

**Program Chair Report for the
JANUARY 2008 ANNUAL MEETING OF THE
AMERICAN FINANCE ASSOCIATION**

New Orleans, LA

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December 10, 2007

I would like to express my sincere appreciation to the 46 program committee members for their collegiality and good judgment. I am also grateful to David Pyle for his help and patience, as well as to my predecessor, Ken French, who passed on a lot of useful advice. Thanks too to Sam Hanson, who helped me to sort through piles of abstracts. Finally, I owe an enormous debt to Ann Richards of the Harvard economics department for her hard work, thoughtfulness and dedication throughout the entire process.

Summary

We received 1239 submissions for this year's program, 5.6% more than last year's record of 1173. I screened out 56 of these because they were already accepted for the Western Finance Association meetings, and 5 others because they were duplicates or obviously inappropriate. The remaining 1178 papers were allocated to the session chairs. From these, the program committee accepted 159 papers. Our acceptance rate has been falling over the last several years and now stands at 12.8%, comparable to some of the top journals in the field. Getting a paper on the AFA program has clearly become an extremely competitive proposition.

The Program Selection Process

The deadline for submissions was March 15, 2007. David Pyle, the AFA Secretary/Treasurer, announced the call for papers at last year's conference, on the AFA web site, and in the *Journal of Finance*. As in recent years, the vast majority of submissions were made in the 48 hours before the deadline.

The ASSA allotted 45 sessions to the AFA this year. We also shared a session with the Association of Financial Economists (AFE), which was organized by Kose John, and to which I was able to direct 18 submissions. Thus, including this joint session, I effectively had a total of 46 sessions to fill.

In early January, I recruited 40 individuals (this includes Kose) to serve as session chairs, and virtually everybody I asked quickly accepted. I left the remaining six sessions open, so that I could tinker with the makeup of the program committee in late March, after having had a chance to review the submissions. I am especially thankful to the six colleagues who graciously agreed to help on such short notice.

Table 1 shows the session chairs, their affiliations, their session titles, and the number of papers handled and accepted by each. Altogether, 30 institutions are represented, with four session chairs each from Northwestern and NYU, three each from Chicago and HBS, and two each from MIT, Stanford, UCLA, Duke, Illinois, and LBS. I made a conscious effort to avoid enlisting people who were session chairs in either 2006 or 2007. However, I did not make this an absolute rule, and allowed for a couple of exceptions in cases where I thought a particular person would be especially helpful.

I left it up to the individual session chairs to decide whether to include three papers or four in their sessions. As can be seen from Table 1, the resulting split was roughly equal across the two options, with 25 sessions having three papers, and 21 sessions having four.

After each paper is submitted, the SSRN staff reviews it and confirms that it is complete before releasing it to the program chair. Because of the bottleneck created by the avalanche of last-minute submissions, it took roughly a week from the March 15 deadline for all of the papers to be made available to me. I was then able to allocate them all to the session chairs—as well as to bring on the last six session chairs—by March 28. From this point, I asked the session chairs for a relatively fast turnaround. In particular, I asked that they complete their sessions and select discussants by April 20. Remarkably, every single session chair hit the deadline, with almost no further prodding on my part. Given the number of other demands on their time, this speaks volumes about the shared level of commitment in our profession to this activity. It was really something to see this all firsthand, and I am very, very grateful to everybody involved for making my part of the job so painless.

Submissions

The total number of submissions for the 2008 program was 1239. This compares with 1173 in 2007, 1087 in 2006, 880 in 2004 and 700 in 2002. Thus there has been an increase of 77% in submissions over the last six years. The AFA's allocation of sessions from the ASSA has not kept pace. Including joint sessions, our allocation increased by only 18% over the same period, from 39 in 2002 to 46 this year. As a result, competition for slots on the program has become intense. The acceptance rate, which was 16.6% in 2002, was only 12.8% this year.

In this regard, a piece of good news is that the ASSA has approved the addition of 9 additional sessions to our quota, beginning with the 2009 meeting. This will increase our total number of sessions (including the joint session with the AFE) to 55, and should help to bump up the acceptance rate. Thanks are due to David Pyle, whose patient and effective advocacy no doubt played a large role in bringing about this reallocation of resources.

