

**Society of American Archivists
Council Meeting
January 13, 2021
Virtual Meeting**

**Discussion of SAA's Dues Structure
(Prepared by SAA Treasurer Amy Fitch and
Finance/Administration Director Peter Carlson)**

BACKGROUND

With the conclusion of the last member dues increase in FY 2018, the Finance Committee and staff put considerable study into adjustments to dues for the near future. The most recent dues changes took effect in July 2016, following an all-member referendum that approved a three-year, stepped increase. Those increases ended in July 2018 and dues have not risen since then.

At the December 2019 Council meeting, Treasurer Amy Fitch and Finance/Administration Director Peter Carlson led an in-person discussion of how SAA's dues structure might be simplified and tied more directly and explicitly to member benefits. The Finance Committee offered several scenarios for the Council to explore at that meeting, with the intention of collecting feedback for the Committee to hone into feasible formal options.

The onset of the pandemic in early 2020 necessitated a pause in these efforts until reliable data on the financial impact to the Society was available for accurate modeling of near-future budgets. By autumn of 2020, Finance Committee members returned to the dues discussion, equipped with current data that reflected a leaner SAA budget and program. A key factor in the reassessment was that dues comprise approximately one third of SAA's operating budget, and SAA needed a sense of how the pandemic and financial downturn would affect membership numbers.

Additionally, the Committee wanted to better understand who pays for a member's dues. In November 2020, the Finance and Membership committees launched a short, all-member survey that yielded a 25% response rate (1,300 individuals). The survey results indicate that 74% of members pay their own dues; employers pay for members' dues in 22% of cases; and the cost is split between members and their employers for 1% of members. In other words, the dues burden lies squarely on the shoulders of our members. The Finance and Membership committees also reviewed the more than 700 open text responses to two questions inviting feedback about 1) the current dues structure and 2) the current dues amounts.

DISCUSSION

Principles

The Finance Committee has created this discussion document to assist the Council in its deliberations about a dues adjustment. The Committee proposes the following guiding principles:

1. In order to execute its increasingly visionary strategic plan, SAA must achieve revenue from Membership sufficient to sustain its pre-pandemic service levels and staffing. Achieving this goal relies on the following numbers:
 - a. Target revenue minimum from Membership is \$1,050,770.
 - b. FY 2020 actual Membership revenue is \$1,015,260.
 - c. By comparison, the best practice for similar types of associations is 38% to 40% of total gross revenues (a three-year average from 2017 to 2019), which for SAA equates to \$1,107,000. Note that FY 2020 figures are not used due to the anomalies of the pandemic's impact.
2. The Institutional dues categories should be increased at a significantly higher percentage than Individual dues categories, in accordance with the expressed will of the Council.
3. The dues adjustment proposal should reduce the number of categories of membership (i.e., simplify the dues schedule) as much as is feasible.
4. The proposal (like previous proposals) should be based on a three-year phased increase. Implementing the increase over a three-year period enables SAA to budget for any forecasted changes to non-dues revenue streams, such as publications and annual meetings. It also allows staff to develop programs and implement technology enhancements with some measure of predictable income. And a planned increase minimizes the risk of further financial crises and reactionary budgeting so that SAA can continue to invest in its infrastructure and technology to support the programs that address member needs and interests.

In addition, these four significant factors must be addressed in any dues proposal:

First, the requirement of an all-member referendum for dues changes should be eliminated. Council members hold fiduciary responsibility for the Society's viability, and therefore they are legally obligated to make decisions that ensure its future financial stability. The individual members do not hold this legal obligation. Indeed, it's likely that members may choose their own self-interest over that of the Society in such a situation, creating a significant conflict of interest.

Second, the proposal must be consistent with the Council's emerging strategic priorities. The Council must take into consideration the realities of the pandemic's impact on revenue, programming, and overall volunteer and staff capacity to achieve strategic goals. For example, the

critically important DEI initiative in the Council’s Strategic Plan requires substantial resources to meet the Society’s stated goals. The launch of A*CENSUS II is another strategic priority necessitating significant time and funding (even beyond that provided by the IMLS grant). Note: Unless SAA experiences significant growth in membership, it is likely that we will be unable to address the spending priorities of the current Strategic Plan.

Third, collaboration and consultation with the Membership Committee is vital for an effective member education and communication plan. Both the Council and the Membership Committee must advocate actively for the new dues structure. Both groups are essential to the effort to communicate the details of the structure to members to achieve a successful referendum result, as well as to eliminate the requirement for the referendum for subsequent dues changes.

Fourth, SAA should move to a single anniversary date during the three-year graduated dues adjustment to align with recent changes to accounting practices. For example, the membership year would run from January 1 to December 31. Note that the shift would not change a member’s dues liability or benefits, as adjusted renewal dates would be implemented through pro-rated dues for the year during which they take effect.

Scenarios

Based on these principles and factors, the Finance Committee presents four scenarios (see Appendix) to consider for a new dues structure that simplifies the individual categories (in three out of the four options) while also raising—or approximating—sufficient gross revenue to maintain current services and programs during Year 1 of the increase. As stated in Principle 1.a. above, the target revenue minimum is \$1,050,770.

Also to be noted, these scenarios leave in place the categories of Associate (Domestic and International), Bridge, and Student. They focus on the ID1 through ID8, Retired, and Institutional categories.

Scenario A: 3.5% flat increase of Individual categories and 15% flat increase of Institutional categories.

This option is presented as a metric, with no structural changes to the current ID tiers. The proposed rates are for Year 1 of 3 and are projected based on the September 2020 financials.
Projected revenue = \$1,049,000.

Scenario B: Four-tier Individual plan.

This option collapses several of the current ID tiers and rounds rate amounts to end in “5” or “0.” It is regressive for several of the current tiers, which is true of all plans that reduce the number of tiers in the structure.
Projected revenue = \$1,018,000.

Scenario C: Three-tier Individual plan.

This option is based on a Council suggestion to flatten greatly the overall structure and also

reduce Individual rates while increasing Institutional rates. The proposed three tiers are 1) student, 2) less than \$50,000 in income, and 3) more than \$50,000, with almost a 20% increase to Institutional rates.

Projected revenue = \$889,000.

Scenario D: Three Individual levels of membership that are not aligned with salary.

Ideally, these levels are based on where you are in your career. They are currently referred to as Tiers 1 through 3. Specific labels (to be determined) will match time in the profession. Institutional membership is separate.

Projected revenue = \$1,009,000.

Discussion Questions

1. Traditionally, SAA has based its dues structure on salary levels, with higher rates for members with higher salaries to subsidize lower rates for those with lower salaries.

How important is it to maintain that subsidy?

How important is it to maintain a salary-based dues system? Without a salary base, how do we maintain that subsidy?

2. In order for the Finance Committee and staff to extrapolate projected revenue for Years 2 and 3 of a dues increase (per Principle 4 above), it is important to begin focusing on the Council's preference(s). Which is the Council's preferred scenario?
3. The Council has a very ambitious Strategic Plan. How can we pursue the Strategic Plan activities with a dues revenue stream that, at best, maintains the current, leaner budget for programs and services? Alternatively, how can we implement a dues increase that supports the Strategic Plan?

Scenario A

Flat 3.5% -- 15% Institutional					
Dues Category	Dues	Revenue	\$ Change	% Change	
Associate Domestic	\$ 120	\$ 15,720.00	\$ 5.00	4.35%	
Associate International	151	5,738.00	6.00	4.14%	
Bridge	57	1,140.00	2.00	3.64%	
ID1 (Part-time)	83	60,507.00	3.00	3.75%	
ID2 (\$20-29k/yr)	109	24,307.00	4.00	3.81%	
ID3 (\$30-39k/yr)	145	37,700.00	5.00	3.57%	
ID4 (\$40-49k/yr)	181	92,672.00	7.00	4.02%	
ID5 (\$50-59k/yr)	226	133,114.00	8.00	3.67%	
ID6 (\$60-75k/yr)	259	167,573.00	9.00	3.60%	
ID7 (\$75-89k/yr)	295	88,205.00	10.00	3.51%	
ID8 (>\$90k/yr)	337	122,668.00	12.00	3.69%	
Lifetime					
Honorary					
Retired	80	19,920.00	\$ 3.00	3.90%	
Student	57	61,389.00	\$ 2.00	3.64%	
Regular	395	166,295.00	\$ 55.00	16.18%	
Sustaining	685	52,745.00	\$ 90.00	15.13%	
		\$ 1,049,693			
FY 2020 Revenue Budget		\$ 1,050,768	(1,075)	-0.10%	
FY 2020 Revenue Actual		\$ 1,015,260	34,433	3.39%	
40% of 3-year avg Total Rev		\$ 1,107,701	(58,008)	-5.24%	

Scenario B

4-Tier (Individual) 10% Inst.					
Dues Category	Dues	Revenue	\$ Change	% Change	
Associate Domestic	\$ 117	\$ 15,327.00	\$ 2.00	1.74%	
Associate International	148	\$ 5,624.00	\$ 3.00	2.07%	
Bridge	55	\$ 1,100.00	\$ -	0.00%	
ID1 (Part-time)	80	\$ 58,320.00	\$ -	0.00%	
ID2 (\$20-29k/yr)	80	\$ 17,840.00	\$ (25.00)	-23.81%	
ID3 (\$30-39k/yr)	140	\$ 36,400.00	\$ -	0.00%	
ID4 (\$40-49k/yr)	140	\$ 71,680.00	\$ (34.00)	-19.54%	
ID5 (\$50-59k/yr)	250	\$ 147,250.00	\$ 32.00	14.68%	
ID6 (\$60-75k/yr)	250	\$ 161,750.00	\$ -	0.00%	
ID7 (\$75-89k/yr)	325	\$ 97,175.00	\$ 40.00	14.04%	
ID8 (>\$90k/yr)	325	\$ 118,300.00	\$ -	0.00%	
Lifetime					
Honorary					
Retired	80	\$ 19,920.00	\$ 3.00	3.90%	
Student	55	\$ 59,235.00	\$ -	0.00%	
Regular	375	\$ 157,875.00	\$ 35.00	10.29%	
Sustaining	655	\$ 50,396.50	\$ 59.50	10.00%	
		\$ 1,018,193			

FY 2020 Revenue Budget	\$ (32,575.21)	-3.10%
FY 2020 Revenue Actual	\$ 2,932.10	0.29%
40% of 3-year avg Total Rev	\$ (89,508.75)	-8.08%

Scenario C

3-Tier Under 50K, Over 50K, Student Indiv Category					18 % Inst.
Flat Individual (+2%)					
Dues Category	Dues	Revenue	\$ Change	% Change	
Associate Domestic	117	\$ 15,327.00	2.00	2%	
Associate International	148	5,624.00	3.00	2%	
Bridge	80	1,600.00	25.00	45%	
ID1 (Part-time)	80	58,320.00	-	0%	
ID2 (\$20-29k/yr)	80	17,840.00	(25.00)	-24%	
ID3 (\$30-39k/yr)	80	20,800.00	(60.00)	-43%	
ID4 (\$40-49k/yr)	80	40,960.00	(94.00)	-54%	
ID5 (\$50-59k/yr)	225	132,525.00	7.00	3%	
ID6 (\$60-75k/yr)	225	145,575.00	(25.00)	-10%	
ID7 (\$75-89k/yr)	225	67,275.00	(60.00)	-21%	
ID8 (>\$90k/yr)	225	81,900.00	(100.00)	-31%	
Lifetime					
Honorary					
Retired	80	19,920.00	3.00	4%	
Student	55	59,235.00	-	0%	
Regular	400	168,400.00	60.00	18%	
Sustaining	700	53,900.00	105.00	18%	
		\$ 889,201			

FY 2020 Revenue Budget	\$ (161,566.71)	-15.38%
FY 2020 Revenue Actual	\$ (126,059.40)	-12.42%
40% of 3-year avg Total Rev	\$ (218,500.25)	-19.73%

Scenario D

3-Tier (Individual) 18% Inst./ Combine Associate Category						
Current Dues Category	New Dues	Dues	Revenue	\$ Change	% Change	
Associate Domestic	Associate	\$ 133	\$ 17,370.60	\$ 17.60	15.30%	
Associate International		\$ 133	\$ 5,038.80	\$ (12.40)	-8.55%	
Student	Student	60	\$ 64,620.00	\$ 5.00	9%	
Retired		80	19,920.00	\$ 3.00	4%	
Bridge		80	1,600.00	\$ 25.00	45%	
ID1 (Part-time)	Tier 1	80	58,320.00	\$ -	0%	
ID2 (\$20-29k/yr)		80	17,840.00	\$ (25.00)	-24%	
ID3 (\$30-39k/yr)		80	20,800.00	\$ (60.00)	-43%	
ID4 (\$40-49k/yr)		200	102,400.00	\$ 26.00	15%	
ID5 (\$50-59k/yr)	Tier 2	200	117,800.00	\$ (18.00)	-8%	
ID6 (\$60-75k/yr)		200	129,400.00	\$ (50.00)	-20%	
ID7 (\$75-89k/yr)		350	104,650.00	\$ 65.00	23%	
ID8 (>\$90k/yr)	Tier 3	350	127,400.00	\$ 25.00	8%	
Lifetime	Lifetime					
Honorary	Honorary					
Regular	Regular	400	168,400.00	\$ 60.00	18%	
Sustaining	Sustaining	700	53,919.25	\$ 105.25	18%	

\$ 1,009,479

FY 2020 Revenue Budget	\$ (41,289.06)	-3.93%
FY 2020 Revenue Actual	\$ (5,781.75)	-0.57%
3-year avg TRev 40% Rate	\$ (98,222.60)	-8.87%