Serving Members, Students, Allied Professionals, Policymakers, and the Public
2002 Board of Directors

Standing (left to right)
Fowler, Brewer, Nordal, Overmier, Perry, Koocher, and Barbanel.

Seated (left to right)
Goodheart, Sternberg, Zimbardo, Johnson, and Levant.

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Yale University School of Medicine
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(Not pictured)
As is true in many communities across America, the terrorist attacks of September 2001 had a large impact on the activities and priorities of the association. Throughout 2002, and in addition to its regular activities, the American Psychological Association (APA), in collaboration with other organizations and by working with its members, brought knowledge and expertise to policymakers and the public concerning terrorism, posttraumatic stress, and homeland security.

For example, APA Science Policy staff worked closely with Congress, the White House, the National Academy of Sciences, and members of the law-enforcement and intelligence communities to raise awareness of the importance of behavioral and psychological science to the domestic counterterrorism and homeland security agenda.

Furthermore, APA staff worked with the FBI to organize a special conference on research issues related to counterterrorism. Designed to inform the FBI and other law-enforcement agencies about behavioral research, this conference has led to increased opportunities for behavioral scientists in law-enforcement arenas. The conference report can be viewed on the Web at http://www.apa.org/releases/countering_terrorism.pdf.

To help Americans cope with anxiety over possible new terrorism, the Practice Directorate teamed with the Discovery Health Channel to produce a full-length documentary, *Aftermath: The Road to Resilience*, broadcast in August. A videotape of the documentary and an APA brochure on resilience are among the resources included in a toolkit available to APA member psychologists who are interested in doing local community outreach.

APA was also affected by the declining stock market and uncertain economy of 2001 and the aftermath of 9/11. During the past year, the APA Board of Directors and Executive Management Team took extensive steps to improve the association’s budget. Although APA had a sizable budget shortfall in 2002, corrective measures to bring expenditures back in line with revenues are in place. For a more detailed explanation of the APA budget, see the Treasurer’s Report on page 533.
Advancing Psychological Science
Careers and Skills

The Science Directorate’s Academic Career Workshops provide advanced graduate students with practical advice on how to obtain jobs. Held primarily at specialty society and regional psychological association meetings, the workshops cover the varieties of academic settings, writing the right cover letter, navigating a job interview, and negotiating starting conditions. In 2002, workshops were held at meetings of the Society for Personality and Social Psychology, the Midwestern Psychological Association, and the Society for Psychophysiological Research.

The Science Directorate’s Advanced Training Institutes (ATIs) provide psychological scientists with intensive, hands-on training in new methods and cutting-edge techniques in scientific psychology. Two weeklong ATIs—on fMRI and longitudinal research methods and measurement—were held in 2002. As of 2003, 270 individuals will have completed an ATI.

Since 1988, more than 1,600 graduate students have received about $1.2 million in dissertation research awards to help them complete their research and in travel awards to help them travel to the APA Annual Convention to present their research findings. In 2002, 150 graduate students received these awards.

The directorate’s scientific contribution awards honor distinguished colleagues for their contributions to the discipline. Begun in 1956, these are among the most well-established awards in scientific psychology.

The Meritorious Research Service Commendation, begun by the Board of Scientific Affairs in 2002, honors outstanding psychologists in the federal government. Recipients in 2002 were the late Rodney R. Cocking (National Science Foundation and National Institute of Mental Health), Robert Croyle (National Cancer Institute), Sarah Friedman (National Institute of Child Health and Human Development), David Shurtleff (National Institute on Drug Abuse), and Joseph Young (National Science Foundation).

Building the Psychological Science Community

Launched in late 2002, One Book, One Psychology is a LISTSERV that promotes discussion among psychological scientists of the same book to assist understanding of each other’s work. It currently features discussions of Joseph M. Notterman’s The Evolution of Psychology: Fifty Years of the American Psychologist.

Psychological Science in the Workplace InfoNet (PSWIN) is a weekly electronic newsletter for psychologists who conduct research applicable to the workplace. Hundreds of psychologists rely on PSWIN, which was launched in June 2002, for information about funding, federal legislation, and regulatory action.

The Decade of Behavior, an interdisciplinary initiative supported by the Science Directorate, sponsored briefings for Congress on such topics as welfare reform, responses to terrorism, and health research.

The Board of Scientific Affairs (BSA) received reports in 2002 from several task forces, including the Behavioral Genetics, Testing on the Internet, Research on the Internet, Research Regulation, and Institutional Review Board task forces. The reports provide information on emerging issues and will help guide BSA’s future actions in these areas.

Since 1996, talented undergraduate students have had in-depth exposure to psychological science at the Summer Science Institute (SSI). The Science Directorate held another successful weeklong
institute in 2002, with Columbia University’s Department of Psychology serving as host. As of 2002, more than 250 students have graduated from SSI.

Science Policy
Science Policy staff represent the government relations arm of the Science Directorate. Staff coordinate their activities with the executive and legislative branches of government, advocating research funding, enhancing the infrastructure for conducting research, and working to ensure that science is used to inform policymaking decisions. As registered lobbyists, Science Policy staff communicate with Congress, analyze legislation, and look for opportunities to promote the value of psychological research. Staff serve as APA’s liaisons to federal agencies that fund psychological research in order to improve communication among those agencies, APA, and psychological scientists. During 2002, activities included the following:

- Congressional Relations—Science Policy staff drafted legislative language about the value of psychological research funded by the National Institutes of Health, the National Science Foundation, the National Aeronautics and Space Administration, the Department of Defense, and the Department of Education and worked with APA members testifying before Congress on a variety of research-related issues to ensure that psychological science and scientists could inform and influence public policy.

- Research Infrastructure—When concerns were raised about the alleged politicization of scientific advisory councils, staff worked with Congress, the General Accounting Office (GAO), and all APA divisions to facilitate APA-member input into the GAO investigations. Through interactions with the National Academy of Sciences, Science Policy staff arranged for the APA chief executive officer to discuss APA’s concerns with the leaders of other science organizations.

- Science–Practice Translation—Science Policy staff worked on translational research issues, including congressional briefings on behavioral health research and a comprehensive outreach campaign to ensure appropriate involvement of psychologists in the treatment of opiate dependence with a new medication, buprenorphine.

- Homeland Security—Science Policy staff worked closely with Congress, the White House, the National Academy of Sciences, and members of the law-enforcement and intelligence communities to raise awareness of the importance of behavioral and psychological science to the domestic counterterrorism and homeland security agenda.

Furthermore, staff worked with the FBI to organize a special conference on research issues related to counterterrorism. Designed to inform the FBI and other law-enforcement agencies about behavioral research, this conference has led to increased opportunities for behavioral scientists in law-enforcement arenas.

Staff also regularly prepared formal statements for policymakers on a variety of issues important to psychological science. These have addressed topics such as psychological testing and assessment, research regulation, research in education, and the science of learning.
The Practice Directorate continues to engage in numerous and diverse activities that support practicing psychologists and health consumers. Much of the directorate’s work spans four interrelated areas—legislative advocacy, legal strategies, marketplace activities, and public education. The directorate’s agenda is supported by both APA and the APA Practice Organization, an affiliate of APA created to enable greater advocacy for professional practice.

In the fall of 2002, the APA Practice Organization launched APApractice.org, a Web-based resource designed for licensed APA members who pay the Practice Organization Special Assessment. APApractice.org enables online connections among professional colleagues and offers users access to an array of information, products, and services—for example, materials to help practitioners comply with the Health Insurance Portability and Accountability Act of 1996.

Legislative Advocacy

The 2002 legislative agenda was influenced greatly by the terrorist attacks of September 11, 2001. Growing problems with the nation’s health care system were not priorities in a Congress whose agenda was largely concerned with terrorism, national security, and the possibility of imminent war.

Nonetheless, the Practice Directorate continued to champion the cause of nondiscriminatory health insurance coverage in seeking legislation that would close loopholes in the 1996 mental health parity law. The directorate helped organize a June 2002 rally of more than 2,000 individuals at the U.S. Capitol in support of the broad-based Mental Health Equitable Treatment Act (MHETA). Furthermore, the APA Practice Organization was instrumental in gaining the backing of nearly 200 organizations that signed letters to Congress in support of parity. Late in the fall, although failing to enact the MHETA, Congress approved a bill extending the Mental Health Parity Act of 1996 through December 2003.

Among its federal regulatory activities, the Practice Directorate closely monitored implementation of six health and behavioral assessment and intervention Current Procedural Terminology (CPT) codes that took effect in January 2002. Throughout the year, the directorate helped resolve problems that psychologists using these CPT codes had in billing Medicare in California, Georgia, Mississippi, Ohio, Pennsylvania, Texas, and Washington. In addition, the directorate also continued pressing for Medicare funding for psychology internship training through the Graduate Medical Education program.

Professional psychology achieved a major milestone when, in March 2002, New Mexico became the first state to enact a law authorizing appropriately trained psychologists to prescribe. Passage of the New Mexico law bolstered enthusiasm among state psychological association (SPA) leaders for pursuing prescriptive authority (RxP). Whereas a total of 13 states filed RxP legislation from 1986 through 2002, 12 states planned to introduce or reintroduce an RxP bill in 2003. The Practice Directorate and the Committee for the Advancement of Professional Practice continued providing consultative support, grant monies, and other assistance to SPAs pursuing prescriptive authority initiatives.

