Q: Are Girl Scouts of Northern California raising the price of Girl Scout Cookies in 2022?

A: All cookie varieties are changing to $6/package. What this means is GSNorCal is increasing the cost of core cookies by $1/package and reducing the cost of specialty cookies (S’mores and Toffee-tastics) by $1/package. That means all cookie flavors will cost $6.

- **We don’t take any price increases lightly** and we recognize the toll that wildfires and COVID have taken on our communities, including vast economic hardship for many.

- **Our shared mission** at GSNorCal is to build girls of courage, confidence and character who make the world a better place. Our cookie program supports this mission by giving girls hands-on experience in setting goals, running their own cookie businesses, and embarking on their lifelong leadership journeys.

Q: Will we keep all of our other cookies in addition to the new Adventurefuls cookie?


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**New Cookie Flavor**

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**Price Increase**

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The cookie program is also an essential funding vehicle for GSNorCal, and the 2022 pricing is a critical step in our path to recovery after the pandemic. This is our first price increase for core varieties in 8 years—we last increased the price in 2014.

Q: Why did GSNorCal decide to increase the price of cookies?
A: The pandemic took a significant toll on GSNorCal's 2021 Cookie Program, which is our largest source of funding at about 60% of our budget during a typical year—and much more due to COVID over the last year and a half. These funds are vital to supporting our remarkable programs including our camps, volunteer tools and support, and core business operations.

GSNorCal is one of the largest Councils in the country with significant numbers of volunteers, outdoor camps and different programs and experiences compared to any other council.

GSNorCal's Board approves a budget each year, based on membership forecasts, program plans, and expense and revenue estimates, including estimates about the cookie program.

The price increase is necessary to make progress toward balancing our budget in our post-pandemic recovery, and continue to serve girls and volunteers in all areas of our council, including ensuring proper volunteer training, screening and support.

Last year GSNorCal experienced an unprecedented decline in girl participation in the cookie program (more than 50%). This decrease translated into a decrease of over $6 million in net revenue to support GSNorCal's properties, programs, services, and investments in equity.

During the pandemic and as we recover, GSNorCal is operating at a budget deficit, spending down our “rainy day” reserve fund. The $6 cookie price will help reduce the size of our 2022 budget deficit while making progress towards a balanced budget in 2023.

It’s been 8 years since our last price increase, and as consumers know, costs go up every year, particularly with higher fuel and commodity prices.

Costs have risen since 2014: That includes everything it takes to run our organization and its properties, including insurance, rent, maintaining highly-experienced and dedicated employees, and the costs to run the program, including per package cost of the cookies and storage and movement of packages during the program. The price increase is necessary to support the program for each and every girl, balance our budget and continue to serve girls and volunteers in all areas of our council.

Another reality of the current economy is that a lot of girls and volunteers need financial aid to participate in Girl Scouts, and the cookie program is one way we help support those girls and adult volunteers.

We hope that our customers realize that when they buy cookies, they are doing much more than purchasing a treat: they are inspiring generations of EntreprenHERs, promoting sisterhood, stewardship, and social impact, and investing in strong leaders for a better tomorrow.

Q: Why doesn't GSNorCal cut costs instead of raising the price of cookies?
A: As a not-for-profit, we are a community-led organization. Our mission and purpose at GSNorCal is to build courage, character and confidence for girls.

We have reduced our staff by 22% since the pandemic. Further expense reductions would require a significant reduction in both services and fixed costs, including sales of program and camp properties.

It has been 8 years since we last raised the price of cookies; we think our customers and communities understand the rising costs of all goods and services, and Girl Scout Cookies provides the funds to manage the annual increases. GSNorCal uses these funds to support camps, programs, and girls and volunteers while carefully investing what is necessary to sustain the organization for decades to come.
Q: Did GSNorCal “listen to the voice of membership” as required by our Bylaws, before making the decision to charge $6/package for cookies in 2022?

A: Yes. The 2022 Cookie Program design reflects this input from our Girl Scout community. We spent months of research, planning and careful consideration with our Girl, Troop Volunteer and Service Unit Volunteer Product Advisory Boards to inform this aspect of our pandemic recovery.

- In May, we held a meeting and polled a cohort of member participants from our community. After hearing the realities of our budget situation and ways to close the gap for our pandemic recovery, 57% of agreed it is time to raise the price of cookies.
- We held subsequent meetings throughout the summer to hear concerns and ideas from our membership community about how to support a successful 2022 Cookie Program for girls.
- The Board also reviewed finance and membership results and forecasts, and program and property plans for FY22 and beyond, and decided that after 8 years at the $5 price for core varieties, it is time to increase the price to $6.

Q: Why is GSNorCal raising cookie prices but the neighboring Girl Scout councils are offering cookies for a lower price?

A: GSNorCal is one of the largest councils in the country, and we offer different Girl Scout programs and singular outdoor experiences compared to smaller, neighboring councils.

- The extra dollar helps support our 11 camps and program centers; 5 offices and a year-round program center at Bothin that girls and volunteers from all areas of the council enjoy for weekend programs and camporees.
- In addition, a portion of these proceeds contributes to keeping our girls safe through the care of approximately 16,000 volunteers. GSNorCal must ensure that every volunteer is properly trained and supported before we can ask them and our families to place girls in their care.

Q: Isn’t this price increase going to make it harder on our girls to sell cookies and earn funds?

A: We understand the impact these changes may have, and do not take any price change lightly. After months of partnering with girl and volunteer product advisory teams, we have plans in place to support success for girls, troops and our council. Here are some ways we are investing to support girls’ success in this year’s program:

- **Troop proceeds.** We calculate troop proceeds based on the average number of packages sold by participating girls in the troop. For example, if there are 10 girls in the troop and the troop sells 2,500 packages, then the “troop per girl average” is 250 packages. For 2022 we are lowering the troop per girl average required to earn the $0.85 level of troop proceeds from 325+ packages last year to just 230+ packages for 2022. Cadette, Senior and Ambassador troops will still have the option to earn an additional $0.15 per package (a total of $1 per package).

- **GSNorCal pays credit card fees when girls and troops use Digital Cookie.** We first introduced Digital Cookie in 2014, and our council has always paid the Digital Cookie credit card fees. Credit card purchases using Digital Cookie have increased significantly, and it seems likely they will continue to rise. Troops keep more of their cookie earnings when they don’t have to pay the credit card fees. A 3% credit card fee per $6 package translates to $0.18 per package. The council is covering this growing cost of business.

- **Helping girls reach more customers.** This year we are working with outside public relations and digital marketing firms to increase awareness of the cookie program through media and paid advertising. We are improving the ilovecookies.org Cookie Finder by connecting customers to both digital links and booth sites.

- **Flat rate shipping during National Cookie Weekend.** GSNorCal will subsidize shipping costs for customers February 18–20 ($5 flat fee for all orders). GSUSA shared that shipping costs are increasing
significantly. We hope subsidizing shipping with the $5 flat rate (coupled with digital advertising and promotion) will provide a big boost to girls’ digital sales, which we will also help promote through paid digital advertising.

- **Supporting girls to explain what a $6 package of cookie supports.** It has been 8 years since we last increased the price of our core cookie varieties. We will have brief talking points and infographics to help girls explain what cookies support—for troops and for Girl Scouts in Northern California. We probably won’t ever compete with Costco or Walmart on price, but we definitely compete on value. Our cookies (and cookie customers) support camps, outdoor experiences, volunteer training, and opportunity for thousands of girls who are making friends, serving our communities, and becoming leaders.

What Do Cookies Pay For?

**Q: What do cookies pay for?**

**A:** Cookies support a significant portion of GSNorCal’s budget—about 60% during a typical year, and now even more given the pandemic when we lost other revenue generating activities, with closed retail shops and canceled camps and programs.

