



FOR ALL GIRLS. SOARING BEYOND GREATNESS.

STEWARDSHIP REPORT

ATLANTA, GEORGIA OCTOBER 7-10, 2005



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Chair, National Board of Directors

Cynthia B. Thompson

Chief Executive Officer

Kathy Cloninger

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TO THE MEMBERS OF THE NATIONAL COUNCIL

As we gather here in Atlanta for the 2005 National Council Session/50th Convention it is our pleasure, on behalf of the National Board of Directors, to present for your review the *Stewardship Report* for the 2002–2005 triennium. Stewardship of the Girl Scout Movement is a major function of the National Board of Directors, and includes accountability to the National Council for governing the GSUSA corporation between National Council Sessions.

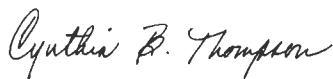
This report was prepared to help you, the members of the National Council, determine how well the National Board has fulfilled its

stewardship responsibilities for the Girl Scout Movement during the past triennium. The report is organized by corporate goals and highlights GSUSA's accomplishments over this three-year period in the areas of girl and adult membership, program, advocacy, governance, and finance. We hope you will see the strides we have made in enhancing our program services to girls, in strengthening and expanding our donor base, and in devising new and creative ways to build a girl and adult membership that reflects the demographic profile of the nation. We can also note the progress we have made in streamlining our governance structure and the status we have maintained as a premier spokesperson for girls on key issues that bear on their lives through our advocacy efforts.

Please note that there will be a presentation on the *Stewardship Report* on Saturday morning, October 8.

A new century has brought with it new challenges, and together we are meeting those challenges with creativity and resilience to ensure that a vibrant Girl Scouts is here for the girls of tomorrow as well as today.

Cynthia B. Thompson,



Chair, National Board of Directors

Kathy Cloninger,



Chief Executive Officer



OVERVIEW

The National Council Session/Convention in Long Beach, California, in October 2002 ushered in a new triennium. Girl Scouts, faced with significant challenges, remained united in the belief that the mission of Girl Scouting was more important to girls than ever before. We left Long Beach knowing that to succeed in delivering a relevant, safe, and fun-filled Girl Scout program to girls throughout the nation, we needed to realign as necessary to be where the girls are and to be even more girl-centric. Being where the girls are means building a membership more reflective of the nation's population, and we can report exciting progress in this area, predominantly through our *Hispanic Initiative*. Being more girl-centric means building a "By Girls, For Girls" program approach for girls ages 11–17. Challenged and inspired by the findings in the 2002 study *New Directions for Girls 11–17*, GSUSA launched STUDIO 2B, which has quickly become a model for expanding services to and retaining membership of teenage girls.

Innovative programs and expanded outreach efforts to new communities positioned Girl Scouts to pursue new partnerships. Significant progress was made in teaming with corporations, foundations, and federal agencies and departments to fund an exciting array of opportunities. New studies and publications by the Girl Scout Research Institute further strengthened Girl Scouts' reputation as a premier voice for girls. And the GSUSA Government Relations and Advocacy Office led a nationwide effort to inform and educate decision-makers about issues that are important to girls. Award-winning public service announcement campaigns, as well as strategically placed media stories in national publications and on television and radio, brought the relevancy of Girl Scouting in the 21st century to tens of millions of households across the country. In the triennium \$23 million was raised for Girl Scout programs and distributed to Girl Scout councils.

Organizationally, GSUSA's financial position has remained positive, and an increased emphasis on fundraising has benefited councils as well as the Movement as a whole. The most significant change in the triennium was the arrival of Kathy Cloninger as CEO in 2003. Under her leadership, work began on a core business strategy. A team of National Board members, council representatives, and GSUSA staff was assembled and worked from June to December of 2004 gathering data, probing assumptions, and forming insights that led to the identification of the five strategic priorities:

- A new program model and clear pathways for girl participation.
- A reinvigorated spirit of volunteerism.
- A refreshed and invigorated Girl Scout brand.
- An effective and efficient governance system and organizational structure.
- A new funding culture to attract the resources needed for growth and expansion.

A sixth priority – an inclusive, girl-centric, and results-focused culture – will support the achievement of the other five.

Five "Gap Teams," so named because they are bridging the gap between the current system of organization and a yet-to-be defined new approach, are working to define each of the priorities. The teams are involving hundreds of people including girls, volunteers, and council and GSUSA staff. Additional information about the core business strategy and the early actions that it has generated will be shared during the National Council Session.

CORPORATE GOAL 1: GIRL MEMBERSHIP

Create and deliver a Girl Scout experience that results in a 12 percent membership share of the 5- to 17-year-old girl population (more than 253,000 or 9 percent girl member increase) while achieving a member population more reflective of the demographics of the U.S.

Following membership increases in 2002 and 2003, there was a decline in girl membership in 2004 by 3 percent. Indications are that membership in 2005 will decrease further; the exact percentage, however, will depend upon council outreach and short-term program initiatives still to come in this fiscal year. In 2004, for the first time in nearly a decade, more councils reported membership losses than gains—202 councils declined in membership while 113 had increases. Membership decreases were greatest in Brownie and Junior Girl Scout troops, our largest segments, a loss that illustrates the importance of reinvigorating the entire Movement. And continuing a trend of the past several years, girls registered in groups or individually increased by more than 5 percent from 2003 to 2004, and by 16 percent from 2002 to 2004.

Girl Scouts is still firmly America's largest organization for girls, and our membership size is unquestionably one of our greatest strengths. We have made great progress in reaching a cross-section of girls across the country and through the core business strategy will bring even more energy to this work. We have full confidence that as we continue to work to transform the Movement, by the conclusion of the next triennium this decline will be seen as a mere dip in our overall membership records.

After climbing steadily since 1995, girl membership reached a 25-year high in 2003. This growth pattern was fueled totally by the growth in non-troop registration categories.

Figure 1. Girl Membership at Year-End (2005 projected)

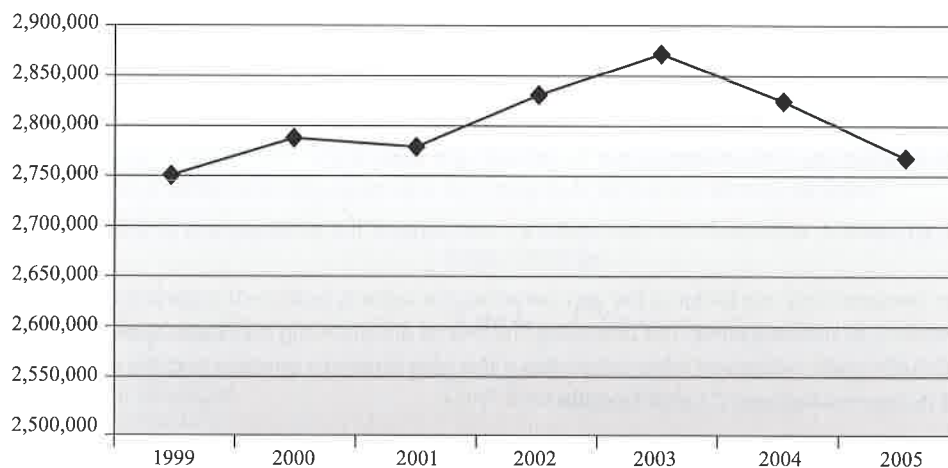
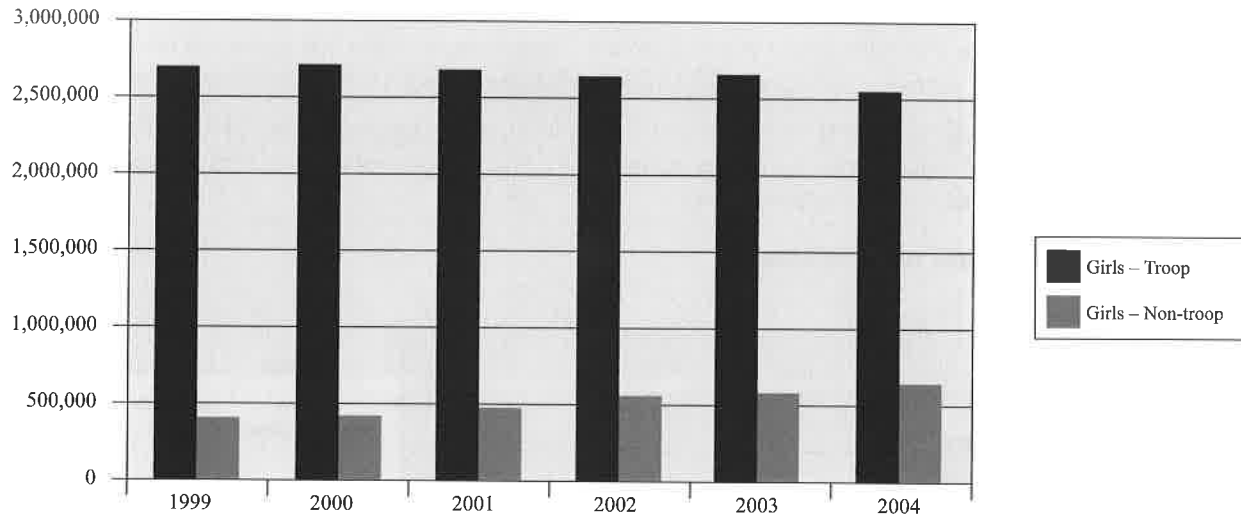
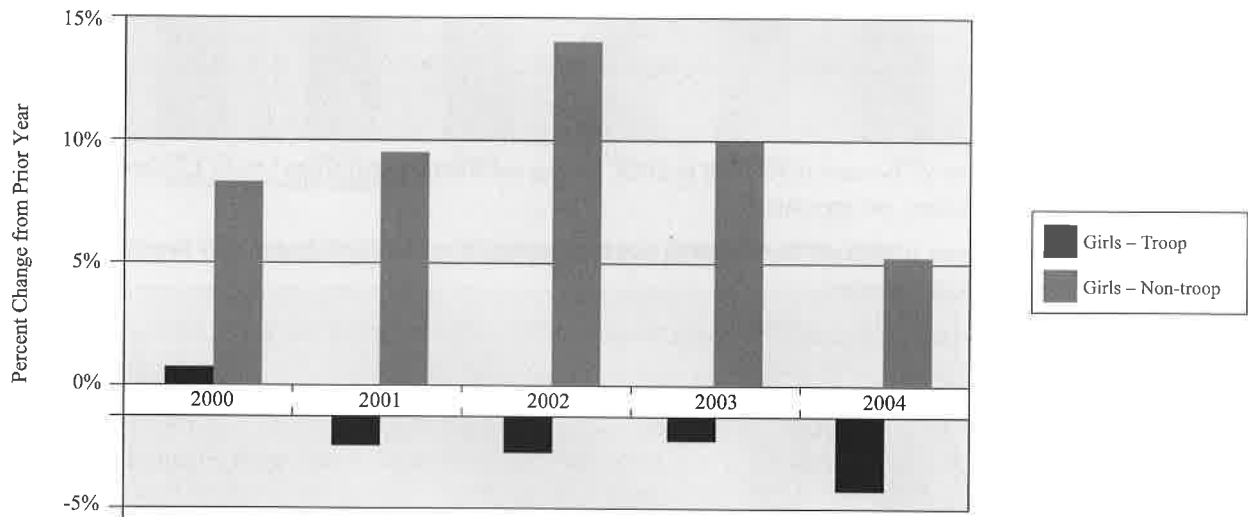


