

# 2005 USSVI NATIONAL DUES STRUCTURE

This dues structure applies to the 2005 and later time period.

## NATIONAL LIFE MEMBERS

<u>Age Range</u>	<u>New Rate</u>	<u>Old Rate</u>
Age to 45	\$500.00	\$ 250.00
Ages 46 to 55	\$400.00	\$ 200.00
Ages 56 to 65	\$300.00	\$ 100.00
Ages 66 to 75	\$200.00	\$ 50.00
Age 76 +	\$100.00	\$ 50.00

The current LIFE MEMBER dues structure will remain in place through Dec 31, 2004 so that current members may take advantage of the old rates up until then. Members may also purchase National Life membership on a \$25.00/mo installment plan until paid in full. Contact the National Office for details. (360) 337-2978

## NATIONAL ANNUAL MEMBERS

	<u>2005 Dues Rate</u>
? ANNUAL MEMBERSHIP	\$20.00
? 36 MO MEMBERSHIP	\$55.00 - \$ 5.00 saving
? 60 MO MEMBERSHIP	\$90.00 - \$ 10.00 saving

1. THE MEMBERSHIP YEAR RUNS FROM JAN 1 TO DEC 31.
2. DUES ARE DUE AND PAYABLE ON OR BEFORE DEC 31,
3. MEMBERS WHO HAVE NOT RENEWED AS OF JAN 1<sup>ST</sup> ARE MOVED FROM MEMBER IN GOOD STANDING STATUS (M.I.G.S.) TO MEMBER NOT IN GOOD STANDING (DELINQUENT) STATUS. BETWEEN JAN 1<sup>ST</sup> AND APRIL 1<sup>ST</sup> THE PAYMENT OF DUES RESTORES THE MEMBER TO M.I.G.S. STATUS.
4. MEMBERS WHO HAVE NOT RENEWED AS OF APRIL 1<sup>ST</sup> WILL BE DROPPED FROM THE ORGANIZATION ROLLS.
5. NEW MEMBERS JOINING IN THE 4<sup>TH</sup> QUARTER WILL HAVE THEIR MEMBERSHIPS EXTENDED THROUGH THE FOURTH QUARTER AND THE FOLLOWING YEAR AT NO EXTRA COST.

CHAPTER (BASE) DUES ARE IN ADDITION TO NATIONAL DUES. PAID UP NATIONAL MEMBERS NOT RENEWING BASE DUES WILL REVERT TO 'MEMBER AT LARGE' (MAL) STATUS.

## **Q & A: ANNUAL AND LIFE MEMBERSHIP DUES INCREASE**

**Q: WHY ARE WE RAISING DUES NOW? WE'VE HAD THE SAME \$10 DUES SINCE JOE NEGRI STARTED THIS OUTFIT 40 YEARS AGO.**

**A:** USSVI is far larger and the administrative costs are much higher. Those costs will continue to grow as long as our organization grows. Comparing dollars now and during Joe Negri's time is only useful in terms of what a dollar will purchase. (The inflation factor)

Looking at inflation tables, when Joe Negri started this outfit, a dollar had much more buying power than it has today. What cost \$1 in 1964 would cost \$5.65 in 2004. Put another way, that \$1 then would be worth \$0.18 today.

Joe's Ten dollar dues in 1964 corrected for inflation would be \$ 56.50 today.

**Q: WHAT IS USSVI NATIONAL DOING TO CONTROL EXPENSES?**

**A:** Your BoD is always looking for ways to reduce/control expenses without damaging the effectiveness of the organization. Because USSVI is expanding, overall costs are increasing and they will continue to rise. We do have some built-in inefficiency in USSVI mandated in the C&B Structure that are costing us money we can recoup by changing the C&B. There are several Proposed Amendments on this year's ballot that will accomplish this for us all. For example, changing the National Officers term of office from one year to two years will cut the cost of elections in half, and will save us \$ 20,000.00 over a ten year period. Over 60% of our membership now has email access. By voting online instead of sending out expensive ballots, we can save up to 4,500.00 per election. Due to the growth in the number of bases, Region and District Commanders are traveling more and going longer distances. By giving the BoD the ability to restructure the districts, (currently fixed in the C&B) we can create more districts as needed that will allow less lengthy travel and related expenses.

**Q: HOW ABOUT NATIONAL INVESTING SOME OF OUR SURPLUS FUNDS TO OFFSET FUTURE EXPENSES?**

**A:** Your Current BoD established an investment subcommittee in late 2003. We do not know why the previous National officers failed to do so, but your invested funds already are earning revenue for USSVI and is periodically reported in Am/Sub.

**Q: YOU SAY AMERICAN SUBMARINER IS A MAJOR COST CENTER FOR USSVI. WHY NOT INCREASE ADVERTISING AND OFFSET THE COST OF PRODUCTION LIKE OTHER VETERANS MAGAZINES DO.**

**A:** If you compare the magazines of all those organizations to the American Submariner you will discover that they are mostly advertising. They have a much larger membership which results in the income from advertising helping to pay for the organization. USSVI will never match them in membership size, since they are essentially no entry requirements vs. our "Qualified in Submarines". We deliberately choose to NOT fill the Am/Sub with ads, leaving most of the space for articles, stories and submarine/USSVI related material.

