



Created using the **SVR Tool** - An actuarial study of lodge membership and financial trends  
 Spring, 2004 draft edition (2002 data)

**Developed for The Grand Lodge of Minnesota, A.F. & A.M.**  
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## Member Retention, Recruitment and Financial Review

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### Brothers of "Transitional Lodge" #502,

One purpose of our visit today is to alert you to your lodge's trend in terms of membership retention and recruitment, and to help you understand the impact such changes in membership will have on your financial wherewithal.

A good way to predict the future is to look at what has been done in the recent past. Lodges that do a good job retaining members will likely continue their trend. So too, lodges that have shown an ability to gain *new* members are likely to continue. Conversely, lodges that struggle in retention and recruitment will likely have difficulty in the future, unless they address the problem and work to correct it. It is imperative that lodges in our jurisdiction consider these projections and implement strategies that help them survive and flourish in the years to come.

The officers of The Grand Lodge of Minnesota want to ensure that you and your brethren have all the facts so that your lodge can respond to these trends, change course where you need to, and improve your long-term prospects. We want all our lodges to grow in health and solvency in order to guarantee a solid future.

Below, you will find your five-year historical trend, along with some suggested "stretch goals" that, if met, would help stabilize or improve your lodge. We've provided charts to make these trends more clear.

*The blue bars indicate your current trend, based on your five-year history.*

*The red line indicates what would happen if you improved your member retention.*

*The green line indicates what would happen if you improved both member retention AND recruitment.*

Finally, the last chart shows your buying power. The blue line is your current trend, the red line shows how your buying power would improve if you had better retention, the green line shows further improvement if you had better retention and recruitment, and the beige line at top shows how much buying power you'd have if you added a cost of living adjustment (COLA) to your dues, along with better recruitment and retention.

Inflation, being a fact of life here in the US, affects our budgets every year. We recommend that lodges make small automatic adjustments each year, of 3.5% to 5%, to counter inflation and to gain back the buying power we've lost over the years.

If you have questions about these results, or wish to try other scenarios, contact the Grand Lodge.

Unlike our first example, this lodge has some tough times ahead. They started the year with 148 men.

On to the numbers --

Here are your 5-year averages for raisings, demits, etc., and some reasonable stretch goals for your consideration:

<b>Lodge number:</b>	<input type="text" value="502"/>	<b>Lodge dues \$74.00</b>	<b>Input Lodge dues, including per capita, here:</b>	<input type="text"/>		
<b>Suggest how many additional members you could recruit or retain, in addition to what you are currently doing:</b>						
You now demit	<b>2.6</b>	per year (5-yr avg.).	WHAT IF you kept	<input type="text" value="0.6"/>	more per year, net:	<b>2.0</b>
Your stricken/NPDs are	<b>7.2</b>	per year (5-yr avg.).	WHAT IF you kept	<input type="text" value="2.2"/>	more per year, net:	<b>5.0</b>
You now raise	<b>1.4</b>	per year (5-yr avg.).	WHAT IF you raised	<input type="text" value="6.6"/>	more per year, net:	<b>8.0</b>
You now affiliate	<b>1.2</b>	per year (5-yr avg.).	WHAT IF you affiliated	<input type="text" value="0.8"/>	more per year, net:	<b>2.0</b>
<b>Suggest a percentage which could be added to your lodge dues each year to maintain solvency:</b>						
Dues at "Transitional Lodge" are \$74, which is as high as several peer lodges. They have a beautiful facility that is costly to maintain, and leadership that is driving a change toward becoming a more scholarly, esoteric and committed lodge.. Yet with a dwindling base - a total of 9.8 men demiting or being suspended each year BESIDES 'normal' losses to death - this lodge is losing men like a sieve. --				Dues increase	<input type="text" value="4.00%"/>	Note, 3.5% is the historical rate of inflation...

**Observation:** An unsustainable pattern.

There are bright spots: They already affiliate 1.2 men/yr, which is a testament to the lodge's drawing power toward this new concept or culture. But this must be improved. I've suggested a mid-term goal of reducing demits to 2 and Suspended men to 5 annually, but this will have to improve further over time. And I think a commitment to at least 8 raisings and 2 affiliates annual is crucial.

