



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 "Big Lodge" #503,

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.

"Big Lodge" is a big regional lodge, with a very welcoming culture and strong appendant bodies. They're starting to feel the pressure on finances, but until now, haven't seen how bad it could get.

On to the numbers --

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

Lodge number: <input type="text" value="503"/>	Lodge dues \$50.00	
	Input Lodge dues, including per capita, here: <input type="text"/>	
Suggest how many additional members you could recruit or retain, in addition to what you are currently doing:		
You now demit	2.2 per year (5-yr avg.).	WHAT IF you kept <input type="text" value="0"/> more per year, net: 2.2
Your stricken/NPDs are	5.0 per year (5-yr avg.).	WHAT IF you kept <input type="text" value="2"/> more per year, net: 3.0
You now raise	2.2 per year (5-yr avg.).	WHAT IF you raised <input type="text" value="5.8"/> more per year, net: 8.0
You now affiliate	3.0 per year (5-yr avg.).	WHAT IF you affiliated <input type="text" value="-2"/> more per year, net: 1.0
Suggest a percentage which could be added to your lodge dues each year to maintain solvency:		
At 308 men at the start of the year, this lodge is larger than most rural lodges. Demits are in line, but Suspended members are too high. I want to see one or less of each type per ONE HUNDRED. The higher number of Stricken men is probably an indication that "Big Lodge"'s brothers are not as connected as they should be. What strategies would you suggest to combat this?		% is the historical rate of inflation...

Observations:

Raisings are too low. A typical 300 man lodge needs 15 raisings annually to maintain a plateau, give or take. Their Affiliate number looks commendable, but this is due to a pending merger with a smaller failing local lodge. Affiliates will drop in the near future, so in my "What If" suggestions I actually inserted a NEGATIVE number, to show a net expectation of just 1 affiliate annually. This is more realistic for the future. The SVR Tool accepts negative numbers in the "What If" fields.

I'd challenge this lodge to reduce Stricken members to 3/yr, and increase raisings substantially. If they hit these targets we'll challenge them further to get to 15 raisings annually. Plus a COLA bump of 4% (hidden by this comment).

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: "Big Lodge", # 503

Membership Projections

Jan 1, Year	Membership estimate	Jan 1, Year	Membership estimate	Jan 1, Year	Membership estimate
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2003	308	2022	132	2041	79
2004	297	2023	126	2042	78
2005	286	2024	121	2043	77
2006	275	2025	117	2044	77
2007	264	2026	113	2045	76
2008	253	2027	109	2046	76
2009	242	2028	105	2047	75
2010	231	2029	102	2048	75
2011	221	2030	99	2049	75
2012	211	2031	96	2050	74
2013	201	2032	93	2051	74
2014	192	2033	91	2052	74
2015	183	2034	89	2053	74
2016	174	2035	87	2054	74
2017	166	2036	85	2055	74
2018	158	2037	84		
2019	151	2038	82		
2020	145	2039	81		
2021	138	2040	80		

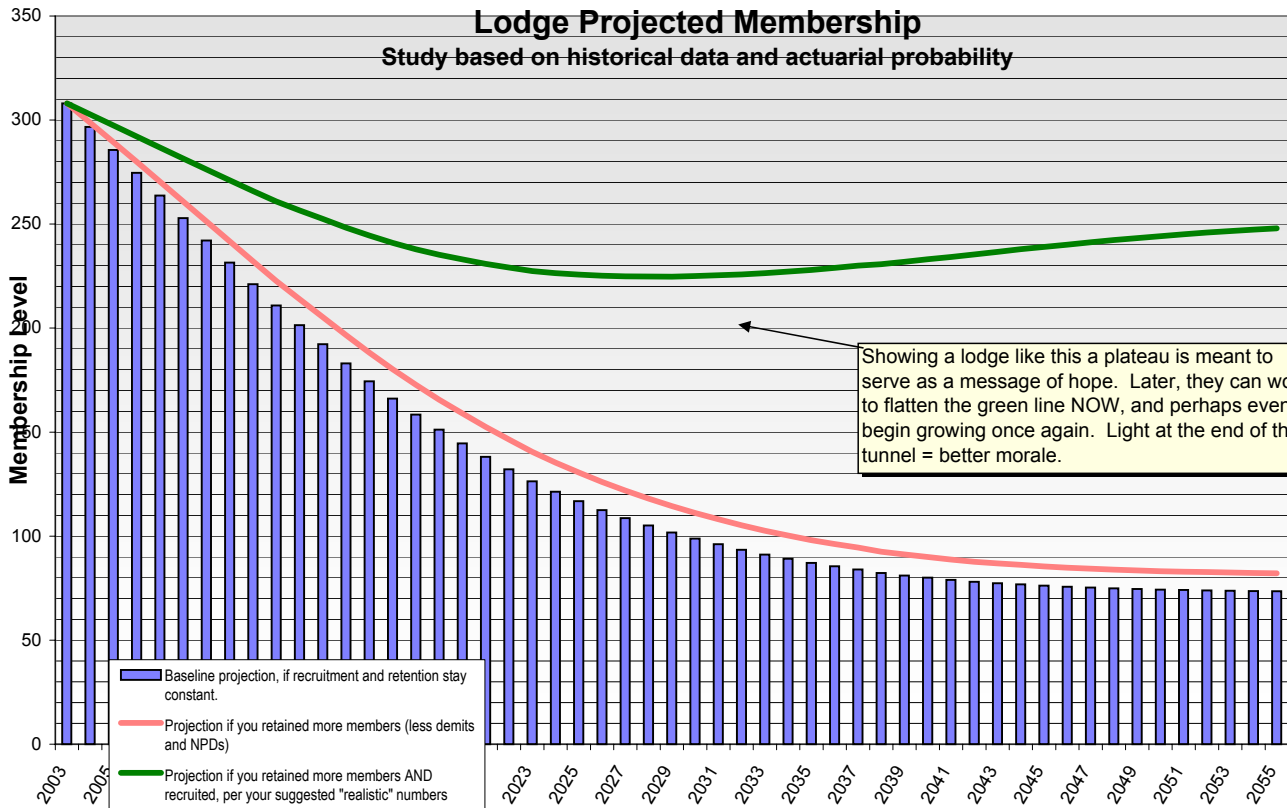
This is a very tough annual drop to handle, from a budget sense. Yet it also hurts the culture of the lodge, where men begin to throw in the towel. "The bigger they are, the harder they fall" is too often true.

