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Mythbusting: ARRL Not “A Big Radio Club”

“Correspondents know it’s my practice to respond to letters. To date, I’m batting .950. Last month, I received a compelling letter from Neil Jessen, N6VHF. Since he offered an open letter, I feel sharing parts of it with you is appropriate. Neil’s words are engaging, sincere, and refreshingly respectful — most of all, they are authentic. I respond to Neil in this editorial because he reveals how widespread are the myths about ARRL.”

There are multiple myths in circulation; and I want to bust a few right here. If you’ve never run a large organization or served on a board of directors, if you are untutored in matters of finance and accounting, if you’ve never dealt with today’s state regulators and labor boards, then it’s easy to believe myths.

I quote Neil: “ARRL is just a big radio club...being run like a giant money-making corporation.” ARRL is not a radio club: it’s a Connecticut 501(c)3 not-for-profit corporation employing 93 people whose livelihoods depend on it, publishing a monthly magazine, offering more than 150 book titles, and spending \$15 million annually on member benefits — *of which members only pay \$6 million per year.* As an employer in Connecticut, ARRL’s board and officers are subject to the laws, labor regulations, and practices imposed on us by that state. If we violate them, we can face civil and criminal penalties. Run like a radio club, it would have disappeared long ago. The reason why ARRL can pay out roughly \$15 million when members pay \$6 million in dues is because of advertising in *QST*; books, publications, and service fees. And a handful of members are very generous contributors, to the benefit of all.

Nobody should mistake ARRL for a big money-making corporation. It has run operating deficits for years. This cannot continue. The stewardship of endowment is a sacred trust that the Board and I take very, very seriously. For me, it reflects the way my parents brought me up, the way I was educated and trained. But you say, “ARRL...has \$14.7 million in net assets... is swimming in money...” That statement is simply not true. To understand why requires some knowledge of accounting. All but about \$2 million of the \$14.7 million total net assets are *restricted*. They can’t be used except for specific, designated purposes: Funding education, preserving antique equipment, maintaining W1AW, spectrum defense, and advocacy. That leaves a cushion of about \$2 million to absorb deficits and invest in future programs — like LoTW (\$200,000 annually), to overhaul our ancient IT systems (\$250,000 in DXCC this year alone, and roughly \$2 million in other systems in the future), or National Parks on the Air (NPOTA, \$100,000). Ideally, not-for-profits (I have served three — two of them as CEO) maintain a year’s expenses as cushion for exigencies. We maintain a few months. An uncertain future and upgrading our infrastructure make prudence mandatory.

Like some members, Neil, you complain about dues increases. We raised dues in 2016 for the first time in 15 years! Half of our expense is people; and our talented staff expect to earn 3.0% more each year. If they don’t, then they leave; the very talented

leave quickly. Did you ever get a raise? Over that period, we invested in several new programs and services, the largest of which is Logbook of The World, a \$200,000-per-year gift to the world Amateur Radio community. NPOTA cost us more than \$100,000. We pay for it with certificates. If members feel that’s unreasonable, then we can’t have successful (you call it “great”) programs like NPOTA, or we must look to cut others — or raise the money elsewhere. I appreciate the frustration in your comment, “When the Annual Report figures don’t justify these prices,” but adjust ARRL dues for inflation (2.08% annually) and League membership is five bucks cheaper than 2001.

You write that “the Amateur Radio Parity Act is so weak that the CAI is claiming a victory.” Would you expect them to claim defeat? The act is as good as we can get passed, after years of hard work by our volunteer Board members. Without the act, requests to HOAs can be dismissed out of hand. With the passage of the act, we have a seat at the table. It’s unrealistic to believe that we could achieve legislation granting immediate, unconditional relief. If you belong to an HOA, read the contract you *willingly* signed.

Neil, there is no “forced secrecy” among the Board. Service is voluntary. The board is free to speak its mind in the board room — and believe me, they do — but once the meeting is over, the conversations must not leave the room. The board is a deliberative body, and for open dialogue to take place, its deliberations must be confidential. *Every* board I have served on (New York Stock Exchange companies, major museums, universities, and foundations) have similar codes of conduct. One example, Trinity College in Hartford, Connecticut, states in its code:

Deliberations of the board are highly confidential... disclosure... is a violation of trust. Violation of this trust may result in immediate separation of the offending trustee...

You cite Mr. Moseson’s editorial in *CQ*. I am unacquainted with his experience on the board of any organization, nor his experience managing a diverse organization. So, while his business is opinion (*Zero-Bias*), in this case his is not an opinion informed by experience. Neil, we both have a 3-decade relationship with ARRL, you and I, and every relationship has ups and downs. I am grateful for your support of ARRL. But as with all mythology, you must look behind the myth to find the motive.