Legal Strategies

Another key initiative also involved close collaboration among psychology advocates at the national and state levels—namely, a legal test-case strategy designed to hold managed care companies accountable for
Professional psychology achieved a major milestone when, in March 2002, New Mexico became the first state to enact a law authorizing appropriately trained psychologists to prescribe.

practices that harm patients and health professionals.

In 2002, the test-case agenda focused on the lawsuit brought by the Virginia Academy of Clinical Psychologists against Blue Cross/Blue Shield of the National Capitol Area (now CareFirst) and its behavioral health subcontractor. Filed in 1998, the suit survived several changes in judges, a series of hostile motions by the defendant, and court-ordered mediation. The plaintiffs and APA won significant concessions when the lawsuit was settled in March 2003.

Marketplace Activities
The Practice Directorate also pursued various efforts to demonstrate the value of psychological services in the health care marketplace and to help psychology cultivate and assert professional roles beyond traditional mental health services delivery. For example:

- Nearly 30 SPAs planned to give Psychologically Healthy Workplace Awards in 2002 and 2003 to recognize organizations’ commitment to employee well-being. Meanwhile, during the Institute for Health and Productivity Management Conference in 2002, APA recognized five companies for their efforts to enhance employee resilience in the wake of the 9/11 terrorist attacks.
- The Practice Directorate began a demonstration project with the Walter Reed Army Medical Center to implement a program for women with breast cancer. The program, which integrates psychosocial care into the standard treatment of women with breast cancer, was adapted for the military community from the directorate’s original breast cancer demonstration project in Massachusetts. The new military program includes a unique component for partners of patients with breast cancer.
- The Practice Directorate and the Association of VA Psychologist Leaders cosponsored the fifth annual VA Psychology Leadership Conference. Eighty Veterans Affairs psychologists and top APA and Department of Veterans Affairs officials gathered in April 2002 to discuss evolving leadership roles for Veterans Affairs psychologists and ways of asserting the value that psychologists contribute to veterans’ health care.

Public Education
In the immediate aftermath of the September 11th terrorist attacks, the Practice Directorate learned through consumer focus groups of an opportunity to engage in public education: helping people learn ways of building and maintaining their resilience. During 2002, the directorate developed and implemented a resilience initiative as the latest component of the APA public education campaign, Talk to Someone Who Can Help.

The directorate teamed with Discovery Health to coproduce a documentary, Aftermath: The Road to Resilience, that aired on the Discovery Health Channel. A videotape of the documentary and an APA brochure on resilience are among the resources included in a toolkit available to APA member psychologists who are interested in doing local community outreach.

More than 1,000 APA members requested toolkits between August 2002 and the end of the year, and more than 54,000 resilience brochures were distributed to consumers. A feature story about the Road to Resilience initiative ran in 276 weekly newspapers nationwide, reaching more than 15 million readers.
Advocacy and Public Policy

despite tight federal budget allocations, the
directorate’s Education Public Policy Office
and strong grassroots support succeeded in
gaining $4.5 million for the Graduate Psychology
Education Program in the U.S. Bureau of Health
Professions. The funding included a set-aside for
geropsychology training. In addition, APA Education
advocacy staff secured language that defined psychol-
gists as “health service psychologists” and listed psy-
chologists as “primary care providers” with the pas-
sage of the 2002 Safety Net bill. Finally, the Federal
Education Advocacy Coordinators group continued
its primary goal to expand its grassroots network by
recruiting psychology campus/training representatives
at all major institutions within its region.

The reauthorization of the Higher Education Act
was also a focus of advocacy efforts. Recommen-
dations for strengthening the Higher Education Act
to the House Education and the Workforce
Committee emphasized ways to infuse teacher
preparation with a greater focus on psychology
and the science of teaching and learning.

Introducing Psychology
as a Science and Profession

To follow on its earlier work of developing the under-
graduate learning goals and outcomes, the Board of
Educational Affairs (BEA) Task Force on
Undergraduate Psychology Major Competencies
completed a second phase of work resulting in a doc-
ument that articulates principles of best practice in
assessment. The companion document addresses
effective assessment strategies to promote student
learning and satisfy program evaluation needs.

The Committee of Psychology Teachers at
Community Colleges continued efforts at recruit-
ment through support of a bylaw amendment to cre-
ate a new category of membership for community
college teacher affiliates. Other initiatives included a
needs assessment survey.

Preparing Psychologists for Teaching,
Research, and Practice

The Graduate and Postgraduate Education and
Training Office continued to support initiatives,
including the national Preparing Future Faculty pro-
gram and the Association of Psychology Postdoctoral
and Internship Centers’ Competencies 2002
Conference. In addition, support was provided to the
Council of Chairs of Training Councils, the Council
of Specialties, and the Council of Credentialing
Organizations in Professional Psychology.

Two grants were completed in 2002. The first
demonstrated the feasibility of different graduate
department models for preparing future faculty
in psychology. The second provided guidance to under-
graduate and graduate student programs on service
learning and academic engagement in the community.

The Office of Continuing Education in Psychology
(CEP) offered 51 workshops at the 2002 APA Annual
Convention. The workshops covered 23 content areas
and were attended by more than 800 participants.
CEP also oversaw the administration of continuing
education credits for 53 selected convention sessions
and two additional symposia. Approximately 1,500
attendees obtained credit for one or more sessions.

Helping to Establish Psychology in
Schools, Schooling, and Education

The Center for Psychology in the Schools and
Education cohosted a two-day meeting with
Divisions 15, 16, and 17 to explore ways of creating a
unified coalition of psychologists who are interested
in psychology and education and who are working to influence public policy.

The BEA Technology Working Group presented its report *Technology Competencies for Psychology Students* at the 2002 APA Annual Convention. The summary, which included input from the 2001 Educational Leadership Conference, details general competencies that psychology students should have plus the contexts in which these competencies should be applied at all educational levels. Also, the Task Force on Psychology in Early Education and Care finalized its report (*Psychology’s Role in the Education and Care of Young Children*) that identifies priority areas for psychology to address, along with recommendations for strengthening high-quality early education and care for children ages two to five years.

The Healthy Lesbian, Gay, and Bisexual Students Project provided 12 presentations to school-based counseling, health, and mental health professionals on preventing health risks of and promoting healthy outcomes for lesbian, gay, bisexual, and questioning adolescents. The project also provided in-depth technical assistance to the Connecticut State Department of Education by way of training workshops for school counselors, nurses, psychologists, and social workers.

Through the efforts of the Center for Gifted Education Policy, psychologists may now earn continuing education credits by learning about gifted education and adolescents. Members are also benefiting from a new online newsletter, *Gifted Dialogue*, and an active LISTSERV with 250 participants worldwide. The center also continues work on two prototype programs: The Young Scholars’ Social Science Summit and the Pinnacle Project.

**Assuring Quality in Education and Training**

Office of Program Consultation and Accreditation staff held site-visitor training workshops throughout the year. During this reporting period, there were 839 accredited programs in professional psychology: 355 doctoral programs, 469 internship programs, and 15 postdoctoral residency programs. Over 75% of accredited programs opted to complete the annual report electronically in 2002, the first year of its availability online. Beginning with the 2003 annual report, all accredited programs will be required to submit their data through the Internet.

The Continuing Professional Education Committee, at its September 2002 meeting, approved 47 new organizations as sponsors of continuing professional education to add to the existing 720 APA-approved organizations. Additionally, the Sponsor Approval System began offering one-time course approval in August 2002. This is for organizations offering one-time programs (e.g., national or international conferences) that do not wish to pursue sponsor approval.■
The Public Interest Directorate (PI) continues to support and promote efforts to apply the science and profession of psychology to advance human welfare. Whether addressing issues of diversity, violence, or AIDS or responding to the association’s ongoing concerns with accessibility or ethnic minority recruitment, retention, and training, public interest concerns continue to offer psychology an opportunity to promote human welfare and shape a discipline that holds an important and effective place in the society it seeks to serve. The following summarizes the major initiatives launched in the various offices and programs of the PI.

**Children, Youth, and Families Office**

The Children, Youth, and Families Office (CYFO) coordinates activities around issues concerning children, youth, and families. Furthermore, the office supports and manages the work of the Committee on Children, Youth, and Families and the Task Force on Advertising and Children.

One of the office’s main projects for 2002 was the Healthy Adolescents Project funded by the Maternal and Child Health Bureau. The project included the development and dissemination of two publications: *Developing Adolescents: A Reference for Professionals* presents research-based information on what is known about the physical, cognitive, social, emotional, and behavioral development of adolescents and provides information to help professionals relate more effectively to young people; *Annotated Bibliography on the Implications of Interactive Media for Adolescents* is a compilation of information published since 1995 that examines the role of interactive media in the lives of adolescents, the impact of interactive media, and the uses of interactive media as an intervention or learning tool.

**Disability Issues in Psychology Office**

The Disability Issues in Psychology Office coordinates APA’s public interest activities in the area of disability. The office works toward eliminating bias against and promoting equitable treatment of people with disabilities in employment, education, and training and as consumers of services, such as mental health and health care.

In May 2002, APA and Division 22 (Rehabilitation Psychology) cosponsored the Bridging Gaps: Refining the Disability Research Agenda for Rehabilitation and the Social Sciences Conference. The conference brought together researchers, practitioners, and advocates to identify gaps in current disability and rehabilitation research applicable to practices, policy, and community interest in four areas of concern for people with disabilities: employment, well-being, community participation, and resource access.

