

FINANCE REPORT FROM THE 67TH GENERAL SERVICE CONFERENCE

2016 FINANCIAL HIGHLIGHTS

- ❖ 7th Tradition Self-support - Record in 2016 - \$7.9 million, up 11% from 2015
- ❖ Costs of Services provided to the Fellowship - \$9.9 million
- ❖ Shortfall between 7th Tradition of Self-Support and Costs of Services provided to the Fellowship - \$2.0 million
- ❖ AAWS literature sales - \$13.4 million, up 5% from 2015
- ❖ AAWS publishing net income - \$3.4 million covered shortfall between 7th Tradition Self-Support and Costs of Services provided, resulting in net profit - \$1.4 million
- ❖ Grapevine subscription levels increased in 2016, resulting in net income - \$165,000
- ❖ General Fund service support of La Viña - \$152,000
- ❖ Reserve Fund - \$14.9 million, resulting in a ratio of 10.3 months



Supporting Our Future

The theme of the 2017 General Service Conference was **"Supporting Our Future"**, which was a perfect reference point for examining the health of our Tradition of Self-support.

The main point of the message of the Finance Report from the 2017 General Service Conference: Increased contributions turned around the predicted loss for 2016, but we cannot rest on our laurels. See the revised forecast under the section of **2017 Budget Outlook** at the end of this report.

Thanks to all the trusted servants who participated in our Fellowship by carrying the message of the 2016 Post-Conference Report that are our membership numbers are not growing, and we have a declining number of groups that support the entire service structure.



Group versus Individual Contribution

Annual GSO contributions have been falling about \$2 million short of covering the services they provide. The 2016 and 2017 General Service Conference Finance Reports have provided us with an annual amount of Cost of Services per Member and Cost of Services per Group. For 2017, those numbers are:

♦ **Cost of Services per Member of \$7.27**

♦ **Cost of Services per Group of \$149.34**

Your group may want to review if it is making an annual contribution close to the amount of \$149.34. As an individual, you may want to consider making an individual contribution of \$7.27.

Failure to Attract: A 20-Year Flatline of Membership and a Declining Number of Contributing Groups

What is the cost of allowing 20 years to elapse before squarely communicating that AA membership is not growing and the number of groups contributing to GSO is in decline (41% in 2016)? The 2014 Membership Survey (http://www.aa.org/assets/en_US/p-48_membershipsurvey.pdf), indicates that only 22% of our Fellowship has been sober 20 or more years. This may mean that

78% of our membership is unaware of our need for self-support.

One action we can take is to focus on the accuracy of GSO's group data. In our

service structure,

districts are the front line connection to our groups. They are responsible to pay a visit to each group and ask them to update their group's information at GSO. Each call on a group is a 12-Step call to remind them of their responsibility to A.A. as a whole. The autonomy mentioned in our 4th Tradition is not a loophole through which any group can claim it has no responsibility to A.A. as a whole or the rest of our Traditions. We are all benefit from the services to groups that are given through the service structure. All groups are responsible to keep A.A. available.



Why consider an individual contribution?

- Your group may not contribute to GSO. GSO records tell us that 59% of our groups are currently not contributing.
- If you primarily attend online meetings, it may not practice our 7th Tradition.
- Maybe you attend fewer meetings than you did when you were new or you may spend more meeting time participating in service where we do not always collect a 7th Tradition.
- Most important**, a single dollar bill doesn't cover all the expenses of services that continue to make our Fellowship available to those who still suffer.

For your review and comparison of 2016 and 2017 GSC Finance Reports

The Finance Report from the **2016** General Service Conference informed us:

- A.A. Membership has been flatlined for the past 20 years;
- The Percentage of Groups Contributing to GSO has been in a steady decline; and
- If nothing changes, the financial projections for the combination of the General Service Office, AA World Services, Inc., and AA Grapevine, Inc. show a trend to larger shortfalls each year based on the following factors:

GSO/AAWS

- ❖ Membership levels are flat
- ❖ Contributions show little growth
- ❖ Literature sales show slow to no growth
- ❖ Expenses continue to grow slowly: 2% - 3% per year

GRAPEVINE

- ❖ Subscriptions continue to decline: 2% - 3% per year
- ❖ Expenses continue to grow slowly: 2% - 3% per year

2016 Budget Outlook

GSO/AAWS, Grapevine, and La Viña combined budgeted results is \$325,600 loss, with following years having even larger losses, assuming no changes in operations.

Net Results	2015	2016	2017	2018
GSO/AAWS	\$205,625	(\$26,700)	(\$505,000)	(\$997,000)
Grapevine	240,811	(146,300)	(190,700)	(275,500)
La Viña	(146,378)	(152,600)	(166,100)	(175,300)
TOTAL	\$300,058	(\$325,600)	(\$861,800)	(\$1,447,800)
Reserve Fund Ratio (months)	10.2	9.6	8.10	7.0

The Finance Report from the **2017** General Service Conference informed us:

GSO/AAWS

- Membership levels remain flat
- Contributions show small growth
- Literature sales show small growth - 2% per year
- Expenses continue to grow slowly - 2% - 3% per year

GRAPEVINE

- Subscriptions revert back to decline 2% - 3% per year
- Expenses continue to grow slowly - 2% - 3% per year

2017 Budget Outlook

GSO/AAWS, Grapevine, and La Viña combined budgeted results is \$763,000 loss in 2018, with following years having even larger loss, assuming no changes in contributions levels and operating expenses

Net Results (\$ in Thousands)	2016 ACTUAL	2017 BUDGET	2018 BUDGET	2019 BUDGET
GSO/AAWS	\$1,453	\$398	(\$255)	(\$746)
Grapevine	165	(114)	(326)	(527)
La Viña	(152)	(168)	(182)	(195)
TOTAL	\$1,466	116	(763)	(\$1,468)
Reserve Fund Ratio (months)	10.3	10.7	9.9	8.8

All A.A. members are welcome to request the following PowerPoint presentations by sending an email to: area8contact@gmail.com:

- 67th GSC Finance PowerPoint - 90 Slides of detailed financial information
- 67th GSC Finance PowerPoint - 46 Slides of summarized financial information

Your group may consider communicating the Individual GSO Contribution CHALLENGE:

\$7.27 on 7/27
Individual GSO Contribution CHALLENGE

July 27th 2017

Send your share. Meet the Challenge!

In 2016 GSO provided services to 1,362,402 A.A. members at a cost of \$9,906,588. That's \$7.27 per A.A. member for the whole year! If every member contributed \$7.27 once during 2017, it would support all of the services GSO provides to all groups, for that year!

Here's how the challenge works:

Groups pass a Special Basket or Can in addition to the regular 7th Tradition. Each member contributes \$7.27 (or round it up to \$8 to help those who can't). Individual members can send money or contribute online any time at aa.org. Remember this is in addition to what you put in the basket to support your group.

On July 27th each group collects the contents of the can or basket and writes a check (or money order) ** for the amount contributed. Cut on dotted line and be sure to enclose form with your payment to get credit for your contribution.

For a copy of the \$7.27 flyer, send an email requesting it to: area8contact@gmail.com: