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REPORT OF THE TREASURER¹

ECONOMETRIC SOCIETY
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THOUGH COVID-19 FINALLY RECEDED into the background and inflation began to slow, the last twelve months still saw economic consequences from the war in Ukraine along with rising interest rates and the prospect of further rises, creating fluctuating financial markets.

At the same time, the institutional publishing model, previously the financial backbone of the Society, continued its long-run upheaval, pushing the Society to make up for its lost publishing revenues through other avenues. Also, as virtual and hybrid meetings generally gave way to a return of in-person meetings, travel and meeting costs increased.

The Econometric Society has continued to adapt within this rapidly changing environment through a combination of measures, including raising revenue through fundraising and submission and publication fees, moving some of the Society's investments into inflation-protected securities, increasing institutional and membership pricing modestly, and encouraging continued membership growth. At the same time, the Society remained sensitive to the economic impacts on its lower income members, offering students and low- and middle-income members subsidized memberships and travel scholarships and offering grants to our developing regions for their schools and workshops.

The Society's membership grew in 2022 and again by mid-year 2023 to its highest levels ever (see the Report of the Secretary for detailed statistics). Some of this membership growth may be related to the new meetings, schools, and workshops added by the Society's regions. The Society was able to control revenues and expenses enough to invest additional funds in its Vanguard account. The 2022 asset drop has been more than made up for by mid-year 2023 gains. Total cash and investment assets reached \$5,867,751 as of June 30, 2023, compared to \$5,105,620 during the same period last year.

Changes in the academic journal publishing industry remain arguably the most difficult challenge to the Society. The transformation of the business model from the traditional approach based on individual subscriptions of printed volumes to electronic volumes with unlimited access sold to consortia of universities and research centers has meant that journal revenues continue their downward trend. More specifically, since switching to a royalty-based contract in 2019 with Wiley, institutional journal revenues have consistently fallen year over year: for 2019, actual institutional revenues were \$509,613,² for 2020, \$494,044, for 2021, \$490,461, and for 2022, \$465,400. Wiley's 2023 revenue projections came in yet lower at \$409,488 though Wiley suggests this is a somewhat conservative projection. As of June 30, 2023, actual mid-year revenues have outpaced mid-year 2022 actuals, posting \$9259 in revenue above 2022 mid-year.

In addition, many research funding bodies require articles they fund to be published Open Access. As the Open Access movement spreads, libraries become more reluctant to pay for journal issues that contain many articles which are freely available.

¹I would like to thank Executive Director Lyn Hogan for her contributions to preparing this report.

²The 2019 institutional revenue figures include deferred revenues of \$211,770 that no longer accrue as a result of the new royalty-based contract, so actual institutional publishing revenues came to \$509,613.

In late 2022, as our contract with Wiley was coming up for renewal, we explored other options, receiving proposals from several outstanding academic publishers. We have reached an agreement in principle with Wiley and are in the process of finalizing the contract. We anticipate that this process will be completed soon. As part of the new contract, we will no longer sell print subscriptions, though members will have the option to purchase a print volume of *Econometrica*. This change is consistent with the strong trends in the market toward online-only publication, is better for the environment, and is much more cost-effective.

Membership revenues continue to improve, replacing institutional publishing revenues as the dominant source of income for the Society. In fact, despite the economic difficulties of the last several years, the Society has posted year-over-year membership growth since 2018. The growth is likely due to a combination of the increasing number of meetings and schools along with stricter enforcement of the membership requirement for submitting papers. In addition, our new database and membership renewal system enables better tracking of memberships and has streamlined the membership renewal process. Specifically, membership revenues increased from \$680,253 in 2019 to \$723,227 in 2020, \$731,806 in 2021, and \$852,918 in 2022. For mid-year 2023, the trend continues with \$839,685 already collected in membership revenue as of June 30, compared to \$661,953 mid-year 2022, suggesting even bigger gains for this year.

The shift from primary reliance on institutional publishing revenues to primary reliance on membership revenues highlights the importance of the investments made in upgrading the Society's website, database and membership renewal system in 2022. The new system was launched in time for the start of the membership renewal period in November 2022. The investment in the new system has been amortized over three years at \$23,500 a year (for total direct project costs were \$70,500). The new system enables cost savings related to meetings and improves the Society's outreach and the value of the website for our members.

