



# ANNUAL REPORT

# 2021



# PRESIDENT & CEO'S REPORT

## DEAR MEMBERS OF THE MARINE CORPS ASSOCIATION,

I am pleased to provide you with our Annual Report for Calendar Year 2021.

In every sense, 2020 was an extraordinary year. There are many words we could use to describe 2020: disruptive, challenging, unprecedented...but at the same time, the past year has been inspiring, collaborative, and hopeful. This year has been one marked by transition and efforts to find our footing as we continue to look for normalcy in our daily lives and in the workplace following disruptions caused by COVID-19. Here at the Marine Corps Association (MCA), there is much to be thankful for. First, I'd like to offer my personal gratitude to LtGen Mark Faulkner, USMC (Ret), who left the Association in July for setting the path for our successes in 2021 and who worked tirelessly to transition the reins of leadership to me. Congratulations to him and Janet as they turn the page to the next chapter in their lives. Secondly, I'd like to thank LtGen George Flynn, USMC (Ret), who has been our chairman since 2019 and has served on the board since the mid-90's. He has truly been "the keeper of the flame," and among his many memorable accomplishments during his tenure has been the direction that he provided in developing our 2020-2025 Strategic Plan. Thank you, George and best wishes to you and your family. We also welcome LtGen John Toolan, USMC (Ret) who became our chairman on 1 January 2022. Welcome aboard, Sir.

Taking the lead from our Marines and Sailors stationed and operating around the globe, the Marine Corps Association continued to provide sustained superior support throughout this period of uncertainty and disruption. This would not have been possible without the dedication and sense of mission that is shared amongst our family of employees here at the Association.

Over the past year, the Marine Corps Association has transformed the way we serve our members,

while skillfully maintaining the personalized service for which we are known. Understanding the need to provide continuous support, our team has risen to the occasion by making marked improvements in all areas to include retail, membership, and circulation, and most importantly, we have sustained excellence in our Leatherneck and Gazette magazines, which are the bedrock of our professional association. We changed and are continuing to change, the way we do business across all fronts, creating new processes and protocols to ensure the customer experience was seamless across all delivery channels and customer touchpoints. Our team has redefined and reimagined how to better posture ourselves and the Association to better serve our membership. As a result, we can maintain tempo and support for all the activities that we hold ourselves accountable to our Marines and Sailors, members, and ultimately our Commandant. Our team has done this without missing a beat. I could not be prouder of their accomplishments and their professionalism.

2021 has also seen the internal reorganization of our staff. In a move to bring synergy and alignment of functions internally to MCA, we have established five vice president positions. These five VPs replaced the previous structure of seven department heads. In the coming months, we will continue to our internal management actions to realign and streamline our organization to ensure that we remain effective and efficient.

During this past year we worked to reaffirm our long-standing partnerships and completed efforts to gain certification as a national military association. We have completed all required criteria and await final certification by the Secretary of Defense. On the partnership front, we recently concluded contractual agreements to continue our long-standing relationship with USAA, our affinity partner. This agreement secures our commitment to a five-year period of continued support and partnership and guarantees an annual revenue stream over the life of the agreement.

We exceeded our net goal for corporate sponsorship by ~\$244K in 2021 bringing our grand total contributions to ~\$1M. We remain strongly

positioned to continue to increase and surpass our goals for 2022. Our partnerships with industry and their willingness and generosity to support our awards programs and professional events continue to be a strong indicator of the value that corporations find in our continued partnership.

The Foundation continued to excel and exceed annual goals of contribution and program delivery. Annual contributions surpassed budget goals by ~\$83K making a grand total amount of ~\$1.8M available to support commander's programs, unit libraries, battlefield studies, PME development, and award membership allocations. The generosity and kindness of our donor base continues to deliver and remains a highlight and consideration in all that we do.

