

P.O. Box 471 Cooper Station
New York, N.Y. 10003

July 24, 1974

TO ALL ORGANIZERS AND FINANCIAL DIRECTORS

Dear Comrades,

Attached for your information is the Financial Report approved by the July 4-7, 1974 National Committee plenum.

All financial directors will want to attend the YSA Finances Workshop at the upcoming Oberlin educational conference. In addition, time should be set aside at Oberlin for financial directors and organizers to meet with a comrade from the National Office to discuss the local's fall fund drive quota and the local's fall budget projections. September through December local and regional work budgets, even if they are initial ones, should be brought to Oberlin.

Locals will want to be sure that vacation plans and going to the Oberlin educational conference do not disrupt August and September dues and sustainer collection. Many locals are urging comrades to pay ahead on their dues and sustainer before they go to Oberlin and/or on vacation. This can help to maximize sustainer collection over the summer months and ensure that the local can meet all of its regular expenses.

As in previous years, locals are again requested not to bring fund-raising sale items to Oberlin.

Comradely,



Delpfine Welch
YSA Financial Director

FINANCIAL REPORT

JULY 4-7, 1974 NATIONAL COMMITTEE PLENUM

By Delpfine Welch

One year ago we were able to announce to the plenum that the YSA had just completed the spring fund drive successfully. As a matter of fact, we made 106 percent of our \$35,000 goal. That was an important victory for us since it was the first drive we had made since the drive of spring 1971. We did it again last fall, and this spring we can announce that the National Office has received \$37,931, almost \$2,000 over our goal. We have made considerable progress in the last year with three successful national fund drives now behind us.

This spring 44 locals achieved their goals with half of those going over 100 percent. In the course of the drive, 13 locals raised their quotas from the original projections and most of those went on to surpass their new higher goals. For example, Philadelphia originally accepted a \$1,600 quota, then raised it to \$1,700 and by the time the drive ended they had sent in \$1,850.

Comrades can see from the financial sheets compiled for the plenum, that this spring's drive had the highest average per capita fund drive pledge of any of the last three -- \$34.19. Internal pledges accounted for 80 percent of the total amount of money sent in for the fund drive from the center locals, a little bit more than last fall. The other 20 percent came from campus budgets, honoraria for speaking engagements, socials, rummage sales, book sales, and sale of special items. Campus budgets and honoraria accounted for over half of the outside fund raising.

The success of this fund drive underscores several points. One is the ability of the YSA to tackle a project and see it through to its successful conclusion. This requires ongoing, permanent education on our financial norms: that we are a self-financing organization, that we operate on balanced budgets, and that the bedrock of our finances are the contributions from the membership.

Locals gave the fund drive leadership attention, and planned out fund drive budgets to guide their local's work. Most locals made regular payments that kept the fund drive close to schedule throughout the spring and generally avoided the plague of "crisis-organizing" -- that is, not planning it out, letting the drive go until the end and then making last-minute, frantic payments.

The progress of our fund drive has been crucial to the improvement of YSA national finances. As comrades know, the fund drive supplies most of the income used to finance the National Office of the YSA. Comrades in the N.O. don't go out and raise honoraria on their own or try to pull off a book sale on the nearest street corner. The financing of the national center is totally dependent on the membership.

International Work

One area of work that we were able to expand this spring as a result of our improved finances was our international work. At the convention we projected stepping-up our collaboration with co-thinkers around the work to bring them the experiences and traditions of the YSA and to learn from the different experiences of the other Trotskyist

youth organizations. I think that what we accomplished this spring on this score is pretty exciting.

To start off with, we spent more money on international work this spring than ever before. It accounted for 13 percent of our spring budget. We sent a delegation of five people as fraternal observers to the world congress. We sent Jim Little on a two-month tour of Australia and New Zealand. He represented the YSA at the Australian Socialist Youth Alliance convention and New Zealand's Young Socialists conference. The expenses of the three-person team that spent a month down in Puerto Rico were covered by the YSA. Also, just before our December convention, Norman Oliver went from the YSA along with George Novack from the Socialist Workers Party to the PST convention in Argentina. And Malik Miah will spend a month in India soon to further collaboration with our comrades there. He will also visit Bangla Desh.

The National Center

At the heart of financing the national organization is maintaining the national center which is necessary for the smooth functioning of the YSA as a whole. This spring, 10 comrades were assigned to the National Office. Many comrades that got to the plenum early went to see our new expanded national offices. Most everyone saw slides of it at the last convention. And correspondingly, which we expected, the N.O. has new, expanded rent and utilities bills -- just to name a few of the expenses of maintaining a center. Another expense of the N.O. involves some debts.

In that period when national fund drives fell short of our goal and when large debts to the N.O. for literature, etc. were accumulated by the locals, the National Office attempted to function at the projected level without a sufficient amount of income. The N.O. had to borrow funds in order to do this. Our total debts amounted to over \$26,000. At the 1972 convention we set out to correct this. Since then the National Office has been current in all its financial obligations and has operated on a balanced budget.

