

Minutes of the Meeting of the Executive Committee in Chicago, IL, April 22, 2005.

The first meeting of the 2005 Executive Committee was called to order at 10:00 A.M. on April 22, 2005 in the Diplomat Room of the Hyatt Regency O'Hare, Chicago, IL. Members present were: George Akerlof, Judith Chevalier, Janet Currie, Peter Diamond, Martin Feldstein, Roger Gordon, Robert Hall, Alan Krueger, Daniel McFadden, Ellen McGrattan, Olivia Mitchell, Robert Moffitt, Maurice Obstfeld, Andrei Shleifer, and John Siegfried. Robert Shiller participated in parts of the meeting via teleconference. Robert Lucas attended part of the meeting to report for the Nominating Committee. Also attending for part of the meeting were members of the Honors and Awards Committee: Avinash Dixit (chair), Lars Peter Hansen, David Levine, Andrew Postlewaite, James Poterba, and Kenneth Rogoff. Executive Director William Damon and General Counsel Terry Calvani also attended.

McFadden asked for approval of the minutes of the previous meeting (January 6, 2005) which had been circulated in advance. The minutes were approved without change.

Report of the Secretary (Siegfried). Siegfried reviewed the schedule for sites and dates of future meetings: Boston, January 6-8, 2006 (Friday, Saturday, and Sunday); 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); 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 recommended that the Association attempt to meet in Chicago in 2012. It was VOTED to authorize the Secretary to negotiate with Chicago hotels for a meeting on Friday, Saturday, and Sunday, January 6-8, 2012. Since the January 2004 decision to allow the Association to book annual meetings more than five years in advance, commitments have been made for eight years forward. Siegfried reported that in light of uncertainty associated with bookings further in the future, he was inclined not to extend commitments beyond eight years. He indicated that bids would be solicited from cities in the northeast (Boston, New York, Philadelphia, Washington, DC) for the January 2014 meetings.

The 2005 meeting in Philadelphia attracted 8,403 registrants; the Association had not met in Philadelphia in over 50 years. Registration in 2004 (San Diego) was 7,732, and in 2003 (Washington) was 8,766. Registration includes all who pre-register (including no-shows), plus those who register on site. Fifty-three other organizations met with us in 2005, 459 scholarly sessions were organized (an increase of two from 2004), and 232 "events" (lunches, receptions, committee meetings, breakfasts, workshops, etc.) were scheduled.

The Nominating Committee traditionally attends the April meeting of the Executive Committee to complete its deliberations and to vote as part of the Electoral College. The 2004 and 2005 Nominating Committees completed all of their deliberations prior to the April meeting of the Executive Committee and reached unanimous agreement about the candidates they proposed for president-elect. The 2004 Committee attended the meeting but complained about the cost of travel for little substantive purpose. In similar circumstances, the 2005 Committee sent its chair

to represent it with proxy votes. Although the Association's bylaws do not prohibit proxy votes, they indirectly imply that Nominating Committee members will attend the meeting of the Electoral College in person. So as to avoid the cost of travel for Nominating Committee members if the Nominating Committee has completed all of its deliberations prior to the April meeting of the Executive Committee, it was VOTED to propose to the membership a change in the bylaws that allows the Nominating Committee to vote by proxy, by teleconference, or in person, at the discretion of the Nominating Committee, by changing the word "present" to "voting" each of the four times it appears in the last sentence of Article IV, Section 2.

Siegfried reported that, following the recommendation of the Electronic Publishing Committee, the Copyright Transfer Agreement between the Association and authors has been modified to add the right of authors to republish their work that has been published in AEA publications without charge in any form, including digital repositories in universities and other institutions subject only to giving proper credit of copyright. It was VOTED to eliminate the recommendation from the Executive Committee on the Copyright Transfer Agreement that authors request \$150 for reprint or translation rights, instead leaving such matters to the discretion of individual authors.

Article I, Section 1, of the Association's Bylaws states: Any person interested in economic inquiry may, on the nomination of a member, be enrolled in the Association. This requirement has been met for decades by the pro-forma nomination of the Secretary. Some potential members, however, may be sufficiently intimidated by the requirement so as not to apply for membership. Accordingly, it was VOTED to propose to the membership for a change in the Bylaws that eliminates the phrase "on the nomination of a member" from Article I, Section 1.

The annual meeting of the Association is conducted under the name Allied Social Science Associations. The American Economic Association underwrites and manages the ASSA meeting. It is common practice for associations that hold academic conferences to provide a discount on the registration fee for individuals who are members of the underwriting Association. To provide such a benefit to Association members it was VOTED to offer members of the American Economic Association a discount on the registration fee for the ASSA meetings.

