

## Proposed Dues Formula

### Introduction

The IFUW dues are currently calculated using a single full *per capita* rate of 18 Swiss francs. Under the current sliding scale only two national federations and associations (NFAs) benefit from a reduction because of their membership numbers. A reduction (maximum 60%) is calculated separately for NFAs in countries with a low *per capita* gross national income (GNI).

The proposed dues formula would still reward higher membership numbers with a decrease in dues and provide for a decrease in dues for NFAs in countries with a low GNI, but it uses a single formula that would be applied to all affiliates. The formula uses mathematical logarithms to provide a meaningful and comparable base for the calculation of dues. The formula is based on five bands (or levels) of *per capita* dues. The benefit of using bands is that there would only be five possible dues amounts, instead of the individual amounts that are calculated currently for every NFA that receives a reduction as a result of low GNI. The bands would also provide an incentive to NFAs to increase their membership numbers in order to move into a lower band.

AAUW has not been included in the final step of these calculations, because the calculations are based on the IFUW's current budget. The current budget does not include any dues income from AAUW.

### How the Formula Works

The formula uses a standard mathematical method of logarithms to put membership numbers and gross national income into a comparable form.

The natural logarithm is determined for the GNI for each member NFA –  $\ln(\text{GNI})$  – the poorer the country, the lower the log number. As the log number becomes smaller, the reduction in dues increases.  $\ln(\text{GNI})$  is multiplied by 2 to give the GNI more weighting.

The natural logarithm is also determined for the membership numbers for each member NFA –  $\ln(\text{Membership})$  – the greater the number of members, the larger the log number. As this log number becomes greater, the reduction in dues increases.

The two logarithms for an NFA are then combined in the following formula to determine which of the five per capita levels should apply to that NFA:

$$x = (2 \times \ln(\text{GNI per capita})) - \ln(\text{Membership})$$

- If x is less than 7, the per capita dues is 8 Swiss francs per member
- If x is between 7 and 8.5, the per capita dues is 10.5 Swiss francs per member
- If x is between 8.5 and 10, the per capita dues is 13 Swiss francs per member
- If x is greater than 10 and 11.5, the per capita dues is 15.5 Swiss francs per member
- If x is greater than 11.5, the per capita dues is 18 Swiss francs per member.

To have the lowest dues level, an NFA must have a low GNI and large number of members. The highest dues level is paid by NFAs with a high GNI and a low number of members.

The chart entitled "Calculation of Dues Using the Proposed Model" shows the predicted impact on dues for each NFA.

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\* The World Bank considers GNI to be more reliable than the gross national product (GDP) because it is less "subject to distortions caused by short-term exchange rate fluctuations, policies and interventions".