

Minutes of the Meeting of the Executive Committee in Chicago, IL, April 28, 2006.

The first meeting of the 2006 Executive Committee was called to order at 10:00 A.M. on April 28, 2006 in the Consular Room of the Hyatt Regency O'Hare, Chicago, IL. Members present were: George Akerlof, Judith Chevalier, Susan Collins, Janet Currie, Martin Feldstein, Roger Gordon, Oliver Hart, Lawrence Katz, Alan Krueger, Daniel McFadden, Olivia Mitchell, Robert Moffitt, Christina Romer, Thomas Sargent, and John Siegfried. Andrei Shleifer and Al Roth participated in parts of the meeting via teleconference. Peter Diamond and Robert Shiller attended part of the meeting on behalf of the Nominating Committee. Also attending part of the meeting was Robert Hall, Chair of the *Ad Hoc* Committee on Journals. Executive Director William Damon also attended.

Akerlof asked for approval of the minutes of the previous meeting (January 5, 2006), which had been circulated in advance. The minutes were approved with two minor changes. On p. 486, column 2, line 14, "unless there is a good reason" should be inserted after journal. On p. 487, column 2, line 31, "women" should be inserted between of and economists.

Report of the Secretary (Siegfried). Siegfried reviewed the schedule for 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.

Siegfried reported interest from Atlanta, Boston, New Orleans, Philadelphia, San Antonio, and Washington D.C. in hosting the 2014 and 2015 meetings. The 2006 meeting in Boston attracted 8,950 registrants; the previous Boston meeting (2000) drew 7,832. Registration in 2005 (Philadelphia) was 8,424, and in 2004 (San Diego) it was 7,732. Registration includes all who pre-register (including no-shows), plus on site registrants. Fifty-two other organizations met with us in 2006, 466 scholarly sessions were organized (up seven from 2005), and 231 "events" (lunches, receptions, committee meetings, breakfasts, workshops, etc.) were scheduled.

Siegfried announced that the May 2007 and subsequent *Papers & Proceedings* volumes of the *AER* would be expanded by about 50 pages so as to include four more published sessions. He reported that the Session Allocation Committee had made recommendations to him about how to cut 13 sessions occupied by allied associations, as was directed by the Executive Committee in January. Thirty-six sessions have been added to the AEA program for Chicago in 2007, a practice that will continue on a space-available basis. The AEA allocation is now 166 sessions. Moreover, the normal size of contributed sessions will increase from three to four papers per session. These changes should add about 250 papers to the AEA program each year, increasing the acceptance rate from about 15-20 percent to 30-35 percent of submissions.

An experiment moving a limited number of sessions to a 12:30 – 2:15 pm time slot will begin in January 2008 in order to accommodate more sessions on the ASSA program without lengthening

the meetings. If this new time slot is successful, the additional AEA sessions may be accommodated without further cuts in the session allocations to allied societies.

Siegfried reported that membership in the Association has steadily deteriorated over the past decade, falling from 20,691 in November 1996 to 17,767 in November 2005, a 14.1 percent decline. Over the period maximum dues increased at an average annual nominal rate of 2.4 percent. Rising relative prices does not seem to be the cause of declining membership. Dues have not changed since 2003, and will remain constant at least through 2007. The Association has added several member benefits recently, including electronic access to current journals, a discount on submission fees to the *AER*, access to submit papers for the annual AEA meetings program, and discounted registration fees for the ASSA meetings. Soon members will also have direct access to EconLit. Marketing efforts are modest. Recently, there have been mailings to non-members who attend the ASSA meetings (yielding about seven percent), to economists at junior colleges (yielding almost nothing), and to new Ph.D. economists in the job market.

Responding to an inquiry at the January 2006 Executive Committee meeting, the Secretary-Treasurer reported that the Association contributed \$73,600 to the support of seven other organizations in 2005, including: the Consortium of Social Science Organizations, the Council of Professional Associations on Federal Statistics, the International Economic Association, the National Federation of Abstracting and Information Services, the American Council of Learned Societies, the Commission on Professionals in Science and Technology, and the Association of Information and Dissemination Centers.

