



STATE OF THE SPORT

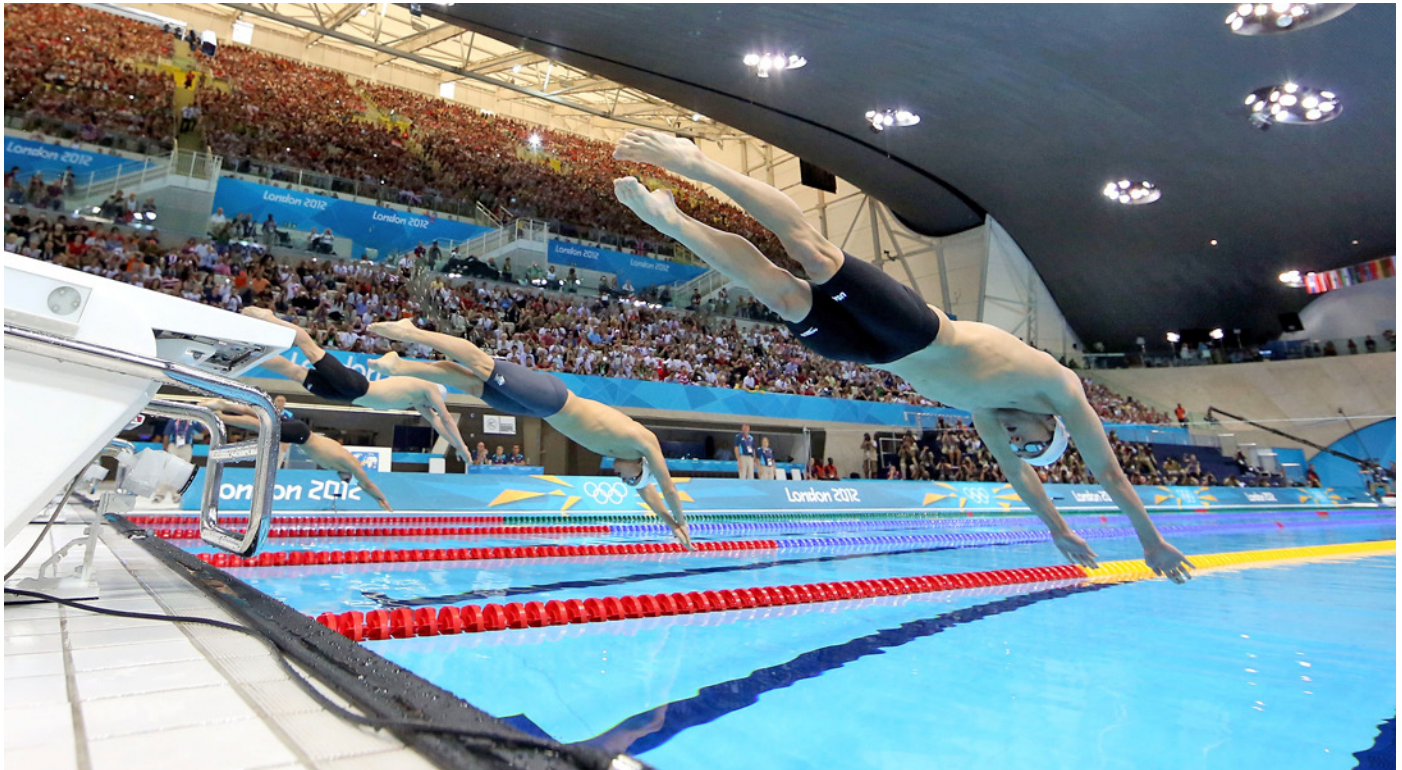
2012





INTRODUCTION

September 15, 2012 • Greensboro, NC • Chuck Wielgus, USA Swimming Executive Director



Those of you of a 'certain age' will remember an anthem song of the 60's that was adapted from the Book of Ecclesiastics, put to music by Pete Seeger, and made famous by The Byrds in 1965. The song was "Turn! Turn! Turn!" and it suggests that there is a time and place for all things.

