

**DSA Finances**  
**2017 Fiscal Year and January– June 2018**  
**Budget Report to the Membership**

by Theresa Alt, Budget and Finance Committee and Sasha Hammad, Operations Director

**Introduction**

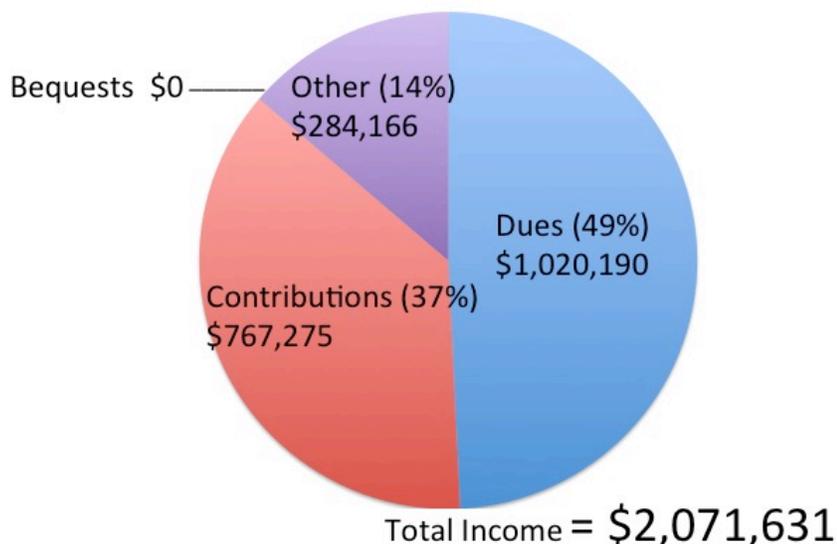
We hope to give you a quick and clear presentation of the finances of Democratic Socialists of America. At the time of the National Convention last year we gave you an overview of the first half of 2017. We can now give a picture of the full year 2017. We still have to reconcile joint expenses between DSA and DSA Fund. The audit has not yet been done since we file for an extension each year to save money by working with the auditor after the busy season. We have until November 2018 to file our 2017 taxes, so our 990 will look different from these 2017 numbers.

For the first half of this fiscal year, 2018, the numbers do not include any grants or reimbursements from DSA Fund. Income has continued to happily surprise us.

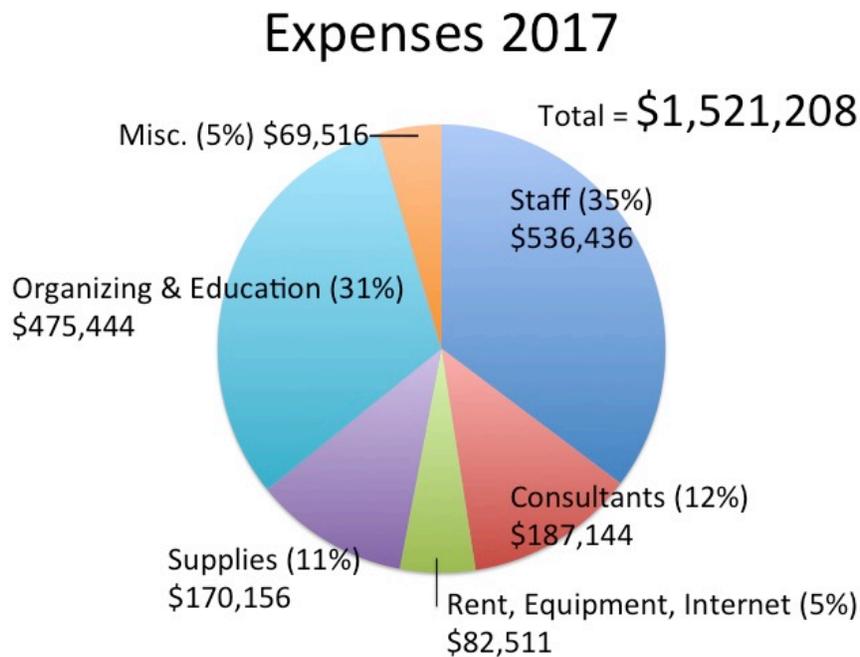
In the past year we have taken in income and gained new members beyond all our expectations. Spending has lagged behind income, partly because dues sharing with chapters began in August so is not yet reflected, and more so because it takes time to hire staff and some new staff are still in the future.

Income in 2017 falls into four broad categories: dues, contributions, bequests, and other. In fact, you will see only three slices on the pie chart. There were no bequests last year, but in some years bequests have been significant. In 2017 dues amounted to \$1,020,190, and accounted for nearly half of all income. Contributions are donations made in support of the organization in addition to member dues, and were about a third of 2017 income, at \$767,275. Other income was \$284,166, for total income of \$2,071,631 in 2017.

