

Review of Finance – Report by the Managing Editor

Franklin Allen

Copenhagen, 15 August 2012

Acknowledgments and Editorial Board Member Changes

I am very grateful to all the people who helped with the transition from having the journal run in Vienna to Philadelphia, including particularly Siobhan Fogarty, Martin Green, Marco Pagano, Salvatore Piccolo, Martina Schlichting, Christopher Trollen, and Arne Westerkamp. With the exception of the financial aspects, everything went very smoothly. The University of Pennsylvania has not had payments processed in euros before, and we are pioneering the process. This has taken much longer than it should and the transition is not complete yet. We hope that this will soon all be complete and we will be able to assume full control of the financial side of the journal.

I am also very grateful to the Editorial Board, particularly the Editors who have once again done an excellent job in processing the papers. Michael Brandt has stepped down. We have yet to find somebody to take his place. I have been waiting to gain a better understanding of how the Editorial Board can be of most help to the editors. We will soon move to turn over the Associate Editors as well.

Impact Factor

The 2011 official impact factor of the *Review of Finance* has been published by ISI Web of Knowledge in late June 2012: its current impact factor is **1.591**, which securely maintains the journal's position as a top Finance journal (**Table 1**). The *Review of Finance* had only one self-citation as it still much younger than the other journals.

Table 1: 2011 Impact Factors of Top 10 Finance Journals

<i>Journal</i>	<i>2011 Impact Factor excluding Self Citations</i>	<i>2011 Impact Factor</i>
REVIEW OF FINANCIAL STUDIES	4.226	4.748
JOURNAL OF FINANCE	3.959	4.218
JOURNAL OF FINANCIAL ECONOMICS	3.166	3.725
JOURNAL OF FINANCIAL INTERMEDIATION	1.750	1.808
JOURNAL OF FINANCIAL AND QUANTITATIVE ANALYSIS	1.658	1.775
REVIEW OF FINANCE	1.568	1.591
FINANCE AND STOCHASTICS	1.089	1.200
FINANCIAL MANAGEMENT	0.935	1.355
JOURNAL OF BANKING & FINANCE	0.864	2.600
JOURNAL OF CORPORATE FINANCE	0.812	1.447

Editorial Statistics

All submissions:

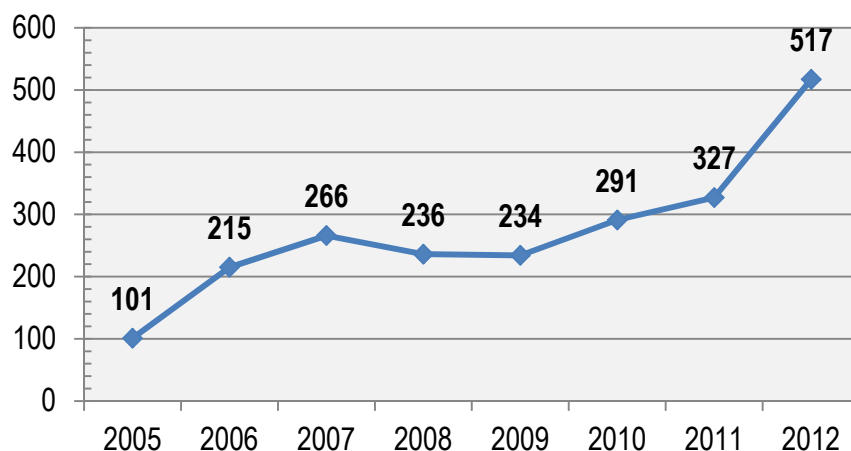
The breakdown of the latest statistical period from August 1, 2011 to July 31, 2012 is detailed in **Table 2**. This year has seen tremendous growth in the number of submissions when compared to all previous years. A total of **517 submissions** have been received, which is a remarkable **58% increase** over last year's 327 submissions. Of this 517, 53 submissions were still pending at the time these statistics were compiled. 36 papers exceeded the 100 day deadline and submission fees were refunded. 60 papers were outright desk rejections, meaning no consultation with a referee was necessary. This number has increased slightly from last year's figure of 41. Of particular note and praise is the **speed of the editorial process**. With a **45 day median response time** and a **40 day median turnaround time**, these statistics are consistent with last year's response rates of a 41 day median first response time, and a 40 day turnaround time. Clearly this demonstrates the continued hard work and dedication of the Editors and reviewers, despite the major increase in submissions which has been the ongoing trend since 2009 (see **Figure 1**).

Table 2: Editorial Statistics for All Submissions

The following statistics are based on all submissions and resubmissions received between August 1st, 2011 and July 31st, 2012. The turnaround time is the number of days elapsed from receipt of the manuscript to notification of the editorial decision. The first response time is the number of days elapsed from initial receipt of the manuscript to notification of the first editorial decision.

Number of submissions	517
Submissions processed	464
Submissions pending	53
Acceptance rate	8.41%
Fraction of papers accepted for resubmission	26.51%
Average first response time	43
Median first response time	45
Distribution of first response times	
less than 35 days	151
between 35 and 70 days	153
more than 70 days	63
Average turnaround time	42
Median turnaround time	40
Distribution of turnaround times	
less than 35 days	213
between 35 and 70 days	175
more than 70 days	76

Figure 1: Number of Submissions 2005 - 2012



Fast-Track Submissions:

Table 3 provides statistics for fast-track submissions only for the August 1, 2011 to July 31, 2012 period. This year again marks an **increase in fast-track submissions, up 34% with 63 submissions**, over last year's 47 submissions. Unfortunately, 3 papers missed the 14 day deadline, 2 by a very narrow margin of 15 days.

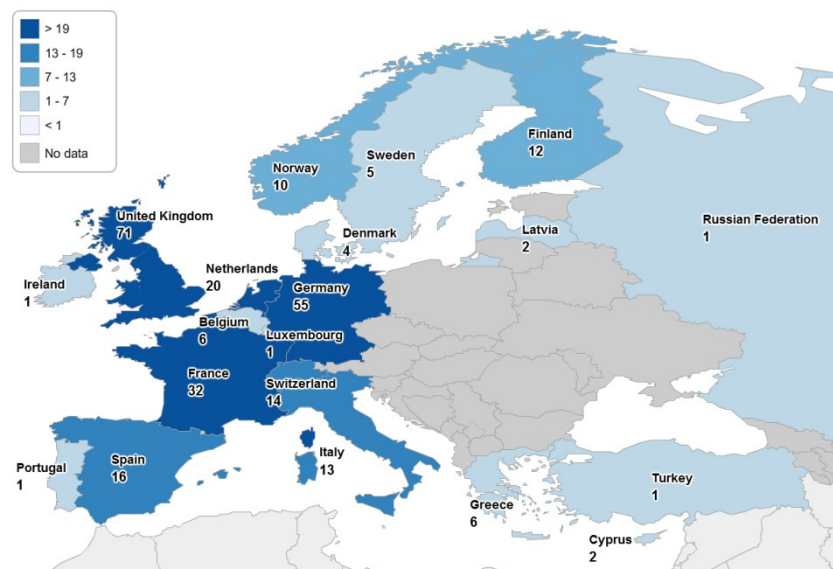
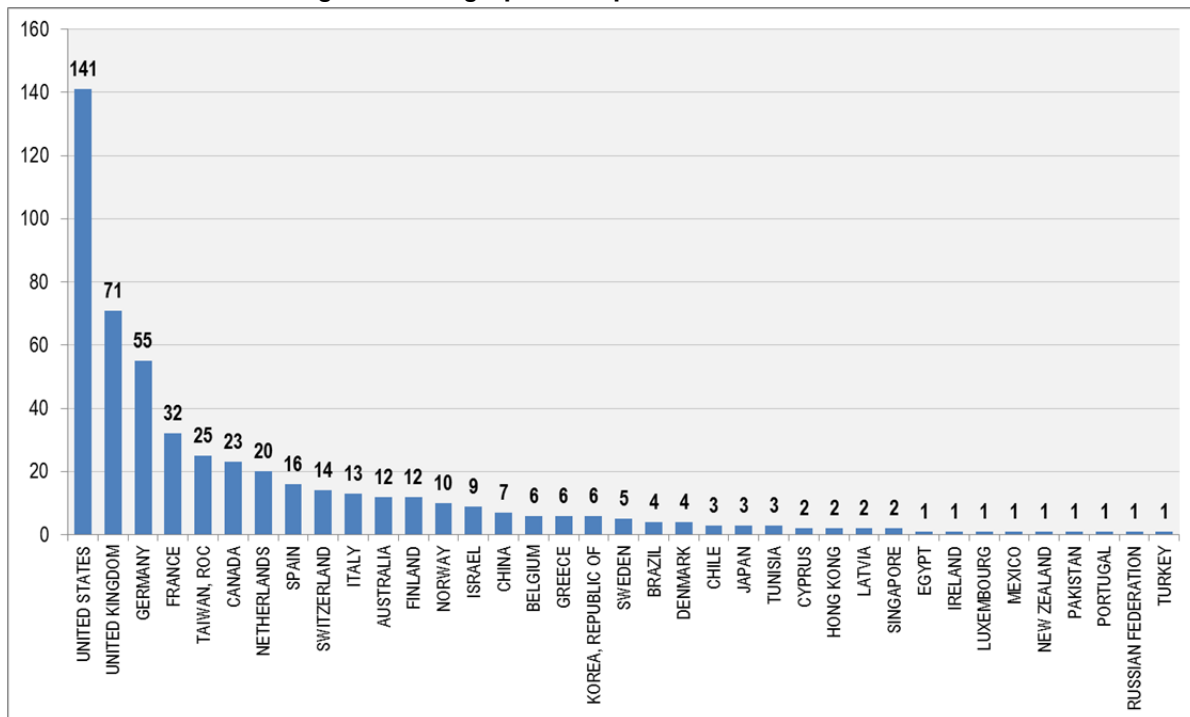
Table 3: Fast-Track submissions August 1, 2011 to July 31, 2012

Number of submissions (Fast-Track)	63
Submissions processed	63
Submissions pending	0
Acceptance rate	7.94%
Fraction of papers accepted for resubmission	31.75%
Average first response time	9
Median first response time	10
Distribution of first response times	
less than 35 days	50
between 35 and 70 days	0
more than 70 days	0
Average turnaround time	11
Median turnaround time	10
Distribution of turnaround times	
less than 35 days	62
between 35 and 70 days	0
more than 70 days	1

Geographic Scope:

Figure 2 provides a breakdown of submission totals by geographic origin of the submitting author. By region, **Europe still dominates with 52.8% of all submissions**; this is down from 55% last year, and as has been noted in past years, a steady flow of submissions from **North America continues, growing this year to 31.72%** of all submissions, up from 29.7% in 2011. The **Rest of the World remains constant at 15.48%**. Within Europe, the top three countries generating the most submissions remain the same, with a change in ranking. This year the United Kingdom had the most submissions with 71 (13.73%), then Germany with 55 (10.64%) and France with 32 (6.19%). For a list of all country frequency percentages please see **Table A1** in the Appendix.

Figure 2: Geographic Scope of Review of Finance



Breakdown of Submissions by Research Methodology & Area

Table 4 shows the breakdown of **research methodology** for all submissions. **Empirical submissions have increased to 71.76%** (versus 66.97% in 2011), while **Theoretical papers have gone down to 26.89%** from 29.97% last year. **Experimental papers account for only a small percentage with only 1.35%**, which is less than half the number received last year.

Table 4: Breakdown by Research Methodology

<i>Research Methodology</i>	<i>Submissions</i>	<i>Frequency</i>
Empirical	371	71.76%
Theoretical	139	26.89%
Experimental	7	1.35%
Total	517	100.00%

Table 5 details the breakdown of **research area** for all submissions. **Corporate Finance (35.01%)** and **Asset Pricing (27.47%)**, continue to be the two largest areas, but have swapped ranking from last year's statistics – (Asset Pricing 35.17% & Corporate Finance 29.36%). The remaining three categories are ranked the same as 2011, but with a **slight increase in Banking & Financial Intermediation at 20.89%**, up from 17.13%, while **Market Microstructure and Behavioral Finance have remained steady with 10.06% and 6.58% respectively** (versus MM 10.40% and BF 7.95% in 2011).

