

## From the Editor

This issue begins Volume 17 and my first year as Editor of *Financial Services Review* (*FSR*). I would like to thank the board and members of the Academy of Financial Services for the trust they've placed in me as the fourth editor of *FSR* (behind Conrad Ciccotello, Karen Lahey, and Lew Mandell). I would also like to thank Conrad for six great years as editor of *FSR*. We appreciate his excellence in working with our authors and reviewers to bring high quality articles to our journal. He's also done everything possible to make the transition between editors as easy as possible. I am proud to continue Conrad's work in broadening the scope of articles, while still focusing on individual financial management and personal financial planning.

The lead article in this volume is by R. Gene Stout of Central Michigan University. Dr. Stout uses stochastic optimization to identify the asset allocation that minimizes the probability of exhausting the retirement portfolio, which minimizes the risk from unmanaged and optimally managed withdrawals over the retirement life span. The second article, by John J. Spitzer at SUNY College at Brockport, offers a contrasting view of withdrawal strategies from retirement portfolios. Dr. Spitzer's research uses withdrawal amounts and, optionally, asset allocations that are modified every 5 years over a 30-year withdrawal horizon. Both papers find that optimally managing withdrawal rates minimizes the risk of running out of money, as well as allowing higher overall withdrawal rates.

The third article, by Terrance Jalbert of University of Hawaii at Hilo and Jonathan Stewart of Abilene Christian University, offers an interesting look at the opportunity to earn arbitrage profits by taking advantage of introductory interest rate offers by credit card companies. The fourth paper, by John A. Haslem of University of Maryland, H. Kent Baker of American University, and David M. Smith of University at Albany, SUNY, investigates the relationship between the performance and characteristics of domestic, actively managed retail equity mutual funds with diverse expense ratios. The authors show that using expense ratio standard deviation classes is an effective method for characterizing fund expenses for investors and that superior performance tends to occur for large funds with low expense ratios. The fifth article is written by Vladyslav Kyrychenko, a PhD candidate at the Schulich School of Business, York University. Kyrychenko develops a comprehensive mean-variance model, which includes all major nonfinancial assets, calibrated with empirical data, to generate

optimal asset allocations between stocks, bonds, and cash. This model confirms the accepted investment advice that recommends decreasing ones proportion of equity holdings in financial portfolios with increasing age.

Thanks to those who make the journal possible, especially the referees and contributing authors. Please consider submission to *Financial Services Review* and rely on the style information provided to ease readability and streamline the review process. The Journal welcomes articles over the range of areas that comprise personal financial planning. While *FSR* articles are certainly diverse in terms of topic, data, and method, they are focused in terms of motivation. *FSR* exists to produce research that addresses issues that matter to individuals. I remain committed to the goal of making *Financial Services Review* the best academic journal in individual financial management and personal financial planning.

Stuart Michelson