At the time of submission, authors are required to place their paper into one of 13 subfield categories. These categories, which I designated ahead of time, range from the very broad (asset pricing, corporate finance) to the more specific (venture capital and private equity, financial econometrics). Table 2 provides a breakdown of the submissions across these 13 categories. Although far from definitive, this data provides an interesting perspective on the allocation of research attention within the profession. For example, one of the hottest categories this year is

clearly corporate governance and executive compensation, which attracted 163 submissions, or about 13.2% of the total.

SSRN Conference Management System

This was the third year that we used the SSRN Conference Management System to manage our submission and review process. My predecessors Rick Green and Ken French, along with David Pyle, have spent a lot of time working with the SSRN staff, and their investment has yielded a number of improvements. The SSRN staff was also extremely helpful to me, and highly responsive to my ongoing questions and concerns. Nevertheless, there still remain a few areas in which things did not function as smoothly as one might ideally like.

One overarching issue is that the SSRN system is quite complicated, and designed to handle many more tasks and functionalities than our program requires. Learning how to deal with all of the available options—effectively, learning which buttons not to push—is not conceptually complicated, but requires some investment of time, particularly since many of those working with the conference system (both program chair and session chairs) are doing so for the first time. A more streamlined version of the system would be a better fit for our needs.

Another problem that arose this year is that the SSRN servers were badly overloaded during the week or so that I had to do the allocation of papers to session chairs. Apparently this was because of some upgrading work that was being done at SSRN during this period. In any case, there were times when it took 20-30 minutes for pages to load on my computer, which, until I learned to work around it, was a source of some frustration. However, my understanding is that this is a one-time issue that has been fully resolved.

I heard a handful of complaints from colleagues who had a difficult time submitting their papers via the SSRN system. It is not entirely clear to me whether these problems reflected their own inexperience with the system, server overcrowding, or both. It is also not clear to me whether the problems were relatively isolated, or part of a more widespread pattern. This question bears further investigation, since even small inefficiencies at the submission point multiply up to big costs imposed on our membership, given the large number of submissions. So if any members have any feedback in this regard, please email me.

The session chairs for the most part seemed to navigate the SSRN system without any major difficulties. In order to make life easier for those who were less comfortable with the system, I gave them the option of emailing me their selections and discussants, rather than trying to enter this information into the system themselves.

Finally, we had a few misadventures with the system's mass emailing functions. For example, in one case an email intended for a set of authors of accepted papers were sent to authors of all (including rejected) papers, which caused some confusion and embarrassment. It was never completely clear to me whether these problems were the result of user error (in the above example, a session chair), or some kind of a bug in the SSRN system. However, even the former possibility underscores the fact that the system is probably unnecessarily complicated for first-time users who don't intend to read the manual.

TABLE 1 - Session Chairs, Affiliations, and Number of Papers

Session Chair	Affiliation	Session Title	# Papers Submitted	# Papers Accepted	% Accepted
Viral Acharya	LBS	Bank Capital Requirements and the Business Cycle	27	4	14.81%
Heitor Almeida	NYU	Private Security Issuance and the Going Private Decision	29	4	13.79%
Malcolm Baker	HBS	Market Timing and Corporate Finance	29	4	13.79%
Ravi Bansal	Duke	Risks and Risk Compensation in Asset Markets	31	4	12.90%
David Bates	University of Iowa	Options	34	4	11.76%
Geert Bekaert	Columbia	International Stock Markets	34	4	11.76%
Allen Berger	Federal Reserve Board	Bank Risk	31	4	12.90%
Nittai Bergman	MIT	Corporate Liquidity	22	3	13.64%
Antonio Bernardo	UCLA	Corporate Bankruptcy and Financial Distress	23	3	13.04%
Marianne Bertrand	University of Chicago	Politics and Firms	28	3	10.71%
Hendrik Bessembinder	University of Utah	Market Making	30	4	13.33%
Markus Brunnermeier	Princeton	Household Finance	22	3	13.64%
Murillo Campello	University of Illinois	Trends in Empirical Capital Structure	21	4	19.05%
Tarun Chordia	Emory	Insider Trading, Arbitrage and Trader Identity	29	3	10.34%
Francesca Cornelli	LBS	IPOs	24	3	12.50%
Alexander Dyck	University of Toronto	Corporate Governance	25	3	12.00%
Andrea Eisfeldt	Northwestern	Financing Investment	29	3	10.34%
Robert Goldstein	University of Minnesota	Credit Risk	27	3	11.11%
Mark Grinblatt	UCLA	Mutual Funds	23	3	13.04%
Peter Henry	Stanford	International Finance, Domestic Politics, and Access to Credit	25	4	16.00%
Jennifer Huang	University of Texas	Volume and Liquidity	25	3	12.00%
Ravi Jagannathan	Northwestern	Stock Returns and the Economy	23	4	17.39%
Dirk Jenter	MIT	Executive Compensation	25	3	12.00%
Kose John	NYU	Dividends	18	4	22.22%