Based on these numbers, your lodge's most recent 5-year history of members who enter the Fraternity or leave, and based on your actual lodge population, their ages and standard mortality tables, here is a projection on your membership trend:

**Estimate of future membership levels for: "Transitional Lodge", # 502**

Membership Projections		Membership Projections		Membership Projections	
Jan 1, Year	Membership estimate	Jan 1, Year	Membership estimate	Jan 1, Year	Membership estimate
2003	148	2022	38	2041	23
2004	137	2023	36	2042	23
2005	127	2024	34	2043	23
2006	119	2025	32	2044	23
2007	110	2026	30	2045	23
2008	103	2027	29	2046	22
2009	96	2028	28	2047	22
2010	89	2029	27	2048	22
2011	83	2030	27	2049	22
2012	77	2031	26	2050	22
2013	72	2032	26	2051	22
2014	67	2033	25	2052	22
2015	62	2034	25	2053	22
2016	58	2035	24	2054	22
2017	54	2036	24	2055	22
2018	50	2037	24		
2019	47	2038	24		
2020	43	2039	23		
2021	40	2040	23		

A net annual loss of 7.59 percent is an awfully big gap to close. Retention must become a focus.

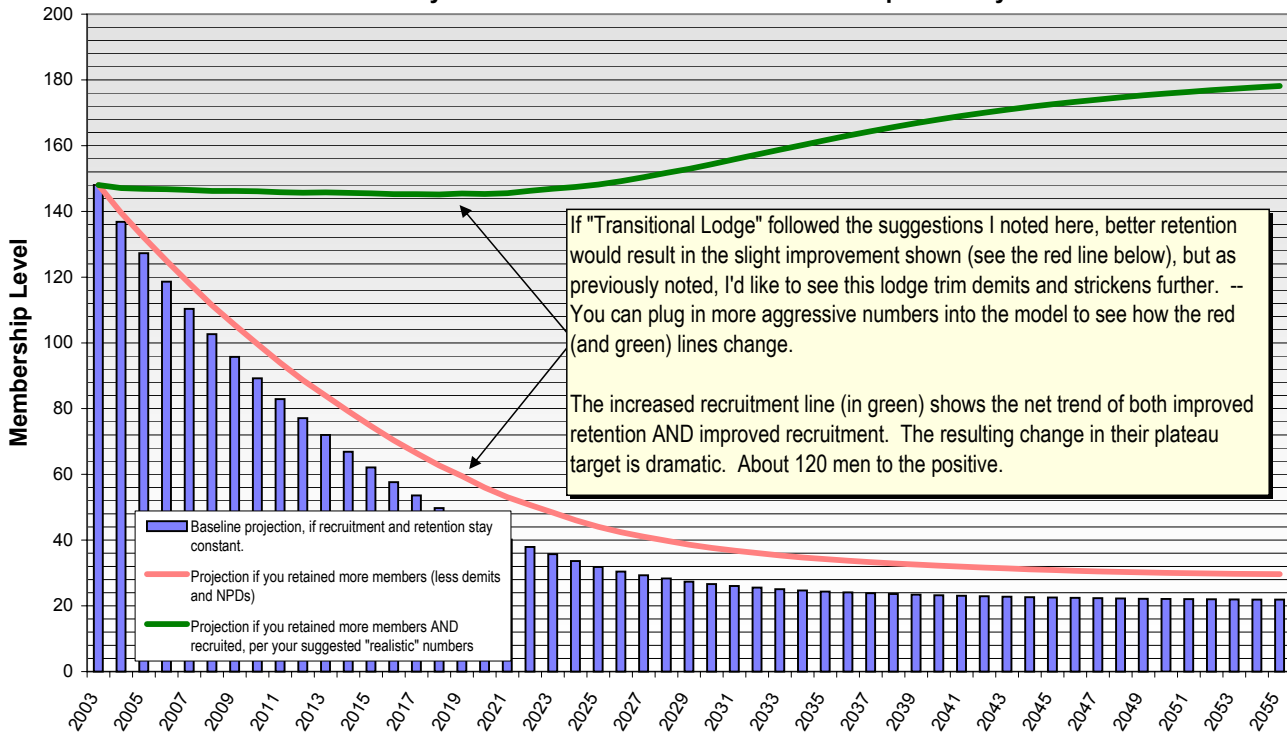
Education and programming alone won't do it at this stage.

