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From the Editor

Karen Eilers Lahey

This last issue of Volume 7 for 1998 includes a formal thank-you to the 65 individuals who are specially listed on the reviewers pages and those associate editors who graciously give of their time by reviewing several manuscripts a year. Each manuscript is reviewed by at least two reviewers and sometimes three for the initial version of the paper and all subsequent revisions until the final acceptance of the article.

Kenneth S. Bigel's article entitled, "The Correlations of Professionalization and Compensation Sources with the Ethical Development of Personal Investment Planners" is taken from Dr. Bigel's dissertation. He begins by explaining the current state of the investment planning industry and then discusses the psychology of ethical development. The results of his research indicate that there are differences in ethical development between individuals who hold the Certified Financial Planner (CFP) mark and those who do not hold it. He also finds differences based on age and gender. I would certainly like to encourage you to read his article and consider submitting manuscripts that add to our knowledge about ethics in individual financial management.

Robert P. Goss, President of the Certified Financial Planner Board of Standards, provides comments on Bigel's paper. A copy of the the CFP Licensee Standards, Section I—Code of Ethics and Professional Responsibility and Section III—Financial Planning Practice Standards, is published as part of the comment to inform readers of the specify standards that CFPs are required to adhere to in their professional activities. The full text can be found on the CFP website at (www.cfp-board.org/Licensee/eadtoc-frame.set.html).

A topic of interest to academics, financial planners, and parents is how to have sufficient funds available for college tuition when children are ready to attend school. Judson W. Russell and Robert Brooks categorize the prepaid state college tuition plans that have been developed since 1987 into three group that they call contract, tuition credit, and certificate plans. They apply a surplus framework model to managing the tuition risk faced by these state plans and suggest that it can be used by individuals in allocating their assets that are designated for college costs.

Andy Saporoschenko tests the impact of dividend reinvestment plans (DRIPs) on the

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firm's value and efficiency. He is concerned with the issue of the cheap source of outside financing that reinvested dividends provide to firms that have this type of plan. A description of DRIPs is provided with an analysis of the industry distribution of this type of individual investor benefit and previous research. His results indicate that there is no statistical difference in the value of firms that have DRIPs versus those that do not have the plans. Larger firms are more likely to have DRIPs, which supports his bookkeeping rationale to explain the existence of these plans.

As the population in the United States increases in age, planning for retirement housing becomes a more critical issue for all investors. Karen M. Gibler, George P. Mochis and Euehun Lee provide the results of a survey of individuals who are 55 years of age or older to determine their interest in retirement community housing. They provide readers with a review of seniors housing options that are currently available and their associated costs. Their survey provides insight into the thoughts of those near retirement or already retired in terms of desired characteristics of retirement communities and why they would move to that type of housing.

The last article by Gordon J. Alexander, Jonathan D. Jones, and Peter J. Nigro reports on a survey of 2,000 randomly selected mutual fund investors conducted for the Office of the Comptroller of the Currency and the Securities and Exchange Commission. The results strongly suggest that efforts at improving the financial literacy of mutual fund investors are needed. This is particularly important in light of the ever increasing number of individual investors who trade in financial markets today.