

What We're Hearing From the Field

November 2019

Final

Slide 1: President's Report

Good morning and welcome to the 2019 annual meeting of the Military Officers Association of America.

This meeting is an important opportunity for you to meet the leadership team and our board members.

Your board of directors and the entire headquarters' team work for you – and it's important for all of us to hear your concerns and address your priorities as transmitted to us throughout the year.

I'm pleased to report the state of our association is strong and getting stronger.

Our thoughtful investments in a renovated headquarters, a talented leadership team, a new web site, and a pending TV advertising campaign -- combined with a dedicated and engaged board of directors -- are having significant impact on our association.

More importantly, we're hearing very positive feedback from our members and volunteer leaders in the field – including this recent unsolicited feedback: “The MOAA Newsletter and the monthly magazine are the most useful information coming into my house each week.”

It doesn't get much better than that – especially coming from a salty old Navy pilot.

And this is typical of the feedback our vice presidents, directors, and board members are hearing during their visits to nearly 120 of our state councils and local chapters so far this year – up more than 10 percent from 2018.

Slide 2: Impactful Outreach

We're also taking advantage of opportunities to connect with new and diverse audiences.

For example, Lieutenant General Ed Hanlon, one of our more senior board members, delivered a well-received professional military education briefing at Marine Corps Base Hawaii in September.

And Suzanne Walker, our Director for Protocol and Engagement conducted a very successful outreach event at the Kappa Alpha Psi Grand Chapter meeting in Philadelphia this past August.

This good news is not intended to minimize the continuing challenges of membership growth and leadership succession in our council and chapter system, and revenue generation and brand awareness at the national level – but I believe we are seeing quantifiable progress in each of our strategic focus areas.

Slide 3: World-Class Headquarters

One of our proudest boasts for 2019 is our board's decision to transform our 55-year-old headquarters into a modern facility that will serve our membership for another half-century.

Combining a state-of-the-art video production facility, conference center, expanded collaboration space, and modernized office space for our headquarters' team – these improvements will enhance our productivity and our ability to attract and retain the talent we need in this hyper-competitive D.C. market.

Transition to Short Video

Please enjoy this short video to illustrate the transformation of our national headquarters!

(Break for video)

It's a world-class facility for a world-class operation!

I always knew our national headquarters provided easy access to our core markets in the Pentagon and on Capitol Hill – but I didn't fully appreciate how it serves as a symbol of the enduring strength of our association for the hundreds of members who drive by every day on North Washington Street.

You would be surprised how many members remark to me: "I know where you live!"

Slide 4: Engagement Increasing

Through our Member Service Center, Chapter Leaders' Workshop feedback, and other informal communications channels -- we also know increasing numbers of you are engaged with our association in a meaningful way.

For example, more than 1,400 of our members and prospective members registered for our recent FedVIP Dental and Vision Insurance Program webinar – up from 1,200 in 2018.

During our very successful Summer Storm campaign, thousands of our members sent a strong message to Congress making the case for righting the wrong of the widows' tax – and arguing for more study of the potential impact of military medical billet reductions.

Moreover, our social media audiences continue to exhibit impressive growth, with nearly 90,000 Facebook followers on this, our primary social media platform – more than doubling this metric in the last two years.

Individual donations from MOAA members to our gold-rated MOAA Foundation are up 83 percent year-over-year – and we have significantly increased both our loan and grant amounts for MOAA Scholarship Fund students.

Slide 5: General Officer & Flag Officer Transition

Our Transition Center Team delivered career transition support to more than 80 Army general

officers and their spouses under a contract we won in 2018, and we were thrilled to be selected to deliver a similar program to transitioning Navy and Marine Corps flag and general officers in 2019 and 2020.

We concluded our first Navy facilitation late last month.

Both of these contracts represent important new revenue sources and branding opportunities for our association.

Slide 6: Advertising Beats Goal & Newsletter Circulation Increasing

And speaking of revenue – our Communications Team successfully met our stretch advertising revenue goal of \$2.2 million despite the industry trend of declining print advertising.

The team’s willingness to explore new options with sponsored content has significantly enhanced our advertising revenue stream.

And our weekly electronic newsletter circulation is approaching 250,000 – with recent open rates in

excess of 30 percent – well above professional association averages.