As mentioned in previous reports, in early 2022, the EC created a permanent Fundraising Committee to partly replace lost revenue and to support causes important to the Society and its members. These causes include providing scholarships to young scholars to help them attend Society meetings, supporting the Fund for Africa that provides free Society memberships and meeting travel grants to young Africa-based scholars, providing free and reduced-price memberships and reduced submission and publication fees to low- and middle-income members and students, and providing grants to support schools and workshops. The Society's developing regions of Africa, Asia, Australasia, and Latin America benefit most from the available grant funds. Additionally, the Society provides regions with generous funding for specific named lectures at its annual regional meetings. Finally, the Society publishes two highly prestigious open access journals, *Quantitative Economics* and *Theoretical Economics*, without receiving any direct revenue from them.

In addition, the Society's smaller income sources, including the Cambridge University Press Monograph Series, which provides free online access to all its members, a partnership with JSTOR to provide access to back issues of Society journals, and EconJobMarket, an economics job posting service, added modestly to revenues over the period covered by this report.

The Society continues its relationship with Wells Fargo for its day-to-day banking and credit card processing, and with Vanguard to manage its investments. While the Society's Central office total cash and investment assets fell from \$4,914,346 at the end of 2021 to \$4,521,259 by the end of 2022, by mid-year 2023 cash and investment assets had increased to \$5,867,751. Since the Society's transition to Yale University, the Society has more than

doubled its end-of-year 2017 cash and investments of \$2,910,835 to its mid-year 2023 figure of \$5,867,751. In turn, the regional account totals have grown, though more modestly, from \$375,337 at the end of 2017 holdings to 2023 mid-year holdings of \$574,806. According to the most recent financial audit, the Society would be able to continue operations as they are for three years without any revenue by drawing down its investments to cover its operating costs.

As in previous years, by the middle of 2023, the cash position in Wells Fargo had become larger than what was needed for day-to-day operations in the foreseeable future. Consequently, the Executive Vice-President and Director decided to transfer \$400,000 from Wells Fargo to the Central office Vanguard funds in May.

1. ACCOUNTS

As mentioned above, the Society ended 2022 in a slightly weaker financial position than 2021 but recovered well by mid-2023. The total current assets³ of the Econometric Society as of Dec. 31, 2022, were \$5,384,362 compared to \$5,742,597 on December 31, 2021. The drop in assets was primarily a result of market fluctuations and unrealized losses in the Society's investments. At the end of 2022, the Society's current liabilities sat at \$652,108 compared to 2021's year-end liabilities of \$523,803, an increase primarily due to members purchasing a larger percentage of 3-year memberships thereby creating more deferred revenues for years 2 and 3 of those memberships. Total 2022 net assets were \$4,732,254 compared to 2021's of \$5,218,794, with the drop from 2021 to 2022 primarily a result of unrealized investment losses. Rising net assets mid-year 2023, which rose to \$5,994,820, depict a clear recovery.

An appropriate interpretation of the Society's revenues and costs requires understanding two key points. First, as per standard accounting conventions, the Society's revenue includes the returns on its investment portfolio. Unlike some universities or other organizations, the Society does not fund ongoing activities with revenue from investments. Instead, the Society's investment portfolio is a long-run investment in the hopes of enabling the Society at some point to have an endowment that ensures financial stability for the indefinite future.

This is important because of the significant drop in the value of the global stock market in 2022. Because of this, the Society's total revenue fell from 2021 to 2022 by \$789,099. However, the Society's investment income dropped from \$451,716 to -\$724,528, a drop of \$1,176,244. Hence the decline in investment income gives a misleading impression regarding the "real" revenues of the Society—the funds used for the activities of the Society.

The second important factor is that the Society's revenues and costs include a large amount of funds that ultimately belong to the regions, not the Central office. The Central office uses its banking operations to collect and process registration payments for regional meetings and to pay those costs incurred by the Central office for the conferences. The regions are the residual claimants for gains or losses, so these funds are not part of the gains or losses of the central office. Our revenue records show a gain of \$254,210 in this category from 2021 to 2022, driven by a return to in-person meetings. However, as we will see when we turn to costs, this additional revenue is matched by additional costs. Hence this part of our revenue should also be disregarded in order to have a clear picture of the Society's position. To be sure, variability in timing of revenue and costs implies these

³Total current assets include cash, investments, receivables, publication inventory, and other current assets.

funds will not generally net out precisely within a given year, but it is simplest to think of them as if they do.

In short, from 2021 to 2022, the change in overall revenue should be interpreted as the change ignoring investment income and regional income. Computing revenue this way shows an increase from \$1,503,522 in 2021 to \$1,636,457 in 2022, a gain of \$132,935 or almost 9%. More specifically, 2022 membership revenues increased by \$121,112 or about 15%. Institutional publishing revenues and submissions fees fell slightly, though an increase in publication fees to \$34,876 almost made up that shortfall. Corporate donations also increased modestly.