At present, average gain or (-) loss of members for this lodge is -4.02% 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.

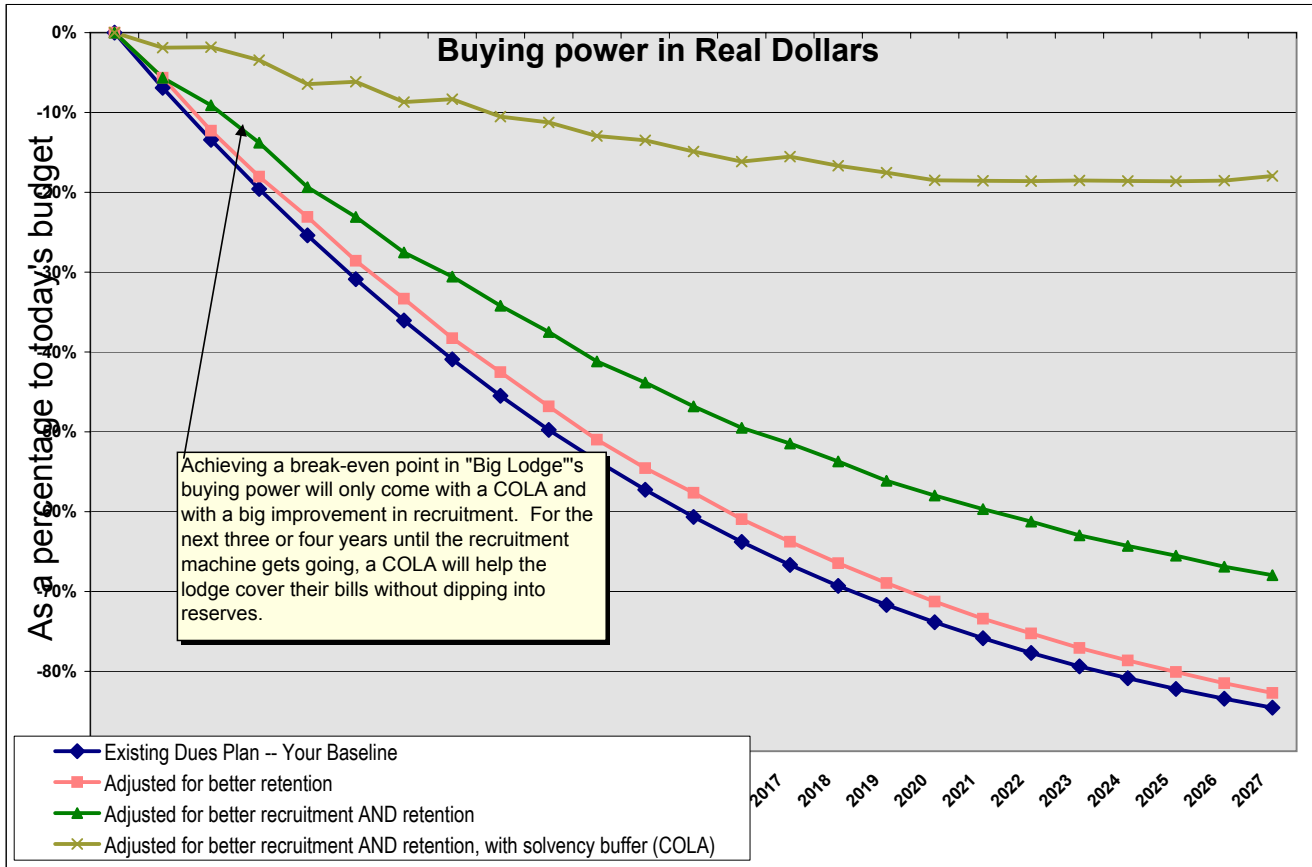
If the lodge is *growing*, it should still raise dues with inflation (3.5%).

By the way, these yellow highlighted numbers indicate a 5-year, 10-year and 20-year snapshot.

Charted, it looks like this:



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



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