

RESOLUTION 17R-33

To request the RI Board to consider basing future budgets on a scenario of reducing RI dues to US\$50

Proposer(s): Rotary Club of Parys, District 9370, Lesotho and South Africa

Endorsed by: District 9370 through a ballot-by-mail, June 2017

1 WHEREAS, the 2016 Council on Legislation approved a US\$4 increase in dues
2 for three years to fund infrastructure development, such as development of
3 rotary.org, and

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5 WHEREAS, many clubs are finding it difficult to recruit members because of the
6 full cost of Rotary membership, and

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8 WHEREAS, many clubs are only charging membership dues (RI, district, and
9 compulsory magazine subscription), reducing or eliminating meals, and using
10 other sources of funding for club administration and Foundation giving, and

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12 WHEREAS, membership dues can represent a significant part of income in
13 countries where average wages for occupations such as lawyers, teachers, and
14 accountants are less than 50 percent of those of North America and Europe, and

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16 WHEREAS, an analysis of rural clubs in South Africa shows that many have
17 closed and many have fewer than 10 members

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19 IT IS RESOLVED by Rotary International that the Board of Directors of Rotary
20 International consider developing budgets for fiscal years 2019 to 2022 based on
21 a scenario of reducing RI dues to a fixed amount, US\$50, until the next Council
22 on Legislation in 2022. This budget is to be prepared in compliance with the
23 reserve requirements in the RI Bylaws.

(End of Text)

PURPOSE AND EFFECT

24 The purpose of this resolution is to establish how Rotary would have to change to
25 ensure that clubs may remain viable in countries where salaries are significantly
26 lower than in the United States or Europe and where RI dues are significant in
27 relation to the income of a professional person.

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29 The effect is to establish whether Rotary clubs are viable in all parts of the world
30 or in only those countries or parts of countries where average salaries are above a
31 certain level.

1 If a way cannot be found of reducing the cost of Rotary, then the Council accepts
2 that Rotary is not a worldwide organization but one that will only exist in certain
3 countries or parts of countries where wages are sufficient to support dues.

FINANCIAL IMPACT

4 If implemented, this resolution would result in a significant decrease in per
5 capita dues revenues for RI.

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7 According to the RI Bylaws, the RI annual per capita dues will be US\$68 in fiscal
8 year 2020. Based on current membership levels of 1.2 million members and per
9 capita dues of US\$68, the estimated decrease in revenues is US\$22 million
10 beginning in fiscal year 2020.

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12 The RI Bylaws require a balanced budget; therefore, a significant reduction in
13 revenues would have an impact on RI's operations and services.