

SOCIETY FOR FINANCIAL STUDIES

SFS Financial and Policy Report 2014

Craig W. Holden

SFS Secretary-Treasurer

SOCIETY FOR FINANCIAL STUDIES

Overview

- SFS is in excellent financial condition
 - \$5.1 million in assets and \$0 liabilities
- In 2013, we generated:
 - \$320K profit from our journals
 - \$57K loss from our conference
 - \$405K profit from other, including strong investment returns

SFS Balance Sheets

ASSETS					
	End of 2010	End of 2011	End of 2012	End of 2013	May 2014
Bank Funds					
Checking	\$437,182	\$686,930	\$924,204	\$459,711	\$519,040
Savings	\$15,000	\$15,000	\$0	\$600,626	\$600,875
Total Bank Funds	\$452,182	\$701,930	\$924,204	\$1,060,337	\$1,119,915
Investments (at Market Value)					
Short-term Money Market Fund	\$606,538	\$606,599	\$0	\$0	\$0
Long-term US Gov Bonds	\$895,288	\$965,814	\$991,798	\$0	\$0
US S&P 500 Stock Index Fund	\$1,219,994	\$1,245,136	\$1,419,622	\$1,409,161	\$1,463,980
Developed Countries Stock Index Fund	\$0	\$0	\$607,854	\$1,338,740	\$1,381,393
Emerging Countries Stock Index Fund	\$0	\$0	\$0	\$1,077,201	\$1,113,371
Total Investments	\$2,721,820	\$2,817,549	\$3,019,274	\$3,825,102	\$3,958,744
TOTAL ASSETS	\$3,174,002	\$3,519,479	\$3,943,478	\$4,885,439	\$5,078,659
LIABILITIES	\$0	\$0	\$0	\$0	\$0*
SURPLUS (= EQUITY)	\$3,174,002	\$3,519,479	\$3,943,478	\$4,885,439	\$5,078,659
Arthur Warga Endowment (Part of Invest.)	\$0	\$0	\$0	\$23,407	\$24,788
* \$118,329 in Banked Referee Fees is not currently recognized					

SFS Income Statement

REVENUE	2013	EXPENSES	2013	NET INCOME
Journals		Journals		
Submission Revenue	\$279,765	Referee fees	\$114,940	
Income from Oxford	\$366,071	Submission Refunds	\$17,620	
		Copy Editor fees	\$12,992	
		Journal Awards Amounts	\$52,099	
		Journal Award Plaques and T-shirts	\$6,151	
		Council and Editor Dinner	\$4,271	
Total Journals	\$645,836	Total Journals	\$208,073	\$437,763*
Conference		Conference		
Cavalcade Submission	\$14,278	Cavalcade Travel	\$2,906	
Cavalcade Registration	\$25,320	Cavalcade Best Paper Awards	\$666	
		Cavalcade Reception	\$10,445	
		Cavalcade Misc. Expenses	\$2,163	
		Cavalcade Food and Transportation	\$80,298	
Total Conference	\$39,598	Total Conference	\$96,478	(\$56,880)
SFS Support		SFS Support		
Sponsorship	\$68,000	Professional fees	\$128,552	
Interest on Savings	\$677	Payroll IRS/NC Payments	\$17,078	
Investment Gains	\$517,707	Texas Finance Festival	\$15,000	
Other Income	\$1,920	Merchant Service and Bank Fees	\$14,385	
		Other Expenses	\$8,775	
Total SFS Support	\$588,304	Total SFS Support	\$183,790	\$404,514
TOTAL REVENUE	\$1,273,738	TOTAL EXPENSES	\$488,341	\$785,397
		NET INCOME	\$785,397	

* \$118,329 in Banked Referee Fees is not currently recognized

2014 Financial Notes

- Standard caveat: Strong investment returns in 2013, does not guarantee 2014 performance
- 2014 Cavalcade is forecast run a \$8K profit
- Developed a business model for the Cavalcade
→ will always be profitable at any scale

Comparison of Major Conferences

Acceptance Rate at Major Finance Conferences

Conference	Submissions	Program	Acceptance Rate
Cavalcade 2012	367	40	10.9%
Cavalcade 2013	461	71	15.4%
Cavalcade 2014	653	75	11.5%
EFA 2013	1,713	240	14.0%
EFA 2014	1,793		
WFA 2013	1,521	144	9.5%
WFA 2014	1,667	144	8.6%
AFA 2013	1,548	185	12.0%

- The 2014 Cavalcade has a lower acceptance rate than the AFA and EFA!

Policy Updates

- Upon acceptance, Oxford now:
 - Publishes the manuscript online immediately with a permanent web address – citations start counting
 - Then publishes the copy-edited, typeset version when available
- Adds MathJax to the HTML version of an article
 - ➔ equations will scale from 4” to 30” screens
- We switched the Oxford commission from a % of “notional income” to a % of actual profits

The Long-run Forecast

SFS Subscription Income: Online vs. Print

