



# REBY ADVISORS

## WEALTH REDEFINED

### President's Letter



**I thought in lieu of writing my own letter in this space, I would share the article below. It is a must read! It was prepared by First Trust Advisors.\***

#### TEN YEARS AGO...

It's March 8, 2009. The market's down 56% from its all-time high, unemployment is over 8% and hurtling toward 10%, it's just been reported that real GDP dropped at a 6.2% annual rate in Q4 of 2008, and it feels like the world is coming to an end. You're tired, exhausted from living through this, and you fall into a deep sleep. So deep, in fact, that you don't wake until today, 10 years later.

First thing you do is run to your computer and see the S&P 500 is up 305% since the bottom. You are blown away. No way this could be true! Things were so bad when you fell asleep. Little did you know the S&P 500 bottomed the next day.

So, you run over to your friend's house and knock on the door. Your friend answers, wondering where you've been for 10 years! You ask what possibly could have happened to drive the stock market up more than 300%. Your friend pulls out a list. Let's call them the "golden geese."

After-tax economy-wide corporate profits are at record highs, up 175% since the bottom, or around 11% annualized growth. Then your friend tells you about Apple. When you fell asleep, Apple had been selling the iPhone for about a year and a half. Over that period, they sold a record-breaking 17.4 million of them. But since you've been asleep, Apple has sold about 1.3 billion of them. Every calendar quarter Apple sells about three times what it sold in that first year and a half.

Then there's Uber. Your friend tells you how you can press a button on a phone and a few minutes later a car will come by, and before you get in, you know who the driver is, his rating, how much it'll cost, and how long it will take to get to your destination. All cheaper than a taxi. It seems like science fiction!

You see unemployment is only 3.8% and think it's a typo, because when you fell asleep it was more than double that.

Your friend shows you a video of a self-driving semi-truck that Budweiser used to carry 51,744 cans of beer from Fort Collins, CO, to Colorado Springs, CO. About 130 miles on I-25 with no driver! Now Amazon is deploying similar trucks.

But what may be the most amazing is that there have been several years over the last 10 that the U.S. has run a trade surplus with OPEC. You wonder how this can be since the U.S. was in an energy crisis when you fell asleep. In fact, oil production had been on a declining trend for about 50 years. Your friend tells you it's all changed. Since you have been asleep, because of new technology, oil production has more than doubled, from about 5 million barrels per day to around 12.1 million barrels per day. In fact, the U.S. is now the world's biggest oil producer. Bigger than Russia and Saudi Arabia! The state of Texas, by itself, just surpassed Iran to become the world's fifth biggest oil producer!

You continue through the list and are more and more blown away. It's been only 10 years and the world is completely different, for the better! You barely recognize it, so many things have happened that you wouldn't have even dreamt possible.

And notice, you have no idea who is President, what's been going on with interest rates, Quantitative Easing, China, or North Korea. You've never heard of "AOC" and you missed the whole Greek debt crisis. All you know about are these "golden geese." And that's all you need to know. The entrepreneur, alive and well, has continued to revolutionize the world over the past 10 years. That's what has been driving economic growth and the stock market.

Imagine where we will be 10 years from now. Our guess is that it will be better than you can think.

For the complete article, please go to:  
<http://bit.ly/ten-years-ago-bob>

Happy Spring,

*Bob*

\*Consensus forecasts come from Bloomberg. This report was prepared by First Trust Advisors L.P. and reflects the current opinion of the authors, Brian Wesbury, Chief Economist, Robert Stein, CFA, Dep. Chief Economist, and Strider Ellass, Senior Economist. It is based upon sources and data believed to be accurate and reliable.

# How to Plan for a Happy and Successful Retirement

**So, now you are retired. You've done your financial planning and have addressed the 15 most important financial risks to your lifestyle. Now what?**

Almost as important as having an “all clear” signal from your financial advisor, is charting a rewarding, active and healthy retirement to enjoy after working for most of your adult life. You've earned the right to make the most of your golden years. Retirement today is different than what it was 20–30 years ago. First of all, we are retiring later. The days of retiring at 55 or 60, like they did in the seventies and eighties, are long gone. The lack of retiree healthcare and pensions has caused folks to delay retirement, but that's not the only reason. We are working longer because of advances in medical care, more active lifestyles, and just plain old taking better care of ourselves. We are living longer and healthier, so we are content working longer. That's the good news. The bad news is that we have to make sure that our money keeps up with us...lasting longer too.

So, what do happy/successful retirees do?