Figure 2. Troop and Non-Troop Membership: 1999–2004



By the end of 2004, girls in non-troop delivery systems represented 20 percent of girl membership.

Figure 3. Troop and Non-Troop Rate of Change: 1999–2004

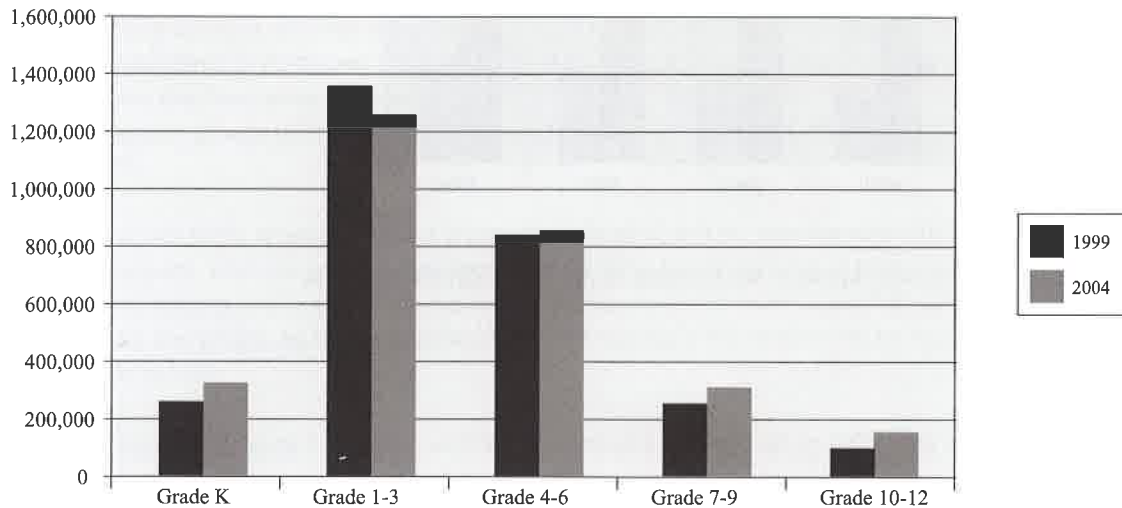


- From 1999 to 2004, membership for girls registered in troops declined by more than 5 percent.
- From 1999 to 2004, non-troop girl membership grew by more than 57 percent.

Age-level comparisons show significant trends:

- In 1999, girls in grades 1 through 3 represented more than 48 percent of girl membership. From 1999 to 2004, membership in this age group dropped by more than 6.6 percent. The population in this age group also dropped during the same period, but by only 4.2 percent. Girl members in grades 1–3 have dropped to 44 percent of the total.
- In 1999, girls in grade 7 through 12 represented just over 11 percent of girl membership. From 1999 to 2004, membership in this age group rose 25 percent and now makes up nearly 13 percent of girl membership. The girl population for grades 7–12 grew nearly 8 percent from 1999 to 2004.

Figure 4. Girl Membership by Grade: 1999 and 2004



The Girl Scout membership has grown more reflective of the U.S. population during this triennium, as the following three charts will show:

- Girls reported as Hispanic grew 21 percent from 1999 to 2004, raising our membership share* from 4.3 percent to over 5 percent of the total Hispanic girl population.
- Asian girl membership rose over 20 percent from 1999 to 2004, improving the membership share for this fast-growing population from 3.7 percent to 3.9 percent.
- Black girl membership rose nearly 10 percent, improving the membership share from 8.4 percent to 9.1 percent.
- White girl membership declined by over 5 percent, reducing the membership share from 10.7 percent to 10 percent.
- The fastest-growing category is "Other Races," which may indicate confusion or dissatisfaction with the census categories. By the end of 2004, "Other Races" and "Not Reported" combined represented nearly 14 percent of total girl membership.

After remaining steady at approximately 26 million from now to 2012, the population of girls 5–17 in the USA is projected to begin rising, reaching over 30 million by 2030. From 2012 to 2015, it is estimated that the girl population will grow by 500,000. Much of this growth will be concentrated in the Hispanic population, which, according to projections, will increase from 2000 to 2015 from 16.3 percent of the available girls to 22.3 percent. This increase represents a major opportunity for new membership for Girl Scouts.

*"Membership share" is the percent of the population of girls ages 5–17 in the United States who are Girl Scouts.