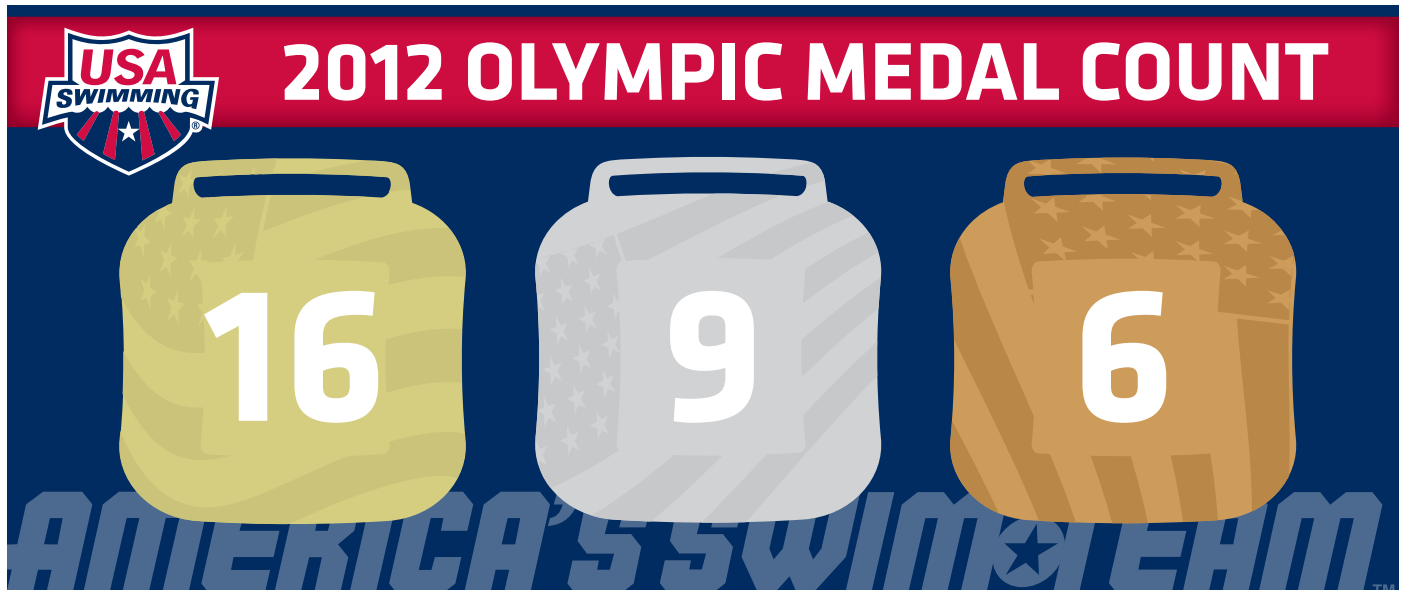
*To everything - turn, turn, turn
There is a season - turn, turn, turn*

*A time to build up, a time to break down
A time to dance, a time to mourn*

For USA Swimming, this is a time to celebrate and reflect, to assess our opportunities and challenges, and to re-charge for the future. So let's begin with a celebration ... if you will, a time to dance!



A TIME TO DANCE



No other Olympic sport can display such results. In fact, if the U.S. Swim Team were a country, its count of 31 medals would place it in the top ten of all countries participating in the London Olympic Games. The 16 gold medals won by our swimmers would also rank the U.S. Swim Team 5th overall among all 204 participating countries competing in all sports; just after the United States, China, Great Britain and Russia. Of these medals, 30 were won in the pool and one in open water. The women won 15 medals; 8 of them gold; and the men won 16, of which 8 were gold. The women also set 11 new American Records and 5 new World Records. But enough about the statistics ... pictures can tell a much better story.

► LONDON PHOTO COLLAGE

As you watched that video, I hope you were as stirred as I was by the inspirational performances of an extraordinary group of American athletes. This team was an incredible ensemble, filled with Olympic veterans and fresh new rookies. The group came together as a team and exhibited nothing short of pure joy in their competitive fire and striving for excellence. They were the very best representatives of all that is good about sport and the American spirit.

What this video does not show, but what is such an important part of our country's international swimming success is the leadership provided by our National Team staff and coaches. This strong leadership enables the culture that is so important to our team's attitude and success. Perhaps more than ever before, this team showed us the 'power of fun' ... not the silliness or boorish pranks we so often see on television today, but the spirited fun of young people who are comfortable in their own skins, confident in their abilities, and who enjoy and respect the company of their teammates.

These attributes and the culture surrounding this team were no better exhibited than in the homemade video that came out of the team's pre-Olympic training camp. Members of the women's team created the video that went viral just one day before the start of the Olympics and has now been viewed more than 12 million times. This video is indicative of a National Team culture that distinguishes the U.S. program from all others. Upon being shown the video for the first time, National Team Director Frank Busch said, "When I saw the video, I knew we were going to be god." Let's take one more look.

► "CALL ME MAYBE" MUSIC VIDEO

MICHAEL PHELPS



I'm always careful about singling out individuals in a report such as this, but trust you will indulge a few comments about the greatest Olympian of all time ... **Michael Phelps.**

We have literally watched Michael grow up before our eyes since he made his first Olympic Team in 2000 at the age of 15. From Sydney to Athens to Beijing to London, Michael accomplished things that we'll never again see in our lifetimes. The 22 Olympic medals, the 18 Olympic gold medals, the 29 individual world records ... these and other statistical milestones are staggering. But what is harder to quantify, but perhaps even more meaningful to those of us who love this sport, is the impact that Michael has had in exposing the world to swimming.

