



Two Park Avenue

tel 1.212.591.7000

New York, NY

fax 1.212.591.7674

10016-5990

U.S.A.

www.asme.org

**AGENDA**  
**2020 – 2021 BOARD OF GOVERNORS**  
**MEETING**  
**Tuesday, June 16, 2020 – 1:00 pm to 3:00 pm (EDT)**

**1. Opening of the Meeting (Start Time 1:00 pm)**

- 1.1. Call to Order  
Bryan Erler
- 1.2. Adoption of the Agenda ACTION
- 1.3. President's Remarks (10 minutes) INFORMATION  
Bryan Erler
- 1.4. Executive Director/CEO's Remarks (10 minutes) INFORMATION  
Tom Costabile
- 1.5. Consent Items for Action ACTION

Identification of items to be removed from Consent Agenda

Consent Items for Action are items the Board is asked to take action on as a group. Governors are encouraged to contact ASME Headquarters with their questions prior to the meeting as it is not expected that consent items be removed from the agenda.

- 1.5.1. Presidential Appointments: Approval of Governors to serve as committee members and in liaison roles
- 1.5.2. 2020-2021 Membership Dues

**2. Open Session Agenda Items**

- 2.1. Update on ISIE (10 minutes) INFORMATION  
Tom Costabile and Michael Johnson
- 2.2. Senior Vice President Recommendations – SECD/PAO INFORMATION  
Callie Tourigny and Kalan Guiley (5 minutes)
- 2.3. Board Planning Meeting (5 minutes) INFORMATION  
Michael Johnson

**3. New Business**

#### 4. Open Session Information Items

##### 4.1. Dates of Future Meetings

<b>DATE</b>	<b>DAY</b>	<b>TIME</b>	<b>LOCATION</b>
July 27, 2020 Planning Meeting Day 1	Monday	1:00 pm – 3:00 pm	Video Conference
July 28, 2020 Planning Meeting Day 2	Tuesday	1:00 pm – 3:00 pm	Video Conference
August/September 2020	TBD	TBD	Video Conference

#### 5. Adjournment

##### List of Appendices

- 1.5.1 Presidential Appointments: Approval of Governors to serve as committee members and in liaison roles
- 1.5.2 2020-2021 Membership Dues



## Board of Governors Agenda Item Cover Memo

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Date Submitted:	May 29, 2020
BOG Meeting Date:	June 16, 2020
To:	Board of Governors
From:	Bryan Erler
Presented by:	Bryan Erler
Agenda Title:	FY21 Presidential Appointments

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### Agenda Item Executive Summary:

The Appointment of Governors to serve as committee members and in liaison roles:

- Audit Committee: **Paul Stevenson** (3 years)
- EDESC: **Andy Bicos** (3 years)
- Committee on Finance Liaison: **Tom Kurfess** (1 year)
- Committee on Honors Liaison: **Mike Molnar** (1 year)
- Committee on Organization and Rules Liaison: **Rick Marboe** (1 year)
- Diversity and Inclusion Strategy Liaison: **Laura Hitchcock** (1 year)
- Industry Advisory Board Liaison: **Andy Bicos** (1 year)
- Volunteer Leadership Training (VOLT) Academy Liaison: **Rick Marboe** (1 year)

Proposed motion for BOG Action: Approval of Governors to serve as committee members and in liaison roles for FY21.

Attachments: None

**ASME Board of Governors  
Agenda Item  
Cover Memo**

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**Date Submitted:** May 28, 2020  
**BOG Meeting Date:** June 16, 2020

**To:** Board of Governors (BOG)  
**From:** COF  
**Presented by:** Betty Bowersox  
**Agenda Title:** 2020 – 2021 Membership Dues

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**Agenda Item Executive Summary:**

COFI has reviewed the 2020-2021 membership dues calculation with staff who has recommended not to increase dues until the results of the new Membership Model Pilot have been evaluated.

COFI voted to recommend that the Board of Governors not increase base membership dues for 2020-2021. The base membership dues will remain at \$158.00.

**Proposed motion for BOG Action:**

COFI recommends no increase in base membership dues for 2020-2021.

