

24. März 2026

**Stellungnahme zu  
Leibniz-Institut für Finanzmarktforschung SAFE, Frankfurt a. M.**

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## Vorbemerkung

Die Einrichtungen der Forschung und der wissenschaftlichen Infrastruktur, die sich in der Leibniz-Gemeinschaft zusammengeschlossen haben, werden von Bund und Ländern wegen ihrer überregionalen Bedeutung und eines gesamtstaatlichen wissenschaftspolitischen Interesses gemeinsam außerhalb einer Hochschule gefördert. Turnusmäßig, spätestens alle sieben Jahre, überprüfen Bund und Länder, ob die Voraussetzungen für die gemeinsame Förderung einer Leibniz-Einrichtung noch erfüllt sind.<sup>1</sup>

Die wesentliche Grundlage für die Überprüfung in der Gemeinsamen Wissenschaftskonferenz ist regelmäßig eine unabhängige Evaluierung durch den Senat der Leibniz-Gemeinschaft. Die Stellungnahmen des Senats bereitet der Senatsausschuss Evaluierung vor. Für die Bewertung einer Einrichtung setzt der Ausschuss Bewertungsgruppen mit unabhängigen, fachlich einschlägigen Sachverständigen ein.

Vor diesem Hintergrund besuchte eine Bewertungsgruppe am 14. und 15. Mai 2025 das Leibniz-Institut für Finanzmarktforschung SAFE in Frankfurt am Main. Ihr stand eine vom SAFE erstellte Evaluierungsunterlage zur Verfügung. Die wesentlichen Aussagen dieser Unterlage sind in der Darstellung (Anlage A dieser Stellungnahme) zusammengefasst. Die Bewertungsgruppe erstellte im Anschluss an den Besuch den Bewertungsbericht (Anlage B). Das SAFE nahm dazu Stellung (Anlage C). Der Senat der Leibniz-Gemeinschaft verabschiedete am 24. März 2026 auf dieser Grundlage die vorliegende Stellungnahme. Der Senat dankt den Mitgliedern der Bewertungsgruppe und des Senatsausschusses Evaluierung für ihre Arbeit.

## 1. Beurteilung und Empfehlungen

Der Senat schließt sich den Beurteilungen und Empfehlungen der Bewertungsgruppe an.

Das Leibniz-Institut für Finanzmarktforschung SAFE widmet sich den Anforderungen an einen optimalen Ordnungsrahmen für Finanzmärkte und ihre Akteure. Der Fokus liegt dabei auf Europa. Das Institut verfolgt einen interdisziplinären Ansatz, der neben den Wirtschaftswissenschaften insbesondere die Rechtswissenschaften einbezieht. Die Datengrundlage stammt teilweise von Kooperationspartnern wie der Bundesbank und auch aus eigenen Erhebungen. Mit seinen Ergebnissen bringt sich das Institut in der Politikberatung ein.

SAFE hat sich innerhalb kurzer Zeit von einem Verbund der Universität und des *Center for Financial Studies* in Frankfurt am Main zu einer der führenden Einrichtungen auf seinem Feld entwickelt. 2013 begann die zeitlich befristete Projektförderung des Landes Hessen, seit 2020 wird SAFE als Leibniz-Institut gefördert. Neben vier wirtschaftswissenschaftlichen Abteilungen besteht seitdem ein Cluster *Law and Finance*, mit dessen Einrichtung die fachübergreifende Arbeit des SAFE auch in der Institutsstruktur hervorgehoben wurde. Die **Leistungen** werden zweimal als „exzellent“, einmal als „sehr gut bis exzellent“ und einmal als „sehr gut“ bewertet; eine Abteilung, die derzeit ohne Personal ist (s. u.), erhielt kein Schlussvotum. Im Bereich der Wirtschafts- und Finanzmarktforschung erscheinen die Forschungsergebnisse bereits regelmäßig in international führenden Fachzeitschriften. Das vom Institut selbst gesetzte Ziel, auch

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<sup>1</sup> Ausführungsvereinbarung zum GWK-Abkommen über die gemeinsame Förderung der Mitgliedseinrichtungen der Wissenschaftsgemeinschaft Gottfried Wilhelm Leibniz e. V.

die Ergebnisse der rechtswissenschaftlichen Arbeiten in entsprechenden Journalen international sichtbar zu machen, sollte konsequent weiterverfolgt werden. SAFE verfügt über ein akkreditiertes Forschungsdatenzentrum, das u. a. standardisierte Kreditdaten europäischer Zentralbanken und umfangreiche Zeitreihen bereitstellt. Entsprechend den Empfehlungen im Bewertungsbericht sollten die Datenbestände künftig noch besser verfügbar gemacht und ihre Nutzung erfasst werden. Auch die umfangreiche Vermittlungsarbeit des Instituts, die sich an politische Entscheidungsträger und Regulierungsbehörden richtet, sowie ihren Impact sollte das Institut künftig systematisch erfassen und auf dieser Basis weiterentwickeln.

Nach der positiven Evaluierung, die zur Aufnahme von SAFE in die Bund-Länder-Förderung führte, gab es einige **personelle Wechsel**. Drei Abteilungsleitungen wechselten 2020 nicht an die nun selbständige Einrichtung und verblieben auf ihren Lehrstühlen an der Universität Frankfurt. Ruhestandsbedingt wurde im Dezember 2022 die Position des Wissenschaftlichen Direktors mit einem erfahrenen Finanzmarktforscher neu besetzt. Er übernahm zugleich eine der drei Abteilungsleitungen, eine weitere neue Abteilungsleiterin kam im selben Jahr an das Institut und es konnten drei Nachwuchsforschungsgruppen eingerichtet werden. Darüber hinaus profitiert SAFE von neun „Brückenprofessuren“ an der Universität Frankfurt, die mit einem Stellenanteil von 10 % bei SAFE tätig sind. Die Leitung der Abteilung Macro Finance ist noch unbesetzt. Vor sieben Jahren positiv beurteilte Planungen zur Teilung der Abteilung ließen sich nicht realisieren. Die Themen wurden zunächst sehr erfolgreich von Postdocs bearbeitet, derzeit ist dort aber kein Personal tätig. Die Leitung muss nun wie geplant zügig berufen und die Abteilung personell neu aufgebaut werden.

Unter den **strategischen Planungen** für die nächsten Jahre sind zwei Themen hervorzuheben. Ein Schwerpunkt wird auf den Arbeiten im Bereich historischer Finanzdaten liegen. Gemeinsam mit Partnereinrichtungen warb SAFE im Rahmen des *Akademienprogramms* von Bund und Ländern ein umfangreiches Projekt zu historischen Finanz- und Unternehmensdaten aus 150 Jahren ein (Laufzeit 2025–2042). Hierzu schrieb das Institut vor kurzem eine W1-Professur mit Tenure Track auf dem Gebiet der Finanzgeschichte und der empirischen Datenwissenschaften aus. Außerdem ist geplant, die interdisziplinären Arbeiten zu den Themen Nachhaltigkeit und grüne Transformation zu bündeln und auszubauen. Vorgesehen ist, eine Abteilung *Sustainable Finance & Law* mit zwei W3-Professuren in Finanzökonomie und Rechtswissenschaften einzurichten und für die Zeit ab 2029 eine Erhöhung der institutionellen Förderung um 0,8 M€/Jahr zu beantragen. Das Feld entwickelt sich derzeit stark; ein Antrag mit konkretisierten Planungen sollte mit einer Einschätzung des Beirats vorgelegt werden.

Die finanziellen Erträge aus der **institutionellen Förderung** lagen in den Jahren 2022–2024 bei durchschnittlich 6 M€/Jahr. Vor allem aufgrund der personellen Vakanzen schöpfte das Institut seit seiner Aufnahme in die Bund-Länder-Förderung die jährlichen Zuwendungen nicht vollständig aus, so dass jeweils Mittel zur Verwendung im Folgejahr vorgesehen wurden. Diese Selbstbewirtschaftungsmittel wurden inzwischen auf 2 M€ reduziert. Auch sie sollten nun wie geplant eingesetzt werden. **Projektförderungen** beliefen sich 2022–2024 auf 0,8 M€/Jahr (12 % des Budgets für laufende Maßnahmen). Damit ist das Potential des Instituts bei weitem nicht ausgeschöpft. Der positive Trend der vergangenen Jahre sollte verstärkt und die DFG-Abgabe regelmäßig wieder eingeworben werden. Es ist überzeugend, dass das Institut mit Blick auf seine Unabhängigkeit keine Mittel aus der Finanzindustrie akquiriert.

Verschiedene Unternehmen engagieren sich in einem vor kurzem gegründeten Förderverein, dessen Mittelvergabe entsprechend unabhängig organisiert sein sollte.

Das wissenschaftliche **Personal** wird sehr gut für Karrierewege innerhalb und außerhalb der Wissenschaft qualifiziert. Auf den ersten beiden wissenschaftlichen Leitungsebenen sind zwei der fünf Professuren mit Frauen besetzt, von den drei Nachwuchsforschungsgruppen wird allerdings keine von einer Wissenschaftlerin geführt. Wie geplant sollten weitere Verbesserungen erreicht werden. Die Promotionsbetreuung am SAFE ist hervorragend. Die Promovierenden sind in strukturierte Programme eingebunden. Ein erfolgreich absolviertes einjähriges Methodenprogramm ist die Voraussetzung, um die Dissertationsleistungen erbringen zu können. Die zweite Phase dauert in den Rechtswissenschaften bis zu drei, in den Wirtschaftswissenschaften, wie international im Fach akzeptiert, bis zu sechs Jahre. Mit Blick auf das Ziel der Leibniz-Einrichtungen, grundsätzlich Promotionszeiten von bis zu vier Jahren vorzusehen (s. Leitlinie Karriereentwicklung), sollte in den Wirtschaftswissenschaften eine kürzere Dauer erreicht werden.

Der wichtigste **Kooperationspartner** des SAFE ist die Universität Frankfurt, mit der alle leitenden Wissenschaftlerinnen und Wissenschaftler berufen sind. Nachwuchsgruppen stehen im Regelfall unter der Leitung von Juniorprofessuren. Der Fachbereich Rechtswissenschaft ermöglicht solche Berufungen derzeit noch nicht. Leitung und Aufsichtsgremium des SAFE sollten gegebenenfalls prüfen, die universitäre Zusammenarbeit auf andere juristische Fakultäten auszuweiten. Das Institut arbeitet mit der Bundesbank, der Europäischen Zentralbank sowie verschiedenen Finanz- und Aufsichtsbehörden wie beispielsweise der Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) zusammen. Daneben bestehen vielfältige internationale Verbindungen über Projektkooperationen. Sichtbarkeit erhält SAFE zudem über das *Centre for Economic Policy Research* (CEPR), in dessen Netzwerk zur europäischen Finanzmarktarchitektur das Institut eine aktive Rolle wahrnimmt.

## 2. Zur Stellungnahme des SAFE

Der Senat begrüßt, dass das SAFE beabsichtigt, die Empfehlungen und Hinweise aus dem Bewertungsbericht bei seiner weiteren Arbeit zu berücksichtigen.

## 3. Förderempfehlung

Der Senat der Leibniz-Gemeinschaft empfiehlt Bund und Ländern, das SAFE als Einrichtung der Forschung und der wissenschaftlichen Infrastruktur auf der Grundlage der Ausführungsvereinbarung WGL weiter zu fördern.

## **Annex A: Status report**

### **Leibniz Institute for Financial Research SAFE, Frankfurt/Main**

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## 1. Key data, structure and tasks

### Key data

Year established:	2013
Admission to joint funding by Federal and <i>Länder</i> Governments:	2020
Admission to the Leibniz Association:	2020
Last statement by the German Council of Science and Humanities:	2019
Legal form:	Association (eingetragener Verein)
Responsible department at <i>Länder</i> level:	Hessisches Ministerium für Wissenschaft und Forschung, Kunst und Kultur
Responsible department at Federal level:	Federal Ministry of Education and Research (BMBF)

### Total budget (2024)

- €6.2m institutional funding
- €1.3m revenue from project grants

### Number of staff (2024)

- 58 individuals in “research and scientific services”
- 2 individuals in “science supporting staff (technical support etc.)”
- 24 individuals in “science supporting staff (administration)”

### Mission and structure

Statutory mission (*Statutes §2.1*): “The purpose of the Association is to promote science and research about the national and international financial system and its influence on economic, political and social developments. The purpose of the Association is realized through research, promotion of young researchers as well as knowledge transfer in an exchange with actors from policy, economy, and society. On the basis of research results, the Association also conducts economic policy advisory activities.”

Structure/organisation: The institute is structured along three program divisions – Research, Research Infrastructure, and Outreach Unit –, which are supported by an administrative service unit. The program division “Research” is divided into a permanent structure consisting of four departments and a research cluster as well as currently three junior research groups. The program division “Research Infrastructure” includes the Research Data Center, the Experiment Center, and the Pension Finance Lab. The program division “Outreach Unit”, which has knowledge transfer and exchange as its core tasks, includes the Policy Center and the Communications unit.

## 2. Overall concept and core results

SAFE has the mission to produce research and research-based policy advice in all areas of finance, with a special focus on Europe. It strives for a broad interdisciplinary understanding of financial markets and their actors as well as their role for the economy and for society.

