

AARP

Summary of 2008 AARP Consolidated Financial Statements

The following summary financial information is derived from the consolidated statements of activities and financial position of AARP and its affiliates for the year ending December 31, 2008.

Revenue

AARP's total operating revenue in 2008 reached just over \$1.08 billion. Royalty revenues rose from the prior year to \$653 million while membership dues (\$249 million) and publication advertising revenues (\$120 million) remained relatively stable. Even though the nationwide downturn in investment markets hit AARP with losses of \$175 million, AARP's core operations continued to be strong through strategic cost-containment efforts.

Expenses

AARP contained 2008 operating expenses to \$1.14 billion, down 2 percent from 2007. AARP continued to invest in member value and social impact areas in furtherance of its mission. For example, \$114 million was invested in membership development and \$284 million was invested in member services.

Programs and field services of \$298 million included expenditures for work-training, tax assistance and driver safety programs, support of our state offices, as well as our Divided We Fail initiative, promoting health reform and financial security. Our publications expenditures of \$178 million supported educating and informing our members through *AARP The Magazine*, the *AARP Bulletin*, and *AARP Segunda Juventud*.

Recent changes in accounting standards require the recognition of certain post-retirement benefit costs, which amounted to an unrealized loss of \$112 million in 2008.

AARP's balance sheet reflected a decline in net assets, mainly due to unrealized losses relating to investments as well as certain post-retirement benefit costs. However, the core operations of AARP continued to be strong and provided an increase in cash of \$146 million over the prior year.

AARP continues to be strong and well-positioned to advance our mission of enhancing the quality of life for all of us as we age.

The complete AARP 2008 Audited Financial Statements are available on the Internet at www.aarp.org