

Minutes of the Meeting of the Executive Committee in Boston, MA, January 5, 2006.

The second meeting of the 2005 Executive Committee was called to order at 10:10 A.M. January 5, 2006 in Fairfax A of the Boston Sheraton Hotel. Members present were: George Akerlof, Judith Chevalier, Janet Currie, Peter Diamond, Martin Feldstein, Roger Gordon, Robert Hall, Alan Krueger, Daniel McFadden, Ellen McGrattan, Olivia Mitchell, Robert Moffitt, Maurice Obstfeld, Robert Shiller, Andrei Shleifer, and John Siegfried. Also attending were Thomas Sargent, newly elected President-Elect; Oliver Hart, newly elected Vice-President; and Susan Collins and Lawrence Katz, newly elected Executive Committee members. Attending parts of the meeting in order to give committee reports were: Charles Becker, Summer Program Director; Francine Blau, Chair of the Committee on the Status of Women in the Economics Profession; William Rodgers, Chair of the Committee on the Status of Minority Groups in the Economics Profession (CSMGEP); Al Roth, Chair of the *Ad Hoc* Committee on the Job Market, and Cecilia Rouse, incoming Chair of CSMGEP. Malcolm Getz attended to review a website he is designing for the Association. Asatoshi Maeshiro attended for part of the meeting to be recognized for his 36 years of service to the *Journal of Economic Literature*. Executive Director William Damon, General Counsel Terry Calvani, and staff members Michelle deBlasi, Dru Ekwurzel, Barbara Fiser, Marlene Hight, Edda Leithner, and Jane Voros also attended.

McFadden welcomed the newly elected of the 2006 Executive Committee and noted that this was the last meeting for Peter Diamond, Robert Hall, Ellen McGrattan, Maurice Obstfeld, and Robert Shiller. He thanked them for their service to the Association. McFadden presented Martin Feldstein with his AEA Distinguished Fellow certificate. He then asked for approval of the minutes of the April 22, 2005 meeting. They were approved without change.

Report of the Secretary (Siegfried). Siegfried reviewed sites and dates of future meetings. Chicago, January 5-7, 2007 (Friday, Saturday, and Sunday); New Orleans, January 4-6, 2008 (Friday, Saturday, and Sunday); San Francisco, January 3-5, 2009 (Saturday, Sunday, and Monday); Atlanta, January 3-5, 2010 (Sunday, Monday, and Tuesday); Denver, January 7-9, 2011 (Friday, Saturday, and Sunday); Chicago, January 6-8, 2012 (Friday, Saturday, and Sunday); and San Diego, January 4-6, 2013 (Friday, Saturday, and Sunday). The Executive Committee meets the day prior to the beginning of the regular meeting each year. New Orleans, Philadelphia, and San Antonio are under consideration for 2014.

Siegfried described the allocation of session slots for the annual Allied Social Science Associations meeting. In 2006 the Association controlled 130 of 456 ASSA sessions. About two-thirds of registrants indicate the AEA as their primary affiliation. A committee of representatives from participating associations (Association of Environmental and Resource Economists, American Finance Association, National Association of Economic Educators, Society for Economic Dynamics, Union of Radical Political Economists) reviews attendance at sessions and recommends allocation changes annually. About 300 of 1500 papers submitted are accepted for the annual AEA program. The past program chairs present indicated that they rejected many high quality submissions when formulating the program.

Following considerable discussion, during which the Secretary-Treasurer was advised to reduce the sessions sponsored by organizations that regularly attract low attendance, it was VOTED to

instruct the Secretary-Treasurer to increase the allocation of sessions to the AEA by thirteen (ten percent of the current allocation) as soon as practicable, and correspondingly reduce the allocation of sessions to associations that attract relatively low attendance. The Econometric Society (ES) was exempted from this general principle because the AEA Call for Papers urges that highly technical papers be submitted to the ES rather than the AEA, and such papers often attract smaller audiences. It was also decided to increase the number of session slots allocated to the AEA even further during years when meeting space is available. Finally, it was decided to indicate in the Call for Papers that contributed paper sessions normally include four papers.

Siegfried reported that responsibility for the annual *American Economic Review Papers & Proceedings* volume has been moved to the Association's Pittsburgh office. He indicated that he would explore the possibility of expanding the *Papers & Proceedings* volume in order to accommodate the publication of more invited sessions.

Two changes in the Association's Bylaws were proposed to the membership in 2005; each was approved. One eliminates the need for an individual to be endorsed by an existing member in order to join the Association. The other allows the Nominating Committee to vote in the Electoral College on nominations for President-elect and Distinguished Fellows either in person, by proxy, or by teleconference, at its discretion, if the Committee has completed all of its deliberations prior to the Executive Committee meeting.

