

Minutes of the Meeting of the Executive Committee in Chicago, IL, April 24, 2009

The first meeting of the 2009 Executive Committee was called to order at 10:00 AM on April 24, 2009 in the Hartsfield Room of the Hyatt Regency O'Hare, Chicago, IL. Members present were: Daron Acemoglu, Susan Athey, Alan Auerbach, Marianne Bertrand, Anne Case, Steven Davis, Angus Deaton, Avinash Dixit, Esther Duflo, Janice Eberly, Robert Hall, James Heckman, Robert Moffitt, Andrew Postlewaite, James Poterba, David Romer, and John Siegfried. George Akerlof attended for part of the meeting representing the Nominating Committee. Douglas Bernheim, David Card, Pinelopi Goldberg, Caroline Hoxby, and Narayana Kocherlakota attended part of the meeting as members of the Honors and Awards Committee. Vince Crawford and Charles Manski participated in part of the meeting by conference call as members of the Honors and Awards Committee. Katharine Abraham represented the Government Relations Committee for part of the meeting by telephone. Executive Director William Damon and General Counsel Terry Calvani also attended.

Deaton asked for approval of the minutes of the previous meeting (January 2, 2009) that had been circulated in advance. Siegfried noted that the last sentence of the third to last paragraph should read: "Eventually it was decided to make no change." The Minutes were approved with no further corrections.

Report of the Secretary (Siegfried). Siegfried reviewed the schedule for sites and dates of future meetings: 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); San Diego, January 4-6, 2013 (Friday, Saturday, and Sunday); Philadelphia, January 3-5, 2014 (Friday, Saturday, and Sunday); and Boston, January 3-5, 2015 (Saturday, Sunday, and Monday). The Executive Committee meets the day prior to the meeting each year. Atlanta, Chicago, New Orleans, San Antonio, and San Francisco are interested in hosting the 2016 or 2017 meetings.

The 2009 meeting in San Francisco drew 10,829 total registrants, almost two thousand more than the previous highest number (9,008 in Chicago in 2007). Some of the increase was due to a new registration system that required attendees to register in order to book hotel rooms at the negotiated rate. However, hotel room bookings topped the previous peak by almost a thousand, suggesting that the San Francisco meetings attracted roughly a thousand more people than any previous meeting, and that roughly a thousand people who had been attending the meetings without registering did register in 2009.

The previous San Francisco meeting (1996) drew 7,320 registrants. Registration in 2008 (New Orleans) was 8,109, in 2007 (Chicago) was 9,008, and 2006 (Boston) was 8,896. Fifty-three other societies met with AEA in 2009, 512 scholarly sessions were organized, and 255 "events" (lunches, receptions, committee meetings, breakfasts, workshops, etc.) were scheduled.

In early February the Association conducted an online survey of those who registered for the meetings in San Francisco. It generated 2,449 responses. About 28 percent of

those responding reported that they were not reimbursed for any of their expenses in San Francisco; 22 percent reported that they were reimbursed unconditionally for attending the meetings. Eighteen percent reported they must be on the program to get reimbursed, and 27 percent reported that they must present a paper to qualify for reimbursement. The survey showed that the priority criteria for the convention location, in rank order, are: convenient air service, high probability of securing a hotel room near headquarters, warm climate, and low hotel prices. The cities that best meet these criteria jointly are: Atlanta, Chicago, and San Diego. When asked about preferences for cities, respondents ranked Atlanta among the lowest, Chicago among an intermediate group, and San Diego among the most popular.

The Association's first Continuing Education Program was held immediately after the January 2009 annual meetings. The program's goal is to help mid-career economists maintain the value of their human capital. Each program was 12 hours of lectures by a team of two economists. Three programs were held simultaneously—cross-section econometrics, monetary policy, and experimental economics-- beginning at 4:00 pm on the last day of the annual meetings, continuing the next day, and finishing before noon on the second day after the annual meeting. Videotapes of the lectures are available to members on the AEA website. A total of 286 people attended; 88 percent of 190 respondents to a survey thought the Continuing Education Program was a better use of their time than the next best alternative. The Program will be continued at the 2010 Meetings in Atlanta, with three new lecture topics.

