

Financial report 2022-2023

This report covers the period September 1, 2022 through August 31, 2023.

Introduction

It is a pleasure to say that the 2023 Rio conference was a great success, with high attendance numbers and tremendous enthusiasm from local SASE members. The local organizers for Rio managed to raise more funds to support the conference than we have ever seen in the past, and for that we are profoundly grateful.

A forced change of conference location late in the game unfortunately made the conference itself revenue-negative, but SASE has been working to build its reserves since 2020, and was able to cover this deficit without undue stress.

This report includes information on SASE's current financial situation, which is more stable than in past years.

2023 Rio Conference

Let's start with the good news:

- The local organizers, and especially the chair of the local organizing committee, Marta Castilho, were extremely efficient in finding external grants for the conference. These include:
 - \$25,982.40 from a grant from FAPERJ, obtained by the local organizers, for various expenses related to the conference.
 - \$7,243.36 from the UFRJ itself.
 - \$25,000 from the Open Society Foundation, of which \$20,000 was earmarked for travel grants for scholars from the Global South, and \$5,000 for overhead. This was initiated and organized by the local organizers.
 - \$10,000 from the IPEA, a grant also obtained by the local organizers.

Total: \$68,225.76 (This represents more than any local organizers have ever raised before.)

- Registration numbers were high: with 821 paid participants (this includes 94 virtual participants), the Rio conference was on par with other conferences outside the US or Europe – comparable to Japan in 2018 (891), or even the Berkeley conference in 2016 (874 - see Fig. 1 below).

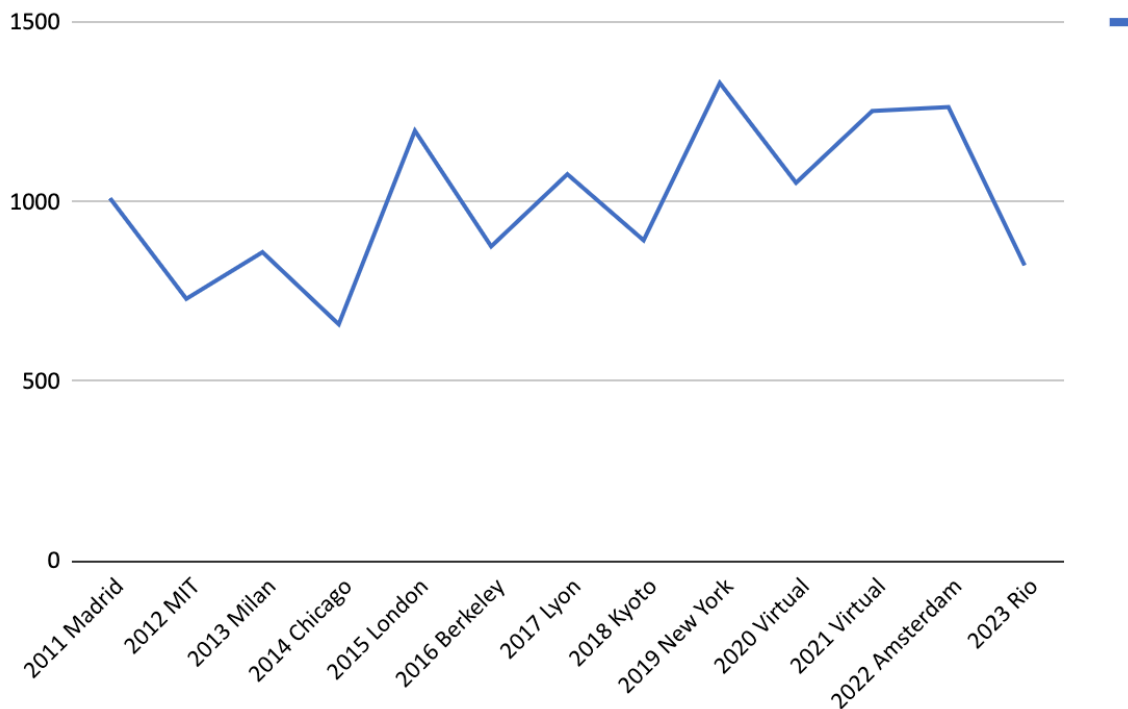


Figure 1: Number of paid participants, SASE Annual conferences, 2011-2023

However, this past year of conference organization had some very rough patches.