By tradition, the Association shares net proceeds from the annual ASSA meeting with five other "participating" associations. The historical basis of the distribution has been a check by each registrant of his or her "primary affiliation" among the six participating associations. Because the new discount offered for AEA members might change the distribution shares, and also because the current practice requires some registrants to decide which among several associations is "primary," it was VOTED to base the future distribution of net revenues from the ASSA meetings on each association's share of the total memberships among all of the participating associations. Accordingly, starting in 2006, registrants will be asked to check each of the participating associations of which they are a member. Shares will then be computed on the basis of each association's membership among registrants relative to the sum of all memberships in the participating associations among registrants.

The Spring 2006 Executive Committee meeting will be in Chicago on Friday, April 28.

Report of the Nominating Committee (Lucas). Lucas, who chaired the Committee, reported the following nominations for the indicated offices in 2006: Vice-President—Oliver Hart, Edward Lazear, Christina Romer, and Christopher Sims; Executive Committee—Susan Collins, Glenn Ellison, Austan Goolsbee, and Lawrence Katz. The Nominating Committee and those Executive Committee members present, acting together as an Electoral College, VOTED to nominate Thomas Sargent as President-elect, and VOTED to name Stanley Engerman, Michael Rothschild, and Hugo Sonnenschein as Distinguished Fellows of the Association.

Report of the Honors and Awards Committee (Dixit). Dixit reported that the Honors and Awards Committee solicited nominations for the Clark Medal from chairs of all Ph.D. granting economics departments, from the Association's Executive Committee, and from past winners of the Medal. The research of each nominee was read and evaluated by at least one member of the Committee, after which the list was shortened. Each Committee member then read all of the major works of each candidate on the short list. The candidates were ranked and presented to the Electoral College. After an extensive discussion, those Honors and Awards Committee and Executive Committee members present, acting together as an Electoral College, VOTED to award the Association's 2005 John Bates Clark Medal to Daron Acemoglu. The Electoral College also VOTED to elect Guy Laroque a Foreign Honorary Member of the Association.

Report of the Editor of the American Economic Review (Moffitt). Acting on the Editor's recommendation, the Executive Committee VOTED to appoint Abhijit Banerjee, Charles Engel, Hilary Hoynes, John Leahy, Jonathan Levin, Frank Schorfheide, Peter Schott, Chris Udry, and John Williams to the Board of Editors of the AER for three-year terms that expire on March 31, 2008.

Moffitt commended Managing Editor Jane Voros and Assistant Managing Editor Michelle deBlasi for their outstanding work in simultaneously moving the editorial office from Princeton to Pittsburgh, changing manuscript processing procedures, and accommodating the transition of editors. He reported that the AER now enforces the policy that data underlying empirical papers in the AER must be posted on the AER website. Moffitt indicated that he had expanded the conflict of interest policy for co-editors to prevent a co-editor from handling papers authored by former or current students, as well as colleagues and co-authors. He noted that the Review discounts submission fees by fifty percent for authors from mid-level income countries, and accepts submissions with no fee from authors in low income countries.

Report of the Editor of the Journal of Economic Literature (Gordon). Gordon responded to several suggestions about EconLit that were included in the report of the Committee on Journals.

Google would like to include EconLit among the websites that its new Google Scholar (Scholar.Google) engine searches. As the Committee on Journals observed, this would give away EconLit, and in the long run not improve access to economic literature, because EconLit's revenue base, and with it the Association's ability to produce it, would erode. The Committee on Journals expressed interest in a different scheme, in which Google Scholar could search EconLit, but show the results of the search only for those logged in from an IP address that has a license for EconLit. This, of course, might increase the value of EconLit and stimulate sales.

A scheme like this would require Google Scholar or the institution employing the searcher to authenticate access to EconLit for each searcher, which would require IP addresses. The Association does not have IP addresses of its EconLit customers because the AEA sells only to intermediaries, each of which adds a search engine to EconLit and markets the combined product to libraries. Gordon reported that the Electronic Publishing Committee would continue to study how to devise an arrangement that would maintain the value of EconLit to libraries while simultaneously expanding the capacity of economists to search efficiently using Google Scholar.

An advantage of a Google Scholar search is the results are relevancy ranked and also may cover some citations that are not included in EconLit. Another advantage of Google Scholar is that many more people know of it as an easy portal into searching. A disadvantage of Google Scholar is that it returns a lot of citations that are not included in EconLit and irrelevant to the searcher. EconLit vendors are working on adding a relevancy ranking to searches of EconLit. If a link to EconLit were available to users as an icon on their screen, it would be more easily accessible to them. Several EconLit vendors are working on providing such a service.

Gordon reported that the Association is moving forward with plans to provide direct EconLit access to individual members as a free member benefit. This would be of value to members at institutions that do not have EconLit. Non-members of the Association then could gain access to EconLit for a year for a maximum fee of \$90, currently the highest level of annual dues.