The Spring 2007 Executive Committee meeting will take place on either Friday, April 20 or Friday, April 27, probably in Chicago.

Report of the Nominating Committee (Diamond). Diamond, who chaired the Committee, reported the following nominations for the indicated offices in 2007: Vice-President—Rebecca Blank, Eric Maskin, Kenneth Rogoff, and Kenneth Sokoloff; Executive Committee—Anne Case, David Laibson, Joel Mokyr, and David Romer. The Nominating Committee and those Executive Committee members present, acting together as an Electoral College, VOTED to nominate Avinash Dixit as President-elect, and VOTED to name Donald Brown, Richard Easterlin, and Robert Wilson as Distinguished Fellows of the Association.

Report of the Editor of the American Economic Review (Moffitt). Acting on the Editor's recommendation, and with approval of the Advisory Committee on Editorial Appointments, the Executive Committee VOTED to appoint Ralph Braid and Daniel Diermeier to the Board of Editors of the *AER* for two-year terms expiring on February 28, 2008.

Moffitt thanked Managing Editor Jane Voros and Assistant Managing Editor Michelle DeBlasi for publishing the *Papers & Proceedings* volume on schedule. He also reported that the *AER* has implemented a policy of returning some manuscripts with their submission fees when a co-editor judges that the paper has no possibility of being accepted for publication. So far, about five percent of submissions have been returned without refereeing. The expectation is that this fraction will rise and could eventually be as high as ten to twenty percent of submissions.

Report of the Editor of the Journal of Economic Literature (Gordon). Gordon indicated he had no new business to bring to the Executive Committee.

Report of the Editor of the Journal of Economic Perspectives (Shleifer). Acting on the Editor's recommendation, and with approval of the Advisory Committee on Editorial Appointments, the Executive Committee VOTED to re-appoint James Hines to a second three-year term and to appoint Jeremy Stein to an initial three-year term starting January 2007 as co-editor of the *JEP*, both terms to end in December 2009.

Report of the Director of Job Openings for Economists (Siegfried). Siegfried indicated he had no new business to bring to the Executive Committee.

The 2007 Program (Sargent). Sargent reported that his Program Committee of 18 members was screening approximately 1500 submitted papers for 400-500 presentation slots on the 2007 Program. He announced that Lars Hansen would be the Ely Lecturer for 2007.

Report of the Audit Committee (Currie). The Audit Committee (Currie [Chair], Chevalier, and Collins) met with the Association's new independent auditors, Frasier, Dean, and Howard, by teleconference on April 10, 2006. The Committee concluded that there are no material problems with the Association's accounting or financial control procedures. Acting on the recommendation of the Audit Committee, it was VOTED to accept the audit for 2005. The Association's audited financial records are published annually in the June issue of the *AER*.

Currie reported that Frasier, Dean and Howard believes the Association's revenues from *Job Openings for Economists* and mailing list sales are not subject to Unrelated Business Income Tax. She reported that the Association has balances in bank accounts in excess of the \$100,000 FDIC insurance cap, and that Frasier, Dean, and Howard recommended modest changes in cash management procedures that improve internal controls. She described a discrepancy between the Association and the fulfillment contractor's accounts with respect to deferred revenue. The Association's records are more conservative, not recognizing some cash receipts as current revenue that the contractor has recognized. The difference is partially related to the treatment of advance payments on accounts of deceased members. Siegfried said that had not bothered either the Association's former or current independent auditors, but it would be reconciled in 2007.

Reappointment of the Editor of the Journal of Economic Literature (Mitchell). Acting on the recommendation of the Advisory Committee on Editorial Appointments, the Executive Committee VOTED to appoint Roger Gordon to a second three-year term ending in December 2009 as Editor of the *Journal of Economic Literature*.

