

To: Fellow ASOR members
From: Andy Vaughn, ASOR executive director
Re: Background memo on finances of annual meeting and future options

I have been asked by the management committee to prepare and share the following document with the ASOR membership to help better understanding of the finances involved with managing the annual meeting.

As we all know, the ASOR annual meeting is one of the most important and most effective activities that ASOR conducts each year. The annual meeting provides a place to gather with colleagues and friends to discuss and present research, as well as meet socially. In many ways the annual meeting is the heart of ASOR and an important part of the programs of the three research centers. We should celebrate the fact that annual meeting continues to grow and become more diverse in programming every year. At the same time, we must plan for the future and consider whether or not changes need to be made.

The following information pertains to the finances of the ASOR annual meeting, and it is my hope that you will find it helpful as we think about the overall production of the meeting, future directions, and our various options. I wish to share as much information as I can in advance of the Membership meeting in San Diego. There will be time to ask questions in San Diego, but you should feel free to ask questions beforehand as well. I (Andy Vaughn) may be contacted at asored@bu.edu.

Some people have questioned why we would want to change anything since the annual meeting appears to be functioning so well. The Board of Trustees has chosen to reevaluate the annual meeting as a result of new financial challenges that were not present in previous years. We are facing the problems of finding the appropriate venues (i.e., hotels with ideal meeting space) and reasonable room rates for our annual meeting. Despite the success we have had in the past, new challenges continue to present themselves and force us to reinvestigate the annual meeting to insure that it will continue to be a success in the future.

The Financing of the Annual Meeting

It is often stated that the annual meeting has shown a profit in recent years. Such a statement is only accurate, however, if we do not included the cost of staff support. The fiscal reality is that registration fees and other income generated by the Annual Meeting have not come close to covering all of the costs ASOR incurs managing the Annual Meeting. If we include staff resources throughout the fiscal year and staff travel for the meeting, our net expenditure on the annual meeting has been about \$74,050. We cover this difference primarily with funds from membership dues and contributions made through the Annual Fund, and it is certainly an appropriate way to allocate ASOR's resources.

To better understand the large expense we incur managing the Annual Meeting, the following financial details are important to know:

1. Because we have been meeting our contracted sleeping room minimums, we have not had to pay for meeting space. However, if we do not meet our room minimums, we would have to pay for this space *plus* a penalty. It is thus essential that ASOR continue to attract

members to the meeting or face large penalties. The most likely range of penalties would be around \$8,000 to \$14,000. However, if a meeting is canceled, we could face more than \$80,000 in fees and penalties.

2. A typical reception open to all meeting attendees costs between \$9,000 and \$13,000 (depending on the venue and based on an average of 300 people attending).
3. The Presidential reception in Washington (2006) cost about \$6,500. This event will not be held at the San Diego meeting.
4. The members' breakfast in Washington (2006) cost about \$8,700. This year the breakfast was cut and has been substituted with an afternoon meeting.
5. Every coffee break between sessions costs between \$1,500 and \$2,000.
6. AV costs are about \$13,000 and will grow every year (and this is with us providing several key pieces of equipment).
7. Printing (program, abstracts, nametags, etc.) averages \$5,000 each year.
8. Credit card processing fees for registrations are about \$2,500.
9. The food and beverage totals for ASOR and the three centers have ranged between \$20,000 and \$30,000 each year. These figures do not include tax and service charges (totaling about 25% but can vary from state to state).

Given the situation outlined above, the board approved several measures to make the 2007 Annual Meeting more cost effective. Specifically, we removed the presidential reception (this had been a recent addition) and coffee breaks from the program. Alexandra Ratzlaff and other staff members were successful in negotiating excellent rates for the 2007 meeting, which have resulted in further overall savings. As a result of these changes and some increased revenues from registrations, the total expenditure for the annual meeting (including staff time and travel) is anticipated to be around \$59,050, as compared to approximately \$74,050 spent in the past.

