A DESCRIPTIVE ANALYSIS OF RISK MANAGEMENT REVENUE AND EXPENDITURE TRENDS FOR HISTORICALLY WHITE MEN'S COLLEGE SOCIAL FRATERNITIES

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Historically White men's social fraternities are at the center of college and university life on many campuses. They have also been a place for high-risk activities such as alcohol consumption, hazing, sexual misconduct, and other health, safety, and wellness issues. Current risk management mitigation activities are addressed in the literature review that follows. This descriptive study examined the rising costs associated with insuring against high-risk issues for 32 historically White inter/national fraternities. Results indicated a 7.2% year-over-year average annual percentage increase for each organization in the study and a 72% average annual percentage increase for the period studied (2010-2018). In some fraternities' members were found to pay more annually is risk management fees than general membership dues. Recommendations for future research are also included.

Keywords: fraternity, fraternity liability, hazing, insurance, risk management, risk reduction

Historically White men's college social fraternities (hereafter referred to as HWMCSF(s), or fraternities) on U.S. college and university campuses serve as a focal point for social life, philanthropic work, and the development of relationships that, in many cases, extend beyond the college years (Ragsdale et al., 2012). More specifically, "fraternity … chapters provide college and university students with a community living experience of a liberal but close-knit nature. Fraternities … operate as independent political, economic and social organizations within the guidelines of the college [or university]" (A. M. Best, 1985, p. 1). The positive benefits for HWMCSFs, have recently been clouded by highly visible incidents of binge drinking (Peterson et al., 2018; Rosenburg & Mosca, 2016), hazing (McLeod, 2015; Peterson et al., 2018; Rosenburg & Mosca, 2016), and sexual misconduct (McLeod, 2015; Peterson et al., 2018; Rosenburg & Mosca, 2016). These have been more public through "journalistic accounts and medical case reports of college campus injuries – particularly related to alcohol-poisoning, sexual assault, and hazing – [and] have occasionally highlighted campus fraternities … as risk factors for injuries" (Peterson et al., 2018, p. 340).

Recently, HWMCSF misconduct has become more visible and reported more frequently. Those students who have been victimized in the process are more likely to file claims seeking relief in these matters (McLeod, 2015; Paine, 1994). At times, what starts as hijinks can quickly turn to legal pursuits criminally or civilly, as stated by Paine (1994),

> While fraternity misadventures compromise many a humorous tale, they may also leave multimillion dollar judgements, humiliation, disfigurement, crippling injury, and death in their wake. When fraternity frolic culminates in injury, whether to person or to property, plaintiffs often avail themselves of every available defendant capable of being named (p. 191).

Members of HWMCSFs, their chapters, inter/national headquarters, and colleges and universities have been identified as occupying the fraternity milieu as potential defendants (Paine, 1994). Many colleges and universities, as well as inter/national headquarters, have invested a great amount of time and resources in processes and procedures to reduce risky conduct by their members (Biddix, 2016). Through the identification of these issues of misconduct by these individuals and groups, we can best understand how to reduce risk (Biddix, 2016; Paine, 1994). In some cases, as will be reported later in the present study, members have been required to pay more annually in risk management fees than general membership dues. This fact likely raises flags for those involved in HWMCSFs on the local and inter/national levels.

Review of the Literature

Liabilities Associated with Historically White Men's College Social Fraternities

Several liabilities exist for HWMCSFs. The most prominent of which include alcohol consumption, hazing, sexual misconduct, and other health, safety, and wellness issues, particularly surrounding fraternity housing arrangements (A. M. Best, 1985; Biddix, 2016; Council for the Advancement of Standards, 2019; Peterson et al., 2018; Rosenburg & Mosca, 2016).

Alcohol Consumption

Alcohol has been described as the biggest commonality in litigation for HWMCSFs (A. M. Best, 1985; Paine, 1994). In one study, the "likelihood to have consumed alcohol in fraternity … houses in the past 30 days, males are significantly more likely to have done so, with 72% reporting yes, as compared to 66% of female respondents" (Ragsdale et al., 2018, p. 329). In another study, 86% of HWMCSF members were found to engage in binge drinking versus 45% of their non-HWMCSF counterparts (Wechsler et al., 2009). Still, other studies have also found that a high proportion of individuals who are disposed of alcohol use disorders are between the ages of 18-21, which represents 90% of college students (Grant, 1997; O'Malley & Johnston, 2002; Rosenberg & Mosca, 2016).

