



ROTARY INSTITUTE 2019

MANILA

PROCEEDINGS

CHAPTER 4
**THE FUTURE
OF ROTARY**



RIPE Holger Knaack sits on the grass with Filipino Rotaractors as he converses with them.

Photo credit: Philippine Rotary Magazine

CHAPTER 4 THE FUTURE OF ROTARY

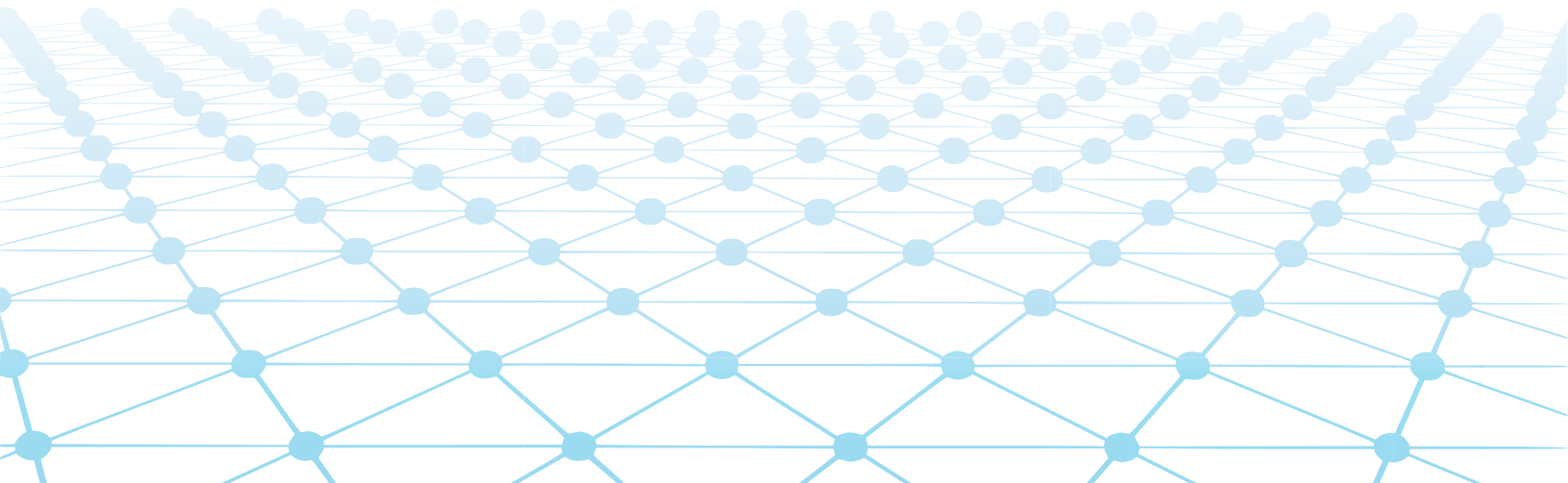


ROTARY INSTITUTE 2019

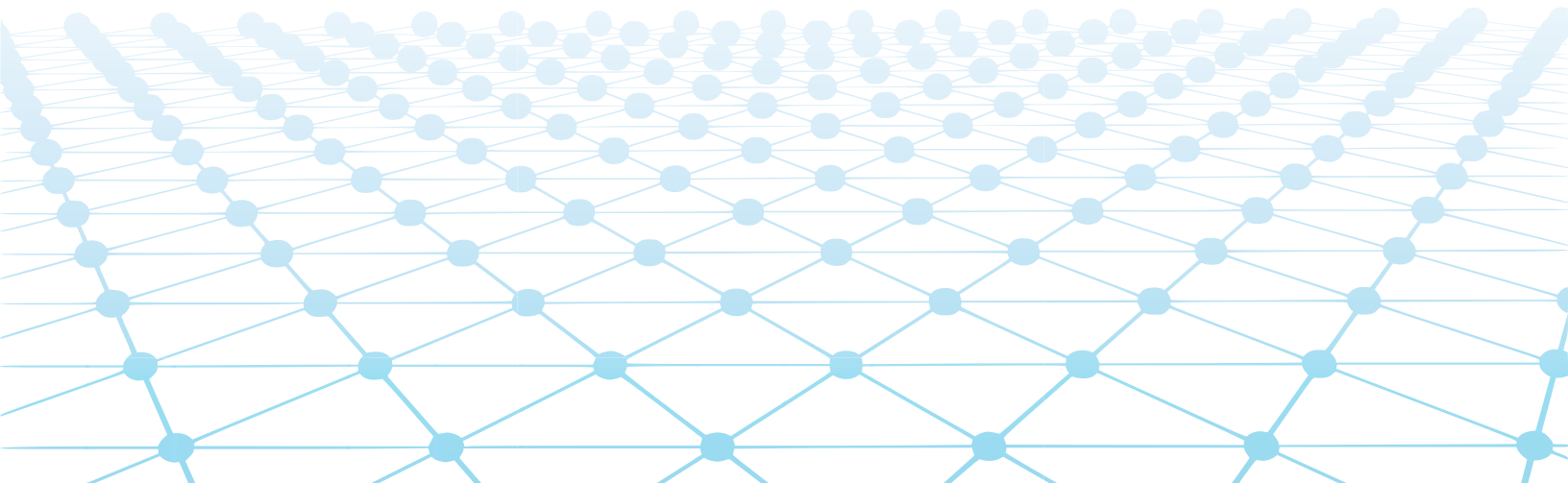
MANILA

Contents

- 8 Rotaractors: The Miracle That Rotary Needs
- 14 The Challenges of Attracting Young Professionals Into Rotary
- 20 Developing New Generations of Rotary Leaders
- 26 Membership Selection and Retention
- 30 Making Rotary Relevant
- 36 Networking, A Reason for Membership Retention
- 42 Rotary's New Strategic Plan
- 46 Reinforcing Rotary's New Strategic Plan
- 53 RI's Five-Year Financial Forecast



“**O**ur focus is on growing Rotary—reaching out to new members, engaging current members, and creating more alternatives for membership for the next generation of Rotarians. The world needs Rotary now more than ever. We must ensure that the gift of Rotary continues for decades and centuries to come. We need to take action.”