Report of the Editor of the Journal of Economic Perspectives (Shleifer). Shleifer announced plans to discontinue publishing the JEP's series of lectures by distinguished government economists, and to add a new regular column that will illustrate the application of economic principles in the context of a variety of institutions present in interesting markets.

Report of the Director of Job Openings for Economists (Siegfried). Counsel advised that the Association has no liability as a guarantor of a claimed religion-based exemption from the 1964 Civil Rights Act by an employer listing a job in Job Openings for Economists. After careful consideration, however, it was VOTED to retain the Association's prohibition against job listings in JOE that indicate employment discrimination on the basis of religion, even if the listing organization is eligible for a religion-based exemption from the Civil Rights Act of 1964. It also was VOTED to amend JOE policy pertaining to discrimination in job listings so as to prohibit listings that indicate discrimination on the basis of national origin.

The 2005 Program (McFadden). McFadden reported he used a committee of 18 members to assemble the 2005 Program. It included traditional paper sessions, topic surveys that had been part of the program in the mid-1990s, and experimental poster sessions. The topic surveys were well attended. Each of the six poster sessions contained 12 to 22 papers. In response to a survey, poster presenters reported that they were pleased with the opportunity to present, and benefited from interaction with other presenters in their poster session. McFadden recommended that future presidents-elect include some topic surveys on the program, and continue the experiment with posters sessions as a device to encourage and broaden scientific interactions.

The 2006 Program (Akerlof). Akerlof reported that his Program Committee of 18 members was screening approximately 1200 submitted papers for about 300 presentation slots on the 2006

Program. He announced that Claudia Goldin would be the Ely Lecturer for 2006, and that he planned to continue to schedule some topic surveys.

Report of the Audit Committee (McGrattan). The Audit Committee was created in 2002 in response to concerns in both public corporations and not-for-profit organizations about the quality of financial oversight. This year's Committee (McGrattan [Chair], Chevalier, and Currie) met with the Association's external auditors, Deloitte and Touche, by teleconference on April 13, 2005. The Audit Committee concluded that there are no material difficulties 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 2004, and to reappoint Deloitte and Touche as auditors for 2005.

The Committee asked that in the future the external auditors provide the Audit Committee with financial statements at least one week before the Audit Committee meeting with them. The Committee also recommended that the Association periodically seek alternative bids for auditing the Association's financial records, commencing with the audit of 2006.

Report of the Ad Hoc Committee on Journals (Hall). Hall reported that, in addition to considering the options for EconLit detailed above by Gordon, the Committee on Journals investigated the wisdom of continuing to expand the AER and also the possibility of the Association starting new field journals. With the agreement of the Editor of the AER, it was decided to continue to expand the AER by about 100 pages per year until the four regular issues total about 2,000 annual pages, which should occur in 2007 or 2008. At that time, it will be easier to determine if further expansion is possible without diluting the quality of scholarship reported in the Review. Expansion of the AER beyond 2,000 pages per year would require six rather than the current four issues per year, which implies considerable cost implications to be weighed against the value of publishing additional articles. It was agreed that a decision on the optimal size of the AER be separated from the consideration of starting new field journals.

There followed a lengthy discussion of the purpose, advantages, and disadvantages of the Association expanding its portfolio of journals to include field journals, and whether individuals in a specific field would be better off or worse off if the Association published a field journal in their area of specialization. There was agreement that if the Association did initiate new field journals, they would cover traditional broad fields rather than attempting to identify underserved parts of applied fields. The Association would attempt to nurture the journals sufficiently so they would quickly develop reputations as the leading journal in their respective areas.

It was agreed that the fundamental question is whether the Association should continue to be a general purpose organization, or, instead, should follow the direction of the discipline by recognizing increased specialization. It was VOTED to ask the Committee on Journals to develop a more detailed plan for instigating field journals that considers the number and breadth of fields that might be covered. Hall indicated that his Committee may conduct a survey of the membership regarding satisfaction with existing journals and the need for adding field journals.

Summer Program (Siegfried for Charles Becker). A five-year commitment from the Association to support the Summer Program at \$60,000 plus cost-of-living increases annually ended in

2005. The Association's budgeted support for the Program was \$65,000 for 2005. Becker, Director of the Program, requested that the Association increase its support to \$100,000 annually for five years commencing in 2005, with annual adjustments for the cost-of-living. The \$60,000 annual support by the Association for the Summer Program established in 2001 matched National Science Foundation (NSF) support of \$60,000 at that time. NSF increased its support to \$100,000 annually in 2002, however, and raised it further to \$120,000 per year for 2005 – 2007. Duke University, the current host of the Program pledges \$100,000 annually to the Program, plus covered the \$140,000 deficit incurred by the Program in 2004. The Program has been increasingly effective in moving participants recruited from historically black colleges and universities into economics Ph.D. programs over the past four years. Becker reported that increased Association support would help attract new external support for the Program. It was VOTED to commit \$100,000 annually to the Summer Program for five years commencing in 2005, with annual adjustments for the cost-of-living.

