

ASOR Executive Director's Report
April 29, 2017

Finding successes, hitting our stride, and growing pains. Those three phrases may seem to be contradictory, but I think that they describe ASOR in our 117th year. Below, I suggest that they may present some ways for the board to consider where we should go from here.

Finding successes.

In one sense, ASOR is a “good” organization and a “success.” Yet, I suggest below that we have much room for growth before we become a *great* organization—and I believe that is our goal. Some of the successes are seen in a simple review of some benchmark figures—something that we should be especially pleased about at a time when some other learned societies are struggling and losing members (more than a few of the very large societies are losing 5% of their members annually). The following are comparisons from 2006 (when I started) to 2017:

- Membership: increased from about 1,050 to 1,800 as of March 31, 2017 (see comments below for my thoughts on what we need to do to reach 2,000) =71% growth over 10 years.
- As of the end of FY16, our unrestricted net assets available for operations have grown from (–\$187,000) to \$387,000 (a positive change of \$574,000). I hope that we’ll reach at least positive \$400,000 by the end of FY17.
- Our total net assets have grown from \$923,000 (FY 2009) to \$2.3 million (FY 2016). I think that we will reach at least \$2.5 million by the end of FY 2017.
- Our annual budget has grown from about \$850,000 to about \$2.2 million.
- Our endowment for operations has grown from \$329,000 to \$745,000 (as of April 25, 2017).
- All of our endowed funds have grown from about \$800,000 to about \$1.75 million.
- Membership and subscription revenue has grown from \$282,000 to \$380,000. However, membership and subscription revenue was almost \$400,000 2 or 3 years ago (see comments below).
- Institutional memberships have gone from about 95 to about 75 (obviously a drop).

Endowed fellowship funds. The numbers above are just one indicator of our successes. As President Ackerman pointed out in her report, we now have five endowed excavation fellowship funds that support student scholarships for participation on excavations. These endowments (four of them new in the past four years) supported 17 fellowships of \$2,000 each in 2017. Annual donations contributed to another seven scholarships. I want to stress that our efforts to build the fellowship endowments now provide ASOR with a base that we can supplement with annual contributions. The question that I encourage the board to ask is: “How can we use these fellowships to further our strategic plan and to support our members?” In this regard, please see my comments below under “Hitting our stride.”

Diversified revenue streams. Per our FY16 audit, ASOR brought in \$400,000 in gifts and grants (non-federal) last year. This number is comparable to the revenue from development from 2005-2007, but there are several important differences. A decade ago, we raised a total of

\$400,000, but 80% of that amount came from six or seven donors. Two or three of these donors contributed between \$50,000 to \$100,000 per year. In the last three years, we have had between 310 and 400 donors per year, and we do not have any donors who consistently contribute more than \$25,000 per year. In other words, our donor support has grown into a healthy pyramid with hundreds contributing at smaller levels. See below under “Hitting our stride,” for ways that we can consider improving over the next few years.

Non-federal grants are another important diversified revenue stream. I am very proud of the progress that we have made in the past two to three years in this regard. About six years ago, we undertook intense efforts to build on the NEH Archives grant and seek funds from private foundations. We approached more than 100 foundations that we thought would be a good fit, and we only received two grants for a total of about \$30,000. One of the things that I learned in that process is that family and private foundations rarely consider proposals from organizations that they do not solicit or are not known to one (or more) of the foundation’s board members or program officers. We have had success in the past 18 months with these types of grant proposals because our work in cultural heritage is receiving international recognition, and foundations are now interested in receiving a proposal from ASOR. We have had significant funding as part of a cooperative agreement with the Getty Conservation Institute, and I hope that Susan Ackerman will be able to announce on Saturday a major six-figure grant from the Whiting Foundation for work in Mosul (the foundation is in the process of finalizing an award letter as I type this report). ASOR has been encouraged to submit other proposals to other foundations, and I think that it is reasonable in the near future for ASOR to strive for half a million dollars per year in such non-federal grants. These funds will be important to our continued successes, but such soft-money funding also presents challenges as we “hit our stride” (see below).

Publications and Annual Meeting. As ASOR seeks diversified revenue, we should not forget the core “products” and “services” that we provide for our members. About eight years ago, I remember receiving sage advice when I was asking trustees from one of the research centers to encourage their constituents to attend our Annual Meeting. This person pointed out that decisions about attending the Annual Meeting would be made on the basis of the academic quality and content. This person opined that if the ASOR Annual Meeting was excellent in these two areas, the growth would be natural. If we were not excellent in terms of quality and content, arm-twisting was not a sustainable way for us to proceed. This person could not have been more correct. Our Annual Meeting is growing because the event is seen as one of the key places to present research, hear new ideas, and to interact with colleagues across a broad spectrum of specialties.

