

How does The Skilled Investor find and summarize scientific investment information?

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How does *The Skilled Investor* find and summarize scientific investment information?

Summary: Through academic and professional journals and websites, the transmission of knowledge between financial academics and investment industry professionals has become very rapid. Unfortunately, for individual investors this is generally where scientifically based investment information stops. *The Skilled Investor* helps to correct this situation by finding, analyzing, summarizing, and interpreting relevant scientific finance papers and studies for the benefit of individual investors. Sifting through such voluminous information and transforming it is not a trivial task. The challenge is to find and summarize papers that are useful to individual investors, while preserving the integrity of their academic findings. The effort requires a penchant for reading and understanding formula laden academic analyses. It entails searching in subscription data bases, across the Internet, and through university libraries. This literature is fascinating to *The Skilled Investor*, and the frequent discovery of useful information that could benefit individual investors has been quite rewarding to the author. *The Skilled Investor* uses on-line subscription services, library research, and focused web searching to find scientific finance papers that are of potential interest to individual investors. The scientific investment literature is voluminous. The scientific investment papers summarized in *The Skilled Investor* represent a tiny fraction of the total body of work that exists. The worldwide number of financially focused university faculty numbers well above 3,000. Their output is prodigious. "Publish or perish" is alive and well in financial academia, and there are piles of investment studies to prove it. Hundreds of academic journals publish peer-reviewed papers on a wide range of investment topics, although there are several dozen journals that tend to be more important. The websites of economic and financial faculty at academic institutions across the U.S. and around the world are awash with published works and with working papers that are available for use or comment. The needs of individual investors govern which financial science papers *The Skilled Investor* selects. Papers are selected because they contain important information that can help to educate individual investors and to improve the quality and rationality of their investment decision making. *The Skilled Investor* systematically compiles information on scientific finance factors that could have an impact upon investor's success or failure. As such, *The Skilled Investor* collects investor surveys and tracks significant questions that individual investors tend to ask. *The Skilled Investor* selects studies by using the following methods. More important investment papers are relatively easy to identify, because they are cited most often in the papers of other academics. However, seminal publications by leading academics are not the sole documents that one should focus upon. Subsequent critiques and contributions by other academics can expand significantly upon the usefulness of original papers. In addition, leading academics sometimes write insightful papers to summarize the current state of affairs on a particular research topic. Almost all published journal articles and working papers written by academics have a similar general format. The parts usually are an abstract, an introduction, a survey of the literature, the body of the paper with theory and analysis, the conclusions, references, and sometimes-detailed appendices. This standardization allows *The Skilled Investor* to assess quickly the current state of

the subject and to identify relevant papers. Scientific finance papers themselves were often the best source of additional leads. Because academic research papers are written to contribute new theories and to validate or reject known theories, researchers do not waste time repeating the details of what has already been published. As such, authors provide brief commentaries on prior papers and include detailed reference lists, which are helpful in locating other papers that may be relevant to individual investors. In addition to following up on such papers, *The Skilled Investor* also consults with other on-line scholarly paper sources and citation frequency indexes. These sources also help *The Skilled Investor* to identify the more significant papers within the literature. *The Skilled Investor* attempts to provide objective summaries of certain theories, methods, and conclusions from featured scientific investment papers. The Skilled Investor highlights the aspects of these papers in its summaries that it believes would be most useful to individual investors. Often, only a small part of a paper is relevant, and therefore *The Skilled Investor* highlights the nuggets and ignores the remainder. *The Skilled Investor* also provides commentary and additional data to educate individual investors on the relevance and utility of these papers and on the possible inferences that an investor could reasonably make. *The Skilled Investor* has also set an important clarity goal. The author strives to simplify technical language without losing important knowledge and conclusions. For example, the academic literature is full of equations and proofs, which are useful shorthand to academics and industry specialists. *The Skilled Investor* avoids the use of such formulae. Instead, only those few key equations that must be presented to convey meaning are presented in prose form, so that a much broader audience of individual investors reading with reasonable care should be able to understand them. Note that within the limits of his knowledge, judgment, and abilities, the author of *The Skilled Investor* tries to ensure that the information published is objective, factual, and accurate. Of course, the author can only make a reasonable effort and cannot warrant the accuracy or completeness of the material presented. In addition, *The Skilled Investor* seeks neither review nor approval by the authors of the scientific investment papers that are interpreted. As such, any mistakes, errors, or misinterpretations in summaries and commentaries are those of *The Skilled Investor* and not of the authors of the original papers. See also: [What is The Skilled Investor and who will find it useful?](#) 1) The [Worldwide Directory of Finance Faculty](#) sponsored and maintained by the Ohio State Department of Finance and the American Finance Association has a searchable index of over 3,000 individuals at over 700 colleges and universities around the world with the vast majority at educational institutions in the U.S.