Insurers of HWMCSF's have reported the prevalence of alcohol consumption as a primary and/or mitigating factor related to injury and death claims (Sutherland, 1983). Students who binge drink have been found to be four times more likely to be injured than those who do not binge drink. The same case has also been found for college students who drink in locations outside of their residence halls on campus, including fraternity houses (Ragsdale, 2012). In a 2018 study, "clinicians documented fraternity … involvement in patient's injuries, the highest frequency injuries by cause were unintentional falls, both intentional and unintentional struck by/against, unintentional poisonings, [and] other specified unintentional injuries" (Peterson et al., p. 344). Alcohol consumption by HWMCSF members is also connected to other high-risk activities that will be addressed below, including hazing (A. M. Best, 1985; Sommers, 2007), sexual misconduct (Rosenburg & Mosca, 2016); and other health, safety, and wellness related incidents (Council for the Advancement of Standards, 2019; Ragsdale et al., 2012).

Hazing

Hazing has been described as a chronic problem for colleges and universities in the United States since at least 1874, "when Congress passed the first hazing statute to prevent hazing at the Naval Academy in Annapolis, Maryland" (Sommers, 2007, p. 657). A. M. Best (1985), a long-time rater of credit regarding insuring of HWMCSFs stated, "hazing is an exposure unique to this type of risk. Hazing is defined as any action or situation created intentionally, whether on or off fraternity or sorority premises, to produce mental or physical discomfort" (p. 2). Hazing activities are common, particularly for those in the new member education or initiation process (Allan & Madden, 2012; Ragsdale et al., 2012). Forms of hazing have included, but are not limited to, physically demanding activities such as beating, paddling, physical exercise (Allan & Madden, 2012; Ragsdale et al., 2012; Sommers, 2007), consumption of copious amounts of alcohol and/or other substances (Allan & Madden, 2012; Ragsdale et al., 2012; Sommers, 2007), and performance of sexual and other embarrassing activities in the presences of others (Sommers, 2007).

Liability and litigation related to hazing in HWMCSFs have largely been aimed at individuals found to be responsible; however, fraternities on the chapter and inter/national headquarters levels have also been found responsible for incidences of hazing (A. M. Best, 1985, Council for the Advancement of Standards, 2019). These incidents, when made public, have the effect of garnering criticism from multiple stakeholder groups (Sommers, 2007). Currently, hazing is illegal in 44 states, and many colleges and universities have enacted policies and procedures to reduce these activities, with some success (Allan & Madden, 2012; Ragsdale et al., 2012). These efforts have become more complicated, though, as relationships between HWMCSF chapters, their inter/national headquarters, and colleges and universities have changed. This is particularly true related to the location (on or off-campus) and control of fraternity housing (Sommers, 2007).

Sexual Misconduct

Sexual assaults have been a focus of attention on college and university campuses for several years (Willingham, 2020). Specific attention has been placed on members of HWMCSFs who have been found more likely to commit rape at a rate three times more than their non-HWMCSF counterparts (Foubert et al., 2007; Willingham, 2020). Liability and litigation related to sexual misconduct is often an individual responsibility, not covered by a fraternity's insurance policy. This does not prevent claimants from pursuing these entities, although they are often indemnified from a third-party claim (Willingham, 2007). Aside from the effects participation in legal processes can have on individuals, victims of sexual assault often have to deal with other personal and professional related effects as a result. Willingham (2007), when describing the negative effects of sexual misconduct stated, "beyond causing emotional trauma, sexual assault may harm the survivor's health, education, privacy, and employment. The resulting financial burden can be enormous, including bills for hospital stays and therapy, lost tuition, insurance administration costs, and lost wages" (p. 1727).

Health, Safety, and Well-Being

The health, safety, and well-being of HWMCSF members is not limited to only official activities such as new member activities, chapter activities, and socials, but rather anytime that members gather in any location. HWMCSF housing, on or off-campus (university-managed or fraternity-managed), is often a place of high risk (Ragsdale et al., 2012). Each of the previously identified activities, alcohol use; hazing; sexual misconduct; and health, safety, and wellbeing occur in HWMCSF housing. HWMCSF houses are more often the centers for social activities for members of fraternity and sorority organizations, as most sorority bylaws prohibit the presence of alcohol in their houses (Ragsdale et al., 2012). Greater liabilities also now exist for HWMCSF whose houses are located off-campus and where less regulation or oversight may be present from a college or university (Paine, 1994). Related to student safety, the Association of Fraternity/Sorority Advisors (2022) noted, "collegiate fraternal organizations present both challenges and opportunities to enhance student safety on campus. Fraternity/sorority professionals must be familiar with the nature of these issues, the campus partners who work to prevent them, and research-supported strategies for addressing them" (para. 4).

