

MEMORANDUM TO THE BOARD OF TRUSTEES OF THE ALCOHOLIC FOUNDATION

Attn: Mr. W. S. Richardson, Treas.,
Room 5600,
30 Rockefeller Plaza,
New York City.

SUBJECT: - Estimated cost of operating The Alcoholic Foundation office at 30 Vesey St., New York City, for the 12 months beginning April 1st, 1941.

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Miss Hock and I have just been going over the financial requirements of the 30 Vesey St. Foundation office for the coming 12 months.

After examining the cost of operation during the year just passed, taking into consideration the coming Saturday Evening Post article and the rapid growth of the groups everywhere, we believe we are facing a very serious deficit which in the next 12 months will amount to \$4,000 if we reply to all inquiries and do not curtail our services.

Please bear in mind that the following discussion applies only to absolutely necessary office expense as related entirely to the general overhead of the work.

During the past 12 months the expenditures of this office have been approximately as follows:

Secretary	\$1,690
1 Typist	780
Postage on 3000 inquiries	180
General postage	170
Tel. & Tel	200
Rent	650
Stationery & Supplies	130
TOTAL	<u>\$3,800</u>

These expenditures were defrayed from two sources. Works Publishing Inc., through the sale of the book "Alcoholics Anonymous", contributed \$2,400 to the maintenance of this office. During the same 12 months The Alcoholic Foundation contributed \$1,400, making a total of \$3,800 as shown above.

Practically all of the money received from The Alcoholic Foundation represented donations from individuals outside the A.A. groups.

During the past year the Vesey St. office has answered by personal letter,

approximately 3000 pleas for help, has shipped 2200 books and 10,000 pamphlets. Besides this Miss Hock, our national secretary, has maintained an extensive correspondence; with over a score of established groups as well as with many individuals who are in contact with us. In several instances new groups have been fostered entirely by this office through the use of the book and persistent correspondence. As a result of publicity we have built up files of prospect lists in all parts of the country. By supplying those lists to our traveling members, several new centers have already been established and many more are sure to follow this year. To my mind, this is a picture of good work and a lot of it -- very cheaply done.

During the period just discussed, many new groups have been formed. Our membership has tripled, now totalling about 2000.

An article is to appear on March 1st in the Saturday Evening post. This piece will be the feature number of that issue. The name Alcoholics Anonymous will appear on the outside cover of the magazine. Our message will be brought straight to the whole nation -- nearly every one of at least a million alcoholics will hear of us.

Three years-ago the Saturday Post published an article called "The Unhappy Drinker", an interesting piece by a psychologist and an alcoholic. The Saturday Post offices were flooded with letters and telegrams -- some 8000 in all. The Post had to hire an additional staff of girls to give these people even a nominal reply, let alone a follow up - as we must. Last week Mr. Sommers, one of the editors of the Post, told me that a far greater response was expected from the coming article on A.A.

Therefore we must base our budget upon at least 10,000 inquiries. This means that this office will have fully three times as much work to do as it had for the year past. By no stretch of the imagination could our present office force handle the situation.

Miss Hock and I therefore suggest a budget which anticipates hiring 2 more typists and some additional floor space. Of course, other expenses will go up in proportion. After careful consideration we feel that our minimum office requirements for the next 12 months will be as follows:

Proposed Budget - 1941

Secretary	\$1950
3 typists @ \$1000	3000
Postage on letter & pamphlet mailing to 10,000 inquiries @ .06¢	600
Cost of 10,000 pamphlets at .03¢	300
Postage on general correspondence and bulk pamphlets	200
Tel. & Tel	500
Rent	1000
Stationery & Supplies	500
2 typewriters & desks	150
TOTAL	\$8200

It is my understanding that the funds of The Alcoholic Foundation are almost exhausted; that while some funds may come in from outside sources during the year we can count on \$1000 from Mr. R. as a certainty now. Our book is the only other source of revenue we have at the moment. Recent efforts of New York group members to solicit funds for The Alcoholic Foundation have not been at all successful.

In short, we are faced with an \$8200 job, but have only future book income and \$1000 in cash to do it with.

Without question there will be a large increase in book sales. I think we can confidently take \$3000 out of the book company during the next 12 months, but surely we have no right to assume that we can take out \$7000. Even if we could - we should not. As you know, the book is still \$3000 in debt and is under an agreement to pay off an additional \$4000 to those who subscribed the cash which made the book possible. Nearly two years have passed since the book came out and common honesty demands that we start doing something about these debts if we can.

Nor can the present cash balance of the book company, amounting to \$1100,

be used for current expenses. Most of this sum will have to be paid out next week as a first installment on the second printing of 5000 volumes.

I would also like to note that only a very small proportion of our book sales have come directly from the groups. The general public still buys most of the books.

Some A.A. members think the book ought to sell for less than \$3.50. Some day we hope to put out a very cheap book but we can never do so until our finances are in better shape. Neither can we reduce the price of the present volume at this time. If we did so the backbone of our income would collapse and we would simply have to go elsewhere for more money. But where else?

Many of us are beginning to feel that Alcoholics Anonymous ought to stand on its own feet, certainly so far as central office expenses are concerned. Why, after all, should it be any longer necessary to solicit outside funds for this purpose? It is probable that more than 1500 of our 2000 members are now employed. A.A. has saved these men and their families an average of at least a thousand dollars a year each, let alone misery and ultimate ruin. In short, our total membership is going to be one million -- even two million dollars better off this year because of A.A.