**Attachments:**

ASME Membership Dues: 2020-2021 Presentation

**MOTION:**

**To approve 2020-2021 membership dues of \$158.00.**



# **ASME Membership Dues: 2020-2021**

# What to Expect from This Presentation

- ASME's by-laws entitle us to increase the membership dues for membership year 2020-2021 by \$4 based on the CPI Index.
- The motion proposed to the Board of Governors to NOT increase annual membership dues (rationale on page 3).

# Proposed Membership Dues (2020-2021):

## FY21 - October 2020 Dues Calculation

Calculation	CPI	ASME Dues
October 2019 Dues		\$158.00
January 2020 CPI	257.7	
January 2019 CPI	251.9	
Inflator ( <i>Jan 20 CPI ÷ Jan 19 CPI</i> ):	1.023	
Maximum allowable dues as per C9.1.1		\$162.03
<i>(Round down as per Society Policy 14.5)</i>		
<b>Recommended FY21 October 2020 Dues:</b> <b>\$0 INCREASE</b>		<b>\$158.00</b>

## Recommendation Rationale

- Our plan did not intend to increase membership dues during the membership model pilot.
- Pilot is currently in progress. Increasing dues in the midst of the pilot will most likely skew results that are essential to decisions that need to be made for full roll out.
- Given the current economic instability and decline in membership, we need to reduce the risk of increased attrition attributable to higher dues pricing.
- The ~\$50K incremental revenue for each \$1 increase in dues pricing does not outweigh the skewed pilot results and increased risk of attrition.
- Multiple research studies have shown that high membership dues is a reason for lapsed membership.
- Recommendation is to maintain the status quo on pricing until the pilot and improved value proposition have been fully vetted.

Source: US Government Bureau of Labor Statistics

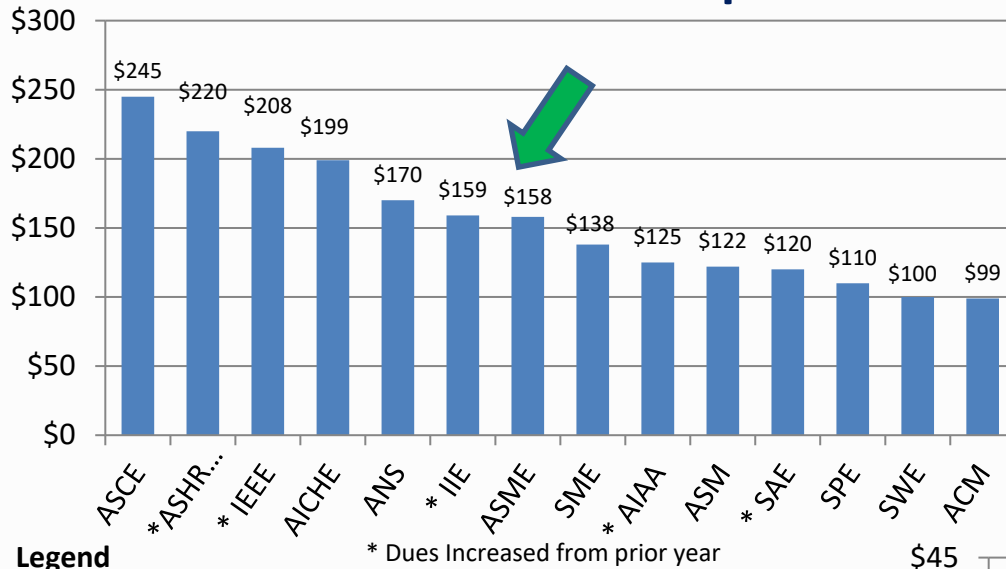
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CPI: All Urban Consumers NSA



