

The Challenge of the 7th Tradition – 17 years later

The challenge was to make G.S.O.'s service work self-supporting through contributions of the membership and to **sell literature at cost** to everyone.

1993-1994 AA Service Manual p S130

1986 Year 1

7th Tradition problem acknowledged and an effort to fix it in five years begins.

Literature profits account for 60% of income

We all know the Seventh Tradition: Every A.A. group ought to be fully self-supporting, declining outside contributions. And we know that it applies to our service centers as well as to groups.

 Where we could once rationalize that money came from the A.A. member, whether by contribution or by purchase of books, we can no longer say that. More and more, publishing income has come from sales of literature to outside agencies.

 We welcome this wider distribution of our message but can no longer overlook the fact that outsiders are providing financial help for our Twelfth Step work.

 A natural question to ask is why the Conference has not restricted its requests for services to the amount available in group contributions. The reason is that the Conference and the General Service Board have always counted on the publishing income to help with the funding of needed services. An abrupt change is simply not possible without severe disruption of those services.

The Challenge of the 7th Tradition – AAWS, 1986

1991 Year 5

The plan is extended indefinitely and book are prices increased.

In late 1989 the trustees' Finance Committee and the A.A.W.S. Board agreed to raise literature prices to previous levels to cover the increased expenses. **The A.A.W.S. Board also decided to abandon the five-year plan to be self-supporting** but would continue the effort over a longer period.

1990 GSC Report - Hugh Freyer, A.A.W.S. director

In conclusion, **let's take the Seventh Tradition out of the limelight** it has been in for the past five years and put it back with the other eleven, where it belongs.

1991 GSC Report Self Support Project Five Years Later - Jack MacManus, R.I. Delegate

1997 Year 11

Quietly and conveniently GSO decides that Bill's thoughts on Warranties can change the meaning of the Traditions and there never was a problem.

Use of literature profits to pay for services does not present us with a Traditions problem. Bill W. covered this very well in the Second Warranty: "This net income to the groups and to A.A.'s General Services is actually the sum of a great many contributions which the book buyers make to the general welfare of Alcoholics Anonymous. The certain and continuous solvency of our world services rests squarely upon these contributions." (Twelve Concepts for World Service, p. 66)

1997 GSC Report - Donald W. Meurer, G.S.O. controller

In 1986 this violation of the 7th Tradition was widely recognized and a goal was set to sell literature at cost.

To follow AA Tradition **NONE** of GSO income was to come from book profits.

Now, after 17 years to fix the problem **MOST** of GSO income comes from book profits and it is explained away as being quite proper. 56% of income comes from literature sales. No efforts to fix it are underway.

An AA group that paid it's bills by selling books for profit would violate Tradition and would be shunned.

Today the GSO pays **most** of it's bills by selling books for profit and should be shunned until it stops.

Simply put, the GSO refuses to scale back to a level that contributions will support.

There is no GSO service or expense that is more important than our basic principles.

17 years is long enough. GSO does not deserve our support until it follows Tradition.

THIS SUMMARY MAY BE DUPLICATED AND DISTRIBUTED AT A.A. MEETINGS.

The Challenge of the Seventh Tradition

A Summary A.A.
World Services

Bill W. said, "There was a place in A.A. where spirituality and money would mix, and that was in the hat!" (Twelve Steps and Twelve Traditions - page 163)

The General Service Board is concerned about the problem of using publishing income to support the group services of the General Service Office and the work of the General Service Board. Historically, the sale of literature has produced income to help support service activities since 1940. At one time we could say that money came from the A.A. member, either as contributions or through purchase of books. In recent years, an increasing amount of publishing income has come from sale of literature to outside agencies. We welcome this wider distribution of our message but can no longer overlook the fact that outsiders are providing financial help for our Twelfth Step work.

When members put money in the basket they do Twelfth Step work. This Twelfth Step work includes carrying the A.A. message through literature, audiovisual materials and information, as well as with direct action with other countries worldwide, Loners, the public, the media and friends in the professional community.

When A.A. services become fully supported by contributions, literature can be sold at cost - making our message more readily available and thus enabling us to fulfill our primary purpose.

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THE CHALLENGE OF THE SEVENTH TRADITION

A.A. World Services

INTRODUCTION

This paper describes a five-year plan, initiated by Gordon Patrick, chairperson of the General Service Board of Alcoholics Anonymous, to bring A. A. in conformity with its Traditions. In recent years a departure has appeared in the way we observe the traditions of self-support and nonaffiliation. Robert Morse, treasurer of the General Service Board, has called to our attention the fact that what might have been a minor deviation in 1970 has grown to a substantial departure which can no longer be overlooked, and which is likely to continue to grow if present trends persist. The problem is that publishing income is being used to support group services.

Alcoholics Anonymous is traditionally slow to react and slow to change. We prefer to look for a long while at any developing trend before deciding that a new course of action is needed. That appears to be what has happened in connection with the support of a key part of our twelfth-step work, the work of our General Service Board and other service entities. The board's General Service Office exists to help groups to carry the A.A. message with literature, audiovisual materials and information, as well as with direct action with other countries worldwide, loners, the media, professional groups and others addressed more effectively from a central office.

We all know the Seventh Tradition: Every A. A. group ought to be fully self-supporting, declining outside contributions. And we know that it applies to our service centers as well as to groups. This Tradition has come a long way from the financially desperate period, around 1938, when Bill and others around him wished silently and urgently that John D. Rockefeller would bestow large donations on the fledgling Fellowship.

By 1940 the sale of literature had not only begun to carry our message through the written word but had begun to produce income to help support other service activities of the Alcoholic Foundation. Bill W. had always felt that such work should be supported by group contributions, but it has turned out almost always, since those early days, that some income from publishing was required. This was clearly better than donations from Rockefeller, but Bill wrote in 1967 "Both these principles we understand: that A.A. wants no charity; that we support our own services. We understand — but we sometimes forget."

A new dimension has entered the picture in recent years. Where we could once rationalize that money came from the A.A. member, whether by contribution or by purchase of books, we can no longer say that. More and more, publishing income has come from sales of literature to outside agencies. About 30% of our literature sales was to outsiders in 1985 and, because of an unintended side effect of a pricing policy that favors A.A. members over outsiders, those sales were responsible for about 45% of the net income from publishing. Of course we welcome this wider distribution of our message, but we can no longer overlook the implied violation of our Sixth and Seventh Traditions. Our very essence should be that we try to carry our message in every effective way, and that we do this ourselves without outside financial help. This implies the willing support of our groups, intergroups and central offices, the area service structure *and* the General Service Office. Putting money in the hat *is* twelfth-step work.

BACKGROUND

To describe this problem more precisely it is necessary to go into the financial structure of G.S.O. in a general way. The expenses at the General Service Office are grouped into three general accounts. They have to be liquidated by two main sources of income, listed in Figure 1. Since part of our literature income comes from outside sources, to be truly self-supporting, that income should be just enough to cover publishing costs. Then the support of the group services and the board expenses would be totally from the Fellowship.

Three general expense accounts:

Publishing expense

Group service expense

**General Service Board
expense**

Two sources of income:

Publishing

Group contributions

Figure 1

Looking more closely at the publishing net income, it arises as shown in Figure 2. The royalties shown there are paid to Lois Wilson, Bill's widow, according to an agreement executed in 1963 which binds G.S.O. to a formula which generated about \$27,000 in 1963, but which has grown enormously since then. The other product costs shown are mainly for paper and printing which, like the major publishers, we purchase from the most effective and economical suppliers. The net income is quite large, but would not have to be, and literature prices could be lower, if most of it were not required to cover service expense and General Service Board costs.

A.A. Publishing - 1985	
<i>Sales</i>	\$ 6,953,000
<i>Expense</i>	
Cost of products	2,392,000
Royalties	837,000
Administrative	<u>2,388,000</u>
<i>Net publishing income</i>	<u>\$ 1,336,000</u>

Figure 2

It was noted above that a significant part of this income is from outsiders. We have done an approximate analysis and forecast of this. If trends present over the past ten years continue, in 1991 about 65% of our publishing net income will come from outsiders, and what was a small departure from the Seventh Tradition in the beginning, will have grown to truly alarming proportions. Figure 3 illustrates this extrapolated growth.

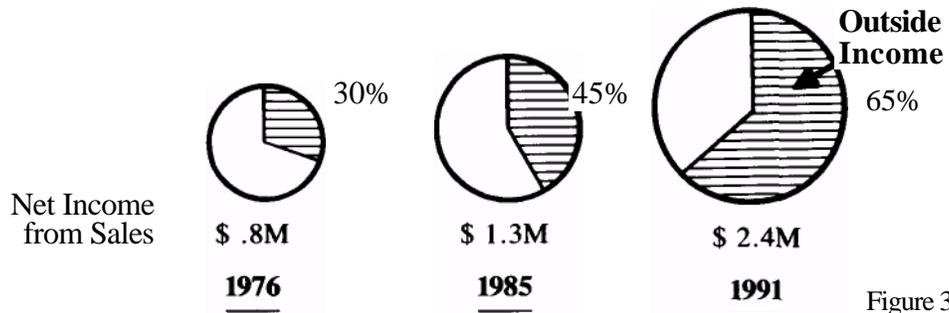


Figure 3

To complete the picture for the finances of the General Service Office in 1985, Figure 4 shows the income and expense associated with group services and other expenses of the General Service Board. A detailed list of these expenses is attached to this report as an appendix.

