

# **THE AMERICAN ECONOMIC ASSOCIATION**

## **FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

*As of and for the Years Ended December 31, 2025 and 2024*

*And Report of Independent Auditor*

**THE AMERICAN ECONOMIC ASSOCIATION**  
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## Report of Independent Auditor

To the Executive Committee  
The American Economic Association  
Nashville, Tennessee

### Opinion

We have audited the accompanying financial statements of The American Economic Association (the "Association") (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern within one year after the date the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of program expenses on page 17 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Cherry Bekaert LLP*

Nashville, Tennessee  
April 10, 2026

**THE AMERICAN ECONOMIC ASSOCIATION**  
**STATEMENTS OF FINANCIAL POSITION**

DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,348,261	\$ 794,141
Investments	60,956,853	52,985,597
Accounts receivable	1,917,717	2,413,172
Prepaid expenses and other	877,482	744,116
Furniture, fixtures, software, and equipment, net of accumulated depreciation of \$1,773,560 and \$1,755,425, respectively	53,787	18,965
Operating lease right-of-use assets, net	1,134,869	991,396
<b>Total Assets</b>	<u>\$ 67,288,969</u>	<u>\$ 57,947,387</u>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable and accrued liabilities	\$ 973,901	\$ 611,647
Deferred revenue	3,491,686	3,367,452
Operating lease liabilities	1,142,324	996,927
Total Liabilities	<u>5,607,911</u>	<u>4,976,026</u>
Net Assets:		
Without donor restrictions	61,243,790	52,612,585
With donor restrictions	437,268	358,776
Total Net Assets	<u>61,681,058</u>	<u>52,971,361</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 67,288,969</u>	<u>\$ 57,947,387</u>

The accompanying notes to the financial statements are an integral part of these statements.

**THE AMERICAN ECONOMIC ASSOCIATION**  
**STATEMENTS OF ACTIVITIES**

YEARS ENDED DECEMBER 31, 2025 AND 2024

	<b>2025</b>	<b>2024</b>
Changes in Net Assets Without Donor Restrictions:		
Operating Support and Revenue:		
License fees	\$ 4,773,874	\$ 4,826,993
Institutional subscriptions	1,719,399	1,957,237
<i>Job Openings for Economists</i> listing fees	951,235	1,133,840
Submission fees	944,200	847,700
Membership dues	1,286,471	1,344,189
ASSA annual meeting	1,420,166	1,087,421
Fulltext, copyright, and other fees	305,378	316,589
Member print and foreign postage	5,068	130,682
Conference fees	96,900	81,880
Advertising	4,125	34,450
Publication fees	22,710	-
Print on demand	4,702	-
Other	7,622	17,705
Net assets released from purpose restrictions	196,508	120,146
Total Operating Support and Revenue	<u>11,738,358</u>	<u>11,898,832</u>
Operating Expenses:		
Program Services:		
Journals	5,094,261	6,112,325
ASSA annual meeting	1,799,151	1,566,448
EconLit	719,152	735,676
Workshops and conferences	973,761	971,567
Resources and initiatives	851,258	843,893
Program committees	629,072	551,125
Web content, maintenance, and communications	572,934	497,509
JOE Network	188,209	208,761
Total Program Services	<u>10,827,798</u>	<u>11,487,304</u>
Supporting Services:		
Management and general	1,865,182	1,656,877
Total Operating Expenses	<u>12,692,980</u>	<u>13,144,181</u>
Change in Net Assets from Operations	<u>(954,622)</u>	<u>(1,245,349)</u>
Nonoperating Activity:		
Investment return	9,585,827	5,825,444
Change in Net Assets Without Donor Restrictions	<u>8,631,205</u>	<u>4,580,095</u>
Changes in Net Assets With Donor Restrictions:		
Grant proceeds	275,000	26,200
Net assets released from purpose restrictions	(196,508)	(120,146)
Change in Net Assets With Donor Restrictions	<u>78,492</u>	<u>(93,946)</u>
Change in net assets	8,709,697	4,486,149
Net assets, beginning of year	52,971,361	48,485,212
Net assets, end of year	<u>\$ 61,681,058</u>	<u>\$ 52,971,361</u>

The accompanying notes to the financial statements are an integral part of these statements.

