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From the Editor

This issue contains **Volume 27 - Issue 1** 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 "Credit Usage, Payment Behavior and the Accuracy of Consumer Credit Files" is authored by L. Douglas Smith at University of Missouri-St. Louis, Michael Staten at University of Arizona, Thomas Eyssell at University of Missouri-St. Louis, Maureen Karig at University of Missouri-St. Louis, Jeffrey Feinstein at LexisNexis Risk Solutions, and Cathleen Johnson at University of Arizona. In this research, the authors conduct interviews, examine credit reports, and rescore corrected credit files, to consider household characteristics, major life events, financial resources, and payment habits in order to study the integrity of credit-bureau data, vulnerability to error, and results of disputes filed with the major credit bureaus. They find that credit usage and management vary widely within demographic groups. They conclude that consumers with moderate credit scores are more likely than those with very high or low scores to see significant improvement in their records when errors are corrected.

The second article "Age When First Employed and Retirement Wealth of Baby Boomers" is coauthored by Hyungsoo Kim at University of Kentucky, Serah Shin at University of Kentucky, Qun Zhang at University of Kentucky, and Martie Gillen at University of Florida. The authors examine how age when first employed is related to retirement savings in later years. Using data from the Health and Retirement Study, they investigate two specific questions: Has age when first employed affected the retirement wealth of baby boomers? If so, to what extent? Their results show that age when first employed is negatively associated with accumulated retirement wealth in later years. For college graduates delaying the start of employment cost approximately $35,103 per year in retirement savings after controlling for demographic characteristics, number of working years, and occupation types.

The third article, "Conflicted Advice About Portfolio Diversification" is coauthored by Sally Shen at Global Risk Institute in Financial Services and John A. Turner at Pension Policy Center. The authors investigate the validity of the argument by the financial services industry to "roll over your 'old' 401(k) plan" because 401(k)-type plans have a limited number of investment options, while IRAs have a virtually unlimited number of options.

They analyze the diversification of a large 401(k)-type plan with only five basic investment options. They find that financial advisers with a conflict of interest may use strategic complexity to encourage rollovers, recommend complex portfolios to impress naïve clients, while not weighing the cost of the complex portfolios against any added benefits of diversification.

The fourth article, "The Role of Perceived Quality of Personal Service in Influencing Trust and Satisfaction with Banks" is coauthored by Anders Carlander, Amelie Gamble, Tommy Gärling, Jeanette Carlsson Hauff, Lars-Olof Johansson, and Martin Holmen, all at University of Gothenburg. The authors investigate if trust in banks increases with repeated personal contacts with respect to the customer-employee relationship. They utilize data from an on-line survey of customers of Swedish retail banks and find that trust in the bank is influenced by perceived quality of personal service through employees' perceived competence, perceived benevolence, and perceived transparency. They also find that satisfaction with the bank is influenced by perceived quality of personal service through perceived competence, perceived benevolence, and perceived transparency.

The final article, "Expense Ratios and Net Alphas of Large Cap Funds: Do Expenses Add Value?" is coauthored by Abhay Kaushik and Raymond Boisvert, both at Radford University. The authors analyze the performance of large cap equity funds over the period January 2000 to December 2103 (a particularly tumultuous period), with the objective to assess the performance as reflected in the alpha of funds conditioned on expenses. The results are mixed for large cap funds across individual categories and when performance is measured conditioned on expenses.

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*