In the past, the publishing net income has usually exceeded this "shortfall" except when unusual capital spending occurred; for example, renovating the G.S.O. offices in 1981. Any such excess beyond needed working capital is always transferred to the General Service Board Reserve Fund. (As an aside, the 1977 General Service Conference established a target of one year's combined operating expense of the G.S.O. and the Grapevine for this reserve, and it stands today at about two-thirds of that goal.)

Service and Board Income and Expense	
<i>Group Contributions</i>	\$ 2,379,000
<i>Expense</i>	
Group services	2,904,000
Other board expense	<u>309,000</u>
<i>Shortfall</i>	<u>\$ 834,000*</u>

Figure 4

In 1985 the excess income was \$502,000 (Figure 5, page 3), not including an unexpected surplus from the 1985 Montreal International Convention which went directly to the Reserve Fund. Included are such items as the first year sales of *Pass It On*, which will not recur. Because of that, and because of substantial new projects voted by the 1986 Conference, the 1986 budget is just balanced and we do not expect a substantial excess. The net publishing income will just about cover the contribution shortfall.

* We have previously used unaudited figures, which are slightly different.

There may be some who feel that making a profit on literature sales to outsiders is not a serious violation of the Seventh Tradition. This is clearly a matter for the group conscience of the entire Fellowship. To the extent that the Conference is the *effective* conscience of the Fellowship, it is clear that there is deep concern. The Fellowship as a whole will certainly express its view through its financial support in the years ahead. But there is another hazard looming; if the dependence on outside income grows, so will a *de facto* affiliation with the outsiders. Desires for literature changes expressed by them would begin to have an effect. Changes in their activities would have an effect on our funding of service work. Government policies could influence our fiscal well-being.

G.S.O. Summary

Publishing income	\$1,336,000
Service and board	
Shortfall	<u>(834,000)</u>
Excess income, G.S.O.	<u>\$ -502,000</u>

Figure 5

It may be a surprise to us today to learn that the first realization of the value of self-support was related to the danger of affiliation. The directors of the Alcoholic Foundation said in 1946, "it. . . (is) the policy of the Alcoholic Foundation, Inc., not to solicit funds and to reject contributions with conditions stated or implied, conflicting with established practices or policies of the Alcoholic Foundation, Inc."

A natural question to ask is why the Conference has not restricted its requests for services to the amount available in group contributions. The reason is that the Conference and the General Service Board have always counted on the publishing income to help with the funding of needed services. An abrupt change is simply not possible without severe disruption of those services. However, our plan will achieve that goal as we achieve self-support systematically and without disruption of services. When we achieve self-support we will have arrived at a position where our projects are restricted to the amount of Fellowship money available for them.

It is important to provide some perspective to the sums of money we are talking about. An additional contribution of \$1.25 per year per member to G.S.O. would have eliminated the self-support gap entirely. This would be twelfth-step work by those members in the truest sense of the Twelfth Step. Surely members, every one of whom owes his or her life to this Fellowship, need only be adequately informed of this opportunity for twelfth-step work to rise to this need.

RESPONSE

As a result of Gordon Patrick's initiative, A.A. World Services has formed a Self-Support Project Committee, which is moving to answer this compelling need with a five-year plan of action. It is based on what we heard daily from the delegates and other voting members at the recent Thirty-sixth General Service Conference, that A. A. is really ready to "Come of Age" and support itself fully with group contributions. We hear the same message in our area assemblies and at Regional Forums. Thus, the group conscience of A.A. is telling us: Let us move toward full self-support for *all* A.A. entities. There is a sense of the need, both spiritual and financial, to correct the dependence on publishing income to cover the shortfall of group contributions; this situation threatens a very basic element in Alcoholics Anonymous — that we are self-supporting and unaffiliated *because of group contributions* — that the General Service Board and G.S.O. are responsive *only* to the groups because of group contributions.

A suggested way to turn this situation around is to involve our entire service structure, including members and groups who are not now represented in the districts and in assemblies, to come into total Alcoholics Anonymous; to share with the groups through their GSRs and secretary/treasurers our Traditions and history, as well as our singleness of purpose. We also need to share with all members that *we* support G.S.O., our central offices, our assemblies, our districts, fully and with gratitude, as a part of the total mosaic which is Alcoholics Anonymous.

Although A. A.W.S. has several plans under consideration, it is felt that the first step toward a possible solution is through contacting the delegates. By this winter we want to bring all area delegates into the process — possibly in regional meetings centrally located in each of our eight regions — to share and be shared with, so that together we can move forward, recognizing the seriousness of the problem and making decisions concerning the creation and distribution of information. Hopefully we will attain a reasonable understanding that the delegates will meet

soon and regularly with their DCMs and GSRs, as well as with the secretary/treasurers, with the goal of total involvement by all of us in each district of A.A., in both the United States and Canada, in this Fellowship-wide effort. Hopefully we will move closer to full self-support of A. A. and all of its entities.

All of us in A. A. service have a golden opportunity to respond to the group conscience of Alcoholics Anonymous, by helping the Fellowship that saved our lives to be self-supporting in the spirit of the Seventh Tradition. At the same time, we must involve the thousands of additional members and groups who will provide the leadership to continue to carry the A.A. message to the still-suffering alcoholic in the years to come.

The General Service Office
List of Expenses
Year Ended December 31, 1985

	Gen. fund Office Service Expenses	Gen. fund Expenses of the Board	Combined Total
Contributions — A. A. groups & members			<u>\$2,378,828</u>
Expenses			
Salaries	\$ 1,408,633		\$ 1,408,633
Rent & electricity	171,181		171,181
Office equipment	17,600		17,600
Professional fees		\$ 10,920	10,920
Staff, committee & board	10,600	97,455	108,055
Payroll taxes	177,726		177,726
Insurance	147,199		147,199
A.A. Directories	83,940		83,940
Box 4-5-9 bulletin	118,157		118,157
Other service printing	223,043		223,043
Stationery & office supplies	91,579		91,579
Telephone & telegraph	56,960		56,960
Office services & expense	231,393		231,393
General Service Conference	166,116		166,116
C.P.C. Committee		49,463	49,463
P.I. Committee		56,261	56,261
Leasehold improvements		16,258	16,258
Archives		17,415	17,415
Regional Forums		44,913	44,913
Retirement gifts & sundry		16,477	16,477
	<u>2,904,127</u>	<u>309,162</u>	<u>3,213,289</u>
Total Expense			
	<u>2,904,127</u>	<u>309,162</u>	<u>3,213,289</u>
Shortfall of "group services" supported by group contributions			<u>(834,461)</u>

This list has been prepared as requested by Conference Advisory Action 16a, from your 1986 Conference as follows:

16. The area delegates strongly consider implementation of the following suggestions to improve contributions to G.S.O., area assemblies, districts, and central or intergroup offices:
 - a. G.S.O. make available to all delegates an itemized list of group service expenses and other expenses of the board, combined into one total, representing group services supported by group contributions.

Historical Background Of Self-Support

A.A.'s evolving Tradition of self-support was to move a long way from the financially desperate period, around 1938, when Bill and others around him wished silently and urgently that John D. Rockefeller would bestow the fledgling Fellowship with large donations.

In 1944, Margaret R. Burger (Bobbie), at Bill's direction, responded to an inquiry from an attorney regarding possible bequests to A.A. She pointed to some of the practical difficulties with such a contribution. But she clearly left it to the group conscience to do as it wished. She suggested further that, in order to avoid some of the difficulties, a group so benefited might want to direct the bequest to the Alcoholic Foundation. The Foundation, she added, had recently received a ruling about the exempt nature of such gifts.

A perceptible change in the Tradition was evident in January 1946. The Board of Directors of the Alcoholic Foundation adopted the following resolution: "It... (is) the policy of the Alcoholic Foundation, Inc., not to solicit funds and to reject contributions with conditions stated or implied conflicting with established practices or policies of the Alcoholic Foundation, Inc., and not to accept revenues arising from any commercial undertakings which make use of the name Alcoholics Anonymous." Thus, those aspects of outside contributions which represented dangerous conflicts with A.A.'s purpose or which smacked of commercial profit were the first to receive formal attention.

The pamphlet "A.A. Traditions" was first published by Works Publishing, Inc., in 1947. In discussing the Seventh Tradition, Bill points out that "(w)here the proper use of money ends--and its misuse begins--is the point in 'spiritual space' we are all seeking." There were no money problems in the beginning when meetings were held in homes, and the host provided both space and coffee. But, "(m)oney (had) entered our picture and we (were) definitely committed to its sparing use."