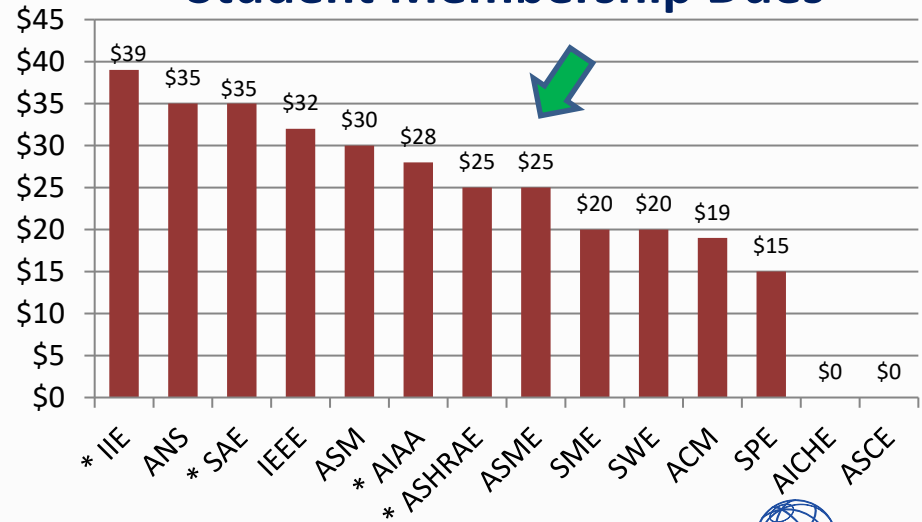
# Comparison of ASME to Other Technical Societies:

## Professional Membership Dues



ACM	Association for Computing Machinery
AIAA	American Institute of Aeronautics and Astronautics
AICHE	American Institute of Chemical Engineers
ANS	American Nuclear Society
ASCE	American Society of Civil Engineers
ASHRAE	American Society of Heating, Refrigerating and Air-Conditioning Engineers
ASM	ASM International (Formerly American Society for Metals)
IEEE	Institute of Electrical and Electronics Engineers
IIE	Institute of Industrial Engineers
SAE	Society of Automotive Engineers
SME	Society of Manufacturing Engineers
SPE	Society of Petroleum Engineers
SWE	Society of Women Engineers

## Student Membership Dues





# Selected Association Industry Benchmarks:

**Source:** Marketing General 2019 Membership Marketing Benchmarking Report – 2019 survey had 824 respondents from unique societies and trade associations. Data shown is for individual membership societies only.

Median Basic Annual Membership Dues	
Individual Member Societies	\$222

Membership Change	Past Year	Past 5 Years
Increased	46%	51%
Decreased or Remained the Same	53%	45%
Not Sure	1%	4%

How often does your Association raise dues?	
Annually	24%
Every other year	5%
As needed	52%
Other	11%
Never	8%

Biggest Two External Challenges to Grow Membership	
Economy/cost of membership	46%
Perception of the association and/or its culture (i.e., old boy's network, not specialized enough, etc.)	42%
Competitive association(s) or sources of information	39%
Lack of brand awareness	38%
Declining member/employer budgets	35%
Changing demographics of industry/fewer young people in industry	33%
Industry consolidation/industry shrinkage	17%
Market saturation	12%
Other	11%