Table 5: Breakdown by Research Area

<i>Research Area</i>	<i>Submissions</i>	<i>Frequency</i>
Corporate Finance	181	35.01%
Asset Pricing	142	27.47%
Banking & Financial Intermediation	108	20.89%
Market Microstructure	52	10.06%
Behavioral Finance	34	6.58%
Total	517	100.00%

Breakdown of Published Papers by Research Methodology & Area 2006 – 2012

Table 6 and **Table 7** provide the frequency percentage breakdowns for Research Methodology and Research Area for all published papers between 1 August 2006 to 31 July 2012.

Table 6: Breakdown of Published Papers by Research Methodology 2006 – 2012

Research Methodology	Frequency					
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
	1 Aug 06 - 31 July 07 Vol.10 No.3, 2006 Vol.10 No.4, 2006 Vol.11 No.1, 2007 Vol.11 No.2, 2007	1 Aug 07- 31 July 08 Vol.11 No.3, 2007 Vol.11 No.4, 2007 Vol.12 No.1, 2008 Vol.12 No.2, 2008 Vol.12 No.3, 2008	1 Aug 08 - 31 July 09 Vol.12 No.4, 2008 Vol.13 No.1, 2009 Vol.13 No.2, 2009 Vol.13 No.3, 2009	1 Aug 09 - 31 July 10 Vol.13 No.4, 2009 Vol.14 No.1, 2010 Vol.14 No.2, 2010 Vol.14 No.3, 2010	1 Aug 10 - 31 July 11 Vol.14 No.4, 2010 Vol.15 No.1, 2011 Vol.15 No.2, 2011 Vol.15 No.3, 2011	1 Aug 11 - 31 July 12 Vol.15 No.4, 2011 Vol.16 No.1, 2012 Vol.16 No.2, 2012 Vol.16 No.3, 2012
Empirical	47.70%	61.50%	50.00%	33.30%	61.54%	62.07%
Theoretical	47.70%	26.90%	40.00%	57.10%	38.46%	37.93%
Experimental	4.50%	11.50%	10.00%	9.50%	0.00%	0.00%

Table 7: Breakdown of Published Papers by Research Area 2006 – 2012

Research Area	Frequency					
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
	1 Aug 06 - 31 July 07 Vol.10 No.3, 2006 Vol.10 No.4, 2006 Vol.11 No.1, 2007 Vol.11 No.2, 2007	1 Aug 07- 31 July 08 Vol.11 No.3, 2007 Vol.11 No.4, 2007 Vol.12 No.1, 2008 Vol.12 No.2, 2008 Vol.12 No.3, 2008	1 Aug 08 - 31 July 09 Vol.12 No.4, 2008 Vol.13 No.1, 2009 Vol.13 No.2, 2009 Vol.13 No.3, 2009	1 Aug 09 - 31 July 10 Vol.13 No.4, 2009 Vol.14 No.1, 2010 Vol.14 No.2, 2010 Vol.14 No.3, 2010	1 Aug 10 - 31 July 11 Vol.14 No.4, 2010 Vol.15 No.1, 2011 Vol.15 No.2, 2011 Vol.15 No.3, 2011	1 Aug 11 - 31 July 12 Vol.15 No.4, 2011 Vol.16 No.1, 2012 Vol.16 No.2, 2012 Vol.16 No.3, 2012
Corporate Finance	36.40%	26.90%	20.00%	33.30%	34.62%	48.28%
Asset Pricing	27.30%	34.60%	35.00%	28.60%	15.38%	37.93%
Banking & Financial Intermediation	9.10%	19.20%	10.00%	19.00%	11.54%	13.79%
Market Microstructure	13.60%	3.80%	30.00%	14.30%	30.77%	0.00%
Behavioral Finance	13.60%	15.40%	5.00%	4.80%	7.69%	0.00%

Co-sponsorship of Conferences

Scheduled for December 2012, the *Review of Finance*, The Centre for Economic Policy Research, The European Central Bank, Kelley School of Business and Indiana University are co-sponsoring a conference on *SMALL BUSINESS FINANCING*. The conference is to be held at the European Central Bank in Frankfurt on December 13-14, 2012. The journals sponsorship consists of waiving the submission fee for all conference papers submitted to the *Review of Finance* within six months after the conference takes place.