Voluntary contributions or pledges of A.A. members, Bill says in Part Two of the pamphlet article, ought to be A.A.'s principal support, and, eventually, its sole support. Although it was necessary, in the beginning when A.A. desperately needed a little outside help (which, he noted, made possible the Alcoholic Foundation, the book, Alcoholics Anonymous, and the General Office), by 1947, times had changed. He sensed "...a very powerful feeling...spreading among us that A.A. ought not to be takers from society, any longer. Instead," he said, "let us be givers." Additionally, the news that every A.A. group had become self-supporting would create invaluable good will in the outside world.

However, the policy regarding outside contributions was less restrictive in 1947, for Bill goes on to say, "Of course, it can hardly be counted an exception to the principle of self-support, if a non-alcoholic friend comes to a meeting and drops a dollar in the hat. It is doubtful, too, if we should refuse the relative who sends in his \$5.00 mite, a token of appreciation for the recovery of someone close. Perhaps we would be ungracious to refuse his gift." What must be avoided, though, he said, were large contributions--especially those which carry explicit or implicit obligations.

Bill concluded the article with a prediction which, financially speaking, is close upon us: "In the years that lie just ahead, Alcoholics Anonymous faces a supreme test--the great ordeal of its own prosperity and success."

During the late 1940s, the General Headquarters--predecessor to G.S.O., published a monthly newsletter for distribution to the Fellowship. In the February 1949 issue, the purpose of voluntary contributions was defined: 1. To meet the expenses of General Headquarters which operated a plan of service to alcoholics the world over, in keeping with A.A.'s primary purpose (it was described as international Twelfth Step work); and 2. To meet those expenses of General Headquarters incurred in its operations as a coordinating center for all A.A. groups. A redefined contributions plan would provide for coordination of the contributions period on an annual, calendar year basis—consistent with the period used by the external auditors, and the operations of the Alcoholic Foundation. (Until then, expenses incurred in December were included in the budget for the succeeding year.)

The article emphasized the voluntary nature of the contributions--they were "not dues or fees." It also stated that such contributions would "...be used for A.A. operating expenses only."

Commencing with its April 1949 issue, the General Headquarters newsletter began to carry a "box-score" in the lower, left hand column. It showed the monthly budget, the amount received during the previous month, and the cumulative deficit.

The policy regarding outside contributions was further defined when, in February 1950, Bill W., writing to a law firm on behalf of the Foundation, as well as the local Intergroup, declined a bequest of \$10,000. (A general press release had been issued by the Foundation earlier, in May 1949, which stated, in part, that A.A. had learned from experience that it "...ought to be fully supported by the contributions of its own members..."). Thus, explicit or implicit conditions attached to outside contributions were no longer the only concern--all outside gifts would be declined thereafter. (By June 1953, Bill respectfully declined a gift of \$18.36 from a church in the state of Washington—contrary to his remarks in 1947 about how ungracious it might seem to refuse a small gift from a non-A.A. friend). The news that the large bequest had been declined evoked many laudatory letters from outside the Fellowship.

In September 1950, the lack of voluntary contributions led Bill to issue to the Fellowship a five-page plea for support, including a request that the group secretaries call a special business meeting for the purpose of reading his (Bill's) written plea.

After pointing to an anticipated year-end deficit of \$25,000, he noted that, while everyone appreciated the value of the Steps and Traditions, not everyone understood the importance of "Services," or what they meant. "...Without A.A.'s Services we'd often fumble that new man just coming in the door; without our Services, we'd certainly spoil the main chance of those millions who don't yet know." At the then present rate of contributions (September 1950), contributions for the year would amount to only 50cents per year, per member, as opposed to the traditional \$1.00 (in 1949 it was stated as \$1.50). Bill suggested "...that all groups immediately raise their semi-annually contribution to the Alcoholic Foundation by at least 50%. Many groups could readily do better." In his plea, Bill then posed and answered some relevant questions: 1. The deficit for the preceding two years for both the Grapevine and the Office had been paid from the Foundation "Reserve Fund," and from income from the sale of Alcoholics Anonymous; 2. The "Reserve Fund" is derived from excess income from sales of Alcoholics Anonymous, accumulated during the preceding few years; 3. Whereas, two years prior, the "Reserve Fund" had equaled one year's operating expenses, the "Fund" (in 1950), amounted to only six month's operating expenses.

A 1955 bulletin carried a slightly different, softer plea: "There was a time in A.A. when there were two things to 'soft-pedal'--God and money. Now we recognize that there are financial needs and must realize our responsibility for meeting them."

It admonished that financial support is an integral part of Twelfth Step work. The newsletter expressed Bill's belief that the financial needs of A.A. might comfortably be met through a process of continuous explanation at the group level. Such communication might be accomplished by a brief financial report, and an explanation by the leader, each time the basket was passed. "Financial support is a specific, tangible way of expressing gratitude."

In November 1957, Bill wrote a Grapevine article entitled "Respecting Money," where he juxtaposes outside contributions and self-supporting: "Our spiritual way of life is safe for future generations if, as a society, we resist the temptation to receive money from the outside world. But this leaves us with a responsibility--one that every member ought to understand. We cannot skimp when the treasurer of our group passes the hat. Our groups, our areas, and A.A. as a whole will not function unless our services are sufficient and our bills paid.

"When we meet and defeat the temptation to take large gifts, we are only being prudent. But when we are generous with the hat we give a token that we are grateful for our blessings and evidence that we are eager to share what we have found with all who still suffer."

Ten years later, as if in conclusion, Bill wrote, "Both these principles we understand: that A.A. wants no charity; that we support our own services. We understand --but we sometimes forget." (November 1967 Grapevine article, "A.A.'s Tradition of Self-Support".)

FINANCE — THE SEVENTH TRADITION

The first presentation/discussion of the 1987 Conference took place on Monday afternoon. The topic was of vital concern to Conference members in considering AA.'s future. Joe Phelan, Southeast U.S. regional trustee, moderated and gave some opening remarks.

Self-Support — An Idea Whose Time Has Come

At this point in our history, A.A. has a golden opportunity to involve all of our groups and all of our members in the goal of becoming, over the next five years, fully self-supporting by our individual and group contributions.

This is the theme of our 37th General Service Conference, the Seventh Tradition (the self-supporting Tradition). Among other important issues, we will have the opportunity this week to fully share, absorb, discuss and understand this effort which affects every level of service in Alcoholics Anonymous. We are all asked to give our best to A.A. and in return we know from our experience in recovery that A.A. will give back to us tenfold.

The problem, its history, and the present situation are all in the Challenge letter from A.A. World Services which each of our Conference members, D.C.M.s, intergroups, past trustees, and past delegates have. Already many have started to share the response in our districts, area assemblies, and regional forums. All of us, I hope, can agree that full participation as a result of full communication can help make this important effort work.

The problem of which we speak is not an isolated one. It is part of a broader failure of all A.A. members to fully understand what we belong to, to treasure each of our Traditions, and to support A.A. at all levels of service with our contributions. Its solution can be a rallying point for us all, and can increase the informed group conscience everywhere.

Happily, this problem has a solution. The solution lies in putting all of A.A.—not only our groups, districts, assemblies, central offices and intergroups, but our General Service Board and our General Service Office as well—in a financial position of self-sufficiency within the next five years. To succeed, voluntary contributions must cover annual and projected expenses of the General Service Board, including G.S.O., without any dollars being transferred from A.A.'s publishing operation. Then our literature can be offered at a lower price to everyone.

This effort requires that each member of A.A. understand that self-support goes to the heart of Alcoholics Anonymous spiritually and practically, for we understand that our Traditions (including the Seventh) keep us unified and able to carry the total message to the suffering alcoholic.

We are most grateful for our Traditions and principles which have served us well since 1946 when A.A. had a membership under 25,000. Today, with a membership conservatively estimated at 60 times that figure, our basic unity remains strong. For that I thank God and the Traditions which guide us.

The mosaic which is A.A. is comprised of members who are all alcoholics with a single purpose: to stay sober and to carry the message to the suffering alcoholic. We have a clear program of recovery embodied in the Twelve Steps. Anonymity continues to be practiced with very few exceptions. We know our Traditions will continue to guide us.

The short history of the Washingtonian Movement between 1840 and 1850 tells us how important our basic truths have been and still are today. As we know, the Washingtonians did not have the benefit of a set of traditions about matters we know to be so crucial, and the movement collapsed after so much early promise.

We, on the other hand, have a system of communication with unique strength. Let us use this system—the reaching out of one alcoholic to another—to reaffirm our adherence to the Traditions. We ought to be, everywhere in A.A., self-supporting through our own contributions.

Let us invite all of our members, through our system of communication, to participate and share together so that all are informed and have the opportunity to support the carrying of the message to the suffering alcoholic everywhere. Let us begin this week to share together in love and service to Alcoholics Anonymous, and determine, as we return to our areas, that we offer to all our members and groups this renewal of our commitment to the Seventh Tradition, through sharing and involvement in all of A.A.