## Income 2017



Total expenses were \$1,521,208 in 2017. Our largest expense category is staff, which includes wages, taxes and benefits. In 2017, we spent \$536,436 on staff, a little over a third of all expenses. We hired consultants to help us with digital fundraising and strengthening our infrastructure in advance of the convention. Adding consultant expenses of \$187,144 brings people costs to nearly half of all expenses. Our rent, equipment, phone and internet cost \$82,511. Supplies including largely shipping, postage, printing and copying were \$170,156. Organizing and education programs cost \$475,444. Those expenses were for travel for staff and members, swag, and mostly Convention facilities and catering. Finally there's miscellaneous expenses, which totaled \$69,516, mostly financial charges and insurance.

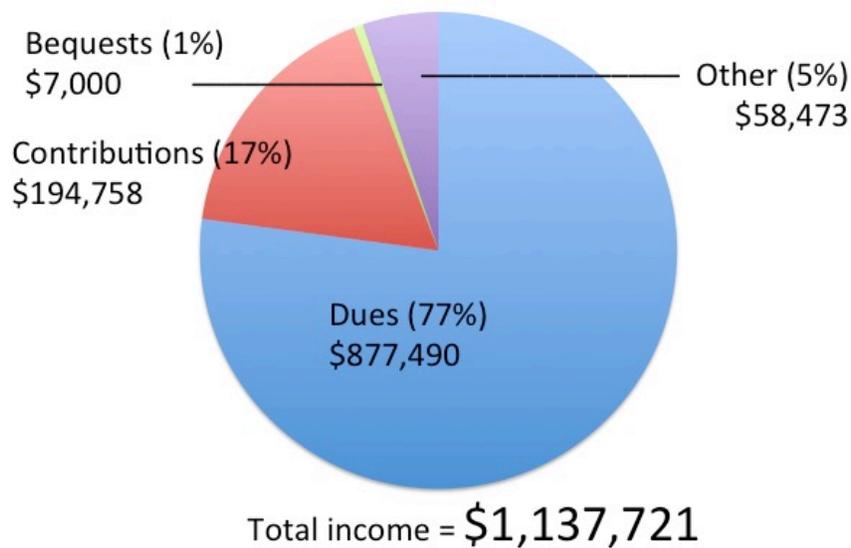


Since income came in faster than we spent it, we ended the year with a surplus of \$550,423, therefore, we ended 2017 with net assets of \$1,079,824.

## 2018 Report

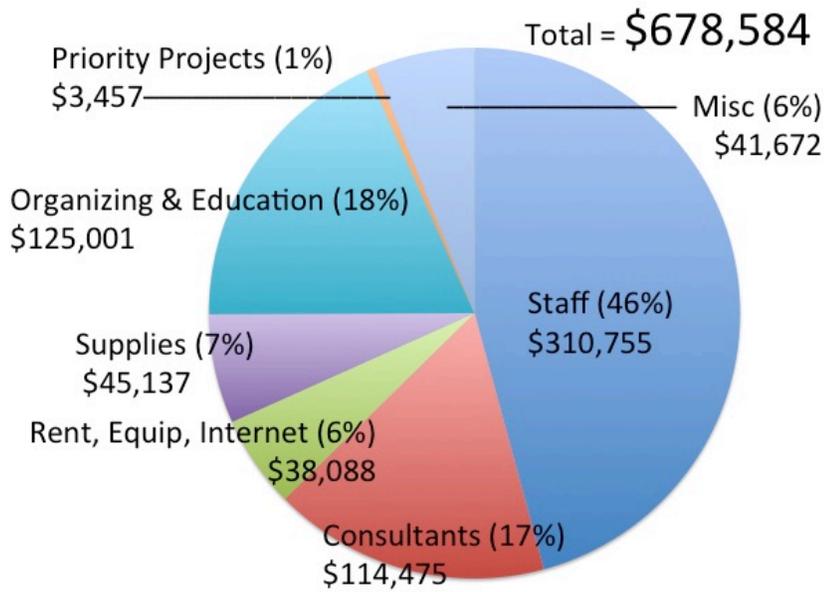
In the first half of this year, 2018, total income of \$1,137,721 was a little more than half of total income for *all* of last year. The breakdown is somewhat different. This year dues at \$877,490 account for three quarters of it, contributions at \$194,758 for a smaller fraction. The difference is that with the increase of monthly dues payments, we are changing how we account for monthly donations above and beyond dues and monthly recurring dues. This year there *was* a bequest of \$7,000. And there's other income from swag and other categories, totaling \$58,473. As in the past, nearly all of it comes from our members.

## Income thru June 2018



Total expenses of \$678,584 break down in a way that is rather similar to last year. Staff at \$310,755 is a growing category and will grow further as planned hiring proceeds. Consultants at \$114,475 remain significant. We continue to work with a digital fundraising consulting firm, and this year we hired a special legal consultant and a national grievance and harassment officer. Rent, equipment, phone and internet cost us \$38,088 so far this year. Supplies have cost us \$45,137. Organizing and education is still a large slice of the pie at \$125,001. Expenses will be greater now that dues sharing with chapters has begun. There is a new category, priority projects (Medicare 4 All, Electoral, and Labor) which reflects only \$3,457, because spending on them had only recently begun as of June. And miscellaneous expenses account for \$41,672.