**THE AMERICAN ECONOMIC ASSOCIATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**

YEAR ENDED DECEMBER 31, 2025

	Program Services							Support Services				
	Journals	ASSA Annual Meeting	EconLit	Workshops and Conferences	Resources and Initiatives	Program Committees	Website	JOE Network	Total Program Services	Management and General	Total Support Services	Total Expenses
Salaries and benefits	\$ 4,407,430	\$ 517,517	\$ 539,903	\$ 40,583	\$ 4,110	\$ 92,485	\$ 502,571	\$ 188,209	\$ 6,292,808	\$ 1,148,209	\$ 1,148,209	\$ 7,441,017
Third party coordinator	-	-	-	525,643	587,525	25,000	4,000	-	1,142,168	-	-	1,142,168
Audio/video	-	728,607	-	47,782	-	8,481	3,431	-	788,301	-	-	788,301
Food and beverage	-	265,983	-	187,251	4,694	125,478	-	-	583,406	-	-	583,406
Rent and utilities	154,011	75,812	62,927	-	-	-	38,981	-	331,731	115,520	115,520	447,251
Accounting and legal	-	-	-	-	194,738	-	-	-	194,738	211,123	211,123	405,861
Data management	184,859	-	73,668	-	-	-	12,404	-	270,931	104,602	104,602	375,533
Other meeting expenses	-	127,690	-	104,258	-	1,887	-	-	233,835	-	-	233,835
Distribution and replication	197,368	-	-	-	-	18,095	-	-	215,463	-	-	215,463
Travel and promotion	24,854	34,972	17,401	65,830	16,162	21,640	-	-	180,859	25,405	25,405	206,264
External grant expense	-	-	-	-	-	196,508	-	-	196,508	-	-	196,508
Miscellaneous	-	-	7,868	-	37,979	35,861	11,492	-	93,200	67,379	67,379	160,579
Office expenses	101,707	11,075	17,385	-	-	-	-	-	130,167	14,275	14,275	144,442
Bank charges	-	32,347	-	531	-	-	55	-	32,933	95,602	95,602	128,535
Society dues	-	-	-	-	6,050	103,637	-	-	109,687	-	-	109,687
Insurance	-	5,148	-	1,883	-	-	-	-	7,031	66,215	66,215	73,246
Depreciation and amortization	13,618	-	-	-	-	-	-	-	13,618	4,518	4,518	18,136
Administrative committees	-	-	-	-	-	-	-	-	-	12,334	12,334	12,334
Prepress supplies	10,414	-	-	-	-	-	-	-	10,414	-	-	10,414
	<u>\$ 5,094,261</u>	<u>\$ 1,799,151</u>	<u>\$ 719,152</u>	<u>\$ 973,761</u>	<u>\$ 851,258</u>	<u>\$ 629,072</u>	<u>\$ 572,934</u>	<u>\$ 188,209</u>	<u>\$ 10,827,798</u>	<u>\$ 1,865,182</u>	<u>\$ 1,865,182</u>	<u>\$ 12,692,980</u>

The accompanying notes to the financial statements are an integral part of these statements.