“

We all agree on the need to achieve membership growth. The question is, how do we achieve it?” asks RI President-Elect Holger Knaack.



RIPE Holger Knaack and Spouse Susanne surround themselves with happy Rotaractors, who Knaack considers as the future of Rotary.

Rotaractors: The Miracle That Rotary Needs



"My dream is to have Rotaractors take on leadership roles in Rotary Clubs – today, not in the future."

A firm believer in **Rotaractors**, RIPE Holger Knaack sees them as the miracle that Rotary needs. He loves them, their energy, their exuberance, their optimism, their creativity, their ability to multitask and their speed in getting things done.

RIPE Holger Knaack said in a plenary session, "Rotaractors are enabling partners that Rotary

“Rotaractors should be allowed to charter their own Rotary Clubs. They know what they want. Let them do it.”



Photo credit: Philippine Rotary Magazine

clubs need to flourish and grow.”

Ecstatic with the turnout of more than 200 Rotaractors in the previous day’s event, he did not hesitate to invite them to the next International Assembly. He urged all club and district leaders to include Rotaractors in all club projects and

RIPE HOLGER KNAACK DIALOGUES WITH FIVE ROTARACTORS

RI President-Elect **Holger Knaack** spent time with five Filipino Rotaractors after lunch on the Institute’s second day. The dialogue was arranged by *Philippine Rotary Magazine*.

He walked to a small garden at the Marriott Grand Ballroom and noticed the MARI tee-shirts that the others were wearing, more noticeably, by the Rotaractors.

RIPE Holger Knaack said, "I want to wear that, too." Somebody moved to get him a shirt of his size. Without hesitance, he took off his coat and his business shirt, and put on the MARI shirt.

Seeing the Rotaractors seated on the grass, he quickly sat beside them with a big smile on his face and started a conversation.

One Rotaractor who is also a Rotarian, asked him, "How can we attract and retain more Rotaractors in our clubs?" RIPE Holger Knaack responded, "Select your members carefully. Get to know them. Make sure you meet their expectations. Have more fellowships.

district events, which for him is a "win-win" situation.

RIPE Holger Knaack classified Rotaract Clubs as: 1) community-based clubs operating like a Rotary Club and meeting twice a week; and 2) university based Rotaract Clubs where members leave the club after graduation. Hence, he encouraged more community-based Rotaract Clubs. He also encouraged the recruitment of Rotaractors at a young age in order for them to enjoy more years in the Rotaract Clubs. He cited the Institute in Berlin, Germany wherein three of their Rotaractors now hold important positions – one became a District Governor, another became the keynote speaker at the RI Toronto Convention, and a third holds an equally important position in Rotary.

Create a cool organization.
If you are proud of your club, it will show.”

Another Rotaractor commented, “Rotary is expensive. Many Rotaractors cannot afford to join the Rotary Clubs.” To which RIPE Holger Knaack retorted, “Rotary is not expensive. It’s only USD 60 a year. Meeting every week in a five-star-hotel, that’s expensive. All you need to do is get together, have a bottle of water or drinks, some snacks, and enjoy each other’s company.”

RIPE Holger Knaack continued, “When Rotaractors reach the maximum age, they have to leave their friends behind. We can move the upper age limit in Rotaract Clubs.

“My dream is to have Rotaractors take on leadership roles in Rotary Clubs – today, not in the future.”

“Many Rotarians treat our Rotaractors as kids. Some of them are young managers and business people,” RIPE Holger Knaack continued. “Some Rotary Clubs are doing the right things. Some are not. Many young leaders do not find the Rotary Clubs interesting. The new Rotary does not like the old Rotary. And some old Rotarians are complaining that the young Rotarians are too different.”

He further suggested, “Rotaractors should be allowed to charter their own Rotary Clubs. They know what they want. Let them do it.”

Do you want to move the upper age limit in your Rotaract Club? Rotaractors should be made to decide on their own. You can make your own by-laws. Your Rotaract Clubs should meet your needs. Everything is possible.” His statements were met with awe.

How does this warm, informal, amiable incoming RI President wish to be remembered? His answer was straightforward but meaningful: “I’d like to be remembered as somebody who is sitting on the ground with Rotaractors.”

– PDG Sue Sta. Maria
Excerpt from Philippine
Rotary Magazine

“I see no difference between a Rotarian and a Rotaractor. To me, we are all members of Rotary International, and we work together and use our own strengths and abilities to serve our organization.”

To end the session, RIPE Holger Knaack emphasized that Rotaractors must be trusted. “Look at them at eye level. Treat them as equals,” he said. “They do their jobs as good as the Rotarians and in most cases, even faster than Rotarians. Rotaractors are not our future – but our today.”





