

Review of Finance
Report from the Managing Editor
Alex Edmans
Carcavelos, Portugal 21-24 August 2019

1. Acknowledgements and Editorial Board Member Changes

We are very grateful to the Editorial Board and Editorial Team for helping to run the journal. Particular thanks to Referees who have imposed high standards as we have tried to improve the quality of the journal, and to Authors who send us their best work.

The current members are:

Editors: Jules van Binsbergen, Amit Goyal, Christine Parlour, Joel Peress, Amiyatosh Purnanandam, Kelly Shue and Geoffrey Tate.

Associate Editors: Kenneth Ahern, Jonathan Berk, Patrick Bolton, Jonathan Cohn, Ian Dew-Becker, Ruediger Fahlenbrach, Cary Frydman, Xavier Giroud, Todd Gormley, Dirk Hackbarth, Samuel Hartzmark, Campbell Harvey, Clifford Holderness, Marcin Kacperczyk, Peter Koudijs, Kai Li, Alexander Ljungqvist, Lars Lochstoer, Andrey Malenko, David Martinez-Miera, Konstantin Milbradt, Christian Opp, Paige Ouimet, Jacob Sagi, David Solomon, Luke Taylor, Pietro Veronesi, and Lucy White.

Advisory Editors: Franklin Allen, Thorsten Beck, Arnoud Boot, Andrew Ellul, Burton Hollifield, Vikrant Vig and Pradeep Yadav.

Editorial Advisor: Bogdan Stacescu.

Editorial Managers: Lucy Emmerson and Maria Ponce.

Thanks to Associate Editors Doron Avramov, David Thesmar, and Paolo Volpin who recently stepped down from their roles.

2. The Impact Factor

The 2018 official impact factor of the Review of Finance is published by Thomson Reuters InCites Journal Citation Reports. As of June 2019, the journal's impact factor, excluding self-citations, is **1.906**. This compares to 1.929 in 2017-8 and 1.873 in 2016-7. **Table 1** compares the RF to other top finance journals. The current five-year impact factor is 3.190, an increase compared to 2.836 in 2017 and 2.827 in 2016. **Figures 1** and **2** show how the impact factors were calculated.

Table 1: 2018 Impact Factors, Top 10 Finance Journals

2018 Impact Factor	2018 Impact Factor, Excluding Self-Citations	2018 Impact Factor	5 Year Impact Factor
Journal of Finance	5.948	6.201	9.772
Review of Financial Studies	4.571	4.975	6.663
Journal of Financial Economics	4.381	4.693	7.976
Journal of Financial Intermediation	2.432	2.588	3.767
Journal of Financial and Quantitative Analysis	2.133	2.266	3.403
Journal of Corporate Finance	2.084	2.349	3.184
Journal of Banking and Finance	2.077	2.205	3.527
Journal of Financial Stability	1.934	2.301	2.875
Review of Finance	1.906	1.942	3.190
Journal of Risk and Uncertainty	1.537	2.122	2.231

Figure 1: 2018 Impact Factor Calculation for Review of Finance

Cites in 2017 to items published in:	2017 = 136	Number of items published in:	2017 = 69
	2016 = 133		2016 = 70
	Sum: 270		Sum: 139

$$\text{Calculation} = \frac{\text{Cites to recent items}}{\text{Number of recent items}} = \frac{270}{139} = 1.942$$

Figure 2: 5 year Impact Factor Calculation for Review of Finance

Cites in 2018 to items published in:	2017 = 137	Number of items published in:	2017 = 69
--------------------------------------	------------	-------------------------------	-----------

2016 = 133	2016 = 70
2015 = 244	2015 = 58
2014 = 178	2014 = 61
2013 = 297	2013 = 52
Sum: 989	Sum: 310

$$\text{Calculation} = \frac{\text{Cites to recent items}}{\text{Number of recent items}} \quad 989 / 310 = 3.190$$

Figure 3: 2018 Impact Factor (Excluding Self Citation) Information, Calculation for Review of Finance

Self Cites:	39 (2.016% of 1.925)
Self Cites to Years Used in Impact Factor Calculation:	5 (1.852% of 270)
Impact Factor without Self Cites:	1.906

3. Editorial Statistics

3.1 All Submissions

Table 2 gives a breakdown of the latest statistical period 2018/19 and the comparable data for the last two years. During this period, there were a total of **706** submissions, including **58** resubmissions. From this total, **17** manuscripts were submitted more than once within this period (the other resubmissions were initially submitted before the beginning of the period). **Figure 3** shows the behaviour in submissions since 2005. The fall in submissions in the most recent two years is largely down to the substantial decrease in resubmissions (from 161 to 73 and 58) as we are continuing to impose a much higher bar before inviting revision, as well as the large increase in submission fee at the start of 2016.

