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From the Editor

This issue contains **Volume 27 - Issue 3** 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 "Describing Investor Profiles: A Test of the Associations among Financial Knowledge, Confidence, and Help and Information Sources" is coauthored by Abed Rabbani at University of Missouri, John E. Grable, Ann Woodyard, and Zheying Yao, at University of Georgia. In this study, the authors use a large, nationally-drawn dataset of individuals who own financial assets to explore the relationships between and among types of investments owned, knowledge characteristics, investor confidence, and help and information sources. The authors found that investors who exhibited over-confidence in their financial knowledge were more likely to hold annuities, cash value life insurance, and commodities. They also found that financial planners play an important role in promoting diversification and mitigating portfolio risk.

The second article "Advisor Compensation: Which Clients Know and How Do They Pay?" is coauthored by Somer G. Anderson at, Maryville University, Martin C. Seay at Kansas State University, Kyoung Tae Kim at University of Alabama, and Derek R. Lawsond at Kansas State University. The authors study agency theory using the 2015 National Financial Capability Study Investor Survey to investigate characteristics associated with knowing how one's financial advisor/broker is compensated. The study examines how individuals who do know the compensation method choose between financial advisors with different compensation models. Their results indicate that clients who place importance on fees that are more knowledgeable about diversification, and perform background checks are more likely to know compensation methods. Mixed results show that clients may not fully understand the compensation paid to their advisors.

The third article, "Improving Long-Term Portfolio Risk and Return by Using Appreciated Stocks for Charitable Donations" is authored by Jeff Whitworth at University of Houston-Clear Lake. The author studies how stock investors who are charitable donors can minimize capital gains taxes and improve portfolio diversification by donating their most appreciated shares instead of cash, and then reinvesting the freed-up cash in the portfolio's least-weighted stocks. In theory the charity is indifferent to the donation method, and the investor receives the same charitable deduction. Using Monte Carlo simulations the authors shows that a donor-investor using this method results in higher wealth and lower portfolio risk, particularly over longer time horizons. He concludes that combining this strategy with tax loss selling and some limited recognition of capital gains harvesting further increases after-tax returns and reduces risk.

The fourth article, "Factors Related to the Risk Tolerance of Households in China and the United States: Implications for the Future of Financial Markets in China," is coauthored by Sherman D. Hanna at Ohio State University, Kyoung Tae Kim at University of Alabama, and Lishu Zhang at ShenZhen University. The authors analyze factors related to the financial risk tolerance of Chinese households, using the 2011 China Household Finance Survey (CHFS). The risk tolerance question was similar to one in the U.S. Survey of Consumer Finances (SCF), and the authors found that CHFS respondents had slightly higher risk tolerance than SCF respondents, but the percent of households with stock assets was 9%, compared to 49% in the U.S. Their multivariate analyses found many household characteristics in the CHFS had effects on risk tolerance similar to those found in the 2013 SCF.

The final article, "Perspectives on "Sell in May and Go Away - A Look at Recent Evidence and Implications" is authored by Tony Loviscek at Seton Hall University. The author studies three perspectives on the quote "sell in May and go away." He tests the annual performance of switching from four equity mutual funds to U.S. Treasury Bills against that of the buy-and-hold strategy, he examines the switching strategy during the two bear and two bull markets occurring from 2000 to 2016, and finally he tests the impact of taxes on the switching strategy. His findings show that although there are signs of switching strategy effectiveness, the results lack the statistical significance to conclude that it is superior to the buy-and-hold strategy.

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*