While we are pleased with these developments from a fiscal standpoint, if we continue to lower our expenditures on food and beverages, this will create an additional fiscal pressure when we attempt to sign contracts with hotels in the future. Although the range of \$20,000 to \$30,000 for food and beverage (not including taxes and tips) may sound like a large amount, it is only about a third of what a hotel typically expects from a conference of ASOR's size. This is one of the reasons why we are experiencing challenges in finding favorable hotel rates.

We face at least three additional challenges when we attempt to secure favorable room rates with hotels in our current arrangement, which has us meeting in the same time and place as the annual meetings of SBL, which thus essentially represents our competition. Although we have signed contracts through 2009 (New Orleans), we will shortly have to make decisions about the 2010 Annual Meeting and beyond, and thus must consider these challenges now.

1. The hotel industry currently is in a sellers' market. All hotel space, especially conference space is tight, and hotels are not willing to negotiate as much. SBL negotiated its contracts 6–7 years ago when things were much different (a buyers' market). This factor alone means that we are at a severe disadvantage regardless of all other considerations.
2. Our conference does not have a lot of buying power. Our ratio of space required versus room revenue is low. According to Experient (our conference provider), we provide about 30% of what hotels typically expect.

3. The dates of our annual meeting are considered “peak” dates by the hotel industry. Unlike SBL, which meets on Saturday through Tuesday before Thanksgiving, our meeting dates (the Wednesday to Saturday the week before) are still considered peak dates by hotels.

Options for ASOR’s future Annual Meetings

Based on these considerations, it is my assessment that ASOR essentially has three options for how to run our Annual Meetings in future years. I am confident that whatever option we choose, we can be successful. Our Annual Meeting has grown steadily over the past ten years, and I believe that we can continue to grow and react to changing circumstances. In any event, we must make a conscious decision about how to proceed. Consequently, the Board solicits your input as it considers these options.

Option #1: Leave the current arrangement unchanged (i.e., the same general time and location as the SBL meeting). We can continue to meet just before (or concurrently with) SBL. For the meetings in 2010 and 2011, we are currently experiencing difficulties finding venues with competitive room rates. We may need to accept higher room rates or do something to lower them, such as increasing food and beverage expenditures, or increasing attendance. The business atmosphere for hotel contracts is becoming more and more competitive, and SBL simply has more buying power. Since we negotiate our contracts after SBL has already chosen the city, this limits our negotiating position, and forces us to accept higher room rates for attendees. We may also need to adjust, should SBL choose to move its start date.

Option #2: Meet at a different time and place from SBL (e.g., meet in February or March). This arrangement would enable us to select our own venues and negotiate more favorable hotel rates. Given the fiscal concerns outlined above, there are some compelling reasons for ASOR to consider making a major change and meeting separately from SBL, in terms of both time and place. We have built the Annual Meeting over the past 11 years to the point where we can do it on our own. We have been growing every year, and it is reasonable to believe we could continue this growth, which would give us more buying power with hotels, and would enable us to submit proposals to hotels in five or six cities and then choose the most favorable offers.

Option #3: Outsource management of the annual meeting to SBL. SBL would be responsible for managing the annual meeting. However, ASOR would still be responsible for all its food and beverage costs, and we would no longer collect any registration income. So we would need to budget for this. ASOR would also save staff time as an annual meeting expense. The clear downside to this option is that we would lose control over the organization and management of the annual meeting, and risk undermining our ability to maintain our distinct identity as an organization.

Conclusion

This is the time for ASOR to make a unified decision and choose a course of action for our future. It will take everyone, including the broader ASOR membership, its leadership, and the three affiliated research centers, to make any one of the above options successful. Whatever is decided, we look forward to making the annual meeting a success in every way possible and to develop stronger ties between all of ASOR constituents.

I look forward to seeing all members at the membership meeting on **Friday, November 16th, 4:30–6:30pm in the Fairbanks Ballroom** at the Sheraton Hotel & Marina. Please join us and take part in this most important discussion.