

AA&F President's Report BOT

11 December 2014



FOR ALL THE **RIGHT** REASONS

Today's Topics

- **USNA AA Plan 2020 Update**
- **Foundation Update**
- **Engagement Update**
- **Financial / IT Update**
- **On the Horizon**

Thank You

- **Volunteer leaders**
 - BOT representatives
 - Class Presidents
 - Chapter and Community involvement
 - Blue & Gold Officers
 - BOT Committee Members
 - AMP participants

Fair Winds and Following Seas

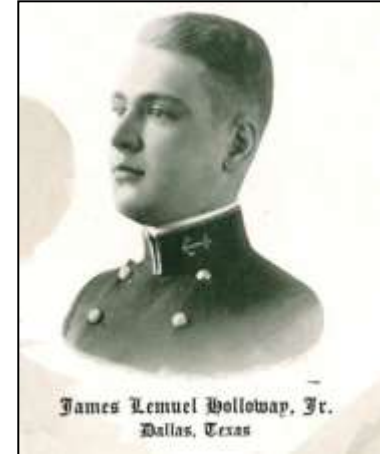


Congratulations to CDR Lawrence "Skid" Heyworth III '70, USN (Ret.), on your coming retirement and thank you for your two decades of distinguished service to the Alumni Association and Foundation.

Johnson Hagood, USMA 1896



James L. Holloway, Jr '19



Legacy



Lawrence Heyworth, Jr '43



James L. Holloway, III '43



James D. Oliver, Jr 43



Lawrence Heyworth III '70



Lawrence Heyworth IV '05

FOR ALL THE **RIGHT REASONS**

Successes

- **Class Giving**
- **HFH / WW participation**
- **DGA Submissions**
- **AMP Participation**
- **ALITC support**
- **Parent Club Support / membership Growth**

Challenges

- **Alumni Connectivity / Communication**
- **AMP Participation**
- **Shared Interest Groups**
- **Campaign**
- **Parent Engagement / Fleet Parents**
- **Young Alumni Engagement (0-5 year)**
- **Regional/Chapter Engagement assessment**
- **International Engagement opportunities**
- **Security/Privacy of data vs Access**
- **Co-location of AA&F planning**

USNA Alumni Association Plan 2020 Update




FOR ALL THE **RIGHT** REASONS

Plan 2020 Objectives Overview

 Improvement Needed


 Making Progress

 Meeting Expectations

Board Composition/Diversity

 Steadily increase board diversity to reflect makeup of the alumni.

Organizational Development & Alumni Services

 Provide services that engage our members in support of the Mission and Vision.
Sustain the Alumni Association as a high performing organization.


Membership: Numbers & Profile

Build and sustain lifelong and meaningful relationships with increasing numbers of alumni, parents, families and friends.

Physical Plant, Facilities

Modern, low maintenance infrastructure minimum cost.

Equipment & Technology

 State-of-the-art management and communications technologies to meet the demands of an increasingly IT-sophisticated membership, but not ignoring the needs of older alumni.

Plan 2020 Objectives Overview

Engagement (Strategic Communications & Outreach)

- More effectively engage Alumni, families and friends via strategic communication and outreach.
Build and sustain lifelong and meaningful relationships
Be a trusted source of information.

Relevance & Support of USNA

- Be relevant to, and in full partnership with the Naval Academy in support of its mission.
Demonstrate an understanding of Naval Academy leaders' key concerns and needs.
Engage members in support of USNA strategic imperatives.

Financial Security

- Improve financial resources to promote self-sufficiency.
Enhance and preserve Alumni Association fiscal health with financial integrity, strategic budgeting and cost-effective programs.