However, we also understand a significant percentage of our members are more comfortable in the analogue world.

About 650 of them call our Member Service Center each week – and, during the FedVIP webinar I mentioned a moment ago – a number of participants expressed their apprehension with all forms of online commerce.

Accordingly, we know our products and services need to bridge the gap between the analogue and digital worlds and our member service operation is structured to meet this need.

Slide 7: Feedback From the Field

And, based on the feedback I'm hearing from our council presidents, I know they're more engaged in addressing the challenges of leadership succession and membership growth in their local chapters.

Through our chapter community grant program, our increased mileage allowance for our council

presidents, and our quarterly chapter leaders' workshops, we're giving our volunteer leaders in the field the resources and the tools they need to build their brand in their local communities – which we know is essential to attract the newest generation of military officers to chapter membership.

While there's always more to do, I'm encouraged by the progress we are making on multiple fronts.

Slide 8: Six Strategic Focus Areas

With this as a preamble, I'll spend a few minutes highlighting our progress in each of our six strategic focus areas, beginning with advocacy.

Slide 9: Advocacy Impact

I must say I am not optimistic about the prospects for any meaningful legislative action before the 2020 election – even on the important elements of our advocacy portfolio where we are generally able to build bipartisan consensus.

In fact, we will be fortunate if we can get the NDAA out of conference with our issues intact. Beyond

that, our contacts on the Hill highlight their ongoing challenges:

- Most notably, the potential for prolonged stagnation of appropriations -- possibly leading to an extension of the Continuing Resolution for as long as a year beyond its current expiration on November 21.

Continuing Resolutions are designed to be a short-term bridge to allow lawmakers to make their final deals on the appropriations necessary to fund the government.

However, operating under a Continuing Resolution means government departments will be operating at last-year's spending levels while ignoring the costs of doing business today. This potentially denies our servicemembers the equipment, training, and family support necessary to sustain high levels of combat readiness.

As we assess these challenges and opportunities, we keep our focus on preparing for the next vote – recognizing that support for our most important

legislative priorities can come from unexpected quarters at unexpected times.

This is why our annual Storming campaign is so important. It placed many of our members in direct contact with their elected representatives to discuss our three priority issues: the Widows' Tax repeal, stabilizing TRICARE fees, and maintaining pay and benefits for the currently serving and their families.

More recently, we augmented these grassroots efforts with our Summer Storm campaign focusing on DoD's proposal to eliminate 20 percent of their military medical billets and adding an exclamation point to our efforts to repeal the Widows' Tax.

On both of these issues you made a difference and were instrumental in elevating both of these issues to the conference committee via the House defense bill.

To those of you who participated in our Summer Storm, a sincere "thank you!"

Slide 10: Medical Billet Cuts

We're continuing to use more illustrative and provocative approaches to connect with our key audiences and advance our advocacy agenda as you can see in this recent editorial cartoon spotlighting the risks associated with the proposed reduction of 18,000 military medical billets.

We're also working on a series of next-steps for our SBP/DIC offset repeal campaign, depending on which position prevails in the 2020 NDAA as it works its way through the conference committee and eventually to the President's desk.

Looking ahead to 2020, it will be the second session of the 116th Congress and, if any of our advocacy priorities do not prevail in the final legislation, we will move forward with the same co-sponsorships and increasing momentum we built during the current session.

Slide 11: Made in China

You may have read some of Rosemary Gibson's editorials through our newsletter – she is one of the pioneers and her work is a testament to the power of words.

She joined early with MOAA to address the crisis of pharmaceutical production and our nation's reliance on China for our medications.

We remain aligned with her and her efforts -- so be sure to stay tuned and respond to the Calls to Action as we fire up Congress through legislation, most notably H.R. 4710, introduced by Rep Garamendi (D-CA) and Hartzler (R-MO).

Slide 12: Maryland Congressional Luncheon

Finally, I want to close out this section with a hearty thank you to both the Maryland and Virginia Council leadership and the Government Relations Team for another excellent member engagement through their respective annual Congressional Appreciation Luncheons.

These well-attended events provided a chance to get influential members of Congress, including the House Majority Leader, on the record regarding their support for our legislative priorities.

We know their votes may not always align with their podium deliveries -- but getting them engaged and

building awareness of our priorities is how grassroots efforts grow into longer-term relationships.