Law, Policy, and Liability Types for Historically White Men's College Social Fraternities

Tort liability has been described as the most common form related to HWMCSFs. This is often associated with injury or even death caused to persons and can be exacerbated by using alcohol, through hazing, or other conduct of members (Wright & Bryan, 1983). For fraternities, liabilities include guests of members, particularly in fraternity housing, where house corporations and inter/national headquarters carry coverage. This presents a major risk, particularly where alcohol is involved. Liability coverage is often a requirement of the college or university, as well as the inter/national headquarters (A. M. Best, 1985). When fraternity activities have resulted in injuries, plaintiffs often seek recovery from an individual member, chapter, inter/national headquarters, and colleges or universities.

In many cases, intern/national headquarters are not held liable, as they are determined not to be directly involved in the day-to-day operations of the fraternity chapter (Paine, 1994). As states have different laws regarding the incorporation of organizations, some HWMCSFs may or may not have greater liability based on the states in which they operate. Regardless of the liability a HWMCSF has, individual members, chapters, housing corporations, local chapter advisors, and inter/national headquarters professionals may still be individually liable (Wright & Bryan, 1983).

Liability for actions for HWMCSFs, their members, guests, and others are often examined through several theoretical lenses. Some courts have relied on the "landowner-invitee theory" (Sommers, 2007, p. 660), where the property owner, in this case, a fraternity house, is liable for any incidents. This is complicated by multiple models of fraternity housing. In some cases, housing is owned and operated by a college or university; in others it may be owned and operated by a house corporation (alumni of the chapter), or it may even be owned and operated by a national headquarters. Social host liability is another theory whereby the host of a party, such as an officially sanctioned and registered or open house party, is held liable for any incidents (Spring, 1996). In some cases, this could include the chapter president and/or the social chair or organizer of the party. Accomplice liability holds that "third parties to the actual tort (i.e., those who furnished alcohol to the actual tortfeasor) may incur liability even where they would be absolved as social hosts" (Paine, 1994, p. 195). Students rely on the theory of negligence when seeking relief from HWMCSFs, colleges or universities. Here they must prove a duty of care; a breach of that duty; a cause for the breach and injury (Sommers, 2007). Findings of liability against HWMCSFs and their members have risen, particularly due to hazing and incidents of sexual assault activities (Sommers, 2007). Paine (1994) found, "by and large, attempts to hold universities accountable for injuries suffered at the hands of fraternity chapters meet with failure" (p. 196). For those that have been the victims of incidents of sexual assault, the pursuit of civil litigation against fraternity members, chapters, and inter/national headquarters, has provided another means of seeking relief (Willingham, 2020).

Responses to state laws, local policies, and efforts of campus and university administrators, as well as those at the inter/national headquarters level, have aided in reducing liability. This liability reduction is particularly true in the areas of alcohol use (Rosenburg & Mosca, 2016); hazing (Sommers, 2007); and health, safety, and well-being (Peterson et al., 2018). At times these efforts have been more challenging as public colleges and universities have greater restrictions in their ability to "prohibit fraternities from being on campus because these restrictions could violate the constitutionally-protected freedom to associate" (Sommers, 2007, p. 656). For campus-based fraternity advisors, they too have expectations placed on them to maintain compliance with all "laws, regulations, and policies, and procedures that relate to their respective responsibilities and that pose legal obligations, limitations, risks, and liabilities for the institution as a whole" (Council for the Advancement of Standards, 2019, p. 262).

Mitigation Efforts and Costs for Risk Reduction and Liability

Two major mitigation approaches are commonly used by HWMCSFs related to liability: the carrot approach and the stick approach. The carrot approach allows organizations to implement risk management policies and procedures, such as annual inspections, training for members, and risk management assessments, to improve their experience ratings and lower their insurance premiums. The stick approach is more top-down where an HWMCSFs past claims history and risk factors are used in setting premiums for coverage (Willingham, 2020). Inter/national headquarters (and their chapters) have few options for liability insurance coverage (particularly for hazing, sexual assault, and drug and alcohol violations). Those fraternities that do provide coverage do so at an organizational vs. individual level (McLeod, 2015; Willingham, 2020). Some HWMCSFs self-insure their activities, "for example, James R. Favor & Co., which, as of 2019, was reported to be owned by eight fraternities, directly underwrites coverage by Lloyd's of London, a specialty insurance and reinsurance market, for these and other fraternities" (Willingham, 2020, p. 1741).