Board Composition/Diversity

	CY07	CY10	CY13	CY14
Ave Age	65	66	56	56
M/F ratio	27/1	28/0	25/3	26/3
				(+1)

Accomplishments:

- Trustee demographics improving; Classes represented now include 2 Trustees from Millennial Generation (McCarthy '00, Cameron '12)
- Regional/Chapter Trustee turnover has introduced younger alumni volunteering their service

Challenges: Female Membership improving (Chapter, Regional, and Appointed positions represented)

Board Composition

Demographics of Board Composition:

Decade	2013	2014
50's	2	2
60's	5	4
70's	8	9
80's	7	4
90's	4	7
00's	1	1
10's	1	1

* millennials include MAJ Murph McCarthy '00 (00 decade rep)
and 1LT Ian Cameron (10's decade rep)

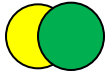
Alumni Demographics

	11/30/14
Total Grads	56,264
Female Grads (1980 on)	4431
% female	7.9%

As of 11/30/14

- Living Alumni with a Female Classmate (>'80) = 62% alumni
- Millennials ('00 and younger) 15212 / 56,264 or 27% alumni population
- 2014: 302 Women / 1191 = 25% Class population

What does your Chapter Demographic look like ?



Organizational Development & Alumni Services

Organization Development:

- Accomplishments

- Budgeting process in support of Strategic Objectives
- SLT+ Off sites
- Quantitative Metrics

- Challenges

- Chapter Health/Participation
- Regional Chapter/Parent Club health assessment
- Shared Interest Groups
- Chapter/Parent Club
IT Support

Alumni Services:

- Accomplishments

- Increase in Alumni engagements
- Reunion support
- Improvement to HFH
- Improved Major events
 - ALITC, COCP, PCOC
- Quantitative Metrics
- Comms with Parents/Chapters
- Brigade interaction (MAG/UK/Events)

- Challenges

- Travel, Alumni constituency support
- AMP Participation

***On the Horizon:
Survey is budgeted
and planned for FY16**

Membership Numbers & Profile

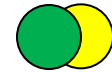
	11/30/12	11/30/13	11/30/14
Total Members	58,268	59,520	60,505
Alumni Life	47,318	48,232	49,031
Total Life	56,047	57,244	58,221
Widow life	4,059	4,185	4,283
Friend life	287	291	294
Parent life	1,107	1,184	1,316
Parent Annual	1,319	1,457	1,517
Joint	2,594	2,678	2,765

Parent Membership (2018 vs 2017) up 48%

Total New members Last 12 months = 1784 (1700 goal)

FOR ALL THE RIGHT REASONS

Physical Plant, Facilities



Recent projects:

- **Complete: New HVAC system for 49 House – heat and AC**
- **Server room upgrades – new HVAC, lights, IS equipment racks and backup power system**
- **Ogle Hall Floors – expert restoration with historic wood. Ballroom floors restored to original color**
- **Outside brick walkway/repairs – safety and appearance**

Challenges:

- **Long Term Master Plan for co-location (under development)**

Equipment & Technology

- **Objective:** State-of-the-art management and communications technologies to meet the demands of an increasingly IT-sophisticated membership, but not ignoring the needs of older alumni.

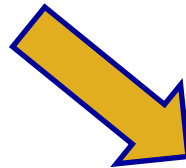
Vehicles	FY12	FY13	FY14	FY15 (to date)
<i>WaveTops</i> (distro/open rate)	45K/28%	47K/29%	52K/33%	53K/31%
www.usna.com (unique users/page views)	264K/1.5M	188K/1.2M	192K/1.1M	99K/601K
Facebook Fans	6,221	7,220	11,128	14,069
Facebook Engagement	10K	11K	162K	93K
YouTube Views	13K	51K	113K	69K
LinkedIn Followers	533	748	1,154	2,681
Twitter Followers	n/a	n/a	n/a	687
Mobile App Installs	n/a	3,303	14,617	15,981

FOR ALL THE **RIGHT REASONS**

Relevance & Support of USNA



**USNA
Strategic
Plan 2020**



**AA&F Plan
2020**



AA&F Strategic Planning Process

- **Op Plan Development / Alignment**
- **Resource requirements**
- **Budget development**
- **SLT Plus-Facilitated Off-sites**
- **Budget submission – JFAC → Board**
- **USNA SLT participation**
- **AA&F Guiding Principles**
- **Campaign Support**

