies themselves, should be directed to the Treasurer, Accounting Manager, or the Executive Director. ABE's auditors closely monitor expenses for compliance to the written policy.