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Aims and Scope: *Financial Services Review* is the official publication of the Academy of Financial Services. The purpose of this refereed academic journal is to encourage rigorous empirical research that examines **individual behavior** in terms of financial planning and services. In contrast to the many corporate or institutional journals that are available in finance, the focus of this journal is on individual financial issues. The Journal provides a forum for those who are interested in the individual perspective on issues in the areas of Financial Services, Employee Benefits, Estate and Tax Planning, Financial Counseling, Financial Planning, Insurance, Investments, Mutual Funds, Pension and Retirement Planning, and Real Estate.

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From the Editor

This issue contains **Issue 1 of Volume 23** of *Financial Services Review* (*FSR*). I would like to thank the board and members of the Academy of Financial Services for their continued support. I continue to work in broadening the scope of articles, while still focusing on individual financial management and personal financial planning. I encourage authors to reach out when discussing implications of their findings in a more comprehensive way. As such, all articles in the Journal more appropriately relate to financial planning issues.

The lead article "Does a Relationship with a Financial Service Professional Overcome a Client's Sense of Not Being in Control of Achieving their Goals?" is by Danielle D. Winchester at North Carolina A&T State University. In this article the author examines the effects of individual control beliefs on financial goal progress under the Theory of Planned Behavior. Her findings suggest that low control beliefs are significantly associated with less financial-goal progress; although she shows that the receipt of expert financial advice can reduce this negative effect and results in similar, and in some goal areas, in higher levels of goal progress than that of individuals with high control beliefs.

The second article "Low-Income Employees: The Relationship Between Information from Formal Advisors and Financial Behaviors ," is coauthored by Crystal R. Hudson at Clark Atlanta University and Lance Palmer at the University of Georgia.In this article, the authors investigate the financial literacy of low-income employees, by examining their financial behaviors. Using data from the 2010 Survey of Consumer Finances, the authors find a significant and positive relationship between the use of information from formal advisors and low-income employees' positive financial behaviors. Their research demonstrates that low-income employees who use information from formal advisors exhibit better financial behaviors than those who do not use advisors..

The third article, "Downside Risk – What the Consumer Sentiment Index Reveals ," is coauthored by Mark A. Johnson at Loyola University Maryland and Atsuyuki Naka at

University of New Orleans. The authors examine the ability of consumer sentiment using different age groups to forecast short-term and long-term equity returns. Using a long-horizon asymmetric response regression format, they show that negative changes in sentiment have a greater influence on stock returns than positive changes in sentiment. They observe that younger individuals appear to be less risk-averse than older individuals. This article provides evidence that risk is an important consideration when investing, and that demographic characteristics are a consideration when determining appropriate investing approaches.

The fourth article, "Investor Preference for Skewness and the Incubation of Mutual Funds" is coauthored by Philip Gibson at the University of the Incarnate Word and Michael Finke at Texas Tech University. The authors investigate the performance of funds created through incubation. Incubation creates an incentive for fund families to select highly skewed securities since extreme performance during incubation will increase the likelihood that some funds will outperform before they are sold to the public. Although incubation is as an innovative fund promotion technique, it may harm investors by creating the perception that random prior returns are a signal of fund quality. The authors find that net new money flow increases with an incubated fund's skewness. After incubated funds are sold to the public, skewed funds attract more investor dollars and their average performance declines. Their results suggest that the use of skewed securities during incubation is an effective method for increasing demand, but may be a poor quality signal of future performance.

The final article, "Performance and Persistence of Performance of Healthcare Mutual Funds," is coauthored by Abhay Kaushik and Lynn K. Saubert both at Radford University. In this article the authors analyze 10.55 actively managed domestic healthcare mutual funds over a 12-year period. They show that healthcare mutual funds outperform the passive index by roughly 2.97 percent per year after controlling for the market risk premium, growth and size premiums, and momentum effects. Additionally they demonstrate that the abnormal performance over and under does not persist over subsequent periods, indicating that under and over performances are mean reverting.

I would like to send a special thank you to the many reviewers that have significantly contributed to the quality of our journal by providing timely and thorough reviews of the submissions to our journal. Thanks to those who make the journal possible, especially the referees and contributing authors.

Please consider submission to the Financial Services Review and rely on the style information provided to ease readability and streamline the review process. The Journal welcomes articles over the range of areas that comprise personal financial planning. While FSR articles are certainly diverse in terms of topic, data, and method, they are focused in terms of motivation. FSR exists to produce research that addresses issues that matter to individuals. I remain committed to the goal of making Financial Services Review the best academic journal in individual financial management and personal financial planning.

I'm pleased to announce the recent partnership between Academy of Financial Services and The Financial Planning Association. The joint April announcement stated "The Financial Planning Association® (FPA®) and the Academy of Financial Services (AFS) have entered into a partnership that makes the two organizations co-publishers of Financial Services Review. "As the membership organization for CFP® professionals, FPA is committed to bringing together all key stakeholders that advance the profession of financial planning. This partnership enables FPA to connect academicians, practitioners and students in support of its members and the growth of the profession," said Lauren M. Schadle, CAE, FPA executive director and CEO. "An electronic version of Financial Services Review will be available to all FPA members, which will complement the award winning Journal of Financial Planning and substantiate FPA's role in expanding the body of knowledge for financial planning." "FPA and AFS share the desire to encourage basic and applied research in personal financial planning, as well as the need for interaction between financial services professionals and academicians. Working together, we can bring these groups into greater alignment for the benefit of the profession and the people it serves," added Lance Palmer, Ph.D., CFP®, president of AFS and associate professor at the University of Georgia. AFS will be invited to co-sponsor academic research presentations and hold a joint session to discuss the needs and priorities for practitioner-focused academic research at FPA BE: Seattle 2014, the annual conference of the financial planning community Sept. 20-22."

Best regards,
Stuart Michelson
Editor *Financial Services Review*