Photo credit: Philippine Rotary Magazine

The Challenges of Attracting Young Professionals Into Rotary

Most countries have vibrant Rotaract Clubs, but there is an apparent scarcity of Rotaractors who move towards full membership in existing Rotary Clubs.

Most countries have vibrant Rotaract Clubs, but there is an apparent scarcity of Rotaractors who move towards full membership in existing Rotary Clubs.

In the breakout session on *The Challenges of Attracting Young Professionals Into Rotary*, several reasons surfaced for the lack of interest by the Rotaractors to transition to the status of full-fledged Rotarians. RI Director-Elect (RIDE) **Virpi Honkala** and Immediate Past District Governor (IPDG) **Rajiv Sharma** were the

resource speakers. The panelists included Rotaractors **Alexiz Tan, Sherry Ann Murillo, Sahil Bughio** and **Veronica Chan**. The Rotarian panelists were Past President **Melchor Encabo, Calvin Khoo** and **Elyse Lin**. PDG **Roland “Oyan” Villanueva** was the moderator.

Rotary has been branded as an organization of members from the high society who have made a name for themselves and are now in a position to pay it forward. Thus, most members are of an older age.

There is definitely a challenge in attracting young members into the fold. Some of the reasons cited were: there is a need for Rotarians to understand the younger generation; the percentage of Rotarians younger than 40 years

old in existing clubs is about 5% or less; there is a scarcity of common points of interest between the Rotarians and the younger generation.

Some young professionals are not comfortable with the current practices and traditions in the Rotary Clubs. They think that Rotary takes too much time, is too expensive, and it is “not fun.” Rotary Clubs do not give their young members the opportunity to take on leadership positions; the young Rotarians do not derive a sense of achievement from club membership. They feel that they are not being engaged in club activities or do not receive enough recognition.

RIDE Virpi Honkala spoke about the recent Council of Legislation and RI Board decision on the admission of Rotaractors into Rotary membership. Rotary is determined to attract the young generation into its fold.

He said Rotaract is no longer a program, but a partner of Rotary Clubs.

In an effort to dispel the Rotaractors' apprehensions about joining a Rotary Club, IPDG Rajiv Sharma spoke of his personal experience as a former Rotaractor who successfully blended with the members of his Rotary Club and was eventually elected as a District Governor.

RIPE Holger Knaack's earlier suggestion in a plenary session that young professionals and Rotaractors should establish their own Rotary Clubs was strongly echoed. Not surprisingly, this was regarded by the Rotaractor-panelists as their preferred option.





**BREAKOUT
SESSION
ON ATTRACTING
YOUNG
PROFESSIONALS
INTO ROTARY**



DEVELOPING NEW GENERATIONS OF ROTARY LEADERS

Rotarians should be good listeners to the new generations, be their friend, be supportive, and make them feel that they are part of the Rotary family.

Attracting young professionals to join our Rotary Clubs is just the start. Developing them to become Rotary leaders is the next step.

Developing New Generations of Rotary Leaders was the topic in a breakout session in Mandarin. Past District Governor (PDG) **Pauline Leung** was resource speaker and PDG **Mei-jen Chang “Jennifer”** was moderator.

PDG Pauline Leung said that youth organizations in Rotary started in 1935. In

1960, Interact (for ages 12 to 18) was established. In 1968, Rotary organized Rotaract for the older youth (for ages 18 and above). In 1971, the first Rotary Youth Leadership Awards (RYLA) was held. Today, there are 250,792 Rotaractors in 10,904 Rotaract Clubs in 184 countries.

Why are Rotaractors not joining the Rotary Clubs? She cited several reasons: no time, no money, no fun, no recognition, no sense of self-achievement.

PDG Pauling Leung said that there is a compelling need to understand the younger generation. These can be extracted from focused group discussions with them. She challenged the Rotarians if Rotary today is capable of meeting the needs of Rotarians 15 years into the future. “Can Rotary catch up with the trends in 15 years and still take the lead?” she asked.

PDG **Wen-Ta Liao “Kevin”** enumerated the needs of the new generation: fellowship, learning, acceptance, diversity, tolerance, flexibility, cost-saving ways. They do not like to be told, but rather, to be given access to information to surf and share. Can Rotary meet these needs?

PDG **Jen-Te Chen “Ortho”** said the Council of Legislation in 2016 passed a resolution to make Rotaract a partner of Rotary, and even make Rotaractors members of Rotary. Rotary Clubs should prepare for the inclusion of Rotaractors.

PDG **Huangchang Lin “Johnson”** advised that the new generation should be encouraged to charter their own club.

PDG **Su Feng Lee “Charming”** suggested that the children of Rotarians should be encouraged to join the Rotary Club of the younger generation

and attract other youth of their age and interests. They should focus on youth service projects since these are within the scope of their experience, and the cost will not be heavy. Club dues must be reasonable; meetings and projects must be flexible.

Can the Rotary rituals such as having a bell and gavel and hanging the club flag, be imposed on the younger generations? It was agreed that as long as their clubs do not violate the Rotary Constitution, Bylaws and Manual of Procedures, flexibility can be allowed. At the end of the day, the core values of Rotary must prevail: leadership, integrity, fellowship, diversity and service.

In the meantime, Rotarians should be good listeners to the new generation, be their friend, be supportive, and make them feel that they are part of the Rotary family.



