

Local Society Dues, Budgets, and Supplemental Income

By Jim Delahanty

My comments and observations are not based on a scientific survey. A few months ago I sent a request to 2 dozen local rose societies in Southern California and asked three simple questions:

- What percentage of your annual budget is met by dues paid by members?
- What activities or resources supplement the difference between dues and operating income?
- Any other comments?

Ten societies responded with varying degrees of specificity and data ranging from three sentences to three pages. The operating assumption was that there was a gap existing between the amount of money collected from dues and the actual operating expenses of a rose society. That assumption was not untrue.

My own local rose society, Ventura County Rose Society, held the cost of dues down to \$15 a year until last year, but even with a 33% hike, the dues support less than 40% of our annual operating budget. We bridge the gap by offering rare and unusual roses at a biennial rose auction that yields anywhere from one to three times the amount of money raised by dues. The downside to this activity is that it is very labor intensive, seems to be cyclical, and, while it definitely has educational components of some merit and complexity, tends to exhaust the energy levels of the society. Since the beginning of the auctions, a rose show has no longer been offered (although a direct causal relationship between the establishment of the auction and the disappearance of the rose show would be hard to establish). Older forms of raising money have also disappeared and the newer form of straight donation is in the process of becoming. Although money is raised by such activities as tours to nurseries, major botanical gardens, and private local gardens, these enterprises are geared to being self-supporting as opposed to profit-making, and do not involve overnight accommodations.

Most of the local societies in the Southern California area are now at dues of \$20 a year per household; many charge the same figure for a single person membership. The high is \$40 for one society and the low \$10 for a single person membership in one of the smallest societies. Given that the national average for rose society membership is about 70 persons, relying on dues as the only source of income could seriously inhibit rose society activities.

Smaller Rose Societies:

Nevertheless, two societies reported that the member dues and assessments paid for the totality of their activities. The Invitational Rose Seminar does not publish a newsletter, or sponsor a rose show, and meets in the homes of its members on a rotational basis. The \$15 annual dues are supplemented by a fee of \$5 a person per meeting. Special or

unbudgeted items, such as donations to a district convention, are adopted by a vote of the membership.

Fair Friends of Roses ceased sponsoring a rose show just three years ago. The membership is well under the average figure per rose society, but its close relationship with the Ventura County Agricultural District via the Ventura County Fair permits minimum expenditures for meeting places, so that the dues cover the cost of printing and mailing of a monthly newsletter. South Coast Rose Society reports that dues cover about 50% of the cost of club activities, with raffles and a rose auction bridging the gap between the dues income and the club expenditures. Sales of specialized items also bring in some income. The South Coast Rose Society Rose Show has been suspended for the last two or three years, although the society hopes to resume the rose show in June, 2009.

Mid to Larger Societies

The Santa Barbara Rose Society also reports that membership dues cover about half of the society's expenses, even though the membership level is nearly three times the national average. The SBRS no longer sponsors a rose show. Income disparities are met by income from bus tours—most recently a 5-day tour of nurseries and wineries in Northern California. As with other societies, major activities like tours and auctions necessitate support and participation by non-members and members of other rose societies to move beyond the break-even point to profitability.

The Desert Rose Society is in an expansionist mode whose size is approaching that of Santa Barbara. However, the income from dues exceeds its operating expenses by a significant margin; in fact, its dues bring in forty per cent more income than current expenses. The society is sponsoring a national convention in November of 2009. Partially, its benign situation is a function of a good relationship with the City of Palm Desert which provides free space for both monthly meetings and the rose show as well as generous monetary donations for the rose show. Although the rose show expenses are not included in the annual operating expenses, the Society reports that the rose show either breaks even or makes a small profit. A singular source of additional income includes donations from corporations sponsoring community service (i.e. hours spent participating or volunteering) at non-profit organizations. Another comes from performing pruning services at particular public and private venues.

The Orange County Rose Society rose show is one of the staples of the fall rose show season. The Orange County Rose Society finds that dues income represents less than a quarter of yearly expenses. As one way of drastically cutting expenses, the society shifted 100% to an electronic distribution of its newsletter with a minimum of fuss and no reduction in its membership; this was possible because of the high number of its members with computer savvy. (Another local rose society—California Coastal—converted its newsletter to an email format as an expense reduction, again with a minimum of fuss.) Orange County supplements its income through sales of purchased roses, raffles of donated items, logo clothing items, and monetary donations. The biggest fund raiser

represents an interesting niche market: the sale of climbing miniatures (e.g. 'Rainbow's End' and 'Hurdy Gurdy'). These sales occur as part of the annual rose show and have tripled in the last three years.