We didn't know at that time when, or at what pace, we would be able to begin paying back the debts. But the development of YSA finances over the past two years has enabled us to begin quicker than we had thought. To date, we have paid back \$22,000, and by the time of the next convention we plan to have it all paid off and owe nothing to anyone. This is certainly a big victory for the YSA.

Now that we have made some fundamental improvements in our financial work, especially in regard to fund drives, what is the next step in the ongoing process of strengthening the YSA's finances? There are two areas that I want to single out that need more attention and where I think we can and should make some progress: Young Socialist finances and local budgets.

Young Socialist Finances

One of the financial charts compiled for the plenum shows the performance of all YSA locals in keeping current on bundle payments for the past five issues of the YS. Of the 46 locals that had bundles for all five months, only six locals were current the entire time, that is,

paid the bill within the month the paper was sold. In addition, the total amount of money that locals owe the paper has almost doubled in the last year. Over half of this debt was accumulated just since the YSA convention last December. This is a situation that we need to turn around.

What it indicates is that YS finances are not sufficiently organized. The Organization Report pointed to the tremendous achievement of the spring YS sales campaign. This is a political victory for us, and like almost everything else we do, it has its financial side. We sold a tremendous amount of papers -- overall, more than would have to be sold simply to pay for the bundle. Almost every local made a profit each month during the course of the drive. But at the same time, the debt to the YS went up. That can only mean one thing: that money generated from sales of the paper went first to local expenses, not to paying the bill.

Financing the YS is independent from the YSA's national finances, although the National Office staff puts out the paper. When we first launched the YS, it was not clear that income from sales would cover the costs of publishing the paper -- and at first they didn't. But with the success of the sales drives we felt that enough income could be generated from sales to make the YS self-financing. So, for the first time this spring the YS projected a balanced budget based on subscriptions and receiving 100 percent payment for bundles ordered by locals. However, 100 percent payment was not received. The YS did pay for itself, though, only because we were forced to put out a few 16 page issues -- which we had not originally projected doing -- and that lowered some of the expenses.

Campaign to Keep Current to the YS

What the National Executive Committee thinks is needed and wants to launch here is a national campaign to keep current to the YS. Local bundles comprise most of the monthly YS run. ~~Therefore,~~ whether or not locals pay the bills on time is the single most important factor in developing a self-sufficient and solvent budget for the YS. The YS bundle is one of the most important bills for the local to pay each month. The YS needs that money regularly to pay its bills. In a sense, it's just like making out a check directly to our printer or to the Post Office.

Keeping current to the YS is a national campaign that every local can participate in. It should be given careful leadership attention. The necessary personnel should be assigned and the progress of the campaign should be reported on regularly to the local. Correspondingly, the National Office will be giving special attention to this drive. We will report monthly on our national progress, and at the YSA convention we'll be able to evaluate how well we've done.

Local Finances

Now to turn to the local budgets. The one word that most aptly describes them is "unevenness." I don't just mean unevenness from local to local, but within a local from month to month. Some months the budgets are solvent; sometimes they're not. Sometimes the local is current in its financial obligations, but sometimes not. Most

months the rent is paid, but in some months it isn't. This is an area that needs more leadership attention on both a local and national scale.

In this work, one of the watchwords should be professionalism. It means well-kept books, solvent budgets, keeping current and eliminating debts which will make it easier in the financial sense to carry out our political projections.

The main task we have in upgrading local finances is to organize balanced budgets on a month-to-month basis. And of course that means the budget has to be a working budget. It has to be a guide in our day-to-day work and not just put in the drawer at the beginning of the month and taken out at the end. The starting point for building solvency and regularity into local budgets in most locals will mean continuing to raise the sustainer base, our most consistent source of income.

Over the spring we have made some more progress in raising per capita weekly sustainer pledges. From May 1973 to May 1974 the average per capita sustainer has gone up 15 percent for center locals for a national average of \$3.05 per comrade. Fourteen center locals currently have sustainers that average over \$3.00 and one regional local, Nashville.

At the same time the sustainer went up, the average fund drive pledge went up 19 percent. This continues to bear out what we said a year ago -- that we could raise both the per capita sustainer and average fund drive pledge at the same time. What's fundamentally involved in both is increasing financial consciousness by politically motivating the need for the membership to finance both the local and national operations of our movement.

Although the sustainer base in most locals is higher than it was a year ago, so too are the expenses of maintaining a local. As a matter of fact, from what comrades reported on the financial sheets for the plenum, the weekly operating expenses of a local rose a little bit more than the sustainer base.

