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TO: SLA Board of Directors
FROM: SLA Finance Committee
DATE: 29 September 2008
RE: Recommendation of Third Tier of Full Member Dues Based Upon Income

RECOMMENDATION: The Finance Committee recommends to the Board of Directors that the Board approve a third tier of Full member dues based upon income of less than equivalent US\$18,000 at a rate of US\$35.

That the Finance Committee recommends that the benefit of the unemployed dues rate of US\$49 be eliminated if the new tier of membership is approved.

RETURN ON INVESTMENT: Building a global community of members and their strategic partners representative of a global business environment.

BACKGROUND INFORMATION: SLA recognizes that its members and their employers are operating in a global business environment. In order to better serve its membership, help them to be competitive and have the resources available to them in a world of differing economies requires an examination of the dues structure of SLA in relation to world economies.

The Board recognized a need to re-examine its dues structure in 2005 when it created a two-tier full member dues class based upon income. See Appendix 1. Currently 7.5% of the total membership in the full member class makes less than US\$35,000. This compares very favorably with the 2007 Salary Survey which indicates the 10th percentile of all US respondents has an income of US\$40,620 and the 10th percentile of our Canadian respondents is Can\$45,000.

Reference Appendix 2. Using the US as a benchmark, only seven percent are in the Full Member class with income less than US\$35,000. Comparing with SLA's growth areas of Asia, Oceania and Arabian Gulf, a much higher percentage are in the lowest current income levels, indicating an uneven spread based upon income.

At a meeting with the members of the Asian Chapter, they proposed a third full-member dues tier at US\$35 based upon an income of less than US\$18,000. Members from India, Australia, Hong Kong and Japan were also in attendance and agreed with this suggestion. There are other economies where SLA membership is developing with even lower rankings than India.

The member benefit of offering an unemployed member a one-time, one-year dues of US\$49 would be eliminated. These members would qualify for a rate even lower than the \$49 rate. In addition, this benefit would not be limited to one year if their job search extends beyond 12 months.

FINANCIAL IMPACT STATEMENT: SLA's current membership is 95% North American and no shift in income is predicted based upon the 2007 Salary Survey. Unemployed members would qualify for the lowest dues rate of \$35 which is equivalent to retired and student member dues categories.

Increasing SLA's membership in Asia, Oceania and the Arabian Gulf will cost more primarily in postage. This is anticipated to be offset by increased income from new vendor sponsors and advertisers in an expanded global market.

Appendix 1. Member Count by Membership Types and Dues Paid

| Type | Count | Dues |
|--------------------------|-------|-------------|
| Full Member ≥US\$35,000* | 7479 | US\$160 |
| Full Member <US\$35,000* | 795 | US\$99 |
| Full Member 3-Year | 8 | US\$160-10% |
| Virtual | 20 | US\$65 |
| *Unemployed | 59 | US\$49 |
| Student | 1666 | US\$35 |
| Organizational | 126 | US\$650 |
| Retired | 317 | US\$35 |
| Retired – 45 Year | 64 | 0 |
| Life** | 42 | 0 |
| Honorary | 14 | 0 |

Full Member <US\$35,000* is in line with expectations.

**Life member class of membership is no longer offered although members who had invested in this membership class remain until membership is cancelled due to request or death.

Appendix 2. Countries with Over 10 Members and Percent Under US\$35,000 to Total

| | |
|-----------------------|------------|
| Australia | 16% |
| Canada | 8% |
| Denmark | 0% |
| Germany | 10% |
| India | 68% |
| Japan | 14% |
| Kuwait | 60% |
| New Zealand | 13% |
| Pakistan | 75% |
| Saudi Arabia | 69% |
| Singapore | 27% |
| South Africa | 7% |
| Sweden | 8% |
| United Kingdom | 13% |
| USA | 7% |

From list of countries by GDP (PPP) per capita Wikipedia, citing International Monetary Fund, World Bank and CIA on Gross Domestic Product at purchasing power parity per capita. Cited with permission.

Only Singapore ranks above the US in the various rankings.

| Country | Rank | IMF ^[1] | Rank | WB ^[2] | Rank | CIA ^[3] | Year |
|--|------|--------------------|------|-------------------|------|--------------------|-----------|
|  Australia | 017 | 36,258 | 014 | 34,882 | 020 | 36,300 | 2007 est. |
|  Canada | 012 | 38,435 | 011 | 35,729 | 016 | 38,400 | 2007 est. |
|  Denmark | 014 | 37,392 | 010 | 36,223 | 017 | 37,400 | 2007 est. |
|  Germany | 021 | 34,181 | 018 | 33,450 | 024 | 34,200 | 2007 est. |
|  India | 126 | 2,659 | 114 | 2,753 | 136 | 2,700 | 2007 est. |
|  Japan | 022 | 33,577 | 017 | 33,525 | 026 | 33,600 | 2007 est. |
|  Kuwait | 009 | 39,306 | — | N/A | 011 | 39,300 | 2007 est. |
|  New Zealand | 031 | 26,379 | 026 | 26,110 | 035 | 26,400 | 2007 est. |
|  Pakistan | 128 | 2,592 | 118 | 2,525 | 138 | 2,600 | 2007 est. |
|  Saudi Arabia | 037 | 23,243 | 030 | 22,907 | 042 | 23,200 | 2007 est. |
|  Singapore | 005 | 49,714 | 003 | 50,299 | 006 | 49,700 | 2007 est. |
|  South Africa | 076 | 9,761 | 062 | 9,736 | 081 | 9,800 | 2007 est. |
|  Sweden | 016 | 36,494 | 012 | 35,622 | 019 | 36,500 | 2007 est. |
|  United Kingdom | 020 | 35,134 | 016 | 34,105 | 023 | 35,100 | 2007 est. |
|  United States | 006 | 45,845 | 004 | 45,790 | 008 | 45,800 | 2007 est. |