New Insurance Plan Makes Club Cash-Raising Almost Painless

ELMWOOD COUNTRY CLUB of Massillon, Ohio, had been struggling with indebtedness for years. There were heavy mortgages on the clubhouse and although the club facilities were much used and greatly appreciated by its members, it annually encountered a sizable deficit because of these heavy obligations. Apparently the club was facing the alternatives of discontinuing the club and surrendering the property, of increasing dues or of placing a large special assessment upon the membership.

About a year ago the Elmwood directorate learned of a refinancing plan offered jointly by the Lincoln National Life Insurance Company of Fort Wayne, Indiana, and Ketchum, Inc., Pittsburgh, an organization specializing in money raising campaigns.

The directors of Elmwood studied the plan carefully and decided they had found a solution to their financial worries.

To understand the refinancing plans which these two organizations offered Elmwood, it is necessary to go back some years to the time when the Lincoln Life conceived the thought that insurance might be placed on the lives of contributors to philanthropic, social, educational, religious and civic projects. It took the matter up with Ketchum, Inc., whose experience in money raising activities for many types of institutions, made their advice valuable and what is known as the "Subscription Refunding Plan" was worked out.

Since then these two organizations have built numerous clubhouses for fraternal organizations, such as the Masons, Odd Fellows and Knights of Pythias, for the American Legion, and for churches, schools, etc., before the idea was attempted in connection with golf club financing. When the method finally was applied to country clubs, it proved efficient, simple and productive in results.

The basis of the whole plan is that the subscriber to it does not deprive his estate when he contributes to the money raising campaign. Every dollar subscribed to clear the club of debt, build a new clubhouse, improve a golf course ,or whatever the purpose might be, is returned.

During the campaign which is launched to raise the necessary total, the subscriber invests, say \$300, or \$500, or \$1,000, or any other amount above the minimum unit established by the club. He signs a pledge for the amount, payable within a specified period of, say three or five years, in weekly, monthly, quarterly, semi-annual or annual payments. Ten per cent discount is usually allowed for payment in cash.

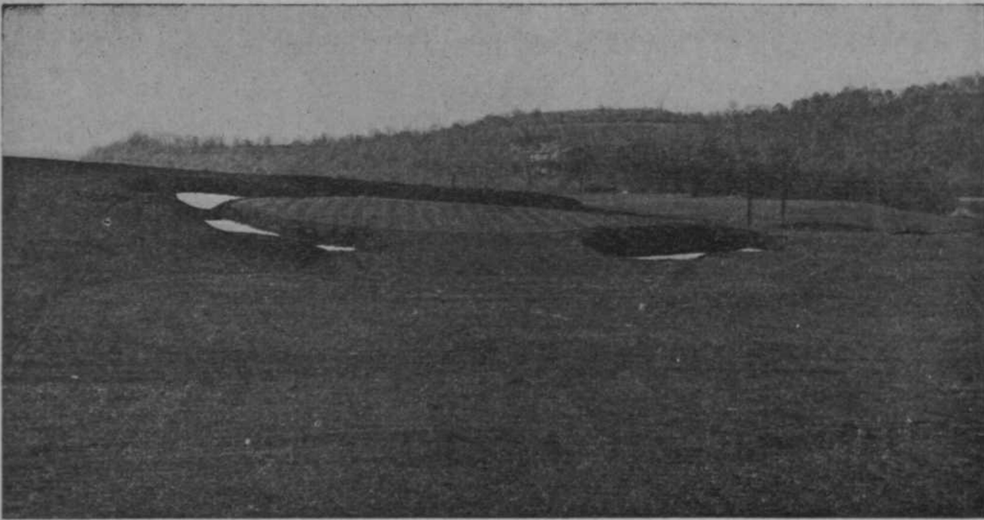
A local bank or trust company is named to serve as trustee, and this trustee applies to the Lincoln Life for endowment insurance in the name of the subscriber for the amount of the subscription. If the gift is for \$1,000 the trustee applies for an insurance policy for \$1,000.

When the policy matures—at the end of a 35 year period or upon the death of the subscriber,—the full value of the policy is paid to the subscriber, if he is still living, or to the beneficiary upon his death.

In case the subscriber dies before the payments on his pledge are completed, the balance due the club is paid at once out of the policy, while the remainder is paid the beneficiary. As an illustration, say the subscriber had paid \$200 on a pledge of \$1,000. The estate receives \$200, while the club receives the remaining \$800 due it.

The premiums during the 35 year period are paid by the club, and the amount of the original subscription is all the contributor is called upon to pay. These premiums amount to only about half as much as interest upon stocks, bonds or borrowed money would be, and of course at the end of the 35 year period all obligation has been obliterated. The plan means that the club has the money to use as soon as subscriptions are paid, and the subscriber gets it all back at the end of the premium period. The premium cost to the club averages only 3.15% per year (over the entire period) of the total amount subscribed.

An interesting factor is that any person in normal health between the ages of 5 and 60 will be given insurance up to \$1,500 without physical examination. There are alternate plans which the organizations also have the option of using, entailing slightly higher premiums, called the "one



Here's the new ninth green at the East Palestine (Ohio) C. C., built into the side of a gentle slope. It was planted Sept. 22, 1930, and played, in perfect condition, May 30, 1931. Into its building went: 125 yds. of treated topsoil at $1.00 a yard, 30 lbs. sulphate of ammonia, 50 lbs. milorganite with which 3 inches of prepared topsoil was applied. The green was let stand for a week and any weed showing removed. Sixteen pounds of cocoos bent was seeded and well raked in. After light rolling, green was lightly watered to hold seed. Two bales of peat moss were used in green construction. Labor, tile and water-pipe cost accounted for $270 of the $475 cost of the green

and a half for one," and "two for one" methods. By them one and a half times the amount subscribed, or else twice the amount subscribed, will be returned to the subscriber.

The part of the Lincoln National Life is to take care of the insurance, while Ketchum, Inc., manages the campaign necessary to put the plan into operation.

This, briefly, was the plan Elmwood adopted to bring it out of its financial dungeon. Early in 1931, a campaign under Ketchum direction was instituted with the Ohio Merchant's Trust Company acting as trustee. The result was more than $43,000 raised to reduce the debt, and many new members obtained, besides a re-establishment of interest among many old members who had become inactive. Oscar D. Miller, president of the Club, and Samuel Mollet, who acted as campaign chairman, are enthusiastic in their praise of the plan and delighted with the outlook the club now enjoys.

Other clubs have used the plan successfully.

The La Fontaine Country Club of Huntington, Indiana, was faced with the necessity of increased finances, and under the "Lincoln Plan," raised $35,000, and increased its membership 50 per cent. Another club was the Mississinewa Country Club, of Peru, Indiana, which obtained subscriptions of approximately $20,000.

An outstanding campaign was that of the Jackson (Mich.) Masonic Country Club, which sought, during the spring of 1930, to raise $120,000. With the Subscription Refunding Plan it exceeded its objective by raising $127,000.

Other country clubs, learning of the method, are studying it, and many are preparing to clear their debts or increase their facilities by similar measures. The Myers Park Golf Club of Charlotte, North Carolina, is in the midst of a campaign for $200,000 in which the Lincoln Life and Ketchum, Inc., are assisting, and it appears that the year 1931 will see many others engaged in similar activity.

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IF A PRACTICE green is to be of maximum benefit to members, it should be planted and maintained identical with the regular greens of the course.