

# AIP|Matters

Monday, March 7, 2011



## Director's Matters

*By H. Frederick Dylla, Executive Director & CEO*

### In it for the long run

The successful operation of any organization, whether a nonprofit corporation like AIP or a commercial firm, requires safeguarding against risks, both foreseen and unforeseen. On a personal level we all should pay for insurance and save funds for retirement. What should a nonprofit corporation do to protect itself in the event of a natural catastrophe or a sudden loss of income? Such events could severely hinder AIP from delivering products and services to our community. The conventional guidance for nonprofit corporations is to establish and build a reserve or endowment fund for such "rainy day" events. Many colleges and universities and nonprofit cultural institutions often rely on their endowment for supplementing annual operational funds and for special one-time expenditures such as building projects and jump-starting new ventures.

For this reason, AIP's Governing Board wisely established two endowment funds. The Segregated Reserves Fund was created in the early 1980s to protect AIP against extraordinary events that impact our ability to maintain operations. The primary financial goals of this fund are to provide for one year's operating revenue (about \$75 million in recent fiscal years) and to backstop AIP's long-term liabilities, which include medical benefits for retired employees and real-estate obligations for AIP's offices in Melville, NY, and College Park, MD. All told, the target level for this fund is currently about \$130 million. The Special Purpose Fund was established in the early 1990s to protect and invest donations that are given to AIP for specific purposes, such as endowing our awards and prizes.

AIP and its Governing Board do not rely on casual guidance for the management of our endowment funds. Those investments are professionally managed by the Stratford Advisory Group, an investment advisory firm with a strong reputation for handling nonprofit endowment funds. Our investments are reviewed several times a year by a special committee of the Governing Board—the Investment Advisory Committee (IAC). Given the importance of endowment funds to AIP, I make it a point to attend all IAC meetings, and I am confident that AIP's investments are in good hands. Since the beginning of the global recession three years ago, the IAC has been meeting more frequently. The ongoing volatility in the global markets—due to both domestic events (such as the slow economic recovery in the US) and international events (such as the recent shocks to the market due to turmoil in the Middle East)—is also cause for extra caution.

Fortunately, the current market value of the Segregated Reserves Fund already provides reasonable rainy-day assurance for AIP, allowing the IAC and professional advisors to

take a long-term view of our investments, without having to react to short-term events. From its inception, the fund has had an average annual return of just over 9%. At the market peak in fall 2008, before the start of the current recession, the fund had risen to a value of \$117 million—very close to our target. Many short-term investors may have panicked when this fund sank to a value of \$77 million at the market low in early March of 2009. I am pleased to report that the strategy of structuring AIP's investment portfolio for the long term has returned the fund to \$112 million as of the end of last month.

Our investment committee members bring their professional expertise, as well as a healthy dose of skepticism, to challenge our financial advisors on proposed investment tracks. I have witnessed how an organization can benefit from the synergistic mix of dedicated volunteers and paid professional advisors. There is no sign that there will be smooth sailing in the investment world any time soon, given the global forces at work and abundance of conflicting advice from financial experts. Therefore, I thank our advisors at Stratford and our IAC members—John Kent, chair (AAPM); Joe Eberly (OSA); Dave Aspnes (AVS); James Burch (AGU); and Ben Snavely (AIP)—for providing such essential services for the well-being of AIP.

## PUBLISHING MATTERS

### *AIP Advances* publishes first papers



AIP announced on March 1 the debut of *AIP Advances*' first published papers. *AIP Advances* is a fast-track, community-led open-access journal focusing on applied research in the physical sciences, and follows a new model for physical science publishing. All articles are published under a Creative Commons license—authors retain copyright.

Authors pay an article processing charge so their published articles are freely available. The significance of each article is complemented through post-publication evaluation by the community via online tools. Accelerated peer review, overseen by a leading international team of editors, ensures rapid publication. The journal is led by an international group of Executive Editors: Robert H. Austin of Princeton University, Vincent H. Crespi of The Pennsylvania State University, A. T. Charlie Johnson of the University of Pennsylvania, Masaaki Tanaka of The University of Tokyo, and Enge G. Wang of Peking University. The ranks of Academic Editors represent eleven countries on three continents.

## PHYSICS RESOURCES CENTER MATTERS

### DJ Wagner named SPS Outstanding Chapter Advisor

Truly successful SPS chapters require leadership, organization, a broad spectrum of activities, and enthusiastic student participation—much of which is nurtured by the

support and encouragement of the chapter advisor. This past year's standout, recipient of the [2010 SPS Outstanding Chapter Advisor Award](#), is DJ Wagner at Grove City College, PA. The students who nominated her wrote extensively about her exceptional leadership over the past decade. An excerpt from one nomination letter that was signed by several students reads as follows:



DJ Wagner, the 2010 SPS Outstanding Chapter Advisor, displays her certificate. SPS President Toni Sauncy (at far right) presented the award at the 2011 AAPT Winter Meeting. Also shown are SPS staff members Gary White and Lydia Quijada. Photo by Karen Jo Matsler

*Having 25 students travel to FermiLab for the 2008 Sigma Pi Sigma Congress at minimal cost, and pulling off a multi-zone meeting with over 100 attendees, were both huge learning experiences for us, and definitely would not have happened without her guidance and encouragement. She is always excited about physics, and her enthusiasm is contagious.*

Wagner conducts physics education research with the help of several undergraduate research assistants and is also a familiar face at SPS events. SPS President Toni Sauncy presented the award to Wagner at the 2011 AAPT Winter Meeting in Jacksonville, FL.

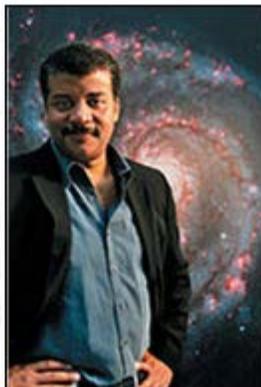
## AROUND AIP

### In celebration of Black History Month

In honor of Black History Month, employees at ACP were treated to a brown bag lunch on February 15, for a special viewing of a short film titled [The History Makers](#). The film focuses on African American civil rights leaders, actors, and authors who share their inspirational success stories.



Henrietta Lacks, 1920-1951  
Photo courtesy of the Lacks family



Neil deGrasse Tyson  
Photo courtesy of Chris Cassidy, NOVA science NOW

On a related note, *Physics Today's* editorial assistant, Tonya Gary, became a newly published author with the publication in *Parlé Magazine* of two articles centering on history-making African Americans, [Henrietta Lacks](#) and [Neil deGrasse Tyson](#). Lacks was the woman whose cancer cells were used to create HeLa, a cell type in an immortal cell line used in scientific research. Tyson is a renowned astrophysicist and science communicator, and director of the Hayden Planetarium and a research associate at the American Museum of Natural History in New York City.

We invite your feedback to this newsletter via email to [aipmatters@aip.org](mailto:aipmatters@aip.org).

For past issues of this newsletter, visit the [AIP Matters archives](#).