We all know what A.A. has done, is doing, and can do for us one day at a time—let us do what we can the A.A. way to share with all our members the total message of Alcoholics Anonymous—Recovery, Unity and Service. Can we suggest to all our fellow members in A.A. to ask themselves the question: What can we do now for Alcoholics Anonymous? And can we then share with them the answer to that question?

Joe Phelan (Southeast U.S. regional trustee)

Report on Self-Support Project

In 1967 Bill W. wrote in a Grapevine article on the A.A. Tradition of self-support, "Both these principles we understand: That A.A. wants no charity; that we support our own services. We understand—but sometimes we forget."

Nearly every Conference to date has addressed, in one way or another, the need for self-support through contributions. Each of you was sent a copy of the paper entitled "The Challenge of the Seventh Tradition" which describes a five-year plan initiated by Gordon Patrick that has, as its goal, getting our Fellowship to the point where A.A. will be entirely in that position. Robert Morse, treasurer of the board, has called our attention to the fact that a substantial portion of our income is derived from sales outside the Fellowship.

As a result of a recommendation of the 1986 Conference Committee on Finance, a definition of self-support was adopted which required that the sum of costs of group services and other expenses of the board be totally liquidated by group contributions.

Since the last Conference, special monthly meetings of A.A.W.S. directors and office staff have been held, in addition to the regular monthly A.A.W.S. meetings, with self-support as the sole objective.

The solution is, of course, in contributions: an increased amount per group; an increased percentage of groups contributing; and an increase in the number of groups listed at G.S.O. as participants in the A.A. service structure.

It is important to note that *we are not talking about a lot more money* per member. Based on the 1986 contributions from groups in the U.S. and Canada, the reported membership, and the shortfall of \$916,000; an additional \$1.25 per member or \$25 per group would have eliminated the shortfall.

To accomplish the task, the entire service structure was alerted to the problem and asked to take part in the solution.

Starting with the August/September issue, self-support articles have appeared in *Box 4-5-9* and the plan is to continue in almost every issue as needed. The first article informed A.A.s that literature income is supplementing contributions to pay for group services. The second article emphasized the "Power of the Purse" in keeping the ultimate responsibility and authority for A.A. in the hands of the groups. The following article was a letter from the members of the Plug in the Jug Traditions Group in northern California asking why the G.S.O. budget exceeds the amount of money received from contributions. The article included G.S.O.'s response. Future articles will inform the Fellowship of how A.A. dollars are spent.

The four-page document "The Challenge of the Seventh Tradition" was distributed to the General Service Board early in October. Two weeks later, it was sent to delegates and alternate delegates, and early in November it was mailed to central/inter-group offices with the hope that information about self-support would be included in their newsletters.

D.C.M.s and area officers have also been receiving material. In October, D.C.M.s were sent "A Call to Action for Self-Support," asking their help in communicating with the Fellowship about the "shortfall." In January, the D.C.M.s were sent the "Challenge" paper, a summary of that paper, and a finance flyer. They were encouraged to duplicate the material for distribution to G.S.R.s. By mid-March, we had received requests for more than 6,000 summaries and 7,500 finance flyers as well as requests for additional copies of the entire paper, the finance pamphlet, and contribution envelopes.

Past delegates and trustees have not been overlooked and many have responded with good suggestions and requests for additional information so that they might also participate in carrying the message of self-support.

An examination of more than 20 local meeting lists selected at random indicated an average of only 80% of groups listed locally are also listed at G.S.O. With the help of their D.C.M.s, we hope that delegates will make an effort to contact the groups in their areas which are not listed at G.S.O. to determine why not and to encourage those groups to register and participate in the worldwide Fellowship. We think that many of the unlisted groups are under the misconception that being listed locally means automatic registration at G.S.O.

In addition, an analysis of contributions over several years revealed that 30% of the groups that contribute in one year don't do so in the next, and vice versa.

The A.A. Grapevine offered assistance which was gratefully accepted. One of Bill W.'s articles on self-support was reprinted in the December issue. In January, there was a news write-up about the self-support project in the "Around A.A." section. Probably in response to the "Around A.A." article, the Grapevine has received several new articles on self-support which will appear in future issues.

Also obvious is the importance of making contribution envelopes more readily available to the groups. In the future, contribution envelopes will be listed on literature order forms to make them more easily available to the Fellowship. In November, the Self-Support Committee, which is composed of A.A.W.S. directors and G.S.O. employees, made the decision to engage the services of a communications design specialist. The Conference Finance Committee will be apprised of his recommendations in detail.

The Fellowship has enthusiastically responded by generously sharing ideas and suggestions as well as dollars. We have been told to do a better job of educating the Fellowship about: the need to be self-supporting; what Tradition Seven really means; the financial implications on A.A. as a whole when groups don't contribute; how A.A. dollars are spent.

We have received many suggestions with regard to how contributions can be increased and these have been referred to the Conference Finance Committee. Also, we've received suggestions for reducing or eliminating various expenses by cutting services or having events such as Regional Forums and World Service Meetings become self-supporting.

We have received many suggestions with regard to how contributions can be increased and these have been referred to the Conference Finance Committee. Also, we've received suggestions for reducing or eliminating various expenses by cutting services or having events such as Regional Forums and World Service Meetings become self-supporting.

The response in terms of financial support has been overwhelming! Please share the following with your groups:

Contributions			
	1985	1986	% of Increase
December	\$354,000	\$449,000	27
	1986	1987	
January	\$164,000	\$216,000	32
February	156,000	239,000	53
March	194,000	288,000	48
*April	83,949	125,517	50
"Through April 10, 1987, and includes \$15,000 contributed by the International Conference of Young People in A.A. (ICYPAA).			

It is exciting to note that the number of contributions has increased by 30% over last year and the dollar amount contributed is running 40% ahead of 1986.

The A.A.W.S. Board has already responded to the increase by implementing a 4% discount applicable to all purchases of literature in amounts of \$25.00 or more, effective April 1, 1987.

More important, the Fellowship's response is Twelfth-Step work in action—making it possible to carry the A.A. message to still more suffering alcoholics through literature, audiovisual materials and information, as well as with direct action with other countries worldwide, Loners, the public, the media and friends in the professional community.

Bill W. said, "There was a place in A.A. where spirituality and money would mix, and that was in the hat!" (*Twelve Steps and Twelve Traditions*, p. 163.)

Lois Fisher (G.S.O. staff)

Can G.S.O. Be Self-Supporting Through Group Contributions Only?

"Can G.S.O. be self-supporting through group contributions only?" Quite a topic! When I was asked to speak on this subject, I, being involved in finance, thought it would be easy to answer. Let me tell you, there isn't an easy answer. It is far easier to answer the question: *Why should* G.S.O. be self-supporting through group contributions only?

It has been observed by people far greater than I that the power of the purse has a major impact on trends, society and especially organizations of people. It is clear that outside affiliation, financially (and all that implies to the independence and proven effectiveness of the A.A. way), is easy to accomplish if the support is *not* there internally. Who would you rather have G.S.O. dependent on for funding—you, the groups, or some other treatment facility or program? Your destiny, your interrelationship as groups and members of A.A., depends on a G.S.O. that is responsive to your needs, not outsiders. A fundamental means of keeping and expanding the G.S.O. relationship (and the whole service structure for that matter) is to keep G.S.O. both dependent on and funded by group contributions.

In an attempt to set a framework to answer the real question of my assigned topic, let me take some of your time to review history. In light of this forum being the 37th Conference, I thought we should take a journey through past Conference Advisory Actions concerning self-support based upon reports of the Conference Finance Committee starting over 30 years ago.¹

You are all aware of, and take seriously, Twelfth-Step work. Self-support money in the basket with the surplus making its way to district, area, intergroups and G.S.O. *is* Twelfth Step work.

The justifiable fears of affiliation and the reality of self-support go hand in hand: the Sixth and Seventh Traditions.

When the General Service Board set up the Self-Support Committee, Tom Jasper's assignment was to pull together historical background as well as other materials. I think his work was excellent and I'd like to share some of it with you.

It is likely that those same qualities of faith, vision and self-assurance which led Bill Wilson to co-found the Fellowship of Alcoholics Anonymous, enabled him to fashion A.A.'s evolving tradition of self-support, and to discuss money matters with the Fellowship Fellowship (*sic*) in an easy, persuasive style. Equally important in the development of the Seventh Tradition was Bill's sensitivity to the need for a gradual change in our definition of self-support in order to remain in step with an enlarging A.A. world.

The Tradition was to move a long way from the financially desperate period, around 1938, when Bill and others around him wished silently and urgently that John D. Rockefeller would bestow the fledgling Fellowship with large donations.

A perceptible change in the Tradition was evident in January 1946. The Board of Directors of the Alcoholic Foundation adopted the following resolution in recognition of financial needs and the sufficiency of group contributions *and* book earnings to meet its then-present projects: "It . . . (is) the policy of the Alcoholic Foundation, Inc., not to solicit funds and to reject contributions with conditions stated or implied conflicting with established practices or policies of the Alcoholic Foundation, Inc., and not to accept revenues arising from any commercial undertakings which make use of the name Alcoholics Anonymous." (Amendment to resolution of January 16, 1946.) Those aspects of outside contributions which represented dangerous conflicts with A.A.'s purpose or which smacked of commercial profit were the first to receive formal attention.