2022 end-of-year expenses were \$1,789,703 compared to the previous year's expenses of \$1,414,446. Again, to understand these figures appropriately, one should net out Regional Meetings Expenses. This "expense" is the other side of the transaction alluded to above. This reflects the central office returning to the regions the funds we collected for them less the Central office expenses. If we drop this category from the calculation, we see that expenses rose from \$1,259,342 to \$1,436,314.

The main components of the increase in expenses were the following. First, editorial stipends rose slightly as did production costs. Second, the Society has invested in staff to provide more support for regional meetings and in website improvements that the Society expects to improve the usefulness of the site for members. As we move into 2023, these costs rise further with the new data editor for the journals and a new full-time central office meeting planner. Also, unsurprisingly, as we return to in-person meetings, travel and other meeting costs for the Executive Committee returned to pre-COVID levels.

Based on what I have suggested are the figures we should focus on, "real" net income fell from 2021 to 2022, from \$244,180 to \$200,143.

The partial numbers for 2023 are very encouraging. Computing revenue and expenses as suggested above for the partial year shows revenue of \$1,353,910 versus expenses of \$754,253, for net income of \$599,657. While this covers the first half of the year, it seems very unlikely that overall 2023 figures will be twice this. For example, one large component, memberships, is unlikely to double. The timing of memberships is not uniform over the course of the year with a large fraction of these purchases at the time of conference and article submissions. As an illustration, in 2022, the membership revenue for the year was only 15% higher than the mid-year figure. Still, the early indicators are unquestionably positive.

Since 2013 the Society has employed Schulman-Lobel of North Brunswick, New Jersey, as its accounting firm to assist with bookkeeping, tax preparation, and advise on compliance requirements. Eisner-Amper has been auditing the Society's accounts since 2015. As in all past Reports of the Treasurer since 2018, the numbers are based on the most recent audited financials and accounting tallies.

Further in this report are several tables addressing the Society's accounts: Table I: Econometric Society Statement of Financial Position 2020 To Mid-Year 2023; Table II: Econometric Society Revenues, 2020-Mid-Year 2023; and Table III: Econometric Society Expenses, 2020-Mid-Year 2023.

2. INVESTMENT AND ASSETS STRATEGY

The Society's Investment Committee is chaired by the Executive Vice President and includes two Fellows appointed by the Executive Committee for a term of three years that can be renewed once. Yacine Ait Sahalia and Franklin Allen started their second (and therefore last) 3-year terms in January 2020 and 2021, respectively. Jeremy Stein began serving his first term January 1, 2023, and Andy Lo will begin January 1, 2024.

TABLE I
ECONOMETRIC SOCIETY STATEMENT OF FINANCIAL POSITION 2020 TO MID-YEAR 2023.

(unit US dollars)	2020 Year-End	2021 Year-End	2022 Year-End	2023 Mid-Year
ASSETS				
Current Assets				
Cash and cash equivalents	683,996	511,732	613,127	1,101,812
Investments	4,338,592	5,029,267	4,500,600	5,331,869
Receivables	132,369	171,942	161,203	2472
Publication inventory	10,880	7656	6864	6864
Other current assets	32,000	22,000	33,725	31,000
Property equipment and website	0	0	73,134	73,134
Accumulated depreciation and amortization	0	0	-4291	-16,318
<i>Total other assets</i>	0	0	68,843	56,816
TOTAL CURRENT ASSETS	5,197,837	5,742,597	5,384,362	6,530,833
Liabilities and Current Assets				
Current Liabilities				
Accounts payable and accrued expenses	203,616	93,701	141,341	72,591
Deferred revenues	453,243	430,102	510,767	463,422
TOTAL CURRENT LIABILITIES	656,859	523,803	652,108	536,013
Net Assets				
Without donor restrictions	4,526,359	5,204,174	4,717,407	5,987,436
With donor restrictions (Marschak)	14,619	14,620	14,847	7384
TOTAL NET ASSETS	4,540,978	5,218,794	4,732,254	5,994,820
TOTAL LIABILITIES AND EQUITY (Total Assets)	5,197,837	5,742,597	5,384,362	6,530,833

The Society's Investment Committee advises on the allocation of the funds held by the Central office. Since some regions choose to have their investments follow the portfolio of the Central office, the Committee indirectly advises them as well. The Society is very grateful to the current and past members of the committee for their guidance.

