

Candidate Q & A



The candidates were invited to answer five questions related to issues facing the American Numismatic Association. Their responses are noted below in alphabetical order by office.

► What do you believe is the greatest challenge facing the ANA and the Board, and what actions do you recommend to address it?

Adkins: Budgeting is the biggest challenge the new ANA president and Board will face. A stagnant or dwindling membership is only part of the problem, however. There are no areas that can be exempted from budget restraints, except membership benefits and valued-added items. We must get very creative to preserve the trust our membership has bestowed on us, and work very hard to keep the organization vibrant and relative for the next 125 years. Improving our budget by carefully examining the cost/benefit ratio of every decision will be extremely critical.

Ellis: Completing our mission mandates as directed in our mission statement and *congressional* charter. That charter is a rare document which affords us a certain amount of pride and ability to fulfill our mission. In my opinion, Professional Numismatists Guild (PNG) dealers who have kidnapped the Board will *never* allow us to do what we are supposed to do, especially providing *proper* consumer education! We should not be afraid to educate the public on ethically questionable issues of which there are many (like grading and television sales scams). Do you think we have not been kidnapped? What is the PNG/ANA pre-WFM Numismatic Trade Show?

Kagin: Stabilizing and increasing membership, as well as long-term financial viability (which I'll address later), remain our biggest challenges in the near future. New membership initiatives must be implemented, as the old ones are no longer effective enough. One idea is to get auction companies to offer their bidders free memberships. Another is to generate interest among younger potential collectors by creating (perhaps through a competition) a smart-phone application that is compelling to millennials. This could be a game for prizes, completing a virtual registry set, etc. A third, suggested by Advisory Board Member Laura Sperber, might be to create a universal registry set hosted by *money.org*.

Crum: My involvement with several hobby organizations has shown me that holding the imagination of membership is a challenge in today's diverse society. Growing new membership and slowing attrition is paramount to the ANA. We must capture the imagination of younger generations. Creating content and growing social media presence is the most efficient way to reach a younger audience. This will require more aggressive fundraising efforts, and I have many ideas for accomplishing this goal. Having been directly involved in raising tens of thousands of dollars for the ANA, I possess unique knowledge which can enhance fundraising capabilities. If elected, I will focus on moving the Board in a positive direction.

Ellsworth: There are three great challenges facing the ANA. First is the acceleration of technology. The challenge will be to continuously improve our online presence. Second is budget, in that expenditures continue to outpace revenue. The balance of our limited resources with our continued expanded member services cannot be sustained indefinitely. Every nickel of revenue needs to be scrutinized with all our programs. Third is attracting new members while retaining our current members. Hopefully we will attract some great volunteers to serve on the Board with the leadership and skill sets needed.

Hendelson: The most prominent problem facing the ANA today is how to expand our membership. We need to begin establishing social-media platforms that extend beyond a simple website. Communication amongst today's youth no longer happens through e-mails or monthly news updates. Reaching out on websites such as Twitter, Facebook or Instagram that establish our organization's online presence will take the discussion right to our intended audience. The second program I plan to focus on is to implement ANA-sponsored school clubs beginning at the middle school and high school levels, designed to spark interest in young collectors early on.

Highfill: The coin hobby has been retracting since the 1980s and '90s. Those years boasted multiple BU Morgan and Peace dollar bags, and all other coins in the mar-

ketplace. There were hundreds of thousands of coins available then. Those days have changed, and the supply side has moved off the marketplace into private collections. Today, the U.S. Mint, along with the third-party grading services, have changed the market. There are fewer major coin shows today and a significant increase in dealer websites. These issues need to be addressed to again make the ANA current and aware of today's industry.

Lyon: The greatest challenge facing the ANA is the Internet. No longer do people feel the need to attend club meetings or conventions to participate in a hobby. The ANA needs to build its online presence. Digitizing all the issues of *The Numismatist* from over 125 years ago is a start, but we need to find other ways for people to interact online, including online seminars, forums and collection registries.