The **research** program considers all issues relating to the sustainability of the financial system, such as stability, resilience, innovation, efficiency, digitalization, and inequality, but also demographic change and climate change. The program is based on the conviction that the analysis of modern, highly complex financial systems needs a rigorous, multi-perspective and methodologically diverse approach with an interdisciplinary group of researchers. This is a prerequisite to understand European financial markets and institutions and to discuss the design of a more effective and efficient regulation.

SAFE engages in the development and maintenance of a **research infrastructure**. The Research Data Center (RDC) provides access to commercial data sets, develops own research data sets (in particular, historical German company and stock market data from 1870 onwards), operates and develops a research data repository and establishes and operates a high-performance computing infrastructure (see Results/Research Infrastructure). The SAFE Experiment Center and Pension Finance Lab support empirical research, particularly in the field of household and behavioral finance (see chapters 3 and 4).

For SAFE, it is an important objective to **transfer** its research results to decision-makers in politics, regulatory and supervisory authorities, to the industry, as well as to the general public. To achieve this, SAFE employs a variety of channels and formats, supported by its Outreach Unit. The Policy Center focuses on integrating research findings into political discussions by maintaining diverse communication channels with policymakers, government agencies, parliaments, and ministries. The Communication team ensures broader public dissemination through multi-faceted media work. The transfer activities are organized around “narratives”, i.e., a feedback of academic research, policy work and press activities during which the various audiences act as ‘verifiers’ by reviewing, commenting on, and helping to refine the research output.

### Results

In the years 2022–2024, SAFE research results were published in an annual average of 29 articles in peer-reviewed journals (of which on average 5 p.a. in the eight internationally most renowned Economics and Finance journals),<sup>1</sup> 6 articles in other journals and 24 working and discussion papers. SAFE was asked to list up the ten most important results since the last evaluation:

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<sup>1</sup> American Economic Review, Econometrica, Journal of Financial Economics, Journal of Political Economy, Quarterly Journal of Economics, Review of Economic Studies, Review of Financial Studies, The Journal of Finance.

## Research

- In SAFE’s research on financial intermediaries, it was shown that banks adapt to new regulatory environments, e.g. by introducing model-based approaches, which leads to unintended consequences, such as regulatory arbitrage or shifts in risk-taking behavior, underscoring the need for continuous regulatory refinement.

Behn, M., Haselmann, R. and V. Vig (2022), [The Limits of Model-Based Regulation](#), *The Journal of Finance*, Vol. 77, Issue 3, pp. 1635–1684.

- SAFE revealed different gaps in Europe’s financial architecture, such as the lack of a common deposit insurance scheme and the incomplete implementation of common resolution practices, that hinder cross-border integration and expose economies to systemic risks.

Kotovskaia, A. and T. Tröger (2023), [National Interests and Supranational Resolution in the European Banking Union](#), *European Business Law Review*, Vol. 34, Issue 5, pp. 781–800.

- SAFE highlights its findings concerning market infrastructure, especially the importance of central clearing mechanisms (Central Counterparties). While they play a vital role in enhancing market stability, it was shown that their operational structures and incentives may inadvertently create imbalances that warrant further regulatory and policy scrutiny. The evidence provided by this work has been used in several reports by the European Securities and Markets Authority (ESMA) and the European Systemic Risk Board (ESRB).

Getmansky Sherman, M., Girardi, G., Nikolova, S., Pelizzon, L. and K. Weiss Hanley (2021), [Portfolio Similarity and Asset Liquidation in the Insurance Industry](#), *Journal of Financial Economics*, Vol. 142, Issue 1, pp. 69–96.

- As part of its work on financial inclusion and education, SAFE has conducted a series of field studies in collaboration with major banks. For instance, research on the role of personal, two-way communication in improving repayment behavior in loan markets highlights the significance of human interaction. The findings demonstrate how the likeability of an agent’s voice – measured through voice recordings from actual call center agents and rated by a student sample – significantly affects delinquent borrowers’ payment behavior and reduces the likelihood of recurring delinquencies.

Laudenbach, C. and S. Siegel (2025), [Personal Communication in an Automated World: Evidence from Loan Repayments](#), forthcoming in *The Journal of Finance*.

- Monetary and fiscal policies interact with both the financial and the business cycle, whose underlying structural drivers play an important role. SAFE found out that the long-term trend in rising corporate concentration shapes economic growth and the role the financial system plays.

Kwon, S., Ma, Y. and K. Zimmermann (2024), [100 Years of Rising Corporate Concentration](#), *American Economic Review*, Vol. 114, No. 7, pp. 2111–2140.

- SAFE has also shown that expanding ECB collateral eligibility boosts bond liquidity and funding conditions for firms, thereby supporting economic activity.

Pelizzon, L., Riedel, M., Simon, Z. and M. Subrahmanyam (2024), [Collateral Eligibility of Corporate Debt in the Eurosystem](#), *Journal of Financial Economics*, Vol. 153, Article 103777.

- In the field of behavioral finance, SAFE research empirically investigates consumers' reasoning and theoretically analyzes the behavior and market effects of socially responsible consumers. The model shows that equilibrium feedback can significantly dampen consumers' mitigation efforts.

Kaufmann, M., Andre, P. and B. Köszegi (2024), [Understanding Markets with Socially Responsible Consumers](#), *Quarterly Journal of Economics*, Vol. 139, Issue 3, pp. 1989–2035.

- Research conducted at SAFE also asks how lay economic perspectives shape return expectations and financial decisions. Recent work extends this research by showing that exposure to anti-capitalist ideology can exert a lasting influence on attitudes towards capital markets and stock-market participation.

Laudenbach, C., Malmendier, U. and A. Niessen-Ruenzi (2025), [The Long-Lasting Effects of Living under Communism on Attitudes towards Financial Markets](#), forthcoming in *The Journal of Finance*.

- Among the research on sustainable finance, SAFE studies, for instance, have scrutinized the opportunities and limits of green disclosure mandates with a specific view to policy-makers' design options.

Steuer, S. and T. Tröger (2022), [The Role of Disclosure in Green Finance](#), *Journal of Financial Regulation*, Vol. 8, Issue 1, pp. 1–50.

### *Research Infrastructure*

- The Research Data Center has built the necessary research infrastructure that allows SAFE researchers to perform computationally demanding analyses (for example high frequency data transactions or cryptocurrency transactions) and to use recent methods like, for example, large language models (LLMs) to analyze unstructured data. Among the insights, SAFE highlights that examination of mutual fund communication demonstrates that the writing style in shareholder letters significantly influences investor behavior.

Hillert, A., Niessen-Ruenzi, A. and S. Ruenzi (2025), [Mutual Fund Shareholder Letters: Flows, Performance, and Managerial Behavior](#), forthcoming in *Management Science* (SAFE Working Paper No. 380).

## **3. Changes and planning**

### **Development since the previous evaluation**

The institute was set up in 2013 as a LOEWE<sup>2</sup> Center with fixed-term funding in the framework of a research promotion program of the *Land* Hessen. Following a successful evaluation in 2018 by the German Council of Science and Humanities, SAFE joined the **Leibniz Association** in January 2020. Since then, the institute is permanently funded by the federal and *Länder* governments; the institutional funding currently (2024) amounts to €6.2m p.a. (see chapter 4 and appendix 3).

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<sup>2</sup> “Landes-Offensive zur Entwicklung wissenschaftlich-ökonomischer Exzellenz” (state offensive for the development of scientific and economic excellence).

SAFE signed a cooperation agreement with Goethe University Frankfurt, stipulating joint appointments of **professors** as well as the accommodation of SAFE in the House of Finance. Of the six initial department director positions three were vacant at the beginning of 2020 (“Financial Intermediation”, “Macro Finance”, “Money & Finance”). In addition, since the LOEWE Center SAFE had hired most of its personnel in its first year (2013), a large share of the institute’s junior research staff left after the usual five to six years qualification phase to take on the next steps in their academic careers. Accordingly, the Leibniz Institute SAFE started in 2020 with a rather small senior research team and several vacant junior positions which were to be filled once the senior hires were concluded.

The first focus was on finding a successor for the Scientific Director who reached retirement age in 2020. Due to the Covid pandemic, the selection process was delayed. The new Scientific Director took over in December 2022 and also assumed the leadership of the department “Financial Intermediation”.

In December 2021, a joint appointment (W2) was made in the field of Data Science & Finance. In December 2024, the new professor became co-director of the department “Financial Intermediation”, to strengthen the research on non-bank financial institutions and non-financial firms.

In August 2022, a jointly appointed professor took over the directorship of the department “Household Finance” (initially W2, now W3), replacing the former department director who reduced his contract with SAFE and built up the new “Pension Finance Lab” (as bridge professor; see below).

The director positions of the remaining two departments (“Macro Finance” and “Money & Finance”) were advertised as fixed-term W2 positions (with tenure track to W3). During the selection process, it became clear that the distinction inherent in these two departments between nominal and real issues no longer aligned with current standards in the field. It was decided to merge both departments, to use the limited resources to make an attractive offer to the desired candidate to head a merged department, and to use the freed up financial resources to announce an assistant professor position with tenure track in the increasingly important field of Sustainable Finance. Unfortunately, a first appointment procedure that had started in 2022 was not successful. Accordingly, SAFE started the process again by re-announcing the position in January 2025 – this time open rank as W2 or W3 tenured position to address a larger pool of potential candidates.

In 2023, SAFE has started to establish junior research groups aiming to ensure that assistant professors and postdocs who have acquired their own funding carry out their research independently of a departmental hierarchy: The groups “Behavioral Finance” (since October 2023) and “Sustainable Finance” (since August 2024) are mainly institutionally funded and headed by assistant professors on W1 tenure track positions. The group “Sustainable Finance Law” is funded within the Leibniz Competition program (January 2024 – until end of 2028). A new grant that comes with a further assistant professor position will soon add a fourth junior research group in the area of financial history to this structure.

In order to strengthen its relationship to the Faculty of Economics and Business and the Faculty of Law at Goethe University SAFE has established so called **bridge professorships** backed

by a small secondary work contract (10 %). The bridge professors coordinate i.a. the following activities:

- The SAFE Experiment Center started in January 2020, cooperating closely with the Frankfurt Laboratory for Experimental Economic Research (FLEX) at Goethe University. The Center aims to build up expertise in lab, field, and survey experiments for empirical research in finance. It also provides funding to conduct experiments especially for junior researchers.
- The SAFE Pension Finance Lab was established in August 2022. Through this lab, SAFE serves as an associated partner of Goethe University in conducting information experiments on their financial data trustee platform. The Lab is responsible for establishing and maintaining the technical and organizational framework necessary for SAFE researchers to design and conduct incentivized experiments, as well as to access and analyze anonymized data.
- The LawLab FinTech & AI started in November 2021 as an activity of the SAFE Policy Center. The Lab is intended to address legal issues related to the regulation of technological advancements in financial services driven by digital transformation (fintech) and the regulation of artificial intelligence (AI).
- The Digital Finance Network was established in September 2022 and aims at closing the gap between financial economists, legal scholars and scholars active in technology disciplines by creating an interdisciplinary network that jointly addresses pressing challenges in digital finance, such as resilience of the financial system, finance and artificial intelligence, or decentralized finance.

### **Strategic work planning for the coming years**

SAFE will maintain its core focus on how financial regulation ensures stable market functioning, particularly in Europe. This includes assessing the progress of the Banking Union and efforts to establish a European Capital Markets Union as well as the question, how the financial system can be structured to foster economic growth without compromising stability, thereby contributing to overall economic resilience.

The institute also aims to enhance its interdisciplinary expertise in green and sustainable finance and law, addressing the role of financial markets and financial institutions in the sustainability transition. While the EU has pioneered comprehensive sustainable finance regulation, its approach has faced significant criticism regarding its costs to the private sector and its effectiveness in achieving sustainability objectives. The institute aims to provide the scientific foundations necessary for developing effective legal frameworks and institutions that direct broader economic resources toward investments addressing global negative externalities. Key priorities include aligning financial returns and credible sustainability goals, fostering green innovation, enhancing regulatory frameworks (addressing issues like taxonomy design and enforcement), and crafting policies that prioritize actual impact alongside risk mitigation. SAFE intends to lever on its existing expertise on historical finance data. Starting in 2025, the institute will host a research endeavor funded by the German Academies of Sciences and Humanities on establishing and analyzing historical data on German firms and financial markets reaching back 150 years. The project funds junior researchers (at W1 TT and Ph.D. levels) and will

establish a comprehensive database that supports both historically grounded financial research – covering also governance issues – and the detailed analysis of economic history with granular data.

Furthermore, SAFE will build on its experimental and behavioral finance group, that will also explore novel approaches taken from sociology (e.g., structured interviews). These research avenues offer new opportunities to explore critical questions, including how individuals understand and interact with financial markets, the design of effective pension systems, and how to overcome the challenges of inequality and discrimination in financial decision-making.

The future plans also include an enhanced analysis of the impact technological innovations (fintech, big-tech, AI, digital payments, cryptocurrencies) have on financial intermediaries and markets. All departments are already examining related topics; large language models (LLMs) will be run on SAFE's own dedicated servers to examine unstructured data and benefit from the full control over the LLMs' training. In addition, SAFE has three bridge professors who look at this topic from both a banking, digital finance and a legal perspective. Moreover, joint projects are planned with a professor for Game theoretic and Causal AI in Business and Economics at Goethe University.