Slide 13: Membership Trends

We continue to lean forward in the membership arena with new approaches to the ongoing challenge of reversing the trends in paid membership. I'm pleased to report we are making solid progress -- slow, but steady.

Membership is tracking well with projections. Renewal rates remain steady, and we continue to upgrade PREMIUM members to LIFE status at consistent levels.

One of our biggest challenges is growing our PREMIUM membership category, representing our annual dues paying members. We're not shying away from the challenge – and I can assure you we're constantly innovating, testing, evaluating and repeating proven campaigns.

In our quest to increase PREMIUM membership levels, Kathy Partain and her outstanding team have achieved a number of breakthroughs from testing new ideas, including unprecedented results from

holiday promotions, highly targeted direct mail, and our online Fighting Word campaigns. We'll continue to leverage these campaigns while probing for the next breakthrough initiative.

As we work to grow paid membership, I cannot emphasize enough the importance of our BASIC membership category. With more than 100,000 BASIC members, we now have a solid pipeline for paid membership.

There's not another veteran or military-focused association in this town with such a powerful membership model and a prospect list this deep.

This cohort of BASIC members also helps us maintain our overall membership number of 350 thousand — increasing our clout on Capitol Hill and allowing us to focus on growing paid membership.

Moving forward, we will also work to grow brand awareness of MOAA within the military community. I believe this is a critical first step in any customer journey — officers need to know who we are and what we do before they'll pay membership dues.

Our goal is to get the word out about MOAA and invite individuals to “try us out” with BASIC membership. This becomes our opportunity to educate, inform, engage, and cultivate—all leading toward a paid membership decision.

Slide 14: Membership Innovations

To this end, our Membership and Marketing team has introduced a number of new and exciting concepts this year, including a limited partnership with the Washington Redskins.

I’ll admit, the Redskins aren’t having a stellar season, but their fans are still engaged. What was particularly appealing about this partnership was their Redskins Salute program focused solely on their military fan-base.

Through this partnership, we’ve had opportunities to engage with members of the military at home games, invite members to participate in volunteer activities at FedEx Field, and sponsor an officer of the month program — all serving to advance MOAA’s name, both online and in-person, among this community.

We're also hosting a special event – our first Red, White and Brews happy hour – in Austin, Texas, later this month. We're taking the opportunity while there for the quarterly chapter leaders' workshop to engage with a different audience and demographic of officers – both members and prospects – in the local area.

It is purely a social event allowing them to network with one another while MOAA serves as the conduit for the introduction. If response is favorable, we will look at opportunities for future events of this type in 2020.

Slide 15: MOAA on the Small Screen

Many of you may have heard we are looking to launch a television ad during this year's Army Navy game. It's true – and it's one more manifestation of our commitment to innovate, test, evaluate, and repeat.

On December 14, MOAA's ad will run in 15 television markets across the country –markets with a high concentration of officers – to increase awareness about MOAA and our mission.

We're excited about this opportunity -- and we'll keep you posted as we evaluate the results.

Slide 16: Diversity Challenge

Now let's shift gears to another challenge we are actively addressing: diversity – and our commitment to ensure MOAA membership is reflective of the demographics of today's military.

It is absolutely critical in positioning MOAA for future success. Increasing the diversity of our membership will allow us to embrace diversity of thought – and to accelerate creativity, innovation and initiative throughout the association.

These are the same qualities we are cultivating on the MOAA headquarters team as we have steadily increased our minority representation at all levels.

Our next step is understanding the diversity represented within the MOAA membership field so we can begin to identify gaps as well as solutions for overcoming them. We will continue efforts to encourage members to self-report this data, but, in the meantime, we have relied on external sources to begin to understand our membership better.

We also leverage our outreach program to ensure MOAA is present at events attracting diverse audiences, such as the Kappa Alpha Psi Grand Chapter meeting I mentioned earlier.

Moreover, we are presently engaged in discussions with the leadership of The ROCKS, an affiliation of Army officers committed to mentoring minority officers, and we featured the Vice Chairman of The ROCKS as the keynote speaker at our annual Networking and Hiring Event this year.

Further, we've reached out to several organizations suggested by one of our newer Board members to explore additional opportunities for minority engagement, in addition to our long-standing relationship with Academy Women.

