

USCF PRESIDENT'S REPORT



by John McCrary

Fellow Leaders of the USCF:

What a difference a year has made! Personally, I feel as though I have lived ten years since becoming President just last August, because of the many challenges we have confronted since that time. Before considering our future, let us look at where we have been:

A FRIGHTENING START:

Shortly after the new Board took office in August 2001, we found over \$600,000 in accounts payable, many of them overdue. We had only about \$100,000 in available cash (dropping as low as \$15,000 at times) with no bank financing, and no way to access or even to borrow against USCF assets of over \$1,000,000 to correct the problems we had inherited. There was no clear method to rebuild one of our major revenue-producing operations, which was near to an irrevocable collapse. That operation usually provided a major cash infusion at Christmas, but with no quick way to restore it, the USCF's Christmas was looking more blue than white. To complicate matters, some businesses were apparently reading wild newsgroup speculations predicting our "collapse." Although those forecasts were unfounded, businesses as a result were either demanding immediate payment, or were afraid to deal with us, complicating our attempts to solve the problems. Where could one start in addressing this ocean of problems?

AN IMPROVED SITUATION:

We found ways. Today our accounts payables have dropped dramatically to just over \$300,000, with none overdue. Our membership is at record levels, well over 90,000 members. We have good reason to anticipate that some revenue declines in certain areas will be reversed. The USCF has operated in the black recently, thanks largely to major expense cuts made by the Board early in our tenure.

Some very hard work by some dedicated people made a difference. Frank Niro, our Interim Executive Director, has been doing an outstanding job. Several of our employees, aided by some expert volunteers, went far beyond the call of duty in helping to solve our problems. All of our current Board members provided key advice in finding answers and making very tough business decisions. A special thanks goes to Frank Camaratta, who worked so hard on financial matters that the staff suggested that we should just go ahead and give him some office space in New Windsor!

WHERE WE ARE GOING:

This is the most difficult problem. While we have driven away the wolves, we still face major strategic challenges. Interim Executive Director Frank Niro will be presenting a comprehensive strategic plan to the Delegates. For now, I will comment on several areas:

Membership: For some time now, Nebraska's Mike Nolan has been providing important demographic analysis on our membership. I graphed some of his data, and saw a disturbing pattern: most of our members were either under 21 or over 40, with few in between. In short, we were not gaining young adult members. I commented on this

in a *Chess Life* article in early 2000. Unfortunately, Mike's continuing analysis shows that nothing has occurred to improve this picture. We are gaining too few new adult members, while our older members are dying or fading away.

Several ideas have been tried to reverse this trend, but nothing has affected it. All this is true despite the fact that there are more casual players in the U.S. than ever before. We must find ways to convert more Youth and Scholastic members into adult members, while improving the retention rate of our adult members. We must bridge the gap between organized chess and the millions of casual players in the U.S. now, to bring in new members.

Future Finances: While we are temporarily operating in the black, we cannot continue to do so at present revenue levels. For one thing, we will be paying a permanent Executive Director's salary soon. The slow summer months will leave us cash-poor again. Thus, the Delegates will be asked to consider dues increases this August. Various proposed increases, probably affecting all categories, will be on the advance agenda.

I believe that it would be desirable to restore some level of affiliate commissions as part of a dues increase. Without regaining the support of our affiliates, we cannot address our overall picture successfully.

FIDE Issues: A number of things are happening at the international level that will affect the USCF. We are attempting to establish a good level of two-way communication with FIDE officers through direct contacts, with the understanding that it is in FIDE's best interests as well as the USCF's to achieve a consensus which both organizations can accept and promote. We will strive to enhance our representation on FIDE commissions and boards. In anticipation of changes that may impact the zonal system of World Championship qualifying, we will sponsor a motion to create a better continental structure that takes into account the many world-class players in the U.S.

The USCF issued a letter of support for GM Seirawan's initiative in trying to reunite the dual (and dueling) World Championship systems. That letter was well grounded in USCF policy, as the Delegates have passed several motions since 1994 supporting reunification of the World Championship.

History in the making: Future historians will little notice our current financial trials. Rather, they will note the things we did at the start of the new millennium that had long-range effects. They will study with interest the first U.S. Championship that had an expanded format, and the first match between the U.S. and China. They will remember the opening of the World Chess Hall of Fame and Sidney Samole Chess Museum, the first major chess museum in the world to receive thousands of annual visitors. They will note the exponential rise of scholastic and youth chess, and the importance of it as a new cultural phenomenon. They will look with interest at the first chess scholarships to be given by universities. In short, they will see our accomplishments as we cannot presently see them, from the perspective of history.

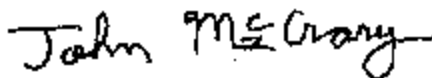
Thanks to our volunteers: We are giving a long list of awards this year, but it is not long enough! The future success of the USCF will be based on the work of volunteers at all levels. Every time I encounter some negative person, I merely start recalling the names of the many positive people who are working together, for no pay and little recognition, for the common good. Thanks to all of you!

And thanks to our staff: If you want to see a busy beehive, go to

our USCF offices in New Windsor. For that matter, go on an evening or a weekend: you will see a number of employees working hard and long, even on Sundays. We are blessed with a dedicated staff. Next time you are inclined to complain, give some thought to these great people. They will help you resolve your complaint, but they would also appreciate a thank you, too, for all they do.

Remember, the USCF starts with "U" and with "Us." To our Delegates, the USCF should never be a "they" or a "them."

Best regards to all,



John McCrary, USCF President



World Chess Hall of Fame and Sidney Samole Chess Museum, the first major chess museum in the world to receive thousands of annual visitors, held the Grand Opening in December 2001.

Hall-of-Fame Grandmasters attend the opening, left to right: GM Lev Alburt, GM Arnold Denker, GM Arthur Bisguier, GM Lubomir Kavalek, GM Edmar Mednis and GM Robert Byrne.

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- Your name (or the name of your choice) will be permanently inscribed and displayed in the lobby of the museum.
- You'll receive an annual family membership, a \$65 value. You'll be proud to carry your U.S. Chess Hall of Fame Charter Membership card!
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FOUNDER LEVEL

Be remembered as a founder of the World Chess Hall

of Fame! As a Founder Charter Member, you will receive all of the above benefits of the Friend level, but your name will be inscribed even more prominently in the lobby of the Museum. In addition, all Founder's names (or names of their choice) will be published annually in the Hall of Fame newsletter.

DISPLAY LEVEL

Display Charter members receive all of the benefits of Friend and Founder levels. In addition, for one year, your name (or the name of your choice) will be attached to a display at the Museum, giving the highest, most visible level of recognition — as a sponsor of one of the historic artifacts inside the Museum.

Sign up as a living part of chess history!

Charter memberships begin at the "Friend" level for \$250. "Founder" status begins at \$500. "Display" status starts at \$1,000.



U.S. Chess Trust is a 501(c)3 charitable organization. Donations are tax-deductible to the full amount permitted by law.

Checks should be made out to the U.S. Chess Trust and sent to:
World Chess Hall of Fame & Museum ATTN: Al Lawrence,
13755 S.W. 119th Avenue, Miami, FL 33186
 Credit Cards are accepted and your membership can be processed over the phone. Just Call: **1-800-59-CHESS**