Key elements of further **transfer** planning are the expansion of SAFE's network to Brussels (where SAFE co-rents an office at the Representation of Hessen in Brussels) and Berlin (especially through collaborations with Berlin-based institutions). Part of SAFE's transfer work is furthermore its participation in expert panels for the European Parliament's Economic Governance and EMU Scrutiny Unit (EGOV). Besides, SAFE will further develop its transfer activities around the newly released Manager-Sentiment Index which is based on textual analysis and provides insights into the perspectives of top executives at publicly listed companies. Plans are underway to extend the index to other countries.

### **Planning for additional funds deriving from institutional funding**

Over the past few years, SAFE has redirected resources to address critical societal challenges related to sustainability. As a result, all SAFE departments now engage with selected issues in this area in which two junior research groups were established in 2024. One of them relies on an assistant professor with tenure track, the latter is funded by an external grant that will end in December 2028. SAFE now plans to apply for additional funds to establish a permanent **Sustainable Finance and Law Department** that would focus on the role of financial markets and financial institutions in the sustainability transition, promoting effective legal and institutional frameworks to channel resources toward impactful investments that reduce greenhouse gas emissions, preserve biodiversity, and foster sustainable innovation and growth.

The new department would add necessary scale and specialization. It is planned to act as a hub, bridging gaps between disciplines, and fostering collaboration. It would also serve as a central point of contact in policy dialogues and public forums, as well as a robust unit for training junior researchers.

The plans follow on from the previous work insofar as SAFE already uses an interdisciplinary approach to examine market functioning by combining finance and law with insights from behavioral economics and its connection to sociology and psychology. SAFE focuses on the

normative question of how to best regulate financial markets considering the legal and political aspects of how their institutional frameworks operate in practice. Moreover, with its Policy Center, the institute has developed an infrastructure that can immediately be used to interlink the activities of the new department with relevant decision-makers.

In order to unlock the potential of an interdisciplinary approach to the topic, the new department shall be jointly headed by two complementary professors (W2 or W3, full-time), a financial economist and a legal scholar. Next to them, the plans include positions for two postdoctoral researchers (E13, full-time), four doctoral students (E13, 0.7 FTE each) and one team assistant (E9a, full-time).

„Extraordinary item of expenditure“: summary of funds planning

	2029	Permanently
<b>Own funds + additional funds = „extraordinary item of expenditure“</b>	350 k€	959 k€
<b>Own funds</b> from existing funding by institution (at least 3 % of core budget)	202 k€	206 k€
<b>Additional funds</b> of institutional funding	148 k€	753 k€

## 4. Controlling and quality management

### Facilities, equipment and funding

In the years 2022–2024, institutional **funding** amounted to an average of €6m per year (see Appendix 3). In addition, there was an average of €809k (13%) in third-party funding, of which €316k came from Leibniz Competition, €167k from the EU, €128k from the Federal and *Länder* governments and €26k from the DFG. Revenues from project grants were low when SAFE restarted as newly independent Leibniz Institute in 2020, because nearly all grants acquired before had been channeled via Goethe University and most projects ongoing at that time continued there. Since 2022, all project funds have been channeled via SAFE. Accordingly, the share shows a strong upward trend from 5% in 2022 to 17% in 2024. For the steady state, a share of about 20% is planned.

Due to the institutional transition phase and the delay in filling all professor positions, SAFE did not spend all institutional funds available in the first years as a Leibniz Institute. This resulted in the development of considerable **funds allocated for self-management**. Since 2022, SAFE has continuously reduced the amount transferred to the following year (2022: €3.1m; 2023: €2.2m; 2024: €2.0m). The transferred funds have been used in particular for restructuring the premises in the House of Finance, as start-up funding for newly appointed professors, to seed-fund project ideas in order to make them ready for applications for third-party funding, to hire additional research personnel (in particular one-year postdoc fellows), and to build up the research infrastructure with three computing servers.

SAFE is located on the first floor of Goethe University’s House of Finance. The **premises** were refurbished in 2022 to provide for a modern new-work-style mix of individual offices and public space for random encounters and interaction. For large events SAFE can use the seminar and conference rooms in the House of Finance and in other buildings on Goethe University’s Campus Westend for rent.

All researchers are provided with laptops and workspaces with two screens that also serve as docking stations. The laptops are tailored to the needs of researchers but not suitable for more demanding computing operations. In order to enable SAFE researchers to apply the latest analysis methods (e.g. large language models (LLMs)) in their empirical research and to analyze large data sets (e.g. cryptocurrency transactions, tick data), the SAFE Research Data Center set up the necessary research infrastructure, including several high-performance computing clusters with SQL databases and a network file system. The **computing infrastructure** is operated by the Research Data Center in cooperation with the Goethe University Computing Center where the servers are administered.

### **Organisational and operational structure**

SAFE's main internal governance bodies are the Management Board ("Vorstand") and the Scientific Board ("Forschungsausschuss"). The **Management Board** consists of the Scientific Director, the Deputy Scientific Director, and the Managing Director. The Scientific and the Managing Director are appointed by the Board of Trustees for five years each, the Deputy Scientific Director, who is elected by the SAFE department directors from among themselves, for three years. They meet almost every week and discuss and decide on the day-to-day operations.

The **Scientific Board** comprises the Scientific Director and his Deputy, the directors of the research departments and cluster, and the program director of the Research Data Center. The Managing Director, the Heads of Research Services, Policy Center, and Communication and the bridge professors take part in the meetings of the Scientific Board in advisory capacity. The Board meets once a month, coordinates the institute's academic activities and decides on the allocation of joint budgets, e.g. for events, visitors, and the promotion of young researchers.

All main activities, the program budget, and strategic planning are coordinated and prepared by the Management Board and then discussed and approved by the Scientific Board. Twice a year, activities and results are presented to and discussed with the Research Advisory Council ("Wissenschaftlicher Beirat") and reported to the Board of Trustees ("Kuratorium"); see below.

The institute's budget is drafted by the Managing Director and then discussed, adjusted, and approved by the Management Board, the Scientific Board, the Research Advisory Council, and the Board of Trustees. The annual financial statements are audited by an external auditor as well as by the funding authorities.

The **program division "Research"** is organized in a permanent structure of the four departments and the cluster that are each headed (or planned to be headed) by a professor in the position of Director. In addition, there are currently three temporary junior research groups that address specific topics.

The **program division "Research Infrastructure"** comprises the Research Data Center, that is headed by a postdoctoral researcher in a permanent position who reports directly to the Scientific Director, as well as the Experiment Center and the Pension Finance Lab that are headed by bridge professors in the position of coordinators.

The **program division "Outreach Unit"** comprises the Policy Center and the Communication team. The Policy Center is headed by a postdoctoral researcher in a permanent position who reports directly to the Scientific Director. The Policy Center is supported by the SAFE Policy

Advisory Council (PAC), an advisory committee of internationally recognized experts of financial market dynamics and regulation.

### **Quality Management**

SAFE has adopted a **Code of Ethics** that is based on the "Guidelines for Good Scientific Practice" presented by the German Research Foundation (DFG) in 2019. All SAFE researchers are provided with a copy of the Code when joining the institute; they have to sign that they have taken note of it and will comply to it. The institute has two **ombudspersons**, elected by all SAFE researchers.

SAFE aims to publish its **research output** in the leading journals of the respective fields. For its Finance scholars, SAFE has defined ten top journals as well as a list of 26 second tier journals. The objective is to publish on average one publication per professor and year. Over a period of four years, one of these should appear in one of the A+ journals; for postdocs, SAFE expects at least a revise & resubmit response from a top journal (A+ or A) after three years.

In the absence of generally accepted rankings, the categorization of interdisciplinary top law journals is based on comparable research institutions and was done in close consultation with the Research Advisory Council. It includes ten peer-reviewed law and economics journals, six general interest journals, the top 20 U.S. student edited law reviews according to WLU ranking, and all top and second tier finance journals. On average, the aim is one publication per professor per year. Over a period of four years, one of these should appear in one of the top law journals. In the case of postdocs, monographs published by reputable academic publishers are also taken into account as relevant research output.

Before SAFE researchers send their research papers to a journal, they usually present them at seminars and international conferences. As soon as a publishable version is ready, it is expected to be published as SAFE Working Paper. To do so, the paper is assigned to a SAFE department or cluster, and the publication is approved by the respective director. All SAFE Working Papers are accessible on the SAFE website and published on the platforms Social Science Research Network (SSRN), EconStor (ZBW – Leibniz Information Center for Economics), IDEAS/RePEc (Fed St. Louis), and Leibniz Open. On SSRN, SAFE maintains a paid Research Paper Series; new papers are regularly sent to subscribers in the form of an SSRN eJournal.

Within the framework of the Guidelines on the Handling of Research Data within the Leibniz Association, the SAFE Research Data Center (RDC) contributes to the Committee for Data Access (FDI Committee) as an **accredited research data center** by the German Data Forum (RatSWD) and follows the principle of "as open as possible, as restricted as necessary". Research data that is provided by the SAFE RDC is made available under the FAIR principles.

### **Quality management by advisory boards and supervisory board**

The Board of Trustees has advisory and supervisory functions vis-à-vis the Management Board. It has a comprehensive right to information. Its duties include (a) the appointment and

dismissal of the members of the Management Board, (b) the appointment of directors of research departments and a research cluster upon proposal of the Management Board, (c) the approval of the research program and the medium-term financial planning in the form of a business plan/program budget, taking into account the opinion of the Research Advisory Council. The Board meets twice per year.

The institute's Research Advisory Council (RAC) monitors and evaluates the scientific work of the institute. Its concrete tasks include: (a) advising the Management Board and the Scientific Board on the development of the research program, (b) commenting on the medium-term financial planning in the form of a business plan/program budget, (c) annual reporting to the supervisory board, (d) advising on the selection procedures of leading scientific personnel, and (e) periodic evaluation of the institute's research achievements in the form of an audit between two external evaluations. The Council consists of up to twelve internationally renowned personalities from academia who are professionally qualified in at least one of the institute's areas of work. The members are appointed by the Board of Trustees at the proposal of the Management Board. The appointment is for four years; a single reappointment is possible. The Council meets twice per year.

The Policy Advisory Council (PAC) supports the institute in building a network with representatives from politics, regulation and administration at national and international level. To this end, it advises the Policy Center and the Management Board, identifies current policy-relevant topics, and guides the development of the political network of the institute. The PAC, in addition to the RAC, assesses the institute's advisory activities in the context of audits between two external evaluations. The Council consists of up to fifteen members. The members are appointed by the Board of Trustees at the proposal of the Management Board. The appointment is for four years; reappointment is possible. The Council meets once per year.

## **5. Human resources**

As of 31 December 2024, SAFE employed 84 people. This corresponds to 59.6 full-time equivalents (FTE), 38.5 of which were assigned to research and scientific services, and 21.1 as science supporting staff (see Appendix 4 for details).

### **Leading scientific and administrative positions**

Currently seven leading scientists are jointly appointed professors, all of them with Goethe University (four W3, one W2, two W1). Joint appointments are made based on the cooperation agreement between SAFE and the university. As a rule, a joint appointment committee is formed, with equal representation. The committee will prepare a joint proposal, which will first be decided by SAFE and then by university. Throughout the entire process, SAFE's supervisory body and Research Advisory Council are informed about the current status. In case of department director positions, the supervisory body formally appoints the candidate to the position once an agreement is reached.

The Scientific Director was appointed in December 2022, the Managing Director has held her position since 2020 (the position did not exist in the current format before).

### Staff with a doctoral degree

For staff with a doctoral degree SAFE follows a flexible hiring approach, combining **postdoc** and W1 tenure track positions to respond swiftly to opportunities and attract talents. As of December 2024, 11 postdocs were employed at SAFE. Postdoc positions are usually offered to scholars who just finished their Ph.D. and still need more time to develop their research agenda before applying for a tenure track position. SAFE offers them this time with a usually 3-year full-time contract, during which they do not have to teach and do not have to work on a SAFE specific project. Other types of arrangements are possible in case of postdoc positions funded by external project grants. SAFE aims to hire also **assistant professors**. In this case hiring is done in cooperation with Goethe University where the position includes teaching of two hours per week during the semester. SAFE has filled two W1 tenure track positions so far (see chapter 3).

In addition to the individual support by the respective mentors, a general feedback meeting is held once a year with each postdoctoral researcher, attended and chaired by a coordinator for early career researchers. Postdocs are expected to serve as role models for the doctoral students. They are assigned one or two doctoral students as mentees to support them with questions relating to the doctoral process. Postdocs on institutionally funded positions receive a personal budget of €2k p.a. In addition, they can apply for additional funds for travel, journal submission fees, or seed funding with the aim of preparing an external project grant. Since 2022, seven postdoctoral researchers went on to be appointed as Professors in Germany or abroad.

In addition to the fixed-term positions in the “research track”, SAFE also offers **permanent positions** to researchers with a doctoral degree in its Research Data Center and Policy Center. Currently, five people with a doctoral degree are employed here. They do not pursue an academic career.

