

## From the Editor

This issue contains **Volume 27 - Issue 2** 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 “What do Financial Planning Organizations Communicate to Stakeholders and Consumers? An Empirical Narrative Analysis” is coauthored by Wookjae at South Dakota State University, Heo, Narang Park at University of Georgia, Robin Henager at Whitworth University, and John E. Grable at University of Georgia. The authors examine how the financial organizations present relevant information to stakeholders and consumers and what differences exist between what organizations intend to deliver and what consumers and stakeholders perceive from the communication channels. Using text mining techniques, their results show that financial planning organizations were successfully addressing their own position in the financial planning profession; however, they were failing to communicate specifics about their value to consumers.

The second article “An Examination of the Federal Employee Retirement System (FERS) Survivor Annuity Benefit” is coauthored by Kevin Davis at USAF Academy, Steve P. Fraser at Florida Gulf Coast University, and William W. Jennings at USAF Academy. The authors present a study on the Federal Employees Retirement System (FERS) which provides survivor annuity benefits for employees who forfeit a portion of their annuity as a premium. They develop a Monte Carlo simulation to describe the distributions and implied internal rates of return for FERS annuitants who elect a joint and survivor annuity. Their analysis suggests that the survivor benefit program is quite lucrative for most male retirees. In contrast, the program is less rewarding for female retirees, especially if younger than their spouse. For many female retirees, the program actually produces a negative return.

The third article, “A Framework for Analyzing Defined Benefit Pension Insurance: The Survivor Benefit Plan for Veterans,” is coauthored by William W. Jennings at United States Air Force Academy, Jeffrey C. Merrell at University of Colorado, Boulder, Thomas C. O’Malley at United States Air Force Academy, and Brian C. Payne at University of Colorado, Colorado Springs. In this study, the authors present a framework for making a pension insurance method decision for US military veterans’ Survivor Benefit Plan (SBP). They find that Federal government subsidies generate a positive expected net payout for

SBP. While insurance outcomes are typically skewed, they show the asymmetry of SBP outcomes. They describe a scenario where 5% of participants receive 60% of benefits. An alternative financial planning approach incorporates private insurance and investments and often bests the SBP, when utilizing actuarially-correct life expectancy, moral hazard, taxes, and individual financial needs.

The fourth article, “Who Uses Robo-Advisory Services, And Who Does Not?” is coauthored by Martha Fulk, John E. Grable, Kimberly Watkins, and Michelle Kruger all at University of Georgia. The authors compare the demographic, attitudinal, and behavioral characteristics of US consumers in their current and expected use of robo-advisory services, traditional financial planning services, or a combination of the two. Their findings show a difference between those who used robo-advisory services and those who used traditional financial planning services. Overall, those who used a traditional financial planner were older and reported higher levels of net worth. Additionally, they find those who used traditional financial planning services reported a larger percentage of their total net worth from an inheritance, and users of robo-advisory services generally (a) had lower income, (b) had lower net worth, (c) had received no or less inheritance, and (d) were less impulsive financially.

The final article, “Risk and Uncertainty in Style Rotation” is authored by Timothy A. Krause at Penn State, Behrend. The author states the CBOE® VIX (volatility) index has been established as an indicator of style returns because increases in this “fear index” lead to outperformance of “value” vs “growth” stocks. In this paper, the author introduces the concept of “uncertainty” as an additional indicator of returns to value, as measured by the CBOE® VVIX (“volatility of volatility”). His research shows that increases in expected volatility lead to short-term positive returns to value, while increases in uncertainty lead to negative short-term returns to value. He also observes that these are especially strong during economic downturns and following decreases in the VIX index.

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*