

Editorial

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We had another busy quarter at Financial Services Review (FSR). This issue is published ahead of the AFS 2026 Conference, held jointly with the CFP Board Connections Conference in Las Vegas. This year's conference received a record of more than 100 submissions. If you are attending, please stop by the AFS table to introduce yourself and learn how you can join the FSR community. We will also announce the winner of this year's FSR Stuart Michelson Award at the AFS Gala Dinner on Sunday, October 4th, and share the announcement on the FSR website.

From November 22 to 23, Daniel and I will attend the Personal Finance and Investment Symposium in Melbourne, Australia. Organized by the AFS Australia-New Zealand Chapter, this forum brings together personal finance and financial planning researchers from around the globe to share their findings and build new research connections. The program runs over seven sessions, with presenters from Australia, New Zealand, the United States, Canada, Pakistan, Vietnam and Nigeria. A link to the program and registration page will be posted on the FSR website shortly.

We are also pleased to share that FSR has been renewed in the Lyrasis Open Access Community Investment Program (OACIP). Following a highly competitive selection round, FSR will join the 2027-2029 cohort, which launches in October. As part of the program, FSR will offer a range of outreach and engagement activities, and we will share details on the FSR website soon.

Finally, it is my pleasure to welcome our new Deputy Editor, Associate Professor Daniel Richards, to FSR. Daniel has kindly agreed to co-write this editorial and introduces himself below.

"Thank you for the opportunity to be involved at FSR. With a background in and strong interest in financial planning and personal finance research, I am excited to join Elisabeth as Deputy Editor of FSR. I believe that together we can build on FSR's legacy as a leading personal finance and financial planning publication while further advancing knowledge for the continued growth of the financial planning profession."

We now turn to the contributions in this issue. Each study sheds light on a different aspect of financial decision-making: the link between financial education, financial knowledge and financial health; young adults' perceptions of buy now pay later (BNPL) products; the detection of sequence-of-returns risk in retirement portfolios; and the role of wealth form in retirement

spending. All four papers were first released through the new [Early Access section](#) of the FSR website.

Using a composite measure of financial health consisting of spending, saving, borrowing, and planning behaviors based on the Financial Health Network framework, Dinh and Lutter (2026) find that people who received financial education at school, college, or work have shown small improvements in financial health scores. While both objective and subjective financial knowledge mediate this association, the mediation is stronger for subjective financial literacy. Noting that their cross-sectional data limit causal inference, their findings support financial education initiatives that build confidence and transfer knowledge.

Wang et al. (2026) survey young adults' perceptions around buy now pay later (BNPL) products, specifically whether BNPL is perceived as debt, always cheaper, and carries fewer consequences. Using a sample of 705 young adults in New Zealand, the study found that 40% of respondents were unsure or disagreed that BNPL was debt, and that recognizing it as debt was linked to less use, fewer late fees, and less borrowing. Notably, financially educated respondents were less likely to recognize BNPL as debt, although they were more skeptical that it is always cheaper. This insight has an interesting implication: in contrast to Dinh and Lutter (2026), who found that overall financial health is associated with financial education, knowledge may not transfer to new financial products or services.

Moving the focus from young people to retirees, Vadalkar (2026) compares Amazon Chronos, which performs time series forecasting based on large language model (LLM) architecture, to five traditional volatility indicators, such as VIX, to detect sequencing risk in retirement ("danger zones"). Based on monthly US data and 15-year retirement simulations with a 4% withdrawal rule, Chronos forecasts are almost perfectly inverted. Using a contrarian approach, Chronos ranks danger zones accurately, but these rankings do not produce usable real-time triggers, and Chronos-based defensive strategies deliver lower worst-case wealth. While LLM-based time-series forecasting shows promise, traditional approaches are still more reliable.

By comparison, Reddick (2026) focuses not on investment returns but on consumption in retirement, comparing retirement wealth held as annuitized income streams with wealth held in liquid, account-based balances. He finds that both forms are positively associated with consumption, but holding total resources constant, a higher annuitized share is associated with lower consumption. This finding offers measured support for a liquidity-and-accessibility view of retirement spending. However, Reddick (2026) suggests more research is needed for causal inferences, as his findings may be susceptible to model specification.

Several future research avenues emerge from these studies.

It would be interesting to extend Dinh and Lutter's (2026) approach by holistically examining how different dimensions of financial knowledge (e.g., digital financial literacy, debt literacy, etc.) and different financial education initiatives affect financial health and its subdomains. A financial education initiative that supports investment literacy may, for instance, lead to more proactive investing, but also to speculative behavior. The findings by Wang et al. (2026) support this view, showing that debt literacy was associated with fewer late penalties, while general financial capability was associated with more.

Rereading Wang et al. (2026) raises the question of why financial education appears to improve cost awareness but not recognition of BNPL as debt. Experimental and field research could help determine which education strategies (for instance, knowledge- or confidence-building approaches) reduce susceptibility to product framing and financial harm. Both aforementioned papers call for longitudinal studies to examine systemic effects of enhanced disclosure or product regulation. Comparing the effectiveness of education programs with regulatory intervention may bear important policy implications.

Interestingly, the studies by Vadalkar (2026) and Reddick (2026) are interrelated: annuitized income reduces exposure to sequence-of-return risks, but may come at a cost of lower consumed wealth in retirement. Both studies raise exciting new research questions about retirement wealth. For instance, how can real-time triggers be improved to detect danger zones? A possible extension of Vadalkar (2026) is comparing different LLM-based foundation models, in addition to testing sensitivity to withdrawal horizon and rates. Extending Reddick (2026), future research could distinguish resource-constraint from mental accounting explanations in retirement consumption choices. Such a hypothesis could be tested with quasi-experimental designs: for example, a regression discontinuity design exploiting a wealth threshold that determines whether retirement is held in annuities or liquid accounts, or a natural experiment in the vein of Daverman et al. (2023), who use severe weather events to examine retirement contributions.

In closing, the papers in this issue examine a range of factors that shape financial outcomes for individuals and households, from broad patterns in financial health to specific tools for managing sequence-of-returns risk in retirement.

References

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