**THE AMERICAN ECONOMIC ASSOCIATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**

YEAR ENDED DECEMBER 31, 2024

	Program Services							Support Services				
	Journals	ASSA Annual Meeting	EconLit	Workshops and Conferences	Resources and Initiatives	Program Committees	Website	JOE Network	Total Program Services	Management and General	Total Support Services	Total Expenses
Salaries and benefits	\$ 4,531,880	\$ 553,572	\$ 574,684	\$ 76,540	\$ 6,168	\$ 75,045	\$ 481,675	\$ 208,761	\$ 6,508,325	\$ 1,062,452	\$ 1,062,452	\$ 7,570,777
Distribution and replication	1,096,489	-	21	-	-	18,590	-	-	1,115,100	-	-	1,115,100
Third party coordinator	-	-	-	423,500	589,071	79,674	4,000	-	1,096,245	-	-	1,096,245
Audio/video	-	575,182	-	129,082	-	11,103	(35,496)	-	679,871	-	-	679,871
Rent and utilities	166,078	74,625	55,764	-	-	-	26,039	-	322,506	112,470	112,470	434,976
Food and beverage	-	152,980	-	175,524	-	94,366	-	-	422,870	-	-	422,870
Accounting and legal	-	-	-	-	179,121	-	-	-	179,121	157,614	157,614	336,735
Data management	168,462	-	68,824	-	-	-	12,304	-	249,590	46,271	46,271	295,861
Other meeting expenses	-	126,213	-	113,237	-	908	-	-	240,358	-	-	240,358
Travel and promotion	15,574	31,373	11,326	53,684	28,448	19,188	-	-	159,593	34,782	34,782	194,375
Office expenses	103,718	12,091	17,562	-	-	-	-	-	133,371	18,151	18,151	151,522
Miscellaneous	-	-	7,495	-	35,210	31,516	8,987	-	83,208	62,620	62,620	145,828
Bank charges	-	36,825	-	-	-	-	-	-	36,825	85,012	85,012	121,837
External grant expense	-	-	-	-	-	120,146	-	-	120,146	-	-	120,146
Society dues	-	-	-	-	5,875	100,589	-	-	106,464	1,217	1,217	107,681
Insurance	-	3,587	-	-	-	-	-	-	3,587	68,871	68,871	72,458
Depreciation and amortization	24,064	-	-	-	-	-	-	-	24,064	-	-	24,064
Administrative committees	-	-	-	-	-	-	-	-	-	7,417	7,417	7,417
Prepress supplies	6,060	-	-	-	-	-	-	-	6,060	-	-	6,060
	<u>\$ 6,112,325</u>	<u>\$ 1,566,448</u>	<u>\$ 735,676</u>	<u>\$ 971,567</u>	<u>\$ 843,893</u>	<u>\$ 551,125</u>	<u>\$ 497,509</u>	<u>\$ 208,761</u>	<u>\$ 11,487,304</u>	<u>\$ 1,656,877</u>	<u>\$ 1,656,877</u>	<u>\$ 13,144,181</u>

The accompanying notes to the financial statements are an integral part of these statements.

**THE AMERICAN ECONOMIC ASSOCIATION**  
**STATEMENTS OF CASH FLOWS**

YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<b>Cash flow from operating activities:</b>		
Change in net assets	\$ 8,709,697	\$ 4,486,149
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and amortization	18,136	24,064
Realized and unrealized investment gain	(7,939,884)	(4,414,260)
Noncash lease expense	1,924	2,726
Changes in operating assets and liabilities:		
Accounts receivable	495,455	(24,422)
Prepaid expenses and other	(133,366)	21,167
Accounts payable and accrued liabilities	362,254	(157,763)
Deferred revenue	124,234	(513,922)
Net cash flows from operating activities	<u>1,638,450</u>	<u>(576,261)</u>
<b>Cash flows from investing activities:</b>		
Purchases of investments	(2,237,745)	(2,627,798)
Proceeds from sale of investments	2,206,373	2,480,285
Purchases of furniture, fixtures, software, and equipment	(52,958)	(14,687)
Net cash flows from investing activities	<u>(84,330)</u>	<u>(162,200)</u>
Change in cash and cash equivalents	1,554,120	(738,461)
Cash and cash equivalents, beginning of year	794,141	1,532,602
Cash and cash equivalents, end of year	<u>\$ 2,348,261</u>	<u>\$ 794,141</u>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid during the year for income taxes	<u>\$ 67</u>	<u>\$ 6,524</u>

The accompanying notes to the financial statements are an integral part of these statements.