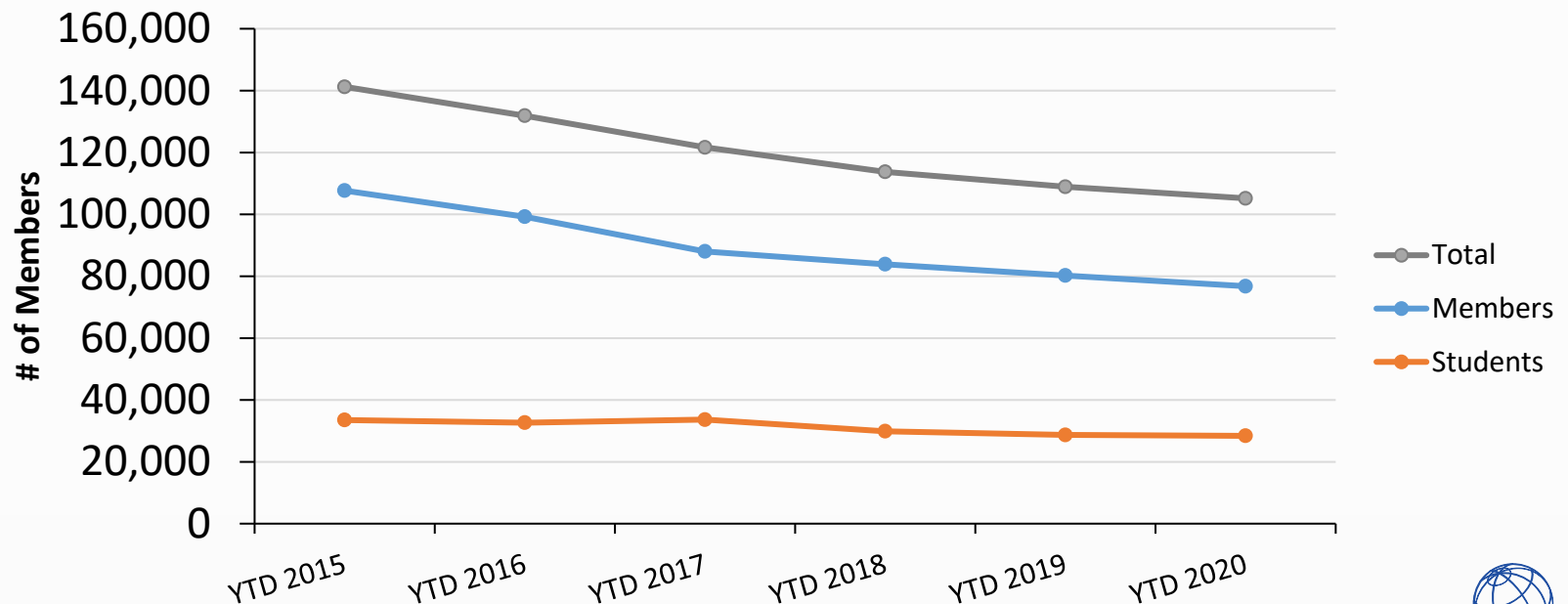


# Membership Counts:

Membership Counts at 1/31 each year

	YTD 2015	YTD 2016	YTD 2017	YTD 2018	YTD 2019	YTD 2020
Members	107,699	99,236	88,012	83,866	80,232	76,763
Students	33,539	32,675	33,653	29,884	28,697	28,424
Total	141,238	131,911	121,665	113,750	108,929	105,187