## GET A JOB

Wait a second, I thought I was retiring! Well, a great many retirees still feel the need to be out and about making a few bucks. Whether it's continuing your career

as a consultant, starting a new business or working part time at something you love, lots of retirees have chosen to work. The pro shop at the golf course or the antique shop on main street, earning some extra money is popular among retirees.

## TEACHING OR MENTORING

Over our lifetime we accumulate so much knowledge and wisdom it's a shame not to share. Some retirees find opportunities to help others through teaching or mentoring. Business executives can offer their time to SCORE (SERVICE CORPS OF RETIRED EXECUTIVES). Or we can volunteer to help mentor students at the local high school or college about life after school. The opportunity to exchange ideas with people of a younger generation keeps us young!

## GETTING SMARTER

The saying, “you're never too old to learn” is 100% true. Many local colleges and universities offer free tuition for retirees. Whether it's the music, piano, or pottery class you always wished you'd taken or to finish your degree, now you have the time and access and most importantly, at the right price!

## TAKE UP A SPORT

Whether is tai chi, golf, or pickleball, being active is a good thing. It's a great way to meet other people and, if we're going to live longer, we might as well be in better shape.

## TRAVEL

Travel is the activity that most retirees look forward to the most. The lack of time and discretionary income in our working years greatly reduces the opportunity to travel. Now we have both.

Maybe:

A month long stay in a seaside village in France sounds nice...

How about a river cruise from Prague through Budapest and on to Vienna and Germany?

Maybe a safari in Africa...

Maybe the Grand Canyon?

No better time than now!

## FLY SOUTH FOR THE WINTER

A little-known fact; it gets colder in the winter when you get older.

Similar to restrictions on travel during our working years, being a snowbird is really a retiree lifestyle. It's like a summer vacation only in the winter and everybody is older than you. There are lots of activities, everybody's happy, and the Tiki Bar is hoppin'.

So, what are you waiting for:

Work your butt off

Send the kids to college

Payoff the mortgage

Fund your retirement

And you'll be ready for the time of your life!

## CFP MAILBAG

### Q Why do we have capital gains from our mutual funds?

**A** The question you ask refers to embedded capital gains. They are unrealized gains in a mutual fund, for which an investor in the fund is liable, regardless of whether they were a shareholder in the mutual fund when the appreciated assets were initially purchased. So, if you bought a mutual fund in September 2018 and the price went down through the end of the year, in February 2019, your 1099 says that the mutual fund had a \$5,000 gain. That's an embedded gain. The portfolio manager may have bought and sold investments inside the portfolio throughout the year creating a gain for the year. As long as you are an owner at the time of distribution, you own the gain.



# Baby Boomers and Digital Assets

## How many password-protected accounts do you have?

If you keep mental inventory, use a password manager, or have a written record of your passwords (which is not recommended by anyone), take a quick count:

Email accounts, online bank accounts, online brokerage accounts, online shopping accounts, online bill paying, social media accounts, photo and video sharing accounts, gaming accounts, online storage accounts, a website or blog, a domain name, materials and coding that are copyrighted.

These are digital assets. They are part of your virtual life, as is any digital property you own, such as computers, external drives, storage devices, smart phones, digital cameras, e-readers, and other devices.

### DIGITAL ASSETS SHOULD BE PART OF YOUR ESTATE PLAN

Unless you live off the grid, it's likely your digital life will outlive you and become a part of your legacy. Your digital assets may have significant financial or personal value for your heirs. Consequently, you should give some thought to how these assets should be managed after your death.<sup>1</sup>

The catch is digital estate planning can be tricky. Many digital accounts and assets cannot be transferred to a new owner because they are not your property. Assets that fall into this category are subject to contracts and licensing agreements established with a service provider.<sup>1</sup>

For example, if you've spent significant sums accumulating a virtual music library, you may not be able to pass it on through a will or another estate planning tool because you do not own the digital music files, according to Nolo.com. This may also be true with other types of accounts.<sup>1</sup>

"Social network accounts, domain name registrations, email accounts, and most other types of online accounts are 'yours' by license only. When you die, the con-

tract is over and the business that administers the account controls what happens to it," explained Betsy Simmons Hannibal on Nolo.com.<sup>1</sup>

This doesn't mean you have no control over what happens to these accounts. Your estate can leave instructions about account management and should provide a complete record for your executor. Jeffrey Salas offered an opinion about best practices on LegalZoom.com. He recommended:<sup>2</sup>

#### 1. Checking the account providers' Terms of Service/Terms of Use.

Work with your estate planning attorney and the digital executor you've appointed to review requirements for different types of accounts. For example:

- Leave usernames and passwords for any online financial accounts – banking, utilities, brokerage, mortgage, retirement plan, life insurance, tax preparation, or others – to the executor as they will need this information to pay bills, close accounts, and administer your estate.<sup>1</sup>
- Social media companies have diverse policies regarding the management of digital assets upon the death of the user. Some delete or deactivate accounts after being notified of a death. Others put accounts into 'memorial' status.<sup>1</sup>
- In general, companies will not know about the death until they're notified. As a result, a digital executor who is armed with passwords may be able to access your account to post final updates, delete items (per estate instructions), or delete/deactivate accounts.<sup>1</sup>
- Email accounts, online communities, and blog management may also be guided by provider agreements. How-

ever, your executor may be allowed to notify friends or followers of your death and then delete, print, or archive your communications.<sup>1</sup>

- Digital photos that are stored online may be passed on through a will or another estate planning tool.<sup>1</sup>
- If you have one or more websites, domain names may have value and they may be transferrable.<sup>1</sup>
- If you have an online store, you may want to leave instructions about what should happen to the store, the items for sale, and any income or profits that may continue to arrive.

#### 2. Add language regarding digital assets to your will and/or trust.

Currently, there is no uniform federal law to guide the management of digital assets.<sup>2</sup> At the start of 2017, Kiplinger reported, "Federal law regulating access to digital property does not yet exist. At this time, 29 states have established legislation or laws to protect digital assets and to provide a deceased person's family procedures and rights to manage those accounts and assets after death."<sup>3</sup>

Regardless, it can still be a good idea to include language that specifies your wishes for the treatment of each of your digital accounts.<sup>2</sup>

#### 3. Check the law in your state.

Talk with your attorney or advisor about whether any laws your state has that apply to digital assets, and make sure your estate plan is consistent with these laws.<sup>2</sup>

While estate and inheritance laws are behind the curve when it comes to digital assets, it is important to inventory your digital assets and decide how they should be managed upon your death. If you would like additional information about estate planning, please give us a call.

Sources:

<sup>1</sup> <https://www.nolo.com/legal-encyclopedia/a-plan-your-digital-legacy.html>

<sup>2</sup> <https://www.legalzoom.com/articles/what-happens-to-your-digital-assets-when-you-die>

<sup>3</sup> <https://www.kiplinger.com/article/retirement/T021-C032-S014-put-digital-assets-in-your-estate-plan.html>  
Securities offered through "Your B/D Name Here", Member FINRA/SIPC.

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**QUOTE OF THE QUARTER**

All financial success comes from acting on a plan. A lot of financial failure comes from reacting to the market.

—Nick Murray



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**THE TECHNOLOGY TOOL BOX**

We are excited to announce a new recurring section in the Reby Newsletter; the Technology Tool Box. Each quarter we will highlight a different tool that is available to Reby clients. The goal is to introduce the various offerings that can be accessed by you, as well as provide you with an overview of how you can benefit by utilizing these features. The tools are designed to help you keep track of your accounts, your documents and your overall planning needs.

This quarter we are featuring the Vault portion of the Client Portal experience. While there are several features that are available when you sign up for the Client Portal, such as access to viewing your portfolio information including account balances, transaction history, and on-demand reports, there is also a vault feature where documents can be stored and shared between you and the Reby team.

**THE VAULT**

Securely sharing and managing documents is key to working with your financial planning team. The Vault page is where you can keep track of all your important financial and legal documents.

From here, you can organize your documents into folders, drag-and-drop to upload new documents, and easily move files from one folder to another.

The Vault is also an area where we can share documents with each other through the Shared Folders option. However, if you want to store documents privately, you can do this and the Reby team cannot view or access the documents. Only documents that you place in the Shared

Folder can be viewed by our group.

In addition to sharing documents, from the Statements and Reports folders, you have quick access to view investment focused reports created by your financial team. All these items are shared and stored using the most secure encryption available.

We hope that you take advantage of the Vault, and the other Client Portal features, if you have not already. If you are interested in activating your Client Portal, or you have any questions regarding this, or any other services, please don’t hesitate to reach out to a member of your advisory team.

**We are proud to recognize our employees celebrating anniversaries:**



**Rosanne Schepis,**  
Client Service  
Manager

April 3 – 13 years



**Danielle Sanborn,**  
Client Service  
Manager

June 2 – 15 years



**Donna Tumillo,**  
Client Service  
Manager

May 15 – 2 years

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Connecticut: 44 Old Ridgebury Road, Danbury, CT 06810 | Florida: 3801 PGA Boulevard, Palm Beach Gardens, FL 33410

New York: 250 Park Ave, 7th floor, New York, NY 10167 | Email: info@rebyadvisors.com | Website: www.rebyadvisors.com