The Association does not charge for reprinting copyrighted articles published in its journals. It does require those who wish to reprint an article to get approval from the author(s), if living. This requires parties that wish to reprint to contact the author(s), which is sometimes difficult for authors who are no longer professionally active. In order to expedite the reprinting of such "semi-orphaned" articles, it was decided to reverse the default status for permissions from authors. If a party desiring to reprint receives no response to its request for permission from an author after a reasonable interval, the author's approval will be assumed. This change will be incorporated into future author copyright agreements. Articles written at government expense, for which the Association does not own the copyright, may be reprinted without permission.

By October 2005, after 40 months selling electronic site licenses to Association journals, there were 348 subscribers (259 in October 2004), including 83 North American colleges and universities and 104 overseas universities. To test if site licenses replace individual memberships, we identified 15 institutions that acquired a site license between June 2002 and March 2003. There were 259 members at these 15 institutions in early 2002. By July 1, 2005, 51 had dropped their membership, a decline of 20 percent. Each of the 15 institutions was matched with two similar institutions that had *not* acquired a site license by July 2005. There were 395 members at the 30 matched institutions in early 2002. By July 2005, 92 had dropped their membership, a 23 percent decline. Site licenses do not appear to cost the Association individual memberships. Siegfried announced that the first meeting of the 2006 Executive Committee would be on Friday, April 28, 2006 in Chicago, IL.

Report of the Editor of the American Economic Review (Moffitt). Moffitt commented on his written report, which is published elsewhere in this issue of the *AER*. He reported that the increase in submission rates experienced in early 2003 has persisted through 2005, suggesting a

permanent increase in submissions. Submissions were up six percent in 2005 versus 2004. Although approximately the same number of articles has been published over the past few years, the ratio of published papers to submitted papers is declining because the number of submissions is rising. The average lag from first submission to publication is a little more than two years. Moffitt reported that the recent increase in submissions appears to have had little impact on the number of papers that warrant serious consideration for publication. Refereeing lower quality papers is costly because the referees (reasonably) object to spending time reviewing manuscripts that have little chance to ever appear in the *Review*. Moffitt and the co-editors continue to explore ways to screen the increasing volume of submissions they receive efficiently.

Moffitt reported that he plans to publish more papers in 2006 than 2005, and that the *Review's* data posting policy is now being enforced. Of the 62 papers published in the *Review* in 2005 that used data, 58 have posted the data on the *AER* website. Four received exemptions in 2005.

There followed a discussion of appropriate criteria to select economists for the Boards of Editors of the Association's three journals. It was agreed that broad representation of universities and other employers was desirable, and that the Advisory Committee on Editorial Appointments should urge the Editors to avoid appointing individuals simultaneously to the Board of Editors of more than one Association journal. Questions about appointing non-American economists to the Boards of Editors of the Association's journals, and about appointing individuals who are editors of "competitive journals" were raised, but not resolved.

Finally, there was a brief discussion of the distinction between Articles and "Shorter Papers" in the *Review*. The proportion of papers published that are classified as Shorter Papers fluctuates over time. There are fewer citations to Shorter Papers, but citations per page may not be very different for Shorter Papers and Articles. Moffitt promised to continue the discussion of whether to maintain the distinction of Shorter Papers at a future meeting.

Following Moffitt's recommendation, it was VOTED to appoint Richard Rogerson to a second three-year term as a co-editor, ending December 31, 2008. It was also VOTED to reappoint Andrew Atkeson, Colin Camerer, and Patrick Kehoe to second three-year terms on the Board of Editors, ending December 31, 2008, to appoint Douglas Bernheim to the Board of Editors for a one-year term ending September 30, 2006, to appoint Ming Huang to the Board of Editors for a two-year term ending February 28, 2008, to appoint Bruce Blonigen and James Levinsohn to the Board of Editors for two-year terms ending March 31, 2008, to appoint Gary Charness and Joel Sobel to the Board of Editors for three-year terms ending December 31, 2008, and to appoint Rachel Croson, Dirk Krueger, and Monika Piazzesi to the Board of Editors for three-year terms ending March 31, 2009.

