

Climb Costs and Prices FAQ

Prices for Mazama climbs are increasing. This change is a result of the Climbing Committee identifying in May 2019 the need to make the climbing program sustainable and responsible for its costs on behalf of the Mazamas. This FAQ may address some common questions Climb Leaders and the wider Mazama climbing community may have.

Q1: What are the new prices?

A1: The new price model has three tiers of increasing climb prices, based on driving distance from the MMC.

The member climb prices per climber for each tier are:

- Tier 1: \$40
- Tier 2: \$50
- Tier 3: \$75

The tiers are based on driving distance from the MMC as follows:

- Tier 1: 0-120 miles-- includes Hood, St. Helens, Adams, and Jefferson
- Tier 2: 121-220 miles-- includes Rainier, Washington, 3FJ, and the Sisters
- Tier 3: 221+ miles-- includes Shasta, Thielsen, Olympus, and the North Cascades

The tier prices entirely ignore permit costs; permits will be factored into the climb prices, on a per-route basis. Non-member prices will be \$10 higher than member prices.

Q2: Why are climb prices changing?

A2: The climb price of \$20 per climber was not covering the cost of climbs. With virtually every climb losing money, the overall climbing program is being supported by other parts of the organization. The price increase is necessary to bring revenue into line with actual, current costs.

The Mazamas has been operating with a consistent year end loss for more than 20 years. Hiring more staff a few years ago was an attempt to increase revenue and turn us into a stable organization. One of the reasons that initiative failed is because we didn't address the core problems that were leading to year-end losses — one example of those core problems is operating the climbing program at a loss.

Most of our programs lose money and are supported by other programs, donations, and the Foundation. Partly because of this, the Foundation's assets have decreased from over \$4 million to around \$1 million. If we continue business as usual, the Mazamas will be out of business in a few years. Every climb losing money means that someone else or some other activity is subsidizing it. The kids summer camp program is one of the few that generates a surplus that helps pay for adults going climbing.

Prior to instituting the new online climb registration system, we often sold enough climb cards to fill every climb twice. These unused cards, although they never expired, in many cases were never utilized. This was a large revenue infusion to the climbing program. In essence, these unused cards helped to offset the losses.

Q3: Why are we suddenly having to charge more for climbs?

A3: We should have been increasing climb prices to reflect appreciating cost of living, cost of doing business, etc... Because we haven't been making incremental adjustments, correcting for many years feels sudden and large. Since the time the \$20 climb fee was enacted in 2013, it has never been adjusted for inflation. Depending on your inflation calculator, the climbing fee should be 20-25% higher just to keep up with inflation. In addition to inflation, there are costs that have increased faster than inflation as well as new costs that didn't exist previously. For instance, the cost of insurance has significantly increased, and websites and IT support were not a cost even a few years ago.

Q4: How did you arrive at the tiered prices?

A4: Matt Sundling, with the help of other Mazamas, extensively analyzed climb data, revenue and expenses to produce a data set from which we could extrapolate various price points for different climbs. The three primary expenses for climbs are the gear and overhead, insurance per climber per day, and climb leadership driving reimbursement, each being about one-third of the total. The supporting data was used to determine the distribution of climbs in our typical season, and natural geographic categorization of our climbs, based on driving distance, were derived. This is the first time an analysis of climb costs has been done to this level of detail.

Q5: How much does insurance cost?

A5: Our annual insurance cost is in excess of \$60,000. The most difficult and expensive coverage to find is General Liability and Umbrella coverage for climbing. The added protection for sexual harassment, Directors & Officers, property, crime, and other components, have all made insurance harder to get, and become more costly.

Q6: What does Mazama overhead cover?

A6:

Staff

Facilities, maintenance, utilities

Insurance

Computer/Office equipment and services

Website development & database management

Banking, bookkeeping, annual audit, and merchant services

There are other costs to operate our climbing program and classes which include leader education and training, and the equipment in the rope room, and maintenance of the climbing walls. The specifics are less important as to which program these are considered “overhead;” what is important is that the climbing program needs to cover at least its fair share of those costs.

