

FINANCIAL IMPACT STATEMENT

BYLAW AMENDMENT 2026-0003:

Addition of Article Gamma Section 2 A(b) – Connection Tier Membership

Overview

★ The Connection Tier is an optional \$180 annual membership for alumni residing outside Michigan's Lower Peninsula, the geographic location of our Zeta Pi Chapter. It realigns the cost ROI for those geographically limited from accessing subsidized local events, maintaining full ZPAA connection while supporting residence diversity. This values-based structure aims to strengthen long-term engagement and financial sustainability by demonstrating ZPAA's responsiveness to changing member needs. ★

Budget estimates (2024/2025/2026) show an average **30% of dues (\$72 per member) typically go to events & event-related gifts**. Our basic operating cost per member is \$168. Even when removing local event and gift subsidies, the ZPAA still nets \$12 extra per Connection Tier member. These members simply pay non-discounted prices separately if they attend any local events.

(Note: Event-related costs would alternatively be higher for 2026 dues if the atypical OB40 event cost was included and if Golf 2026 expenses do not remain identical to the previous year.)

🔑 Key Financial Impact 💰

- **New Revenue Opp:** Not a dues reduction/discount measure. Instead, it's a value proposition realignment for members. The tier creates a dues-paying option for geographically distant alumni who may otherwise not maintain membership because they cannot reasonably access local benefits.
- **Optional:** Eligible alumni choose whether to elect the Connection Tier. No existing member is automatically moved to the reduced rate.
- **Baseline Costs Covered:** \$180 covers the \$168 baseline operating cost, meaning we're still getting \$12 extra from each person for the ZPAA budget. → We lose no money as a result.
- **Risk Prevention:** Eligibility is based on "principal residence" outside the Lower Peninsula, rather than temporary absence or event attendance. Michigan law recognizes a 183-day residency standard for determining residency for state income tax purposes, which can serve as an objective administrative eligibility criteria.
- **Administrative Impact:** Minimal administration, tracked through existing records and dues collection. No separate payment systems or significant infrastructure are needed; members simply pay à la carte for local events they choose to attend.
- **Potential Adoption:** Of ~45 non-Michigan alumni identified, 7 are categorized as "Yes/Likely" prospects and 8 others have expressed interest. If all 7 "Likely" choose the tier, they represent **\$1,260 in new annual dues revenue that we likely wouldn't otherwise receive**.

🏠 Financial Conclusion 🏠

The Connection Tier is projected to have a positive financial impact on ZPAA. At \$180 annually, each Connection Tier membership is expected to cover its attributable baseline operating costs, eliminate associated local event and 🎁-related costs from their membership dues, and contribute additional 💵 toward ZPAA reserves and general organizational purposes. This doesn't affect existing members or create any financial loss, but creates a financial incentive through varying member values and perceived ROI by different groups within our collective alumni.