

HES Treasurer's Report December 2024

To: HES Exec

From: John Berdell, Treasurer, treasurer@historyofeconomics.org, jberdell@depaul.edu

For: Jan Meeting at ASSA, San Francisco

Date: 12/21/2023

Attachments:

- 1) 06 November 2024 Management Report
(This is the half year report from our Accountants, Charity CFO)
- 2) YTD_Detailed_Transactions_Report
(from Charity CFO)
- 3) HES Investments and Balances Dec 2024
(from treasurer)
- 4) Schwab Portfolio Review, 20 Dec 2024

- 1) Santiago Conference
The Santiago Conference was supported by no less than three grants.
\$2,500 from the University of Richmond
\$2000 from the Center for Public Choice
\$ 2500 from UDD in Sponsorship

The Charity CFO report lists the P&L at -\$4604, see Statement of Activities by Program in the Charity CFO half year report. But this does not consider that part of the YS program budget that is transferred to the conference revenue via the YS conference registration and meals which Amy Hardy finds to be \$4,490.00

Additionally, the Growth and Development grants to AHE, SDAE and IAFE were partially composed of travel funds and conference registration and meals. Counting the registrations and meals as revenue to the conference yields $850+750+500=\$2,100$

These two internal transfers cannot be shown by our accountants as they were not ticket purchases on paypal (which would have entailed transactions costs).

After factoring in those internal transfers, we achieved a surplus of just under two thousand dollars on Santiago.

For the first time in many years, we have a surplus on the conference, due to our president's skill in attracting financial support for the conference, and the new growth and outreach grants.

Moving forward we should appreciate that our costs were very low in Santiago relative to US costs and that we had \$7,000 of external support and we provided \$6,590 in internal support to generate a roughly \$2000 surplus. Last year I reported a loss of \$26,693.44 after adjusting for the YS internal transfer.

Note that the costs mentioned above do not include the salary or travel of Amy Hardy nor do they include executive travel or our conference award payments.

- 2) All that said our half year accounts end with a summary page. That page indicates that fiscal year to date (June to November) we have run an operating loss of 73K and that this is larger than the 56K draw on the endowment (the 5% draw) that we agreed in our budget.

These figures suggest that we are overspending but they do not take into account the fact that we anticipate receiving our CUP payment later this fiscal year of 58K (based simply on last year's payment, which combined the advance payment for 2024 together with the residual payment for 2023.)

- 3) In May of 2024 We received payments from CUP of \$40,540.50 Advance for 2024 Journal of the History of Economic Thought (JHET) and \$17,905.00 for 2023 Residual.

These are essentially the same as last year in nominal terms, but obviously considerably lower in real terms.

- 4) Portfolio (Schwab Portfolio Report Dec 2024 attached)

The rate of return on the Schwab portfolio was 11.97 % year on year as of Dec 21 2022. For comparison the return on the S&P500 was 27.97%, The Dow 17.68% and NASDAQ 32.44%. The return on the Bloomberg Aggregate Bond Index was 1.62%.

I rebalanced the portfolio in December and did not do so in the first half of the year due to our looming decision to change weights. The portfolio target is currently 37.5% bonds (Treasury, TIPS and Corporate) 42.5% US Equity, 10% Developed Non US Equity, 5% Reits (Housing and Commodities) and 5% Cash. We do not hold CD's at present.

Total assets on 12/20/2024 were \$1,193,607 which is up in nominal terms \$106,316.99 from a year previously.

We had agreed to increase the endowment draw to 5%, on the running three year average of our portfolio. That 5% is now \$ 55,473 but the endowment draw is fixed at the time the budget is approved at our summer meeting.

- 5) Neil Niman and Manuela Mosca are our Member-Auditors and I believe they will have a statement for the Exec.
- 6) Neil Niman has kindly agreed to discuss the structure of our portfolio with the Exec and how we might construct and then judiciously move towards a portfolio that best supports our academic aims.