# Expenses thru June 2018



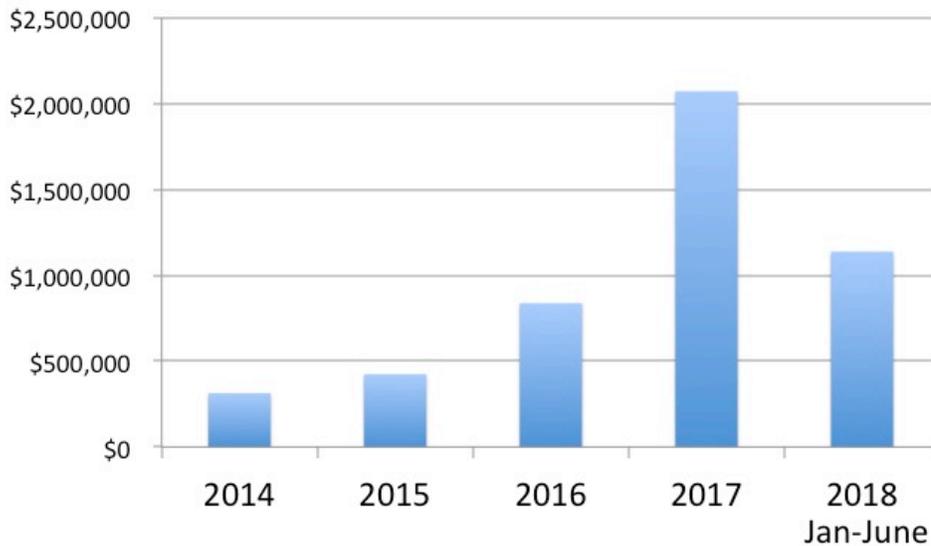
In the first half of this year we had a surplus of \$459,136, with net assets totaling \$1,539,005.

When you compare our 2018 budget with actual income and expenses for the first half the year, you'll see that we have already brought in more than our conservatively budgeted income for the fiscal year. One expense category that is much higher than budgeted is Consultants, where we hired the National Harassment and Grievance Officer at a higher rate than we had originally budgeted, and did so as a consultant rather than as staff.

## 2018 Budgeted v. Actual

Income	2018 Budget Rev. April	Q2 YTD (Jan - June)
<b>TOTAL INCOME</b>	<b>\$1,045,934</b>	<b>\$1,137,721</b>
Expense		
Staff	\$770,600	\$310,755
Consultants	\$107,500	\$114,475
Rent, Equipment, Internet	\$102,600	\$38,088
Supplies	\$143,400	\$45,137
Organizing & Education	\$417,820	\$125,001
Priority Projects	\$42,310	\$3,457
Misc	\$79,150	\$41,672
<b>TOTAL EXPENSE</b>	<b>\$1,663,380</b>	<b>\$678,584</b>
<b>SURPLUS (DEFICIT)</b>	<b>(\$617,446)</b>	<b>\$459,137</b>

# Income History



A note on total income: it has grown significantly over five years:

\$312,821 in 2014

\$423,124 in 2015

\$837,112 in 2016

\$2,071,631 in 2017 and

\$1,137,721 in only the first half of 2018.

It can be useful to compare all this income growth with our explosive growth in membership. The following graphic was created for the National Electoral Committee and shows membership numbers following various electoral events. We have 49,000 members as of August 16, 2018.

**From 2011-2015 membership was consistently about 6000 and then.....**

<b>During the Primary:</b>	<b>3/1/2016</b>	<b>6,100</b>
<b>Just before DNC:</b>	<b>6/1/2016</b>	<b>6,500</b>
<b>Just before election:</b>	<b>11/1/2016</b>	<b>7,600</b>
<b>After the election:</b>	<b>11/17/2016</b>	<b>10,000</b>
<b>Post-inauguration:</b>	<b>1/30/2017</b>	<b>15,000</b>
	<b>4/4/2017</b>	<b>20,000</b>
	<b>7/31/2017</b>	<b>25,000</b>
	<b>10/16/17</b>	<b>30,000</b>
<b>Lee Carter Wins</b>	<b>11/7/2017</b>	
<b>Summer Lee Wins!</b>	<b>5/17/2018</b>	
<b>Sara Innamorato Wins!</b>		
<b>AOC wins!</b>	<b>6/26/2018</b>	
	<b>6/29/2018</b>	<b>40,000</b>
	<b>7/4/2018</b>	<b>44,000</b>
	<b>7/12/2018</b>	<b>45,000</b>



## **Closing**

Right now our financial picture is rosy. We have reserves to cover planned expenses including expanded staff, even if income lags which is distinctly possible. The 2019 convention will be a huge expense, and we must be mindful of the impact we would like to have on the 2020 elections. We must also be aware of the potential for regulatory or legal attack, which would take resources to address.