



STATE OF THE SPORT • 2018

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The year 2018 has been a transformative one for every major industry, including sports. It has created awareness and urgency of important issues and required everyone to reassess and refocus their priorities. At USA Swimming we have embraced this wholeheartedly, knowing that our members' positive experiences are the lifeblood of our organization.

I feel confident in telling you that USA Swimming's position has been, and will continue to be, "what else can we do to keep our members safe?" More than anything, this last year has shown us that better education continues to be necessary both to raise awareness of current programs and services and create more abuse prevention champions within every rank of our membership. Our goal is to provide the best possible experience for our members, in the safest possible environment, and we will continue to be leaders in this movement across all national governing bodies and the Olympic community.

In what was a new experience for me this year, I have faced these same realities and had these same discussions with members of Congress. I endeavored to share one important thing – USA Swimming is active in this space; adapting and evolving its abuse prevention program to meet the demands of our current environment. We will continue to do better.

As I shared with Congress, in 2010, USA Swimming established a comprehensive abuse prevention and response program called Safe Sport. It is based on six well-established pillars of youth-serving abuse prevention programs, including:

- (i) Policies & Guidelines
- (ii) Screening & Selection
- (iii) Training & Education
- (iv) Monitoring & Supervision
- (v) Recognizing, Responding & Reporting
- (vi) Grassroots Engagement & Feedback

In Safe Sport's earliest days, USA Swimming partnered with the Child Welfare League of America and received guidance from the Centers for Disease Control and Prevention and the National Center for Missing and Exploited Children in its creation. We have conducted third-party reviews and continue to scrutinize our own work internally, with voices from outside the sport, and, most importantly, with survivors. And today, we continue to reach out to other specialists in the field of abuse prevention to

review our content and materials and help guide us to create the most effective resources.

Additionally, we have made great strides in furthering our abuse prevention outreach and the creation of new initiatives. These include: personal face-to-face meetings with survivors of abuse, the development and implementation of the Safe Sport Recognized Club program, which will be previewed at Convention and launched shortly thereafter, the engagement of outside content and training expert Praesidium to evaluate our content, the additional promotion and access to the SwimAssist funding program, the creation of a PSA with National Team athletes taking a stand against athlete abuse that aired on national television, and much more.

This will be an on-going, daily challenge, that we are fully committed to, which is just as important as any other facet of our business.

LEADERSHIP

In taking this on, I will be supported by an incredible leadership team, following the reorganization at the management levels of USA Swimming. The Strategy Team helps guide every team and employee within the organization. Together they oversee these respective Business Units:

- **Mike Unger** – Chief Operating Officer, Head of the Technical/Sport Business Unit
- **Matt Farrell** – Chief Marketing Officer, Head of the Commercial Business Unit
- **Jim Harvey** – Chief Financial Officer, Head of the Finance Business Unit
- **Lucinda McRoberts** – General Counsel & Vice President of Business Affairs, Head of the Business Affairs Unit

The Strategy Team continues to work with the Executive Leadership Team (ELT), which increased in size following the addition of new Division/Department Directors to gain greater input and leadership buy-in towards our organizational Quad Plan and annual Key Performance Indicators (KPIs).

These changes were broken into a four-phased approach and a 10-year strategy leading into the 2028 Olympic Games in Los Angeles:

- **Phase 1:** initial announcement and leadership organization (completed in early 2018)
- **Phase 2:** evaluation of all personnel in each business unit to ensure we have the right roles and talent for the job (ongoing)
- **Phase 3:** October 2018 – 2020 Tokyo Olympic Games - focus on long-term succession planning and the development of a 10-year LA 2028 plan to increase success in all areas of the business
- **Phase 4:** Post-2020 Tokyo – LA 2028 - executing at a high-performance level in all areas of the organization as part of the LA 2028 “10-Year Plan”

In addition to our staff-level changes, we are also eager to welcome our new Board of Directors as it transitions to its reorganized size and structure. In an organization of USA Swimming’s size and scope, the integral “products” of successful Board leadership include:

- Effective Board-to-CEO delegation, with “one-voice” clarity of expectation about results to be produced, authority delegated and criteria by which performance will be evaluated
- A sense of partnership in which the Board expects and values the executive/management team’s role in conversations about future results and needs, accompanied by well-founded confidence that priorities are being addressed and expectations met

With the change in our governance structure and a new board being seated at Convention, the board and staff believed it was also a time to revisit the organization’s strategic plan. This re-envisioned plan includes expanded Key Performance Indicator (KPI) measurements and a tracking and reporting schedule for progress. This was an extremely collaborative process with the USA Swimming Board of Directors, and therefore I would like to thank it for its dedication and service to this important step in the future of the organization.