We have more work to do on the membership front. Membership for the Association continued to decline across the year following a downward spiral over the last several years. We have begun to see a consistently declining membership base across multiple years. Historical trend since 2016 indicates that we have lost ~20K members from ~68K in 2016 to ~48K in 2021. Many factors can explain this decline. Declining membership can be an indicator of how we are seen across the Marine Corps, or more than likely, an indication of the value that members and partners see in their professional association. Changing demographics and shifting interest from hard copy to digital/social media can be another contributing factor. Regardless, we are examining how to best address this problem. This trend is not

unique to MCA, rather it is a trend that has manifested itself across many member-based associations, and it is a constant topic that has been examined during industry forums. Presently, no easy solution is at hand. In the coming year, declining membership will be one of my highest priorities to address and continues to be an area of greatest concern.

Another area of concern and focus has been in The Marine Shop, the retail arm of the association. Impacted by supply chain and labor shortages, rising costs, and uncertainty in the marketplace, our results have fallen short of projections for this year. Our team has moved mountains to posture TMS, both our brick and mortar store and our ecommerce segment, to be more competitive in the coming years. We have established realistic sales goals and tailored projections to meet actual customer demand. I remain optimistic that we will be able to right the ship and turn our retail business into a profitable endeavor.

In closing, I want to provide you with one more piece of exciting news. In partnership with the Marine Corps League, we have been given the privilege of co-hosting this year's Modern Day Marine (MDM) Exposition at the Walter E. Washington Convention Center in Washington D.C. on 10-12 May. This will be the first time in the last three decades of MDM that the event will take place outside of a Marine Corps installation and back in the Nation's Capital. We will be publishing details of this schedule and content of this event in upcoming announcements.

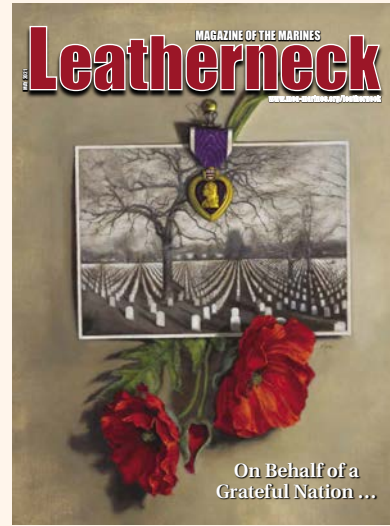
I am honored and humbled to be given the opportunity to lead this association and our team into a new year and through all the exciting challenges that lay ahead. I thank you for your continued support to our association and more importantly, our United States Marine Corps.

**LTGEN CHARLES G. CHIAROTTI USMC (RET)**  
PRESIDENT & CEO  
MARINE CORPS ASSOCIATION



# LEATHERNECK

The COVID pandemic continued to impact day to day operations of the staff of Leatherneck magazine, but we are especially proud that we continued our streak of meeting every deadline and ensuring our readers received their beloved magazines in a timely manner. The highlights of the year included covers of the iconic paintings, “Remembrance of Value” and “Reflection of Honor,” on our May and November issues respectively, the Sergeant Major of the Marine Corps, Sergeant Major Troy Black, female Marine astronauts, and a salute to corpsmen. The annual Leatherneck Writing Contest once again provided exceptional content over more than six issues as we recognized exceptional enlisted writers. In keeping with our goal of expanding Leatherneck’s media presence, we partnered with the professional development staff as Leatherneck writers created audio versions of their own articles and articles from our extensive archives and assisted in numerous podcasts for the Marine Corps Association’s new “Scuttlebutt” program. Our goals in 2022 include developing new authors, continuing to enhance our apps and website capabilities, and obtaining new advertisers.



The Marine Corps Association Foundation continued to support the professional development of Marines in 2021 despite the continuing challenges imposed by the global pandemic. Many restrictions on large group gatherings—the typical necessity for many of the Commander’s Forums program events—continued but even with those, we were able to help Marines through this program. Nearly 9,000 Marine leaders from noncommissioned officers to senior officers took advantage of our support and conducted battlefield studies and staff rides. These are invaluable tools to help Marine leaders learn the lessons of the past and to do so in a manner that enables them to apply those lessons to the challenges they face today.

