The Financials of the IETF

Current situation and the future

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IETF Chair

IETF financing sources

- Two sources of income:
  - ISOC members
    - Pays for RFC Editor, insurance & some other expenses – in the range of USD 500-600K/year
  - Meeting fees
    - Pays for the meetings and the secretariat
- The work of the IANA, the IESG, the IAB and the IETF members is not paid for through the IETF process
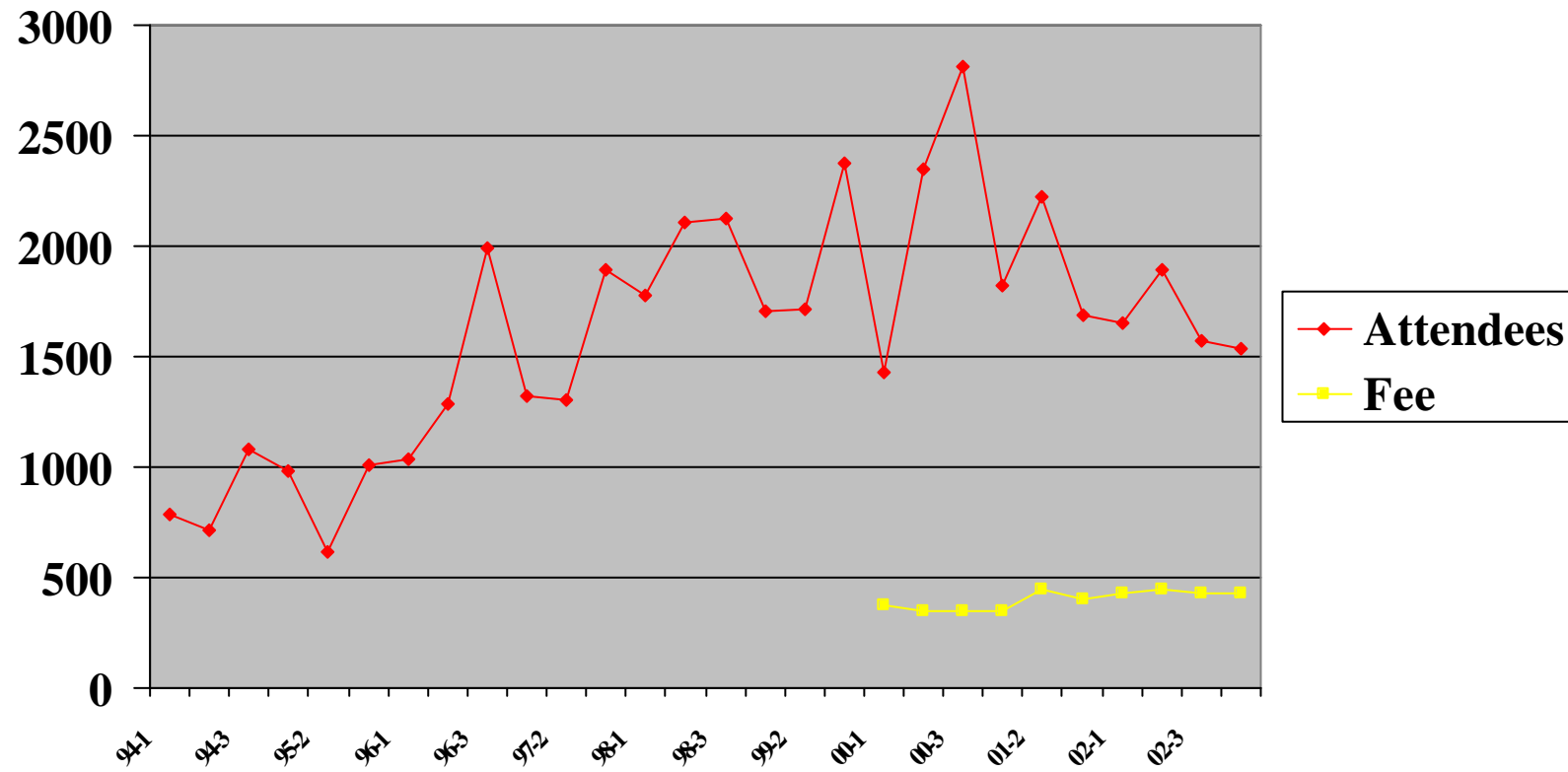
Secretariat Numbers for 2002

Item	2001	2002	Change
Secretariat labor	504584	625124	24%
IETF Meetings	1291248	1124024	-13%
Non-meeting	90596	87722	-3%
Indirect	604990	608805	1%
Total expense	**2493124**	**2445675**	**-2%**
Net Revenue	**2617874**	**2280357**	**-13%**
Gross surplus	124750	-165318	
Performance bonus	30000		
Net surplus	**94750**	**-165318**	

Note: These numbers are UNAUDITED!

The reasons for changes

- Added two people to secretariat staff
- Yokohama was expensive to run
- Fewer people at the meetings
  - 2001: 6172 attendees @USD 431
  - 2002: 5158 attendees @USD 449

The Number of Attendees

Predicting The Future

- Assume that we can get by with present staff & expenses (no more assistance needed), and 5% a year expense growth
- Assume that we get 1600 attendees per meeting (slight increase for future years)
- Assume that fees stay the same (USD 425), with the same number of latecomers
- Assume no new income

The Likely Projection

				Expenses				
Year	Attnds	Fees	Income	Mtg	/Attnd	Other	Net	Reserve
2002	5158	458	2350666	1196634	232	1319350	(165318)	763000
2003	4750	450	2289375	1367348	288	1277389	(355362)	407638
2004	4900	450	2437235	1493198	305	1274845	(330808)	76830
2005	5000	450	2487000	1418175	284	1254712	(185887)	(109057)
2006	5100	450	2534750	1629166	319	1260427	(354843)	(463900)

This is not looking good.

Doing Something About It

- Reduce expenses
  - Cut the cookies
    - and pay for the meeting rooms. No cigar.
  - Shift more work from "professional" to "voluntary".
- Increase income
  - Raise the meeting fees
  - Make more people pay fees
    - Not necessarily at the IETF meetings
  - Get more sponsors for the meetings
    - "this cookie is brought to you by Acme Corp."
  - Do other activites that people are willing to pay for
  - Make the IETF an industry consortium

How should we decide?

- The IETF community needs to decide what's important to it
- The IETF Chair needs to instruct the secretariat on what to do
- We need to act deliberately. But soon.