# THE AMERICAN ECONOMIC ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

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### Note 1—Nature of operations and summary of significant accounting policies

The American Economic Association (the “Association”) is an educational organization whose purpose is to encourage economic research, especially the historical and statistical study of the actual conditions of industrial life, to issue publications on economic subjects, and to encourage freedom of economic discussion.

*Basis of Presentation* – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”). Accordingly, net assets of the Association and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Association. These net assets may be used at the discretion of the Association’s management and the Executive Committee.

*Net Assets With Donor Restrictions* – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Association or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Net assets with donor restrictions represent amounts available for various research programs and economic conferences. None of the Association’s net assets with donor restrictions are required to be held in perpetuity by the donors at December 31, 2025 or 2024.

*Revenue Recognition, Accounts Receivable, Allowance for Doubtful Accounts, and Deferred Revenue* (see Note 2).

*Cash and Cash Equivalents* – Cash and cash equivalents include highly-liquid investments with original maturities of three months or less when purchased.

*Investments* – Investments are reported at fair value as reported by the respective funds using quoted market prices.

*Furniture, Fixtures, Software, and Equipment* – Furniture, fixtures, software, and equipment are stated at cost net of accumulated depreciation. Expenditures for ordinary maintenance and repairs are charged to expense. Renewals and betterments that materially extend the life of assets are capitalized. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which range from three to five years. Depreciation and amortization expense for the years ended December 31, 2025 and 2024 amounted to \$18,136 and \$24,064, respectively.

*Annual Meeting* – An annual meeting is held in January of each year by the Association under the name Allied Social Science Associations. Revenues and expenses from the annual meeting are shown at gross on the accompanying statements of activities. The expenses of the annual meeting are expensed as incurred. Also included in the accompanying statements of activities are expenses incurred during the year for the meeting held in January of the following year, which primarily consist of personnel costs of the Association for planning the meeting.

*Shipping and Handling Costs* – It is the Association’s policy to classify shipping and handling costs as a part of operating expenses in the line items to which they relate. Total shipping and handling costs were approximately \$9,400 and \$217,000 for the years ended December 31, 2025 and 2024, respectively.

# THE AMERICAN ECONOMIC ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

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### Note 1—Nature of operations and summary of significant accounting policies (continued)

*Income Taxes* – The Association files its federal income tax return as an educational organization substantially exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The Association is subject to federal and state income taxes on certain revenues, which are not substantially related to its tax-exempt purpose. This “unrelated business income” includes income from advertising. The Association has recorded refunds and expenses of (\$505) and \$3,257 in 2025 and 2024, respectively, in federal and state income taxes on unrelated business income which are included in management and general expense on the statements of activities. The Association has been determined to be an organization which is not a private foundation.

The Association accounts for income taxes in accordance with income tax accounting guidance in the *Income Taxes* topic of FASB ASC. The guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more-likely-than-not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. The Association does not believe there were any uncertain tax positions at December 31, 2025 and 2024. Additionally, the Association has not recognized any significant tax related interest and penalties in the accompanying financial statements.

*Accounting Estimates* – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates and assumptions also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

*Functional Expenses* – The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. While most costs have been directly assigned to a functional category, certain joint costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Expenses that are allocated consisted primarily of salaries and wages expense which was allocated based on time and effort.

*Leases* – The Association leases certain office space, as well as office equipment. The Association determines whether a contract contains a lease at inception by determining if the contract conveys the right to control the use of identified property, plan or equipment for a period of time in exchange for consideration. The Association has agreements with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on relative stand-alone prices.

Right-of-use (“ROU”) assets and lease liabilities are recognized at the commencement date based on the present value of the future minimum lease payments over the lease term. Renewal and termination clauses that are factored into the determination of the lease term, if it is reasonably certain that these options would be exercised by the Association. Lease assets are amortized over the lease term, unless there is a transfer of title or purchase option reasonably certain of exercise, in which case the asset life is used. Certain of the Association’s lease agreements include variable payments. Variable lease payments not dependent on an index or rate primarily consist of common area maintenance charges and are not included in the calculation of the ROU asset and lease liability and are expensed as incurred. In order to determine the present value of lease payments, the Association has elected the practical expedient to utilize the risk-free discount rate to calculate lease assets and liabilities.