Inter/national headquarters and their insurers are both important partners in reducing risks associated with HWMCSF's. Their ability to work together in the risk mitigation process can help reduce exposure and costs for all involved (Council for the Advancement of Standards, 2019; Paine, 1994). HWMCSFs have been described as "the third riskiest property to insure behind toxic waste dumps and amusement parks" (Willingham, 2020, p. 1740). Inter/national headquarters, through their fraternity-wide insurance policies, assess risk and assign fee structures for the shared costs of being insured. These processes can have characteristics of both the carrot and stick approaches. When chapters implement risk reduction measures, they can lower their payments to the inter/national headquarters. This also means that individual members then pay less to their chapters for the costs of insurance premiums (Willingham, 2020). Conversely, when chapters don't do their part to reduce risk, have accidents, or have claims against them, their premiums will be increased, and these cost increases are then passed along to individual members. The inter/national headquarters has been described as operating as an extension of the insurer, requiring higher premiums to their most at-risk chapters (Willingham, 2020).

Many HWMCSF chapters are required to complete a risk management assessment (RMA) process through their inter/national headquarters. This is used to establish the insurance rates that chapters and their members will pay on an annual basis. For example, Lambda Chi Alpha had a base fee of $220 per member per year ($110 per semester) (2018). More specifically,

> There are four categories that the RMA is based off of: housing, claims and incident history, operating standards and the harm reduction report. Depending upon how a chapter rates in each of these categories depends on whether it pays more or less per semester (Lambda Chi Alpha, 2018a, para. 2).

In keeping with the Lambda Chi Alpha example, twice annually, its chapters must submit a harm reduction report to the inter/national headquarters. Included in the report are data related to "[the] event planning process; [the] fire safety program; [the] house inspection and house safety program; [the] crisis management plan; [the] harm reduction education program; [and] other efforts [at harm reduction]" (Lambda Chi Alpha, 2018b, para. 3). In addition to the RMA, those fraternities who have a house are required to submit more documentation, particularly around inspections involving health, wellness and safety measures. Lastly, a review of a chapter's previous claims and incident history (disciplinary and financial) and other standard operating procedures, such as membership, alumni involvement, academic performance, and financial management, will likely be considered when setting premiums (Lambda Chi Alpha, 2018a).

While data are hard to find for HWMCSF litigation payouts for recent years, Kimzey (1997) found that HWMCSF insurers paid out $1.26 for every $1.00 they collected in premiums in the 1980s. Prior to this period, in the 1970s, premiums rose from an average of $5.00 per member on an annual basis to five times this amount by the end of the decade. By the 1990's risk management charges accounted for one-third of fraternities' annual operating budgets (Kimzey, 1997).

Methodology

Four research questions were designed to inform the present study after a review of the literature on liabilities associated with HWMCSFs (alcohol use, hazing, sexual misconduct, health, safety, and wellbeing); law, policy, and liability types for college and university HWMCSFs; mitigation efforts for risk reduction and liability; and the rising costs for risk management for college fraternities. Questions included the following:

1. What are the annual average increase(s)/decrease(s) in percentages for risk management revenue for HWMCSFs during the research period?

Table 1

Inter/national Fraternal Organizations Included in the Study

Fraternity	Founding Date	Number of Chapters	Number of Active Members	Number of Initiated/ Alumni
Alpha Epsilon Pi	1913	150+	---	100,000+
Alpha Gamma Rho	1904	71	---	---
Alpha Kappa Lambda	1914	24	810	26,939
Alpha Sigma Phi	1845	174	---	---
Chi Phi	1824	---	---	---
Delta Chi	1890	111	---	125,540*
Delta Kappa Epsilon	1844	49	---	---
Delta Sigma Phi	1899	106	---	124,219*
Delta Tau Delta	1858	130	10,000	170,000
Delta Upsilon	1834	69	---	---
FarmHouse	1905	48	---	30,000*
Kappa Alpha Order	1865	113	---	---
Kappa Delta Rho	1905	39	---	25,000+*
Kappa Sigma	1869	300	17,000	250,000
Lambda Chi Alpha	1909	185	8,680	300,000
Phi Delta Theta	1848	193	---	278,000*
Phi Gamma Delta	1848	139	9,700	203,000
Phi Kappa Sigma	1850	25	1,500	35,000
Phi Kappa Tau	1906	84	---	100,000*
Phi Kappa Theta	1889	34	---	60,000*
Phi Sigma Kappa	1873	69	---	---
Psi Upsilon	1833	50	---	45,000*
Sigma Alpha Epsilon	1856	215	12,000	348,000+
Sigma Nu	1869	166	---	235,000*
Sigma Phi Epsilon	1901	200	11,000	345,000
Sigma Tau Gamma	1920	63	2,157	74,260
Tau Kappa Epsilon	1899	227	12,000	294,000
Theta Delta Chi	1847	28	---	---
Theta Xi	1864	43	---	---
Triangle	1907	34	1,095	28,427
Zeta Beta Tau	1898	74	---	140,000
Zeta Psi	1847	52	---	---

