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Dear Rotary Leaders,

At our last Council on Legislation, your Council members approved an increase in Rotary International dues of US \$4 per year in the 2017-18, 2018-19, and 2019-20 Rotary years. As a result of that decision, the yearly per capita dues that clubs pay to RI for each member is now US \$60, increasing to \$64 next year and \$68 the year after that.

Historically, Rotary International has been very reluctant to institute increases to RI dues, and the dues increases have been extremely small. Rotary's first dues were set in 1910 at the rate of \$1 per member per year — the equivalent of about \$26.90 today. Even at that time, then-Secretary Ches Perry protested that the amount was insufficient to cover expenses of office rent, stenography, telephone, postage, and the occasional purchase of a necessary item such as a typewriter.

Today, of course, our far larger organization, engaged in much more complex activities in a far more complex world, requires a vastly larger budget to run. Our global staff supports 1.2 million members around the world. It is largely thanks to the good work of that staff that we are able to carry on with the service that we do, on the level that we do it — fully supplied with the materials, club services, training events, international meetings, language services, IT, Foundation support, leadership support, and everything else we have come to expect as Rotary members.

In recent years, it became clear that the services RI was able to provide to Rotarians with the available budget were no longer in line with what Rotarians needed and expected. Nine out of 10 Rotarians wanted Rotary to provide more services, but given Rotary's current and projected income, the rate of global inflation, and the ongoing volatility of world financial markets, we had only two fiscally prudent options: either cut back RI services, or increase dues. Essentially, we had to decide whether or not we wanted Rotary to continue to grow and thrive.

As an accountant, I take fiscal responsibility and long-term financial planning extremely seriously. It was and remains abundantly clear that a modest increase in dues was our only viable path forward. Our five-year forecast at the time of the Council on Legislation projected that a dues increase of just \$1 would have resulted in only a 1.8 percent increase in revenues—far

below the 2.5 percent impact of global inflation. A \$2 increase would have resulted in reserve levels falling below the Board target by 2019, and a \$3 increase would have resulted in reserve levels only marginally above the target by 2018. None of those options would have allowed us to do what our members wanted: increase and improve our services, to allow Rotary to increase and improve its service.

I am pleased to report that, as a result of the still modest dues increases that were approved in 2016, Rotary is now not only on a firm financial footing, but able to invest in our future. I would like to let you know how RI is spending your dues this year, and what we have planned for the years ahead.

Your membership dues are our organization's largest single source of revenue, accounting for about \$74 million out of a \$103 million budget in 2017-18. Of the \$60 you currently pay in dues, \$32.58 goes directly to member support, in the form of RI events, online training, and digital tools such as the recently improved rotary.org website and updated Rotary Club Central, along with Rotary Ideas, Rotary Showcase, and RI's social media feeds.

Rotary's operations extend to 220 countries and territories worldwide, using 29 different currencies. This year, RI is applying \$14.43 of your \$60 toward administration and compliance. That money pays for staff and services at the Secretariat and regional offices, who provide translations, support Rotarians on a regional level, and ensure that we are keeping pace with global security and privacy regulations.

We all know that enhancing Rotary's image in the world is vital to our future success. RI is earmarking \$12.99 of your RI dues this year for resources to help promote Rotary in your community, and beyond. This includes not only the postcards, brochures, and other materials available on your Brand Center, but also our People of Action campaign, external relations, and our ongoing outreach and public relations work around the end of polio.

Within the next year, look for news about an improved technology infrastructure for your data, streamlined online giving, more timely online club reporting resources, and a more user-friendly My Rotary – all funded by the dues each of us pays. For more information on RI's budget and the value of your RI membership, I invite you to watch [this presentation](#) on Your Dues at Work.

For all of us, Rotary is an investment – not only of money, but of time, energy, and effort. As with any good investment, the more we put in, the greater our returns. None of it would be possible without the international association that unites us, and which we all support. I thank you all for that support, and for the good work each of you do, as you make a difference in our world.

Yours in Rotary,

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