Montgomery: I believe the greatest challenge facing the Association is fiscal in nature. We're pretty good at a lot of things, but we can be better here, gang. Continuing our effort to move the ANA into the digital age while not compromising the value propositions of the Association—and without mortgaging the farm—is, in my opinion, the greatest challenge. This challenge can be met by creating revenue streams within the *money.org* platform, continuing the efforts on a development program, and a focused marketing effort. We must exploit new technology anywhere possible, while being fiscally responsible.

Ross: Increasing youth membership. Send a team of four to five (education director, curator, teacher, etc.) right into the school systems in cities/towns/states where we have a potential ANA show. Involve and invite the students and educators to the world of numismatics. Then, get them to attend our coin shows (World's Fair of Money® and/or National Money Show®). Attendance might increase.

Uram: I believe our greatest challenge is to identify and implement creative ways to reach out to existing membership and create new avenues of membership. For instance, our local club has a small show once a year. I would like for the ANA to



Candidate Q & A *continued*

create a way to “endorse” local ANA member clubs. Our biggest expense is advertising that we can’t afford. If the ANA could endorse the show and mail postcards, supplied and paid for by us, within a 50-mile radius, that would identify the collectors and increase show attendance. This would go a long way to building relationships with collectors and dealers.

► **The current Board of Governors has set an expectation that elected officers should donate to and serve as fundraisers for the ANA. How do you see yourself in that role?**

Adkins: Every member of the ANA Board should do their best as good stewards for the organization. I have, but I do not believe that anyone who serves the ANA in this volunteer capacity should be compelled to donate beyond what they feel comfortable with. That may even be zero dollars, but keep in mind the sacrifice of time and talent that each member provides. That more than covers the “treasure” aspect as related to donating.

Ellis: I agree that any who want to serve should want to give or secure funds elsewhere as well! Most of the current board is oblivious to the many ways volunteers make money while working, too! Other than the Board meetings, most governors do not do much for the Association, and I would much rather see them volunteering in ways that cause them to intermingle with the membership while benefitting the Association. In all the years I have been teaching at the Summer Seminar (since 1996), I have seen fewer Board members teaching than I can count on both hands—*total!*

Kagin: I support the concept that nonprofit board members should “give or get.” We must serve as examples if we want to encourage others to do the same. The ANA is and has been my single largest philanthropy.

Crum: I believe I have already addressed this issue in my previous answer. This is a role in which I am very comfortable. Having already raised considerable funds for the ANA in years past, as well as for the Smithsonian Institution, I believe I have exhibited both my willingness and passion for the financial soundness of the ANA. I will be very motivated as a member of the Board of Governors to keep the Board focused on this important issue. It is only through

sound financial footing that our organization can grow and maintain its membership.

Ellsworth: The current Board has determined that for the long-term viability of the ANA, a program of development is essential. The Board has agreed to lead by positive example. In doing so, each current Board member has pledged a major gift to the ANA and has kept all reimbursed expenses to a minimum. As chairman of the Development Committee, it is my job to help coordinate the overall fundraising campaigns of the ANA. This is a first in our 125-year history that development has been seriously addressed.

Hendelson: If elected, I would be proud to continue my long-standing support of the ANA fundraising branch in every way I can. It has been a strong belief of mine that Board members should not only financially support the organization, but also donate their time to building our fundraising platform. My support can be seen throughout my previous endeavors, such as the recently expanded coin exhibit at the Smithsonian, a project I was honored to help fund. These experiences have enabled me to learn the vital roles necessary when completing a project, a skill that would prove essential in our future fundraising efforts.

Highfill: The ANA Board is always responsible for budget and accountability of all finances. This obviously includes new membership and donations for the ANA. I must admit, without being on the Board and enabled to review their finances, I am limited without scope to recommend money and/or policy changes. Having said that, I founded the National Silver Dollar Roundtable™ in 1982, a nonprofit organization with multiple traits similar to the ANA. We have over 200 highly respected dealers in the NSDR. That 35-year experience has made me very able to aid the fundraising efforts for the ANA.

Lyon: Board members should serve as good stewards of the Association. While not all Board members are of the same means, it is important for all Board members to make at least a symbolic donation each year. As Governor Ellsworth states, development is about “Time, Talent & Treasure.” If one governor cannot donate as much in one area, he or she can make it up in others.

Montgomery: I am a proponent of this new expectation for the ANA Board. As such, I am a current contributor, as well as a fundraiser for the Association, and will continue to do so.