**Executive Office**

The Board for the Advancement of Psychology in the Public Interest, with support from the W. K. Kellogg Foundation, sponsored a project that sought to enhance the capacity of professional psychology to promote and support community efforts that value diversity. In 2002, the Valuing Diversity Project completed the design and development of two important databases: (a) a database of promising strategies and (b) a database of relevant psychological literature. The databases are available through the PI Web site.
The *Valuing Diversity Project Final Report* is available through the PI Web site.

**Lesbian, Gay, and Bisexual Concerns Office**
The office continues to manage APA’s Healthy Lesbian, Gay, and Bisexual Students Project for the fourth year of a five-year cooperative agreement with the U.S. Centers for Disease Control and Prevention’s Division of Adolescent and School Health. The project is designed to increase the capacity of the nation’s schools to prevent health problems of lesbian, gay, and bisexual students. In addition, the office assisted the APA general counsel in filing an amicus brief in the U.S. Supreme Court. This brief reviewed psychological knowledge relevant to the question of the constitutionality of laws that prohibit certain types of sexual behavior only when practiced between members of the same sex.

**Office on Aging**
The Office on Aging collaborated with the Education Policy Office on the Graduate Training in Geropsychology Appropriations Initiative. The effort was launched with an APA congressional briefing entitled *Contributions of Geropsychologists to an Aging America*. Psychology was represented on key national efforts: the Policy Summit on Elder Abuse, the Suicide Prevention in Later Life Consensus Conference, the Health Resources and Services Administration’s Aging of America: Implications for the Healthy Workforce Symposium, and the State Health Lawmakers Digest: Policy, Research, and Practices to Inform the Decision-Making Process, focusing on mental health and aging.

**Office on AIDS**
During 2002, the APA Office on AIDS was awarded funding by the Center for Mental Health Services to expand the capabilities of the HIV Office for Psychology Education Program’s existing network of regional psychologist HIV/AIDS trainers. In addition, the Behavioral and Social Science Volunteer Program was awarded funding by the Centers for Disease Control and Prevention to continue APA’s national technical assistance program for health departments and community-based organizations involved in HIV prevention.

Accomplishments of the Ad Hoc Committee on End-of-Life Issues in 2002 include the following:

- Development and implementation of the first international conference dealing exclusively with psychological and psychosocial issues associated with end-of-life care;
- Development of a review article for journal publication on the role of psychologists in end-of-life care;
- Development, production, and dissemination of fact sheets on end-of-life care based on behavioral and social science research findings; and
- Development of a proposal to the Small Business Innovation Research Program of the National Institutes of Health to fund an Internet-based program for educating psychologists and other mental health providers about effective strategies for working with patients and families near the end of life.

**Office of 21Ethnic Minority Affairs**
The APA Office of Ethnic Minority Affairs (OEMA) seeks to expand the roles of culturally diverse peoples in the profession of psychology. During the past year, OEMA provided staff support to the Committee on Ethnic Minority Affairs; the Council of National Psychological Associations for the Advancement of Ethnic Minority Issues; the four-member Commission on Ethnic Minority Recruitment, Retention, and Training Task Force (CEMRRAT2), which is charged with overseeing the implementation of the 1997 APA-approved plan developed by the original 21-member CEMRRAT; and

In May 2002, APA and Division 22 (Rehabilitation Psychology) cosponsored the Bridging Gaps: Refining the Disability Research Agenda for Rehabilitation and the Social Sciences Conference.
the CEMRRAT2 Task Force Textbook Initiative Work Group. OEMA also administered several programs including: (a) the CEMRRAT implementation grants; (b) the APA/National Institute for General Medical Sciences (NIGMS) Project, which seeks to increase minority student participation in the biomedical areas of psychology on 14 campuses; and (c) the Psychology in Ethnic Minority Serving Institutions Initiative, including a small-grant program that supports research and training related to health disparities among ethnic minorities, which was funded by APA’s Science Directorate. OEMA also hosted a national conference that highlighted the successful activities and outcomes of the APA/NIGMS Project.

Public Interest Initiatives Office
The Public Interest Initiatives Office develops and directs collaborative cutting-edge projects that address all areas of the public interest. In collaboration with the National Association for the Education of Young Children (NAEYC), APA has developed the ACT (Adults and Children Together) Against Violence Project to raise awareness and educate adults about their important role in creating safe and healthy environments for children. The initiative has two components: (a) a national media campaign that includes TV and radio public service announcements, a Web site, a toll-free number, and billboards; and (b) a training program to prepare psychologists and other professionals to disseminate ACT messages and materials to adults in communities. The program is delivered at national workshops organized by APA and NAEYC and at local workshops conducted by ACT-trained professionals. The training program is now implemented in 17 states.

Women’s Program Office
Disseminating the proceedings and recommendations of the Summit on Women and Depression was a priority in 2002. Papers from the summit are appearing in several journals, and an edited volume on women and depression is in development. In a January 30, 2002, congressional briefing, Gwendolyn P. Keita spoke on the importance of mental health and the need to increase funding for services and research. With Public Policy Office staff, the Women’s Program Office developed language calling for funds to develop, implement, and evaluate interventions to prevent and treat depression in girls and women as part of a bill submitted by Senator Jeff Bingaman (D-NM). Follow-up to the February 2002 conference Enhancing Outcomes in Women’s Health included development of a revision to the Women’s Health Research Agenda.

Public Interest Public Policy Office
Highlights of 2002 initiatives include the following:

- Contributing legislative provisions favorable to psychology in such areas as disaster response, children’s mental health training, and domestic violence prevention;
- Recommending mental health reforms and perspectives to the president’s New Freedom Commission on Mental Health;
- Sponsoring congressional briefings highlighting Early Head Start, child-abuse prevention, and women’s mental health; and
- Advocating increased funding for key federal programs and alerting APA constituencies about various grant and job opportunities.
Office of Communications

During 2002, the Office of Communications expanded its knowledge dissemination through journals, books, the association’s abstracts service, and the Web site. These activities ensure continued access to essential scientific information on psychological theory, empirical research, and clinical practice for APA members and the public.

APA Journals
The APA Journals program publishes the majority of the premier journals in psychology. During 2002, APA Journals published 1,798 empirical and scholarly articles.

Ten special issues were produced in 2002, including “Interactions Among Scientists and Policymakers: Challenges and Opportunities” (American Psychologist), “Behavioral Medicine and Clinical Health Psychology” (Journal of Consulting and Clinical Psychology), and “Clinical Research in Psychopharmacology and Substance Abuse” (Experimental and Clinical Psychopharmacology).

APA’s Educational Publishing Foundation (EPF) began publication of three new quarterly titles: Psychotherapy: Theory/Research/Practice/Training (Division 29), as well as the American Journal of Orthopsychiatry and the Journal of Psychotherapy Integration. The EPF imprint is the fastest growing segment of the APA Journals program and now includes 15 titles.

Several more APA journals moved into the electronic “journals back office” (JBO) in 2002, so that they can now receive submissions and handle peer review over the Web. This transition will continue during 2003 with more APA journals. The goal is for all APA journals to be operating in the JBO in 2004.

APA Books
APA Books aims to produce publications that are anchored in scholarly knowledge, informed by empirical research, and translated into practical applications. APA Books released 55 books in 2002. Among the best-selling volumes were Bipolar Disorder: A Cognitive Therapy Approach; Treating Patients With Neuropsychological Disorders; Emotion-Focused Therapy; Coaching Clients to Work Through Their Feelings; Rethinking the DSM; The Writing Cure: How Expressive Writing Promotes Health and Emotional Well-Being; EMDR and the Paradigm Prism; and A Beginner’s Guide to the MCMI-III.


Eleven videotapes were produced—eight on behavioral health and health counseling and three versions of Reclaiming Hope…in a Changing World (originally televised nationwide on the Public Broadcasting System).
PsycINFO

The PsycINFO database, composed of abstracts of journal articles, books, book chapters, and dissertations from more than 1,800 periodicals worldwide, added 76,466 records during 2002, bringing the total to nearly 1.9 million. In addition, during 2002, staff digitized more than 7 million searchable references in more than 160,000 documents originally published between 2000 and 2002 and added 51,598 abstracts to the historical file (1872–1974).

PsycARTICLES contains the full text of 45 journals published by APA and allied organizations from 1988 to the present. In 2002, more than 2,000 full-text journal articles were added, bringing the total available to 30,000.

PsycFILE, a new Web site that offers strategies for obtaining information from APA products on the topics of human resources and industrial/organizational management, was unveiled during 2002. PsycINFO established new pricing discounts for organizations subscribing to both the abstract and the full-text databases. Organizations can now license PsycINFO through 11 vendors, 8 of which also offer the full-text PsycARTICLES database.

PsycNET: The APA Web Site

The APA Web site received more than one million hits per day in 2002, up from 700,000 per day in 2001. Development efforts in 2002 focused on analyzing site usage and providing customized information to site visitors.

Site visitors can now sign up to be notified by e-mail when journals become available online. They will receive a link to the journal’s table of contents, from which they can obtain the abstract for each article. Authorized users can then click to obtain the full text. Users can also better customize their searches of the Web site because of improvements to DocGen, the tool used to create and manage Web content. New tools have also been developed to track and report site usage.

Work is ongoing to integrate PsycNET with APA’s membership and financial systems to allow members to manage their accounts online.

