Why a Dues Increase is Necessary if GWI is to Continue to be a Meaningful International Force for the Education of Girls and Women

Executive Summary
Many reasons can be put forward to justify why a dues increase is necessary; some are contained in this document. The key reasons for a dues increase can be summed up in two short phrases:

- No dues raise for 12 years
- Current dues level is not sustainable over time

The proposed dues increase and the calculations that were made to determine the amount are discussed below. The proposed increase is to CHF 35 per capita, with the dues model remaining to calculate dues across the member affiliates.

These key reasons for the proposed increase are discussed in detail below.

An Historic Perspective
At this 2016 General Assembly, GWI members must face the consequences of a history in which apparently conservative management of immediate circumstances over the past three triennia (2004–2013), and indeed a number before that, has lacked financial foresight. In 2004, IFUW implemented a dues increase in order to cover the operating shortfall that had been the norm since 1998, and in light of the loss of dues as a result of AAUW’s withdrawal. The size of the increase did not allow for growth. IFUW responded by radically reducing the staff, which concurrently reduced the ability of the office to provide the services necessary to grow a membership organisation.

From 2004 until 2010, as unplanned triennial deficits were absorbed by past investments and savings, IFUW continued to downsize, cutting staff and therefore cutting services, until the office merely served as an administrative clearing-house, providing no growth opportunities to the organisation as a whole. While a purely administrative function is fine, it must be backed up by a strong Board and strong committees who do the work of the Federation and spread the message so that members stay and more people want to join. During the same period, IFUW shared in a general crisis experienced by NGOs of increasing difficulty in finding members willing to commit to organisational office-bearing and do the work. This is evidenced by the scarcity of nominations for Board and Committees in 2013, when there were, at the close of nominations, no nominations for Treasurer and insufficient nominations for all but the Status of Women (now renamed Education), the Finance and the Hegg Hoffet committees.

In 2013 the membership voted to halt the decline and diminishing services to members and turn the Federation around, rather than letting IFUW slowly die. To effect a transformation, it was voted that IFUW would use its reserves, since it was accepted that services and activity must increase before membership could grow and external funding be gained. The 2013-2016 Board took this mandate seriously. We have implemented the action plan: rebranded the Federation; increased and focused
the advocacy; developed many member benefits, including webinars, newsletters, educational advocacy policy updates; developed fundable projects at the international level, and begun the long hard work of raising funds. The use of reserves entailed cannot, however, be continued.

The Value of Membership

The first thing that anyone in IFUW and now GWI says when there is talk of dues is "you can't raise the dues". Yet dues are the life blood of a membership organisation. The dues ensure that there is a degree of autonomy from sponsors, representation from countries, and participation from members.

It is therefore a question of personal priorities. Some members may be perfectly happy to spend CHF 18 on a single meal, while for others it is a heavy financial burden, which is why we have a sliding scale for less wealthy countries. Some members believe that the value of the network and its activities deserve much higher dues to demonstrate how members value the federation. Members thus have to consider what membership, through a national association, of a reputed and long-standing international non-governmental organisation (NGO) with global reach, advocating for education for girls and women and running projects to ensure that girls and women achieve a satisfying life, is worth to them. Are members prepared to pay accordingly? If the answer is positive, then members need to be realistic about what it costs.

The real question is what each member is prepared to pay monthly, and annually, to belong to GWI. It can no longer be done on CHF 18 per year, which equates to CHF 1.5 per month! Are you prepared to pay CHF 10 per month to belong to an international NGO working for education and equality for women? Are you prepared to pay CHF 5 per month?

If we were going to be fiscally responsible, we should all commit to paying CHF 10 per month, or CHF 120 per year to belong to GWI. Slightly less fiscally responsible would be for all to commit to paying CHF 5 per month, or CHF 60 per year to belong to GWI and receive the services we are getting now. CHF 5 per month would make GWI financially independent with the current levels of services and activities, and any income from fundraising could be used to grow the services and the projects, thereby attracting even more new members, and help even more girls and women achieve their full potential.

