

May 18, 2022

Introduction

The Society for the Advancement of Socio-Economics (SASE) is a 501(c)(3) non-profit association registered under United States law in Washington, D.C. This report presents the financial year 2021 for SASE, using the cash basis method of accounting (which is the generally accepted method for non-profit organizations).

SASE has traditionally had 4 sources of income, in order from greatest to least importance:

- Conference registration for annual conference (2019: 58%, 2020: 36%, 2021: 52%)
- Membership dues (2019: 34%, 2020: 48%, 2021: 32%)
- SER royalties/profit share (2019: 5%, 2020: 14%, 2021: 13%)
- Membership/registration for the regional conference (biennial, 2019: 3%, 2021: net loss)

Membership dues are intended to cover overhead, while conference registration is intended to cover conference expenses. The reality is, however, that membership dues have not been sufficient for overhead, and the income from the conference has also been used to cover portions of the overhead. The conference itself represents approximately half of SASE's expenses in a typical year (2019: 45%), although the virtual conference in 2020 made this a smaller share of the expenses (14%). In a "normal" year, overhead is slightly less than half of SASE's annual expenses (2019: 43%), whereas this balance was skewed in 2020 due to the virtual format (61%). Overhead is largely comprised of staff salaries (2019: 33%, 2020: 49%, 2021: 38%), which are essential for maintaining SASE's infrastructure and networks.

In 2019/2020, SASE's reserves were run down to less than a year of overhead, and they would have been virtually exhausted in 2021 had this year's conference brought in the same revenue as that of 2020. That 2020 was a difficult year was not just due to the virtual conference in 2020; this conference, and the lower fee structure associated with it, only reinforced a trend that was already in place of sinking revenues (see Chart 1 below). This sinking trend was largely due to choice of conference venues (conferences in the US generate less revenue than conferences in Europe, in part due to lower participation). Given that SASE has been entirely dependent on conference revenue and the membership dues that are paid in order to attend the conference, this downward trend meant that starting in 2016, SASE began eating into its treasury to cover overhead and conference expenses (see Chart 2) - and this despite the fact that attendee numbers were stable or even growing over this same period (see Chart 3).