FOR ALL THE RIGHT REASONS

FY14 Financial Security

	FY 2013	FY 2014	Change (FY13 – FY14)
Total Assets	\$219 M	\$248 M	+ 13.2%
Investments	\$180 M	\$213 M	+ 18.3%
Liabilities	\$27 M	\$29.4 M	+ 6.5 %
Net Assets	\$192 M	\$218 M	+ 13.4 %
New Commitments	\$31.2 M	\$36.4 M	+ 18.9 %
Annual Fund	\$7.4 M	\$9.7 M	+ 32.8 %
Support to USNA	\$15.6 M	\$23.2 M	+ 48.7 %

FOR ALL THE **RIGHT REASONS**

Financial “State of the Enterprise”

- Contributions & net income up substantially
- Assets & Net Assets at all time high
- No debt
- Budget surplus of \$3M
- Clean audit with no management comments

Alumni Connectivity / Communication

- **Quiet Phase of Campaign**
- **Alumni contact information updates**
- **Keeping the Alumni informed thru Shipmate, Wavetops From the Bridge, etc..**
- **Comms Committee IT survey**
- **Class President focus groups for Alumni Survey in 2016**

Welcome Aboard - New EVP

(Skid's relief)



CAPT Bill Dawson '82, USN (Ret.)

- President, Class of '82**
- PC Mbr, A&SP Trustee, NAAA “Chain Gang”, 2017 MID parent, Board of Tellers**

Alumni Association Operations

Skid Heyworth '70

EVP Engagement



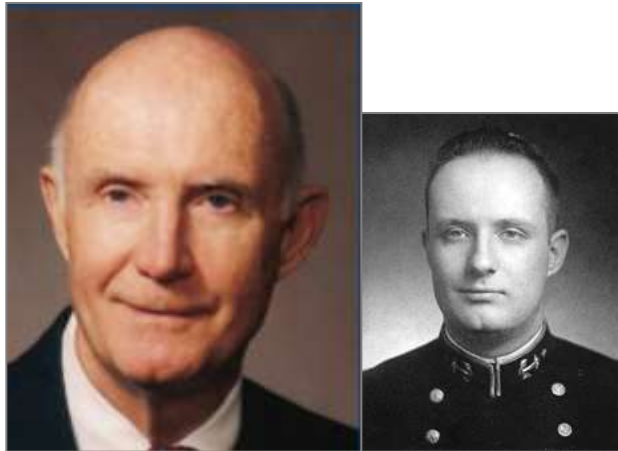
HFH / WW Participation



- **Honor Our Fallen Heroes (HFH) Program**
 - **2013 33 Families, 103 @ reception, 59 on-field**
 - **2014 27 Families, 95 @ reception, 89 on-field**
 - **Program will continue annually, NOV home game**
- **Wounded Warrior recognition being developed**
- **Requires the support of Class leadership to help maintain contact with our HFH and WW families**



2014 Distinguished Graduates



Lt Gen Stafford ('52)



RADM Miller ('62)



ADM Abbot ('66)



ADM Mullen ('68)



ADM Giambastiani ('70)

FOR ALL THE **RIGHT REASONS**

Demographics of 2015 DGA submissions:

Decade	Nom's	Rcpts	2015
30's	13	8	0
40's	30	13	0
50's	85	26	5
60's	49	19	12
70's	14	3	8
80's	1	0	2
	192	69	27

Class of '69

Alumni Mentoring Program



- **Class led / Class funded**
- **Unanimously approved as an ongoing offering by USNA AA Board of Trustees**
- **Very positive feedback (913 participants/368 connections)**
- **Platform allows for opportunities for additional connectivity between sub-groups**
 - **ALITC connections**
 - **Shared Interest Groups (Football, Women, Clubs)**
 - **Fleet Parents**

