

Executive Director discusses proposed dues increase

(During the past year, the AOCS Governing Board has been considering the question of raising AOCS dues to \$34 from the \$24 annual rate set in 1969. Previous JAOCS articles have reviewed the Society's financial position, comparing its income and expenditures with those of other professional societies. This month, Executive Director James Lyon answers some questions about the proposed dues increase.)

Why is a dues increase being considered now?

There are several reasons. A major reason is inflation. We should avoid letting ourselves run into deficits later on. Deficits can eat up your reserves rather quickly. AOCS has modest reserves, but with a projected deficit of \$35,000 in 1979, and possible future deficits compounded by inflation, it wouldn't take long until the reserves were gone.

What services is AOCS providing that it wasn't in 1969 when dues were last raised?

The Smalley Program is one example. Ten years ago I think we were offering about 14 check sample series; today we're offering 20 and there's talk of adding more. Some companies provide lots of help free or at nominal cost, and we pass most of those costs along to participants, but the staff time and overhead are absorbed by the Society.

We're expanding our short course offerings, and I would hope we could provide these at lower registration fees to members than nonmembers, if only because members do support us with their dues.

AOCS now operates a Placement Service during national meetings that it didn't have in 1969; we've improved the membership directory to include telephone numbers, and corporate identification in the geographical listing. The news section of the Journal has been improved – and all the comments we hear about that have been extremely favorable.

Besides the *Journal* and *Lipids*, we have a more extensive monograph publishing program than we used to have.

We have more folks at our national meetings, but national meetings haven't made money for us. In direct costs, our St. Louis (1978) meeting probably lost a bit; the ones in 1976 and 1977 had small excesses of income over expenditures, but were virtually break-even. This does not include staff time in help to local committees, preparing promotional material, printed programs, exhibits – generally helping produce better meetings. If they weren't good meetings, they wouldn't attract as many people as they do.

Then there are the intangibles. AOCS is being asked more and more often to participate and do things for other groups. We've had requests from Europe to present methodology short courses there; we're developing better liaison with lots of groups. The increased international trade in fats and oils during the past decade may be triggering some of our increased involvement in international affairs. But, let's face it, fats and oils depend heavily on quality control, and when it's come to quality control in fats and oils, we're the original source of validated methodology.

Has the move to Champaign saved any money?

In 1971 AOCS was paying \$13,000 a year; what would 4,000 square feet of space on Wacker Drive in Chicago cost today? Say, \$32,000 at \$8 a square foot? The Society has bought a building in Champaign-Urbana for \$200,000 and paid it off without an increase in dues; we're presently

renting some excess space for about \$6,500 a year. It's a relatively energy efficient building.

The size of our publications is increasing. In 1969, JAOCS published about 700 pages of technical material and 700 pages of news and advertising. Last year, we published about 925 pages of technical material and 900 pages of news and advertising. Printing costs have gone up about 20% in the past five years and could rise 12 to 15% in the next ten years – maybe more.

What about mailing costs?

What did it cost to mail a letter in 1969? Eight cents? Now it's 15 cents. We are a big mailer – probably we're among the top five mailers in Champaign-Urbana exclusive of the University of Illinois. A lot of our mail is bulk rate, and that's gone up about as fast as first class rates. The cost of paper is going up. Fifteen years ago you could order printed envelopes at \$3 to \$5 per thousand, now it's \$12 to \$14, and there's no sign prices are going to go down. Some years ago you could buy inexpensive sheets of paper for general use at 75 cents a ream or so, now that paper simply isn't available; you have to pay for more expensive quality simply because that's all that's available.

Could some other source of new revenue be found such as page charges, supplies, advertising, or meeting fees?

