

TO: ALA Membership Committee
ALA Membership Promotion Task Force
ALA Finance and Audit Committee
Budget Analysis and Review Committee

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RE: Discussion of dues adjustment strategies

Background

At the 2012 Midwinter meeting, the ALA Membership Committee discussed a document prepared by the staff liaisons. The document presented various strategies for making future adjustments to the personal member dues rates. The goal of any future adjustments would be the development of sustainable revenue to support ALA programs and services. The following strategies for adjusting dues were discussed: making adjustments at defined intervals and after the passage of a certain number of years; raising rates by an approved formula; and tying adjustments to an external index.

The Midwinter discussion focused on the approaches that ACRL and PLA members have approved – basing future dues increases on increases in an external index. In 2010, ACRL members voted to approve future dues adjustments not to exceed the percentage of change in the most current Higher Education Price Index (HEPI) rounded to the nearest dollar. In 2011, PLA members voted to approve future dues increases based on the annual average increase in the national Consumer Price Index (CPI) rounded to the nearest dollar. Because PLA had not raised dues since 1993, members also approved \$5 increases for four consecutive years beginning in September 2011. PLA dues adjustments based on increases in the CPI will begin in September 2015.

Following the Midwinter discussion, Ron Jankowski prepared financial models on the various adjustment strategies and reviewed them with ALA Senior Managers. They asked him to further analyze two approaches – both of which involve using the CPI:

- Approach A: tie future dues increases to increases in the CPI
 - Assuming a 3.3% increase in the CPI in the first year of implementation, the amount of the adjustment would be \$1 to \$4 depending upon the type of personal membership. For example, the dues rate for students would go up \$1; for first-year regular members the increase would be \$2; and for third-year and beyond regular members the increase would be \$4.
 - This approach would generate about \$150,000 in additional revenue the first year after implementation. The five year cumulative total of additional revenue would be about \$800,000.
- Approach B: raise dues by \$10 (proportionally less for certain classes of personal members) in the first year and tie dues increases to increases in the CPI in subsequent years.

- In this approach, dues for regular members would increase by \$10 in the first year. Dues increases for other categories of membership such as students, support staff, retired, etc. would be between \$3 and \$6.
- Assuming a 3.3% increase in the CPI in the second year of implementation, the amount of the adjustment would be \$1 to \$5 depending upon the type of personal membership. For example, the dues rate for students would go up \$1; for first-year regular members the increase would be \$2; and for third-year and beyond regular members the increase would be \$5.
- This approach would generate about \$380,000 in additional revenue the first year after implementation. The five-year cumulative total of additional revenue would be about \$1 million.

These two approaches are being presented to the ALA Membership Committee, the ALA Membership Promotion Task Force, the Budget and Analysis Committee, and the Finance and Audit Committee for discussion in Anaheim. Discussion questions:

- What are the pros and cons of each approach?
- Do you support putting either one of these approaches to a membership vote?
- Does the draft Q&A document provide sufficient information for members to vote on the issue?
- Is there other information that should be added to the Q&A document? Should anything be deleted or revised?
- When is the best time to put the question on the ballot? Spring 2013 or Spring 2014?

Q&A: ALA Dues Proposal

1. What is the new dues proposal?

The proposal recommends using the Consumer Price Index to make future adjustments to dues amounts.

2. ALA has never tied dues adjustments to an external index like the Consumer Price Index. Why is that being proposed?

Basing dues rates on an index allows for small, incremental increases as opposed to larger increases that are necessary if the adjustments are made only every 5-10 years. An increase of \$2-\$4 per year should be easier for members to manage than larger, less frequent adjustments.

Two ALA divisions – ACRL and PLA – have already implemented the use of an external index to make future adjustments to dues. In 2010, ACRL members voted to approve future dues adjustments not to exceed the percentage of change in the most current Higher Education Price Index (HEPI) rounded to the nearest dollar. Using the HEPI index in 2011, ACRL increased their dues by \$1. In 2011, PLA members voted to approve future dues increases based on the annual average increase in the national Consumer Price Index (CPI) rounded to the nearest dollar. Because PLA had not raised dues since 1993, members also approved \$5 increases for four years beginning in September 2011. PLA dues adjustments based on increases in the CPI will begin in September 2015.

3. If this new method is approved, how will it affect my dues?

Assuming a 3.3% increase in the CPI in the first year of implementation, the amount of the adjustment would be \$1 to \$4 depending upon the type of personal membership. If the change in the CPI stays around 3%, future annual dues adjustments will range from \$1-\$5.