Slide 17: Strengthening Member Services

Today, I'm also pleased to report we're looking forward to continuing our partnership with USAA and Mercer Consumer — two organizations that have proven themselves as trusted partners and share our core values.

Along with our other partners, we're committed to delivering value-added products and services to our members and continuing the quest to add more products and services to our portfolio.

Slide 18: Engagement: Print Media

Throughout the past two years, we've achieved remarkable growth in our Communications channels.

Most recently, we've rolled out a redesigned MOAA.ORG website to better convey the message and benefits of the association and to deliver critical news and information.

This new calling card comes with a powerful engine under the hood -- a data-driven content engine helping us to identify and attract new members -- and with the added capability to better serve existing ones.

Information is also optimized for those members choosing to access it via a mobile device -- which is the channel of choice for younger members and one of the foundational pieces as we continue our evolution in the digital age.

Member engagement with content is growing. More members are opening and interacting with The MOAA Newsletter.

About 30 percent of newsletter recipients open it every week -- a strong statistic, and several percentage points above industry averages for association newsletters.

It also is newly redesigned, and now is nationally recognized as one of the best newsletters by Folio, the top organization reviewing non-profit magazine publishing.

Members tell us one of the benefits they value most is the credible news and information they receive from MOAA – and we upped our game in multimedia this year.

Our audiences have watched more than a quarter million views of MOAA produced videos, and that's just on social media posts.

Add in other online views -- and video becomes one of the fastest growing ways to get MOAA's message out.

Slide 19: Magazine Moving Forward

As many of you may already know, all of this follows the overwhelming, award-winning success of the redesign of Military Officer Magazine -- which is still innovating and improving with each issue.

Your magazine was recognized with a record number of national content and design awards this year. More rewarding though, is the increasing readership and attention our flagship publication is receiving. We know this through recent research and the unsolicited inputs I receive in nearly all of my field visits.

Our Communications Team – ably supported by our content generators and subject matter experts – is engaging more members and more prospects through more channels than ever before in the 91-year history of our association.

Slide 20: MOAA Foundation Impact

Transitioning to another important engagement program, The MOAA Foundation continues to provide significant funding to MOAA's military and veteran family programs.

Highlights of our Foundation's work this year include:

- Near-flawless execution of the fifth annual Military and Veteran Networking Forum at the National Air and Space Museum. More than 95 companies and 900 candidates registered for this event -- our most successful forum yet.
- Completion of five productive military spouse professional development seminars, with a sixth scheduled, and delivered in partnership with the U.S. Chamber of Commerce's Hiring our Heroes program and USAA.
- Completion of a Democracy Fund 2-year, \$300,000 grant to conduct voter outreach campaigns in 2018 and 2019.
- And continued high levels of interest in our Chapter Community Grant Program.

2019 also witnessed several improvements in our fund-raising success, with new campaigns conducted online in February and March to raise money for the

Chapter Community Grant program and on July 4th, when we held our first annual MOAA “Day of Giving.”

And we plan to close out the year with an End-of-Year campaign kicking off on Giving Tuesday, December 3rd.

Looking ahead, we will incorporate a Heritage Society renewal campaign – recognizing these are our most loyal Foundation donors – and a career transition program alumni campaign into our development strategy.

We will also begin building a planned giving program to sustain the MOAA Foundation -- just as that program has so successfully strengthened the MOAA Scholarship Fund for decades.

Slide 21: Scholarship Fund

Transitioning to MOAA’s award-winning Scholarship Fund, the program continues its record of success and will disburse more than \$8 million this school year to 1,300 students.

Next year, we expect to disburse 50 percent more in grants – increasing from \$1.1M to \$1.6M – and significantly easing the burden for many military families of financing higher education.

Furthermore, on-time loan repayments now exceed 98 percent.

As you review your end-of-year charitable giving priorities, please remember these are two world-class charities funding important work throughout the military community and building the MOAA brand in front of important constituencies.

This is precisely the type of community engagement work that is essential to attract the newest generation of veterans to affiliate with our local chapters.

Slide 22: Chapters Leading Locally

I continue to be amazed at the good work being done by our state councils and local chapters in nearly all 50 states.

