



Report to the AFA Executive Committee on AFFECT Activities The 2022 year in review

Committee Members:

Brad Barber (Vice-Chair), Laura Field, Victoria Ivashina, Kai Li, Anna Pavlova, Heather Tookes (Chair)

The highlights of 2022:

1. Improved governance practices with continued transition to term limits and turnover on AFFECT and the Advisory Committee.
2. Launched funding initiatives to support activities that align with AFFECT's mission
 - Funded 4 research-oriented events that promote gender equality in the academic finance profession (\$11,100)
 - Issued a call for proposals to support 3 projects that involve the collection of new data (to be distributed from \$90,000 funding from the Journal of Financial Economics)
3. Expanded mentoring initiatives (led by Michelle Lowry, Director of Mentoring) include:
 - Virtual January 8, 2022 mentoring event
 - January 5 Mentoring Event at the 2023 AFA meetings in New Orleans
 - Broader outreach
 - Office hours with senior faculty
 - Webinar on research-related topics
4. Wrote recommendations for writing equitable review letters. Posted on SSRN.
5. Launched annual department survey to track demographics of finance faculty and PhD students.
6. Co-hosted (with CSWEP) a fireside chat series with journal editors from: Journal of Financial and Quantitative Analysis, Management Science (Finance area), Review of Finance, Review of Asset Pricing Studies, and Review of Corporate Finance Studies.
7. Upgraded webpage, including an expanded DEI literature review.
8. Planned In-person AFFECT Data and Drinks reception scheduled for 1/7/2023. Cornerstone is sponsoring the event.

Activity

The AFFECT committee met 7 times in 2022. These include two meetings with the Advisory Committee, all via Zoom. Minutes are taken at all Committee meetings.

Governance Structure and Turnover

As part of professionalizing AFFECT and instituting good governance practices, we continued to implement turnover in both the AFFECT committee and the Advisory committee. This included turnover of the Chair and Vice-Chair.

Committee: The AFFECT committee comprises six members with three year terms. We look for committee members that have good standing in the profession and who can ably contribute to AFFECT's work to improve gender diversity in the profession. All AFFECT members (including the Chair and Vice Chair) are chosen by the AFA President, in consultation with AFFECT leadership.

Chair and Vice-Chair turnover: Heather Tookes and Brad Barber, will rotate off of AFFECT at the AFA Meetings. Heather has completed a three year term on the committee, including one year as Chair. Brad has completed 4 years of service on the committee, including one year as Vice-Chair. Victoria Ivashina will serve as the new AFFECT Chair and Kai Li will serve as Vice-Chair. Anna Pavlova will continue as Secretary and will also become Treasurer.

Committee member turnover: Three new committee members have joined or will join. Wei Jiang had to step down mid-year due to her new role as President of SFS. The Committee recommended Laura Field as her replacement. Laura joined AFFECT in July 2022 to complete Wei's term, and will serve her own 3-year term starting in January. Since Heather and Brad are rotating off of AFFECT, the committee considered a number of potential candidates based on the criteria outlined above and recommended Kelly Shue and Mila Sherman. As of January 2023, Mila and Kelly will join AFFECT for 3-year terms..

Advisory Committee: We have also introduced 3 year terms for the Advisory Committee. Brad Barber, Wei Jiang, and Heather Tookes, will replace Sabrina Howell, Michelle Lowry, and Renee Adams on the AFFECT advisory committee. Sabrina and Michelle end their 3-year terms in January 2023. Renee stepped down from the advisory committee in April 2022 and the committee decided to wait until January 2023 to find a replacement so that terms are synchronized.

Administrative Support: We continue to benefit from administrative support on a consulting basis from Robyn Scholl. Robyn knows the profession and is an invaluable resource for AFFECT. As AFFECT's activities have grown, we have begun to engage Diana Martinez to help support some of Robyn's work. Diana currently provides administrative support to CORD and has worked for the AFA in the past, supporting Jim Schallheim.