Note: * = total lifetime-initiated members

2. What are the increase(s)/decrease(s) in total dollars/percentages for risk management revenue for HWMCSFs from 2010 to 2018?
3. How are the increase(s)/decrease(s) in risk management revenue compared to the increase(s)/decrease(s) of other line items during the research period?
4. How would the increase(s)/decrease(s) change after considering the effects of inflation?

Organizations in the Study

We found 50 inter/national headquarters to have federal tax filing data available (see description below). Of those, 32 inter/national HWMCSFs were included in the present study and are included in Table 1 below. The HWMCSFs included in the study were chosen because they had the most complete data for the period examined. The table includes founding dates, the current number of active chapters, the number of current active members (if noted), the total number of initiated (if noted), and the total number of alumni members. In addition, the 32 HWMCSFs had variability in the number of chapters. The maximum number of active chapters was 300 (Kappa Sigma) the minimum number of active chapters was only 24 (Alpha Kappa Lambda). The median number of chapters was 72.

Several HWMCSFs had incomplete data and were therefore not included: Acacia, Alpha Chi Rho, Alpha Tau Omega, Beta Theta Pi, Phi Kappa Psi, Phi Sigma Phi, Pi Kappa Alpha, Pi Kappa Phi, Pi Lambda Phi, Sigma Alpha Mu, Sigma Chi, Sigma Lambda Beta, Sigma Phi Delta, Sigma Phi Society, Sigma Pi, Tau Delta Phi, Tau Epsilon Phi, and Theta Chi. All data was obtained from websites published by each inter/national headquarters. Of these, 22 HWMCSFs were current members of the North American Interfraternity Conference (NIC). This group serves as a national trade association for 56 inter/national men's college fraternities (North American Interfraternal Conference, 2022). A review of *The Almanac of Fraternities and Sororities* found 118 current men's fraternities to exist (2023). Further, although dated in 1991, a total of 62 HWMCSFs were found to exist (Anson & Marchesani, 1991). Those examined in this study represent 52% of that total. Each of the HWMCSFs included in the study have 501C (3) status as an organization, meaning that they are exempt from the payment of federal taxes, may accept tax-deductible contributions from individuals, and their activities may not directly benefit private individuals, such as employees and stockholders (Internal Revenue Service, 2018).

Data

Data examined for the study were collected from Federal tax filings (Form 990s), for each inter/national headquarters. They included total revenue, total revenue from membership dues, total revenue from risk management/insurance income, total expenses, total legal expenses, and net assets or fund balances at the end of the year. Each of these data points, along with their location(s) on the Federal Form 990, can be found in Table 2 below. Data were gathered through the use of the *Nonprofit Explorer – Research Tax-Exempt Organizations Database* through ProPublica (https://projects.propublica.org/nonprofits/). Only inter/national headquarters whose Form 990s included separate amounts for membership dues and risk management fees were included in the study. In some cases, these revenue amounts are reported jointly, and the researchers didn't have a method for isolating the amounts separately.

Table 2

Data Points and Their Location on the Federal Form

Data Point	Location on Federal Form
Total Revenue	Part VIII Line 12
Total Revenue	Membership Dues (Part VIII Line 1b or 2a)
Total Revenue	Risk Management/Insurance Income (Part VIII 2b)
Total Expenses	Part IX Line 25
Legal Expenses	Part IX Line 11b
Net Assets or Fund Balances at End of Year	Part X Line 32

Data Analysis

Several equations were developed in response to the research questions for the study. These equations were related to the percentage increase from 2010 to 2018 and the average annual increase during the research period for each line item examined in the study. The analysis also included membership as a percent of the revenue total and risk management income as a percent of the revenue total. Each of the equations for these can be found in Table 3 below.