Figure 5. Girl Membership by Race/Ethnicity in 1999 and 2004

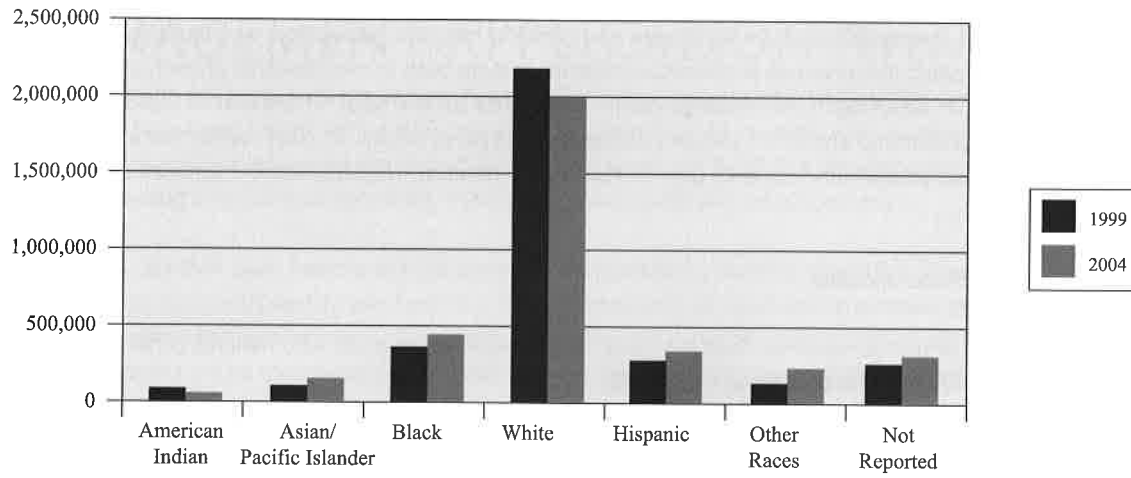


Figure 6. Girl Membership Share by Race/Ethnicity: 1999 and 2004

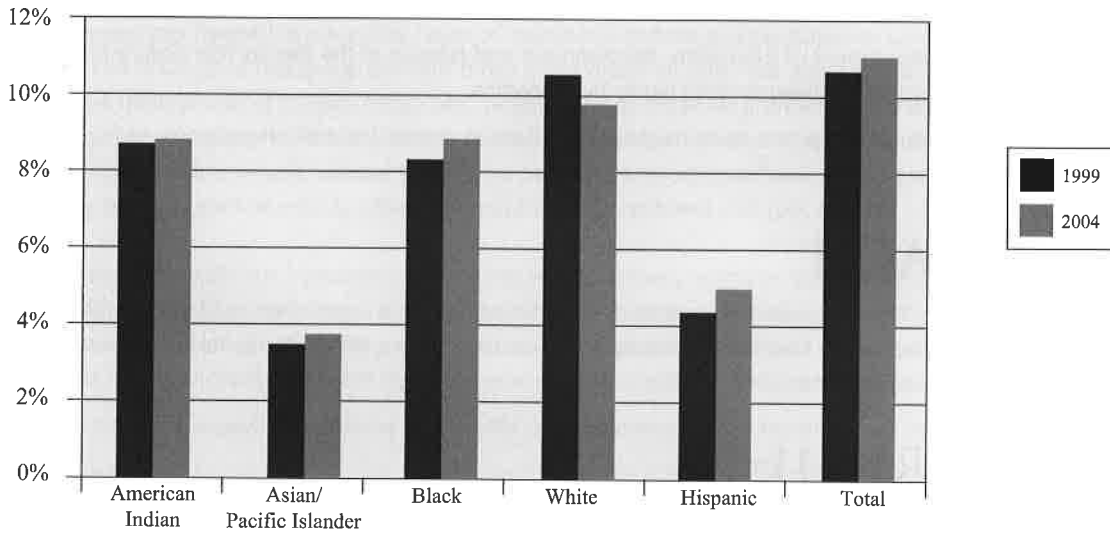
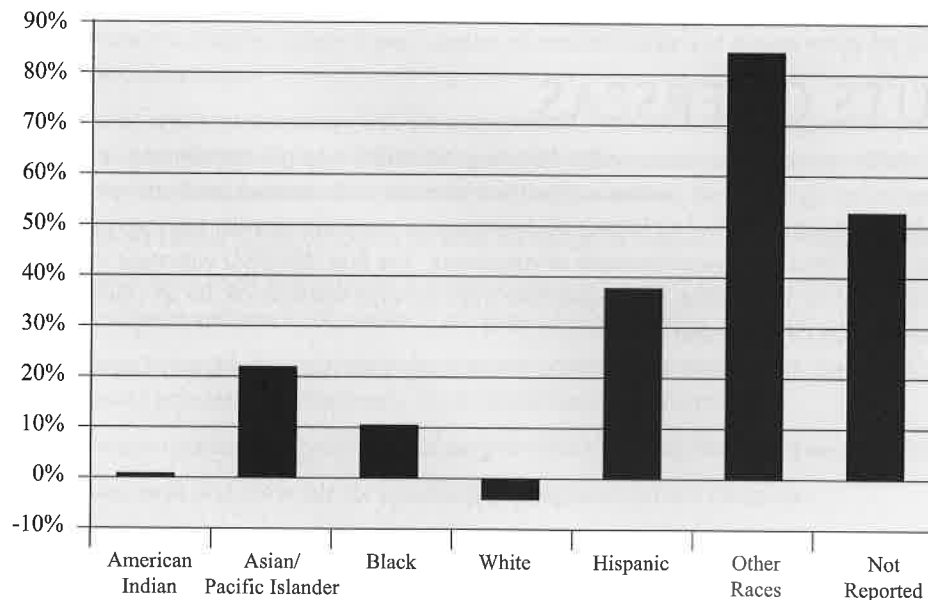


Figure 7. Rate of Change of Girl Membership by Race and Ethnicity: 1999–2004



HISPANIC INITIATIVE

A special project designed to extend membership to the very large and growing Hispanic population was launched in 2002. During this triennium, the *Hispanic Initiative* has produced significant results both in membership growth and in the enhanced image and reputation of Girl Scouting in the Hispanic community. After its first year, at the end of 2003, there was a 12 percent increase in girl membership and an 11 percent increase in Hispanic adults. In 2004, while there was a decline in all other ethnic/membership categories, Hispanic girls increased 0.5 percent (Hispanic adult members decreased by 8.3 percent).

The key accomplishments in the triennium include:

- Development and distribution of the *Conexiones Toolkit* in 2003, which provides councils with national consistency in language translation and the presentation of cultural messaging.
- Organization and hosting of the National Latina Conference each year from 2002 to 2005.
- Co-founding of the White House Initiative on Educational Excellence for Hispanic Americans.
- Launch of the first GSUSA Spanish-language website in May 2004, followed by a 1-811-GSUSA En Español Call Center in July 2004.
- In partnership with the U.S. Department of Education, development and release of the *Key to Your Future* toolkit, which features an interactive guide to colleges rated highly by Hispanics.
- Building brand recognition through numerous placements in key Hispanic media, including magazines, radio, and cable television.

ASIAN OUTREACH

In 2004, following the success of the *Hispanic Initiative*, a national Asian task force was established to identify strategies to reach diverse Asian communities. Despite the 10 percent growth in the last three years, Asian/Pacific Islanders continue to be the most underrepresented racial/ethnic group in Girl Scouting.

FOCUS ON GIRLS 11-17

The 1999 National Council Session launched an effort to expand opportunities and program for girls 11-17. This led to the development of STUDIO 2B, a new approach to program for this age level that has fostered strong growth in membership. In 2003, the number of girl members ages 11-17 grew 7 percent over 2002 records. In 2004, while there was an overall decline in most membership groups, Senior Girl Scouts increased by 0.5 percent.

USA GIRL SCOUTS OVERSEAS

American girls living around the world continue their participation in Girl Scouting. USAGSO total girl membership at the end of 2004 was 13,876 in 90 countries, representing an overall decline across the triennium. International conflicts, relocation of expatriate families, and U.S. military base closings have had an impact on membership numbers. Annual training conferences were held each year in Europe and the West Pacific, serving hundreds of volunteers. The first USAGSO volunteer training corps for New York-served locations was held for 28 trainers, and a volunteer training corps conference, for all USAGSO locations, took place at Edith Macy Conference Center in July 2005.

GIRL SCOUT ENTERPRISE MEMBERSHIP MANAGEMENT APPLICATION (GEMMA)

In 2002, an effort was undertaken to launch a new Girl Scout membership registration system, the first in over 10 years, that would be a client server with a Web component. More than 70 councils were involved in developing specifications and searching for a new system. By the end of 2004, 29 councils and 3 GSUSA departments were using GEMMA. However, despite meeting initial project timelines, there have been significant complications.

Currently, a GEMMA Core Team is evaluating the recommendations made by an outside independent consultant group. The Core Team is conducting a full performance and data integrity review of all membership processing components in order to develop long-term action plans and timeframes. In the interim, those councils currently using GEMMA will continue to do so, and the WinPCMS/WinCAS system will be maintained until a stable membership management application alternative is available to all councils.

MEMBERSHIP SUBSIDIZATION

Following the 2002 National Council Session, a task group was appointed on the implications of subsidizing the costs of membership participation for girls and adults. This group studied the impact on councils and the national organization of the additional resources needed to cover the costs of membership dues and participation costs for girls unable to afford these expenses. The findings of this group concern three major areas of work: the approach to serving girls; resource development; and effective deployment of current resources. While many of these recommendations are operational in nature, some may require governance support in terms of policy revision, budget considerations, and fund development strategy. Many of the issues identified are directly related to the core business strategy priorities or they are currently part of work already in progress by national staff as well as other National Board committees and task groups.

- I. Given the increase from 1 percent of girls in non-troop delivery systems (largely subsidized) in 1982 to 17 percent in 2002, we need to evaluate our approach as it has evolved to determine its overall impact. The following recommendations seek to define a core business strategy, for GSUSA and councils in partnership, that includes all aspects of membership, program delivery systems, and quality for girls participating in non-troop delivery systems:
 1. Determine the essential elements of a quality Girl Scout experience regardless of delivery system.
 2. Create a methodology to assist councils in identifying critical factors that balance sustainability and membership retention.
 3. Track results and retention of girls in different delivery systems.
 4. Analyze successful models of volunteer systems in communities in which volunteering is not a longstanding tradition (use as case for national funding for replication).
 5. Promote the program value of participation in product sales and design ways for girls in outreach programs to take part in this core activity.
- II. In order to meet its objectives GSUSA and councils must develop strategies that focus on enhancing the resources available and that result in a comprehensive collaborative strategy to develop recurring funding. The following recommendations seek to add resources to the organization:
 1. Raise additional funds through a national campaign to support subsidization costs, especially membership dues.
 2. Support innovation and capacity building at the council level that results in new models and delivery systems to recruit and support additional volunteers in all types of communities.
 3. Engage in a marketing campaign to raise the profile of the Movement, thereby attracting additional resources—targeted populations, volunteers, funders, partners, and alumnae.
 4. Leverage relationships with national partners like HUD and Head Start and ensure consistency at the council level.
 5. Create tools and materials for a national annual development campaign.
 6. Provide national recognition for participants in councils' annual family campaigns, such as patches and badges.

- III. In addition to adding to the total resources, it is important to determine if the currently available resources are used as effectively as possible. The following recommendations seek to more effectively deploy current resources, including technology:
1. Consider using GSUSA surpluses above a certain level to provide funds for council grants (or create a perpetual fund) and re-examine the strategy regarding grants to councils.
 2. Review council structures, especially collaborations, strategic alliances, and different organizing models, that will maximize capacity using present resources.
 3. Identify targeted areas in which GSUSA can provide services that will provide budget relief to the councils, such as employee assistance, legal advice, and information and technology infrastructure.
 4. Consider additional registration options, such as multiyear or introductory registration, to reduce costs of processing at the local and national level with the potential result of also improving retention.
 5. Package and market existing program resources to support their more effective use in multiple and diverse settings, such as schools, multiage groupings, family programming, and collaborations.
 6. Utilize existing national and regional meetings as well as communication and technology vehicles to facilitate the communication of best practices.

CORPORATE GOAL 2: GIRL SCOUT PROGRAM

Provide a cutting-edge and diversified Girl Scout program that ensures girls develop values and skills that will last a lifetime.

A hallmark of the Girl Scout program is providing excellent resources for girls and adults for many kinds of activities. The Program Satisfaction Survey yielded very high satisfaction rates in the years 2003 and 2004. Of all parents, 86.9 percent were extremely satisfied to satisfied, and 88.8 percent of Junior Girl Scouts were extremely satisfied to satisfied. The 2004 survey revealed that, based on a random sampling of girls ages 11–17 across the country, the average satisfaction rating of girls' experiences with Girl Scouting was 4.0 on a 5-point scale.

As Girl Scouts embarks on its new core business strategy, the Girl Scout program model will build on some of the extremely successful program initiatives that occurred throughout the triennium, many of which were made possible by forming new partnerships with government agencies and corporations. The range of these initiatives—from financial literacy to community outreach—is shown in the chart that follows.

In the three-year period approximately \$33 million was raised for Girl Scout program and more than \$23 million was directly distributed to Girl Scout councils. The balance was used in the creation and distribution of these resources.

