

## **A PROPOSAL TO INCREASE MEMBER DUES**

*Dear USA Swimming Members*

*On May 4, the USA Swimming Board of Directors endorsed a proposal to increase member dues effective for the 2004 membership year. This proposal will now be brought to the USA Swimming House of Delegates on September 14 for final approval. This proposal was developed over an eight-month period and was significantly influenced by member feedback, analytical study and public discussion. In an effort to continue expanding awareness about the future plans for our member dues, I am now sharing this proposal with you. Increasing our dues should not be viewed as an obstacle to growth, but rather as an essential step toward ensuring the long-term health of American club swimming. As you read through this proposal, I hope you will come to appreciate how we will put these new financial resources to work as re-investments in support of our grassroots programs*

*Respectfully,*

*Chuck Wielgus, Executive Director  
May 10, 2002*

### **BACKGROUND**

In July of 2001, I wrote and distributed an *Opinion Paper* expressing a view that consideration should be given to increasing member dues to generate new revenue to better promote our sport through television. In September of 2001, I raised this issue more formally in my annual *State-of-the-Sport Report* to the USA Swimming membership, addressing the need to develop and implement a strategy for securing more and better television coverage for swimming. Subsequently, a group of athletes brought forward a resolution calling for the creation of a *Television Development Fund* to be established via a membership dues increase proposal to be presented at the 2002 House of Delegates meeting.

In addition to calling for more and better television coverage for swimming, the 2001 *State-of-the-Sport Report* also highlighted the importance of our adopting two other major initiatives: (1) providing better resources for those individuals, clubs and communities seeking to get more access to existing facilities and to build new pools; and (2) the need to establish a signature event for our sport.

The combined effect of the Opinion Paper, State-of-the-Sport Report and Television Development Fund Resolution -- coupled with the commitment to undertake a Governance Study and the staff initiative to develop a long-term strategic marketing direction for USA Swimming -- has succeeded in being the catalyst for internalized analysis, independent study and sweeping public discussion on the future of our sport. This is a seminal time for USA Swimming, when the discussion of our volunteer leaders, coaches, athletes, officials, staff, sponsors and others is intently focused on the future. We have an extraordinary and unique opportunity to take a strong organization and a wonderful sport and lead it to new and higher places.

Throughout the past eight months, we have been pro-active in soliciting direct feedback from all segments of the membership on the Governance Study project and on our efforts to gather input for the development of a long-term strategic marketing direction for USA Swimming. I invited every LSC to respond to a membership survey, I have widely circulated an e-mail newsletter relaying information and inviting feedback, and our web site has offered an open invitation for everyone to submit his or her comments, ideas, opinions and suggestions. No member can make a legitimate claim that there has been no opportunity for his or her voice to be heard. Collectively, the volume and substance of input we have received has been substantial, thoughtful and thought provoking.

### **MEMBER FEEDBACK**

As the input from our members has come in over the past nine months, I listened carefully to the wide range of comments that emanated from all corners of the USA Swimming family. In these messages were several recurring themes relating directly to the issue of member dues. Here is what I heard.

- ? Doubling the dues is asking too much. While there are certainly some people who feel that any increase is too much, many indicate that an increase would be acceptable if accompanied by some assurance that new revenues would be re-invested back into grass roots program and not solely targeted for a Television Development Fund.
- ? The two areas most often mentioned for re-investment of funds in grass roots programs are: (a) incremental programs and services for member clubs, and (b) facility access, renovation and new construction.

- ? The interest and support for increased television coverage remains high, both for our major events as well as for a more youth-oriented formatting of Splash TV. The creation of a new signature event for swimming has also received enthusiastic support, with the understanding that it might well serve our long-term marketing and television strategy.
- ? To better accommodate the registration process and schedule, the initiation of a dues increase should be postponed from the 2003 to the 2004 membership year.

**DRAFT PROPOSAL**

1. That USA Swimming membership dues be adjusted to the following levels, effective for the 2004 membership year that begins on September 1, 2003:

<u>Membership Category</u>	<u>Current</u>	<u>Proposed</u>
Seasonal	\$12.50	\$20.00
Individual Athlete	\$25.00	\$40.00
Individual Non-Athlete	\$25.00	\$40.00
Non-Athlete Family	\$45.00	\$75.00

Note: To put this proposal in perspective, consider the current individual dues status of our sister aquatic sports. Diving dues range from \$50-75; Synchronized Swimming dues are currently \$30 and consideration is being given to raising this to \$40; Water Polo dues are \$45 and being raised to \$50. No adjustment is proposed for outreach membership dues.

2. That at least 25% of the revenue generated from this dues increase be annually dedicated to each of the following three areas:
  - a. Incremental program and services for member clubs
  - b. Incremental resources to help member clubs gain greater access to existing facilities, upgrade existing facilities, and to foster the development of new facilities
  - c. Enhanced promotion of swimming, to include more and better television coverage that is consistent with an approved long-term strategic marketing plan for USA Swimming.

Note: If adopted, the USA Swimming President will be asked to appoint special task forces to develop and bring to the Board of Directors strategies and budget proposals that will address items (a) & (b). Likewise, USA Swimming staff will be responsible for developing a strategy and bringing a budget proposal to the board to address item (c).

