

**Society of American Archivists
Council Meeting
November 8 – 10, 2015
Chicago, Illinois**

**Proposed Revision of SAA Member Dues and Categories
(Prepared by SAA Treasurer Cheryl Stadel-Bevans, Executive Director
Nancy Beaumont, and Director of Finance and Administration Peter Carlson)**

BACKGROUND

At its November 2014 meeting the SAA Council adopted unanimously the following motion:

THAT the SAA Council support, pending its final approval, the introduction of a revised dues structure (per [Appendix B](#) of the original report), effective July 1, 2016, that would result in the first of a three-year dues increase for most categories of membership and an overall increase in dues revenue to support future operations and strategic activities.¹

At its May 2015 meeting the Council adopted unanimously the following motion:

THAT the SAA Council propose to the Annual Business Meeting in August 2015 and to the general membership via online referendum in Fall 2015 that, effective July 1, 2016, a graduated dues increase totaling 10% of current dues be phased in over a three-year period according to the following schedule....²

The briefing paper that was presented for member feedback before and during the Annual Business Meeting is attached (Appendix A).

Per a Council-proposed motion adopted by the membership in August 2011, all changes in member dues must be put forward to an online all-member referendum “no fewer than sixty (60) days and no more than ninety (90) days after the meeting.”³ The referendum must be initiated on or before November 20, 2015.

DISCUSSION

Member feedback on the proposed dues increase received at and since the Annual Business Meeting has focused on two ideas: 1) creation of a new, higher dues category (ID8) to acknowledge that some archivists earn substantially more than the \$75,000 that

¹ See Motion 3 at http://www2.archivists.org/sites/all/files/1114_Minutes_Adopted.pdf.

² http://www2.archivists.org/sites/all/files/0515%20Minutes_For%20Posting.pdf

³ <http://www2.archivists.org/governance/handbook/section1/bylaws>

currently is the baseline for the ID7 category, and 2) that SAA's dues schedule is regressive in that members in the lower dues categories pay a higher percentage of their salaries for dues than do individuals in the higher dues categories. Each idea is discussed below.

Member Dues Categories

At the Annual Business Meeting several members recommended that SAA consider adding a new dues category – ID8 – in acknowledgment of the fact that some members earn considerably more than the \$75,000 that currently is the baseline for the ID7 category.

The Finance Committee and Council had previously discussed an overhaul of the dues categories to simplify an overly complex structure, but had decided to put aside that idea because any attempt to rationalize collapsing or leveling of categories would result in a legitimate concern among members in affected categories that they are bearing an unfair share of any proposed increase. In addition, explaining changes in dues categories would be extremely difficult in an all-member referendum.

Given the number of members who spoke in favor of creating an ID8 category, however, we have included that category – at a baseline salary of \$90,000 – in the dues schedule proposed below. The differential in salary levels from ID2 to ID5 is \$10,000 and the differential from ID6 to ID8 is \$15,000.

Moving Toward a More “Progressive” Dues Schedule

At the Annual Business Meeting SAA member Eira Tansey spoke to the “regressive” nature of the SAA dues structure. On September 10, 2015, her comments were followed up in a written petition, directed to SAA President Dennis Meissner, Treasurer Cheryl Stadel-Bevans, the SAA Council, and Executive Director Nancy Beaumont and signed by 52 individual members, that noted the following:

Both the current and proposed dues structures, while ostensibly (and commendably) created as fairness measures, are in fact regressive. Members at all but the lowest income tier pay more as a proportion of their income than do their higher-income counterparts. Lower-income members are frequently paraprofessionals, new graduates, and project archivists – archivists who benefit enormously from the networking and educational opportunities offered by SAA, but who are also the least likely to receive institutional support for professional travel, and the most burdened by additional out-of-pocket costs from their already stretched salaries....⁴

The petition continued:

We ask for SAA to consider and respond to the following items:

Has SAA considered implementing a progressive dues structure in the past, and if so, why was it not implemented? Similar to progressive taxation, a progressive dues

⁴ <http://eiratansey.com/updates/>

structure would require lower-income members to pay a smaller proportion relative to their incomes, whereas higher-income members would pay a higher rate.

Prior to the member referendum, is it feasible to revise the current proposed FY17-19 dues schedule that would result in a progressive structure within the next 3 years? If it is not feasible, why not? We understand that shifting from the current structure is not easy, and requires a look at current and projected membership numbers to ensure adequate income assumptions. We would prefer to see lower-income dues frozen at their current levels or reduced, while higher-income levels are shifted to a higher-rate in order to realize a more progressive structure.

If a revision of the current proposed schedule is not possible before the member referendum, will Council adopt investigation of a progressive dues structure as an item for its next meeting? If a revision of the current proposal cannot be completed before the member referendum, we ask SAA to immediately prioritize investigating a more progressive schedule, and make an announcement to solicit public comments as soon as possible.

Has Council investigated increasing the number of tiers at the high end of the income scale? To maximize the level of fairness and demonstrate commitment to as progressive a dues scale as possible, we also recommend investigating one or more additional membership tiers above the \$75,000 level.

Following receipt of the letter, the SAA staff (Beaumont, Black, Carlson, and Salgado) in consultation with Stadel-Bevans developed numerous scenarios for moving to a “progressive” dues structure.⁵ Our guiding principles were the following:

- Although SAA’s existing dues structure was intended to be progressive by virtue of being salary-based, we understand the rationale behind a progressive dues structure based on percentage of salary, and we would make a good faith effort to address the concerns as quickly as possible.
- We must come as close as possible to ensuring the dues revenues projected in the original proposal, as the Council recognizes that these levels are required for continued progress toward meeting SAA’s strategic objectives and operational needs.
- We should not reduce membership dues for any category, as the value of membership should not be diminished.
- We must be careful to avoid the possibility of “sticker shock,” especially for the four categories of membership that comprise roughly 51% of dues revenue (i.e., ID5, ID6, ID7, and Regular Institutional). Also ID8, which will be drawn from members in existing dues categories, must be considered in this regard.

⁵ In determining the percentage of income that dues comprise, across all scenarios we assumed that the minimum income level of ID 1 is \$15,000 and we based the dues-to-income ratio on the minimum salary in each individual dues category.

We began with Scenario 1: What if we were to immediately implement a progressive dues schedule in which all member categories would pay a dues rate equivalent to 0.4% of their salaries in the first year (effective July 2016), and then continue incremental increases for years 2 and 3?

Pro: The greatest benefit of implementing this scenario would be to demonstrate SAA's willingness to be immediately responsive to the members who would like to see implementation of a more progressive dues schedule.

Con: This approach would result in great swings in important dues categories, yield insufficient revenue such that the Council's support for the dues increase would have to be reevaluated, and risk erosion of the value of an SAA membership by lowering several dues levels for the three-year duration of the dues increase. Specifically, it would:

- Yield significantly less dues revenue to support SAA's strategic plans and operational needs. The total dues revenue realized – assuming no attrition – would be \$51,055 less across the three years than would be realized based on the original proposal (\$20,502 less in year 1 + \$16,656 less in year 2 + \$13,897 less in year 3).
- Result in a drastic change in dues for many members. Members in the new ID8 category, for example, would see their dues increase from \$250 (the current rate for ID7 members) to \$386 by 2018 (a 54.50% increase). This creates many challenges from a marketing perspective (e.g., “sticker shock”).

We then considered Scenario 2: What if we were to implement a progressive dues schedule at a much more gradual pace, keeping ID1 and ID2 at their current levels (\$80 and \$105) indefinitely and slowly increasing other levels each year until they arrive at a progressive schedule? We calculated that it will take 12 years of consistent application (until 2027) to arrive at a progressive structure in which all members in all categories would be paying dues at a rate of 0.53% of their salaries.

Pro: The benefits of implementing this scenario would be:

- Although there would be a \$2,294 decrease in overall dues revenue from the original proposal, this differential is manageable.
- There would be far less “sticker shock” for members in all categories because of the very gradual nature of the increase.

Con: The major challenges associated with committing to a 12-year plan include the following:

- We cannot know now whether the bottom line of dues revenue projected in this scenario for 2027 will be accurate or sufficient to meet SAA's needs.

- Although it would show some level of good faith in moving toward a progressive schedule, a fully progressive schedule would not be in place for 12 years.
- Committing to only the first three years of this schedule leaves the issue of progressivity uncertain.

