



**Scott White**  
ADVISORS

An Independent Registered Investment Advisor

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# The Navigator

MANAGING WEALTH. SERVING GENERATIONS.

## Living Alone after a Spouse Dies: More Social Interaction and Less Isolation

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

In almost 30 years as a financial advisor, I've worked with families and couples—and with widows and widowers who are alone after their spouse dies. I've helped those families deal with the financial decisions that surviving spouses face. I've seen the grieving process up close, as financial advisors frequently do. And I've assisted those surviving spouses as they sort through decisions about their lifestyle.

For seniors who are alone, I encourage them to consider assisted living, because those communities offer more stimulation and less isolation than living by themselves. While living alone does not inevitably lead to social isolation, it is a predisposing factor, and social contacts tend to decrease as we age. But some widows and widowers don't want to consider a group living arrangement of any kind. They want to remain in their homes, alone, for as long as their health will allow.



Reports suggest that approximately one in three Americans 65 and older are living alone.<sup>1</sup> According to the National Institute on Aging, several research studies have shown a strong correlation between social interaction and health and well-being among older adults and have suggested that social isolation may have significant adverse effects for older adults.<sup>2</sup> In fact, social relationships are consistently associated with lower levels of age-related disorders such as Alzheimer's disease, osteoporosis, rheumatoid arthritis, cardiovascular disease, and some forms of cancer, as well as depression.

When older adults choose to live alone, it's important to create adequate social interaction and stimulation. Volunteering can reduce social isolation, and research shows that volunteering confers mental and physical health benefits for those doing the helping.<sup>3</sup> Locally, the Retired Senior Volunteer Program (RSVP) of Lee County links the skills of the volunteers with identified community needs. For more information or to volunteer, call 239-275-1881. United Way of Lee, Hendry, Glades and Okeechobee Counties serves our local community by connecting

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### Introducing Janelle Lewis

We're happy to welcome Janelle Lewis, Client Service and Planning Associate, to the Scott White Advisors team. Janelle responds to the administrative needs of clients and helps prepare financial planning documents and account review information. She has 12 years of experience in the financial services industry.

"Client interaction tops my list of the most enjoyable aspects of my work," she says. "I appreciate the opportunities to assist clients with their financial needs." Janelle is originally from Tupper Lake, New York, and is graduate of the State University of New York at Potsdam.

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# Questions & Answers

## Questions & Answers

**Q: It's hurricane season. How can my family protect our financial records if we have to evacuate, and if Scott White Advisors office is closed due to a hurricane, how can we get client services?**

**A:** Protecting financial records by creating a fire safe and easily transportable document box will make a traumatic evacuation or disaster recovery process easier for you and your loved ones. Place copies of all your financial documents in a fireproof, locking document box. Include all investment and retirement account numbers; critical contact information including your insurance agent, attorney, financial advisor; and home, life and medical insurance policies. Make sure all family members know where the box is stored. Also, contact a trusted family member or friend outside of your household and share the document box location in case something should happen to you.

In the past 18 years of our firm's history, we've closed our office several times due to hurricanes—and the team at Raymond James Client Services was standing by to help. As our firm's broker-dealer, Raymond James Financial Services provides custodian services for our clients' funds. They also provide back-up support to handle client questions and requests in rare situations when our staff isn't available.



## Congratulations, Dawn and Gage Hamm!

Our Senior Planning Assistant, Dawn, married Gage Hamm in Bonita Springs. They met 6 years ago on a blind date while both were students at FGCU. Dawn said when she and Gage exchanged vows that they had written, there wasn't a dry eye in the audience—everyone was crying happy tears.



*Scott and Adriana visited Chicago to help son Jonathan move into his new apartment. Here is Scott on the Navy Pier with Chicago in the background, and Adriana and Jonathan on the Navy Pier near the John Hancock Center.*



## A Grandparent's Lasting Gift: 529 College Savings Plans

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

Making it possible for a grandchild to attend college can make a difference in that child's life—forever. A study from Georgetown University found that, on average, college graduates earn \$1 million more in earnings over their lifetime. And another study by the Pew Research Center found that the median yearly income gap between high school and college graduates is around \$17,500.<sup>1</sup>

Grandparents can invest in 529 college savings plans as a tax-efficient way to save for their grandchildren's college educations. Plan funds are protected from bankruptcy and if the student doesn't deplete the account, the funds can later be transferred to another relative who is or will be a student.

College expenses are rising every year, according to the College Board's latest report on the total average costs\* of a college education.<sup>2</sup> Average estimated undergraduate budgets for 2018-19 were: \$25,890 for four-year public colleges for in-state students, on campus; \$41,950 for four-year public colleges for out-of-state students, on campus; and \$52,500 for four-year private nonprofit colleges, on campus.