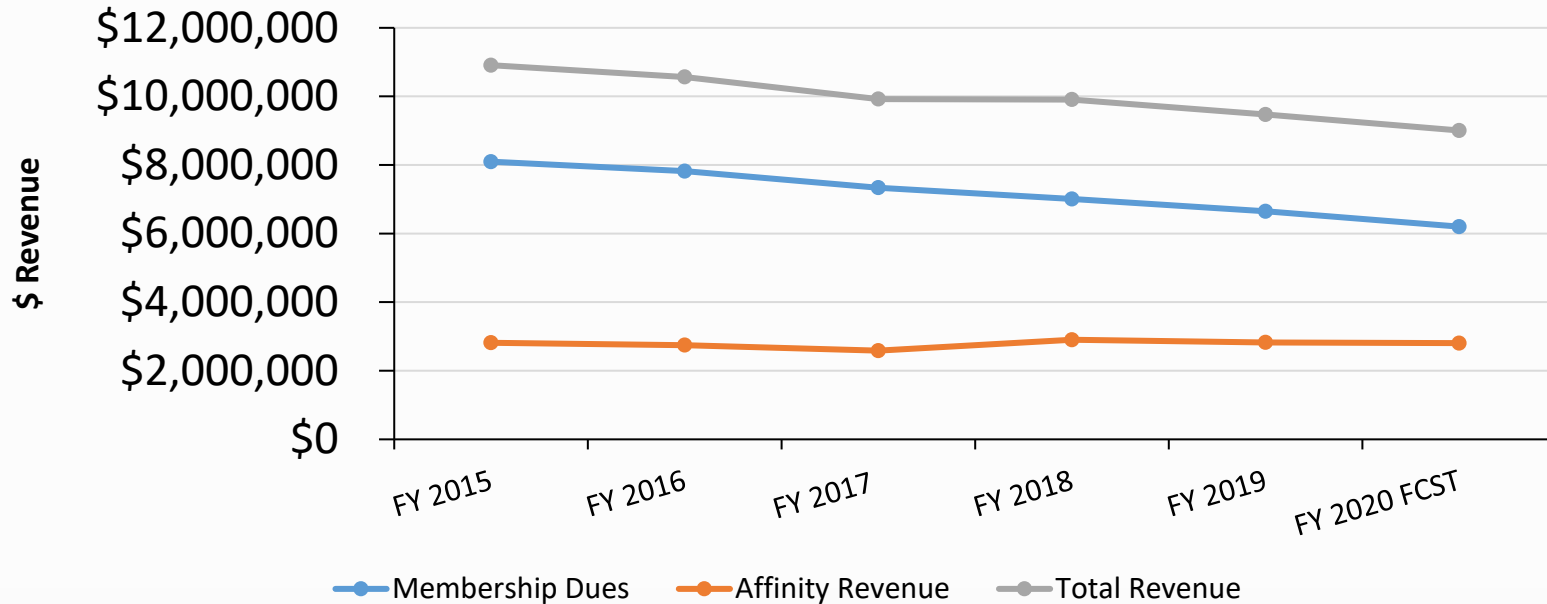
## Membership Counts



# Membership Revenue:

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 FCST
Membership Dues	\$8,093,259	\$7,819,504	\$7,336,157	\$7,007,645	\$6,646,815	\$6,200,000
Affinity Revenue	\$2,814,029	\$2,745,314	\$2,583,797	\$2,900,093*	\$2,823,383	\$2,804,340
Total Revenue	\$10,908,288	\$10,564,818	\$9,919,954	\$9,907,738	\$9,470,198	\$9,004,340