After considering many scenarios on the spectrum between these two, and in consultation with the Finance Committee, we arrived at the dues schedule proposed in the recommendation below. In this scenario:

- The dues rates for ID1 and ID2 are held at 2015 levels through 2018, at which point the \$80 rate will still comprise 0.53% of their salaries, based on baseline salaries of \$15,000 and \$20,000, respectively.
- The dues rate for ID3 progresses from 0.43% to 0.47% of \$30,000.
- The dues rate for ID4 progresses from 0.40% to 0.44% of \$40,000.
- The dues rate for ID5 progresses from 0.40% to 0.44% of \$50,000.
- The dues rate for ID6 progresses from 0.38% to 0.42% of \$60,000.
- The dues rate for ID7 progresses from 0.33% to 0.38% of \$75,000.
- The dues rate for a newly created ID8 category would begin at 0.31% of \$90,000 and progress to 0.36% in year 3.

Pro: The benefits of implementing this scenario include the following:

- Maintenance of the dues income needed in years 1 to 3 to support SAA’s strategic plans and operational needs;
- Demonstration of a good faith effort to move toward a more progressive dues schedule without compromising the overall goals of the dues increase or the stability of SAA’s finances; and
- Minimizing of “sticker shock” among those member categories that comprise approximately 51% of dues revenue, thus minimizing the risk of attrition.

Con: The challenges associated with this scenario include the following:

- Some members may feel that the proposed schedule does not advance us toward a fully progressive dues schedule quickly enough;
- Some members may not actually support a progressive dues structure beyond what currently exists (i.e., progressive to the extent that those with higher salaries pay more for the same benefits); and
- It establishes a criterion for dues levels that is not tied directly to the Council’s and management staff’s responsibility to “ensure the financial stability and growth of the organization.”

The Need for a Dues Increase

As discussed at the November 2014 and May 2015 Council meetings and at the Annual Membership Meeting, we believe that implementation of a dues increase, effective July 1, 2016, is critical to support both the ongoing financial stability of the organization and its strategic growth, to reflect cost-of-business increases since the last dues change (July 2011–July 2014), to accommodate changes in non-dues revenue streams (including publications and annual meetings), and to bring SAA into alignment with association best practices and recommendations.

Among key considerations in recommending a dues increase are the following:

- To remain the preeminent professional organization representing the interests of archives and archivists, SAA must ensure the sustainability of its investments in advocacy and public awareness efforts through outreach and coalition building. With modest funding our efforts have been modest. Bolder initiatives and the possibilities that come from experimental risk will require more robust and continuous funding.
- As a result, of the resources derived from the 2011–2014 dues increase, SAA has positioned itself to begin developing first-class information technology, e-publishing, and professional education programs for our members. To sustain itself and continually enhance these programs, SAA must continue to invest in its infrastructure and technology, including the member database, its efforts to make the SAA website more accessible and content rich, and its expansion of our best-of-breed curriculum and certificate programs.
- To assist members in their careers, SAA must continue to enhance and upgrade its education offerings and methods of delivery. Capacity is stretched thin in the current model; infrastructure solutions to expand capacity are within our grasp.
- Although SAA's membership remains healthy at approximately 6,200, growth has leveled off. The proposed budget for FY 2016 predicts no growth in income from member dues.
- In response to member feedback, we are experimenting with new locations and meeting models for the Annual Meeting. We are likely to find that not all locations or models will yield the generous net-gain margins that we have experienced recently, for example, with the Joint Annual Meeting in Washington, D.C. Regardless of location, Annual Meeting costs will continue to challenge our ability to control expenses in line with the expected future increase in costs associated with travel, lodging, and rent.
- SAA's leaders firmly believe that it is better to propose modest increases in membership dues than to wait for a negative balance sheet or financial crisis that may require a special assessment.
- With the proposed dues increase, the Finance Committee attempts to show sensitivity to all members in all dues categories by a) implementing the dues increase over a three-year period and b) distributing the dues increase in a manner that minimizes the impact on students, retirees, and those with lower salaries.