Similarly, ASOR’s publications have been produced on-time for more than eight years, and our members and subscribers now expect to receive the journals on the date of publication. They also expect the content to be excellent and groundbreaking. As we look for other ways to grow and to build our base, we must not forget that publications and the Annual Meeting are at the core of what ASOR (and any learned society) is and does.

Hitting our stride.

Organization studies that I have read over the past couple years have all concluded that organizations are either growing or shrinking. To be sure, some organizations that have reached a certain level of success and growth have desired to “tread water” and stay the same size. However, studies have indicated that staying the same size is very difficult. I often hear ASOR members say that they wish we would not grow any more, and I think that is difficult to achieve. As I indicate below under “Growing pains,” I think that we should try to avoid growing too quickly, but I urge the board to consider that moderate growth is something that is a desideratum.

Membership.

We are aggressively pursuing ways that we can increase our membership. We set an ambitious goal of reaching 1,800 members by March 31, 2017. As of today, we have reached 1,795 members, and we will almost certainly have five more people join in the next couple weeks a membership start date retroactive to March 31. I am extremely pleased that we reached this goal/mark. This is a huge milestone for ASOR, and Inda Omerefendic and her staff are to be congratulated. To give you an idea of the ways in which we are growing the membership, I will outline some of the specific efforts that the office undertook below. I have not described in detail the extensive effort that goes into sending out normal reminders and notices. These are the basis for membership retention, so it is assumed that such reminders will continue.

Membership renewal efforts (both successful and not-so successful)

1. E-mail and paper reminders and appeals to long-lapsed members (more than 12 months expired).
 - a. From November to December 2016, the staff sent out five email reminders and two paper reminders. We did email reminders for those whose membership lapsed before 2015.
 - b. Result: fewer than five people responded by renewing, and the paper reminders were not worth the postage.
2. Reminders with a \$25 coupon: In February 2017, we sent out a special offer to lapsed members (December 31, 2016, and earlier). They were told that if they renewed within two weeks that they would receive a \$25 coupon for any membership.
 - a. Result: We had 54 people use that coupon, so this offer was one of our most successful to date.
 - b. Conclusion: In the past we have tried \$5 to \$10 coupons, and those were not successful. We thus plan less frequent offers in the future with larger incentives.
3. Personal reminders sent by the Executive Director: Andy sent out 300 personalized emails (not e-mail blasts).
 - a. Result: Only about 7 or 8 people renewed.
 - b. Conclusion: Several of those people were past donors who responded well to my personalized email. In the future, I think that I can contact 20 or so people from the list and leave the rest of automated reminders.
4. Membership growth from Friends of ASOR. We usually get one to three new paying members per month from the Friends of ASOR.
 - a. Result 1: About 10-15 FOAs per month click on information about joining ASOR, and about 10-15% of those people actually join.

- b. Result 2: Some of these new members from FOA end up making four-figure contributions to ASOR, so the small numbers are important.
- c. Conclusion: We will continue these efforts and work on ways of improving our website to increase the percentages. Most importantly, we realize that ASOR needs to develop membership benefits other than publications and the Annual Meeting that will attract these potential members.

Conclusions for how we can “hit our stride” with membership: ASOR needs to continue delivering excellent publications and an excellent Annual Meeting. However, if we are going to continue growing at 5% per year, we will need to find ways to provide benefits other than these two areas, OR we will need to have the Annual Meeting grow at an even faster pace. I do not think that publications will be the driver for increased memberships because increasing numbers of people receive our publications through university subscriptions and by other aggregated means. Having membership tied solely to the Annual Meeting has the negative effect of increased numbers of concurrent sessions, and it also means that membership levels will fluctuate in years that the Annual Meeting is not popular for one reason or another (attendance is often lower in cities that are not popular). **In short, we need to continue to foster a sense of pride in ASOR and to continue to develop member benefits other than publications and the Annual Meeting.**

Annual Meeting

I have already alluded to the Annual Meeting several times above, so I can be brief here. As Susan Ackerman pointed out in her report, we had over 700 paper proposals for the Boston (2017) meeting. Because SBL had a 10% reduction in paper proposals, we can conclude that the increase is not solely due to the venue. Our Annual Meeting is now recognized as an international event for the sharing of idea and for meeting diverse colleagues. I think that its success is also tied to ASOR’s recognition for our work on cultural heritage. ASOR is now seen as a major player internationally, and people want to attend the meeting. As we “hit our stride” with the Annual Meeting, we will need to consider letting the number of sessions grow, either concurrently or by adding additional time slots. This growth goes against the strategic plan in one area (number of concurrent sessions), but it supports other goals in the strategic plan (increased breath of our academic program and increased international participation). Administratively, I think that it will be hard to maintain membership growth (and thus revenue) without encouraging growth in the Annual Meeting.

