# Executive Director's Report November 2024, Board Meeting

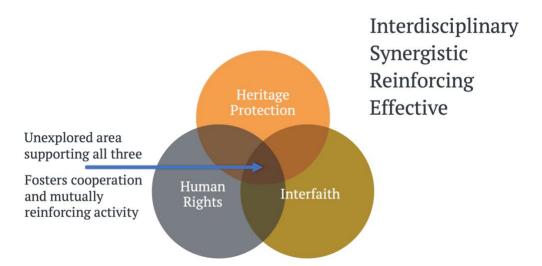
Like I did in 2022 and 2023, I have divided my Fall Executive Director's Report into three sections so that I might share observations and make recommendations for the Board to consider as you plan for how ASOR will emerge from recent conflicts in the Middle East and the polarization facing so many people and countries.

The following is the structure of my report:

- 1. An expanded audience for ASOR (drawing on Jane Evans's vision statement).
- 2. Review of ASOR's finances and a discussion of how you can plan for the long-term and not just focus on surviving. ASOR is growing despite global conflicts and unrest.
- 3. *Brief comments on* ASOR 2025—and especially thoughts for you as trustees to share with others about establishing endowments.

#### 1. An expanded and growing audience for ASOR

As we consider the challenges and opportunities that lie ahead of us this year and in the next four years of a new administration in the United States, I would like to begin by sharing a Venn Diagram that I have adapted from Knox Thames (a former State Department employee and expert in cultural heritage and public diplomacy):



ASOR has been successful in the last 10 years at using Cultural Heritage Initiatives to demonstrate the utility of our research and academic outputs for the public good. We have moved beyond monitoring, reporting, and fact-finding (MRF programs) to focusing on education and stewardship programs. These later programs have used documentation as a *means to an end* of bringing together people from different ethnic and religious groups to discuss their heritage. These interfaith and inter-community discussions that promote religious freedom and understanding between peoples take place in an organic way.

Following Knox Thames, I think that we should also see this Cultural Property Protection—including the production of research knowledge from all our disciplines—as a way of advancing human rights. We are living in a polarized time where the rights of many are under

threat. We all too often see human rights advocacy and activities as being limited to such things as preventing persecution for beliefs, fighting gender discrimination, and countering atrocities like genocide and human trafficking. In my view such human rights violations are of a greater magnitude that cultural heritage threats. Yet, threats of a person's heritage, religion, or ethnicity are also important. Moreover, our work to counter these threats may have a direct correlation to creating an environment and geography where there is better understanding among peoples and communicaties. Such efforts have never been more important than in this polarized time.

# A growing geography for ASOR's work



The map above illustrates how ASOR has been furthering our mission and strategic plan through this interdisciplinary work. ASOR is no longer only centered in the Middle East countries of the Levant and Mesopotamia. We are carrying out important projects throughout the regions that had historical connections with the Near East. Yet, there is a disconnect—while our ASOR affiliated fieldwork projects are centered in the Levant, Mesopotamia, and Cyprus, much of our cultural heritage work and affiliations with civil society organizations (CSOs) has moved to Africa and areas in the northern Mediterranean.

To address this situation, the Cultural Heritage Committee is bringing forward a motion to the Board to create an affiliation status for CSO and conservation projects. We have already identified 34 possible CSOs that may like to affiliate with ASOR, and this will be an excellent way to grow our membership and continue to advance some goals set forward in our current strategic plan.

These efforts to grow ASOR's membership are also needed to counter our first-ever (in 15+ years) decline in membership from one year to the next. Our membership decreased from 2200 to 2000 in the last year. The situation is not too bad because we are still back to a level just higher than the pre-COVID levels. We think that there is a correlation between the situation in Israel, Gaza, and Lebanon and the drop in membership, but it is hard to know for sure. We think that the cultural heritage initiatives described above, when combined with new affiliation status for CSOs and conservation projects, will help advance our goal of 3-5% membership growth. We

also think (or hope) that the war in Israel, Gaza, and Lebanon will stabilize to the point where those influences will diminish.

# Communications Manager position

As you have undoubtedly read in the *News@ASOR*, we successfully completed a search for a communications manager. Rachel Bernstein joined our staff just a month ago, and she is working hard to help our staff with communicating the importance of the work that we are doing. I hope that you will meet her during this conference. Communications will have increasing importance on our goal of expanding our membership, reach, and relevance.