Results

The first research question for the study was: what are the annual average increase(s)/decrease(s) in percentages for risk management revenue for HWMCSFs during the research period? The smallest annual average increase was -14.1% for Phi Kappa Theta, meaning there was an overall reduction for this year. The largest annual average increase was 22.5% for Phi Kappa Sigma. The average annual percentage in-

Table 3

Equations for Percentages of Revenue and Expense Totals

$$\text{Membership Dues as Percent of Revenue Total} = \frac{\text{Membership Dues} \times 100}{\text{Revenue Total}}$$

$$\text{Risk Management Income as Percent of Revenue Total} = \frac{\text{Risk Management Income} \times 100}{\text{Revenue Total}}$$

$$\text{Percentage increase from 2010 to 2018} = \frac{(\text{Line item in 2018} - \text{Line item in 2010}) \times 100}{\text{Line item in 2010}}$$

$$\text{Annual Percentage Increase} = \frac{(\text{Line item in subsequent year} - \text{Line item in prior year}) \times 100}{\text{Line item in prior year}}$$

Line item refers to Total Revenue, Total revenue from membership dues, Total revenue from risk management, total expenses, legal expense and total net asset.

crease for the risk management revenue for all fraternities in the study was 7.2%. The second research question was: what are the increase(s)/decrease(s) in total dollars/percentages for risk management revenue for HWMCSFs from 2010 to 2018? We found seven fraternities (Alpha Gamma Rho, Alpha Sigma Phi, Chi Phi, Delta Chi, Delta Tau Delta, Delta Upsilon, Farmhouse) had usable data over a nine-year period during the study. Of those, the minimum annual average increase was 4.1%. The maximum annual average increase was 11.1%. We found 14 fraternities (Alpha Kappa Lambda, Delta Kappa Epsilon, Kappa Delta Rho, Kappa Sigma, Lambda Chi Alpha, Phi Delta Theta, Phi Gamma Delta, Phi Kappa Tau, Psi Upsilon, Sigma Alpha Epsilon, Sigma Nu, Tau Kappa Epsilon, Tau Delta Chi, Zeta Psi) had usable data over an eight-year period during the study. Of those, the minimal annual average increase was 1.4%, and the was 13.9%. The average annual increase for risk management revenue was $12,175, 723 or an increase of 72%. The third research question was: how are the increase(s)/decrease(s) in risk management revenue compared to the increase(s)/decrease(s) of other line items during the research period? The increase for the risk management revenue was significantly higher than the increase in total revenue, membership dues, net assets, and total expenses except for legal expenses, which have more than doubled over nine years (See Table 4).

The annual average increase has shown the same trend in which risk management revenue has a bigger average increase than other items researched except legal expense: the average annual increase was around one-fourth. The fourth research question was: how would the increase(s)/decrease(s) change after considering the effects of inflation? After dollar amounts were converted to a 2021 value, results showed that the true increase in risk management revenue was almost 50%, and the average annual increase was more than 5% (See Table 5).

Table 4

Increases/Decreases (in $ and %) for Revenue, Membership Dues, Risk Management Fees, Net Assets and Expenses

Year	Revenue	Change	Membership Dues	Change	Risk MGMT Fees	Change	Net Assets	Change	Expenses	Change
2010	77,015,216	--	39,232,426	--	16,905,938	--	94,966,314	--	70,624,376	--
2011	81,423,436	5.7%	38,278,658	-2.4%	20,652,037	22.2%	98,163,699	3.4%	77,085,098	9.1%
2012	89,038,249	9.4%	41,765,782	9.1%	22,554,030	9.2%	107,006,660	9.0%.	81,414,547	5.6%
2013	91,630,893	2.9%	42,622,704	2.1%	25,104,850	11.3%.	116,249,720	8.6%.	87,089,812.	7.0%
2014	99,318,689	8.4%	46,213,288	8.4%	26,623,975	6.1%	121,264,778	4.3%	90,859,559	4.3%
2015	99,037,903	-0.3%	44,896,969	-2.8%	26,939,606	1.2%	125,602,130	3.6%.	94,505,978	4.0%
2016	101,322,800	2.3%	46,694,830	4.0%	27,996,091	3.9%	132,034,496	5.1%.	96,929,455	2.6%
2017	106,100,976	4.7%	49,983,455	7.0%	28,191,308	0.7%	134,813,235	2.1%.	104,583,910	7.9%
2018	107,751,905	1.6%	49,610,502	-0.7%	29,081,661	3.2%	129,280,027	-4.1%.	113,345,728	8.4%
YOY	39.9%		26.5%		72.0%		36.1%		50.5%	
Average		**4.3%**		**3.1%**		**7.2%**		**4.0%**		**6.1%**