In 1947, in discussing the Seventh Tradition, Bill points out that "where the proper use of money ends—and its misuse begins—is the point in 'spiritual space' we are all seeking." ("A.A. Tradition —How It Developed," p. 23)

There were no money problems in the beginning when meetings were held in homes and the host provided the coffee. But, "money (had) entered our picture and we (were) *definitely committed* to its sparing use." ("A.A. Tradition—How It Developed," p. 23.)

Bill's view was that the vast majority of A.A.s believed that the sendees provided by the local and national offices were necessary. A.A. need not be "overwhelmed" by local offices or the General Office, for none of these could ever control A.A. If they were to become inefficient or overbearing, there would be a simple remedy: the average A.A. would discontinue his or her support.

Bill says in Part Two, page 20, of the 1947 pamphlet "A.A. Traditions," ". . . that voluntary contributions or pledges of A.A. members," ought to be A.A.'s principal and eventually its sole support. What must be avoided, though, he said, were large contributions—especially those which carry explicit or implicit obligations.

Bill concluded the 1947 pamphlet article with a prediction, "In the years that lie just ahead Alcoholics Anonymous faces a supreme test—the great ordeal of its own prosperity and success." (A.A. Traditions, *Works Publishing*, 1947, p. 22.)

In the February 1949 issue of the General Headquarters monthly newsletter Bill published, the purpose of voluntary contributions was defined: (1) to meet the expenses of the General Headquarters which operated a plan of sendee to alcoholics the world over, in keeping with A.A.'s primary purpose (it was described as international Twelfth-Step work); and (2) to meet those expenses of General Headquarters incurred in its operations as a coordinating central office for all A.A. groups.

The 1949 writings emphasized the voluntary nature of the contributions—"never be construed as dues or fees; also that these contributions may be used for 'A.A. Operating Expenses' *only*." (General Service Headquarters 1949—Bulletin #2, February 7th.)

In March 1949, the treasurer of the Alcoholic Foundation issued a letter to the Fellowship based on estimates by external auditors: 10% of the expenses of the General Headquarters Office was paid for by Works Publishing, Inc., which shared the office space.

The policy regarding outside contributions was further defined when, in February 1950, Bill W., writing to a law firm on behalf of the Foundation, as well as the local intergroup, declined a bequest of \$10,000.

In September 1950, the lack of voluntary contributions led Bill to issue to the Fellowship a five-page plea for support, including a request that the group secretaries call a special business meeting for the purpose of reading his (Bill's) report.

"Without A.A.'s Services we'd often fumble that new man just coming in the door; without our Services, we'd certainly spoil the main chance of those millions who don't yet know." (Semi-Annual Request for Voluntary Contributions to the Alcoholic Foundation, September 1950, pp. 1-2.) Voluntary contributions were used to pay G.S.O.'s bills—salaries, rent, accounting, printing, stationery, equipment, postage, and so on. "Group funds can be devoted to A.A. office expenses only." (ibid, p. 4.)

A 1955 bulletin carried a slightly different, softer plea: "There was a period in A.A. when there were two things to 'soft-pedal'— God and money. There are financial needs. When will we realize our responsibility for meeting them?" Support of the central offices, the General Service Conference, and General Service Headquarters, it pointed out in the same bulletin, was "... inseparably woven together into the place of money in A.A." Financial support is an integral part of Twelfth-Step work. The financial needs of A.A. might comfortably be met through a process of continuous explanation at the group level. Such communication might be accomplished by a brief financial report, and an explanation by the leader, *each time* the basket was passed. "Proper financial support is a specific, tangible way of expressing gratitude."

In November 1957, Bill wrote a Grapevine article entitled "Respecting Money," where he juxtaposed outside contributions and self-support. "Our spiritual way of life is safe for future generations if, as a society, we resist

the temptation to receive money from the outside world. But this leaves us with a responsibility— one that every member ought to understand. We cannot skimp when the treasurer of our group passes the hat. Our groups, our areas, and A.A. as a whole will not function unless our services are sufficient and their bills paid." (A.A. Grapevine, November 1957.)

Ten years later, as if in conclusion, Bill wrote, "Both these principles we understand: that A.A. wants no charity; that we support our own services. We understand—but we sometimes forget." (A.A. Grapevine, November 1967.)

Let me restate the main topic once again: "Can G.S.O. Be Self-Sup-orting Through Contributions Only?"

Let's see where the money goes that does come in from group contributions. The A.A. dollar going to G.S.O. makes it possible for the groups to handle work they could not handle on their own. G.S.O. provides services to A.A. groups which enable *them— you*—to fulfill their primary purpose.

There was a *Box 4-5-9* article, in the April-May 1987 issue, entitled "Where Does Your G.S.O. Dollar Go?" ". . . did you know that your A.A. dollar supports the activities of the archives? Here is preserved the record of A.A.'s fragile beginnings and its living history over the years . . . Bill's actual letters to Dr. Bob. . . How and where groups began. . . Earliest copies of the Big Book." Frank M., our current archivist, quotes Carl Sandburg: "Whenever a society or civilization perishes, there is always one condition present. They forgot where they came from."

Your A.A. dollar helps not only to keep, but just as importantly, to carry the message through G.S.O.: seagoing A.A.s, Loners who have no groups where they are, and home-bound members all are saved by G.S.O.; tens of thousands of A.A.s inside prisons and jails have their own G.S.O. staff member; hundreds of letters and phone calls *every day* flood into G.S.O.—calls for help that G.S.O. staff responds to, putting the prospective member in touch with someone locally; the G.S.O. staff member on public information and one assistant receive over 10,000 requests yearly, from students, doctors, and nurses in training, for information about A.A. Each is handled with a letter and/or literature.

The A.A. dollar, through G.S.O., helps to meet the responsibility A.A. has when someone, someplace, reaches out for help, for the hand of A.A. always to be there. When new groups are started (about 15 times every working day), G.S.O. registers them and sends complimentary new Group Handbooks and a supply of A.A. literature.

G.S.O. helps finance the printing of the Big Book in foreign countries, when requested, to enable them to become self-supporting. Bill W. in an open letter spoke about G.S.O.: "G.S.O. has enabled our Fellowship to function all over the globe and as a unified whole . . . G.S.O.'s all important services have accounted for much of our present size and overall effectiveness . . . G.S.O. is by far the largest single carrier of the A.A. message."

"Can G.S.O. Be Self-Supporting Through Group Contributions Only?" That is a question only you, the Fellowship, you, the groups, can answer.

Robert P. Morse (Class A trustee)

¹ Space limitations preclude including the cited Advisory Actions. Please refer to *A Summary: Advisory Actions of the General Service Conference of Alcoholics Anonymous 1951-1986*. Years cited: 1956, 1960-63, 1965-70, 1972-76, 1978-79, 1981-86.



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PHONE: 212-686-1100
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To: Area Delegates and Alternates, Area Chairpersons, Secretaries,
and Treasurers, D.C.M.s and Central Offices/Intergroups

From: A.A. World Services - Self-Support Committee

Date: January, 1989

Subject: Progress Report on Meeting the Challenge of the Seventh Tradition

It is two years since a paper went out from this office describing the self-support dilemma we were in ("The Challenge of the Seventh Tradition"). Since then many changes have occurred, and we would like you to know of the progress that has been made toward our five-year goal.

As you will see, the Report also stresses the importance of group participation in support of all levels of A.A. service, and encourages each of us to respond creatively to the challenges of A.A.'s traditions.

Please share this Report with others. You may make xerox copies or write us for additional copies. Warmest wishes for a bright and serene 1989, day by day.

Enclosure: "Meeting the Challenge..." document

cc: G.S. Board, A.A.W.S. Board, G.S.O. Staff

MEETING THE CHALLENGE OF THE SEVENTH TRADITION: A PROGRESS REPORT

A.A. World Services, Inc.

INTRODUCTION

There are two areas of activity at G.S.O.; publishing and service. In theory, service activity is supported by group contributions, and publishing generates only enough income to cover expenses incurred in the production and distribution of literature. However, in the past, excess publishing income has been required to supplement contributions insufficient to cover completely service activities.

The use of excess publishing income to cover service expense is time-honored, but as Bill W. said in 1946 ". . . the voluntary contributions or pledges of A.A. members should be our principal and eventually our sole support." ("A.A. Tradition - How It Developed," p. 27).

We have now reached the mid-point of a five-year project to bring G.S.O. to Bill's goal. The project was initiated by a 1985 directive of the Chairperson of the General Service Board and approved by the 1986 General Service Conference, after the Treasurer pinpointed the increasing use of publishing income to support service activities of the General Service Office.

Further, another trend had been developing. Publishing income was increasingly provided by purchasers other than A.A. Charging a higher price to such purchasers, on the face of it a good idea, meant that close to half the A.A. services being supported by publishing were actually paid for by outside income. The situation would worsen if these trends continued.