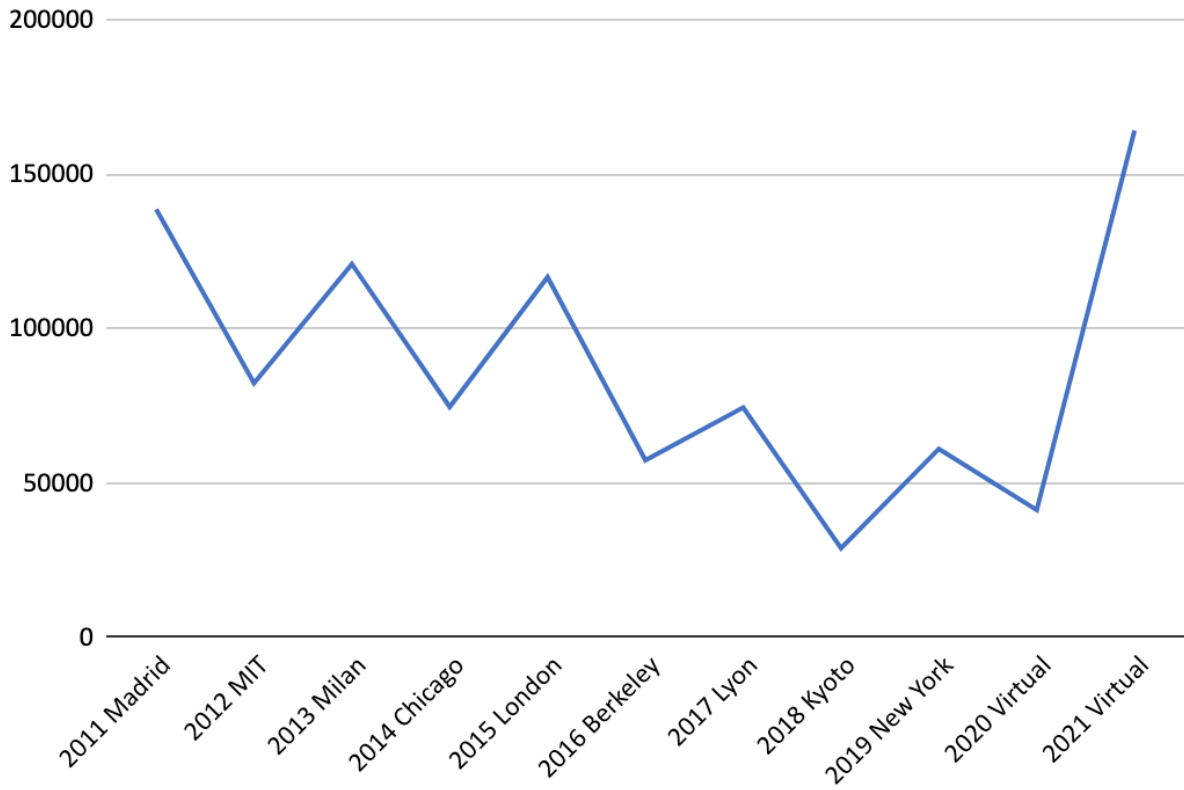


Chart 1. Net income (after expenses) for SASE generated by conferences, 2011-2021

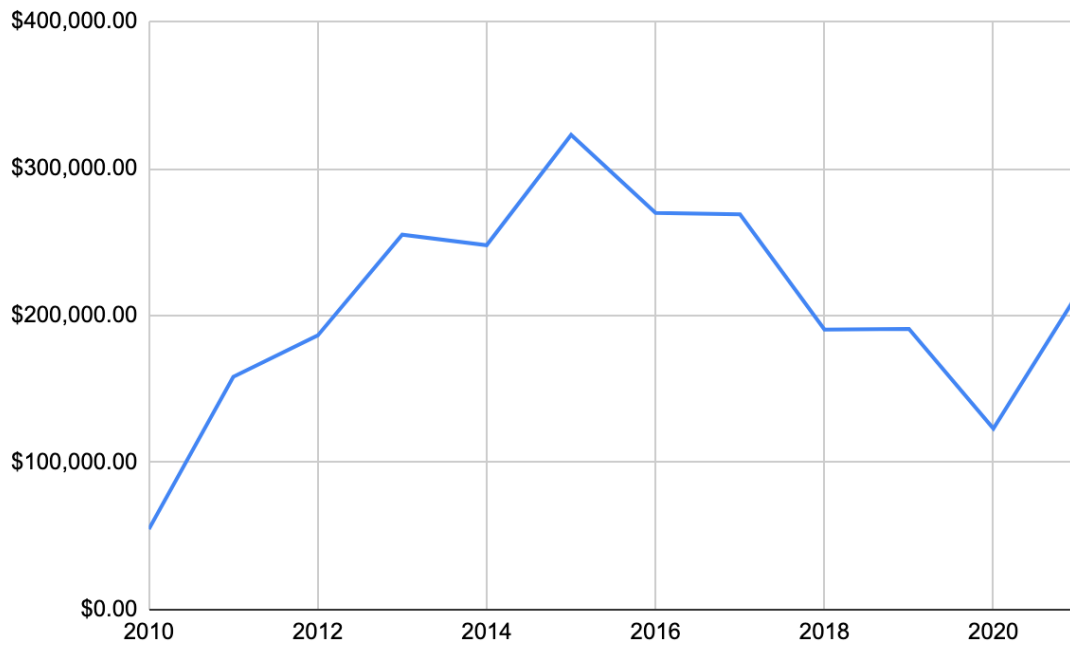


Chart 2. SASE Treasury, 2010-2021.