AFFECT Funding Initiatives

Support for research-oriented events and activities

In summer 2022, AFFECT issued its first call for funding proposals for up to \$7,500 to support research-oriented events and other activities that align with AFFECT's Mission. We received a total of 12 funding proposals from universities around the world. After deliberation by the AFFECT committee, AFFECT provided funding for the following proposals (with submitters in parentheses):

1. Women Assistant Professors of Finance (WAPFIN) Conference at NYU Stern (Shan Ge, Sabrina Howell, Cecilia Parlatore)

Event description: The conference aims to create a venue for junior women in finance to discuss research ideas and showcase their work. We welcome submissions and full-conference attendance from anyone untenured who is working in finance. We will have one day of polished work, and one day of early-stage work. Funding amount: \$5,000.

2. Swedish House of Finance at the Stockholm School of Economics Event (Marieke Bos)

Event description: The production of two movies independently, in combination with workshops to promote the advancement of women academics in the field of finance by activating pivotal actors in our profession to think together about a plan of action. Funding amount: \$2,500

3. Edinburgh Corporate Finance Conference (Maria Boutchkova)

Event description: The organizers plan to highlight the work of women researchers at the 2023 conference. Funding amount: \$2,500.

4. Financial Research Network (FIRN) Women's Breakfast (Andrea Lu)

Event description: A finance academic women's breakfast networking event at the FIRN annual conference (estimated attendees: 60). Funding Amount: \$1,100

We plan to repeat this call to fund events on an annual basis.

Support for data collection (in collaboration with the Journal of Financial Economics)

In collaboration with the Journal of Financial Economics, AFFECT circulated a new call for funding proposals for projects that involve collecting new data for research that aligns with AFFECT's mission. We especially encouraged proposals that advance AFFECT's mission to collect more systematic data on the standing of women in finance and to raise awareness regarding the representation of women in seminar series, in conferences, and in applicant pools. Grant recipients must agree to disseminate the data publicly on their websites within 12 months. Generous support from the Journal of Financial Economics will allow funding for 3-5 proposals in amounts of between \$10,000 and \$30,000 each (total of \$90,000).

The proposal deadline was December 15, 2022. Proposals are currently under review. We anticipate award announcements in January 2023.

AFFECT Mentoring Initiatives

AFFECT is committed to the long-term development of mentoring activities to encourage the representation of women in the profession. Michelle Lowry, our Director of Mentoring, prepared the following summary of activities related to mentoring from February 2022 through January 2023 (January events are scheduled).

Overview. We held 4 different mentoring events (or series of events). A total of 262 people expressed interest in these events. Due to a combination of choosing not to participate (e.g., signing up for a webinar but not attending) and capacity constraints (more people signed up for an event than

we were able to accommodate), participation included 139 unique mentees. A total of 23 senior faculty in the profession (mostly women) served in a mentoring-type role in one of these events. Participation of both mentees and mentors included people at both universities and regulatory bodies, at top-schools and lower-level schools, and from around the world.

Event #1: Office Hours with Senior Women, held in spring 2022. This was a series of 6 'Virtual Office Hours', each focused on a single topic. A total of 106 mentees applied to participate. As announced from the onset, groups were limited to 6 – 8 people each to facilitate a small-group atmosphere. A total of 45 people were selected to participate, and 42 attended. Selection was based on career stage (we eliminated PhD students, and we gave preference in most sessions to assistant professors), and randomly after that. Michelle reached out to each mentor following the event to get feedback. They were all quite positive. She additionally received emails from many mentees, expressing how helpful the session was. Sessions:

1. Life after tenure: increased service load / possible editorial service / more freedom (Laura Field)
2. Co-authors: how to find them, how to manage co-author relationships (Victoria Ivashina)
3. Covid / isolation: I haven't gotten to know my new colleagues because everybody is working from home (Elena Asparouhova)
4. Juggling multiple projects at multiple stages (Diane Del Guercio)
5. Research: how to get feedback, when to submit (Mara Faccio)
6. Bias / discrimination / sexism: how to handle these challenging issues (Anat Admati)

Event #2: New Ideas, held in fall 2022. This was a series of 5 Virtual New Ideas sessions. Each session was limited to 4 participants, and participants were grouped by research area. A total of 27 people initially expressed interest in these sessions, and 18 ultimately participated. Michelle solicited feedback after the event, and received feedback from 15 people. 80% of people rated their session Excellent or Very Good, and 100% rated the level of interaction Excellent or Very Good.

