

Thank you for the invitation and opportunity to discuss a few of AIHA's strategic initiatives. I have to admit, however, that you have drawn something of the short straw today. I am covering this presentation on behalf of Don Hart and Steven Davis, who were not able to be here today. As a result, I am representing the AIHA board of directors and staff leadership today.

Over the next few minutes, I will quickly cover a bit of background on AIHA as an organization, including our financial status and outlook, followed by an overview of a few important strategic initiatives we are pursuing or contemplating.

While today's format may not allow for you to provide much input or discussion, I do invite and encourage you to send me your thoughts, ideas, reactions and suggestions. You can reach me during the break, thru email or by phone. You can also pass along your thoughts to Don Hart, Steven Davis or any of our Board Members or staff leadership.



Organization

- Fairfax HQ; Incorporated in Illinois
 - 11,600 members; 58 staff
- Academy of Industrial Hygiene
- 37 Technical Committees, 6 SIGs
- About 65 key products and services
- Strong financial reserves, flat operating revenue

I recognize many of you are very familiar with AIHA so I will keep this part brief. As you know, our 58 staff members are Fairfax based. Our 11,000 members are predominantly US based, with a significant number in Canada. The number of non-North America members is growing slowly, but steadily.

One of our greatest assets is the Academy of Industrial Hygiene – which John will discuss in a few minutes. The Academy represents almost half of our members, who make up much of the fabric of the membership and the organization. All of the current members of the AIHA board, and most of our volunteer leadership – both in local sections and technical committees are Academy members.

One of our key strategic initiatives is to more fully energize and build on the contributions and capabilities of members of the academy.

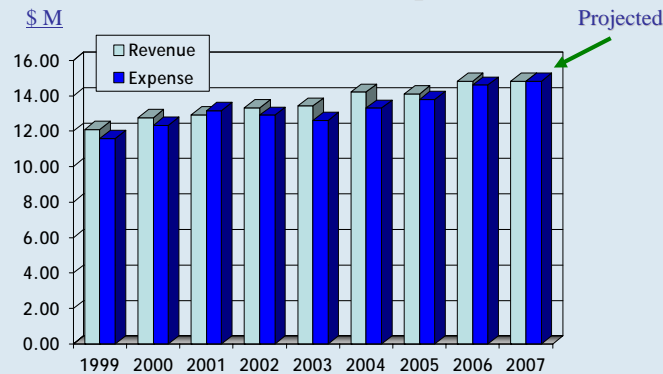
We also remain largely a technical association with 37 technical committees and 6 Special Interest Groups.

AIHA offers 65 key products and services to members, and continues to have strong financial reserves.



Financial Status

Year Growth of Revenues and Expenses



In the next 3 slides I will overview our financial status, focusing on our stewardship of your member equity. This slides shows our annual operating revenue and expenses from 1999 to present. As you can see, our revenues have exceeded our expenses each year except 2001.

2001 was an important year for the financial operations in AIHA. In years prior, the association regularly used income from investments to fund ongoing operations. In 2001, this investment income was significantly lower than forecast, leading to a year when expenses significantly exceeded revenue. While AIHA is a not for profit association, it continues to be important that we pay as we go to avoid depleting member equity and resources.



