

September 8, 2022



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DFI Scientific Board, Annual Report 2021-22

Summary

The Scientific Board (SB) of the Danish Finance Institute (DFI) met with the DFI Directors virtually via Zoom on August 18, 2022. The meeting started with DFI Director Carsten Sørensen providing an overview of DFI activities and events over the past year, together with a brief discussion of the DFI budget. This was followed by a discussion of the DFI midterm review conducted in Spring 2022. The meeting continued with a discussion of the Publication Scholarships and Research Scholarships on which the SB was asked to provide its recommendations. The SB also reviewed and concurred with the DFI list of journals and the top-50 universities list that currently govern the award of Publication Scholarships and Junior Research Fellowships. The meeting concluded with a discussion of the role of the DFI in supporting Danish-based researchers in finance more generally.

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General Comments

The SB was very pleased to learn about the outcome of the midterm review and that the funding of DFI for the final four years of the initial ten-year term has now formally been approved by Finans Danmark. The SB would also like to applaud the DFI directors for starting to think about the longer-run viability of the DFI, and additional funding opportunities beyond the tenth year. The idea of approaching other potential sponsors, like pension funds, mutual funds and insurance companies, thus complementing, or if need be possibly even replacing, the funding provided by Finans Danmark seems like a well-thought-out strategy to pursue over the coming years. Along these lines, the SB strongly believes that for the DFI to continue as a viable institution in the long-run, it is crucial for it to remain a completely independent research-driven institution not beholden to any special economic and/or political interests. The recent public debate about the role of the DFI also further reinforces this point.

The SB would also like to commend the DFI leaderships' continued efforts to connect with the finance community in Denmark more broadly. The SB agrees that such efforts are very important, not just in terms of helping to secure the future funding of the DFI by Finans Danmark or other potential sponsors, but also in terms of the general public's recognition of the value of DFI and highly-educated finance professionals to society at large. The newly created DFI dissemination prize, first awarded to Jesper Rangvid, also clearly serves that purpose, and helps solidify the DFI brand. The SB looks forward to learning about the winner of this year's complementary teaching prize.



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The SB was pleased to learn about the hiring of three new DFI-supported assistant professors at CBS. The fact that all three automatically qualify for the higher Level 2 Junior Research Scholarships, as stipulated by the guidelines in the Principles Program for the DFI, directly underscores the high quality of these new hires.

The Publication Scholarship Program continues to showcase the great success of the DFI incentivized publication scheme. This past year alone, DFI Fellows placed a total eight papers in what are generally considered to be the top-4 finance journals, along with another paper with clear finance content in one of the top-5 general interest economics journals. Additionally, three other finance papers authored by DFI Fellows were published in the Level 2 journals on the DFI Journal List. The fact that not all DFI Fellows chose to apply for Publication Scholarships makes this list all the more impressive.

Another point worth noting, also raised by the external midterm evaluators, Magnus Dahlquist and Maureen O'Hara, in their report, relates to the education of new PhD candidates. Although the finance PhD programs at the five participating universities are not formally part of DFI, the strength of some of the recent Danish finance PhDs clearly owes much to the strength of the Danish finance faculty, which at least in part may be attributed to the advent of the DFI. The SB agrees with the midterm evaluators that this recent indirect success of the DFI could be further celebrated.

Similarly, even though it is not part of the DFI, the SB would like to congratulate Lasse H. Pedersen at CBS with the recent award of a new Center of Excellence (CoE) dedicated to the study of big data in finance (BigFin). This large multi-year commitment by the Danish National Science Foundation to support research in this specific area will obviously also help strengthen research in financial economics in Denmark more broadly, and as such aligns very closely with the stated objectives in the DFI Principles Program of: "supporting the establishment of a Danish world-class research environment."

The SB was also happy to hear that the twice postponed Retreat for DFI Research Fellows at Sandbjerg Manor finally took place in April 2022, and that it was both well attended and successful, as was the October 2021 annual DFI conference held at CBS. As previously noted, the SB believes that such conferences and meetings can be very helpful in fostering a sense of research community and collaboration among DFI Research Fellows affiliated with the five different DFI member universities.

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