

MGCSA Needs Your Feedback on Proposed GCSAA Dues Pricing Strategy

Kevin Clunis, CGCS, MGCSA chapter delegate, wants your feedback on the proposed GCSAA dues pricing strategy to be discussed at the 2006 GCSAA Chapter Delegates Meeting, Oct. 13-15. Kevin may be reached at kclunis57@qwest.net or by phone at 651-464-2300.

GCSAA members also will have the opportunity to ask questions and offer comments in an online chat with GCSAA Secretary/Treasurer David S. Downing II, CGCS, and Managing Director of Finance Cam Oury, to be scheduled in September.

After the last dues increase, chapter delegates asked GCSAA to develop an easy-to-understand dues pricing system that would (1) keep pace with increasing costs of providing member programs and services and (2) reduce or eliminate the negative impact that large, infrequent dues hikes have had on membership growth and retention, and facility budgets.

To date, GCSAA's board of directors, several GCSAA committees and participants in the 2005 Chapter Delegates Meeting have been involved in developing and refining the proposed "indexed" dues pricing strategy. GCSAA member feedback will be discussed at the 2006 meeting to gauge interest in a potential bylaws proposal to adopt such a system.

The Details: The proposed system is designed to make dues increases (Class A, SM and C) more manageable from a planning and budgeting perspective and more clearly tied to actual inflation factors. If adopted, the proposal would delegate authority to the GCSAA board to consider raising dues every two years according to the Consumer Price Index (CPI).

Specifically, a maximum potential dues increase would be calculated using the published CPI for 24 months ending on August 31, and then rounded to the nearest \$5. At the GCSAA Plan and Budget meeting in the fall, the board of directors would determine whether to raise GCSAA dues by that amount, a lesser amount or not at all, taking into account other revenue sources, the association's financial position and other general economic and

political factors. The board-approved increase, if any, would then be communicated to GCSAA members so that they could adjust their budgets accordingly, and take effect the following January 1.

If, however, there were a future need for a dues increase exceeding the maximum tied to the index, it would require a majority vote of the membership at a

percentage points in the annual membership growth rate.

However, if the proposed strategy had been in effect for that entire time, dues would have increased only \$10 to \$20 every two years to reach only \$285 today - \$15 less than actual current dues. Even with the lower ending dues price and no additional members, the policy of "keeping up" instead of "catching up" would have had no negative impact on revenues over that time. Furthermore, an average annual CPI increase of 2.5% over the next 14 years would yield dues revenue similar to larger increases given every five years, with no potential negative impact upon membership growth and retention.

More on the Web:

Available Aug. 1 - Log on to www.gcsaa.org to explore a

detailed spreadsheet showing comparisons of the current dues pricing system and the proposed system, looking both back to 1988 and ahead 14 years and to review frequently asked questions and answers regarding the indexed dues pricing proposal.

The Impact -Between 1988 and 2005, GCSAA dues (Class A and SM) rose from \$175 to \$300, with the increases of \$35, \$40 and \$50 - although merited - yielding corresponding drops of 11.3, 6.9 and 6.7 percentage points in the annual membership growth rate.

GCSAA annual or special meeting. The average annual CPI increase over the last ten years has been 2.5%.

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GCSAA Dues Facts

Employers pay the dues for 97% of GCSAA members.

Large dues increases have had a significant negative impact on GCSAA membership growth and retention:

Year	Dues Increase Amount	Membership Growth Rate		
		Year Before	Year Of	Year After
1991	\$35	7.0%	5.7%	8.3%
1998	\$40	11.1%	4.2%	7.3%
2003	\$50	3.2%	-3.5%	-3.3%

~ Currently, changing the dues for Class A, SM and C members requires a majority vote at the annual meeting (Article II, Section 1 of the GCSAA bylaws). A bylaws change would be required to adopt an indexed dues pricing strategy.

~ GCSAA's membership dues revenue is about \$4.5 million, or about 25% of total revenues, compared to an average of 32% for similarly sized associations.