Ross: I think ANA Board members are required to contribute and/or donate their time/opportunity, talent/skills, and treasure/financial support as a prerequisite for the Board. Board members are people who enjoy the hobby, ambassadors for the hobby, and will support it to the end. Typical Board members are from different backgrounds (all walks of life), and their presence creates a variety of talent and skills. We are a nonprofit organization and will accept contributions/donations to allow us to continue to provide the highest quality of numismatic education/information and other adequate services to our members.

Uram: I am a member of numerous nonprofit boards. When you accept such a position, it is implied or suggested that you be involved both with your time and resources. I am seeking this position because I believe that I can be an asset to this organization. Raising funds and promoting the ANA is one of the main, if not the main, responsibilities of the ANA Board. Colonel Steve has taken important initiatives in launching philanthropy. Legacy planning is key to the organization’s future. My vocation for over 35 years has allowed me to work with individuals to facilitate creative savings ideas and concepts in establishing legacy planning.

► **The ANA budget has been running a shortfall of about \$500,000 annually. If you are elected, what programs would you propose to eliminate or reduce and in what areas would you ask for increased funding?**

Adkins: Through better financial controls and disclosure of expenses, an honest evaluation of the cost/benefit of each and every program the ANA offers can be analyzed for maximum advantage to the membership. With prudent analysis of the endowment money available for ANA programs, the Board can see the best utilization of those funds for future growth and enhancement of the organization. This must be done with extreme care so as not to disrupt the ANA’s reserves, but keep new and fresh ideas flowing and materializing. Every organization must adapt to change,



and the ANA must invest in research and development like any major organization.

Ellis: I would not renew any current contracts/agreements we have with PNG. We support them far too much financially and they are the *professional* group that can afford to pay annual dues of \$1,000, while we are an educational group that has a hard time with \$46 a year! We should concentrate on our non-PNG member dealers and membership, not the other way around! Then, I would cut legal costs to the bone. It is nice we are not in litigation, but we still pay too much for legal counsel.

Kagin: The current Board has been fiscally responsible in balancing the annual budget, while using dividend income from our over \$17 million endowment to further our mission of numismatic education without jeopardizing our financial future. This includes smart stewardship not only of that endowment, but also of the rest of our Association's assets, including our museum holdings, real estate and programs. Short-term budget cuts in staff and educational programming would be counterproductive, and new initiatives we have taken in the area of website development appear to be paying off. The hiring of a professional development director will go a long way in this regard.

Crum: I believe the ANA must come to a realization that commercial partnership is a fact of life in today's world. The Smithsonian recognized this well over a decade ago, and my company, Monaco Rare Coins, along with NGC, provided the funding to rebuild the "Stories On Money" exhibit, which today has been expanded with the funds provided through commercial partnerships. We have many wonderful companies within our hobby, and we must be willing to reach out to create partnerships which can benefit the ANA. As for increased funding, expanding online content is the area I will push for increases, but I strongly believe all additional funding can be provided by developing commercial partnerships.

Ellsworth: It is easy to ask for more funding for a program but very difficult to reduce its funding. I would propose a detailed "cost versus revenue" analysis be done for each major area of services we now provide. No area would be a sacred cow from scrutiny. The cuts may only need to be short term until the deficit is reduced. One that may give a better ROI is investing

in our club programs, as they are the best one-on-one outreach we have to attract new members, volunteers and donors.

Hendelson: Obviously, my lack of experience on the current Board itself puts me at a disadvantage, having little knowledge on the actual budget allotted to each program. I would combat the major deficits facing the ANA today with a thorough cost-benefit analysis of all the subsidized programs currently in place. This analysis of different departments would allow us to distinguish where the major drains to the budget actually lie and where we see returning investments on which we could focus our fundraising efforts.

Highfill: Again, without the inside, confidential ANA information on finances, membership, education, etc., I am very limited to suggest any formidable changes. However, I am also very sure, with my 40-plus years as one of the major dealers in the coin business, I will be able to find positive changes. There is always room for improvement and changes with any organization as large as the ANA. With a multimillion-dollar annual budget, I am sure there are areas that can survive budget cuts!

