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American Thyroid Association

Secretary's Special Report



Impact of the Global Financial Crisis on the American Thyroid Association (ATA)

It would be my wish to report that the ATA is immune to the effects of the worldwide financial crisis. Unfortunately, this is not the case, despite our conservative investing, spending, and fiscal planning. Because of this, the ATA Board of Directors and I feel it critical to update the membership regarding the impact of the global financial situation on the ATA. In this letter, I will focus on changes in our sources of income,

and guests, or both.

Besides industry support, the ATA generates income from several sources; the largest of which are the annual membership dues and annual meeting registration. As the 2009 membership dues have already been assessed, the remaining opportunity for financial income to address our budget shortfall for this year must be derived from the annual meeting. It is eye-opening when one recognizes the costs to produce our meetings and how financially sheltered we have been with our industry partners. In round numbers, our small Spring Meeting cost about US \$100,000 per

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the concept of the hotel “room block”, and how these factors impact on our budget. Finally, I would like to apprise members on how the ATA is planning to respond to these challenges to maintain and cultivate a productive, exciting, and economically healthy organization.

While industry partnerships are increasingly controversial, the ATA and other professional societies have benefited in recent years from financial support from our industry partners via variable mechanisms of funding including educational grants, CME symposium sponsorship, exhibitor fees, and support for other services such as meeting bags. In recent years, 32- 44 percent of the annual ATA budget has been derived from industry partnerships. As these corporations now also face financial challenges, their support for medical education has been severely reduced. As a result, in order to avoid substantial financial losses, the services that the ATA provides to members and the public must be curtailed and service costs must be passed on to our members

day with an audience of about 100-150 people. Similarly, our annual meeting costs about \$1 million US dollars. If this cost is shared by 1000 attendees, then the meeting registration cost per attendee would be US \$1,000. This is actually the cost already paid by many professional organizations for similar meetings.

The leadership of the ATA, including the Executive Committee, Board of Directors, Finance and Audit Committee, and ATA staff, has held numerous discussions and budgetary revisions to optimize our approach to an unpleasant situation on behalf of our members and the public. We revisited the Mission and core services of the ATA. We concluded that to the best of our abilities the ATA is committed to maintaining our annual meeting, our journal, our research awards, and reduced costs to professionals-in-training (e.g. fellows). Beyond these core activities, we viewed the remaining activities as subject to significant budgetary reductions or elimination, including initiation of new

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guidelines, Clinical Thyroidology, and Spring Symposia (beyond the existing 2010 Spring Meeting contract). The Annual Meeting was scrutinized in detail for cost-savings including streaming video, audio visual support, email kiosks, printed materials, and food. This was an arduous and painful process. We have reduced costs, eliminated some enjoyable yet non-vital services, such as meeting bags, and remain compelled to increase the cost of registration to maintain financial viability of our association. To negotiate the lowest rates and secure prime meeting dates, the ATA has historically booked our meeting venues well in advance. As a result, we have signed contracts with hotels through 2015. As we move forward, the balance between hotel costs, housing options, geography, and meeting venues will continue to be carefully considered as we strive to satisfy the varied needs of our members and guests.

The "room block" for meetings is recognized by many as a convenient opportunity to stay within the headquarters' hotel. Few consumers realize that two components are common elements of the overall hotel contract: the number of sleeping rooms reserved for meeting attendees (using a meeting code) and a minimum dollar amount spent for food. The cut-off date allows the hotel to sell the unsold rooms, but does not lift the contractual agreement between the hotel and the Association for unsold rooms. Together, these elements (and others) secure our meeting space and allow for other meeting services such as receptions, and food and coffee breaks. Negotiating a room block may allow for reduced room rates by group purchasing; yet variable amounts of these savings are consumed by the added services we provide at the meeting. In an unfavorable scenario to the ATA a member is able to stay at the headquarters' hotel at a cheaper rate by booking their room outside of the ATA room block, which saves the guest money, but (usually unknown to the guest) works against the interests of the ATA (and other meeting attendees). In the worst case scenario, the ATA is unable to fill the room block which, by contract, triggers stiff financial penalties. This unfortunate situation happened at the January 2009 Thyroid Cancer Workshop where the ATA initially reserved a large room block, recognizing that the hotel typically sold out each winter and was able to negotiate a favorable rate.

Over 200 registrants enjoyed an outstanding educational meeting of the highest academic standards. Unfortunately, the economic crisis reduced both the number of overnight guests attending our meeting as well as vacationing guests to the hotel, such that the hotel was unable to fill our unused room block with vacationers. The hotel now seeks to collect on the contracted "attrition penalty" of approximately US \$88,000. Subsequent negotiations have reduced this amount to US \$50,000; however, the amount remains a serious financial loss to our Association.

In summary, members and guests are encouraged to recognize the value to the ATA of booking their lodging within the ATA room block. Secondly, ATA members and guests are about to experience unpleasant changes in the costs and services provided by our Association given marked reductions in corporate sponsorship. For some, this may provide the reduced financial dependence on industry that they have long desired. For others, these increased costs may limit the number of meetings they can attend. Regardless, our members and guests will now more directly pay the full price for the services that they receive and the ATA has been forced to re-prioritize the services we provide and the initiatives we undertake. As we develop the 2010 budget this summer, we will analyze the dues structure and membership benefits to evaluate how to best serve the needs of the ATA.

As a professional membership organization, we are interested in your suggestions for how to address the challenges described briefly in this letter. We would also welcome the ideas that you have for the health and well-being of our society.

It is our plan that the ATA will maintain our reputation of excellence while fulfilling our core mission and preserving the loyalty of our membership despite the financial challenges we are now facing. Now is an important time to recruit new members to the ATA and to encourage your colleagues to enjoy the camaraderie and unparalleled educational opportunities found at our meetings.

Sincerely,



Richard T. Kloos, MD

Secretary, Chief Operating Officer, ATA

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CLINICAL THYROIDOLOGY, published online monthly, is a broad-ranging look at the clinical and preclinical thyroid literature. The Editor searches the world literature for excellent thyroid studies and then summarizes them and provides expert commentary.

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