

## MEMORANDUM

TO: SSSP Board of Directors

FROM: Heather Dillaway, Treasurer

DATE: July 27, 2026

RE: Financial Condition of the Society for the Study of Social Problems (SSSP)

Article IV. Section 8 of the SSSP Bylaws states that, “The Treasurer shall oversee the funds of the Society, subject to expenditures, at the instruction of the Board of Directors.” Consequently, it is customary for the Treasurer to provide an annual report to the Board of Directors which gives an overview of the financial condition of the Society, reviews the results of the annual audit, and offers comments concerning any issues affecting the future financial wellbeing of the Society.

### **Financial Condition of the Society**

As of December 31, 2025, the Society had total net assets of \$785,657 down from \$861,378 in December 2024 (a decrease of \$75,721). While the Society attempts to hold its own financially in 2026, there is continued concern about its long-term financial well-being.

In August 2025, the Budget, Finance, and Audit Committee (BFA) projected a \$170,032 deficit in 2025, yet we finished the year with a smaller deficit of \$75,721. Excluding an unrealized gain of \$1,253 on investments (a paper gain), our expenses exceeded revenue by \$75,721 in 2025.

The Administrative Office, BFA Committee, and Board of Directors have worked extremely hard to reduce the Society's deficit in 2024, 2025, and 2026, and we are hopeful that these efforts will continue to minimize annual losses. Nonetheless, significant operating deficits have become commonplace due to continued declines in membership, operating losses associated with every in-person annual meeting, rising personnel costs, and uncertain revenue from *Social Problems*. As has been the case for decades, the Society relies on only two primary sources of income to support day-to-day operations: membership dues and journal revenue. With both revenue streams under pressure and operating costs that continue to rise, we must think seriously about reducing annual operating expenses, restructuring our long-term personnel costs, and diversifying and expanding our sources of revenue. The BFA Committee discusses these challenges regularly and recognizes the extraordinary efforts of the Administrative Office to keep expenses to a minimum. At the same time, because of ongoing concerns about the Society's immediate, short-, and long-term financial health, the BFA Committee continues to urge the Board to act swiftly on measures within the Society's control that will increase revenue and reduce expenses. We cannot continue to sustain substantial annual deficits without rapidly depleting our reserves. Large annual deficits are no longer an anomaly; indeed, they are our “new normal”.

Income earned from membership dues has decreased over the past several years, and it is doubtful that this income will increase in current or future years unless proactive measures are taken. As of June 29, 2026, income from membership dues is predicted to be \$118,788 for 2026. This is because SSSP's total membership has diminished significantly over time. As of June 23, 2026, the Society has 865 dues-paying members. In the past ten years, membership has decreased by 48%. Furthermore, as of June 26<sup>th</sup>, only 53% of our members

are planning to attend the 2026 annual meetings in New York City. Unsurprisingly, we predict significant operating losses in holding the annual meeting.

As of June 29<sup>th</sup>, there are 459 registrants for the 2026 annual meeting, which will bring in registration revenue in the amount of \$86,924. We are projecting total annual meeting income of \$94,419. As of June 29<sup>th</sup>, annual meeting expenses are projected to be \$160,737, which means a projected loss of \$66,318 on this year's annual meeting. The Administrative Officer and BFA Committee continue to review New York City meeting expenses to reduce the projected deficit. The Administrative Officer is also working with hotel management to reduce catering and technology expenses as much as possible – for example, reducing the costs of evening receptions. Ultimately, unless more members attend annual meetings or we hold in-person meetings less regularly, we will always run a significant deficit on these meetings. Because the cost of the annual meetings continues to escalate, the BFA Committee is bringing a proposal to the Board of Directors in August to activate the already Board-approved increase in meeting registration fees effective 2027. In addition, the BFA Committee recommends that the Board of Directors strongly consider a virtual meeting in 2028 to reduce the Society's deficit. While we are already in a contract with the Palmer House Hilton in Chicago to hold an in-person meeting in August 2027, we still have the ability to pivot in 2028 and beyond. Based on revenue and expense projections from June 29, 2026, SSSP will be subsidizing all annual meeting attendees at a rate of approximately \$145/person in New York City in August 2026. This practice is unsustainable.

