

REPORT OF NEW CLUBS TRENDS

The New Clubs research project was initiated to study the long-term viability of Rotary International's 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 clubs chartered between 1 July 2000 and 30 June 2005, tracking their first five years of existence. The following table illustrates the total number and percent of clubs chartered in each region during this time frame.

Region	New Clubs Chartered 2000-05	Percent of Total New Clubs
Africa	195	4.8%
Australia, New Zealand, & PI	51	1.2%
Canada & USA	491	12.0%
Caribbean Islands	24	0.6%
Central & Eastern Europe	267	6.5%
Central & Southeast Asia	374	9.1%
India	905	22.1%
Japan	45	1.1%
Korea	263	6.4%
Latin America	653	15.9%
Middle East	97	2.4%
Philippines	191	4.7%
RIBI	65	1.6%
Western Europe	478	11.7%
Worldwide Total	4099	

To determine the membership trends for these new clubs, a regional and yearly analysis was conducted. Clubs from RIBI (65 clubs) were not included in this analysis, as RI Headquarters does not have complete membership information for this area from these years. A total of 4,034 new clubs were studied. The exhibits on the following pages illustrate our results.

Exhibit A: Regional Analysis

Exhibit A provides a regional analysis of these new clubs, comparing membership numbers from the clubs' charter date to the end of their fifth year of existence. The first table outlines how many clubs were chartered in each region during this time period, the number of clubs that have been terminated and reinstated, the number of clubs active at the end of the fifth year, and the percentage net change. It shows that **India has lost the largest percentage of its new clubs at 36%**, followed by **the Philippines and Latin America with 32% and 25% of new clubs lost, respectively**. Conversely, **Japan has lost none of its new clubs and Western Europe has lost only 1% of its new clubs**.

The second table reflects those clubs which are still active at the end of the fifth year. It compares the number of charter members to the number of members in these clubs at the end of the fifth year. The table illustrates that **Latin America has lost 33% of members in active new clubs, with Australia, New Zealand & Pacific Islands following with 25%**. New clubs in **Japan and Western Europe have been able to gain members at 3% and 22% respectively**.

Exhibit B: Yearly Analysis - Clubs

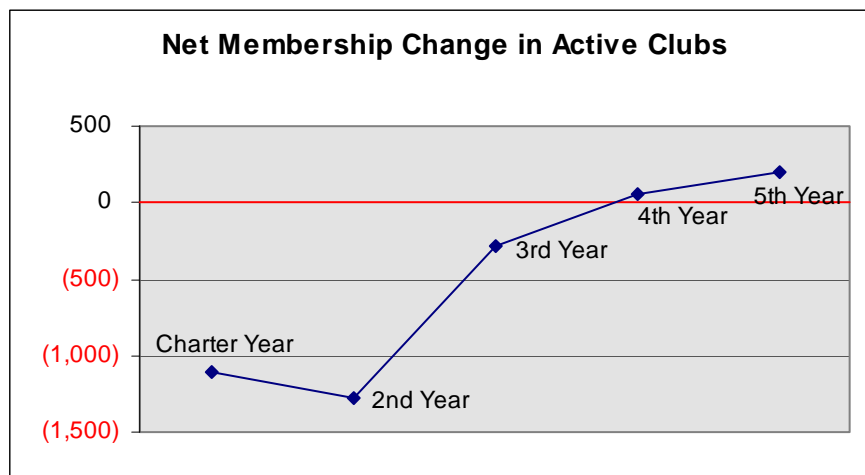
This exhibit provides a yearly analysis of the new clubs. It groups all of the clubs by the Rotary year in which they were chartered. The table then illustrates each group through each following year, documenting how many clubs were terminated and reactivated, and the net change from year to year. The “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.

This exhibit shows that **most club terminations generally occur in the second year of existence.** These terminations, together with a small number of reactivations, result in a 9% net loss of clubs in the second year. **The third year brings more stability** as fewer clubs are terminated and more clubs are reactivated, resulting in only a 4% net loss. **The fourth and fifth years continue to bring stability** as fewer clubs are terminated or reactivated, resulting in a 4% and 3% net loss respectively.

Exhibit C: Yearly Analysis - Members

This exhibit provides a yearly analysis of membership in the new clubs. It groups the clubs by the Rotary year in which they were chartered and then illustrates the membership trends in each group from their charter year through their fifth year of existence. This includes the number of charter members, the members lost and gained from club termination and reactivation, the net membership change in clubs that were not terminated or reactivated in each year, and the overall net change in membership each year.

When considering the net change in *surviving* clubs (those clubs that were not terminated or reactivated that year), **clubs have their greatest loss of members in the charter year and second year, peaking at an 8% loss in the second year.** Clubs experience a **marked improvement in the third year** (only 2% loss), **fully stabilize in the fourth year** (0.4% gain), **and generally experience growth in the fifth year** (1% gain). The following graph illustrates this average trend in net change.