### Doctoral Candidates

As of 31 December 2024, 25 doctoral candidates worked at SAFE. SAFE’s doctoral program aims at preparing them for a career in academia or international institutions. Hence, they are involved in working on methodologically demanding research projects from the very beginning of their doctoral phase.

SAFE cooperates with the universities of Frankfurt, Darmstadt and Mainz in running the joint **Graduate School for Economics, Finance, and Management (GSEFM)**. The institute awards three **scholarships** per year to students in their first year who pursue financial economics as one field in their studies. Upon successfully completing the exams after the first course year, the scholarship holders are offered an initial 3-years **employment** contract with 0.5 FTE in the first year (the second year at GSEFM that still includes a demanding course work) and an upgrade to 0.7 FTE from the second employment year onwards. Usually, doctoral students are offered a 3+2(+1) employment contract scheme after the scholarship. As of December 2024, in this framework, 3 doctoral students were receiving a scholarship and 8 were

in the employment-phase. The average length of doctorates via the GSEFM is between 5 and 6 years.

SAFE pursues a pool concept for doctoral **supervision**: During their first year of courses at the GSEFM scholarship holders will meet all SAFE professors, in the first few months of the second year, they are expected to choose a supervisor from among them. Doctoral students are also encouraged to work together with researchers from other SAFE departments. This institute-wide pool concept is supported by cross-departmental seminars and workshops as well as shared workspaces for all doctoral students. In addition to students in the pool, some doctoral students are directly hired for third-party projects (currently 10 persons of which 5 are also at the GSEFM).

Since 2022, some of the doctoral students in law have been recruited via the **Doctoral Program in Law, Finance, and Economics**, funded by the House of Finance Foundation. Since its start in 2022, one doctoral student each year has been recruited. In parallel to the GSEFM process, candidates receive a scholarship during their first year in the program when they must take a selection of economics courses to consolidate their economic methodological skills. Conditional on passing all examinations, they are offered 0.5 and 0.7 FTE employment contracts at SAFE as of the second year. Hence, as of December 2024, in this framework, 1 doctoral student was receiving a scholarship and 2 were in the employment-phase. Doctorates in law usually take 2–3 years.

All SAFE doctoral students are expected to present the current status of their work at least once per semester in the weekly SAFE-internal **brown bag seminar series**. Since 2022 **career development plans** have been signed by all new doctoral students and their supervisors. The appendix of the plan is meant to be annually updated by taking stock of the achievements of the past 12 months and by defining objectives for the upcoming 12 months.

Doctoral students are provided with an annual, transferrable budget of €1.2k that enables them to visit conferences and cooperation partners to present their work and build a network. As well as the postdocs, they can apply for additional funding for travel and journal submission fees.

### **Science supporting staff**

All senior staff at SAFE is expected to hold development meetings with their research supporting staff at least once a year, in which, among other things, the need for training measures is discussed. Regular training courses are, e.g., provided to the members of the personnel department (e.g., on changes in labor law) and the research services team (e.g., on external funding schemes). Also, participation in the Leibniz Academy for Leading Personnel and training in research communication are offered.

### **Equal opportunities and work-life balance**

Currently, 40 % of personnel in research and scientific services is female. Of the 10 people with leadership responsibilities three are women (among the nine bridge professors, there is one woman). Concerning **gender equality**, SAFE pursues a cascade model in accordance with the recommendations of the Leibniz Association and the German Research Foundation

(DFG). SAFE has a gender equality officer and a deputy officer who are involved in all relevant decision-making processes. The gender equality officers organize and head a women's network. To empower its female research staff for upcoming leadership positions SAFE cooperates with Mentoring Hessen.

As part of its concept for equal opportunities SAFE offers emergency **care** for children up to the age of twelve via an external service provider (with a moderate personal contribution). The service also includes an internet platform with information on a wide range of care topics. There is a specially equipped “parent-child office” and SAFE offers its employees **flexible part-time arrangements** as well as the opportunity to mobile working on up to two days per week.

## 6. Cooperation and environment

**Goethe University Frankfurt** is SAFE's main cooperation partner. Currently, SAFE has seven jointly appointed professors with the university who each teach 2 hours per week during the semester in the respective Faculty's master and PhD courses. Besides joint appointments, the cooperation extends to the accommodation of SAFE in the University's **House of Finance**, the joint running of the Graduate School for Economics, Finance, and Management GSEFM as well as a collaboration in the provision of research data, the use of experimental research facilities, and in organizing joint conferences and seminars. A very important form of collaboration with Goethe University is also the integration of bridge professors (see chapter 3). For the future, SAFE aims at expanding the cooperation to the university's Law faculty in order to deepen the legal aspects of topics such as sovereign debt, consumer protection and insolvency regime.

SAFE is connected to a large number of **universities and research institutions** through externally funded collaborative research projects and in the organization of regular conferences. Together with the **Leibniz Institutes** DIW (Berlin) and IWH (Halle) SAFE established the network “Challenges of European Monetary and Financial Policy” with the aim to strengthen research, infrastructure, and transfer activities on Finance in Germany. Further institutions joined, namely ESMT (Berlin), ifo (Munich), IMFS (Frankfurt), and ZEW (Mannheim). Together with Senckenberg – Leibniz Institution for Biodiversity and Earth System Research, SAFE wants to explore the financial aspects of environmental challenges, leveraging the institute's expertise to contribute to broader societal efforts in this critical area.

An important long-term cooperation partner of SAFE is the **Centre for Economic Policy Research** (CEPR). Since 2020, SAFE has developed a formal collaboration with CEPR to promote joint academic and policy initiatives and events. SAFE acts as regional hub to amplify the impact and outreach of the CEPR network and co-organizes the Research & Policy Network (RPN) on European Financial Architecture.

The institute is collaborating with **central banks and regulatory authorities**. SAFE professors are regularly supervising part-time PhD students who are employed at the European Central Bank (ECB) and Deutsche Bundesbank. Moreover, SAFE PhD students regularly receive short-term contracts with these central banks in order to access their data. Together with Deutsche Bundesbank SAFE is organizing a joint summer school for doctoral students. Besides, the institute is collaborating with the Federal Financial Supervisory Authority (BaFin)

with an agreement on data sharing and interactions between SAFE researchers and BaFin analysts. SAFE is also maintaining a collaboration with the International Sustainability Standards Board (ISSB), which is responsible for all sustainability-related technical matters of the International Financial Reporting Standards (IFRS) Foundation.

Among the **policy institutions**, SAFE highlights its interaction with federal institutions in Berlin (e.g. the Federal Ministry of Finance) and Brussels (e.g. the European Commission's Directorate General for Structural Reform Support) as well as eleven national competent authorities (supervisory bodies) across Europe. SAFE delivers on-demand expert studies on current topics to the European Parliament based on several won tenders.

### **Institution's status in the specialist environment**

According to SAFE, few institutes combine interdisciplinary research with research-based policy work on finance. The combination can be found in the **research departments of central banks**, but they focus mostly on macro-finance and banking regulation while SAFE sees its approach as broader and also includes scholars from other disciplines.

Other **Leibniz Institutes** also combine research and policy work, some have finance topics on their agenda. However, all these institutes have a different core specialization, and, from SAFE's point of view, none covers all areas that together define the role of finance in society.

High-quality research in finance is produced by a few **university departments** and business schools in Germany and some more in Europe. SAFE distinguishes itself through its interdisciplinary approach and the integration of research with policy work and transfer activities.

In contrast to pure research institutions there are also pure **policy institutions**, such as Bruegel in Brussels or Brookings in the U.S. They are more active and often broader than SAFE in their policy and dissemination activities but typically do not rely on in-house academic research but on fellows to carry out those institutions' activities on a temporary basis.

## **7. Subdivisions of SAFE**

### **7.1 Department Financial Intermediation**

(7.4 FTE, of which 4 FTE Research and scientific services, 2.9 FTE Doctoral candidates, and 0.5 FTE Service staff)

The department studies the role of financial intermediaries, including both regulated and unregulated entities, as well as the behavior of non-financial firms within the financial sector. Its research focuses on understanding how intermediaries function, designing effective regulation, examining financial instability and crises, and addressing challenges such as technological changes and climate-related risks.

A key part of the department's work is analyzing informational and agency frictions that influence the efficiency and behavior of financial intermediaries. The research combines theoretical and empirical approaches, often using detailed administrative datasets – such as credit registry data from the ECB and Bundesbank – and unstructured data collected from intermediaries. These datasets are analyzed using modern tools like machine learning and natural language processing.

The position of the Department Director was vacant until December 2022 when the Scientific Director also took on this task. As of December 2024, he shares the position with a co-director.

In the years 2022–2024, the work led to an average of 4 articles in peer-reviewed journals, 2.3 discussion papers and 5.6 expert reviews. During this time, the department had no revenue from third-party funding. In total, one doctorate was completed.

## 7.2 Department Financial Markets

(9.6 FTE, of which 6 FTE Research and scientific services, 2.9 FTE Doctoral candidates, and 0.7 FTE Service staff)

The department's research focuses on the functioning, resilience, and transition of financial markets, which are central to the financial system. Understanding pricing, risk spillovers, and liquidity is vital, especially as economies shift from bank-based to market-based systems and Europe aims to develop a Capital Markets Union. The department conducts theoretically based, data-driven analyses on key trends and challenges, including monetary and macroeconomic developments, market dynamics, financial regulation, and themes like digital transformation, sustainability, and geopolitical risks. Key focus areas include asset pricing, sovereign risk and market microstructure.

The department fosters interdisciplinarity through collaborations with law and computer science researchers, producing joint projects and policy papers. It has built networks by organizing high-profile events such as the Sovereign Bond Market Conference with the ECB and other central banks and universities around the world, and the SAFE Market Microstructure and Asset Pricing workshops. The department is also actively engaged with European regulators and supervisors, including DG Reform, DG FISMA, ECB, ESRB, and BaFin, in order to provide insights for institutional investors and policymakers.

In the years 2022–2024, the work led to an average of 9.3 articles in peer-reviewed journals, 6.3 discussion papers, and 3 expert reviews per year. During this time, the department had revenue from project funding grants averaging €365k per year, mainly from the EU (Ø €164k) and from Federal and *Länder* governments (Ø €91k). In total, five doctorates were completed.

## 7.3 Department Household Finance

(5.9 FTE, of which 2.5 FTE Research and scientific services, 2.9 FTE Doctoral candidates, and 0.5 FTE Service staff)

The mission of the department is to enhance household financial decision-making by identifying tools and strategies for households, policymakers, and the financial industry. Research topics include barriers to household stock market participation, fixes to investment mistakes, financial education, loan repayment behavior, discriminatory practices of financial institutions, and more contemporary issues like digital pension planning, ESG preferences of clients, and the role of mental models in investing. A further key focus is the gender wealth gap, where the department investigates barriers to women's stock market participation and test interventions to address knowledge gaps, confidence issues, and biases. It established partnerships with fintech companies and banks, conducting field experiments to refine interventions. Research in the department also informed the *Seasn* app, a pension planning tool developed by the

Pension Finance Lab and Goethe University. For these issues, there are interdisciplinary collaborations with sociologists and computer scientists. The department contributes to policy, particularly in crafting a national financial education strategy led by the Federal Ministries of Finance and Education.

It also contributes to the Graduate Research Group “Behavioral Measurement and Field Experimentation in Finance and Economics” with Mainz and Frankfurt Universities and organizes the annual Household Finance Workshop, which fosters the exchange of ideas among non-tenured researchers.

In the years 2022–2024, the work led to an average of 4.3 articles in peer-reviewed journals, 7 discussion papers, and 0.3 expert reviews per year. During this time, the department had revenue from project funding grants averaging €217k per year, mainly from the Leibniz Competition (Ø €141k). In total, two doctorates were completed.

#### **7.4 Department Macro Finance**

(As of 31 December 2024: 0 FTE)

The department is aimed to focus on the interplay between macroeconomic policies and financial systems, addressing key issues such as the impact of monetary and fiscal policies on financial stability and the broader economy. This includes, for example, the role of financial institutions and innovation in fostering economic growth, the dynamics of financial cycles, credit markets, and systemic risks, the role of central banks, money supply, and their effects on inflation, employment, exchange rates, and on the financial system. Further topics are global financial integration, cross-border capital flows, exchange rate dynamics, and their implications for domestic and international markets.

The Department Director position has been vacant since 2020 (see chapter 3). Nevertheless, between 2020 and mid-2024, several junior researchers were hired for the Department, with guidance from bridge professors and fellows from Goethe University. These researchers have produced studies on the pricing of several risk factors in financial markets such as macroeconomic risks, market sentiment, geopolitical tensions and climate risk. Their work also includes historical and empirical analyses of financial crises and the effectiveness of policy responses.

In the years 2022–2024, the work led to an average of 3.3 articles in peer-reviewed journals, 2.3 discussion papers, and 1.7 expert reviews per year. During this time, the department had no revenue from third-party funding. In total, two doctorates were completed.