You are consistently the first to engage in support of our national priorities, strong promoters of MOAA

membership, and increasingly more engaged in your local communities.

We continue working to increase the percentage of national members who are affiliated with our chapter system.

Our strategy is built around sharing best practices, increasing IT and administrative support, near immediate notification of new national joins to enhance local chapter recruiting efforts, spotlighting the leadership potential of our surviving spouses, and reinforcing the role of our council presidents.

Moreover, our state council presidents are an important farm team for grooming future board members – with three currently serving MOAA board members having previously served as state council presidents.

In my travels around the country, I hear very positive feedback for the level of support we are providing to the council and chapter system – including the 18-page feature section in the October issue of Military Officer Magazine and the capability to feature more chapter activities on the revamped MOAA.ORG website.

Finally, it was particularly gratifying to see 127 council and chapter volunteer leaders – including about 40 spouses – recently travel to Hershey, Pennsylvania for our largest quarterly chapter leaders’ workshop of 2019.

Slide 24: Finance Update

Shifting to our association’s financial position, our CFO, Regina Chavis, is on the dais with me this morning to take your specific financial questions.

You may have seen her annual financial report in the July issue of *Military Officer* magazine, but I’d like to highlight the continuing progress we are making to strengthen our financial position and prepare our association for the inevitable turbulence in the financial markets.

For a top-level summary, I’m pleased to report our investment portfolio has recorded a 13 percent rate of return year-to-date, and our investment portfolio is a little north of \$129 million.

Our goal is to grow our investment portfolio to around \$150 million, as recommended by our

financial advisors, to ensure our association fulfills its obligations to the membership and is able to weather extended market corrections.

I'm also pleased to report the final cost of our headquarters renovation is expected to come in slightly over 10 percent of planned budget -- very reasonable for a project of this magnitude.

And the entire MOAA team is looking forward to showing off our transformed headquarters immediately following our annual meeting – I hope all of you will join us for this formal ribbon cutting.

Slide 24: Year-in-Review

With this as a preamble, I'd like to show you our 2019 Year-in-Review summarizing our pivotal year.

You helped us deliver these impressive results and it's an honor to share this video summary with you.

(Transition to video)

We'll make this video available to you to assist with your chapter recruiting programs, and it will also be accessible at MOAA.ORG.

Slide 25: Board Selection Begins

As a final item for your attention, in January we will begin the process of identifying 12 new board members who will take office at our 2020 annual meeting of the membership in Kansas City, Missouri.

Our goal is to recruit and select a new board class that mirrors the demographic distribution of today's officer corps – as depicted on an earlier slide.

We need board members with a wide demographic distribution in terms of gender, racial background, and age – but also diversity of perspective – in order to represent the unique concerns of our field of membership.

Individuals with recent military operational experience, or backgrounds in communications, finance, public relations, healthcare, customer service, marketing, or council and chapter leadership are particularly valuable additions to our board of directors.

Selection procedures will be outlined in the January 2020 edition of Military Officer Magazine – and

General Lynch is available to answer specific questions about board service.

It's a wonderful opportunity to Never Stop Serving and help define the future of an impactful organization.

Board selection begins with a self-nominating process – and I hope many of you will consider applying.

Slide 26: Never Stop Serving

More important than our renovated headquarters or growth of our investment portfolio are the people on our team today.

They are an exceptional mix of seasoned talent and new ideas.

And while it's a continuing challenge to attract and retain top talent on our headquarters' team in the hyper-competitive metropolitan Washington area employment market, we get our share of franchise players.

But, I'm especially pleased with the collaboration and cooperation among our 7 group vice presidents as they work every day to stretch our vision, increase our impact, and nurture our team members.

You will meet many of them today -- and I will tell you their dedication and enthusiasm is unrivaled -- both in my military experience and in my post-military work in the media industry before joining the MOAA team.

Thanks to our collective efforts, we're unrivaled in advocacy effectiveness and military and veteran community impact.

This was reinforced when we received, for the 12th year in a row, recognition as the top veteran lobbyist organization in the nation.

With your support -- and the support of the headquarters' team and our talented board of directors -- I'm confident our work together will lead to continued success in 2020 and beyond.

Slide 27: Questions and Thank You

Thank you so much for allowing me to provide this update – and the leadership team and I would be pleased to take your questions.

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