The Association’s lease agreements do not contain any material residual value guarantees or material restrictive covenants. The Association does not have leases where it is involved with the construction or design of an underlying asset. The Association has no material obligation for leases signed but not yet commenced as of December 31, 2025. The Association does not have any sublease activities.

# THE AMERICAN ECONOMIC ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

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### **Note 1—Nature of operations and summary of significant accounting policies (continued)**

The Association has elected the practical expedient not to recognize leases with terms of 12 months or less on the statements of financial position and instead recognize the lease payments on a straight-line basis over the term of the lease and variable lease payments in the period in which the obligation for the payments is incurred. Therefore, short-term lease expense for the period does not reflect ongoing short-term lease commitments. Lease expense for such short-term leases was not material for the years ended December 31, 2025 and 2024.

*Subsequent Events* – The Association evaluated subsequent events through April 10, 2026, when these financial statements were available to be issued. Management is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to the filing of this report that would have a material impact on the accompanying financial statements.

### **Note 2—Revenue**

Under ASC 606, revenue is recognized when the Association transfers the promised goods or services to a customer in an amount that reflects consideration that is expected to be received for those goods and services.

*Contract Balances* – Timing differences among revenue recognition may result in contract assets or liabilities. Contract liabilities on the accompanying statements of financial position was \$3,491,686 and \$3,367,452 as of December 31, 2025 and 2024, respectively. The balance of contract liabilities as of January 1, 2024 was \$3,881,374. Deferred revenue represents income from membership dues and institutional subscriptions to the various periodicals of the Association, as well as registration, advertising, and exhibitor income related to the annual meeting in January of the subsequent year. The membership dues and institutional subscriptions are deferred when received and amortized over the terms of the membership or contract period. The deferred income related to the annual meeting is recognized when the meeting takes place.

Accounts receivable from contracts with customers were \$1,889,298 and \$1,800,391 as of December 31, 2025 and 2024, respectively, and \$1,810,668 as of January 1, 2024. Accounts receivable is stated at the amount the Association expects to collect from outstanding balances. The amounts due are stated at their estimated net realizable value. The Association reduces the carrying amount of accounts receivable by an allowance for credit losses that reflects the Association's best estimate of the amounts that will not be collected. The allowance for doubtful accounts is based on the Association's assessment of the collectability of customer accounts receivable. In accordance with ASC Topic 326, *Financial Instruments – Credit Losses*, the Association makes estimates relating to the collectability of accounts receivable and records an allowance for estimated losses expected from the inability of its customers to make required payments. The Association establishes expected credit losses by evaluating historical levels of credit losses, current economic conditions that may affect a customer's ability to pay, and creditworthiness of significant customers. These inputs are used to determine a range of expected credit losses and an allowance is recorded within the range. Accounts receivable are written off when there is no reasonable expectation of recovery. The allowance for doubtful accounts was considered immaterial for the years ended December 31, 2025 and 2024.

*Performance Obligations and Revenue Recognition* – A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account under ASC 606. The transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Association's significant revenue streams within the scope of ASC 606 consists of revenue from license fees, institutional subscriptions, annual meeting, job listing fees, submission fees, and membership dues. The contract obligation for license fees, annual meeting income (registration, advertising, and exhibitor income), job listing fees, and submission fees are generally satisfied at the time these services are provided or when a good is transferred to the customer. For the license fees, the point in time is when the Association delivers the intellectual property to the customer in a usable format. For the annual meeting it is at the time of the meeting, and for job listings it is satisfied when the Association posts the job listing to their website. The contract performance obligation for annual memberships and institutional subscriptions is satisfied over the membership or contract period.

