

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

*Fiscal Year 2015*

Dear Colleagues,

The biggest news in my reports to the Board and to the membership at our Annual Meeting in Louisville was that for the first time our endowment has crossed the \$6-million milestone. This is all the more remarkable because it had been only one-and-a-half years since we passed \$5 million.

Nonetheless, our investment return for the fiscal year ending 30 June 2015 was a modest +2.02%. FY 2015 turned out to be a lackluster year not only for us but for endowments overall, and although our return might at first seem low, we in fact beat the +1.8% return of the average endowment. Even the largest endowments (\$1 billion and above) fared barely one percent better than us with an average return of +3.2%. The Ivy League endowments, too, were mostly in the single digits, but on average they came in five percent ahead of us. We and the vast majority of endowments were held back this year by mediocre returns in bonds and international stocks.

Endowments, however, do not judge themselves by their short-term, annual returns. Rather, they view both the rise and fall of their investments and the percentage that they may spend each year according to the average value of the endowment over the preceding three years. Looked at in this light, the AMS endowment has been performing admirably. Our gains of +10.25, +16.35, and +2.02% over the last three fiscal years give us a compound cumulative return of +30.87% or slightly more than 10% annualized. In dollar terms, this represents an investment gain during this period of approximately \$1.4 million, which does not even include two six-figure donations by individuals and the many other gifts given by our members. (As noted elsewhere in this Newsletter, after the close of the fiscal year our Society also received a wonderful legacy gift of \$300,000 from the estate of Roland Jackson.)

This is the fifteenth year that I have had the pleasure of serving our Society as Treasurer. So it is a fitting moment to look back even further at what has happened to our endowment over these years. (I would also like to thank our Development and OPUS Campaign Committees—especially Jessie Ann Owens, D. Kern Holoman, Anne Walters Robertson, and John Hajdu Heyer—and all of you who took part in making the following

# American Musicological Society

possible.) When I became Treasurer in 2000, our endowment stood at \$1.27 million, approximately one-fifth of today's total. Our Alvin H. Johnson AMS 50 and Howard Mayer Brown fellowship endowments were underway. But at the annual Business Meeting and Awards Presentation we gave only five prizes, whereas we now announce twelve such awards, and we had none of the travel- and research-grant programs that today help support the work of our members. Furthermore, our publications endowment has tripled over these fifteen years.

It is amazing for a Society of our size to have the financial resources to do all of this. But how much money one can accumulate should not be the main goal. What has always been most important to the Board, the Development Committee, and our campaign committees is how much money the AMS can spend on you, our members. Fifteen years ago we had the resources to give away about \$60,000 a year. That figure has now more than quadrupled to \$250,000.

Sincerely,

James Ladewig  
AMS Treasurer  
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Calendar year membership tally: 3,270 (as of November 3, 2014)