

SOCIETY FOR FINANCIAL STUDIES

SFS Financial and Policy Report 2016

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Available online at sfs.org

SOCIETY FOR FINANCIAL STUDIES

SFS Balance Sheet

Bank Funds	End of 2012	End of 2013	End of 2014	End of 2015
Checking	\$924,204	\$459,711	\$197,479	\$317,083
Savings	\$0	\$600,626	\$601,278	\$601,792
Total Bank Funds	\$924,204	\$1,060,337	\$798,757	\$918,875
Investments (at Market Value)				
Short-term Money Market Fund	\$0	\$0	\$0	\$0
Long-term US Gov Bonds	\$991,798	\$0	\$0	\$0
US S&P 500 Stock Index Fund	\$1,419,622	\$1,409,161	\$1,611,000	\$1,631,557
Developed Countries Stock Index Fund	\$607,854	\$1,338,740	\$1,306,755	\$1,344,728
Emerging Countries Stock Index Fund	\$0	\$1,077,201	\$1,278,805	\$1,142,382
Total Investments	\$3,019,274	\$3,825,102	\$4,196,560	\$4,118,667
TOTAL ASSETS	\$3,943,478	\$4,885,439	\$4,995,317	\$5,037,542
LIABILITIES	\$145,980	\$241,460	\$325,160	\$389,110
SURPLUS	\$3,797,498	\$4,643,979	\$4,670,157	\$4,648,432
Arthur Warga Endowment (Part of Invest.)	\$0	\$23,407	\$29,365	\$28,676

SFS Income Statement

REVENUE	2013	2014	2015
Journals			
Submission Revenue	\$279,765	\$291,290	\$304,050
Income from Oxford	\$366,071	\$419,915	\$437,778
Total Journals	\$645,836	\$711,205	\$741,828
Conference			
Cavalcade Submission	\$14,278	\$37,150	\$42,200
Cavalcade Registration	\$25,320	\$27,905	\$29,035
Total Conference	\$39,598	\$65,055	\$71,235
SFS Support			
Sponsorship	\$68,000	\$5,550	\$36,000
Interest on Savings	\$677	\$1,601	\$514
Investment Gains	\$517,707	\$113,147	(\$217,082)
Other Income	\$1,920	\$84	\$0
Total SFS Support	\$588,304	\$120,382	(\$180,568)
TOTAL REVENUE	\$1,273,738	\$896,642	\$632,495
Journal Profit	\$330,283	\$296,984	\$369,523
Conference Profit	(\$56,880)	\$22,418	\$28,805
SFS Support Profit	\$404,514	(\$208,585)	(\$435,411)
NET INCOME	\$677,917	\$110,818	(\$37,084)

EXPENSES	2013	2014	2015
Journals			
Paid Referee Fees	\$114,940	\$204,560	\$193,390
Change in Banked Referee Fees	\$95,480	\$83,700	\$63,950
Submission Refunds	\$17,620	\$16,780	\$15,860
Editorial Express	\$12,000	\$12,000	\$14,000
Copy Editor fees	\$12,992	\$25,574	\$17,213
Journal Award Amounts	\$52,099	\$53,000	\$53,000
Journal Award Plaques and T-shirts	\$6,151	\$8,794	\$8,002
Council and Editors Dinner and Misc.	\$4,271	\$9,813	\$6,890
Total Journals	\$315,553	\$414,221	\$372,305
Conference			
Cavalcade Travel	\$2,906	\$1,397	\$1,561
Cavalcade Best Paper Awards	\$666	\$4,033	\$3,300
Cavalcade Misc. Expenses	\$2,163	\$15,823	\$4,072
Cavalcade Food and Transportation	\$90,743	\$21,384	\$33,497
Total Conference	\$96,478	\$42,637	\$42,430
SFS Support			
Professional Fees	\$128,552	\$257,498	\$135,522
Payroll IRS/NC Payments	\$17,078	\$29,520	\$48,983
Support of Other SFS Conferences	\$15,000	\$15,000	\$25,993
Merchant Service and Bank Fees	\$14,385	\$14,558	\$16,599
Other Expenses	\$8,775	\$12,391	\$27,747
Total SFS Support	\$183,790	\$328,967	\$254,843
TOTAL EXPENSES	\$595,821	\$785,824	\$669,579
NET INCOME	\$677,917	\$110,818	(\$37,084)