USA Swimming’s culture of and commitment to volunteer engagement is extraordinary and is reflected by the passionate commitment exhibited by our volunteer leaders. We look forward to working alongside this new strategic-focused Board, which we expect will repeatedly challenge us to find new ways to grow our membership, improve the welfare of our athletes and expand our fanbase.

EVENTS

One such route taken in 2018, was the growth and “Trial-ization” of our domestically-owned events. This is an internal mantra that we have adopted to raise the level of our national events to be closer to the presentation and pageantry of the U.S. Olympic Trials.

Anyone who has ever attended a major swimming competition such as the U.S. Olympic Trials will understand the unparalleled in-venue entertainment and excitement of watching incredible athletes push themselves to the limit and lay everything on the line. Creating additional Trials-like events elevates the experience for both the athletes and the spectators. Our strategy is to enhance existing USA Swimming events and offer greater fan experiences, elevated viewing opportunities, increased promotion, increased grassroots initiatives, and more, similar to what people experienced and enjoyed throughout the spring and summer.

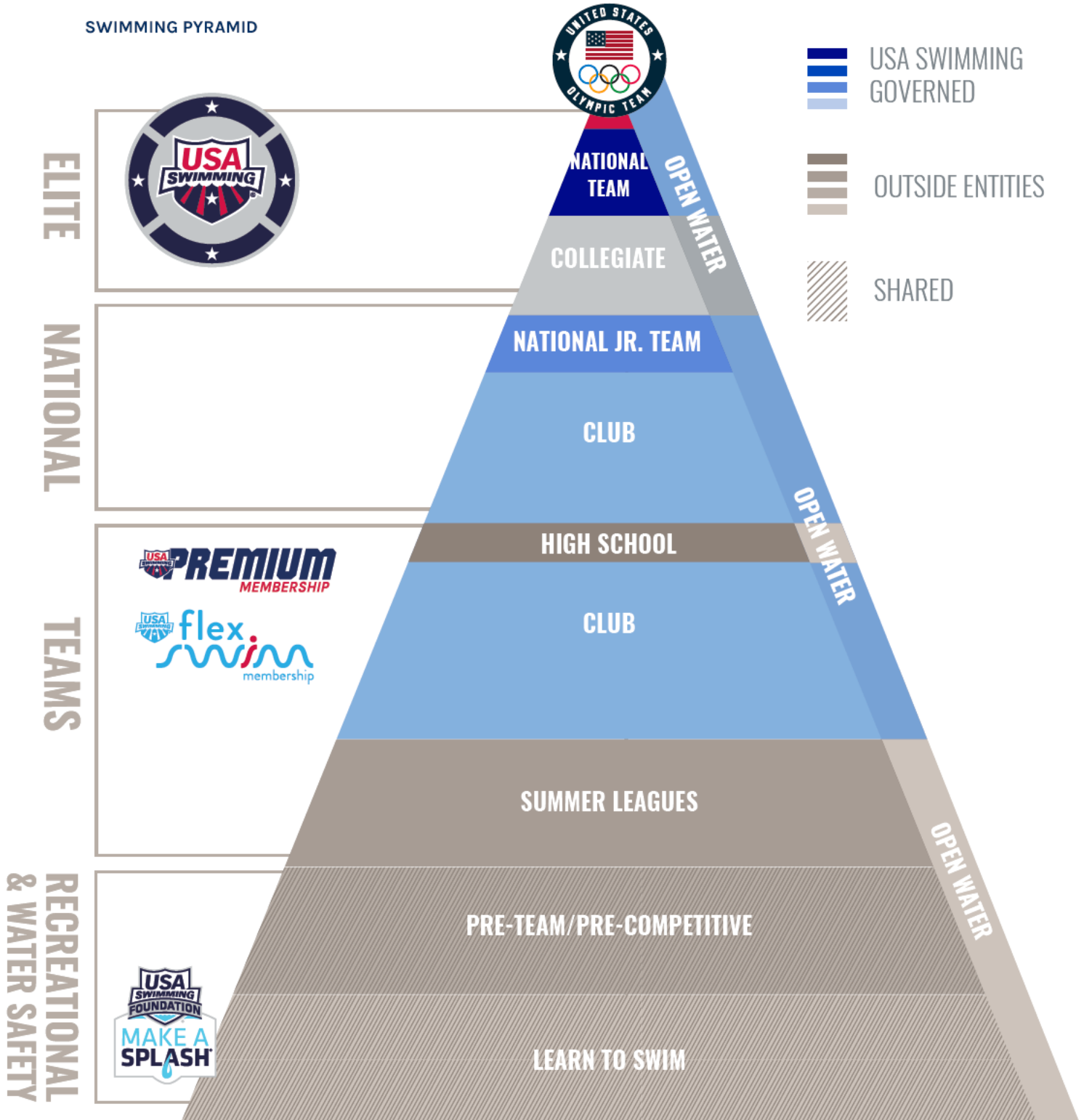
The domestic event highlight of the year was the Phillips 66 National Championships in Irvine. There were many additions to the overall presentation to elevate this experience and make it our domestic crown jewel. We expanded the Aqua Zone, added a Speedo VIP deck and enhanced the venue with electronic signage. Attendance reached capacity highs and presented an enhanced look for our NBC audience. The digital presence was also expanded with additional shoulder programming from USA Swimming Productions and increased social media.

