

Motion to Increase WBCCI Membership Dues

International Board of Trustees

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Alan Rabb

Shawn Blom



International Membership Dues



OBJECTIVE

- Propose a general membership dues increase to offset the cost of operating a diverse and expansive International office. In addition, dues need to be adjusted to keep up with the impact that inflation has had on our expenses over the last 3-4 years.
- Bank Fees and insurance costs are increasing at alarming rates – more to come

Proposed New Membership Dues



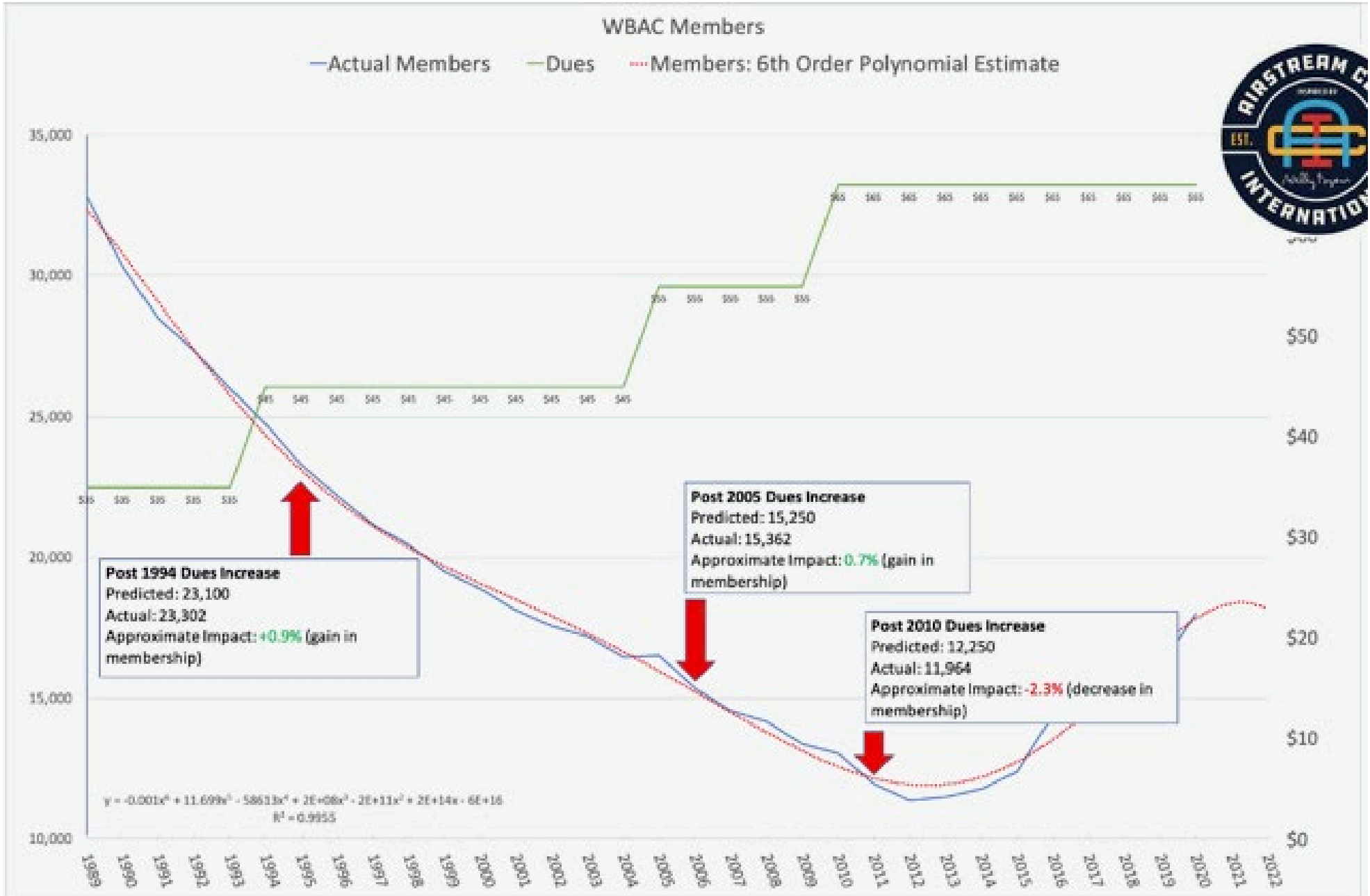
- Over the last 35 years, membership dues have increased only four times
 - 1989 - \$35, 1994 - \$45, 2005 - \$55, 2010 - \$65, 2021 - \$75
- The most recent increase was 2021 – from \$65 in 2010 to \$75.
- Inflation has averaged ~3% per year since 2021
- An increase from \$75 to \$99 is proposed.
- If approved, the new dues become effective for the 2025 Membership Year.
- The Lifetime Membership initial payment will be adjusted accordingly.

