

# Funding Our Future

Dues Increase Proposal  
For Delegate Consideration  
June 2023



**Kiwaniis<sup>®</sup>**

*These slides were part of a presentation by Kiwanis International Executive Director Stan Soderstrom to attendees at the Kiwanis International – Europe convention in Amsterdam on May 20, 2023.*

# Kiwanis International Dues Amounts

In US \$

\$90

\$70

\$50

\$30

\$10

*In 2003, Kiwanis International delegates adopted a tiered dues structure based upon the per capita gross national income of each nation. Dues were increased by vote of the delegates in 2003 and again in 2015. The member dues have not been increased in eight years.*

US\$27

US\$42

TIER A

US\$27

TIER B

US\$18

TIER C

US\$52

US\$42

US\$23

US\$82

US\$54

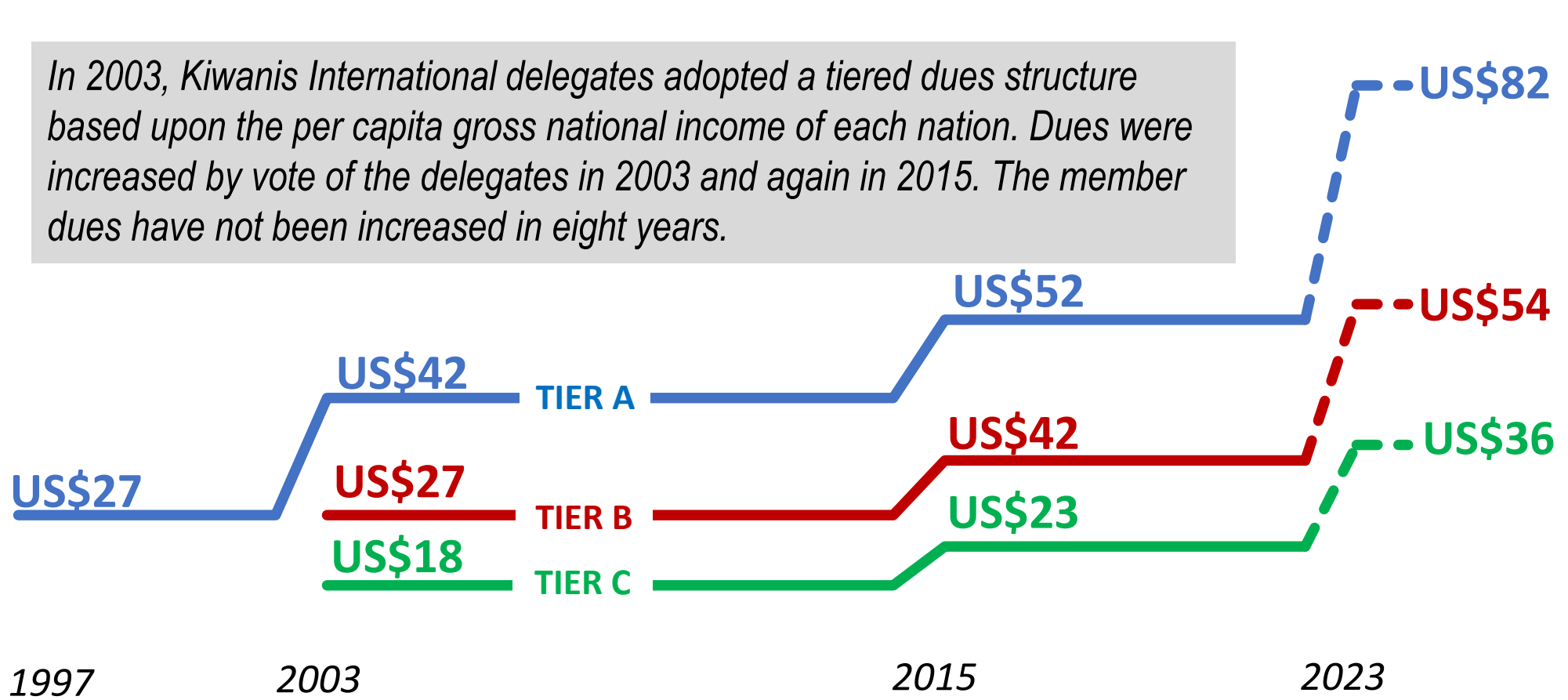
US\$36

1997

2003

2015

2023



# Our Peer Service Organizations...



Sertoma – US\$105

Cosmopolitan International – US\$100

Zonta International – US\$88

Optimist International – US\$82.58<sup>1</sup>

Rotary International – US\$82<sup>2</sup>

Soroptimist International – US\$74

Civitan International – US\$72

**Kiwanis International – Tier A US\$52**

Lions Clubs International – US\$50<sup>2</sup>

**Kiwanis International – Tier B US\$34, Tier C US\$23**

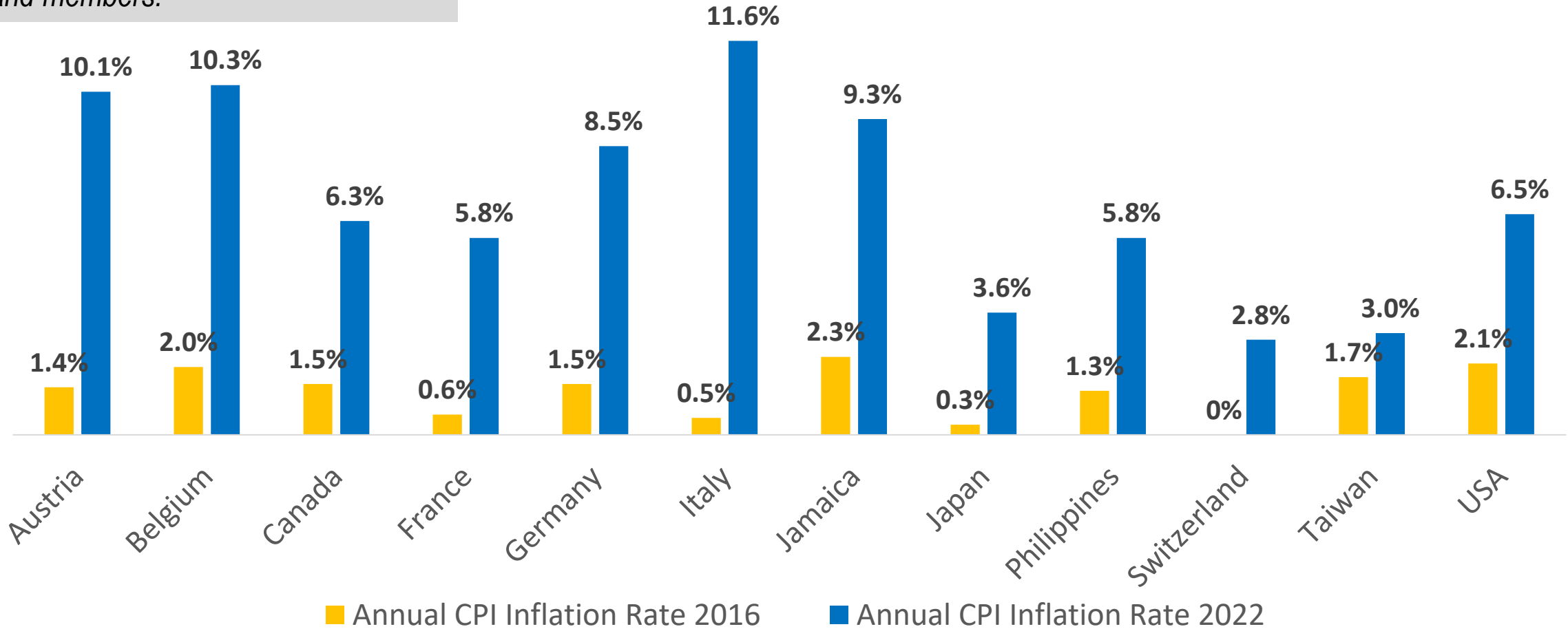
*When compared to other international service club organizations, Kiwanis dues are among the lowest. Kiwanis is the only organization that has not had a dues increase in recent years.*

