

Report of the Treasurer

The projected (nine months actual plus estimated fourth quarter) unaudited financial results in Table 1 show an expected \$772 thousand operating surplus for 2013, an increase from the \$260 thousand surplus accumulated in 2012. The budget for 2014 in Table 1 anticipates an operating surplus of \$330 thousand. The Budget Committee adopted a goal of a net positive surplus for the operating budget in January 2002.

Audited revenues and expenses for 2012 are in Table 1 and were published in the June 2013 *American Economic Review* (AER). Table 2 reports audited revenues and expenses for the years 2008–2012. Table 3 is an unaudited balance sheet as of September 30, 2013.

Net unrestricted assets on September 30, 2013 were \$27 million, up from \$23.6 million on September 30, 2012. Net unrestricted assets on September 30, 2013 are 2.7 times budgeted 2014 operating expenses. By Executive Committee vote, the Association's target ratio of net unrestricted assets to operating expenses is the range from 1.5 to 2.5.

Total assets on September 30, 2013 were \$30.6 million, including \$29.3 million in cash and financial investments, and \$1 million in accounts receivable and prepaid expenses. September 30, 2013 liabilities were \$3.4 million, including \$2.2 million of prepaid membership dues and subscription fees, and \$1.2 million of accrued expenses, accounts payable, and deferred revenue from the annual meeting. Audited financial statements for 2013 will be published in the June 2014 AER.

Revenue source shares in the 2014 budget are: license fees, copyright and full text fees, 47 percent; institutional subscription fees, 17 percent; annual meeting revenues, 12 percent; member dues, 10 percent; JOE listing fees, 10 percent; journal submission fees, 2 percent; and advertising and other, 2 percent. The distribution of costs in the 2014 budget is: AER, 24 percent; AEJs, 19 percent; programs (summer program, annual meeting, continuing education, CeMent workshops, government relations, economics education conference, etc.) and support of other organizations, 18 percent; administration,

12 percent; EconLit, 10 percent; JEL, 8 percent; JEP, 8 percent; and JOE, 1 percent.

For 2014 the price of library subscriptions to the Association's journals remains at the 2013 level, \$455 per year (for 36 issues). The price of EconLit will increase 3 percent. The price of JOE listings increased from \$250 to \$300 on July 1, 2008, and will remain at that level through 2014. A new dues structure began on January 1, 2012, changing the default option to electronic (only) journals, and reducing dues dramatically to \$20, \$30, and \$40 depending on income, as well as raising the threshold income levels to qualify for the higher dues levels. In 2013, 61 percent of new and renewing members have elected to have electronic access (only) as compared to 55 percent in 2012. This change has led to lower membership dues and a decrease in the number of printed journals ordered. The AER will expand from 7 issues to 12 each year beginning in January 2014, and the subscription price for members who elect to receive the print version will increase from \$20 to \$25.

The Budget and Finance Committee manages the Association's financial assets. It reviewed the portfolio performance and correspondence of balances with target allocations in January and April 2013. Prior to its April 2012 meeting, the Budget and Finance Committee conducted an internal portfolio review and considered three external reports from consultants. Following discussion, the committee approved the following target portfolio allocations:

Long-Term Investment Grade Fund	12%
Institutional Index Fund—S&P 500	40%
FTSE All-World Ex-US Fund	23%
Value Index Fund	10%
PIMCO PFORX Foreign Bond Fund	5%
Intermediate Bond fund and local operating cash	10%

Barbara Fiser is the Association's Controller. Her help in carrying out the duties of the Treasurer is invaluable. I also thank Regina Montgomery, the Association's Administrative Director, who assists with some of the Treasurer's responsibilities, and Linda Hardin, who assists Ms. Fiser.

PETER L. ROUSSEAU, Treasurer

TABLE 1—AMERICAN ECONOMIC ASSOCIATION 2014 BUDGET
(Thousands of dollars)

