

**Society of American Archivists
Council Meeting
December 3-5, 2019
Chicago, Illinois**

**Option for Future Dues Changes
(Prepared by Treasurer Amy Fitch and
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BACKGROUND

The Finance Committee is charged to, "...annually review SAA dues and dues revenue to assure SAA's long-term financial stability." The Treasurer, "together with the Finance Committee and the Council," is charged to "triennially review the dues structure to assure its sufficiency." The Finance Committee considered the appropriateness, scope, timing, and financial details of a dues revision at each of its in-person meetings in 2015, 2016, 2017, and 2018. Over the last four years, the Finance Committee has duly executed its oversight of dues structure and revenues and determined that: 1) SAA's revenue from dues is critical to achieving the goals set out in our strategic plan; 2) SAA dues revenue, as a percentage of total revenue, is improved but not ideal; 3) SAA's dues structure achieves the critical component of being equitable but does so at the expense of being overly complex; and 4) to ensure SAA's stable financial health, it is necessary to provide the Council and SAA management with the ability to align dues increases with strategic goals and financial realities.

On June 30, 2019, the Society concluded the last year of a three-year dues increase cycle. The cycle was successful in creating a more equitable and progressive dues structure and in increasing one of the two major revenue streams that provide financial predictability and stability in planning future activities and new initiatives. As of FY 2015, membership dues revenue declined to a level of approximately 31% of total revenue, which is slightly lower than the historical trend line. The dues increase cycle sought to raise dues revenue to approximately 37%, the common baseline for professional associations lacking deep pockets of investment income, and as of the end of FY 2018 SAA achieved this goal. Currently SAA derives approximately 35% of its total revenues from member dues. While this figure is a testament to the Society's successful education and event programs, reliance on service programs for revenue is a risky approach that necessitates expense outlays that must be balanced by a reliable baseline for revenue flows.

Over many years, SAA's dues structure has reflected a strong commitment to equity and fairness, and has become increasingly progressive in nature. Currently SAA offers 17 different categories of membership with very little distinction in benefits of membership—an individual paying \$80 for a one-year membership receives exactly the same benefits as someone paying \$325 for a one-year membership. Indeed, it has been an intentional aspect of the SAA dues structure that members with higher salaries subsidize or underwrite less-well-compensated members. An unintended consequence of these values driving the dues structure is that we have an unwieldy and confusing dues structure, resulting in administrative complexity and difficulty with marketing membership benefits.

The complexity of SAA's dues structure was a primary target of the Finance Committee's and the Council's considerations during the last revision of the dues structure in 2014 – 2016 (three-year stepped dues increase that commenced July 1, 2016). Over the course of two meetings, Finance Committee members and staff considered collapsing the then 16 member categories into as many as nine or as few as four categories. There was consensus that the number of dues categories was unnecessarily complex and did not achieve the essential goal of a clear, differentiated structure that created a convincing *sense* of equity and fairness in vertical assessment structure.

During our discussion at the Council Meeting, we will present graphs and charts that will allow the group to propose and analyze various scenarios of dues structure changes.

DISCUSSION

SAA derives its sound financial footing from a combination of revenue sources. In recent history, we have benefitted from a mix of dues and non-dues (product and service) revenue, establishing a sort of “three-legged stool” that we rely on for financial stability. The three legs of the stool are: (1) Education program income, (2) Annual Meeting revenue, and (3) dues revenue. The recent historical trend of positive revenue flows from product and service revenue (legs one and two) is a testament to well-conceived and executed events and product offerings. Still, it remains true that revenues from these sorts of offerings are accompanied by significant off-setting costs, are less reliable and predictable, and are prone to risk. In light of the historical evidence of the variability of performance in our educational and publishing endeavors, dues and annual meeting revenue are the most critical legs of the financial stool. The cost of delaying a dues adjustment is a reversal of our substantial gains during fiscal years 2017-19. Unless the Society experiences significant growth in membership, we will likely be unable to address the spending priorities of our Strategic Plan.

Background Data—SAA Membership by the Numbers

Over the past ten years (from FY 2010 through FY 2019), the average increase in individual member dues across all categories is 2.77%. The largest increase in any category of dues was \$69 (ID7) and the smallest was \$3 (ID1).

As of October 2019 total membership across all categories of membership was 5,746, of which 5,220 (92.24%) were individual memberships.

Membership dues revenue averaged \$871,814, or 33.95% of total revenues over the ten-year period from FY 2010 through FY 2019. Total dues revenue has increased by 49.65% over this period, while membership has increased by 6.14%. The largest month-end membership count was 6,233 in November 2014; since then, total membership has decreased by 7.81%.

50.13% of individual members (not including students) pay less than the price of a digital-only subscription to *American Archivist* (\$239). If we include students in this analysis, 64.21% of SAA's individual members pay less than a one-year digital-only subscription. Conversely, only 21.74% of individual memberships pay greater than this price. ***Please note that the comparison to the price of a subscription is not to make a specific argument, but provides a convenient market value comparison of an SAA product.***

Questions for Discussion

- Is the current dues structure too complex?
- Is the current dues structure sustainable? If not, what changes are required to realize SAA's membership and financial goals?
- Should/can SAA rely more heavily on non-dues revenue sources, such as continuing education, publishing, and events? If so, what other programs, products, or services might SAA offer, or how should current offerings be altered to realize improved revenue generation?
- Should/can SAA pursue a more aggressive strategy for obtaining institutional financial support, such as sponsorships, grants, etcetera? If so, how might this affect SAA's strategic priorities and professional independence?
- Is there a better mechanism than a member referendum to determine member dues levels?
- Would the interests of SAA's membership be better served by a routinized, systematic approach to member dues increases?
- Are Council members prepared to be advocates for a change to the dues structure? What do they need to feel confident that it is right for SAA's members and the profession?