Returns of Underlying SFS Investments

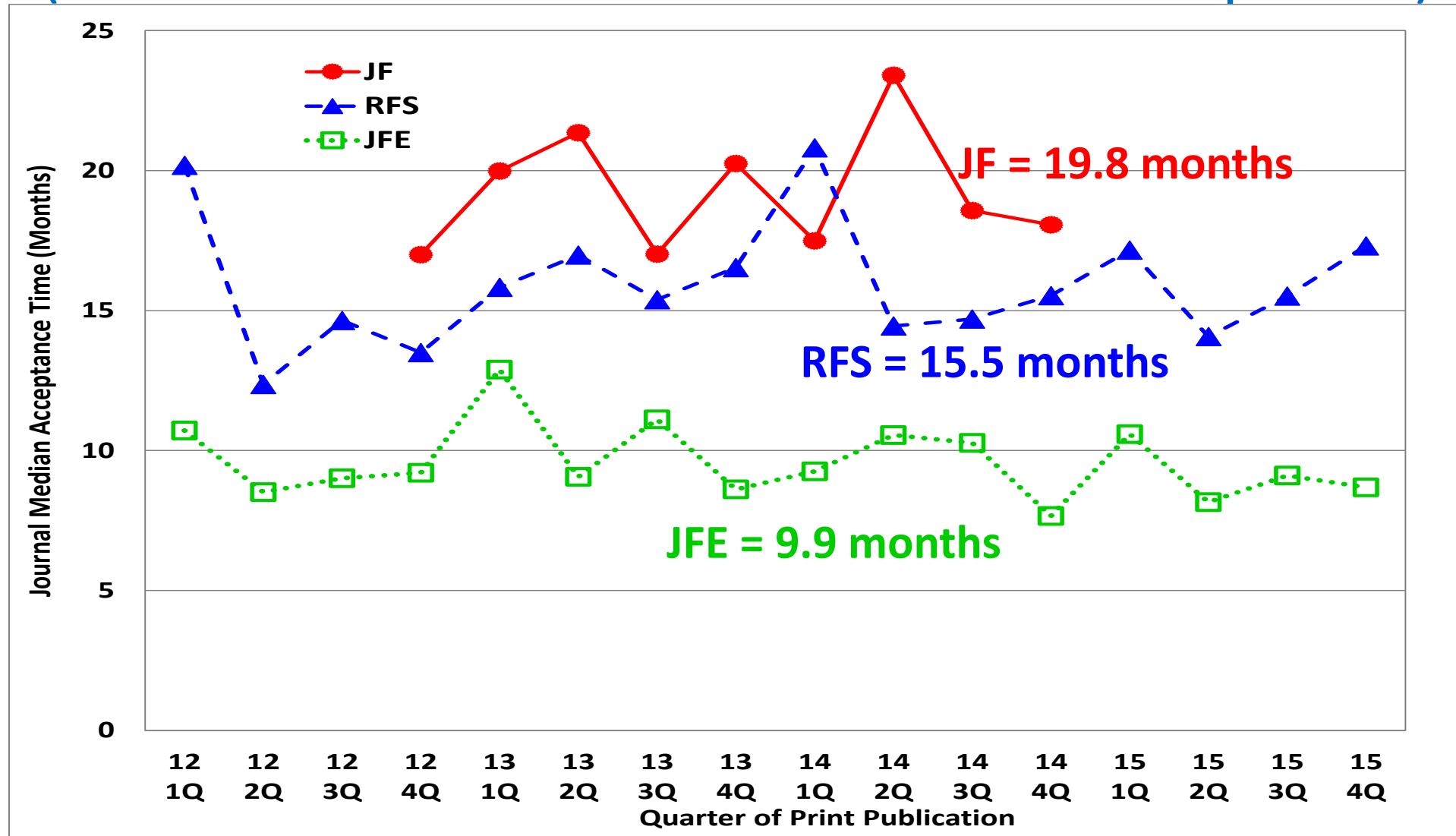
Investment	End of 2012	End of 2013	End of 2014	End of 2015	Fee	10 Year Return
Index Fund Prices						
US S&P 500 Stock Index Fund (FUSVX)	\$50.49	\$65.49	\$72.85	\$71.80		
Developed Countries Stock Index (FSIVX)	\$34.28	\$40.67	\$37.22	\$35.93		
Emerging Countries Stock Index (FPMAX)	\$10.15	\$9.56	\$9.41	\$7.72		
Capital Gain Returns						
US S&P 500 Stock Index Fund (FUSVX)		29.71%	11.24%	-1.44%	0.07%	6.41%
Developed Countries Stock Index (FSIVX)		18.64%	-8.48%	-3.47%	0.17%	1.62%
Emerging Countries Stock Index (FPMAX)		-5.81%	-1.57%	-17.96%	0.35%	-5.11%
Portfolio Average (1/3 weight in each)		14.18%	0.40%	-7.62%		
Dividend Yield		2.22%	2.52%	2.44%		
Savings Account Returns		0.10%	0.11%	0.09%		