## 2. Annual Review of ASOR's Finances with an Eye Towards the Future

We may be facing challenging times for the humanities and for organizations such as ours. Yet, I firmly think that ASOR is poised to do even greater things, and our work has never been more important. As I said in my report last year, "No margin, no mission." Finances are not everything, but they can help ASOR accomplish our mission and carry out our strategic plan.

ASOR's financial position remains strong, and it was bolstered by a strong stock performance throughout much of Fiscal Year 2024. The chart below shows that net assets are growing. The humanities in general, and our fields in particular have many needs. ASOR is poised to answer these calls.

Thanks to ASOR's donors, to your support as trustees, and to federal grants, ASOR was able to fund \$250,000 in scholarships, fellowships, grants, and awards in 2024 (just as we did in 2023)! A fundraising initiative to celebrate our organization's 125th anniversary (ASOR 2025—Strengthening Our Foundation | Expanding Horizons) will enable ASOR to continue to grow. We have reached something of a plateau with the initiative (\$4 million out of \$5 million raised or pledged) so we need to have a renewed commitment to finish strong and plan for the future.

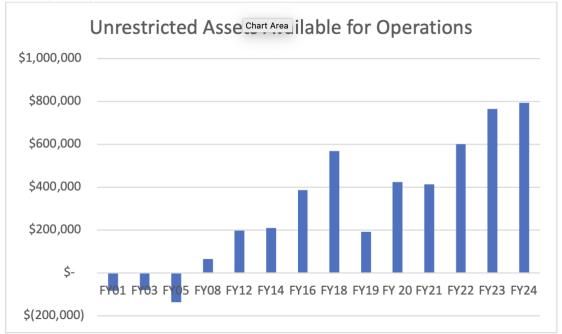
The chart below shows how ASOR's assets have grown over the last twenty-five years. Even with a world in conflict and with uncertainly about government support of the humanities, we are in a solid position and poised to add to our assets with endowments will advance our core programs and the goals set forward in the strategic plan.



- Donor temporarily restricted: See Note E in audit. These are designated funds that must be spent for a donor-specified purpose. Please note that this includes \$200,000 for building renovations.
- Donor restricted, endowment for operations: See Note F in audit. 5% distributions support operating budget. Often these are the hardest dollars to raise.
- Donor restricted, other endowments: See Note F in audit. Currently 5% (Platt is 6%) distributions based on last 12 quarters. Named endowments (e.g., Meyers, Seger, Strange-Midkiff, Dana, Platt) are the drivers that enable ASOR to award \$250,000+ annually to support our members. The 1% administrative fee also supports operations.
- Without restrictions, fixed assets: See Note D (primarily the James F. Strange Center).
- Without restrictions, board-designated: See Page 2 (Balance Sheet) of audit. These are unrestricted assets that have had restrictions placed on them by the Board. As such, the Board can change or remove those restrictions—Building Fund, Publications Fund, Kershaw Fund (newsletter). Please note that the Building Fund on Page 2 includes \$36,000 set aside for a new HVAC system (and already spent in Q1 of FY25).
- Without donor restrictions, available for operations: See Page 2 (Balance Sheet) of audit. This is the amount available for operations without restrictions. We sometimes refer to this as our "rainy day fund."

# Assets Available for Operations—what allows you (as trustees) to plan for the long-term

As I mentioned in my report last year, ASOR's eviction from Boston University necessitated the use of several hundred thousand dollars of unrestricted funds for operations to help with the purchase of the James F. Strange Center. The COVID pandemic then placed further strains on operations. Yet, you were bold and authorized awarding scholarships for memberships and Annual Meeting registrations to everyone with a need. ASOR received two forgivable PPP loans (\$118,700 each), and membership scholarships and the loyalty of your fellow members helped ASOR reach all-time membership highs (about 2200). Memberships were flat between 2021–2023 (after > 12% gains in 2021). **Memberships have now dropped to just over 2,000, which is a 10% drop.** That is not good news of course, but our membership levels are now back to where they were at the start of the COVID pandemic. Our positive position of funds available for operations (or our prior year surplus) allows you to plan for the long-term even though we have experienced a drop in memberships—I think that there is a correlation in this drop and the war in Israel, Gaza, and Lebanon.