Another Link In The Chain



'64 at 2014's graduation



Ring Dance 15/65



Bonds of Gold 16/66



Commitment Dinner 16/66



Herndon Climb 17/67



I-Day 18/68

FOR ALL THE **RIGHT** REASONS

ALITC Support

- **ALITC Program growing stronger year over year**
- **Class of 68 participated in ALL plebe picnic sendoff events – over 70 pre I-Day picnic events attended**
- **Event Standardization improving**
- **Requires a great deal of commitment from ALITC Classmates to attend the various Brigade functions: Pre I-Day events, I-Day, Parades, Sea Trials, Herndon, Bonds of Gold, 2 for 7 Commitment Dinner, Service Selection, Batt Receptions @ Ogle Hall, June Week events, etc...**

Communications



FOR ALL THE RIGHT REASONS

Plan 2020 and how to measure what we do

Objective	Measure	Tools in Use	Sample Metrics
Provide services that engage our members ...	Periodic Surveys and sampling of Alumni engagement, especially from among those still serving	NPS surveys after events, review of budget numbers and attendance #s	NPS score Parent picnic 2013 = 72.74 2014 = 86.99 SACC scores
Sustain the Alumni Association as a high performing organization	Periodic comparison with makeup of alumni	NPS surveys, Chapter feedback	Chapter count numbers
Build and sustain lifelong and meaningful relationships ...	Growth in membership across all constituencies with increasing numbers of alumni, families and friends	Membership numbers for alumni (LMAG), joint members, parent members	Total Members 59,538 (EOFY14) New Parent members: 2015(425), 2016(447), 2017 (429), 2018 (638)
More effectively engage alumni, parents and friends via strategic communications and outreach	Improvements in outreach and Member feedback	Scorecard numbers for comms - Shipmate, website, Wavetops and other comms tools	Shipmate circulation, Wavetops open rate, Youtube, Facebook, mobile apps

Growth in memberships across all constituencies

- Main areas of growth – Mids and parents
- LMAG brings in 1000+ new members annually, midshipman and new grad engagement a priority
- Total members = 59328 (6/30/14)
 - 48,685 alums
 - 2670 parents -- 2018 parent membership up 48%

Periodic surveys and sampling of Engagement

- We survey all that we do – Net Promoter Score surveys.
- Get their opinion scores and also their unbiased feedback.
- Use that feedback to improve what we do
- Key Survey areas- football events, parent events, SACC, program participation

Improvements in outreach and member feedback

- **“Communicate with them the way they choose”**
- **33% open rate for Wavetops and other comms. Exceptionally high**
- **14K+ app downloads – also high**
- **YouTube views, FB shares – more and more mobile devices used for interaction**
- **From Shipmate, to email, web and mobile – reaching seven plus decades of alumni.**

Strengths and Opportunities

Engaged across the board

- Communications
- Chapters
- Class Reunions
- Brigade
- DGA
- Honoring our Fallen – 2 Years
- Wounded Warriors – Just starting

Strengths

**Communications → Engagement
Relationships**

- **Alumni**
- **USNA**
 - **Supe's Office**
 - **Commandant's Office**
 - **NAAA**
 - **Brigade**
 - **MAG**
 - **UK Scholars**
 - **Class Officers**
- **Foundation**
- **Parents**

Relevancy

Staff

Opportunities

Build on Strengths

Chapters

- Help them engage with members and diversify their membership.

Parents

- Help “Fleet Parents” stay engaged w club and/or chapter

Brigade

- Better prepare class officers to stay engaged w classmates and AA while at USNA
– solid base after graduation

Wounded Warriors

- Recognize the sacrifices they and their families have made.

Foundation (Campaign)

- Engage alumni and parents

Alumni Survey 2016

Staff

- Continue to develop as a high performing organization through professional development, good internal customer service, and efficient business processes.

Development Operations

Bill O'Connor

Development Update

- **Class Giving**
- **Annual Giving**
- **All Academy Challenge**
- **Planned Giving**
- **Athletic & Scholarship Program Update**

Class Giving

- 20 classes on active projects
- 5 new class projects each year
 - Annual Fund + 1 to 3 restricted components
 - Usually includes Athletic Excellence
- ***2009 – 2014: 35 classes, \$27.9 M raised to date***
- “First Gift” initiative
 - ‘08 – ‘14 average participation: **53.7 %**
 - Overall alumni participation: 24%



