

# DISCOURSE

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## “Rags or Riches”

Dear Brothers:

Here we are again, it is that time when the fiscal year ends, and the cycle starts all over again and in a couple of months we will be discussing the new budget for the Masonic Home and Grand Lodge at our Annual Grand Communications.

For the second year, I will be personally involved in the budgeting process for our Grand Lodge and presenting the Budget at our Annual Grand Communication, based on my previous experiences and the economy the way it is, it will be another rough year for all of us.

My Brothers, the reason for the title of this piece is very simple, it is intended to be though provoking, to explain a mentality that is omnipresent among the Craft. It is one I have heard for years, but became very prevalent as I traveled throughout the State two years ago while seeking the Station of Junior Grand Warden.

There is a myth that Grand Lodge is rolling in money, and that my Brothers could not be further from the truth. In fact, Grand Lodge lives from paycheck to paycheck much like many of us do and in economic hard times like this, they are tight on funds just like many of us. You must be thinking yeah, right, but my Brothers this is the truth.

You constantly hear about millions of dollars anywhere from 45 to 68 plus millions of dollars depending on the market and those figures are very true. That my Brothers is the Masonic Home Endowment Fund Inc., which is there for one purpose and one purpose only that is to support the Masonic Home and its residents year after year.

With the Masonic Home Budget being around 7.7 million dollars you can do the math and see that in current market conditions all of those millions are not enough to gain the necessary monies in interest to operate the Masonic Home. On top of this, we have had a very volatile ten-year period; this decade has seen a market that has not been able to recover fully from its early 2000's difficulties.

Therefore, My Brothers let us do a little math to see what we are facing if you take \$64, 707, 933.82 dollars and multiply that by 4.5% which is what our investors say is pretty much the best we can expect under the present conditions. You will find that we will derive a total of \$2,911,857.02, plus the current income derived from recent fees earned, \$1,810,292 and Private Pay \$1,121,683 which leaves about \$1,898,383.98 dollars short of the mark of 7,742,216.00 needed to operate the home.

Now let us do the math in the reversal to give you an idea of what it would require to operate the home besides a booming economy that would yield a much higher interest rate. In order to receive \$7,742,216.00 needed to operate the home with other income in the present economic conditions at 4.5% interest, which is the best hoped under our investment policy, we would need to have an endowment fund of around \$110,000,000.00. As you can see a little more than Forty Five Million, less than what we presently have in our endowment.

As you can see although we are very thankful for what we have, the economy in this decade has not been kind to us, as many of you know from personal experience. Our policy of secure and safe investments has guarded us during these volatile times, where had it been different we would not have as much as we have today. At the same time it does not deliver all we need, but the investments are safe and due diligence is being observed by our Investment Committee which advises the Corporate Board.

Now back to Grand Lodge whose income is derive primarily from the per capita received from each member who does not have an exemption, the members exempted are those who have Emeritus Status and those that have 50 or more years as members. Now with an aging population where 60% of the membership is 62 and older you can see where we are going when we apply the 50-year exemption. Grand Lodge Budget is \$1,712,710.00 we have less than 48,000 members so if we figure that all of them will pay 14.00 (not true), which is not the case you will have \$672,000. Leaving a balance not funded by dues of \$1,040,710.00 less approx. \$500,000.00 for Masonic Home administration and bookkeeping leaves us around \$540,710.00, less \$100,000.00 between parking lot and FA-100 interest, leaves \$440,710.00 to be funded through Grand Lodge sales of materials and services to Lodges.

Now, remember that famous Wendy's commercial of where is the BEEF; I say to you where is the MONEY. Simply my Brothers it is not there. We are not rich, we run a very tight ship with the proceeds that we have and that is thanks to those responsible for the day to day operations of the Grand Lodge, The Grand Secretary and Grand Treasurer. We also owe a great deal of gratitude to the Investment Committee that so diligently guides our investment policy and advises the Corporate Board. However, you cannot continue to cut and expect them to make ends meet that is not realistic for them or for you if you found yourself in the same situation. When you cut the money, you will have to cut services. Just like you have to do at home not enough income, two choices cut home expenses or raise income with additional sources of revenue.

My Brothers if you were to look at the per capita of our Grand Lodge you will find that we are among the lowest in the country for one of the largest states. If we were to look at a \$4.25 per capita in 1963 and factor in inflation, you will find that the per capita today should be \$29.46. This is more in line with the country's average, which is about \$35.00 although it will not cover the expenses for the services Grand Lodge provides the Lodges and the Craft.

My Brothers, a premier organization like ours needs to step up, act and live like one. Freemasonry is an organization of gentlemen, which should be willing to sacrifice a little in order to promote the Fraternity they love so much. Think of all the funds we use throughout the year, in a variety of activities we engage in. Think of the cost of products that just a few years ago where very reasonable and today are sky high. Think that maybe giving a portion of one of these activities throughout the whole year can help the Fraternity you love so much stay in business for posterity's sake. My Brother together we can do it, will you join us. We need your help. Can you spare a convenient store or fast food cup of coffee a day for your Lodge, think about how much good that would do for your Fraternity.

Respectfully and Fraternaly Submitted, I remain your most humble servant

Jorge L. Aladro  
Senior Grand Warden

***If you would like to receive, these newsletters make request at email below if you would like to forward to your list of friends you have my permission and thank you in advance.***

*"My Brothers, the newsletters are intended to be thought provoking, to get you to think creatively, to get you thinking what if?, to dare you to improve yourself and your Lodge."*

***Note: If you would, like to have any of these presentations made at your Lodge or District Associations feel free to call.***

*“Masons always rise to the occasion”*