Siegfried described a proposal forwarded from the Budget and Finance Committee to restructure dues in 2010. The Association's Bylaws state:

There shall be six classes of members other than honorary: regular members with annual incomes of \$30,000 or less paying the base fee defined below; regular members with annual incomes above \$30,000 but not more than \$40,000 paying one and one-fifth times the base fee; regular members with annual incomes above \$40,000 paying one and two-fifth times the base fee; family members (persons living at the same address as a regular member, additional memberships without subscription to the publications of the Association) paying one-fifth of the base fee; junior members (available to registered students only) paying one-half the base fee; and life members comprising those who qualified for life membership by making a single payment of the designated amount prior to January 1, 1976, and exempt from annual fees.

Effective January 1, 1976, the base fee is \$25.00 per year. The Executive Committee may increase the base fee in proportion to the increase occurring after January 1, 1976 in relevant price and wage indexes. It may increase the income brackets for regular members but may not decrease them below the figures specified in this bylaw.

The CPI increased by a factor of 3.8 since 1976. Had base dues grown proportionately, the 2009 \$64 base rate would have been \$95. The bylaws are silent regarding the period over which CPI adjustments should be made. The income levels that divide the three dues brackets were \$30,000 and \$40,000 in 1976. For 2009 they are \$50,000 and \$66,000. The bylaws state only that brackets may be increased but not decreased below their initial level, without reference to a basis for increasing them. They have been increased periodically based on the CPI.

Dues have not changed for six consecutive years. The lag in raising dues since 1976 has lowered the real price of membership. The lag in inflating income levels that divide the member dues brackets has raised the real price of membership. In order to: (1) provide a lower cost alternative for members who do not use print copies of journals, (2) print fewer issues that members do not use, and (3) provide more relevant income-based dues categories without changing total dues revenue much, it was VOTED to increase base dues from its \$64 level during 2004-2009 to \$70 in 2010. The two higher annual dues categories, set in the bylaws at 1.2 and 1.4 times base dues, respectively, will, thus, rise to \$84 and \$98. It was also VOTED to increase the income levels dividing member categories from \$50,000 and \$66,000, to \$66,000 and \$88,000, respectively, offsetting the increase in dues for many members. Per the bylaws, the change in base dues increases student memberships from \$32 to \$35 and family memberships from \$13 to \$14. The proposed increase in dues and the income benchmarks that divide categories will reduce dues for most members whose incomes are below \$88,000.

Changing the dues structure produces an opportunity to discount dues for those who decline print issues of journals. The 2009 discount for declining print issues of *one* of the Association's three traditional journals (*AER*, *JEL*, *JEP*) was \$12; 778, 1306, and 474 members elected this option in February 2009, declining print issues of the *AER*, *JEL*, and *JEP*, respectively. In addition, 2,350 members declined print issues of *all three journals*, receiving the same \$12 discount. The marginal cost of printing and mailing (domestically) a year's subscription to the *AER*, *JEL*, and *JEP*, respectively in 2008 (each of these is the average marginal cost over three sample issues) was \$10.80, \$5.80, and \$8.60, summing to \$25.20. Accordingly, it was VOTED to decrease the credit for declining one journal from \$12 to \$9, and to increase the credit from \$12 to \$25 for declining print issues of all three traditional journals. With this option, the highest dues level for someone electing only online journals would be \$73 versus the previous highest dues level with a one or three journal print issue delete price of \$78. The lowest regular dues with online (only) access to the *AER*, *JEL*, and *JEP* declines from \$52 to \$45. The combined changes increase student dues to \$35, but after taking a \$25 discount for declining all print issues, students can join the Association for net annual dues of just \$10. Print copies of *AEJs* are not included in basic member services.

After a brief discussion of potential financial and positional conflicts of interest, it was VOTED to adopt a Conflict of Interest Policy for the Association. All officers, editors, and members of the Executive Committee will be required to file a Conflict of Interest disclosure form. While the thought at the time was that the form would be collected only when a person assumed his or her responsibilities for the Association, the General Counsel later recommended that it be distributed and collected annually.

TIAA-CREF has asked all of its Pension Plan operators to update their Plan documents. Accordingly, it was VOTED to approve the Association's 403(b) Plan. There are no substantive changes from the plan that has been in effect for over three decades.

The Association's policy on providing reprints of articles published in AEA journals had been inconsistent. The *AEJs* never provided reprints. The *JEL* offered purchasable

reprints, but after none was ordered for two years, it discontinued offering them in 2008. The *AER* offered purchasable reprints; some were ordered. The printer billed the Association, which billed authors, but many were never paid. *AER* discontinued offering reprints in 2008. In February 2009, the *JEP* editorial staff decided to discontinue offering free reprints to authors. The Association now has a consistent reprint policy: it does not provide any. Technology has moved beyond paper reprints. Authors may freely copy the pdf of their article or distribute reprints as electronic attachments.