- The global stock market did poorly in 2015, especially in emerging countries
- SFS Investment Policy is:
 - \$600K in a nearly riskfree asset (savings account) and
 - Rest in three low-fee, index funds to approximate the global stock market

Policy Updates

- We dropped the cost of **color figures** in the **print versions** of SFS journals from **\$300/figure** to only **\$100/figure = our cost**; **color figures** in the **electronic versions** of articles are still **free**
- New for 2016: SFS journals now report speed metrics (i.e., received date and accepted date) and the editor on every published article
- So which journals are the fastest?

Median Acceptance Time for Top 3 Journals (Time from Initial Submission to Final Acceptance)



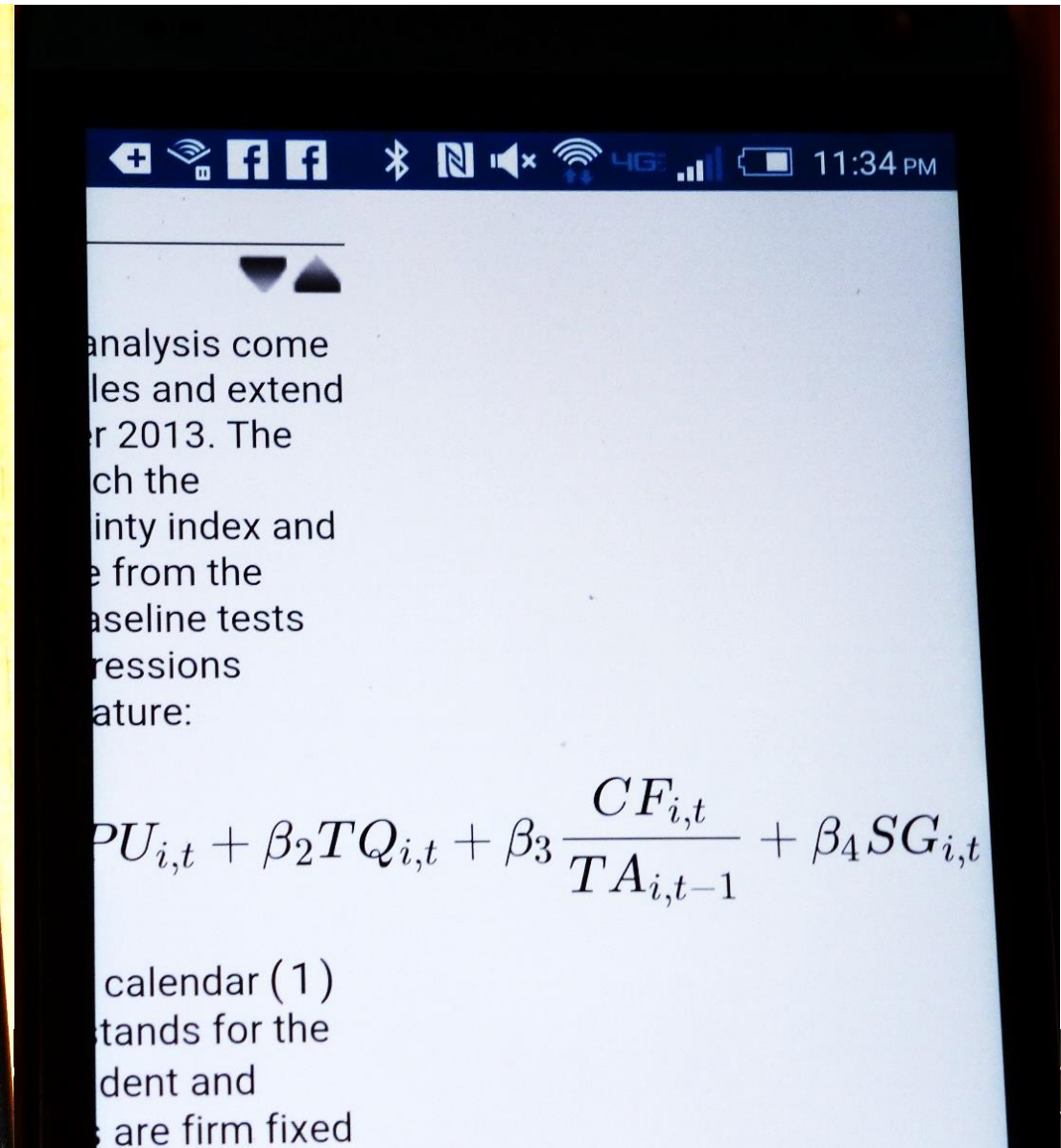
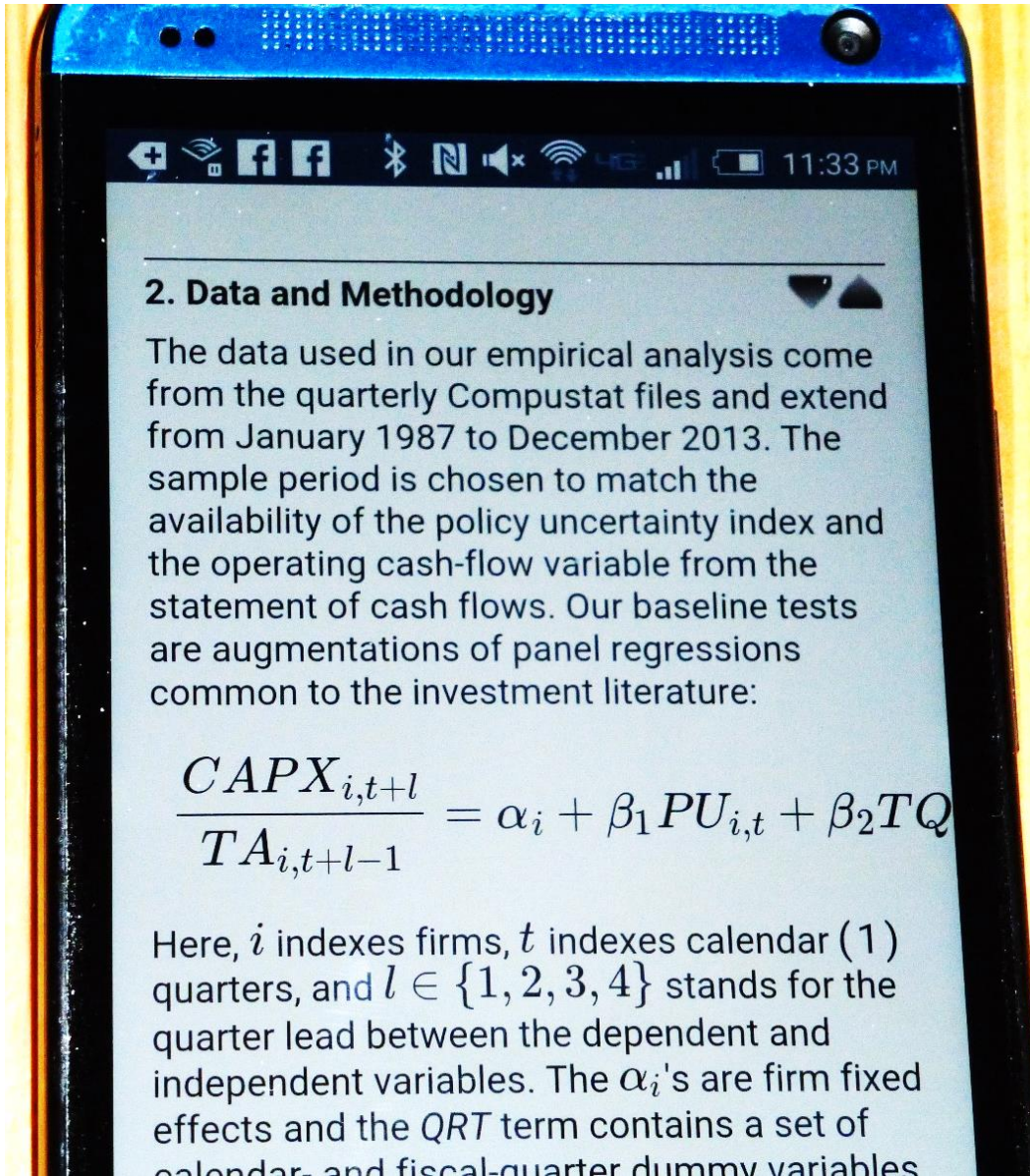
Median Acceptance Time for the Top 20 Finance Journals (Time from Initial Submission to Final Acceptance)

- Among the top 20, the three fastest are:
- **Review of Corporate Finance Studies (RCFS)** at 7.3 months
- **Review of Asset Pricing Studies (RAPS)** at 7.8 months
- **Financial Management** at 8.2 months

