Review of Finance
Report from the Managing Editor
Alex Edmans
August 2020

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: Amit Goyal, Marcin Kacperczyk, Christine Parlour, Joel Peress, Amiyatosh Purnanandam, Kelly Shue, and Geoffrey Tate.

Associate Editors: Kenneth Ahern, Anna Cieslak, Patrick Bolton, Jonathan Cohn, Ian Dew-Becker, Ruediger Fahlenbrach, Cary Frydman, Xavier Giroud, Todd Gormley, Dirk Hackbarth, Samuel Hartzmark, Campbell Harvey, Clifford Holderness, Nandini Gupta, Peter Koudijs, Mark Leary, Alexander Ljungqvist, Lars Lochstoer, Andrey Malenko, David Martinez-Miera, Michela Verardo, Christian Opp, Paige Ouimet, Jacob Sagi, David Solomon, Luke Taylor, Yongxiang Wang, and Lucy White.

Advisory Editors: Franklin Allen, Thorsten Beck, Jules van Binsbergen, Arnoud Boot, Andrew Ellul, and Burton Hollifield.

Editorial Advisor: Bogdan Stacescu.

Editorial Managers: Lucy Emmerson and Patricia Ponce.

2. The Impact Factor

The 2019 official impact factor of the Review of Finance is published by Clarivate on the Journal Citation Reports. The 2-year impact factor, excluding self-citations, is **2.885**. This compares to 1.906 in 2018-9 and 1.929 in 2017-8. We are encouraged by the increase in the impact factor, which is likely due to the top-three standards announced in January 2017. A policy announced in 2017 will not fully affect papers published until 2018 (although we were implementing some elements of the policy before official announcement), and articles published in 2018 do not affect the impact factor until 2019. Thus, the impact factor changed little for the first two years, but its effects are now starting to filter through. The impact factor is not something that we target directly, but is a by-product of applying high standards and aiming only to publish papers that substantially advance knowledge and are of broad interest to a general finance audience.

Two factors are responsible for the increase in the impact factor. One is that the number of zero-cited articles fell by 35%. This is consistent with the increase in standards leading to the RF accepting significantly fewer papers than in the past. The second is the publication of high-impact papers. The 2019 impact factor measures the number of times papers published in the RF 2017 and 2018 were cited by papers published in any journal in 2019. Two RF papers were cited at least 30 times by papers published in 2019 (there were zero such papers included in the 2018 impact factor). One is "Corporate Governance and Blockchains" (Yermack) on FinTech, consistent with the RF's openness to new areas of research, and the second was "What Are the Best Liquidity Proxies for Global Research?" (Fong, Holden, and Trzcinka), consistent with the RF's openness to papers using non-US data.

Table 1 compares the RF to other top finance journals. The current five-year impact factor is 3.066, compared to 3.190 in 2018 and 2.836 in 2017.

Table 1: 2019 Impact Factors, Top Finance Journals

2019 Impact Factor	2019 Impact Factor, Excluding Self-Citations	2019 Impact Factor	5 Year Impact Factor
Journal of Finance	6.477	6.813	9.738
Journal of Financial Economics	5.359	5.731	8.804
Review of Financial Studies	4.416	4.649	7.100
Review of Finance	*2.862*	*2.885*	*3.066*
Journal of Financial Intermediation	2.623	2.820	3.441
Journal of Financial and Quantitative Analysis	2.621	2.707	3.402
Journal of Corporate Finance	2.222	2.521	3.819
Journal of Banking & Finance	2.167	2.269	3.377

Figures 1, 2, and **3** show how the impact factors were calculated.

Figure 1: 2019 Impact Factor Calculation for Review of Finance

Cites in 2019 to items published in: 2018 = 124   Number of items published in: 2018 = 61

2017 = 251   2017 = 69

Sum: 375   Sum: 130

$$\text{Calculation} = \frac{\text{Cites to recent items}}{\text{Number of recent items}} \qquad 375 / 130 = 2.885$$

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

Cites in 2019 to items published in: 2018 = 124   Number of items published in: 2018 = 61

2017 = 251   2017 = 69

2016 = 157   2016 = 70

2015 = 254   2015 = 58

2014 = 192   2014 = 61

Sum: 978   Sum: 319

$$\text{Calculation} = \frac{\text{Cites to recent items}}{\text{Number of recent items}} \qquad 978 / 319 = 3.066$$

Figure 3: 2019 Impact Factor (Excluding Self Citation) Information, Calculation for Review of Finance