**THE AMERICAN ECONOMIC ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2025 AND 2024

**Note 2—Revenue (continued)**

*Practical Expedients and Exemptions* – There are several practical expedients and exemptions allowed under ASC 606 that impact timing of revenue recognition and disclosures. The one practical expedient the Association applied in the application of ASC 606 allows the Association to elect to treat similar contracts as part of a portfolio of contracts. The contracts have the same provision terms and management has the expectation that the result will not be materially different from the consideration of each individual contract.

The following table provides information about significant changes in the contract liabilities for the year ended December 31, 2025:

	<b>ASSA Annual Meeting</b>	<b>Membership Dues and Member Print</b>	<b>Institutional Subscriptions</b>	<b>Total</b>
Deferred revenue, beginning of year	\$ 1,255,789	\$ 954,103	\$ 1,157,560	\$ 3,367,452
Revenue recognized that was included in deferred revenue at the beginning of year	(1,255,789)	(948,678)	(1,157,560)	(3,362,027)
Increase in deferred revenue due to cash received during the period	<u>1,084,970</u>	<u>1,126,387</u>	<u>1,274,904</u>	<u>3,486,261</u>
Deferred revenue, end of year	<u><u>\$ 1,084,970</u></u>	<u><u>\$ 1,131,812</u></u>	<u><u>\$ 1,274,904</u></u>	<u><u>\$ 3,491,686</u></u>

The following table provides information about significant changes in the contract liabilities for the year ended December 31, 2024:

	<b>ASSA Annual Meeting</b>	<b>Membership Dues and Member Print</b>	<b>Institutional Subscriptions</b>	<b>Total</b>
Deferred revenue, beginning of year	\$ 1,083,881	\$ 1,493,950	\$ 1,303,543	\$ 3,881,374
Revenue recognized that was included in deferred revenue at the beginning of year	(1,083,881)	(1,060,015)	(1,303,543)	(3,447,439)
Increase in deferred revenue due to cash received during the period	<u>1,255,789</u>	<u>520,168</u>	<u>1,157,560</u>	<u>2,933,517</u>
Deferred revenue, end of year	<u><u>\$ 1,255,789</u></u>	<u><u>\$ 954,103</u></u>	<u><u>\$ 1,157,560</u></u>	<u><u>\$ 3,367,452</u></u>

**THE AMERICAN ECONOMIC ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2025 AND 2024

**Note 3—Liquidity and availability of resources**

The Association regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Association considers all expenditures related to its ongoing activities of publishing journals and promoting economic research, as well as the conduct of services undertaken to support those activities to be general expenditures. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following at December 31:

	<u>2025</u>	<u>2024</u>
Financial assets:		
Cash and cash equivalents	\$ 2,348,261	\$ 794,141
Investments	60,956,853	52,985,597
Accounts receivable	1,917,717	2,413,172
Total financial assets	<u>65,222,831</u>	<u>56,192,910</u>
Less amounts not available to be used for general expenditures within one year:		
Purpose restrictions	<u>437,268</u>	<u>358,776</u>
Financial assets available to meet general expenditures within one year	<u>\$ 64,785,563</u>	<u>\$ 55,834,134</u>

**Note 4—Investments and investment income**

Fair value of assets is measured as required by the *Fair Value Measurements* topic of FASB ASC, which establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

*Level 1* – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

*Level 2* – Inputs to the valuation methodology include the following:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3* – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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**Note 4—Investments and investment income (continued)**

The assets or liabilities fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in methodologies used at December 31, 2025 or 2024. The Association’s mutual funds are valued at the net asset values (“NAV”) of shares held by the Association at year-end. NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. NAV is classified within Level 1 of the valuation hierarchy based on the underlying assets of the account, which are traded on an active market.