Policy Updates

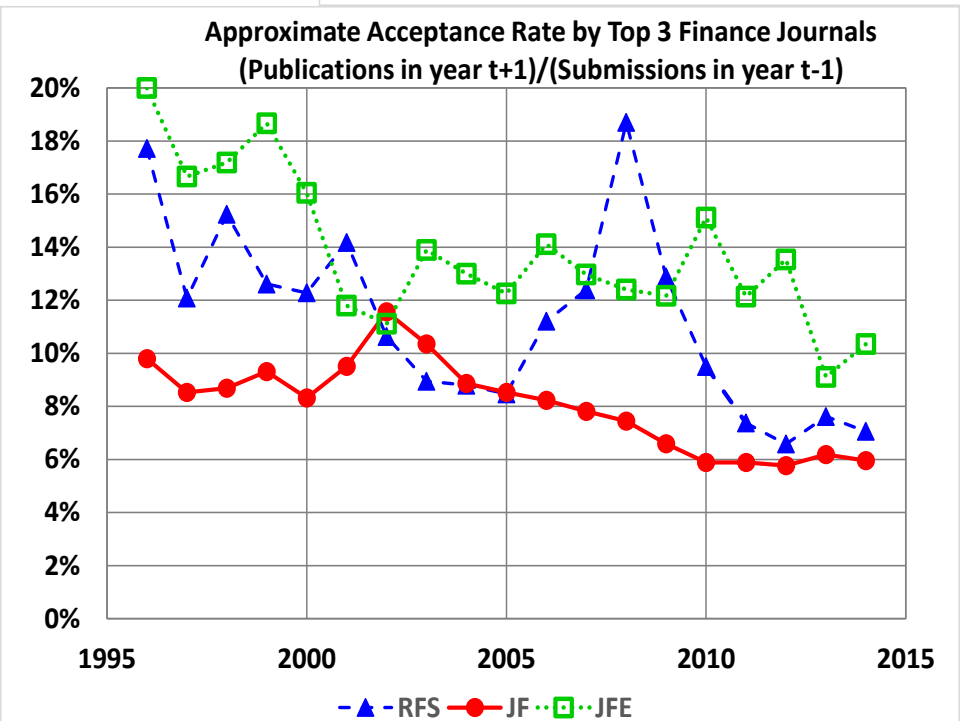
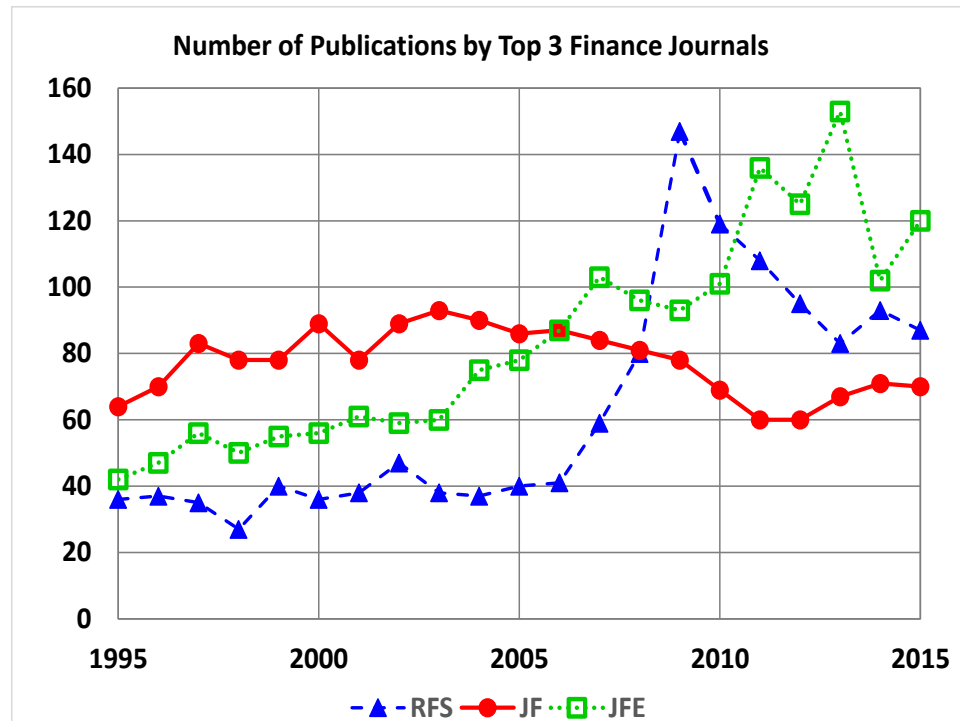
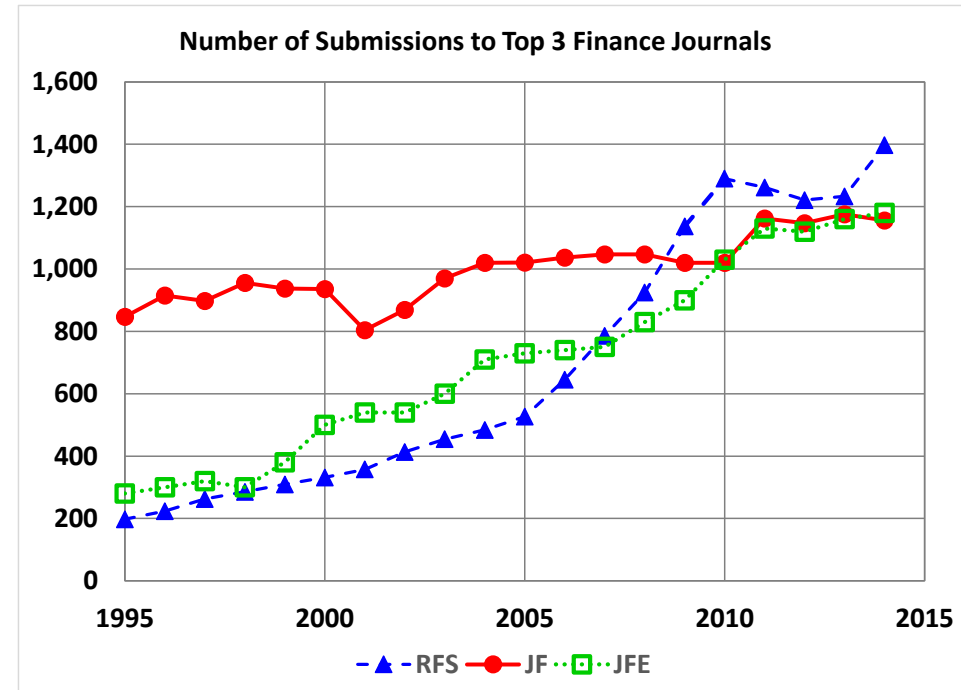
- Our publisher, Oxford, completed the conversion of the full archive conversion of the HTML versions of SFS journal articles to include **MathJax**
- MathJax is a combination of LaTeX and Javascript that allows the beautiful rendering of mathematical expressions in all browsers, including all smartphone browsers
- So what does this allow you to do?