Self Cites:	16 (0.7% of 2,161)
Self Cites to Years Used in Impact Factor Calculation:	3 (0.8% of 375)
Impact Factor without Self Cites:	2.862

3. Editorial Statistics

3.1 All Submissions

Table 2 gives a breakdown of the latest statistical period 2019/20 and the comparable data for the last two years. During this period, there were a total of **745** submissions, including **70** resubmissions. This increase in submissions reverses two years of declines caused by the significant increase in submission fees in 2017 (to allow referees to be paid and to deter low-quality submissions) and the announcement of top-three standards. The increase may be due to many factors, but one reason may be the improvement in the journal's reputation, also as reflected by the increase in impact factor. **Figure 3** shows the behavior in submissions since 2005.

In addition to the increase in the number of submissions, we have also seen an increase in the quality of the submissions. Despite maintaining the same vigorous top-three standards that we introduced in 2017, this year has seen a slight increase in the number of accepted papers from **28** to **30** and an increase in the rate of acceptance from **4.29%** to **4.73%.**

Further evidence of the increasing standard of submissions received by the RF can be seen in the significant increase in the number of papers returned for revision, from **43** last year to **62,** and in the fall in the number of desk rejections from **182** to **165.** This continues the trend towards more R&Rs and fewer desk-rejections that can also be seen between the 2017/18 and 2018/19 periods.

Of the 745 total submissions in 2018/19, **641** (86%) received a decision during this period and **104** (14%) are still waiting for a decision, in part due to the Covid-19 pandemic. Turnaround time is largely flat, with the mean turnaround time slightly increasing and the median slightly decreasing.
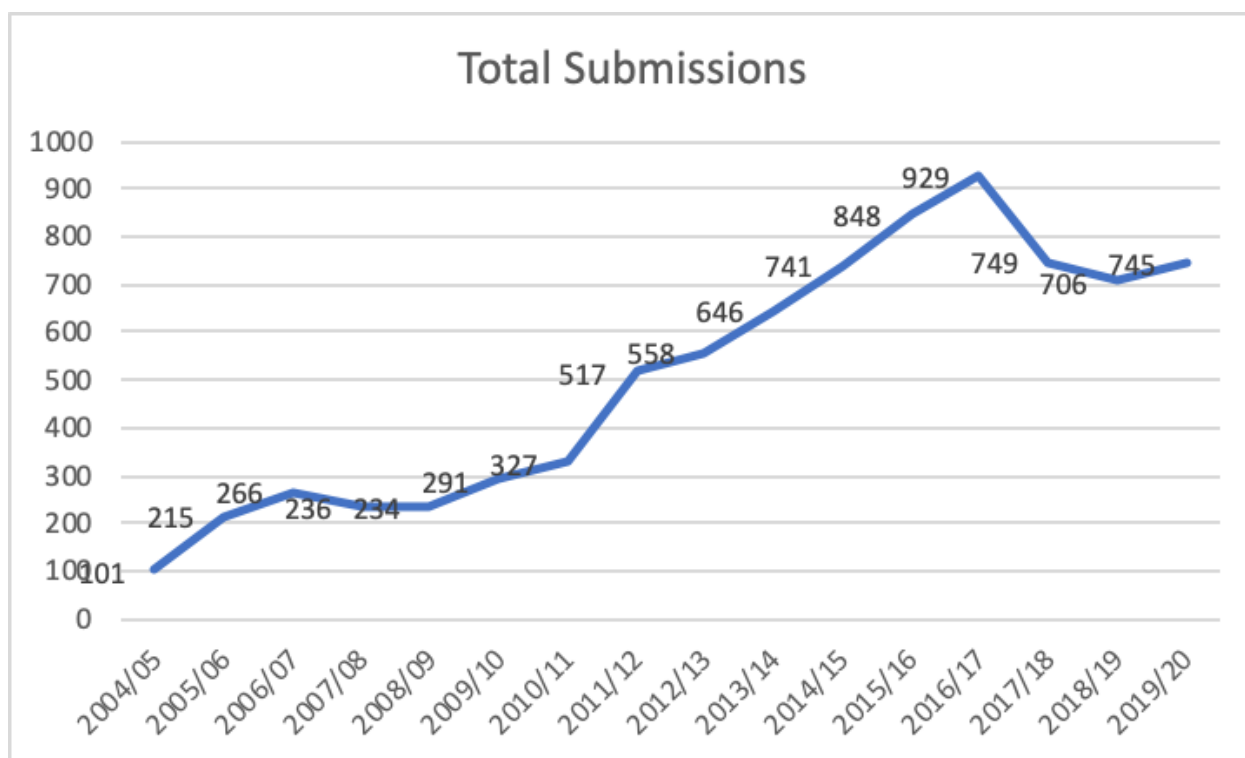
Table 2: Editorial Statistics for All Submissions