The chart above shows a surplus of about \$68,000 in FY22, plus the second forgivable PPP loan. The increase in unrestricted assets was \$160,000 in FY23 and \$30,000 in FY24. Optimism should be tempered in part because some of this increase is due to a timing issue regarding staff salaries paid by federal grants (especially the salary of the executive director in FY23 and FY24). In FY23 and FY24, the percentage of time documented for the executive director for federal grants was higher than budgeted. Those grants have ended, so it is anticipated that there less of the Executive Director's time than budgeted will be charged to grants. In addition, the percentage of time for federal grants for Andy will be lower in FY25 because he will spend more time on the ASOR 2025 campaign. We may thus see a reversal of \$50,000–\$60,000 in the amount available for operations due to fiscal year timing issues.

Regardless of all these caveats and contingencies, you will have unrestricted assets for operations of over \$700,000 (we are at \$794,000 as of June 30, 2024) even after timing issues are considered in FY2025. You can (and should) plan for the long-term. We certainly do not want to waste this surplus, but you do not need to plan and think like we did when the unrestricted funds available for operations often had a negative balance.

#### 3. ASOR 2025—Strengthening Our Foundation | Expanding Horizons—A Call to Action

I am repeating a refrain from last year... ASOR's strong financial position and our amazing track record of supporting members with scholarships, fellowships, and grants over the last seven years mean that you can adopt programs for the long-term, and you can encourage others to support our 125<sup>th</sup> anniversary fundraising initiative so that we can have an even more impactful future.

In the section below, I am sharing information that I hope you will share with others who may have the capacity to establish an endowment (anything over \$50,000). This can also be a legacy committee (that is, something that will be a planned gift or a distribution from a retirement account in the future).

We all need to work together to make the final push to move from \$4.3 million to \$5 million for our ASOR 2025 Campaign.

### Ideas for Establishing an Endowment with ASOR

*Background*: ASOR currently has 22 separate funds available for (A) research / program fellowships [5 funds], (B) fieldwork participation scholarships [10 funds], and (C) archaeological project grants [7 funds]. Of these 22 funds, 15 are endowed. An additional two funds are currently funded by annual gifts, and they are in the process of being endowed. Thus, by 2025 or 2026, there will be at least 17 endowed funds. These 22 funds have allowed ASOR to award more than \$250,000 in both 2023 and 2024. We anticipate that the total amount awarded annual will grow to \$325,000 by 2029 (if not sooner).

Why does the number of endowed funds, the number of separate programs, and the total amount awarded annually matter? There are several reasons... First, ASOR is one of the largest funders of archaeological, cultural heritage, and historical research in, on, and around the Middle East and North Africa. The size of the overall program attracts applicants and interest from those outside the ASOR community and lends prestige to the awards. Of course, ASOR's 125-year history adds to the prestige. Second, the "critical mass" of the overall program means that ASOR

has developed the capacity and infrastructure to handle multiple grant programs. There is an additional cost for administering each new program, but the incremental cost is less because ASOR already has procedures for awarding 75+ small grants and fellowships annually. This means that ASOR does not have to take a large overhead or indirect fee for these endowed funds—more money goes to support the actual work by our members.

How does the volunteer peer review process work and help with these 22 different funds? The first way is that the peer review process adds to the prestige of the fellowships and grants. Recipients can list the named awards on their CVs, and they can state that these fellowships are peer-reviewed. Second, we have multiple peer review committees, so the work is distributed among scholars who are best suited to make the determinations. Third, the volunteer committees help ASOR keep the overhead cost down. Donors know that more of the money goes to the actual fellowship rather than for staff salaries to evaluate proposals. Again, critical mass helps because ASOR has several Google forms that can be modified for each new grant or fellowship program.

Is there a need for membership research fellowships? ASOR's experience with the Study of Collections Travel Fellowship over the past six years has demonstrated that there is a critical need for small grants of \$2500 to \$5000 to enable members to carry out research. ASOR has had three times the number of worthy applications than can be funded. However, the successful candidates have been able to finish research projects with a relatively small amount of money, and the reports from the recipients have shown that the work might not otherwise have been completed. We are confident that there is a similar need with other fellowships.

#### **Conclusion:**

As stressed above, our work has never been needed more. This is especially true with the polarization evident in the election in the United States and the continued conflicts in many of the areas where ASOR carries out work. You, as trustees, are collectively the reason that ASOR is unique among learned societies and growing and increasing in our relevance in this fractured and torn world. Your dedication to our shared mission is inspiring. You give of your time, talents, and resources.

I look forward to continuing to work with you to advance ASOR's mission and work in 2025—ASOR's 125th year!