Figure 8. 2002–2005 (to date) Program Initiatives

Title	Initiative	Resources	# Council Grants	Partner(s)
CentsAbility	Financial Literacy	<i>CentsAbility</i> kits, Web resources	31	Mutual of America
Fair Play	Science, Technology, Engineering, and Math	Design and discovery engineering curriculum, hands-on activities, mentoring	24	U.S. Department of Education, Intel Foundation, Society of Women Engineers
Girl Scouts Beyond Bars/ Girl Scouting in Detention Centers	Community Outreach and Education	Training workshops	117	Hasbro Children's Foundation, Kalliopeia Foundation, Robert Wood Johnson Foundation, United States Department of Justice
Girl Scouts in Public Housing	Community Outreach and Education	Training workshops	114	U.S. Department of Housing and Urban Development
Girl Scouts in Rural Communities	Community Outreach and Education	Training workshops	86	U.S. Department of Agriculture
NASA Explorer Institute	Science, Technology, Engineering, and Math	Training workshops	50	National Aeronautics and Space Administration
National Arts Initiative	The Arts		17	Annenberg Foundation, Whitehead Fund
P.A.V.E. the Way (Project Anti-Violence Education)	Personal Safety, Reducing Vulnerability to Crime, Strategies to Resist Involvement in Delinquent Behavior, Leadership and Self-Esteem, Health and Wellness	<i>Staying Safe</i> series, training workshops	18	Corporation for National and Community Service, U.S. Department of Justice

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Title	Initiative	Resources	# Council Grants	Partner(s)
Science Career Exploration Fund	Science, Technology, Engineering, and Math	Activities, Leadership Institute	29	Lockheed Martin
Stock Market Game	Financial Literacy	Stock Market Game, STUDIO 2B Focus book <i>Got Money?</i> , training workshops	54	NASDAQ Educational Foundation Inc.

STUDIO 2B

The Girl Scout Research Institute's study, *Ten Emerging Truths: New Directions for Girls 11-17*, was presented with the STUDIO 2B overview at the 2002 National Council Session. This study has been used as the basis for the development of all new program materials for this age range, as well as the formation of the "By Girls, For Girls" (BGFG) national advisory committee. Nomination packets were sent to councils in the fall of 2002, and 15 girls were selected. BGFG works with the National Board to ensure that girls' voices are heard and they are consulted about Girl Scout program resources. The BGFG Committee has provided input to a variety of projects and training sessions for STUDIO 2B and has made several presentations to the National Board. A similar relationship between girls and councils is being developed as now exists between the BGFG Committee and GSUSA.

NEW MATERIALS

- STUDIO 2B went live on May 7, 2003, with the launch of www.studio2b.org. A redesigned website was released in the summer of 2004, and includes an interactive game, "Making Cents of Her Life," which was funded by Visa USA. Thousands of teens submit comments, stories, and poems. Additionally, they submit questions to Dr. M, whose responses appear in her advice column. Content for STUDIO 2B Online is produced by GSUSA staff, the BGFG Committee, Girl Scouts, college students, and guest writers, including a psychologist and cosmetologist.
- In partnership with the Connecticut Trails Girl Scout Council, the first Girl Scout Web cast was held in 2003 as a forum for girls and adults to ask questions about STUDIO 2B and to discuss the *Ten Emerging Truths About Girls* study. Nearly 4,000 girls and adults participated in the event.
- Publications developed and made available during the triennium include 14 Focus books and corresponding awards; binder inserts; STUDIO 2B Collections resources for girls 11-13, 13-15, and 15-17; Interest Projects; and a binder insert set.

SUPPORT TO GIRL SCOUT COUNCILS

In 2003, GSUSA made financing available for over 3,000 council volunteers and staff to receive training in how to deliver STUDIO 2B to girls. Fifty-five work sessions were held around the country, and a full spectrum of print and electronic resources were developed and made available.

Based on council assessments in 2003 and early 2004, it was evident that councils wanted increased support in implementing STUDIO 2B. In response, GSUSA produced several new materials including a general guide; conducted training sessions at 20 councils and at 8 regional conferences; distributed "STUDIO 2B in a Box," a retention packet focused on middle school girls; and produced three videos (a "fireside chat" with CEO Kathy Cloninger, an adviser training video, and a Gold Award training video). In addition, 30 councils were awarded \$5,000 for "Take it to the Girls" grants to help plan recruitment and retention events.

STUDIO 2B DESTINATIONS

To better meet the needs and interests of girls, Wider Opportunities was enhanced and renamed STUDIO 2B *destinations*. Additional changes to the program were also made:

- Expanding the eligibility age to any girls 11–17.
- Including regional and council-sponsored events.
- Posting opportunities on the STUDIO 2B website.
- Streamlining the application and selection process.
- Expanding outside partnerships for girl travel.

From 2002 to 2004 the average yearly participation in *destinations* events was approximately 1,800 girls. In total, \$507,300 was awarded for travelships during that time.

GIRL SCOUT GOLD AWARD

Continued emphasis and progress was made in bringing attention to Girl Scouts' highest honor. Approximately 6,000 Girl Scout Gold Award certificates and letters of congratulation were distributed to councils each year through a revised and more streamlined procedure. The names of 60,000 Golden Eaglet and Gold Award recipients were entered into the Gold Award Registry database.

YOUNG WOMEN OF DISTINCTION

In conjunction with the 2003 Corporate Leadership Conference in Washington, D.C., outstanding Girl Scout Gold Awardees were recognized as Young Women of Distinction. This event generated very positive media coverage for the young women, for the Girl Scout Gold Award, and for Girl Scouts. Twenty-five Young Women of Distinction, recipients of the Girl Scout Gold Award in 2004 and 2005, will be honored at the National Council Session.

SCHOLARSHIPS

A growing list of scholarships available to Girl Scouts who have earned the Girl Scout Gold Award are confirmed, updated, and posted online for councils and girls. Nearly \$150,000 has been awarded by the Elks Foundation during the triennium to 28 girls who are recipients of the Girl Scout Gold Award. In addition, many new opportunities have been added, providing an incentive for membership retention and recognizing the achievement of the Girl Scout Gold Award. A total of 50 colleges and institutions offer scholarships to recipients of the Girl Scout Gold Award.

GIRL SCOUTS ON THE WEB

In the summer of 2004, GSUSA launched its redesigned website, www.girlscouts.org. The site was designed to increase traffic, enhance the Girl Scout brand, and give users a rich online experience. The website currently includes:

- Girls Only (www.gogirlsonly.org) for girls ages 5–10, with a focus on the 8- to 10-year-old.
- Girl Scout Central, a compendium of information on the Girl Scout program.
- For Adults, which has three sections: Café Connect for 18- to 29-year-olds; Parenting Plus, for parents and other caregivers; and Leaders and Advisors, for all volunteers who work with girls.
- Girl Scouts en Español, a Spanish-language stand-alone site with information on the Girl Scout program, volunteer leadership, and how to become a member.
- Links to STUDIO 2B (www.studio2b.org) and Girls Go Tech (www.girlsgotech.org).

In 2004, the average number of unique Web visitors increased by 7 percent over fiscal year 2003, peaking at 234,000 in a single month. The average number of page views increased by 17 percent, exceeding 1.9 million page views in a month versus a fiscal year 2003 high of 1.35 million. Unique visitors to the redesigned STUDIO 2B website increased by 7 percent as compared to 2003.

The STUDIO 2B site received A Parents' Choice Approved Award in 2005. The Girls Only and STUDIO 2B websites were named finalists in the categories Best Website for Children and Best Website for Young Adults, respectively, by the Association of Educational Publishers (AEP).

BIRTHPLACE RESTORATION

The Juliette Gordon Low Birthplace: A Girl Scout National Center is a unique resource for Girl Scouts, and attracts thousands of Girl Scouts and others visitors who come to Savannah.

RENOVATIONS

Significant modifications and improvements were undertaken during the triennium for the national center. The historic rooms in the Wayne-Gordon House were restored to their 1886 appearance and program spaces were upgraded to meet current needs for educational delivery and new technology. In 2003, the second-floor stable classroom was renovated and the bedroom of Juliette Low's parents and a guest bedroom in the main house were restored. The following year, completed projects included the renovation of the museum store and the restoration of the dining room, Grandmother Gordon's bedroom, Juliette Low's bedroom, and an 1886 dressing room and bathroom.

The most challenging, and costly, of all the capital projects was the installation of an elevator to improve accessibility for Girl Scouts and all visitors. The project received a 2004 Preservation Award from the Historic Savannah Foundation for the successful and sensitive addition of an elevator to one of Savannah's most important National Historic Landmark buildings.

In 2005, a complete transformation of the second floor of the carriage house program space was completed. Planning and design work is also underway for the restoration of the historic garden.

Throughout the construction and renovation, the house remained open for a full calendar of tours and reserved programs. During the three years, a total of 175,900 individuals participated in tours and programs at the national center.

THE CAMPAIGN

The Campaign to Restore the Juliette Low Birthplace was successfully concluded in 2004 and provided funding for the restoration projects, establishment of a travelship endowment, and expansion of the Birthplace preservation endowment. Over \$1.5 million was raised through a combination of gifts from foundations, corporations, interested individuals, the Girl Scout membership, and a special allocation made by the National Board of Directors.

CORPORATE GOAL 3: ADULT MEMBERSHIP

Create and deliver an adult Girl Scout experience that results in an increase of adult Girl Scouts to achieve and maintain a three-to-one ratio of girls to adult members, and develop ways in which adults can have a lifelong affiliation with Girl Scouts.

Volunteers from all age groups and walks of life make Girl Scouting happen. During the triennium, similar to girl membership, the number of adult members was increasing until 2004. In fact, it reached an all-time high in 2003. In 2004 it declined by 3.2 percent; however, the ratio of more than one adult to every three girls was maintained. A further reduction is anticipated for year-end membership in 2005. Nevertheless, the diversity of the adult membership also improved from 1999 to 2004, with particularly striking gains in the Asian and Hispanic populations.