**Q: WHY HAVE YOU RAISED THE LIFE MEMBERSHIP DUES SO MUCH?**

**A:** A \$250.00 Life membership in 1964 would cost \$1,413.58 in 2004 when corrected for the value of today's dollar. Looking backward, it is hard to understand how the original rates were set. They may have made fiscal sense at the time, but the dollars set long ago were worth far more than the dollars today. Based on the standardized mortality tables, a rational and fair Life membership dues structure was created. Under the old dues structure, with each passing year the Life Members were getting an ever increasing bargain, but they were not paying even close to their fair share over their expected lifetime. (See data tables below at the end.)

Furthermore, anticipating desire from our current members WE ARE continuing to offer Life Membership at the CURRENT RATE for the remainder of this CALENDAR YEAR. Anyone who does not like the new and realistic rate should choose Life Membership right now.

Anyone who does NOT care to pay for Life Membership now at the old rate or next year at the new rate which is ACCURATE both for his life expectancy and cost of membership is welcome to remain an 'annual' (12, 36 or 60 mo.) member.

**Q: IT IS BAD ENOUGH THAT THE U.S. SUBMARINE FORCE IS LOOKING AT A 50% CUT BACK AND NOW YOU JOKERS WANT TO MAKE IT EVEN HARDER TO CONVINCING A YOUNG SEAMAN TO PART WITH A CHUNK OF HIS PAY SO THEY CAN SIT AROUND AND LISTEN TO A BUNCH OF OLD TURDS TELL SEA STORIES. THEY HAVE BETTER THINGS TO DO THAN JOIN A BUNCH OF SELF RIGHTEOUS OLD SALTS.**

**A:** What reason do most young active service sub sailors have to join USSVI? (In this case I'm defining "young" as below E6.) Most of these guys are too busy in their day to day lives to become active in USSVI. Yes, there are exceptions, mostly in Groton, which has a clubhouse, for example. If the young sailors don't care about listening to a bunch of 'old turds' tell sea stories, why would they pay one buck, let alone ten bucks or twenty? You said it best when you say "They have better things to do than to join a bunch of self righteous old salts."

Making our young sub sailors aware of USSVI, whether they join now or not, is an important investment in our future. We do this through our boat-base relationships, our Brotherhood Holiday Meals program, which has been well received and appreciated in the fleet, the distribution of AMERICAN SUBMARINER to the submarine commands and, in areas where the sub bases are located, by inviting the active submariners to join and participate in USSVI.

The real main 'target audience' for an organization like USSVI is the late career submariner and mature veteran, somewhere in the 40+ age bracket who has 'been there, done that' and retrospectively looks back with fondness on his submariner days.

**Q: HOW CAN WE EXPECT THE YOUNGER SUB SAILORS TO BE ABLE TO AFFORD JOINING USSVI AT THESE RATES?**

**A:** Have you kept up with what today's sub sailor earns, compared to when USSVI was founded and the \$ 10.00 dues were established? To be honest, I don't remember how much I earned as a single EM2(SS) in 1964 with 4 years service, but today's 2004 sailor at the same point in his career earns \$ 2,441.00/mo (\$250.00 in Sub Pay and \$ 1,991.00 in Basic pay.) and even more if he is nuclear trained. Any member can set up a plan for life membership on the installment plan, at \$25.00/mo until it is paid off. Just contact the National Office to set up the arrangement.

**Note:** The Q&A information came from several sources, including NC John Peters, NJVC Tom Conlon, NT Jon Jaques and NS Pat Householder, and comments from various members via email.

**Ref: Mortality Tables**

Note: The table is simplified in that it does not show each year in the various categories. The thing about these tables is, the longer you live, the longer your expected life remaining becomes. For example, a shipmate who is 45 has another 31.5 years to go. However, if he lives to be 75, he has another 10 years remaining (on average). And, the longer the shipmate lives, the original life dollars paid have less value(due to inflation) which is why it is important to invest the life dollars where it at least grows at the rate of inflation, and a portion of the life money is allocated annually towards current operations.

AGE	Yrs to go	2005 Life Dues	Annual Dues for Life	Mbr saving over term*
45	31.5	\$ 500.00	\$640.00	\$ 140.00
46	30.7	\$ 400.00	\$620.00	\$ 220.00
56	22.3	\$300.00	\$460.00	\$ 160.00
66	16.8	\$200.00	\$340.00	\$ 140.00
76**	10	\$100.00	\$200.00	\$ 100.00

\* This is a simplistic view because it does not take inflation into account or possible dues increases in future.

\*\*It's rather unlikely that a member 76+ would join as a life member.

The table below compares the new and old national life rates and how they address the actual cost (currently about \$18 per member) of serving the Life and HC members. The table is simplified in that it does not show each year in the various categories, but it gives you an indication how out of whack the old dues were. Even the new rates are a bit low, but your BoD feels we can make up the difference in interest and dividend income on the Life funds. At some future point it may be necessary to readjust the rates, however.

AGE	Expected Yrs to go	At 18.00/yr Cost-to support L-HC	Pre-2005 Life Dues	Pre-05 Dues shortfall	2005 Life Dues	2005 Dues shortfall
45	31.5	\$ 567.00	\$ 250.00	\$ 317.00	\$ 500.00	\$ 67.00
46	30.7	\$ 553.00	\$ 200.00	\$ 353.00	\$ 400.00	\$ 53.00
56	22.3	\$ 401.00	\$ 100.00	\$ 301.00	\$ 300.00	\$ 101.00
66	16.8	\$ 302.00	\$ 50.00	\$ 252.00	\$ 200.00	\$ 102.00
76	10	\$ 180.00	NA	NA	\$ 100.00	\$ 80.00