WHERE WE ARE NOW

In late 1986 a paper entitled "The Challenge of the Seventh Tradition" was widely distributed by the A.A.W.S. Board. The General Service Conference took up the challenge, and A.A. Groups responded, increasing their contributions to G.S.O. by a whopping 37 percent in 1987. That brought us more than three-quarters of the way to our five-year financial goal. Moreover, the *percentage* of groups registered at G.S.O. that contributed increased from 52 to 57 percent.

Because of these achievements by the Fellowship, G.S.O. has been able to reduce literature prices by about 25 percent. Literature is being sold at prices near cost. Furthermore, a single pricing policy for members and others has eliminated excess income from outside purchasers and reduced dependence on such income. We are well on our way toward complete self-support.

THE IMPORTANCE OF PARTICIPATION AT ALL LEVELS

While the responsibility at A.A.W.S. is primarily the soundness of G.S.O. finances, this effort of the service structure to strengthen the base of group support of G.S.O. has brought into focus the general problem of group participation in support of all levels of service. Not only will the percentage of groups contributing (however modestly) to G.S.O. hopefully continue to increase from the present 57 percent, but, more importantly, contribution plans for groups should emphasize the needs of Intergroups/Central Offices, Area and District committees, as well as G.S.O.

A beneficial result of increased participation is the resulting awareness, by groups that are brought into participation, of the full range of A.A. service activities.

WHERE WE ARE GOING

A resumption of normal contribution growth patterns after the banner 1987 was all that was needed to bring G.S.O. to full self-support within five years. However, (unaudited) results for 1988 have fallen short of such average growth.

Contributions have only increased by 7 percent, rather than the 11 percent average growth rate of the previous decade. Of larger concern, the fraction of groups registered at G.S.O. that contribute anything to that office remains at 57 percent, which says that the most important goal of the plan for 1988, an increase in participation, was not reached.

The discrepancy between group contributions and service expenses over the years is shown in Figure 1. It indicates what an imprudent course we were on in allowing the shortfall to grow, how dramatic the recovery was in 1987, and the fact that we may be losing ground in 1988. Another dramatic move is *not* what's needed now, but rather that contributions should continue to reflect inflation, the growth of the Fellowship, and the increase in the needs for service.



Figure 1

FELLOWSHIP EXPERIENCE IN MEETING THE CHALLENGE

One Area's Response: There are many ways in which Areas have responded to the challenge of the Seventh Tradition. We would appreciate sharing by Areas of ideas that have worked.

A response by one Area was to declare February, 1987 "Seventh Tradition Month." The entire Area structure was involved in explaining the Seventh Tradition challenge to the groups. The most widely used response by groups in this Area was to pass a second basket at each meeting in February, but a few groups had special functions, such as picnics and dinners. The result in 1987 was impressive. Whereas by July 31 in 1986, 56 percent of the groups in the Area had participated in support of G.S.O., by July 31, 1987, the participation was 75 percent!

The Seventh Tradition and group participation were continually stressed during 1988, but group participation fell to 59 percent by July 31, 1988. It was then that the G.S.R.'s of the Area approved a resolution that February *of each year* be "Seventh Tradition Month," with the goal of contributing a specific extra amount per member to G.S.O. over regular group contributions.

During the same two-year interval, group participation in contributing to the Area service office remained constant at 66 percent.

Impact on Intergroups: The price reduction of 25 percent is obviously of benefit to present and potential A.A. members. For example, the average amount paid for a "Big Book" in 1986 was \$4.00; in 1988 it was \$3.12. No further general price reduction is intended in the spring of 1989, but it is expected that a discount schedule, revised for small volume purchases of literature, will be produced that may relieve some of the problems of small Central Office/Intergroups. This may include revision of discount package prices.

A recent questionnaire completed by Intergroups and Central Offices developed interesting information about the impact of the self-support effort. Approximately 27 percent of the income of the average of the forty Intergroups/Central Offices responding to financial questions is derived from literature sales. Fifty-four percent of offices that responded to other questions (87 offices) sell non-A.A. literature. Eleven percent of those who responded indicated a poor opinion of literature price reductions, while 89 percent approved. Thirty-five percent indicated some difficulties in adjusting to new prices, even though most of that group approved of the reduction.

GENERAL OBJECTIVES FOR THE FUTURE

The effort throughout the service structure to reduce and eliminate literature profits by fully supporting G.S.O. through contributions has highlighted broader needs in the Fellowship. Many are much more aware of the need for increased participation by groups in all aspects of A.A. service, fostering an awareness by the *individual A.A. member* of the full reach of A.A. and his or her responsibility in relation to it.

Service workers of A.A. are faced with compelling challenges generated by the welcome growth of our Fellowship to international proportions. Growth in Eastern bloc countries, once thought inaccessible to A.A., for example, illustrates again that we are custodians of a program which provides an answer to alcoholism around the world. The intent of our cofounders, and their inspired vision, is clear from the "Big Book" - "our hope is that when this chip of a book is launched on the world tide of alcoholism...." We have only to continue to stretch our own vision to support the accomplishment of theirs.

PLEASE SHARE THIS WITH OTHERS

SELF-SUPPORT

Wednesday afternoon's presentations began with the topic of self-support. Harold Greene, general service trustee, moderated the

An Introduction

Storm clouds gathered in the summer of 1985 when the general manager of G.S.O. determined that income from A.A.W.S., Inc. was increasingly used to support group services. Further, A.A.W.S. publishing income came from literature sales to outside organizations such as Hazelden, CompCare and some universities as well as to the A.A. groups. This meant that outside entities were contributing to the operation of the General Service Board.

In 1985, 30 percent of our literature was sold to nonmember groups yet, because of our pricing policy, these sales were responsible for over 45 percent of net income from publishing. If the trend continued, by 1991 we could expect this amount to increase to 65 percent of net income. The treasurer of the General Service Board undertook an inquiry to determine how to restore the balance between sales to outsiders and sales to groups. Additionally, the trail of funds to group services needed further identification.

It became apparent that we were in violation of the Seventh Tradition, which states, "Every A.A. group ought to be fully self-supporting, declining outside contributions."

An additional problem came to light regarding the Sixth Tradition and our affiliation with outside entities. If G.S.O. became dependent on outside income, changes in outside entities might affect funding for our service work. For example, in 1987 the Hazelden Foundation cancelled a \$300,000 order, which created a shortfall in the A.A.W.S. budget.

General Service Board chairman Gordon Patrick developed a five-year project aimed at the board's self-support and compliance with our Traditions. This project became known as "The Challenge of the Seventh Tradition" under the direction of the Self-support Committee.

It was clear that we needed to communicate the problem to the Fellowship through our service structure. It was necessary to develop a communications network through the D.C.M.s and G.S.R.s that would lead us to the groups. We focused on the D.C.M. and tried to incorporate group participation within the service structure. This strategy would increase the number of groups participating in the service structure and consequently increase contributions without direct solicitation.

A self-support workbook and self-support posters were developed. We made suggestions to the G.S.R.s and looked for ideas on how to increase group participation in the service structure. All of these actions had an extremely positive effect and contributions increased dramatically.

At that time we considered reducing literature costs due to increased contributions. This idea was met with considerable favor by all entities, including A.A.W.S. and the trustees' Finance Committee. A decision to proceed was made at that point.

The following presentations will address changes that have come about since then.

Harold Greene, general service trustee

1986 to the Present

In March of 1986 members of the A.A.W.S. Board and staff met to define the details required to achieve the self-support goal. The tasks were 1) to provide a new five-year financial forecast; 2) to consider assignment of expenses to various cost centers and to evaluate how these changes would affect the budget forecast; and 3) to review all material relating to self-support.

Three months later, in June 1986, the general objectives of the self-support project were outlined. These included need, solution, theme and issues. In addition, the self-support project became the Self-support Committee, which met monthly.

By the end of 1986, self-support articles began to appear in *Box 4-5-9*. The articles emphasized the Seventh Tradition and stated that services should be financed by contributions, not literature sales. Subsequent articles addressed the "power of the purse," which keeps authority in the hands of the groups.

During 1987 the Self-support Committee was hard at work. The Fellowship responded with a 37 percent increase in contributions and literature prices were subsequently reduced twice during the year. It appeared that the problem of self-support was solved and that literature profits were no longer necessary.

In 1988, however, the increase in contributions began to level off. The number of groups contributing also began to drop. Contributions for the full year were 6.8 percent over those of 1987 but the number of contributing groups dropped one percent over the 1987 figure. Expenses for services continued to rise as expected, yet publishing income was unavailable due to the decrease in literature prices.

The Self-support Committee realized that the huge increase in contributions in 1987 occurred because the Fellowship thought we were in financial trouble. We had asked for more money for all the right reasons but the message was not clear.

In 1989 we tried various messages in hopes of achieving a clear understanding of self-support. Quarterly letters and posters emphasized self-support. Trustees and directors attempted to reinforce the message at Regional Forums.