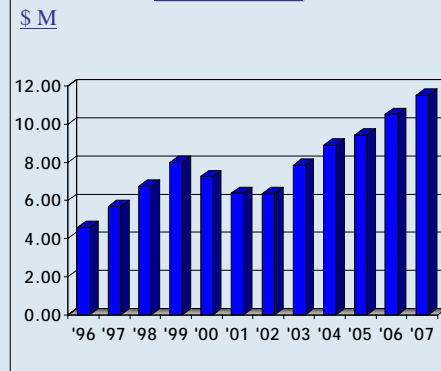
Net Asset Performance

Reserve Position*

YE '04	60 %	●
YE '05	70 %	●
YE '06	72 %	●
YE '07	72 %	●

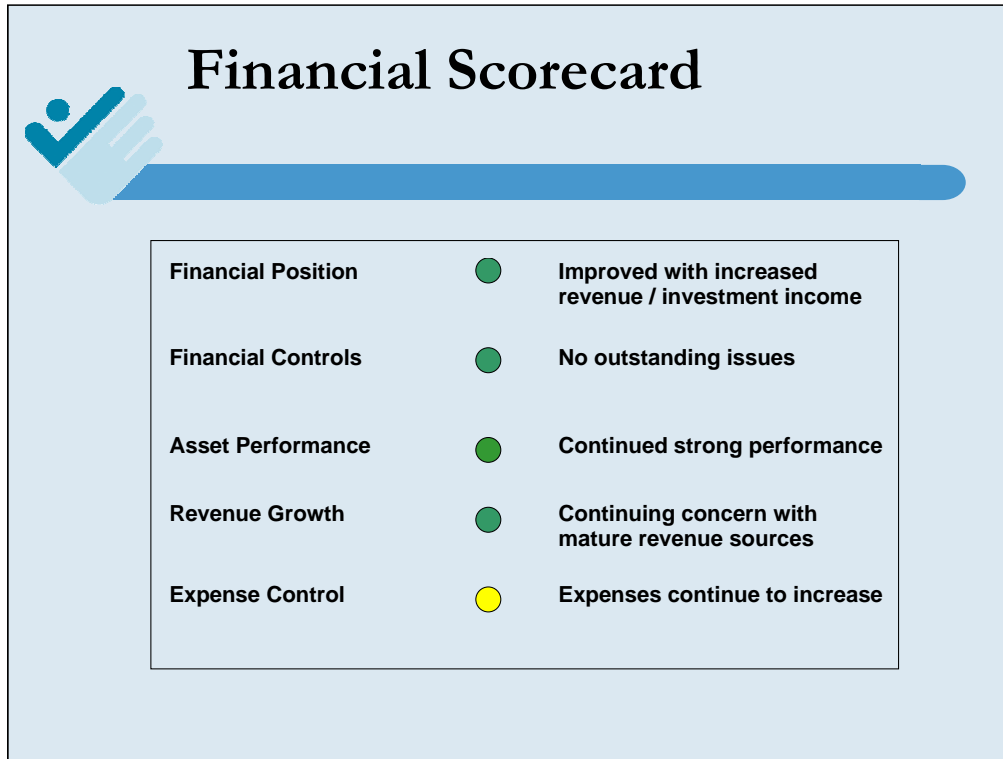
* (% = Annual operating expenses / net assets x 100)

Net Assets



This slide overviews AIHA's net assets and our investment performance. The left part of the slide is a scorecard of our reserve position. The board has adopted a policy to maintain in the bank or in investments at least half of the current year expenses. We are now at over 70 % of annual expenses in the bank or in investments – with over 11 \$Million in net assets, AIHA enjoys a strong asset position – this position has grown significantly over the past 5 years based primarily on investment performance.

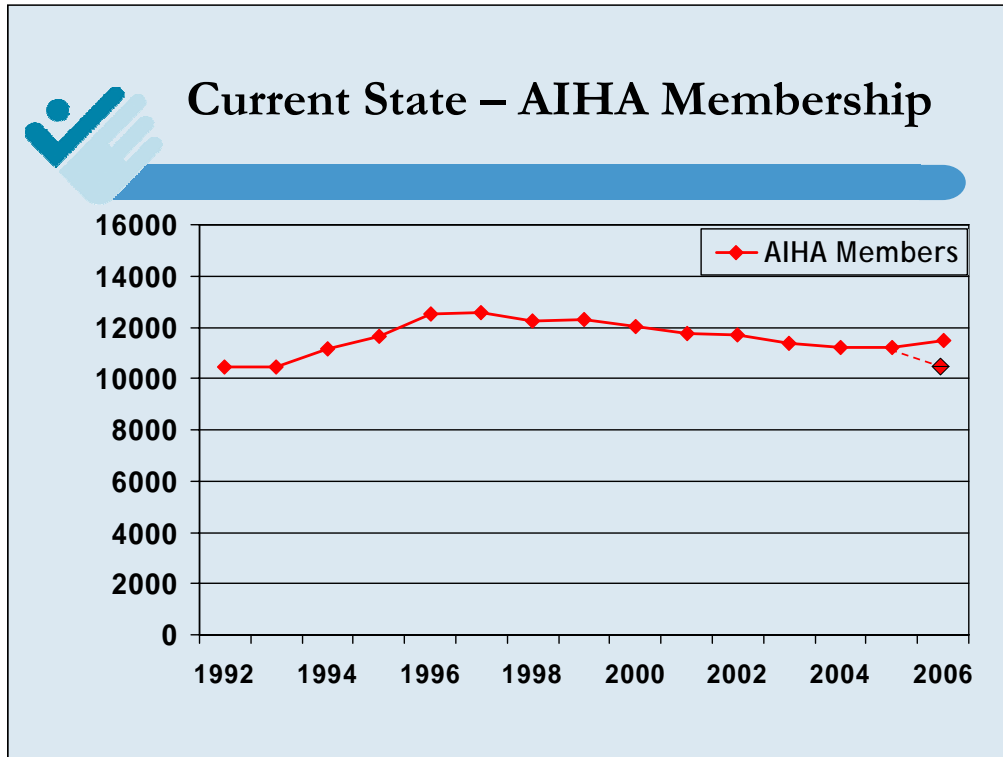
The Board and Staff leadership are using a portion of the assets above the 50 % target to fund strategic initiatives like those I will overview in a few minutes. We refer to this as IRAT funding – an acronym for Invested Reserves above Target.