When considering the net change in membership in *all* clubs, including those clubs that have been terminated and reactivated, the net losses are greater, however the trend follows a similar pattern. The losses peak in the second year (16% loss), improve in the third year (5% loss), continue to improve in the fourth year (3% loss), and generally stabilize by the fifth year (0.3% loss).

Regional Analysis

A five-year regional analysis of clubs chartered between 1 July 2000 and 30 June 2005.

	Clubs				
	Clubs Chartered	Terminated	Reinstated	Surviving Clubs *	Percent Net Change
<i>India</i>	905	420	94	579	-36%
<i>Philippines</i>	191	96	34	129	-32%
<i>Latin America</i>	653	250	87	490	-25%
<i>Central & Southeast Asia</i>	374	163	75	286	-24%
<i>Africa</i>	195	97	56	154	-21%
<i>Korea</i>	263	57	15	221	-16%
<i>Middle East</i>	97	27	16	86	-11%
<i>Caribbean Islands</i>	24	13	11	22	-8%
<i>Central & Eastern Europe</i>	267	45	24	246	-8%
<i>Canada & USA</i>	491	50	27	468	-5%
<i>Australia, New Zealand & PI</i>	51	6	4	49	-4%
<i>Western Europe</i>	478	16	10	472	-1%
<i>Japan</i>	45	0	0	45	0%
Worldwide Total	4,034	1,240	453	3,247	-20%

	Members in Surviving Clubs *			
	Charter Members	Members After 5 Yrs	Net Change	Percent Net Change
<i>Latin America</i>	11,598	7,751	(3,847)	-33%
<i>Australia, New Zealand & PI</i>	1,254	939	(315)	-25%
<i>Philippines</i>	3,300	2,518	(782)	-24%
<i>Africa</i>	3,886	2,999	(887)	-23%
<i>Central & Southeast Asia</i>	7,684	6,024	(1,660)	-22%
<i>India</i>	14,911	12,916	(1,995)	-13%
<i>Korea</i>	7,703	6,748	(955)	-12%
<i>Caribbean Islands</i>	554	507	(47)	-8%
<i>Central & Eastern Europe</i>	6,100	5,817	(283)	-5%
<i>Canada & USA</i>	12,018	11,567	(451)	-4%
<i>Middle East</i>	2,165	2,091	(74)	-3%
<i>Japan</i>	1,363	1,400	37	3%
<i>Western Europe</i>	11,699	14,317	2,618	22%
Worldwide Total	84,235	75,594	(8,641)	-10%

* *Surviving clubs* means the clubs that were active at the end of the fifth year.

Yearly Analysis - Clubs

An analysis by year of clubs chartered between 1 July 2000 and 30 June 2005.

Charter Year						
Year Chartered	Clubs Chartered	Clubs Terminated	% Clubs Terminated	Clubs Reactivated	Net Change	% Net Change
2000-01	565	(2)	0.4%	0	(2)	-0.4%
2001-02	1,137	(25)	2%	0	(25)	-2%
2002-03	789	(9)	1%	0	(9)	-1%
2003-04	665	0	0%	0	0	0%
2004-05	763	(7)	1%	0	(7)	-1%
Average	784	(9)	1%	0	(9)	-1%

Second Year						
Year Chartered	Clubs at 2nd Year Start	Clubs Terminated	% Clubs Terminated	Clubs Reactivated	Net Change	% Net Change
2000-01	563	(72)	13%	6	(66)	-12%
2001-02	1,112	(172)	15%	22	(150)	-13%
2002-03	780	(39)	5%	7	(32)	-4%
2003-04	665	(59)	9%	10	(49)	-7%
2004-05	756	(90)	12%	22	(68)	-9%
Average	775	(86)	11%	13	(73)	-9%

Third Year						
Year Chartered	Clubs at 3rd Year Start	Clubs Terminated	% Clubs Terminated	Clubs Reactivated	Net Change	% Net Change
2000-01	497	(49)	10%	25	(24)	-5%
2001-02	962	(51)	5%	67	16	2%
2002-03	748	(78)	10%	20	(58)	-8%
2003-04	616	(64)	10%	29	(35)	-6%
2004-05	688	(64)	9%	27	(37)	-5%
Average	702	(61)	9%	34	(28)	-4%

Fourth Year						
Year Chartered	Clubs at 4th Year Start	Clubs Terminated	% Clubs Terminated	Clubs Reactivated	Net Change	% Net Change
2000-01	473	(23)	5%	29	6	1%
2001-02	978	(85)	9%	27	(58)	-6%
2002-03	690	(65)	9%	28	(37)	-5%
2003-04	581	(49)	8%	23	(26)	-4%
2004-05	651	(47)	7%	18	(29)	-4%
Average	675	(54)	8%	25	(29)	-4%

