

From the Editor

1. Introduction

This issue completes Volume 17 of *Financial Services Review* (FSR). For this volume, I accepted 12 articles out of 65 submissions and Conrad completed resubmissions of five articles from 2007. This results in an acceptance rate of 18% for articles submitted in 2008. These acceptances cover a wide range of financial planning topics, which become increasingly difficult to categorize. Of course 17(2) was our sponsored issue which provided an interesting viewpoint on individual financial planning. Many investment and retirement planning articles in *FSR*, also involve significant tax planning issues. The Journal also accepts a number of articles that involve some aspect of individual financial analysis, such as planning for retirement needs or planning practice, which cut across functional areas. I encourage authors to reach out when discussing implications of their findings in a more comprehensive way. As such, all articles in the Journal will more appropriately relate to financial planning issues.

The lead article by Johnson, Lange, and Newman, all of Auburn University Montgomery, explores interest rates and terms on deposit offerings from banks and thrifts. They control for risk, service, and demographics and find that less than perfect market efficiency exists to the extent that institutions paying lower interest rates still obtain deposits. They conclude that depositors may improve returns and receive other benefits by carefully comparing rates.

The second article by Crain and Ayres, both of the University of Oklahoma, investigate whether expected tax savings are greater for individuals who pretax or post-tax disability income insurance premiums. They find that younger individuals with lower incomes achieve a reduction in expected taxes if they pretax the disability income insurance premiums, while older individuals with higher incomes often achieve a reduction in expected taxes when they pay for disability insurance premiums with post-tax dollars.

The third article by Finke of Texas Tech University explores preferences for privatization of social security. Two-thirds of his sample would choose partial privatization. An average of 43% of his sample would be invested in equities, but 35% would be invested in government bonds. Men are more likely to prefer equities, while women prefer corporate bonds and Blacks, the less educated, and respondents with children preferred government bonds.

The fourth article by Smith of Claremont McKenna College and Smith of Pomona College

use Monte Carlo simulations to demonstrate that a useful tax-based trading strategy is to realize all capital losses, using excess losses to offset realized gains in order to rebalance the portfolio. Their strategy increases the mean and median return by taking advantage of the tax-deductibility of losses, and mitigates risk by allowing low-cost portfolio rebalancing.

The fifth article by Karen Eilers Lahey (University of Akron), Stuart Michelson (Stetson University), Natalie Chieffe (Ohio University), Vickie Bajtelsmit (Colorado State University) was submitted to the previous editor, Conrad Ciccotello, and reviewed at “arms-length.” This study provides a cross-sectional analysis of defined benefit (DB) and defined contribution (DC) retirement plans based on the largest four-year public institutions of higher education in each of the 50 states. The findings provide comparative analysis on the broader trends in DB and DC plans offered by other public and private plans. Of the 50 universities, 90% offer a DC plan and 68% offer a DB plan. The authors advise faculty to carefully examine their retirement plans to determine their potential risk and return for a comfortable retirement.

Planning is currently taking place for next year’s Academy of Financial Services Annual Meeting in Anaheim on October 9 and 10, 2009 in Anaheim. Be sure to send your paper or special session submission to Halil Kiyamaz at hkiymaz@rollins.edu. This meeting is, once again, taking place in conjunction with the Financial Planning Association.

Thanks to those who make the journal possible, especially the referees and contributing authors. Please consider submission to the *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