Director’s Matters

Budgeting in the midst of financial uncertainty

Financial and budget issues are front and center for all of us given the crescendo of news from both Wall Street and Capitol Hill over the last few weeks. What started in mid-2007 with the bursting of the "bubble" in the US housing market has spread to significant disruptions in the domestic and global financial system. The root causes of this financial mess appear to be well known—low interest rates, an overselling of inadequately substantiated home mortgages, and excessive speculation in residential real estate drove up housing prices and flooded the global financial markets with securities backed by shaky mortgage loans. Experts are at a loss to agree on interventions that could counteract the current shocks to these markets. We can all hope that the Administration will respond wisely to this crisis with a plan to restore confidence in the financial system and liquidity in the credit markets, and begin to stabilize the economy.

AIP, like any other organization, has to live with and react to these global market conditions. The backdrop of the financial hoopla in the US markets last week provided increased focus on two very important AIP events: the semi-annual meeting of the Governing Board's Investment Advisory Committee (IAC) and the initial wrap-up of the planned operating budget for 2009. The two activities are interrelated. First, the budget guidelines provided by the Board allow AIP management to budget 3–5% from investment income annually to supplement AIP's annual operating budget. Second, AIP strives to achieve operating budgets that sum to breakeven with respective revenues balancing expenses over a 3- to 5-year period. AIP's investments during this turbulent year have suffered as have most institutional and private investments. However, given the wise counsel of AIP's professional investment advisers (the Stratford Advisory Group) and the IAC, our investments have suffered only about half the loss of the Wall Street indices for 2008. AIP's investment strategy has allowed our endowment to grow significantly over the last two decades, and our advisers counsel us to stay the course through the present turbulence. AIP has also achieved positive operating results for the past four years.

We are completing the analysis for next year's operating budget, which will be presented to the Governing Board for approval during the next Board meeting on November 6. To make this budget breakeven, we have had to slow down several projects initiated from last year's strategic plans. Our commitments to our publishing partners and Member Society services will be maintained, and we will proceed with planned upgrades to the Scitation online platform to protect our competitive edge. The continuing uncertainties in both the global and domestic economic conditions require us to plan our budget with measured conservatism and to diligently monitor revenues and expenditures. I thank all of the AIP staff and advisers who have helped with this annual exercise that required, and will continue to require, a sharp red pencil and an occasional aspirin.

Sincerely,

Fred

Publishing Matters

"Well done is better than well said!"

A renowned author, publisher, printer, statesman, inventor, philosopher—and impersonator—was on hand to share witticisms with visitors to The Journal of Chemical Physics (JCP) booth at the American Chemical Society's 236th National Meeting and Exposition, held August 17–21 in Philadelphia. Almost 14,000 people—many of whom specialize in organic and synthetic chemistry—attended the meeting, themed "Chemistry for Health: Catalyzing Translational"
Research." AIP's journal development manager Aravind Akella represented AIP and JCP at the three-day exposition; more than 350 exhibitors participated. Visitors to the JCP booth shared high praise for the journal.

**Physics Resource Center Matters**

**PTCN joins IEEE Computer Society at LinuxWorld**
The Physics Today Career Network (PTCN) exhibited August 4–7 with the IEEE Computer Society at the 2008 LinuxWorld Conference and Expo in San Francisco. The IEEE Computer Society Career Center—PTCN's newest partner, whose website was launched in May—was heavily promoted at the show through one-page fliers featuring site statistics, pens with the Career Center logo, and a poster on the booth's back wall. Staff garnered several job posting leads at the booth and by meeting with other exhibitors; job seekers established Career Center accounts on-site.

**Liaison committees meet today at ACP**

Today, AIP Education is hosting a special joint meeting of the Liaison Committees on Education (LCED) and Under-represented Minorities (LCURM). Committee rosters include volunteer and staff representatives from each Member Society; LCURM also has representation from two important physics societies serving minority populations: the National Society of Hispanic Physicists and the National Society of Black Physicists. Participants will consider how each society's education efforts can include strong diversity components and will look for ways to collaborate in areas of mutual interest.

**Driving a green and cost-efficient mile**
Getting better gas mileage is no longer just about cutting greenhouse gas emissions. It's also about saving money. To achieve this, keep your engine tuned properly. Checking spark plugs, oxygen sensors, air filters, hoses, and belts are a few easy maintenance steps that can save up to 165 gallons of gas per year. Keeping tires aligned and properly inflated can also improve gas mileage by about 3.3%.

We invite your feedback to this newsletter via e-mail to aipmatters@aip.org.

For past issues of this newsletter, visit the AIP Matters archives.