Advancing the 21st Century ALA
- Strategic Issues and Financial Trends -

Jim Neal – ALA Treasurer
Saturday June 23, 2012
Anaheim, CA
Topics to Cover

- What are the key strategic issues affecting ALA and its financial future?
- What are the trends in ALA’s income and expense areas and the opportunities for new business development?
- What is the budget plan for FY13?
Strategic Issues for FY13 Budget

- Continuing Economic Challenges
- Political Environments Not Supportive
- Virtual Professional Participation
- Globalization of Information Issues
- Massive Changes In Publishing Industry
- Limited Growth In MLS Workforce
Financial Issues for FY13 Budget

- Primary Revenue Sources Flat or Declining
- Need To Diversify and Enhance Revenue Sources
- Need To Invest In Technology and Systems
- Need For Continued Focus On Efficiencies and Productivity
- Member Value and Engagement Highest Priority
- Keep Resources Focused On Strategic Priorities
Trends in ALA’s Revenue and Expense Areas – Total ALA

Total ALA Revenues
Total ALA Expenses
Trends in ALA’s Revenue and Expense Areas – General Fund

- General Fund Revenues
- General Fund Expenses
Trends in ALA’s Revenue and Expense Areas – Conference Revenues

- Midwinter
- Annual

Year:
- 2001
- 2002
- 2003
- 2004
- 2005
- 2006
- 2007
- 2008
- 2009
- 2010
- 2011
Trends in ALA’s Revenue and Expense Areas – Conference Net Revenues

![Graph showing trends in ALA's revenue and expense areas from 2001 to 2011.](chart.png)

- **Midwinter**
- **Annual**
Trends in ALA’s Revenue and Expense Areas – Publishing Revenues

$13,000,000
$12,500,000
$12,000,000
$11,500,000
$11,000,000
$10,500,000
$10,000,000
$9,500,000

Trends in ALA’s Revenue and Expense Areas – Publishing Net Revenues

$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$

Primary Sources of Revenue:
- Membership
- Conferences
- Publishing

How to Build New Revenue Streams for ALA:
- Current Products to Current Markets
- New Products to Current Markets
- Current Products to New Markets
- New Products to New Markets
New Business Development

Areas of Current Activity and Exploration:

– Electronic Publishing

– Continuing Education Online

– International Community

– Public/Library Users

– Mergers and Acquisitions
Investment in New Technologies and Systems - A Strategic Priority

- Financial/Accounting System
- Web Content Management System
- E-Commerce System
- Hardware Upgrades
- Software Upgrades

- Capital Budget
- Technology Reserve Fund
“To develop and deploy the financial resources that support the strategic plan and delivery of programs that are responsive to member needs and support the improvement of library service.”
Budget Aligned with ALA Programmatic Priorities (Key Action Areas)

- Diversity
- Equitable Access to Information and Library Services
- Education and Lifelong Learning
- Advocacy for Libraries and the Profession
- Literacy
- Organizational Excellence
- Intellectual Freedom
- Transforming Libraries
Total ALA FY 2013 Budgetary Ceiling

Net Assets
(Unexpended balance remaining from FY 2012)

+ 

Revenue
(Anticipated for FY 2013)

= 

Budgetary Ceiling

See Article IX, page 30 of ALA Handbook
## General Fund Annual Estimate of Income

### Budgeted FY 2013 Revenues

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dues</td>
<td>$5,807,988</td>
</tr>
<tr>
<td>Material Sales</td>
<td>9,075,698</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>2,952,390</td>
</tr>
<tr>
<td>Advertising</td>
<td>3,908,039</td>
</tr>
<tr>
<td>Meet/Conferences</td>
<td>7,480,274</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>2,415,787</td>
</tr>
</tbody>
</table>

**Total Budgetary Ceiling (2013)**: $31,640,176

**Total Budgetary Ceiling (2012)**: $27,072,978
### Divisions Annual Estimate of Income

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Beginning - Net Asset Balance</td>
<td>$12,642,063</td>
</tr>
<tr>
<td>(Ending FY12 Projection)</td>
<td></td>
</tr>
<tr>
<td>Budgeted FY 2013 Revenue</td>
<td>$13,509,921</td>
</tr>
<tr>
<td>Other Revenue Transfers*</td>
<td>$19,524</td>
</tr>
<tr>
<td><strong>Total Budgetary Ceiling (2013)</strong></td>
<td>$26,171,508</td>
</tr>
<tr>
<td><strong>Total Budgetary Ceiling (2012)</strong></td>
<td>$27,501,907</td>
</tr>
</tbody>
</table>

*Life and Continuing Member Dues*
## Round Tables Annual Estimate of Income

<table>
<thead>
<tr>
<th>Estimated Beginning - Net Asset Balance (Ending FY12 Projection)</th>
<th>$1,172,095</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgeted FY 2013 Revenue</td>
<td>$ 394,664</td>
</tr>
<tr>
<td>Total Budgetary Ceiling (2013)</td>
<td>$1,566,759</td>
</tr>
<tr>
<td>Total Budgetary Ceiling (2012)</td>
<td>$1,419,469</td>
</tr>
</tbody>
</table>
### Grants and Awards Annual Estimate of Income

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Government</td>
<td>$2,082,974</td>
<td>$2,006,509</td>
</tr>
<tr>
<td>Governments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$622,189</td>
<td></td>
</tr>
<tr>
<td>Total Budgetary Ceiling (2013)</td>
<td>$4,711,672</td>
<td></td>
</tr>
<tr>
<td>Total Budgetary Ceiling (2012)</td>
<td></td>
<td>$5,319,332</td>
</tr>
</tbody>
</table>
## Long-Term Investment Annual Estimate of Income

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgeted FY 2013 Revenue</td>
<td>$1,075,661</td>
</tr>
<tr>
<td>Interest/Dividend Transfer</td>
<td>-334,940</td>
</tr>
<tr>
<td>Spectrum Interest/Dividends</td>
<td>158,473</td>
</tr>
<tr>
<td>Spectrum Capital Gain</td>
<td>99,046</td>
</tr>
<tr>
<td>Life Member Dues</td>
<td>-61,524</td>
</tr>
<tr>
<td><strong>Total Budgetary Ceiling (2013)</strong></td>
<td>$936,716</td>
</tr>
<tr>
<td><strong>Total Budgetary Ceiling (2012)</strong></td>
<td>$914,017</td>
</tr>
</tbody>
</table>
**Total ALA FY 2013 Budgetary Ceilings**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$31,640,176</td>
</tr>
<tr>
<td>Divisions</td>
<td>26,171,508</td>
</tr>
<tr>
<td>Round Tables</td>
<td>1,566,759</td>
</tr>
<tr>
<td>Grants &amp; Awards</td>
<td>4,711,672</td>
</tr>
<tr>
<td>Long Term Investments</td>
<td>936,716</td>
</tr>
</tbody>
</table>

Total ALA Budgetary Ceiling (2013) $65,026,831  
Total ALA Budgetary Ceiling (2012) $62,227,703

*Technology Reserve Fund $318,070
Thank You for Your Attention. Questions?