**BREAKOUT
SESSION ON
DEVELOPING
NEW GENERATIONS
OF ROTARY
LEADERS**





MEMBERSHIP SELECTION AND RETENTION

Sometimes membership procedures are ridiculous, too long. But taking this time is a perfect way for both sides to learn about each other.

RIPE Holger Knaack said in a plenary session, “Before you even think about becoming a Rotary club member in Germany, you have to be proposed by a Rotarian. The membership committee then checks you as a candidate to figure out if you fit with the club members. If the committee agrees, the club board will take a decision. The candidate is then invited to give a speech and to join three or four club meetings. After that, the President asks all club members if there are any objections. After another two weeks you become a member.”



RIPE Holger Knaack emphasizes the importance of membership selection, while Dr. Siva Ananthan discusses the importance of membership retention.

He adds, “Sometimes these procedures are ridiculous, too long. But taking this time is a perfect way for both sides to learn about each other. Clubs should build a relationship before asking prospective members to join.”

“Now, where are German Rotary Clubs successful? Definitely in regard to retention! And that is why our clubs select their members very carefully. The idea is quite easy: Long relations needs longer approval. I know because I took a year to ask my wife to marry me. It’s the same idea! Like a marriage, being a Rotarian is a lifetime affair.”

According to District Trainer Past President (PP) Dr. **Siva Ananthan**, who spoke in a plenary session on *Membership Retention*, 70% of the

current Rotary membership is above 50 years old, which means that in 30 years, 70% of Rotarians will be gone from Rotary, an ominous situation if no steps are taken to recruit younger members. At present, only 5% of Rotarians are below 40 years of age.

District Trainer PP Siva Ananthan addressed the membership retention issue squarely by proposing three strategies: first, egos must be set aside because they destroy a club; second, conflicts within a club should be managed better; and third, members, especially new ones, must be treated like family.

MAKING ROTARY RELEVANT

We should attract Gen Y members as they are the future of Rotary.

Rotary's future is ensured if it continues to be relevant.

One of the three breakout sessions on the subject, *Making Rotary Relevant*, began with a powerful question by the resource speaker, PDG **Jason Lim Chong Chye**: "Why are we in Rotary?" Amidst the silence, PDG Jason Lim Chong Chye broke the ice by saying, "Don't be too serious! Rotary is a lot of fun!" And so, in a more relaxed mood, one brave lady answered the question by saying, "I am in Rotary to make a difference!"

PDG Jason Lim Chong Chye shared the evolution of Rotarians through the generations —from the Baby Boomers, to Gen X,

to the Millennials (or Gen Y). He then asked the delegates who among them wants to attract Gen Y members—a question answered by silence. But PDG Jason Lim Chong Chye did not buckle. He believed that the Rotary should attract Gen Y members as they are the organization’s future.

The apparent cultural and behavioral differences with the new generations was identified as one of the possible reasons as to why Rotary membership has remained at 1.2 million members worldwide over the years. Rotary seems to have failed to adapt; our clubs and districts have become traditionalists. This fact is recognized now by Rotary as it tries to respond by allowing flexibility in membership types and meeting formats.

The concept of “passport clubs” elicited a lively discussion. As defined in the Rotary website, a passport club is a Rotary club that gives its members a flexible club experience.

The term “passport” refers to the ability to move freely from club to club, participating in the meetings and activities of other clubs. Any Rotarian can attend another club when traveling, but passport clubs encourage their members to do so regularly which brings fresh ideas back to their own club. A passport club’s name does not need to include the descriptor “passport club,” but the club’s bylaws need to be updated accordingly.

Some argued that “passport membership” may end Rotary as we know it. The panelists shared their views and provided meaningful insights that challenged the age-old norms as we know it, particularly on membership types and frequency of meetings. The panelists were PRID **Hsiu Min Lin “Frederick,”** PDG **Joe Jay “Jude” Doctora,** PDG **Salim Reza,** PDG Prof Dr. **M Tayub Chowdhury,** and PDG **J. Antonio “Tony” Quila.** The session was moderated by PDG Dr. **Mir Anisuzzaman “Anis.”**

In summary, Rotary recognizes the changes it has to undergo to adapt to the behavior, career, and needs of its target market – the new generations – to remain relevant.

There were two other breakout sessions on *Making Rotary Relevant*.

One of them was moderated by PDG **Jaime “Jimmy” Cura** with PDG **Herminio “Sonny” Coloma** as resource speaker. Panelists were PRID **Jackson Hsieh**, PDG **Leslie Saluheddin**, PDG **Muhamed Faiz Kidwai “Faiz,”** PDG **Chew Ghim Nok**, and PDG **Sam Showket Hossain**.

The other breakout session was in Mandarin, with PDG **Thomas Wong “Tommy”** as moderator and PDG **I-Tson Soo “Antonio”** as resource speaker. The panelists were PDG **Kuan-Hsiung Chang “Mintong,”** PDG **Pai Chou Tu “Obs,”** PDG **Hongshue Chen “ENT,”** PDG **Jen-Hwa Hsu “Jerry,”** and PDG **Chung-tong Chen “John.”**





**BREAKOUT
SESSION
ON MAKING
ROTARY
RELEVANT**



NETWORKING, A REASON FOR MEMBERSHIP RETENTION

We must not lose the opportunity to network and help improve communities.

A cross-section of business and professional communities from various countries around the world, Rotary provides endless networking opportunities. This has proven to be an important reason for membership retention.