1. *Developing nations pay approximately half*
2. *By 2025*

*Kiwanis' operating costs have increased in every Kiwanis nation due to inflation. Here are the twelve nations with the most Kiwanis clubs and members.*

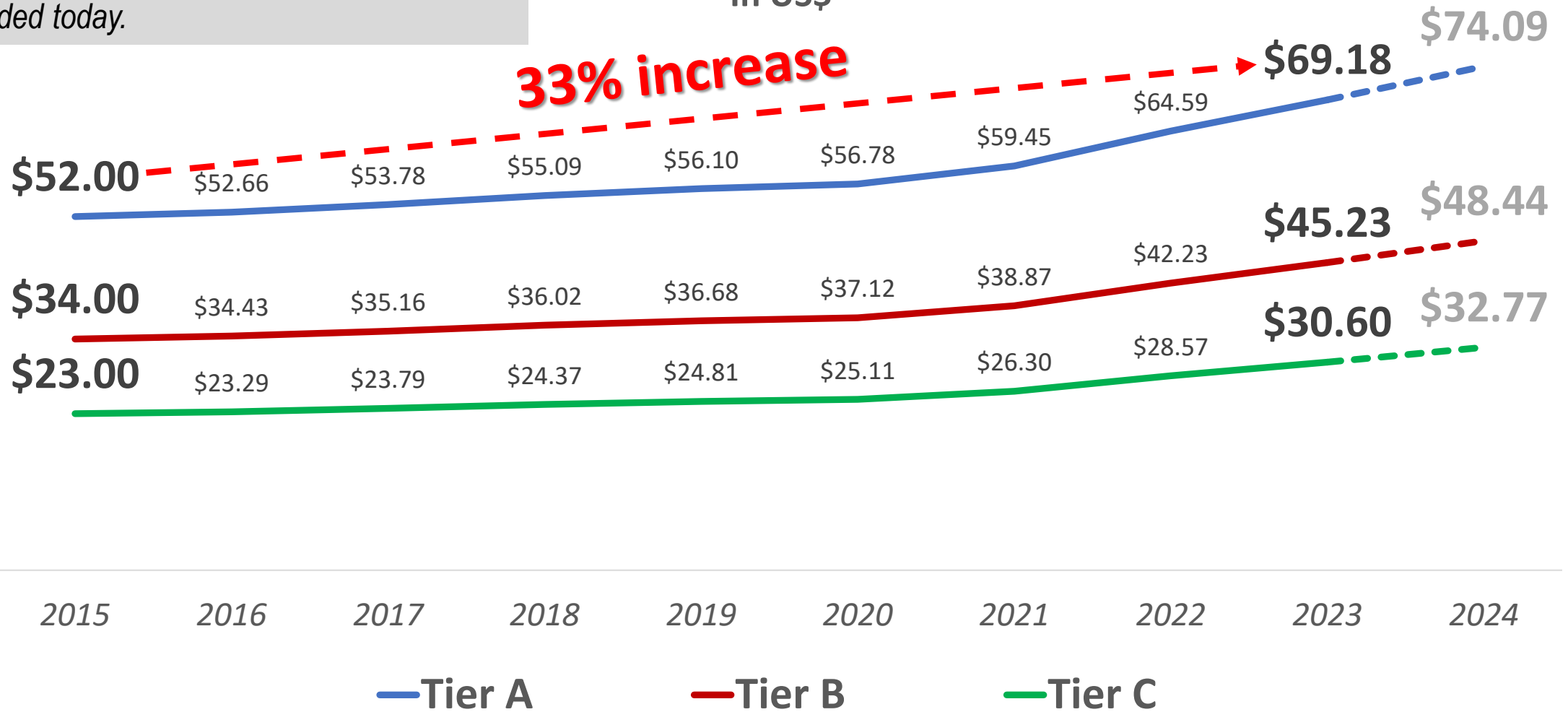
## Annual Inflation by Kiwanis Nation

(12 Largest by Membership)



Had Kiwanis dues been increased each year since the last dues increase to keep up with inflation, a large dues increase would likely not be needed today.