Most of us, appreciate these facts of our recovery and I am sure that when the small though acute needs of our central office are made clear, the groups will lend a hand. In fact it is beginning to look as though they must if we are to carry on. Bearing these facts in mind, I would like the Trustees to consider and take action upon the following suggestions:

1. That during the year beginning April 1, 1941, \$3000 be withdrawn from the income of the book and applied to A.A. Headquarters office expenses, withdrawals to be made at the rate of \$250 monthly. (Provided, of course, that the book earns this amount).
2. That Mr. R.'s donation of \$1000 be also thrown into these expenses.
3. That one or more of the Trustees visit our larger centers personally to ascertain if those groups will cooperate in raising the additional \$4000 needed.

If this program turns out to be successful, our budget for the next twelve months can be met as follows:

From the book	-	\$3000
From Mr. R.	-	1000
From the groups	-	4000
TOTAL		\$8000

Having never asked the groups for any financial assistance, I am loath to begin, but there seems to be no other way to handle the emergency confronting us.

In approaching the groups, I think the Trustees ought to make it clear that contributions will not be on a due or fee basis. Any group or individual should feel free to contribute or not.

It will be noted that the \$4000 required to meet this year's deficit amounts to only \$2.00 per year per member if spread over the whole. Considering the benefits we have all received, that is a trifling amount.

Naturally a few members will be unable to pay; some of the small groups may feel that their local requirements, not yet met, ought to come first. A number of the outlying groups who have never been personally contacted may misunderstand the situation. Yet I should think there would be no difficulty when matters are fully explained, in securing a dollar apiece from 1500 members -- say by April 1st, 1941. Next November 1st we might try the same procedure, at which time, because of our rapid growth, there should be no difficulty in securing \$2500.

If this program is agreeable to the groups, the chances are that a few financially able people in each center would be willing to underwrite their own groups proportion of the total sum of \$1500 to be paid to The Alcoholic Foundation on April 1st. These men could then be reimbursed by a contribution of \$1.00 from each member or interested person. The process could be repeated in November of this year, and twice yearly thereafter.

It seems to me that any A.A. member who has benefited cannot but feel the desirability of maintaining our national office at such a small cost. He will

want alcoholics everywhere to have the opportunity he has enjoyed.

Quite aside from the present emergency there is another very good reason for putting this plan into operation. As time goes on and the groups grow very large the expense of the national A.A. office is bound to increase accordingly. It does not seem fair to saddle the Trustees and members of the New York group with the entire responsibility of raising these funds each year. Some means must be devised which will automatically provide for expansion. The method suggested above is the only one I can think of which would fully meet future requirements as well as the present emergency.

There is one other source of revenue for The Alcoholic Foundation in sight. The Philadelphia group, for example, has taken the position that they would like to contribute 10% of their local budget to the national work. Accordingly they have

been sending to The Alcoholic Foundation 10% of their local receipts, and if these fall short, a minimum of \$10.00 per month.

The New York group recently followed suit turning in monthly 10% of the collections taken up for local purposes.

I have been informed that the Washington and Baltimore groups would probably be willing to follow a similar procedure. What sentiment would be about such a custom in the west, I have no idea. I do think, however, that this possibility should be explored, though of course it would nowhere near produce the funds needed this year.

All of the larger groups spend considerable money on entertainment, particularly on New Year and Christmas parties. If we can spend \$100 on ourselves, why should we not at the same time send in \$10 to provide the A.A. answer to those who haven't been so fortunate. Personally I think that would be a healthy custom.

Now a word about the A.A. pamphlets. We have been charging the groups 10¢ a piece for them. I think their usefulness would be much increased if they could be distributed for 5¢ each. But again we face a question of money. The pamphlets

cost us 3¢ to print and when sent out from this office with a personal letter in answer to a plea for help, the postage is 6¢, making the total cost to us of these free pamphlets 9¢ each when mailed. Unless, therefore, the groups contribute substantially to The Alcoholic Foundation under the above plan I do not see how we can reduce the price of the pamphlets to them. It may be that some members have not understood that the dime which they pay for the pamphlet is helping to pay for another one sent to someone who needs it.

Incidentally, the same principle applies to the book. Members ought to understand that when they buy a book., they are contributing substantially to the general work.

A final suggestion. In asking the groups to adopt this plan, I feel it very important that they be assured their contributions will be used for office expenses only. I think the Alcoholic Foundation should set up a special account to be called "A.A. operating expenses". All contributions from the groups should be segregated in this fund. Moreover, I think each group is entitled to know exactly how such money is spent. Therefore an accounting ought to be made by the Trustees every six months showing receipts and expenditures from this group fund.

It also ought to be stipulated that no alcoholic can ever be paid a salary out of this account since its purpose is to provide office expenses -- and office expenses only.

Of course you Trustees understand that these are merely my own ideas which you may wish to modify or discard entirely. As you will doubtless recall, the affairs of Works Publishing Inc. have been entirely out of my hands since it was incorporated in June 1940. The Alcoholic Foundation now controls and principally owns this company. Consequently the Trustees may now administer the book company funds as they think best.

But of one thing I am certain -- something has to be done about the status of the National A.A. Headquarters office -- and that very soon.

Sincerely yours,

Bill Nelson

February 19th, 1941.

Copy to all Trustees:

W. S. Richardson
Dr. Leonard V. Strong
Robert Shaw
Frank Amos
Dr. R. H. Smith
Horace Chrystal
Herbert F. Taylor