Sales, Licensing, Marketing, and Exhibitions

APA’s Sales, Licensing, Marketing, and Exhibitions Department promoted various products aggressively.

Advertising placements for PsycINFO and PsycARTICLES were included in 32 outlets, netting 365,000 exposures. Direct mail campaigns for PsycINFO and PsycARTICLES targeted 30,000 decision-makers in U.S. and international libraries. Direct mail campaigns for APA Books reached more than 880,000 professionals, and promotions in APA periodicals and external publications resulted in 877,000 exposures. LifeTools and Magination Press books garnered attention in Parents Magazine, Publishers Weekly, the Washington Times, and the Dallas Morning News, among others.

APA journals were advertised in four subscription agent catalogs and in almost all APA periodicals. Some 40,000 catalogs, as well as minibrochures and flyers, were mailed to nonmembers, academic libraries, and medical libraries. APA’s publishing program was represented at more than 90 professional conferences.
The APA Service Center

The APA Service Center is the primary point of contact for the APA membership at large and thousands of other nonmember and business customers of the association’s products and services. Staff in the Service Center receive members’ calls and correspondence, maintain membership records, process dues payments, and handle subscription and book orders. In addition, the center helps to coordinate the annual dues and subscription renewal activities and the membership directory file. The Service Center can be reached at 202-336-5500, membership@apa.org (regarding membership), order@apa.org (for book orders), or subscriptions@apa.org (for subscription questions).

Membership Development Office

Membership Development Office staff manage membership research, recruitment, and retention initiatives identified by the Membership Committee. In 2002, a membership development fund underwrote a focus group of faculty, students, and early career psychologists; the dissemination of membership information at regional psychological association meetings and the National Multicultural Conference and Summit; collaborations with APAGS and the Ad Hoc Committee on Early Career Psychologists; and the development of additional membership recruitment materials.

APAGS

APAGS is APA’s largest continuing subcommittee and the largest organized group of graduate psychology students worldwide. As it enters its 15th anniversary year, APAGS will, for the first time, begin serving as a voting member of APA’s Council of Representatives and as a nonvoting member on the Board of Directors.

At the end of 2002, there were 59,700 APAGS members (graduate and undergraduate). Some APAGS 2002 highlights follow.

- APAGS Committee on Lesbian, Gay, Bisexual, and Transgender Concerns established a national mentoring program.
- APAGS increased student volunteer involvement at APA’s Annual Convention by launching the new APAGS Ambassador Program.
- The APAGS internship workbook underwent its fifth revision and has been transformed into an APA-published book to be released in July 2003. *Internships in Psychology: The APAGS Workbook for Writing Successful Applications and Finding the Right Match* (Williams-Nickelson & Prinstein, Eds.) will continue to provide doctoral-level psychology graduate students with the resources they need to successfully navigate the internship application process.
- Development continued for the APAGS Division Student Representative Network to support student division leaders through APAGS and to encourage division support of APAGS initiatives and activities.

Division Services Office

The Division Services Office provides centralized information and referral services on the activities of APA’s 53 divisions and serves as the administrative office for 27 APA divisions. The office also acts as an interface between APA and its divisions in all legal, structural, functional, and policy matters. Staff serve as liaisons to the Committee on Division/APA Relations (CODAPAR) and the Policy and Planning Board.

Of special note in 2002, four proposals were funded through CODAPAR’s Interdivisional Grant Program. The grants were distributed to the following:

- Feminist Visions and Diverse Voices: Leadership
and Collaboration 2002–2003 (Divisions 3, 5, 12, 13, 14, 17, 18, 25, 26, 32, 33, 35, 39, 42, 46, 47, 48, 49, and 55)—$2,000 awarded;

■ Integration of Hypnosis Training in PhD Programs (Divisions 17, 30, and 45)—$2,000 awarded;

■ Creating Shared Research and Professional Resources for Lesbian, Gay, Bisexual, and Transgender Research and Researchers Through the Gay, Lesbian, Bisexual, and Transgender Alliance for Social and Personality Psychology (Divisions 8, 9, and 44)—$2,000 awarded; and

■ Four collaborative projects (Divisions 17, 28, and 49)—$2,000 awarded.

Also in 2002, two prospective new divisions made significant headway in gathering the necessary signatures to take their petitions to the Council of Representatives. The areas are human–animal relations and trauma psychology.

Ethics Office
In August 2002, the Council of Representatives adopted a new ethics code. The complete text of the new ethics code appears in the December 2002 issue of the American Psychologist. The complete text can also be viewed online at http://www.apa.org/ethics. The January 2003 Monitor on Psychology provides an overview of changes from the 1992 “Ethical Principles of Psychologists and Code of Conduct”; additionally, a redline/strikeout comparison of the 1992 and 2002 versions of the ethics code can be found online at http://www.apa.org/ethics/codecompare.html. To revise the 1992 code, the Ethics Office established an interactive, Web-based program to collect and review member and public comments for the revision process. The office believes that this represents the first time a major mental health or health organization has used online technology to enable a broad spectrum of individuals to participate in the process of revising an ethics code. The office is currently developing a Web-based, continuing education program on the new code.

Also during 2002, the Ethics Office continued to expand and develop its educative and consultative programs. This past year, the office responded to several hundred questions from members and the public and offered in-depth consultation for complex ethical dilemmas. At convention, the office conducted a full-day continuing education workshop and supported the Ethics Committee in offering two symposia. The office successfully submitted several proposals for symposia at APA’s 2003 Annual Convention. The office conducted continuing education workshops for state psychological associations and provided speakers to graduate programs. The office supported the Ethics Committee, in partnership with APAGS, in offering the first annual graduate student writing prize in ethics and psychology. Finally, the office supported the Ethics Committee in its adjudicatory functions.

Office of Public Communications
The Office of Public Communications manages APA’s outreach to the news media and creates activities and materials that educate the public about the value of psychological research, findings, and interventions. Through its media-training program, the office prepares members and governance officials and senior staff to serve as spokespersons for the association and the discipline.

Garnering news coverage of articles published in APA journals and fast response to media requests for information are high priorities for the office. To speed this process, staff use a computerized media referral service that lists APA members willing to speak to the media. The database, with more than 2,000 APA members listed by their area of expertise, is an important media-relations tool and allows psychology and psychologists to be part of breaking news nationwide. Indeed, APA journal articles and APA members were quoted and reported on in major news outlets across the country.

Additionally, in the office’s Division of Editorial and
The Office of Public Communications manages APA’s outreach to the news media and creates activities and materials that educate the public about the value of psychological research, findings, and interventions.

Design Services, APA offices, directorates, and governance groups are provided with professional, in-house editing, design, production, and publications management. During the year, the division coordinated the production of about 150 publications and other communication projects.

Also produced within the Office of Public Communications, APA’s *Monitor on Psychology* covers emerging trends within psychology, provides service journalism for members, and reports the news of the association. The *Monitor on Psychology* is published 11 times a year and is distributed to all members of the association, institutional and individual subscribers, government officials, and members of the media.

**Research Office**

During the past year, the office analyzed data from the Doctorate Employment Survey, the Faculty Salary Survey, the Graduate Study in Psychology, and the Salaries in Psychology Survey. New data, graphs, and reports related to education, employment, and demographics have been placed on the Research Office’s Web site (http://research.apa.org). The office is developing a strong electronic survey capacity and is efficiently using new technology. Staff were involved with several electronic surveys of members, the new interassociation survey of intern applicants by APA and the Association of Psychology Postdoctoral and Internship Centers, convention surveys, and evaluation of graduate programs in neuroscience aimed at minorities (Summer Program in Neuroscience, Ethics, and Survival Skills), as well as in assisting other groups (e.g., the Committee on International Relations in Psychology, the Committee on Women in Psychology, OEMA, the Committee on Disability Issues in Psychology, the Education Directorate, the *Monitor on Psychology*, and the Membership Office) in a variety of data-collection efforts and filling many requests for demographic, employment, and education information.

**Archives and Library Services**

The APA Archives continued to help APA divisions develop usable and relevant archival programs. The archives Web site continued to be a valuable resource for the history of APA. Development began on a searchable historical governance database that will list all the members of APA governance groups since 1945.

The Arthur W. Melton Library continued to serve as the major research resource for the various research projects and activities of APA Central Office programs. The joint library–PsycINFO project to identify and add important books published between 1940 and 1985 to the PsycINFO database neared completion. A project to move to electronic journals rather than print journals was begun.

**Office of International Affairs**

Through the Office of International Affairs, APA maintains contact with more than 80 national psychological associations in other countries, facilitates the international exchange of scholars, and monitors international issues related to mental health. The office coordinates all of the association’s international activities, including APA’s representation at the United Nations and at major international meetings and congresses.

New projects for 2002 included collecting information to provide a clearinghouse for international book and journal donors and working with the American Psychological Foundation and the European Federation of Psychology Associations on naming the Wilhelm Wundt–William James Prize Committee.

The Office of International Affairs coordinated weeklong visits to APA by executive officers from the psychological societies of the United Kingdom and Australia. During the year, APA was visited by psychology scholars and students from Great Britain, Colombia, India, Singapore, Portugal, Moldava, Mongolia, Russia, Peru, Chile, and Dubai.
Relief, surprise, and joy were the emotions accompanying the news that I had won the election for 2002 APA president—relief that my extended election campaigning was really over, surprise that I had won on my first attempt because insiders had warned me not to expect to win my first time coming out of the blocks, and joy at having had the high honor of assuming this special leadership role bestowed on me by my many colleagues.