At this point, we can say that the \$3.00 goal we set a few years ago for a national average per capita sustainer is no longer adequate. The old \$3.00 goal served us well for quite a while by helping to establish some basic financial norms in the YSA that pulled our finances up from rock bottom. However, in no center local today is a \$3.00 per comrade per week average sustainer adequate to our needs.

I don't want to project a figure here for what a new national goal should be. How much the local needs to raise its sustainer base has to be based on how much the local needs, and that will be determined in real life. If we project operating on solvent budgets and making the foundation of our finances the sustainer, then we don't need to pull an arbitrary figure out of the air for what the average sustainer should be. They should be what we need and they should be high.

At the same time to balance local budgets it's important to continue organizing well-planned fund-raising activities.

Once we are regularly solvent and steady we'll have more flexibility to consider areas of expansion.

Regional Work

One such area is regional work. Over the spring there were 11 full-time regional organizers. That means that five regions did not have regional organizers assigned full time. This was for both financial and personnel reasons. We've discussed the importance of having a regional organizer to be able to tap the potential for recruitment and education of members in the region. We want to do everything we can to make a full-time regional organizer financially possible in every area.

Over the past couple of years, we have sent out regional teams each spring and fall. We have financed them nationally because we think it's important that all parts of the country do some regional work whether or not a full-time organizer fits into their regional budget. But at the same time our experience tells us that a regional organizer is needed to fully take advantage of the gains the teams can make.

Regional work has become one of the major areas of work for our entire movement. Because of that SWP branches in many regions help finance it. But the central responsibility for carrying out the work belongs with the YSA, and we hope to see the YSA expand its financial potential to take on more of the responsibility in the future. Right now the contributions of locals to regional work vary considerably from local to local.

Just like sustainers are the bedrock of local finances and fund drive pledges are the backbone of the fund drive, so too are the contributions of locals and branches the core of our regional budget. All YSA locals should be contributing on a regular basis to financing regional work -- both center and regional locals. For regional locals I think this is a two-way street. That is, to have regional locals take on some financial responsibility for regional work will require helping to strengthen their finances. The financial know-how and norms developed in the center need to be taken to the region. It's all tied up with improving our regional work.

Our Headquarters

Another part of our budgets that bears some watching is what the YSA expends for maintaining its headquarters. Our headquarters are very important to us. The headquarters is where we hold most of our meetings and coordinate our work. For us they are political organizing centers. We bring our contacts to the socialist bookstore in the hall. Having a professional, attractive headquarters impresses people around us with the fact that we're not some fly-by-night group that's here today and gone tomorrow. We are the only socialist youth group that has open, public headquarters in cities all across the country. That gives us a big political advantage over all our opponents.

But the share the YSA pays for headquarters doesn't correspond with this political conception or the objective reality of what we use. Overall, what the YSA pays for rent can really only be considered token. Nationally, what the locals pay amounts to \$1,100 out of monthly gross rents that total \$8,400. And that doesn't include util-

ities which is another few thousand dollars. To my knowledge, only one local in the country pays for utilities.

As comrades know, electricity rates are increasing enormously and rents are going up too.

For some locals that have recently expanded or moved their headquarters, the responsibility for pulling more of our share in maintaining them is more apparent because generally it means an immediate increase in rent. Some locals have raised their rent payments recently. But generally I think we take our headquarters for granted. This particular expenditure should be kept in mind as a possible area for expansion when comrades are working on the fall budgets and other budgets in the future.

The National Office plans to give more attention to the functioning of local budgets. We want the PROGRESS REPORT to discuss topics related to local finances and for the National Office to consult with comrades on the problems or successes of aspects of local finances. To do this the N.O. should receive budget projections and summaries -- including regional work budgets -- on a regular basis, as well as financial reports, comments and ideas.

At Oberlin we hope to have a fuller discussion in the finances workshop. To facilitate this it would be best if assignments for fall financial director could be made this summer so the new financial director can attend the workshop, along with the old one.

Fall National Fund Drive

Because a few items for the National Office fall budget still have to be completed, we don't have an exact national fund drive goal to project at this time. But we have enough of an initial budget to know that the fall fund drive will need to be in the range of the past few, that is, in the range of \$34,000 to \$36,000. By Oberlin we will be able to have a national goal and will have proposed quotas to discuss with locals.

An important part of last fall's drive was sending in early payments over the summer. Seventeen locals paid \$2,580 in July and August last year to get the fund drive off to a headstart. We project locals making payments on the fall fund drive this summer too.

We'll want to continue the fall drive in the tradition of the past three -- organizing solid fund drive budgets, sending in regular payments throughout the drive and making the backbone of the drive contributions from the membership.

Fall Financial Tasks

Our financial tasks for the fall are clear. First and foremost will be making a national fund drive in the range of \$34,000-\$36,000. Second, organizing a national campaign to keep current to the YS and to significantly reduce the debts to the YS. And third, we'll be giving more attention to local budgets to make progress in professionalizing and balancing them on a monthly basis.