



2018 STAKEHOLDER'S REPORT





One of the last pieces of member correspondence I reviewed in 2018 was addressed to President Donald Trump by the surviving spouse of a MOAA member. She wrote to the president — and copied her congressman and me — to express her frustration with an unresponsive bureaucracy as she worked to settle her late husband's estate, and she asked why “there is no military advocacy office on every base to work with widows who have given so much when they need help during this most difficult time?”

In my reply to this valued MOAA member, I stated we are that “military advocacy office.” And it dawned on me we probably haven't communicated this aspect of membership broadly enough, because had she known, we could have been on the phone with her the moment she needed us.

While this 2018 edition of our annual *Stakeholder's Report* chronicles our achievements, it also reminds us of why we are members of MOAA: to make a difference for military and veteran families — especially in times of uncertainty and apprehension, whether it's on an individual level or on a national level.

This past year, we welcomed a new chair to the association's board of directors, ADM Walt Doran, USN (Ret), as well as 12 new board members. We also said farewell and thank you to our outgoing chair, Gen Jack Sheehan, USMC (Ret), and 11 board members, all of whom completed their six-year terms of office earlier this year. General Sheehan and our other “graduating” board members led us through some major challenges, and our association continues to prosper in large part due to their wisdom and counsel.

I believe MOAA made significant progress in 2018 across our strategic focus areas. We had a remarkable year legislatively, most notably with the passage of the 2019 National Defense Authorization Act. Additionally, while paid membership remains challenging, we have stabilized and are seeing positive future trends, particularly with improved member retention and strong results with some of our innovative marketing and member engagement campaigns.

We also need to recognize some headwinds in our future. Several of our primary sources of revenue are under pressure, and with many new faces in influential positions in Congress, the legislative climate is uncertain. However, with challenges come opportunities, and I'm confident the headquarters team and our volunteer leaders in the field are up to the task.

Thank you for all you do to keep MOAA strong, and please continue to spread the word of our collective efforts and accomplishments on behalf of the entire military community. You are our strongest ambassadors, and we're going to need all hands on deck to ensure our nation maintains a strong national defense.

Finally, please feel free to reach out any time ... we're here to support the military community, and it is an honor to never stop serving. Wishing you and your loved ones a prosperous new year.

Sincerely,

A handwritten signature in black ink that reads "Dana T. Atkins". The signature is written in a cursive, flowing style.

Lt Gen Dana T. Atkins, USAF (Ret)

MOAA continues to make progress toward the ambitious strategic goals set forth in the new 2017-21 Strategic Plan, approved by the board of directors in the fall of 2017. During the past year, the staff implemented supporting operational plans to focus our collective efforts to accomplish goals in the following six areas::

ADVOCACY

For the 12th year in a row, MOAA was recognized as one of the top lobbying associations in Washington, D.C., by *The Hill* newspaper. This honor is a direct reflection of our legislative actions to benefit servicemembers and veterans and their families and survivors. These collective successes are also due in part to a committed national staff, an engaged board of directors, and selfless leaders in our councils and chapters across the nation.

MOAA's annual Storming the Hill event in April leveraged 150 MOAA members from across the country to canvass every U.S. senator and representative, calling for important legislative actions to benefit our uniformed servicemembers, past and present, and their families. MOAA used social media during the storm — hashtag #MOAAstorms — to spread its influence beyond Capitol Hill. Multiple members of Congress as well as congressional staff members interacted with those messages, boosting their reach. Ultimately, MOAA's hashtag appeared more than 6.1 million times in Twitter timelines, reaching 617,297 unique individuals.

Our engagement crossed party lines to work issues important to the people we serve. Sen. Jon Tester (D-Mont.) and Rep. Phil Roe (R-Tenn.) were both instrumental in championing the VA MISSION Act through Congress until it was signed into law, putting into motion the widest-sweeping changes to the VA in three decades.

Much of MOAA's hard work in Washington came to fruition in the National Defense Authorization Act (NDAA), which the president signed into law Aug. 13, 2018. Highlights of MOAA's successful influence on the NDAA include:

- a full military pay raise of 2.6 percent. This is the largest pay raise for the military in nine years, and the third year in a row MOAA successfully led the effort to ensure servicemember pay kept pace with private-sector compensation.