The Advisory Committee on Editorial Appointments also recommended that increased formality be added to the process of reviewing and re-appointing editors, including a conference call among Advisory Committee members after relevant information has been assembled. The Advisory Committee asked that a list of all editorial board members and their affiliations be maintained for each of the journals, and that at the time of a review, editors report on forthcoming papers in their journal. The Advisory Committee also expressed the opinion that standards for a second re-appointment (for a *JEL* or *AER* editor's third term) should be higher

than for a first re-appointment, and that the re-appointment process should be an opportunity to provide editors with constructive feedback about their journals.

Report of the Committee on the Status of Minority Groups in the Economics Profession (Siegfried for Cecilia Rouse). CSMGEP asked the Executive Committee to approve a policy of extending eligibility for Summer Program fellowships to Mexican citizens who are legal permanent residents of the United States. The Executive Committee referred the issue back to CSMGEP for a decision because CSMGEP is in a better position to weigh the advantages and disadvantages of changing the current policy of limiting fellowships to United States citizens.

Report of the Ad Hoc Committee on the Job Market (Roth). The first economics employment scramble organized by the Association occurred in March of 2006. A scramble lets unemployed job candidates and employers with job vacancies remaining late in the hiring season identify themselves to the other side of the active market. Seventy employers listed jobs, including 29 tenure-track academic positions; 518 job candidates were listed. A survey of participants in April received responses from 28 employers and 114 job candidates, from which it was determined that the scramble led to five known hires, with seven more candidates or employers in negotiations at the time with a party they met through the scramble. About half of the responding job candidate respondents contacted an employer; 14 percent received an interview. About half of the responding employers contacted a job candidate. The scramble is low cost and generated a reasonable amount of job market activity. The Executive Committee concurred with the *Ad Hoc* Committee's recommendation to continue the scramble next year.

A survey about the wisdom of the Association initiating a special interest job signaling system received responses from 145 2005-06 job candidates and 29 placement officers. Such a system would allow job candidates to send a limited number (probably two) of signals to prospective employers, indicating a special interest in a particular job. The value of the system would be in restricting the number of signals, so that it is known that they are scarce (and therefore more valuable than candidates' statements that they have a special interest in a position). Of the job candidate respondents, 86 percent welcomed such a system, and 57 percent thought it would have improved their job opportunities. Of placement officers, 79 percent thought such a system would help their students in the job market. A potential cost of a signaling system is that failure to receive a signal may be incorrectly interpreted as a lack of interest. This cost can be minimized by limiting the signals. Moreover, some job candidates may send no signals. After a discussion about how to prevent job candidates from worrying about their signals on top of general concerns about finding a job, it was VOTED to authorize the *Ad Hoc* Committee on the Job Market to initiate an experimental job interest signaling system for the 2006-07 job market.

Report of the Ad Hoc Committee on Journals (Hall). Hall reported that the *Ad Hoc* Committee on Journals (Robert Hall [chair], Judith Chevalier, David Colander, Peter Diamond, Alan Krueger, and Daniel Rubinfeld) had several recommendations for the Executive Committee. He reminded the Executive Committee that survey results showed that Association members were dissatisfied with existing field journals and favored the Association initiating new journals. He noted that almost all other academic societies publish more than three journals. Moreover, adding more journals would increase the diversity of editors affiliated with Association journals.

The *Ad Hoc* Committee recommended that the Association start four aggregated field journals, each published in four issues per year, organized roughly like the *American Economic Review*. The new journals would each publish articles in a collected group of subfields, with loose boundaries. The new journals are not to be subsidiary journals to the *AER*, but rather collected field journals. Each is of equal status, and all four will begin publishing at the same time. The *Ad Hoc* Committee recommended that the four journals be named: *American Journal of Aggregate Economics*, *American Journal of Microeconomics*, *American Journal of Economic Policy*, and *American Journal of Applied Economics*.

Acting on the recommendation of the *Ad Hoc* Committee, the Executive Committee VOTED to initiate four new field journals. Following a lengthy discussion during which various alternatives were considered, it was VOTED to name the four journals: (1) *American Economic Journal: Macroeconomics*; (2) *American Economic Journal: Microeconomics*; (3) *American Economic Journal: Economic Policy*; and (4) *American Economic Journal: Applied Economics*.