- The forced change of conference location increased the workload for the local organizing committee by magnitudes, and had tremendous financial consequences.
- SASE was required to pay for everything up front: catering, room rentals, hotel reservations for the Early Career Workshop, internet, equipment, etc. This meant that it was impossible to readjust expenses as it became obvious that income from registration fees was not going to be as high as expected.
- The restrictions placed on some funds were such that they could not help pay for the sudden additional expense of renting meeting space, only for other services, some of which SASE has rarely or never contracted in the past (for example, internet provision, graphic design, registration giveaways, etc.). This means that the additional funds were used in part for additional expenses, making the overall conference expenses higher than ever before (see Fig. 2 below).

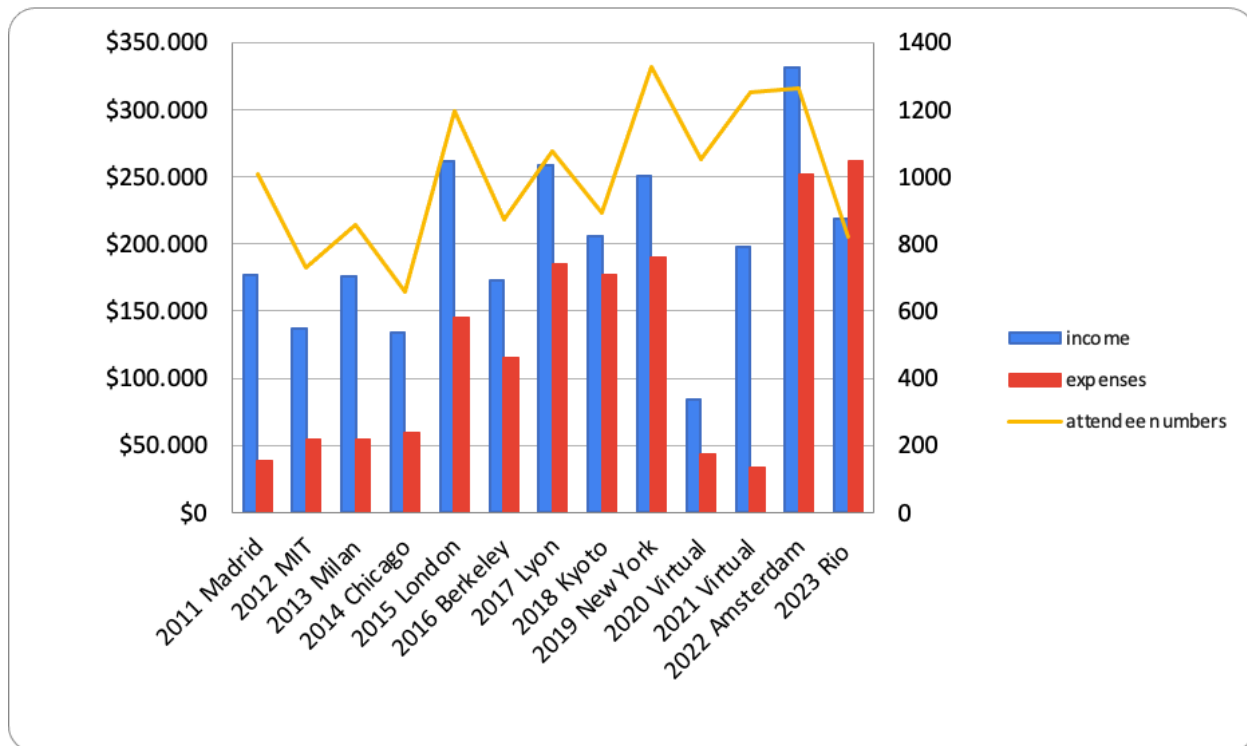


Figure 2: Conferences 2011-2023 - Revenues, expenses, number of paying participants

Given all of this, we are deeply grateful for the tremendous work of the local organizing committee, especially Marta Castilho and Carolina Dias, whose work made this conference possible. The 2023 conference would not have been possible without their efforts.

