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Editorial

Individual Financial Management in Practice: Advice, Investments, Insurance, and Measurement

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This issue of Financial Services Review (FSR) arrives during a particularly active period for the journal, and before turning to the research it contains, I would like to share several new developments from the editorial office.

In recent weeks, the Academy of Financial Services (AFS) Australia-New Zealand Chapter hosted a webinar titled "Current Developments in Financial Advice and Future Research Directions". It was my pleasure to chair the session with the featured speaker, Dr. Mustafa Nourallah, Assistant Professor of Financial Technology at Mid Sweden University. Mustafa delivered an intriguing presentation on intelligent finance, surfacing areas for future research in FinTech and AI in financial services. The session drew a strong audience and prompted a conversation about where technology adds value to financial services and where human judgment remains essential. For members who were unable to attend, the slides and recording will be made available to AFS members. If this topic interests you, I will also mention the recent FSR special issue (Volume 33, Issue 3) on FinTech that Mustafa and his colleagues spearheaded, available in the FSR archives.

On the editorial side, we are strengthening our editorial team with a Deputy Editor to support the journal as it grows. We will announce the official appointment on the FSR and AFS websites. We are also trialing a new reviewer form, designed to make peer review more structured, transparent, and developmental for authors, while easing the load on our reviewers. Feedback from this trial will help us refine the instrument before wider adoption. Further, FSR has now implemented an Early Access publication model, so that accepted articles are published online well before they are assigned to an issue, to facilitate the rapid dissemination of research. Alongside these developments, the FSR website has been refreshed to improve navigation and discoverability.

I now turn to the contributions in this issue. They are united by a shared interest in how individuals understand, manage, and are guided through financial decisions, and in the well-being that ultimately follows. For each article, I outline the question it addresses, its principal findings, and its broader relevance.

It is a particular privilege to open the issue with an invited contribution from Professor Meir Statman, one of the founding figures of behavioral finance. Statman (2026) argues that the best advisers act less like financial technicians and more like physicians of well-being: they help clients identify and balance their life goals, and guide them away from the cognitive and emotional errors that stand in the way. Drawing on interviews with investors in the United

States, the United Kingdom, Mexico, and China, he positions financial well-being as the foundation on which the other domains of a good life, including family, work, and health, are built. The piece sets a fitting tone for the issue, reframing the value of advice around the whole person rather than the portfolio alone. Professor Statman has written a monograph titled: "*A Wealth of Well-Being: A Holistic Approach to Behavioral Finance*", on which this work is based.

Mori (2026) empirically examines the value of investment advice by analyzing individual investors who purchase investment trusts through Japanese regional financial institutions. Using multi-year survey data, Mori finds that investors' favorable evaluations of the investment advice they receive are associated with larger asset allocations to investment trusts. The pattern is most pronounced among those who invest through in-person channels, who tend to be older and to report lower financial literacy: among these investors, more positive assessments of advice are linked to both a greater likelihood of investing and higher allocations. While correlational in nature, the finding still offers a striking insight into a market where banks were barred from selling investment trusts for almost twenty-five years, and it suggests that the perceived quality of human guidance matters for participation.

Kumar and Heckman (2026) shift the focus from investment to protection, investigating the relationship between homeowners insurance and financial well-being among U.S. households. Using cross-sectional data from the Understanding America Study, they show that mortgage-free homeowners who voluntarily insure report significantly higher financial well-being than both renters and uninsured owners. Crucially, financial literacy moderates this relationship: the benefit of insurance is strongest among households with medium-to-high literacy, suggesting that literacy helps owners recognize and realize the value of risk transfer. The implication is that housing equity provides a baseline of security, but formal insurance is what allows households to convert that equity into genuine peace of mind.