The breakout session on *Networking* was made lively by its resource speaker, Past President (PP) **Tetsu Fukuda** from Nagoya, Japan. He said networking is not a philosophy; it is a call to action to serve communities through the **Global Grants** program of **The Rotary Foundation (TRF)**.

In Rotary, there are many opportunities for networking – club meetings, district conferences, international conventions, zone institutes, and sisterhood agreements between clubs. There are connecting tools for us, such as Rotary Action Groups, Rotary Fellowships, Rotary Friendship Exchange, and social media platforms including Facebook, WhatsApp, Viber, WeChat, etc.

He shared that Japanese Rotarians are not active enough because of the language barrier, a challenge that he tries to address by encouraging their young Rotarians to go outside of Japan and enjoy the true value of Rotary through international service. He says there are no “givers” nor “receivers” between Rotarians in service projects, but only “local” and “international” partners. In the process, Rotarians grow friendships, cultivate mutual trust and respect, gain new connections and form a network. These connections ultimately give power to enable better service to the communities. The wider the network, the bigger the impact, thus attracting more people to join Rotary.

PP Tetsu Fukuda shared that in Japan, the districts have more than US\$8 million in unused DDF (District Designated Funds) resting in Evanston. All their Rotarians are eager to share these funds but they do not know how to find projects. Japanese Rotary Clubs await impactful service project proposals written in the Japanese Language.

PP Tetsu Fukuda challenged Rotarians to make things happen. We must not lose the opportunity to network and help improve communities.

The session's moderator was PDG **Marcos "Mac" Hermoso**. The panelists were **PDG Eva Kurniaty**, PDG **Danilo "Dan" Espinosa**, PDG **Rey David**, and PDG **Iqbal Quereshi**.

The panelists shared their insights and best practices to effectively network and obtain partners for Global Grants. The key factor is to build friendships and trust. PDG Rey David focused on the need to find a common interest between project partners. The audience applauded when he said that the most effective inspiration for networking is this year's theme, *"Rotary Connects the World"*!



Resource speaker Tetsu Fukuda shows photo of District 3780 district governors visiting District 2760 in Nagoya to raise funds for service projects (from left, DG Johnny Yu, PDG Ambo Gancayco, PDG Dulce Coyukiat, PDG Mar Reyes, PDG Dwight Ramos, IPDG Bernadette Herrera, PDG Sam Pagdilao and PDG Dan Espinosa). About 40 to 50 Rotarians from District 3780 join the fund raising in Japan every year.



**BREAKOUT
SESSION ON
NETWORKING**





ROTARY'S NEW STRATEGIC PLAN

Rotary's Action Plan is a call to action to work together to build a stronger future. Rotarians are People of Action.

Constantly determined to prepare for the future, Rotary has developed a new strategic plan for the next five years. It does not replace the old plan, since it is rooted in the same values.

The new strategic plan was approved by the **RI Board of Directors** and the **TRF Board of Trustees** in June 2017. According to RI Director **Stephanie Urchick**, who spoke on *Rotary's Strategic Plan* in a plenary session, the plan was developed with massive inputs from Rotarians, Rotaractors, and alumni.

Rotary

Zones 1B, 9 ,10 (A, B,C)



RID Stephanie Urchick, former Chair of the Strategic Planning Committee, discusses Rotary's strategic plan for the next 5 years starting with 2019.

The new plan is tagged as Rotary's **Action Plan**, a call to action to work together to build a stronger future. Rotarians are identified as **People of Action**. The new plan is being rolled out this Rotary year, 2019–2020.

The Action Plan intends to fortify Rotary. It ensures that every person who engages with Rotary has a meaningful and fulfilling experience by changing more lives and improving communities.

The new plan identifies four priorities:

Priority 1: Increase Our Impact. People of Action know how to mobilize networks and create impactful solutions that last. Learning from successes and setbacks in projects, clubs, and careers, Rotarians make decisions based on evidence and seek out new ways to translate

their expertise into impactful changes in local communities and across the globe.

Priority 2: Expand Our Reach. People of Action activate and inspire one another. They create a bigger difference when they can get more people to unite and come together in changing the world. Rotarians draw people through their stories.

Priority 3: Enhance Participant Engagement. People of Action make project participants feel personally and professionally fulfilled as they unite with Rotarians. They choose to grow and be active in Rotary, even if they are offered other networking and volunteering opportunities.

Priority 4: Increase Our Ability to Adapt. People of Action have proven in their own own careers that they know how to make organizations

move forward. Rotarians are confident, adaptive leaders. They seek out fresh opportunities, open up to different concepts, and simplify operations.

According to RID Stephanie Urchick, these priorities must be “owned” by each Rotarian. Each Rotarian can be an *Action Plan Champion* as Rotary enters the next century.

RI President RIPE Holger Knaack welcomes the new *Rotary Action Plan*. He said, “It is all about growing Rotary. The time is now to take this *Action Plan* – and run with it.” Elevating passionate Rotaractors as equal partners of Rotarians is a great start of Rotary’s Strategic Plan.

REINFORCING ROTARY'S NEW STRATEGIC PLAN

The districts and clubs must align with Rotary's Action Plan.