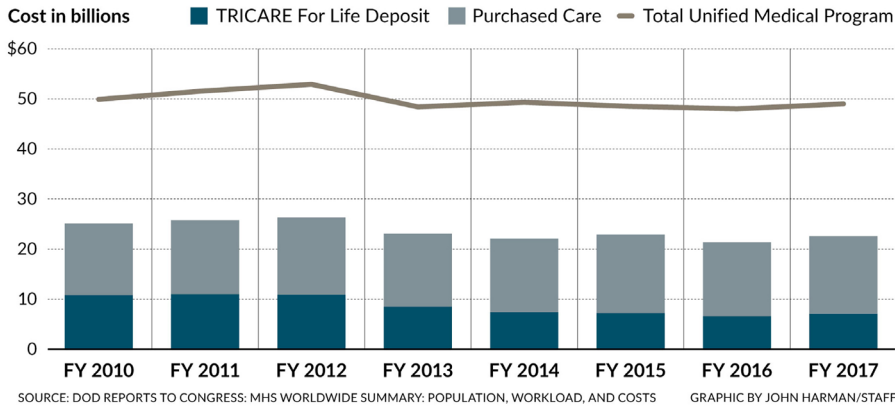
MOAA's lobbying team saw much of their hard work come to fruition in the defense authorization act.

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- Also for the third year in a row, MOAA successfully protected the Basic Allowance for Housing from cuts.
- Troop strength increased by 16,400 to help ease deployment cycles for the currently serving, who have expressed concerns about a high operations tempo. MOAA weighed in on this issue as one of our top priorities based on feedback from our members, who know all too well the challenges of being short-staffed while trying to stay engaged around the globe.
- We again ensured the COLA for retirees stayed intact. MOAA also met regularly with DoD officials at the highest levels — including the secretary of defense and deputy secretary during roundtable discussions regarding the troops and their families, and the director of the Defense Health Agency regarding concerns about military treatment facilities and TRICARE. We shared with DoD leadership our concern with their flawed narrative that health care costs are spiraling out of control. Based on DoD's own data (see chart on following page), costs remain stable, with projected savings earmarked for reprogramming into readiness accounts. Finally, MOAA partnered with the United Health Foundation for a groundbreaking study, *America's Health Rankings: Health of Women Who Have Served Report*.

DoD health care costs continue to decline

Officials claim health care costs are "eating the department alive," but the numbers don't back that up.



Despite suggestions to the contrary, DoD's health care costs have remained stable over time.

Among other findings, the survey revealed women who served in the U.S. armed forces are more likely than their civilian peers to report their health is very good or excellent — despite higher rates of cancer, mental illness, chronic obstructive pulmonary disease, and depression than women with no military experience. The information we obtain through such research efforts helps inform our advocacy positions and strengthens our reputation as a knowledgeable advocate on military personnel topics.

MOAA's diligent efforts — and resulting successes — are paving the way for an effective transition into the 116th Congress in 2019.

MEMBERSHIP AND MARKETING

MOAA's commitment to never stop serving remains steadfast with the support of our loyal membership base. Strengthening this membership base remains our top priority — and is also one of our greatest challenges as an organization. With the involvement of all MOAA's business units, as well as council and chapter leaders across the country, our Membership and Marketing team works continuously to develop innovative approaches, new member benefits, and big ideas to achieve and exceed membership and engagement goals.

Among MOAA's 2018 accomplishments, we:

- grew renewal rates of PREMIUM members to 77.5 percent, achieving our annual goal;
- refined our method for membership projections by using three different approaches to create a range for projec-

tions. This proved to be a good predictive model, as all membership categories ended 2018 within the projected ranges and very close to their stretch targets;

- completed a robust dues study to better understand the value MOAA offers and the level of dues a person is willing to pay for this value. This study informed a change in our dues structure, which incentivizes multiyear membership terms for PREMIUM members;

- changed our membership model, after careful review, to ensure it remains advantageous both to members and to the organization;
- onboarded a new advertising agency and introduced a new national "Officer to Officer" campaign designed to grow brand awareness of MOAA and increase membership. To date, this campaign has driven more than 112,000 visitors to our website, of which 84 percent were brand-new visitors;
- inspired BASIC members to upgrade to paid membership with the introduction of our "Fighting Words" campaign, which effectively highlighted the real threats to military benefits. This digital campaign has driven more paid membership than any other single online campaign to date;
- engaged our Currently Serving Advisory Council, Spouse Council, and Surviving Spouse Council in solving some of the association's strategic objectives, giving these individuals an opportunity to contribute to their organization in a strong and meaningful way;
- grew brand awareness of MOAA through face-to-face conversations via our expanded outreach program. We exceeded our goals for this program by 2.6 percent by year end;
- concluded a thorough Lifetime Value Study to better understand the value each member brings to the organization, enabling us to measure marketing efforts against lifetime value to determine effectiveness and ensure budget is allocated to achieve maximum return on investment and help identify our strongest prospects based on engagement and appended external data; and
- maintained a stable membership in Voices for America's Troops, with 30,141 members.