Headlines of what you will see when we review budgets

	7/31/23 to 8/1/24	8/1/24 to 12/31/24	2025 No Dues Inc	2025 Dues Inc
ACI	(\$48,823)	(\$126,270)	(\$80,980)	\$34,330
IR	\$941	\$100,000	\$100,000	\$100,000
Caravan	(\$7,653)	\$0	\$15,000	\$15,000
TOTAL EBITDA	(\$55,535)	(\$26,270)	\$34,020	\$149,330
Reserve Contribution	\$0	\$0	\$34,020	\$149,330

- Assumes Fiscal Motion passes
- Excludes Depreciation

Historical Dues – impact on membership



What has happened to ACI expenses since 2021

EXPENSES

• Cost of Employees	\$135k/+45%
• Utilities	\$ 5k/+72%
• Phone	\$ 6K/+92%
• Real Estate Taxes	\$ 7k/+145%
• Supplies	\$ 1k/+15%
• Tech Support/Software	\$ 19k/+67%
• Member Recruiting	\$ 4k/+39%
• Postage	\$ 5k/+86%
• Bank fees	\$ 18k/+61%
• Insurance	\$ 10k/+36%
• Just these categories	\$ 210k

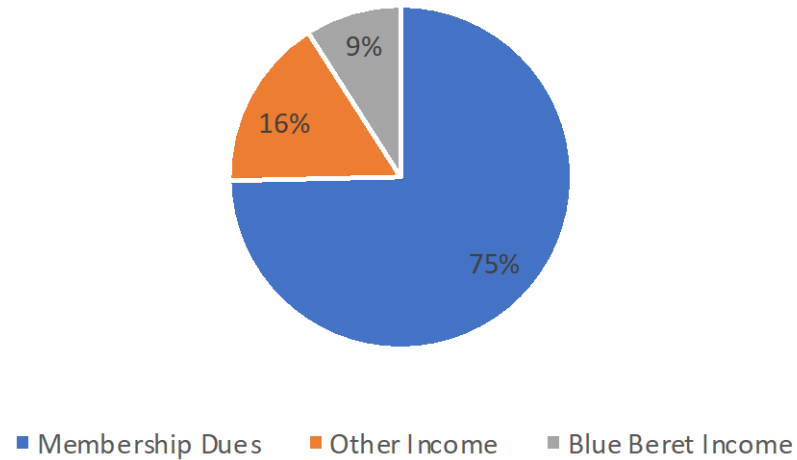
INCOME

• New member	(\$4k)/(3%)
• AANW Pilot	(\$4k)/(33%)
• Merchandise	(\$3k)/(17%)
• Interest Income	(\$4k)/(81%)
• Other income	(\$10k)/(84%)
• Blue Beret Income	(\$40k)/(66%)
• IR Admin Fees (New)	+92.5k/+100%
• Just these categories	+27.5k

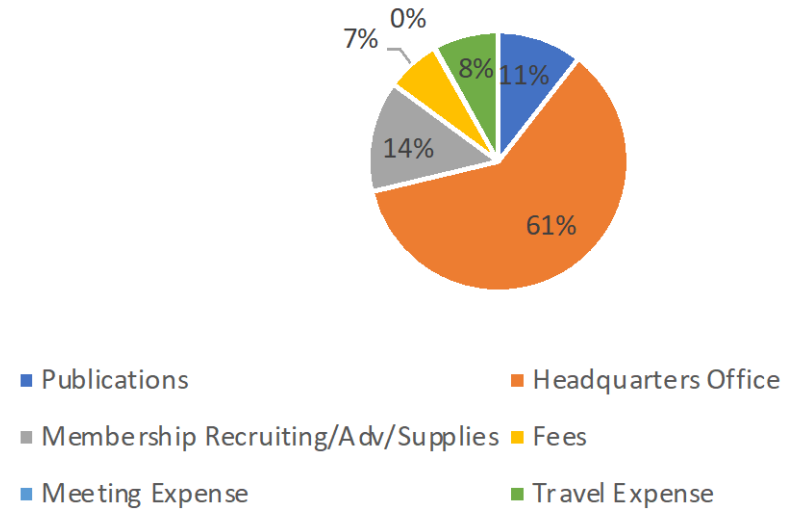
- In TOTAL Expenses since 2021 are up \$262k and Income is up \$182k
- Many expense categories have outgrown inflation – putting us behind
- Income in many categories is down vs 2021 and the IR admin fee has helped to fill the hole