	Audited 2012	Budget 2013	Projected 2013	Budget 2014
REVENUES FROM DUES AND ACTIVITIES				
Member dues and individual print orders	\$1,239	\$1,076	\$1,071	\$1,040
Journal subscription revenues	1,798	1,710	1,717	1,725
<i>JSTOR</i> distribution	174	180	180	180
<i>Job Openings for Economists</i>	1,039	1,065	1,044	1,045
Advertising	89	90	101	120
Sale of back issues	10	12	13	12
Sale of mailing list	17	15	16	15
<i>EconLit</i> license fees	3,915	4,000	3,950	3,950
Copyright, full text, and other fees	667	675	640	650
Submission fees	192	200	195	200
Annual meeting	1,276	1,205	1,205	1,225
Continuing education conference	27	23	23	27
CEE conference	35	35	53	35
Misc. income	2	1	1	—
Total operating revenue	10,480	10,287	10,209	10,224
PUBLICATION EXPENSES				
<i>American Economic Review</i>	2,043	2,030	1,896	2,353
<i>Journal of Economic Literature</i>	895	968	896	747
<i>Journal of Economic Perspectives</i>	811	805	773	785
<i>American Economic Journal: Applied Economics</i>	486	490	489	500
<i>American Economic Journal: Economic Policy</i>	468	483	485	513
<i>American Economic Journal: Macroeconomics</i>	436	430	419	487
<i>American Economic Journal: Microeconomics</i>	421	424	413	430
<i>EconLit</i>	898	913	919	952
<i>Resources for Economists</i>	36	35	41	40
<i>Job Openings for Economists</i>	142	140	115	105
Subtotal publication expenses	6,636	6,718	6,446	6,912
PROGRAMS AND ACTIVITIES				
Summer program	212	222	222	233
CeMent workshops	69	31	42	62
Support of other organizations	65	63	83	83
Government relations	95	120	135	124
Website—graduate and undergraduate	8	10	7	7
RCT registry	—	25	18	25
Job market software	—	—	—	20
Annual meeting—Chicago	1,148	—	—	—
Annual meeting—San Diego	496	581	582	—
Annual meeting—Philadelphia	—	500	460	601
Annual meeting—Boston	—	—	—	360
AEA annual meeting—web casting and music session	38	40	25	40
Continuing education conference	130	126	126	130
CEE conference	77	60	80	60
Subtotal external programs	2,338	1,778	1,780	1,745
OPERATING AND ADMINISTRATIVE EXPENSES				
Employee compensation	735	695	686	709
Facility costs (rent, telephone, equipment)	74	89	96	100
Accounting and legal expense	54	70	65	60
Data maintenance	3	16	45	25
Bank charges and credit card discounts	88	85	70	70
Election	17	18	16	17
Insurance	21	30	23	25
Postage	22	34	25	25
Other	89	66	55	56
Taxes	14	18	15	20
Committees	129	130	115	130
Subtotal operating and administrative expenses	1,246	1,251	1,211	1,237
Total expenses	10,220	9,747	9,437	9,894
OPERATING GAIN	\$ 260	\$ 540	\$ 772	\$ 330

TABLE 2—AMERICAN ECONOMIC ASSOCIATION, STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEARS ENDED 2008–2012 (Thousands of dollars)

	2008	2009	2010	2011	2012
REVENUES FROM DUES AND ACTIVITIES					
Membership dues	\$1,443	\$1,423	\$1,432	\$1,406	\$1,239
Journal subscriptions	1,595	1,825	1,917	1,870	1,798
<i>Job Openings for Economists</i>	867	738	823	962	1,039
JSTOR	105	89	130	185	174
Advertising	128	125	134	117	89
<i>EconLit</i> license fees	3,022	3,345	3,569	4,034	3,915
Copyright, full text fees, and other	219	171	191	431	667
Sale of publications and reprints	13	15	19	16	10
Sale of mailing list	32	36	24	18	17
Annual meeting	933	1,070	964	1,032	1,276
Sundry	172	222	245	255	256
Total operating revenue	8,529	9,059	9,448	10,326	10,480
PUBLICATION EXPENSES					
<i>American Economic Review</i>	1,666	1,633	1,724	2,103	2,043
<i>Journal of Economic Literature</i>	956	921	899	927	895
<i>Journal of Economic Perspectives</i>	921	831	785	803	811
<i>American Economic Journals</i>	925	1,688	1,636	1,693	1,811
<i>Resources for Economists</i>	48	53	37	40	36
<i>Job Openings for Economists</i>	123	137	136	135	142
<i>EconLit</i>	1,018	894	792	903	898
Subtotal	5,657	6,157	6,009	6,604	6,636
ECONOMIC PROGRAMS AND ACTIVITIES					
Summer program	175	184	95	103	212
CeMent workshops	—	50	29	40	57
Support of other organizations	90	76	78	52	65
Government relations	—	29	95	115	95
Website—graduate and undergraduate	14	6	10	9	8
Annual meeting expenses	835	979	948	1,008	1,682
Continuing education program	—	133	97	90	142
CEE conference	—	—	—	37	77
	1,114	1,457	1,352	1,454	2,338
OPERATING AND ADMINISTRATIVE EXPENSES					
General and administrative	990	1,135	1,264	1,163	1,103
Committees	101	120	115	127	129
Taxes	32	10	38	5	14
Subtotal	1,123	1,265	1,417	1,295	1,246
Total expenses	7,894	8,879	8,778	9,353	10,220
OPERATING GAIN	\$ 635	\$ 180	\$ 670	\$ 973	\$ 260

TABLE 3—AMERICAN ECONOMIC ASSOCIATION, STATEMENTS OF FINANCIAL POSITION (*Unaudited*),
SEPTEMBER 30, 2012, AND 2013

	2012	2013
ASSETS		
Cash and cash equivalents	\$1,774,667	\$1,959,418
Accounts receivable	1,040,120	1,030,487
Prepaid expenses	57,058	38,768
Furniture, fixtures, equipment (net)	118,732	179,124
Investments, at market	23,800,305	27,421,804
Total assets	\$26,790,882	\$30,629,601
LIABILITIES AND NET ASSETS		
Deferred member and subscription revenues	\$2,154,269	\$2,165,784
Accounts payable and accrued liabilities	840,746	1,234,719
Total liabilities	2,995,015	3,400,503
NET ASSETS		
Unrestricted	23,630,141	27,010,363
Temporarily restricted	165,727	218,736
Total net assets	23,795,868	27,229,099
TOTAL LIABILITIES AND NET ASSETS	\$26,790,883	\$30,629,602

This article has been cited by:

1. Emanuela Carbonara, Barbara Luppi, Francesco Parisi. 2012. Subsidiarity for a Changing Union. *SSRN Electronic Journal* 114. . [[Crossref](#)]