Figure 9. Adult Membership at Year-End (2005 projected)

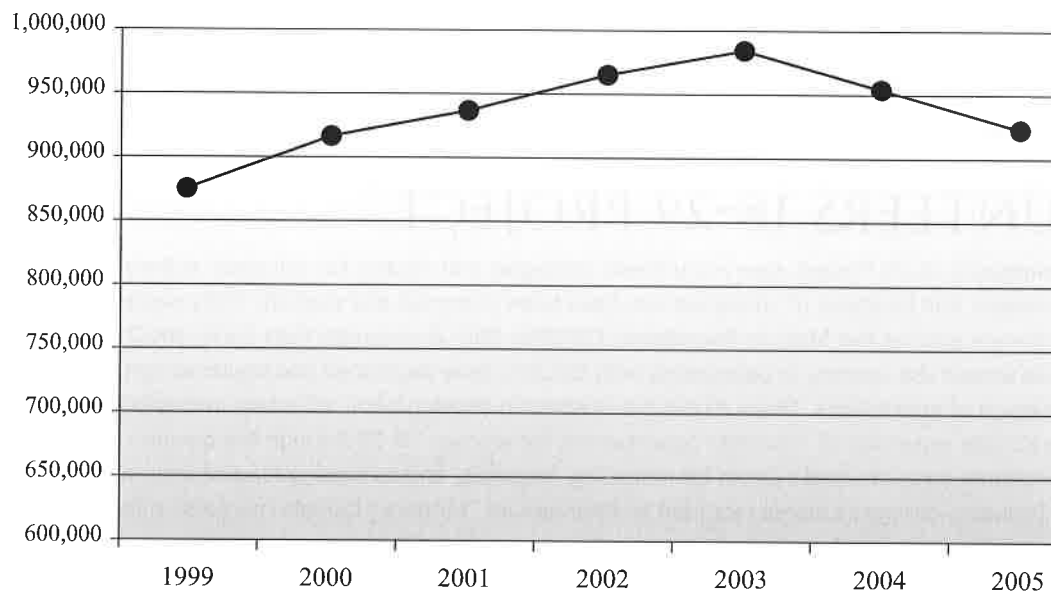
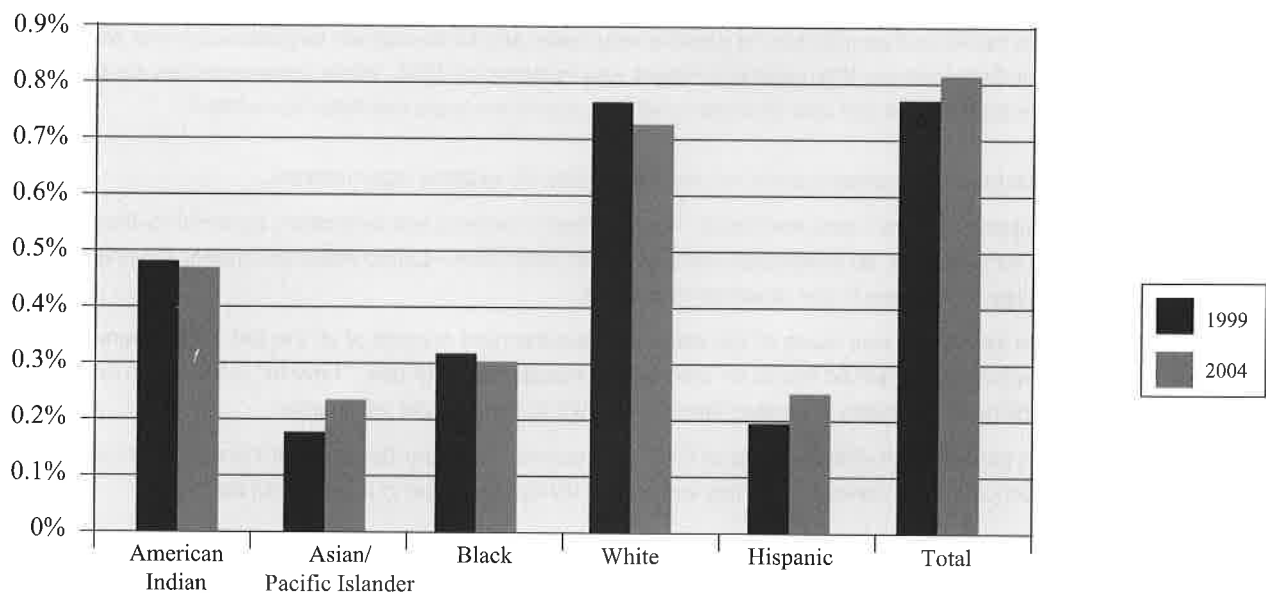


Figure 10. Percent of Adult Women by Race and Ethnicity Who Are Girl Scout Volunteers



One of the priorities of the core business strategy is to reinvigorate volunteerism within the Movement and ensure that our volunteers more closely reflect the racial/ethnic diversity of the nation. The key to accomplishing this turnaround will be to develop new competencies for volunteer positions; complete a structural redesign; define a recruitment strategy; develop consistent screening and placement; re-engineer learning opportunities; and formalize rewards and recognitions. We are working with 10 pilot councils that are testing new volunteer models. Within six councils, we held 16 focus groups where volunteers brainstormed strategies for recruiting, training, and retaining volunteers. These and other efforts are preliminary to an anticipated new national volunteer system in pilot sites across the country by 2006.

VOLUNTEER SUPPORT

During the triennium resources were made available to current volunteers and to attract new ones. The Online Basic Orientation for adults was redesigned for easy access and updated information. This orientation results in consistent messaging and information for adults (especially 18- to 29-year-olds) interested in becoming volunteers. Girl Scout Central, a new section on the website, was created to provide a wealth of resources for all Girl Scout volunteers. Screening guidelines for volunteers and for employees were developed and distributed to councils and a national resource for background screening was provided to councils. Revisions were made to the model volunteer application, *Safety-Wise*, and other resources to address the issue of registered sex offenders (RSO). "Just for Volunteers," a new section of **LEADER** magazine, was introduced in the fall 2003 issue. Articles in each quarterly publication focus on the needs of today's volunteers and cover such topics as strategies for volunteer recruitment, mapping your community, information about the Presidential Volunteer Service Award, and being new to Girl Scouting.

THE VOLUNTEERS 18-29 PROJECT

Since the start of the Volunteers 18-29 Project, new recruitment strategies and models for volunteer opportunities that meet the needs, interests, and lifestyles of young women have been proposed and studied. Thirty councils have been given grants from donors such as the MetLife Foundation, GSUSA's 90th Anniversary Gala Fund, and 21st Century Funds. Girl Scout councils around the country, in partnership with GSUSA, have developed and implemented exciting pilot projects that test a range of possibilities. These innovative leadership development, volunteer management, and recruitment approaches include expansion of volunteer opportunities for women 18-29 through the creation of a leadership and service institute; a coordinated system for recruiting, engaging, and cultivating relationships with college-age volunteers, including college students recruited to volunteer as "femtors" (female mentors) in two new middle-school programs; and a talent match system that places volunteers ages 18-29 in positions that support individual interests.

ENHANCING OUR VOLUNTEER SYSTEM

To better understand the needs and perceptions of existing volunteers and to strengthen targeted volunteer recruitment marketing, the Volunteer Development Management Project was launched in 2004. While some activities are being rescheduled to align this project with the core business strategy, significant work has been completed:

- Research on volunteer development practices was conducted on external organizations.
- Five volunteer support models were developed. These include coaching and cultivation, community-based advisory teams, modified service units, an integrated team approach, and LAVA—Latino Adult Volunteers Advancement. Materials to support these models are in the development phase.
- A comprehensive evaluation was made of the volunteer development content of all the Girl Scout council websites. Each site was reviewed and ranked based on criteria that included ease of use, "how-to" information on becoming a volunteer, availability of necessary volunteer forms, and links to service unit information.
- A major research study on the effectiveness of Girl Scout council volunteer development practices on volunteer satisfaction is near completion. A research firm has completed 20 focus groups in 8 Girl Scout councils.

- A series of consulting modules and supporting tools were created for use by consultants to support councils in making adjustments in their volunteer and staff structures. The modules include the following components: knowing when to redesign; strategic design groupings and linkages; designing at the individual job level; and implementing organizational design changes.
- Volunteer development was selected as the focus of the eight Association of Girl Scout Executive Staff section meetings across the country during fiscal 2005. An elaborate volunteer simulation was created to demonstrate the volunteer experience to council staff. Several workshops and a presentation on coaching were delivered to help build council capacity in the area of volunteer development. The workshops and the simulation were very well received. Many councils have requested the use of the volunteer simulation to educate their service unit teams on the importance of customer service to the volunteers they support. In addition, a resource for coaching volunteers has been designed and launched.

CORPORATE GOAL 4: ADVOCACY

Be recognized as the leading expert on, and advocate for, girls.

During the past triennium, Girl Scouts built a new and comprehensive foundation to achieve our Movement goal of being recognized as the leading expert on, and advocate for, girls—a goal that is incredibly important today because of the many challenges girls face in our world. In partnership with councils, we have set a new direction for Girl Scouting as a leading voice for girls and created a strong base for expertise and advocacy as a Movement. Coupled with successful media and public relations, this approach has definitely raised the profile of Girl Scouting with opinion leaders and the general public throughout the United States.

ADVOCACY AND PUBLIC POLICY

In June 2005, the Girl Scout National Board of Directors endorsed “Key Principles of Advocacy in Girl Scouting” and the “Voice for Girls” platform. “Key Principles of Advocacy in Girl Scouting” puts into action a vision for advocacy as a unified Movement. It is supported by the “Voice for Girls” platform, a series of statements that articulate core values and beliefs on issues that impact girls, and a first-of-its-kind policy process. The policy process is a step-by-step structure for choosing and acting on public policy issues, which will result in a formal policy agenda for the Movement by 2007.