This was the catalyst to bid out our TYR Pro Swim Series events in 2019 via a request for proposal process. We are pleased to report that there was tremendous interest from teams, convention and visitors bureaus and sports commissions across the country, wanting to bring a high-level swimming event to their community. The first stop in January has been confirmed for Knoxville, TN, while the full slate of events will be announced in October.

Internationally, the Pan Pacific Championships in Tokyo proved to be an exciting and successful performance for our National Team both in the pool and in open water. The competition was strong, the times were fast, and our athletes gained valuable racing experience. We are proud of each of the swimmers who represented our country.

It is the midpoint in the quadrennium and a pivotal time for the sport and organization. Two years down. Two years to go.

As we continue to ready our elite swimmers for the world stage of the Olympic Games, we also continue to look for ways to bring new swimmers into our membership and to grow the base. We have strategically divided this into the five levels of our swimming pyramid: water safety, recreational, teams, national and elite.



The USA Swimming pyramid is a visual manifestation of my CEO Ends Strategy: Recognizing USA Swimming as a best in class NGB. I firmly believe that not only should we be best in class for our own members, but we should also be a positive influence and make significant contributions to the sport of swimming across the entire country. As the national governing body, we have the opportunity

to influence and architect the development of the sport for all swimmers. We should, and we will, embrace the responsibility to grow the sport in the U.S.

While our governance most directly affects the top of the pyramid, we are no less strong at the tip as we are at the base.

SPORT DEVELOPMENT

As a way to reach younger swimmers, to introduce the sport to a larger audience and to allow young children to create a healthy sport experience, we created the new Flex Swim membership.

Launched earlier this month, the Flex Swim membership allows USA Swimming member clubs across the country to begin offering a new level of membership. This is the most progressive new membership category developed in years and is designed to make entering the sport more attractive for today's busy families. As of September, 48 Local Swim Committees (LSC) are offering the new membership.

The Flex Swim membership also provides children the opportunity to make swimming one of the many athletic endeavors they undertake growing up, embracing the benefits for children of being multi-sport athletes. Flex Swim is a long-term investment to grow the USA Swimming membership in the current youth sports environment

While we continue to focus on bringing in new USA Swimming members, we will look to identify ways to better work with other swimming leaders across the country to increasingly grow the sport as a whole and keep our retention rates of 71.5% among the highest in youth sports. As they say, a rising tide lifts all boats.

Beyond my review, I would also like to share updates from around the organization. These are outlined within our corporate initiatives, and National Team and competitions.

CORPORATE INITIATIVES

Membership Numbers

Once again, we are pleased to report another strong year for USA Swimming memberships. This was our second highest membership year ever behind 2017's record-breaking year. Overall athlete retention remains above 70% (71.5% this past year). This year marked the highest ever number of officials (16,806) and coaches (19,524). Coach representation was made up of 50.3% female and 49.7% male. The number of clubs remained virtually unchanged (2017 had 2,913 and 2018 had 2,907).

Athlete memberships present our greatest area of improvement as overall numbers were down 2.2% from last year, with the lowest number of new 8-and-unders joining USA Swimming in seven years. A real-life illustration of the need for the new Flex Swim membership.