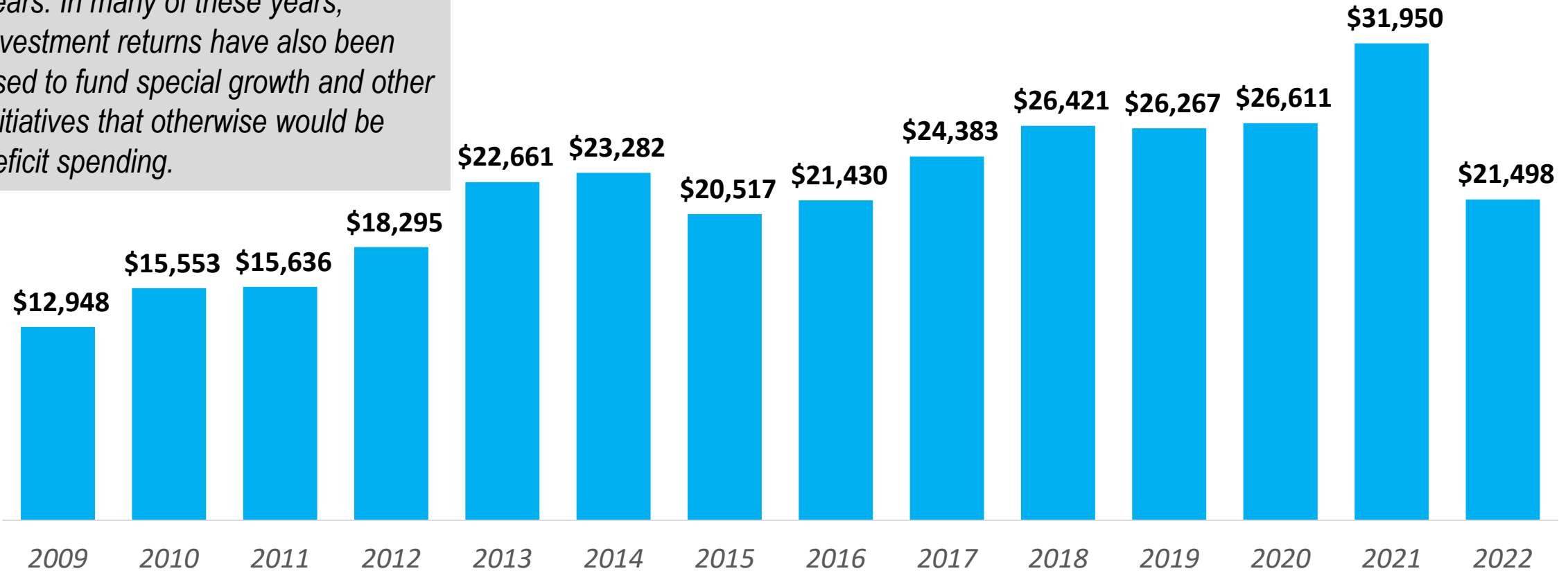
## Cost of Living Impact In US\$



*Thanks to a strong investment policy and disciplined management by the KI Board, the organization's reserves have grown substantially over the years. In many of these years, investment returns have also been used to fund special growth and other initiatives that otherwise would be deficit spending.*