Several other strong affective reactions emerged when I walked into the APA boardroom and viewed its remarkable wall of fame. The photos of all of the APA presidents smiled down at me, from the earliest giants—G. Stanley Hall, William James, and John Dewey—to my mentors and research collaborators—Ernest Hilgard, Carl Hovland, Neal Miller, and Al Bandura—up to the many recently elected women and men representing the science, education, and practice of psychology.

Unlike former times, when the election to APA president was primarily an honorific status, in current times, the president has a great many obligations and almost daily commitments that require much work and a great deal of travel. Although the day-to-day operation of APA is ably handled by a remarkably effective central office staff (long headed by Ray Fowler and now by Norman Anderson in the role of CEO; along with Mike Honaker, chief operating officer; and others), there are many administrative duties the president must assume.

To do all that this new role required and all that I aspired to do meant freeing up time from teaching and empirical research to make it a full-time commitment for several years. Stanford University generously gave me a year’s leave with pay, and I supplemented the second year with my sabbatical leave. I anticipated the administrative side of the role with some dread because I hate administration, am not an organization person, and disdain the professional politics and turf wars that are part of most organizations. But as ye olde cognitive dissonance theory and another of my mentors, Leon Festinger, would have predicted, I came to love what I suffered for, especially enjoying facilitating APA council and APA board meetings and working closely with all of the APA staff.

What exactly does an APA president do? What are the demands, challenges, and opportunities of this special role?

**Presidential Tasks**

One of the most time-consuming but also the most rewarding parts of the job is attending APA and other psychology and science organization meetings. APA meetings I attended included the State Leadership Conference and the Education Leadership Conference. I also represented APA at the Council of Scientific Society Presidents (CSSP), two meetings of all leaders of scientific, mathematical, and technical societies, where psychology is the only social science represented. I was elected to CSSP’s 2003 board of directors.

I also gave invited lectures and workshops at the annual conventions of various state associations, including the New York State Psychological Association, the Hawaii Psychological Association, the
I was further honored during my year as president to give presentations at the International Association of Applied Psychology in Singapore, at the German Psychological Society in Berlin, and at the Mexican Psychological Society in Acapulco. I also gave presentations during my president-elect year at the European Congress of Psychology in London, the International Congress of Psychology in Stockholm, and the Society of Inter-American Psychology in Caracas.

I gave the keynote addresses at a National Institute on Disability and Rehabilitation Research special conference in association with APA in Washington, DC, and at the National Conference on Research Ethics in Anaheim, California, and delivered an invited address at the annual convention of the American Psychiatric Association in Philadelphia.

**Writing Monthly Presidential Columns for the Monitor on Psychology**
A most enjoyable task for me was preparing these compact essays on a host of topics, knowing in advance that they would not be rejected or accepted with major revisions by some heartless editorial reviewer. Readers reacted most positively to the columns that related to the psychology of terrorism (see the February and September 2002 issues of the *Monitor*), the synergy between teaching and research (see the April 2002 issue), a personal puzzling dream from my childhood (see the July/August 2002 issue), and a tale about my assorted disabilities (see the October 2002 issue).

**Directing New Presidential Initiatives**
The president is enabled to generate ideas for several initiatives that she or he feels are important for psychology and for APA. I have focused much energy on creating a Web-based compendium of research that demonstrates how psychology makes a significant difference in people's lives. The goal is to have available for public use this summary of research, theory, and methodology that have passed the test of relevant applicability. That is, they are being applied in specific, identifiable venues to enhance individual functioning and improve organizational effectiveness. This summary should be a source of pride for psychologists and a valuable resource for our students, the general public, the media, legislators, and other professionals. In response to requests for submissions that fit our criteria sent out on many LISTSERVS and published in the *Monitor*, several hundred items were submitted and vetted by Len Mitnick and me.

The next steps involve having this initial set of items evaluated by a task force of experts, expanding the base number of items, improving the search engine, developing a more user-friendly, readable narrative of the items, and then beta testing it all. Because of the potential utilization of this new resource by the public, this initiative has been placed within the Office of Public Communications, directed by Rhea Farberman. The task force is cochaired by Robert Bjork and David Myers, who will help direct the efforts of the members of this blue-ribbon set of experts.

The current compendium is accessible with a new, simpler descriptor, *psychology matters*, at www.psychologymatters.org.

**Special Challenges and Opportunities**
Although many common tasks face all APA presidents, unique challenges arise from the particular context of one's tenure that require modifications and adjustments, therefore presenting new opportunities for constructive change. My tenure was dramatically marked by the terrorist attacks of September 11, 2001; by the retirement of APA's CEO, Ray Fowler; by an unexpected budget crisis; by a challenge to the scientific integrity of the *American Psychologist*; and by the need to make our annual convention more vibrant and appealing to a broader constituency of members.
Terrorism
The surprise terrorist attacks against our nation mobilized me to be involved in a variety of ways in understanding the psychology of terrorism and developing means for treating victims of terrorist disasters and those who are first responders. I worked with a group of New York City therapists who were doing pro bono treatment (organized by Harry Wexler and Ellen McGrath) for survivors and the families of victims of the World Trade Center disaster. I met with Brooklyn Heights Station fire fighters, met with the head of mental health services for the New York City Fire Department, and toured the World Trade Center site with fire fighters. We honored these heroes at our convention, where I gave a presidential citation to one of them, Richard Murray, as part of a special opening ceremony event, which included showing dramatic photos from the NYC 911 Photo Project.

At the CSSP fall 2001 meeting a month after the terrorist attacks, I told President Bush’s science advisor, John Marburger, as well as Colin Powell’s science advisor, of the central roles that psychology plays in understanding and combating terrorism, urging them not to rely only on “hard science” and technology for ways to deal with the threats of terrorism. My input may have had some persuasive influence—Marburger later reported in a public speech that the social sciences were important contributors to the national effort in the war on terrorism.

In addition to writing several Monitor columns related to terrorism issues (see the November 2001, February 2002, and September 2002 issues), I published several op-ed-type essays in the San Francisco Chronicle (see the November 4, 2001, and December 30, 2001, issues) and the Stanford Weekly Report (see the September 26, 2001, issue). I also gave a keynote lecture on evil and terrorism at the Louisiana State University Health Sciences Center. For our members to better appreciate the complexities of terrorism, I organized four APA convention plenary sessions on themes directly related to terrorism. I also conferred with staff at the Central Intelligence Agency, the Federal Bureau of Investigation, and the Defense Advanced Research Projects Agency about possible research projects and helped found the National Center for Disaster Psychology and Terrorism (see www.ncdpt.org).

New Chief Executive Officer
Ray Fowler’s decision to retire a year earlier than planned forced us to rev up a comprehensive search for his replacement. To get input from as many constituencies as possible and to ensure fairness and transparency in the search process, an outside search firm did the interviewing and the assembling of nominations and candidate materials, all of which were diligently and sensitively evaluated by an outstanding search committee headed by Robert Sternberg and Carol Goodheart. Their unanimous choice—Norman Anderson—was also the APA Board of Director’s unanimous choice to lead APA into this new brave millennium.

Making the APA Convention Exciting and Fun
Did I enjoy playing a major role in all aspects of APA’s Chicago convention? Definitely! Working with the Board of Convention Affairs, we tried many new features: fewer days all in a single venue, with clusters of divisions organized to provide some new kinds of programming, a closing ceremony, and several evening programs to attract families. I enjoyed organizing the 10 presidential track speakers, the 18 plenary programs (where I selected the topics and arranged for the chairs and most of the invited
At the CSSP Science-Terrorism Briefing a month after the terrorist attacks, I told President Bush’s science advisor, John Marburger … of the central roles that psychology plays in understanding and combating terrorism….

speakers), the 2 evening programs (Daryl Bem doing amazing demonstrations of “mind reading” and Diane Halpern orchestrating an incredibly successful “Psychology Jeopardy”), and the opening and closing ceremonies (featuring comics from Chicago’s famed Second City performing new psychology skits that I helped develop with their script writers). Another hit was the new feature, “The Mentor Tradition,” where four famous psychologists were interviewed by their distinguished students, now also famous, in a program chaired by others of their famous students. I arranged many presentations by high-profile nonpsychologists, among them Studs Terkel, Gail Sheehy, Dean Ornish, Malcolm Gladwell, and Herbert Benson.

Making the American Psychologist Work Better
President Norine Johnson put me in charge of a task force on the structure and function of the American Psychologist. This task force was formed to address issues of the journal’s scientific integrity and publication lag. The recommendations of the task force appear in a special issue of the American Psychologist (see the March 2002 issue) and include providing clearer instructions to authors, as well as to the various editors involved, and an improved system for tracking manuscripts in the editorial process.

Making the APA Council of Representatives Work Better
I facilitated new members’ talking more and some old timers’ talking less, added an open microphone time during which nonagenda issues could be raised by anyone, encouraged the APA council to take more charge in developing new visions for APA and its governance (which has eventuated in a new Task Force on Governance), and introduced the “Changing Demographics” presentation to make members aware of the new look that is emerging in the composition of the United States. In addition, I strongly endorsed passage of the new ethics code revision (spearheaded by Celia Fisher), creation of a voting seat on the APA council and a nonvoting seat on the APA board for an American Psychological Association of Graduate Students representative, addition of the term education to APA’s mission statement, and proposals to increase representation on the APA council and all APA boards and committees.