The Society keeps three bank accounts at Wells Fargo: a main business account, a sundry account for smaller expenses, and a separate account to handle regional funds. This last account is used for the funds collected from meeting registrations and passed through to the regions after deducting transaction fees, any loans advanced to the regions, any meeting expenses incurred by the Central office on behalf of the regions, and any meeting surplus owed to the Central office.

The Econometric Society can be characterized as a long-term passive investor with a hopefully very long horizon. Currently, annual revenues continue to exceed annual expenses so there is no need to draw down the financial portfolio. However, the uncertainty from the still-evolving publishing market makes it essential to maintain a solid investment base.

A few years ago, the Executive Committee created a benchmark portfolio for the Society of 20 percent cash and short-term US government bonds, 15 percent other bonds, 30 percent US equities, 30 percent international equities, and 5 percent emerging market equities. In 2019 the Investment Committee agreed to a systematic rebalancing of the investments towards the benchmark every six months to smooth the effects of fluctua-

TABLE II
ECONOMETRIC SOCIETY REVENUES, 2020 TO MID-YEAR 2023.

(unit US dollars)	2020 Year-End	2021 Year-End	2022 Year-End	2023 Mid-Year
Dues and subscriptions	1,243,471	1,304,467	1,422,294	1,263,853
Membership Fees	723,227	731,806	852,918	839,685
Institutional Publishing Revenues ¹	494,044	490,461	465,400	333,990
Submission Fees	26,200	79,800	69,100	64,520
Publication Fees	0	2400	34,876	25,658
In-Kind contributions (rent + donated stipend)	10,400	14,536	17,349	0
Other revenues	300,515	321,542	587,821	618,586
JStor	38,128	40,195	39,110	36
Net Regional income (meeting income) ²	24,501	137,024	391,234	528,876
Regional income (only booked surplus)	28,500	1542	1208	0
Permissions	0	0	0	0
2020 World Congress income	197,142	40	0	0
Mailing lists and Ad Revenue	1207	0	0	0
EconJobMarket ³	0	6350	4850	0
Cambridge Monograph (Royalties)	1542	1210	1183	0
Donations (corporate)	0	85,500	104,000	60,154
Donations (individual)	9495	49,681	46,236	29,520
Total investment income (includes regions)	495,894	451,716	-724,528	396,271
Interest and Dividend Income	66,595	93,662	122,995	69,849
Unrealized losses/gains	387,553	289,643	-846,732	325,908
Realized gains	41,746	68,411	-791	514
Net assets released	0	0	0	0
Total Unrestricted Revenues	2,050,280	2,092,261	1,302,936	2,278,710
with Marschak dividend	66	1	227	347
Total Revenues	2,050,346	2,092,262	1,303,163	2,279,057
<i>less investment income</i>	<i>495,894</i>	<i>451,716</i>	<i>-724,528</i>	<i>396,271</i>
<i>less net regional income</i>	<i>24,501</i>	<i>137,024</i>	<i>391,234</i>	<i>528,876</i>
Total "Real" Revenues	1,529,951	1,503,522	1,636,457	1,353,910

¹Institutional publishing now includes all permissions and Open Access payments, all payable at 70% of profits.

²Net regional income equals the amount of incoming meeting income prior to reconciling for regional expenses-banking fees charged on processed regional income, meeting planner salary, software, etc. Regional surplus refers to 10% of actual meeting surplus reported and booked by a region and paid to the Central office.

³2020 to 2021 EJM payment of \$2600 came in after 2020 audit so credited to 2021, hence double payment in 2021.

tions in asset prices. According to a substantial body of empirical evidence, this strategy should be more profitable over the long run than any market timing deviations. This rule was applied for the first time at the end of June 2019, and then again at the end of each subsequent June and December.

Nevertheless, the Investment Committee may decide to deviate from the benchmark if deemed appropriate. In March 2022, the Russian invasion of Ukraine led the Committee to slightly increase the allocation to Inflation Protected Securities from 5 to 8%, and to reduce the allocation to US Government debt in nominal terms accordingly. The committee has maintained those positions since and will likely continue this path as long as the threat of inflation remains.

TABLE III
ECONOMETRIC SOCIETY EXPENSES, 2020 TO MID-YEAR 2023.