Rotary's New Strategic Plan was reinforced through two breakout group discussions. One had PDG **Pastor "Mar" Reyes Jr.** as the resource speaker. The panelists were Past RI Director **Saowalak Rattanavich**, PDG **Muhammad Saleem Rao**, PDG Dr. **Ishtiaque Zaman**, and PDG **Benigno "Boboy" Valles**. The session was moderated by PDG **Samuel "Sam" Fontanilla**.

PDG Mar Reyes described the characteristics of a good strategic plan – prospective, aspirational, the product of a process, flexible, achievable, measurable, empowering and inspirational.

Rotary needs such plan to survive the next 100 years.

PRID Saowalak Rattanavich said the previous priorities of Rotary were membership, TRF and public image but the RI Board recently focused on more action with the new RI Strategic Plan. The Plan should be aligned with the district and clubs. She emphasized that Rotary should be made simple and its core values should not be forgotten.

PDG Ishtiaque Zaman stated that Rotary must be attractive in the next century, especially to young professionals and women. RI targets at least 1 million Rotaractors by 2029. PDG Boboy Valles reminded clubs to update the Rotary Club

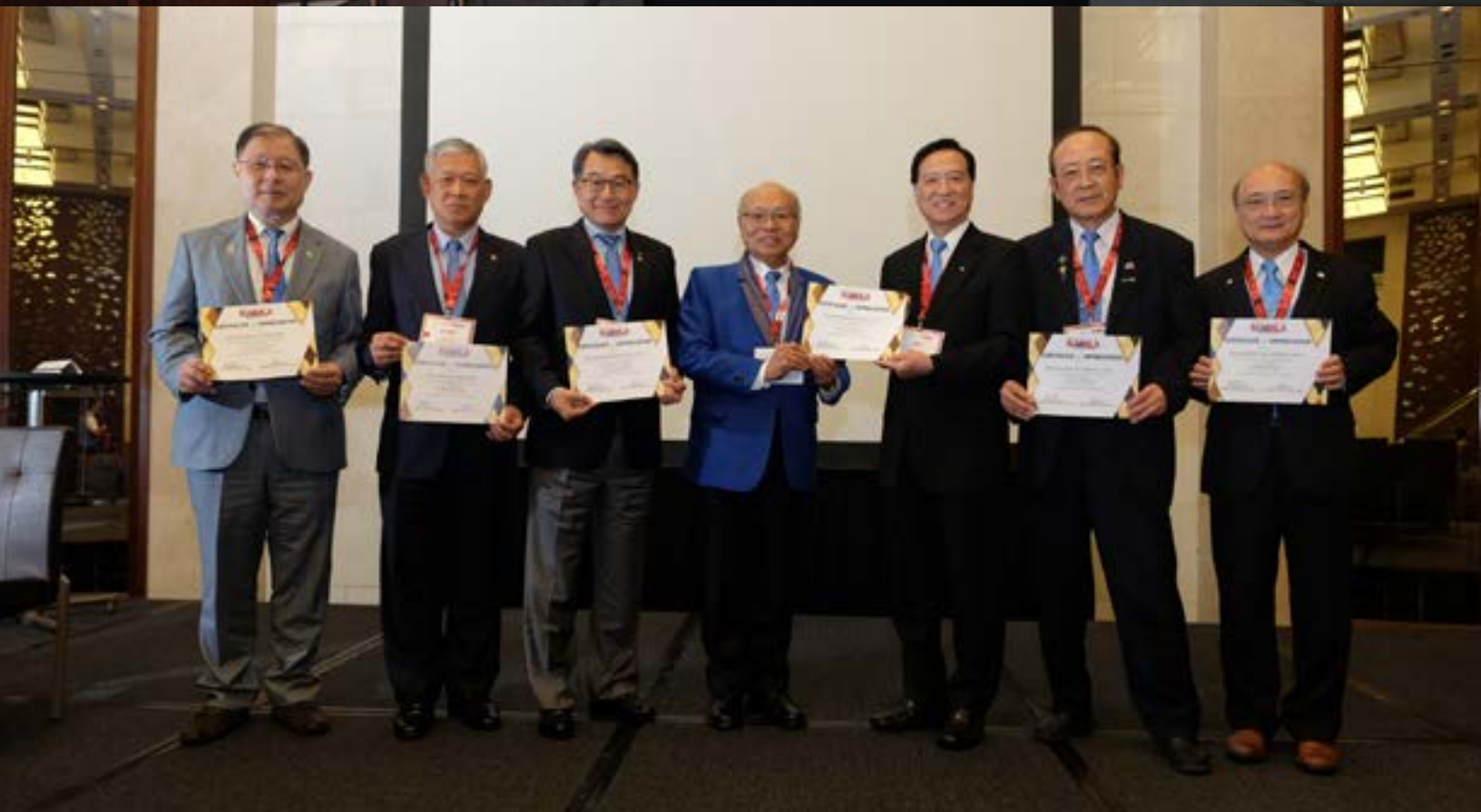
Central before submitting their plan. PDG Muhammad Saleem Rao said that clubs and districts should plan for at least three years.

The other discussion group, in Mandarin, was moderated by PDG **Chao Hsiung Lin “Set”**, with PDG **Hung-Min Chang “Tony”** as resource speaker.

Indeed, Rotary’s New Strategic Plan will provide us with a continuity of vision, keeping us moving towards a stronger future.