ENGAGEMENT

The engagement umbrella includes four areas of focus: MOAA's Transition Center and Member Service Center, development of member products and services, the MOAA Foundation and Scholarship Fund, and communications and audience growth.

1. Transition Center and Member Service Center

MOAA's Transition Center significantly increased member and prospective member engagement in 2018, most notably through a monthly webinar series covering a range of career development, wealth building, and veteran benefit-focused topics. This rich array of content attracted over 9,400 registrants and netted the association over 600 new members.

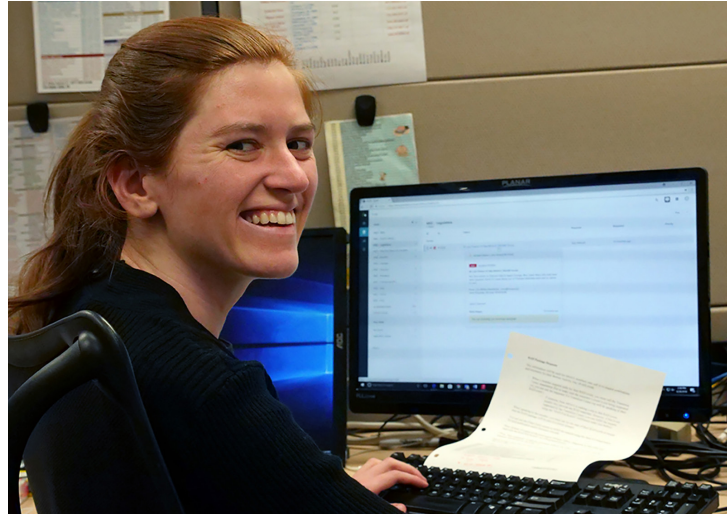
Additionally, our career-management consultants and financial educators assisted nearly 3,000 MOAA members and member spouses with their career development and financial education needs. Members received valuable information and advice regarding the preparation of veteran disability claims, enrollment in the FEDVIP retiree dental and vision program, assistance with decedent affairs, and timely updates on proposed changes to eligibility rules for burial in Arlington National Cemetery.

MOAA's commitment to providing impeccable member service also includes a call center staffed by military and veteran benefit experts who manage over 1,000 engagements each week via phone call, e-mail, and text chat, with most inquiries answered in less than 24 hours.

The American Society of Association Executives recognized MOAA's career-management consulting expertise, specifically our military spouse employment program, with its prestigious "Power of A" Silver Summit Award. MOAA also was selected as the lead career-management facilitator for the Army's annual series of general officer transition seminars.

No other military or veterans service organization provides this wide array of member services, and the association's subject-matter experts are the speakers of choice for financial and benefits education and career-building advice on major military installations worldwide.

Recognizing that career transitions are challenging, even in a robust hiring environment, the association hosted our fourth networking and hiring event at the Smithsonian National Air and Space Museum. This unique event is distinctly different from other veter-



Member Service Center staff receive intensive training on military and veteran benefits; many move up and bring that expertise to other positions at MOAA.

an-focused career development experiences; this year's production connected more than 550 servicemembers, veterans, military spouses, and surviving spouses with hiring managers and corporate executives representing 86 veteran-friendly companies. It also resulted in 152 BASIC member signups.

