

AAll Survey: Lack of Tax Reform Will Have Negative Impact on Stock Market

Now that both House and Senate Republicans have submitted competing tax reform bills, they have to hammer out a compromise bill for President Trump to sign. This is no small task, so the prospects for meaningful tax reform, at this point, seem in jeopardy.

Since November 8, 2016, U.S. stocks have been rising, mainly on the prospects of policies aimed at boosting corporate profits through deregulation and tax reform. If this expected legislation doesn't pass, expectations will have to adjust accordingly, which could include a "correction" in stock prices.

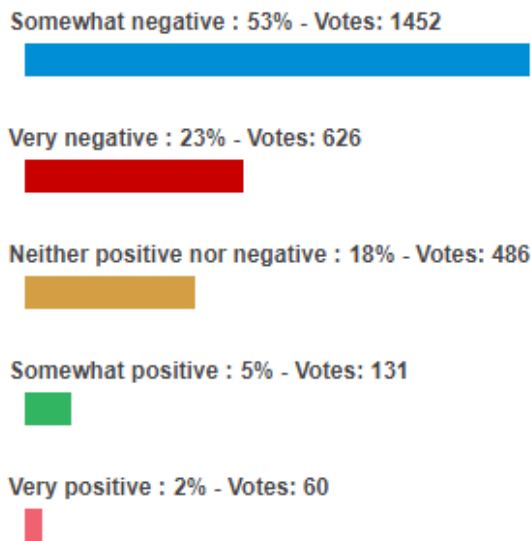
AAll Weekly Survey Question

To gauge how our readers feel about the impact failed tax reform would have on the U.S. stock market, last week's survey question asked:

If Congressional Republicans are not able to reach a consensus on tax reform, how much of an impact will this have on the U.S. stock market over the next six to 12 months?

Here are the results:

If Congressional Republicans are not able to reach a consensus on tax reform, how much of an impact will this have on the U.S. stock market over the next six to 12 months?



Of the 2,785 readers who participated, the majority see a negative impact on U.S. stocks should there not be tax reform. The majority of respondents (53%) believe there will only be a somewhat negative impact while nearly a quarter (23%) feel the impact will be very negative.

Another 18% of readers feel that failed tax reform will not have a positive or a negative impact on the U.S. stock market.

Last, 7% of readers believe that a lack of tax reform will be a positive for U.S. stocks, with 5% seeing a somewhat positive impact and 2% think it would be very positive.

Weekly Special Question

Last week's special question was a bit of a non sequitur in relation to the survey question. However, I came across an [article](#) outlining how few individuals, as part of their financial and estate planning, are detailing their digital information for their next of kin or trustees.

Per the article, a survey in Rocket Lawyer shows that 63% of people don't know what happens to their online or digital assets after death. The article adds that failure to account for such digital assets may lead to hacking or fraud, particularly for assets linked to a credit card, especially if no one knows of the accounts' existence and therefore doesn't have the ability to deal with such accounts.

To get a sense of what steps our readers have taken, last week's special question asked our readers:

With ever increasing amounts of personal and financial data being stored digitally, we need to consider how this data will be passed on after our death. What steps have you taken to make sure usernames and passwords are accessible to trusted descendants or executors?

In all, 318 readers offered their thoughts.

It was encouraging to see that only about a quarter (26%) of respondents said they have not taken any steps to make their online account information accessible to trusted descendants or executors. Among those, several thanked me for bringing up this topic and said that they will be addressing the issue very soon.

Among those that haven't taken any steps, some said there was no need because they didn't store financial information on their computer. However, if they have online accounts—brokerage, bank, credit cards—they are running the risk of financial fraud if that information isn't made available to descendants or executors.

Others that haven't taken any steps worry that, by putting all of that information in a single document or location, they run the risk of it falling into the wrong hands.

For those who have taken steps to ensure that descendants and/or executors have access to their online information, they are using a variety of methods to centralize the information:

- Hard copy (31.4%)
- Digital copy (21.0%)
- Given direct access to executor/descendant (13.8%)
- Verbal instructions (9.1%)
- In will/trust documents (5.0%)

Here is a sampling of the responses:

- "All my passwords are stored in a file in my desk in my library with an appropriate label."
- "I had a conversation with my son telling him where all of this information exists. I need to have the same conversation with my daughter."
- "I have granted access and provide updates to my executors."
- "None, but I am thinking about it. If usernames and passwords are known to others, it would allow others to change positions or withdraw funds."
- "Thanks for the reminder! I need to make a list to pass on to my family."
- "I have a list but haven't passed it on to my descendants. I am woefully unprepared."

- “My husband had gone almost entirely digital before he died in 2005. I still have not located assets because I could never access his MSN money account.”
- “Not sure who to trust.”
- “Secure wallet with all passwords stored to be opened by the executor upon my passing.”
- “Never thought about it until I read your question! Now that you gave me a push, I intend to start arranging what will be quite a task. Thanks!”
- “Keep all financial information in a secured spreadsheet with account information including passwords which is backed up.”

Everybody has an opinion! Why not give us yours? Participate in our weekly member poll, updated every Monday, and see the results online at www.aaii.com/memberquestion.