Now you can read RFS, RAPS, and RCFS articles on your smartphone or tablet!



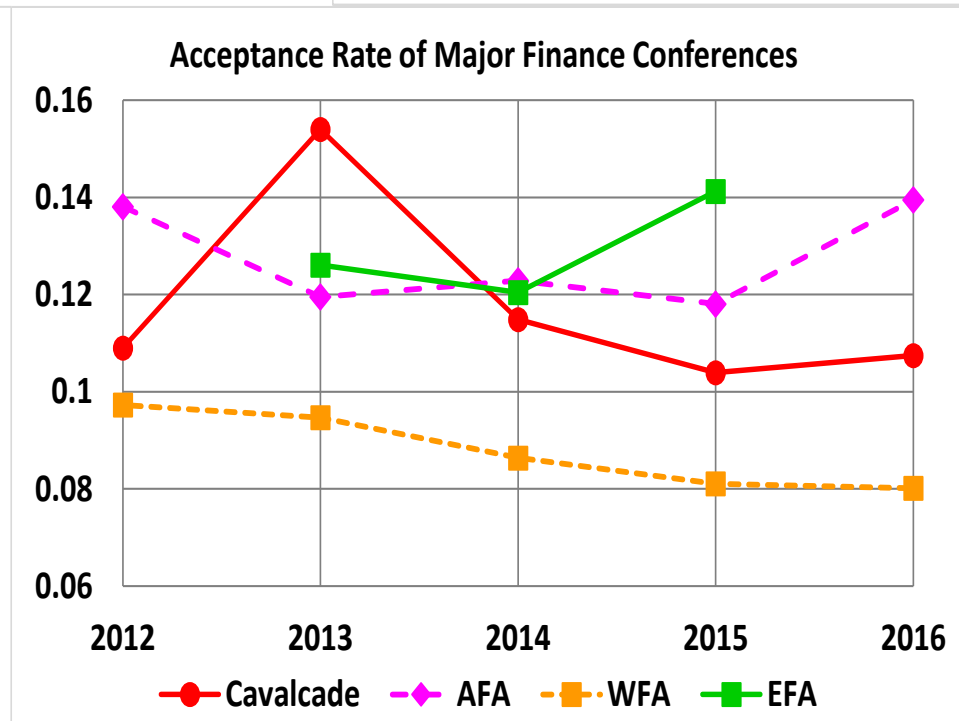
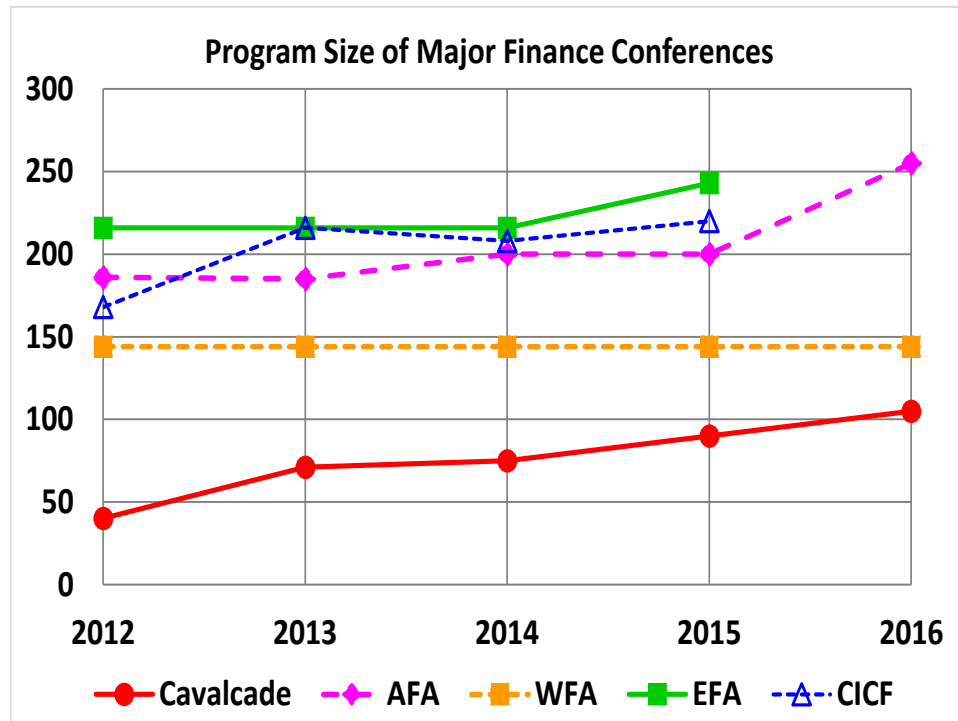
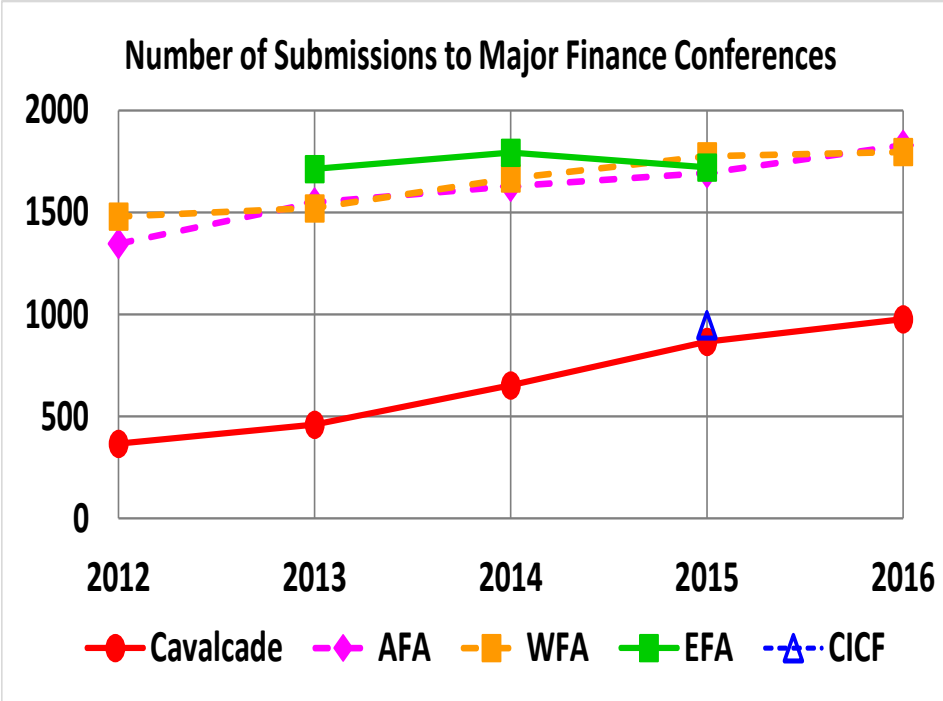
Comparison of the Top 3 Journals over the past 20 Years