#### **7.5 Cluster Law & Finance**

(5.3 FTE, of which 1 FTE Research and scientific services, 3.8 FTE Doctoral candidates, and 0.5 FTE Service staff)

The Cluster seeks to enrich the knowledge of financial markets by showing how financial systems evolve, change, and err in response to legal institutions. Understanding how finance is imbued with law from the outset can help build more stable and equitable financial systems. The Cluster aspires to synthesize the expertise from all departments to assess the relative effectiveness and context dependence of different legal regimes and regulatory approaches to

financial markets and institutions as implemented in different jurisdictions. It also aims to synthesize financial economists' expertise in causal inference with legal scholars' knowledge about the legal systems' dynamic evolution for socially relevant empirical legal studies. This vision underpins the education of Ph.D. students in the dedicated law, economics, and finance track that offers systematic training in quantitative methods to enable junior researchers with a background in law to conduct empirical legal analyses. Insights on institutional channels and interdependencies inform evidence-based advice to public and private policymakers and standard setters. The Cluster collaborates closely with the interdisciplinary Center for Advanced Studies "Foundations of Law and Finance" (CAS LawFin), which is funded by the German Research Foundation (2019–2027).

The Cluster plans to feed its interdisciplinary expertise in collaborative research exploring the financial system's instrumental role in the sustainable transition. It is planned to intensify the ties with accounting scholars and natural scientists at Goethe University and Senckenberg Society for Nature Research. Insights on the effect and transmission channels of transparency requirements will shape the exchanges with the International Sustainability Standards Board (ISSB). Finally, researchers affiliated with the Cluster will explore the interplay between law and digital finance.

In the years 2022–2024, work led to an average of 7 articles in peer-reviewed journals, 6 articles in other journals and the cluster contributed to 4.7 expert reviews. In total, one monograph was published and two doctorates were completed. During this period, the department received an average of €75k p.a. from foundations.

## 7.6 Junior Research Groups

(4.6 FTE, of which 3 FTE Research and scientific services, 1.4 FTE Doctoral candidates, and 0.2 FTE Service staff)

Currently, there are three junior research groups:

- Behavioral Finance (institutionally funded): The group was established in 2023 and explores how individuals think about economics, markets, and fairness, revealing gaps between public understanding and academic perspectives. The research seeks to promote novel conceptual ideas in behavioral economics (such as subjective mental models, narratives, or counterfactual reasoning) while contributing to the understanding of applied economic problems (such as inflation, the financial well-being of households, climate change, or inequality).
- Sustainable Finance Law (third-party funded in 2024–2028): The group analyses the nascent field of sustainable finance law in Europe, which governs the link between financial markets and environmental, social, and governance (ESG) goals. The project assesses the four interrelated layers of regulation, contractual practice, litigation, and regulatory competition, and combines doctrinal and comparative legal analysis with empirical and interdisciplinary methods.
- Sustainable Finance (mainly institutionally funded): The group was launched in 2024. Research focuses on how investors' sustainability preferences affect financial markets, corporate behavior, and sustainability outcomes. Financial markets are expected to make a

crucial contribution to solving societal challenges (e.g., the Paris Agreement, SDGs). At the same time, the real-world impact of the strongly growing phenomenon of sustainable investing remains controversial. The research group aims to generate evidence that meets the highest academic standards and helps investors and policymakers connect the demand for sustainable investments with real-world impact at the scale needed to solve the challenges we face. To do so, it applies a wide range of experimental and empirical techniques, including online and field experiments.

The current groups have only been in existence since 2023. In 2023–2024, a total of €16k was received from third parties, mainly from foundations (€10k). During this period, the work led to two articles in peer-reviewed journals, ten discussion papers and one expert review.

### **7.7 Research Data Center (RDC)**

(2.8 FTE, of which 1 FTE Research and scientific services, 1.2 FTE Doctoral candidates, and 0.6 FTE Service staff)

The RDC is dedicated to advancing empirical financial research to promote informed decision-making for the sustainability of Europe's financial system. The RDC collects, (pre-)processes, curates, and documents key data sets. A core focus of its efforts is developing a primary database containing historical firm-level financial data from Germany, which serves as a cornerstone for its research initiatives. In the long term, the RDC strives to become a leading provider of present and historical financial data on Germany and Europe.

Beyond providing data, the RDC manages the SAFE Research Infrastructure, a high-performance computing platform designed to meet researchers' specific needs. The platform enables researchers to analyze large data sets and undertake computationally intensive analyses. The RDC's services are enhanced by the DFG-funded 'Finance Research Data Repository' (FIF). Following the FAIR principles, the repository ensures that research data sets are accessible, reusable, and can be integrated into existing standards and frameworks across the economic, social, and societal sciences, fostering international collaboration and connectivity.

In addition, the RDC was successful in attracting long-term funding from the German Academy of the Sciences and Humanities. This grant (which lasts for 18 years) will allow the RDC to establish itself as the center for long-term financial and business data in Germany.

In October 2021, the RDC took over the histat – Historical Time Series repository from GESIS – Leibniz Institute for the Social Sciences. Now, the RDC ensures open access to over 430,000 historical time series from more than 500 studies. In 2024, 1,240 data sets were downloaded. The 'Finance Research Data Repository' (FIF) is accessible to all researchers, regardless of affiliation with SAFE.

In the years 2022–2024, the department received an average of €28k p.a. from third parties, mainly from the German Research Foundation (DFG). In total, two doctorates were completed.

## 8. Handling of recommendations from the previous evaluation

SAFE's responses to the recommendations of the last external evaluation (highlighted in italics, see also statement of the German Science and Humanities Council issued on 25 January 2019, pages 12-19) are summarized as follows:

1) *“The German Science and Humanities Council considers the bridging of economics and law to be central to the successful work of SAFE. This is currently being achieved at an excellent level in terms of quality, but from a quantitative point of view, it has so far depended to a large extent on a single SAFE professorship with a focus on civil law. In order to place interdisciplinary cooperation on a broader staffing basis here, the Council recommends making even better use of the legal science capacities locally and supraregionally, especially in the fields of public law and European law.”*

The number of Law and Finance scholars at SAFE has increased since the last evaluation. Besides the core team of the Cluster Law and Finance, the Sustainable Finance Law group has been established with one senior postdoc and two doctoral students. In addition, a new legal doctoral student has joined SAFE every year since 2022 via the new Doctoral program in Law, Finance, and Economics. Since 2021, SAFE also employs two bridge professors from Goethe University's Faculty of Law. For the future, SAFE intends to further strengthen ties with Goethe University's Law faculty and to apply for additional funds to set up a new interdisciplinary Department on Sustainable Finance and Law that includes a second core Law professor for SAFE (see chapter 3). In addition, SAFE is closely collaborating with the Center for Advanced Studies “Foundations of Law and Finance” at Goethe University.

2) *“Another point of reference for financial research at SAFE is the behavioral and social sciences. In particular, cooperation with political science and sociology is made possible by the involvement of individual professorships at Goethe University in SAFE's areas of work, but there is still considerable room for expansion. This also applies to the integration of other relevant disciplines.”*

Since 2020, SAFE has expanded its collaboration with other disciplines. A professor for Political Science at Goethe University led a research group on “Economic & Monetary Union at a Crossroad” at SAFE from 2020 until 2022 that included, among other political and social scientists, a doctoral student at SAFE who, after earning his doctorate, resumed a permanent position as Policy Officer in the SAFE Policy Center. The head of the “Household Finance” Department is cooperating with a professor of sociology at Goethe University, who specializes in “Quantitative Analyses of Social Change”. The project also includes a doctoral student with a social science background, employed at SAFE. The Behavioral Finance group head brought further research and policy activities with a behavioral approach to SAFE. And with the new long-term data project funded by the Academies of Sciences and Humanities SAFE has established a tie to historical research and a connection to a very comprehensive humanities and cultural sciences research network in Germany. The grant includes funding for an assistant professorship in financial history that is planned to be filled in the course of 2025. SAFE also appointed a social scientist in its Research Advisory Council who acts as the council's vice chair since 2024.

3) *“The Scientific Council welcomes the fact that SAFE intends to give greater weight to the role of monetary policy in the financial system in future. To this end, the current research area Macro Finance – Monetary Policy and Fiscal Stability is to be split up as part of the planned consolidation: On the one hand, into a department for Macroeconomics and Public Finance, which will essentially continue the macroeconomic work of the current research area; on the other hand, into a new department for Money and Finance. It is recommended that the new Money and Finance department should focus on examining the macroeconomic and societal effects of the regulation of financial institutions, especially the banking sector. In order to do justice to this orientation, it is considered extremely helpful to recruit a person with expertise in macroeconomics and banking to fill the position of the future head of department. In the future, cross-cutting microfinance issues – such as sovereign debt – should be dealt with on a cross-divisional basis.”*

It became evident during selection processes that the proposed separation between nominal (macro-finance) and real issues (macroeconomics/public economics) no longer reflects current research standards in the field. The two macro departments have been merged into one Macro Finance Department; see chapter 3. SAFE will still keep in mind the Scientific Council’s recommendation when screening the applications for the director position of this department.

4) *“The intention of the SAFE to merge the current Corporate Governance and Corporate Finance research area into the future Financial Intermediation department and the future Law and Finance research cluster (DFG research group) in order to avoid overlapping topics is also supported by the Scientific Council. The excellent research carried out in the existing Corporate Governance department under the direction of legal scholars should be continued in the new units and expanded by including the future fellows of the research group.”*

SAFE integrated the relevant research and policy activities of the former Corporate Governance and Corporate Finance area into the new setting. Several research initiatives and joint policy publications span the SAFE Cluster Law & Finance and particularly the Department of Financial Intermediation but also other SAFE departments. The DFG-funded Center for Advanced Studies LawFin, which emerged from within SAFE, carried out its work program in close collaboration with SAFE and the Cluster Law & Finance. Beyond joint events (seminars, workshops, conferences), it was particularly the informal exchange between LawFin fellows and SAFE researchers that proved mutually beneficial and led to interdisciplinary collaborations. The disciplinary activities of the former research area have also been integrated in the Financial Intermediation Department. The research of the Department’s two co-directors, which focuses i.a. on asymmetric information in financial markets, includes several Corporate Finance and Governance topics, e.g., on information disclosure by managers and on optimal incentive contracts for them. At present, also postdocs and doctoral students in the Financial Intermediation Department pursue research on topics linked to corporate finance (e.g., the role of intangible capital for firms).

5) *“The Council of Science and Humanities also strongly supports plans to fill W2 professorships in the fields of behavioral finance, data analytics and the digitalization of financial markets with research group leaders. However – also in view of the highly competitive international labor*

*market – it should be possible to identify promotion options to a W3 professorship at an early stage in order to attract and retain highly qualified applicants.”*

SAFE filled the position on Data Science & Finance as planned with a W2 professor. For Behavioral Finance it was then decided to go on the market with a tenure track position – for budget reasons however with a W1 to W2 position. Another W2 tenured professor could be promoted to W3 two years after joining SAFE by turning down an external offer.

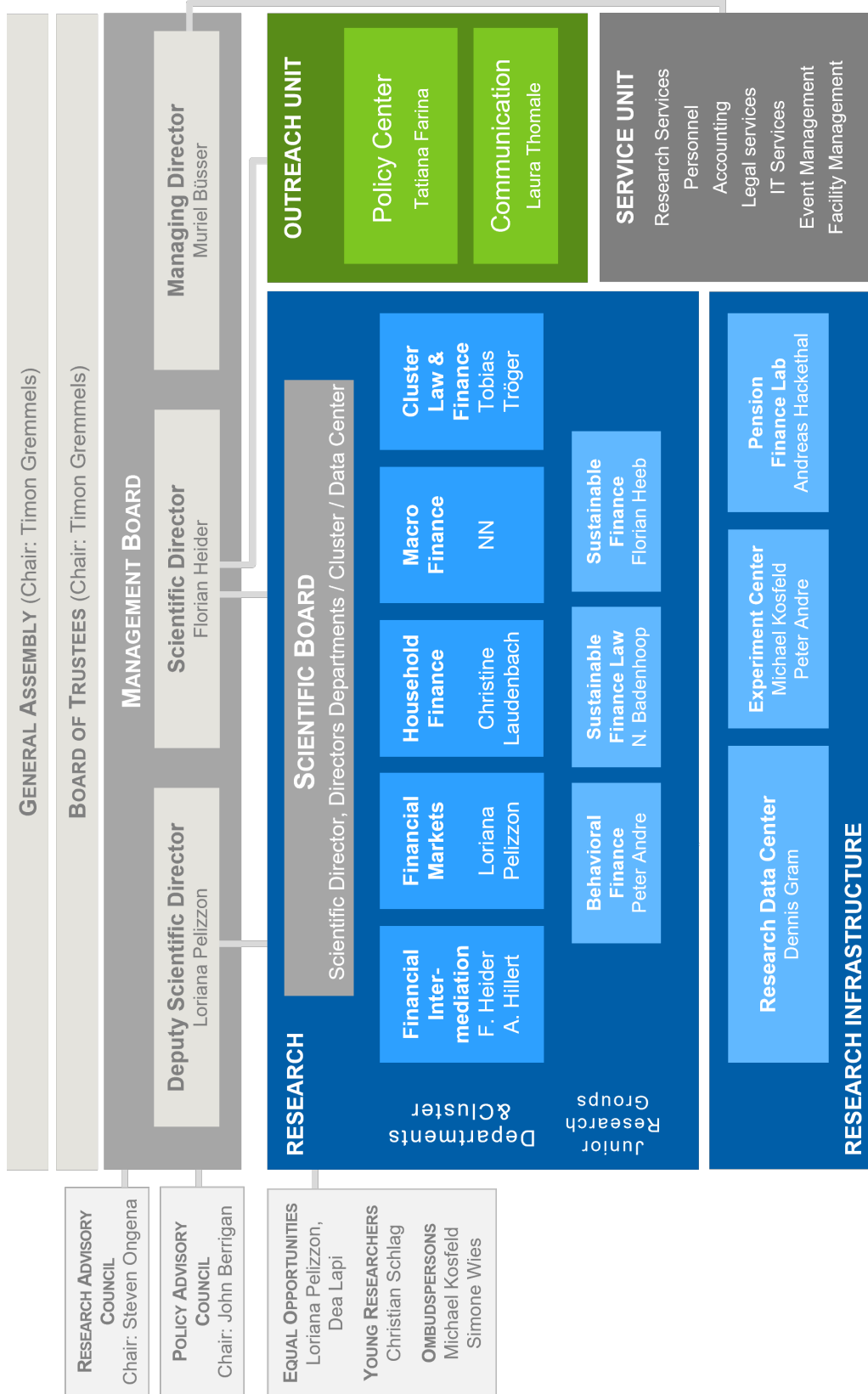
*6) “With regard to the number of female scientists – especially in management positions – SAFE currently still falls short of the requirements of the cascade model that the Leibniz Association is striving for. Nevertheless, the German Council of Science and Humanities takes into account that SAFE occupies one of the top positions among comparable research institutions. SAFE is encouraged to further intensify its efforts to recruit financial market researchers, especially for the management level.”*

SAFE tried to fill the announced professor positions with female researchers. However, it was only successful in one of five cases. Nevertheless, SAFE increased the share of female researchers on the doctoral student and postdoc level, now being at 52% and 40% respectively (as of 31/12/2024) compared to 27% and 31% end of 2017 (see chapter 5).

