

# From the Editor

Karen Eilers Lahey

The lead article by James S. Ang and Ali M. Fatemi is entitled “Personal Bankruptcy Costs: Their Relevance and Some Estimates.” Numerous theoretical and empirical research articles have appeared over the years to explain corporate bankruptcy and its costs, and the popular press frequently cite bankruptcy court statistics to indicate that an ever increasing number of individuals elect to declare personal bankruptcy. However, there have not been any articles that seek to provide a theoretical basis for personal bankruptcy. Ang and Fatemi develop the first such theory and provide testable hypothesis of bankruptcy costs.

“An Application of Fuzzy Set Theory to the Individual Investor Problem” by Manuel Tarrazo is based on a paper he presented at the 1996 **Academy of Financial Services**. The article is a tutorial on fuzzy set theory and its applicability to asset allocation in terms of: (a) investor age, (b) type of assets that includes savings accounts, corporate bonds, common stock, and real estate, and (c) asset properties of liquidity, income, appreciation and safety.

Susan Logan Nelson and Theron R. Nelson report on a series of surveys that they have conducted to determine the public’s recognition of professional designations. Their article entitled, “The Use of Professional Designations in the Real Estate Industry” contains a discussion of the goals of professional certification and the process of obtaining it. They note that the most recognized professional designation is the CPA, and that the CFP appears to be gaining increased recognition during the period of the study from 1991 to 1996.

“An Overview of Financial Services Resources on the Internet” by Brian Grinder provides a review of the academic literature on the impact of the Internet on education and examples of current sites that can be used by financial service specialties. He constructs a stand-alone table that can be used as a convenient source of annotated information on specific websites. The table is organized by the following categories: (a) investments, (b) mutual funds, (c) banking/banking services, (d) financial planning/pension and retirement planning/estate planning, (e) tax planning, (f) real estate, (g) insurance, (h) financial counseling, (i) employee benefits, and (j) education in financial services.

Julie A.B. Cagle and Gary E. Porter examine the potential profit for depositors of investing in IPOs. Their article entitled, “Conversions of Mutual Savings Institutions: Do Initial Returns From These IPOs Provide Investors with Windfall Profits?” finds that the initial stock offers are not priced differently than other financial institutions.

The regular column, **Book, Software and Web Site Reviews**, reviews a textbook and two websites. The textbook written by J. Kimball Dietrich is entitled *The Financial*

*Services and Financial Institutions* and is reviewed by James Marchand. J. Tim Query examines the American Risk and Insurance Association (ARIA) website and Douglas R. Kahl looks at the Mutual Fund Investor's Center site.