What do we take in vs. what we spend

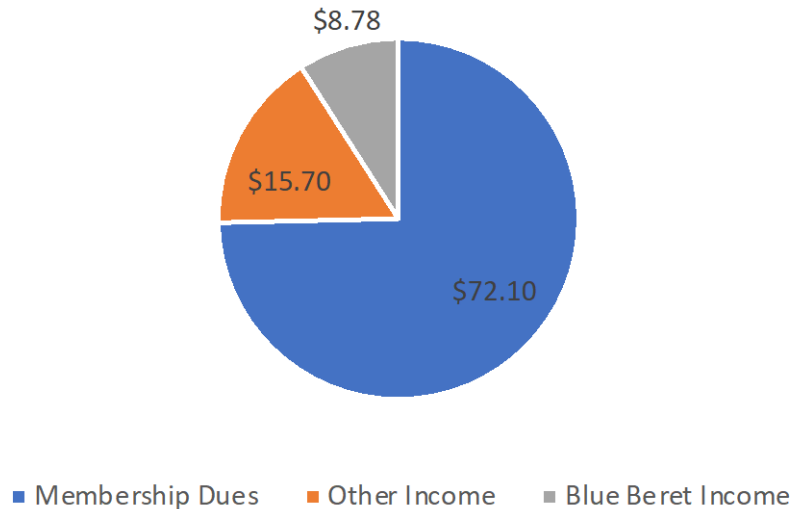
Income



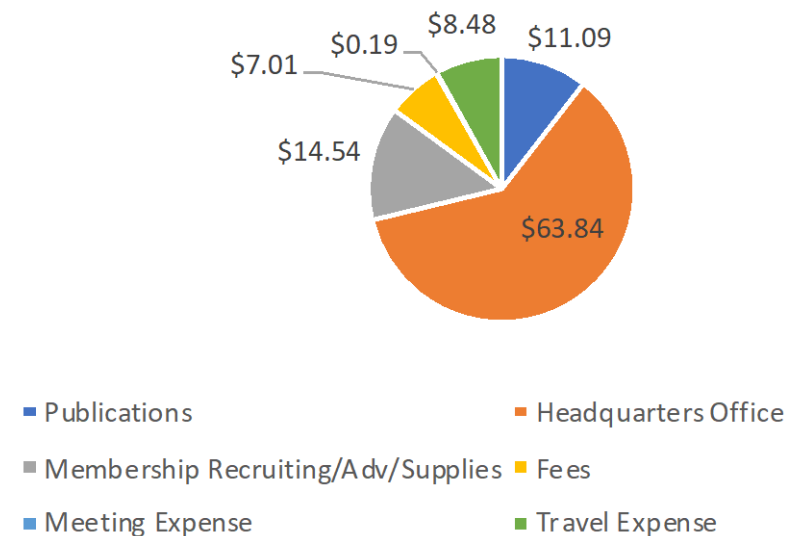
Expense



Income - \$96.58 Total



Expense - \$105.15 Total



The mortgage on the new building only accounts for \$4 of the HQ number

Inflation and Dues

		Dues w/				Dues w/	
Year	Dues	Inflation	Inflation	Year	Dues	Inflation	Inflation
1989	\$ 35	4.8%	\$ 36.68	2009		-0.4%	\$ 63.44
1990		5.4%	\$ 38.66	2010	\$ 65	1.6%	\$ 64.45
1991		4.2%	\$ 40.28	2011		3.2%	\$ 66.51
1992		3.0%	\$ 41.49	2012		2.1%	\$ 67.91
1993		3.0%	\$ 42.74	2013		1.5%	\$ 68.93
1994	\$ 45	2.6%	\$ 43.83	2014		1.6%	\$ 70.03
1995		2.8%	\$ 45.06	2015		0.1%	\$ 70.10
1996		2.9%	\$ 46.37	2016		1.3%	\$ 71.01
1997		2.3%	\$ 47.43	2017		2.1%	\$ 72.51
1998		1.6%	\$ 48.19	2018		2.4%	\$ 74.25
1999		2.2%	\$ 49.25	2019		1.8%	\$ 75.58
2000		3.4%	\$ 50.93	2020		1.2%	\$ 76.49
2001		2.8%	\$ 52.35	2021	\$ 75	4.7%	\$ 80.08
2002		1.6%	\$ 53.19	2022		8.0%	\$ 86.49
2003		2.3%	\$ 54.41	2023		4.1%	\$ 90.04
2004		2.7%	\$ 55.88	2024		3.1%	\$ 92.83
2005	\$ 55	3.4%	\$ 57.78	2025	\$ 99	2.0%	\$ 94.68
2006		3.2%	\$ 59.63	2026		2.0%	\$ 96.58
2007		2.9%	\$ 61.36	2027		2.0%	\$ 98.51
2008		3.8%	\$ 63.69	2028		2.0%	\$ 100.48

