



Wharton Financial Institutions Center
University of Pennsylvania
2444 Steinberg Hall - Dietrich Hall
3620 Locust Walk
Philadelphia, Pennsylvania 19104-6367
1. 215. 898. 5613 (tel)
1. 215. 898. 1279 (fax)
herring@wharton.upenn.edu

Richard J. Herring, *Executive Director*
University of Pennsylvania

Steering committee

Wayne Ferson
University of Southern California

Franklin Edwards*
Columbia University

Richard J. Herring*
University of Pennsylvania

George G. Kaufman*
Loyola University, Chicago

Maureen O'Hara
Cornell University

Anthony M. Santomero
McKinsey & Company

Chester Spatt
Carnegie Mellon University

Stephen Schaefer
London Business School

Hans Stoll
Vanderbilt University

Minutes of FER Annual Meeting Hyatt Regency Monterey Hotel & Spa on Del Monte Golf Course Monterey, California July 16-18, 2011

The 19th annual meeting of the Financial Economists Roundtable was held at the Hyatt Regency Monterey. As usual we began with a reception and dinner on Saturday evening and concluded just after lunch on Monday.

The general meeting was preceded by a meeting of the Steering Committee. We are pleased to announce that three well-known financial economists accepted invitations to join FER: Charles Kahn (University of Illinois), Anil Kayshup (University of Chicago) and Robert McDonald (Northwestern University).

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 18 years, the *volatility* has increased since 2003. For example, last year we had thirty-four participants, the highest ever, while in 2009 and 2011 we had only seventeen participants, the lowest on record. 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 base has declined a bit relative to the early days. 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. Indeed, had it not been for some very tough bargaining by our travel agent, the shortfall this time might have nearly 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.

As requested by the Steering Committee last year the Executive Committee examined the By-Laws, which had not been reviewed since they were written. Thanks to Franklin Edwards we now have a revised set of by-laws that states the purposes of the Financial Economists Roundtable and the obligations of

*Executive Committee

members with much greater clarity. (The revised by-laws are attached along with these minutes and will be posted on the FER website at: <http://fic.wharton.upenn.edu/fic/Policy%20page/FER.htm>.) The Revised By-Laws also specify a set of deadlines, which unfortunately, we have not been able to meet this year. But the Steering Committee strongly supported the time line.

The members expressed their gratitude to Tom Copeland for his service on the Steering Committee. George Kaufman was reappointed to the Steering Committee and also to the Executive Committee.

Laura Starks, Chairman of the Drafting Committee and committee members Wayne Ferson and Will Goetzman prepared readings and Power Point briefings and structured the sessions on money market mutual funds and systemic risks, highlighting problems and potential solutions. We are grateful to them for a very lively discussion. The statement is currently being circulated among the participants in the Monterey meeting for editorial suggestions and if two-thirds of the members who attended the Monterey meeting approve the statement it becomes an official FER Statement and will be circulated to the other members of FER who may choose to endorse the statement (or not).

The Members of the Steering Committee considered a number of east coast venues for the next meeting and this time we also asked for the preferences of the significant others who attended the Monterey meeting. They did a remarkably thorough job of considering potential locations and reached a tie vote between Niagara-on-the-Lake and Cooperstown, New York. Because Cooperstown, New York is more than 2 hours away from a major international airport, the 20th meeting of the Financial Economists Roundtable will take place on Saturday evening, July 21st and extend through lunch on July 23rd at Niagara-on-the-Lake, where we had a very successful meeting in 2004.