

ALA American Library Association

5-Year Financial Plan FY 2015 Actual through FY 2024 Plan Investment Plan + Growth - Assumptions

Total ALA Revenue Assumptions

1. Publishing
FY 2021 through FY 2024: Revenue growth 1-2%
2. Conference - based on venue
FY 2020 - Philadelphia (MW); Chicago (Annual)
FY 2021 - Indianapolis (MW); Chicago (Annual)
FY 2022 – San Antonio (MW); DC (Annual)
FY 2023 – New Orleans (MW); Chicago (Annual)
FY 2024 - Denver (MW); San Diego (Annual)
3. Membership dues
FY 2021 – FY 2024 – 2.5% CPI dues increase
4. Divisions - consistent with prior year actuals, reflecting the see-saw pattern where odd years have one Division conference and even years have two Division conferences
5. Round Tables
FY 2021 through FY 2024 - estimated at \$500k per year based on an average for the prior six years
6. Grants
FY 2021 through FY 2024 – based on projected growth for grants managed primarily by the Public Programs Office plus PLA’s Gates Legacy grant projections
7. **Additional Revenue Growth from Investment Plan:**
 - **Endowment revenue of \$550k to \$700k from reinvestment from asset sale;**
 - **Contribution/Fundraising of \$300k to \$600k from Development investments;**
 - **Purchasing “revenue” of \$100k from Corporate Purchasing program;**
 - **New Business Initiatives of \$200k**

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General Fund Overhead Assumptions

1. Overhead rate is set at 26.5% for FY 2020; this same percentage is used for FY 2021 through FY 2024, for projection purposes
2. Divisions – Average overhead rate for all Divisions combined is 14% for FY 2020.
Overhead is applied as follows:
 - Dues – exempt
 - Publishing revenue (includes Online Continuing Education) – ½ of overhead rate
 - Registration fees – full overhead rate
3. Round Tables - 4% of Round Tables revenue
4. Grants – 8% of all General Fund and Division grant revenue based on the average percentage for FY 2015 through FY 2019 plus a 3% increase in the Federal Indirect Cost Rate

General Fund Expenses

This section shows overall increases in General Fund net revenues and overhead. This additional revenue would fund strategic priority initiatives; salary and benefit increases; and inflationary increases.

During FY 2019, some organizational changes were made to reassign units and/or combine offices/units performing similar work to enhance efficiency, effectiveness and impact. These changes are reflected beginning with the 2018 Actuals.

Beginning in FY 2017, Member and Customer Service expenses are shown separately.

For FY 2021 through FY 2024, expenses are not allocated in this model; only the overall increase is shown.

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“Status Quo” scenario assumes no new expenditures in General Fund budget except:

- *Annual staff salary increases of 2%*
- *Annual health care expense increases of 7%, beginning in 2021*
- *Annual inflation of 2%*
- *3-5 Year Investment Plan in IT, Advocacy, and Development*
- *Occupancy Savings of \$500k starting FY 2021*
- *Support Services Savings of \$180k in FY 2020 and \$300k FY 2021 – FY 2024 from automation and outsourcing*
- *IT efficiencies resulting in cost savings of \$96k to \$146k in FY 2021 – FY 2024*