- Combined submissions have tripled
- Combined articles published have doubled
- ➔ Acceptance rates have declined over time



Comparison of 5 Big Conferences

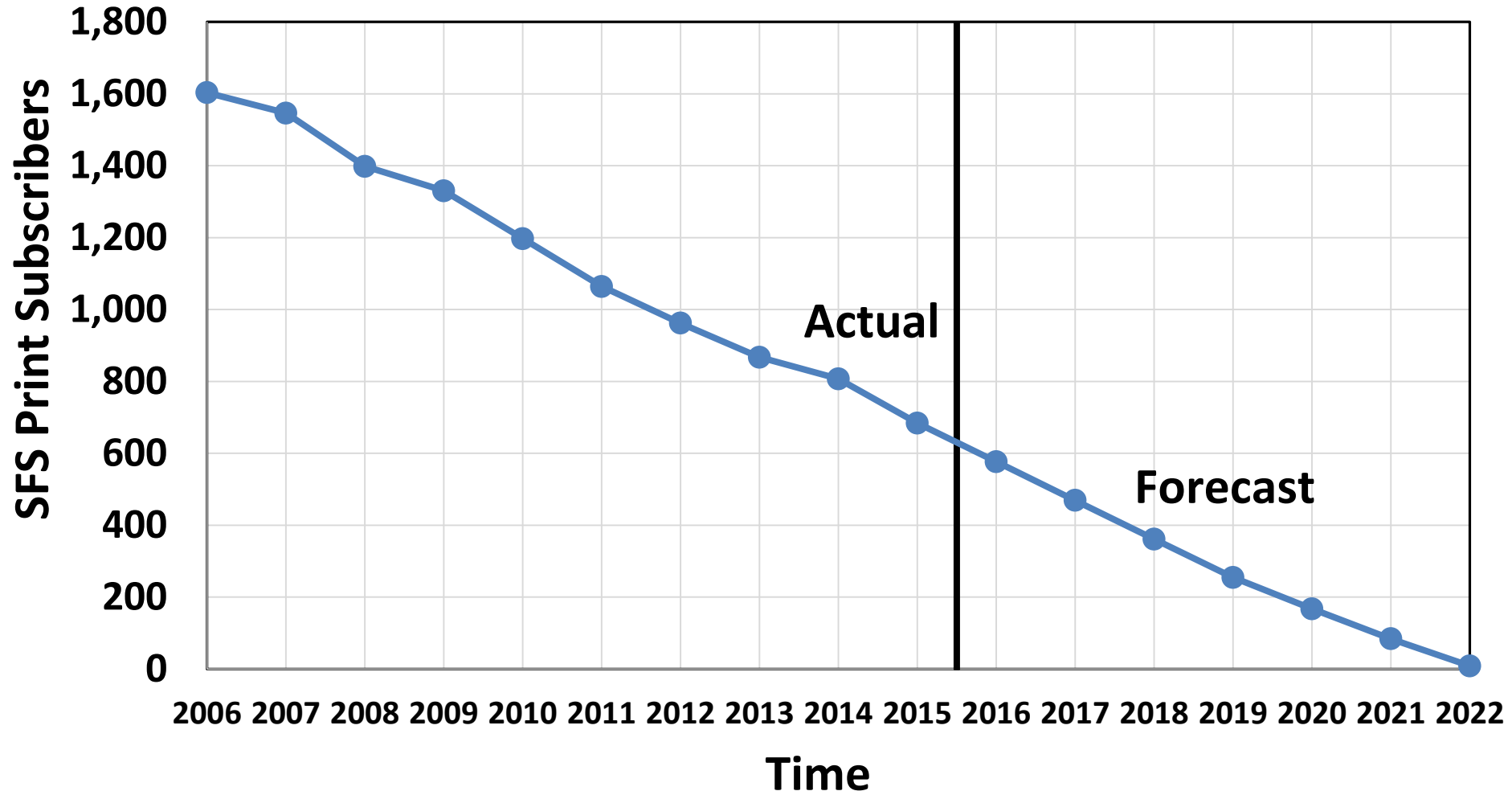
- Combined submissions are up 29% over 4 years
- Combined program size kept pace at 27%
- Cavalcade program size will exceed the WFA in 2017 or 2018!



The Long-run Forecast

- Print is going away and will be completely gone in about 6 years

SFS Print Subscribers Over Time



The Long-run Forecast

- SFS online subscription revenue % goes to 100% in about 6 years

SFS Online Subscription Revenue %