## Kiwanis International Reserves

In US\$000



# Questions we've heard most

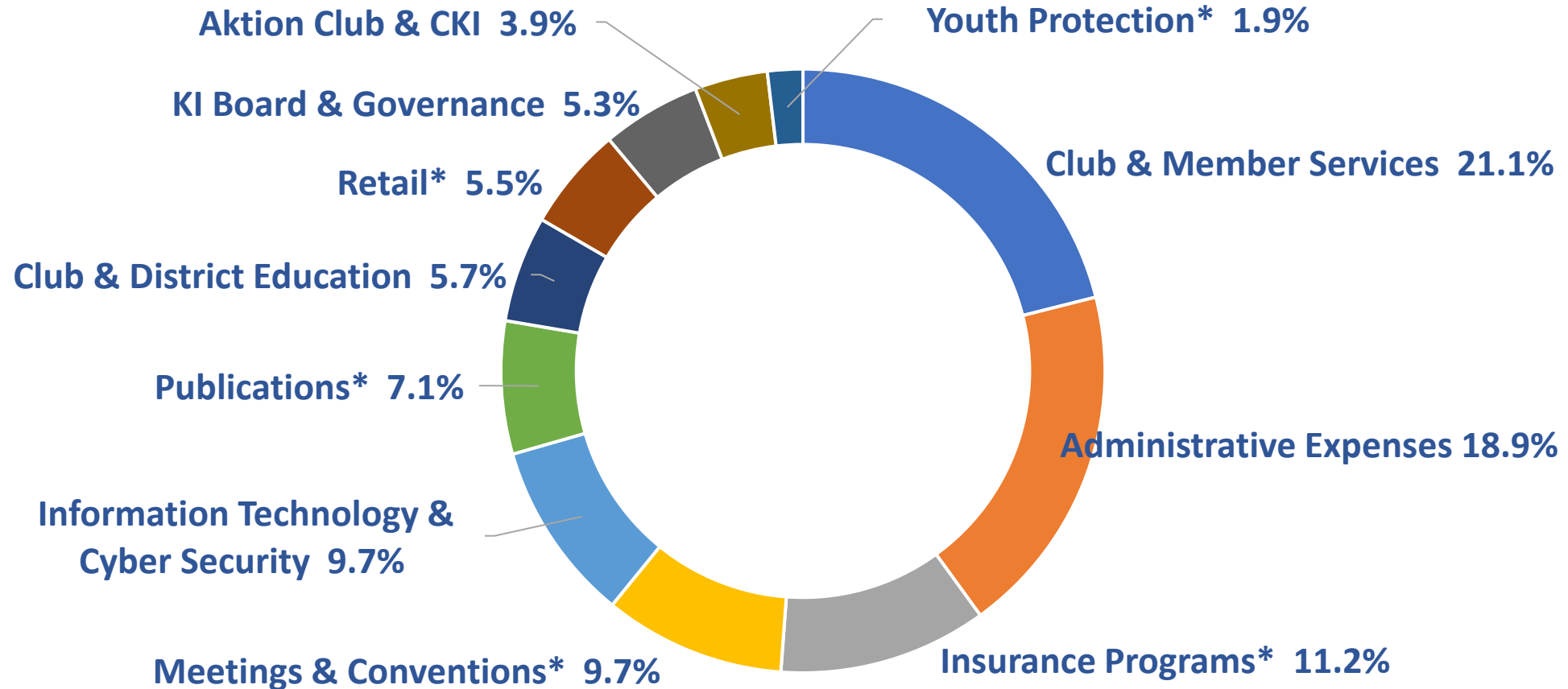
- 1. What do my dues pay for?**
- 2. What do the employees at the offices do, and have we reduced expenses there?**
- 3. What's the difference between the dues I pay to Kiwanis International and that I pay to my club?**
- 4. Why do I have to pay to volunteer?**
- 5. What would be the effects of no dues increase?**



*What do my dues pay for?*

# Kiwanis International Total Spending for 2022-23

(US\$ 21,010,510)

