



# 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 9, 2023

On May 23, 2023 and June 21, 2023, the BFA Committee met virtually to discuss the budget for the Society for the 2023 calendar year. The Society has seen the negative financial impact of the COVID-19 pandemic largely through the modifications to recent annual meetings, relatively low attendance at the in-person annual meetings, and corresponding declines in membership and membership dues. Furthermore, despite continued strong performance of *Social Problems*, related earnings are down. As a consequence, the Society is facing a projected deficit of \$231,920 for 2023.

A well-balanced financial portfolio and significant cash reserves have enabled the Society to remain financially solvent despite recurring deficits in recent years. However, increasing expenses coupled with additional declines in projected revenue are a cause for significant concern. The Society needs to cut costs and/or increase revenues in order to remain financially solvent in the years ahead.

In discussing the 2023 budget and the 2023 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 contract with the current publisher for *Social Problems*, Oxford University Press (OUP), is subject to automatic five-year renewal. OUP's proposed contract stipulates a 23% reduction in revenue to the Society, despite continued strong performance of *Social Problems*. The BFA Committee approved a motion that the fiscally responsible action is for the Board to solicit bids from other publishers, further recommending that the ad hoc Publisher Search Committee reach out to the Board and that the Board act with haste. The BFA Committee discussed the seriousness of engaging the possibility of contracting with a publisher that can offer better financial terms.
- The current editorial team of *Social Problems* will be concluding their service on May 31, 2024. The BFA Committee would like to thank and commend the editorial team for their outstanding service to the Society. The journal has performed well on every metric and the journal has continued to be a valuable and reliable source of revenue for the Society.

- The Editorial and Publications Committee has conducted a search for a new editorial team for *Social Problems*. The BFA Committee has reviewed the budget(s) of the prospective editorial team(s), offering their general endorsement along with some recommendations to reduce costs and advance equity.
- The BFA Committee would like to thank and commend the Administrative Office for their excellent work on behalf of the Society. The BFA Committee approved a motion to offer the Administrative Staff and Meeting Manager a 4.75% annual salary increase to meet the salary increase recommended for all University of Tennessee, Knoxville employees.
- After several years of substantial deficits, the BFA Committee is recommending various groups within the Society (e.g., BFA Committee, Board, Operations) engage in budget balancing exercises to carefully consider budgetary implications of Society activities. The financial position of the Society is increasingly precarious and continued losses of the magnitude realized in the past three years are unsustainable. We are investigating the feasibility of gathering data from SSSP members to understand better priorities of members.

Additional pertinent information is as follows:

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 the Administrative Office staff.

While cash reserves exist, they are dwindling, and continued losses of the magnitude realized in recent years cannot be sustained. The BFA Committee thanks Susan Carlson for her many years of generously and successfully managing the Society's financial portfolio. Understanding the financial situation that the Society is currently facing, however, we are investigating the feasibility of retaining a professional financial advisor to assist the Society in managing its financial reserves.

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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