Marine Corps units continue to use our Unit Library program to benefit the majority of Marines in their commands. With the continuing restrictions on large gatherings and need for social distancing, Marines learn and grow professionally through reading and personal study. The Marine Corps Association Foundation has continued to support deploying units with Kindle e-readers as part of the Unit Library Program and continues to use funds raised to provide additional book titles for the Kindles

# FOUNDATION

so that deployed Marines have more access to the books and materials that are part of the Commandant’s Professional Reading Program.

Likewise, our Writing Awards program continues to be used regardless of conditions because unit commanders and senior enlisted leaders want their Marines to express their thoughts and ideas, and this program acknowledges and rewards those who do. Anyone who has served with young Marines knows they have many great ideas and different ways to approach the problems the Corps faces, so encouraging them to share those through essays, magazine articles, and other written means is critical.

Even with the challenges this past year, the Marine Corps Association Foundation provided thousands of excellence awards recognizing the superior performance of Marines across the Corps. In some cases, Marine schools operated in a distributed manner, but Marines were still excelling in their training and education, and the Foundation was there to support.

Even with the challenges of 2021, the Marine Corps Association Foundation spent over \$900,000 on Today’s Marines and supported over 55,000 serving across our Corps.





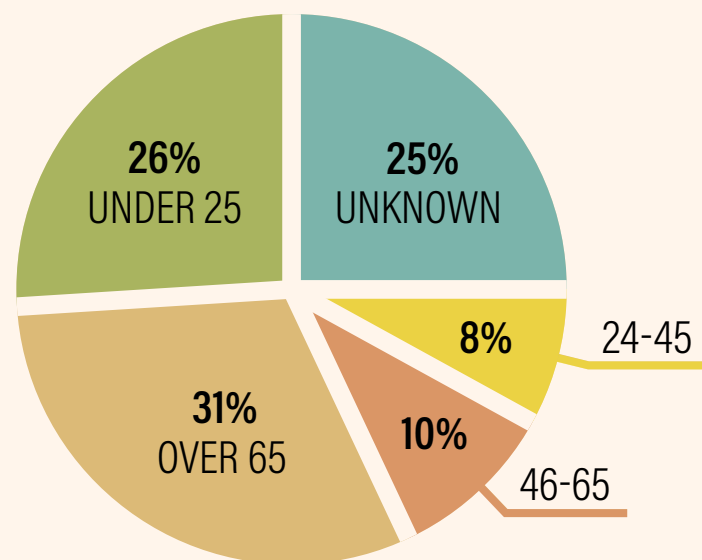
# MEMBERSHIP

Membership remained a challenge in 2021 in the face of the COVID-19 pandemic. The requirement of social distancing practices in response to the pandemic prompted a shift to a more heavily focused digital approach. Despite their best efforts, our Area Representatives were prevented from delivering membership presentations to entry level Marine units for several months due to concerns of large group gatherings. The staff at MCA took this time to develop and curate new resources for Marines including battle study resources of iconic battles throughout history, multimedia resources that include podcasts and audio articles of Marine Corps leadership and first hand accounts, and much more.

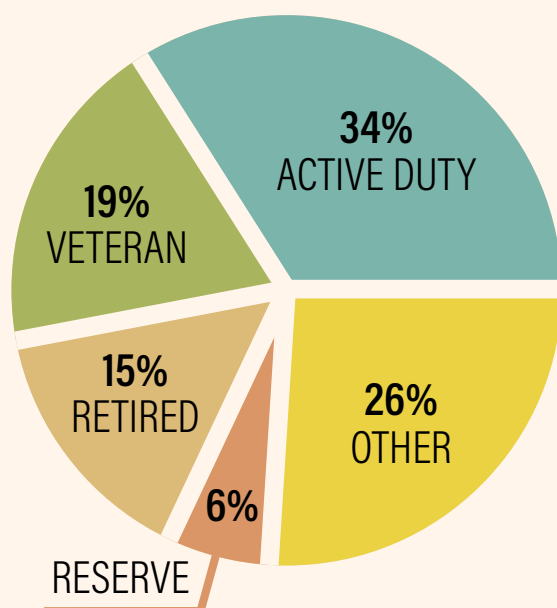
These professional development resources were shared with current and prospective members through MCA's social media channels and email marketing efforts as a means to announce yet another rich benefit that our association provides.