Q7: Why is the number of staff so much more than it was a few years ago?

A7: It’s important to recognize the way we operate has changed significantly over the last decade; reporting/permit requirements for the Forest/Park Service, insurance, political environment (e.g.: access), IT, equipment. Given our size and the variety of our activities, the Mazamas could not function with a single staff person (or even three or four), given the complexity in today’s business and political environment. It’s also important to recognize and communicate that, while many of us see the Mazamas from the lens of the activities we are personally engaged in, the staff support activities generated by nearly 30 committees and programs.

Q8: What were all of the different options that were looked at before coming to the conclusion that this was the way we should go?

A8: We can’t enumerate every single option that we considered but some of the considerations were:

- Across-the-board increase price for climbs
- Possible cost savings that wouldn’t negatively impact climbs
- Capping the total number of climbs, to control for collective losses
- Reducing or eliminating small-team or far-away climbs, to avoid their low income, high costs

Ultimately, we wanted our climb cost model to be relevant, accurate and transparent and decided that a tiered structure best suited those goals. However we knew this is a big change, and so at each step of this project we thoroughly discussed and explored of the following issues:

- Cost vs Benefits
- Unintended consequences
- Anticipated effects on the Mazama community
- Diversity, Equity, and Inclusion factors and other access issues
- Effect on rare, small, far-flung climbs
- Timeline of change
- Alternatives choices
- Communication

Q9: The climbs never were money generators for the Mazamas, so why do they need to be money generators, now?

A9: The climbs don't need to generate a big surplus of revenue, but the climbing program needs to adequately cover its costs so that our climbs aren't being paid for by other parts of the organization. We are increasing the price so that climbs are supporting their direct and indirect costs. Our target for the climbing program is a sustainable program producing a net revenue of 10%, as determined by Mitsu Iwasaki. Why 10%? This is really a minimum amount of net revenue to stabilize the climbing program, and contribute our share into the long-term health of Mazamas to weather the ups and downs between climbs and from year to year.

Q10: Isn't this a bad time to be implementing climb price increases?

A10: Yes, it is unfortunate timing. However, the process to price climbs to be closer to what they actually cost has been months in the making. Furthermore, the Mazamas needs to weather this crisis financially as well. Ideally, these increases would have been realized sooner.

Q11: Won't this deter climbers from applying to the more expensive climbs?

A11: That certainly may factor into a climber's decision process. However, we hope that climbers naturally expand beyond the local day climbs as they develop and the value of more expensive multi-day, distant climbs becomes enough to justify the cost.

Q12: Will this deter climbers from applying to climbs in general?

A12: We intend to demonstrate the value of climbing with the Mazamas, not only up front with classes, our history and experience, and expertise but also with the experience on climbs themselves. We believe the Mazamas offers something special that's not readily available with other clubs and guide services. We believe this value is and will continue to be apparent. The \$40 cost of a Hood climb is still an amazing value.

Q13: The Chemeketans and the Mountaineers don't charge for climbs -- they are free. Why does the Mazamas charge so much?

A13: Chemeketans, Mountaineers, and the Mazamas are structured differently with different business models; our revenue and expenses streams are different. The Chemeketans is a small club of 700 members without staff or properties, and has little overhead; they don't reimburse climb leaders for any expenses. The Mountaineers has 12,500 members and revenue from publishing (roughly \$4 million) and a fundraising gala, which raised \$196,000 this year. Also, because of a decision by the Mountaineers (years ago) to give up their use-permit, they are unable to charge for their climbs. The Mountaineers do have leader reimbursements but they are different than ours.

Q14: Will leaders be motivated to put one climb on vs another, based on cost?

A14: We doubt that. Leaders generally explore climbs that are desirable to them for climbing reasons, not based on what's going to generate revenue for the Mazamas. Leaders will continue to pick interesting peaks and routes that appeal to them and the climb community. We have almost no evidence that leaders are leading climbs with revenue in mind. These new prices level out some of the costs of various climbs so as to be even less of a factor.