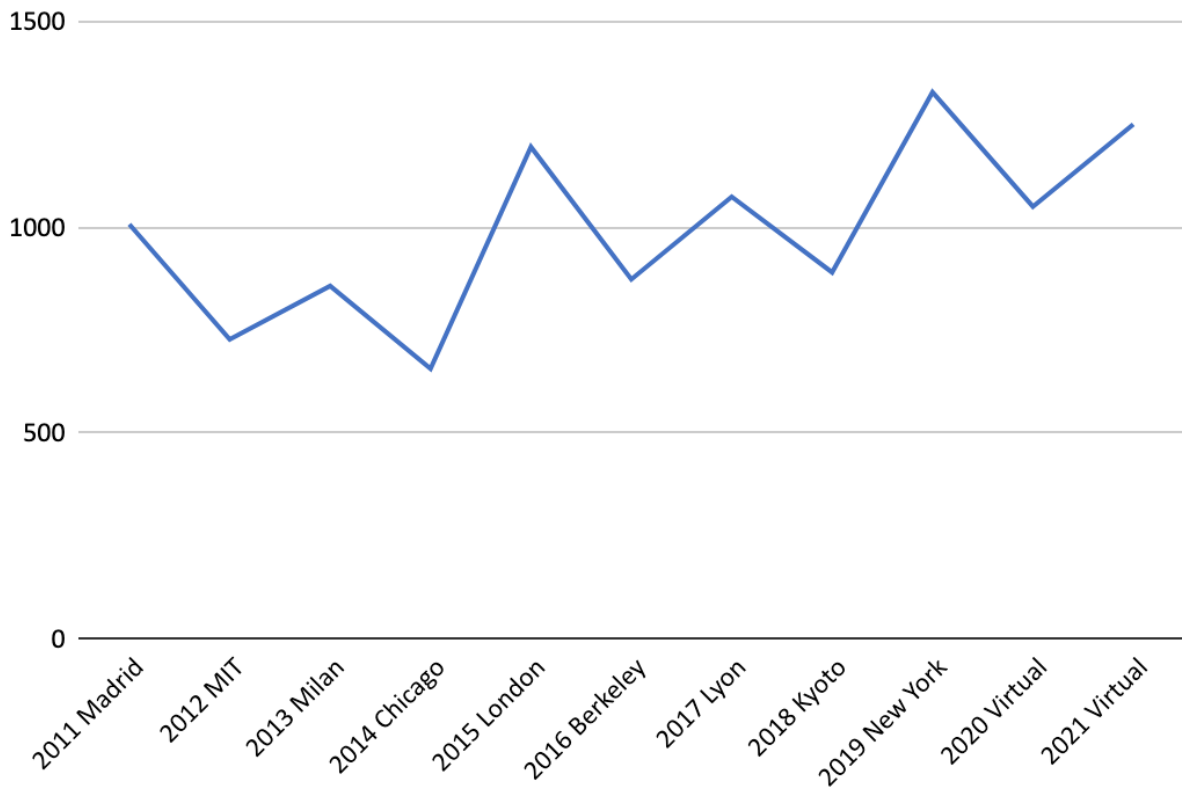


Chart 3. Paying attendees at SASE conferences, 2011-2021

Conference-related income changes significantly based on the location of the conference. Our experience is that conferences in Europe generate significantly greater income for SASE (between \$90,000 and \$140,000) compared to conferences in the US (\$70,000 to \$80,000), with conferences elsewhere generating significantly less (Kyoto: \$43,000).

The biennial regional conference typically leads to a net gain for SASE of approximately \$8,000. In 2021 the regional conference was virtual, which led to it being conducted at a net loss of \$7,180.

Previously, *SER* profits were paid in royalties to SASE. In 2020, a profit-sharing agreement was signed with OUP, which led to a significant jump in income for SASE from OUP. We are very proud of *SER*: its reputation has grown tremendously over the last decade, and with that its financial contribution to the workings of SASE. We want to continue to support the work of this journal, and for 2020 and 2021, it was agreed that 40% of the profits disbursed to SASE would be earmarked for *SER*, with this share going up to 70% in 2022. This will lead to a drop in income from *SER* for SASE, which will be partially compensated by the shift to an online-only publication, which means that the cost to SASE for *SER* subscriptions for its members will go down by \$25 (from \$55 to \$30) for about 60% of the members.