Table 5

Increases/Decreases (in $ and %) for Revenue, Membership Dues, Risk Management Fees, Net Assets and Expenses (After Inflation)

Year	Revenue	Change	Membership Dues	Change	Risk MGMT Revenue	Change	Net Assets	Change	Expenses	Change
2010	95,703,916	--	48,752,662	--	21,008,374	--	118,011,071	--	87,762,259	--
2011	98,085,741	2.5%	46,111,915.	-5.4%	24,878,222.	18.4	118,251,693	0.2%.	92,859,615	5.8%
2012	105,084,167	7.1%	49,292,551	6.9%	26,618,577	7.0%	126,290,733	6.8%	96,086,569	3.5%
2013	106,582,859	1.4%	49,577,708	0.6%	29,201,360	9.7%	135,218,889	7.1%	101,300,782	5.4%
2014	113,681,000	6.7%	52,896,115	6.7%	30,474,024.	4.4%	138,800,676	2.6%	103,998,609	2.7%
2015	113,225,214	-0.4%	51,328,519	-3.0%	30,798,740.	1.1%	143,594,802	3.5%	108,044,085	3.9%
2016	114,394,326	1.0%	52,718,871	2.7%	31,607,831	2.6%	149,068,100	3.8%	109,434,202	1.3%
2017	117,290,231	2.5%	55,254,638	4.8%	31,164,322	-1.4%	149,030,443	0.0%	115,613,178	5.6%
2018	116,275,268	-0.9%	53,534,779	-3.1%	31,382,071	0.7%	139,506,302	-6.4%	122,311,572	5.8%
YOY	21.5%		9.8%		49.4%		18.2%		39.4%	
Average		**2.5%**		**1.3%**		**5.3%**		**2.2%**		**4.2%**

Discussion

Study data was aggregated on an annual basis for analysis and interpretation. Our findings showed that risk management revenues had an average year-over-year increase of more than 7% (5% after taking inflation into account). This amount is more than double the increase in general membership dues during the same period. By comparison, car insurance premiums year-over-year had an increase of 3.4% during a similar period (2011-2019) (The Zebra, 2022). We further wanted to compare our findings with other major forms of insurance. We found revenue and annual year-over-year increases for five other major insurance categories over the last five years. The insurance types, with revenue and annual growth percentages (2016-2021), included: life insurance and annuities, $947.0 billion, 1.1%; automobile insurance, $311.0 billion; 2.1%; health and medical insurance, $1.0 trillion; 3.1%; property, casualty and direct insurance, $752.0 billion, 3.7%; homeowners $119.2 billion, 2.9% (IBIS World, 2022). The trend of increased risk management revenues (and as a percent of revenue and expenditures) gives us reason for concern. This is particularly true when examining the rates of other major forms of insurance. Several HWMCSFs included in our study had years where their annual income from risk management insurance fees exceeded that of their general membership dues. This meant that members were paying more towards mitigating risk in their fraternities than they were paying to be a member in good standing. Among the 32 HWMCSFs, instances of risk management revenue (found in parentheses) exceeding membership dues included: Alpha Epsilon Pi (5), Alpha Gamma Rho (5), Delta Kappa Epsilon (3), Kappa Sigma (1), Phi Kappa Tau (3), Phi Kappa Theta (6), Phi Sigma Kappa (1), Sigma Alpha Epsilon (8), Sigma Nu (6), Zeta Beta Tau (5), Zeta Psi (3). The maximum amount of risk management revenue exceeding membership dues, on an annual basis, was more than $1 million, the minimum amount was $760, and the median exceeding amount was around $54,000. The significant increase in risk management revenue by inter/national headquarters during the research period led us to question whether each chapter or inter/national headquarters has done enough to enrich members' social life and extend the educational purpose outside the classroom. We were left with the following questions: will the high cost of insurance in the form of risk management revenue deter more college students from joining HWMCSFs? and are there any cheaper remedial or preventative options available to reduce the risk of excessive use of alcohol, hazing, and sexual assault?

