



DATE: September 9, 2022
TO: USMS House of Delegates
FROM: Dawson Hughes – CEO
SUBJECT: **2022 CEO Report to the USMS House of Delegates**

2022 has been a successful year of renewed focus on USMS strategy. For the staff, it has been refreshing to proactively communicate long-term strategy and pursue plans rather than reacting to immediate challenges presented by the coronavirus.

Despite lingering effects of the pandemic, USMS membership will grow over 8% this year. National events have returned to pre-pandemic levels, local clubs and events are coming back (some after a multi-year hiatus), and USMS has new strategic priorities that will guide our efforts in the coming years.

This memo will cover successes in meeting our mission, identify challenges that will require attention, and provide an overview of what to expect in 2023. The [2023 business plan assumptions](#) have been provided as a preview for 2023 with a budget that will be finalized by the Finance Committee and Board of Directors in November. These 2023 assumptions include board recommendations on [2023-25 national volunteer meetings](#) and [2023 membership fees](#), for which [background has been previously provided](#).

I always take this opportunity to encourage LMSCs, delegates, and national volunteers to keep the USMS mission at the forefront when making decisions in support of USMS members. The overarching goal is to keep current members swimming and attract new adults to swim for fitness and competition. The mission can sometimes be lost among required governance and operational responsibilities placed on volunteer leaders and staff. But strategically planning the use of resources for club development, event development, and community development will ensure we are providing support for the services the membership value the most.

2022 Successes

In 2022, USMS planned for a 4.5% increase in annual membership and uncertain participation in events. We forecast an 8.5% increase in membership, and event participation has improved, with national events returning to pre-pandemic levels.

[Relay 2022 was held with a focus on the strategic priority of club development](#). The meeting agendas included ideas on how LMSCs can best support their clubs and coaches at the local level, and the event brought volunteers together for the first time since 2019 to share best practices and network with peers. The attendees were a great mix of long-time national and new, more locally focused volunteers. Reviews were very positive of this first-of-its-kind national gathering, with 87% rating the experience as positive.



Level 1 coach certification has successfully transitioned to a virtual format, providing greater flexibility for coaches and those simply interested in learning more about USMS and coaching Masters programs, to become certified more conveniently. Nearly 350 people will go through Level 1 certification in 2022 with several returning to pool decks as assistant coaches or working to start new programs. Certification for Levels 2 and 3, as well as the Clinic Course for Coaches, returned, albeit in a limited fashion, and several ALTS Instructor courses have been held as well.

Starting in late 2021, the staff began work testing various ways to directly support the development of existing and new clubs. This included several direct efforts to help clubs through coordinated and targeted marketing efforts, clinics, and business plan consulting. It also included efforts to start several new clubs in various parts of the country. There have been numerous valuable takeaways from these test cases. With the knowledge gained, we'll be releasing plans for a club development matching grant program in which LMSCs can partner to expand the support within their regions. The specifics of this program will be released once the 2022 budget is finalized.

College Club Swimming's membership has grown to 159 clubs and 6,862 members, which is the highest participation level since the start of the program. The rapid return and popularity of these programs led to a CCS National Championship with 2,001 swimmers, the largest event of the year with which USMS was affiliated. Although these swimmers aren't traditional members of USMS, CCS aligns perfectly with the USMS mission and goal to attract more adults to the swimming for fitness and competition. The CCS Advisory Board has reached out to USMS leadership to collaborate on a post-pandemic reset of the CCS vision to continue to foster growth in the number of colleges with CCS clubs, greater involvement of CCS leadership in operations and governance, and further integration and support between USMS and CCS. Those discussions will happen in the coming months leading into the CCS Advisory Board Summit in November.

Heading into 2022, the capacity to host large-scale events remained unclear. In some regions, hosting any event was still not possible. However, event participation began to return to some normalcy in the spring. At the national level, participation at Spring (1,816 swimmers) and Summer (1,079 swimmers) Nationals both returned to historical averages. The 1-Hour Virtual Championship even saw its first improvement in participation since 2010 with 1,049 swimmers. Five USMS open water national championships and numerous local open water events returned to the calendar in 2022. These are all positive milestones on our road back to pre-pandemic total membership.