During the past triennium, the Girl Scouts of the USA Public Policy and Advocacy Office in Washington, D.C., focused its efforts on becoming more proactive in advocacy on Capitol Hill and in helping councils do the same at the state level. Here is a partial list of its accomplishments during the past triennium:

- Secured federal appropriations for Girl Scout programs to reach underserved girls, which, since 2001, totals over \$24 million.
- Hosted a Congressional briefing on emerging issues for girls, highlighting Girl Scout Research Institute reports on Capitol Hill for members of Congress and Congressional staff to position Girl Scouting as an expert on girl-focused issues.
- Prepared written testimony regarding the impact of violence on girls, which was presented at a Congressional briefing sponsored by 12 members of the House of Representatives and the Senate.
- Sponsored a successful Congressional briefing on the issue of the disparity of girls’ participation in science, math, engineering, and technology in collaboration with the Honorary Congressional Girl Scout Troop and the Congressional Caucus on Women’s Issues.
- Held numerous high-level meetings with key officials within seven U.S. departments and agencies to discuss the work of Girl Scouts and to explore strategic partnerships.
- Developed comprehensive recommendations for Roderick Paige, U.S. Secretary of Education, on Title IX and the value of single-sex organizations.
- Launched the Girl Scout Advocacy Network (www.capitolconnect.com/girlscouts) and developed a plan of action for council grassroots advocacy.
- Created a strategic partnership for the *Healthy Living* initiative among many key government agencies, national nonprofit agencies, and corporations.

GIRL SCOUT RESEARCH INSTITUTE

Launched in 2000, the Girl Scout Research Institute (GSRI) played a critical role in the past triennium in establishing Girl Scouts as a leading voice for girls and as an expert on issues affecting girls. Among its important publications in this period are:

- *Feeling Safe: What Girls Say* (2003). Drawing on the experiences of girls ages 8–17, this study explores the positive consequences for girls of feeling safe and the negative consequences of feeling unsafe.
- *Paths to Positive Youth Development* (2003). Identifies youth developmental trends, assets, and challenges to better understand the state of the field of youth development.
- *Voices of Volunteers 18–29* (2003). What makes for a positive volunteering experience for women ages 18-29? What are the challenges? Eight main findings from interviews with women in this age range offer a road map for action.
- *Weighing In: Helping Girls Be Healthy Today, Healthy Tomorrow* (2004). This research review addresses the various underlying causes of obesity, the most chronic health problem among American children and adolescents today, and offers insights that could lead to new program and advocacy campaigns.

MEDIA COVERAGE

Throughout the triennium, Girl Scouting garnered significant coverage in all forms of public media: newspapers, magazines, radio, network and cable television, and the Web. Examples of national stories range from a front-page article in the *New York Times* and an AP newswire story on the restoration of the Juliette Gordon Low Birthplace that was picked up by newspapers throughout the country to several television appearances by Kathy Cloninger, CEO of Girl Scouts. Total Girl Scout messages in broadcast and print were in the millions and include these major outlets:

<i>Chicago Tribune</i>	<i>Los Angeles Daily News</i>	<i>Reader's Digest</i>
<i>Christian Science Monitor</i>	MSNBC.com	<i>Real Simple Magazine</i>
<i>Country Living</i>	NASDAQ.com	<i>Redbook</i>
CNN Broadcast News	<i>National Geographic Kids</i>	<i>Seventeen</i>
<i>Essence</i>	National Public Radio	<i>Time for Kids</i>
<i>Fast Company</i>	<i>New York Times</i>	<i>USA Today</i>
<i>Forbes</i>	<i>Newsday</i>	<i>Woman's Day</i>
Foxnews.com	<i>Parade</i>	<i>Working Mother</i>
<i>Glamour</i>	<i>People</i>	<i>Worth</i>
<i>Glamour in Español</i>	<i>People in Español</i>	YM
<i>Latina Magazine</i>	<i>Prevention</i>	
<i>Latina Style</i>	Radio Disney	

"GIRLS GO TECH—IT'S HER FUTURE. DO THE MATH" PUBLIC SERVICE ANNOUNCEMENT CAMPAIGN

This print, television, and Internet PSA campaign was targeted at girls eight and up as well as their caregivers, and produced by the award-winning ad agency Kaplan Thaler. National broadcast and print PSAs, in English and Spanish, began running in November 2002. The campaign received donated media valued at about \$3.1 million during 2003. This campaign was made possible by partnership with the Advertising Council.

The radio campaign portion, which was launched in 2004, features familiar nursery rhymes and children's songs rewritten about math and science. Every Girl Scout council received samples of the print ads and TV spots along with promotional items, including a popular holographic bookmark that has been featured in middle schools around the country. More than 500 middle schools around the country also received interactive LCD posters. Donated media value in 2004 was \$48.0 million; for the first quarter (January to March) of 2005, it was over \$9.3 million.

CORPORATE GOAL 5: ORGANIZATIONAL EXCELLENCE

Implement innovative systems and strategies to attract, retain, and effectively utilize high-caliber and diverse volunteers and staff leaders at all levels that work synergistically to advance the Girl Scout Movement.

The operational functions of an organization as large as GSUSA are significant. Our ability to successfully support governance and management, fundraising, and the technology infrastructure directly influence whether or not we are successful in keeping pace with the needs of contemporary girls by providing them with life-influencing program activities and being their voice on issues that affect their future.

EXECUTIVE LEADERSHIP

A significant milestone during the triennium was the selection of Kathy Cloninger as the national CEO. With a background that includes more than 20 years of successful leadership in three Girl Scout councils, as well as many other professional accomplishments, Kathy is uniquely qualified to guide Girl Scouting as it approaches its second century. Her priorities are outlined in the core business strategy, which will be discussed throughout the National Council Session.

LEADERSHIP MEETINGS

- A successful National Corporate Leadership Meeting was held in 2004 in Washington, D.C. This meeting also incorporated Congressional Advocacy Day and the Girl Scout Gold Award Young Women of Distinction Recipients Ceremony.
- CEOs from councils gathered in Cleveland in 2003 and Tucson in the spring of 2005 for Executive Leadership Summits. The Tucson meeting was noteworthy, as it provided a platform to share with councils about the core business strategy.
- An exciting innovation was the launch of the Executive Leadership Development Program in conjunction with the Wharton School of the University of Pennsylvania. To date, 76 council CEOs, COOs or other staff, and GSUSA staff members have participated.
- Twenty awards were distributed in this triennium, along with \$24,495 in scholarship support, to council managers to enable them to increase their leadership capabilities. The awards were part of a scholarship program in the name of Frances Hesselbein, a former CEO of GSUSA.

EDUCATION

National meetings throughout the triennium enabled volunteers and staff to increase the strength of the Movement by sharing with each other and coming together in unity.

2002 NATIONAL COUNCIL SESSION

The 2002 National Council Session was held October 17–20, 2002, in Long Beach, California. The convention was attended by 12,679 people, including the 1,752 voting members of the National Council.

The occasion was marked by the first National Girl Congress, a groundbreaking event that gave girls the opportunity to discuss and debate issues of importance to them. Its overwhelmingly positive reception has led to the scheduling of a second National Girl Congress, which will take place in Atlanta in October 2005.

REGIONAL WORKSHOPS

During 2004, eight regional workshops were held at locations nationwide as well as at Edith Macy Conference Center. The workshops, titled "The Name of the Game," focused on volunteer development, the *Hispanic Initiative*, and STUDIO 2B. They provided timely, easily accessible learning for key volunteers and staff directly involved in adult recruitment and retention, as well as program delivery to girls. A total of 1,022 individuals from 221 councils participated.

EDITH MACY CONFERENCE CENTER

Edith Macy Conference Center (EMCC), which will celebrate its 80th year in 2006, continues to function as a state-of-the-art facility dedicated to the adult education of volunteers and staff from councils across the country.

In 2004, GSUSA initiated "Inquiry and Action," a series of participatory learning events at EMCC. The focus was on councils that are heavily subsidized through the Edith Macy Travel Scholarship Fund. Eleven events occurred in 2004 and 2005, with 363 participants addressing such issues as the unique needs of urban councils, curriculum change at EMCC, new models of volunteer development, and developing funding and membership in low density councils.

Figure 11. Three-Year Summary of Key Adult Learning Accomplishments at Edith Macy Conference Center

	2003	2004	2005 (Oct. 1-Aug. 25)
Courses Offered at Edith Macy	53	52	47
Participants at Edith Macy Courses	1,384	1,130	962
Awards for Travel Scholarships	952	863	1,065
Dollars Distributed for Travel Scholarships	\$283,627	\$534,804	\$353,502
Awards for Grants for Study	164 (council staff) 49 (HQ staff)	138 (council staff) 30 (HQ staff)	125 (council staff) 29 (HQ staff)
Dollars Distributed for Grants for Study	\$57,240 (council staff) \$24,098 (HQ)	\$46,036 (council staff) \$31,375 (HQ)	\$35,732 (council staff) \$11,479 (HQ)
Inquiry and Action Events at Macy	0	6	10
Inquiry and Action Participants	0	204	416

GLOBAL COMMITMENT

In the spring of 2003, GSUSA received approval on its application for Special Consultative Status with the United Nations Economic and Social Council (ECOSOC). In this capacity, GSUSA has participated in, and at times moderated, briefings of the United Nations Association of the USA Council of Organizations and has taken part in meetings of the UN Department of Public Information, the UN Commission on the Status of Women, the NGO Committee on the Status of Women, and the NGO Committee on UNICEF Working Group on Girls.

WORLD ASSOCIATION OF GIRL GUIDES AND GIRL SCOUTS (WAGGGS)

GSUSA took an active role during this triennium in WAGGGS to preserve it as a single-sex organization and sought to find ways to bring the voices of girls and young women as policymakers into WAGGGS. Delegations from GSUSA attended the Western Hemisphere Conference in Costa Rica in 2004 and the World Conference in Jordan in 2005. Full reports will be provided at the 2005 National Council Session.