Further evidence of our tightening standards is the significant fall in the number of accepted papers from **73** in 2015/6 to **58** in 2016/7, **39** in 2017/8 and **28** in 2018/19. Our acceptance rate has fallen from **5.33%** to **4.06%** and is now one of the lowest across all finance journals. From Volume 23, we have significantly reduced the number of papers published in each issue. Our goal is to ensure that no paper is published in the *RF* that is not high-quality. Note that our

publisher, Oxford University Press, does not impose a page limit, so no high-quality paper will be rejected for reasons of lack of space.

The number of papers returned for revision has increased slightly from last year from **38** to **43** and the number of desk rejections fell from **236** to **182**, suggesting an increase in the quality of papers submitted. This may be due to the large increase in the submission fee in 2017 and our tightening standards.

Of the 706 total submissions in 2018/19, **631** (89%) received a decision during this period and **75** (11%) are still waiting for a decision. The average turnaround time for manuscripts received in the period was **50 days**, with a median of **36 days**. One reason for the increased turnaround time is the second round up-or-out policy. To achieve this while maintaining a strict top-three bar, we now require all papers to have a second editor's sign-off to be given an R&R. By getting a rich set of opinions in the first round, we hope to avoid excessive future rounds. The policy also helps ensure consistency of standards regardless of who the assigned editor is, as well as increasing the likelihood that a published paper is of interest to a broad finance audience rather than just the primary editor. Despite this, we will work hard to reduce the turnaround time going forwards.

The effects of the second round up-or-out policy have already started to manifest. **75%** of manuscripts are accepted or conditionally accepted after zero or one revisions (compared to **60%** last year), with a mean number of revisions before acceptance or conditional acceptance of **1.2**. Out of the 15 R&Rs given in 2018/19 that were resubmitted within the period and a final decision rendered, all 15 (100%) were accepted or conditionally accepted.

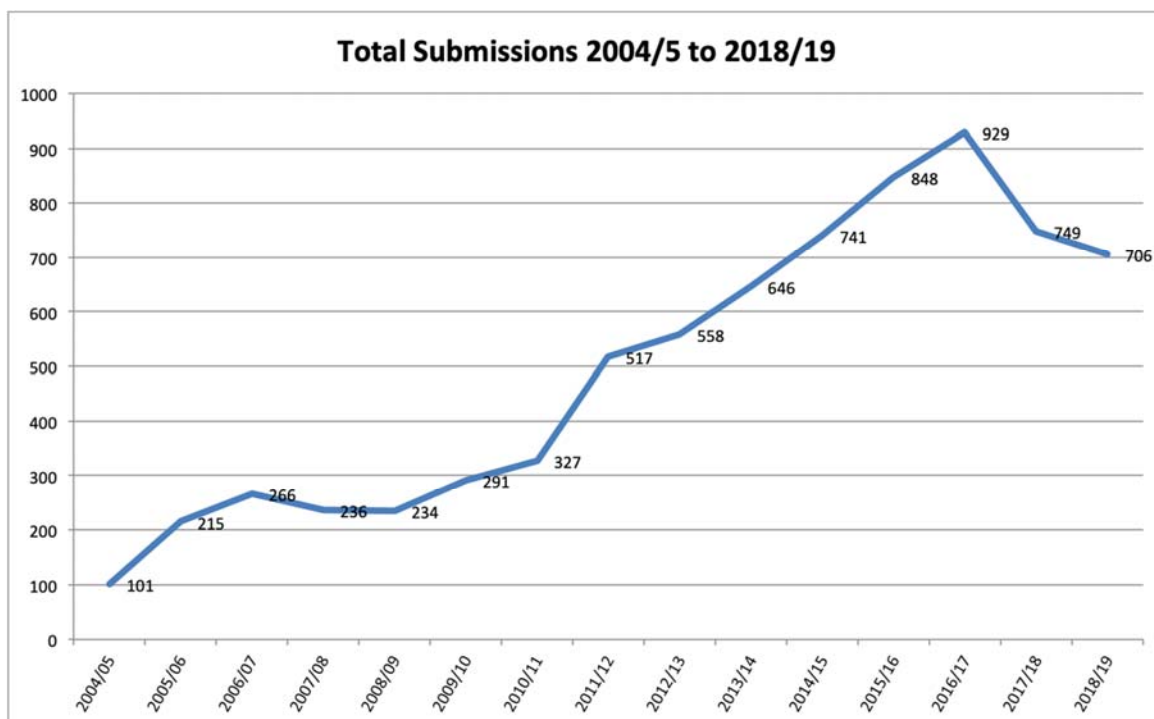
Table 2: Editorial Statistics for All Submissions, 1 July 2018 to 30 June 2019, Compared with previous 2017/18 and 2016/17 periods

