

Proposal for Tiered Dues Structure for the SDS

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Executive summary

The initiative of the Policy Council dues committee to update the current SDS membership dues structure was welcomed by the SDS members who were asked to comment on the proposal – see section 1 for a summary of the feedback. The update is also timely in the light of a review of membership dues of other societies – see section 2. Based on an analysis of the committee/membership discussion and a review of the dues of other societies, an income-based dues structure is suggested in section 3. A donation scheme, separate from membership dues, was considered, but there is no recommendation at this time. A discount is suggested for those who choose an electronic-only SDR option. Three methods for estimating the potential financial impact of the update are outlined in section 4. Work on a complimentary proposal addressing the conference fee structure should be undertaken.

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1. Membership feedback

The committee received feedback from several SDS members representing regions outside the US:

1. Yaman Barlas - Turkey
2. Bob Cavana - New Zealand
3. Richard Dudley - Indonesia
4. Pratap K.J. Mohapatra – India
5. Brian Dangerfield – Malaysia
6. Ren'an Jia - China

The initial proposal of introducing more variation into the membership dues has been received well, especially the new level for low income members.

Yaman and Bob signaled that it may be even more important to develop a more varied structure for the conference fee. Yaman and Bob propose to base the dues/conference fees structure on geographical zones. Richard prefers an income-based structure due to income differentials in all geographical zones.

The income-based structure is also preferred by the committee. Jim & David suggested that the regular membership breakpoint should be higher than \$20k to reflect inflation – this breakpoint has not been changed in at least 10 years.

2. Review of other societies

We have reviewed 12 societies. An overview is provided in Table 1.

One - ALA - should be disregarded as an outlier, with a \$420 regular membership due.

The average regular membership dues are approximately **\$115**, with a minimum of \$75 and a maximum of \$164.

Only 1 society (ASPA) employs a dues structure based largely on geographical zones. Most of the societies (5 out of 11) base their membership dues entirely on income. Two societies provide income-based reductions.

- The regular membership dues breakpoint is set around **\$50 000**.
- The lowest membership dues breakpoint is set at:
 - **< \$50 000** for 2 of the societies (APPAM, AEA)
 - **< \$25 000 / \$20 000** for 4 societies (ALA, MLA, AFE, AAA)
 - **\$12 300** for IEEE

Table 2 presents an overview of the relation between the lowest dues level and the regular dues: Roughly half of the societies have the lowest membership dues at the level of student dues (20-40% of the regular membership); the other half give a 20-30% discount (70-80% of regular membership).

Table 1 Membership dues structure

															Provisions												
	Society				Regular										student	seniority	Family/ joint	income	membership duration	Zones	associated members	journal allowance	Support/ sustain	New	Unemployed/ disabled		
1	IEEE				161	159	149	134	127	...	34	..	25		x	x	x	X		x					X		
2	APPAM			100	80	60	50	35							x		x	x									
3	ASPA		2000	220	120	100	75	55	40	35	30				x	x			x	x			X				
4	ALA				110	83	55	66	50	39	28				x	x		X	x	x	X						
5	MLA	175	...	105	95	85	75	65	50	40	25				x			x	x					X			
6	AMA				420	315	280	210	84	20					x	x											
7	INFORMS				130	32,5									x	x											
8	AAPT			180	164	117	107	75	69	54	39				x	x						x					
9	ORS				118	40									x												
10	AFE			135	110	75	65	40	25	20					x			x									
11	AEA				90	77	64											x									
12	AAA	290	260	230	200	175	150	125	...	63					x		x	x					X				
															11	6	3	7	3	3	1	1	2	1	1		
Average regular membership due:*					117,09											X income based due reduction											
*AMA is excluded as an outlier																											

Table 2 Lowest dues as % of regular membership due

Societies with tiered due structure	Lowest due as % of regular membership
APPAM	80%
AEA	70%
AAA	70%
IEEE	50%
ALA	40%
AFE	30%
MLA	20%

Additionally, all the societies, but AEA, provide special dues provisions for various members:

- * Almost all of the societies (10 out of 11) provide a STUDENT category - with membership dues of approximately 25-30% of the regular dues.
- * 5 of the 11 societies provide membership dues discounts for RETIRED members
- * 3 of the 11 societies provide membership dues discounts based on MEMBERSHIP DURATION
- * 3 of the 11 societies provide membership dues discounts based on GEOGRAPHICAL LOCATION
- * 3 of the 11 societies provide membership dues discounts for FAMILY members
- * 2 of the 11 societies have higher membership dues for SUPPORTING/SUSTAINING members, with the highest membership being approximately double the regular dues

Other provisions provided by individual societies:

- * Reduced dues for members who are not professionals or researchers (see ALA)
- * Varied dues depending on journal access
- * Reduced dues for new members
- * Reduced dues for unemployed/disabled

3. Preliminary recommendations

- All of the reviewed societies have a more advanced/varied membership dues structure than the double-rate set for the SDS. In this context, an update seems appropriate. Also, both the dues committee and the commenting SDS members agree on this.

