

Review of Finance
Report from the Managing Editor
Alex Edmans
Warsaw, Poland 22-25 August 2018

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, Doron Avramov, 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, Konstantin Milbradt, Christian Opp, Paige Ouimet, Jacob Sagi, David Solomon, Luke Taylor, David Thesmar, Pietro Veronesi, Paolo Volpin 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.

Special thanks go to those whose recently stepped down from their roles: former Managing Editor Franklin Allen, Editors Thorsten Beck, Andrew Ellul, and Burton Hollifield; Associate Editors Christa Bouwman, Andrea Buraschi, Joost Driessen, Lorenzo Garlappi, Reint Gropp, Ralph Koijen, Bart Lambrecht, Hong Liu, Jose Peydro and Liuren Wu; Advisory Editors Bernard Dumas and Steven Ongena; and Editorial Manager Carolina Castillo. Franklin, Thorsten, Andrew, and Burton are continuing to serve the journal in their new roles as Advisory Editors.

2. The Impact Factor

The 2017 official impact factor of the Review of Finance is published by Thomson Reuters InCites Journal Citation Reports. As of June 2018, the journal's impact factor, excluding self-citations, is **1.929**. This is a slight increase from last year's 1.873. **Table 1** compares the RF to other top finance journals. The current five-year impact factor is 2.836, compared to 2.827 in 2016 and 2.555 in 2015. **Figure 1** shows how the impact factors were calculated.

Table 1: 2017 Impact Factors, Top 10 Finance Journals

2017 Impact Factor	2017 Impact Factor, Excluding Self-Citations	2017 Impact Factor
Journal of Finance	5.255	5.397
Journal of Financial Economics	4.809	5.162
Review of Financial Studies	3.854	4.27
Journal of Financial Intermediation	2.059	2.098
Review of Finance	1.929	2.023
Journal of Financial and Quantitative Analysis	1.902	2.049
Journal of Banking and Finance	1.832	1.931
Journal of Corporate Finance	1.811	2.215
Journal of Risk and Uncertainty	1.659	1.886
Journal of Financial Stability	1.333	2.032

Figure 1: 2017 Impact Factor Calculation for Review of Finance

Cites in 2017 to items published in:	2016 = 79	Number of items published in:	2016 = 70
	2015 = 180		2015 = 58
	Sum: 250		Sum: 218
Calculation =	Cites to recent items		

	Number of recent items		
	259 / 128 = 2.023		
Self Cites:	57 (4.077% of 1398)		
Self Cites to Years Used in Impact Factor Calculation:	12 (4.633% of 259)		
Impact Factor without Self Cites:	1.929		

3. Editorial Statistics

3.1 Note on Statistical Periods

We are now moving to a 1 July to 30 June reporting period to meet EFA internal deadlines for the submission of the interim report; in addition, the papers published between 1 July and 30 June (listed at the end of this report) are also the papers eligible for Best Paper awards. Prior years used a 1 August to 31 July reporting period, and so statistics reported in this section may not be directly comparable to reported figures from previous years.

3.2 All Submissions

The breakdown of the latest statistical period 2017/18 and the comparable data for last year (2016/17) is detailed in **Table 2**. During this period, there were a total of 749 submissions. **Figure 2** shows the behaviour in submissions since 2005. The fall in submissions in the most recent year is to be expected given two developments. First, we are now imposing a much higher bar before inviting revision (indeed, resubmissions fell substantially from 161 to 73). Second, we significantly increased the submission fee at the start of 2017 to pay referees (the number of submissions dropped from 920 in calendar year 2016 to 788 in calendar year 2017).

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 and **39** in 2017/8. The number of papers returned for revision has fallen from **156** to **87** to **38**, respectively. Thus, the number of invited resubmissions has fallen by 76% over a two-year period.