- As in other businesses, operational costs, personnel expenses (including health insurance and benefits), printing, postage, supplies, and office lease continue to increase.
- The early 2000s marked years of progressive growth in publication revenue that came to a halt with the 2008 recession. Since then, publication sales have declined steadily despite our move—at member request—to electronic publications.
- SAA cannot rely on the vagaries of grant support for program research, development, and enhancement, especially as many organizations and individuals compete for agency grants (e.g., NHPRC, IMLS, NEH, and NEA) even as agency budgets are stretched thin.
- The proposed increase is within the normal range when compared with current (2014) dues structures of related professional groups.
- The American Society of Association Executives, which represents more than 11,000 international, national, regional, state, and local professional associations, recommends that associations strive for a ratio of 35% dues revenue / 65% non-dues revenue in order to mitigate swings in non-dues revenue due to economic and other factors.

We fully support modifying the original proposal to incorporate a move toward a more progressive dues schedule as a means of ensuring a fair distribution of the dues burden among the various categories of membership.

During a conference call on October 28, the Finance Committee approved unanimously that the following revised dues schedule be recommended to the Council.

RECOMMENDATION

THAT the following dues schedule, proposed to take effect on July 1, 2016, be put forward to the general membership via online referendum no later than November 20, 2015:

Membership Category	2015 Dues Current	Proposed Dues (FY2017)	Proposed Dues (FY2018)	Proposed Dues (FY2019)
Retired	\$70	\$73	\$75	\$77
Bridge	\$50	\$52	\$53	\$55
Student	\$50	\$52	\$53	\$55
ID1 (part-time)	\$80	\$80	\$80	\$80
ID2 (\$20-\$29k/yr)	\$105	\$105	\$105	\$105
ID3 (\$30-\$39k/yr)	\$130	\$133	\$136	\$140
ID4 (\$40-\$49k/yr)	\$160	\$164	\$169	\$174
ID5 (\$50-\$59k/yr)	\$200	\$206	\$212	\$218
ID6 (\$60-\$74k/yr)	\$225	\$233	\$241	\$250
ID7 (\$75-\$89,999/yr)	\$250	\$265	\$275	\$285
ID8 (>\$90k/yr)	\$250*	\$292	\$310	\$325
Regular	\$300	\$320	\$330	\$340
Sustaining	\$550	\$565	\$580	\$595
Associate Domestic	\$100	\$105	\$110	\$115
Associate International	\$125	\$130	\$135	\$145

*Currently there is no ID8 category; presumably individuals who would be in this category are currently in the ID7 category.

Support Statement: SAA has set itself on a growth-oriented path with an ambitious five-year Strategic Plan, healthy but leveling membership numbers, a high-demand education program in keeping with the Society’s core mission, an enlivened but still young Foundation, and commendable staff leadership. The Council must either sustain this growth strategy from predictable revenue sources or acknowledge that its plans are heavily contingent on the increasing success of such products and services as publications, workshops, and the Annual Meeting.

Implementation of a dues increase, effective July 1, 2016, is critical to support the ongoing financial stability of the organization, to reflect cost-of-business increases since the last dues change, to accommodate changes in non-dues revenue streams (including publications, workshops, and annual meetings), and to bring SAA into alignment with association best practices and recommendations. Implementation of a modest dues increase over time enables members and SAA to budget accordingly and allows SAA to develop programs and balance operational costs with anticipated income. A planned increase also minimizes the risk of financial crisis and reactionary budgeting.

In addition, it is highly advisable that SAA ensure that future dues revenue, in combination with the Society’s non-dues revenue, will not only support association operations, but also provide approximately 3% to 6% yearly contribution to reserves to support advances in technology, communication, and future member services.

The proposed schedule acknowledges the concerns expressed by some members that the current dues schedule is not progressive (i.e., that the lower-salary categories amount to a higher percentage of salary than do the higher-salary categories). The proposed schedule moves toward a more equitable progressive dues structure over the course of three years.

Fiscal Impact: There is no material direct cost associated with implementing a dues increase. Member attrition as a result of a dues increase cannot be predicted at this time. The projected change in revenue based on the proposed model is an increase over FY 2015 actuals of \$42,870 by the end of FY 2017, \$69,184 by the end of FY 2018, and \$97,525 by the end of FY 2019.

Society of American Archivists

Briefing Paper: Council-Proposed Motion to Implement a Member Dues Increase, Effective July 1, 2016

For discussion at the August 22, 2015, SAA Annual Business Meeting at the Cleveland Convention Center, Cleveland, Ohio. Distributed to all SAA members on August 13, 2015, via www.archivists.org.

