



Society for the Study of Social Problems

In Pursuit of Social Justice

Presentation to the Society for the Study of Social Problems (SSSP) Board of Directors Budget, Finance, and Audit (BFA) Committee Report

July 19, 2022

On May 25, 2022 and June 24, 2022, the BFA Committee met virtually to discuss the budget for the Society for the 2022 calendar year. The Society has seen the negative financial impact of the COVID-19 pandemic largely through the cancellation of the last two in-person annual meetings and a corresponding decline in membership and membership dues revenue resulting in a projected budgeted net loss of \$ 204,131 for 2022. Nonetheless, continued strong performance of *Social Problems* and related earnings, as well as a well-balanced financial portfolio and significant cash reserves have enabled the Society to remain financially solvent.

In discussing the 2022 budget and 2022 annual meeting, the BFA Committee noted a number of considerations with financial implications for the Society. These considerations and recommendations below are based on the fiduciary responsibility of the Board of Directors to utilize SSSP resources in alignment with the mission, priorities, and purpose of the Society. The recommendations are as follows:

- The terms of the current editors for *Social Problems* are nearing completion, and finding the next editors may prove challenging, so identifying and encouraging potential editors should be a priority.
- By June 30, 2023, the Board will need to consider their satisfaction with the contract with Oxford University Press for *Social Problems*, which will be subject to automatic five-year renewal.
- Going forward, the SSSP Administrative Office will not need to request approval from the BFA Committee for “Buy One, Get One” Promotional membership for early-birds.
- The BFA Committee would like the Board to consider the effectiveness of the Lee Student Support fund. This year, the \$ 15,000 budget was used to make a total of 91 awards that fell in three categories--\$ 96.26, \$ 121.26, and \$ 217.26--depending on the region where the student resides. These small amounts do little to offset the total expenses students will incur in attending the annual meeting. A total of ten students declined the funds as inadequate for them to attend the meeting, and their funding was proportionately reallocated, resulting in the final funding amounts stated above. Given our budget deficit, increasing allocation to the award is not recommended, but the BFA Committee recommends the Board consider fewer and more substantial awards in order to make a real difference in offsetting the high costs for students attending the annual meeting. Relatedly, we recommend considering the criteria used to determine awardees

to include factors such as whether or not students are receiving other financial support and at what stage they are in their academic journey (with preference given to students who are ABD and/or nearing completion of the Ph.D.). With this enhanced screening protocol, the BFA Committee might be willing and able to consider increasing the funding allocation when the budget picture improves.

- The BFA Committee recognizes after consistent years of substantial losses and necessary expense reductions, the financial position of the Society will only improve with increased revenues. The BFA Committee approved a motion to recommend that the Board adopt a commitment to increasing revenues and pursuing strategies for recovering revenues lost since the onset of COVID-19. In addition, the BFA Committee recommends that the Board create a mechanism to ensure revenue generation is an ongoing top priority, such as an existing or new standing committee, but not the Administrative Office staff.

Additional pertinent information is as follows:

- The BFA Committee has drafted an Operating Reserve Policy which we are also sharing with the Board. In it, we recommend the Society keep cash on hand to cover 12 months of expenses, and that 75% of any cash in excess of that be used to build endowments to support SSSP strategic priorities and 25% be used for other one-time expenses that align with SSSP's purpose. For the endowments, we ask that the Board consider building an endowment to support the Racial/Ethnic Minority Graduate Fellowship, with an eye toward endowing all fellowships and awards in the long-term.

The BFA Committee has consistently worked to reduce costs in the last few years. Additional reductions in expenses will become increasingly painful as our largest remaining expenses are related to the salaries and fringe benefits of the SSSP Executive Officer and Administrative Office staff. We strongly recommend focusing efforts on increasing revenues. While the significant cash reserves exist to allow us to weather financial storms like the one we are currently in, we caution that continued losses of this magnitude can not be sustained. The BFA Committee supports the idea that the budget should reflect the mission and priorities of the Society, and difficult decisions will be required of the Board of Directors if these substantial deficits continue.

Respectfully submitted,



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