

Managing Editor's Report to the Publications Committee

Editorial Status

All agree that the *JFQA* has achieved the status comparable to the leading world journals of scholarly research. To accomplish this feat since 1965 would have been impossible were it not for the quality of the papers received and the demanding critiques made by our referees. I expect this trend to continue; and, if it does, the future is indeed bright.

During the year July 1, 1970, to June 30, 1971, the *Journal of Financial and Quantitative Analysis* received a total of 192 manuscripts, 44 of which were accepted for publication. These data do not include the papers presented at the WFA meetings, all of which were published. Of the 44 items accepted, 13 were "Communications." Not counting the communications, of the 179 remaining manuscripts, 31 were accepted, resulting in an acceptance rate of 17.3 percent, as compared with a 15.1 percent acceptance rate in fiscal 1970.

Manuscripts continue to come in at a rate of about 15 per month. Almost all manuscripts are reviewed; hence, the burden assumed by Associate Editors is substantial and the profession's enormous debt to them must be acknowledged. In addition to Associate Editors, I have drawn heavily on the good graces, generosity, and insights of other colleagues. Aside from my heartfelt thanks, the best I can do for them is to give them a slight dose of notoriety by publicly identifying them in the following listing:

D. Adolphson	C. Henning	G. Racette
S. H. Archer	A. Hess	K. Ramanathan
F. Arditti	R. Higgins	P. Rao
H. Bierman, Jr.	M. Hopewell	W. Pigott
A. J. Boness	N. Jacob	G. Pinches
A. V. Cabot	W. H. Jean	T. J. Sargent
P. L. Cheng	L. Klein	L. Schall
J. Y. S. Chiu	J. Lessinger	H. Scott
A. Cohan	R. H. Litzenberger	V. K. Smith
G. Diehr	H. Levy	R. Soldofsky
E. A. Dyl	J. C. T. Mao	K. Tamura
J. L. Evans	R. Meir	C. E. Tootle
G. Fleischer	R. C. Merton	J. Turtle
P. Frost	R. J. Monsen	D. L. Tuttle
M. Gordon	G. A. Mumey	J. F. Weston
C. Haley	N. A. Murphy	R. Wipfern
R. A. Haugen	J. Narver	H. K. Wu
E. Heave	J. L. Pappas	

Acknowledgement is also due to Chip Haley for his continual efforts to increase circulation and generate advertising revenues. Professor Charles Henning, Director of Publications, University of Washington Graduate School of

Business, was generous with his time and insights and made circumventing many editorial hurdles less onerous. Leslye Brueggeman performed beyond expectations as Editorial Associate. Her replacement, Lynn Lewicki, lives up to the high quality expected of the *JFQA*. Joanne Beaurain, subscription manager, has been extremely helpful (and essential) to the fair and orderly transfer of all subscription functions to the University of Washington. Finally, but importantly, Dean Kermit O. Hanson, despite budgeting pressures, continues to see the wisdom of underwriting the *JFQA*'s deficits. And for that, we must all be grateful.

Financial Status

However, incredibly severe budget constraints imposed by the University of Washington indicate that the average size of each issue, if published in its present format, will have to be reduced from about 140 pages to 120 pages, a reduction of 14 percent. This reduction is of considerable concern to me because it implies, among other things, that about five manuscripts a year, otherwise suitable for publication, will be rejected. The precise work-out of this problem is yet to be determined. The same budget constraints imply reductions in editorial and staff support. In spite of these extremely lean times, every effort will be made to maintain the *JFQA*'s high quality.

On the financial side of things, the accompanying table indicates that the net deficit, including out-of-pocket and overhead costs, was reduced considerably; not counting overhead expenses, all out-of-pocket expenses were covered comfortably. During the next year, costs will be reduced by (1) reducing the number of pages per issue and (2) cutting back on the use of our Editorial Associate. My immediate objective is to place the *JFQA* on a self-sustaining basis, without, at the same time, diminishing quality.

Subscription Status

Total paid subscriptions as of June 30 were slightly less than 1,300, an increase of 200 over last year. And this increase came about while subscription rates increased and in the absence of any promotional programs. Obviously, ours is a select audience, although the evidence indicates that the *JFQA* is rapidly becoming "must" reading for serious students of finance.

Computerization of the mailing list should be completed this year. Being an unfunded project, the computerization's progress has necessarily been slow.

Consolidation of the membership and subscription lists has considerably reduced the cases of missing journals. I can safely say such "fails" are within tolerable limits, although the work-out has been costly both in man-hours and past issues.

Many past issues are out of print, and I suggest we investigate the possibilities of an agreement with a reprint service.

Because of increased postage costs, foreign subscriptions (except Canada) have been increased by \$1 a year.

Statement of Revenues and Expenses as of June 30

	1967	1968	1969	1970	1971
<u>Revenues</u>					
WFA	\$1,192.00	\$ 1,893.00	\$ 1,219.00	\$ 1,091.00	\$ 1,435.00
Other Subscriptions	1,980.00	4,336.00	4,401.00	6,636.33	14,825.20
Advertisements	250.00	226.53	191.25	637.50	1,046.87
Other income	485.50	721.05	966.08	2,021.38	2,952.50
<u>Total</u>	\$3,907.50	\$ 7,176.58	\$ 6,777.33	\$10,386.21	\$20,259.57
<u>Expenses</u>					
Direct: Printing	\$4,224.36	\$ 6,200.78	\$ 6,383.79	\$10,700.30	\$14,098.31
Mailing	307.52	243.22	175.16	501.91	607.49
Promotion	192.11	170.09	166.54	200.00	---
Typing	NA	NA	NA	NA	1,578.25
Misc.	NA	NA	NA	NA	203.66
<u>Total Direct</u>	\$4,723.99	\$ 6,614.09	\$ 6,725.49	\$11,402.29	\$16,487.71
Estimated Indirect (excluding editors)					
Editorial Associates	\$2,768.00	\$ 3,134.00	\$ 4,200.00	\$ 3,725.00	\$ 4,320.00
Subscription Manager	400.00	1,800.00	1,950.00	1,750.00	1,950.00
Postage and Supplies	75.00	100.00	125.00	150.00	200.00
Secretarial Services	618.76	700.00	800.00	600.00	606.90
<u>Total Indirect</u>	\$3,861.76	\$ 5,734.00	\$ 7,075.00	\$ 6,325.00	\$ 7,076.90
<u>Total of All Expenses</u>	\$8,585.75	\$12,348.09	\$13,800.49	\$17,727.29	\$23,564.61
Net Deficit (absorbed by U.W.)	\$4,678.25	\$ 5,171.51	\$ 7,023.16	\$ 7,341.08	\$ 3,305.04