ASOR Cultural Heritage Initiatives

In December 2013 and January 2014, the ASOR staff and Susan Ackerman identified cultural heritage as one way that the general public could see the impact of ASOR’s work in the 21st century. In a sense, it is a way that the public can see that our research and scholarship has a positive impact to “change the world.” The ASOR Strategic Plan reinforced this commitment to cultural heritage work for all of these reasons. Now, just three years later, ASOR has certainly “hit our stride” in terms of cultural heritage initiatives. ASOR has been recognized by UNESCO General Secretary Irina Bokova twice in plenary addresses for doing exemplary work. A recent UNESCO publication mentions ASOR’s projects as being a model for international collaborations. U.S. Secretary of State John Kerry referred to ASOR’s team as the “gold standard.” ASOR CHI has been recognized favorably in plenary addresses by NEH Chairman

William Adams and by officers in the ACLS Annual Meeting. Just recently, ACLS asked ASOR for images and descriptions of our initiatives to include in its annual report as an illustration of how the humanities are impacting our 21st century world.

All of this is certainly positive, and we should all be proud. At the same time, we face challenges as we attempt to move forward. ASOR needs to continue to seek non-federal funding, and ASOR will need to maintain a certain level of capacity so that we can carry out projects as the funding is received. That means that there is some risk involved. We cannot be successful in receiving grants without the capacity to carry out the work, and we do not have the sustainable funding for this work without soft funding (the grants). I will discuss this more in the “Growing pains” section below.

Perhaps the biggest change in ASOR’s budgets over the past five years has been the **dramatic increase in grants** (both federal and non-federal grants). These additional funds have enabled ASOR to increase our capacity to accomplish the goals set forth in the strategic plan. While these additional revenue streams and funds can be transformative, I think that it is also critical that we constantly evaluate these programs to make sure that they are consonant with our strategic plan and goals. We have turned down invitations to apply for grants over the past year, and we will likely have to make similar decisions in the future. One of the largest lessons that I have learned over the past three years is that I underestimated the increased capacity (both in terms of office space and staff) required to double our annual budget in a short period of time. I hope that the board will continue to encourage ASOR to apply for grants (e.g., to support the LCP project and the Archives program), but we will also need to be selective in deciding how much we can and should accomplish. To date, our guiding principles have been to ask the questions, “Does this benefit our members?” and “Is this consistent with the priorities set forth in the strategic plan?”

Growing pains: Where we are going in the future?

As I said in my November report, I do not think that we can overemphasize the importance that our new strategic plan has played, and will continue to play as we move forward. I noted above that organizations tend to either grow or shrink—it is hard or impossible to stay the same or to tread water. ASOR is certainly growing, but we are experience growing pains.

One of our biggest challenges moving forward will be to maintain the capacity to achieve our goals and mission without undertaking too much risk in terms of our budget. When I started in 2006, memberships and subscription revenue were lower than they are today. However, memberships and subscriptions represented about 33% of our overall revenue. For the FY18 budget, memberships and subscription represent 18% of our overall revenue. Our endowment distributions have increased dramatically over the last decade, but we rely increasingly on soft funding and donations to support our important work and growing budget.

Another challenge in terms of growing pains relates to the amount of office space that is required for our operations. As everyone knows, ASOR will have to begin paying rent in the Boston area for the first time in 21 years. We also need more office space than we needed just three years ago. I have budgeted about \$46,000 for moving and rent expenses in FY18, that number is on the

low side for what ASOR could reasonably use in terms of office space. Doing business in the downtown Boston area is expensive, and we need to consider a long-term solution.

Despite our dramatic increase in soft funding and the need to pay for moving and rent expenses, ASOR has not added much capacity in terms of financial management and executive oversight for ASOR programs. Selma has taken on more and more responsibility with office management and with financial reporting. The tasks involved with managing a \$2.2 million budget as much larger than with what we required with managing a \$850,000 budget. Similarly, I (as executive director) have had to assume more responsibility with overseeing all of our different programs, and I have had to assume much of the responsibility for applying for external grant funding (both federal and non-federal). Cynthia Rufo has assumed responsibilities to help both Selma and me, but we have not added more capacity in ASOR for financial reporting, financial management, or executive management. I am not sure what the answer is to the lack of capacity in these areas, but it is an issue that the board needs to consider in terms of growing pains.

Finally, I do not want the above questions and concerns to detract from the truly outstanding work that we are doing. The project that will likely be announced at the Board Meeting for work in Mosul represents the way in which ASOR is truly changing the world for the better. We expect to work with Iraqis to salvage, document, and digitize Islamic and cuneiform documents that were threatened by ISIL in just the past two years. This work represents the types of 21st century partnerships that ASOR is uniquely positioned to undertake. It is a future that we should all be proud of. That work and this future would not be possible without your leadership as trustees. All of us are deeply grateful for your support and continued leadership.

I look forward to continuing to work with you all to advance ASOR in the coming Fiscal Year 2018—our 118th year.

Andy Vaughn