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Minutes of FER Annual Meeting Queen's Landing Hotel Niagara-on-the-Lake July 21-23, 2012

The 20th annual meeting of the Financial Economists Roundtable was held at the Queen's Landing Hotel at Niagara-on-the-Lake. As usual, we began with a reception and dinner on Saturday evening and concluded just after lunch on Monday. Thirty-one members attended.

The general meeting was preceded by a meeting of the Steering Committee. We are pleased to announce that seven well-known financial economists accepted invitations to join FER: Stephen Brown, Takeo Hoshi, Jonathan Karpoff, Marco Pagano and Ingrid Werner in 2012. Because of conflicts with the July 2012 meeting, two additional financial economists agreed to join in 2013: Arnoud Boot and David Scharfstein.

Kaufman reviewed the finances, which are little changed with a bank balance of just under \$12,000. This is the accumulated amount of the one-time dues paid by members over the years and has been used to pay minor incidental expenses at the annual meeting. It may, on occasion, be needed to guarantee a minimum number of hotel rooms. (The Wharton Financial Institutions Center absorbs the administrative costs of managing FER.)

The Executive Committee discussed various ways to stabilize attendance. Although the *average* attendance has remained remarkably stable over the past 20 years, the *volatility* has increased since 2003. For example, over the last four years, attendance has fluctuated from 31 to 17 to 34 to 19. West Coast locations seem to be somewhat less popular, principally because we tend to lose a number of European members and some East Coast members. Moreover, our West Coast membership has declined a bit in recent years. Unfortunately hotels generally demand that we reserve a certain number of rooms before we know what our attendance will be and so shortfalls can be very expensive. If not for some very tough bargaining by our travel agent in 2011, the shortfall might have exhausted our reserve fund. The Committee did not reach any definitive conclusions, but we will try to pick locations in a more timely fashion and impose an earlier deadline for reservations to reduce uncertainty. Any additional suggestions will be gratefully received.

The drafting committee, Franklin Edwards (chair), Deborah Lucas and Robert McDonald, provided an illuminating set of readings and conducted a lively

* Executive

discussion on “Accounting for the Cost of Government Credit Assistance.” They produced a draft statement in a timely manner and made revisions. After it was approved by the requisite two-thirds of the members attending the Niagara-on-the-Lake meeting and made available for signature by those who did not attend, the statement was circulated widely. The drafting committee and Elroy Dimson were particularly helpful in bringing it to the attention of key journalists. The statement was cited in the *Wall Street Journal*, *Knowledge@Wharton*, *The Journal of the CFA Society of the UK*, and MIT’s *Finance Matters Blog*. We also mailed copies of the statement to all members of the House and Senate who were in any way involved with “The Budget and Transparency Act of 2012,” which touched on several of the same policy issues.

You may read the 2012 Statement as well as all past statements, the revised By-Laws and the current list of members at our website:

<http://fic.wharton.upenn.edu/fic/Policy%20page/FER.htm> . Photographs of past meetings may be found under the somewhat misleading tab “FER at Work.”

The members of FER expressed their gratitude to Wayne Ferson and Tony Santomero for their service on the Steering Committee. Jennifer Conrad and Seymour Smidt have agreed to join the Steering Committee starting this year.

The Committee considered a number of potential venues for our 2013 conference and made a unanimous decision to convene the next meeting in Napa Valley starting with a cocktail party on the evening of **July 20th and concluding just after lunch on July 22nd**.

Looking ahead, the 2014 meeting will be on the East Coast by tradition. The Steering Committee would be grateful for recommendations regarding possible venues. In general, we try to be no more than 2 hours away from a major international airport and try to respect the strong preferences of several members to minimize the chance of encountering high heat and humidity.