Connecting to Congressional Representatives
It was more difficult than I had imagined to gain access to congressional leaders, who are extremely busy, constantly focused on fund raising, and often narrowly interested in specific legislation. Psychology has much to offer these political leaders on many fronts and by being available to assist them in their efforts, but most have not yet recognized the value that psychologists can add to their functioning. I did spend some quality time meeting with Senator Daniel Inouye (D-HI) and Representative Brian Baird (D-WA) and at several gatherings with Representative Ted Strickland (D-OH). APA Public Policy staffers arranged for meetings with the staffs of my California congressper-
sons—Diane Feinstein, Nancy Pelosi, Barbara Boxer, and Anna Eschoo—as well as with Condi Rice’s security advisors and some House Appropriations Committee staff. I was privileged to have breakfast with Senate and House Committee on Science deputies and their main staffers (arranged by CSSP). It was also enjoyable and informative to meet with the energetic and well-informed APA congressional fellows. Psychologists are not as involved in the political process as they might be and must be if they want congresspersons to be more responsive to their needs and values.

Supporting Existing APA Activities and Advancing New Ones

It is a critical high priority for APA to do whatever is necessary to retain current members and to recruit new members, while also creating new member categories. I have been part of the Task Force on Membership Retention and Recruitment, have pushed for its continuance with sufficient funding to meet its objectives, and have advocated for new member groups made up of high school and community college teachers, current psychology majors in Psi Chi, Psi Beta, and psychology clubs, as well as psychology majors alumni. I feel there is an unfortunate and unresolved debate focused around the master’s issue: The debate centers around contentions about how to label and define master’s-level state-licensed therapists, because they have not met the so-called gold standard of doctoral-level education. It has also been important to me to demonstrate greater unity between psychological science and practice, to encourage diversity of membership and leadership, to expand APA’s international relations, to greatly extend APA’s media connections and outreach, and finally to deal head-on with potential threats to the integrity of psychological science and practice posed by the anticipated flow of big money from major sources of external funding.

Promoting the Greater Unity of Science and Practice

I helped to develop an informational brochure, Painful Shyness, with supporting materials for therapists for Division 42 (Psychologists in Private Practice). It is distributed to public education sources and on the APA Web site (www.helping.apa.org/painfulshyness) as part of Division 42’s brochure project. This collaboration involved Lynne Henderson, director of the Shyness Institute that I founded 30 years ago, and Division 42’s Elaine Rodino.

Expanding the Diversity of APA’s Membership and Leadership

The gender representation of members has increasingly shifted as more women enter the profession of psychology, but there has not been a corresponding increase in their representation in leadership roles within APA and other psychology organizations. That change requires more extensive mentoring programs and other resources to
It is a critical high priority for APA to do whatever is necessary to retain current members and to recruit new members, while also creating new member categories.

attract and retain women into leadership roles. We are proud of the large number of our female colleagues who have successfully moved into top administrative positions in universities across the nation, in part because of the many skills and talents psychologists bring to such positions. That model should be extended to all domains of psychology.

Much more needs to be done to open the pipeline that fuels minority students into psychology courses, majors, graduate schools, and careers in psychology—from high school through every level. Within APA, more people of color are needed on the APA Council of Representatives, the APA Board of Directors, and other boards, task forces, and committees. Having Norman Anderson as the first person of color to be APA’s CEO is a first major step in the right direction. I have supported the work of the organizers of the National Multicultural Summit Conference, which is a beacon of promising light to so many minority students and faculty. This year the organizers obtained a grant from the American Psychological Foundation to support many minority student fellowships.

If we think broadly about the meaning of diversity, beyond gender and race, then the constrained boundaries of traditional psychology give way to incredible breadth and new perspectives by inclusion of those with disabilities, all sexual orientations, and more youth in governance roles. The content domains of psychology are expanding in amazing ways, with colleagues working at ever more refined microlevels within the brain and neurons, while at the other extreme, macro-oriented colleagues explore cultures and the entire life span. Just as my field of social psychology benefited enormously by the inclusion of psychologists who migrated from Europe and from urban minority backgrounds, all of psychology will benefit from a total openness to creative newcomers exporting interesting ideas from new venues.

Advocating for an Expanded International Psychology

As the globalization of psychology accelerates, a new view of a multination psychology is emerging. In earlier times, we “gave American psychology away” to colleagues in other nations. The time has come for psychologists in the United States to take back new knowledge being generated by those in other nations, along with vital messages based on their cultural wisdom. APA provides a model of an effective organizational structure and is in a position to provide many resources to help in the development of new national psychological organizations, while supporting the efforts of established organizations and those that foster international cooperation.

Finding New Ways to Give Psychology Away to the Media Gatekeepers

Although it has been fashionable to urge giving psychology away to the public, in reality the path must go through the media, which serve as our gatekeepers. Psychological knowledge does not go directly out to the public, but rather is transmitted through various media outlets. We have to do a much better job in reaching out to various media representatives to make them aware of the great stories psychologists have to tell, the wisdom about human nature psychologists can share, the excitement of research discoveries, and the effectiveness of psychological treatments.

For my part, I updated and revised the “Discovering Psychology” television series in 2001 to include new programs on cultural psychology, applied psychology, and cognitive neuroscience (as the host of these programs, I received an Educational Television Emmy award). I have been the NBC-TV psychological consultant (where I prepared a new pilot program entitled “Only Human,” advised on other programming, and consulted on a documentary about the Stanford Prison Experiment, to air in the summer of 2003). I also did interviews with NPR, BBC-TV, and Spiegel German TV; published op-ed essays; and for the
APA convention in Chicago, organized a town hall plenary session on the media and psychology featuring many different media specialists. My contributions have earned me Division 39’s Media Achievement Award and CSSP’s Carl Sagan Award for Promoting the Public Understanding and Appreciation of Science.

Fostering New Areas of Collaboration Between APA and the American Psychological Society (APS)
As a charter member of APS, I feel that some of the original justifications for its creation are not as strong today given relevant changes in APA. The officers of both organizations are currently exploring areas in which we can find common cause to work together for the good of psychology. One of those is promoting psychological science at the high school level through science fairs; another is contributing to the “psychology matters” research compendium on how psychology makes a significant difference.

Creating and Directing the New Board Task Force on External Funding
The final item in this catalog of my year in review may end up as my most important contribution to APA governance. APA’s integrity could be severely compromised by the possible flow of millions of dollars from big corporations into its budget. Big money can corrupt big time without safeguards and firewalls in place in advance of such a financial assault. I was distressed by my observations of the pervasive impact that pharmaceutical companies exercised at many levels during the recent convention of the American Psychiatric Association. If there were to be a similar “logoization” at our conventions, I am sure many members would find it intolerable and would abandon APA. Corporate funding can exert undue influences on psychology in a variety of ways.

The APA Board of Directors has empowered me to form a standing Board Task Force on External Funding that will help establish guidelines, standards, and procedures to prevent or minimize the potential negative impact on APA of anticipated high levels of funding by all corporate entities. This task force is chaired by Ronald Fox and Wendy Pachter and includes an array of experts. The APA Central Office and relevant directorates will support its efforts. Given APA’s current budget deficit, which increases our vulnerability to temptation, an ounce of prevention now will be worth a ton of regret and recrimination later.

Concluding Statement
I wish I had known earlier in my career how interesting and personally enriching it could be to spend several years in the APA presidential cycle (president-elect, president, past president). I would like to have run for the office when I was younger, had more energy, and was less conservative. So I encourage my colleagues to run young and not to wait until you are at the end of the line before putting your hat into the APA presidential ring. Aside from all the good you can do for our profession, you will benefit personally by all the new friends you will make in APA’s central office and from trips around the country and around the world. It is a wonderful, unforgettable experience that I will cherish forever.

As a total outsider to APA governance, never having been on the APA council and never having had any active role in a division or as a journal editor, I had to depend on the kindness of many former strangers, who have become good friends in the process, notably, Ray Fowler, Judy Strassburger, and Pat DeLeon, who took me under his broad mentor wings. I was also aided by becoming “a project” of APA Division 13 (Consulting Psychology), which helped me to improve my organizational leadership skills. Rodney Lowman and Sandra Foster began the training, but David Brewer carried it out up close and personal and pro bono for more than a year, for love of his profession and of APA. Thanks.
The 2001 loss was attributable to the economic challenges posed by the current recession in general and to the changing market environment for APA's electronic information products in particular (see the 2001 Treasurer's Report). The fiscal period just ended saw many pivotal events in the association's finances. Progress during 2002, as a transitional year, was modest: APA operations ended the year with a net loss of $1,309,300 after consideration of the $2 million allocation from the association's real estate investments. In the fall of 2002, however, APA laid the groundwork to position the association for a return to fiscal health in the years to come, including the following actions.

- Voluntary staff reduction plan—Salaries and benefits comprise roughly 40% of the association's annual expenses. To ensure balanced budgets in future years, as some of APA's current revenue-producing programs appeared destined for slower growth than in the past, we knew it would become necessary to reduce staffing. Management chose to implement a voluntary program giving staff the option to buy out of their employment or to choose early retirement (under terms comparable to benefits that would have applied under APA policy for involuntary reductions in force), to take unpaid leaves of absence during the latter half of 2002 and throughout 2003, or to reduce their hours worked each week through the end of 2003. The success of the voluntary staff reduction plan enabled APA to significantly reduce its salary expense for 2003.