We also continued to work with external partners such as USAA and Pearl Insurance through direct mail, email marketing, and print advertising campaigns to inform prospective and current members of the insurance benefits provided to members of MCA. Members were also informed on how we supported Today's Marines through our fall and spring newsletters which highlighted topics such as the Marine Corps Association Foundation's Unit Library Program, our flagship publications, The Marine Corps Gazette and Leatherneck Magazine of the Marines, and events such as our Combat Development Dinner featuring guest speaker the 26th Secretary of Defense and retired Marine General James N. Mattis.

MEMBERSHIP BY AGE



MEMBERSHIP BY TYPE



Our events programs started later than normal with a reduced attendance Ground Awards Dinner in early May. Due to the state's large gathering restrictions, we found a venue with a tent and hosted our first ever event outdoors in order to maximize turnout.

Once attendance restrictions were lifted in late May, we moved forward with eight of our other National Capital Region (NCR) events including the new Force Design 2030 Luncheon in October. Due to continued high Covid cases in areas outside Virginia, we weren't able to host any of our non-NCR events.

Force Design 2030 was the topic of General Berger's address to our membership at our 2nd Annual MCA Meeting in September, which lead directly into our first ever Force Design 2030 Luncheon the following month where our guest speaker was the new Assistant Commandant of the Marine Corps, General Eric Smith. You can watch the video with General Berger at the following link: <https://youtu.be/uRwsv7qmXs4> MCA's goal, as always, was to present all

# EVENTS

of our premier awards in-person and we added four new awards at the Combat Development Dinner. Those were the Expeditionary Warfare Excellence Awards which were presented to a Marine Officer, Enlisted Marine, Naval Officer, and a Sailor.

As in 2020, we continued to livestream the MCA events for guests who could not attend due to Covid-19 concerns. We invite you to watch our events online as often as your schedule permits.

Our guest speakers included General David Berger, General Eric Smith, General Gary Thomas, General Paul Nakasone, USA, VADM Scott Conn, USN, and LtGen David Furness.

MCA truly appreciates the ongoing support our sponsors, award winners, and guests as we navigated all of the challenges that Covid-19 continued to present.

Our 2022 events will resume in March beginning with our Albany (GA) Professional Dinner. Please view our event updates at [www.mca-marines.org/events](http://www.mca-marines.org/events) and join us at those that you can attend! You'll be glad you did.



# THE MARINE SHOP

The Marine Corps Association’s retail arm, The MARINE Shop continued to provide outstanding service both at our store in Quantico, VA and online at [www.mca-marines.org](http://www.mca-marines.org) throughout 2021. Despite the continued challenges created by the ongoing pandemic, The Marine Shop continued to provide exceptional customer service to the numerous new lieutenants commissioned in the Marine Corps. Our support to other Marines from general officers to noncommissioned officers continued unabated, and we continued to enhance our reputation for

stellar service. With a new Chief Executive Officer and Director of Retail, a comprehensive review of processes, procedures and pricing was conducted resulting in improved efficiencies and cost savings throughout our entire retail operation. Our ecommerce sales continued to grow as we were able to fulfill the uniform needs of Marines around the globe. The focus of 2022 will be to continue to refine processes and create a comprehensive business plan designed to address the needs of our employees, our customers, and the Marine Corps Association.