## Membership Dues and Affinity Revenue

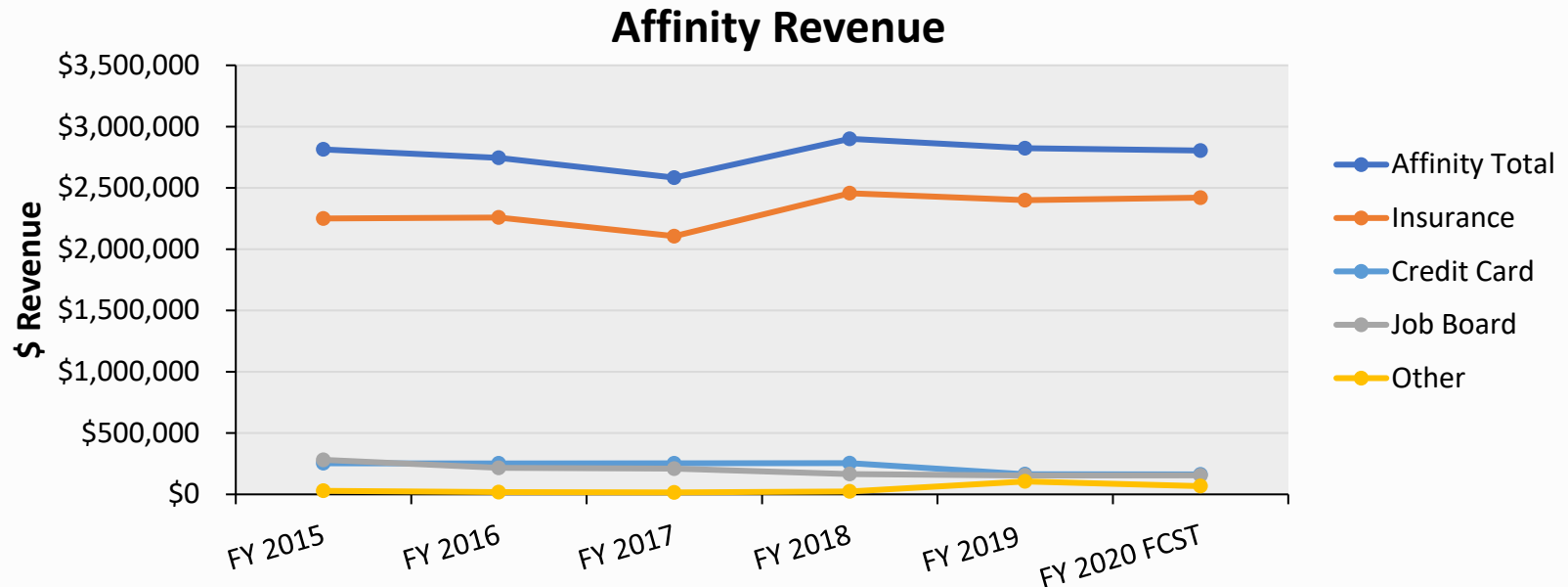


\* FY 18 – Affinity Increased annual fixed Insurance Royalties by \$300K



# Affinity Revenue:

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 FCST
Credit Card	\$253,800	\$252,600	\$252,900	\$254,000	\$164,464	\$162,242
Insurance	\$2,250,249	\$2,258,298	\$2,105,756	\$2,456,324	\$2,399,445	\$2,420,000
Job Board	\$281,037	\$216,032	\$209,392	\$165,685	\$153,895	\$155,000
Other	\$28,943	\$18,384	\$15,749	\$24,084	\$105,579	\$67,098
<b>Affinity Total</b>	<b>\$2,814,029</b>	<b>\$2,745,314</b>	<b>\$2,583,797</b>	<b>\$2,900,093</b>	<b>\$2,823,383</b>	<b>\$2,804,340</b>



Notes: 1) FY19 BofA Credit Card contract now in 2-year auto-renew; we receive earned royalties of \$160K per year (FY19 & FY20)  
 2) FY17, 18, 19 & 20 DOD withdrawal not included in total  
 3) Other includes Membership Certificates, Car Rental, Dell, Salary Services, and Misc revenue



# Distribution of Membership Dues Post Drop:

Membership Segments	FY'20 Base Dues	Member Count (at 2/1/20)	% of Total
Member, Fellow, Affiliate	\$158	31,496	40%
Member out of School 4 years	\$134	521	1%
Member out of School 3 years	\$110	560	1%
Member out of School 2 years	\$86	762	1%
Member out of School 1 years	\$63	1,328	2%
Retired Member	\$79	2,346	3%
Life Member (Paying Service Charge)	\$39	4,749	6%
Life Member (No Service Charge)	\$0	18,599	24%
Student Member	\$25	8,453	11%
Free Members (Freshman Free, Complimentary Course/Conference, Honorary, and Unemployed)	\$0	9,798	12%
<b>Total</b>		<b>78,635</b>	<b>100%</b>

Due to rounding, % of Total may not total 100%

Base Dues represent full rates and does not account for discounting for International Pricing, Proration, or general discounting



# Distribution of Non-Dues Paying Members:

As of January 31 each year

Segments	YTD 2015	YTD 2016	YTD 2017	YTD 2018	YTD 2019	YTD 2020
<b>Members:</b>						
Life (including Service Charge*)	20,093	20,923	21,801	22,406	22,695	23,373
Complimentary (Course & Conference)	9,109	1,294	831	1,386	631	1,200
Other (Unemployed, Honorary, etc.)	1,522	1,552	1,799	1,522	1,469	1,327
<b>Total Non-Dues Paying Members</b>	<b>30,724</b>	<b>23,769</b>	<b>24,431</b>	<b>25,314</b>	<b>24,795</b>	<b>25,900</b>
<b>Students:</b>						
Freshman Free	5,335	7,768	7,208	5,274	7,209	5,548
Complimentary (Course & Conference)	792	832	111	147	1,201	1,723
<b>Total Non-Dues Paying Students</b>	<b>6,127</b>	<b>8,600</b>	<b>7,319</b>	<b>5,421</b>	<b>8,410</b>	<b>7,271</b>
<b>Grand Total</b>	<b>36,851</b>	<b>32,369</b>	<b>31,750</b>	<b>30,735</b>	<b>33,205</b>	<b>33,146</b>
* Life (Service Charge)	4,579	5,213	5,224	5,326	5,460	4,749

# Metrics:

Key Metrics/KPI's*	FY'19
Member Renewal Rate **	90%
Member Average Tenure	10 yrs
Member Lifetime Value (LTV)	\$2,223