Limitations

We identified several limitations to our study. Trends in risk management revenues and expenditures have not often been studied, particularly in scholarly literature. This presents issues related to commonly accepted methods for examining these trends. Traditional qualitative, quantitative, or other methods are not easily adaptable to examining the themes addressed. It is also difficult to attribute trends to particular HWMCSF activities on a chapter or inter/national headquarters level (Peterson et al., 2018). When an incident occurs, questions often arise about whether it was related to a fraternities actions, an individual, or both (Biddix, 2016). Incidents that occur that have been addressed in the present study may go unreported or may not otherwise become known to a fraternity chapter or national quarters (Peterson et al. 2018), making it difficult to fully know and understand the problem of risk management issues and the related financial costs. Our study only examined historically White men's social fraternities and only during a particular identified period of time. Results may vary when examining other groups of men's fraternities such as the National Asian Pacific Islander Desi American Panhellenic Association, National Association of Latino Fraternal Organizations, National Multicultural Greek Council, National Pan Hellenic Council, and during different periods of time.

The data was extracted from Form 990s. This form consisted of self-reported data, and not all general fraternities use consistent formatting in their reporting. Therefore, it is possible there could be some error in their reporting. Another difficulty in gathering data was due to the inconsistency of reporting: some HWMCSFs group risk management revenue and membership dues together, and some separate them in certain years but group them in other years. Our analysis only includes those who separated these two categories of revenue for all years examined. We still cannot avoid missing data in certain years during our research period due to the unavailability of the data on the Form 990s. Another point worthy of mentioning is that fraternity chapters with houses may be exposed to higher risks of liability or lawsuits. The number of houses HWMCSFs own may contribute to an unequal level of risk and amount of increase in the liability costs in the form of risk management revenue for these fraternities.

Recommendations

Based on the findings of our study, we have identified several recommendations for future research that would explore, in greater depth, issues examined in our study. Also, we have identified several recommendations that would extend the work of our study to further explore issues at a more local level or with other similar HWMCSFs. We recommend further research to better determine risk management revenue and expenditure trends on a per-chapter and per-member basis, both for actual dollars and percentages. This would help better clarify the true actual increases for members or those considering membership in a HWMCSF. Through our data, we could only examine revenues related to risk management on a national level, as reported through Federal tax filings. As not all local fraternity chapters have housing, we would recommend further study that would disaggregate data based on those that provide chapter housing to their members.

As chapter houses are associated with risks (requiring insurance to insure property), as well as other risky behaviors that occur at chapter houses, such as alcohol consumption, sexual misconduct, hazing, and other health and wellness issues. This would be very helpful in providing more accurate findings.

We recommend examining other men's social fraternities that are a part of other national organizing councils, such as the National Asian Pacific Islander Desi American Panhellenic Association, the National Association of Latino Fraternal Organizations, the National Multicultural Greek Council and the National Pan Hellenic Council. These fraternities are smaller on average and do not have as many chapter houses but would still encounter similar risk management concerns as those that were the focus of our study. Lastly, we recommend developing a more transparent method of examining data related to the costs of providing risk management insurance for HWMCSFs. This increased transparency would help researchers study more fraternities for a more accurate understanding on an inter/national headquarters, chapter, and per-member basis.

Conclusion

Historically White men's college social fraternities continue to be a center of activity for college and university students. As such, they provide meaningful experiences for those involved but have also been places of great risk and liability, particularly around alcohol consumption, hazing, sexual misconduct, and other health, safety, and wellness issues. The rising costs of risk management mitigation efforts, particularly insurance costs, should give us pause. This study of 32 inter/national HWMCSFs sought to examine the organizational costs of insuring against previously mentioned activities. The average cost of insuring against these activities has risen dramatically over the period studied, with some inter/national headquarters now with risk management fees equaling or surpassing the costs of their general membership dues. Costs associated with insurance now represent more than half of some HWMCSFs annual operating budgets. While inter/national headquarters and local chapters continue to implement both carrot and stick approaches to mitigating risks, the associated costs continue to rise. These costs are set and monitored through a top-to-bottom method, while they are paid by members from a bottom-to-top method of risk management insurance payment structures. These methods of passing down costs associated with risk management mitigation may prove to be unsustainable. They could affect college students' ability to afford the costs associated with membership. This could present a greater financial burden for some attending colleges and universities. Stakeholders on all levels should be concerned with the rising costs of risk management for HWMCSFs and, more importantly, the mitigation of issues that affect the rising costs. We issue a call to other researchers from within and outside of the fraternal movement for continued examination of the costs associated with risk management mitigation efforts related to historically White men's college social fraternities.

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