**BREAKOUT
SESSION ON
ROTARY'S
STRATEGIC
PLAN**





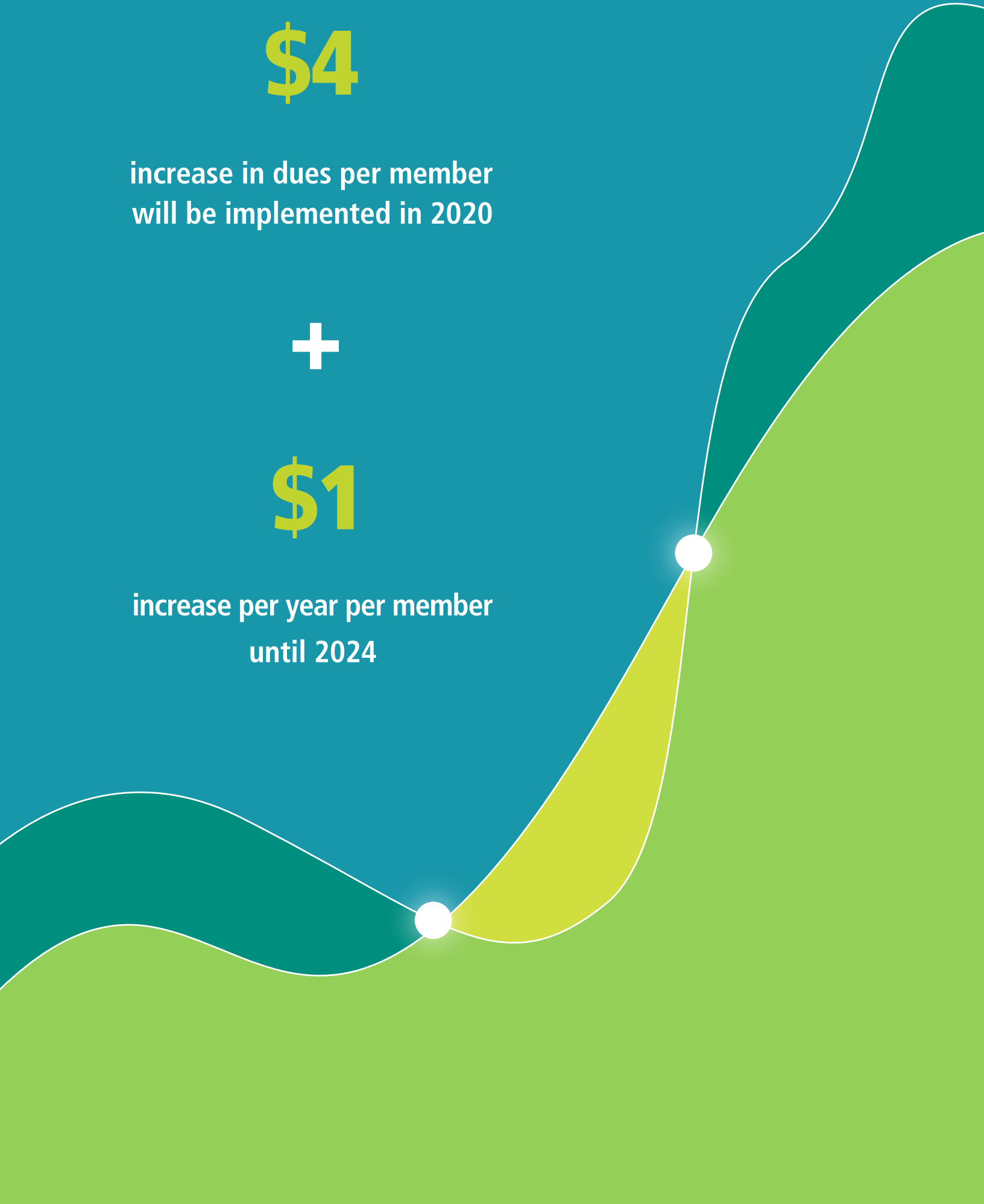
\$4

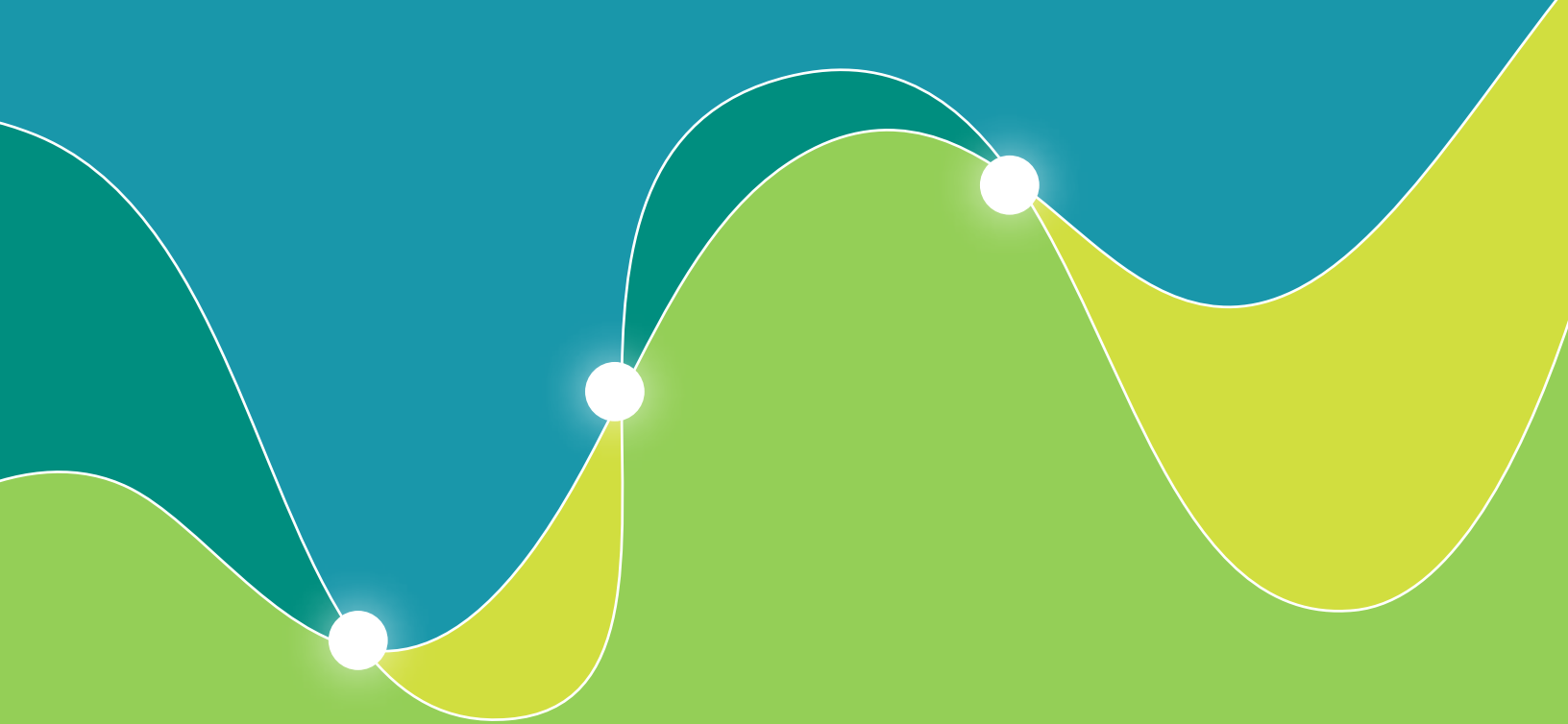
increase in dues per member
will be implemented in 2020

+

\$1

increase per year per member
until 2024





Preparing for the future of Rotary is not complete without a financial forecast. During the closing plenary of the Institute, RI Treasurer **David Stovall** and RI Deputy General Manager **Michelle Berg** made a video report on the **Five-Year Financial Forecast** of Rotary International covering the years 2020 to 2024.

RI's Five-Year Financial Forecast

The report reviewed the financial performance of Rotary in 2019. The 2019 revenues of USD114 million was derived from membership dues (USD79 million or 69%), investment returns (USD3 million or 3%), and other sources of revenues (USD32 million 28%). The returns on investment were higher than budgeted.

The revenues for the years 2016 to 2019 (four years) had a cumulative increase of USD9 million (from USD 410 million in 2016 to USD 419 million in 2019), while expenses for the same years had a cumulative decrease of USD8 million (from USD418 million in 2016 to USD410 in 2019).

LOOKING FORWARD: ASSUMPTIONS 2020-2024

MEMBERSHIP	PER CAPITA DUES	NET INVESTMENT RETURN	INFLATION	CAPITAL SPEND	OPERATIONAL EFFICIENCY
					
1.2 million members	FY2020 US\$ 68	3.75%	3.00%	US\$ 59 million Cumulative	reduce expenses 2.5% Cumulative

In response to survey results in 2015, the expenses in 2016 to 2019 consisted of the following: maintaining and updating the website (Rotary.org), Rotary Club Central, Rotary Learning Center, the “People of Action” Campaign, Virtual Reality Strategy, and the Financial Management System. The reduction in expenses for the period were realized from moving content to online delivery, implementing an Office of Investment, a reorganization of our regional focus and footprint, and off-shoring additional operations to India.