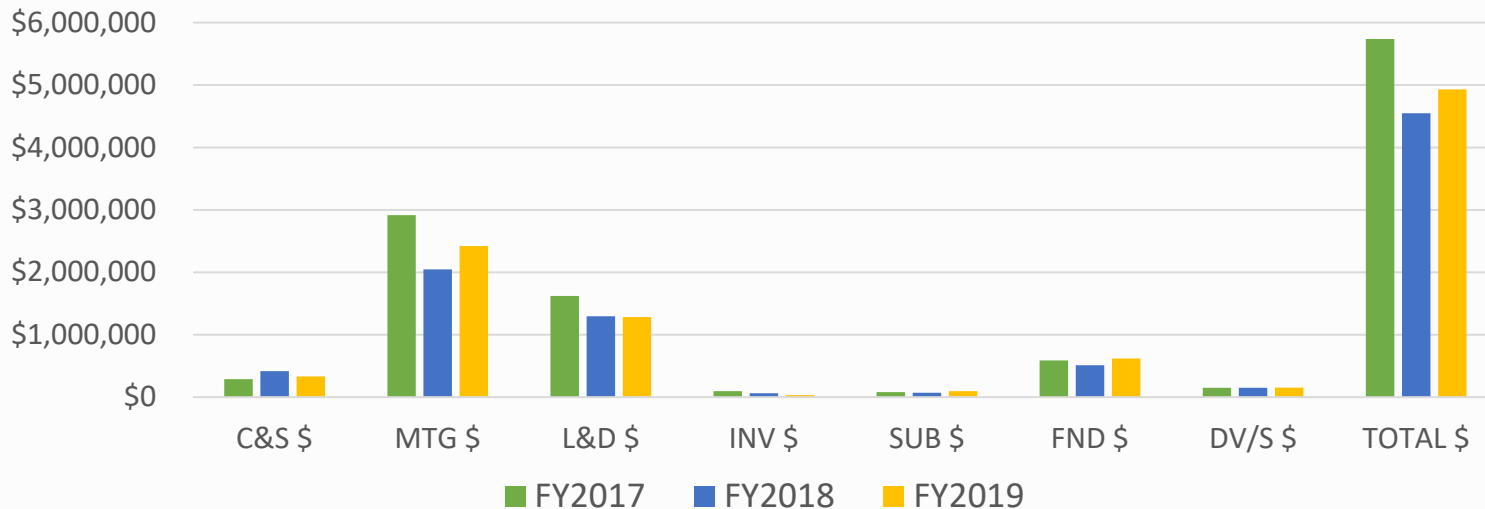
\* Renewal Rates, Average Tenure and LTV are Key Metrics/KPI's for measuring association membership

\*\* Industry benchmark average (mean) renewal rate is 78%.  
Source: 2019 Membership Marketing Benchmarking Report

# Member Purchases (Non-Dues):

	C&S \$	MTG \$	L&D \$	INV \$	SUB \$	FND \$	DV/S \$	TOTAL \$
FY2017	\$288,090	\$2,916,077	\$1,620,336	\$96,333	\$79,566	\$587,690	\$149,800	\$5,737,892
FY2018	\$416,252	\$2,047,580	\$1,294,826	\$62,471	\$68,521	\$510,272	\$149,610	\$4,549,532
FY2019	\$331,445	\$2,421,309	\$1,282,886	\$30,048	\$94,949	\$618,649	\$150,723	\$4,930,009

## Member Purchases (Non-Dues)



**Key:** **C&S:** Standards & Certifications, **MTG:** Conferences, **L&D:** Learning & Development, **INV:** Inventory (ASME Press, Conf Pubs, Digital Content), **SUB:** Journal Subscriptions **FND:** Foundation Contributions, **DV/S:** Member Division/Section Contributions



## COFI Motion:

**Recommend to the Board of  
Governors NOT to increase the  
base membership dues for the  
2020 – 2021 Membership year.**

# Questions?

# Appendix

## The ASME Constitution states:

C9.1.1 Any changes to the dues must be approved by at least two-thirds of the voting members of the Board of Governors.

A dues increase shall be limited to the change in the Consumer Price Index since the previous dues increase. A dues decrease shall not be limited.

C9.1.2 Any proposed dues increase beyond the limit contained in C9.1.1 must be submitted to the corporate membership for approval by letter ballot.

### Regarding Student Membership Dues:

ASME By-Law B3.2.10 states: The Board of Governors shall, from time to time, as seems necessary, establish the dues for a Student Member and the corresponding services rendered.