LITA Dues Increase Proposal

Submitted by the Budget Review Committee
November 19, 2012
LITA B2013-1

Executive Summary

- During fiscal years 2011 and 2012, LITA's budget ended in the red.
- For fiscal '13, we are aiming for a balanced budget, but to do so, LITA staff have had to make budget cuts that are not sustainable given the current levels of revenue.
- Desired initiatives like purchasing equipment for use in virtual meetings cannot be implemented at current revenue levels.
- It is currently the duty of LITA's committees to identify and put into motion activities that generate non-dues revenue.
- All but two ALA divisions have voted to raise dues in the last few years.
- The next member ballot will contain a vote to increase ALA dues. If approved, it is unclear what impact this might have on retention of division memberships.
- The Budget Review Committee puts forth two proposals for the consideration of the entire Board:
  - Proposal 1: increase personal dues $1/year for three years, then tie dues increases to CPI; increase Organizational Dues by $10/year for 2 years, then review against the CPI every 5 years.
  - Proposal 2: increase most personal dues $5 effective 9/1/13, and tie future dues to the CPI; increase Organizational Dues by $30/year.
- If the Board approves a dues increase, it will go into effect September 1, 2013. Because memberships are renewed throughout the year, the increase will not be fully realized until September 1, 2014.
- The Financial Stability Task Force has an approved charge and will begin its work immediately. However tangible revenue stream benefits from any recommendations are unlikely to be realized within the next two fiscal years.
- A dues increase should be conducted in tandem with efforts to recruit new members, retain existing members, improve LITA's marketing and promotional activities, and maintain the continued expansion of LITA programming. Efforts would include membership activities outlined in the Membership section of this report, as well as a review by Board liaisons of publication,

CE/workshop targets and responsibilities with the appropriate committee chairs, particularly as part of new chair orientations.

- The print subscription to ITAL is no longer a membership benefit; this has particularly affected our organizational members. LITA must work to increase value to organizational members as well as personal members. Possibilities for this include listing our organizational members on the LITA website, offering discount for webinars or web CE, or offering a personal LITA membership for one member of the organization.

History and Trends:

It has been eight years since LITA raised dues, and costs have continued to rise. We have changed how we deliver services, and revenues across all three lines of the budget have declined. The number of educational offerings has not remained steady in recent years, so although we now offer online courses and webinars, the revenue has also not remained steady. We recently changed ITAL from a print model to an online-only, open-access model, greatly reducing cost but eliminating the subscriber revenue altogether. We hope that we will continue to receive royalties from EBSCO and others that will cover the modest editorial costs but this has not yet been realized. To ensure the viability of the organization while we continue to transition to new models and work to increase revenue by engaging in new activities, the Budget Review Committee is proposing a modest dues increase that will allow LITA to catch the dues revenue stream up with inflation and create a small pool that can be used to support new initiatives. This is a short-term solution to ensuring the organization stays afloat until the Financial Strategies Task Force recommends longer-term strategies.

Figure 1. - LITA membership numbers and resulting dues revenues:

	2001	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Members	4964	4715	4565	4414	4054	4106	4338	4018	3587	3412	3446
Dues	$206,539	$205,082	$202,868	$194,168	$204,413	$223,416	$219,151	$219,473	$206,569	$190,804	$187,898

Below is a chart demonstrating the percentage of revenue that dues comprise. Non-dues revenue includes revenue from publications, pre-conference workshops, webinars, web CE courses, and LITA Forum:

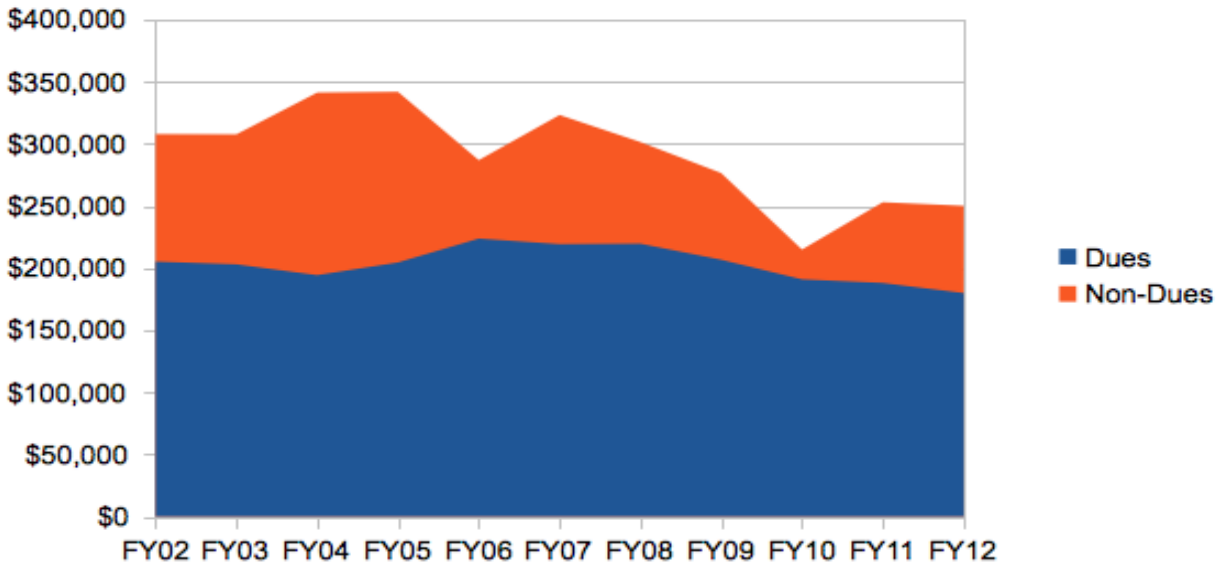


Fig 2 Dues v Non-Dues Revenue

Even with the recent decline in membership (averaging 4% over the last five years), dues constitute a very large chunk of LITA finances.

Dues Increases in Other Divisions:

In 2005, ALA and ACRL began implementing dues increases over the course of several years. By 2008, ALA and three other divisions (ACRL, RUSA, and ALCTS) dues increases had a sizable impact on LITA and by 2009 the recession's impact was experienced.

All but two divisions have raised their dues since LITA last raised our dues in 2004. Divisions' regular member dues rates comparison and date of last dues increase follows:

AASL	$50	2006
ACRL	$56	2012
ALCTS	$65	2007
ALSC	$45	1995
ALTAFF	$50	2010
ASCLA	$51	2010
LITA	$60	2004
LLAMA	$50	N/A
PLA	$55	2012
YALSA	$60	2011

PLA passed a dues increase on the 2011 spring ballot:

Personal and student member dues shall increase gradually at $5 per year for four years, beginning in September 2011. Retired member dues shall be set at $60 in 2011. Organizational and corporate

member dues shall be set at $100 in 2011. Beginning September 2015, dues increases will be based on annual average increases in the national Consumer Price Index (CPI), rounded up to the nearest dollar.

This means that PLA's personal member dues will increase to $65 over the next three to four years (FY11=$50, FY12=$55, FY13=$60, FY14=$65). At that point PLA will base dues increases on the CPI.

The ACRL 2011 spring ballot included an item empowering the ACRL Board to raise their dues, and, ACRL plans to tie dues increases to the Higher Education Price Index (HEPI). This year that will equal a 2.3% or $1.00 increase on their $55 base. HEPI is an inflation index that tracks the main cost drivers in higher education and is calculated by the Commonfund Institute (see http://www.commonfund.org/CommonfundInstitute/HEPI/Pages/default.aspx for more details including the calculation approach.). Several other higher education associations use this method to set dues.

ASCLA is raising dues $1.00 per year for five years; then they will review their dues.

ALA has a proposal that will go before membership that recommends using the national average Consumer Price Index (CPI) http://www.bls.gov/cpi/ to make future adjustments to ALA dues amounts. If the Consumer Price Index goes up, individual dues would go up by that percentage. If there is no change or a decrease in the CPI, your dues would stay the same. Under this approach, dues could go up between $1 and $4 annually, based on membership type. If the proposal is approved by members, it would take effect on September 1, 2013.

The approach that PLA, ACRL and ASCLA have taken to dues increases supports organizational sustainability, while allowing members to plan for small dues changes rather than large increases.

Membership Benefits:

A dues increase should be conducted in tandem with efforts to recruit new members as well as significantly enhance efforts to retain existing members by promoting the value of membership and personalizing the membership experience.

Efforts would include:

- reviewing the recommendations of the 2011 Emerging Leaders Group for branding and marketing LITA to identify "low hanging fruit" and assign for implementation,
- re-focusing the activities of the Membership Development Committee to improve the member experience for new and existing members (e.g. personalized letters of recognition, welcome, outreach, mentoring, follow up with members who have left, etc.) Focus on a personalized membership experience,
- enhance, highlight and promote the benefits of organizational members to replace ITAL subscription as the primary benefit. This needs to be done as soon as possible. New benefits could include reduced rates for webinars or CE or membership benefits for one person at each institution. This requires additional discussion and a scan of possible alternatives. The benefits of organizational membership need to be highlighted on the LITA website and actively promoted.