Committee on Economic Education (William Walstad by written report). The Committee on Economic Education sent a written response to a request from the Executive Committee for it to evaluate whether the Association should establish websites for prospective undergraduate majors in economics and prospective economics Ph.D. students. Walstad reported unanimous support for establishing such websites. The Committee recommended such websites be designed to provide information about majoring in economics, graduate study in economics, and career opportunities that would help users make more informed decisions about their education and career choices. This type of information is not now available from an independent and comprehensive source such as the Association. Its provision would benefit economics departments and faculty members because they could refer interested students to this website. It was VOTED to ask the Secretary to arrange for the production of such websites.

Ad Hoc Committee on the Job Market (Siegfried for Al Roth). In January 2005 McFadden appointed Al Roth (chair), John Cawley, Philip Levine, and Siegfried to a committee to examine what the Association might do to improve the job market for new Ph.D. economists.

The Committee evaluated a proposal to centralize online the submission of application packets and recommendation letters. Because of a concern that sending all application materials to a central distribution point might change not only the medium of communication but also its content (e.g., reducing the tailoring of letters of recommendation to the recipient) the Committee decided not to encourage centralized electronic distribution at this time. The Committee recommended that the Association consider establishing a web-based service that would signal particular interest of candidates in particular employers. The important characteristic of this service would be the scarcity of signals, thereby increasing their value relative to unlimited claims of interest in application letters. Because of the complexity of interpreting such signals, it was decided to study such a service further before implementing it on an experimental basis.

The Committee also recommended that the Association establish a website to facilitate a "scramble" after the regular job market, the goal of which is to match unemployed job candidates with suitable vacancies late in the year, when ignorance of candidate availability or job vacancies might otherwise cause a good fit to be missed. The scramble would allow employers still seeking permanent appointments and candidates still seeking permanent jobs to so indicate on a

website. The site would collect information for a few days, and then at a pre-announced time employers who listed a job would have access to the list of still-available job candidates, and job candidates who announced their continuing availability would have access to the job listings. It was decided to experiment with the scramble concept during the Spring 2006 job market.

Report of the Treasurer (Siegfried). Siegfried reported that the audited financial statements for 2004 show an operating surplus of \$573 thousand. The operating surplus was \$263 thousand more favorable than the \$310 thousand surplus budgeted in April 2003. Revenues were \$289 thousand less than budgeted, expenses \$552 thousand less. Of the differences in revenues and expenses, \$206 thousand is caused by the deferral into 2005 of an equivalent amount of expenses and revenues associated with the publication of the December 2004 AER and JEL in 2005. While the deferral of an equivalent amount of revenue and expenses has no effect on net surplus, it distorts annual revenues and expenditures. Revenues for 2004 are only \$83 thousand less and expenses only \$346 thousand less than budgeted if the revenues and expenses for the two late journal issues are included in 2004, where they reasonably belong. With respect to revenues, license fees from EconLit exceeded budget by \$93 thousand, and JOE listing fees exceeded budget by \$73 thousand, roughly offsetting a \$182 thousand shortfall in member dues and library subscriptions caused by three percent declines in both membership and library subscriptions in 2004. The major cost savings relative to budget were \$157 thousand in publication expenses, \$132 thousand for Nashville office expenses, and \$49 thousand for committee expenses.

Siegfried presented a revised budget for 2005 predicting an operating surplus of \$452 thousand; \$360 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 has reversed the sustained pattern of operating losses approximating \$500 thousand annually through 2002 by boosting net revenues from library subscriptions, EconLit license fees, and JOE listings collectively by about \$1 million, and by reducing annual expenses by about \$500 thousand by changing the method of acquiring working paper citations for EconLit, consolidating journal offices in Pittsburgh, centralizing co-editor support, and substituting online membership renewals for staff in Nashville. Siegfried projected an operating surplus of about \$800 thousand for 2006.

The Association's net unrestricted assets as of December 31, 2004 were \$11.1 million, up from \$9.2 million in 2003. Net unrestricted assets reflect "net worth." Total assets on December 31, 2004 were \$15.0 million, of which \$14.1 million consisted of cash and financial investments, \$0.8 million were accounts receivable, and \$0.1 million were prepaid expenses, furniture, and equipment. Liabilities were \$3.6 million, of which \$2.9 million consisted of pre-paid membership dues and subscriptions, and \$0.7 million were accounts payable.

There being no further business to conduct, it was VOTED to adjourn at 4:30 P.M.

Respectfully submitted,

JOHN J. SIEGFRIED, Secretary