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# From the Editor

This issue contains Issue 4 of Volume 19 of *Financial Services Review* (*FSR*). I would like to thank the board and members of the Academy of Financial Services for their continued support. I continue to work in broadening the scope of articles, while still focusing on individual financial management and personal financial planning. 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 is by Chris Robinson and Nabil Tahani at York University. The authors take an interesting look at the classic pre-retirement problem of how to advise a client about how much to save, how much must be saved each year to reach a specified goal and how the investment assets should be allocated between fixed income and equity. The authors derive a stochastic model in which the rate of return and the rate of increase of annual savings are both variable and calculate the probability that a particular goal will be achieved, given any initial savings endowment, periodic additional savings amount, mixture of assets, and time to the goal. This solution is particularly important for pre-retirement planning, it also quite generally to meeting any financial goal, such as saving a down payment for a house.

The second article is co-authored by Joseph Friedman and Herbert Phillips, both at Temple University. The authors study the issue when to initiate or receive Social Security benefits. This paper shows that a single Social Security participant, who is risk averse with regard to the chances, and consequences, of dying before reaching breakeven death age, would advised to initiate benefits at the earliest age at which he or she would not be subject to earned income tax penalties.

The third article is by John C. Alexander, Clemson University. The author examines whether Berkshire Hathaway, one of America's premier actively managed portfolios, can outperform the S&P 500. He finds that the returns of Berkshire Hathaway appear higher than the S&P 500 from 1990-2009 and when adjusted for risk, he finds that the return per unit of risk of Berkshire Hathaway is equivalent to the S&P 500. The relatively low correlation between the two portfolios suggests that an investor may benefit from holding both portfolios rather than either portfolio in isolation.

The fourth article is coauthored by Camilla Mazzoli, University Politecnica delle Marche and Gianni Nicolini, University of Rome "Tor Vergata". The authors investigate the possibility of identifying the type of advisory provided by making use of the pricing policy that advisors adopt in the US and Italy. The prevalence of 'opaque' forms of compensation leads us to identify which variables are able to predict the pricing policies (transparent vs opaque) of a financial advisor. The author's results suggest that they are related to: the advisor's regulatory status (independent advisor or tied agent), the presence of certifications issued by independent authorities, the involvement in a financial products distribution process and the high or low frequency of the payments that are due for the advisory service.

The final article of this issue is coauthored by Zugang Liu, Penn State University and Jia Wang, Rowan University. The authors investigate the changing nature of equity investment risks across time horizon while incorporating investors' risk tolerance into the analysis. The results show that for more risk-averse investors, the large-cap growth style is the safest style over shorter investment horizons, while a small-cap value style is the safest style over longer investment horizons. However, for more aggressive investors, the small-cap value style is always the safest style regardless of the investment horizons. In addition, the small-growth style is the most risky style across all investment horizons for both types of investors.

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.

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