We offer supplies (earth, cups) as a service to the industry and charge enough to cover our handling and shipping costs. There's simply no place else you can buy earth in three-pound quantities. Page charges are absolutely essential, providing \$45,000 to \$55,000 income a year, and they haven't been increased for years. But let's see what would happen if you did raise them 25% – to \$50 a page. That would provide about \$12,500 more per year, but then you'd probably have some people who wouldn't pay at the higher rate. Advertising rates have been raised to match the general economy. Meeting fees, once you factor out the cost of social events, haven't increased all that much; but the combined fees are high enough now to perhaps discourage some potential attendees. You might have a drop off in attendance, which means you'd have to increase fees to increase revenue and you get a vicious cycle.

Any other way to meet rising costs?

Well, you could ask "Why not drain off your reserves?" The first year you might need \$35,000 then \$75,000 the second and then maybe \$120,000 the third; in three years your reserves are gone. We've also been quite fortunate in our overseas meetings that nothing has gone sour yet, but it's conceivable we could lose \$25,000 on one of those meetings; you need reserves for that type of situation. Really, it's been increased advertising and international meetings' income that's been increasing society income, and you'd have to call that awfully soft money. If there is a recession – and there are lots of folks who think we will have one – the first thing that would be hurt is advertising. Back in 1969-70 advertising was climbing toward 400 pages, and then something went sour and it fell real fast down to 150 pages.

Is there any way to avoid a dues increase?

Well, you could go back to where we were ten years ago in terms of service. You could always maintain your reserves by not spending money. You'd have to reduce

services and activities, which would reduce the value of the Society to the members, and that's self-defeating.

Won't the Society lose some members if it raises dues?

Yes, you always do. Some people may be facing increased dues from two or three groups they belong to and arbitrarily drop one. Our dues have been \$24 since 1969. In that time, dues for the American Chemical Society have gone to \$45 from \$16; American Association of Cereal Chemists, to \$40 from \$25; Society of Cosmetic Chemists to \$40 from \$20; and the Institute of Food Technologists, to \$25 from \$20. The Association of Official Analytical Chemists instituted individual dues of \$10 in 1977. So we're not out of line, especially when the proposed increase is measured against the annual cost of living and the growth of the services the Society offers its members and their industries.

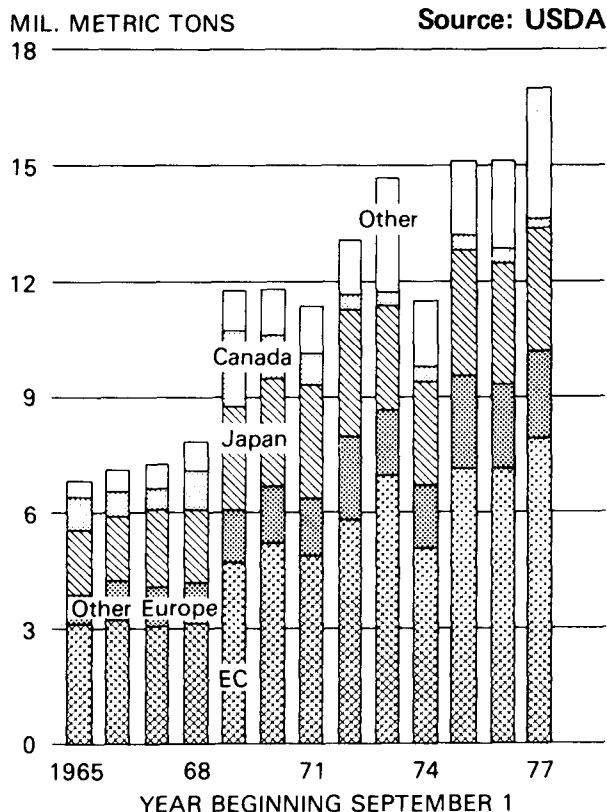
Could a dues increase be postponed?

I think it would be a great thing psychologically for our members if we could put it off for another year. But to be fiscally prudent, the increase really should come now. I'd like for us to be able to put it off, but it's needed.

What can a member expect for his increased dues?

We've already talked about expanded AOCS services. Actually, members will get out of the Society what they put into it. We're a small enough group that's its relatively easy to become involved and active; if someone doesn't become active it's because he doesn't want to. Maybe that is what has made AOCS such a cohesive and worthwhile organization.

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