



From the Editor

Karen Eilers Lahey

The first issue of the Vol. 8 for 1999 brings several new developments to the journal. First, there are changes in the editorial board of Financial Services Review. I very much thank those individuals who have served as associate editors for all of their time and effort. For the newly appointed members we look forward to sending you lots of manuscripts and seeking your advice.

Secondly, we are moving to a more electronic based system. This new approach will encompass the ability to accept manuscript submission by e-mail attachment from current members, electronic transmission and retrieval of manuscripts and reviews from referees, as well as electronic transfer to the publisher. Hopefully this will be more convenient and shorten the review process.

Third, the journal will no longer be carrying the book, software, and website reviews column that has been so ably edited by Dr. Douglas R. Kahl. All of his help in providing this feature is very much appreciated.

Finally, as of January 1, 1999 Elsevier/North Holland has purchased JAI Press, the journal's former publisher. You will notice some minor changes in how the journal looks with the new publisher. In addition, Elsevier/North Holland brings standardization to their journals in such areas as classification by JEL codes and keywords to make it easier to electronically search for article via online data bases. Look for new submission requirements in the journal as well as on our website at <http://www.uakron.edu/cba/fsr/fsr.html>.

The lead article in this issue is entitled, "Gender Differences in Defined Contribution Pension Decisions" and is written by Vickie L. Baitelsmit, Alexandra Bernasek, and Nancy A. Jianakoplos. They utilize the national Survey of Consumer Finances to examine the question of possible risk aversion differences by gender. Their results suggest that there are significant differences in allocation of wealth that may impact retirement consumption well into the next century.

Kwok Ho, Moshe Arye Milevsky, and Chris Robinson develop a model to determine potential shortfall risk from a desired consumption level for a retired investor. Their article entitled, "International Equity Diversification and Shortfall Risk" looks at potential benefits of diversification for a 65-year-old Canadian woman and a 65-year-old American woman. It very much addresses the issue raised by Bajtelsmit, Bernasek, and Jianakoplos in the first

article about retirement differences by gender and examines a shortfall solution. Results indicate that the Canadian woman would benefit but the American would not benefit.

The third article entitled, "International Index Funds and the Investment Portfolio" by Scott Aiello and Natalie Chieffe provides a review of recent academic literature on international investing and examines the benefits of using international index funds for portfolio diversification. Their results indicate that these funds do not outperform the S & P 500, but do provide a reduction in risk.

Michael Hanna, Joseph P. McCormack, and Grady Perdue look at portfolios based on investing in the major market indexes of the the G-7 countries in their article entitled, "A Nineties Perspective on International Diversification". They conclude that for the period that is tested, the S & P 500 dominates all two-country portfolios that are constructed.

The fifth and last article tests for a positive impact for firms that are designated as family friendly firms. Dianna C. Preece and Greg Filbeck find that there is no statistically significant difference in raw returns or risk-adjusted returns in their study entitled, "Family Friendly Firms: Does It Pay to Care?".