Report of the Editor of the Journal of Economic Literature (Gordon). Gordon reviewed the main points of his written report, which is published elsewhere in this issue of the *AER*. *JEL* recently expanded the flexibility of the length of book reviews, and plans to continue publishing annual reviews of the World Bank's *World Development Report*, and the *Economic Report of the President*. He recognized Asatoshi Maeshiro for his contributions to the *JEL* and *EconLit*. Maeshiro, who retired as Classification Consultant in December 2005, supervised the classification of articles for the *JEL* and *EconLit* since 1969, when the *JEL* was created. Since

1984, he has been responsible for keeping the classification system for articles up-to-date, choosing the included journals, and overseeing a staff that ensured the consistency and accuracy of the codes and keywords assigned to each article. He was instrumental in laying the foundation for a database that greatly aids economists conducting research. The Executive Committee thanked Maeshiro for his untiring perseverance and his personal devotion to the cause of information dissemination in economics, and awarded him a lifetime membership in the Association. Gordon reported that Steven Husted has been hired to assume many of Maeshiro's former responsibilities.

Acting on Gordon's recommendation, the Executive Committee VOTED to reappoint Joel Sobel and to appoint Dora Costa, Jonathan Levin, and Wolfgang Pesendorfer to the Board of Editors for three-year terms ending December 31, 2008.

Report of the Editor of the Journal of Economic Perspectives (Shleifer). Shleifer referred to his written report, which is published elsewhere in this issue of the *AER*. Acting on Shleifer's recommendation, the Executive Committee voted to appoint Martin Baily, Jordi Gali, and Antoinette Schoar as Associate Editors to three-year terms ending in December 2008. Shleifer explained that each Associate Editor is expected to assume responsibility for organizing a symposium.

Report of the Director of Job Openings for Economists (Siegfried). Siegfried reviewed his written report, which is published elsewhere in this issue of the *AER*. He reported that new jobs listed in *JOE* increased by 22 percent from 2004 to 2005.

Report of the Committee on the Status of Minority Groups in the Economics Profession (William Rodgers). Rodgers reported that the Association's Summer Program and the Committee's Pipeline Project (which mentors young minority economists) are financially secure through 2007. The Association's agreement with Duke University to host the Summer Program expires after 2006. At the recommendation of Rodgers, it was VOTED to extend the agreement through 2007. Rodgers thanked Charles Becker, Director of the Summer Program and introduced Cecilia Rouse, his successor as Chair of CSMGEP.

Report of the Committee on the Status of Women in the Economics Profession (Francine Blau). Blau reported that the female percentage of new economists has risen from approximately 25 percent in the mid 1990s to about 30 percent by 2005. About 30 percent of undergraduate economics majors are women, virtually the same as the current female share of first year graduate students, suggesting that further growth in the share of women among new economics Ph.D.s may require the discipline to attract more women as undergraduate majors. Last year, for the first time, CSWEP surveyed business schools, focusing on the "Top 20." It found that the number of economics faculty at the "Top 20" business schools is nearly as great as at the "Top 20" economics departments. Women are fairly well represented in business schools: the proportion of economists on the faculties of "Top 20" business schools is similar to the proportion of women on the faculties of all Ph.D. granting economics departments.

Blau reviewed CSWEP's primary activities--publishing a newsletter three times per year, organizing sessions at both the annual AEA meetings and at regional economics association

meetings, and administering an NSF funded project to mentor young women economists. Because CSWEP's mentoring workshops are quite popular, Blau recommended that the Association consider expanding its mentoring programs.

Ad Hoc Committee on the Job Market (Roth). Roth reported that the first Association sponsored "job market scramble" would occur in March 2006. The "scramble" consists of a pair of websites for job candidates and employers to signal their continued interest in job market activity after the first round of hiring has normally concluded. The sites will open for entry on March 1, and for inspection of jobs by candidates and candidates by employers on March 15. Roth explained that the Committee had rejected a proposal to put letters of recommendation on a centralized website because of fear that centralizing letters would undermine the value of the letters tailored to individual employers.

The Committee is studying a proposal for the Association to act as a conduit to signal job candidates' interest in specific employers. It is concerned about the strategic use of such signals, and their interpretation. There is also concern that an effort to supplement the current system of thesis advisors' signals about job candidates' particular interests might reduce the value of the existing signals. On the other hand, as a trusted third party, the AEA could serve to increase the reliability of such signals. After a lengthy discussion of signaling strategies, it was decided that the Committee should study the signaling proposal further before implementing it. A survey of job candidates and how they might use such a signaling system was recommended.

The 2006 Program (Akerlof). Akerlof thanked his Program Committee for their conscientious service. He reported that he received many excellent proposals for contributed sessions that he was unable to accommodate within the allocated number of AEA sessions.