- In evaluating the various cost components, we are targeting the percentage retained by Council for member services to **remain the same as prior to the pandemic, at about 56% of gross sales.**

- **Cookies help pay for members services and infrastructure which include** community program centers; camp properties, affordable virtual and in-person programming, volunteer resources and background screening and training, program resources and badges, and financial aid.

- **The remaining 42% of gross sales will continue to be invested in girl rewards and troop proceeds at current levels** and in program support (including purchasing cookies, paying for credit card fees in Digital Cookie, and other costs as described in greater detail below).

**Q: How does this price increase benefit girls and troops this year?**

**A:** GSNorCal provides **services and infrastructure** that support high quality, safe Girl Scout experiences for approximately 22,000 girls and 16,000 volunteers across 19 counties. These services include: community program centers; camp properties, affordable virtual and in-person programming, volunteer resources and background screening and training, program resources and badges, and financial aid. These funds are vital to supporting our remarkable programs including our camps, volunteer tools and support, and core business operations. This change in price will help us avoid having to make further reductions in both services and fixed costs, including sales of program and camp properties. Direct benefits to Cookie **EnreprenHERs** include:

- **Program simplification for girls, volunteers and customers with a $6 price reflects between $250,000 and $300,000 investment by GSNorCal.**

- **GSNorCal is absorbing the fees when girls use Digital Cookie for credit card transactions in-person and online at an estimated investment of $200,000.** These fees range between $0.12–$0.18 per $6 package and we expect this cost to continue to rise as girls shift away from cash transactions that limit packages sold.

- **GSNorCal is subsidizing reduced-rate shipping during National Girl Scout Cookie Weekend.** E-Commerce customers will pay only $5 for flat-rate shipping during the 3-day National Cookie Weekend February 18–20, and GSNorCal will pay the balance of the shipping cost, at a minimum estimated cost of $100,000.

- **Increased promotion and advertising.** GSNorCal will continue to invest in connecting more customers to girls’ through ilovecookies.org with paid digital marketing and PR throughout our 19 counties and 648 zip codes. This year, ilovecookies.org customer searches will return both Digital Cookie links and in-person booths.
• Equal access for Digital Cookie: GSNorCal will provide direct support to help girls who do not have access to computers or the Internet to set up their Digital Cookie links.

Q: Why does such a large portion of the cookie proceeds go to Member Services?
A: 56% of each package of cookies sold during the 2022 Cookie Program supports Member Services. Why? Our members, troops, and girls are part of an organization, and it takes money to support our 38,000 girls and volunteers and to operate the organization.

• Cookies help pay for members services and infrastructure which include camp and program property maintenance, forest management, staff, insurance, rent, utilities, information technology, volunteer screening, training and support, website, marketing, and investments in equity, including financial aid, staff-supported troops, and community and path to camp programs for girls who live in low-income communities.

Q: What exactly are Member Services?
A: Member services is short-hand for the services and infrastructure that GSNorCal provides to support volunteers, troops, local program centers and camps.

• We are charging $6 a package which will help us keep Girl Scouts affordable and enables our organization to operate effectively to support our mission and purpose.

• GSNorCal provides services and infrastructure that support high quality, safe Girl Scout experiences for approximately 22,000 girls and 16,000 volunteers across 19 counties and 648 zip codes. These services include: community program centers; camp properties, affordable virtual and in-person programming, volunteer resources and background screening and training, program resources and badges, and financial aid.

**Booth Concerns**

Q: Will GSNorCal support in-person booth businesses this year?
A: Based on current COVID case rates and vaccination rates in Northern California, we highly anticipate that public booths will be back with appropriate safety guidance from GSNorCal. GSNorCal will continue to monitor California State Guidelines throughout the Cookie Program.

