

The Life of Social Media—Even After You Die

by A. Scott White, CFP®, ChFC®, CLU®
 President, Scott White Advisors

Many of us may be prepared for our death. We may have our financial and estate plans in place, and have assurance that our spouses and heirs will be cared for. We may have planned for a bequest to our favorite charity, or perhaps a major gift to our local community foundation after our demise. We may be comforted, knowing we've planned for our legacy.

But what about our digital legacy? What happens to our online presence after we're gone? With the continued growth of social media—not to mention search engines—you may have a larger digital footprint when you're alive than you realize. What will happen after you die? Let's look at the major social media platforms.

Facebook will allow users to decide in advance whether they would like to have their account deleted permanently upon their death, or memorialized. If you would prefer to have your Facebook profile deleted and all content erased upon your death, do this: Start at Facebook Settings, choose General, choose Manage Account, choose Request Account Deletion.

When accounts are memorialized, 'Remembering' is shown next to the user's name, signifying that person has passed away. Family members and friends can share stories, memories and photos. The account content is still visible on Facebook, but only to the friends

the user originally shared the content with. For memorialized accounts, the user's profile no longer is displayed on public Facebook sections such as birthday reminders or people you know.

Facebook users can select a legacy contact—someone who will look after the account once it becomes a memorial page. Legacy contacts can request removal of the account, respond to friend requests, and change profile and cover photos. But they can't log into the deceased person's account, read messages, or alter things the user has posted in the past.

For Facebook users who die without choosing to have a memorialized or deleted account after their death, friends or loved ones can file a memorialization or delete request by completing the form found on the Facebook Help Center.

When a **Twitter** user dies, a verified family member or someone authorized to act on behalf of the deceased person's estate can contact the Twitter Help Center to request account deactivation. After Twitter receives the deactivation request, they will require additional documentation, including a death certificate for the deceased person, before removing the account. Twitter will not allow anyone except the original user to post or change account information.

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Introducing Kelly Jelenchick

We're happy to welcome Kelly Jelenchick, Operations and Office Manager, to the Scott White Advisors team. Kelly provides top-level services to clients, coordinates management of the office, and assists with projects. With 27 years of experience in the financial industry, she is a graduate of the University of Wisconsin and holds Series 7, 24, 65 and 63 FINRA licenses.

Prior to joining Scott White Advisors, Kelly worked with Wells Fargo Asset Management and Strong Investments. She lived in her hometown of Milwaukee, Wisconsin, until 2016, when she moved to Cape Coral. In her spare time she enjoys kayaking, watching movies, reading and trying new restaurants.

"Providing top-notch service to our clients and helping them with their needs gives me a sense of satisfaction," Kelly said. "It's terrific to have the opportunity to work with Scott and my co-workers."



Current Events



The Community Cooperative in Fort Myers was in danger of closing when its commercial hot water heater stopped working. The nonprofit organization feeds the most needy people in the community; it served 42,614 meals in 2017. The Rotary Club of the Fort Myers Trust Fund stepped up and bought a new hot water heater. As a member of the Trust Fund Allocations Committee, Scott presented a check to Stephanie Edwards, Director of Development and Community Outreach.

Scott and Adriana volunteered at the 2018 Italian Fest for the Fort Myers Rotary Club, where Scott is an active member.



Scott attended the annual luncheon for Hope Clubhouse, where he serves as board chair. The “Faces of Hope” event was held at the Broadway Palm Dinner Theatre. Shown here with Scott are fellow board member Scott A. Wolf, DO, MPH, Acute Care Medical Officer at Lee Health; and the Clubhouse’s Chief Executive Officer, James Wineinger.

Scott Wins Award, Supports Fort Myers High School

Scott was named a member of the 2019 Executive Council for Raymond James Financial Services. In lieu of receiving a glass display for his office, he elected to use award proceeds to support FMHS academic projects through Odyssey of the Mind competitions. With more than 30 years in the financial services industry, Scott was selected from 3,900 independent financial advisors for membership in the Executive Council. This is the thirteenth consecutive year he has won the award. Membership is based on prior fiscal year production and re-qualification is required annually. The ranking may not be representative of any one client’s experience, is not an endorsement, and is not indicative of future performance. No fee is paid in exchange for this award/rating.

The Days of “Every Investor Wins a Trophy” May be Ending

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When a company needs to justify its existence only by growing faster than the hypothetical risk-free rate of return (often defined as the interest rate on U.S. Treasury Bills), then over the past 10 years, with yields on T-Bills hovering near historic lows, that company didn't have to do much to become a relevant investment and avoid sell offs in its stock. Therefore, an investor over the past 10 years hasn't had to do much studying to find an investment capable of beating the T-Bill rate. In fact, the past 10 years was a great time to do no analysis on identifying worthy investments and simply buy low-cost passive investments designed to try to track the market. Every investor has been a winner—just like many players in youth sports teams today have grown up with every player expecting a trophy, whether their team wins or not.



In recent editions of *The Navigator*, I've written about the high valuations of many companies, the impact of central bank manipulation of interest rates, and the general investor complacency that tends to occur when there is little volatility and markets appear to only go up. You may recall that in the Spring 2018 article “Price and Quality No Longer Matter,” I mentioned that this type of environment often rewards unsustainable business practices.