When people fail to protect themselves, is it because they do not know, or because they do not care? This question forms the foundation of Kwasniok's (2026) examination of a different protection gap in a different jurisdiction: private disability insurance in Germany, where coverage has plateaued at roughly a quarter of the market despite reforms that reduced public provision. This study builds on the Theory of Planned Behavior and combines interviews with financial advisors and survey data from 323 consumers to show that perceived product benefits and risks shape attitudes toward disability insurance, and that disability-insurance knowledge emerges as a distinct, product-specific dimension of insurance literacy, influencing how consumers perceive benefits, risks, and their own control over the decision. This finding suggests that knowledge is a lever for more informed, needs-appropriate decisions.

Finally, Mathew et al. (2026) turn to measurement, adapting and validating the Dew and Xiao (2011) Financial Management Behavior Scale for an emerging-market setting. Through a sequential, mixed-methods design, they culturally contextualize the instrument for India and re-establish its psychometric properties, arriving at a parsimonious two-factor structure that distinguishes short-term from long-term financial management behavior while still capturing domains as varied as cash and credit management, saving, retirement planning, emergency funds, and insurance. The result is a useful, context-sensitive tool for studying financial management behavior in India and comparable emerging economies.

Read together, these articles suggest three directions that I would welcome seeing pursued in the pages of FSR.

Knowledge shapes both the purchase and the payoff of protection. The two insurance studies in this issue speak to different stages of the same journey, and read together they raise a question worth pursuing. Kwasniok (2026) shows that product-specific knowledge drives the decision to acquire private disability insurance, operating through perceived benefits, perceived risks, and perceived behavioral control. Kumar and Heckman (2026) find that once cover is held, general financial literacy enables households to convert it into well-being, with the benefit concentrated among those with at least moderate literacy. Knowledge therefore appears to gate protection twice: at acquisition and again at utilization. The implication is a compounding disadvantage, in which households with the least financial knowledge are both less likely to obtain appropriate cover and less likely to realize its value when they do. Yet both studies rest on observational data, so it remains unclear whether knowledge is doing the causal work or standing in for income, education, and sophistication. FSR would welcome research designs that can manipulate or instrument knowledge and trace its effect through both the purchase decision and the well-being that follows.

Measurement of financial behavior and its consequences. New scales, and careful re-validation of existing scales in the manner of Mathew et al. (2026), are always welcome at FSR. The field needs longitudinal evidence on how such behavioral measures interrelate over time with adjacent and more complex constructs, including financial health and well-being. Cross-sectional validation establishes that a scale measures what it claims to measure; panel evidence would reveal whether and how financial behavior actually shapes the outcomes we ultimately care about.

Advice beyond technical expertise. Statman (2026) and Mori (2026) approach the question of what clients value in financial advice with two different methods. Using interview data, Statman (2026) describes advice at its best as a guide to how a client lives, not only to what a client owns, while Mori's (2026) findings based on survey data show what investors actually respond to: they rate advice highly when they find it clear and trustworthy, and allocate accordingly. The common signal is that much of what clients value in advice is relational and subjective, and so sits awkwardly with the product features, fees, and performance figures by which advice is usually judged. Two unsolved issues follow. The first is quantification: if part of the worth of advice lies in being understood, we have no good instrument for it, and the cross-sectional evidence in Mori (2026) leaves unresolved whether such ratings track better outcomes or merely flag investors already inclined to act. The second is substitution: as routine guidance migrates to automated tools, we need to know which elements of advice are genuinely relational, and so resistant to automation, and which were only ever information that a machine can supply as well or even better. Settling on either would tell us precisely what a good adviser provides that a spreadsheet cannot.

None of this would be possible without the people behind the journal. I am deeply grateful to our authors and contributors; to the reviewers, whose careful and often unseen work upholds the quality of what we publish; to our associate editors, for their judgment and stewardship; and to our copyeditors, whose precision turns accepted manuscripts into polished articles. The collective effort of this community is the foundation on which FSR stands.

In closing, this issue also reflects something I find genuinely encouraging about FSR's direction: its emergence as a more inclusive and international outlet. The research gathered here spans the United States, Germany, India, and Japan, with Statman's interviews extending even further across jurisdictions. That FSR is increasingly a home for rigorous personal and household finance research from Europe and Asia, alongside its established North American base, is a development I am proud to support, and one I hope will continue.

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