This final slide on financial is a financial scorecard. The circles are based on a simple stop light approach with green representing good, on plan...Yellow representing an area where results are marginal or cause for concern, and red indicating that results are not on target or progress is inadequate.

In this case, we are green in every area the last – expense control. This is not directed at staff or specifically at any particular area or group. Rather, it reflects the fact that we continue to add new activities or find that it is increasingly expensive to fund existing activities – with our net expenses increasing by several hundred thousand dollars annually.

I feel this is one of our most pressing strategic issues as we simply stated cannot continue to spend at this rate without significant new revenue sources – which have not been forthcoming.



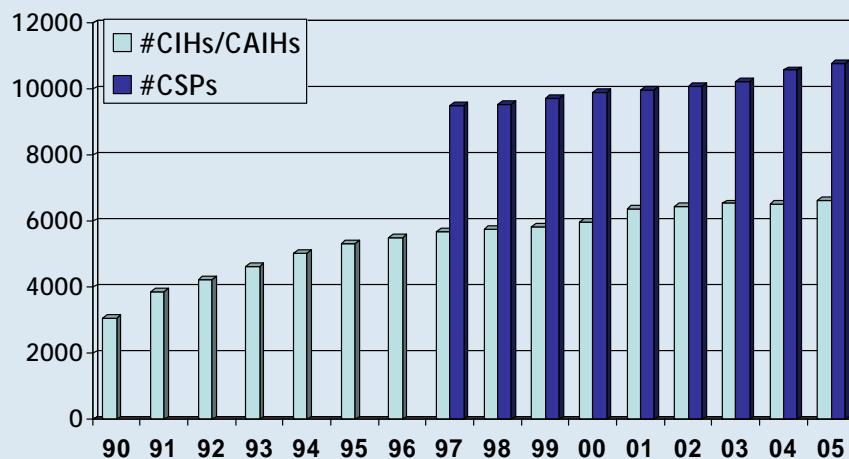
This slide graphs the number of AIHA members over time from 1992. As you can see, membership is either flat or steady – depending on your perspective. Many forecast that the decline which began in the late 90's was the beginning of a downward spiral.

Instead, membership has leveled off with the recruitment of new members generally keeping pace with member losses. I think this bodes well for our profession with strong core membership and a healthy influx of new, earlier career members.

The bifurcation at the end represents the retired members who have opted to discontinue their membership rather than pay the reduced dues rate passed by the board in 2006.



CIH/CAIH & CSP Trend Lines



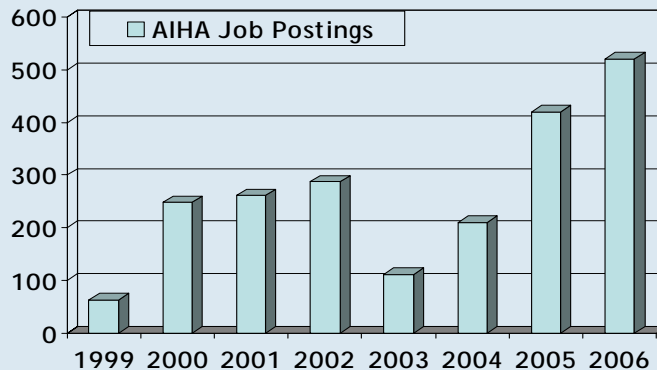
I borrowed this slide from Frank Renshaw - who I understand shared it with you last year. It depicts the growth in CIH's and CSP's over time. While the numbers do not reflect significant growth, the trend is up, not down.