SUMMARY

Having considered at length SAA's strategic goals and financial resources, the SAA Council voted at its May 2015 meeting to propose to the membership a dues increase to take effect beginning July 1, 2016. The increase would apply to all member categories, would be implemented over a three-year period, and would average between 3% and 3.3% per year. The proposal is based on the Council's unanimous support for maintaining a growth strategy for SAA as measured by the quality of its member services and the Society's leadership role on behalf of archivists and the archives profession. The Council will propose to the membership in a referendum to be conducted by November 20, 2015, the following motion for approval.

MOTION: THAT an increase in SAA member dues be implemented over a three-year period, beginning July 1, 2016, according to the following schedule:

Membership Category	Current Dues (FY2016)	Proposed Dues (FY2017)	Proposed Dues (FY2018)	Proposed Dues (FY2019)
Retired	\$70	\$73	\$75	\$77
Bridge	\$50	\$52	\$53	\$55
Student	\$50	\$52	\$53	\$55
Indiv ID1 (<\$20k/yr)	\$80	\$83	\$85	\$88
Indiv ID2 (\$20-\$29k/yr)	\$105	\$109	\$112	\$115
Indiv ID3 (\$30-\$39k/yr)	\$130	\$135	\$139	\$143
Indiv ID4 (\$40-\$49k/yr)	\$160	\$166	\$171	\$176
Indiv ID5 (\$50-\$59k/yr)	\$200	\$208	\$214	\$220
Indiv ID6 (\$60-\$74k/yr)	\$225	\$234	\$241	\$248
Indiv ID7 (≥\$75k/yr)	\$250	\$260	\$267	\$275
Regular Institutional	\$300	\$312	\$321	\$330

Membership Category	Current Dues (FY2016)	Proposed Dues (FY2017)	Proposed Dues (FY2018)	Proposed Dues (FY2019)
Sustaining Institutional	\$550	\$572	\$589	\$605
Associate Domestic	\$100	\$104	\$107	\$110
Associate International	\$125	\$130	\$134	\$138

PROPOSED BY: The SAA Council.

SUPPORT STATEMENT: SAA has set itself on a growth-oriented path with an ambitious five-year Strategic Plan, healthy but leveling membership numbers, a high-demand education program, a publications program that is working toward a successful e-publishing business model, and nascent advocacy and public awareness efforts. This growth strategy is most likely to be sustained only if SAA maintains an appropriate balance of revenues from both member dues and non-dues sources (i.e., product and service sales). The table lays out the proposed dues schedule, which would be implemented over a three-year period and reflect an increase of approximately 3% per year. The Council believes that the proposal reflects a fair distribution of the dues burden among the various categories of membership.

FISCAL IMPACT: Assuming no decline in membership, the proposed three-year increase would yield an additional \$42,280 in dues revenue by the end of FY 2017, an additional \$68,535 by the end of FY 2018, and an additional \$97,445 by the end of FY 2019. This proposal not only provides support for the Society’s routine operations but also will generate a modest yearly contribution to reserves (in the range of 3% to 6%) to support continued advances in technology and communication and future member services. It is not possible to estimate at this time how many members may drop their memberships as a result of a dues increase.

BACKGROUND

The scheduled conclusion of approved dues increases in FY 2014 caused the SAA Finance Committee to examine the Society’s capacity to provide a solid financial basis for SAA’s ambitious strategic direction. The Committee has been especially aware of the importance of member dues in SAA’s finances and of its charge to “...annually review SAA dues and dues revenue to assure SAA’s long-term financial stability.” The Committee considered the appropriateness, scope, timing, and financial details of a dues revision at each of its in-person meetings in 2012, 2013, and 2014 and via several conference calls during which the group discussed the financial resources needed to ensure SAA’s future stability.

The Committee recommended to the Council in November 2014 that a three-year stepped dues adjustment be implemented, effective July 1, 2016.⁶ At that time the Council affirmed the need to move forward with a dues increase proposal, pending some revisions of the dues schedule. At its May 2015 meeting, the Council discussed the proposed dues schedule⁷ and voted unanimously to bring the proposal forward to an all-member referendum in 2015.