Current financial situation

As evoked in the previous section, despite the tremendous efforts made by the local organizing committee, the conference did run a deficit, although the local organizers' efforts certainly reduced this as much as possible. The additional, unexpected expense of conference room rental, combined with a different ratio of OECD vs. non-OECD registrants (who pay lower fees) than usual, and the fact that the number of participants was lower than expected based on submissions numbers, means that the Rio conference resulted in a material deficit. Let us look at these points individually:

- Additional expense of room rentals:** This was indeed unexpected and took us by surprise. As a reminder, this came about because of an unexpected change to the national academic calendar, which made the university premises unavailable to us, forcing us to move the conference to a hotel. The local organizers did more than we could have hoped to try to make up for this.

- Drop in OECD registrants:** We anticipated that there would be fewer participants paying OECD rates this year, but did not expect the drop in OECD registrants to be as sharp as it turned out to be (see Figs. 3 and 4 below). The number of participants in Rio was about 250 less than Amsterdam (1000 as opposed to 1252), but the revenue was only about half. It is excellent news, however, that the Rio conference allowed so many non-OECD participants to join. Knowing this fee breakdown will certainly help us estimate better in the future.

Participants: Non-OECD, OECD, Hardship

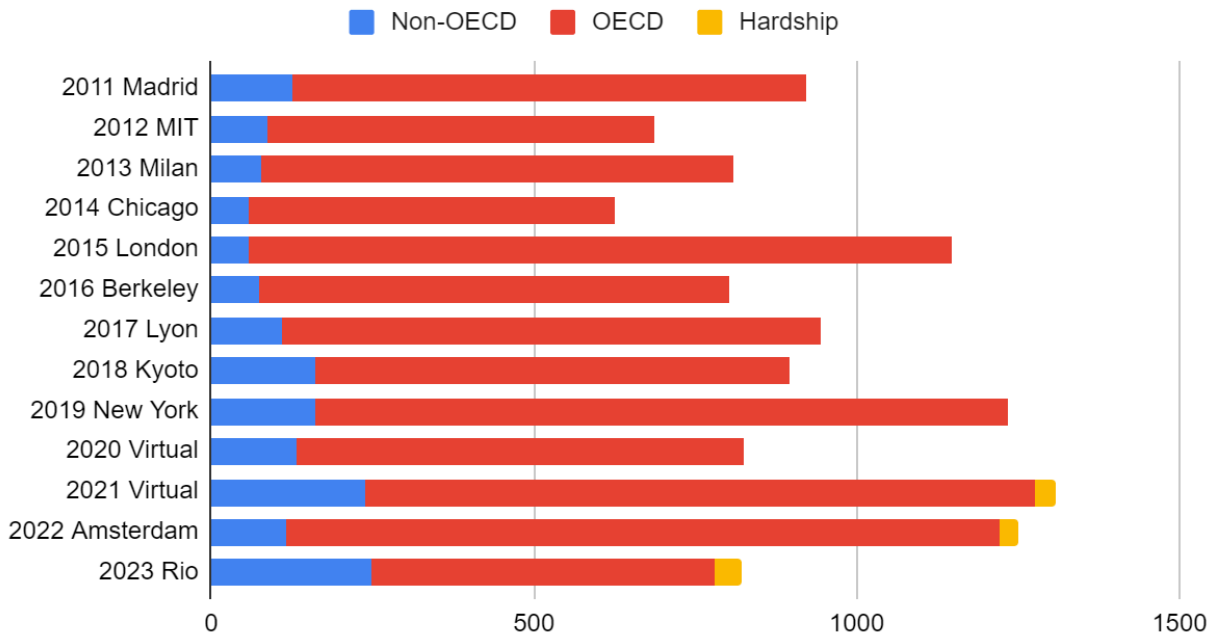


Figure 3: Participants by category - Non-OECD, OECD, Hardship fee, 2011-2023

Revenues from conference registration fees

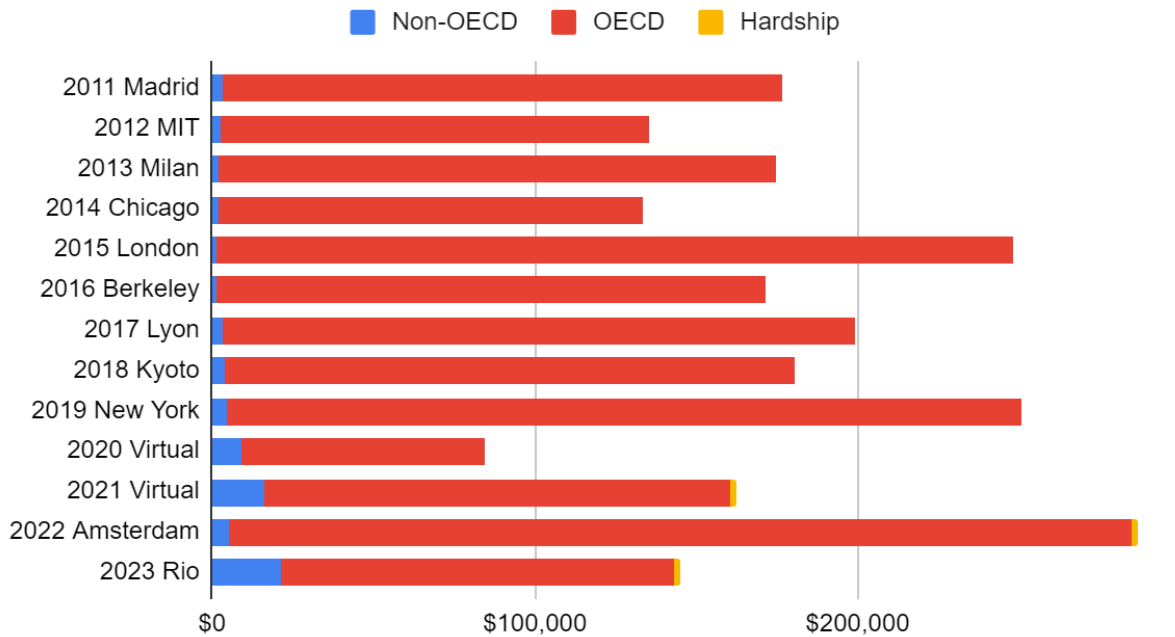


Figure 4: Conference fee revenues by category - Non-OECD, OECD, Hardship, 2011-2023