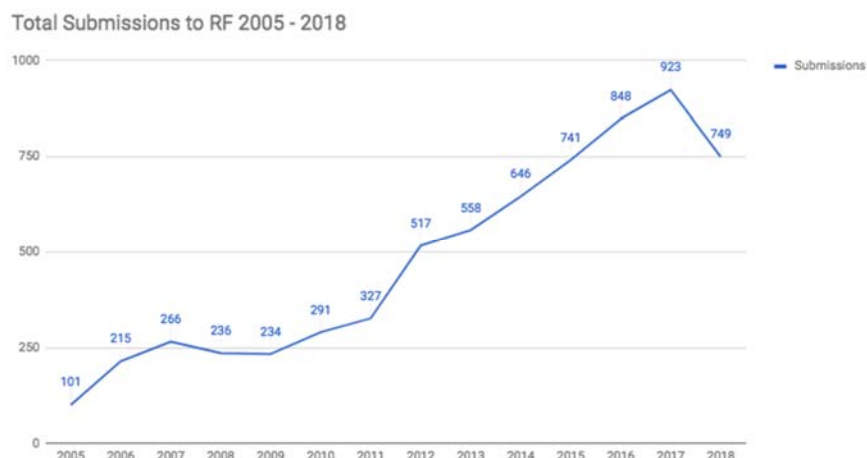
Of the 749 total submissions in 2017/18, **667** (89%) received a decision during this period and **82** (11%) are still waiting for a decision. The average turnaround time for manuscripts received in the period was **33 days**. This is a marked decrease from an average of **38** days in 2016/2017 and **50** days in 2015/16. The figure of **40 days** shown in the table below includes decisions made on manuscripts that were submitted in previous periods, which figures for previous years did not; the figures shown in the table are therefore not directly comparable to previous years. We thank the editors for all their efforts in achieving these statistics.

Table 2: Editorial Statistics for All Submissions, 1 July 2017 to 30 June 2018

The following submission figures are based on all submissions and resubmissions received in the statistical period. The data on outcomes for 2017/18 refers to all decisions made in the statistical period, regardless of 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 2015/16	Count 2016/17	Count 2017/18
New submissions	681	762	675
Resubmissions	167	161	73
Requests for withdrawals	0	0	1
Total Submissions	848	923	749
Submissions Accepted	73	58	39
Submissions Conditionally Accepted	40	42	24
Submissions Returned for Revision	156	87	38
Submissions Summarily Rejected	150	296	236
Submissions Rejected	433	453	424
Submissions Withdrawn	1	3	1
Submissions To Be Removed	-	-	1
Total Decisions	852	939	763
Submissions Pending at end of period	115	94	82
Mean Turnaround Time (days)	50	38	40
Median Turnaround Time (days)	-	-	25
Acceptance Rate	8.61%	6.28%	5.33%
Manuscripts accepted or conditionally accepted after one revision or fewer (% of those accepted)	-	-	59.5%
Mean number of revisions before acceptance or conditional acceptance	-	-	1.4

Figure 2: Total Submissions Per Year, 2005-2018



3.3 Fast Track Submissions

Table 3 provides statistics for Fast Track submissions for the 2017/2018 period compared with the 2016/17 period. For this statistical period, we received **100** Fast Track submissions. The Fast Track submission acceptance rate was **6%**, which represents a significant decrease from last year's rate.

The majority (**92%**) of Fast Track submissions were processed within 14 days, with only **8** papers missing the 14-day deadline.

Table 3: Fast Track Submissions, 1 July 2017 to 30 June 2018, Compared with previous 2016/17 period

The following submission figures are based on all Fast Track submissions and resubmissions received in the statistical period. The data on outcomes for 2017/18 refers to all decisions made in the statistical period, regardless of 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	2016/17	2017/18
Submissions Processed	120	97
Submissions Pending	1	3
Total Submissions	121	100
Submissions Accepted	15	6
Acceptance Rate	12.39%	6.12%
Total Decisions	-	100
Mean Turnaround Time (days)	13	13
Median Turnaround Time (days)	9	9

Distribution of Turnaround Times		
On time (0-14 days)	101 (83%)	92 (92%)
15-21 days	8	2
22-28 days	0	1
More than 28 days	12	5

3.5 Breakdown of Submissions by Research Methodology and Area

Table 4 shows the breakdown of **research methodology** for all submissions for 2018, compared with 2017. The **Empirical** research methodology continues to be the most frequently used.

Table 4: Research Methodology for All Submissions, 2016/17 and 2017/18

The following figures relating to 2017/18 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, they have only been counted once. For 2016/17, the figures are based on all submissions and re-submissions, and may include multiple instances of the same manuscript where it was submitted multiple times within the statistical period.

Research Methodology	2016/17		2017/18	
	Frequency	Relative Frequency (%)	Frequency	Relative Frequency (%)
Empirical	770	83.4	770	83.4
Theoretical	118	12.8	85	11.8
Experimental	35	3.8	28	3.9
Total	923	100	720	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 **28.5%**.

Table 5: Research Area for All Submissions, 2017-2018

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, they have only been counted once.