In keeping with our commitment to the worldwide Girl Scout Movement, GSUSA provides considerable financial support, both through the World Association Quota Fee (dues structure) and the Juliette Low World Friendship Fund. The World Association Quota for Girl Scouts of the USA is currently \$1.5 million.

The Juliette Low World Friendship Fund offers an opportunity for girls and adults throughout the United States to support international activities of Girl Scouting directly. Contributions to this fund totaled over \$300,000 in each year of the triennium. Approximately 51 percent is used to support international travel both for Girl Scouts from the United States traveling to other countries and to assist international guests in coming to this country; 39 percent goes to direct support for WAGGGS, including the four world centers and other international activities; and 10 percent covers printing and support costs relating to the Fund and World Thinking Day.

COUNCIL MANAGEMENT SUPPORT

COUNCIL PERFORMANCE ASSESSMENT

During the triennium, 240 councils completed their council performance assessments (CPAs) and were rechartered. Two councils dissolved and requested that their jurisdictions be assigned to other councils. In addition, several important improvements were made to the CPA process. A report template, incorporating council members and financial data for each council, was made available in 2004. GSUSA assumed responsibility for tabulating the surveys of girls, parents, leaders, community members, and five other important audiences. This change reduces the time and effort involved for councils and enables each council to compare its responses to a growing national database, which now includes data from 140 councils and nearly 200,000 individuals. In 2005, a streamlined and flexible CPA was introduced, allowing councils holding charters without qualification to review a greatly reduced number of elements when completing their assessment.

STAFF RECRUITMENT

The Career Opportunities Network was officially launched in August 2004. Girl Scout councils can now post their staff positions on either the OCN (Intranet) or GSUSA's website, enabling them to extend their recruitment efforts to a wider and more diverse pool of candidates. Executive Search Councils contracted with GSUSA's new Executive Search Services to fill more than 70 percent of open council CEO positions in the past triennium. The average time to fill a CEO vacancy was less than 10 weeks, compared with an average of 26 weeks during the previous triennium, a 62 percent reduction. During the same period, the Interim CEO Program placed interim CEOs with 41 councils, nearly 15 percent of the total number of councils.

TOOLS AND SUPPORT

GSUSA provided councils with assistance, expertise, and best practices on operational and financial topics such as insurance, safety, employee benefits, retirement savings plans, pensions, COBRA regulations, and HIPPA privacy rules.

A broad range of services were given to councils to ensure compliance with state, federal government, and GSUSA regulations and to support the effective management and fiduciary oversight of council boards of directors. Councils received financial services in a range of specialty areas such as financial planning, budgeting and forecasting, accounting, standards/legal requirements, IRS 990, and the council performance assessment.

Additional publications in the triennium were:

- *Assets* (2003), a guide that supports the development of council CEOs' competencies through formal and informal learning activities.
- *Careers and Performance* (2003), a collaborative project with GSUSA and external authors that serves as a coaching development guide for managers.
- *Coaching Development* (2003), which focuses on how supervisors can support employees in their careers.
- *Report of Affirmative Action Status in Girl Scout Council* (2004). Each council received the summary report.
- *Screening Guidelines for Volunteers and Screening Guidelines for Employees* (2003).

- *Staff Performance Management and Goal Writing Booklet* (2003), which assists councils in the understanding of and implementation of the competency-based model, with emphasis on how work is accomplished. In addition, the *Behavioral-Based Interviewing Guide* assists councils in utilizing the competency model in screening for exempt staff positions.
- *Worker's Compensation Safety and Control, Slip/Trip/Fall Prevention, and Dining Facility Safety* (2004). Three new safety modules.

CUSTOMER SERVICE

GSUSA staff excelled in providing customer service through telephone calls and e-mails. The Information and Referral Center, including the main switchboard, responded to 450,000 calls and almost 100,000 e-mail messages. Trends during this period were cyclical and followed similar patterns from the previous 10 years.

ONLINE COUNCIL NETWORK

During 2003–2004, the Online Council Network (OCN), the Girl Scout intranet site, was greatly expanded. Growth was rapid in communication, consistency, and sharing of best practices. A major change that dramatically increased usage was the expansion of access beyond council CEOs to individual council staff.

In February 2004, the OCN was relaunched with a new navigational structure organized by subject matter rather than by date. A new search engine facilitated access to information, including many GSUSA publications that were “repurposed” from print to a Web format. The discontinuance of print versions of much of the material in council mail represents a shift toward easy access and modern communication in Girl Scouting as well as a significant cost savings to GSUSA.

FINANCIAL MATTERS

This report to the National Council summarizes the financial activity of the national organization during the years 2003 and 2004. All amounts are derived from the organization's audited financial statements.

FINANCIAL POSITION

An analysis of the balance sheet at September 30, 2004, reveals a significant increase in assets and a moderate reduction in liabilities since the close of the last triennium. Assets totaled \$175.7 million at the end of 2004 and \$157.5 million at the end of 2002. Much of the asset increase was in investments, which increased 23.5 percent from \$94.2 million to \$116.3 million. The increase in investments was primarily caused by improved capital markets.

GSUSA's investment portfolio (its market value as of December 31, 2004, is \$121 million) is overseen by the Investment Subcommittee of the Finance Committee. The portfolio is composed of investments made on behalf of GSUSA's operating reserve and endowment funds. The annualized return for the three-year period December 31, 2001, through December 31, 2004, was 7.2 percent, surpassing the portfolio policy index of 6.6 percent. GSUSA utilizes a spending rate to make an annual allocation of investment income for the support of operations equal to 6 percent of the four-year average market value of the GSUSA Investment Portfolio. In 2003, a comprehensive review and restructure of the portfolio was completed. A new asset allocation policy was implemented and portfolio managers were aligned with the appropriate mandates. The organization began investing in hedge funds in 2004.

Liabilities amounted to \$10.8 million at the end of 2004 and \$15.3 million at the end of 2002. Close monitoring of NES inventory purchases accounted for most of the decrease.

GSUSA's fund balances, which represent the net assets owned by the organization, increased from \$142.2 million at the end of fiscal 2002 to \$165 million at the end of fiscal 2004, or 16 percent over the two-year period. This increase was due to reinvestment of a portion of the gains earned by the investment portfolio, the recording of general operating surpluses in 2003 and 2004, and an increase in net assets that are subject to donor-imposed restrictions.

CAPITAL FUND

The Capital Fund serves as GSUSA's operating reserve and provides an ongoing source of operating income. The National Board has set a goal to maintain the Capital Fund equal to one year's cost of operations. The balance in the Capital Fund at the end of 2004 was \$57.7 million, equal to 13 months' cost of operations.

GIRL SCOUT 21ST CENTURY ENDOWMENT FUND

The Girl Scout 21st Century Endowment Fund was established by National Board action in January 1989, with income earned by the fund to be used to develop, support, and extend the Girl Scout Movement. As of March 31, 2005, the fund's balance totals \$14,938,000, including National Board-designated amounts, donor-restricted contributions, and capital gains that were added to principal.

More than \$1.5 million in allocations were made from the 21st Century Endowment Fund income in 2003 and 2004 including designations to develop models to mobilize volunteers ages 18–29, and to initiate a three-year national Ad Council advertising campaign that leverages our brand and communicates a contemporary image.

FINANCIAL RESULTS

Fiscal 2003 and 2004 financial performance was marked with both success and challenge. A General Operating Fund excess of revenue over expense totaling \$5,895,000 was recorded for the two years. Contributed revenue increased significantly, with the major portion of the more than \$18.3 million contributed in 2003 and 2004 serving as pass-through grants to councils. Investment income also improved significantly as the financial markets moved higher. Challenges, however, in GSUSA's primary revenue sources of membership dues revenue and NES net income were experienced. (See figure 12.)

Figure 12. Consolidated Revenues, Expenses, and Net Assets (All Funds) (\$000)

For the year ended	2004	2003
Operating revenue:		
Membership dues	\$37,514	\$26,626
National Equipment Service (net)	14,157	16,252
Gifts, grants, and bequests	9,131	7,482
Investment income allocation	6,450	6,509
Contributed airtime	45,443	8,167
Other	4,261	4,875
	116,956	69,911
Operating expenses:		
Program services	105,822	61,039
Fundraising	1,033	941
Management and general	6,033	5,914
	112,888	67,894
Excess of operating revenue over operating expenses	4,068	2,017
Nonoperating revenue:		
Endowment contributions	723	1,000
Change in value of deferred gifts	138	142
Investment income	5,090	9,600
	5,951	10,742
Change in net assets	10,019	12,759
Net assets, beginning of year	154,926	142,167
Net assets, end of year	164,945	\$154,926

While financial results for 2005 will not be known until after the close of the fiscal year ending September 30, the outlook is for continued weakness in GSUSA's primary revenue streams as membership and NES amounts recorded through July 31, 2005, show a decrease from 2004 figures.

REVENUE

As approved by the National Council in October 2002, annual membership dues were increased to \$10 effective October 1, 2004. As a result membership dues receipts increased by nearly \$10.8 million in 2004 over the amount recorded in 2003. At September 30, 2004, registered membership stood at 3,777,503, a decrease of 0.5 percent, or 17,000 girls and adults for the two-year period 2002–2004. Lifetime membership showed 27.9 percent growth in the two-year period, increasing to a total of 68,366 members.

