THE 2016 NATIONAL DUES INCREASE

THE AMERICAN LEGION

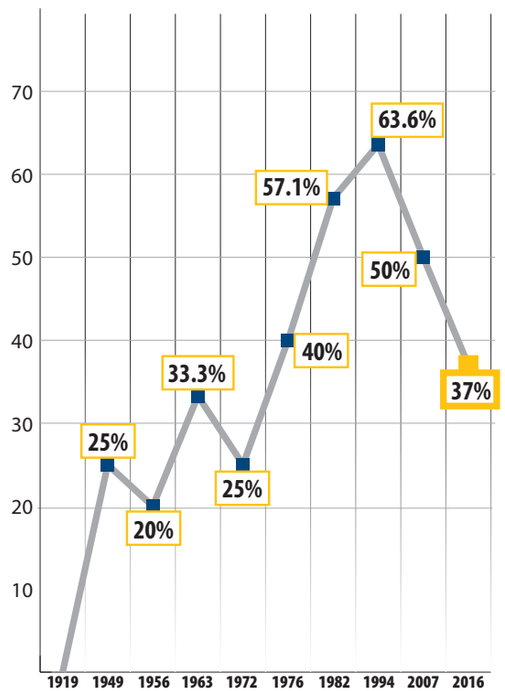
THE AMERICAN LEGION
P.O. Box 1055
Indianapolis, IN 46206
(317) 630-1200
www.legion.org

A $5 per-capita annual national dues increase was passed at the 97th National Convention in Baltimore. It takes effect Jan. 20, 2016. The new rate is projected to last 10 years without another increase. The last national per-capita dues increase was passed in 2006 and took effect in 2007; it will have lasted nine years.

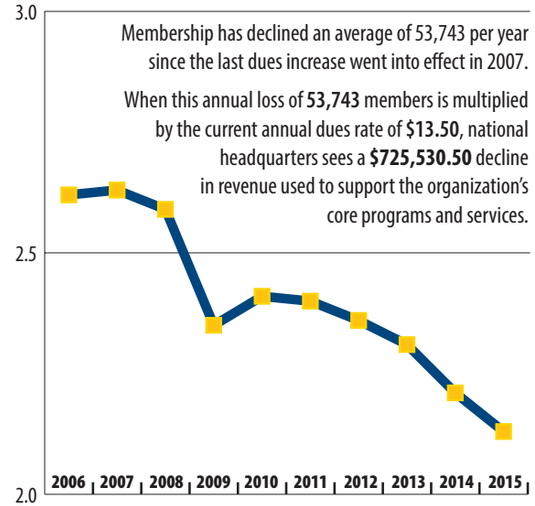
HISTORY OF DUES INCREASES

Since 1919, there have been only 8 national dues increases. The first came 30 years after the organization began, and the rest followed on average 6 years apart.

The 2016 increase comes 9 years after the previous change in dues and is the smallest percentage increase since 1972.



MEMBERSHIP DECLINE



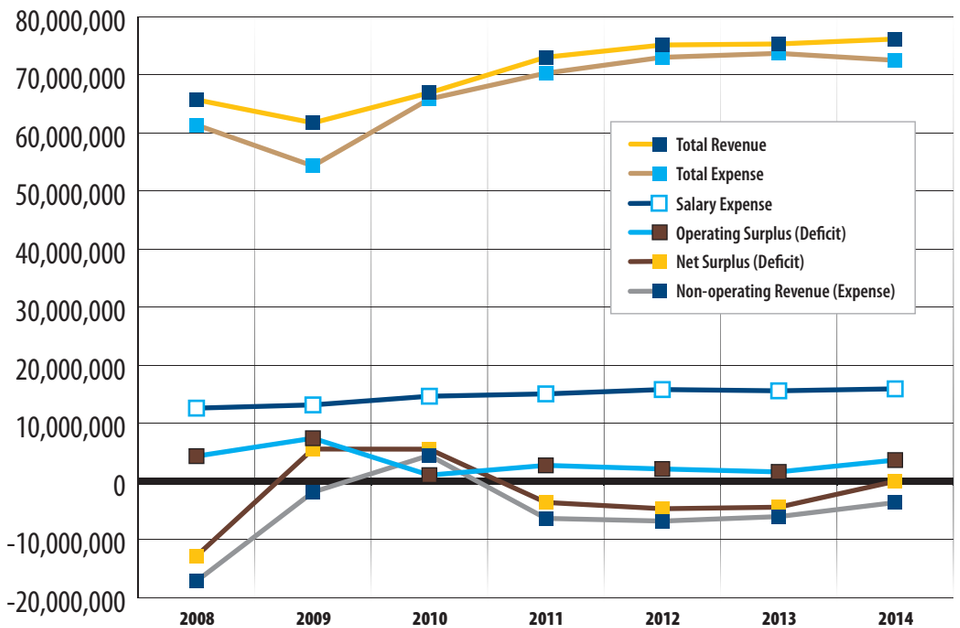
ECONOMIC FACTORS

- Membership has fallen 16.01% since the 2007 dues increase, resulting in a national revenue decline of $5,679,896 per year.
- U.S. cost of living has increased 13% since the last dues increase.
- Interest income from American Legion investments is down 35.1%, due to the recession and the general state of the U.S. economy, resulting in $1,246,033 less income per year.
- Credit card processing fees have increased 320%, resulting in $513,635 in additional cost since the 2007 dues increase.
- Employee health insurance has increased 13.29%, resulting in $262,000 in additional annual cost since 2007.
- Inflation has eroded the value of each dollar at a rate of 1.44% per year, resulting in more than $1 million of additional annual cost since the last dues increase.