Research Area	2016/2017		2017/2018	
	Frequency	Relative Frequency (%)	Frequency	Relative Frequency (%)
Corporate Finance	282	30.6	205	28.5
Asset Pricing	235	25.5	204	28.3
Banking and Financial Intermediation	212	23.0	167	23.2

Behavioral Finance	114	12.4	76	10.6
Market Microstructure	49	5.3	37	5.1
Mutual Funds	31	3.4	31	4.3
Total	923	100	720	100

3.6 Breakdown of Accepted Papers by Research Methodology and Area

This section shows the Research Methodology and Research Area for papers *accepted* and *conditionally accepted* in 2017/2018 (hereafter 'accepted'). As evidenced in **Table 6**, 90% of accepted papers are Empirical, 8% are Theoretical, and 3% are Experimental. The most commonly accepted research areas, in order, are Banking and Financial Intermediation, followed by Corporate Finance, Asset Pricing, Behavioral Finance and Mutual Funds, and Market Microstructure.

Table 6: Research Methodology and Area for Accepted Papers, 2017-18

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	34	89.5
Theoretical	3	7.9
Experimental	1	2.6
Total	38	100
Research Area		
Asset Pricing	8	21.1
Corporate Finance	12	31.6
Banking and Financial Intermediation	13	34.2
Behavioral Finance	2	5.3
Market Microstructure	1	2.6
Mutual Funds	2	5.3
Total	38	100

Table 7 provides similar statistics for the two previous years. The data for 2015/16 is not fully comparable as the data is based on papers that were *published*, whereas the data for 2016/17 and in Table 6 is based on accepted papers. From 2016/17 onwards, we chose the methodology to measure accepted rather than published papers as it is a better guide to authors for areas of research the journal is currently accepting.

Table 7: Research Methodology and Area for Published Papers, 2015-16 and 2016-17

2015/16		2016/17	
Research Methodology		Research Methodology	
Empirical	75.00%	Empirical	71.19%
Theoretical	20.31%	Theoretical	23.73%
Experimental	4.69%	Experimental	5.08%
Research Area		Research Area	
Asset Pricing	34.38%	Asset Pricing	37.29%
Banking & Financial Intermediation	29.69%	Banking & Financial Intermediation	18.64%
Corporate Finance	23.44%	Corporate Finance	20.35%
Behavioral Finance	12.50%	Behavioral Finance	15.25%
Market Microstructure	0.00%	Market Microstructure	6.78%
Mutual Funds	N/A	Mutual Funds	1.69%

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 recognize outstanding referee 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** will be sponsoring the **Pagano and Zechner Prize** for the best **Non-investments** paper.

Pagano and Zechner Prize

Winner

Patrick Bolton, Haizhou Huang, “The Capital Structure of Nations”

Volume 22, Issue 1, February 2018, Pages 45–82, <https://doi.org/10.1093/rof/rfx042>

Runner up

Marianne Bertrand, Francis Kramarz, Antoinette Schoar, David Thesmar, “The Cost of Political Connections”

Volume 22, Issue 3, May 2018, Pages 849–876, <https://doi.org/10.1093/rof/rfy008>

Finalists

Sophie A. Shive Margaret M. Forster, “The Revolving Door for Financial Regulators”

Volume 21, Issue 4, July 2017, Pages 1445–1484, <https://doi.org/10.1093/rof/rfw035>

Truong X. Duong, Zsuzsa R. Huszár, Ruth S. K. Tan, Weina Zhang, “The Information Value of Stock Lending Fees: Are Lenders Price Takers?”

Volume 21, Issue 6, October 2017, Pages 2353–2377, <https://doi.org/10.1093/rof/rfw075>

Bo Becker, Victoria Ivashina, “Financial Repression in the European Sovereign Debt Crisis”

Volume 22, Issue 1, February 2018, Pages 83–115, <https://doi.org/10.1093/rof/rfx041>

Hamid Boustanifar, Everett Grant, Ariell Reshef, “Wages and Human Capital in Finance: International Evidence, 1970–2011”

Volume 22, Issue 2, March 2018, Pages 699–745, <https://doi.org/10.1093/rof/rfx011>

Spängler IQAM Prize

Winner

Kingsley Y. L. Fong, Craig W. Holden, Charles A. Trzcinka, “What Are the Best Liquidity Proxies for Global Research?”