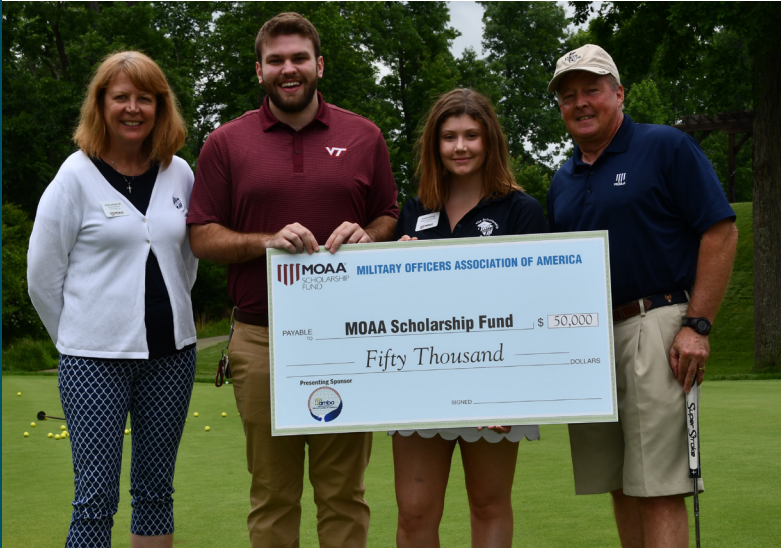
2. Products and Services

In 2018, MOAA instituted a robust business development process to identify and vet potential member benefits. We introduced eight new or enhanced programs, including eKnowledge, Member Deals, and SimpliSafe. We also launched a new term life product targeting officers transitioning from active service who need a competitively priced life insurance product to replace SGLI. This term life product offers best-in-market value to our members.

Looking forward to 2019, we will have in-depth discussions with three of our largest affinity partners (PenFed, USAA, and Mercer) about what the future holds for our partnerships. We have built solid relationships with each of these partners, and we value the significant contributions they have made to the association over the years and look forward to strengthening our partner relationships.

3. The MOAA Foundation and the MOAA Scholarship Fund

In 2018, the MOAA Development team continued its important work supporting military and veteran families



In its 70th anniversary year, the MOAA Scholarship Fund distributed over \$8 million to almost 1,300 children in military and veteran families.

through highly impactful programs at both the national and community levels. For the first time our two MOAA charitable subsidiaries, the MOAA Scholarship Fund and the MOAA Foundation (renamed at the association's November board meeting), integrated their outreach, fundraising, and communications strategies to achieve real messaging and branding synergy. A key component of this new approach was a combined annual report published in the May edition of *Military Officer*.

The MOAA Foundation

Among 2018 successes, the MOAA Foundation raised more than \$120,000 to support MOAA's Military and Veteran Networking Forum. Special thanks are due to five major donors who made this event possible: USAA, Humana, Goldman Sachs, Health Net, and Express Scripts.

Since 2016, the foundation has received three major grants from the Democracy Fund, a bipartisan foundation committed to citizen participation in our Democracy. Projects supported by these grants directly supplement MOAA's advocacy mission and enable MOAA to engage active duty families, a key demographic, in a way not replicated by any other military service organization. In 2018, the MOAA Foundation completed two groundbreaking projects funded by these grants:

- The Military Families Voting Survey, in collaboration with Syracuse University's Institute for Veterans and Military Families, examined military and veteran fam-

ily perceptions of the absentee voting process. See the final report at www.moaa.org/absenteesurveyresults.

- An outreach campaign encouraged active duty military families to vote in the 2018 midterm elections. Results from this project will be released soon.

The MOAA Foundation-funded Military Spouse Professional Development program continued to thrive in 2018 as one of the premier programs of its kind in the nation. USAA renewed its major grant in support of this project, and MOAA was able to support seven "Keeping a Career on the Move" seminars and provide subject-matter expertise to two others, in collaboration with the U.S. Chamber of Commerce Hiring Our Heroes program.

Finally, the foundation's Community Outreach grant program more than tripled its impact, from just six grants in 2017 to 19 approved grants in 2018 — \$75,000 in grants supporting important community work on behalf of the nation's military and veteran families, including a generous donation of \$40,000 from Express Scripts.

The MOAA Scholarship Fund

The MOAA Scholarship Fund celebrated its 70th anniversary in 2018. Since its inception in 1948, the scholarship fund has provided more than 15,000 military and veteran family children with more than \$150 million in grants and no-interest loans, while offering a gratifying legacy to MOAA members who support its work through donations and bequests. In 2018, this Guidestar platinum-rated charity distributed just over \$8 million to almost 1,300 military and veteran family children.

Behind the scenes, a complete overhaul of the internal application and disbursement processes has improved the student and parent experience. We also are working with the IT and Finance departments to improve both the online donation and loan repayment processes.