The Mega-Rose Societies

Both the San Diego and Santa Clarita Rose Society have memberships larger than those of the average rose society by a factor of five or more.

Santa Clarita Valley Rose Society, one of the youngest local rose societies, reports that membership dues cover over 70% of operating expenses and a recent increase in dues will up that percentage by another 10 per cent. Additional money is supplied by a combination of a local rose auction as well as the development of both commercial and individual sponsors. The Santa Clarita Valley Rose Society provides for commercial memberships in its Bylaws. The president of the society indicates that the largest expenses go to two items: a quality rose show, the first and foremost of the fall season and an award winning newsletter.

San Diego Rose Society recently celebrated the 80th anniversary of its founding in 1927. It has a long and honorable record of sponsoring successful and memorable national conventions, as well as an annual rose show, a successful newsletter and other manifestations of its educational mission. The society reports that current dues cover about 60% of the annual operating expenses although this figure fluctuates. One major expense is the society newsletter and the plan is to move to an email newsletter sometime in the foreseeable future. Past successes in organizing and financing national conventions have left potential seed money for a future national convention. However, the declining general interest in gardening clubs, as evidenced by the 'bowling alone' syndrome, has not left San Diego unaffected.

The versatility of the San Diego Rose Society in augmenting its income through all day seminars on rose care in the winter months, annual bus tours of exceptional private and public rose gardens, combination wine and rose tours, and demonstration rose gardens at the San Diego County Fair, is remarkable. Not only do these activities and events supply income, they have also been significant as sources of new members. The society attributes much of the past success of these endeavors to critical support by the local newspapers and other media. The decline of the newspaper industry, with cutbacks in coverage and shrinkage of the ambit of expertise presents problems to every local society, but even more to those societies with longstanding access and support from the local media.

A few observations:

1. Wherever fund raising becomes necessary, 'mission drift' is always a danger.

The need to cover a gap between operating expenses and dues income poses danger for any non-profit organization. Some members can grow to believe that the only interest an organization really has is raising money, or that the constituent members are valued for

their financial contributions as opposed to any other kind. An organizational culture can be adversely affected by attention to the means of fund-raising as equally or more important; this is particularly difficult where the mission is primarily educational in nature. Successful fund-raising has its own downside: the belief by donors or participants that the organization doesn't really need any money because it has been so successful in the past.

2. The 'new member paradox.'

Where there is a gap between the dues and the operating expenses, at some point there is a realization that the addition of a new member exacerbates the gap. At Ventura County the cost of the newsletter was twice the amount of dues collected per member; thus, the addition of new members simply extended the deficit to be covered by other activities.

3. Immutable social constraints

Several societies attempted to bridge the gap between income and outgo by reducing expenses, the most attractive of which is to move to some version of electronic transmission of the newsletter. Generally, newsletters represent the most pervasive connective link between the majority of the rose society and the organization. However, while this has been successful as indicated above, that success depends on the computer skills of the membership. Where the membership is divided fifty-fifty between those who have home computers and those who do not, a wholesale move to total electronic transmission must be postponed until the balance is much higher in favor of computer friendliness. Alternatively, some mixed system of electronic and hard copy transmission of the newsletter could be maintained, but at reduced benefits from expense reduction, and some residual resentment as a hidden cost in the reduction of benefits.

4. Detrimental Reliance

Almost all of the societies mentioned above have diversified the efforts to raise funds, even while some have developed particular niches. As an example, if a rose auction is the main or only source of additional income, that reliance quickly exhausts the interest or the ability of a single set of people to sustain the auction. Others must be brought into the matrix of buyers and donors, lest the home society members suffer from 'rose fatigue,' or the supply of roses become too repetitive.

Particular events can shatter an established routine. Ventura County used to raise money by selling rose arrangement and corsages on Mother's Day weekend at a local mall. The particular weekend was not attractive to many members and the site became unattractive to almost all members once a murder was committed at the particular mall. A diversified approach is almost a must, but that approach tends to divert the society human resources away from the original purpose of the group to an incidental one, that of sustaining the finances of the society.

Conclusion: Just as monoculture in roses may have hidden costs, even successful efforts to supplement rose society income beyond that supplied by dues may incur hidden costs.

