



**FREQUENTLY ASKED QUESTIONS**

*Merger Background*

As of 04.02.09 - Page 1 of 3

**Why was merger chosen?**

The Future of BPW Taskforce was charged to research and analyze four options: (1) Continuing the turn - around, which has numerous financial obstacles; (2) Merger with a like -minded organization; (3) Suspension of the corporation, from which it would be difficult to recover; or (4) Dissolution of BPW/USA. The Taskforce recommended that the best course of action was to proceed with a merger with a like -minded organization. The merger of BPW/USA with BPW Foundation ensures that there is a national entity supporting the goals of BPW, keeping the BPW name alive and keeping core programs and education for workingwomen. The merger option has been recommended by the Future of BPW Taskforce, the BPW/USA Executive Committee, and the BPW/USA Board of Directors and has an enthusiastic endorsement from twenty -two BPW/USA Past National Presidents.

**Why was BPW Foundation chosen as the organization in which to merge?**

BPW/USA and BPW Foundation maintain a shared vision. BPW Foundation’s mission most closely aligns with BPW/USA’s mission and a merger with BPW Foundation would provide a seamless continuation of the mission, vision and heritage without any loss of the BPW identity. The BPW brand and national visibility would also continue through BPW Foundation. Merging with BPW Foundation allows the continuation of the BPW name, logo, branding, national visibility, preservation of the intellectual property...BPW does not lose its identity and the many years of legacy and heritage can continue through BPW Foundation.

**What is the effective date of this decision and why?**

The Future of BPW Taskforce recommended and the BPW/USA Board of Directors agreed that BPW/USA negotiate and implement a merger with BPW Foundation effective July 1, 2009. The July 1 effective date would permit state federations to complete their state conventions and allow the opportunity to fully explain the merger to members, as well as re-institute state and local dues collection as well as saving one-quarter of BPW/USA operating expenses in this fiscal year.

**Will the members be able to vote on the merger plan?**

Yes. All eligible members of BPW/USA will receive a proxy ballot (electronic/paper). The voting polls will be from April 15 to close of business on May 5, 2009. Refer to the *Vote for Merger '09* FAQ.

**Will there be elections?**

No elections for 2009-2010 National Officers or Board of Directors will be held since the merger effective date is before the end of the terms of office of the current National Officers and Board of Directors.

**What will happen to legacy items?**

The assets remaining will be transferred to BPW Foundation as part of the merger agreement.



FREQUENTLY ASKED QUESTIONS

Merger Background

As of 04.02.09 - Page 2 of 3

As a member, what do I gain from the merger with BPW Foundation?

Some of the potential benefits might include:

- Non-voting membership
• Freedom for local and state activities to focus on issues that impact working women, families and the community
• Inclusion in BPW Foundation research, focus groups, etc.
• Exclusive first-look at new research
• Special and enhanced donor/member benefits

What is our current staffing level and what will become of staff?

BPW USA and BPW Foundation share staff resources. BPW/USA currently has a staff of 2.8 full time equivalent employees (FTEs), while BPW Foundation has 2.2 full time equivalent employees. BPW Foundation is currently the employer of record and will determine future staffing levels based upon needs following the merger.

Has the organization done everything possible to continue the turn around?

The Task Force recognized that the following initiatives to reduce costs have been taken:

- Entered into New Sub-Lease Agreement that drastically reduced rental expenses, June 1, 2008
• Renegotiated new cost-saving contracts for telephone, IBC (membership invoicing company) and Credit Card Rates
• Incubator Model implemented May 1, 2008
• Reduced Contractor Pool (e.g. sales, meetings, HR, accounting, policy/advocacy, technology, finance)
• Reduced Permanent Staffing Pool by 50%
• Sold Equity Investments and converted to Fixed Income Investments
• Negotiated reduced penalty for 2009 NC Hotel Contract by \$20,000
• Acquired Restricted Contribution from BPWF at \$500,000

The challenge has been and continues to be revenue. BPW has been very successful in reducing expenses but continues to experience a deficit due to revenue shortfall associated with declining membership. While BPW/USA is able to attract some sponsors through relationship marketing, the level necessary to offset shrinking dues revenue was not actualized.

Can we reconsider this decision?

No, time has run out. BPW/USA is in this financial situation due to:

- Long-term declining membership
• Additional sponsorship opportunities linked to volume of membership and perceived reach has declined
• Organization primarily dependent on dues income to operate
• Dues were insufficient to cover operations, resulting in unrealistic or deficit budgets
• Minimal dues increases for level of services rendered
• Lack of understanding and support for national membership model
• Investments (partial) for past several years utilized for operating expenses
• Outstanding contractual liabilities

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To achieve equity for all women in the workplace through advocacy, education and information



**FREQUENTLY ASKED QUESTIONS**

*Merger Background*

As of 04.02.09 - Page 3 of 3

- Antiquated and expensive billing and accounting systems
- Traditionalism of organization not conducive to younger generational needs

The financial situation was further impacted by:

- Stock market decreases in investments
  - Removal of BPW/USA investments in Stock Market with accompanying loss
  - Movement to Money Market Funds – less loss, less profit
- Investments no longer available to supplement fiscal gap from declining membership dues.
- Current national economic crisis resulting in decreased discretionary spending by members and corporate sponsors

**Where can I find information about the merger, voting, licensing fee, etc?**

Under the Member Center section of the BPW /USA website there are a number of items including background documentation, frequently asked questions, power point presentations and scripts, and endorsements. In addition a number of webinars have been offered to reach as many members as possible. If a state is interested in hosting a state only webinar, contact [BPWmerger@bpwusa.org](mailto:BPWmerger@bpwusa.org).

**Who is the legal counsel for the organizations during the merger?**

Susan Dorn represents BPW Foundation; Elizabeth Kingsley represents BPW/USA when arms length counsel separate from Susan Dorn is needed. Barbara Friedman represents both entities on intellectual property issues.

**What if members vote “No” on the merger?**

If members vote “no” to the merger, it essentially is a “yes” vote for dissolution of the corporation. If the decision to merge fails, BPW/USA will proceed with the process to dissolve the corporation.

Please direct any additional questions to [BPWmerger@bpwusa.org](mailto:BPWmerger@bpwusa.org).