The following figures are based on all submissions and resubmissions received in the statistical period. The data on outcomes for 2018/19 and 2017/18 refers to all decisions made in the statistical period, regardless of the date of submission, while the data for 2016/17 refers to submissions which were both submitted and received a decision during the statistical period; the figures are therefore not directly comparable. The turnaround time is the number of days elapsed from receipt of the manuscript to notification of the editorial decision.

Category	Count 2016/17	Count 2017/18	Count 2018/19
New submissions	762	675	646
Resubmissions	161	73	58
Requests for withdrawals	0	1	0
Total Submissions	923	749	704
Submissions Accepted	58	39	28
Submissions Conditionally Accepted	42	24	19
Submissions Returned for Revision	87	38	43
Submissions Summarily Rejected	296	236	182

Submissions Rejected	453	424	442
Submissions Withdrawn	3	1	1
Submissions To Be Removed	-	1	0
Total Decisions	939	763	715
Submissions Pending at end of period	94	82	75
Mean Turnaround Time (days)	38	40	50
Median Turnaround Time (days)	-	25	36
Acceptance Rate	6.28%	5.33%	4.08%
Manuscripts accepted or conditionally accepted after one revision or fewer (% of those accepted)	-	59.5%	75.0%
Mean number of revisions before acceptance or conditional acceptance	-	1.4	1.2
Proportion of R&Rs eventually accepted	-	-	100%

Figure 3: Submission figures over time



3.3 Fast Track Submissions

Table 3 provides statistics for Fast Track submissions for the 2018/19 period compared with the two previous periods. For this statistical period we received **85** Fast Track submissions. For this period, the Fast Track submission acceptance rate was **2%**, compared to **6%** in 2017/8 and **12%** in 2016/7.

The majority (**86%**) of Fast Track submissions were processed within 14 days, with only 14 papers missing the deadline.

Table 3: Fast Track Submissions, 1 July 2018 to 30 June 2019, Compared with previous periods

The following figures are based on all Fast Track submissions and resubmissions received in the statistical period. The category 'submissions accepted' includes accepted and conditionally accepted submissions. The turnaround time is the number of days elapsed from receipt of the manuscript to notification of the editorial decision..

Category	2016/17	2017/18	2018/19
Submissions Processed	120	97	85
Submissions Pending	1	3	2
Total Submissions	121	100	87
Submissions Accepted	15	6	2
Acceptance Rate	12.39%	6.12%	2.30%
Mean Turnaround Time (days)	13	13	16
Median Turnaround Time (days)	9	8	12
Distribution of Turnaround Times			
On time (0-14 days)	101 (83%)	90 (91.8%)	73 (85.9%)
15-21 days	8	2	3
22-28 days	0	1	1
More than 28 days	12	5	10

3.4 Breakdown of Submissions by Research Methodology and Area

Table 4 shows the breakdown of **research methodology** for all submissions for 2019, compared with 2018. The **Empirical** research methodology continues to be the most frequently used.

