



74

American Institute of Electrical Engineers

345 EAST 47th STREET ♦ NEW YORK 17, N. Y. ♦ PLaza 2-6800 (Area Code 212)

United Engineering Center

February 23, 1962

7.40.380

Mr. N. S. Hibshman
Executive Secretary
American Institute of Electrical Engineers
United Engineering Center
New York 17, N. Y.

Dear Mr. Hibshman:

Attached are revised yearly costs of printing and mailing ELECTRICAL ENGINEERING if 90,000 more copies were produced. As we are planning some further reductions in cost by lowering the substance weight of the cover stock from 100 lbs. to 90 lb. and discontinuing the use of wrappers with mailing of the foreign in envelopes, there are further reductions in postage and mailing. These reductions will obtain for the amount of \$6,848 per year on the basis of present quantities. The reduction in the cost of running the webs at \$3.80 per M would, of course, only be realized in C'63 if we were to print over 150,000 copies per issue.

The overall method of calculation was specified by Russ Clark. The refinements attached lower the costs of printing and mailing 90,000 more copies per AIEE member from \$2.90 per member to \$2.53 per member.

There is nothing wrong with the method provided it is kept in mind that these are additional costs. First costs for the present editions of 67,600 are in his departmental budget estimate of \$847,000 for publications. The departmental budget for publications is, of course, not on the same basis as the IRE budget because it includes rent, editorial salaries, and the cost of student copies.

Very truly yours,

Charles S. Rich
Editor and Manager
of Publications

CSR:sg

Att.: 1

YEARLY COST OF PRINTING AND MAILING ELECTRICAL ENGINEERING
IF 90,000 MORE COPIES WERE PRODUCED.

BASIS ACTUAL COSTS FOR FISCAL YEAR ENDING APRIL 30, 1961

	<u>Editorial</u>	<u>Advertising</u>	<u>Total</u>
Printing and binding	\$ 41,429	\$ 54,301	\$ 95,730
Text and cover paper	46,708	34,046	80,754
Wrappers and envelopes	6,997		6,997
Postage and mailing	18,429	8,254	26,683
		Total	<u>\$210,164</u>
1. Reduction in web running cost of 24/64 page webs @ \$3.80/M	<u>67.6M</u> \$ 6,120	<u>90M</u> \$ 8,270	<u>157.6M</u> \$ 14,390
2. Using 90-lb. substance paper cover stock instead of 100-lb. subs. 15% of cost of cover stock, \$7850	\$ 1,180	\$ 1,580	\$ 2,760
3. Discontinue using wrappers and mailing foreign in envelopes Cost of 811.2M wrappers @ \$6.081/M = \$4,930 Cost of 85.2M envelopes @ \$8.92/M = $\frac{760}{4,170}$	\$ 4,170	\$ 5,550	\$ 9,720
4. Reduction in postage & mailing 3560 less pounds of cover stock @ .015¢/lb. \$ 53 24,680 less pounds of wrappers @ .015¢/lb. $\frac{\$355}{\$408}$	\$ 408	\$ 550	\$ 958
Domestic mailing cost \$1.50 less/M x 726M	<u>\$ 1,090</u> \$ 12,968	<u>\$ 1,450</u> \$ 17,400	<u>\$ 2,540</u> \$ 30,368
Actual total cost above	\$210,164		
Proposed reductions	<u>12,968</u>		
	\$197,196		
Plus 5% price increases	<u>9,860</u>		
	\$207,056		
Cost per thousand copies = $\frac{207,056}{67.6}$ = \$3,060			
Additional cost of 90M more copies	90 x \$3060	=	\$275,400
Estimated additional advertising revenue		=	132,700
Net Additional Expense			<u>\$142,700</u>
Additional expense per member	$\frac{\$142,700}{56,473}$	=	\$2.53