

From the Editor

Karen Eilers Lahey

S. Travis Pritchett provides a thought provoking discussion of the projection of life insurance cash values based on historical investment experience that is helpful for both academics and financial planners. As a past President (1988–89) of the Academy of Financial Services, his continued interest in our organization is very much appreciated. As editor, I would like to encourage other authors to provide this type of rigorous analysis of commonly used industry practices.

“Performance and Persistence in Money Market Fund Returns” by Dale L. Domian and William Reichenstein offers strong evidence that the one factor that is significant in money fund performance is the expense ratio. This factor leads to a persistence in fund performance over time that makes it easy for the investor to select a fund that provides high returns.

Sandeep Singh and William H. Dresnack examine the individual investor’s choice between national municipal bond portfolios and state specific bond mutual funds in two states with high taxes, New York and California. Their article entitled, “Market Knowledge in Managed Municipal Bond Portfolios” utilizes previous research in this area to explain the difficulties that investors face in this type of investment.

Douglas R. Kahl explains how he solves the problem of running a student-managed investment fund at an urban university. “The Challenges and Opportunities of Student-Managed Investment Funds at Metropolitan Universities,” illustrates how important industry financial contributions such as Oak Associates Ltd. gift to ten higher educational institutions can be in helping students understand the investment process.

“Asset Allocation and Investment Horizon,” by Keith V. Smith examines asset allocation recommendations by brokerage firms that appears quarterly in the *Wall Street Journal*. He finds that a buy-and-hold strategy appears to produce a higher return than quarterly, semi-annual, and annual asset allocation adjustments.

Three very interesting books are reviewed in this issue. The first book, *The Millionaire Next Door*, is written by two academics in marketing and reflects their survey data description of those who achieve millionaire status. *The Financial Services Revolution*, looks at the changes in the industry during the last 20 years. Lastly, Harold Evensky’s, *Wealth Management*, is a comprehensive guide to financial planning by a widely recognized professional in the field.

Dede Pahl has asked me to include an addendum to Brian Grinder’s article, “An Overview of Financial Services Resources on the Internet,” which appeared in Vol. 6 No. 2 of this journal. The addendum appears in the back of this issue.