Table 4: Research Methodology for All Submissions, 2017/18 and 2018/19

The following figures relating to 2017/18 and 2018/19 are based on all unique submissions and resubmissions received in the statistical period; where multiple revisions of a manuscript have been submitted during the statistical period it has only been counted once.

Research Methodology	2017/18		2018/19	
	Frequency	Relative Frequency (%)	Frequency	Relative Frequency (%)
Empirical	607	84.3	576	84.3
Theoretical	85	11.8	97	14.2
Experimental	28	3.9	10	1.5
Total	720	100	683	100

The breakdown of research areas for all submissions is detailed in **Table 5**. This year, the research area order continued to be the same as last year with **Corporate Finance** topping the list as the largest research area with **30.6%**.

Table 5: Research Area for All Submissions, 2018-2019

The following figures are based on all unique submissions and resubmissions received in the statistical period. Where multiple revisions of a manuscript have been submitted during the statistical period it has only been counted once.

Research Area	2017/2018		2018/2019	
	Frequency	Relative Frequency (%)	Frequency	Relative Frequency (%)
Corporate Finance	205	28.5	209	30.6
Asset Pricing	204	28.3	174	25.5
Banking and Financial Intermediation	167	23.2	160	23.4
Behavioural Finance	76	10.6	74	10.8
Market Microstructure	37	5.1	42	6.1
Mutual Funds	31	4.3	24	3.5
Total	720	100	683	100

3.5 Breakdown of Accepted Papers by Research Methodology and Area

This section shows the Research Methodology and Research Area for unique papers *accepted* or *conditionally accepted* (in 2018/2019 (hereafter 'accepted')). As shown in **Table 6**, 92.9% of accepted papers are Empirical and 7.1% are Theoretical. The most commonly accepted research areas, in order, are Banking and Financial Intermediation and Corporate Finance, followed by Asset Pricing, Behavioral Finance and Mutual Funds.

Table 6: Research Methodology and Area for Accepted Papers, 2018-19

The following figures are based on unique accepted and conditionally accepted papers that were submitted and received a decision in the statistical period.

Research Methodology		
	Frequency	Relative Frequency (%)
Empirical	26	92.9
Theoretical	2	7.1
Total	28	100

Research Area		
Asset Pricing	7	25.0
Corporate Finance	8	28.6
Banking and Financial Intermediation	8	28.6
Behavioral Finance	3	10.7
Mutual Funds	2	7.1
Total	28	100

Table 7 provides similar statistics for the two previous years. As with this year, the data for 2016/17 and 2017/18 is based on unique accepted and conditionally accepted papers.

Table 7: Research Methodology and Area for Published Papers, 2016-17 and 2017-18

2016/17		2017/18	
Research Methodology		Research Methodology	
Empirical	71.19%	Empirical	89.5%
Theoretical	23.73%	Theoretical	7.9%
Experimental	5.08%	Experimental	2.6%
Research Area		Research Area	
Asset Pricing	37.29%	Asset Pricing	21.1%
Banking & Financial Intermediation	18.64%	Banking & Financial Intermediation	31.6%
Corporate Finance	20.35%	Corporate Finance	34.2%
Behavioral Finance	15.25%	Behavioral Finance	5.3%
Market Microstructure	6.78%	Market Microstructure	2.6%
Mutual Funds	1.69%	Mutual Funds	5.3%

4. Best Paper Prizes and Referee Awards

During the EFA Meetings there will be two prizes awarded for outstanding papers published in the Review of Finance during the year. We also award referee awards to recognize outstanding service.



Spängler IQAM Invest continues to sponsor the **Spängler IQAM Prize** to award the best quality research papers on **Investments** published in the journal. The **Review of Finance** sponsors the **Pagano and Zechner Prize** for the best **Non-investments** paper.