Diversity & Inclusion

Every year, the USOC recognizes the need to achieve increased diversity. USA Swimming believes and recognizes our continued

success depends on ensuring the inclusion of all Americans and making sure our sport looks like the rest of America. All NGBs are required to provide membership demographics information that the USOC uses to create the Diversity & Inclusion scorecard. The scorecard is designed for the USOC and NGBs to easily identify opportunities to become more diverse and inclusive as it relates to athletes, coaches, staff, board of directors and membership.

Since 2014, USA Swimming's membership has made significant strides on becoming more ethnically diverse. Based on the scorecard's benchmarks, specifically formulated for our NGB, steady progress has been made. In 2014, we were nine percentage points from reaching our USOC D&I scorecard benchmark and in 2018 we have moved to within half a percentage point.

One major initiative helping to increase multicultural participation continues to be our partnership with the Chicago Parks District (CPD).

The Chicago Park District Community Swim Team is a partnership between the Chicago Park District, Illinois Swimming and USA Swimming to develop a quality, multi-level swimming program that provides enhanced competitive opportunities and services to Outreach athletes, their coaches and teams. This year marked the second year of the partnership. The Chicago Park District Community Swim Team is the first USA Swimming Team with 3,000-plus members, and more than 100 coaches are involved in the partnership.

Since the start of the partnership Illinois Swimming has hosted an annual swim meet that introduces CPD swimmers and coaches to USA Swimming meet structure, highlights the competitive progress of Chicago Parks District swimmers and promotes the partnership among a diverse audience.

Education

In February, USA Swimming created its new online education portal called LEARN – Leadership Education & Resource Network. This also became a KPI of the organization to improve and grow this initiative. LEARN houses online courses and continues to undergo active development of additional features that will allow us to create more dynamic opportunities. Concurrently, the LEARN team is assessing current educational resources, programs, services, and staff roles to determine both short-term and long-term goals. Our first priority focuses on coach education with a revision of the foundations of coaching 101 course that will move to the LEARN platform.

In addition to the online LEARN platform, we continue to host dozens of conferences, clinics and workshops. These services include #SwimBiz, Swimposiums, She Leads, Women in

Leadership, Build-a-Pool Conferences, Club President Summit, Club Leadership & Business Management School, and many examples of ongoing education offered annually.

NATIONAL TEAM AND COMPETITIONS

We are incredibly proud to share that the U.S. finished the summer with 40 unique athletes ranked in the top-8 in the world, which is the most-ever in USA Swimming history. There were an additional 24 athletes ranked in the top-16.

2018 TYR Pro Swim Series

The 2018 season was the first year to be sponsored by TYR, and the first to utilize the new fantasy sport-like program named Swim Squads. The latter allowed USA Swimming National Team members to compete for team points and a grand prize throughout the year's events. The end-of-season winners, which included points captured at the Phillips 66 National Championships, were Katie Ledecky and Chase Kalisz. The six meets, held in Austin, Texas, Atlanta, Ga., Mesa, Ariz., Indianapolis, Ind., Santa Clara, Calif. and Columbus, Ohio, recorded higher than average tickets sales and attendance compared to 2017. Segments of each event aired on NBCSN, the Olympic Channel and USASwimming.org.

Following the completion of the series, USA Swimming and TYR recognized the top performers age 18 and under in each Olympic event as members of the inaugural TYR Next Gen Team. USA Swimming considered all the finishes from across the series to determine the top 18-and-under male and female performer in each Olympic event for the full series. A list of the team can be found here: <https://www.usaswimming.org/news-landing-page/2018/07/31/tyr-next-gen-team-announced-in-irvine>

2018 Pan Pacific Championships

The 2018 Operation Gold competition was the 2018 Pan Pacific Championships in August. The event provided our athletes, coaches and staff with an incredible opportunity to travel to the Olympic city two years before the Olympic Games. While the meet provided challenges, both in and out of the water, the athletes rose to the occasion winning 45 medals (20 gold, 14 silver, 11 bronze). The U.S. team also topped the medals table and won the Pan Pacific Championships team title, while posting 10 Pan Pacific Championships record swims.

