



FAQs About TI's Proposal to Increase Dues

Toastmasters remains the best investment you can make in yourself.

Whenever the cost of something we often purchase increases, we sigh with disappointment. No one wants to pay more for anything. But price increases are a part of life and the economy. No matter how much we dislike them, they will continue to occur. No product or service is immune.

Toastmasters International has been fortunate in the matter of price increases. In the past 20 years, members' dues have increased only once. However, the organization's cost of doing business has steadily increased over the years, and increasing members' fees has become necessary. A proposal to increase membership dues is being presented to the delegates at the 2005 Annual Business Meeting on Friday, August 26, in Toronto, Ontario, Canada. Your Board of Directors recommends that you vote "FOR" this proposal.

Following are the most common questions members ask when considering a dues increase, and the answers.

■ What is the proposed dues increase?

Answer: An increase in dues from \$36 annually (\$18 payable every six months) to U.S. \$54 annually (\$27 payable every six months) is proposed for clubs within districts. This amounts to U.S. \$4.50 a month. Dues for clubs not located in districts will be increased from \$27 annually (\$13.50 every six months) to U.S. \$42 annually (\$21 every six months). This is U.S. \$3.50 a month.

■ Why does Toastmasters International need to increase dues?

Answer: Over the last five years, the organization's revenue has increased an average of 5.5 percent per year while expenses increased 10 percent per year. These cost increases generally fall into the areas of supplies, materials, labor

and postage needed to serve our members. If educational programs and services to the membership are to continue, at least at present levels, a dues increase is essential.

■ When was the last dues increase and how much was it?

Answer: The last dues increase was in October 1992. Members went from paying U.S. \$24 to \$36 per year. Although some members at the time considered this a large increase, it was projected to carry the organization through another six to eight years, and it has obviously exceeded expectations. It has now been 13 years since the last dues increase.

The 1992 increase enabled the organization to continue service to members as well as to improve its educational program. Since the increase in 1992, TI has:

- ▶ *Introduced many new programs*, including the High Performance Leadership Program, The Better Speaker Series, The Leadership Excellence Series, and The Successful Club Series
- ▶ *Improved the Communication and Leadership Program manual*
- ▶ *Added three new advanced manuals* (Interpersonal Communication, Special Occasion Speeches, Humorously Speaking) and improved five others: The Entertaining Speaker, Speaking to Inform, Public Relations, Facilitating Discussion (formerly The Discussion Leader) and Persuasive Speaking (formerly The Professional Salesperson)
- ▶ *Improved the Success/Communication and Success/Leadership modules* Speechcraft, How to Conduct Productive Meetings, and Parliamentary Procedure in Action
- ▶ *Introduced the two-track educational system* which offers members recognition for their communication and leadership accomplishments
- ▶ *Introduced the improved Distinguished Club Program*, which allows clubs to track their success in meeting their mission and recognizes them for their efforts
- ▶ *Provided online access to clubs and members*, giving them the opportunity to do many of their administrative tasks online. New member applications, dues renewals, club officer lists, address changes, award applications and other items can now be submitted online through the Toastmasters Web site.

■ How will members and clubs benefit from this increase?

Answer: TI will be able to continue current services to members as well as develop new ones and expand our existing educational program. For example, a new leadership manual will soon be introduced for members to complete in the club environment, and leadership training will be expanded even more. Plans are in place to improve the Web site even more to make it more useful to members, clubs and districts and to develop other educational materials.

■ Will districts benefit?

Answer: Yes. If dues are increased, districts will receive additional funds, which they can use to help clubs to function better and to build new clubs and increase membership.

■ How has the new computer system contributed to the need for a dues increase?

Answer: Toastmasters International has *unrestricted* cash that provides for day-to-day operations and *restricted* cash that is held in reserves. The majority of funds deposited in unrestricted cash is from membership dues. Money for the new computer system came from reserves. The organization had been saving money in reserves for several years for the purpose of improving technology.

It's important to remember that Toastmasters International is a business, albeit a nonprofit one. Every business must plan and set aside funds for the future, as well as maintain funds to cover day-to-day expenses. Toastmasters International has planned wisely in both of these areas. However, TI's day-to-day expenses have increased, which is why a dues increase is necessary.

■ Has the organization tried to reduce its costs so a dues increase wouldn't be necessary?

Answer: TI is always looking for ways to reduce expenses. For example, the staff has:

- ▶ Reduced the quality and weight of paper that make up our magazine, manuals and major programs. This has generated some savings. However, magazine printing expenses have increased due to increased volume and cost of paper and ink.
- ▶ Reduced postage expenses by no longer mailing The District Newsletter and TIPS to district and club officers. Instead, these publications are available on the Web site.
- ▶ Used part time and seasonal help to keep labor costs under control.
- ▶ Made more use of the Internet to conduct club and district business, which also reduces labor costs.

■ Why not reduce the products and services provided to members and clubs to save money?

Answer: Members are educated, discerning and demanding. They expect up-to-date products and services that are of professional quality, will help them improve their speaking and leadership skills, and enable them to advance in their careers. Fewer products and services, or outdated products and services, will not meet the needs of our members and clubs, will discourage current members from continuing their membership, and deter others from joining.

■ Why not reduce the funds provided to districts?

Answer: Districts provide support to clubs, helping them to function better and achieve their mission. They train club officers and provide other educational programs to help members improve their speaking and leadership skills. Districts also are responsible for building new clubs and attracting new members to existing clubs. Reducing the funds for these activities would not be beneficial to clubs and to the organization as a whole.

■ Can't the organization obtain the needed funds from other sources?

Answer: TI does have several other sources of revenue. The biggest source is product sales, such as trophies, books, educational materials and club supplies. However, TI tries to offer these materials at a cost that makes them accessible to all members and clubs around the world. When members and clubs purchase these materials from Toastmasters International, the organization is able to keep dues low and lengthen the time between dues increases. Some revenue also comes from advertising in *The Toastmaster* magazine. However, this income doesn't even come close to covering the cost of producing the magazine.

■ Will other fees be increased?

Answer: Fees other than dues are set by the TI Board of Directors. It is expected that the new member fee will be increased from U.S. \$16 to \$20. The fee covers the cost of processing the application for membership, the New Member Kit, postage, the cost of processing the CTM application, the CTM certificate and two advanced manuals, postage for mailing the CTM certificate and manuals, and producing and mailing a letter to the member's employer. The charter fee for a new club will increase from U.S. \$95 to \$125. The club reinstatement fee will increase from U.S. \$108 to \$162 (the amount of dues for six members).

■ What will happen if the dues increase is not approved?

Answer: Toastmasters International cannot continue to operate at a deficit. The organization will be forced to dramatically reduce services and programs, and potentially decrease the amount of funds provided to districts.

■ When do we pay the dues at the new rate?

Answer: If approved, the dues increase will become effective October 1, 2005, for the October – March dues period.

■ Will clubs lose members because of increased dues?

Answer: Data from past dues increases shows no changes except that the number of dual members declined slightly.

As you consider the dues increase, think for a moment about seminars conducted by private companies and university and community college courses. These cost hundreds and even thousands of dollars and don't begin to provide the practical experience, support and reinforcement available through a Toastmasters club. Even with increased dues, Toastmasters is still the best value for anyone seeking communication and leadership training.



Do you have more questions about the dues increase? Send them to duesincrease@toastmasters.org