Pagano and Zechner Prize

Winner

Gene Amromin, Jennifer Huang, Clemens Sialm, Edward Zhong, 'Complex Mortgages'
Volume 22, Issue 6, October 2018, Pages 1975-2007, <https://doi.org/10.1093/rof/rfy016>

Runner up

E Han Kim, Ernst Maug, Christoph Schneider, 'Labor Representation in Governance as an Insurance Mechanism'
Volume 22, Issue 4, July 2018, Pages 1251–1289, <https://doi.org/10.1093/rof/rfy012>

Finalists

Ryan Michaels, T Beau Page, Toni M Whited, 'Labor and Capital Dynamics under Financing Frictions'
Volume 23, Issue 2, March 2019, Pages 279–323, <https://doi.org/10.1093/rof/rfy020>

Carl Hsin-han Shen, Hao Zhang, 'Tournament Incentives and Firm Innovation'
Volume 22, Issue 4, July 2018, Pages 1515–1548, <https://doi.org/10.1093/rof/rfw064>

Anthony M Kwasnica, Raisa Velthuis, Jared Williams, 'Did You See What I Saw? Interpreting Others' Forecasts When Their Information Is Unknown'
Volume 23, Issue 2, March 2019, Pages 325–361, <https://doi.org/10.1093/rof/rfx052>

Sudheer Chava, Rohan Ganduri, Chayawat Ornthanalai, "Do Credit Default Swaps Mitigate the Impact of Credit Rating Downgrades?"
Volume 23, Issue 3, May 2019, Pages 471–511, <https://doi.org/10.1093/rof/rfy033>

Spängler IQAM Prize

Winner

Kewei Hou, Haitao Mo, Chen Xue, Lu Zhang, 'Which Factors?'

Volume 23, Issue 1, February 2019, Pages 1–35, <https://doi.org/10.1093/rof/rfy032>

Runner up

Sebastian Müller, 'Economic Links and Cross-Predictability of Stock Returns: Evidence from Characteristic-Based "Styles'

Volume 23, Issue 2, March 2019, Pages 363–395, <https://doi.org/10.1093/rof/rfx033>

Distinguished Referee Awards

Anna Cieslak

Robert Marquez

William Mullins

5. Appendices

Review of Finance articles published between 1 July 2018 and 30 June 2019. Out of the 44 papers published, 6 were solicited by the editors.

Volume 22, Issue 4 July 2018

[Labor Representation in Governance as an Insurance Mechanism](#)

E Han Kim; Ernst Maug; Christoph Schneider

[Liquidity Flows in Interbank Networks](#)

Fabio Castiglionesi; Mario Eboli

[Do Exposures to Sagging Real Estate, Subprime, or Conduits Abroad Lead to Contraction and Flight to Quality in Bank Lending at Home?](#)

Steven Ongena; Günseli Tümer-Alkan; Natalja von Westernhagen

[The Effects of Investment Bank Rankings: Evidence from M&A League Tables](#)

François Derrien; Olivier Dessaint

[Corporate Bond Trading on a Limit Order Book Exchange](#)

Menachem Meni Abudy; Avi Wohl

[Common Factors, Information, and Holdings Dispersion](#)

Patrice Fontaine; Sonia Jimenez-Garcès; Mark S Seasholes

[A Measure of Pure Home Bias](#)

Ian A Cooper; Piet Sercu; Rosanne Vanpée

[Tournament Incentives and Firm Innovation](#)

Carl Hsin-han Shen; Hao Zhang

[Variance-of-Variance Risk Premium](#)

Andreas Kaeck

[Does Competition Affect Truth Telling? An Experiment with Rating Agencies](#)

Jean Paul Rabanal; Olga A Rud

[Media Coverage and Stock Returns on the London Stock Exchange, 1825–70](#)

John D Turner; Qing Ye; Clive B Walker

Volume 22, Issue 5 August 2018

[A Theory of Costly Sequential Bidding](#)

Kent D Daniel; David Hirshleifer

[Indirect Costs of Financial Distress and Bankruptcy Law: Evidence from Trade Credit and Sales](#)

Zacharias Sautner; Vladimir Vladimirov

[Are Some Clients More Equal Than Others? An Analysis of Asset Management Companies' Execution Costs](#)

Azi Ben-Rephael; Ryan D Israelsen

[Housing Habits and Their Implications for Life-Cycle Consumption and Investment](#)

Holger Kraft; Claus Munk; Sebastian Wagner

[Leverage, CEO Risk-Taking Incentives, and Bank Failure during the 2007–10 Financial Crisis](#)