The following table sets forth by level, within the fair value hierarchy, the Association’s investments at fair value as of December 31, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds:				
Large blend	\$ 23,049,440	\$ -	\$ -	\$ 23,049,440
Foreign large blend	17,895,364	-	-	17,895,364
Corporate bond	7,415,496	-	-	7,415,496
Large value	6,563,115	-	-	6,563,115
Real estate	2,984,525	-	-	2,984,525
World bond	2,984,122	-	-	2,984,122
Intermediate-term bond	64,791	-	-	64,791
Total investments, at fair value	<u>\$ 60,956,853</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,956,853</u>

The following table sets forth by level, within the fair value hierarchy, the Association’s investments at fair value as of December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds:				
Large blend	\$ 20,898,902	\$ -	\$ -	\$ 20,898,902
Foreign large blend	13,735,110	-	-	13,735,110
Corporate bond	6,626,008	-	-	6,626,008
Large value	5,852,944	-	-	5,852,944
Real estate	2,952,257	-	-	2,952,257
World bond	2,860,692	-	-	2,860,692
Intermediate-term bond	59,684	-	-	59,684
Total investments, at fair value	<u>\$ 52,985,597</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,985,597</u>

Investment return consists of the following for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Dividends and interest	\$ 1,645,943	\$ 1,411,184
Realized and unrealized gain, net	7,939,884	4,414,260
	<u>\$ 9,585,827</u>	<u>\$ 5,825,444</u>

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**Note 5—Employee retention credit**

The Coronavirus Aid Relief, Economic Security Act contains the Employee Retention Credit (“ERC”), a refundable payroll tax credit available to employers that have experienced hardship in their operations due to the COVID-19 outbreak. During the year ended December 31, 2022, the Association reviewed its eligibility for ERC and determined the Association qualified for \$578,082 of ERC related to the first quarter of 2021. The Association selected ASC 958-605 as the applicable standard for accounting for ERC and, as such, recognized the ERC when the amended payroll tax returns were filed. Employee retention credit income of \$578,082 has been recorded in government grants on the statement of activities for the year ended December 31, 2022, and was included in accounts receivable on the statement of financial position at December 31, 2024. This balance was received during the year ended December 31, 2025.

**Note 6—Leases**

Classification of ROU assets and lease liabilities is as follows as of December 31:

<u>Leases</u>	<u>Balance Sheet Classification</u>	<u>2025</u>	<u>2024</u>
Assets:			
Operating right-of-use assets	Operating lease right-of-use assets, net	\$ 1,134,869	\$ 991,396
Liabilities:			
Current:			
Operating lease liabilities	Operating lease liabilities	\$ 334,737	\$ 328,253
Noncurrent:			
Operating lease liabilities	Operating lease liabilities	807,587	668,674
Total lease liabilities		<u>\$ 1,142,324</u>	<u>\$ 996,927</u>

Future minimum lease payments is as follows as of December 31, 2025:

**Maturity Analysis**

2026	\$ 379,748
2027	384,492
2028	389,342
2029	<u>75,354</u>
Total undiscounted cash flows	1,228,936
Less present value discount	<u>(86,612)</u>
Total lease liabilities	<u>\$ 1,142,324</u>

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DECEMBER 31, 2025 AND 2024

**Note 6—Leases (continued)**

Required supplemental information relating to the Association's leases is as follows for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Lease expense:		
Operating lease expense	\$ 375,905	\$ 371,561
Cash flow information:		
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 373,982	\$ 368,834
ROU assets obtained in exchange for new operating lease liabilities	468,099	19,466
Lease term and discount rate:		
Weighted average remaining lease term in years for operating leases	3.20 years	3.83 years
Weighted average discount rate for operating leases	4.70%	5.42%

**Note 7—Commitments**

The Association has contracts for hotel rooms and facilities for various meetings through 2029, although the majority of these contracts do not contain attrition clauses.