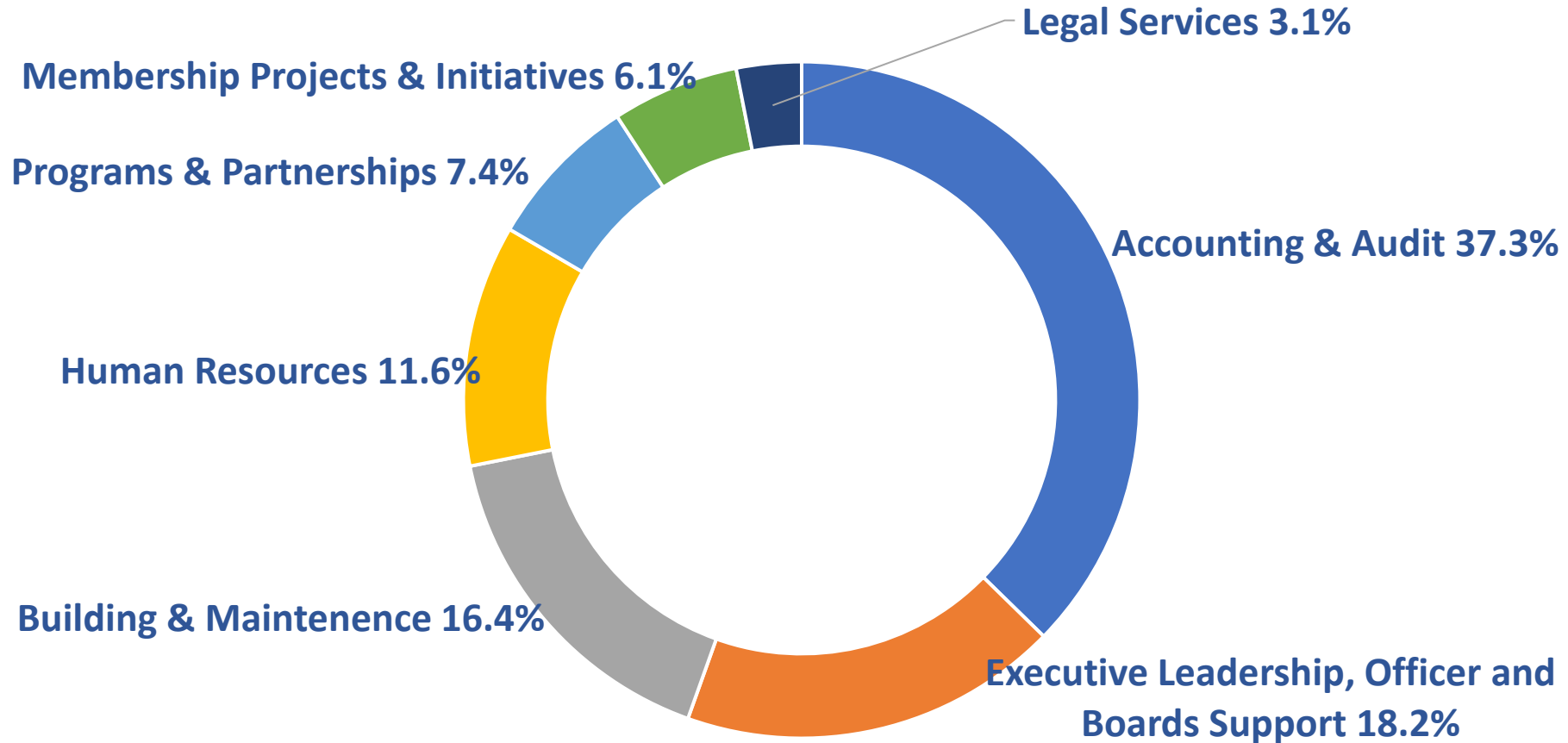


*\* Revenue derived from multiple sources*

*What do my dues pay for?*

## Administrative Expenses 2022-23

(US\$ 3,980,196)

