

Treasurer's Report to the Membership

Fiscal Year 2020

Dear Colleagues,

For twenty years I have served as your treasurer. In this role, my primary job has been to oversee the AMS endowment, made up of the charitable gifts that so many of you have generously donated over the years to our Society.

I am so pleased, in this my last message to you, that I can bring you good news from the endowment. When I faced the Board of Directors back in April, I had anything but good news. Our endowment investments were suffering, and the stock market had experienced its fastest descent in history into a bear market. By early August, however, the AMS portfolio had fully recovered to a new all-time high, and we did so two weeks before the broadly-based S&P-500 Index did the same.

When the Board met in late October, I was happy to report that for the fiscal year ending June 30 our investment return was +5.0%. Furthermore, as I write this in mid-November, we have increased an additional +12.1% in the few months since June 30, well over twice as much as in the entire fiscal year. Altogether, this amounts to an investment profit of more than \$1.3 million over the last sixteen months. To this, we can add the approximately \$600,000 in generous gifts that you our members have given during the same period to our many funds, especially the new one in honor of my dear friend for thirty-three years, Bob Judd. For their unending efforts in this regard, we can all give great thanks to Peter Burkholder, Jessie Ann Owens, and the Development Committee.

Returning to the fiscal-year numbers, +5.0% may not seem as large an investment gain as I have often reported in the past. Compared to our peers, however, we did extremely well during this difficult year. The Wilshire Trust Universe Comparison Service, which tracks all U.S. endowments, reported that their median return for the fiscal year was +2.6%, a number that we almost doubled. CalPERS, the largest public endowment in the country, has reported a return of +4.7%, and their companion CalSTRS reported +3.9%, both of which numbers we surpassed.

I feel it especially enlightening, however, in this my last message to you, to step back and survey the big picture of the growth of our endowment over these two decades. In 2000,

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when I began, our endowment stood at \$1.25 million. Over the years, that pot of money has grown, and as I write this it stands at \$9.25 million. This is amazing growth, especially because during these twenty years the stock market has suffered three of the worst bear markets since the Great Depression. During my first year we were hit by the dot-com technology bubble; then halfway through came the global financial crisis; and now, in my last year, the unprecedentedly rapid coronavirus bear market.

When endowments issue annual reports, they customarily give their average investment return over the past ten years, so I thought that I would follow suit. Our average investment gain over ten years has been an admirable +8.2%. Inflation averaged 1.7% during this period, giving us an average real return of +6.5%. Donations, however, are also a crucial aspect of an endowment's long-term growth, and I am glad to bring you good news here, too. Over the past ten years, your generous donations have increased our endowment on average by about 5.5% annually. At the same time, payments given out to recipients have averaged about 4.5%. Thus, donations have outpaced expenditures by 1%. Add that to the 6.5% investment return, and the endowment's annual growth, after inflation, has been an outstanding 7.5% over the past ten years.

How much money we can accumulate, however, should never be our main goal. What is more important is how much the AMS can spend to help you and all our fellow musicologists. Your endowment supports forty-five programs for fellowships, awards, publications, travel and research grants, endowed lectures, and the new Robert F. Judd Fund. Twenty years ago, we had only six of these programs, and all of this is due to your great generosity! A special aspect of our endowment, of which all of us in the Society can be proud, is that the majority of these funds goes to support students, younger faculty, independent scholars, those with little or no financial support for travel to the Annual Meeting, and most recently the approximately \$70,000 distributed through our COVID-19 Emergency Relief Grant program. We are the envy of our sister-societies for the ability of our membership to fund so many programs. I would also mention that fellowships and publications are our two most significant commitments within the endowment, together making up nearly two-thirds of the money that goes out to recipients.

I estimate that over the last twenty years, we have given to you our members over \$3.5 million. (And that is not even adjusted for inflation.) This coming year, we are able to give away more than a quarter-million dollars, all of which has been made possible

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through your many heartfelt donations over the decades.

In closing, it has been a great privilege to serve you and our Society as treasurer over these twenty years. Helping our endowment to flourish has been one of the most meaningful and rewarding endeavors of my life. I encourage each one of you, too, especially our younger members, to find a way that you can volunteer to serve our wonderful family of musicologists that is the AMS.

Over the years, it has been my honor to work closely with eleven presidents, eleven vice-presidents, five secretaries, three executive directors, and all-totaled nearly one hundred Board members. It struck me a few weeks ago, that I have served with more presidents of our Society than anyone else, except for Alvin Johnson and Bob Judd. This moves me to give a word of praise to those eleven leaders, whom I have watched shepherd our Society.

Each president has taken on great challenges, some by their own choice, and, increasingly more and more it seems, they have had challenges thrust upon them that they never could have imagined. Each one, however, has worked unselfishly for our common good, at great sacrifice to their own time and scholarly lives. With a single exception, all have done so while holding down a teaching job, and I do not know how any of them does it. So three cheers for all of our presidents: past, present, and future!

I will miss each and every one of the dedicated officers and members of the Board with whom I have worked so closely. But most of all I will miss our annual Business Meetings and these Newsletter messages, where I have been able to speak directly to you. Stay well, everyone, and my greatest hope is that we will all be together again a year from now at AMS Chicago 2021.

Sincerely,

James Ladewig
Past AMS Treasurer
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Calendar year membership tally: 3,037 (as of December 19, 2019)