

AN OPEN LETTER FROM THE BOARD

By R. "Shorty" Brown,
National Board of Directors

With great reluctance, the MCA's Board of National Directors has decided to increase the membership dues by 83¢ per month. This will bring the annual dues to \$50 per year. This increase was necessitated by the fact that the current membership dues do not cover the cost to service a membership. The estimated current cost per year per member is roughly \$46. Thus, even at the current rate of \$40 per year, MCA loses about \$6 per member. The method used for determining the cost was very simple—we added up all of the expenses and divided the total by the number of MCA members at that time.

The amount of loss varies from year to year, depending upon the number of members and the costs related to running the organization for that year. Over the last 15 years, at least, this loss has typically been subsidized with sponsorship money and/or the profits from anniversary shows. Raising the dues at the beginning of 2008 marked the first increase since 1986; however, even with this increase MCA lost money. During that 22-year span, MCA's operating expenses gradually increased yet membership numbers remained relatively flat. Historically, the total number of MCA members per year over the last 22 years has averaged 10,000. Since MCA does not reuse a membership number, this accounts for issued membership numbers being over 70,000. With income from national dues remaining stagnant and expenses increasing, the funds MCA would have used to grow the club were used to pay the expenses not covered by dues.

For the year 2008, MCA had an income of \$641,842.13 and expenses of \$682,788.13, which amounts to a loss of \$40,946. The MCA cannot continue to cover this yearly loss even through sponsorship and profits from anniversary shows. While subsidizing this loss, MCA does not have the funding to grow the organization, improve the value of being a member, provide insurance for more events, and work toward having better anniversary shows.

The budget for the 2008 year was spent in the following manner:

- Related expenses to produce and mail the magazine consumed 55.8%
- Expenses related to administration of the club, the office manager, office supplies, and the MCA web-site accounted for 26.5%
- Expenses related to MCA shows, which includes liability insurance for national and regional shows, used 11.7%
- Expenses related to membership database tracking, renewal notices, and other related membership tracking consumed 5.9%

The National Board of Directors is committed to prudently spending dues and has been diligently seeking ways to contain costs where possible, without sacrificing the value you receive for your membership dollars.

The *Mustang Times* staff has accomplished several cost-saving measures in the last year, saving at least \$50,000 without sacrificing the quality of the magazine. The *Times* staff continually looks for cost-saving measures and increased advertising revenue. The board is looking into ways to generate money through website advertising and seeking additional sponsors, but the basic cost to service the membership must be covered by the dues.

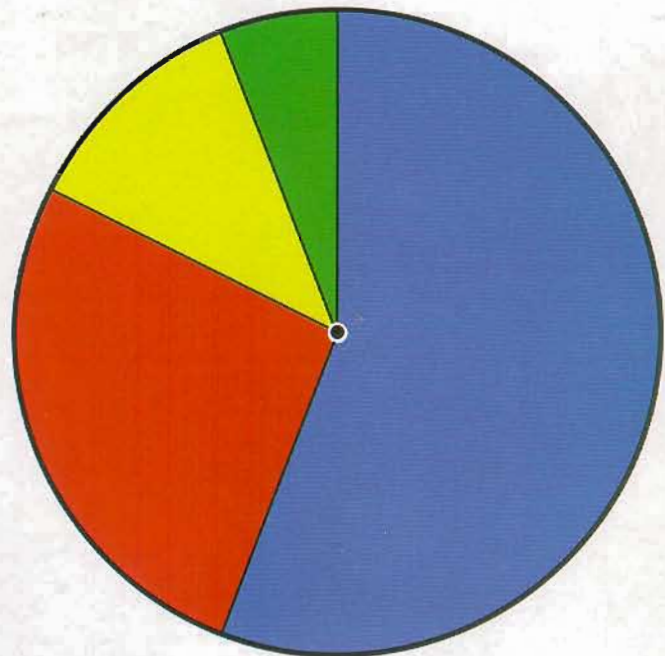
A big way regional clubs and MCA members could help would be to encourage more Mustang enthusiasts to become

MCA members. If all Regional Clubs would strive to have at least 90% of their members become MCA members it could possibly double MCA membership. Many other national car clubs require membership in the national organization before one can be a member of a regional club. By requiring national club membership it allows other car clubs, who have a membership base of around 25,000 national members or more, to spread fixed costs like publishing the magazine, administration fees, and show expenses over a larger group, effectively reducing the cost per membership. The increase in funds from raising the dues will allow MCA to grow the club, provide more value for being a member, and provide insurance for more events.

Subsidizing the membership dues for so many years has effectively prevented the MCA from becoming the national organization that it has always had the potential to be.

The Board of Directors is committed to wisely spending your membership dollars and looking for ways to provide a better value to you as a MCA member.

Shorty Brown



- MAGAZINE COSTS**
- ADMINISTRATION**
- NATIONAL SHOW EXPENSES**
- MEMBER DATABASE EXPENSES**