The 2007 Program (Sargent). Sargent announced that he had appointed a Program Committee of 17 economists, and that Lars Hansen agreed to deliver the 2007 Ely Lecture. He asked the Secretary-Treasurer to investigate whether it was possible to expand the *Papers & Proceedings* volume to allow the Association to publish more papers from the 2007 meeting.

Website for Undergraduate Students (Getz). Getz described the goals of a website for undergraduate economics students he is developing for the Association. The site will introduce economics to students, describe the literature of economics and its uses, outline necessary preparation for graduate study in economics, describe career paths and earnings for individuals with a bachelor's degree in economics, and give an overview of typical economics programs. It will illustrate the nature of the issues, evidence, and controversies that engage economists, and describe the contributions that economists make to advance civilization. He received a number of suggestions and promised to keep the Executive Committee apprised of his progress.

The Association's Journal Portfolio (Hall). Hall explained that his Committee was charged with developing a detailed plan for launching AEA-sponsored field journals in economics so as to improve access to economic research. To address this question, the Committee conducted a survey of Association membership. A total of 1626 useable responses were received.

Forty-eight percent of members said they would subscribe to and regularly read an aggregate field journal if the AEA were to publish one in their broader field of interest; another 23 percent said they would read it if their institution subscribed. Only five percent of respondents said they would not read it. When asked if they preferred an aggregation of fields into four or five journals, a large number of separate field journals, or no new journals, 49 percent favored aggregate journals, 21 percent separate field journals, and 22 percent no new journals. Within each of 19 separate fields of interest, members favored aggregate journals over separate field journals or no new journals.

Following a recommendation from the Committee, it was VOTED to initiate four or five new high quality aggregate field journals, operated similarly to the *American Economic Review*. The names of the journals should indicate an affiliation with the AEA and *AER*. The committee was asked to further explore details of the venture, including preferable aggregations, possible titles, the governance structure, editorial procedures, and an initial business plan for the journals, and to report progress to the Executive Committee in April.

Report of the Treasurer (Siegfried). Siegfried presented the proposed 2006 budget, which is published in Table 1 accompanying the Treasurer's report in this issue of the *AER*. It projects an operating surplus of \$827 thousand. Following the recommendation of the Budget and Finance Committee, it was VOTED to approve the 2006 budget. The Association's net unrestricted assets on September 30, 2005 were \$11.9 million, up \$2.2 million from September 30, 2004.

In April 2005 the Budget and Finance Committee asked the Secretary-Treasurer to seek new proposals to audit the Association's financial statements. Three proposals were received. Following a recommendation of the Budget and Finance Committee, it was VOTED to appoint Frasier, Dean, and Howard, a firm of 40 professional accountants located in Nashville, Tennessee, to audit the Association's financial statements for 2005, 2006 and 2007. Since January 2002 the Association has targeted a non-negative net operating gain as its financial goal, ignoring the five percent investment return designated for current operations. The designated five percent return is added to the operating gain to produce the Association's overall net surplus (or deficit). This net surplus is then returned to the Association's assets, and so the designated investment gain moves from assets to income, and back again each year. Following the recommendation of the Budget and Finance Committee, so as to simplify the Association's financial reports, it was VOTED to suspend the practice of recognizing five percent of the value of the portfolio plus cash and cash equivalents at the end of the prior year as income annually.

New Business. In connection with the recognition of Asatoshi Maeshiro's accomplishments in classifying the economic literature in the *JEL* and *EconLit*, the unique contributions of Mark Perlman as founding editor of the *JEL* were also noted. The Executive Committee VOTED to thank Perlman for the vision that has led the *JEL* to be a successful addition to the Association's portfolio of journals. After further discussion, it was decided to publish a photograph of each of the four former editors of the *JEL*, which conforms to the historical practice of the *AER*. The Association received an appeal from the American Association of University Professors (AAUP) on December 2, 2005, requesting a donation of \$25,000 toward an endowment to secure the future of the AAUP. The Secretary-Treasurer was instructed to discover the specific purpose to which AAUP planned to devote the funds.

A member requested that the number of votes for each candidate in the annual election of officers be reported publicly. Current policy is for the Secretary-Treasurer and Administrative Director to certify the vote counts, which are tabulated electronically, and to report only the names of the successful candidates. After an interesting economic and psychological analysis of the advantages and disadvantages of reporting individual vote counts, it was decided to retain the Association's policy of reporting only the qualitative outcome of the annual election of officers.

There being no further business to conduct, it was VOTED to adjourn at 5:35 pm.

Respectfully submitted,

JOHN J. SIEGFRIED, *Secretary*