Lyon: As a nonprofit organization, the ANA is not like a "regular" business where income and revenue must match each year. We are fortunate to have over \$20 million in investments, which allows us to spend more on programs and services each year than we bring in revenue-wise without jeopardizing the future of the Association. The key is to ensure that our spending is sustainable, and I have worked to ensure this since joining the Board.

Montgomery: There are two ways to fix a deficit such as this: 1) generate new revenue streams for the Association; and 2), reduce the cost of operating the Association. Easy? Not even a little bit. I am extremely encouraged with our progress on a development strategy for the ANA. These programs begin quietly, but they net long-term results. Also, it is imperative we do a deep dive into other revenue streams, as well as all Association expenses. The Board's job is to be certain the ANA is operating as efficiently as possible while delivering the best possible product.

Ross: The ANA at one time tried to sustain three shows a year; now we are down to two shows a year, and we are considering

one show per year. These decisions are based on the financial environment, such as money coming in and money going out. We need to stick to nonprofit as our driving force. The ANA is an organization of hobbyists. We are *not* dealers, we are *not* trying to sell coins, etc. We provide a systemized platform facility to bring together and share the love of the hobby with our members via educational seminars, lectures, publications and more.

Uram: All programs that run a deficit should be reviewed. Having said that, we are an educational nonprofit. Just because a program runs a deficit doesn't mean that the program is not worthwhile. It is possible that the non-producing program might have a tremendous goodwill effect. Frankly, all programs profitable and non-profitable should be reviewed to see how they can be strengthened for our membership. If we eliminate a certain program, then we should have a plan for a replacement program. We should have increased spending in the foundation area. With proper guidance, the foundation office can be the answer to creating a substantial profit center that can facilitate all the organization wants to be and do.

► **For a number of years, the ANA has monitored the performance of its National Money Show®, which often operates at a loss. Would you propose to continue or eliminate the National Money Show?**

Adkins: The National Money Show should be eliminated in my view and be replaced with a few carefully placed investments in well-supported regional club shows. I am a firm believer that local and regional clubs are the best source of growth in the hobby, and the ANA should be very supportive of that. This approach should also free up staff to create a more robust World's Fair of Money® and bring back the "Wow!" factor.

Ellis: I would let the membership decide in the next election. I feel the membership should be given the opportunity to make such significant decisions on the election ballots, just as the citizens of this country do. At present, this is the primary choice I see to possibly be made on the next ballot. Others are potential bylaws issues. I believe the membership should be afforded the opportunity to have more input in governing the Association, especially in show locations. Such participation may



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also lead to more members voting in future elections.

Kagin: I believe that the NMS is an important part of our educational outreach to geographic parts of the membership which would not be so served otherwise. The state of the market in recent years has resulted in a downturn in dealer participation, resulting in a drop in revenue from fewer tables and also a decrease in attendance. But I believe that is changing. Due to an uptick in the overall economy, a stabilized coin market and an increase in collector activity, this show should no longer be in a loss position. These developments should have a major positive impact on future National Money Shows.

Crum: Without a clear understanding of the budget requirements, this is a difficult question. I would not propose that we eliminate this important show. I believe the ANA is behind the curve when it comes to online presence. We have a number of very bright minds on our current Board and many who are running in this current election. I would propose that we focus on how to grow the National Money Show in both dealer attendance and membership participation. Again, I believe this can be accomplished with a more aggressive view toward commercial partnerships.

Ellsworth: I would not cancel any contracts we currently have for future shows, but would not be in favor of committing to any new ones until a show would at least be viable on paper. The argument that has been made in the past is it is good for outreach. I could argue that our clubs provide far better and more outreach than the same handful of sites that can and want to support our NMS.

Hendelson: I would examine the extent of our losses at the National Money Show to determine whether this program is worth keeping in place. Coin shows are the face of our organization and have proven themselves to be opportunities to reach out to collectors in local communities. The numismatic educational purposes these shows serve are indispensable to growing our membership base. Striking one of our two major shows would undoubtedly result in major ramifications. It is important for us to explore innovative ways to improve the existing shows, for which my years of experience on the coin-show scene would prove greatly beneficial.