- A review of conference fees would also be useful, but should be dealt with separately.

- An income-based dues structure seems most popular and most sound. It has already been partially deployed by SDS (low-income people are eligible for reduced dues).

The main reason an income-based dues structure is superior to the zone-based structure is that higher-income people live in all geographical regions. While on average certain regions are lower income than others, this does not mean that all potential members from those regions are low income.

- Having a very low breakpoint, like the suggested \$8 000, for the lowest membership dues is a good idea. It would put the SDS in the forefront of societies that welcome low-income members. Still, more variation than the initially proposed 4 levels may be desirable to provide a better fit between our dues levels and our members' income levels.

- While most societies provide a student discount, the appropriateness of such a discount for the SDS is debatable. Assuming that we have a very low breakpoint for the lowest level of membership, a student category seems redundant. The following may be indicated as advantages of removing the student category:
 - o simpler dues structure
 - o students are treated on an equal footing with other members
- Providing an electronic-only version of the SDR reduces the Society's cost by \$10, and this discount could be passed on to those who prefer an electronic-only SDR.
- Only 2 of the reviewed societies allow for higher membership dues for supporting/sustaining members. Given somewhat varied feedback from the SDS members consulted, a scheme for special support donations seems more advisable. Other benefits of keeping the additional donations separate from the membership dues include:
 - o It is important that a special Society donation is associated explicitly with the individual or organization that actually makes the donation. Making such a distinction could be difficult if memberships are (often?) covered by employers of SDS members.
 - o Keeping the donations separate from the membership dues provides for more equal footing for all the members of the Society. Those who donate extra should have a status of supporter or sponsor of the society. Note that this scheme would facilitate donations from legal entities also.
 - o It is perhaps most appropriate not to fix the donation levels, but rather introduce different categories based on the donation level. A possible scheme is presented in Table 3.

Note that to donate you don't need to be an SDS member. In this way, we open the possibility for donations from organizations and do not differentiate between SDS members, possibly alleviating the pressure on the most well known SDS members.

Table 3 Donation scheme

<i>Donations</i>		<i>Supporter category</i>
0,00 USD	499,00 USD	SDS supporter
500,00 USD	1 999,00 USD	SDS senior supporter
2 000,00 USD	4 999,00 USD	SDS sustaining supporter

Table 4 presents the proposed dues structure.

- The dues structure is centered on a dues level of \$95.
- Two higher membership dues are introduced for higher-income members, and three lower membership dues are introduced for lower-income members. The lowest membership dues include only an electronic version of the SDR.
- A discounted membership is proposed for those who choose to receive only the electronic version of the SDR. Wiley charges us \$30 for a paper membership and \$20 for an electronic-only membership, so the difference is \$10. The membership discount of \$10 reflects the actual difference in cost to the Society from Wiley.

Table 4 Proposed SDS membership due structure

<i>Income intervals</i>		Membership Dues	
		<i>paper SDR & eSDR</i>	<i>eSDR only</i>
\$0	\$8,000	n/a	\$15
\$8,001	\$19,999	\$45	\$35
\$20,000	\$39,999	\$60	\$50
\$40,000	\$69,999	\$95	\$85
\$70,000	\$99,999	\$120	\$110
\$100,000	and above	\$140	\$130

4. Way forward

Although a revision of the membership structure seems desirable, its financial impact should be assessed first. In particular, it is vital to understand how many of the existing SDS members paying the full membership dues fall into the lower-income categories.

Table 5 presents three possible methods of conducting such an assessment, commenting on their effort demands, reliability and expected success rate.

Table 5 Estimating financial impact of the income-based tiered dues structure

	Estimation method	Effort demands	Expected reliability	Expected success rate
#1	Calculate the predicted SDS revenue based on the average salary figures for the SDS members' countries of origin.	Average	A very rough proxy	High
#2	Calculate the predicted SDS revenue based on the average salary figures for the SDS members' professional sectors in their countries of origin.	High	Rough proxy	High
#3	Calculate the predicted SDS revenue based on the income data gathered from an SDS members' survey	Very high or Average*	Good proxy	Low if problems with response rate?

* Very high effort demand would be required if the data would be gathered via regular email exchange. Average demand can be expected if an online survey is used to gather data. A web page where the SDS members could log in and indicate their income interval should be established. It would be useful to have more narrowly graded intervals in such an online survey so that the breakpoints in the membership dues structure could be adjusted if needed.

Of the three options presented in Table 5, **option #3** seems most exciting as it can be achieved with relatively low effort, providing the best input for the needed analysis. However, one needs to consider the risk of having a low response rate. If the survey could be issued soon, the conference venue could be used to mobilize members to provide their feedback, in case of low response rate. If creation of an online, password-protected survey is difficult, **option #1** seems best.

Finally, the feedback from the SDS members consulted indicates that a review of conference fees would also be worthwhile. It may be useful to start this work shortly, so that the 2007 conference venue may be used for gathering the required feedback.