3. That effective for the 2005 membership year, that the dues for the Seasonal, Individual Athlete and Individual Non-Athlete increase by \$1.00 per year for each of the following ten years, and that the Non-Athlete Family dues increase at a rate of \$2.50 per year over the same ten year period. (*Example - the dues for an Individual Athlete would be as follows \$25 in 2003; \$40 in 2004; \$41 in 2005; \$42 in 2006; \$43 in 2007; etc.*)

Note: Adoption of this element of the proposal would mean that USA Swimming's member dues would be set through the year 2014. This will allow for more effective long-term program and financial planning.

### **LOOKING AHEAD ... THE BIG PICTURE**

The approval of this proposal will have a dramatic impact on USA Swimming. We project that approximately \$4M in new revenues will be generated starting in 2004, and even at a flat rate of growth the modest increase thereafter will generate approximately \$300,000 in increasing increments every year through 2014. In a ten-year period of time, this means that more than \$55M will be generated and at least 50% of this amount will be re-invested back in grassroots programs. In ten years time, we will be able to look back and hopefully see the following as just some of the overarching accomplishments made possible by the re-investment of these funds

#### Member Clubs

- ? High affinity between each member club and USA Swimming resulting in greatly enhanced two-way communications between local club and national organization.
- ? Broad use of USA Swimming name and logo at club level resulting in strong brand recognition for our national federation and our sport.
- ? Participation in national promotions featuring swimming on an annual basis
- ? Increased appreciation for value of USA Swimming membership.
- ? Enhanced professional management and leadership at the club level.
- ? Burgeoning club membership rosters

- ? Higher percentage of clubs producing national level athletes
- ? Expansion of the Club Excellence Program, providing incremental services and resources to clubs
- ? Expansion of the Coaches Incentive & Reward Program, providing incremental funding to coaches

Once a task force is formed to work on developing specific incremental programs and services, I am confident that many creative and exciting ideas will emerge. Here are just a few of the suggestions that have already come forward.

- ? Provide every member club with large banners and posters for display at their facilities to promote their affiliation as a *USA Swimming Member Club*.
- ? Provide every member club with an expanded "tool kit" that would include log oed kickboards, hand paddles, swimmer log books, and other training supplies for use by club members
- ? Provide instructional videos of USA Swimming's top performing National Team athletes at no charge to the head coach at every member club.
- ? Provide more effective and meaningful resource materials to member clubs (videos, workbooks, etc.) that can assist clubs with new athlete orientation, parent education, board development and education, fund raising, event management, sponsorship guidelines, marketing and promotions, etc.
- ? Organize and conduct regional coaching clinics for member coaches
- ? Create some sort of swimming skills challenge ('a la the Punt, Pass & Kick Program for football) that would be part of a national swimming promotion that club could use as a fund raising and recruiting tool in their home community.
- ? Grants for clubs that seek to launch or expand membership diversity programming efforts
- ? Grants for LSCs that develop strategies to relieve the conflicts that exist in some areas between high school and club swimming.
- ? More tiered and customized services for clubs of varying sizes
- ? Expansion of programs that seek to improve club leadership & management.

#### Facility Access & Development

- ? Member clubs having greater access to existing facilities
- ? Numerous feasibility studies completed or underway for new facility construction.

- ? New facilities completed or under construction. (This should not be interpreted to mean that USA Swimming would be funding "bricks & mortar" projects)
- ? Completion of studies relating to how existing facilities can reduce operational costs via use of solar energy and other alternatives
- ? Greater facility access that lead to increased membership, including a more diverse membership base.

Once a task force is formed to work on developing strategies to help clubs gain greater access to existing facilities, upgrade existing facilities and foster the development of new facilities, I am confident that many creative and exciting ideas will come forward. Here are just a few suggestions that have already been offered.

- ? Work with pool contractors and current facility managers to develop turnkey models for construction, programming plans and operating budgets for new facilities
- ? Organize and conduct an annual "New Pool Construction Conference" and provide grants for member clubs to send representatives to participate at no cost to the clubs
- ? Grants for clubs seeking to undertake feasibility studies intended to explore the potential for constructing new facilities locally.
- ? Develop a relationship with a consulting firm that could bring professional planning and fund raising expertise to those member clubs seeking to construct new facilities
- ? Grants for clubs seeking to rent long course pool time.
- ? Establish an awards program to recognize college presidents, athletic directors and recreation center directors who make their aquatic facilities available for use by local USA Swimming member club teams

#### Marketing & Television

- ? Ongoing presence in children/family oriented television programming.
- ? Regular broadcast of USA Swimming major event properties
- ? Recognition of *The Duel in the Pool* as the sport's "signature" domestic event.
- ? Licensing programs with numerous mass-market water-related products
- ? Satisfied corporate partners that are seeing a return on their sponsorship investment.

? Increased revenues from sponsorships, licensing and fund raising resulting in more and better programs and services, and less dependency on the U.S. Olympic Committee.

I suggest to you that we have reached a time in the evolution of our organization when we can best serve competitive swimming by making a substantial and sustained investment in our grassroots programs. By focusing more resources and opportunities at the club level, we can ensure the continued growth and development of club swimming in what is an increasingly difficult and competitive youth sports marketplace. Increasing our member dues should not be viewed as an obstacle to growth, but rather as an essential step toward ensuring the long-term health of American club swimming.

Respectfully submitted.