**Note 8—License fees**

License fees consists of the following for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Ebsco	\$ 3,950,440	\$ 4,045,185
ProQuest	701,499	615,284
Ovid	121,601	165,743
Other	334	781
	<u>\$ 4,773,874</u>	<u>\$ 4,826,993</u>

**Note 9—Retirement annuity plan**

Employees of the Association are eligible for participation in a defined contribution retirement annuity plan. Contributions by the Association and participating employees are based on the employees' compensation. Benefit payments are based on the amounts accumulated from such contributions. Plan expense were \$213,464 and \$179,858 for the years ended December 31, 2025 and 2024, respectively.

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*DECEMBER 31, 2025 AND 2024*

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**Note 10—Concentrations**

The Association maintains deposit accounts with financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation (“FDIC”). At December 31, 2025 and 2024, all deposit account balances per financial institution were insured up to \$250,000. Excess uninsured balances of the Association at December 31, 2025 and 2024 were approximately \$1,929,000 and \$492,000, respectively. The Association also maintains cash in money market funds in the amount of \$285,967 and \$274,355 at December 31, 2025 and 2024, respectively. The money market funds were not insured at December 31, 2025 or 2024.

At December 31, 2025 and 2024, investments in various mutual funds were managed by brokerage and investment companies with an account balance totaling \$60,956,853 and \$52,985,597, respectively. Investments are not insured by FDIC or any other government agency and are subject to investment risk, including loss of principal. However, investments are insured by the Securities Investor Protection Corporation, which covers investor losses, in some cases, attributable to bankruptcy or fraudulent practices of brokerage firms.

At December 31, 2025 and 2024, accounts receivable from three companies, who have an agreement with the Association to sell *EconLit* represented approximately 91% and 68% of total accounts receivable, respectively.

During 2025 and 2024, the Association received approximately 40% of its operating support and revenue from two companies who have an agreement with the Association to sell *EconLit*.

**Note 11—Uncertainties**

The Association is subject to various claims and legal actions arising in the ordinary course of business. Management does not believe any such action will have a material, adverse effect on the Association’s financial position.

**SUPPLEMENTARY INFORMATION**

**THE AMERICAN ECONOMIC ASSOCIATION**  
**SUPPLEMENTAL SCHEDULES OF PROGRAM EXPENSES**

YEARS ENDED DECEMBER 31, 2025 AND 2024

	<b>2025</b>	<b>2024</b>
Program Expenses:		
Journals:		
American Economic Review	\$ 1,519,749	\$ 1,836,611
Journal of Economic Perspectives	665,674	763,164
Journal of Economic Literature	415,499	523,288
AEJ: Economic Policy	565,438	678,221
AEJ: Applied Economics	579,944	667,418
AEJ: Macroeconomics	458,743	551,162
AEJ: Microeconomics	449,596	550,870
AER: Insights	439,618	541,591
	<u>5,094,261</u>	<u>6,112,325</u>
ASSA Annual Meeting	<u>1,799,151</u>	<u>1,566,448</u>
EconLit	<u>719,152</u>	<u>735,676</u>
Workshops and Conferences:		
Summer training program	485,643	300,000
Continuing education conference	-	182,683
CTREE conference	169,439	153,409
CeMENT workshops	151,119	141,524
CSQIEP mentoring conference	58,702	73,005
Summer mentoring pipeline conference	108,607	36,380
EDUCATE	251	84,566
	<u>973,761</u>	<u>971,567</u>
Resources and Initiatives:		
Data editor project	373,268	397,481
RCT registry	71,007	65,733
Other diversity and inclusion initiatives	10,747	8,222
Government relations	141,845	132,445
Formal complaints and investigations	61,651	38,716
CSMGEP mentoring program	58,451	60,162
Ombudsperson	134,289	141,134
	<u>851,258</u>	<u>843,893</u>
Committees:		
Program committees	328,927	330,390
Support of other organizations	103,637	100,589
External grant expense	196,508	120,146
	<u>629,072</u>	<u>551,125</u>
Website:		
Web content, maintenance and communications	<u>572,934</u>	<u>497,509</u>
JOE Network	<u>188,209</u>	<u>208,761</u>
Total Program Expenses	<u>\$ 10,827,798</u>	<u>\$ 11,487,304</u>