Highfill: I would never advocate cancelling the ANA National Money Show! No consideration at all. Like any other budget, find the *fat* and eliminate it. Believe me, it's there! Less dramatic, review the convention budget and find cost-cutting measures that are needed and adjust accordingly. Hotel credits for staff or alternate lower-cost rooms. Have local coin-club employees who would be willing to donate their time, assist with set-up, registration, etc. Get bids from multiple decorators, etc. After my convention experiences, I will guarantee there are multiple cost-cutting measures. A penny saved is a penny earned.

Lyon: The National Money Show allows the ANA to have conventions in locations which would not be able to sustain a summer convention. Having said that, we cannot continue to operate the NMS at a significant loss on an ongoing basis. We will be testing a smaller-format NMS in 2018 in Dallas. I'd like to see the results of that effort before making a final decision. If the NMS is eliminated, the ANA will need to take a larger role in other regional conventions to ensure that we continue to connect to our members outside of large cities.

Montgomery: I believe our mandate is to bring the premiere hobby association to as many markets as we possibly can. Make no mistake, we have to be smart, but I'm not ever going to vote against our mandate. The answer: first, we fix the overall operating deficit. That done, we won't have to worry so much about a reasonable shortfall on the show. Besides, has anyone ever walked out of any ANA show without a story to share or a new coin in their pocket? I know I haven't. Profits aren't always about money. The show must go on!

Ross: Coin collecting is a multi-billion-dollar industry. It forces our operating budget to be ostentatious and compete with the "Big Boys." Try this: let the Big Boys operate the coin shows (whenever and wherever), and we (ANA) have a table, booth, aisle, corner block, floor space, room(s) at their show. They deal with all the "coin show" worries/logistics, etc. We *ride* their backs! For example, U.S. Mint Coin Show—ANA has a table; or PNG Coin Show—ANA at booth 147. Remember we are hobbyists!

Uram: The National Money Show should be reviewed. Conducting a coin show is just one of our responsibilities; if we continue to lose money, that's one thing, but what

about the attendance numbers? If participation does not warrant the show, then we should replace the current structure of the National Money Show. One solution might be to consider scaling it down. One might be to review for a more affordable venue. We need to look at options. If it is terminated, then what do we replace it with?

► **Administratively, a member's annual dues do not cover the cost of serving that member. If elected, how would you address this? Would you consider revising the dues structure?**

Adkins: Membership dues should not be increased in a time of dwindling membership. The ANA is an educationally mandated organization, and should be looking to increase opportunities and benefits to membership if it is to remain viable. Income for operations must come from the creative revenue streams we are able to develop with strategic partners, auctions and advertising, as well as sources such as our benefactors. Every aspect of the ANA must be judged on its ability to deliver great products and services to members, as well as its ability to balance the cost/benefit ratio.

Ellis: At present, I am not in favor of raising dues. Our membership finds the cost too high as it is. I might be in favor of dropping the \$28 Internet-only option. Most members will pay the \$46 option, but would be hard-pressed to pay more. We still have many members who do not have computers, and our \$28 option will not cause them to buy one. I talk to such members on a regular basis. Prudent use of funds often leads to losses in the most important areas. You just make it up in other areas.

Kagin: I do not believe in raising membership dues. There are much better ways, such as sponsorships and development, to cover the cost of serving our members which, after all, is our mission.

Crum: I don't believe revising and asking more of members is the answer. Not to sound like a broken record, but I have extensive proprietary knowledge on how to grow database users and memberships. There are so many ways to grow memberships in any organization through commercial partnership programs. I believe that creating added value for a member, without increasing costs to the ANA, is the answer. In other words, provide incentive

for joining by creating a self-liquidating offer for the new or returning members. This is the way of the world today, and it is an achievable goal.

Ellsworth: I would not want to increase our dues at this time. We still have lots of opportunities to cut expenses and increase revenues before I see a need for a membership dues increase. Some of the services we provide are very expensive and have limited value to the majority of our members. It is always a challenge and will continue to be for our Association. I think our current dues and the range of options we provide are most adequate.