INCREASED DEMAND FOR SERVICES:

- More than 3 million post-9/11 generation veterans have already discharged from service, or will do so soon, increasing the need to provide greater transition assistance services for them.
- American Legion outreach through town hall meetings and benefits events has provided vital firsthand advocacy for veterans, along with intelligence to push reforms in the Department of Veterans Affairs, in the midst of its greatest crisis.
- Veteran career events – such as job fairs, business workshops and licensing summits – have increased and risen as a priority to better assist post-9/11 generation veterans and their families.
- The need to enhance, upgrade and advance American Legion informational and transactional tools has grown dramatically through the digital age, without a commensurate offset in the amount of printed material produced and distributed.

EXPENSES VS. REVENUE



DEDICATED FUNDS:

In addition to the general fund, The American Legion manages 18 dedicated funds with specific purposes such as The American Legion Endowment Fund or Operation Comfort Warriors. There are legal restrictions on the use of these funds, up to and including no use for operational, administrative or promotional expenses.

RECOMMENDED SOLUTION

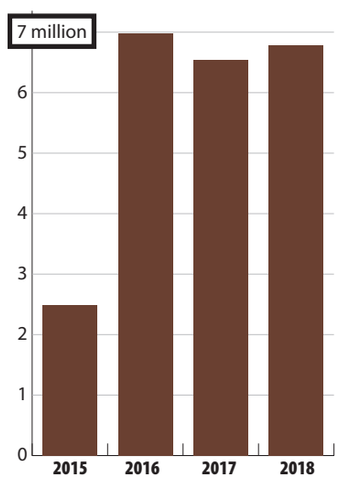
Before recommending a $5 dues increase, different scenarios were explored to determine the best option for meeting the needs of the organization.

YEAR	NO DUES INCREASE	$2/YEAR FOR 3 YEARS	$4 DUES INCREASE	$5 DUES INCREASE	$7 DUES INCREASE
2016	(7,034,601)	(6,275,541)	(5,516,482)	(5,136,952)	(4,377,892)
2017	(6,340,976)	(2,785,346)	770,284	2,548,099	6,103,730
2018	(6,415,232)	(2,993,780)	427,673	2,138,399	5,559,851
2019	(6,080,834)	522,629	522,629	2,173,495	5,475,227
2020	(6,642,644)	(239,367)	(239,367)	1,361,452	4,563,091
2021	(7,018,848)	2,363,222	(764,135)	799,543	3,926,900
2022	(7,171,251)	1,992,494	(1,062,088)	465,203	3,519,785
2023	(7,394,402)	1,634,573	(1,375,085)	129,744	3,139,402
2024	(7,546,437)	1,367,172	(1,604,031)	(118,429)	2,852,774
2025	(8,134,299)	671,465	(2,263,790)	(796,162)	2,139,093
CUMULATIVE TOTAL	(69,779,524)	(3,742,479)	(11,104,392)	3,564,392	32,901,961

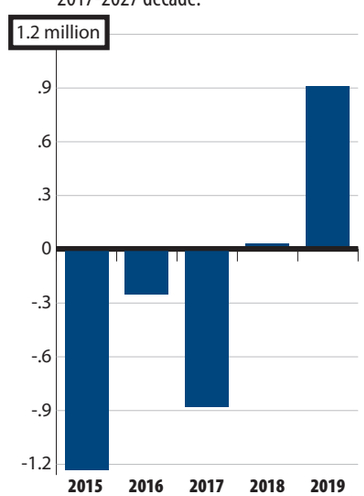
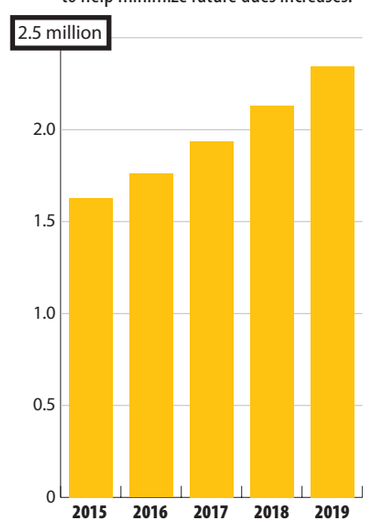
OTHER PROJECTIONS OF NOTE

Other financial forecasts have been considered while making the suggestion to increase dues:

Based on current membership trends, national budget deficits were projected without a dues increase.



The national Direct Response TV fundraising campaign is projected to begin netting positive in 2018. Continued growth will minimize the need for dues increases in the 2017-2027 decade.



The non-member fundraising program netted negative in its first three years, but since has moved into positive territory and is projected to continue, to help minimize future dues increases.