Process for Approval—Member Referendum: In August 2011 members approved at the Annual Business Meeting a Council recommendation that SAA’s Bylaws be revised to state that member

⁶ See http://www2.archivists.org/sites/all/files/1114-III-A-MemberCatsDues_REV.pdf

⁷ See <http://www2.archivists.org/sites/all/files/0515-III-A-MembDues.pdf>

dues changes (as well as amendments to the Constitution and Bylaws) will be determined by member referendum.⁸ Following discussion of the proposed dues change at the August 22, 2015, Annual Business Meeting, the motion (in its current form or revised as a result of the discussion) will be presented to the full membership in an online referendum to be initiated between October 21 (i.e., 60 days after the Business Meeting) and November 20 (i.e., 90 days after the meeting).

DISCUSSION / ANALYSIS

The SAA Council, which bears fiduciary responsibility for the organization, believes that implementation of a modest dues increase in July 2016 is critical to SAA's ongoing financial stability. The proposed schedule addresses cost-of-business increases since the last dues change ending in FY 2014 and accommodates forecasted changes in non-dues revenue streams (including publications and annual meetings). Implementing the increase over a three-year period enables SAA to budget accordingly and to develop programs and implement technology enhancements with some measure of predictable income. A planned increase also minimizes the risk of financial crisis and reactionary budgeting.

As a result, in part, of the resources derived from the 2011-2014 dues increase, SAA has been able to 1) invest in development of a robust professional education program; 2) experiment with e-publishing and annual meeting models in response to member feedback; 3) launch new advocacy and public awareness initiatives; 4) take steps to make the SAA website more functional, accessible, and content-rich; and 5) create a reserve that will enable purchase of a more nimble and functional association management software system. Technology is expensive, and we must maintain a steady (predictable) investment in it or risk spending money on temporary, patchwork responses to members' needs.

To sustain its overall growth, SAA must have a baseline measure of predictable income (i.e., dues) so that the organization is not overly reliant on the increasing success of such revenue-producing products and services as publications, workshops, and annual meetings and so that it can continue to invest in its infrastructure and technology to support the programs that address member needs and interests.

- Members are turning to SAA for continuing education in record numbers as career opportunities widen. SAA must continue to enhance its education offerings and upgrade methods of delivery. Capacity is stretched thin currently; the human talent is in place and technology/infrastructure solutions to expand capacity are within our grasp.
- Based on member feedback, SAA is experimenting with new locations and models for the Annual Meeting. Although we all agree this is the right thing to do, experimentation will require some compromises in achieving the best financial results in regard to this critically important source of non-dues revenue. Notwithstanding the potential impact of experimenting with new models, the costs of travel, room rental, audiovisual, and food and beverage will continue to increase.
- The early 2000s marked years of progressive growth in publication revenue that halted with the 2008 recession. Since then, publication sales have declined steadily despite SAA's move to electronic publications. This "loss leader" program awaits a successful e-publishing business

⁸ See <http://www2.archivists.org/governance/handbook/section1/bylaws>

model. In the meantime healthy revenues from member dues will allow SAA to maintain high-quality professional publications and implement new platforms that are the foundation of this new business model.

- To remain the preeminent professional organization representing the interests of archives and archivists, SAA must ensure the sustainability of its investments in advocacy and public awareness efforts through outreach and coalition building. Modest funding of our early efforts has produced modest results in view of our ambitious goals. Bolder initiatives and the possibilities that come from experimental risk will require a greater investment and continuous funding.
- Although SAA's membership remains healthy at 6,200+, growth has leveled off. The FY16 budget projects no growth in member dues income.

SAA member feedback has shown the importance of developing and maintaining best-in-class information technology, e-publishing and subscription services, and professional education programs and initiating advocacy and public awareness efforts. During the past three years the organization has been able to address each of these areas. But continuing advancement is expensive and must be sustained over time to be effective. A modest dues increase, phased in over time, allows for SAA to plan and implement complex systems and programming enhancements with confidence that baseline revenues are suitable to the task. Without such confidence, we run the risk of scaled-back ambitions and short-term budget planning.

CONTACTS FOR MORE INFORMATION:

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SAA Director of Finance/Administration Peter Carlson: pcarlson@archivists.org.