- Expense reduction efforts—To minimize the deficit in 2002, APA reduced expenses by canceling the fall round of governance meetings, restricting the use of consultants, imposing limits on the use of overnight mail delivery, and reducing the quantity of printed newsletters, brochures, and other materials. Many of these expense reductions will carry forward into 2003 and beyond, as APA staff and governance learn to cope in leaner times and to take advantage of electronic communication in lieu of printed material.

- Buyout of the National Association of Social Workers (NASW) and Trammell Crow—Early in the year, the NASW expressed an interest in selling its 8% limited partnership interest in the 750 First Street building, while simultaneously renewing its lease for an additional 10 years through 2017 and using the proceeds of an installment sale to offset future rent payments. For APA, this offered an opportunity to purchase NASW’s interest with no current cash outlay. In September, APA completed the purchase of the NASW’s 8% partnership interest. APA also exercised its right to purchase the Trammell Crow Company’s 1% interest in the 10 G Street building. As a result of these two transactions, APA now owns 100% of both commercial office buildings it originally built with partners.

Refinancing of APA Real Estate

With interest rates at historic 40-year lows, 2002 seemed an ideal time to refinance APA's real estate holdings. Additionally, with full ownership by APA, a 501(c)(3) organization, it became feasible and desirable to finance a portion of the debt on the headquarters building with tax-exempt bonds.
The basic structure of the new financing is summarized below:

<table>
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<tr>
<th>750 First Street (Headquarters Building)</th>
<th>Amortization</th>
<th>Maturity</th>
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<tbody>
<tr>
<td>Bank of America (taxable bonds)</td>
<td>$30.9 million</td>
<td>6.21%</td>
</tr>
<tr>
<td>Bank of America (tax-exempt bonds)</td>
<td>21.1 million</td>
<td>4.34%</td>
</tr>
<tr>
<td>Series B Senior Secured Notes</td>
<td>25.0 million</td>
<td>7.76%</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>10 G Street (Investment Property)</th>
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<tbody>
<tr>
<td>John Hancock (conventional debt)</td>
<td>43.0 million</td>
<td>5.66%</td>
</tr>
</tbody>
</table>

“Overall blended rate” $120.0 million 6.01% — —

Note. APA has entered into an interest-rate-swap agreement with the Bank of America to fix the interest rates for taxable bonds and tax-exempt bonds at 6.21% and 4.34%, respectively.

* Series B Notes are interest only through July 2010 and principal and interest through July 2012.

Refinancing Highlights

- All new loans are subject to renegotiation in 10 years.
- The refinance enabled APA to structure financing of each building separately, making the 10 G Street loan a nonrecourse loan to APA; that is, the 10 G Street loan is backed by the building itself and not by APA as is the case with the APA 750 First Street headquarters building.
- APA created limited liability corporations to hold title to each of the properties.
- APA prepaid the Series A Senior Secured Notes, including a prepayment penalty.
- APA retained the Series B Senior Secured Notes ($25 million) because of the relative magnitude of the applicable prepayment penalty and the fact that the payments were interest only through July 2010.
- The refinance included an overborrow of approximately $24 million, which replenished APA’s working capital reserves for use over the next decade.

In summary, the refinance allowed APA to trade equity in its properties for increased liquidity and to simultaneously obtain a significantly lower blended interest rate of 6.01% versus the 7.61% blended rate on the 1995 debt. The longer amortization period increases annual cash flow substantially, while spreading the payment of the debt out over a longer period of time. In effect, with the longer amortization, APA has spread its debt obligations over an extended time frame with expense sharing by future generations of association members, while moderating the impact on current members.

Special note

The Finance Committee has recommended and the Board of Directors and Council of Representatives have concurred with the principle that some of the additional cash flow from the properties be earmarked for future pay down of the debt. The specifics of this principle will be formulated during the spring/summer meetings of 2003 and presented to the Council of Representatives in August for consideration and approval.
With interest rates at historic 40-year lows, 2002 seemed an ideal time to refinance APA’s real estate holdings.

Revenues (Table 1)

Membership dues and fees increased modestly over the previous year, reflecting the cost-of-living adjustment reviewed and voted on annually by the Council of Representatives. The numbers of fellows, members, and associates have stabilized, while affiliate membership has dropped slightly.

Journal subscription revenues also increased slightly, reflecting higher prices offsetting a 2.5% decline in the number of subscribers to print products, as the shift to electronic media continues. Publication sales increased over the previous year (and resulted in $1.6 million over the amount predicted in the 2002 budget) as revenues from the fifth edition of the Publication Manual of the American Psychological Association continued to exceed projections.

Royalties and licensing revenues rebounded in 2002 to $17.7 million. In 2001, licensing revenues were $13.5 million, an amount significantly lower than the 2001 budget estimate and a major cause of the 2001 deficit from operations. This improvement reflects a concerted effort by APA’s marketing staff to solidify and stabilize the product pricing and improve working relationships with third-party vendors/distributors. Additionally, APA is in the process of a transition toward recording licensing income on a cash basis. That is, records will reflect revenues only when APA actually receives payment. With these improvements, APA believes that the $18.1 million projection in royalties and licensing revenues for 2003 is attainable.

Expenses (Table 1)
The increased cost of salaries and benefits from 2001 to 2002 was primarily attributable to the costs associated with the fall 2002 implementation of the voluntary staff reduction plan described earlier and the retirement compensation paid to APA’s chief executive officer after 14 years of service. The full effect of savings from the voluntary staff reduction plan will occur in 2003 and future years. The decline in production cost is the direct result of fewer staff, fewer pages published, and a $500,000 asset adjustment based on APA’s December 31 actual inventory. The decline in board and committee expenses and other expenses is attributable to the cost-saving measures implemented during the year.

Net Loss From Operations (Table 1)
The net loss of $3.3 million from operations was offset in part by the $2 million in cash flow from the properties, leaving a real net loss of approximately $1.3 million. In 2003, APA’s goal calls for a modest profit from operations after recognizing $2 million in cash flow from the properties.

Balance Sheet
Cash and short-term investments at December 31, 2002, were up substantially over 2001 because of the $24 million overborrow, a key element of the refinancing of the two APA properties (see Table 2, Balance Sheet). As required under Financial Accounting Standard 124, the association must record the value of its long-term investments at current market prices, and the decline in the value of such investments reflects the decline in the stock market generally. The changes in land, buildings, and equipment reflect the November 15th transfer of the land, building, and the long-term debt* to the books of the limited liability corporations effective with the refinace. See Table 1.1 for a complete listing of all nonoperating items affecting APA’s stand-alone balance sheet. In accordance with generally accepted accounting principles (GAAP), the individual transactions that occurred as a part of the building refinancing transaction were classified as extraordinary items related to the loss on extinguishment of debt and accounted for in the current year. The first was the prepayment penalty ($10.2 million); the second was the write-off of unamortized deferred financing costs ($1.3 million). See also Table 1.2.

* This amount excludes the $25 million in Series B Senior Secured Notes, which were retained by APA.
### Table 1 • Income and Expense Statement

#### Operations

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dues and fees</td>
<td>$11,695</td>
<td>$11,498</td>
<td>$11,613</td>
<td>$11,808</td>
<td>$12,225</td>
</tr>
<tr>
<td>Special assessments</td>
<td>4,132</td>
<td>4,280</td>
<td>4,875</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Journal subscriptions</td>
<td>19,101</td>
<td>18,855</td>
<td>19,187</td>
<td>19,828</td>
<td>20,154</td>
</tr>
<tr>
<td>Royalties and licensing</td>
<td>10,343</td>
<td>12,385</td>
<td>14,302</td>
<td>13,588</td>
<td>17,716</td>
</tr>
<tr>
<td>Sales</td>
<td>7,921</td>
<td>7,550</td>
<td>7,912</td>
<td>11,093</td>
<td>12,335</td>
</tr>
<tr>
<td>Other</td>
<td>15,850</td>
<td>14,646</td>
<td>15,314</td>
<td>20,294</td>
<td>19,158</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$69,042</td>
<td>$69,214</td>
<td>$73,203</td>
<td>$76,611</td>
<td>$81,588</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>$26,885</td>
<td>$27,685</td>
<td>$29,309</td>
<td>$34,436</td>
<td>$38,278</td>
</tr>
<tr>
<td>Production costs</td>
<td>8,079</td>
<td>7,762</td>
<td>7,736</td>
<td>10,581</td>
<td>8,571</td>
</tr>
<tr>
<td>Space costs</td>
<td>5,875</td>
<td>6,421</td>
<td>6,487</td>
<td>6,725</td>
<td>7,641</td>
</tr>
<tr>
<td>Boards and committees</td>
<td>1,902</td>
<td>1,363</td>
<td>1,874</td>
<td>1,866</td>
<td>1,461</td>
</tr>
<tr>
<td>Consulting and contractual</td>
<td>6,311</td>
<td>6,473</td>
<td>8,507</td>
<td>7,939</td>
<td>8,406</td>
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<tr>
<td>Other</td>
<td>20,693</td>
<td>20,170</td>
<td>20,897</td>
<td>22,026</td>
<td>20,540</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>$69,745</td>
<td>$69,874</td>
<td>$74,810</td>
<td>$83,573</td>
<td>$84,897</td>
</tr>
<tr>
<td><strong>Net loss from operations</strong></td>
<td>($703)</td>
<td>($660)</td>
<td>($1,607)</td>
<td>($6,962)</td>
<td>($3,309)</td>
</tr>
<tr>
<td>Recognition of partnership cashflow</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>$1,000</td>
<td>$2,000</td>
</tr>
<tr>
<td><strong>Net loss from operations</strong></td>
<td>($703)</td>
<td>($660)</td>
<td>($1,607)</td>
<td>($5,962)</td>
<td>($1,309)</td>
</tr>
</tbody>
</table>

Note. In 2001, the American Psychological Association Practice Organization (APAPO) was created. Revenues and expenses associated with APAPO activities are included in the revenue and expenses for the years 1998–2000; they are not included in the 2001 or 2002 figures.