Appendix 1

Organisational chart

(as of: 31.12.2024)



**Appendix 2****Publications and expert reviews**

	Period		
	2022	2023	2024
<b>Total number of publications</b>			
Monographs	1	0	0
Individual contributions to edited volumes	7	5	8
Articles in peer-reviewed journals	23	33	30
Articles in other journals	2	12	4
Working and discussion papers	24	24	25
Editorship of edited volumes	1	0	0
Number of expert reviews	10	9	13

**Appendix 3**

**Revenue and expenditure**

Revenue		2022			2023			2024 <sup>1)</sup>		
		k€	%	%	k€	%	%	k€	%	%
<b>Total revenue (sum of I., II. and III.; excluding DFG fees)</b>		<b>5,801.1</b>			<b>7,284.3</b>			<b>7,507.4</b>		
<b>I.</b>	<b>Revenue (sum of I.1., I.2. and I.3)</b>	<b>5,790.0</b>	100 %		<b>7,278.0</b>	100 %		<b>7,500.6</b>	100 %	
1.	<u>INSTITUTIONAL FUNDING (EXCLUDING CONSTRUCTION PROJECTS AND ACQUISITION OF PROPERTY)</u>	5,474.5	95 %		6,460.3	89 %		6,209.1	83 %	
1.1	Institutional funding (excluding construction projects and acquisition of property) by Federal and <i>Länder</i> governments according to AV-WGL	5,474.5			6,460.3			6,209.1		
1.2	Institutional funding (excluding construction projects and acquisition of property) not received in accordance with AV-WGL	0			0			0		
2.	<u>REVENUE FROM PROJECT GRANTS</u>	315.5	5 %	100 %	817.7	11 %	100 %	1,291.5	17 %	100 %
2.1	DFG	0.0		0 %	32.5		4 %	46.3		4 %
2.2	Leibniz Association (competitive procedure)	81.6		26 %	326.2		40 %	540.2		42 %
2.3	Federal, <i>Länder</i> governments	21.3		7 %	137.2		17 %	225.6		17 %
2.4	EU	110.2		35 %	152.0		19 %	240.3		19 %
2.5	Foundations	43.3		14 %	105.5		13 %	184.4		14 %
2.6	Other sponsors	59.1		19 %	64.3		8 %	54.7		4 %
II.	<b>Miscellaneous revenue</b> (e.g. membership fees, donations, rental income, funds drawn from reserves)	11.1			6.3			6.8		
III.	<b>Revenue for construction projects</b> (institutional funding by Federal and <i>Länder</i> governments, EU structural funds, etc.)	0			0			0		

Expenditures		k€		k€		k€	
<b>Expenditures (excluding DFG fees)</b>		<b>5,801.1</b>		<b>7,284.3</b>		<b>7,507.4</b>	
1.	Personnel	3,289.6		4,235.9		4,722.8	
2.	Material expenses	1,252.9		1,571.9		1,654.5	
3.	Equipment investments	567.7		428.3		237.1	
4.	Construction projects, acquisition of property	0		0		0	
5.	Other operating expenses	690.9		1,048.2		893.0	
DFG fees (if paid for the institution – 2.5% of revenue from institutional funding)		155.7		158.8		168.1	

## Appendix 4

### Staff

Basic financing and third-party funding / proportion of women (as of: 31.12.2024)

	Full time equivalents		Persons		Women		foreigners
	Total	on third-party funding	Total	on temporary contracts	Total	on temporary contracts	Total
	Number	Percent	Number	Percent	Number	Percent	Number
<b>Research and scientific services</b>	<b>38,5</b>	<b>38%</b>	<b>58</b>	<b>84%</b>	<b>23</b>	<b>87%</b>	<b>20</b>
1 <sup>st</sup> level (scientific directors)	2,0	0%	2	0%	1	0%	1
2 <sup>nd</sup> level (department leaders or equi.)	4,7	21%	5	0%	2	0%	1
3 <sup>rd</sup> level (junior research group leaders)	3,0	41%	3	100%	0	0%	1
Bridge Professors	0,9	0%	9	100%	1	100%	0
Scientists in non-executive positions (A13, A14, E13, E14 or equivalent)	12,1	43%	14	86%	6	100%	8
Doctoral candidates (A13, E13, E13/2 or equi.)	15,8	45%	25	100%	13	100%	9
<b>Science supporting staff (technical support etc.)</b>	<b>1,6</b>	<b>0%</b>	<b>2</b>				
Information technology - IT (E9 to E12, upper-mid-level service)	1,6	0%	2				
<b>Science supporting staff (administration)</b>	<b>19,5</b>	<b>12%</b>	<b>24</b>				
Head of the administration	1,0	0%	1				
Staff positions (from E13, senior service)	6,9	0%	8				
Staff positions (E9 to E12, upper-mid-level service)	11,1	20%	14				
Staff positions (E5 to E8, mid-level service) 3, senior service)	0,5	0%	1				
<b>Student assistants</b>	<b>2,0</b>	<b>12%</b>	<b>10</b>				
<b>Scholarship recipients at the institution</b>			<b>3</b>		<b>1</b>		<b>1</b>
Doctoral candidates			3		1		1
Postdoctoral researchers			0		0		0

## **Annex B: Evaluation Report**

### **Leibniz Institute for Financial Research SAFE, Frankfurt/Main**

#### **Contents**

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Appendix:

Members of review board

## 1. Summary and main recommendations

The Leibniz Institute for Financial Research SAFE investigates optimal framework conditions for financial markets and their participants in Europe. The institute covers an impressive range of highly relevant topics. To cope with the increasing complexity of financial markets, SAFE pursues an interdisciplinary approach. As well as involving political and social scientists and others, the institute's close and highly successful linking of law and financial research is a unique feature. SAFE collects some of the necessary data itself, and makes them available and reusable for third parties. The institute is very committed to communicating the results to policymakers and regulatory authorities.

Founded in 2013 with funding from the state of Hesse, the institute has become, in a short time, one of the leading research institutes in the field of European financial markets. Following an evaluation by the German Science and Humanities Council seven years ago, the federal and *Länder* governments included SAFE in their joint funding programme as a Leibniz institute from 2020 onwards.

Since the previous evaluation, the institute has faced the challenge of filling a large number of academic positions. Between 2018 and 2020, a first generation of scientific staff members completed their qualification phase. In addition, several leadership positions also needed to be filled following departures, including that of the founding director, who reached retirement age. In December 2022, an experienced financial market researcher took office as scientific director. Since then, successors have been appointed for most vacant leadership positions at department level. However, one department (Macro Finance) is still without a head and currently unstaffed. SAFE has found a sensible solution for conducting research on macro finance topics at the institute, including postdoctoral fellowships, but the department must be built up again as soon as possible. Two of the other four scientific units (three departments and one cluster) are rated 'excellent', one is rated 'very good to excellent' and another 'very good'. The work of these units is currently very well complemented by three independent junior research groups and nine bridge professorships, i.e. professors from Goethe University Frankfurt who have part-time positions at SAFE and bring additional expertise to the institute. The institute's research work requires considerable infrastructure services, which are grouped in the Data Center, Experiment Center and Pension Finance Lab. Knowledge transfer is managed by a very strong outreach unit.

SAFE has an excellent track record of scientific achievements. An impressive number of its publications have appeared in top international journals. In addition, the institute regularly produces policy publications and expert reviews. The plans for continuing the current research work are convincing. As well as expanding its expertise in the field of green and sustainable finance, the institute has a longer-term focus on collecting and preparing historical financial data.

Special consideration should be given to the following main recommendations in the evaluation report (highlighted in **bold face** in the text):

### Overall concept, activities and results (chapter 2)

1. In its **publication strategy** the institute and its Research Advisory Council have defined a convincing list of top international journals in which it aims to publish its work. It is

noteworthy that its ambitious goals in the areas of economics and finance are already being achieved on a regular basis. Since 2020, SAFE has strengthened its law-related research and has set itself the commendable objective of attaining a corresponding level of international visibility in this area. However, this has not yet been realised. In future, the law-related research should be published more frequently in international journals with an external review system.

2. SAFE operates several **databases** via its Research Data Center. In order to increase use of the databases by external researchers, the target groups should be defined more clearly and the data prepared accordingly. The data held at the institute should be published via a common database and made easily accessible for academic research. The institute should also set up a monitoring system as the basis for further improvements in data services.
3. SAFE is very committed to communicating its research findings to policymakers and the general public. It should consider how its **consulting and knowledge transfer achievements** can be clearly and systematically recorded as a basis for making further improvements.

#### Changes and planning (chapter 3)

4. All the research departments at SAFE are already working on various issues relating to how finance can support sustainability objectives and drive the green transition. The institute now plans to group these research activities in a new permanent Sustainable Finance & Law department and expand on them. Among other things, this will involve the creation of two new W3 professorships: one for a financial economist and one for a legal scholar. The application for a permanent **increase in joint funding** by federal and *Länder* governments amounting to €0.8m p.a. ('Sondertatbestand') is due to be submitted in January 2027 (start of funding in 2029). SAFE is a very suitable place to specialise successfully in the area of green and sustainable finance and to take on a leading position, thanks to its research profile and interdisciplinary approach. The plans for this rapidly developing subject area should therefore be fleshed out in greater detail and submitted with an assessment by the Research Advisory Council.

#### Controlling and quality management (chapter 4)

5. SAFE secures **project grant revenue** totalling €0.8m p.a. (12%). Given its scientific capabilities, this amount is too low. In future, the institute should significantly increase its third-party funding and at least recover its DFG fees through successful grant applications.
6. To protect its scientific independence, SAFE does not seek funding from the financial industry and does not take on contract work. This is an important and sensible element of the institute's policy. In October 2024, a non-profit **support association** (Gesellschaft zur Förderung des Leibniz-Instituts für Finanzmarktforschung SAFE e. V.) was established that provides support in the form of content input (e.g. on financial literacy) and financial means (e.g. for paper prizes and stays abroad for junior researchers). The members and funding providers are businesses in the financial sector. To rule out any influence on the research activities of SAFE, an independent body, such as the Research Advisory Council, should decide how the money from the support association is to be allocated.

### Human resources (chapter 5)

7. So far, there are no **junior professors in the Law Faculty** of Goethe University. If, contrary to expectations, a law junior professorship cannot be realised with this partner university, the institute and its supervisory board should examine whether the objective can be achieved with the help of a joint professorship appointment elsewhere.

### Subdivisions of SAFE (chapter 7)

8. The department **Macro Finance** has been without a head since 2020. A first appointment procedure that was initiated in 2022 was unsuccessful and a new one is currently in progress. A department head needs to be appointed quickly to secure the macroeconomic financial expertise that is crucial for the success of SAFE and to build up the department again from a staffing point of view. This is particularly necessary in view of the plans to expand the field of sustainable finance.

## **2. Overall concept, activities and results**

The Leibniz Institute for Financial Research SAFE investigates optimal framework conditions for financial markets and their participants in Europe. It collects some of the necessary data itself, and makes them available and reusable to third parties. SAFE is very committed to communicating the results to policymakers and regulatory authorities.

The institute covers an impressive range of highly relevant topics relating to the sustainability of the financial system, such as stability, resilience, innovation, efficiency, digitalisation and inequality. To cope with the increasing complexity of financial markets and better understand systemic risks, SAFE researches a range of different markets and pursues a comprehensive interdisciplinary approach. As well as involving political and social scientists and others, the institute's close and highly successful linking of law and financial market research is a unique feature. To make optimal use of the diversity of the underlying data, it employs a convincing breadth of methods.

