http://www.theexaminernews.com/prudent-portfolio-identity-theft-tops-the-list-of-fears-for-investors/

The Examiner

Also: *The White Plains Examiner*, *Northern Westchester Examiner* and *Putnam Examiner*
Armonk, NY

Prudent Portfolio: Identity Theft Tops the List of Fears for Investors

Examiner Media | Aug 31, 2016 |

By Peter Chieco

At the outset of July, equity markets were jittery with no strong sense of stability and little apparent confidence. However, the market outlook changed by the end of the month in the wake of positive economic news. The continuation of the post-Brexit bounce and a June jobs report that beat expectations were among the factors prompting a boost in the markets to record highs.

The Nasdaq 100, led by solid earnings from big technology companies, advanced by 6.6 percent in July alone.

Surprisingly, however, stock prices are not the biggest worry of high net worth investors. According to a recent poll of these investors by Morgan Stanley, their chief concern is identity theft.*

The poll shows that those who have the most discretionary income to put into the market are very concerned about the possibility of their personal information and accounts being stolen. Of those, some 56 percent believe that they and their loved ones, including parents and in-laws (47 percent) and children (52 percent), could be victims of identity theft and not even know it. In addition, 55 percent say they expect identity theft to be more of a concern to them in the next three years. Only 18 percent say the threat of identity theft is overblown.

There are valid reasons for concern. Another recent study shows that identity thieves consider the New York metropolitan area to be a target-rich environment for plying their particular criminal activity. In fact, neighboring Connecticut now ranks second in the nation in identity theft complaints, up from 14th a year ago. New Jersey is ranked 17th and New York 23rd.

One potential reason for this growing menace, according to an overwhelming 81 percent of the respondents from the Morgan Stanley poll, is that with changing technology it is difficult to know how best to protect themselves. And even though 69 percent of respondents believe they are taking great pains to do that, only 28 percent subscribe to credit score monitoring services, for instance, to help safeguard their data. For online password managers, only 11 percent subscribe.

Constantly changing technology can also be a burden to one of the most vulnerable demographics: the elderly. More than one-fifth of identity theft complaints in 2015 were lodged by those over 60, and some experts say that seniors don't have the same level of familiarity with high technology as other age groups and can be more susceptible.

Additionally, much identity theft takes place online through hacking and scams. Since online hacking is the origin for much of the stolen personal information, elderly investors may need assistance from younger relatives to take precautions against hackers and identity thieves.

For instance, investors should ensure that passwords are strong, changed regularly and never shared with anyone else. They can use tools to be alerted to various forms of viruses, including those that may be inserted into computers through links or in fake e-mails with friends' addresses. It is also a good idea to monitor credit reports to be aware of any changes or charges that originated elsewhere.

Overall, there is plenty to be edgy about these days, from market volatility to terrorism to identity theft and beyond. As with any time of uncertainty, vigilance is the key to avoiding or mitigating harm.

All investors should keep track of the latest types of scams, get professional help when needed and be aware that information such as Social Security numbers, passwords, user IDs or other forms of identity that are used to access financial information electronically should never be shared over the phone or with anyone who does not have a legitimate need to know them.

Peter Chieco is a financial adviser with the Global Wealth Management Division of Morgan Stanley in Greenwich, Conn. He can be reached at 203-625-4897.

**The Investor Pulse Poll surveyed 752 high net worth investors last spring. High net worth investors account for 95 percent of U.S. household investable assets by value, according to Federal Reserve data. In order to qualify for this study, respondents were required to have at least $100,000 in household liquid investable assets and be between 25 and 75 years old.*

The information contained in this column is not a solicitation to purchase or sell investments. Any information presented is general in nature and not intended to provide individually tailored investment advice. The strategies and/or investments referenced may not be suitable for all investors as the appropriateness of a particular investment or strategy will depend on an investor's individual *circumstances and objectives. Investing involves risks and there is always the potential of losing money when you invest. Diversification does not guarantee a profit or protect against a loss. The views expressed herein are those of the author and may not necessarily reflect the views of Morgan Stanley Wealth Management, or its affiliates. Morgan Stanley Smith Barney, LLC, member SIPC.*