(All figures shown in thousands.)
Publication sales increased over the previous year as revenues from the fifth edition of the *Publication Manual of the American Psychological Association* continued to exceed projections.

### Table 1.1 • Nonoperating Activity

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Long-term investment activity:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain (loss) on sale</td>
<td>$1,224</td>
<td>$2,044</td>
<td>$1,580</td>
<td>($163)</td>
<td>($1,010)</td>
</tr>
<tr>
<td>Investment management fees</td>
<td>(235)</td>
<td>(258)</td>
<td>(318)</td>
<td>(311)</td>
<td>(303)</td>
</tr>
<tr>
<td>Unrealized gains (FASB 124)</td>
<td>1,464</td>
<td>1,735</td>
<td>5,021</td>
<td>(648)</td>
<td>(3,626)</td>
</tr>
<tr>
<td>Net long-term investment activity</td>
<td>$2,453</td>
<td>$3,521</td>
<td>$6,283</td>
<td>($1,122)</td>
<td>($4,939)</td>
</tr>
<tr>
<td><strong>Buildings and partnerships activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on loans</td>
<td>$701</td>
<td>$717</td>
<td>$733</td>
<td>$750</td>
<td>$644</td>
</tr>
<tr>
<td>Square 677 and 10 G Street operations</td>
<td>(2,676)</td>
<td>(1,482)</td>
<td>(934)</td>
<td>(642)</td>
<td>1,255</td>
</tr>
<tr>
<td>G Place and 750 First Street operations</td>
<td>550</td>
<td>1,213</td>
<td>1,493</td>
<td>1,918</td>
<td>(140)</td>
</tr>
<tr>
<td>NASW buyout</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(1,789)</td>
</tr>
<tr>
<td>Unrealized loss on interest-rate swap</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(2,709)</td>
</tr>
<tr>
<td>Interest expense—Series B Notes</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(485)</td>
</tr>
<tr>
<td>Income tax benefit</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>3,912</td>
</tr>
<tr>
<td>Deferred rent and real estate taxes and misc.</td>
<td>(348)</td>
<td>(73)</td>
<td>(121)</td>
<td>(100)</td>
<td>690</td>
</tr>
<tr>
<td>Net building and partnership activity</td>
<td>($1,773)</td>
<td>$375</td>
<td>$1,171</td>
<td>$1,926</td>
<td>$1,378</td>
</tr>
<tr>
<td><strong>Total nonoperating activity</strong></td>
<td>$680</td>
<td>$3,896</td>
<td>$7,454</td>
<td>$804</td>
<td>($3,561)</td>
</tr>
</tbody>
</table>

(All figures shown in thousands.)

### Table 1.2 • Extraordinary Items

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayment penalty</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>($10,167)</td>
</tr>
<tr>
<td>Writeoff of deferred financing costs</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(1,308)</td>
</tr>
<tr>
<td><strong>Total extraordinary items</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>($11,475)</td>
</tr>
</tbody>
</table>

(All figures shown in thousands.)
## Table 2 • Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and short-term investments</td>
<td>$13,276</td>
<td>$6,892</td>
<td>$5,464</td>
<td>$2,348</td>
<td>$25,549</td>
</tr>
<tr>
<td>Long-term investments</td>
<td>29,083</td>
<td>33,273</td>
<td>40,074</td>
<td>39,466</td>
<td>30,356</td>
</tr>
<tr>
<td>Land, buildings, and equipment*</td>
<td>122,943</td>
<td>120,458</td>
<td>115,335</td>
<td>110,861</td>
<td>4,912</td>
</tr>
<tr>
<td>Other</td>
<td>9,295</td>
<td>11,601</td>
<td>14,801</td>
<td>15,499</td>
<td>26,629</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$174,597</td>
<td>$172,224</td>
<td>$175,674</td>
<td>$168,174</td>
<td>$87,446</td>
</tr>
<tr>
<td><strong>Liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Divisions and other groups</td>
<td>$3,377</td>
<td>$3,589</td>
<td>$4,112</td>
<td>$3,988</td>
<td>$4,521</td>
</tr>
<tr>
<td>Long-term debt*</td>
<td>101,080</td>
<td>96,750</td>
<td>92,085</td>
<td>87,055</td>
<td>25,000</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>6,844</td>
<td>6,620</td>
<td>7,653</td>
<td>7,655</td>
<td>6,992</td>
</tr>
<tr>
<td>Deferred revenues</td>
<td>26,443</td>
<td>24,937</td>
<td>25,365</td>
<td>29,068</td>
<td>26,264</td>
</tr>
<tr>
<td>Deferred rent and real estate taxes</td>
<td>5,157</td>
<td>5,231</td>
<td>5,352</td>
<td>5,452</td>
<td>2,899</td>
</tr>
<tr>
<td>Other</td>
<td>1,315</td>
<td>1,480</td>
<td>1,643</td>
<td>1,650</td>
<td>1,221</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>$144,216</td>
<td>$138,607</td>
<td>$136,210</td>
<td>$134,868</td>
<td>$66,897</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>$30,381</td>
<td>$33,617</td>
<td>$39,464</td>
<td>$33,306</td>
<td>$20,549</td>
</tr>
</tbody>
</table>

### Net assets beginning balance

<table>
<thead>
<tr>
<th></th>
<th>$30,404</th>
<th>$30,381</th>
<th>$33,617</th>
<th>$39,464</th>
<th>$38,894</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations (see also Table 1)</td>
<td>(703)</td>
<td>(660)</td>
<td>(1,607)</td>
<td>(6,962)</td>
<td>(3,309)</td>
</tr>
<tr>
<td>Nonoperating items (see also Table 1.1)</td>
<td>680</td>
<td>3,896</td>
<td>7,454</td>
<td>804</td>
<td>(3,561)</td>
</tr>
<tr>
<td><strong>Subtotal net assets before restatements</strong></td>
<td>30,381</td>
<td>33,617</td>
<td>39,464</td>
<td>33,306</td>
<td>32,024</td>
</tr>
</tbody>
</table>

### Prior-year audit restatements:

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Income tax benefit (asset)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>1,965</td>
<td>—</td>
</tr>
<tr>
<td>Deferred revenue reversals</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>1,774</td>
<td>—</td>
</tr>
<tr>
<td>Deferred real estate tax expense reversal</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>1,849</td>
<td>—</td>
</tr>
</tbody>
</table>

### Extraordinary loss (see also Table 1.2)

|                  | $23    | $3,236 | $5,847 | $(570) | $(18,345) |

### Total change in net assets

|                  | $30,381 | $33,617 | $39,464 | $38,894 | $20,549 |

* Effective with the November 15, 2002, refinancing, the land, buildings, and long-term debt have been transferred to the books of the limited liability corporations (with the exception of the $25 million Series B Senior Secured Notes, which were retained by APA).


(All figures shown in thousands)
As compared to the other elements impacting our net worth (Table 1.1—operations and non-operating), the total extraordinary loss ($11.5 million) represents a substantial portion of the reduction in the association’s net worth in 2002 from $33 million (before prior year restatements) to $20 million. Improvements in the stock market, rising interest rates (which may result in a hypothetical “gain” on our interest rate swap agreement) plus the future return on our real estate investments should rapidly rebuild the association’s net worth in the coming years.

The Future—A Word of Caution
Although APA has restructured its long-term debt, reduced the cost of operations, and continued its efforts to expand its revenue base from nondues sources, we live in difficult economic times, with a great deal of uncertainty about the future state of the economy. As APA learned so painfully in 2001, adverse events in the national economy can and will affect APA. While APA has benefited enormously this past decade from property ownership, with 605,000 square feet of office space, two thirds of which APA leases to other organizations, APA still faces many inherent risks. A continued economic downturn may affect APA’s ability to lease space or may harm existing tenants, which could reduce the anticipated cash flow from the properties.

APA is well positioned for the future if it exercises the discipline necessary to live within its financial means and maintains sufficient reserves to protect itself from unexpected financial adversities. Such discipline will require balanced budgets, rather than the deficit spending of the past several years. Your Finance Committee is committed to such policies and has made and will continue to make specific recommendations to the Board of Directors and Council of Representatives toward that end. If we fail to do so, the future of the association will be in jeopardy. ☐

APA is well positioned for the future if it exercises the discipline necessary to live within its financial means and maintains sufficient reserves to protect itself from unexpected financial adversities.

2002 Finance Committee Members
Gerald P. Koocher, PhD, Chair
Sandra R. Harris, PhD, Vice-Chair
Sharon S. Brehm, PhD
Paul L. Craig, PhD
Mark B. Peterson, EdD
Nina K. Thomas, PhD
Cheryl B. Travis, PhD