- Participant numbers:** The number of submissions was as high as in recent years, so we expected that the final number of participants would also be roughly similar. This time, however, the drop off was steeper than in past years, likely due to a number of factors, including travel costs and the comparatively late conference date. This is unfortunately beyond our control, but one way to cover for this risk is to reduce the break-even number of participants for future editions.

All of this means that operating losses are material and worrying this year. We were not able to add to our reserves, but rather reduced our reserves to cover the losses. We estimate that, by the time the Limerick conference comes around in 2024, approximately \$200,000 will remain, which includes the donation from Amitai Etzioni of \$100,000. We can be proud of having accumulated reserves in the past few years, and we are grateful and fortunate that his donation further boosted our reserves at this precise moment, and for this reason we will need to wait to use it in full, as our overhead for the coming year is not covered by the income generated by the 2023 conference. This highlights the pressure on annual conferences to be income-positive, since SASE cannot survive without them generating positive net income to cover overhead, including reserve provisioning. When we are able to generate income from the 2024 conference, we can begin to look at a way to honor Etzioni's legacy with thoughtful use of his donation.

There are other points, unrelated to the 2023 conference, that create concern:

- **Financial agreements with OUP:** We paid \$48,330 to OUP for SER subscriptions for members. The amount paid by non-OECD participants does not cover the actual costs of their conference participation and SER subscription. As of spring 2023, members now opt-in to an SER subscription, instead of this being attributed automatically. We are working on renegotiating the way SASE pays for SER subscriptions for its members, in order to further reduce this cost.
- **Overhead:** Overhead this year was higher than usual, largely due to staff transitions. We expect it to come back to normal levels in 2024.