The conference Organizing and Programme Committees include members of our Editorial Board:

ORGANISING COMMITTEE:

Steven Ongena (Tilburg University & CEPR)
Alexander Popov (European Central Bank)
Gregory F. Udell (Indiana University)

PROGRAMME COMMITTEE:

Franklin Allen (University of Pennsylvania)
Lamont Black (Federal Reserve Board)
Santiago Carbo-Valverde (University of Granada & Federal Reserve Board of Chicago)

Marco da Rin (Tilburg University, IGIER & ECGI)
Philip Molyneux (Bangor Business School)
Steven Ongena (Tilburg University & CEPR)
Marco Pagano (University of Naples & CEPR)
Alexander Popov (European Central Bank)
Jorg Rocholl (ESMT & CESifo)
Gregory F. Udell (Indiana University)
Vijay Yerramilli (University of Houston)

Best Prize



We are happy to announce that Spängler IQAM Invest has again sponsored the prize for the best papers published in the *Review of Finance*. The “2012 Spängler IQAM Best Paper Prize” will be awarded on August 17 at the EFA 2012 annual meeting. The author(s) of the top paper will receive a Euro 3500 prize, and the runners-up Euro 1500. As in the past, the winning papers are chosen by the Associate Editors, Co-Editors and Advisory Board of the *Review of Finance* from all of the articles published in the previous 4 issues.

This year’s winning paper was:

“Information Asymmetry, Information Precision, and the Cost of Capital”
by Richard A. Lambert, Christian Leuz, and Robert E. Verrecchia

The runner-up was:

“Do Nonfinancial Stakeholders Affect the Pricing of Risky Debt? Evidence from Unionized Workers”
by Huafeng (JASON) Chen, Marcin Kacperczyk, and Hernán Ortiz-Molina

Appendix

Articles published between 1 August 2011 and 31 July 2012

Volume 15, Issue 4, October 2011 (*Special issue on household finance*)

Trust, Sociability, and Stock Market Participation

Dimitris Georgarakos and Giacomo Pasini

Trust and the Choice Between Housing and Financial Assets: Evidence from Spanish Households

Mayssun El-Attar and Markus Poschke

Is College a Focal Point of Investor Life?

Massimo Massa and Andrei Simonov

Optimal Annuity Risk Management

Ralph S. J. Koijen, Theo E. Nijman, and Bas J. M. Werker

Insuring Consumption Using Income-Linked Assets

Andreas Fuster and Paul S. Willen

Optimal Portfolio Choice over the Life Cycle with Flexible Work, Endogenous Retirement, and Lifetime Payouts

Jingjing Chai, Wolfram Horneff, Raimond Maurer, and Olivia S. Mitchell

Risk Attitudes Toward Small and Large Bets in the Presence of Background Risk

David A. Chapman and Valery Polkovnichenko

Volume 16, Issue 1, January 2012

Information Asymmetry, Information Precision, and the Cost of Capital

Richard A. Lambert, Christian Leuz, and Robert E. Verrecchia

Volatility in Equilibrium: Asymmetries and Dynamic Dependencies

Tim Bollerslev, Natalia Sizova, and George Tauchen

What Drives Market Share in the Mutual Fund Industry?

Ajay Khorana and Henri Servaes

Explaining Corporate Capital Structure: Product Markets, Leases, and Asset Similarity

Joshua D. Rauh and Amir Sufi

The Dynamics of Venture Capital Contracts

Carsten Bienz and Julia Hirsch

Who Disciplines Bank Managers?