Event #3: Webinar on research-related topics, held in fall 2022. This was a one-hour webinar, with a moderator and three panelists. A total of 177 people signed up for the webinar and 88 attended. Panelists included Cami Kuhnen, Simi Kedia, and Margarita Tsoutsoura. Michelle Lowry moderated the session.

Event #4: One-day intensive mentoring workshop, held the day prior to the 2023 AFA meetings. A total of 42 people applied, and 30 have been accepted to participate. The basis of acceptance was stage of career (a few tenured professors applied and were not accepted) and research-activeness (a few people applied who were at teaching schools and did not appear to have a research agenda).

Writing Equitable Review Letters

AFFECT committee discussions (and discussions of AFFECT committee members with others in the profession) raised concerns about the disparate effects of the pandemic and other life events on members of the profession. Research suggests that these disparate effects can disproportionately affect women and thus potentially affect gender diversity in the profession. In light of these concerns, AFFECT committee members coauthored a short essay on writing equitable external review letters to highlight these issues. The essay reviews the related research on these issues and makes three main recommendations to ensure equitable review letters: assess a scholar's complete body of work, make cohort comparisons to scholars who recently received a similar advancement, and refrain from cohort comparisons based on year of PhD conferral. The essay is posted on SSRN:

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4222153.

Annual Department Survey

This summer, we launched the first Annual Academic Finance Departments Survey. The goal of the survey is to track the demographics (gender, race, and citizenship/residency status) of faculty and PhD students at U.S. business schools. NORC administered the survey and AFFECT members analyzed the data and produced the report. Results will be presented at the AFFECT reception at the AFA meetings and posted to the AFFECT website following the 2023 meetings.

The survey was designed following CSWEP survey (except that added race information). We plan to repeat the survey on an annual basis.

CSWEP/AFFECT Fireside Chats with Journal Editors

In collaboration with CSWEP, we continued a Spring/Summer series of online fireside chats with prominent journal editors. The goal is to provide junior faculty with information about the journals and to demystify the publishing process. We aim to select one junior and one senior faculty member from a variety of schools to conduct the interviews. Demand for these sessions was strong, with between 27 and 84 unique viewers logging on to each one.

1. *JFQA*, with Editors Jennifer Conrad, Thierry Foucault, and Jarrad Harford (Interviewers: Jialan Wang and Giorgia Piacentino). 163 registrants, 84 unique viewers.
2. *RAPS*, with Zhiguo He (Interviewers: Anastassia Fedyk and Sophie Shive) . 83 registrants; 27 unique viewers.
3. *RCFS*, with Andrew Ellul (Interviewers: Lea Stern and Elena Simintzi). 113 Registrants; 41 unique viewers.
4. *Review of Finance*, with Alex Edmans (Interviewers: Irene Yi and Ayako Yasuda) 158 registrants; 51 unique viewers.
5. *Management Science*, with Victoria Ivashina (Interviewers: Tanya Babina and Nandini Gupta). 174 registrants; 48 unique viewers.

Recordings of all of these sessions are available on the CSWEP website. Looking ahead: We have scheduled a session with Antionette Schoar to discuss the JF in early February 2023.

AFFECT website and DEI literature review

AFFECT is a frontpage level menu item on the AFA site (The American Finance Association, publishers of the Journal of Finance, afajof.org). The landing page as well as the subpages of AFFECT all appear under the AFA heading (Academic Female Finance Committee - The American Finance Association, afajof.org).