- The table to the left details U.S. inflation rates since 1989. Only one time since 1989 has dues exceeded the inflation adjusted dues rate. (2010)
- In the dues column – this reflects what ACI dues were at the time
- The “dues with Inflation” column reflects how dues would change if we increased them every year in line with inflation
- 2022, 2023 & forecasted 2024 we have seen unprecedented inflation
- A dues increase to \$99 will keep us slightly ahead of the forecasted 2027 inflation rate forecast – banking fees will continue to be a risk

2024 - 2028 are forecasted inflation rates (source oced.org) = Fed Target

Attrition Grid

	<u>#</u>	<u>\$</u>	<u>/member avg</u>				
Member Base	9,630	\$ 688,583	\$ 71.50				
Historical Annual Attrition (15%)	(1,445)						
Recapture annual attrition - no new growth							
	<u>1,445</u>						
Net New Fcsd Members 2025	9,630						
	<u>Members</u>	<u>Dues</u>					
Dues		\$ 75.00	\$ 80.00	\$ 85.00	\$ 90.00	\$ 95.00	\$ 99.00
Base 2025 Members	9,630						
<u>Attrition Assumption</u>							
0%	9,630	\$ 722,250	\$ 770,400	\$ 818,550	\$ 866,700	\$ 914,850	\$ 953,370
5%	9,149	\$ 686,138	\$ 731,880	\$ 777,623	\$ 823,365	\$ 869,108	\$ 905,702
10%	8,667	\$ 650,025	\$ 693,360	\$ 736,695	\$ 780,030	\$ 823,365	\$ 858,033
15%	8,186	\$ 613,913	\$ 654,840	\$ 695,768	\$ 736,695	\$ 777,623	\$ 810,365
20%	7,704	\$ 577,800	\$ 616,320	\$ 654,840	\$ 693,360	\$ 731,880	\$ 762,696
25%	7,223	\$ 541,688	\$ 577,800	\$ 613,913	\$ 650,025	\$ 686,138	\$ 715,028

- Assumptions – every year we loose 15% of membership and we pick that amount back up with new members. – I have assumed we only pick what we lost – NOT AN INCREASE in NET membership (very conservative)

- The green shaded boxes under \$75 and 0% attrition show our income would be ~\$717k next year. If we took dues to \$80 and lost 5% of membership that would be ~726k etc etc for all the green boxes (they represent ~ Break even)

- Proposal would be to increase dues by \$20 to \$99 – with a 15% attrition we would still be breakeven at \$715k. If attrition is less then that generates additional income

Variables – base attrition 15%, new member growth @ 1,445 members for the year, attrition because increased dues

Lets look at Banking Fees

Banking Fees



They are becoming a large factor for the club

- Currently **ACI absorbs all the banking fees** associated with all centrally processed renewal transactions
- This increases the **effective bank fee rate** from the base rate of 3% to an average of 5.6% and as high as 11%
- There is also a per transaction subscription fee charged on **auto-renewals** of approx. .75%
- The **effective rate will continue to increase** as Unit and Intra-Clubs dues increase and members broaden their respective memberships.



There are business reasons absorbing these fees

- The Units and Intra-Clubs **receive more money**
- It **reduces the effort** which would be required to chargeback the fees to the Units and Intra-Clubs
- The new single and consolidated renewal process **has been simplified** for the user and encourages the user to join multiple Units and Intra-Clubs

Bank Fees at a current effective rate of almost 6% is a significant reason for our need to increase International dues.

Let's Look at Examples



Lower Effective Rate with no Subscription

Member Dues	\$75
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1 Club Dues	\$20
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0 Intra-Club	0
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Total	\$95
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Bank Fees <u>On the \$75</u>	\$3.16
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Effective Rate on \$75	4.21%
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Average Effective Rate with Auto-renewal

Member Dues	\$75
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1 Club Dues	\$20
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1 Intra-Club	\$20
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Total	\$115
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Bank Fees + Subscription fee	\$4.48
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Effective Rate on \$75	5.97%
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High Effective Rate with Auto-renewal

Member Dues	\$75
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5 Club Dues	\$100
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4 Intra-Club	\$90
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Total	\$265
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Bank Fees + Subscription fee	\$8.81
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Effective Rate on \$75	11.75%
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The rate is also impacted by the type of card the member chooses to use to pay.