First Gift

- **Raised to Date: \$170,874.45**
- **Projected through 2018: \$300,000**
(this number assumes 25% loss of allotments)
- **Donor Participation (CY14 to date)**
 - Class of 2008 – 61%
 - Class of 2009 – 63%
 - Class of 2010 – 54%
 - Class of 2011 – 36%
 - Class of 2012 – 52%
 - Class of 2013 – 73%
 - Class of 2014 – 55%

Average Class Participation by Decade (Prior to First Gift Program)

1940s = 28%
1950s = 24%
1960s = 43%
1970s = 22%
1980s = 14%
1990s = 10%
2000-2007 = 7%

Annual Giving

- **President's Circle**
 - 'PC Plus' regional events
 - "Be One, Bring One"
- **Annual Fund FY14**
 - *Record year: \$9.6 M unrestricted*
 - *Parents Fund: \$1.5 M total, \$1.1 M unrestricted*
 - Provides the "leverage" to raise all restricted gifts
- **"All Academy Challenge"**
 - *1541 donors; 184 new, 286 lapsed > 5 years!*

All-Academy Challenge 2014

- Alumni giving participation challenge, 1 -10 July 2014
- Results:
 - USMA: 2062 alumni donors, \$759,000
 - USAFA: 1615 alumni donors, \$230,000
 - USNA: 1541 alumni donors, \$295,000
 - USCGA: 1007 alumni donors, \$130,000
- USNA:
 - Solicitation: all alumni with good email addresses & not “DNS”
 - Achieved 4% response rate (rivals direct mail)
 - Acquired 180 alumni donors who had never before made a gift
 - Acquired 280 alumni donors who hadn't given in the last 5 years
 - Received gifts from almost every class between 1937 and 2015

All-Academy Challenge 2015

- **Lessons learned from 2014:**
 - **Better pre-challenge communications:**
 - **All channels: email, Shipmate, direct mail, social media**
 - **Better use of class and chapter leadership**
 - **Publicity farther in advance (months?)**
 - **Exempt early donors from subsequent AAC emails**
 - **Streamline gift data entry into database**
- *Tentative 2015 AAC dates: June/July timeframe*

Planned Giving

- **New Associate Director: Ms. Patti Bender**
- ***Program objective: donors achieve both personal financial AND charitable goals.***
- **Initiatives:**
 - **Educating alumni about benefits of life income gifts**
 - **Assisting with gifts of assets other than cash**
 - **Encouraging tax-wise estate planning**
 - **Benefits to the donor and USNA**
- **Planned / deferred gifts part of our overall strategy**

Athletic & Scholarship Programs—FY 15

Athletic Support

- **\$1.095 Million for Naval Academy Athletic Association**
- **\$280,000 for Naval Academy Preparatory School**
- **\$291,250 for United States Naval Academy**

TOTAL: \$1,666,250

Goals:

- **Raise \$2 million per year**
- **Build \$5 million reserve**
- **Encourage class projects to support athletics**
- **Expand “Friends of Navy Athletics”-level participation**
- **Step up Trustee direct contributions to Athletic Excellence**

Athletic & Scholarship Programs—FY 15 Prep Program

- **Class of 2018—55 sponsored students**
- **90% graduation rate over last five years—lowest attrition of all accession sources**
- **10-year retention after USNA graduation—highest among all accession sources**
- **Over 3,800 Foundation prep grads from USNA**
- **Just completed 70th Anniversary Celebration (1944-2014)**

Wrap-up

On the Horizon

- **Dec 13 - Army-Navy**
- **Dec 23 - Poinsettia Bowl – San Diego CA**
- **Apr 24 - Foundation BOD**
- **APR 17/18 - A&SP Trustees Mtg**
- **May 8 - USNA Board of Trustees**
 - **May 6– New BOT Trustees' Orientation**
 - **May 7 – International Chapter Officers Conference**
- **May 22 - Graduation for the Class of 2014 (Blue Angels)**
- **July 1 - I Day (Class of 2019)**
- **Dec 10 - USNA Board of Trustees**
- **Dec 12 - Army-Navy 2015 (Philadelphia)**