

From the Editor

This issue contains Issue 1 of Volume 22 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 will more appropriately relate to financial planning issues.

The lead article “The Demand for Disability Insurance,” is coauthored by Janine K. Scott and Michael S. Finke, both at Texas Tech University. The authors explore factors that affect demand for disability insurance and investigate the impact of financial sophistication and professional financial advice on insurance ownership. They find that demand for disability insurance increases with financial sophistication, the use of a financial advisor, and proxies for group insurance availability. Their results indicate that low demand for disability insurance can be attributed to both demand and supply factors.

The second article, “Socially Responsible Investing and Student Managed Investment Funds: Expanding Investment Education” is written by John Clinebell at the University of Northern Colorado. The author discusses the history and trends in social investing and shows how the concepts of social investing can be incorporated in student managed investment funds. Even though there are many challenges to overcome in integrating SRI in the finance curriculum, the author proposes that student managed investment funds may provide a useful vehicle for addressing the ethical and social issues faced in today’s investment environment.

The third article, “Financial Risk Tolerance: An Analysis of Unexplored Factors,” is coauthored by Ryan Gibson with Woolworths Limited, David Michayluk at the University of Technology, Sydney and Gerhard Van de Venter at the University of Technology, Sydney. Using data from a survey alliance between Kiplinger’s Personal Finance Magazine, PBS’s Nightly Business Report and FinaMetrica, the authors explore demographical and attitudinal factors related to financial risk tolerance. They find a positive relationship between risk tolerance and income, investment knowledge and positive stock market expectations. Risk tolerance is found to be lower for females, older individuals, those that currently use a financial advisor and individuals that perceive the stock market to be riskier than the prior two years.

The fourth article, “Optimal Contribution Strategy as a Function of the Optimal Withdrawal Decision Making: Case of Deductible IRA versus Roth IRA” is written by Andrei Shynkevich at Kent State University. The author revisits the issue of the attractiveness of the

deductible IRA versus Roth IRA by combining the contribution phase with the withdrawal phase in the analysis. He finds the optimal contribution strategy is not affected by the expected length of the retirement horizon in the flat tax rate environment. In the presence of progressive taxes, he shows that the investor should contribute more to the Roth IRA if the retirement period is shorter and if the investor is more optimistic about the return his investments will produce. The decision to convert the funds at the existing deductible IRA to Roth IRA and the decision to start making contributions to a newly available Roth IRA are not necessarily the same.

The final article, "Risk Tolerance and Demographic Characteristics: Preliminary Irish Evidence," is coauthored by Charles Larkin and Brian M. Lucey, both at Trinity College Dublin. The authors examine the extent of financial risk tolerance in Irish adults. They use a survey instrument (J. Grable & Lytton, 1999) of 13 item risk tolerance measures, and find age, gender and education levels have an impact on risk tolerance.

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. Reviewers that assisted in providing quality, timely reviews over the past year include: Karan Bhanot, Sonya Britt, Thira Hira, Natalie Chieffe, James Conover, Peter Chen, Michael Collins, Dale Domian, James Dow, Giovanni Fernandez, Matt Hurst, Marie-Eve Lachance, James Larsen, Robert Moreschi, Wade Pfau, Larry Prather, Bill Reichenstein, Cliff Robb, Gowri Shankar, and Deanna Sharpe. 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.

Stuart Michelson
Editor *Financial Services Review*