

REPORT OF NEW CLUBS TRENDS

The New Clubs research project was initiated to study the long-term viability of our newly chartered clubs. The purpose was to determine membership trends -- whether these clubs gain or lose members in their first few years and their survival rate. Membership information was analyzed for those clubs chartered between 01-Jul-00 and 30-Jun-05. Fourteen clubs (0.3%) had to be eliminated from the study due to incomplete data. The following table illustrates the total number and percent of clubs chartered in each region during this time frame.

	New Clubs Chartered 2000-05	Percent of Total New Clubs
India	903	22.1%
Latin America	653	16.0%
North America	490	12.0%
Western Europe	477	11.7%
Asia Zones 4B & 6B	372	9.1%
Central & Eastern Europe	266	6.5%
Korea	261	6.4%
Africa	196	4.8%
Philippines	194	4.7%
Middle East	96	2.3%
RIBI	64	1.6%
Australia New Zealand & PI	51	1.2%
Japan	45	1.1%
Caribbean Islands	24	0.6%
Worldwide	4092	

To determine the membership trends for these new clubs, a regional and yearly analysis was conducted. Clubs from RIBI were not included in this analysis, as RI Headquarters does not have complete membership information for this area from the last five years. A total of 4,028 new clubs were studied. The following two tables illustrate our results.

Exhibit I: New Clubs – Regional Analysis

This provides a regional analysis of all clubs chartered in the past five years, comparing charter membership numbers to current membership numbers. The top half of the table outlines how many clubs were chartered in each region between 01-Jul-00 and 30-Jun-05, the number of clubs that have been terminated and reinstated, the number of active clubs, and the percentage of the new clubs that have been terminated. The numbers in the bottom half of the table reflect those clubs which are still active. This section illustrates the number of charter members, current members, the difference between these numbers, and the percentage change in membership.

The analysis indicates that **India has terminated the largest percentage of its new clubs at 24%**, followed by **the Philippines and Latin America each with 16% of new clubs terminated**. Conversely, **Japan has terminated none of its new clubs**. Also noted is that **Latin America has lost 26% of members** in active new clubs, with **Australia & New Zealand following with 21%**. New clubs in **Japan and Western Europe have been able to gain members at 4% and 14% respectively**.

Exhibit II: New Clubs – Yearly Analysis

This provides a yearly analysis of clubs chartered during the past five Rotary years. It groups all of the clubs chartered throughout the world by the Rotary year in which they were chartered. The table then illustrates each “class” of new clubs through each following year, documenting how many clubs were terminated and the membership trends in active clubs each year. The “Charter Year” accounts for the clubs’ first partial year of existence – from the charter date to 30 June. Each successive year listed is a full Rotary year. Due to the current systems process, we cannot obtain membership numbers once a club is identified as “non-payment.” Thus, for this analysis, clubs terminated due to non-payment are listed as terminated in the year in which the non-payment occurred, not the year in which RI officially terminated the club. (For example, a club terminated in Oct. 03 for non-payment in Jan. 03 would be listed as terminated in the 02-03 Rotary year.)

It appears that the **biggest losses in members seem to occur in the second year of existence**, while the **third, fourth, and fifth years bring more stability**, as active clubs are able to lose fewer members or even gain members. It is clear that the **most club terminations occur in the second year of existence**. Club viability trends for the third, fourth, and fifth years are currently a bit unstable. More analysis is needed before long-term trends can be clearly identified.

It is our intent to continue this study for the next four years so that we have more complete information and can identify more reliable trends for the first five years of a club’s existence.

New Clubs -- Regional Analysis

A regional analysis of clubs chartered between 1 July 2000 and 30 June 05.

	Clubs			Current Active Clubs	% No Longer Active
	Chartered	# Terminated	# Reinstated		
India	903	228	14	689	23.7%
Philippines	194	41	9	162	16.5%
Latin America	653	125	20	548	16.1%
Africa	196	45	18	169	13.8%
Asia Zones 4B & 6B	372	48	8	332	10.8%
Korea	261	26	4	239	8.4%
Caribbean Islands	24	5	3	22	8.3%
Middle East	96	12	6	90	6.3%
Central & Eastern Europe	266	14	8	260	2.3%
Australia, New Zealand & PI	51	1	0	50	2.0%
North America	490	11	2	481	1.8%
Western Europe	477	3	1	475	0.4%
Japan	45	0	0	45	0.0%
Worldwide:	4,028	559	93	3,562	12%

Members in Active Clubs

	Total # of Charter Members *	Total # Gain/Loss *	Total % Gain/Loss *	Total # of Current Members
Latin America	12,906	(3,410)	-26%	9,496
Australia, New Zealand & PI	1,267	(267)	-21%	1,000
Philippines	4,010	(660)	-16%	3,350
Korea	8,259	(1,182)	-14%	7,077
Africa	4,255	(577)	-14%	3,678
India	17,358	(2,211)	-13%	15,147
Asia Zones 4B & 6B	8,748	(1,053)	-12%	7,695
Middle East	2,240	(91)	-4%	2,149
Caribbean Islands	554	(18)	-3%	536
Central & Eastern Europe	6,408	(170)	-3%	6,238
North America	12,312	(207)	-2%	12,105
Japan	1,363	53	4%	1,416
Western Europe	11,766	1,662	14%	13,428
Worldwide:	91,446	(8,131)	-9%	83,315

*in current active clubs

New Clubs -- Yearly Analysis

An analysis by year of clubs chartered from 1 July 2000 - 30 June 2005.