The following figures on submissions are based on all submissions and resubmissions received in the statistical period. The data on outcomes refers to all decisions made in the statistical period, regardless of the date of submission. The turnaround time is the number of days elapsed from the manuscript being entered in the database to notification of the editorial decision. The acceptance rate is the number of accepted manuscripts divided by the number of manuscript decisions that could be considered final (i.e. accepted or rejected); it excludes interim decisions (i.e. conditionally accepted or R&R) where the final decision is not yet known.

Category	Count 2017/18	Count 2018/19	Count 2019/20
New submissions	675	646	679
Resubmissions	73	58	66
Requests for withdrawals	1	0	0
Total Submissions	**749**	**704**	**745**
Submissions Accepted	39	28	30
Submissions Conditionally Accepted	24	19	17
Submissions Returned for Revision	38	43	62
Submissions Summarily Rejected	236	182	165

Submissions Rejected	424	442	440
Submissions Withdrawn	1	1	0
Submissions To Be Removed	1	0	0
Total Decisions	**763**	**715**	**714**
Submissions Pending at end of period	82	75	104
Mean Turnaround Time (days)	40	50	54
Median Turnaround Time (days)	25	36	33
Acceptance Rate	5.58%	4.29%	4.73%
Manuscripts accepted or conditionally accepted after one revision or fewer (% of those accepted)	59.5%	75.0%	62.5%
Mean number of revisions before acceptance or conditional acceptance	1.4	1.2	1.3

Figure 3: Total Submissions

3.3 Fast Track Submissions

Table 3 provides statistics for Fast Track submissions for the 2019/20 period compared with the two previous periods. For this statistical period we received **92** Fast Track submissions. The Fast Track submission acceptance rate was 4.1%   **%**, an increase on the acceptance rate of 2.5   % in 2018/19.

The majority (**84%**) of Fast Track submissions were processed within 14 days, with only 14 papers missing the deadline.

Table 3: Editorial Statistics for Fast Track Submissions

The following figures are based on all Fast Track submissions and resubmissions received in the statistical period. The turnaround time is the number of days elapsed from the manuscript being entered into the database to notification of the editorial decision. The acceptance rate is the number of accepted manuscripts divided by the number of manuscript decisions that could be considered final (i.e. accepted or rejected); it excludes interim decisions (i.e. conditionally accepted or R&R) where the final decision is not yet known.

Category	2017/18	2018/19	2019/20
New Submissions	91	80	83
Re-submissions	9	7	9
Total Submissions	**100**	**87**	**92**
Submissions Accepted	5	2	3
Submissions Conditionally Accepted	2	1	2
Submissions Returned for Revision	3	6	11
Submissions Summarily Rejected	17	14	11
Submissions Rejected	71	64	60
Submissions Withdrawn	0	0	0
Submissions to be Removed	1	0	0
Total Decisions	**98**	**87**	**87**
Submissions Pending at end of period	**3**	**2**	**5**
Acceptance Rate	5.38%	2.50%	4.05%
Mean Turnaround Time (days)	13	16	18
Median Turnaround Time (days)	8	12	10
Distribution of Turnaround Times			
On time (0-14 days)	90 (91.8%)	73 (83.9%)	73 (83.9%)
15-21 days	2	3	5
22-28 days	1	1	0
More than 28 days	5	10	9

3.4 Breakdown of Submissions by Research Methodology and Area

Table 4 shows the breakdown of **research methodology** for all submissions for 2019/20. The **Empirical** research methodology continues to be the most frequently used.

Table 4: Research Methodology for All Submissions

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 Methodology	2018/19		2019/20	
	Frequency	Relative Frequency (%)	Frequency	Relative Frequency (%)
Empirical	576	84.3	578	84.9
Theoretical	97	14.2	77	11.3
Experimental	10	1.5	26	3.8
Total	**683**	**100**	**681**	**100**

The breakdown of research areas for all submissions is detailed in **Table 5**. The order of research areas was the same as last year, with **Corporate Finance** topping the list with 32.2**%**.