Hendelson: One of our main concerns at the moment lies with maintaining and expanding our membership base. With this in mind, the last thing the ANA needs to do would be to increase dues for our current 25,000 members. Historically, whenever the ANA has raised dues, membership has seen staggering drops, a blow the organization cannot face at this time, and thus, should be avoided. Life members, who do not pay membership fees, would not be included in this generated income from raised dues, so the benefits would be minimal and not worth the membership losses.

Highfill: I would need to see the structure that created the current dues. Raising dues would be the last thing I would do! I would look at normal, similar price increases throughout the entire industry and other like corporations, not necessarily only related to the coin business. Money-wise, there should be a separate convention budget approved by the ANA. Secondly, subject change: I have put on over 35 major coin conventions throughout the United States, from Houston, Las Vegas and San Francisco to St. Louis, Chicago and Dallas. These were the National Silver Dollar and Gold Conventions, and all were profitable.

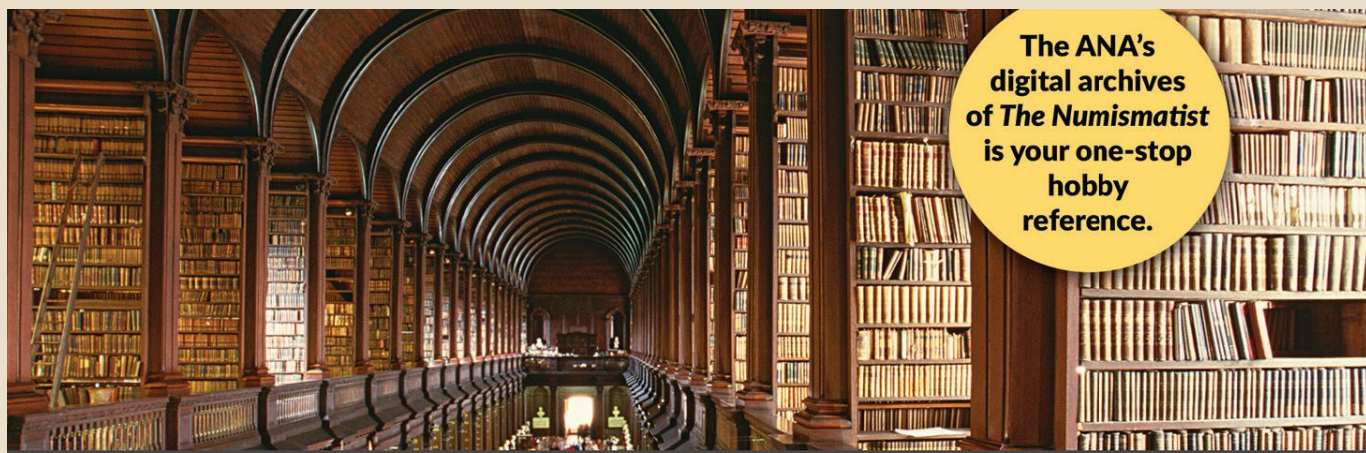
Lyon: As a nonprofit organization, we do not need to ensure that dues cover all membership expenses, as we have income from other sources and investments. Raising dues will likely result in membership losses, which is not good for the Association's future. We need to ensure—long-term—that dues cover a specific percentage of membership costs and raise them as appropriate. Additionally, we need to ensure that life-member dues cover the long-term cost of membership.

Montgomery: That's a tough one for sure. In so many ways, I want to continue to deliver our solid product for a bargain-

basement price. This is, by the way, exactly what we are doing today. Unfortunately, the economics dictate some fiscal changes. Rest assured, my friends, I won't touch the dues until we've exhausted every other opportunity to either raise money or create other measurable efficiencies in the Association. There's a bunch of ways to skin this one, gang. We'll do our best to find a way.

Ross: I would not consider changing the dues. We could re-evaluate the structure of the dues based on technology concerns and availability and how it is classified. However, I would allow an opportunity in the dues category to include the entire family. This plan would provide the head of the household, husband, wife, and children (relatives and grandparents also) in a dynamic plan to ensure continuous membership in the ANA and enjoy all the benefits for the entire family (legacy). The calculus for this plan needs to be worked out so that it actuarially saves money on our side and provides all the benefits on their side.

Uram: I am opposed to any increase in dues to cover membership cost. By strengthening our foundation and charitable giving, we can continue to provide a tremendous educational value and outreach to our members.



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