(unit US dollars)	2020 Year-End	2021 Year-End	2022 Year-End	2023 Mid-Year
Publishing (Program Services)	672,389	691,254	744,963	364,057
Editorial stipends	478,747	477,319	502,172	270,000
Production/Composition	178,126	200,557	225,019	78,502
Editorial (in-kind)	0	3928	6149	0
Editorial meetings and dinners	4166	0	2223	290
Editorial software	11,350	9450	9400	15,265
Administrative (Support Services)	683,781	693,038	1,033,005	634,941
Salaries and benefits	315,830	350,517	405,047	240,451
In-kind rent expense	10,400	10,608	11,200	0
Professional fees	53,496	62,455	64,050	11,231
Other Administrative Expenses ¹	48,386	54,354	59,640	59,942
Depreciation and amortization	0	0	4291	12,027
Regional Meetings Expenses ²	37,572	155,104	353,389	262,240
Young Economist Activities	3000	10,000	13,000	8000
World Congress (to WC acct) ³	20,000	20,000	20,000	0
World Congress Expenses	154,914	0	0	0
Web site	21,084	29,416	49,721	22,654
Executive Committee Expenses (travel etc.)	19,099	584	52,667	18,396
Special projects (one time)⁴	0	30,154	11,735	17,495
Total expenses	1,356,170	1,414,446	1,789,703	1,016,493
<i>less regional expenses</i>	<i>37,572</i>	<i>155,104</i>	<i>353,389</i>	<i>262,240</i>
Total “Real” expenses	1,318,598	1,259,342	1,436,314	754,253
Total “Real” revenues	1,529,951	1,503,522	1,636,457	1,353,910
“Real” Net revenue (real revenues less real expenses)	211,353	244,180	200,143	599,657

¹“Other admin” contains office expenses, merchant services, bank charges, interest and penalties, staff travel.

²By the end of the year, regional revenues and expenses or “pass through” income and expenses are reconciled with each Regional Standing Committee’s meeting organizers less 4.5% of credit card processing and banking fees and other incurred expenses.

³The \$20,000 annual World Congress contribution is set aside annually to be used every five years for WC travel grants.

⁴Special projects is a newer category encompassing unusual or one-time project costs that won’t be repeated.

Table IV below shows the evolution of the Society’s financial investments in recent years. Between 2021 and 2022, the performance of the funds was down with the exception of the inflation protected fund. Fears of inflation, the economic consequences of the war in Ukraine, and increasing interest rates resulted in losses for both fixed and variable income assets. However, by mid-year 2023, the funds’ performance improved across the board even when accounting for the influx of \$400,000 from the Wells Fargo account as discussed above. Including cash assets and combining the Central office and regional funds, the Society had total financial assets of \$6,442,557 as of June 30, 2023.

3. INSTITUTIONAL AND MEMBER SUBSCRIPTION REVENUES AND RATES

The 2019 royalty-only contract between Wiley and the Econometric Society, which expires at the end of 2023 and is currently being renegotiated, requires Wiley to cover the cost of printing, distributing, and disseminating the Econometric Society journals. The current contract also calls for the Econometric Society to receive a fixed percentage royalty on all revenue earned for the journal, including permissions and Open Access pay-

TABLE IV
SOCIETY TOTAL ASSETS, 2021 TO MID-2023.

Name of Asset	Market Value 12-31-2021	% Total	Market Value 12-31-2022	%	Market Value 6-30-2023	%
TOTAL FINANCIAL ASSETS	5,539,206		5,107,557		6,442,557	
Central Office Only, Cash & Assets	4,914,346	88.72	4,521,259	88.52	5,867,751	91.08
Cash and liquid securities						
Wells Fargo Main Checking	61,931		214,952		413,747	
Wells Fargo Sundry	10,188		9412		14,302	
Wells Fargo—Regional Meetings	30,271		20,679		344,323	
Federal Money Market	92,782		42,452		61,555	
Debt Funds						
Total Bond	463,722		378,147		447,102	
Inflation Protected	233,852		335,207		396,983	
S/T Treasury	834,403		713,485		845,630	
Equity Funds						
Stock Mkt Index	1,455,748		1,278,031		1,536,252	
Intl Stock Index	1,682,209		1,477,670		1,769,632	
Special Central Office						
Marschak Money Market	14,619		14,846		7384	
African Scholar Money Market	34,621		36,378		30,841	
Regions' Funds	624,860	11.28	586,298	11.48	574,806	8.92
Africa	16,938	0.31	15,635	0.31		0.00
Africa Money Market	16,938		15,635		17,737	
Asia	130,410	2.35	111,329	2.18	150,867	2.34
Far East Asia Money Market	2549		2216		31,989	
Far East Asia S/T Treasury	22,930		19,907		21,138	
Far East Asia Bond Market	38,207		33,178		37,174	
Far East Asia Stock Market	66,724		56,028		60,566	
Australasia	51,822	0.93555	56,477	1.1058	56,492	0.8769
Australasia Money Market	17,415		24,292		24,863	
Other Australian	34,407		32,185		31,629	
Europe	348,493	6.29139	309,135	6.0525	282,441	4.384
Europe Money Market	151,428		132,373		96,679	
Europe Intl Stock	77,979		65,496		71,681	
Other Euro	119,086		111,266		114,081	
Latin America	40,735	0.73539	41,367	0.8099	41,956	0.6512
Latin America Money Market	40,735		41,367		41,956	
North America	36,462	0.74195	52,355	1.158	43,050	0.7337
North America Money Market	36,462		52,355		43,050	