Patricia Boyallian; Pablo Ruiz-Verdú

[Shareholder Conflicts and Dividends](#)

Janis Berzins; Øyvind Bøhren; Bogdan Stacescu

[Skewness, Individual Investor Preference, and the Cross-section of Stock Returns](#)

Tse-Chun Lin; Xin Liu

[Do FOMC Actions Speak Loudly? Evidence from Corporate Bond Credit Spreads](#)

Siamak Javadi; Ali Nejadmalayeri; Timothy L Krehbiel

[Fund Flows, Manager Changes, and Performance Persistence](#)

Wolfgang Bessler; David Blake; Peter Lückoff; Ian Tonks

[Combination Return Forecasts and Portfolio Allocation with the Cross-Section of Book-to-Market Ratios](#)

Andrew Detzel; Jack Strauss

Volume 21, Issue 6 October 2018

[Complex Mortgages](#)

Gene Amromin; Jennifer Huang; Clemens Sialm; Edward Zhong

[Uninformative Feedback and Risk Taking: Evidence from Retail Forex Trading](#)

Itzhak Ben-David; Justin Birru; Viktor Prokopenya

[Who Wins When Exchanges Compete? Evidence from Competition after Euro Conversion](#)

Kathryn L Dewenter; Xi Han; Jennifer L Koski

[Regional Inflation, Banking Integration, and Dollarization](#)

Martin Brown; Ralph De Haas; Vladimir Sokolov

[The Credit Card Debt Puzzle and Noncognitive Ability](#)

Hwan-sik Choi; Ron A Laschever

Volume 23, Issue 1 February 2019

Which Factors?

Kewei Hou; Haitao Mo; Chen Xue; Lu Zhang

The Personal Wealth Interests of Politicians and Government Intervention in the Economy

Ahmed Tahoun; Laurence van Lent

How Do Banks React to Catastrophic Events? Evidence from Hurricane Katrina

Ulrich Schüwer; Claudia Lambert; Felix Noth

The Effects of Horizontal Merger Operating Efficiencies on Rivals, Customers, and Suppliers

Gennaro Bernile; Evgeny Lyandres

Exploring Mispricing in the Term Structure of CDS Spreads

Robert Jarrow; Haitao Li; Xiaoxia Ye; May Hu

Can Socially Responsible Firms Survive Competition? An Analysis of Corporate Employee Matching Grant Schemes

Ning Gong; Bruce D Grundy

Does Information Acquisition Alleviate Market Anomalies? Categorization Bias in Stock Splits

Dongmin Kong; Chen Lin; Shasha Liu

Volume 23, Issue 2 March 2019

Labor and Capital Dynamics under Financing Frictions

Ryan Michaels; T Beau Page; Toni M Whited

Did You See What I Saw? Interpreting Others' Forecasts When Their Information Is Unknown

Anthony M Kwasnica; Raisa Velthuis; Jared Williams

Economic Links and Cross-Predictability of Stock Returns: Evidence from Characteristic-Based "Styles"

Sebastian Müller

To See Is to Know: Simultaneous Display of Market Data for Retail Investors

Hedi Benamar

Political Uncertainty and Cross-Border Acquisitions

Chunfang Cao; Xiaoyang Li; Guilin Liu

Volume 23, Issue 3 May 2019

[Do Credit Default Swaps Mitigate the Impact of Credit Rating Downgrades?](#)

Sudheer Chava; Rohan Ganduri; Chayawat Ornthanalai

[Renegotiation Frictions and Financial Distress Resolution: Evidence from CDS Spreads](#)

Murillo Campello; Tomislav Ladika; Rafael Matta

[Mind the Gap: Disentangling Credit and Liquidity in Risk Spreads](#)

Krista Schwarz

[Asset Growth and Stock Market Returns: A Time-Series Analysis](#)

Quan Wen

[The Transmission of Bank Liquidity Shocks: Evidence from House Prices](#)

H Özlem Dursun-de Neef

[Capital Structure and the Substitutability versus Complementarity Nature of Leases and Debt](#)

Brent W Ambrose; Thomas Emmerling; Henry H Huang; Yildiray Yildirim