FINANCIAL SERVICES REVIEW

Financial Services Review 26 (2017) v–vi

From the Editor

This issue contains **Issue 1 of Volume 26** 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 "Individual Estimates of Life Expectancy and Consumption Patterns," is coauthored Derek R. Lawson and Stuart J. Heckman, both at Kansas State University. Using the 2013 Survey of Consumer Finances, the authors investigate the relationship between subjective life expectancy and three indicators of consumption: financial assets, credit card debt, and saving behavior. Their results indicate that remaining work life expectancy and retirement life expectancy are associated with financial assets and that retirement life expectancy is associated with savings behavior.

The second article "Employees' Financial Behaviors Following the 2007–2009 Financial Crisis," is coauthored by Crystal Hudson at Clark Atlanta University, Wookjae Heo at South Dakota State University, Heejung Park at University of Wyoming, and Lance Palmer at University of Georgia. This paper is based on the foundation that low- and middle-income employees make up the bulk of potential participants in employer-sponsored retirement plans and employers find it difficult to alter the employees savings behavior. Noting that financial crises may have unintended positive effects on low-income employees' behavior, the authors examine the effect of the 2007–2009 financial crisis on employees' financial behaviors using data from the Survey of Consumer Finances. Their results show that following the financial crisis, all employees' and low-income employees' savings behavior significantly improved and employees' cash flow management behavior improved following the crisis, while it had no effect on low-income employees' cash flow management behavior.

The third article, "Value Line Quarterly EPS Forecast Error: Analyst Credibility or Management Appeasement?" is authored by Philip Baird at Duquesne University. The author studies Value Line quarterly earnings forecast errors from 1999 through 2016 and shows that the direction of forecast bias and forecast efficiency with respect to earnings news depend on investment rating. He concludes that patterns of bias and inefficiency indicate that Value Line analysts are primarily motivated to maintain credibility with investors than to appease company managers. He also shows that for Buy-rated stocks, forecast bias is pessimistic, and forecasts are inefficient with respect to good earnings news. When news is bad for Buy-rated Stocks, forecasts are unbiased and efficient. For Sell-rated stocks, forecast bias is optimistic, and forecasts are inefficient with respect to bad earnings news. When news is good for Sell-rated Stocks, forecasts are unbiased and efficient.

The fourth article, "Personality and Borrowing Behavior: An Examination of the Role of Need for Material Resources and Need for Arousal Traits on Household's Borrowing Decisions" is coauthored by Atefeh Yazdanparast and Yasser Alhenawi, both at University of Evansville. The authors examine the role of psychological characteristics of household decision makers in their borrowing decisions using the Survey of Consumer Finances and direct measures of each surveyed household's personality scores, relevant attitudes, and financial profiles. They examine the relationship between attitude towards borrowing and intentions to apply for specific borrowing options and inspect the role of personality traits in such decisions. Their findings indicate that the attitude toward borrowing and the intuition to borrow are not always consistent and the discrepancies between the two vary across personalities, highlighting the role of personality traits in borrowing decisions. The authors report strong evidence that personal attitudinal biases towards money, risk, financial planning, and borrowing as well as certain demographic characteristics influence household's borrowing behavior.

The final article, "The Impact of Age Differences and Race on the Social Security Early Retirement Decision for Married Couples: An Extension with Gender Role Reversals," is coauthored by Diane Scott Docking at Northern Illinois University, Rich Fortin at New Mexico State University, and S. E. Michelson at Stetson University. The authors examine the impact of age differences on the social security early and delayed retirement decision for married couples. They develop an Excel model to compute the breakeven internal rate of return for each of the race combinations. They find for couples the greater the age difference, the greater the incentive to retire early, as the hurdle rate is lower to overcome. Because women almost always have higher BE IRRs than men, they find that in marriages where the wife is the breadwinner and the older partner, it is more difficult for the couple to retire early, as compared to marriages where the husband is the breadwinner and the older partner. Hispanics have higher hurdle rates; while Whites have lower hurdle rates. Because of the difference in break-evens, Hispanics have a more difficult time retiring early, while Whites have a less difficulty retiring early.

Thanks to those who make the journal possible, especially the referees and contributing authors. Over the past year, the following reviewers provided excellent reviews of the articles you enjoyed within the pages of Financial Services Review. 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.

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.

Best regards,
Stuart Michelson
Editor *Financial Services Review*