**Impact to Low Income Communities/Girls**

Q: What is GSNorCal doing to make sure that girls who live in low-income communities are able to participate in the cookie program? Won’t these girls be at a disadvantage with the $6 price and emphasis on Digital Cookie?
A: We heard these questions and looked at the data. A few points about the 2021 cookie program: 11,329 girls participated in the 2021 cookie program, and based on girls’ zip codes, about 30% of these girls live in low-income communities.

• Girls who live in low-income communities participated in the cookie program, including participation in the digital program, at the same rate as all girls.

• Looking at the program experience of girls who live in low-income communities compared to all girls who participated in the 2021 program, girls who live in low-income communities sold more packages per girl than the council average.

• On average, customers who live in low-income communities, based on the zip code information they provided when they purchased cookies online via Digital Cookie, purchased the same volume of cookies as all customers who made their purchases on Digital Cookie.
For girls and families who are concerned about financial responsibility for cookie inventory, in 2021, some girls and troops ONLY sold with online direct ship and never took possession of cookies, with cookies shipped to customers from a central warehouse.

For girls and families who do not have internet access and are not able to set up a Digital Cookie link, our Product Program team will partner with girls by helping to set up a Digital Cookie link for direct-ship orders only (girl delivery will not be an option, since girls and parents will not be able to monitor the pages).

**Cookie Rewards and Recognition**

**Q. Will the girl recognition plan (items earned) change?**

**A.** GSNorCal’s investment in girl rewards and troop proceeds will continue at total current percentage with a focus on increased Reward Card values and getting more troops to the $0.85 proceed tier.

**Palm Oil**

**Q. How should my girl or I respond to complaints about Palm Oil?**

**A.** Palm oil is an ingredient found in the majority of baked snacks sold in the United States. Per GSUSA’s licensed bakers, it continues to be necessary to use palm oil in our cookies to ensure their shelf life, to bring you the highest quality products, and to serve as an alternative to trans fats. While the bakers, in partnership with GSUSA, continue to explore other alternatives, at this time there are no viable or readily available alternative on the market. GSUSA and RSPO have released a Sustainable Palm Oil Toolkit to help interested Girl Scouts dive deeper into the topic of palm oil and fully understand the issue, as well as a Palm Oil FAQ to further support customer questions.

**Cookie Allergens**

**Q: Are any Girl Scout Cookies Vegan, Gluten-free, or nut-free?**

**A: Yes, please see the Girl Scout Cookie Food Allergen Guide.**

**Q: The cookie packages contain a new allergen disclosure, did we change manufacturing facilities?**

**A: For the 2020-21 season, Little Brownie Bakers updated the precautionary allergen disclosure on its Girl Scout Cookie packaging labels. All packaged foods in the U.S. including Girl Scout Cookies are required to identify any of the top 8 food allergens present as ingredients either in the ingredients list or through a “Contains” statement. A precautionary allergen disclosure (“Manufactured in a shared facility with” statement) was added to our labels to declare the presence of allergens in the bakery where Girl Scout Cookies are made. This update was made to continue to prioritize safety and to be transparent and sensitive to the needs of our customers. Little Brownie Bakers confirms that customers will be buying the same cookies they know and love—and purchase year after year—with no changes made to the manufacturing process.**

**Q: What does “manufactured in a shared facility with [for example, peanuts and eggs].” mean?**

**A: This means that the listed allergens (e.g., peanuts, eggs) are not ingredients in the cookies, but they are ingredients in other products made in the same facility. Girl Scout Cookies are baked in facilities where food safety protocols are adhered to based on FDA guidelines to fully clean production lines and prevent cross-contact of ingredients.**
Q: How are allergen ingredients and products managed in the bakery?

A: Girl Scout Cookies are baked in facilities where food safety protocols are adhered to based on FDA guidelines to prevent cross-contact with allergic ingredients, like peanuts or tree nuts. Ingredients with allergens are clearly labeled, stored separately from other ingredients, and handled by trained professional bakers in ways that prevent cross-contact with other ingredients and products. When allergenic ingredients are used on the equipment, the equipment is thoroughly cleaned and sanitized to ensure the equipment is free of allergens before it is used to make other products.