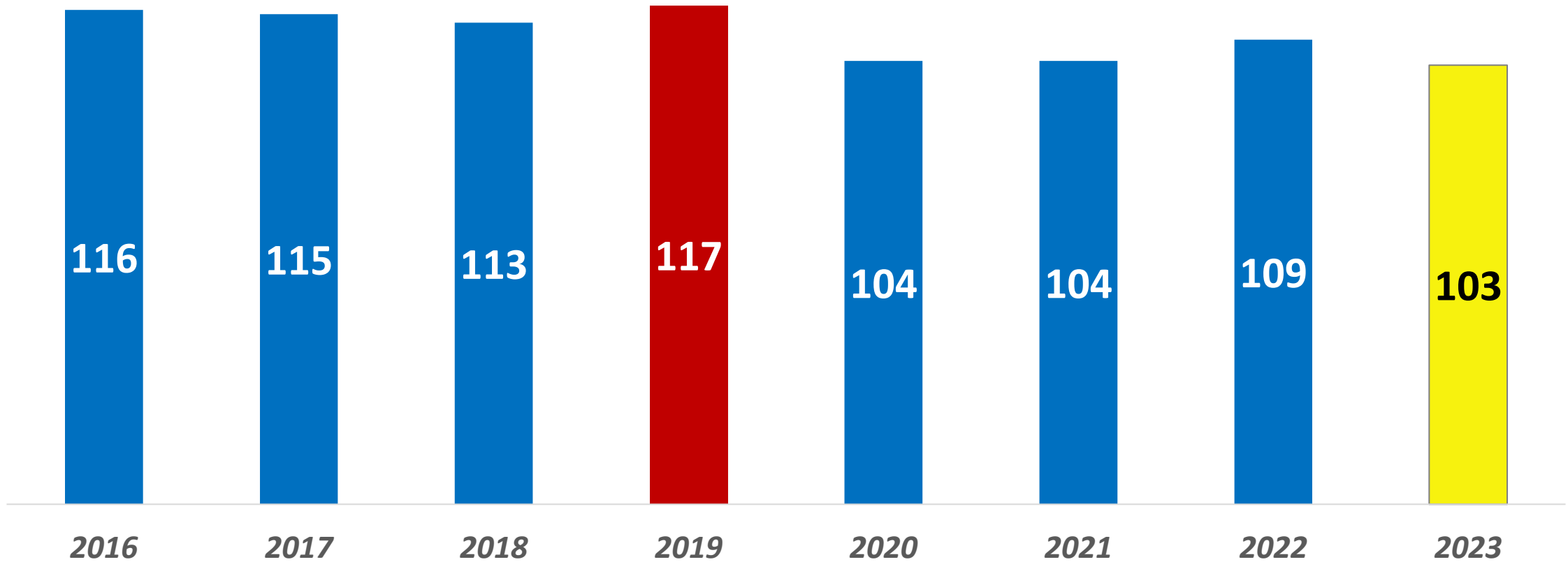


# What else do my dues pay for?

- Ability to sponsor **Key Club, Builders Club, K-Kids...**
- Ability to host **Bring Up Grades, Terrific Kids, Key Leader...**
- Ability to access **grants from the Kiwanis Children's Fund**
- Support growth of Kiwanis and **programs for children around the world** like Africa, India, Latin America...
- Ability to purchase **affordable insurance**
- **Free legal advisement/services** on club and district issues
- **Education and resources** for club, division and district officers and chairs
- **Unified branding** through logos, graphics, merchandise & license
- Access to **conventions, conferences, other programs and online resources**

*Global Kiwanis staffing has been reduced by 12.5% since the last dues increase.*

## Kiwanis International Employees (Worldwide)



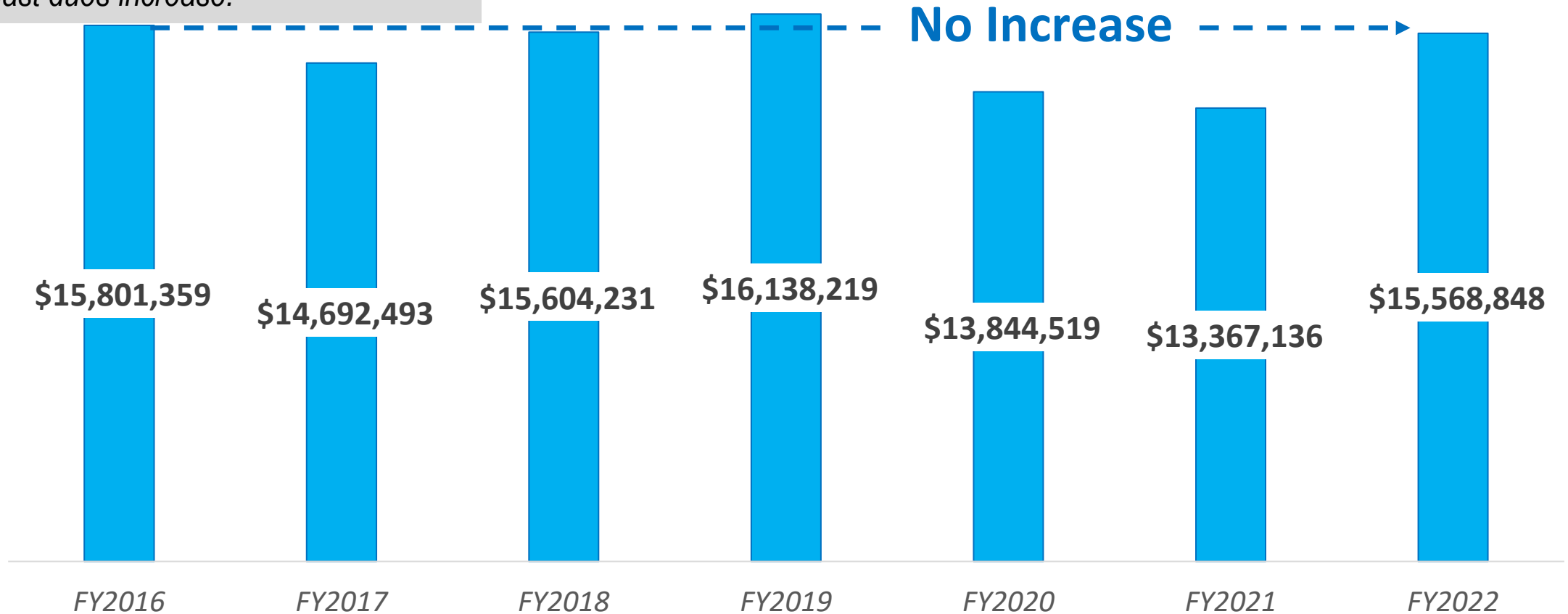
*Kiwanis dues are the most complex among service club organizations.*