The spring 2010 Executive Committee meeting will be held in Chicago on a Friday during April.

Report of the Nominating Committee (Akerlof). Akerlof, who chaired the Committee (consisting also of Abraham, Acemoglu, Card, Susan Collins, Eric Maskin, Kenneth Rogoff, and Douglas Staiger), reported the following nominations for the indicated offices in 2010: Vice-President—Janet Currie, Gene Grossman, Lawrence Katz, and Richard Thaler; Executive Committee—Jonathan Gruber, Valerie Ramey, Emmanuel Saez, and James Stock. The Nominating Committee and those Executive Committee members present, acting together as an Electoral College, then VOTED to nominate Orley Ashenfelter as President-elect, and VOTED to name Ronald Jones, Douglass North, and John Pencavel as Distinguished Fellows of the Association.

Report of the Committee on Honors and Awards (Bernheim). After an extensive discussion of the importance and likely lasting effects of the research contributions of candidates, the Honors and Awards Committee (Bernheim (chair), Card, Crawford, Goldberg, Hoxby, Kotcherlakota, and Manski) and those Executive Committee members present, acting together as an Electoral College, VOTED to award the 2009 John Bates Clark Medal to Emmanuel Saez.

There followed a discussion of possibly moving the maximum age of eligibility for the Clark Medal from 39 to 44. The discussion noted the decreasing average time available to make a mark as a research scholar because of the increasing average age at which Ph.D.s in economics are earned, the increasing share of candidates who are not natural born citizens and the required military service of some of those from other countries, and the increasing share of women economics Ph.D.s and the conflict with child bearing and rearing prior to age 40. On the other hand, interest in the Clark Medal appears to be enhanced by the idea of identifying a relatively young scholar who is likely to make future outstanding contributions to economic research. It was decided to make no change in the age of eligibility for the Clark Medal, but to appoint an *ad hoc* committee to consider more generally the Association's award structure, including the number of awards, eligibility and achievement criteria.

Report of the Ad Hoc Search Committee for Journal of Economic Literature Editor (Case). Reporting on behalf of the Committee (Acemoglu, Case (chair), Crawford, Katz, and Maurice Obstfeld), Case described the process her Committee used to identify and screen candidates to succeed Roger Gordon as Editor of the *JEL*, at the end of Gordon's term in June 2010. A call for nominations from the membership generated suggestions,

and the Committee developed several candidates on its own. The Committee searched for a candidate with a distinguished research record, who had demonstrated good judgment about the relative importance of various economic issues, and who would be sufficiently energetic to persuade potential authors to take on assignments and would work with those authors to develop outstanding contributions to the literature. Following a thorough discussion, and acting on the recommendation of the Search Committee, it was VOTED to appoint Janet Currie as Editor of the *Journal of Economic Literature* for a three year term from July 2010 through June 2013.

Report of the Editor of the American Economic Review (Moffitt). Moffitt announced that after a two year initial commitment, William Johnson had agreed to continue as editor of the *AER Papers and Proceedings*. He reported that an effort over the past year to replicate a sample of empirical *AER* articles revealed that most of the data and programs deposited with the *Review* as part of its data availability policy are sufficient to allow other scholars to replicate findings. He also announced that because of the rapidly growing average length of articles in the *AER*, the *Review* has begun to enforce its policy of accepting no submissions exceeding 50 pages of double-spaced 12 point type. Moffitt described the *AER*'s new Excellent Referee Awards that began in 2008. Finally, he led a discussion of possible ways the *AER* might recognize its centenary issue in March 2011; he invited the Executive Committee to send him their views about the possibilities.

Acting on the Editor's recommendation, it was VOTED to appoint Joel Sobel to a one-year term as co-editor of the *AER* from July 2009 through June 2010, and to appoint Larry Samuelson to a three-year term as co-editor of the *AER* from July 2010 through June 2013. It also was VOTED to reappoint to the Board of Editors of the *AER* Rachel Crossen to a one-year term ending in March 2010, and to appoint to the Board of Editors of the *AER* Igal Hendel and Ricardo Reis to terms ending in December 2011, and Markus Brunnermeier, Gita Gopinath, Guido Lorenzoni, Nicola Persico, Balazs Szentes, and Leeat Yariv to three-year terms ending in March 2012.

