

From the Editor

Karen Eilers Lahey

GREAT NEWS!

The publication of this issue marks the final semi-annual issue of the *Financial Services Review* (FSR). The long awaited quarterly publication of the journal starts with the next issue which will be published in January, 1997. As I am sure you are aware, the move to a quarterly journal means more articles can be published in a timely fashion and more manuscript submissions are required. For Volume 5, the acceptance rate is approximately 15 percent of the manuscripts that have been submitted and reviewed through August, 1996.

In recognition of the hard work of the members of the editorial board and the ad hoc reviewers, I wish to formally thank each of you. The editorial board members are recognized in each issue of the journal. The 67 ad hoc reviewers who have made a significant contribution to the selection of the final articles are recognized in this issue.

If you are seeking additional information on the FSR journal, please consult our new website. The address is: <http://www.uakron.edu/cba/fsr/fsr.html>

A request for more volunteers seems appropriate with the move to a quarterly journal. If you are willing to be an ad hoc reviewer send me a message by e-mail (klahey@uakron.edu) or by "snail mail." Please indicate the topic areas that you feel most competent to review and we will certainly accept your offer to work as soon as we receive a manuscript that matches your expertise. Doug Kahl, who is in charge of the new column on Book, Software and Web Site Reviews, is actively looking for individuals who are willing to review textbooks and websites.

This issue of the FSR journal contains four articles on very different topic areas. The first article is entitled, "Risk Aversion Measures: Comparing Attitudes and Asset Allocation" and is written by Diane Schooley and Debra Drecnick Worden. They examine the very fundamental question of household's willingness to accept risk in their selection of investments. They find that portfolio allocations are reliable indicators of attitudes about risk and that individuals understand the differences in the risk of alternative investments. Their article also considers individual socioeconomic factors and goals in the selection of assets.

I would like to encourage other authors to submit manuscripts that address these important issues of the individual's understanding of risk and asset selection. The topics are important in light of the need for increased savings for retirement and the demand that individuals select appropriate investments for their 401, 403(b), IRA, and Keogh plans. Manuscripts on pension and retirement planning would be most pertinent.

The second article is entitled, "A Simulation Approach to the Choice Between Fixed and Adjustable Rate Mortgages" by William K. Templeton, Robert S. Main, and J. B. Orris. This represents the first real estate article that has been published in the *Financial Services Review* journal and I would like to encourage other authors to submit real estate papers on issues of concern to individual investors.

Templeton, Main, and Orris presented the initial draft of this paper at the annual meeting of the **Academy of Financial Services** held in New York City in October, 1995. They provide borrowers with a model on which to base their choice of mortgage types by examining the impact of changes in interest rates, the spread between the two types of mortgages, the teaser discount rate, points, refinancing costs, and the cost and payments for the planned life of the mortgage.

Jill Vihtelic's article is entitled, "Personal Finance: An Alternative Approach to Teaching Undergraduate Finance." She has presented her ideas on this subject at various academic meetings. An extensive review of the literature is employed to argue for a change in the first course to be taught in the finance curriculum from corporate finance to personal financial management. Her recommendation is based on education and learning theory.

I would encourage those who share Vihtelic's viewpoint or have a different viewpoint to submit either a letter to the editor with your opinions or a formal manuscript which rigorously argues for your recommendation. The declining enrollment in some Colleges of Business, the change in the type of students enrolled, and a different set of expectations by the American Assembly of Collegiate Schools of Business suggests the need for a lively debate on changes in the curriculum offered in undergraduate and graduate finance.

The final article in this issue is entitled, "The Effects of Mutual Fund Managers' Characteristics on Their Portfolio Performance, Risk and Fees" and is written by Joseph H. Golec. He tests mutual fund managers' characteristics in an effort to explain fund performance, risk, and fees. He incorporates the relevant mutual fund academic literature in discussing his results and making specific recommendations for individual investors.

Lastly, I would like to encourage you to read Timothy R. Smaby's review of the Association for Investment Management and Research (AIMR) web site and Thomas Eysell's reviews of the New York Stock Exchange, the Chicago Board of Options Exchange and the Financial Management Association websites. Hopefully, you will be able to use the information that is provided to incorporate these sites into your research and teaching activities.