Our increased television coverage, our membership growth, and the increase in boys being drawn to the sport are just some of the direct results of Michael's influence. Just as Tiger Woods and Michael Jordan drew fans to golf and basketball, millions of people who might have otherwise never paid any attention to swimming have come to consider themselves fans of the sport. This has created countless opportunities for other swimming athletes to gain recognition, attract sponsors and become pop-cultural personalities and celebrity athletes in their own right.

But beyond all the eye-popping accomplishments, and the enormous societal impact, Michael has shown himself to be a champion in other ways. In London, we witnessed an athlete who handled disappointment with maturity and grace, someone who showed a depth of character and personality that few outside his immediate circle had ever seen before ... we watched Michael become a man ... and our admiration and respect for him grew immensely.

Michael always said that he wanted to change the sport of swimming and he has done that. Swimming will undoubtedly continue to evolve and grow, and new champions and new personalities will emerge in the years ahead. I hope this next generation of swimming champions will recognize and honor the groundwork laid by those who have come before them, and rather than just ride the wave of benefits created by their predecessors, strive to help the sport grow to even higher levels of awareness and participation.

Regardless, Michael Phelps will forever be a favorite son of this family that is USA Swimming. Wherever our sport goes in the future Michael will be there helping it along and we should all be thankful for what he has accomplished in the pool, the recognition he has brought to the sport, and the many good works he will do in the future.



BUILDING AND PROMOTING



Today, USA Swimming has 2,880 member clubs. Individual membership has grown to 362,700; which includes an increase in year-round athlete members of 17% over the past four years. We are projecting this growth to continue over the next four years, and there are many reasons to feel confident about this.

This summer our sport received more media exposure than ever before as the television ratings and viewership from the U.S. Olympic Team Trials and the London Olympic Games exceeded the record breaking summer of the 2008 Beijing Olympic Games.

More than 800 clubs around the country hosted 'Splash Bash' recruiting parties attracting more than 75,000 people to these local club programs.

This summer we also worked to leverage all the Olympic-year media attention with our new 'SwimToday' campaign. This national campaign was sponsored by Speedo with **Summer Sanders** and **Maritza Correia** as spokespeople. The

idea was to drive traffic to the SwimToday.org website and help people get started swimming. The site could answer basic questions about where to find swimming lessons, a USA Swimming member club, or information about swimming for fitness.

Since the start of the year, the campaign has generated more than 185,000 swim club searches, no doubt leading to greater participation in our sport. This is a campaign that we will continue to build and going forward we hope to engage more industry partners.

We also produced and promoted a series of 'SwimToday' public service announcements. One PSA featuring campaign spokesperson Summer Sanders aired 6,447 times on 278 different stations. Another PSA was created with Disney*Pixar and was also a huge success. This one was titled 'Just keep Swimming' ... let's take a look:

▶ **"JUST KEEP SWIMMING" FINDING NEMO PSA**



HOW WE ARE EVOLVING



Our sport and our organization have continued to grow and expand in many different ways.

As a national governing body (NGB), USA Swimming is a much different organization today than it was just a decade ago. Historically, NGBs in the Olympic sports family have focused on membership management, competition rules, conducting national events, and selecting the teams that represent our country in major international competitions. USA Swimming certainly focused on these things, and the core objectives of **BUILD, PROMOTE and ACHIEVE** that have been our business touchstones for more than a decade.

As USA Swimming has grown and evolved, we have found ourselves branching out into new areas. A decade ago, when we studied our various sources of revenue and looked for new opportunities we came to believe that philanthropy offered the greatest potential; and in 2004 we formed the USA Swimming Foundation to serve as the fundraising arm for our NGB. Since its inception, the Foundation has raised more than \$16M to help support its mission of Saving Lives and Building Champions. The Foundation is cultivating an appreciation for the impact that philanthropy can have in providing new opportunities and improving the quality of life for young people across the country.

In 2005, while studying our membership demographics we were struck by the growing gap between the chang-

ing demographics of our country and our own membership demographics. It was from this study that we consciously initiated increased efforts to bring greater diversity and cultural inclusiveness to USA Swimming; and over the past six years we have made substantial headway in connecting our sport to many different segments of our national population. In this year alone, our outreach membership has grown by almost 8% and we anticipate this trend continuing as we continue investing in a wide range of multi-cultural programming efforts and partnerships.

In 2006, I wrote a white paper introducing the concept of the Make-a-Splash program as a means for reaching and introducing swimming to a whole new audience of children - and especially those who might otherwise never have the opportunity to learn how to swim. We now have more than 550 Local Partners that have enrolled more than 1.5 million children in learn-to-swim lessons; more than 43,000 of whom have received scholarship support from our Foundation.