Proposal 1:

A tiered increase will be put into effect September 2013:

Category	FY14	FY15	FY16	FY17
Regular	$61	$62	$63	$64
Student	$26	$27	$28	$29
Non-Salaried	$31	$32	$33	$34
Organizational	$90	$100	$110	$110

Personal dues will increase by $1 per year for three years, after which they will be tied to the CPI. The Non-Seasonally-Adjusted CPI for the period of October 2011 to October 2012 was 2.2%, or about $1 in each case. The CPI was chosen based on the variety of institutions represented by our membership. For more information on this index, please visit the CPI website: http://www.bls.gov/cpi/

Organizational dues will increase by $10 for the next two years, after which they will be reviewed and adjusted based on the CPI every five years. The first review will be in FY20.

Projected impact on dues revenue is shown below. Historical dues revenue is shown for comparison. The projections were calculated based on the last four years' average membership decline of 4% per year. Fiscal year 2013 (the year we are in now) is not shown.

Fig 3. - historical and projected dues revenue resulting from Proposal 1.

	FY08	FY09	FY10	FY11	FY12	FY14*	FY15*	FY16*
Organizational members	571	559	516	491	467	448	430	413
Organizational Dues	$51,390	$50,310	$46,440	$44,190	$42,030	44800	47300	45430
Personal members	3447	3144	2896	2955	2802	2689	2581	2478
Personal Dues	$168,273.00	$155,374.00	$143,824.00	$143,708.00	$137,376.00	$148,049	$144,708	$141,432
TOTAL	**$219,663**	**$205,684**	**$190,264**	**$187,898**	**$179,406**	**$192,849**	**$192,008**	**$186,862**

*projected membership figures and dues revenues.

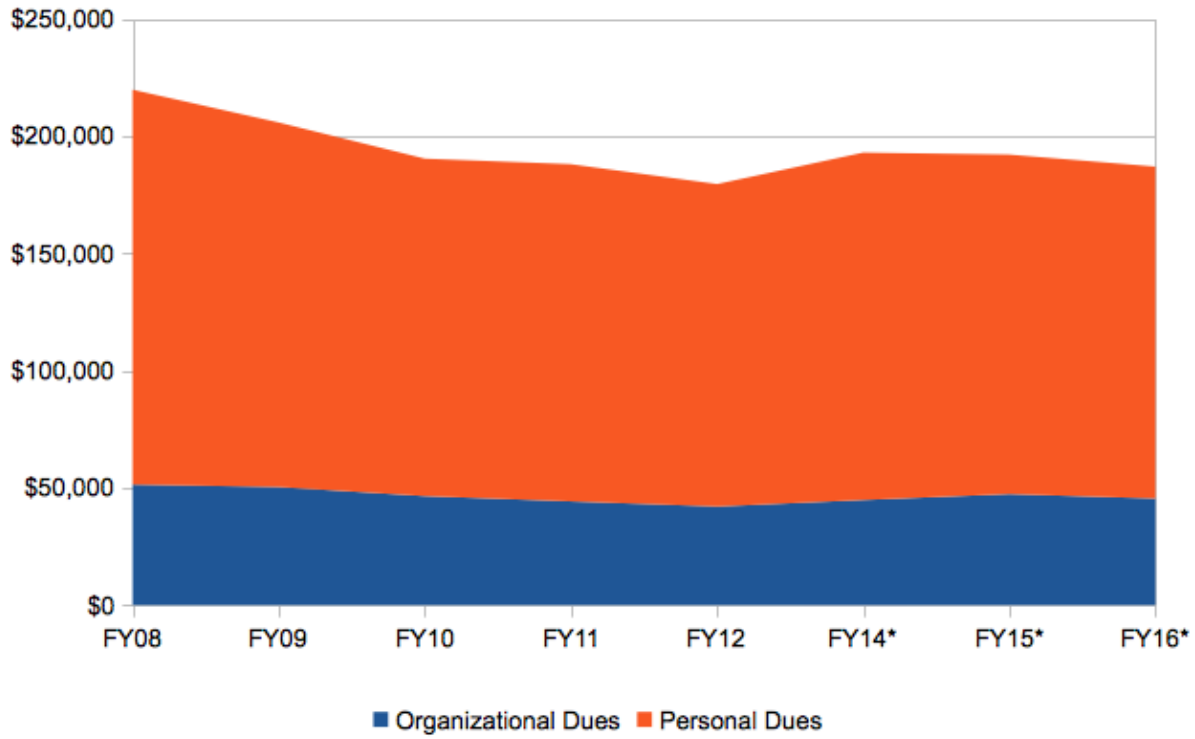


Fig. 4 – historical and projected revenues resulting from proposal 1 (chart)

