

From the Editor

The lead article in this volume is by Lan Bi and Catherine Montalto of the Ohio State University. They examine liquidity planning, an important issue in an era where individuals can spend months between jobs. The authors find that actual level of emergency funds held by households is better explained by the household's ability to save than it is by the household's need to save. Bi and Montalto discuss alternative forms of emergency savings, and argue that planning for emergency needs should be considered in a broader context. This paper is an excellent example of how academic articles can be crafted to have implications in a personal financial planning context. I encourage prospective contributors to consider addressing the planning implications of their research. This enhances the paper's ability to fit the niche in the academic literature that *Financial Services Review* targets.

The second article is James Larsen of Wright State University. He evaluates the impact of loan rates on holding period returns for real estate. Given the historically low interest rates in the current environment, this issue is of interest to both buyers and sellers of real estate. Professor Larsen finds that longer holding period can mitigate some of the impact of interest rate changes. The third article is by Richard Curcio, Joanna Lipka, and John Thornton, Jr., all of Kent State University. They study issues related to the explosive growth in the Nasdaq 100 tracking stock, known as the "cubes." The authors argue that cubes provide individual investors with important advantages over open-end funds. Among these are the less likelihood of dilution from market timing and late trading. The fourth article is by Robert Weigand, Susan Belden, and Thomas Zwerlein. Professors Weigand and Zwerlein are at the University of Colorado at Colorado Springs. Professor Belden is at Skidmore College. The authors investigate whether individuals should invest in stocks "heavily weighted" by mutual fund managers. The results suggest that "heavily weighted" stocks do not outperform "lightly weighted" stocks, and that individuals should be wary of investing in top holdings of open-end funds. The last article is by Haran Saraoglu and N. Asli Ascioğlu of Bryant College. They examine order execution and the impact of investor preferences. The authors rely on disclosures required under newly adopted SEC Rule 11Ac1-5 to provide a framework that individual investors can use when placing stock orders.

Thanks again to those who make the journal possible. This includes both authors and reviewers who worked hard to submit timely papers and reports this past quarter. The journal

remains on schedule, supported by these dedicated efforts, as well as by those of Cadmus Professional Communications. Please consider submission to the *Financial Services Review*. I 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, and that have relevance to personal financial planning. I remain committed to making the journal appear on a quarterly basis and be the best academic outlet in individual financial management and personal financial planning.

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