Q15: Is the climbing program the only program adjusting its prices?

A15: Over the next few years, the Mazamas will be adjusting all events and activities to be either sustainable or close to sustainable. We recognize there are programs that potentially will never be fully self supporting. It's important to acknowledge that many of the Mazama classes have been regularly increasing their prices annually, while the climbing program has not.

Q16: Are permit fees incorporated into the higher climb price?

A16: No, permit fees are still handled separately, and on a climb-by-climb basis. Permits are a shifting landscape right now, and it was very challenging to consistently include them in the new climb prices.

In the near future, we'll adjust the prices for the particular routes that require Climb Leaders to secure permits in advance to even plan a climb (e.g. Mt. St. Helens, Mt. Olympus). The price of the climbs will be adjusted to accommodate those permit fees. As a result, the Mazamas will be gathering the money from the climbers for those permits, and then reimburse the Climb Leaders directly for those costs. As a benefit to Climb Leaders, this avoids the unfair and tedious task of collecting money directly from your climbers for those permits.

Q17: What if this change to the price of climbs doesn't work as expected?

A17: We'll be watching how this works and doing an evaluation over 12-18 months to get a good data set, as this year's climbing season has been heavily impacted by COVID-19. We'll adjust if there are obvious problems and continue to evaluate.

Q18: Increasing the price of climbs will affect some who can't afford the higher prices. What are your thoughts on that matter? What are the general Diversity, Equity, and Inclusion (DEI) concerns that surround changing/increasing climbing prices?

A18: The Mazamas is committed to continuing our work to become a more equitable and inclusive organization. The increase in climb price is necessary for us to be a sustainable climbing program. We also recognize that we may be pricing some individuals out of access in our need to raise prices to achieve sustainability. The staff and board are aware of the impact new pricing may have, and are working to develop a financial aid/scholarship program that addresses financial barriers for the climbing program and across the entire Mazamas.

Q19: Who was involved in this project?

A19: This project was a lot of hard work. To varying degrees, the following people contributed to this project, participated in discussions, worked on the data analysis, and/or provided feedback at different stages of development. Climbing Committee is indebted for all their feedback, insights, and hard work. **Thank you all!**

- Amad Doratotaj, Executive Council 2018–2019
- Amanda Ryan-Fear, Executive Council 2019–2022
- Chris LeDoux, Climbing Committee Feb 2019–, Climb Leader

- George Cummings, Climbing Committee Mar 2018–, Climb Leader
- Guy Wettstein, Climbing Committee Apr 2020–, Climb Leader
- Jesse Applegate, Executive Council 2019–2022, Climb Leader
- Joe Eberhardt, Executive Council 2018–2021, Climb Leader
- Judith Baker, Executive Council 2018–2021
- Justin Rotherham, Climb Leader
- Keith Campbell, Executive Council 2017–2020, Climb Leader
- Laura Guderyahn, Executive Council 2018–Apr 2020: Secretary (2020)
- Laura Pigion, Executive Council 2017–2019: President (2019)
- Leora Gregory, Climbing Committee June 2018–, Climb Leader
- Marty Scott, Executive Council 2017–2019, Climb Leader
- Matthew Sundling, Climbing Committee, 2018–: Chair (2020), Climb Leader
- Mitsu Iwasaki, Executive Director
- Richard Bronder, Climbing Committee 2016–: Treasurer (2020), Climb Leader
- Rick Amodeo, Executive Council 2019–2022
- Robin Wilcox, Executive Council 2018–Apr 2020, Climb Leader
- Sarah Bradham, Director of Operations
- Terry Brenneman, Climbing Committee Dec 2019–Apr 2020, Climb Leader
- Traci Manning, Executive Council 2017–2020: President (2020)

Plus an additional 50 leaders participated in a Q&A on this project during a presentation at the December 2019 Leader Update.

Thanks go especially to George Cummings, Guy Wettstein, Leora Gregory, Matthew Sundling, Mitsu Iwasaki, Sarah Bradham, and Richard Bronder for their time and effort to assemble this FAQ.