The GWI Board Proposes...

The Board, on the recommendation of the Finance Committee (FinCom), is proposing a little under CHF 3 per month or CHF 35 per annum as the capitation fee. This will maintain the services, provided that the fundraising that has started to bear fruit continues on its current slow, upward trajectory.

The Board and Finance Committee discussed possible scenarios for a dues increase in April 2015, before the withdrawals of either Germany or The Netherlands had occurred. The proposal of a dues increase to CHF 35 was the one mooted at the time, and it remains the proposal that the Board and FinCom are recommending to the General Assembly. A number of scenarios were considered, including the growth of membership numbers to meet operational requirements at the same rates.
of dues and loss of members as a result of a seemingly dramatic increase in dues. Other factors considered included the cost of developing, maintaining and running the services currently managed by the office and enjoyed by the members. One of the factors not considered, was the cost to belong to similar organisations such as Soroptimists or Zonta, whose fees are in the region of CHF 100 or more per member per year, with additional payments required for events attended.

If the members of GWI believe in the mission and the organisation, we all need to make the decisions necessary to continue moving this Federation forward on the trajectory that we set for ourselves in Istanbul in 2013, and which we have shown is achievable.

The logic of the CHF 35 is explained in more detail below.

**Dues Income and Membership Numbers**

The current dues per capita amount is set at CHF 18, with a sliding scale depending upon membership numbers and Gross National Income (GNI) per capita as defined by the World Bank. This means that any calculation of dues has to take into account that the income from dues is NOT number of members times dues per capita, but number of members times an average per capita fee across the Federation. Figure 1 shows that the average per capita payment per member is CHF 14.5

<table>
<thead>
<tr>
<th>Current Situation</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Membership</td>
<td>23 000</td>
<td>23 000</td>
<td>18 000</td>
</tr>
<tr>
<td>Current dues per capita</td>
<td>18</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Dues income if all paid CHF 18</td>
<td>414 000</td>
<td>414 000</td>
<td>324 000</td>
</tr>
<tr>
<td>Maximum dues income on dues model</td>
<td>380 000</td>
<td>380 000</td>
<td>305 000</td>
</tr>
<tr>
<td>Percentage collection possible</td>
<td>92%</td>
<td>92%</td>
<td>94%</td>
</tr>
<tr>
<td>Actual collection</td>
<td>334 000</td>
<td>325 000</td>
<td></td>
</tr>
<tr>
<td>Percent collection of maximum possible on Dues Model</td>
<td>88%</td>
<td>86%</td>
<td></td>
</tr>
<tr>
<td><strong>Average per capita dues per member</strong></td>
<td><em>14.5</em></td>
<td><em>14.1</em></td>
<td></td>
</tr>
</tbody>
</table>

*Figure 1: Calculation of Average Per Capital Dues*

To support the Federation and the work it is doing at the same level as has been available for the past two years, where the total expenditure has been a little under CHF 700'000, this would require, at the current rate, an immediate increase in the membership numbers from 18'000 to 48'000. To increase the membership, the NFAs have to grow and it is unlikely that they will grow at more than 100% per annum. In fact, a few NFAs are growing, and some of those that have grown in the last few years, have started to decline again. This is a clear indicator that if the momentum is not maintained, losses occur. As NFAs are not growing at a fast pace, and the amount required to sustain the current level of activity at the international level cannot be done by dues alone, other means to sustain the federation have to be sought.
**Fundraising**

The office is working very hard on raising funds, as per the proposal accepted in 2013. Fundraising is a long process - 18 to 36 months from the start of engagement with funders to the possibility of first benefits, and before engagement can occur research has to be done. This means that GWI had to start by doing research, which took a year, even with help from a number of volunteers. At the same time, funders will only fund tangible projects, and membership is not in and of itself a tangible project, so GWI started developing projects that would be attractive and fundable. These projects, such as *Teachers for Rural Futures* and *Girls' Choices* are now in place, thanks to the joint efforts of some NFAs and the office. Once the research was done and the framework of projects developed, approaches to funders started. This means that we have not yet reached the 18-month optimistic timeframe in which to achieve funding. We have however already received sponsorship in-kind from Orange Device Group - a remarkable achievement.