A company with a rising stock price has an easier time borrowing money, because when estimating how much debt a company can take on, lenders will often compare the amount of debt a company has outstanding to the market value of the company. Therefore, a rising stock price allows a company to borrow more money. In addition, once the loan is complete the company can invest that money in the growth of company top-line revenue (earnings before expenses), despite showing little to no profits. This added growth, in turn, can drive up the company's stock price when stock traders are not paying attention to the business's fundamentals, making it easier for the company to borrow even more money.

We need look no further than October 2018 when the Netflix stock price gained 12% the day after it announced strong subscriber growth in international markets, despite a previous earnings report that showed earnings growth had been slowing.¹ Stock traders weren't focusing on Netflix's meager profits, and yet the very next week Netflix announced it was borrowing another \$2 billion.² Now don't get me wrong—I enjoy watching Netflix programming and hope to continue enjoying it for a long time. But it is hard for me to believe its business survival means it is a worthy investment call. To me, any purchase of Netflix's stock is much more a speculative call in hoping the company can grow enough to start returning some of its profits to shareholders instead of movie stars in the face of increasing competition from the likes of Disney, Apple and Time Warner.³ Over the years I have learned that hope is rarely a sound investment strategy for an investor.

As with life, all good things come to an end. Rising interest rates make the cost of servicing debt more expensive, which can be particularly painful for any company with scarce profits to start with. Add in increasing trade tariffs and slowing economic growth, and more companies can expect further earnings contractions. This can lead to their stock price decreasing, thus making it harder to borrow because the company becomes worth less money. If it is more difficult to borrow, then it can be even harder to fund the company's previous growth—and its stock price can go down more. Thus, a downward spiral begins, and this is certainly not an environment a long-term investor wants to participate in.

As 2019 begins, we witnessed the recent rise in interest rates, the imposition of trade tariffs, and the speculation of slowing global growth, resulting in lower earnings forecasts for many companies. This, of course, led to increased volatility in the stock market at the end of 2018 and losses not seen in the prior 10 years.⁴ Perhaps now quality and price may matter again—as they always do.

At Scott White Advisors, when we take on a new client we do not begin with an investment strategy. Instead, we begin by evaluating the family's complete financial situation, and then we develop a written financial plan to meet those goals. After that, we design our client's

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Instagram is owned by Facebook, and it follows policies similar to its parent company. But Instagram users cannot choose what happens to their account when they die. When an Instagram user dies, a request can be submitted to Instagram for memorialization, or immediate family members can submit a request for the account to be deleted.

When someone with a **LinkedIn** profile passes away, the only option is account deletion. LinkedIn asks that family members submit information to verify the death, including the member's name and URL to their LinkedIn profile, the member's email address, the date the individual passed away, and a link to an obituary.

Each social media platform follows its own procedures for handling accounts when users have died. In your legacy planning, you may want to leave instructions so your loved ones can handle your social media accounts according to your wishes.

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The Days of "Every Investor Wins a Trophy" May be Ending *(continued)*

portfolio built on meeting those goals—with a sound investment strategy that does not speculate on things that may or may not happen. We develop a written Investment Policy Statement to assist us in not making emotional decisions at inappropriate times. Your needs and circumstances will always determine your family's asset allocation in an investment portfolio. We don't rely on a risk/reward questionnaire that can produce different results depending on the ebb and flow of investors' emotional states about the stock market's rise and fall.

At Scott White Advisors we utilize professional investment managers whose only job is to evaluate a stock's fundamental businesses before making any investment. We work diligently to identify investment managers who seek out the world's most profitable businesses, with management teams working for the shareholders—not corporate insiders. These investment managers look for businesses not carrying too much debt and seek to invest in those businesses at reasonable prices. At Scott White Advisors, we understand these are the underpinnings we can control and we avoid building investment portfolios on events that may or may not happen.

We understand that in life, not everyone wins a trophy. We know that some don't enjoy a worry-free retirement with the confidence in knowing their family fortune won't be squandered away in passing on to the next generation. We help our clients realize their family's financial goals, with the sound underpinning of their Investment Policy Statement.



¹Global subscribers Boost Netflix Growth, by Shalini Ramachran and Micah Maidenberg, *The Wall Street Journal*, October 17, 2018.

²Netflix Plans \$2 Billion Bond Offering, by Tomi Kilgore, *MarketWatch*, October 22, 2018.

³Netflix's 3 Biggest Challenges in 2019, by Annie Gaus, *TheStreet*, December 17, 2018.

⁴2018 Was the Worst for Stocks in 10 Years, by Chris Isidore, *CNN Business*, December 31, 2018.

¹There is no assurance that past trends will continue into the future. The effects of any updates released after the period shown above are not reflected in this data. Past performance is no guarantee of future results. Indices are unmanaged and cannot accommodate direct investments. An individual who purchases an investment product which attempts to mimic the performance of an index will incur expenses such as management fees and transaction costs which reduce returns. Keep in mind that there is no assurance that any strategy will ultimately be successful or profitable nor protect against a loss.

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