Contributions were not declining, which compounded the confusion. The *percentage increase* in contributions was declining while *expenses* continued to increase. To put it more simply, expenses were increasing at a faster rate than income.

We were now using the Reserve Fund to cover the excess expenses. We no longer had publishing income to cover the difference between contributions and service expense.

In late 1989 the trustees' Finance Committee and the A.A.W.S. Board agreed to raise literature prices to previous levels to cover the increased expenses. The A.A.W.S. Board also decided to abandon the five-year plan to be self-supporting but would continue the effort over a longer period. To date the Self-support Committee continues to meet and work toward that goal.

The effort throughout the service structure to fully support G.S.O. through contributions and thus reduce and then eliminate literature profits has highlighted broader needs in the Fellowship. Service workers are faced with compelling challenges generated by the welcome growth of our Fellowship to international proportions. Growth in the Eastern Bloc countries that were once thought to be inaccessible illustrates that we are custodians of a program that provides an answer around the world.

Hugh Freyer, A.A.W.S. director

SELF-SUPPORT PROJECT — FIVE YEARS LATER

The Self-support Project—five years later—was the theme of the evening presentation/discussion on Wednesday. Everett Smethurst, AA.WS. director, moderated the session that included two speakers.

In preparation of this presentation I've tried to do my homework and gotten opinions from as many sources as I could.

Has the self-support plan been successful? I would have to say I'm not sure. How do we define success? Are we living the Seventh Tradition?

If the question is, are our bills being paid, the answer is yes. If what you're asking is, are group services being financially supported by group contributions only, the response becomes more complex and will continue to be impossible to answer until a clear, simple outline is available stating the following: These are the items covered under "group services" and this is the cost of providing these services.

An additional problem is, what definition of "self-supporting" do we use? Bill W. recalls, in *Alcoholics Anonymous Comes of Age*, "In 1945 we wrote Mr. John D. Rockefeller, Jr., and the 1940 dinner guests that we would no longer need their financial help." The book royalties could now look after Dr. Bob and me; group contributions could pay the general office expenses. If these were insufficient, the reserve accumulated out of literature sales could meet the deficit. This meant that we had finally declared for self-support. Since that time A.A.'s Board of Trustees has steadfastly refused outside contributions (pp. 203-204).

Are Bill's thoughts in conflict with the statement included in the original self-support paper issued in 1986, which says self-supporting "through group contributions only?" The home groups, through the two-way flow of communication of the Conference, need to clarify the definition of "self-supporting."

During the last five years the self-support plan has been on the agenda of every General Service Conference and untold numbers of Regional Forums, assemblies, district meetings, workshops and more. Every year the dollar contributions have increased but so has the cost of group services, inflation and the number of groups in A.A.

Last year, in 1990, group contributions increased by 8.9 percent, but office and board expenses increased by 0.5 percent. The problem is that without clarifying exactly what "group services" and their costs are, it is impossible to say if this figure meets the cost.

The fear present in 1986—that by 1991, 65 percent of our literature profit would come from the sale of literature to entities other than A.A.—was considerably lowered by doing away with two-tier pricing in 1988. Last year that figure was 23.7 percent.

Where do we go from here? I offer the following, not as the solution but simply as "thought starters."

In a letter addressing this topic last March, one area chairperson shared, "With all the worry over money and self-support, I think we've lost sight of what is our greatest problem by far apathy and lack of participation at all levels. If we solve our participation problems, we automatically solve our self-support problems. We needed a five-year participation project instead of the self-support plan."

To help communicate the fact that a need exists, condensed income statements similar to those used at Regional Forums could be issued on an ongoing basis. The message to the G.S.R.s and to the groups must be clear and simple: They must understand that a need exists.

More focus is needed on the purpose of a prudent reserve at all service levels. Is fear of financial insecurity within groups, districts, areas, central offices and intergroups having a residual effect on contributions?

During the past five years Conference delegates have voiced their concerns that they have been excluded with regard to money matters. The original self-support plan closed with the suggested first step of gathering delegates regionally to discuss self-support. I wonder what would have happened if we had followed through with this plan.

- Does A.A.'s entire Third Legacy structure, including G.S.O., need to begin a thorough inventory to ascertain that each level is fulfilling its primary purpose? Greg Muth talked about the success attained when such an inventory was taken in Hawaii back in 1987.
- Perhaps the Conference Finance Committee could better serve the Fellowship if there was a corresponding committee addressing the Seventh Tradition. The trustees' Finance & Budgetary Committee does not fill this need.

We are still at the historical statistic wherein roughly 50 percent of groups contribute. How do we get more groups to contribute? I think we have to talk about spiritual principles. As Bill says in *Twelve Steps and Twelve Traditions*, "It did not matter too much what our material condition was, but it did matter what our spiritual condition was. Money gradually became our servant and not our master. It became a means of exchanging love and service with those about us." (p. 122)

Past delegate Dennis F. said the following in his presentation to PRAASA (Pacific Regional A.A. Service Assembly) in 1987.

I think that I need to overcome any spiritual embarrassment and share with the members in my area that I need to contribute to the upkeep of the Fellowship in the same way that I need to practice rigorous honesty and maintain a conscious contact. Seeking God's will for me means trying to find the spiritual way of living that was lacking in my life when I drank. I was taught, and eventually learned, that paying my way is one of the foundations of that spiritual way of living. Having been made aware of the services performed by the General Service Office for my group and for the alcoholic who still suffers, I realize my responsibility to help pay for them. If someone hadn't told me about the spiritual principles of self-support or about the work at G.S.O., I wouldn't have been able to make that decision. I can carry the same simple message, and I'm certain that if they are informed, the members of A.A. will respond to it.

Bill covers this in the Twelfth Concept. After discussing negative attitudes toward contributing for service work, he says the following.

But in recent years these attitudes are everywhere on the decline; they quickly disappear when the real need for a given A.A. service becomes clear. To make such a need clear is simply a matter of right information and education. We see this in the continuous job now being done with good effect for our world service by Delegates, Committee Members and General Service Representatives. They are finding that money-begging by pressure exhortation is unwanted and unneeded in A.A. They simply portray what the giver's service dollar really brings in terms of steering alcoholics to A.A., and in terms of our overall unity and effectiveness. This much done, the hoped-for contributions are forthcoming.

(The A.A. Service Manual/Twelve Concepts for World Service, p. 64)

In conclusion, let's take the Seventh Tradition out of the limelight it has been in for the past five years and put it back with the other eleven, where it belongs. Perhaps we have to trust that the groups are doing the best they can and budget accordingly with prudence.

Jack MacManus, Rhode Island

A.A. World Services Inc. takes completed and approved manuscripts and prints and distributes them. It runs with business-like efficiency and provides additional funds, from literature sales, to help support services to groups and to carry the message to the public.

How G.S.O. Is Supported

According to our Seventh Tradition every A.A. group ought to be fully self-supporting. That includes such pooled services as G.S.O.

All activities at G.S.O. are lumped into two categories for the purpose of reporting expenses: service and publishing expense. In the past, A.A. groups contributed enough to cover about two-thirds of the service expense. The remainder was covered by publishing income, which was in excess of that required for publishing expense.

So, in 1986, the General Service Board asked for a special effort to inform the Fellowship of the dangers inherent in this situation; particularly that a substantial fraction of the publishing income now comes from outside sources. The effort was begun to inform the groups about this growing problem. **The challenge was to make G.S.O.'s service work self-supporting through contributions of the membership and to sell literature at cost to everyone.**

Note:

This entire section of the Service Manual was removed from later editions.

The number and extent of services have increased over the years, but the real cost of service per group has decreased consistently owing to the growth of the Fellowship. However, all groups do not contribute to the support of the service work. Almost one-half do not. This places a heavier burden on the groups that do. What is more important than the dollar amount of contributions is that groups participate in this part of A.A. service work, as in the other activities which make groups full-fledged members of the A.A. community.

Most groups have found it convenient to set up a regular contribution plan whereby they send in a predetermined percentage each month or each quarter. For part of this—or to make additions to it—they use various methods. The Birthday Plan is the best known. On their A.A. birthdays each year, group members make their personal contributions (through group treasuries) on the basis of \$1.00 for each year of sobriety. G.S.O. will send special Birthday Plan envelopes on request.

Many groups have their own ways of getting their regular or special contributions together. In Memoriam contributions honor the memory of a deceased member who was important to the growth of the group. Of course contributions of this type, like those of any other, can be accepted from A.A. members only.

In keeping with our traditions G.S.O. only accepts contributions from A.A. members, groups or other A.A. entities. Furthermore, the General Service Conference limits individual contributions to \$1,000 per year. This limit also applies to a onetime bequest of \$1,000 in the wills of deceased members.

11th year - Controller report in the 1997 General Service Conference Report

REPORT: FINANCE

Monday afternoon the Finance report was given by Donald Meurer, G.S.O.'s controller and assistant treasurer of the General Service Board. The report was followed by questions and sharing. For more details please see the Finance section of this Report.