Volume 21, Issue 4, July 2017, Pages 1355–1401, <https://doi.org/10.1093/rof/rfx003>

Runner up

Antje Berndt, Rohan Douglas, Darrell Duffie, Mark Ferguson, “Corporate Credit Risk Premia”

Volume 22, Issue 2, March 2018, Pages 419–454, <https://doi.org/10.1093/rof/rfy002>

Distinguished Referee Awards

Francesco Franzoni

Evgeny Lyandres

David Schoenherr

5. Appendices

Review of Finance articles published between 1 July 2017 and 30 June 2018

Volume 21, Issue 4 July 2017

[What Are the Best Liquidity Proxies for Global Research?](#)

Kingsley Y L Fong; Craig W Holden; Charles A Trzcinka

[Recovery with Unbounded Diffusion Processes](#)

Johan Walden

[The Revolving Door for Financial Regulators](#)

Sophie A. Shive; Margaret M. Forster

[The Disturbing Interaction between Countercyclical Capital Requirements and Systemic Risk](#)

Bálint L. Horváth; Wolf Wagner

[Global Banking: Recent Developments and Insights from Research](#)

Stijn Claessens

[The Trend Is Your Friend: Time-Series Momentum Strategies across Equity and Commodity Markets](#)

Athina Georgopoulou; Jiaguo (George) Wang

[Financial Development and Patterns of Industrial Specialization: Evidence from China](#)

Qing He; Chang Xue; Chenqi Zhu

[Investment Financing and Financial Development: Evidence from Viet Nam](#)

Conor O'Toole; Carol Newman

[Cross-Ownership: A Device for Management Entrenchment?](#)

Marc Levy; Ariane Szafarz

[Characterizing the Asymmetric Dependence Premium](#)

Jamie Alcock; Anthony Hatherley

[Banks' Exposure to Rollover Risk and the Maturity of Corporate Loans](#)

Teodora Paligorova; João A. C. Santos

[Hedge Fund Replication: A Model Combination Approach](#)

Michael S. O'Doherty; N. E. Savin; Ashish Tiwari

Volume 21, Issue 5 August 2017

[How Important Are Risk-Taking Incentives in Executive Compensation?](#)

Ingolf Dittmann; Ko-Chia Yu; Dan Zhang

[Taxable and Tax-Deferred Investing with the Limited Use of Losses](#)

Marcel Fischer; Michael Gallmeyer

[Venture Capital and the Market for Talent during Booms and Busts](#)

Chris Yung

[Bank Regulation, CEO Compensation, and Boards](#)

Julian Kolm; Christian Laux; Gyöngyi Lóránth

[Corporate Cash Holdings and Ambiguity Aversion](#)

Wolfgang Breuer; Marc O. Rieger; K. Can Soyapak

[Effects of Spot Market Short-Sale Constraints on Index Futures Trading](#)

Frank J. Fabozzi; Ahmet K. Karagozolu; Na Wang

[Product Market Competition and the Severity of Distressed Asset Sales](#)

Pablo Salgado; Vinicius Carrasco; João Manoel Pinho De Mello

[Relative Optimism and the Home Bias Puzzle](#)

Bruno Solnik; Luo Zuo

[The Dynamics of Tobin's Q](#)

Giovanni W. Puopolo

[Bank Exposures and Sovereign Stress Transmission](#)

Carlo Altavilla; Marco Pagano; Saverio Simonelli

[Investor Sentiment, Limited Arbitrage, and the Cash Holding Effect](#)

Xiafei Li; Di Luo

[A Simple Skewed Distribution with Asset Pricing Applications](#)

Frans de Roon; Paul Karehnke

[Does Foreign Information Predict the Returns of Multinational Firms Worldwide?](#)

Christian Finke; Florian Weigert

[The Effect of the Growth in Labor Hours per Worker on Future Stock Returns, Hiring, and Profitability](#)

Li Gu; Dayong Huang

[State-Dependent Variations in the Expected Illiquidity Premium](#)

Jeewon Jang; Jangkoo Kang; Changjun Lee

[The Impact of Housing Wealth on Stock Liquidity](#)

Juan Luo; Limin Xu; Ralf Zurbruegg

[The Information Value of Stock Lending Fees: Are Lenders Price Takers?](#)

Truong X Duong; Zsuzsa R Huszár; Ruth S K Tan; Weina Zhang

[Extreme Returns and Herding of Trade Imbalances](#)

Y Peter Chung; S Thomas Kim

Volume 22, Issue 1 February 2018

[ECB Policies Involving Government Bond Purchases: Impact and Channels](#)

Arvind Krishnamurthy; Stefan Nagel; Annette Vissing-Jorgensen

[The Capital Structure of Nations](#)