Marcin Kacperczyk	UBC	Information Flows in Institutional Portfolios	23	3	13.04%
Steven Kaplan	University of Chicago	CEO Pay: Design, Incentives and Outcomes	27	3	11.11%
Jonathan Lewellen	Dartmouth	Technology, Skewness and Stock Returns	26	3	11.54%
Oguzhan Ozbas	USC	The Role of Financial Advisors and Learning in Mergers	29	3	10.34%
Christine Parlour	Berkeley	Information and Trade	22	3	13.64%
Lasse Pedersen	NYU	Price (De-)Stabilizing Short Selling	23	4	17.39%
Christopher Polk	LSE	Understanding Investor Preferences	23	3	13.04%
Tarun Ramadorai	Oxford	Investing in Hedge Funds and Hedge Fund Investments	23	3	13.04%
Joshua Rauh	University of Chicago	Financial Structure	21	3	14.29%
Paola Sapienza	Northwestern	Managerial Characteristics, Biases, and Corporate Decisions	22	3	13.64%
Anna Scherbina	HBS	Mispricing and Limits to Arbitrage	29	4	13.79%
Anil Shivdasani	UNC	Corporate Fraud	24	3	12.50%
Kenneth Singleton	Stanford	Bond Risk Premiums	23	3	13.04%
Philip Strahan	Boston College	Banking & Relationship Lending	25	3	12.00%
Per Strömberg	SIFR	Venture Capital and Private Equity	31	4	12.90%
Rossen Valkanov	UCSD	Predictability in the Stock, Bond, and Options Markets	28	4	14.29%
Laura Veldkamp	NYU	Information Frictions and International Finance	18	4	22.22%
Luis Viceira	HBS	Portfolio Choice	28	4	14.29%
Annette Vissing-Jorgensen	Northwestern	Empirical Asset Pricing in the Cross-Section and Time Series	25	3	12.00%
Jessica Wachter	Wharton	Advances in Portfolio Theory	22	4	18.18%
Michael Weisbach	University of Illinois	Proxy Voting, Privatization and Boards of Directors	30	4	13.33%
Rebecca Zarutskie	Duke	Which CEOs Matter and When?	22	3	13.64%
		papers on WFA program	56		
		duplicates & other	5		
		Total	<u>1239</u>	<u>159</u>	12.83%

TABLE 2 - Papers by Category Chosen at Time of Submission

1. Asset Pricing	221	17.8%
2. Banking	53	4.3%
3. Behavioral Finance	80	6.5%
4. Corporate Finance	290	23.4%
5. Corp. Governance and Executive Compensation	163	13.2%
6. Derivatives	43	3.5%
7. Financial Econometrics	29	2.3%
8. Fixed Income	42	3.4%
9. International Finance	68	5.5%
10. Liquidity and Market Microstructure	95	7.7%
11. Mutual Funds and Hedge Funds	76	6.1%
12. Portfolio Choice	47	3.8%
13. Venture Capital and Private Equity	32	2.6%
Total	<u><u>1239</u></u>	100.0%