▶ **MAKE A SPLASH VIDEO**

Since 2010, we have implemented additional programs that work toward creating safer environments for all of our members and we have made raising awareness of this societal issue a major priority. USA Swimming is at the forefront of NGBs in safe sport.

HOW WE ARE EVOLVING (CONTINUED)



Our advancements in the areas of background checks, pre-employment screening, training and education, and complaint reporting have been significant. The more involved we've become, the more we've realized how complicated and difficult these things can be.

We have the highest levels of compassion and concern for abuse victims, but we also must adhere to deliberative processes for those being accused of inappropriate conduct. We must give full respect to the role of law enforcement authorities, who have subpoena powers and investigative resources that USA Swimming does not have. While some may want to see swifter responses, we have learned that investigations take time and rights to privacy and due process for the individuals involved must be protected.

We also understand that some people become frustrated when uninformed viewpoints make their way into the viral world of social media and we are unable to correct the inaccuracies or shed a brighter light on critical facts; but it is more important that we maintain the integrity of process and the dignity of responsible communications.

Issues related to Safe Sport are here to stay, and so is our commitment to responsibly and diligently address these issues. It is equally important that LSC and club leaders match this commitment with their own efforts at the local

level. In January, USA Swimming will hold an inaugural 'Safe Sport Leadership Conference' in Colorado Springs. We invite LSCs and clubs to plan on sending representatives to this conference as a means for increasing education and sharing information. We will also be inviting leaders from our sister Olympic sports governing bodies to participate in the conference so that we can share best practices. Details on the conference will soon be available on USA Swimming's website.

All of these things -- fundraising, diversity and inclusion, learn-to-swim opportunities, and working for safer environments for our members -- present both challenges and opportunities. There is, however, one thing they all share and that is that these are not finite issues. There is no end point, rather our engagement with each of these subjects will be perpetual, and in integrating our work in these areas into the other business of our governing body, we have very much changed the nature of our organization.

This growth and evolution is redefining what it means to be a national governing sports body, and in so doing we are becoming increasingly imbedded into American society, and our impact is extending further than ever before. This is a very positive thing for our organization, for the sport we all love, and for the hundreds of thousands of young athletes who choose to participate in competitive swimming.



2016 BUSINESS PLAN & 2013 OPERATING BUDGET

I'd like to make a few comments about the 2016 business plan and 2013 operating budget.

A brochure summarizing the 2016 business plan has been available to all delegates throughout the week, and I hope you have taken some time to read through it. There is, of course, much more detail behind this summary; but still, I believe the summary offers a substantive view of where we're heading for the next four years.

The business plan is built upon a strong foundation of past success, current platforms that will afford the best opportunities for continued growth, and forward-moving strategies that keep us on the path for future success. This plan has been thoughtfully put together and approved by the Board

of Directors. It is a plan that will keep us on a good track, but it's also flexible enough to allow us to take advantage of new opportunities that may present themselves.

The business plan is accompanied by a four-year financial plan; and includes an operating budget that is to be approved annually. The 2013 operating budget that you are being asked to approve today has been thoroughly vetted by the Board of Directors. Resources are allocated in accordance with the organization's business plans and goals; and history has shown that USA Swimming's finances are conservatively managed and carefully audited. We believe our direction and plans for the next four years will keep our organization on an ever-growing and ever-improving path.

CLOSING REMARKS

While USA Swimming is in many ways a different organization today than it was a decade ago, our core objectives of building the base, promoting the sport and achieving sustained competitive success remain our cornerstones. It's upon this solid base that we have expanded our role to embrace new opportunities involving philanthropy, diversity and cultural inclusion, learn-to-swim, and working for safer environments for our members.

Our organizational willingness to listen, to learn and to change is a validation of our value system. It is our collective commitment to our values that will keep USA Swimming vibrant and ensure the continued growth and relevancy of our sport for the future.

As the 2012 Olympic quadrennial draws to a close, we can look back and see that in some way the words "Turn! Turn! Turn!" have been a backbeat to our seasons of growth and change. Indeed, we have experienced both times to dance and times to mourn, and we have come together to be a better organization.

We are also an organization blessed with incredible talent. From age group swimmers to elite-level National Team athletes and Olympians ... from young coaches in the early stages of their career to veteran coaches who gladly mentor others ... from parents who volunteer at local meets to officials who pay their own way to work at national competitions ... to volunteer leaders who serve with clubs, on committees, and in their LSCs ... these are the people who make our sport what it is today.

I would especially like to thank President, Bruce Stratton for his leadership. Bruce is a man who constantly exhibits extraordinary intelligence, courage and common sense. I also thank the Board of Directors, a diverse group of people who selflessly give their time and openly share their expertise and opinions all for the betterment of the sport.

And finally, I thank the staff in Colorado Springs ... they are a dedicated and talented group of people and it is an honor to serve the sport with them.

Thank you for your time this morning ... and **GO USA!**