2018 Junior Pan Pacific Championships

The 2018 Junior Pan Pacific Championships, which took place in Suva, Fiji, saw the U.S. team win the medal count with 27 golds, 19 silver and 8 bronze for a total of 54 medals. The next closest nation was Japan with 23 medals. The 2018 medal haul represented six more medals than those won by the 2016 Junior Pan Pacs team. The U.S. team successfully captured gold in each and every relay. The team consisted of 30 rookies, none of whom had previous Junior Pan Pacs or Junior World Championships

experience. Over 90% of the athletes posted a season or lifetime best swim. Including swims from Nationals, the team had seven athletes make an all age FINA top 25 world ranking. Nine Junior Pan Pacs records were broken. Next up on the international stage for USA's Junior team will be the 2019 World Junior Championships in Budapest, Hungary.

New National Team Technical Advisor

In June, Jon Urbanchek was named to the newly appointed position of National Team Technical Advisor. The six-time U.S. Olympic Swimming Team coach is working alongside Lindsay Mintenko, USA Swimming's National Team Managing Director, to provide vision and leadership for America's top coaches and elite athletes, with the focus on performance. He supports the U.S. National Team at international events and consults on coaching decisions with the ultimate aim of delivering optimum performance and continuing to build upon the positive camaraderie ingrained withing the National Team culture.

2018/19 National Team

One hundred and eleven (111) of the nation's top swimmers were announced as members of the 2018-19 National Team. The team features the top six athletes in each individual Olympic event based off the combined results of the 2018 Phillips 66 National Championships, 2018 Pan Pacific Championships and 2018 Junior Pan Pacific Championships.

The 2018-19 USA Swimming National Team by the Numbers:

- 111 National Team members (57 men; 54 women)
- 29 states represented; California leads the way with 19 National Team members
- 70-plus USA Swimming clubs represented; California Aquatics is tops with 13 National Teamers
- 32 medalists from the 2018 Pan Pacific Championships
- 15 swimmers qualified for the National Team in three-plus events
- 26 first-time National Team members

U.S. Olympic Trials – Swimming

The U.S. Olympic Team Trials – Swimming will be held at the newly named CHI Health Center in Omaha (formerly the CenturyLink Center). This will be the fourth consecutive time the Trials have been in Omaha, and we fully expect a wonderful event for athletes, coaches, officials, sponsors, volunteers and spectators. We will be formally announcing the time standards for the competition on Thursday, September 27, as part of a webcast at the USAS Convention in Jacksonville, Fla. We expect between 1200-1400 athletes to take part. The 2020 U.S. Olympic Trials - Swimming will select the team for the Tokyo Olympic Games and will have full coverage of Finals and Prelims on both NBC, NBCSN, the Olympic Channel and usaswimming.org. Dates of the event will be announced soon.

USA Swimming Foundation

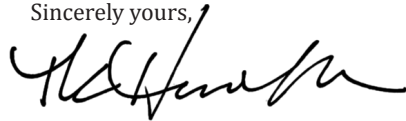
This marks one of the most successful years for the USA Swimming Foundation to date. USA Swimming's philanthropic arm increased its outreach and capitalized on engagement and function opportunities surrounding USA Swimming's slate of competitive events. Last month, The Foundation announced that it had surpassed \$700,000 in 2018 grant funding for Make a Splash Local Partners - learn-to-swim providers, community-based water safety advocates, and national organizations who provide swimming lessons and educate children and their families on the importance of learning how to swim. Additionally, the Foundation will provide U.S. National Team swimmers and coaches with over \$750,000, providing them with funding that is critical to their pursuit of success in the water.

Given the wealth of information shared and the expert team of executives who work alongside me day in and day out, I will invite this group of executives to join me for this year's State of the Sport presentation. I, along with the Strategy Team and USA Swimming Managing Director Lindsay Mintenko, will participate in a moderated State of the Sport question and answer panel. Ahead of next week's Convention, we invite members to submit any questions they may have regarding this content for consideration during the panel's discussion. Questions can be submitted to: convention2018@usaswimming.org.

To say the last year has been a transformative one for USA Swimming would be an understatement. The organization has been challenged, has grown and is poised for the road ahead. There is a positive tailwind in the sponsorship market, which is generating significant new activity and helping to bolster key renewals. I have high optimism on the future of corporate investment in the sport. There are also exciting technological and digital initiatives underway to help us communicate with membership more efficiently, communicate with donors more effectively and even help us identify potential new people to engage with the sport.

We have a busy summer coming up in the water, as our athletes head to international competitions in Italy, Korea, Peru and Hungary. We will continue to find creative ways, new partners, and the best possible services to set them up for success. Because after all, all of this is for them.

Sincerely yours,



Tim Hinchey III
USA Swimming President & CEO