Treasurer’s Report

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ITSoC BoG meeting
June 2018
Vail, CO
The Literal Bottom-Line

Society Operational Surplus by Year

Year

Surplus in 000 USD
-100 0 100 200 300 400 500
The Literal Bottom-Line

![Graph showing surplus in 000 USD over years 2008 to 2018]
The Literal Bottom-Line

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- Big Q: will it stabilize near zero or continue downward?
- To understand further, let’s look at the 2015/2016 drop.
2015 Profit Centers

IT. Trans.
[IEEExplore + subscriptions
  - editing
  - printing
  - mailing]

Membership Fees

Conference surpluses - Schools

IEEExplore revenues from conf. pubs.

Profit Centers: total = ~700K USD
2015 Cost Centers

[complete circle = ~700K USD]
2015 vs. 2016

**Profit**

- 2015 Profit Centers:
  - Trans.
  - Conf. Pubs
  - Conf. Surplus
  - Membership

- 2016 Profit Centers:
  - Trans.
  - Conf. Pubs
  - Conf. Surplus
  - Membership

**Cost**

- 2015 Cost Centers:
  - Admin
  - News.
  - Web
  - Awards
  - Other Cmte

- 2016 Cost Centers:
  - Admin
  - News.
  - Web
  - Awards
  - Other Cmte
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- Web ↑ ; Committees ↑
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These are indicative of larger trends ...
Trends: Transactions

![Graph showing trends in revenues, costs, and profit from 2008 to 2019. The graph indicates fluctuations in each category over the years.]
Trends: Transactions

[Graph showing trends over years 2008 to 2019 for revenues, costs, and profit.]
Revenue determined by subscriptions, # of articles and # of clicks
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- # articles relatively stable, but to quote IEEE:
  
  “... [IEEE] tend[s] to add 8-10% more papers each year. This is a zero-sum game...”
Revenue determined by subscriptions, # of articles and # of clicks
Trends: Transactions

- Revenue determined by subscriptions, # of articles and # of clicks
- Cost driven by # of pages
Trends: Transactions

- Revenue determined by subscriptions, # of articles and # of clicks
- Cost driven by # of pages
- Revenue formula phasing in over the next 5 years. The new formula helps in the short run but will hurt in the long run.
Trends: Transactions

- Revenues
- Costs
- Profit
- Surplus from print copies
Trends: Membership

Normalized Society Membership and Membership Fees

- Membership = 3562
- Fees = 81.3K USD
Trends: Membership

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Trends: Membership

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- Non-student membership has been $30 since at least 2002
- $30 in 2002 = $42.62 now [https://www.bls.gov/data/inflation_calculator.htm]
Trend: Conference Pubs.

The chart shows the revenue in 000 USD from 2008 to 2019. The revenue peaked in 2009 and then showed a decline until 2014. After 2014, there was a fluctuation with a slight increase in revenue.
Trend: Conf. Surpluses

Year

Surplus 000 USD
-50 0 50 100 150 200

[ISIT + ITW - Schools]
The Here and Now
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- Forecast for 2018 as of last week is a 68K deficit.
- Main cause is that Trans. profit is forecast to decrease by 85K from 2017.
- Please try to limit your expenses!
- IEEE is asking us to submit a budget with a 22K surplus for 2019. The officers decided to submit a budget with near-zero surplus.
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  - Starting in 2019, IEEE wants to have a 2-3% annual surplus Institute-wide.
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  - Proactive vs. reactive
Motion for an Ad-Hoc Committee

Whereas:

- The Society is expecting operational budget deficits in the future;
- The BoG wishes to form a strategic plan for how to alter its revenues and costs in response to the expected deficits; and
- The BoG desires input on the strategic plan from a diverse set of stakeholders,

Be it resolved:

- That the president shall appoint an “Ad-hoc Committee on Society Finances” with a charge to review all aspects of the Society’s finances and report recommendations on changes the Society in response to anticipated deficits; and
- That the committee shall consist of members representing publications, conferences, schools; someone who has served or is serving as Society treasurer; and others that the president may select.
Call for New Initiatives

- New Initiatives draw directly from the reserves and are independent of the operational budget.
- For 2019, we can propose up to 150K USD worth of new initiatives.
- Web server upgrade to be proposed later today.
  - Will do exhaust the 150K.
- Send proposals by July 1.
For 2019

- IEEE has requested a 22K surplus from our budget
- Given ...
  - the ISIT 2019 and ITW 2019 budgets
  - the *IT Trans.* forecasts (thank you Prakash for lower page count!)
  - that we spend in 2019 as we are in 2018
- ... then we will have a 60K deficit.
- Some options:
  - Send IEEE a deficit or zero-surplus budget
  - Cut committee expenses (Ed. board dinner, WITHITS, etc.)
  - Cut funding to remaining 2019 schools
  - Ask ISIT/ITW organizers for larger surplus.
Trends: Membership

- **Total Society Membership**
  - Year: 2008 to 2019
  - Values: 2500, 2000, 1500, 1000, 500, 0

- **Total Membership Fees USD**
  - Year: 2008 to 2019
  - Values: 50, 40, 30, 20, 10, 0