GWI is only nearing the beginning of the period when we can expect the fund raising activity to start to bear fruit; if we slacken off in our other initiatives, such as membership awareness and capacity building, and projects, which is what attracts members and funders, then we cannot expect to grow or to receive any funding. Members want to see benefits and funders want to fund something that is tangible and from which others will benefit – the very reason many joined their NFA in the first place.

Thus, the membership has to do its part in supporting the work at international level, to show our commitment to the mission of the organisation and to ensure that potential members and funders see that the cause and the work of the Federation is supported by its own members.

**Break Even**

The break even amount to cover the current operating model and ensure GWI financial independence is calculated as follows:

<table>
<thead>
<tr>
<th>Calculations on Break Even</th>
<th>Current Spend</th>
<th>Planned Spend</th>
<th>Ideal Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Spend</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>700 000</td>
<td>850 000</td>
<td>1 270 000</td>
<td></td>
</tr>
<tr>
<td>15% Contingency</td>
<td>105 000</td>
<td>127 500</td>
<td>190 500</td>
</tr>
<tr>
<td>Total spend</td>
<td>805 000</td>
<td>977 500</td>
<td>1 460 500</td>
</tr>
<tr>
<td><strong>Membership numbers</strong></td>
<td>18 000</td>
<td>15 000</td>
<td>10 000</td>
</tr>
<tr>
<td>Break even cost per member in CHF</td>
<td>45</td>
<td>54</td>
<td>81</td>
</tr>
<tr>
<td></td>
<td>65</td>
<td>98</td>
<td>81</td>
</tr>
<tr>
<td></td>
<td>97</td>
<td>146</td>
<td></td>
</tr>
</tbody>
</table>

*Figure 2: Break Even Calculations of Dues per Member*

Figure 2 above shows what the break even cost to run GWI is with the current membership, and shows figures assuming that there will be a loss of membership if there is an increase in dues. It is worth noting that over the past 40 years there has been NO significant fall off in membership as a result of a dues increase; the decline in membership shows the same steady downward trend irrespective of whether the dues remained the same or not (see Figure 3 below). In fact, in one instance, membership increased when there was a dues increase!
Proposed New Per Capita Dues

Based on all of the above, the Board and Finance Committee are unanimous in their agreement to propose an increase in dues to CHF 35 per capita. There was discussion about whether the dues model should remain in place or not, as the dues model does reduce the possible dues income. It was agreed that this would put too big a burden on members from low Gross National Income (GNI) countries and would thereby reduce the number of people able to participate, thus reducing GWI’s global reach. The current dues model calculation will remain in place with the rating scale adjusted accordingly.

The possible income for GWI from this proposal is not enough to meet the current operating expenses of GWI. This means either that GWI will have to cut expenditure and therefore programme and services in the new triennium, or that it will have to raise sufficient funding. We acknowledge that this is not an ideal scenario; it is the best possible option, unless members vote to increase the dues above CHF 35. This triennium we have shown what can be done with this organisation if it is
willing to spend the money necessary to be relevant. It is now up to the membership to decide how
much it wants to be part of the connected and interconnected 21st century.

As there are members who will ask what it would take to make GWI self-funded, Figure 5 below
shows some additional scenarios with different per capita dues amounts, using the same basis for
the calculations, namely that there is a maximum possible dues amount based on the dues model,
and a maximum likely income based on current payment trends.