ments. In January of each year, Wiley pays the Econometric Society a guarantee of 80% of Wiley's forecast of royalties for the year. The remainder of the revenue from the previous year is paid out the following year no later than April 30.

Each year in late May/early June, the EC, in conjunction with Wiley Publishers, sets the following year's institutional subscription rates. These rate increases apply only to those institutions that subscribe to *Econometrica* directly, rather than those receiving access to the journal as part of a bundle, and not to Society members. Such institutions are a small and rapidly shrinking part of our readership. In 2022, there were only 204 such libraries, a reduction of more than 20% since 2020. These 204 libraries are only 2.7% of institutions with access to *Econometrica*, as 7310 institutions have access via a Wiley license instead.

These subscription rates were frozen during the first two years of the pandemic and rose modestly (2% for online-only and 3% for print + online) in 2022. In 2023, the EC agreed to an increase of 15% for the online and print + online rates but no change to the \$270 special rate for low-income and lower-middle income countries. (Only three institutions benefit from this lower rate at present.)

Members of the Society who choose the “Print + Online” option receive hard copies of the three Econometric Society journals (*Econometrica*, *Quantitative Economics*, and *Theoretical Economics*) for the corresponding year and have free online access to volumes of *Econometrica* back to 1999 directly through the Society’s web site and back to 1933 through JSTOR (a digital library publishing copies of the Society’s journal articles two years post-publication or later). *Quantitative Economics* and *Theoretical Economics* are open access. Members who choose “Online-only” receive the same online access but do not get the hard copies of the journals. Since 2006, institutional subscribers to *Econometrica* have perpetual online access to the volumes to which they subscribe. Members purchase their subscriptions directly through the Society website as part of their overall membership package. Starting in 2024, the Society will only offer online subscriptions. Members will be able to purchase a print volume of *Econometrica* separately.

Each summer, the EC votes on individual membership pricing for the coming year. In August 2018 the EC decided to expand its membership tiers, replacing the existing high-income category with two subcategories representing those with incomes either above or below \$100,000, and adding a lower-middle income category to address the income dispersion more accurately across developing countries. The EC kept membership prices fixed in 2020 and 2021, while adding a new online category of low-and lower-middle income students for \$10 in 2020. In light of cumulative CPI inflation from July 2018 to July 2021 of 7% and the associated increases in many of the Society’s operational costs, the EC approved a 7% increase for all 2022 membership categories rounded up or down to the nearest multiple of five. With inflation still strong and increased costs associated with the hiring of a data editor and a meeting planner, the EC approved a 5% increase for 2023, again rounded to the nearest multiple of five. Membership rates for 2024 will be set by the EC at its forthcoming meeting in Barcelona.

As mentioned in the introduction, the Society has experienced year-over-year increases in the number of memberships from 2018 onwards. Given these increases in membership prices, then, we have also experienced significant growth in membership revenue. Specifically, annual membership revenues increased from \$680,253 in 2019 to \$723,227 in 2020, \$731,806 in 2021, and \$852,918 in 2022. In turn, membership revenues reached \$839,685 during the first six months of this year, surpassing the *full year’s* 2021 membership revenues, indicating still larger gains for the full year 2023.

To offset lost revenues associated with changes in the publishing industry, the EC instituted modest fees associated with the submission and publication of papers in its journals starting in 2020. Initially, a submission fee of \$50 per paper was set to apply to all three journals. Starting in 2023, that fee was raised to \$100 but remained at \$50 for student authors. Publication fees were first set at \$10 per page, but starting in 2023, the page fees were set at 50% of production costs, currently \$12 per page. This allows the EC to avoid having to reevaluate page fees whenever production costs increase. Individuals working in countries classified as low income by the World Bank may request that these fees be waived. In addition, submission fees are not charged for papers previously reviewed at *Econometrica* when they are officially transferred to either *Quantitative Economics* or *Theoretical Economics*. Importantly, papers rejected without review do not get a refund.