The National Office has continued work toward completion of the digital transformation project, further enhanced the communications infrastructure, implemented the USMS+ package, and successfully transitioned the operational aspects of the Adult Learn-to-Swim grant program to the USA Swimming Foundation as part of our broader partnership. Staff also planned and executed Relay 2022 (in coordination with the LMSC Development Committee), the annual meeting (in coordination with the Executive



Committee), and upcoming National Coaches Clinic (in coordination with the Coaches Committee). Furthermore, the annual Try Masters Swimming campaign continued to be fine-tuned and by many metrics was the most successful yet.

Perhaps most important, the Board of Directors approved new [USMS strategic priorities](#) in February. These strategies developed in 2021 will guide our business planning in the coming years. Continued work to align LMSCs, committees, and the National Office will be key to the success of these strategies. I encourage you to set aside time during upcoming LMSC meetings to discuss concepts for additional club and event support, and to outline necessary tasks to enact programs that can benefit members in your region. The [Local Member Value and Growth – Where to Direct LMSC Resources](#) document shares best practices from other LMSCs and may help spark ideas. [Club Development presentations and notes from sessions at Relay 2022](#) are available in the USMS community and are also a good source of ideas for consideration. Additional details on national programs in partnership with LMSCs are noted in the 2023 business plan assumptions. Specific details will be released as the 2023 business plan is finalized.

These positive results are a testament to USMS's flexibility, foresight, and planning in recent years. Alignment of our collective efforts in support of club, event, and community development to provide the best possible experiences for USMS members will keep the momentum moving in a positive direction.

Looking forward to 2023 and beyond

The board, in consultation with the staff, has [developed plans and recommendations](#) that balance USMS's financial, strategic, staffing, governance, and volunteer engagement needs to best serve our membership. Fiscal responsibility is a USMS hallmark, and we are fortunate to have reserves to draw on as we rebuild and continue to grow. However, the goal remains to return to revenue-neutral budgets as soon as feasible so the investment returns earned over the past decade may continue to fund a small portion of annual expenses, be used for capital projects or new opportunities, and provide a financial cushion for the next unexpected challenge or opportunity. This requires a balance of membership growth, short-term deficit spending, investment in the strategic plan, and flexibility to adjust programming and direction in support of the membership.

In 2023, USMS plans to further enhance club and event development efforts in partnership with LMSC's local efforts. These enhancements include two members of the National Office focused primarily on club development and the addition of matching grant programs in which LMSCs can stretch their investments in local clubs, coaches, and events. The plan is to provide direct investment in the growth of clubs and events to ensure USMS members have the greatest possible opportunity to participate in USMS activities. This support may be directed to clubs looking to schedule additional workout times to provide current and prospective members greater flexibility to swim, ensure events are hosted with minimal financial risk to the event director or club organizer, provide enhanced club- or event-specific marketing to help attract additional swimmers,



or help us foster the creation of new clubs and events. More details on these programs will be announced as the 2023 business plan and budget are finalized.

Relay 2023 is included in the [business plan assumptions](#) for next year based on positive feedback from 2022 and the desire to fully invest resources and effort into the strategic plan. Based on the outcome of decisions during the annual meeting, Relay 2023 will be further developed with a theme of event development. This event is a key component of the strategic plan and proved to be a well-received opportunity to share ideas in support of USMS strategy and network with peer volunteers.

The National Office will continue improvement on USMS's technology infrastructure and will be implementing a new member and club database in the coming months. For an overview of what's to come and estimated time frames, please review the [Salesforce CRM Implementation Timeline and Process Adjustments document](#). Many benefits of the long-term capital project have already been realized through increased efficiency, increased communication capacity with fewer and non-technical staff, more member account self-management, improved information gathering for targeted marketing campaigns, improved efficiency through automation, and up-to-date security, maintenance, and documentation practices.