<table>
<thead>
<tr>
<th>Dues per Capita Proposal versus Loss of Members</th>
<th>0%</th>
<th>5%</th>
<th>10%</th>
<th>20%</th>
<th>30%</th>
</tr>
</thead>
<tbody>
<tr>
<td>At fee per member of:</td>
<td>45</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of members</td>
<td>18 000</td>
<td>17 100</td>
<td>15 390</td>
<td>12 312</td>
<td>8 618</td>
</tr>
<tr>
<td>Dues Income</td>
<td>810 000</td>
<td>769 500</td>
<td>692 550</td>
<td>554 040</td>
<td>387 828</td>
</tr>
<tr>
<td>Possible collection based on dues model</td>
<td>729 000</td>
<td>692 550</td>
<td>623 295</td>
<td>498 636</td>
<td>349 045</td>
</tr>
<tr>
<td>Likely actual collection</td>
<td>619 650</td>
<td>588 668</td>
<td>529 801</td>
<td>423 841</td>
<td>296 688</td>
</tr>
<tr>
<td>At fee per member of:</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of members</td>
<td>18 000</td>
<td>17 100</td>
<td>15 390</td>
<td>12 312</td>
<td>8 618</td>
</tr>
<tr>
<td>Dues Income</td>
<td>900 000</td>
<td>855 000</td>
<td>769 500</td>
<td>615 600</td>
<td>430 920</td>
</tr>
<tr>
<td>Possible collection based on dues model</td>
<td>810 000</td>
<td>769 500</td>
<td>692 550</td>
<td>554 040</td>
<td>387 828</td>
</tr>
<tr>
<td>Likely actual collection</td>
<td>688 500</td>
<td>654 075</td>
<td>588 668</td>
<td>470 934</td>
<td>329 654</td>
</tr>
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<td>At fee per member of:</td>
<td>75</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of members</td>
<td>18 000</td>
<td>17 100</td>
<td>15 390</td>
<td>12 312</td>
<td>8 618</td>
</tr>
<tr>
<td>Dues Income</td>
<td>1 350 000</td>
<td>1 282 500</td>
<td>1 154 250</td>
<td>923 400</td>
<td>646 380</td>
</tr>
<tr>
<td>Possible collection based on dues model</td>
<td>1 215 000</td>
<td>1 154 250</td>
<td>1 038 825</td>
<td>831 060</td>
<td>581 742</td>
</tr>
<tr>
<td>Likely actual collection</td>
<td>1 032 750</td>
<td>981 113</td>
<td>883 001</td>
<td>706 401</td>
<td>494 481</td>
</tr>
<tr>
<td>At fee per member of:</td>
<td>100</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of members</td>
<td>18 000</td>
<td>17 100</td>
<td>15 390</td>
<td>12 312</td>
<td>8 618</td>
</tr>
<tr>
<td>Dues Income</td>
<td>1 800 000</td>
<td>1 710 000</td>
<td>1 539 000</td>
<td>1 231 200</td>
<td>861 840</td>
</tr>
<tr>
<td>Possible collection based on dues model</td>
<td>1 620 000</td>
<td>1 539 000</td>
<td>1 385 100</td>
<td>1 108 080</td>
<td>775 656</td>
</tr>
<tr>
<td>Likely actual collection</td>
<td>1 377 000</td>
<td>1 308 150</td>
<td>1 177 335</td>
<td>941 868</td>
<td>659 308</td>
</tr>
</tbody>
</table>

Other Parameters
- Maximum Possible Collection Based on Dues Model: 90%
- Likely collection based on current collection patterns: 85%

Figure 5: More Progressive Dues per Capita Scenarios

As Figure 5 above shows, in fact the membership of GWI would be far better to opt for a dues
increase of CHF 45 or CHF 50 as this will assure GWI the income it needs to progress in the way we
have done over the past three years, and to be able to do it without the worry of generating income
from other sources.

CHF 35 is a good start on the road to accepting realistic and sustainable per capita dues amount.

CATHERINE A. BELL
On behalf of the GWI Board and Finance Committee