Report of the Editor of the Journal of Economic Perspectives (Siegfried for Autor). Autor reported that Jeremy Stein resigned as co-editor of the *JEP*, effective in January, in order to accept an appointment in the U.S. Department of Treasury. Acting on the Editor's recommendation, it was VOTED to appoint Charles Jones as co-editor of the *JEP* for three-year term from July 2009 through June 2012.

American Economic Journal Common Issues (Siegfried, Auerbach, Davis, Duflo, and Postlewaite). As of April 2009, each *AEJ* had a sufficient number of accepted articles to fill the contracted issues through the end of 2009. Each also had a sufficient number of articles in the revise and resubmit stage to fill the issues through May 2010. Submissions during the first quarter of 2009 exceeded submissions during the first quarter of 2008 for three of the four *AEJs*. The sum of submissions to the *AEJs* during the first quarter of 2009, multiplied by four is approximately one thousand.

Siegfried reported that by April 2009, 627, 590, 483, and 510 members registered to continue to receive print copies of the *AEJ: Applied Economics*, *AEJ: Economic Policy*,

AEJ: Macroeconomics, and *AEJ: Microeconomics*, respectively. Members can continue to receive print copies of the *AEJs* throughout 2009 and on until their next membership renewal. Beyond that point, there is an annual charge of \$25 per journal for print.

Report of the Editor of the American Economic Journal: Applied Economics (Duflo). Duflo reported that she has been able to maintain a remarkable pace for decisions on submissions; average time to first decision is only 33 days. Submissions in 2009 appear on a pace of about 400 per year. Acting on the Editor's recommendation, it was VOTED to appoint Peter Arcidiacono to a three-year term ending in June 2012 as a member of the Board of Editors of *AEJ: Applied Economics*.

Report of the Editor of the *American Economic Journal: Economic Policy* (Auerbach). Auerbach reported that five members of his Board of Editors have joined or are in the process of joining the new Administration in Washington, D.C. Acting on the Editor's recommendation, to fill some of these vacancies that are expected to result, it was VOTED to appoint Jens Ludwig, Dan Silverman, and Brian Knight to three-year terms from May 2009 through April 2012 on the Board of Editors of *AEJ: Economic Policy*.

Report of the Editor of the American Economic Journal: Macroeconomics (Davis). Davis explained that in February 2009 the Executive Committee, using e-mail voting, appointed John Leahy to a three-year term as a co-editor of *AEJ: Macroeconomics* to replace himself, when Davis became Editor in January 2009. Leahy's term ends in December 2011. Davis reported that submissions to *AEJ: Macro* are on a pace for about 220 in 2009, and that the mean time to first decision for new submissions in the past 12 months has been 66 days. Acting on the Editor's recommendation, it was VOTED to appoint V. V. Chari, Nobu Kiyotaki, Arvind Krishnamurthy, Richard Rogerson, and Martin Schneider to three-year terms on the Board of Editors from May 2009 through April 2012.

Report of the Editor of the American Economic Journal: Microeconomics (Postlewaite). Postlewaite reported that submissions to *AEJ: Micro* are coming in at a rate of about 160 per year. Acting on the Editor's recommendation, it was VOTED to appoint Aviv Nevo to a three-year term from July 2009 through June 2012 as a member of the Board of Editors of *AEJ: Microeconomics*.

Report of the Director of *Job Openings for Economists* (Siegfried). Siegfried reported that the number of jobs listed in *JOE* for the first three issues of 2009 was 35 percent below the level in 2008. He also announced that by fall 2009 *JOE* would switch to a credit card pre-payment system for all listings.

Ad Hoc Committee on Secretary-Treasurer Succession (Deaton). Deaton presented a proposed *JOE* listing for Associate Secretary-Treasurer, with the expectation that the person appointed to the position would eventually succeed Siegfried as Secretary-Treasurer. The position entails administration of the Association from its office in Nashville, Tennessee. The job description indicates that a successful candidate will hold a tenured faculty appointment from which release time can be arranged, will have

experience in teaching and research, and will have demonstrated competence in managing budgets, personnel, and electronic services. It was decided to place the job listing in the November 1, 2009 issue of JOE, and to ask the President to appoint a small committee to interview candidates at the Atlanta meeting in January 2010.