Charter Year					
Clubs					
	Clubs Chartered	# Clubs Terminated	% Clubs Terminated	# Clubs Reinstated	Active Clubs at Year End
Class of 00-01 *	561	12	2%	0	549
Class of 01-02	1,135	61	5%	0	1,074
Class of 02-03	786	9	1%	0	777
Class of 03-04	674	0	0%	0	674
Class of 04-05	761	5	1%	1	757

Members					
	Members Lost due to Club Termination	Charter Members in Active Clubs	Net Gain/Loss in Active Clubs	% Gain/Loss in Active Clubs	Members in Active Clubs at Year End
Class of 00-01 *	287	14,068	(911)	-6%	13,157
Class of 01-02	1,608	28,480	(1,273)	-4%	27,207
Class of 02-03	213	20,062	(310)	-2%	19,752
Class of 03-04	0	17,256	(506)	-3%	16,750
Class of 04-05	102	18,339	(356)	-2%	17,983

Second Year					
Clubs					
	Clubs at 2nd Year Start	# Clubs Terminated	% Clubs Terminated	# Clubs Reinstated	Active Clubs at Year End
Class of 00-01 *	549	50	9%	0	499
Class of 01-02	1,074	96	9%	3	981
Class of 02-03	777	35	5%	3	745
Class of 03-04	674	45	7%	4	633
Class of 04-05	N/A	N/A	N/A	N/A	N/A

Members					
	Members Lost due to Club Termination	Members in Active Clubs at 2nd Year Start	Net Gain/Loss in Active Clubs	% Gain/Loss in Active Clubs	Members in Active Clubs at Year End
Class of 00-01 *	1,141	12,016	(1,257)	-10%	10,759
Class of 01-02	2,187	25,020	(1,626)	-6%	23,394
Class of 02-03	1,008	18,744	(1,380)	-7%	17,364
Class of 03-04	1,259	15,491	(817)	-5%	14,674
Class of 04-05	N/A	N/A	N/A	N/A	N/A

* 2000-01 figures do not include clubs from Europe or the Middle East because membership information for these areas was not maintained by RI Headquarters until 1 July 2001.

Third Year					
Clubs					
	Clubs at 3rd Year Start	# Clubs Terminated	% Clubs Terminated	# Clubs Reinstated	Active Clubs at Year End
Class of 00-01 *	499	23	5%	3	479
Class of 01-02	981	36	4%	35	980
Class of 02-03	745	62	8%	8	691
Class of 03-04	N/A	N/A	N/A	N/A	N/A
Class of 04-05	N/A	N/A	N/A	N/A	N/A

Members					
	Members Lost due to Club Termination	Members in Active Clubs at 3rd Year Start	Net Gain/Loss in Active Clubs	% Gain/Loss in Active Clubs	Members in Active Clubs at Year End
Class of 00-01 *	370	10,389	107	1%	10,496
Class of 01-02	778	22,616	(703)	-3%	21,913
Class of 02-03	1,290	16,074	(195)	-1%	15,879
Class of 03-04	N/A	N/A	N/A	N/A	N/A
Class of 04-05	N/A	N/A	N/A	N/A	N/A

Fourth Year					
Clubs					
	Clubs at 4th Year Start	# Clubs Terminated	% Clubs Terminated	# Clubs Reinstated	Active Clubs at Year End
Class of 00-01 *	479	18	4%	16	477
Class of 01-02	980	68	7%	17	929
Class of 02-03	N/A	N/A	N/A	N/A	N/A
Class of 03-04	N/A	N/A	N/A	N/A	N/A
Class of 04-05	N/A	N/A	N/A	N/A	N/A

Members					
	Members Lost due to Club Termination	Members in Active Clubs at 4th Year Start	Net Gain/Loss in Active Clubs	% Gain/Loss in Active Clubs	Members in Active Clubs at Year End
Class of 00-01 *	292	10,204	(56)	-1%	10,148
Class of 01-02	1,179	20,734	(113)	-1%	20,621
Class of 02-03	N/A	N/A	N/A	N/A	N/A
Class of 03-04	N/A	N/A	N/A	N/A	N/A
Class of 04-05	N/A	N/A	N/A	N/A	N/A

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Fifth Year						
Clubs						
	Clubs at 5th Year Start	# Clubs Terminated	% Clubs Terminated	# Clubs Reinstated	Active Clubs at Year End	
<i>Class of 00-01 *</i>	477	32	7%	4	449	
<i>Class of 01-02</i>	N/A	N/A	N/A	N/A	N/A	N/A
<i>Class of 02-03</i>	N/A	N/A	N/A	N/A	N/A	N/A
<i>Class of 03-04</i>	N/A	N/A	N/A	N/A	N/A	N/A
<i>Class of 04-05</i>	N/A	N/A	N/A	N/A	N/A	N/A

Members					
	Members Lost due to Club Termination	Members in Active Clubs at 5th Year Start	Net Gain/Loss in Active Clubs	% Gain/Loss in Active Clubs	Members in Active Clubs at Year End
<i>Class of 00-01 *</i>	476	9,672	(141)	-1%	9,531
<i>Class of 01-02</i>	N/A	N/A	N/A	N/A	N/A
<i>Class of 02-03</i>	N/A	N/A	N/A	N/A	N/A
<i>Class of 03-04</i>	N/A	N/A	N/A	N/A	N/A
<i>Class of 04-05</i>	N/A	N/A	N/A	N/A	N/A

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