Klaus Schaeck, Martin Cihak, Andrea Maechler, and Stephanie Stolz

The Role of Venture Capital Syndication in Value Creation for Entrepreneurial Firms

Xuan Tian

Financial Markets Equilibrium with Heterogeneous Agents

Jakša Cvitanić, Elyès Jouini, Semyon Malamud, and Clotilde Napp

Volume 16, Issue 2, April 2012

Access to Liquidity and Corporate Investment in Europe during the Financial Crisis

Murillo Campello, Erasmo Giambona, John R. Graham and Campbell R. Harvey

Do Nonfinancial Stakeholders Affect the Pricing of Risky Debt? Evidence from Unionized Workers

Huafeng (JASON) Chen, Marcin Kacperczyk and Hernán Ortiz-Molina

Option-Implied Measures of Equity Risk

Bo-Young Chang, Peter Christoffersen, Kris Jacobs and Gregory Vainberg

Venture Capital and Corporate Governance in the Newly Public Firm

Yael V. Hochberg

Tying in Universal Banks

Gyöngyi Lóránth and Alan D. Morrison

A Theory of Strategic Mergers

Gennaro Bernile, Evgeny Lyandres and Alexei Zhdanov

The Dynamics of Going Public

M. Cecilia Bustamante

Volume 16, Issue 3, July 2012

An Examination of Mutual Fund Timing Ability Using Monthly Holdings Data

Edwin J. Elton, Martin J. Gruber and Christopher R. Blake

Structure and Determinants of Financial Covenants in Leveraged Buyouts

Ann-Kristin Achleitner, Reiner Braun, Bastian Hinterramskogler and Florian Tappeiner

Gambling Preference and the New Year Effect of Assets with Lottery Features

James S. Doran, Danling Jiang and David R. Peterson

Is the Partial Adjustment Model a Useful Tool for Capital Structure Research?

Armen Hovakimian and Guangzhong Li

Euro-Zone Equity Returns: Country versus Industry Effects

Esther Eiling, Bruno Gerard and Frans A. De Roon

Private Equity Fund Size, Investment Size, and Value Creation

Mark Humphery-Jenner

Understanding the Real Rate Conundrum: An Application of No-Arbitrage Models to the UK Real Yield Curve

Michael A. S. Joyce, Iryna Kaminska and Peter Lildholdt

Table A1: Submissions by Country with Percentage Frequency

Country	Number of Submissions	Frequency
UNITED STATES (US)	141	27.27%
UNITED KINGDOM (GB)	71	13.73%
GERMANY (DE)	55	10.64%
FRANCE (FR)	32	6.19%
TAIWAN, ROC (TW)	25	4.84%
CANADA (CA)	23	4.45%
NETHERLANDS (NL)	20	3.87%
SPAIN (ES)	16	3.09%
SWITZERLAND (CH)	14	2.71%
ITALY (IT)	13	2.51%
AUSTRALIA (AU)	12	2.32%
FINLAND (FI)	12	2.32%
NORWAY (NO)	10	1.93%
ISRAEL (IL)	9	1.74%
CHINA (CN)	7	1.35%
BELGIUM (BE)	6	1.16%
GREECE (GR)	6	1.16%
KOREA, REPUBLIC OF (KR)	6	1.16%
SWEDEN (SE)	5	0.97%
BRAZIL (BR)	4	0.77%
DENMARK (DK)	4	0.77%
CHILE (CL)	3	0.58%
JAPAN (JP)	3	0.58%
TUNISIA (TN)	3	0.58%
CYPRUS (CY)	2	0.39%
HONG KONG (HK)	2	0.39%
LATVIA (LV)	2	0.39%
SINGAPORE (SG)	2	0.39%
EGYPT (EG)	1	0.19%
IRELAND (IE)	1	0.19%
LUXEMBOURG (LU)	1	0.19%
MEXICO (MX)	1	0.19%
NEW ZEALAND (NZ)	1	0.19%
PAKISTAN (PK)	1	0.19%
PORTUGAL (PT)	1	0.19%
RUSSIAN FEDERATION (RU)	1	0.19%
TURKEY (TR)	1	0.19%
TOTAL	517	100.00%