For the years 2020 to 2024 budget, these were the assumptions: *(see image above)*

For the period 2020 to 2024, the relevant assumptions used for Revenues and Expenses were presented.

For Membership Dues, no member increase is projected for the next 5 years. The USD4 increase in dues per member will be implemented in 2020 plus a USD1 increase per year per member until 2024. This increase is necessary to support strategic spending for the next years.

The need to increase the Rotary dues was illustrated by comparing two assumptions: 1) *Assuming no increase in annual dues from 2021 to 2023*, there will be a deficit of USD8 million by 2024. Reserves will be reduced from USD107 million in 2019 to USD88 million in 2024. 2) *However, assuming a USD1 annual dues increase every year in 2021 to 2023*, the deficit will be USD 4 million by 2024. The reserves will be USD99 million in 2024.

With regard to other assumptions, Net Investment Return, Inflation and Capital Spend


are projected at, respectively, 3.75%, 2.4%, and USD12 Million average per annum.

The expenses to support Rotary's Strategic Plan will include learning management for Rotarians, a new comprehensive financial management system, review of business processes for greater operational efficiency, focus on the increasing engagement of Rotaractors as partners, among others. The RI Board plans to close the gap between expenses and expenditures further by moving work to low cost jurisdictions and changing RI's charitable status in the US.

RI Treasurer David Stovall and RI Deputy General Manager Michelle Berg emphasized that Rotary continues to give importance to the value of stewardship, transparency and the new Strategic Plan towards a stronger and sustainable future of Rotary.

ROTARY INSTITUTE 2019

MANILA

Rotary 
Zones 1B, 9,10 (A,B,C)