In 2021, submission fees generated \$79,800 in revenue, dropping the following year to \$69,100. This is likely due to the fact that submission rates were very high during COVID and are returning to more normal levels. With the increase in the submission fee, the mid-year 2023 revenue figures were similar to the 2022 figures at \$64,520. Due to the lengthy review process, publication fees were first collected toward the end of 2021, bringing in \$2400, then rising to \$34,876 in 2022. Revenue for the first half of 2023 was \$25,658. For 2024, the charge per page is based on 2022 numbers. In 2022, the Society published 9273 pages at a cost of \$222,060 or, approximately, \$24 per page. Hence the fee for 2024 will again be \$12 per page.

Since 2022, *Econometrica* has offered a Gold Open Access option. This means that authors of accepted papers have the choice to pay an Article Publication Charge (APC) and retain copyright to their published work with the paper itself being freely available. The APC was set at \$4600 (3450 GBP/4000 EUR) in 2022 and increased to \$4800 (3600 GBP/4170 EUR) for 2023. However, authors whose universities are covered by one of Wiley's "read and publish" agreements (also called "Transformational Agreements" by Wiley) benefit from a lower APC, the level of which varies across agreements.

Pages further down present several tables mentioned above and tables laying out institutional publishing and membership data including Table V-A: Institutional Subscription Prices; and Table V-B: Individual Membership Rates.

4. FUNDRAISING

As mentioned in the introduction, in 2022, the EC began formalizing a process for fundraising. Ultimately, the EC created a permanent fundraising committee—consisting of the President, First Vice President, two Fellows appointed by the Executive Committee with staggered two-year terms, and, as ex-officio members, the Executive Vice President and Executive Director. The committee is chaired by the appointed Fellow in his/her second year on the committee. Bernard Salanié concluded his successful chairship on June 30, 2023, and José Scheinkman became chair on July 1, 2023. The committee follows a two-tier approach to fundraising. The first tier involves pursuing for-profit and non-profit donors through contacts provided by the EC and fundraising committee members. The second includes two fundraising campaigns (one in mid-June and the other in mid-October) from the President of the Society to both its Fellows and its members. Individual donors can choose one of three giving areas—the General Society Fund, the Fund for African Scholars which provides young Africa-based scholars free memberships and travel grants to attend Econometric Society meetings, and the Scholars in Emerging Regions fund providing travel grants to young scholars to attend conferences and meetings.

The 2022–2023 corporate for-profit and nonprofit sponsors include Amazon Science (completed June 2023), the BBVA Foundation, BlackRock, Cowles Foundation, the European Central Bank, D E Shaw, the Economic Growth Center at Yale, and Two Sigma. Individual donations came primarily from Fellows, although other members also contributed. Specifically, in 2022, the Society raised \$104,000 from corporate donors and \$46,236 from individual donors for a total of \$150,236 compared to 2021 donations of \$85,000 from corporate donors and \$49,681 from individual fellow/member donors for a total of \$135,181. By mid-year 2023, the Society has raised \$60,154 from corporate sponsors and \$29,520 from individual donors and so is on pace to surpass the 2022 totals.

5. REGIONAL CONFERENCES AND THE WORLD CONGRESS

One of the core activities of the Society is the organization of scientific conferences across its six regions. Regional meetings should be self-financing, as the Society does not underwrite losses under any circumstances. Revenue sources are primarily registration fees set by the meeting organizers and related regional standing committees, but additional funds are often raised through local fundraising, sponsorships, and, where applicable, grant monies provided by the Central office. Two regions, Africa and Europe, have posted deficits in some recent meetings. For Europe, these losses have been absorbed by the European Regional Standing Committee's Vanguard fund. For Africa, the host institution absorbed the deficits.

To support the large and growing number of meetings and schools the Society sponsors annually, the Executive Committee agreed in August 2022, to add a full-time technical meeting organizer to the Society staff. The forecast was that 60% of the salary for this position would be covered by charging the regions for the planner's services at \$50/hour. The remaining 40% would be paid by the Central office. Ritu Johorey, who had been handling technical meeting planning work part-time as a contract worker, was hired full-time

TABLE V-A
PREVIOUS, CURRENT AND ADOPTED INSTITUTIONAL SUBSCRIPTION PRICES.