Amex vs. Visa

What is ACH or also known as an electronic check?

- An ACH transaction is an electronic money transfer made between banks and credit unions across a network called the Automated Clearing House (ACH). ACH is used for all kinds of money transfers, including direct deposit of paychecks and monthly debits for routine payments.
- You use your banks Routing number and account number for payment

YOUR NAME 123
1234 Main Street
Anywhere, OH 00000

DATE _____

PAY TO THE ORDER OF _____ \$ _____

_____ DOLLARS

⑆044072324 ⑆000123456789 ⑆123

ROUTING NUMBER **ACCOUNT NUMBER** **CHECK NUMBER**

The diagram shows a check form with three specific fields highlighted in color and labeled below. The routing number '044072324' is highlighted in orange and labeled 'ROUTING NUMBER'. The account number '000123456789' is highlighted in green and labeled 'ACCOUNT NUMBER'. The check number '123' is highlighted in blue and labeled 'CHECK NUMBER'. Each label is connected to its corresponding field by a vertical line.

Credit Card & Cashless provider fees

Credit card and Cashless Provider Fees

	<u>Low end</u>	<u>High End</u>	<u>Plus</u>	<u>Fee</u>	<u>Low end</u> <u>For a \$100</u>	<u>Low end</u> <u>For a \$100</u>
American Express	2.47%	3.67%	\$ 0.25		\$ 2.72	\$ 3.92
Discover	1.69%	2.64%	\$ 0.25		\$ 1.94	\$ 2.89
Mastercard	1.64%	2.74%	\$ 0.25		\$ 1.89	\$ 2.99
Visa	1.54%	2.64%	\$ 0.25		\$ 1.79	\$ 2.89
Paypal	2.99%	2.99%	\$ 0.30	\$ -	\$ 3.29	\$ 3.29
Stripe	2.90%	2.90%	\$ 0.30	\$ -	\$ 3.20	\$ 3.20
Square	2.60%	2.60%	\$ 0.30	\$ -	\$ 2.90	\$ 2.90
Venmo	1.90%	1.90%	\$ 0.10	\$ -	\$ 2.00	\$ 2.00
Shopify	2.90%	2.90%	\$ 0.30	\$ -	\$ 3.20	\$ 3.20
Clover	2.60%	2.60%	\$ 0.10	\$15/month	\$ 2.70	\$ 2.70
National Processing	2.50%	2.50%	\$ 0.10	\$10/month	\$ 2.60	\$ 2.60
Quickbooks	2.40%	3.40%	\$ 0.25		\$ 2.65	\$ 3.65
Take the average across all platforms * membership of 9,600 rigs					\$ 24,698	\$ 30,438
Add in local clubs @ cost average of \$15 per club for 9,600 rigs					\$ 5,575	\$ 6,217
For each additional \$15 charged for another club etc					\$ 5,575	\$ 6,217
TOTAL					\$ 35,847	\$ 42,871
					++++	++++

<u>Current Fees:</u>	
ACI HQ	~48k
Caravan	~56k
IR	~37k
TOTAL	~141

There is an easier and cheaper solution

ACH / Electronic Checks will effectively eliminate most all of this cost!!!

What's the so what on Banking Fees?

- Auto renewal increases costs
- Amex vs Visa increases cost
- The more clubs a member joins the higher the effective rate
- Project Craig is leading will understand this better but we don't expect a significant reduction in costs
- ACH/Electronic check can be the solution – **THIS will reduce costs!!!!**
- Is the increase in membership dues going to be sufficient to cover this?
- *The 2 step 12 month idea –*
 - *1. Dues increase with renewal of the 2025 membership dues.*
 - *2. On 1/1/26 – 2 rates – 1 for using a credit card and 1 for using ACH/Electronic Check*

Next Steps??

- How do we want to move forward?

APPENDIX

How Do We Compare?

Annual Membership Costs

Independent, National Clubs

- Escapees - \$50
- National African American RV Association (NAARVA) - \$60
- Sisters on the Fly - \$70
- Rving Women - \$72
- Rainbow RV Club - \$40
- Loners on Wheels - \$52.30

Other Social Clubs

- Moose Lodge - \$55
- Elks - \$200

Subsidized Manufacturers Clubs

- Newmar Kountry Klub - \$65
- Tiffin Allegro Club - \$25
- Go Life Perks (Winnebago) - \$40
- FMCA - \$60

Discount Camping Clubs

- Good Sam - \$39
- Passport America - \$44
- Harvest Hosts - \$99
- Thousand Trails - \$499-\$670