The content on the website is presented under four categories:

1. An "Event" subpage that is updated in real time to announce upcoming events and store past events sponsored/organized by AFFECT, as well as events that are closely related to the AFFECT mission and vision.
2. An "About AFFECT" subpage that provides summary information about the Committee, its leadership, sponsors, as well as a sign-up portal to join the mailing list.
3. A "DEI in Academia" subpage was constructed to be the most comprehensive repertoire of studies on DEI issues in academia especially in economics and finance. More specifically, the survey of literature contains the references as well as highlighted key results of all academic papers (published in the Financial Times 50 journals, NBER working paper series, or distributed as finished working papers on the SSRN) on the topic during the twelve year period of 2011-

2022. It was great to see an increased number of articles on DEI in the latest literature update! The sub-topics surveyed include:

- Representation and Recognition: Gender and Academia
- Representation and Recognition: Diversity in Economics and Finance
- Supportive Environments and Behavioral Restrictions
- Hiring, Promotion, and Retention
- Pandemic Effects: Vulnerabilities Revealed in Higher Education
- Pandemic Effects: Global Perspectives
- Pandemic Impact

The website further reviews all non-academic but in-depth and analytical studies published in leading outlets including McKinsey, Harvard Business Review, Wall Street Journal, and New York Times, etc. The survey groups hundreds of studies under the following sub-topics:

- Representation and Recognition
- Institutional Support and Environment
- Hiring, Evaluation, Promotion, and Retention
- Diversity Fatigue
- Diversity, Equity, and Inclusion Next Steps

The subpage is constructed and organized in ways that facilitate an annual update of the evolving literature. Anna Pavlova is in charge of this effort. The RA Anna used for the latest update wishes to work pro bono and intends to continue with future updates. We should, however, budget for the possibility that she is not able to continue, in which case we will incur moderate cost.

4. Women in Finance

The Women in Finance Directory on the AFFECT website is up and running. It is identical to the AFA membership directory with a few additional features worth mentioning. Women can sign up to be listed in the directory even if they are not members of AFA. Therefore, we conduct a verification process before entering names and links to websites in the directory. Note, however, that all individuals are welcome to add their names to the AFFECT mailing list, regardless of gender, PhD degree attainment, or AFA memberships. We are continuously working on cleaning up and purging duplicates and erroneous entries, which plagues both the AFA membership directory and the AFFECT Women in Finance Directory. Robyn Scholl is an invaluable resource in this effort, and we thank her profusely for all her hard work on this project.

Data and Drinks (January 2023)

“Data and Drinks” at the January 2023 AFA annual meeting will be our first in-person event in over two years. The event will take place on Friday, January 6, 2023, at 6:30 p.m. Cornerstone has agreed to provide financial and logistics support for the event. At the event, we will present the results of the AFA Department Survey, review AFFECT activity for the year, and recognize incoming and outgoing AFFECT members.

Other Items

Recommendation to the AFA to create a standing climate survey committee

With the support of the AFA, Renee Adams and Michelle Lowry surveyed current and recent past members of the AFA on the professional culture in the field of finance. AFFECT committee and

advisory board members discussed the survey. We think that it provides useful insights into our professional climate and that periodic follow up will be valuable.

AFFECT submitted a proposal to the EC to recommend that the AFA form a subcommittee to formalize a process for repeating the recently completed AFA climate survey. We are hopeful that the data will help inform programmatic efforts and policies related to equity and inclusion within the profession. We also think that it is critical to monitor and measure progress on a periodic basis. We hope that this proposal is considered.

Budget

To date, the AFA has provided AFFECT with an annual budget of \$30,000. AFFECT used these funds for funding events aligned with AFFECT's mission (\$11,100), administrative support (\$7,600), and the AFFECT department survey (\$7,605).

AFFECT mentoring events have a separate annual budget, which supports AFFECT's mentoring events and a stipend for the Director of Mentoring. The majority of this budget is associated with the in-person mentoring event, which will be launched in January 2023.

Future Plans

1. **Mentoring.** We plan to continue our formal mentoring program under the leadership of Michelle Lowry. The program combines a formal mentoring program with experimental initiatives open to a broad group of participants. We will continue to collect feedback to help further develop and modify this program as needed.
2. **Department survey.** We hope to continue this next year, with NORC's support. We will likely hire a research assistant to process the survey results now that we have a structure in place. We will also work to collaborate with CORD to ensure that we collect useful data on race.
3. **Funding Support.** AFFECT is a small committee with an ambitious agenda. To help increase our impact, we plan to continue initiatives to support the work of researchers collecting data and organizing events that align with AFFECT's mission.