It is also important to note that AIHA has a large number of members who hold the CSP certification.



Demand for Industrial Hygienists

- **AIHA Career and Employment Service**



One final slide before I identify a list of strategic initiatives. This slide shows the number of AIHA job postings over time. When undoubtedly this upward trend reflects a growth in the use of the employment service – it also reflects a much more important point. The demand for Industrial Hygiene Professionals is on the upswing and is very strong.

This same trend has been identified by many of our member companies who have identified that the demand for IH's is outpacing supply both in the United States and globally. This bodes well for our student and early career members and is among the brightest aspects of AIHA's status and future.

I hope you share with us this sense of optimism for the future of professional industrial hygienists – and will join me in speaking with more enthusiasm and passion about the professions current and future prospects.

In my personal opinion, our rhetoric over the past few years has focused too heavily on the challenges we face, and not enough on the positive prospects for talented people joining us or building their careers.

If we continue to focus on how talented industrial hygienists will make good SHE managers, product stewards or other technical professions, we will simply not have enough folks to advice North American and Global organizations to meet their needs.



Strategic Initiatives

- Focus on Protecting Worker Health
- Actively promote the value of the profession
- Recruit, develop and engage students/early career prof's
- Energize certified professionals
- Define international role, products and services
- More effectively partner with Local Sections
- Rationalize products and services

With this sense of optimism fresh in mind, this is a short list of the strategic initiatives and challenges we will be working to address in the next few years.

Focus on Protecting Worker Health – as you know, this is AIHA's new tag line, replacing Your essential connection. This more fully embodies our historic and core professional mission and gives us a point of focus as we decide among the many opportunities for our time, money and resources. As a note, this does not preclude our work in related areas like environmental or safety, but reinforces our roots and core focus.

Actively promoting the value of the profession: VoP study, PA campaign...Call to Action to each of you in the audience and in the association.

Student and early career professionals...Very active area – a lot of early success...but as I like to say we the best part of this is in front of us... As these folks begin to assume leadership positions. We have truly transformed from a group complaining about our graying to a group where the early career folks are taking over the reins.

Energize – builds on the others and relates to the Academy focus....on Academy members versus Academy council of specific academy efforts.

International can be all consuming....good and bad....

Partnering with local sections – improved but still disjointed.

P&S's – can't be all things to all people....need to identify those that will fuel future ops.



Engage Early Career Professionals: Future Leaders Institute



I will end on this slide – a photo of the most recent class of early career professionals – and a healthy part of our future as an association and as a profession.

They are reason enough of optimism and enthusiasm...to reinforce our call to action to you personally – for each member to personally communicate and advocate the value of the profession to science students, early career professionals and business and other organizations with health risks to be managed.

Thanks.



Backup

- AIHA Mission Statement
- AIHA Strategic Goals



Mission / Vision

Mission Statement: AIHA promotes healthy and safe environments by advancing the science, principles, practice, and value of industrial hygiene and occupational and environmental health and safety

Vision Statement: AIHA continues to be a catalyst in growing a global community of industrial hygienists and related occupational and environmental health and safety professionals improving the quality of life, resulting in the elimination of environmentally related illness and injuries



4 Strategic Goals

1. Growing, vibrant ***Professional Community***
2. Increasing influential ***Advocacy, Influence and Value***
3. Repository and disseminator of ***Information, Learning and Knowledge***
4. ***Operational Excellence***



Value of the Profession Study

- **Goal**
 - To effectively communicate the value that the IH/OH profession brings to business.
- **Strategy**
 - AIHA has contracted with EG&G and sub-contractor ORC to conduct research that will identify and quantify links between IH/OH investment and business success.
- **Timing**
 - Study duration is 18 months: Aug 06 – Feb 08.
- **Funding**
 - AIHA EC approved IRAT Funds of \$270,000 for study.
- **Contact**
 - Steven Davis