4. When would it take effect?

If the proposal is approved by members, it would take effect on September 1, 2013.

5. How does this change affect members in the various membership dues categories?

ALA currently offers lower dues rates for support staff, students, retirees, unemployed librarians and those earning less than \$25,000. ALA also has lower dues rates for the first two years of membership to assist new librarians entering the profession. These dues categories will continue in the new plan and the amount of dues paid will increase according to the increase in the CPI. In the first year of implementation, student dues would increase \$1; dues for first-year members, non-salaried members, support staff, retirees, friends, and associates would increase

by \$2; dues for international librarians and second-year librarians would increase by \$3; and dues for third-year members would increase by \$4.

6. The rate for third-year regular members is now set at \$130. When was that rate set?

This rate was approved by ALA members in 2006.

7. If this proposal is approved and the CPI increases 3.3% next year, the new rate for third-year, regular members would be \$134. How does this rate compare to dues for other associations?

Here are the current dues amounts for other national library associations:

- American Association of Law Libraries: \$228
- American Society of Information Science and Technology: \$140
- Association for Educational Communications and Technology: \$170
- Medical Library Association: \$180
- Special Libraries Association: \$185

8. How will the dues proposal benefit me/my library?

Under this proposal, you will no longer be confronted with large increases in your ALA dues. When the Consumer Price Index goes up, your dues will go up by that percentage. If there is no change or a decrease in the CPI, your dues will stay the same. This approach will provide ALA with incremental increases in dues revenue which will be used to advance the goals in the *ALA 2015 Strategic Plan*.

ALA 2015 responds to members' concerns for strengthening services in five goal areas: Advocacy, Funding and Public Policy; Building the Profession; Transforming Libraries; Member Engagement; and Organizational Excellence. *ALA 2015* calls for a significant increase in advocacy efforts nationwide; more efforts to increase public awareness of the contributions of libraries, librarians and library workers; an increase in research and evaluation of the value and impact of all libraries; and an increase in the diversity of the library workforce to reflect an increasingly diverse national and global community. The new goal area of Transforming Libraries calls on ALA to provide leadership in the transformation of libraries and library services in a dynamic and increasingly global digital information environment.

Developed with input from thousands of ALA members, *ALA 2015* calls for a more active and proactive association. The additional revenue resulting from the indexed approach to setting dues will help ALA better realize the goals in the *ALA 2015 Strategic Plan*.

9. Who needs to approve this dues proposal?

ALA members must approve the dues proposal as a Bylaws revision. Before the question appears on the ALA ballot, it must be approved by the following member groups: the ALA

Membership Committee, the Budget Analysis and Review Committee (BARC), the ALA Executive Board, and ALA Council.

10. When will these groups discuss the dues proposal?

The proposal will be discussed by the Membership Committee, the Membership Promotion Task Force, BARC, and the Finance and Audit Committee in Anaheim. Their feedback will be incorporated into the proposal. The revised proposal will be discussed at the fall meetings of BARC and the Executive Board. If the proposal is approved by the Executive Board it will be presented and discussed at the Planning and Budget Assembly at Midwinter and presented to ALA Council. If approved by Council, ALA members will vote on the dues proposal on the ALA ballot in spring 2013 (or 2014).

11. What do the ALA Bylaws currently say about personal member dues and how will the proposed revision read?

Currently Article I, Section 2 of the Bylaws reads: Dues for personal members shall be set by the Executive Board with approval by a vote of the Council and subject to a mail vote of the personal members.

The proposed revision will read: Dues for personal members shall increase based on the annual increase in the national Consumer Price Index (CPI) for the previous calendar year, rounded to the nearest dollar. Any increase beyond the above provision shall be proposed by the Executive Board with approval by a vote of the Council and subject to a mail vote of the personal members.

12. Can I join now as a Life Member and save money in the process?

Yes, ALA offers a very attractive Life Member program. The dues range from \$1,400 to \$2,000 depending on the member's current age. See <http://www.ala.org/membership/specialmemberships/life> for more information.

13. Is it possible to pay my dues in installments?

Yes. Personal members with dues for ALA, divisions and round tables totaling over \$135.00 are able to pay in two equal installments over the course of the year when renewing, joining or rejoining online with a credit or debit card.

14. More questions?

Your questions/comments are welcome. Please send them to Ron Jankowski, Director of Membership Development, rjankowski@ala.org.