

## From the Editor

As the year 2004 begins, I enter my third year as Editor of *Financial Services Review*. I am very grateful to the Academy of Financial Services Board, the journal's associate editors, reviewers, and authors for their continued support. For those who may not know, the Academy owns and publishes *Financial Services Review* directly. We contract with Cadmus Professional Communications to do copyediting and printing for the journal, and they do a great job. *Financial Services Review* is a very unusual situation; most of the major business-related academic journals are in a close contractual relationship with one of the large publishers (Blackwell publishes the *Journal of Finance*, for example). These major publishers control the journal title, manage the association membership list, institutional subscriptions, and remove the financial risk from the association in the event that subscriptions do not meet expectations. This is not the way that *Financial Services Review* operates. Being the residual claimant of *Financial Services Review* brings the Academy of Financial Services both opportunity and risk, as students of finance will quickly recognize. As owners of our title, the leaders of the Academy have worked hard to grow its value.

The lead article in issue one of Volume 13 is by Laurence Booth of the University of Toronto. Professor Booth examines target incomes for retirement in a probabilistic setting using a chance-constrained programming model. He finds support for asset allocation rules similar to those used in practice, namely that bond allocation increases with age.

The second paper is by two authors from the University of Alabama, Professor Robert Brooks and Doctoral Candidate Brandon Cline. They study the options embedded in "Flex" certificates of deposit, finding that banks are willing to include valuable options in these CDs that are not priced. The third article is by Professor Matthew Morey of Pace University. Professor Morey examines compositional trends and multiclass structure in mutual funds. Analyzing issues such as the amount of cash held, he finds that multiple-share-class funds have tended to reduce the compositional advantages of load funds and argues that investors should favor single-class, no-load funds. The fourth article is by Professors Robert W. Faff, Terrance Hallahan, and Michael D. McKenzie. Professor Faff is from Monash University, while Professor Hallahan and McKenzie are from RMIT. Their research involves an analysis of personal risk tolerance. They observe that gender, age, number of dependents, marital status, income, and wealth are related to risk tolerance, and that the relationship between age

and risk tolerance is nonlinear. The fifth paper in this issue is by Professor Richard Down of Northern Illinois University and Professor Thomas Mann of Lynchburg College. They examine no-load funds and find evidence of both scale and scope economies. They also argue that investors are better off in large funds of large families.

Thanks are due again to the reviewers and associate editors who responded to tight deadlines during the last quarter. Please consider submission to *Financial Services Review* and rely on the style information given on our web site ([www.pfp.gsu.edu](http://www.pfp.gsu.edu)) to ease readability and streamline the copyediting process. I continue to welcome articles over the range of areas that comprise personal financial planning. While our articles are certainly eclectic in terms of topic, data, and method, they are focused in terms of motivation. We exist to produce research that addresses issues that matter to individuals. Regardless of the particular topic area, I encourage authors to reach out when discussing implications of their findings to address financial planning in a more comprehensive way. As such, all articles in the *Journal* will have the appearance of financial planning articles.

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