In line with its research priorities, the institute is divided into four departments: Financial Intermediation, Financial Markets, Household Finance, and Macro Finance. There is also a Cluster for Law & Finance, which complements the economic perspective; it is therefore set up as a cross-cutting unit. The institute's research work requires considerable infrastructure services, which are grouped in the Data Center, Experiment Center and Pension Finance Lab. Knowledge transfer is managed by a very strong outreach unit, which houses the Policy Centre and the Communication Office.

### **Results**

#### *Research*

In the years 2022–2024, an average of 29 articles were published in peer-reviewed journals each year; for highlights see chapter 7. The institute also attaches great importance to policy publications (see below). **In its publication strategy the institute and its Research Advisory Council have defined a convincing list of top international journals ('A+ journals') in which it aims to publish its work. It is noteworthy that its ambitious goals in**

**the areas of economics and finance are already being achieved on a regular basis. Since 2020, SAFE has strengthened its law-related research and has set itself the commendable objective of attaining a corresponding level of international visibility in this area. In future, the law-related research should be published more frequently in international journals with an external review system.**

#### *Infrastructure*

**SAFE operates several databases via its Research Data Center.** Examples include the Finance Research Data Repository providing standardised lending data from central banks in Europe, and the Histat repository with more than 430,000 historical time series from more than 500 studies. **In order to increase use of the databases by external researchers, the target groups should be defined more clearly and the data prepared accordingly. The data held at the institute should be published via a common database and made easily accessible for academic research. The institute should also set up a monitoring system as the basis for further improvements in data services.**

#### *Transfer*

**SAFE is very committed to communicating its research findings to policymakers and the general public.** Worth highlighting are the comprehensive white papers ('Weißbücher') and the shorter policy letters. It is good to see that consulting is regarded as a two-way exchange and feeds back into the research activities at SAFE. A code of ethics and transparency ensures the necessary neutrality and role clarity. In their consultancy activities, the research departments are effectively supported by the Policy Unit in terms of topic selection and form of presentation. **The institute should consider how its consulting and knowledge transfer achievements can be clearly and systematically recorded as a basis for making further improvements.**

### **3. Changes and planning**

#### **Development since the previous evaluation**

The institute was established in 2013 by Goethe University Frankfurt in collaboration with the Frankfurt Center for Financial Studies, largely in response to the 2008/2009 financial crisis, which cast doubt on the self-stabilizing powers of financial markets. Initially, the institute was funded on a temporary basis through a Hessian research promotion programme as the LOEWE<sup>1</sup> Center for Sustainable Architecture for Finance in Europe (SAFE). Following a very positive evaluation by the German Science and Humanities Council seven years ago, the federal and *Länder* governments admitted SAFE to joint funding as a **Leibniz institute** in 2020. In the relatively short time since its establishment, SAFE has become one of the leading research institutes in the field of European financial markets.

The first generation of employees completed their qualification phase between 2018 and 2020, which meant that many of the doctoral and postdoc positions created when the institute was set up became vacant. In addition, only three of the five department heads moved from Goethe

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<sup>1</sup> "Landes-Offensive zur Entwicklung wissenschaftlich-ökonomischer Exzellenz" (state offensive for the development of scientific and economic excellence).

University to SAFE when it transferred to federal and *Länder* government funding and became a separate legal entity, and a third department head position became vacant not long afterwards. Moreover, the Founding Director, who had built up the institute with great success, reached retirement age. The many personnel changes since the last evaluation were a challenge that the institute's supervisory board and interim leadership team managed closely, but leadership positions remained unfilled for long periods of time (see chapter 7).

A new head of the Household Finance department was appointed in August 2022. In December 2022, an experienced financial market researcher from the European Central Bank took over as Scientific Director of SAFE. He also led the Financial Intermediation department on his own for two years, and then jointly with a researcher who had previously led the SAFE Research Data Center as a W2 professor appointed with Goethe University.

In 2018, the German Science and Humanities Council (WR) had approved plans to split the Macro Finance department into two more specialised units. The previous head of department stayed at Goethe University when SAFE became an independent legal entity, which meant the institute had to find two new department heads. Both positions were advertised after the new director was appointed in 2022. However, it proved difficult to fill them. Consequently, after some time, the institute continued with just one of the recruitment procedures, but this also ended without success in October 2024. As a result of a long leadership vacancy since 2020, the Macro Finance department had no staff at the time of the evaluation visit. The position of department head was re-advertised in January 2025. The recruitment process is still ongoing and needs to be brought to a successful end soon.

SAFE has set up **bridge professorships** to strengthen its interdisciplinary approach and its link to Goethe University. The bridge professors only work at SAFE for a limited time on a 0.1 FTE basis. Some of them take on coordination and leadership tasks at the institute (e.g. in the Pension Finance Lab) and bring important additional expertise (in the field of artificial intelligence, for instance). It is advantageous that the bridge professors also take part in the monthly meetings of the Scientific Board in an advisory capacity (see chapter 4).

In 2022, SAFE started to establish **junior research groups** as a way of ensuring that assistant professors and postdocs can carry out their research independently of a departmental hierarchy. This is a very successful tool and is an important factor in attracting talented early career researchers to SAFE. It is good to see that, besides two groups financed from the core budget, a third group was established with funding from the Leibniz Competition.

### **Strategic work planning for the coming years**

The plans for continuing the current research work are convincing. As well as expanding its expertise in the field of green and sustainable finance (see below), the institute has a long-term focus on collecting and preparing historical financial data. In this context, it was a very good decision to take over the Histat database, which had been managed by the GESIS Leibniz Institute for the Social Sciences until October 2021. With funds from the Academy of Sciences and Literature in Mainz and the Heidelberg Academy of Sciences and Humanities, SAFE will lead a large long-term project on financial and business research from a long-term perspective (project term 2025–2042, total funding 5.1 M€), which will record, digitise and analyse financial and company data spanning 150 years. The project partners are Goethe

University, the University of Mannheim and its university library, the IBF – Institut für Bank- und Finanzgeschichte and the WHU – Otto Beisheim School of Management. SAFE itself plans to establish an assistant professorship (tenure track) in the field of empirical data science and economic history. The institute should examine whether it is possible to bring in additional complementary expertise in the field of economic history through another bridge professorship.

### **Planning for additional institutional funding**

**All the research departments at SAFE are already working on various issues relating to how finance can support sustainability objectives and drive the green transition.** In particular, two junior research groups have been set up in this area, one of them financed from the core budget. Important results include the impact of green investing on financial markets and firm behaviour, and green financial market regulation. **The institute now plans to group these research activities in a new permanent Sustainable Finance & Law department and expand on them. Among other things, this will involve the creation of two new W3 professorships: one for a financial economist and one for a legal scholar. The application for a permanent increase in joint funding by federal and *Länder* governments amounting to €0.8m p.a. ('Sondertatbestand') is due to be submitted in January 2027 (start of funding in 2029).**

**SAFE is a very suitable place to specialise successfully in the area of green and sustainable finance and to take on a leading position, thanks to its research profile and interdisciplinary approach. The plans for this rapidly developing subject area should therefore be fleshed out in greater detail and submitted with an assessment by the Research Advisory Council.** The institute is bringing in natural science expertise by expanding existing collaborations, including with the Senckenberg – Leibniz Institution for Biodiversity and Earth System Research (see chapter 6). However, the institute should examine thoroughly whether it is necessary and makes sense to create positions with this expertise within SAFE.

## **4. Controlling and quality management**

### **Facilities, equipment and funding**

In the years 2022–2024 the institute received **institutional funding** of €6m p. a. on average. The institute's hosting *Land* and the federal government allowed the institute to carry forward €2m of institutional funding allocation for 2023 to the following year as self-managed funds (*Selbstbewirtschaftungsmittel*). A slightly smaller amount has now also been released from the 2024 funds for the following year. The reason given for this was the institutional transition phase and the delay in filling all professor positions. These revenues brought forward from previous years must now be used without further delay, as planned by SAFE and its supervisory board.

**SAFE secures project grant revenue totalling €0.8m p.a. (12%). Given its scientific capabilities, this amount is too low.** There was also some third-party funding that was secured before the institute became a legally independent Leibniz institute, and this stayed at the university, including funding for a DFG research group (see chapter 7.5). **In future, the**

**institute should significantly increase its third-party funding and at least recover its DFG fees through successful grant applications.** It is encouraging that there is a clear positive trend following the appointment of the three department heads in 2022. And the portfolio consists largely of funds secured through competitive procedures.

**To protect its scientific independence, SAFE does not seek funding from the financial industry and does not take on contract work. This is an important and sensible element of the institute's policy. In October 2024, a non-profit support association (Gesellschaft zur Förderung des Leibniz-Instituts für Finanzmarktforschung SAFE e. V.) was established that provides support in the form of content input (e.g. on financial literacy) and financial means (e.g. for paper prizes and stays abroad for junior researchers). The members and funding providers are businesses in the financial sector (including various banks, accounting and tax auditing firms). In future, to rule out any influence on the research activities of SAFE, an independent body, such as the Research Advisory Council, should decide how the money from the support association is to be allocated.**

The fact that SAFE is based in the House of Finance is highly beneficial for its connection to the university. The institute has also modernised its rented **premises** in recent years. While the postdocs have an office each, the doctoral researchers work in open-plan offices, which some find challenging. The institute could examine possibilities to harmonise the working conditions across the staff.

The **computing infrastructure** is operated by the Research Data Center in cooperation with the Goethe University Computing Center. To increase IT security, important data (personnel data, research information data, etc.) are hosted externally using a number of different service providers.

### **Organisational and operational structure**

SAFE's main **internal governance bodies** are the Management Board ("Vorstand") and the Scientific Board ("Forschungsausschuss"). The decision-making processes run smoothly.

### **Quality management**

The institute implemented the relevant guidelines when it became a member of the Leibniz Association. Alongside the measures for good research practice and appointing ombudspersons, it is noted positively that there is a transparent ethics code to regulate data storage and sharing that follows the FAIR principles.

### **Quality management by advisory boards and supervisory bodies**

The **Research Advisory Council (RAC)** provides excellent support to the institute. In line with the Leibniz standards, membership of the RAC is limited to two four-year terms – a sensible rule that should consistently adhered to in future. In addition, SAFE has a Policy Advisory Council, which gives the institute feedback from practitioners in the European financial community.

The **Board of Trustees (Kuratorium)** performs its function as a supervisory body very effectively. The **General Assembly** also has supervisory functions (in particular, discharging

the Management Board on the recommendation of the Board of Trustees). It can admit members proposed by the Management Board following a hearing by the Board of Trustees. The Assembly currently has approximately twenty members from the fields of research and research management.

## 5. Human resources

### Leading scientific and administrative positions

The **Director** and all the heads of scientific **departments** are appointed jointly with Goethe University Frankfurt (five W3 and one W2 professorships); recruitment for one of these posts is currently underway, see chapter 3.

Two of the three **junior research groups** are led by a W1 junior professor at Goethe University. In future, the institute should try to combine all junior research group leadership positions with a W1 tenure track professorship. **So far, there are no junior professors in the Law Faculty of Goethe University. If, contrary to expectations, a law junior professorship cannot be realised with this partner university, the institute and its supervisory board should examine whether the objective can be achieved with the help of a joint professorship appointment elsewhere.**

Some important leadership tasks are also taken on by the nine bridge professors (see chapter 3), including coordination of the SAFE Experiment Center, the LawLab FinTech & AI and the SAFE Digital Finance Network.

### Staff with a doctoral degree

SAFE has a successful hiring procedure for postdocs. They are usually offered a 3-year full-time contract to develop their research agenda; as of 31 December 2024, 11 postdocs were employed at SAFE. The postdocs receive very good supervision. If they are institutionally funded, they receive a personal budget of €2k p.a. which they can use to attend conferences, among other things. This benefit should be extended to postdocs on third-party funding arrangements. It is worth highlighting that seven postdocs have received offers of professorships in Germany and abroad since 2022.

### Doctoral candidates

As of 31 December 2024, 25 PhD students were employed at SAFE (and 3 others received foundation scholarships). The structure of **supervision** for PhD students is outstanding and provided through the Graduate School of Economics, Finance and Management (GSEFM), which SAFE runs together with the universities in Frankfurt, Mainz and Darmstadt, and a PhD programme with Goethe University, which also includes law. SAFE admits three scholarship holders to the program each year. After this, they sign a three-year employment contract (initially 50%, then 70% of a full-time post), with the option to extend it to 5, or a maximum of 6 years). All PhD researchers must first pass a demanding one-year course programme. It is good to see that the doctoral phase has a standardised structure, regardless of whether the position is financed through the core budget or via third-party funding.

From 2022 to 2024, 14 PhD students employed at SAFE completed their doctorates. The average length of doctorates in economics through GSEFM is between 5 and 6 years, which is appropriate by international standards, since a demanding course programme is completed as part of the doctorate. The average for doctorates in law is 2 to 3 years.

### **Science supporting staff**

Science supporting staff receive very good support in terms of their continuing professional development. They are asked about the need for training at regular meetings and relevant courses are offered. SAFE also offers vocational training in research communication.

### **Equal opportunities and work-life balance**

As of 31 December 2024, 40% of the employees in research and scientific services were women. Women account for two of the five current heads of research departments, only one of the nine bridge professors and none of the three junior research group leaders. As envisaged in the programme budget, SAFE aims to further increase the proportion of women.