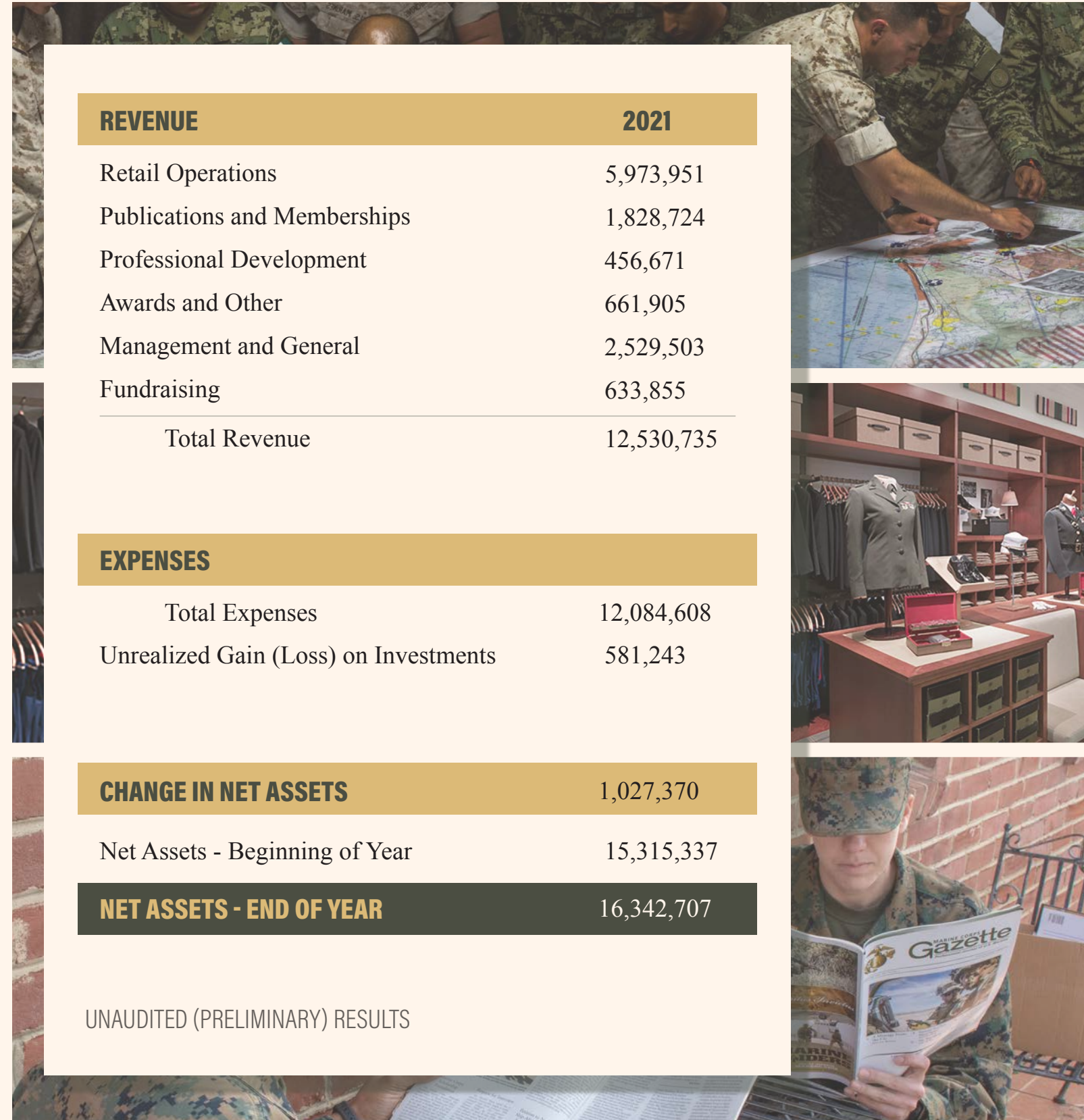
# STATEMENT ON ACTIVITIES

REVENUE	2021
Retail Operations	5,973,951
Publications and Memberships	1,828,724
Professional Development	456,671
Awards and Other	661,905
Management and General	2,529,503
Fundraising	633,855
<b>Total Revenue</b>	<b>12,530,735</b>

EXPENSES	
Total Expenses	12,084,608
Unrealized Gain (Loss) on Investments	581,243