	2018	2019	2020	2021	2022*	2023*	2024
Annual Increase			5%	0%	3%	3% print; 2% online	15%
High-income							
Print + online	944	1000	1050	1050	–	–	–
Online only	742	787	787	826	–	–	–
High- and upper-middle income							
Print + online	–	–	–	–	1050	1082	1244
Online only	–	–	–	–	851	868	999
Middle-income							
Print + online	255	270	284	284	–	–	–
Online only	192	204	214	214	–	–	–
Low- and lower-middle income**							
Print + online	–	–	–	–	270	270	270
Online only	–	–	–	–	214	214	214
Low-income							
Print + online	95	100	105	105	–	–	–
Online only	14	15	16	16	–	–	–
China deal***					(China +20%)		
Print + online	190	220	264	265	–	–	–
Online only	142	165	198	200	–	–	–
China, Large Institutions****	–	676	710	710	category eliminated		

* For 2022/23 pricing, only two categories remain: a merged high- and upper-middle income one, and a merged low- and lower-middle income one, which only affects at 5 institutions in India.

** The Executive Committee agreed to increases for the Online (2%) and Print + Online (3%) rates but will make no change to the \$270 special rate for low-income and lower-middle income countries.

*** 2019, the EC agreed to a 20% increase for 2020 China individual subscriptions but in 2021 increases were no longer required as China subscription rates had reached the targeted middle-income rate.

**** For China institutional sales, for 2021, a 0% increase was agreed upon compared to 2020 increase of 5% agreed upon. After 2022, this category was eliminated.

TABLE V-B
2017–2024 INDIVIDUAL MEMBERSHIP RATES.

Annual Increase Year		3%	0%	0%	8%	5%	0% Proposed	
		2017	2018	2019	2020–2021	2022	2023	2024
Ordinary Members								
							Rounded	
Print + Online	1 Year	200	230	–	–	–	–	–
Online Only	1 Year	130	140	–	–	–	–	–
Print + Online	3 Year	475	505	–	–	–	–	–
Online Only	3 Year	320	330	–	–	–	–	–
High income I <100K								
Print + Online	1 Year	–	–	190	190	205	215	215
Online Only	1 Year	–	–	150	150	165	175	175
Print + Online	3 Year	–	–	430	430	460	485	485
Online Only	3 Year	–	–	340	340	365	385	385
High income II ≥100K								
Print + Online	1 Year	–	–	250	250	270	285	285
Online Only	1 Year	–	–	200	200	215	225	225
Print + Online	3 Year	–	–	565	565	605	635	635
Online Only	3 Year	–	–	450	450	485	510	510
Middle income								
Print + Online	1 Year	95	125	90	90	95	100	100
Online Only	1 Year	30	40	50	50	55	60	60
Print + Online	3 Year	225	255	205	205	220	230	230
Online Only	3 Year	70	80	115	115	125	130	130
Lower-Middle income								
Print + Online	1 Year	–	–	80	80	85	90	90
Online Only	1 Year	–	–	40	40	45	45	45
Print + Online	3 Year	–	–	180	180	195	205	205
Online Only	3 Year	–	–	90	90	95	100	100
Low income								
Print + Online	1 Year	65	65	50	50	55	60	60
Online Only	1 Year	10	10	10	10	10	10	10
Print + Online	3 Years	150	150	115	115	125	130	130
Online Only	3 Years	25	25	25	25	25	25	25
Student								
Print and Online	1 Year	95	95	90	90	95	100	100
Online Only	1 Year	30	30	50	50	55	60	60
Low- and lower-middle income student								
Online Only	1 Year	–	–	–	10	10	10	10

in this new position. Johorey has provided significant support to program chairs including setting up submission tools, building meeting websites within the Society's website, building programs, setting up registration, surveying participants post-meeting, and providing those results to the regions, and other critical functions. As of mid-year 2023, we are on track to have approximately 50 to 60% of Johorey's salary covered by charges to the regions.

In addition, the Society organizes a World Congress every five years, bringing together members from all the regions. In preparation for this event, the 2016 EC approved putting aside \$20,000 per year over five years to create a scholarship fund to provide students and

lower income presenters help with registration and travel expenses. This practice was again approved by the EC in 2021 in preparation for the 2025 World Congress. The exact use of this fund will be decided closer to the date of the World Congress.

In summary, I am pleased to report that despite the many uncertainties we face, the Society remains in sound financial shape and is well capable of continuing and expanding the breadth and depth of its activities over the coming years.

BARTON LIPMAN
EXECUTIVE VICE PRESIDENT