



Proposal 6

Membership Dues Increase

Disclaimer:

Please note that final wording of the rationale(s) for each proposal and the order in which the proposals will appear during the National Council business meetings will be as published in the *Workbook* and distributed to councils in early July, 2008.

PROPOSAL 6
MEMBERSHIP DUES INCREASE

Proposal Statement

THAT the Girl Scout annual membership dues be raised to \$12, effective with the 2010 membership year, beginning October 1, 2009.

Submitted by

National Board of Directors of Girl Scouts of the USA

Background

Membership dues annually provide the single largest source of revenue to Girl Scouts of the USA; in 2007, 63 percent of the national organization's general operating income came from this revenue source. Membership dues are supplemented by income earned from sales through Girl Scout Merchandise, payout of investment earnings by the Capital Fund, and unrestricted gifts.

The last increase in membership dues approved by the National Council went into effect in October 2003 and raised the dues to the current \$10 level. This increase restored financial stability following the recording of operating deficits in fiscal 2001 and 2002. Over the past 40 years, the National Council has approved dues increases approximately every six years. (*See Table I.*)

TABLE I**Membership Dues History****Historical Timetable of Membership Dues Changes**

National Council Meeting Date	Amount	Effective Date	Time from last dues change	% of dues change
1915	\$0.25	Instituted		
1921	\$0.50		6 years	100%
1947	\$1.00		26 years	100%
1969	\$2.00	September 1971	22 years	100%
1978	\$3.00	September 1979	8 years	50%
1984	\$4.00	October 1986	7 years	33%
1990	\$6.00	October 1992	6 years	50%
1996	\$7.00	October 1997	5 years	17%
2002	\$10.00	October 2003	6 years	43%

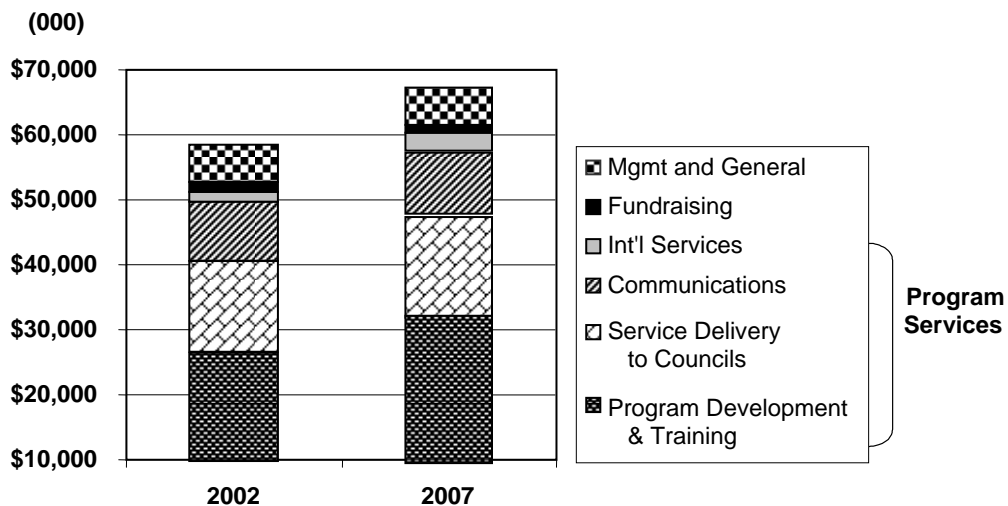
Proposed Dues Increase

2008	\$12.00	October 2009	6 years	20%
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GSUSA is fiscally prudent and over the years has had excellent financial success. Since 2005, our work has been driven by the Core Business Strategy, which was initiated to ensure that the Girl Scout Movement is ever more adaptive, innovative, and girl-centered. As part of the Core Business Strategy, GSUSA began, in that same year, developing a new design for the national staff structure to align with the strategic direction of the organization. One result is a smaller national staff. Today, the national staff count stands at 432, a reduction of over 100 positions since 2001. Management units have been restructured and the total budget aligned in support of the strategic priorities and value-added services to councils. Fully 90 percent of GSUSA's total expenses in 2007 were expended on program services, and only 10 percent on management and general expenses and fundraising. (See Table II.)

TABLE II

Program vs. Supporting Services Expense (All Funds)



- Expenses have increased from \$58.5 million in 2002 to \$67.3 million in 2007.
- In 2002, Program Services were 88% of expenses vs. 90% in 2007.

GSUSA’s primary role is to work in partnership with our Girl Scout councils to make the Girl Scout mission a reality for girls in communities throughout the U.S. In recent years, GSUSA has leveraged fundraising efforts to secure grants to the national organization that are passed through as direct funding to Girl Scout councils and has made grant funds available to councils from GSUSA operating funds.

It is recognized that council budgets help support membership financial aid programs, and an increase in dues could make it more difficult for some girls to become members. The national organization is committed to partnering with councils to extend membership through the seeking of outside funding and the provision of grant funds to councils as our resources may permit.

Economic growth in the U.S. and global economies is slowing, and economic forecasts include the possibility of a recession. GSUSA’s general operating budget is developed annually and contains projected operating revenue and the expense associated with initiatives and activities that further the long-term strategic priorities of the organization. Beginning in fiscal 2008, GSUSA’s financial projections indicate that deficits will be incurred. Our financial projection presupposes that there will be no major changes in economic conditions as they currently exist or in the level or services provided by the national organization. Without a dues increase, it is expected that operating deficits will begin to erode GSUSA’s financial standing.

The amount of increase proposed is being limited to the minimum amount required to fund operations in the near term. A \$2 dues increase will help ensure that GSUSA has sufficient funding to continue to provide significant human and material resources—not just more but higher quality services and resources. Girl Scouts

is undergoing an unprecedented transformation as it approaches its 100th anniversary. The goal is to become a stronger, more innovative Girl Scout Movement that delivers on its commitment to meet the needs, interests, and challenges of girls today and in generations to come.

Recommendation: The National Board of Directors recommends adoption of Proposal 6.