*\*Total average cost: tuition and fees, room and board, books and supplies, transportation, and a small amount for miscellaneous expenses.*

In addition to furthering the education of the 529 plan recipient, one of the benefits of a 529 college savings plan is that all distributions used to pay for qualified education expenses are federal tax free.

### Qualified Education Expenses

**Tuition:** Considered a qualified education expense for both full- and part-time students at accredited institutions. (To check whether the school is accredited, go to [ope.ed.gov/dapip/](http://ope.ed.gov/dapip/).) Study abroad programs can also be qualified expenses, particularly if the student is receiving credit for attending.

**Room and board:** Dorm room and sorority/fraternity living quarters are qualified expenses if the student is enrolled in an eligible college at least half of the time. If the student lives off campus, qualified room and board costs are limited to what's included in the college's cost of attendance (COA) allowance for the period. Costs in excess of the COA aren't considered qualified expenses.

**Books and supplies:** Included expenses comprise all textbooks and other required reading materials, plus supplies such as pens, paper, and calculators.

**Computers and peripheral equipment:** This includes tablets, laptops, printers, internet access, and necessary software, such as Microsoft Word and AutoCAD.

**Special needs resources:** If the student has a disability and needs assistance or special equipment, these costs are considered qualified expenses.<sup>3</sup>

### Nonqualified Expenses

Plan proceeds can be used to pay for other expenses, but any earnings from these withdrawals are subject to federal income taxes and applicable state taxes, plus a 10% penalty. You may also have to pay back income-tax deductions you claimed on your previous tax returns. Nonqualified expenses include:

**Cell phones and data plans:** While these aren't qualified expenses, be sure to check with the college, as many schools offer student discounts on plans and phones.

**Transportation expenses:** Whether it's the cost of getting to campus daily or traveling home, these expenses are already factored into the overall COA by most schools.



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volunteers with nonprofits. For more information call 239-433-7567. Or you may prefer to volunteer for your favorite cause. If so, contact that organization directly and ask to speak with their volunteer coordinator.

The Dr. Piper Center for Social Services, Inc. seeks to enhance the social and economic well-being of those 55+ individuals who reside in Southwest Florida and make a positive impact in the lives of frail elderly, at risk youth, special needs children and our communities. This organization unites the community by matching senior volunteers with those most in need of service. For more information call 239-332-5346 or visit [www.drpipecenter.org](http://www.drpipecenter.org).

If you live alone or know an older adult who does, take advantage of the resources in our area that help to reduce social isolation.

<sup>1</sup>Orlando Sentinel, *6 Steps to Help Reduce Senior Isolation and Improve Social Interaction*, January 23, 2017

<sup>2</sup>National Institute on Aging, U.S. Department of Health and Human Services, <https://www.nia.nih.gov/about/living-long-well-21st-century-strategic-directions-research-aging/research-suggests-positive>

<sup>3</sup>Senior Living Blog, *5 Reasons Seniors Should Volunteer Their Time*, <https://www.aplaceformom.com/blog/9-26-14-reasons-seniors-volunteer/>

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**Health insurance and medical bills:** As these aren't considered education expenses, they aren't qualified.

**School memberships:** This includes annual dues for joining sororities or fraternities, sports teams, and gyms.

**Student loans:** If used to pay back borrowed funds, you'll have to pay taxes and a 10% penalty on the withdrawals.<sup>3</sup>

Regardless of whether expenses are qualified or nonqualified, be sure to keep receipts, as you'll need them when doing your taxes.

There are many 529 plans to choose from, and many states offer extra tax benefits for creating and contributing to your home state's college savings plan. However, make sure the benefit of your in-state tax savings outweigh possible higher fees or loss in flexibility.

Grandparents, and others who want to support a child's college education, may find that 529 college savings plans are a tax-effective way to invest money for a college education and may provide additional gift and estate tax planning opportunities.



<sup>1</sup>Do College Grads Really Earn More than High School Grads? <https://www.cornerstone.edu/blogs>

<sup>2</sup>Trends in Higher Education. <https://trends.collegeboard.org/college-pricing/figures-tables/tuition-fees-room-and-board-over-time>

<sup>3</sup>What you can—and can't—pay for with your 529 college savings plan account <https://www.jhinvestments.com/viewpoints>

Rules governing 529 plans are varied and subject to change. There are generally fees and expenses associated with participation in a 529 plan. There is also a risk that these plans may lose money or not perform well enough to cover college costs as anticipated. Most states offer their own 529 programs, which may provide advantages and benefits exclusively for their residents.

*Investors should consider, before investing, whether the investor's or the designated beneficiary's home state offers any tax or other benefits that are only available for investment in such state's 529 college savings plan. The tax implications can vary significantly from state to state. Investors should carefully consider the investment objectives, risks, charges and expenses associated with 529 college savings plans before investing. More information about 529 college savings plans is available in the issuer's official statement, and should be read carefully before investing.*

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