<b>CHANGE IN NET ASSETS</b>	<b>1,027,370</b>
Net Assets - Beginning of Year	15,315,337
<b>NET ASSETS - END OF YEAR</b>	<b>16,342,707</b>

UNAUDITED (PRELIMINARY) RESULTS



# MCAF BOARD OF DIRECTORS



LtGen John A. Toolan,  
USMC (Ret)  
Chairman of the Board



Mr. Jay S. Holmes  
Vice Chairman of the Board



LtGen Charles G. Chiarotti,  
USMC (Ret)  
President & CEO of MCA



Mr. Kurt Chapman  
Board Member



Mr. Tim O'Hara  
Board Member



Col Todd Ford,  
USMC (Ret)  
Board Member



LtCol Christopher Davis,  
USMC (Ret)  
Board Member



Col Robert Love,  
USMC (Ret)  
Board Member



Col Emily E. Swain,  
USMC (Ret)  
Board Member



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MajGen Jon Gallinetti,  
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USMC (Ret)  
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USMC (Ret)  
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USMC (Ret)  
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Mr. Michael Stocker  
Board Member



LtGen Richard C. Zilmer,  
USMC (Ret)  
Board Member

# MCA BOARD OF GOVERNORS



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Mr. Jay S. Holmes  
Vice Chairman of the Board



LtGen Charles G. Chiarotti,  
USMC (Ret)  
President & CEO of MCA



SgtMaj Kim Davis  
USMC (Ret)  
Board Member



Mr. Tim O'Hara  
Board Member



Col Robert Love,  
USMC (Ret)  
Board Member



Col Todd Ford,  
USMC (Ret)  
Board Member



LtCol Christopher Davis,  
USMC (Ret)  
Board Member



Col Emily E. Swain,  
USMC (Ret)  
Board Member



Mr. Bryan H. Wood,  
Board Member



Mr. Michael Martz  
Board Member



LtCol Wendy Garrity,  
USMC (Ret)  
Board Member



Col William R. Costantini,  
USMC (Ret)  
Board Member



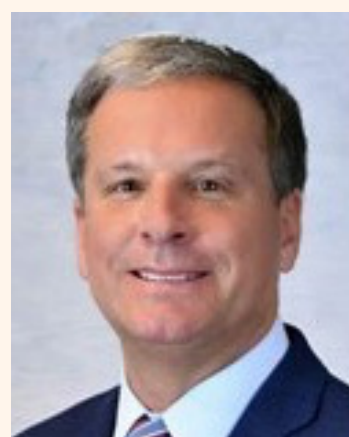
LtCol Brian Grana,  
USMC (Ret)  
Board Member



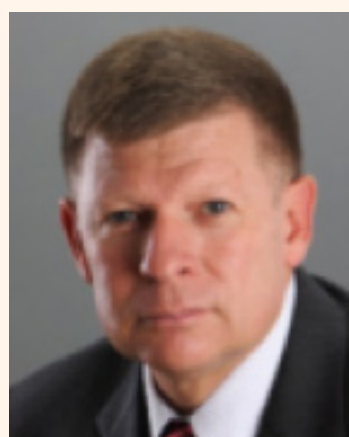
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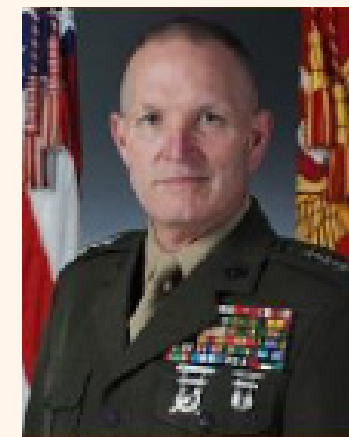
MajGen James Kessler,  
USMC (Ret)  
Board Member



SgtMaj Gary Smith,  
USMC (Ret)  
Board Member



LtGen Richard C. Zilmer,  
USMC (Ret)  
Board Member



LtGen Marm Brilakis,  
USMC (Ret)  
Board Member



SgtMaj Robin C. Fortner,  
USMC (Ret)  
Board Member