Table 5: Research Area for All Submissions

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	2018/19		2019/20	
	Frequency	Relative Frequency (%)	Frequency	Relative Frequency (%)
Corporate Finance	209	30.6	219	32.2
Asset Pricing	174	25.5	177	26.0
Banking and Financial Intermediation	160	23.4	132	19.4
Behavioral Finance	74	10.8	84	12.3
Market Microstructure	42	6.1	40	5.9
Mutual Funds	24	3.5	29	4.3
Total	**683**	**100**	**746**	**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. As shown in **Table 6**, 90% of accepted papers are Empirical and 7% are Theoretical. The most commonly accepted research areas, in order, are Asset Pricing, Corporate Finance, Banking and Financial Intermediation and Behavioral Finance.

Table 6: Research Methodology and Area for Accepted Papers

Research Methodology		
	Frequency	Relative Frequency (%)
Empirical	27	90
Theoretical	2	7
Experimental	1	3
Total	**30**	**100**
Research Area		
Asset Pricing	13	43
Corporate Finance	7	23
Banking and Financial Intermediation	7	23
Behavioral Finance	3	10
Total	**30**	**100**

Table 7 provides similar statistics for the two previous years.

Table 7: Research Methodology and Area for Published Papers, 2017-18 and 2018-19

2017/18		2018/19	
Research Methodology		Research Methodology	
Empirical	89.5%	Empirical	92.9%
Theoretical	7.9%	Theoretical	7.1%
Experimental	2.6%	Experimental	0%
Research Area		Research Area	
Asset Pricing	21.1%	Asset Pricing	25.0%
Banking & Financial Intermediation	31.6%	Corporate Finance	28.6%
Corporate Finance	34.2%	Banking & Financial Intermediation	28.6%
Behavioral Finance	5.3%	Behavioral Finance	10.7%
Market Microstructure	2.6%	Market Microstructure	0%
Mutual Funds	5.3%	Mutual Funds	7.1%

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
Gustavo Grullon, Yelena Larkin, Roni Michaely, 'Are US Industries Becoming More Concentrated?'
> Volume 23, Issue 4, July 2019, Pages 697–743,, https://doi.org/10.1093/rof/rfz007

Runner up
Tobias Berg, Manju Puri, Jörg Rocholl, 'Loan Officer Incentives, Internal Rating Models, and Default Rates'
> Volume 24, Issue 3, May 2020, Pages 529–578, https://doi.org/10.1093/rof/rfz018

Finalists
Nickolay Gantchev, Oleg R Gredil, Chotibhak Jotikasthira, "Governance under the Gun: Spillover Effects of Hedge Fund Activism"
> Volume 23, Issue 6, October 2019, Pages 1031–1068, https://doi.org/10.1093/rof/rfy035

Taehyun Kim, Quoc H Nguyen, "The Effect of Public Spending on Private Investment"
> Volume 24, Issue 2, March 2020, Pages 415–451, https://doi.org/10.1093/rof/rfz003

Tomislav Ladika, Zacharias Sautner, "Managerial Short-Termism and Investment: Evidence from Accelerated Option Vesting"
> Volume 24, Issue 2, March 2020, Pages 305–344, https://doi.org/10.1093/rof/rfz012

Christopher Naubert, Linda L Tesar, "The Value of Systemic Unimportance: The Case of MetLife"
> Volume 23, Issue 6, October 2019, Pages 1069–1078, https://doi.org/10.1093/rof/rfy037

Spängler IQAM Prize

Winner
Francesca Brusa, Pavel Savor, Mungo Wilson, "One Central Bank to Rule Them All"
Volume 24, Issue 2, March 2020, Pages 263–304,

Runner up
Florian Nagler, "Yield Spreads and the Corporate Bond Rollover Channel"
Volume 24, Issue 2, March 2020, Pages 345–379,

Finalists
Tarvo Vaarmets, Kristjan Liivamägi, Tõnn Talpsepp, "How Does Learning and Education Help to Overcome the Disposition Effect?"
Volume 24, Issue 4, July 2019, Pages 801–830 ,

Christoph Merkle, "Financial Loss Aversion Illusion"
Volume 24, Issue 2, March 2020, Pages 381–413,

Teodor Dyakov, Hao Jiang, Marno Verbeek, "Trade Less and Exit Overcrowded Markets: Lessons from International Mutual Funds"
Volume 24, Issue 3, May 2020, Pages 677–731,

Distinguished Referee Awards

Andrei Goncalves
Sabrina Howell
Guillaume Vuillemey

5. Appendices

Review of Finance articles published between 1 July 2019 and 30 June 2020.