It was agreed that each of the four new journals would accept articles in theory, empirical economics, and policy. *AEJ: Macroeconomics* primarily would include: macroeconomics; monetary economics; international finance; aggregate aspects of development; economic growth; finance; and comparative economic systems. *AEJ: Microeconomics* primarily would include: microeconomic theory; corporate finance; industrial organization; and micro theory aspects of international economics and economic development. *AEJ: Economic Policy* primarily would include: public economics; urban and regional economics; public policy aspects of health, education, and welfare; law and economics; economic regulation; and environmental and natural resource economics. *AEJ: Applied Economics* primarily would include: labor; demography; empirical micro development; and health, education, and welfare economics.

It was agreed that certain subjects are suitable for each of the four journals, depending on the specific application, including but not limited to: history of economic thought, economic history, behavioral economics, experimental economics, and the teaching of economics.

The president was asked to appoint a search committee for the general editor of each new journal. Each search committee is expected to write a mission statement for its journal, and to coordinate its statement with those of the other three new journals. The search committees should ask for recommendations for the general editor positions by early September. Each committee should recommend a general editor to the Executive Committee at the January 2007 meeting. Per the Association's Bylaws, the general editors of the new journals will be non-voting members of the Executive Committee. The new editors and co-editors will be compensated on parity with editors and co-editors of the Association's existing journals, taking into account workload.

Report of the Treasurer (Siegfried). Siegfried reported an operating surplus of \$1.24 million for 2005, \$788 thousand more favorable than the \$452 thousand surplus budgeted in April 2005. Revenues were \$592 thousand more than budgeted, expenses \$196 thousand less. The variance of revenues from budget is due almost entirely to unanticipated member dues and institutional subscriptions of \$90 thousand, \$110 thousand of unexpected *JOE* listing fees, and \$370 thousand of *EconLit* license fees that were consciously under budgeted because of uncertainty associated

with the introduction of Google Scholar in 2004. \$150 thousand of the expenditure saving is due to an opinion from the Association's auditors that net revenues from *JOE* are not subject to federal Unrelated Business Income Tax.

Siegfried presented a revised budget for 2006 predicting an operating surplus of \$928 thousand; \$827 thousand had been predicted in January. Most of the revision was due to a \$65 thousand decline in employee compensation in Nashville caused by eliminating two positions. The Association's net unrestricted assets as of December 31, 2005 were \$13.1 million, up from \$11.1 million in 2004. Net unrestricted assets reflect "net worth." Total assets on December 31, 2005 were \$16.9 million, of which \$15.8 million consisted of cash and financial investments, and \$1.0 million were accounts receivable. Liabilities were \$3.6 million, of which \$2.8 million consisted of pre-paid membership dues and subscriptions.

Old Business. The Association received an appeal from the American Association of University Professors (AAUP) in 2005 for a \$25,000 donation toward an endowment for AAUP. After careful consideration, it was decided not to contribute to AAUP's endowment. Instead, it was decided to offer AAUP up to four free full-page advertisements in the *American Economic Review* if AAUP wished to use the space to inform individual AEA members of AAUP's activities and attempt to attract them as AAUP members.

New Business. The Transportation and Public Utilities Group (TPUG) states it has been a subgroup of the AEA since 1946. However, the Association has never had, and still does not have sections or subgroups. The Minutes of the December 30, 1948 (not 1946) meeting of the Executive Committee in Cleveland, Ohio, indicate that, after careful consideration of an appeal from TPUG to become a subgroup of the AEA, the AEA Executive Committee did *not* authorize formation of TPUG as a section of the AEA. The Secretary was asked to write to TPUG and politely ask it to discontinue referring to itself as a subgroup of the Association.

There being no further business to conduct, it was VOTED to adjourn at 4:35 P.M.

Respectfully submitted,

JOHN J. SIEGFRIED, Secretary