

from the
TREASURER

Bold Changes

Work is under way to address the Association's financial challenges



Larry Neal

When I volunteered to serve as ALA treasurer, I knew it was going to be one of the greatest challenges of my career. Only a few months in, it has already exceeded my expectations.

I am thankful for the work of my predecessors Peter Hepburn and Maggie Farrell, and of Dina Tsourdinis, ALA's chief financial officer, and her team to get our financial house in order. That means everything from timely reporting to clean audits to properly recording grants to an updated operating agreement. Unfortunately, ALA's financial picture, while at last clear, is not a pretty one. And it's a similar picture currently seen at many other associations and nonprofit organizations.

Fiscal year 2025, which ended in August, saw a deficit of \$15.4 million. Our short-term cash flow is at a point where ALA must borrow on lines of credit at prime interest rates—the most favorable rates banks offer to creditworthy customers. Begrudgingly, I had to recommend that the ALA Executive Board approve the FY2026 operating budget with a \$7 million deficit, \$5 million of which is structural.

Saddled by a bureaucracy of our own making, the process takes nine approvals to arrive at the final budget. And that final budget came in late October, two months into the fiscal year.

If this sounds like a financial crisis, it is. If it sounds like significant change is needed, it's long overdue. If it sounds hopeless, it isn't.

Thankfully, work is well under way to address ALA's challenges. In June 2025, ALA Council adopted a new strategic plan to provide focus and to set priorities. In short, the Association cannot be all things to all people, and activities and programs that do not translate into member value or interest (think Midwinter and LibLearnX conferences) must come to an end.

In addition, some programs must be paused until new funding is obtained or revenues are

such that we can subsidize them. Be assured that ALA will continue to prioritize intellectual freedom, advocacy, and the goals and objectives identified in the strategic plan (bit.ly/ALA-StrategicPlan2025).

To address the structural deficit, ALA has engaged in programmatic and internal operational studies, known collectively, along with the strategic plan, as ALA Forward. This work has resulted in significant reductions in staff and office space, centralization of internal functions in Conference Services and Publishing, and combining and sunseting committees and programs that no longer deliver a good return on member value. Other cost-saving measures include eliminating the presidential initiatives budget, fewer in-person meetings of the Executive Board and endowment trustees, a salary freeze and partial retirement contribution pause for ALA staffers, and renegotiating contracts or reducing the use of contractors and consultants.

During this time of transformation and renewal, as every corner of ALA is impacted by these changes, your trust and support are critical. Your continued membership, attendance at one or more of the amazing conferences planned for this year, and use of online offerings through ALA eLearning will enrich your career and strengthen ALA's bottom line.

At the end of the day, we are all here for the good of the Association and to ensure current and future generations of librarians and library workers are supported in the essential work we are doing for the communities, students, and clients we serve. We may even look back at 2026 as the year we finally made the bold changes necessary for a strong, sustainable ALA.

For updates throughout the year, members can visit bit.ly/ALA-treasurer. **ALA**

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