Steps taken in 2020/2021

In 2020/2021, we took a number of measures to prevent what would have been the bankruptcy of the organization without significant action. These included:

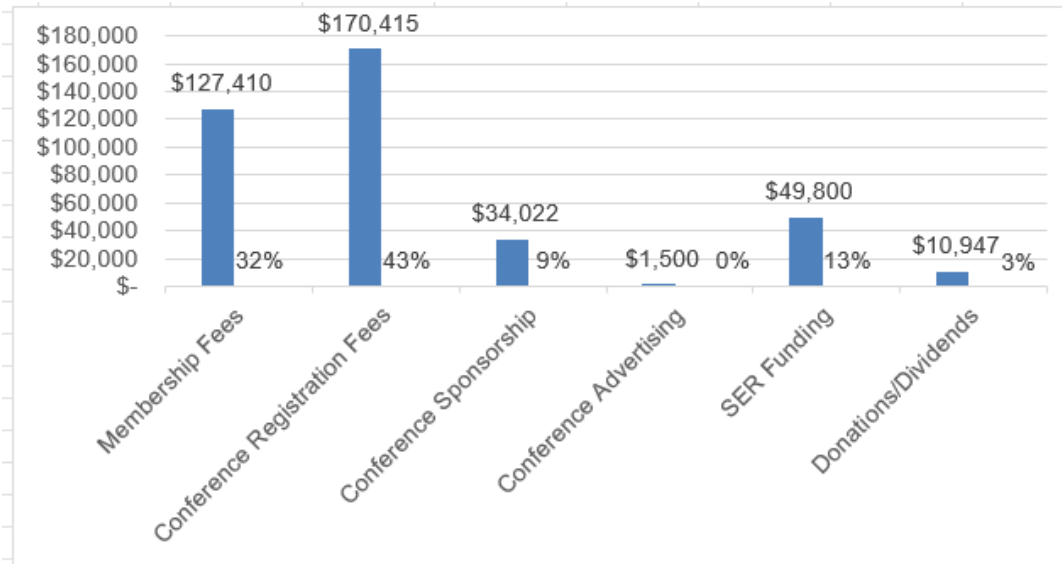
- Raising conference registration fees compared to 2020 (although they were still not as high as they would have been for an on-site conference)
- Distribution of SASE's CfP far and wide
- Creation of an auditing option
- Donation campaign with former presidents and honorary fellows
- Sponsorships
- Creation of a fundraising framework (approved by the Executive Council, to be implemented in 2022)
- Creation of institutional memberships (approved by the Executive Council, to be implemented in 2022)

The higher registration rates and auditing option are projected to generate \$35,000 more in 2021 than in 2020, had participation remained the same as in 2020. Participation was, to our surprise, higher in 2021 than in 2020 (2020: 1,050 - 2021: 1,251), which is also positive for the organization and its finances. The donation campaign with past presidents and honorary fellows brought in \$8,300, and we were able to raise about \$60,000 in sponsorships, thanks to the work of President Sigrid Quack. In total, these different measures brought in more than \$100,000. This much rosier picture can be seen in the uptick in the treasury for 2021 (Chart 2), and without these efforts and the higher participation numbers, we had anticipated a similar hit to the treasury as can be seen for 2020. This would have left us with about 2-3 months of overhead in the bank, and no income coming in before the conference itself in 2022. All told, this means that SASE was able to put \$70,000 in the treasury in 2021, and we ended the year with \$215,149 in reserves.

Incoming presidents have faced extreme pressure to help stabilize SASE's finances, and the focus has typically been on breaking even from one year to the next. To repair SASE's financial situation, we need to take a long-term perspective. Healthy finances would ideally mean reserves that could cover two years of overhead (this would mean SASE could survive a conference canceled at the last minute with all the costs that would incur), such that SASE would be able to more easily bounce back from a conference in a location that attracts fewer participants or from an external shock such as the pandemic. Therefore, our aim is to rebuild SASE's reserves over the next four years. We hope to be able to build the reserves to \$320,000 over this period, which represents roughly two years of overhead. The Executive Council approved the measure of putting away \$46,750 per year over the next four years to this end.