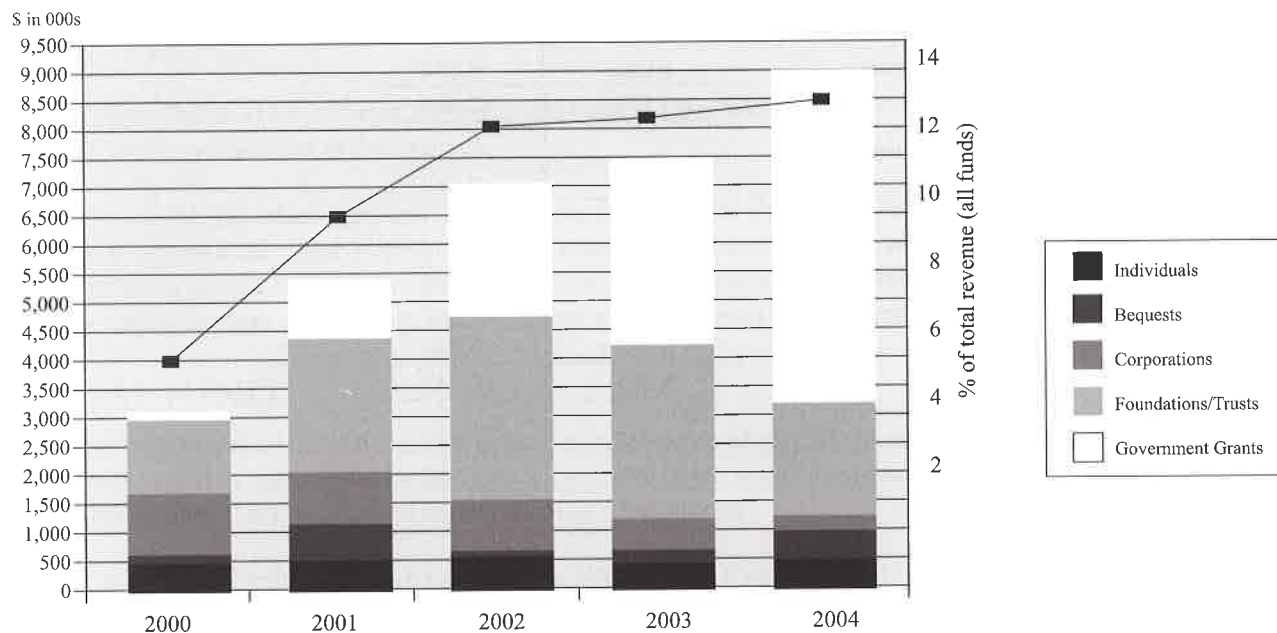
Declining membership and changes in the pattern of membership registration, notably an increase in the percentage of Girl Scout members who are not affiliated with troops, have impacted National Equipment Service sales. NES sales peaked in 2002 and fell about 7 percent in 2003 and again in 2004. Improvement in the cost of goods sold and assertive expense management helped to minimize the impact of declining sales on NES net income but could not entirely mitigate the revenue loss.

A NES Business Review Task Group was established in 2004 to develop strategies to serve the needs of councils and the membership and to position NES to remain a financially viable source of income for GSUSA and councils. The 40-member task group included council CEOs and shop managers, National Board members, and national staff. Five key strategic priorities were developed and approved by the National Board. They are to strengthen the partnership with councils; place greater emphasis on "mission-critical" product lines (i.e., uniforms, publications, and insignia); create alternative sourcing methods for merchandise that is not mission-critical through expanded licensing arrangements; create increased brand exposure and product accessibility by selectively expanding distribution with major retailers; and expand e-commerce capabilities.

GSUSA recorded considerable in-kind contributions primarily in the form of donated advertising on television, radio stations, and in print. The value of these contributions was \$45 million and \$8 million for 2004 and 2003 respectively (shown in Figure 12 on p. 27 as contributed airtime revenue and program experience).

Fund development efforts were intensified during the triennium. The result was a significant increase in contributed income to the national organization, with a direct benefit for Girl Scout councils.

Figure 13. A Snapshot of National Fundraising: Gifts, Grants, and Bequests



2002-2005 FUND DEVELOPMENT HIGHLIGHTS

CORPORATE AND FOUNDATION FUNDING FOR GIRL SCOUT INITIATIVES AND PROGRAM

Aventuras en Lectura / Follow the Reader

The SBC Foundation (\$300,000) has funded this bilingual family literacy series since 2001.

Financial Literacy

Programs received funding from Mutual of America (\$1 million since 2001), NASDAQ (\$730,000), Visa USA (\$100,000), J.P. Morgan Chase (\$90,000), MassMutual (\$25,000) and CREW Foundation (\$20,000).

GirlsGoTech

Funded this triennium by Lockheed Martin Science Career Exploration Fund (\$575,000 since 2002, with total Lockheed support of \$875,000 since 1997); Intel (\$825,000 since 2001); Firestone Complete Auto Care (\$700,000); and the U.S. Department of Labor (\$200,000).

Girl Scouts Beyond Bars

Funded by the Robert Wood Johnson Foundation (\$400,000) and Hasbro Children's Foundation (\$100,000), as well as the U.S. Department of Justice (approximately \$2.8 million) since 2002.

GirlSports programs

Funded by the Women's Sports Foundation (approximately \$150,000 to date).

National Arts Initiative

Spearheaded by the Annenberg Foundation (\$500,000). Also funded by the Whitehead Fund, which is administered by the Robert Woodruff Foundation (\$120,000), a GSUSA/Northwest Georgia Council partnership.

STUDIO 2B

The MetLife Foundation has provided \$430,000 since 2002 and \$775,000 since 1998 for funding.

uniquely ME! Self-Esteem

Unilever—North America's DOVE. Brand support and \$4 million to date.

CORPORATE AND FOUNDATION FUNDING FOR THE 2005 NATIONAL COUNCIL SESSION/50TH CONVENTION

The National Funding team, in close partnership with the Girl Scouts of Northwest Georgia Council, surpassed a \$500,000 goal, raising \$755,000 in sponsorships and grants:

\$100,000 Green Ribbon Committee Sponsors

Firestone Complete Auto Care
Delta Air Lines
Dove Self-Fund Esteem (Unilever)
UPS

\$50,000 Green Ribbon Committee Sponsors

The Coca-Cola Company
Kelley Drye Warren

\$25,000 Corporate Sponsors

Georgia-Pacific Corporation
Lockheed Martin Foundation
Microsoft Corporation
Motorola
Mutual of America

Other Funders

Wachovia (\$10,000)
Whitehead Fund (\$120,000 arts grant)

FEDERAL GOVERNMENT FUNDING

- The U.S. Department of Justice contributed \$6,500,000 to support:
 - Girl Scouts Beyond Bars*
 - Girl Scouts in Detention Centers*
 - Project Anti-Violence Education (P.A.V.E.)*
- The U.S. Department of Housing and Urban Development supported the *Girl Scouts in Public Housing* program with \$6,270,000 in grants.
- The U.S. Department of Agriculture contributed \$4,570,000 to support *Girl Scouts in Rural Communities*, a leadership development project for rural girls.
- The U.S. Department of Education gave \$650,000 to support *Fair Play*, an initiative that is designed to introduce girls to science, technology, engineering, and math.

In addition, GSUSA secured \$1.3 million in federal government funds to support several Girl Scout councils, as well as approximately \$400,000 in competitive and discretionary funds from the following government agencies to implement a number of exciting projects:

- The National Science Foundation provided \$100,000 in 2005 to the National Center for Women in Technology (NCWIT), a national collaboration to address the underrepresentation of women in technology, to conduct informal education research.
- The U.S. Department of Labor gave \$200,000 in 2004 to implement *Girls and Cars*, a program to involve girls in the automotive industry through career exploration and hands-on activities.
- The U.S. Fish and Wildlife Service and the U.S. Forest Service gave \$100,000 to supplement *Linking Girls to the Land*, an environmental education initiative for girls.

ANNUAL GIVING

Girl Scouts of the USA's level of outreach to individual donors has grown significantly over this triennium. During 2003, \$1,690,000 was raised through contributions from individuals, and \$1,710,000 was raised in 2004, an increase of 8.4 percent. In June 2004, *Commit to a Girl*, Girl Scouts of the USA's first national online fundraising initiative, was launched. The initiative is also the first GSUSA/council national campaign speaking in one voice to reach the general public for financial support. To date, 265 Girl Scout councils are participating and \$80,000 has been raised.

PLANNED GIVING

During the triennium, \$1.5 million was raised through new bequests, estates, and other planned gifts. The Legacy Circle was established in 2003 to honor individuals and families who have made planned gifts or who have notified Girl Scouts of the USA of their intention to make a planned gift. To date, the Legacy Circle includes 54 charter members.

EXPENSE

Expenses for program services, including direct services to local councils, program development and training, communications services, and international activities, comprise 89 percent of total expense at September 30, 2004. Supporting services including management and general, along with fundraising, comprise 11 percent of expense. The trend has been for an increasing proportion of GSUSA's total expense to go to program-related activities.

Following two consecutive years of decreases in expense (3.9 percent in 2002 and 0.2 percent in 2003) general operating expense increased 10.6 percent in 2004 over 2003. Key drivers were increased spending for development of a new membership registration system; new STUDIO 2B resources and projects; pension expense; and staff and volunteer travel.

FISCAL 2003 AND 2004 NET GENERAL FUND OPERATING RESULTS

In 2004, GSUSA recorded an excess of general operating fund income over expense in the amount of \$4.9 million. The National Board, in its stewardship role, allocated \$3.7 million of the surplus to establish a Core Business Strategy Implementation Fund, which will be used to reinvigorate the Girl Scout Movement and implement critical priorities identified as a part of strategy work undertaken during the triennium. In addition, funding was committed for a new fully integrated voice communication system (\$600,000) and an Enterprise Content Management Solution (\$630,000) designed to advance basic infrastructure needs and increase organizational efficiency.

In 2003, a general operating fund surplus of \$989,000 was recorded. The National Board voted to add this amount to the Capital Fund to bring GSUSA's reserves closer to the cost of operations for 12 months. The Capital Fund had decreased during the prior two years due to investment losses and general operating deficits.