Finally, many of you know that late last year we identified vulnerabilities linked to tools within the USMS sanctions process and were forced to disable the file upload fields. It is important to note that this was not a security breach; at no time was USMS data compromised. USMS has monitoring in place to identify potential attacks, and that system helped us identify an issue and address the problem proactively. We quickly created a new process for collecting event information documents. We understand that this temporary process isn't ideal and appreciate the patience and support of sanctions chairs until the more permanent fix is in place. We are working on processes and security for the future with plans to improve the sanction process in 2023.

Despite emerging on the right trajectory from two years of pandemic-related challenges, USMS still has significant challenges to resolve. Macroeconomic conditions have led to inflation at rates not experienced in more than a generation. Currently the consumer price index has increased 8.5% from the year prior, which affects the full spectrum of USMS expenses at the national level.

As you peruse the [background](#) and recommendations on [2023-25 national meetings](#) and [2023 membership fees](#), it is important to remember that these recommendations are interrelated and based on the strategic plan. Decisions on these items cannot be made without consideration for impact on others. **I encourage all delegates to set aside appropriate time to review the recommendations and [business plan assumptions](#), ask questions in advance of the annual meeting on the [annual meeting community forum](#), or by contacting a board or finance committee member or me directly.**



LMSC Local Focus

The proposed 2023 membership fees will distribute roughly \$800,000 in collective revenue to LMSCs. A portion of this revenue will be required for governance, operations, and administration. However, most of an LMSC's revenue should be available to invest in local programming.

Additionally, LMSC reserve balances have increased nearly \$600,000, to \$2.8 million, since 2020. Holding a small amount in reserve for unexpected projects or challenges is prudent. Reserves can help weather unexpected financial challenges, particularly for ongoing, long-term, or contractual commitments like leases, payroll, and recurring expenses and services. The pandemic is a perfect example of an unexpected challenge for which the national budget requires spending funded by reserves. It also provides a real-world example of why LMSCs don't require significant reserves. Many LMSCs have more than two years of annual expenses in reserve when six months would be sufficient.

Enhancing the local member experience and expanding opportunities for adults to swim is a critical component of the strategic plan, and effective use of LMSC funds is a major part of that effort. Unused annual revenue and funds parked in reserve won't provide value to USMS members. USMS needs LMSCs to invest prudently and strategically in our clubs, coaches, events, and members.

We will continue to encourage and ask that LMSCs enact initiatives that provide more opportunities for adults to swim for fitness and competition in their regions. In the short-term, you can find ideas from the [Local Member Value and Growth – Where to Direct LMSC Resources](#) document. These suggestions have had success in other LMSCs and are shared to foster ideas. LMSCs continue to have the flexibility to invest in programming they feel fits best for their clubs, events, and members. So if you have other programming ideas that have been successful, or are in the future, please share them with the National Office and appropriate national committee so we can share them with your peers in other LMSCs.

Governance

Delegates should be confident in and proud of the directors you selected to the board. Their stewardship through unprecedented times ensured that USMS could maintain services to our members and responsibly manage financial resources. Furthermore, they have rapidly adjusted to changing business dynamics and economic challenges, while also resetting strategic priorities. The board has remained committed to making decisions based on input from all segments of USMS membership and aligned with the established strategic vision. You may have differences of opinion on specific topics, but the board should nonetheless be commended for the countless hours of personal time its members have committed to communication, planning, and information gathering, above the regular meeting schedule. These efforts have set us on a path to continued



**U.S. MASTERS
SWIMMING**

success and will keep USMS focused on encouraging more adults to swim for fitness and competition.

From The National Office

On behalf of the National Office staff, I thank all delegates for their efforts and time in support of USMS. You may be a first-time delegate or have participated in the annual meeting for many years; you may be meeting with us in Denver or participating virtually; you may be involved at several levels of the USMS structure or volunteer exclusively at the national level; or you may help USMS members on a daily, weekly, or monthly basis with your time. No matter the extent of your volunteerism, we appreciate your commitment and couldn't operate without your involvement in our national governance structure and at the local level. The staff and I look forward to working toward an enhanced partnership with LMSCs on the strategic vision for USMS.