Report on Washington Representation (Abraham). Abraham reported that the Committee on Government Relations (Abraham (chair), Rebecca Blank, Deaton, Catherine Eckel, Hall, Moffitt, Charles Plott, Richard Schmalensee, Charles Schultze, and James Smith) produced a mission statement for an Association government relations officer, a description of expected duties to be performed by the person hired as the Association's part-time Washington representative, and text for a job listing for the position. The documents were reviewed and approved. Advertising to fill the Washington representative position is planned for May 2009, interviews for June and July, and hiring for fall 2009. The documents are posted on the Association's website.

During the discussion it was reiterated that the Washington representative would not advocate for particular economic policies, but rather would attend to the professional interests of economists. It was recognized that this effort by the Association would require constant vigilance and oversight by the Committee on Government Relations and the Executive Committee. If adequate interest in oversight cannot be maintained, the experiment will be discontinued.

Report of the Audit Committee (D. Romer). The Audit Committee (D. Romer [Chair], Eberly, and Bertrand) met with the Association's auditors, Frasier, Dean, and Howard by teleconference on March 31, 2009. The Committee concluded there are no material difficulties with the Association's accounting procedures or financial controls. Acting on the recommendation of the Committee, it was VOTED to accept the audit for 2008.

2009 Program (Hall). Hall reported that Hal Varian will give the 2010 Ely Lecture. He explained that the due date for submissions for the annual program was moved from February 28 in 2008 to April 1 in 2009. A computerized program to help the President-elect and the Program Committee has been built by the Association's Pittsburgh staff. He reported that the Committee screened 275 complete sessions and 1403 individual papers submitted for the 2010 meetings. To increase the number of individually submitted papers that make the program, Hall explained that his Program Committee constructed sessions consisting of six papers and no discussants from individual paper submissions. He also described Econ-Harmony, a service offered by the Association for the first time in 2009. Econ-Harmony allows members to post papers that they plan to submit individually, but would like to combine into a complete session with others conducting research on similar subjects. It also collects volunteer session chairs.

Report of the Treasurer (Siegfried). Siegfried reported that the audited financial statements for 2008 show an operating surplus of \$635 thousand. Including investment income and capital gains, there was an overall 2008 deficit of \$5.3 million. He presented a revised budget for 2009 based on information received between November 2008 and

March 2009, predicting an operating deficit of \$23 thousand for 2009; a deficit of \$401 thousand had been predicted in January.

The combined operating surplus and portfolio loss during 2008 decreased the December 2008 ratio of the Association's accumulated net unrestricted assets to 2009 budgeted expenditures (including the 2008 ASSA meeting gross expenditures) to 1.5. The Association's target ratio is 2.0, established by the Executive Committee in 1999. The Association's net unrestricted assets on December 31, 2008 were \$13.1 million, down from \$18.4 million on December 31, 2007. Total assets on December 31, 2008 were \$17.1 million, of which \$15.5 million consisted of cash and financial investments and \$1.5 million were accounts receivable. Liabilities were \$3.8 million, of which \$2.5 million consisted of pre-paid membership dues and subscriptions.

Old Business. The Association's Electoral College uses rank-order voting to select Distinguished Fellows from a list of candidates. In rank-order voting, the winners may change if a candidate who him or herself has no chance of winning is removed from the ballot. Thus, rank-order voting violates the independence of irrelevant alternatives property. From Arrow's impossibility theorem, there is no voting method that always satisfies independence of irrelevant alternatives together with the Pareto property (don't elect x if everyone prefers y, and y is on the ballot), anonymity (all voters count equally), neutrality (all candidates are treated equally), and decisiveness (there is a clear winner). However, rank-order voting satisfies the conjunction of these five properties far less often than some other voting methods, and rank-order voting is vulnerable to strategic manipulation by voters. Accordingly, Maskin proposed that for selecting Distinguished Fellows the Association adopt Condorcet voting (majority rule), which satisfies the five properties more often than rank-order voting. Condorcet voting proceeds as follows: each voter ranks the candidates in order of preference. The first position is filled by the candidate who beats the most other candidates in head-to-head match-ups (according to the voters' rankings). The next position is filled by the candidate who beats the second-most other candidates, and so on. A tie can be broken in favor of the candidate who gets the most first place votes. It was VOTED to adopt the generalized Condorcet method for selecting Association Distinguished Fellows, starting in 2010.

New Business. Greg Tannenbaum, CEO of Anianet, requested a statement of support from the Association for his venture to foster collaboration and understanding between Chinese and western scholars. After a brief discussion, the opportunity was declined.

There being no further business, it was VOTED to adjourn at 4:30 P.M.

Respectfully submitted,
JOHN J. SIEGFRIED, Secretary

April 28, 2009