	Fifth Year					
<i>Year Chartered</i>	Clubs at 5th Year Start	Clubs Terminated	% Clubs Terminated	Clubs Reactivated	Net Change	% Net Change
<i>2000-01</i>	479	(38)	8%	8	(30)	-6%
<i>2001-02</i>	920	(59)	6%	32	(27)	-3%
<i>2002-03</i>	653	(41)	6%	16	(25)	-4%
<i>2003-04</i>	555	(29)	5%	21	(8)	-1%
<i>2004-05</i>	622	(15)	2%	13	(2)	-0.3%
Average	646	(36)	6%	18	(18)	-3%

Yearly Analysis - Members

An analysis by year of members in clubs chartered between 1 July 2000 and 30 June 2005.

Charter Year							
Year Chartered	Charter Members	Members Lost due to Club Termination	Members Gained due to Club Reactivation	Net Change in Active Clubs *	% Change in Active Clubs *	Net Change in All Clubs	% Change in All Clubs
2000-01	14,488	(47)	0	(994)	-7%	(1,041)	-7%
2001-02	30,142	(723)	0	(1,295)	-4%	(2,018)	-7%
2002-03	20,344	(213)	0	(1,222)	-6%	(1,435)	-7%
2003-04	17,038	0	0	(898)	-5%	(898)	-5%
2004-05	18,491	(148)	0	(1,162)	-6%	(1,310)	-7%
Average	20,101	(226)	0	(1,114)	-6%	(1,340)	-7%

Second Year							
Year Chartered	Members at 2nd Year Start	Members Lost due to Club Termination	Members Gained due to Club Reactivation	Net Change in Active Clubs *	% Change in Active Clubs *	Net Change in All Clubs	% Change in All Clubs
2000-01	13,447	(1,411)	24	(1,142)	-9%	(2,529)	-19%
2001-02	28,124	(4,142)	322	(2,018)	-8%	(5,838)	-21%
2002-03	18,909	(997)	133	(1,166)	-7%	(2,030)	-11%
2003-04	16,140	(1,226)	146	(1,112)	-7%	(2,192)	-14%
2004-05	17,181	(1,735)	241	(932)	-6%	(2,426)	-14%
Average	18,760	(1,902)	173	(1,274)	-8%	(3,003)	-16%

Third Year							
Year Chartered	Members at 3rd Year Start	Members Lost due to Club Termination	Members Gained due to Club Reactivation	Net Change in Active Clubs *	% Change in Active Clubs *	Net Change in All Clubs	% Change in All Clubs
2000-01	10,918	(859)	386	(347)	-3%	(820)	-8%
2001-02	22,286	(942)	1,105	(543)	-3%	(380)	-2%
2002-03	16,879	(1,464)	348	(284)	-2%	(1,400)	-8%
2003-04	13,948	(1,063)	397	(247)	-2%	(913)	-7%
2004-05	14,755	(958)	359	0	0%	(599)	-4%
Average	15,757	(1,057)	519	(284)	-2%	(822)	-5%

* Active clubs indicates clubs that were not terminated or reinstated that year

Fourth Year							
<i>Year Chartered</i>	Members at 4th Year Start	Members Lost due to Club Termination	Members Gained due to Club Reactivation	Net Change in Active Clubs *	% Change in Active Clubs *	Net Change in All Clubs	% Change in All Clubs
2000-01	10,098	(346)	421	(85)	-1%	(10)	-0.1%
2001-02	21,906	(1,375)	498	(9)	-0.04%	(886)	-4%
2002-03	15,479	(915)	384	67	0.5%	(464)	-3%
2003-04	13,035	(697)	199	(57)	-0.5%	(555)	-4%
2004-05	14,156	(596)	228	358	3%	(10)	-0.1%
Average	14,935	(786)	346	55	0.4%	(385)	-3%

Fifth Year							
<i>Year Chartered</i>	Members at 5th Year Start	Members Lost due to Club Termination	Members Gained due to Club Reactivation	Net Change in Active Clubs *	% Change in Active Clubs *	Net Change in All Clubs	% Change in All Clubs
2000-01	10,088	(465)	91	(120)	-1%	(494)	-5%
2001-02	21,020	(854)	471	435	2%	52	0.2%
2002-03	15,015	(592)	262	129	1%	(201)	-1%
2003-04	12,480	(382)	276	557	5%	451	4%
2004-05	14,146	(199)	208	(9)	-0.1%	0	0%
Average	14,550	(498)	262	198	1%	(38)	-0.3%

* *Active clubs* indicates clubs that were not terminated or reinstated that year