

## **Treasurer's Report to the Membership**

*Fiscal Year 2008*

Dear Colleagues,

We all know that since my message to you one year ago we have witnessed shocks in the financial world that have left all those involved stunned and speechless. While the AMS has been affected by the events of 2008, let me assure you that we adhere to a prudent, conservative approach known as a "balanced portfolio," which invests approximately half-and-half in stocks and in dividend-paying bonds. This is the type of portfolio run by the vast majority of non-profits, scholarly societies, and endowments.

During the 2008 fiscal year ending June 30, which was the basis of my report to you at the Nashville Business Meeting, our "investment return" (excluding gains from OPUS donations) was down 6%, versus the stock market's decline of 13% in the S&P 500 index. Of course, the more significant drop in the financial markets occurred in the latter half of 2008. During those six months the AMS endowment experienced an investment return of minus 18%, versus negative 28% in the S&P 500. This puts our compound investment loss over the past year-and-a-half at minus 23%, which is within the same general ballpark as that of most colleges and universities, as reported in a recent study issued jointly by TIAACREF and the National Association of College and University Business Officers.

While our endowment has dropped in value, we should keep in mind that for the past five years our investments have returned remarkable profits. As I reported to you last time, just during the 2007 fiscal year, for example, we locked in nearly a quarter-million dollars in stock-market profits and transferred that money to bonds prior to the 2008 market drop.

Like every other similar organization, the AMS faces economic challenges. I am confident, nonetheless, that our prudent, balanced portfolio will help stabilize us in the present financial storm.

Sincerely,

James Ladewig

# American Musicological Society

AMS Treasurer

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Calendar year membership tally: 3,517 (as of December 31, 2007)