On the revenue side, the MOAA Scholarship Fund experienced a banner year, receiving over \$1 million in donations from MOAA members, as well as a \$12 million bequest from an extraordinary member benefactor. The fall giving campaign, with its focus on a MOAA family with five children who all received educational assistance benefits, was very successful, and the Giving Tuesday drive in late November greatly surpassed our 2017 results.

4. Communications and Audience Growth

The redesigned *Military Officer* magazine, a highlight of our increased engagement with members, has received

rave reviews and won awards, including Platinum and Gold honors in an international competition for association magazines.

MOAA's Communications team is working collaboratively with our advertising sales team to gain new advertisers, against the headwinds of national declines in print advertising. We are seeing some success, having gained AT&T, BMW, Jeep, and new tourism advertisements.

The MOAA Newsletter, a customizable email newsletter launched in February, is part of an ongoing expansion of content. Topics include Advocacy, Transition, Finance, Health Care & Earned Benefits, Spouse & Family, Chapter news, and more.

The number of articles published on www.moaa.org doubled in 2018, resulting in greater digital engagement with MOAA: a 25-percent increase in pages viewed online, with visitors spending more time on the website.

Likewise, significant gains can be seen in our following on Facebook — MOAA's primary social media platform. The number of people who "follow" our page grew from 38,000 in November 2017 to 65,000 in 2018. Other social media efforts include new work on Instagram.

We're also adding more videos to our storytelling on social media to inform and help military families. We've collaborated with the subject-matter experts on our Government Relations team to produce several TRICARE town halls via Facebook Live. Followers value our articles and videos and share them widely — tens of thousands of shares this year alone — increasing awareness of MOAA's brand across the wider military community.

In partnership with an award-winning design firm and a top-rated new content management system, we are embarking on a full redesign of MOAA's website. We expect the new site to support the organization's ongoing innovations and advances and better serve members through news and information. Our target timeframe for launch of the redesigned site is summer 2019.

The Communications team's goal is for members to be as engaged with MOAA's digital experience as they are with our flagship magazine.

COUNCIL AND CHAPTER AFFAIRS

Under the capable leadership of 33 state council presidents, in concert with our Council and Chapter Affairs leadership team at MOAA headquarters, the 45,000 MOAA members who choose to affiliate with one of our nearly 400 local chapters continue to be one of



The redesigned *Military Officer* launched in January, winning praise from members as well as recognition within the publishing industry.

our association's most loyal constituencies, delivering major impact in 2018. Notable achievements include increased legislative advocacy engagement at the federal and state levels, actively recruiting new MOAA members in their local communities, delivering community service through veteran-focused philanthropic projects, and donating nearly \$500,000 to local college scholarship funds, mostly to rising ROTC students.

ROTC program support is particularly important as the nationwide pool of 20 million potential recruits shrinks down to about 400,000, once academic, fitness, and character requirements and propensity to serve are considered. Accordingly, the commitment of MOAA council and chapter members to support higher education and introduce young people to the advantages of military service directly supports the continued viability of the all-volunteer force.

In addition, 2018 saw 19 MOAA councils and chapters receive Community Outreach grants totaling \$75,000 from the MOAA Foundation. The chapter community service programs supported by these grants build the MOAA brand while making a difference close to home. We hope to expand the number of participating chapters in 2019.

MOAA's virtual chapter program also expanded in 2018, with the chartering of the Surviving Spouses Virtual Chapter, the association's second virtual chapter.

With a focus on providing support to surviving spouses, encouraging their participation in local chapters, and sustaining momentum for repeal of the SBP-DIC offset, or widows tax, this thriving group has grown to more than 70 members in less than a year. Meanwhile, MOAA's first virtual chapter, MOAA Uniformed Services Nurse Advocates, is approaching 200 members — all of whom are committed to promoting awareness of policy development and emerging trends in military and veteran health care. We expect additional virtual chapters to be chartered in 2019.

Increasing support to our local councils and chapters regarding chapter management, recruiting, communications, and information technology continues to be a high priority of the association. In 2018, we offered training to more than 300 council and chapter volunteer leaders at quarterly chapter leaders' workshops, and we saw increasing numbers of councils and chapters participating in chapter management enhancements and financial support programs provided by our affinity partners.

