The BFA Committee, Executive Officer and two members of the SSSP Administrative Office met virtually (by Zoom) on May 29, 2020. Our major task was to review and discuss the current 2020 budget and the projected 2021 budget. Both budgets are projecting a significant deficit due to the impact of COVID-19 on our annual meeting and membership revenue. We are down 44% in membership compared to early July 2019. We are also unable to hold an in-person 2020 Annual Meeting. Membership dues, the annual meetings, and subscriptions to Social Problems are our only stable sources of revenue. The membership decline is only expected to increase over the next few months, as membership renewals are often driven by registration for the annual meeting. This means that we are predicting considerable hardship for the Society in the next few years, particularly in 2021 and 2022. As of May 29, 2020, the estimated deficit is -$128,238 for 2020 and -$271,247 for 2021. We will be working on ways to reduce these deficits.

Deficits notwithstanding, the good news is that SSSP is financially stable and healthy, due to the smart decision-making of past and current SSSP BFA Committees, Boards of Directors, Treasurers and our Investment Advisor, and the Executive Officer. Therefore, while the deficits above are indeed concerning and need attention, we are not in a dire situation this year and this is confirmed by our annual auditors. This is extremely important to remember as we think about how to move forward. If we continue to make good financial decisions as a society, we will continue to be able to fulfill the mission of SSSP in the long term. The current BFA Committee is very aware of the need to make cautious and well thought-out decisions within the next 2-3 years. This is the context within which we made all decisions and recommendations at our mid-year meeting.

The BFA Committee reviewed the current status of the Social Problems Editorial Office, and agreed with the Editorial and Publications Committee that Dr. Annulla Linders of University of Cincinnati and Dr. Earl Wright II of Rhodes College, should continue to edit the journal, and bring on a third editor, Dr. Derrick Brooms of University of Cincinnati, in their second term. This arrangement will be discussed by the Board of Directors at their August 14th meeting. Linders and Wright have tried to keep costs down even as their needs and costs shift. They have removed the Associate Editor’s honorariums, did not increase the cost of the Editor’s stipends despite the addition of a third co-editor, and did not increase the course releases. Oxford University Press (OUP) will be increasing the costs of subscriptions by a Board-approved 2% (down from an initial suggestion of 5%). The BFA Committee and SSSP Executive Officer requested a thorough publisher’s report from OUP, and this report will be reviewed at the BFA Committee meeting on July 17th. Projected royalties will be down slightly in 2020 when compared to 2019, due to the fact that OUP is offering libraries a “collection” subscription rate (vs traditional journal subscriptions) which bring in less royalties per journal. OUP also typically donates $3,000 towards the costs of conference bags for annual meeting attendees, and the BFA Committee voted to use this $3,000 towards the costs of the virtual SSSP conference on August 7th; OUP has agreed to this alternative use.

Investments continue to do fairly well despite the ups and downs of the market due to the impact of COVID-19. (Treasurer Susan Carlson will give a separate report on the current value and stability of SSSP investments.) The BFA Committee discussed three community development banks that we may want to consider for future CD investments but decided to increase liquidity (by not reinvesting CDs that
came due in 2019), upon the recommendation of auditors, in the face of the impact of COVID-19. The BFA Committee also updated the Society’s Statement of Investment Objectives and Policies and the Guidelines for Investing Reserve Funds in Community Development and Financial institutions, and reviewed the 2019 annual audit with the auditors and approved the auditor’s report.

The BFA Committee also reviewed the status of the relationship with the University of Tennessee, Knoxville Department of Sociology, “whereby the Society agrees to serve as an intellectual and professional resource in exchange for access to the University’s resources, use of office space and overhead expenses for the Society’s Administrative Office.” The current contract with the University of Tennessee expires on December 31, 2021. While the current relationship with the University of Tennessee is healthy, the BFA Committee will continue to review the financial agreements between SSSP and the University, and will propose changes to the Board for the next contract period.

The BFA Committee also discussed all action items presented by the 2019 Board of Directors Meetings:

- The BFA Committee combed the 2020 budget for small ways to decrease the current year’s deficit and make small changes in expenses that could carry forward. The BFA Committee recommends only doing one final site visit within the next year for future annual meetings, and requests that all 2020 travel award funds, 2020 travel expenses, and the 2020 Division-Sponsored Project allocation are not carried over from 2020 for use in 2021. There will also be savings due to the cancellation of the in-person annual meeting (e.g., costs of social events). Because membership dues are such an important part of our revenue stream, we also discussed ways to increase membership for the current year, and have helped the SSSP Administrative Office send out additional communications to 2019 members who have not yet renewed, and those listed in the 2019-2020 Roster of Officers and Committee Members (including Social Problems Board of Editors and Advisory Editors) who have not yet renewed their membership for 2020. Currently, 57 people listed in the roster have not renewed. Membership is our only revenue not tied to an expense, and therefore we recommend that we focus on increasing membership in 2021 and beyond.

- The BFA Committee discussed the financial feasibility of providing childcare, spousal care and elder care at the annual meetings and decided that, while the committee agrees that this is an important accessibility issue, we cannot recommend allocating Society funds at the current time. We will revisit this issue after the pandemic situation subsides.

- The Board also charged the BFA Committee with developing draft recommendations for how to manage the Society’s reserve funds. The BFA Committee discussed how to define the necessary reserve, and sought advice from the auditors about the amount that SSSP should keep in reserve. The BFA Committee will benchmark against other non-profit and academic organizations before deciding how much money should be set aside in reserves. The auditors recommended that more cash flow be available during the time during which SSSP is impacted by COVID-19, and we will continue to evaluate what that amount should be. The BFA Committee also discussed establishing a process for dipping into reserves in times of need but decided that we needed to define what the “reserves” are first, and the limitations on what reserve funds could be used for. The context of COVID-19 allowed the BFA Committee to understand first-hand the types of situations within which reserves might be needed, but also this context allowed the BFA Committee to desire to benchmark first before setting clear
parameters about how we might dip into reserves, or what “reserves” really are. This will be an ongoing conversation, and additional data will be collected before any definitive recommendations are made.

-The Board also tasked the BFA Committee with evaluating the feasibility of using a “Buy One, Get One” promotion for divisional membership recruitment. The BFA Committee recommends that we do adopt this as a promotional recruitment strategy for “early birds” who register between October and December 2020 for the 2021 calendar year.

-Upon request of the Board, the BFA Committee also reviewed reports from the Committee on Social Action, specifically the ideas about holding a local lecture series in cities where the annual meeting is being held. The BFA Committee understands the inherent value of this possibility but cannot recommend funding at this time. This idea will be revisited after the pandemic situation subsides.

The BFA Committee established upcoming meetings to attend to additional issues. The 2019-2020 BFA Committee will meet on July 17th and the 2020-2021 BFA Committee will meet on August 3rd. Next year’s mid-year meeting will also be held virtually in order to save money for the Society.

The BFA Committee will continue to take the financial health of SSSP very seriously, and will be making additional recommendations to the Board about how to keep the stability of the Society intact in these uncertain times.

Respectfully Submitted,

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