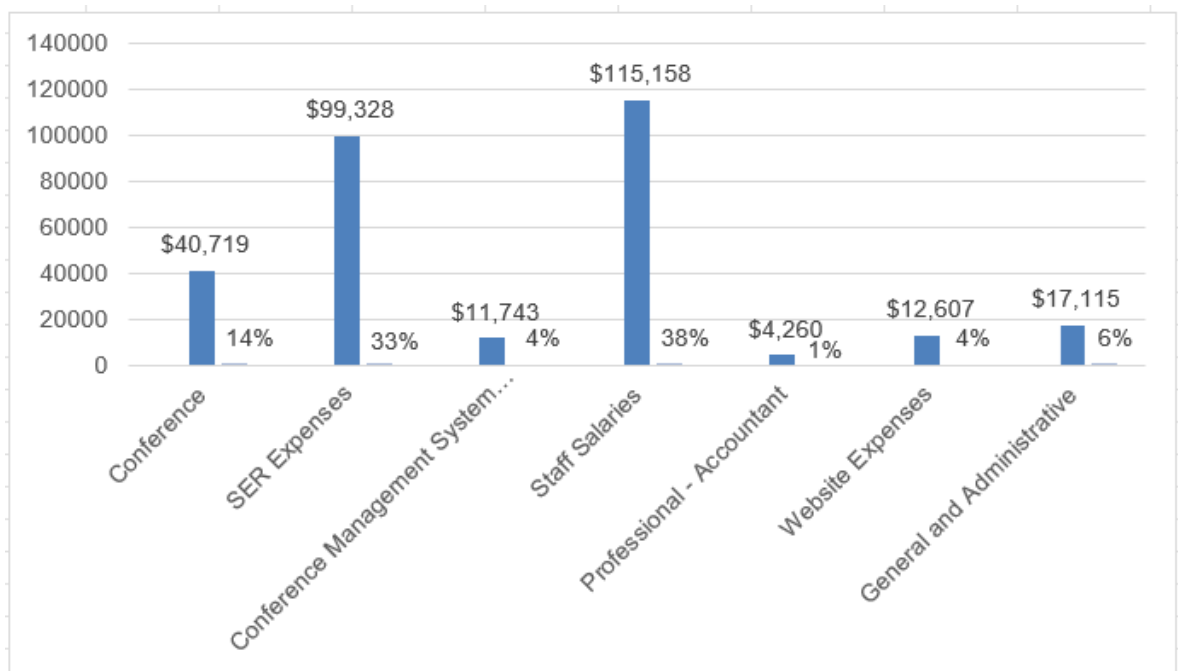
SASE Revenue

The two main streams of revenue for SASE are membership (32%) and conference revenue (52%). In 2021, we also had significant income from sponsorships (9%) and donations (3%).



SASE Expenses

SASE's expenses include conference organization expenses, staff salaries, our conference management system (Confex), SASE's journal (SER), and other general administrative expenses.



ANNEXES

| SASE Revenue & Expenses | | 2021 | 2020 |
|--|------------------------|-------------------|--------------------|
| REVENUE: | | | |
| Membership Fees | | \$ 127,410 | \$ 106,010 |
| Conference Revenue (fees, advertising, etc.) | | \$ 171,915 | \$ 81,183 |
| Conference Sponsorship | | \$ 34,021 | \$ - |
| SER Funding | | \$ 49,800 | \$ 30,285 |
| Donations/Dividends | | \$ 10,947 | \$ 4,290 |
| Bank Interest | | \$ 10 | \$ 133 |
| | TOTAL REVENUE | \$ 394,102 | \$ 221,901 |
| EXPENSES: | | | |
| Conference | | \$ 40,719 | \$ 27,490 |
| SER Expenses | | \$ 99,328 | \$ 73,082 |
| Conference Management System (Confex) | | \$ 11,743 | \$ 15,657 |
| Staff Salaries | | \$ 115,158 | \$ 141,467 |
| Professional - Accountant | | \$ 4,260 | \$ 11,145 |
| Website Expenses | | \$ 12,607 | \$ 4,462 |
| General and Administrative | | \$ 17,115 | \$ 16,349 |
| | TOTAL EXPENSES | \$ 300,931 | \$ 289,652 |
| | NET GAIN / LOSS | \$ 93,172 | \$ (67,751) |

| Bank Balance | |
|---------------------------------------|-------------------|
| Balance as of 31 December 2020 | \$ 123,119 |
| Net Gain 2021 | \$ 93,172 |
| Balance as of 31 December 2021 | \$ 216,291 |
| Reserves | \$88,895 |
| Checking | \$127,396 |