How to cover SASE’s overhead

The overhead figure from the 2022-2023 cycle is forecast at \$152,000 - for 2023-2024, it is estimated at \$130,000. This is the fixed annual cost for SASE to exist and remain in business. In addition, we currently aim to set aside \$46,750 per year in our reserves, until we have enough to cover two years of overhead - these reserves would allow SASE to function in the event of a canceled conference. This means that we need to generate at least enough revenue from various sources every year to cover overhead, and ideally enough to build our reserves. There are three main sources:

- **Membership fees.** In principle, these fees are expected to cover overhead.
- **Conference registration.** These fees are expected to cover conference costs, and any surplus is used to cover overhead.
- **Reserves.** Recourse to them should be exceptional, since we do not have regular donations (or interest from investments) which increase our reserves annually.

Individuals typically do not renew their membership when they are not attending the SASE conference. Previously, our system was such that we were not equipped to send automatic membership renewal reminders. With the new membership platform, we are able to do this, and perhaps this will help us maintain membership at a more constant level. In principle, membership dues should be calculated to cover overhead – which means raising membership dues for 2024. SASE’s membership dues remain nonetheless low compared to sister organizations (see Appendix A).

We can cover the losses this year thanks to our reserves and the donation from Amitai Etzioni, but we cannot run conferences at a loss in the long run. We will carefully prepare the 2024 conference so that it is income positive, even at lower numbers of participants.

SASE Financials General Summary from 1 September 2022 to 31 August 2023

A	Operating Expenses	\$ 463,907.15

1	SASE Overhead	
	Staff salaries (including German social charges)	\$ 107,096.99
	Professional services	\$ 13,740.43
	Website	\$ 9,566.03
	Office Expenses	\$ 23,553.64
	Total overhead	\$ 153,957.09
2	Conference Organization	
	Conference expenses by event (annual conference - Rio de Janeiro)	\$ 261,620.06
3	SER related Expenses	
	SER Subscription Fees paid to OUP	\$ 48,330.00
B	Operating Revenues	\$ 321,146.06
1	Membership Fees Income	\$ 67,484.00
	Set aside for SER Subscription Fees to pay to OUP	\$ 20,060.01
2	Conference revenue by event	
	Annual Conference – Rio	\$ 218,539.56
3	Revenues related to SER	
	OUP Profit Sharing Agreement - 30% for SASE	\$ 15,062.49
C = B-A	Operating balance	\$ (142,761.09)
G	Other flows including capital and extraordinary/occasional flows	
E	Other inflows (bank interest, donations)	
1	Bank Interest	\$ 23.64
2	Advertising	\$ 1,250.00
3	Donations	\$ 100,000.00
F	Other outflows (if any)	
1	acquisition of capital goods	\$ -
2	exceptional expenditures	\$ 32,666.78
G = E - F	Other Flows Balance	\$ 68,606.86
H = C + G	Annual Surplus/Deficit	\$ (74,154.23)
	If positive, \$46,750.00 allocated to:	
	reserves (target: two times the administration overhead A1)	\$ -

	If negative, coverage by:	
	reserves	
I	Residual Surplus/Deficit	\$ (41,487.45)
	Treasury	
	Checking	\$ 40,251.86
	Donation from Amitai Etzioni (set aside, use to be determined)	\$ 100,000.00
	Savings (reserves)	\$ 132,428.94
	Total:	\$ 272,680.80

Appendix A: Conference fees for sister organizations

Organization	Membership categories	Membership dues	Conference registration
SASE 2023	OECD/non-OECD	\$25-\$130	\$50-\$285
SASE 2024 proposed	OECD/non-OECD	\$50-\$180	\$100-\$320
American Sociological Association (ASA)	Income-based, sliding scale.	\$51-\$385	\$133-\$539
Academy of Management (AOM)	Academic, Executive, Student, Emeritus	\$106-\$214	\$250-\$542
Council for European Studies (CES)	Income-based, sliding scale.	\$50-\$250	\$140-\$450
EGOS (inclusivity policy here)	Full, Student, Emeritus, Low-income country, Sustaining	10€-150€	100€-520€
International Studies Association	Income-based, sliding scale.	\$55-\$400	\$80-\$400
Society for the Social Studies of Science (4S)	Sustaining, Professional, Student, Professional-Reduced	\$25-\$100	\$100-\$650

Figure 5: Membership and conference fees for sister organizations