

PES Ad hoc Finance Committee Report, March 2017

The Finance Committee has reviewed the Reports of the Executive Director as well as statements of PES Accounts and tax documents for the past several years. Based on our review, we offer a series of related observations and concomitant recommendations:

- 1) The Society has its head above the financial waters but we are not yet flourishing. In truth, we are treading water. Our membership We recommend articulating a viable membership target that will enable the Society to flourish financially and academically.

We encourage the Finance Committee, the Membership Committee and Jobs for Philosophers (and the Program Committee) to work together to achieve a stable membership of 350 within the next 3 years. This will require a strategic plan that will encourage:

Membership: Encouraging each active member to ask, Who can you bring with you? This could be included in the Call for Papers, especially with regard to alternative sessions (always include a non-PES person in a session proposal?)

Membership: Target the PhD and masters programs where there are critical masses of students (including old standards and new centers)

Membership: Identify academic philosophers and reach

Jobs for Philosophers: Take steps to amass data related to where and what kinds of jobs philosophers of education have and keep them in the fold even when not in academic positions. Work with the Program Committee to invite their submissions

Program Committee: Reach out to academic philosophers who do work congenial to PES interests and encourage them to consider submissions

Program Committee: a) Track numbers of discrete persons on program and report to that information to the Executive Director; b) Consider a limit on program slots for individuals to maximize the number of persons who are able to garner travel support – and feel welcome.

- 2) In support of our first recommendation, it is important to maximize conference attendance. One way of doing that is to determine which sites attract the maximum attendance and frequent those sites. We recommend that the Executive Committee conduct a review of sites/attendance asking, How does the geography of the conference impact membership/attendance?

It's important to balance hotel costs, travel costs and travel ease. It may also be worth considering developing a plan for siting conferences independent of the President-Elect and more years out than we currently do – and repeatedly using cities/sites that work for us.

- 3) A review of our investment statements reveals two important things: 1) We pay close to \$1000 per year in fees that represent investment advice. However, 2) our investment accounts are growing more slowly than comparable investments, and 3) our Merrill Lynch representative is not as forthcoming in recommendations as we might hope. We recommend switching our banking and investment functions from Merrill Lynch to Vanguard Investments where we can manage our own money utilizing no-load index funds without fees.

To that end, we offer the following motion for the membership and ask for an up/down vote:

The membership directs the Executive Committee to work with the Executive Director and Finance Committee to switch finances to Vanguard by the end of the 2016 fiscal year.

- 4) The ad hoc Finance Committee hasn't done much but what they have done (review investments, urge budgeting practices, prepare taxes, etc.) has taken some heat off the Executive Director and provided continuity to our financial life. We therefore recommend that we constitutionally formalize a Finance Committee appointed by President with approval of Executive Committee with 4 members with staggered renewable 3 year terms, with the Chair to be elected by members of the Committee. We suggest that members be appointed by the President with the advice and consent of the Finance Committee.
- 5) We have evidence that there remain a significant numbers of PES "free riders." These include folks who attend the conference without registering and folks who register for the conference as members (with a discount) without paying membership dues. We hereby shame those persons and tell 'em to pay up. We also encourage the Executive Director to investigate how to monitor registration to ensure that those who register as members be contacted to update their membership. We do *not* want to put the Executive Director in the position of Sheriff. We ask only that full information be provided to this herd of absent minded academics.
- 6) We have noted the way our Endowment funds have been depleted (prior to 2015) by tapping them to pay for conference expenses. The depletion has been larger than the earnings/gains in the accounts. This does not contribute to the long term financial viability of the Society. Therefore, we repeat our previous recommendation with an exclamation point:

- a. Both investment funds (Kneller and Legacy) should not be tapped until the Kneller Fund has reached \$250,000 and the Legacy fund has reached \$50,000, so that these funds reach a threshold where they maintain themselves given the kind of expenses (Kneller Lecture support and Graduate Student support) for which they were intended.
- b. To be able to leave these funds alone, we need to double down on seeking institutional support for conferences (specifically, reach out to all members and ask them to ask their chairs and deans for contributions) to and donations from retirees.
- c. To grow the funds, we should contribute any excess monies from conferences to the two investment funds and not leave that money in the cash account.
- d. Need donations from retirees ... named funds? What amount of money?
 - i. Endowment Fund with Honor Roll

Continuing action/reflection by the Finance Committee

- 7) Should we have/investigate institutional memberships by thinking about
 - a. Places with PhD programs
 - b. SPED
 - c. PIE
 - d. Ed Theory
- 8) If we are going to encourage everybody to tap their Chair/Dean, do we have some documentation that can support these requests (explanations, forms, procedures)
- 9) Consider financial impacts of all policies, e.g. harassment policy, NOT to back off from critical policy moves for fear of losing funds/members, but to focus on communication about purposes and goals of policies.
- 10) Use HES as comparison organization