Volume 23, Issue 4 July 2019

Are US Industries Becoming More Concentrated?
Gustavo Grullon, Yelena Larkin, Roni Michaely

Monetary Policy, Bank Bailouts and the Sovereign-Bank Risk Nexus in the Euro Area
Marcel Fratzscher, Malte Rieth

Asymmetric Volatility Risk: Evidence from Option Markets
Jens Jackwerth, Grigory Vilkov

How Does Learning and Education Help to Overcome the Disposition Effect?
Tarvo Vaarmets, Kristjan Liivamägi, Tõnn Talpsepp

Capital Regulation and Bank Deposits
Stefan Arping

Volume 23, Issue 5 September 2019

Credit Market Competition and Liquidity Crises
Elena Carletti, Agnese Leonello

Collective Action and Governance Activism
Craig Doidge, Alexander Dyck, Hamed Mahmudi, Aazam Virani

Political Borders and Bank Lending in Post-Crisis America
Matthieu Chavaz, Andrew K Rose

Social Norms and Household Savings Rates in China
Yvonne Jie Chen, Zhiwu Chen, Shijun He

Monetary Policy Spillovers and Currency Networks in Cross-Border Bank Lending: Lessons from the 2013 Fed Taper Tantrum
Stefan Avdjiev, Előd Takáts

Volume 23, Issue 6 October 2019

Governance under the Gun: Spillover Effects of Hedge Fund Activism
Nickolay Gantchev, Oleg R Gredil, Chotibhak Jotikasthira

The Value of Systemic Unimportance: The Case of MetLife
Christopher Naubert, Linda L Tesar

"Forgive but Not Forget": The Behavior of Relationship Banks When Firms Are in Distress

Larissa Schäfer

In the Path of the Storm: Does Distress Risk Cause Industrial Firms to Risk-Shift?
Kevin Aretz, Shantanu Banerjee, Oksana Pryshchepa

Can Creditor Bail-in Trigger Contagion? The Experience of an Emerging Market
Roy Havemann

Volume 24, Issue 1 February 2020

Some Borrowers Are More Equal than Others: Bank Funding Shocks and Credit Reallocation
Olivier De Jonghe, Hans Dewachter, Klaas Mulier, Steven Ongena, Glenn Schepens

Specification Analysis of Structural Credit Risk Models
Jing-Zhi Huang, Zhan Shi, Hao Zhou

The Failure of a Clearinghouse: Empirical Evidence
Vincent Bignon, Guillaume Vuillemey

Optimal Supervisory Architecture and Financial Integration in a Banking Union
Jean-Edouard Colliard

Collateral Shocks and Corporate Employment
Nuri Ersahin, Rustom M Irani

Follow the Leader: Using the Stock Market to Uncover Information Flows between Firms
Anna Scherbina, Bernd Schlusche

Mood, Memory, and the Evaluation of Asset Prices
Aaron L Bodoh-Creed

Volume 23, Issue 2 March 2020

One Central Bank to Rule Them All
Francesca Brusa, Pavel Savor, Mungo Wilson

Managerial Short-Termism and Investment: Evidence from Accelerated Option Vesting
Tomislav Ladika, Zacharias Sautner

Yield Spreads and the Corporate Bond Rollover Channel
Florian Nagler

Financial Loss Aversion Illusion
Christoph Merkle

The Effect of Public Spending on Private Investment
Taehyun Kim, Quoc H Nguyen

Higher Bank Capital Requirements and Mortgage Pricing: Evidence from the Counter-Cyclical Capital Buffer
Christoph Basten

Volume 23, Issue 3 May 2020

Revenge of the Steamroller: ABCP as a Window on Risk Choices
Carlos Arteta, Mark Carey, Ricardo Correa, Jason Kotter

Loan Officer Incentives, Internal Rating Models, and Default Rates
Tobias Berg, Manju Puri, Jörg Rocholl

How Rational and Competitive Is the Market for Mutual Funds?
Markus Leippold, Roger Rueegg

Attention for the Inattentive: Positive Effects of Negative Financial Shocks
Paige Ouimet, Geoffrey Tate

Shuffling through the Bargain Bin: Real-Estate Holdings of Public Firms
Irem Demirci, Umit G Gurun, Erkan Yönder

Trade Less and Exit Overcrowded Markets: Lessons from International Mutual Funds
Teodor Dyakov, Hao Jiang, Marno Verbeek