SAFE benefits from its diverse staff with 35% of its scientific personnel coming from abroad. However, the institute should explore ways to further improve its onboarding processes to address the specific organisational needs of this group – for example by providing clearer information on key aspects of living and working in Germany, such as child care and the health care system.

## **6. Cooperation and environment**

SAFE's most important collaboration partner is Goethe University Frankfurt, with which it has seven joint appointments to professorships and nine bridge professorships (see chapters 3 and 5). SAFE also has links to a number of other **universities** in Germany (including in Mainz, Marburg, Darmstadt and Mannheim) through various research projects. In addition, SAFE researchers are involved in various joint projects with international partners, including colleagues from the London School of Economics, Imperial College London, CEMFI in Madrid, and Bocconi in Milan. Beyond these individual collaborations, the Institute as a whole should strengthen its strategic partnerships with prominent academic institutions outside Central Europe.

The institute's particularly close collaboration partners within the **Leibniz Association** include the ZBW–Leibniz Information Centre for Economics in Kiel, the Halle Institute for Economic Research (IWH), the Leibniz Centre for European Economic Research (ZEW) in Mannheim and – in the context of sustainability – the neighbouring Senckenberg Leibniz Institution for Biodiversity and Earth System Research.

Other important partners include the **Bundesbank** in the fields of financial stability and regulation, access to research data and joint support for early careers (e.g. the Bundesbank Summer School), as well as other national and international financial authorities.

Worth mentioning is also the **Centre for Economic Policy Research** (CEPR) in London, a collaborative network, in which SAFE plays a particularly active role in the Research Policy

Network “European Financial Architecture”. The connection is fruitful, as it gives the institute a high level of international visibility.

## **7. Subdivisions of SAFE**

### **7.1 Department of Financial Intermediation**

(7.4 FTE, of whom 4 FTE research and scientific services staff, 2.9 FTE doctoral candidates, and 0.5 FTE service staff)

This department studies the broad field of financial intermediaries (including banks and capital investment companies) and their role within the financial sector. It focuses on how these intermediaries function, for instance in times of financial instability and crisis, or when facing challenges like technological change and climate-related risks. This research is conducted in close collaboration with the other departments. The department follows an empirical, application-oriented approach. It uses specialist methodology to analyse various different types of data, which it obtains from the Bundesbank and the European Central Bank, among other sources.

Following the institute’s admission to the Leibniz Association, the position of department head was vacant for some time until the Scientific Director took up his post in December 2022 and at the same time took over as head of department. All the members of staff in this department joined the institute after this date, and in December 2024, a W2 professor, who is jointly appointed with Goethe University, joined the Scientific Director as co-head of the department.

Despite the long vacancy at the head of the department, important new findings continued to be produced and published in leading international journals. These include a variety of issues related to financial intermediaries and regulatory interventions such as capital requirements, model based regulation, bank bailouts, or leverage and risk taking. In particular, the department distinguished itself in the area of knowledge transfer – communicating its results to policymakers and regulatory bodies, for whom the department’s research work is highly relevant. SAFE should now develop instruments to make these achievements and their impact measurable (see recommendation 3).

In the past few years, when the department was in the early stage of its development, it did not receive any third-party funding – a situation that should be remedied in the future. The promising future work programme offers opportunities for improvement. It focuses on banks and their regulatory frameworks, particularly the interaction between liquidity and capital regulations and their combined effects on financial stability.

The performance of this department is rated ‘very good to excellent’.

### **7.2 Department of Financial Markets**

(9.6 FTE, of whom 6 FTE research and scientific services staff, 2.9 FTE postdoctoral fellows, and 0.7 FTE service staff)

This department focuses on the functioning, resilience and transition of financial markets. The highly relevant research questions relate to current key trends and challenges, for instance in the area of financial regulation. These include topics like digital transformation, sustainability

and geopolitical risks. As a basis for its research activities, the department often carries out complex data collections itself.

The current head of department took over after SAFE was admitted to the joint federal and *Länder* government funding programme and has established it as a highly successful pillar of SAFE in the scientific community. The departments' results are regularly published in leading international journals and receive corresponding attention. Research papers worth highlighting include studies on market liquidity, market volatility and high-frequency trading. On the basis of its outstanding work, the department has a framework contract to provide research-based policy advice to the EU Parliament on financial stability and quantitative analysis.

Over the past few years, the department has gradually increased the third-party funding it receives for its work. Particularly worthy of mention are its successes at European level, including in the context of Horizon 2020 and the European Technical Support Instrument, to strengthen EU Member States' national competent authorities' capacity to monitor and address ESG risks in the financial sector (EU Commission grant).

The department is actively and productively engaged with the other SAFE departments. Worth highlighting are the extremely good positions that staff are offered on leaving the institute.

The Department of Financial Markets is rated 'excellent'.

### **7.3 Department of Household Finance**

(5.9 FTE, of whom 2.5 FTE research and scientific services staff, 2.9 FTE doctoral candidates, and 0.5 FTE service staff)

This department's very timely research on household financial decision-making includes household stock market participation, fixes for investment mistakes and the role of mental models in investing. The department is very successful in identifying appropriate tools and strategies, which makes its work very relevant in practical terms for households, policymakers and the financial industry. It conducts its research in interdisciplinary teams involving sociologists and computer scientists. To ensure it has access to the data it needs, the department has built an impressive network, including, in particular, collaborations with two online brokers, a payment provider and a fintech company.

In August 2022, there was a change of personnel at the head of the department, although the previous department head is still connected to SAFE in his role as a bridge professor. The new department head was originally appointed in connection with a joint W2 professorship with Goethe University Frankfurt and was promoted to a W3 professorship to counter a rival offer in 2024.

It is noted positively that the department is increasing the amount of third-party funding it secures. The funding for a project on the gender wealth gap through the Leibniz Program for Women Professors deserves a special mention. Result highlights include studies on financial decision making, beliefs about the stock market, and on the long-lasting effects of experiencing Communism on attitudes towards financial markets. The studies are published in leading international journals. At the same time, the department is strong in public outreach and makes a valuable contribution to financial literacy. Worthy of particular mention is *Seasn*, an app that

supports young people in particular with financial decisions and which also generates novel and valuable data for further SAFE research.

The Department of Household Finance is rated 'excellent'.

#### 7.4 Department of Macro Finance

(as of 31 December 2024: 0 FTE)

This department is dedicated to the interplay between macroeconomic policies and financial systems. This includes topics like the dynamics of financial cycles, credit markets and systematic risks, but also, and in particular, global financial integration, cross-border capital flows and implications for domestic and international markets.

The financial crisis of 2008/2009 highlighted the relevance of these topics and of appropriate macro models. From this point of view, it is important for SAFE as a whole to address these questions in its research profile. However, **the department has been without a head since 2020. A first appointment procedure in 2024 was unsuccessful and a new one is in progress** (see chapter 3). The vacancy has been bridged by a number of outstanding early career researchers (mainly postdoctoral fellows), who have achieved very successful results in the department's research area and have also published them in top journals. Studies worth highlighting include those on risks for financial markets and regulatory authorities, for instance on the transmission of government portfolio risk arising from maturity operations and the stance of monetary/fiscal policy.

**A department head now needs to be appointed quickly to secure the macroeconomic financial expertise that is crucial for the success of SAFE and to build up the department again from a staffing point of view. This is particularly necessary in view of the plans to expand the field of sustainable finance.**

#### 7.5 Cluster for Law & Finance

(5.3 FTE, of whom 1 FTE research and scientific services staff, 3.8 FTE doctoral candidates, and 0.5 FTE service staff)

Legal expertise is particularly important for understanding financial markets. Therefore, a cross-departmental cluster has been set up in 2020, focussing on the relationship between financial markets and legal institutions. The empirical cluster very successfully synthesizes the expertise of all departments, fulfilling its cross-cutting interdisciplinary mission in an outstanding manner. Achievements worth highlighting are studies on the role of disclosure in green finance and on the reform of the Crisis Management and Deposit Insurance framework. It is closely integrated with the DFG-funded Centre for Advanced Studies (Kolleg-Forschungsgruppe) on Foundations of Law and Finance.

The cluster has actively contributed to expert reviews for policy advice and has succeeded in integrating SAFE into various high-profile interdisciplinary networks. Its results are regularly published in renowned journals. However, the cluster has not yet met its objective of publishing in the leading international journals targeted in the institute's publication strategy (see recommendation No. 1). This goal remains a challenge as connections with German legal academia and its associated incentive structures for (early-career) researchers must be

maintained at the same time. This is particularly important because, apart from the cluster head, those employed to work in it are doctoral researchers, most of whom are funded through third parties (foundations).

The Cluster for Law & Finance is rated 'very good'.

### **7.6 Junior research groups**

(4.6 FTE, of whom 3 FTE research and scientific services staff, 1.4 FTE postdoctoral fellows, and 0.2 FTE service staff)

It is a welcome development that SAFE has set up junior research groups to promote particularly talented postdocs. Two groups are funded from the core budget: Behavioral Finance (since October 2023), which is exploring how individuals think about economics, markets and fairness, and Sustainable Finance (since August 2024), which is focussing on how investors' sustainability preferences affect financial markets, corporate behaviour and sustainability outcomes. An assistant professorship (W1 tenure track) was set up in a joint appointment arrangement with Goethe University Frankfurt for each of the two group leader positions. Apart from the two group leaders, there are no other scientific positions within the groups.

In January 2024, Leibniz Competition funds were obtained to set up a third group on Sustainable Law Finance, which will run until 2028. The staff comprises the group leader and two doctoral researchers. The group aims at positioning itself in the nascent field of sustainable finance law in Europe, which governs the link between financial markets and the sustainable development goals (ESG). To meet this challenge, an even closer connection to financial research should be sought.

The group leaders demonstrate an impressive awareness of relevant topics in the field, and the results so far are extremely convincing. The institute should make its junior research groups clearly visible on its website as an integral part of its research activities.

### **7.7 Research Data Center (RDC)**

(2.8 FTE, of whom 1 FTE research and scientific services staff, 1.2 FTE doctoral candidates, and 0.6 FTE service staff)

The RDC takes on important tasks for data-driven research at SAFE by supporting the researchers in collecting, (pre-)processing, curating and documenting many different kinds of data. It also makes the data available to external users, in particular via partner institutions such as the University of Mannheim and the Leibniz Information Centre for Economics (ZBW). The connection between the RDC and the research departments at SAFE should be strengthened further. In particular, provision should be made to ensure that, in future, all data collected at SAFE is passed on to the RDC for preparation and publication (see recommendation 3 for details).

Securing the project on Financial and Corporate Research from a Long-Term Perspective is a major success for the RDC. It will run for 18 years (2025–2042) (see chapter 3) and will give the RDC the potential to establish itself as the centre for long-term financial and business data in Germany. The first datasets and research papers are expected to emerge by 2025. The

other plans in the work programme, including integrating AI into empirical economic research, are convincing.

## **8. Handling of recommendations of the last external evaluation**

SAFE successfully addressed the recommendations made by the German Science and Humanities Council (*Wissenschaftsrat*) in 2019 (see Status Report, p. A-21–23). The recommendation on efforts to attract female researchers (recommendation 6) still applies.



1 December 2025

**Annex C: Statement of the Institution on the Evaluation Report**

**Leibniz Institute for Financial Research SAFE, Frankfurt/Main**

The Leibniz Institute for Financial Research SAFE is very pleased that both our current work and our development in the past seven years have been recognized and rated very positively by the external review board. We also very much appreciate that the evaluators support our plans for the future, in particular concerning the projected application for further funds to specialize in the area of green and sustainable finance and law. As suggested, we will now work out this proposal in greater detail and prepare it for submission.

The numerous constructive recommendations and knowledgeable comments in the evaluation report are extremely valuable to us. We will examine them carefully together with our Research Advisory Council and implement them as far as possible. In some respects, we see ourselves already well on track. Concerning the share of third-party funding, for example, the 2022-2024 average share of 12% stated in the report disguises the clear positive trend from 5% in 2022 to 17% in 2024 that continues to persist. We are also very confident to finalize the ongoing hiring process for the head of our Macro Finance department in 2026. We absolutely share the view expressed in the report that macroeconomic financial expertise is crucial for the institute's success.

SAFE very much appreciates that the review board recognizes its efforts to link legal and financial research as highly successful and as a unique strength of the institute. Implementing genuine interdisciplinarity represents a substantial departure from mainstream legal research practices in Europe. The report also correctly identifies the Cluster's main challenge: combining an ambition to publish in international peer-reviewed journals with the need to remain connected to the German legal academic landscape, not least to support the career prospects of our junior researchers. Despite this unique challenge, the Cluster's publication output per capita compares favorably with the other SAFE units. We regard the performance of the Cluster as a strong signal that it is on a promising trajectory and already operates at a high, internationally relevant level.

Overall, we are delighted by the very positive tone and feedback both during the onsite evaluation and in the report and consider the results as a mandate to continue on the general path we have embarked upon. We will take the feedback as an incentive to continue working with determination and enthusiasm on the development of the institute to lead it to comprehensive excellence and the highest international reputation. Last but not least, we would like to thank everyone involved for their great commitment, high level of expertise, and very useful recommendations.