

PUBLICATIONS DEPARTMENT
AMERICAN INSTITUTE OF ELECTRICAL ENGINEERS

65
C O P Y

33 WEST 39TH STREET, 6TH FLOOR

WEST 47th STREET 11th FLOOR NEW YORK 18, N. Y.
NEW YORK 17, N. Y.

February 7, 1962

Dr. W. R. Clark
AIEE Treasurer
Mgr., Product Engg. Div.
Leeds & Northrup Co.
4901 Stenton Avenue
Philadelphia, Pa.

Dear Dr. Clark:

Confirming our telephone conversation last night in respect to what the additional annual cost per member might be if the number of print copies of ELECTRICAL ENGINEERING were increased by 90,000, the estimate was made as attached. Costs were based on actual costs for the same number of pages produced in the fiscal year ending April 30, 1961.

Assumptions:

1. Advertising rates of EE would be raised to the same level as the present rates for Proceedings of IRE.
2. We would lose as much of our power advertising as we would gain from the increased circulation in the markets for electronic products.

The costs of \$2.90 per AIEE member and \$1.08 per IEEE member are slightly higher than the costs of \$2.68 per AIEE member and \$1.02 per IEEE member given on the telephone last night due to the omission of the cost of wrappers and envelopes in the basic costs.

Very truly yours,

CSR:sg
Att.: 1

Charles S. Rich
Editor and Manager

Blind cc: N. S. Hibshman
M. D. Hooven

WRC: This is the best guess to date. We will continue study to see if we are using same base as IRE.

9.49.435

CALCULATIONS

	<u>Editorial Variable Cost</u>	<u>Adv. Variable Cost</u>
Printing & binding	\$ 41,429	\$ 54,301
Text & Cover Paper	46,708	34,046
Wrappers & Envelopes	6,997	
Postage & Mailing	<u>18,429</u>	<u>8,254</u>
	\$113,563	\$ 96,601
Plus 5% price increase	<u>5,678</u>	<u>4,830</u>
	\$119,241	\$101,431
		<u>119,241</u>
	Total Cost	\$220,672

Cost per thousand $\frac{\$220,672}{67.2} = \3280

Cost of 90,000 additional copies $\$3280 \times 90 = \$295,000$

Advertising Income

Proceedings of IRE rate \$960 per page 12 times
Electrical Engineering rate 635 " " " "

Per cent increase in EE rate 51.3%

	<u>Net</u>	<u>Gross</u>
Revised estimated income Dec. 14th	\$257,500	\$307,000
Increased income 51.3%	132,700	158,000

Total Cost	\$295,000
Increase in income	<u>132,700</u>
Net increased cost	\$162,300

Increased cost per AIEE member $\frac{162,300}{56,000} = \2.90

Increased cost per IEEE member $\frac{162,300}{150,000} = \1.08