At present, average gain or (-) loss of members for this lodge is -7.59% annually. Without any change to retention and/or recruitment, a COLA should include this percentage PLUS any inflation modifier to maintain the same buying power.

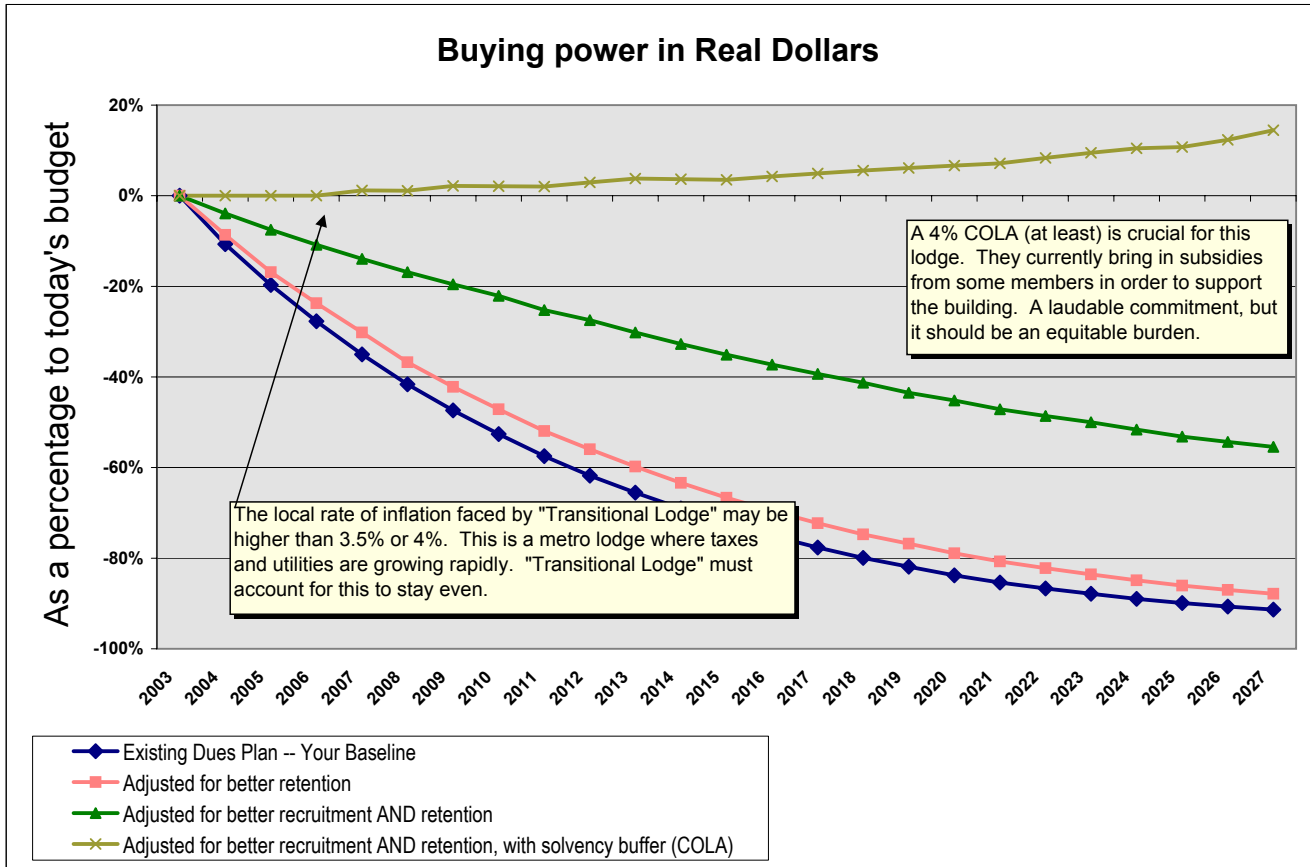
If the lodge is growing, it should still raise dues with inflation (3.5%).

Charted, it looks like this:

**Lodge Projected Membership**  
Study based on historical data and actuarial probability



Assuming these membership projections, here is how your financial projections look:



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