While *Social Problems* has stayed competitive and consistently earns revenue for the Society, a continual decline in traditional journal subscriptions is typical in the current publishing environment. In 2025 there was a 10.9% decline in income from traditional institutional subscriptions, and a 2.9% decline in income from consortia/collection subscriptions. Access to the journal is now more often garnered through collections deals offered by the publisher, which does not provide the Society with as much revenue as traditional subscriptions and even consortia income can be uncertain over time. Since the publishing world continues to undergo major transitions, we may see some years with higher royalties than expected, but royalty income will be unreliable beyond the minimum level negotiated with Oxford University Press (OUP). Nevertheless, journal and publications income held steady at \$253,526 in 2025 (slightly higher than projected). Due to a newly established contract with OUP beginning in 2025, SSSP receives 60% of royalties annually, which helps offset the impact of the decline in traditional subscriptions and the uncertainty of journal revenue. In addition, in 2025 OUP offered SSSP a signing bonus of \$120,000 for renewing the *Social Problems* contract for an additional five years. It is important to note that this signing bonus has been beneficial in reducing the 2025 deficit. If we did not receive this signing bonus, the actual 2025 deficit would have been \$99,719 instead of \$75,719.

As noted in my 2025 Treasurer's Report, the Society's long-term sustainability depends on making structural changes to how we budget and allocate resources. We continue to draw from our investments to cover operating expenses and payroll, making it imperative that we reduce expenses while identifying new and stable sources of revenue. Over the past several years, numerous ad hoc subcommittees have worked diligently to balance the budget, develop fundraising and revenue-generating strategies, hire a new financial advisor, renegotiate our

contract with the University of Tennessee–Knoxville (UTK), and evaluate the long-term viability of paid positions within the Administrative Office. This work has complemented the ongoing efforts of the BFA Committee and the Administrative Office to contain costs and recommend expense reductions to the Board of Directors. These efforts have resulted in meaningful progress, but very difficult decisions remain. As we continue to evaluate the Society's financial future, we must reconsider the scope and structure of some paid personnel positions to ensure that our staffing model aligns with the Society's long-term financial capacity and strategic priorities. The Treasurer, along with members of the BFA Committee, Board of Directors, and Administrative Office, are all committed to consistently reducing the annual deficit while maintaining the mission, values, spirit, and well-being of SSSP.

### **Investment Portfolio**

In line with its mission and values, the Society continues to invest its reserve funds in diversified socially responsible/sustainable investment/environmental, social, and governance (SR/SI/ESG) mutual funds and community development financial institutions (CDFIs). Accordingly, our current investment portfolio consists of SR/SI/ESG mutual funds as well as an investment in a money market account and savings accounts at a local community bank in Knoxville, TN, near the SSSP Administrative Office. As noted earlier, we access these reserves and mutual funds regularly to cover operating deficits. In 2025, the Society realized a \$1,253 unrealized investment gain (paper gain). Total interest, dividends, and capital gains income from mutual funds, money market accounts, and savings totaled \$112,279.

Because the Society depends heavily on its investments, we hired a new Financial Advisor in 2025 to help us make more strategic investment decisions. Since Spring 2025, Ellen Rapier of the Oak Tree Group of Kovack Securities has been an invaluable partner, helping to ensure that our investment strategies and policies are aligned while maximizing long-term investment growth and maintaining sufficient liquidity to cover operating expenses. The Treasurer, Executive Officer, Administrative Officer, and BFA Chair (or designee) work closely with Rapier on behalf of the Society. The BFA Committee will bring several proposals to the Board of Directors in August 2026 that will allow Rapier to help us reposition and reinvest funds, revise language related to investment strategies in the Society's Operations Manual and establish a brokerage account to facilitate charitable stock donations. Our investment strategies will likely continue to evolve under the guidance of our Financial Advisor and Board of Directors. Throughout these transitions, we remain committed to upholding the Society's mission and values. As of June 23, 2026, the total value of our investments is \$869,779.10 (up from \$785,657 on December 31, 2025).

### **Review of the Annual Audit**

Lattimore Black Morgan & Cain (LMBC) conducted the annual audit of the Society's financial statements for the year ending on December 31, 2025. Their representatives, Lawrence Alexander, Shareholder, Audit & Advisory, and Josh Wilson, CPA Senior Accountant, Audit, reviewed the findings of the audit and discussed several issues with the members of the BFA Committee at its mid-year meeting on June 29, 2026. The results of the audit were clean, although did note that we should establish a second level of review (i.e., additional internal oversight) for journal entries posted to the general ledger. Once again, auditors acknowledged

the BFA Committee's concerns about expenses exceeding revenue but praised the Society's attempts to be fiscally responsible and reduce annual losses.

**Note of Gratitude**

It has been my pleasure to serve as the elected Treasurer of SSSP for the past four years. I am deeply grateful to the members of the SSSP Administrative Office, especially Michele Koontz, for her unwavering assistance, expertise, and patience throughout my term. I have also greatly enjoyed working alongside Elroi J. Windsor as Executive Officer, as well as the current and past members of the BFA Committee and Board of Directors. I wish Loren Henderson every success as she assumes the role of Treasurer this August, and I sincerely hope the Society sees stronger financial years ahead.