Q. Do Girl Scout Cookies contain sesame?

A. No, Girl Scout Cookies do not contain sesame as an ingredient.

Q. Is sesame present in the bakery where Girl Scout Cookies are baked?

A. Sesame is only present as an ingredient in the bakery where Girl Scout S'mores is produced. Sesame is not present as an ingredient in the bakery where the other Girl Scout Cookie varieties are produced.

Q. How come sesame is not listed as an allergen in the precautionary allergen disclosure on the Girl Scout S'mores packaging?

A. In Spring of 2021, The Food Allergy Safety, Treatment Education and Research Act became law and named sesame as the 9th food listed as a major allergen. Food manufacturers have until January 1, 2023 to update packaging labels.

Supply Chain Concerns

Q. With Little Brownie Bakers being owned by Kellogg’s, will our cookie supply be impacted by Kellogg’s recent workers on strike?

A. In April 2019, Kellogg’s sold several of their divisions—including Keebler, Famous Amos, and Little Brownie Bakers, to the global confectionary and branded-chocolate company Ferrero Group. Although the current Kellogg’s strike will not impact our cookie supply, we do anticipate significant pandemic-related supply chain issues and encourage all troops to place an initial order of cookies by January 13 if they are planning to participate in the program.

Appendix

1. On Listening to Voice of Membership

- May meeting with Service Unit Volunteers. Our CEO and Senior Director of Product Program invited all Service Unit leaders to a virtual meeting in May 2021, where they shared GSNorCal’s membership and financial realities, and listened to volunteers’ questions, concerns and ideas for next steps. After holding this discussion, 57% of meeting participants agreed it is time to raise the price of cookies, 21% were unsure and wanted more information, and 12% thought it was not a good idea.

- Finance Committee and Board Discussions. Staff shared the Service Unit Volunteer feedback with our Board of Directors at its June 5 meeting. The Board also reviewed finance and membership results and forecasts, and program and property plans for FY22 and beyond, and decided that after 8 years at the $5 price for core varieties, it is time to increase the price to $6.
Product Advisory Board discussions and input. During June through mid-July, our Product Program team formed and held three meetings each with Girl, Troop Leader and Service Unit Volunteer Program Advisory Teams, to hear their concerns and ideas about how to support a successful 2022 cookie program for girls. The 2022 program design reflects input from the Product Advisory Boards, including:

- charging $6 for all varieties, including specialty cookies (which were priced at $7/package for the 2021 program), and
- carrying all 9 varieties, which includes the new Adventurefuls cookie variety

2. Full Statistics on Membership Decline

During the pandemic GSNorCal experienced unprecedented declines in girl membership and girl participation in the cookie program.

- In 2021, 11,329 girls sold 2,630,000 cookie packages, compared to 2020 when 23,179 girls participated and sold 4,680,000 packages.
- This decrease translated into a decrease of over $6 million in net revenue to support Girl Scouts of Northern California's camps, program properties, programs, services, and investments in equity.
- As we work together to increase revenue from the cookie program, we also are reducing costs. Since March 2020, we have reduced our staff by 33 positions—almost 22 percent.

3. More on troop and girl earnings

- **Charge $6 for ALL varieties of cookies.** We will increase the price of core varieties by $1 (from $5 to $6) and reduce the price of specialty cookies by $1 (from $7 to $6/package). The $1 price reduction for specialty cookies will cost GSNorCal between $250,000 and $300,000 in net revenue, and will benefit girls, volunteers, and customers by simplifying the program.

- **GSNorCal purchases cookies from the bakery and pays for distribution expenses and logistics.** Since our 2014 price increase, the price GSNorCal pays to our baker for core variety packages has increased 8% and distribution and storage expenses also have increased tied to supply chain issues such as costs of labor and fuel.