Finally, MOAA recognized 165 state councils and local chapters in 2018 with four- and five-star awards for excellence in chapter management, recruiting, advocacy support, communications effectiveness, and community impact. Additionally, 156 councils and chapters were recognized for exceptional communications programs, designed to keep members informed and engaged at the local and national level. Of particular note:

- Heart of America (Neb.) Chapter Legislative Chair Brig. Gen. Paul Cohen, USAF (Ret), was honored with the Steve Strobridge Award for championing legislative issues of great importance to the military community.
- Anne Smith was recognized with MOAA's Surviving Spouse Excellence Award for her exceptional work promoting surviving spouse concerns and engagement in the Greater Shoals (Ala.) Chapter.

FINANCES AND ORGANIZATIONAL CAPACITY

MOAA's long-term financial goals continue to emphasize income generation and carefully managing expenses in



MOAA's Sarasota (Fla.) Chapter — one of nearly 400 chapters comprising 45,000 members — hosted a veterans' appreciation event at a baseball game.

order to reduce our dependency on investment income. We continue to strive to meet our investment portfolio goals. In line with the broader market downturn, the association's portfolio dropped in 2018.

However, our strong performance in 2017, coupled with lowering our investment draw to 6 percent, has MOAA postured to continue needed growth of our investment portfolio.

With regard to two of our major sources of operating income, dues revenue is trending slightly up, and advertising revenue continues to decline, in part due to reduced magazine circulation.

However, online advertising revenue is a potential new income source that is being explored.

The Finance team remains focused on controlling those elements of our operations where efficiencies can be achieved. We will continue to strengthen internal controls, improve contracting procedures, and diligently monitor the association's resources. These efforts successfully reduced overall expenses in 2018 as well as budgeted expenses for 2019. The CFO and our group vice presidents will continue to collaborate to identify new revenue-generating resources for future years. These collective efforts will enable MOAA to maintain its sound financial position for years to come.

MOAA's major capital asset, our headquarters at 201 N. Washington St. in Old Town Alexandria, Va., is in the midst of an 18-month renovation. The board of direc-

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The long-overdue renovation of MOAA headquarters began in May 2018.

tors approved this long-deferred renovation project in December 2017. Over the past 12 months, the MOAA headquarters team relocated to temporary facilities in May 2018; demolition and hazard material removal of the internal floors commenced, and was completed in October 2018; and construction has commenced, with a projected completion in July or August of 2019. Renovation highlights include:

- enhancements to the staff's collaborative working environment;
- optimized space utilization;
- improved physical working conditions at the headquarters building;
- significantly increased value of the building; and
- a state-of-the-art technology infrastructure, including a new wireless network and conference rooms designed to enhance productivity and collaboration.

As you can see throughout this stakeholder's report, continuing to leverage technology will be instrumental to MOAA's future success. Initiatives across the enterprise — from our website redesign to a variety of member engagement enhancements — will require implementation of new technologies by our CIO team. While we focus on these new technologies, we also accept that securing MOAA's assets, especially our member data, remains a constant focus. We continue to follow a layered

approach to security that includes a robust cybersecurity awareness training program, annual auditing, and compliance with required industry standards.

Our greatest asset, our dedicated headquarters team members, stabilized over 2018, with internal promotions the primary mechanism through which we filled existing vacancies. Our Member Service Center continues to be a meaningful initial professional development step for positions within MOAA above the entry level. Seven member service representatives (MSRs) were promoted within the association in 2018, and two staff members who started at MOAA as MSRs received a second promotion.

The deep knowledge of MOAA operations our MSRs bring to their next position strengthens the organization and enhances MOAA's image as a place where people want to work. Without an increase in overall end strength, we were able to create or modify six positions to keep pace with our forward-looking approach and commitment to process improvement, including a greater emphasis on online marketing and digital communications. Overall, our organizational capacity continues to increase as we accelerate our analog-to-digital transformation.

IN CLOSING

The many freedoms our country enjoys are guaranteed, in large part, by the men and women who serve in uniform. It is our distinct honor at MOAA to advocate for and support all members of the military community, not only past and present members of the active and reserve components of the uniformed services, but also their family members and surviving spouses. And while we are an association of officers, our mission is centered on a commitment to serve and advocate on behalf of all of America's servicemembers.

Hopefully, this Stakeholder's Report offers a clear picture of how MOAA made a difference in 2018; that we did so while undergoing the disruptions of a major facility renovation makes the organization's accomplishments even more significant. As we prepare for the challenges of 2019, we will redouble our commitment to live our values of service, leadership, and professionalism, and with your continued support we will never stop serving.

Our board of directors and headquarters team join in wishing you a safe and prosperous year.