# What's the difference between the dues I pay to Kiwanis International and that I pay to my club?

<b>Kiwanis International</b>	<ul style="list-style-type: none"><li>• Dues</li><li>• Insurance Fee, Publications Fee (N America)</li></ul>
<b>Region</b>	<ul style="list-style-type: none"><li>• Dues (Europe)</li><li>• Convention Fee (Europe)</li></ul>
<b>District</b>	<ul style="list-style-type: none"><li>• Dues</li><li>• Convention Fee (some districts)</li></ul>
<b>Division</b>	<ul style="list-style-type: none"><li>• Lt Governor "Contribution"</li></ul>
<b>Club</b>	<ul style="list-style-type: none"><li>• Dues, Meal Cost (some clubs)</li></ul>

*In spite of major cost increases in areas like legal and liability (+400%) and IT (+76%), other areas like staffing and travel have been reduced to keep annual spending essentially level since the last dues increase.*

## KI Operating Fund Expenses In US\$



# Our Peer Service Organizations...

*How the proposed increase compares to other service club organizations dues amounts.*



Sertoma – US\$105
Cosmopolitan International – US\$100
Zonta International – US\$88
Optimist International – US\$82.58 <sup>1</sup>
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## PROPOSED DUES INCREASE

< Kiwanis – Tier A US\$82

< Kiwanis – Tier B US\$54

< Kiwanis – Tier C US\$36

1. Developing nations pay approximately half  
 2. By 2025

# Important Points

1. Our reserves have allowed us to defray a dues increase when our peer organizations have all approved increases during the last three years. Kiwanis has the lowest dues today.
2. A dues increase is proposed to just regain the revenue levels of eight years ago.
3. The organization instituted a strategic plan in 2015, and it has guided our planning, budgeting and spending.
4. A partial increase, or a phased-in increase, will not prevent us from eliminating or reducing programs, activities and services.



# Several Alternative Proposals have been suggested

- 1.Reduce the proposed amount.
- 2.Phase-in the increase over several years.
- 3.Approve only a one-year increase of US\$20.

# Alternative Proposals

## 1. Reduce the proposed amount.

*Based upon the following assumptions:*

- *2.5% reduction in membership*
- *4% annual inflation*

Full US\$30 increase will still require:

- FY 2024 reduction of US\$ 800K
- FY 2025 reduction of US\$ 2.0M

# Alternative Proposals

## 3. Approve only a one-year increase of US\$20.

*Based upon the following assumptions:*

- *2.5% reduction in membership*
- *4% annual inflation*

One-time US\$20 increase will produce:

- FY 2024 deficit of US\$ 2.3M
- FY 2025 deficit of US\$ 6.6M

