

From the Editor

The lead article in this volume is by Robert Dubil of the University of Utah. Professor Dubil examines the opportunities that economic derivatives now present to individuals in numerous contexts. Academic research into these phenomena, however, is lagging behind the rapid pace of marketplace innovation. Professor Dubil organizes the subject into three areas of inquiry: derivatives as substitutes for traditional products, the viability of markets for derivatives, and modeling difficulties in pricing underlying events that cannot be hedged. I encourage the readers of *Financial Services Review* to consider these areas as they represent exciting research opportunities in individual financial management.

The second article is by David Glazer of George Washington University. Dr. Glazer analyzes the impact of life insurance agent commissions on customer value. He finds that commission negotiation can enhance client value, but the result is not always predictable. This paper offers an interesting look into the cost-benefit tradeoffs in financial services agent compensation. As individuals continue to own more financial decision making, such research becomes more critical. I recommend that researchers devote continued efforts to analyzing the contracting issues in financial services.

The third article is by John Teall of Pace University. Professor Teall provides a study of power index models and highlights their utility in several contexts related to business valuation. This clever paper illustrates how *Financial Services Review* can showcase research that has implications in several domains, including estate planning. Research spanning the functional domains of personal financial planning is very welcome in our journal.

The fourth article is by Lewis Mandell of the University at Buffalo and Linda Schmid Klein of the University of Connecticut. The authors examine the link between motivation and financial literacy. Relying on a database of high school seniors, they observe that motivation can help to explain differences in literacy. The article has implications for the broader discipline of financial planning and the importance of motivation in setting goals.

The last article is by Richard Deaves, E. Theodore Veit, Gokul Bhandari, and John Cheney. Professors Deaves and Bhandari are from McMaster University. Professor Veit is from Rollins College, and Professor Cheney is from the University of Central Florida. The authors analyze the results of a survey of college employees and evaluate each employee's "propensity to plan." They then link employee propensity to plan with several aspects of

financial demographics and decision making, including risk tolerance and pension contributions. This interesting paper offers very useful insights to the factors influencing financial behaviors.

Thank you again to those who make the journal possible. Please consider membership in the Academy of Financial Services and submission to *Financial Services Review*. *Financial Services Review* is the oldest and best-recognized academic outlet for articles related to individual financial management. I welcome articles over the range of areas that comprise personal financial planning. While our articles are certainly eclectic in terms of topic, data, and method, they are focused in terms of motivation. We exist to produce research that addresses issues that matter to individuals and that have relevance to the emerging academic discipline of personal financial planning. I remain committed to maintaining the journal's reputation as the best academic outlet in this specialty area.

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