

ANALYSIS OF NSS FIXED AND INCREMENTAL COSTS

The following chart indicating expenses funded by general NSS revenue (as opposed to restricted funds) was created with information from the FY 04/05 Budget and FY 02/03 Final Fiscal Report. It divides this expense into two categories: those relatively independent of incremental changes in membership and those that vary with each incremental change in membership.

Expenses	Fixed Expenses	Incremental Expenses
President's Department		
Total funded by NSS general revenue	\$15,060	
Less Election Postage	(\$1,900)	\$1,900
Subtotal	\$13,160	
EVP Department		
Total funded by NSS general revenue	\$192,440	
Less ACA mailing service	(\$125)	\$125
Less ACA postage	(\$2,300)	\$2,300
Less Journal mailing service	(\$2,300)	\$2,300
Less Journal postage	(\$11,880)	\$11,880
Less NSS News mailing service	(\$7,000)	\$7,000
Less NSS News postage	(\$32,300)	\$32,300
Less Members Manual mailing service	(\$1,300)	\$1,300
Less Members Manual postage	(\$4,730)	\$4,730
Subtotal	\$130,505	
AVP Department		
Total funded by NSS general revenue	\$4,400	
OVP Department		
Total funded by NSS general revenue	\$147,140	
Sec-Treasurer Department		
Total funded by NSS general revenue	\$34,950	
Fund Transfers & Misc		
Total funded by NSS general revenue	\$13,750	
Total	\$343,905	\$63,835
Less NSS Bookstore profit	(\$36,780)	
Adjusted Total	\$307,125	\$63,835

In addition to an allocated share of these fixed cost, each Regular, Regular Life, Sustaining, Honorary, Outstanding Service, Associate, General and Institutional members received publications whose cost vary with each incremental change in membership. The number of copies ordered from the printer is expected to be 10,000 compared to the approximately 8,944 members receiving publications.

Incremental Costs

Item	Expense
ACA mailing service	\$125.00
ACA postage	\$2,300.00
Subtotal	\$2,425.00
Annual cost per member receiving ACA	\$0.27
<i>News</i> mailing services	\$7,000.00
<i>News</i> postage	\$32,300.00
Subtotal	\$39,300.00
Annual cost per member receiving <i>News</i>	\$4.39
<i>Journal</i> mailing services	\$2,300.00
<i>Journal</i> postage	\$11,880.00
Subtotal	\$14,180.00
Annual cost per member receiving JCKS	\$1.59
<i>Members Manual</i> mailing service	\$1,300.00
<i>Members Manual</i> postage	\$4,730.00
Subtotal	\$6,030.00
Annual cost per member receiving MM	\$0.67
Total annual cost per member receiving all	\$6.92

NSS Dues & Membership Trends

Membership Class	Dues	March-02	March-04	Change
Regular	\$33	7,715	7070	(645)
Associate	\$22	279	159	(120)
General	\$12	97	951	854
Family Regular	\$6	1,662	1615	(47)
Life	\$600	1,284	1392	108
Family Life	\$300	80	89	9
Institutional	\$70	64	55	(9)
Family Associate		569	510	(59)
Sustaining		194	216	22
Family Sustaining		20	23	3
Honorary & Outstanding		51	52	1
Total		12,015	12,132	117

Observations:

- 1) The incremental cost of serving Regular and Life class members is about \$7. About \$26 of their dues goes to covering fixed NSS costs.
- 2) The incremental cost of serving Associate class members is about \$7. About \$15 of their dues goes to covering fixed NSS costs.
- 3) The incremental cost of serving General class members is less than \$1. About \$11 of their dues goes to covering fixed NSS costs.
- 4) The incremental cost of serving Family class members is \$0. About \$6 of their dues goes to covering fixed NSS costs.
- 5) The incremental cost of serving Institutional class members is about \$7. About \$63 of their dues goes to covering fixed NSS costs.
- 6) If we seek our fixed costs to be borne equally by all 12,132 members, the allocated cost per member would be \$28.35. If the fixed costs are reduced by bookstore profit the allocated cost per member would be \$25.32.
- 7) If we seek our fixed costs to be borne only by Regular, Regular Life, Sustaining, Honorary, Outstanding Service, Associate and Institutional members (Total: 8944) the allocated cost per member would be \$38.45. If the fixed costs are reduced by bookstore profit the allocated cost per member would be \$34.34.
- 8) Both Regular membership and Associate membership have been steadily decreasing since the General dues category was initiated. In their place General membership is increasing.
- 9) As the number of members receiving all publications decreases their allocation of fixed cost per member will increase.
- 10) The NSS dues structure has been the same (with the exception of adding a "General Membership" class) since May 1, 2001. At the U.S. Consumer Price Index rate of inflation since we adopted our \$33 rate our dues should now be \$38.

Paul Stevens
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