Patrick Bolton; Haizhou Huang

[Financial Repression in the European Sovereign Debt Crisis](#)

Bo Becker; Victoria Ivashina

[Financial Disclosure and Market Transparency with Costly Information Processing](#)

Marco Di Maggio; Marco Pagano

[Oil Prices and the Stock Market](#)

Robert C Ready

[Growth Option Exercise and Capital Structure](#)

Amiyatosh Purnanandam; Uday Rajan

[Investor Redemptions and Fund Manager Sales of Emerging Market Bonds: How Are They Related?](#)

Jimmy Shek; Ilhyock Shim; Hyun Song Shin

[Financing Asset Sales and Business Cycles](#)

Marc Arnold; Dirk Hackbarth; Tatjana Xenia Puhan

[Emotional State and Market Behavior](#)

Adriana Breaban; Charles N Noussair

[Learning and Leverage Cycles in General Equilibrium: Theory and Evidence](#)

Christopher A Hennessy; Boris Radnaev

[Risk Premia and Volatilities in a Nonlinear Term Structure Model](#)

Peter Feldhütter; Christian Heyerdahl-Larsen; Philipp Illeditsch

[Futures Trading and the Excess Co-movement of Commodity Prices](#)

Yannick Le Pen; Benoît Sévi

Volume 22, Issue 2 March 2018

Corporate Credit Risk Premia

Antje Berndt; Rohan Douglas; Darrell Duffie; Mark Ferguson

Linear Approximations and Tests of Conditional Pricing Models

Michael W Brandt; David A Chapman

A Mechanism for LIBOR

Brian Coulter; Joel Shapiro; Peter Zimmerman

Dynamic Dependence and Diversification in Corporate Credit

Peter Christoffersen; Kris Jacobs; Xisong Jin; Hugues Langlois

What Drives Index Options Exposures?

Timothy Johnson; Mo Liang; Yun Liu

Equilibrium with Monoline and Multiline Structures

Rustam Ibragimov; Dwight Jaffee; Johan Walden

Is There a Distress Risk Anomaly? Pricing of Systematic Default Risk in the Cross-section of Equity Returns

Deniz Anginer; Çelime Yıldızhan

Why Did Sponsor Banks Rescue Their SIVs? A Signaling Model of Rescues

Anatoli Segura

Wages and Human Capital in Finance: International Evidence, 1970–2011

Hamid Boustanifar; Everett Grant; Ariell Reshef

Risk-Based Capital Requirements and Optimal Liquidation in a Stress Scenario

Yann Braouezec; Lakshitha Wagalath

Trust and Household Debt

Danling Jiang; Sonya S Lim

Gender Gap in Personal Bankruptcy Risks: Empirical Evidence from Singapore

Sumit Agarwal; Jia He; Tien Foo Sing; Jian Zhang

Volume 22, Issue 3 May 2018

[The Cost of Political Connections](#)

Marianne Bertrand; Francis Kramarz; Antoinette Schoar; David Thesmar

[Informational Contagion in the Laboratory](#)

Marco Cipriani; Antonio Guarino; Giovanni Guazzarotti; Federico Tagliati; Sven Fischer

[Does Independent Directors' CEO Experience Matter?](#)

Shinwoo Kang; E Han Kim; Yao Lu

[Learning to Take Risks? The Effect of Education on Risk-Taking in Financial Markets](#)

Sandra E Black; Paul J Devereux; Petter Lundborg; Kaveh Majlesi

[Seeing the Unobservable from the Invisible: The Role of CO₂ in Measuring Consumption Risk](#)

Zhuo Chen; Andrea Lu

[Finance, Comparative Advantage, and Resource Allocation](#)

Melise Jaud; Madina Kukenova; Martin Strieborny

[Zero-Leverage Puzzle: An International Comparison](#)

Sadok El Ghoul; Omrane Guedhami; Chuck Kwok; Xiaolan Zheng

[Do Behavioral Biases Affect Order Aggressiveness?](#)

Jiangze Bian; Kalok Chan; Donghui Shi; Hao Zhou

[Option Listing and Information Asymmetry](#)

Jianfeng Hu

[The Effect of Prior Investment Outcomes on Future Investment Decisions: Is There a Gender Difference?](#)

Ann Marie Hibbert; Edward R Lawrence; Arun J Prakash

[An Empirical Investigation on Funding Liquidity and Market Liquidity](#)

Ji-Yeong Chung; Dong-Hyun Ahn; In-Seok Baek; Kyu Ho Kang