Proposal 2:

Starting in September 2013 (FY2014) LITA membership categories and dues rates will be:

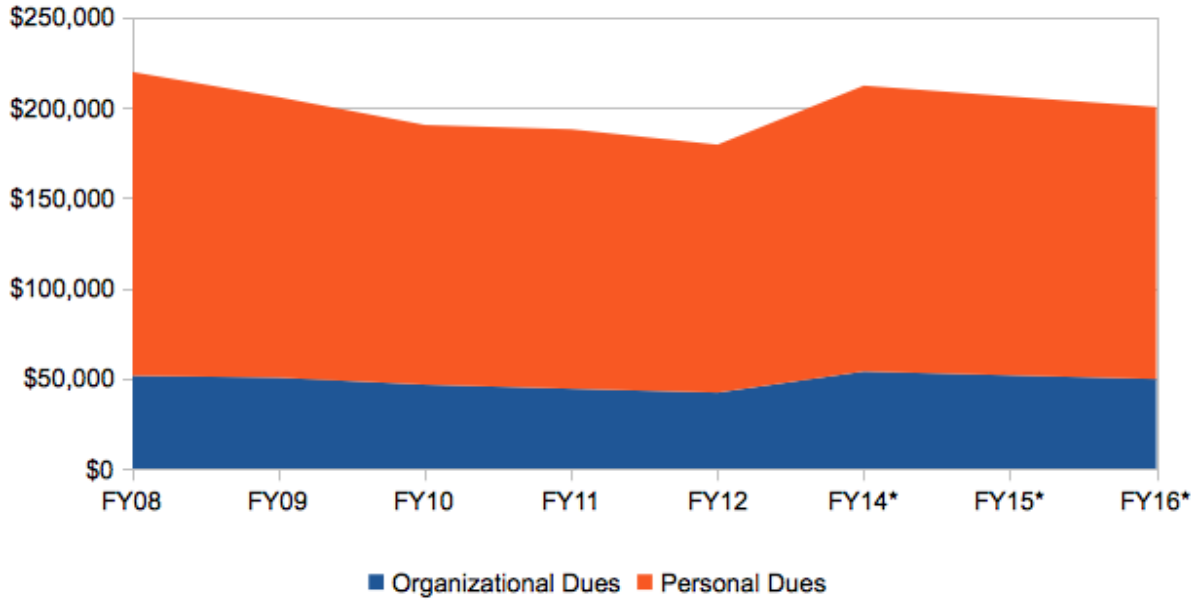
Regular members	@	$65	($5 increase)
Organizational members	@	$120	($30 increase)
Student members	@	$30	($5 increase)
Non-salaried	@	$30	(no increase)

In the future, to support organizational sustainability while allowing members to plan for small changes to dues rather than large increases, starting in September 2014, LITA dues increases will be tied to the Consumer Price Index (CPI) rounded to the nearest dollar. The Non-Seasonally-Adjusted CPI for the period of October 2011 to October 2012 was 2.2%, or about $1 in each case. The CPI was chosen based on the variety of institutions represented by our membership. For more information on this index, please visit the CPI website: http://www.bls.gov/cpi/

Projected impact on revenues is shown below. Historical dues revenue is shown for comparison. The projections were calculated based on the last four years' average membership decline of 4% per year. Fiscal year 2013 (the year we are in now) is not shown.

Fig 5 - historical and projected dues revenue resulting from Proposal 2:

	FY08	FY09	FY10	FY11	FY12	FY14*	FY15*	FY16*
Organizational members	571	559	516	491	467	448	430	413
Organizational Dues	$51,390	$50,310	$46,440	$44,190	$42,030	53760	51600	49560
Personal members	3447	3144	2896	2955	2802	2689	2581	2478
Personal Dues	$168,273.00	$155,374.00	$143,824.00	$143,708.00	$137,376.00	$158,362	$154,503	$150,735
TOTAL	**$219,483**	**$206,584**	**$190,804**	**$187,898**	**$179,766**	**$215,259**	**$209,114**	**$203,186**



A dues increase should be conducted in tandem with efforts to recruit new members and the continued expansion of LITA programming.

You will note that this is a modified proposal based Karen Starr's recommendation from her document "DuesReportMW2012-31812". Please refer to the full document as well as the ALA document "Dues Adjustment Proposal 9-28-12" for additional background information.

Submitted to the Budget Review Committee
by Colleen Cuddy
November 13, 2012