What I realize this year, more so than in the past, is that it's not so much the dollars and cents of what we say, but how we say it.

You will find in the Finance section, in the back of the Conference Report, the Audited Financial Statements of The General Service Board of Alcoholics Anonymous, Inc. This includes an independent auditors report in which the auditors say our financial statements are okay. You have Exhibit A, which is now called The Combined Statement of Financial Position for the General Fund, the Reserve Fund, the Capital Projects Fund, A.A. World Services, Inc., and the Grapevine. Exhibit B is now called The Combined Statement of Activities, also for the General Fund, the Reserve Fund, the Capital Projects Fund, A.A. World Services, Inc., and the Grapevine, both English and Spanish. This Statement of Activities is what the Higher Power in the accounting world now calls what used to be known as the Income Statement. Following this is Exhibit C, the Combined Statement of Functional Expenses, which describes all the various expenses—such as salaries, payroll, postage, selling expense, stationery, etc.—by the various functions, such as group services, Fellowship services, General Service Conference, etc. Following this is a Combined Statement of Cash Flows, Exhibit D. This tells you where our cash came from and what happened to it. Then you have the notes to the Financial Statements, which in the Auditors' bound copies are approximately seven and a half pages of text.

If you want to read these things, by all means be my guest. If you really want to know what's happening, in a condensed, easy-to-read format is the G.S.O. 1997 Operating Budget (includes '96 results), the Grapevine '97 Budget (with '96, results) and a one-page write-up entitled Budget Highlights. There is also the complete treasurer's report.

For our purposes, we will make it even simpler, a few basic lines with round numbers. G.S.O. gets money from two sources: contributions and the sale of literature. And we spend money on two things: providing services and producing literature. Last year we had net sales of \$8.3 million from books, booklets, and pamphlets. It cost us \$5.1 million to print, ship, and pay royalties on these items, leaving us with a gross profit from literature of \$3.2 million. The expenses of running the office at 475 Riverside Drive, \$2.3 million, is allocated to publishing, which leaves a net income from publishing of \$898,000. Both gross profit and net income from literature for 1996 were approximately equal to 1995. You might recall that when A.A.W.S. lowered prices and increased discounts in 1994, in order to return to the Fellowship the excess amount in the Reserve Fund, they expected to cut literature income by about \$1 million. This has been accomplished for the past two years.

The second part of the G.S.O. financial picture is contributions and services. Contributions last year were up \$250,000, to \$3.9 million. We spent \$6.1 million on service-related expenses, which was \$2.2 million more than we took in from contributions. Contributions covered 64% of services expenses last year, compared with 65% in 1994. Literature income and a Reserve Fund reduction covered the balance.

There are 56,000 groups listed with G.S.O. Services to the Fellowship costs us \$108 per group. The average contribution per group was \$70, counting both groups that contribute and those that don't. If each group listed at G.S.O. contributed \$39 more per year—that is 74 cents per week per group—contributions would have entirely covered the expense of providing services.

Use of literature profits to pay for services does not present us with a Traditions problem. Bill W. covered this very well in the Second Warranty: "This net income to the groups and to A.A.'s General Services is actually the sum of a great many contributions which the book buyers make to the general welfare of Alcoholics Anonymous. The certain and continuous solvency of our world services rests squarely upon these contributions." (Twelve Concepts for World Service, p. 66) We should be concerned, however, if contributions should shrink too far. I don't know what "too far" is, but it is something we should talk about, and if we keep talking about it things will be okay.

Adding the \$898,000 profit from literature and the \$2.2 million loss from services together gives us our net loss for G.S.O. of \$1,264,000. This actual loss is \$153,000 less than our budgeted loss of \$1,417,200.

Gross sales were approximately \$370,000 below budget. After allowing for decreased cost of manufacturing, royalties and shipping and warehousing directly associated with these reduced sales, gross profit for the period was approximately \$76,000 less than budgeted. Offsetting this, contributions were \$175,000 higher than budgeted. Expenses were actually \$50,000 below budget.

Our Reserve Fund finished the year at nine months of combined G.S.O. and Grapevine operating expenses. A year ago it was 11.1 months and 13.2 at the end of 1994. At the current level of \$7.4 million it amounts to \$133 per listed A.A. group, down from \$153 last year. Our whole financial situation during the past few years has been driven by the Reserve Fund.

We felt we should bring the Reserve Fund below the Conference-mandated 12-month limit as quickly as possible, and realized that the reduced prices would result in losses that could not be sustained for long. If we had more time to bring the Reserve Fund down, we would have made smaller price reductions that could have been left in place longer. Perhaps some future Conference might

consider some language that would give us more time to get below the 12-month ceiling, while keeping in place the understanding that it is not a good idea to stay above the 12-limit indefinitely. The month Reserve Fund is now well within the Conference-approved upper limit of 12 months. As those of you who were here last year may recall, during the finance presentation the expectation to increase prices this year was discussed. As described more fully in the treasurer's report, this year's budget calls for an increase in the cost of the hard-cover Big Book by a dollar, other books will go up between 60 cents and \$1.50, and there will be some adjustments in the Spanish pricing.

It is interesting to note that since 1990, our unit sales on books have been declining at an average rate of 4 1/2 % per

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year. What this means is that now we are selling approximately 25% fewer books than we did in 1990. The 1997 Budget assumes a 5% decline in unit literature sales, a 3% increase in contributions and flat operating expenses. A loss for 1997 of \$139,000 is projected.

Why were we faced with raising prices or cutting services? Let's look at some history. A.A. grew rapidly during the 1980s and, at least when measured by book sales or contributions, has declined in the nineties. We don't have the growth umbrella to pay the bills the way we did in the eighties. Take for example unit sales of the Big Book. Sales grew from 300,000 in 1979 to 1.2 million ten years later. That's a growth rate of 15% per year. Growth in sales of the Twelve and Twelve was the same 15%, Living Sober grew at 13%, and so on. With unit sales like that, literature income was growing so rapidly that it was easy to support services. During the '90s, sales of all of our books have fallen off by anywhere from 18 to 40 percent.

Contributions in the '80s were growing at 13 % per year, which helped pay for services. Notice, by the way, that contributions peaked at \$4.4 million in 1990; last year, they were just over \$3.9 million.

Despite the decline in sales and contributions, and despite the rising costs of printing, we have been able to maintain services and cut prices since the peak years by careful control of costs and by drawing down the excess in the Reserve Fund. Drawdown from the Reserve Fund has gone as far as it can without, in my opinion, putting us in conflict with the Second Warranty's promise of "Sufficient operating funds, plus an ample Reserve.

So, the three reasons we have been able to maintain services without raising prices are no longer available to us. The rapid growth of the 1980s is probably behind us. Cutting costs without affecting services is likely to be much more difficult. And we no longer have an excess Reserve Fund to spend.

How much should raising literature prices bother us? Our books are very inexpensive. If the price of the Big Book had kept pace with inflation, it would sell for \$30.00 today. When first published the Big Book sold for \$2.50/ \$3.50—now we're going to \$6.00. What did it cost when you came to A.A.? By any measure or comparison, A.A. literature is a great value.

The Grapevine has already faced a similar dilemma a year or so ago and had a price increase to keep itself financially healthy, while increasing services by making all of its issues 64 pages long. Another point to make about the Grapevine is to assure you that considerations about the Reserve Fund include the commitment to fund the initial Spanish Grapevine project, so it hopefully may go on to be a successful part of carrying A.A.'s message to Spanish-speaking alcoholics. After an interesting start-up period, the Grapevine is reviewing the project and will present a revised plan to the trustees' Finance Committee in July.

We understand expenses are up all around; however, we hope that A.A. can increase the level of contributions, not just to G.S.O., but to the wider world of service entities, and not just because it would make our financial situation at G.S.O. easier. It has been said that our emphasis should be on spiritual principles—the recognition that each group is part of something much bigger than itself and has the opportunity to help carry the A.A. message around the world—in effect, Twelfth Step work at a level that the groups can't do alone. A group contribution, no matter how small, represents more than money. It represents a group's understanding of and desire for the services it pays for. It represents a contribution toward A.A. unity.

I would like to conclude with comments about a trip I made recently. I was invited to the Washington, D.C. Area's 24th Annual General Service Assembly. Several points come to mind: First, I had some trepidation, as this was my first solo service event. Second, I believe there were six past delegates in attendance, and I was truly impressed at the answers they gave to questions from the Ask-it-Basket. (I guess I thought past delegates just went back to making coffee.) Third, I walked into the church meeting room at 8:30 on Saturday morning and was greeted by men and women, or I should more accurately say boys and girls, who were in fact my children's ages. These people were so young that I was afraid some of my comments would not be understood in the context in which I lived them. Later I inquired as to the age of the youngest person, without knowing the length of sobriety—she was now 16 years old.

Lastly, a phrase I heard at one of the workshops sticks in my mind—it is "Remember, we don't know how to do it, you have to show us." I believe this, more than anything I've come across in my 25 years of association with A.A., explained sponsorship to me.

Donald W. Meurer, G.S.O. controller