

## To the Members of the Academy of Finance and Readers of the Journal of Finance Issues,

Welcome to the latest issue (Volume 23, Number 1) of the *Journal of Finance Issues*. We are excited to present a collection of timely and impactful research that addresses various facets of the financial world. Our commitment remains to publish high-quality work that advances both academic understanding and practical application in the finance discipline.

This issue features five insightful papers:

First, in "**Erroneous Ecumenicism: The folly of faith fund fungibility**" by **Michael R. Williams**, the author investigates whether faith-based investment funds, specifically those associated with Roman Catholicism and Protestantism, demonstrate systematic differences. The paper finds that these ostensibly similar faith foci exhibit distinct risk and return characteristics, particularly in how they relate to common asset pricing factors and have become increasingly distinct over time. Williams argues that religion-specific asset pricing factors exist, cautioning against treating faith-based funds as interchangeable investment tools.

Next, "**Macroeconomic Determinants of the Credit Loss Forecasting**" by **Zilong Liu, Hongyan Liang, and Chang Liu**, addresses the critical need for robust credit loss forecasting models, especially in light of unprecedented economic volatility like the COVID-19 pandemic. The study examines the dynamic relationship between charge-off rates for U.S. commercial banks' loan portfolios (commercial and industrial, consumer, and real estate loans) and macroeconomic factors. Tai identifies key macroeconomic variables, such as labor market indicators, housing market dynamics, and consumer financial conditions, as drivers of credit risk across these loan categories, highlighting the need to re-evaluate traditional relationships for model robustness in the current economic environment.

Following that, "**Corporate Governance and Cash Holdings Decisions by U.S. Life Insurance Companies**" by **Raja Bouzouita**, examines the influence of corporate governance on cash holdings within the U.S. life insurance industry. Using a dynamic panel model, the paper demonstrates that corporate governance proxies, such as board size and independent directors, are significant factors explaining cash holding decisions and effectively mitigate the principal-agent conflict. The analysis also reveals that the adjustment rate to target cash holdings varies across U.S. life insurance companies with the corporate governance proxies used.

We also present "**Wherefore Art Thou? Small business, healthcare coverage, and group association**" by **Roger Lee Mendoza**, the author explores why small businesses manage to offer employee healthcare coverage despite substantial costs and statutory exemptions. The study investigates strategic differences between plans offered by small and large groups, focusing on how small firms can mitigate costs and risks through plan design, financing, risk management, and associational options like Association Health Plans (AHPs). Mendoza's work highlights the importance of minimizing transaction costs and efficient communication in achieving cost-efficiency in employer healthcare coverage for small groups.

Finally, in "**Small Business Administration Lending and Economic Performance**" by **Chu-Sheng Tai**. This paper analyzes state-level data from 1990 to 2023 to determine the impact of U.S. Small Business Administration (SBA) lending through its 504 and 7(a) loan programs on state-level real GDP and unemployment rates. The study finds that SBA lending generally promotes state-level real GDP and reduces unemployment rates, with statistically significant and economically important effects. However, this positive effect diminished during the 2007-2009 global financial crisis.

I extend my sincere gratitude to all the anonymous reviewers whose rigorous and insightful feedback is indispensable to maintaining the quality of our publications. Their dedication ensures the scholarly integrity and relevance of each article.

I would also like to express my deepest appreciation to our Associate Editors, Larry, David, and Won. Their tireless efforts, expertise, and commitment to the peer review process are vital to the smooth and effective operation of the journal. Their contributions are invaluable in bringing high-quality research to our readership.

We hope you find this issue informative and thought-provoking.

Sincerely,

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