JULY 1, 2026

WEALTHWISE NEWSLETTER

Summary Nostalgia

By: Elizabeth Chiles Shelburne

When I was a kid growing up in hot Tennessee summers, my mother loved air conditioning. Like, loved it deep down to her bones. Money be damned, our house was to be cold. Not a comfortable 72, or even 68. But a toe-freezing 64. Functionally cold-blooded, I fled the house as often as possible for the heat outside, so humid it was like walking through molasses. With nothing else to do, I'd while away hours reading on the sidewalk, soaking up the warmth of the sun compressed into that slab of concrete. I piled that heat up on me like a wool sweater in summer and held it against me during brief forays into the house for a glass of lemonade so heaped with Country Time mix it was viscous.

As the sun began to move toward sunset, even though it would be hours until it finally went down, the world would come alive with noise. Cicadas droned, katydids chirped, and frogs bellowed. Having been warmed thoroughly through to my bones, I could emerge too, rise up off the sidewalk and walk through the grass. The earth hummed with life, especially at dusk. There is no time better to be barefoot, a mason jar full of your favorite beverage, ice clinking against the glass with every step.

Click this link to read the full article:
https://southwritlarge.com/articles/summer-nostalgia/

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Newsletter Highlights

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Happy Birthday, America!

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250 YEARS

UNITED STATES OF AMERICA

1776 - 2026

On July 4, 2026, the United States of America celebrates its Semiquincentennial - 250 years since the signing of the Declaration of Independence in Philadelphia, Pennsylvania.

This historic document, crafted by Thomas Jefferson and signed by 56 delegates of the Continental Congress, declared the colonies free from British rule and established the ideals of liberty, equality, and self-governance that continue to shape the nation today.

Happy 250th Birthday, USA!!

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Overconfidence Bias, The Kentucky Derby, and the Perils of Too Much Information
What was Reinforced during our Weekend at Churchill Down
By: Philip O'Toole

"When given 5 pieces of information, bettors were 17% accurate and 19% confident. With 40 pieces of information, accuracy stayed at 17%, but confidence jumped to 34%."
- Paul Slovic, Psychologist (1974)

1. **A Bucket List Item Checked Off**

One of the joys of being "empty nesters" is being able to pivot at a moment's notice if duty calls. For example, a friend called the Sunday before The Kentucky Derby this year asking if my wife and I could help him out of a jam.He had a last-minute unavoidable cancellation and wanted to know if we could take two extra "Derby Experience" passes off his hands for the upcoming weekend? Hmmm, can we think about it for a…we are in!!!

The weekend in Louisville and Churchill Downs was everything we imagined and more. The setting. The people.The attire. The majesty of the horses. The energy. The company.Some random highlights included my wife bumping into and falling in love with the Founder and President of Barstool Sports, Dave Portnoy, who agreed to a "selfie" with her. I was also able to eavesdrop on a conversation between Mr. and Mrs. Ted Cruz as she was dragging him out of a conversation while he feebly pleaded ***"honey, I was just talking to Rand"***. Even US Senators answer to higher power…

But I think my favorite part of the weekend was simply the cadence of race day. While most of America only sees The Kentucky Derby run live on NBC around 7pm, those at Churchill Downs are treated to 15 races on Friday during The Kentucky Oaks and 14 races on Saturday, Derby Day. Our cadence was to arrive early, grab a program, a table and make sure the betting app was downloaded and ready to go on our smart phones. Once bets are placed, it's time to head over to the grandstands to watch a race.

There are two minutes of wild excitement as our horse either finishes in the money and we celebrate, or dejected, we immediately look down at the program to start preparing for the next race.At that point, it's time to head back to our table, grab a mint julip and a plate of food, tell stories with our friends for the next 30-50 minutes between races while studying and preparing another bet. Wash, rinse repeat all day, for two days. It was glorious!
As my Wealth Management brain is always on high alert, even subconsciously during such a weekend, I couldn't help but be fascinated by the entire horse track gambling process. It immediately recalled a study I learned of early in my career that was conducted by psychologist Paul Slovic in 1974 and that many refer to as **"the perils of too much information"** study.

2. Is Less Really More?

Slovic set out to study the success rate of horse racing handicappers. His goal was to evaluate how adding information affects the accuracy of human decisions and the confidence of the decision-maker. In his study, he found the accuracy of horse racing gamblers peaked at 17% with 5 pieces of information then flatlined, even as more pieces of information were added.

What continued to increase, however, was confidence, which ticked up linearly as each piece of information was added. Confidence started at 19% with five pieces of information, but unlike accuracy continued to increase as more information was added, eventually peaking at 34% with 40 pieces of information. Once you understand the conclusion of this study, then you can understand why horse racing guides include so much information.

Slovic's conclusion was that beyond a few important pieces of data, there are diminishing returns to gathering more information at the horse track. Once a handful of the most critical data points are known, continuing to gather even more information serves no other purpose than to increase confidence.After two days and 29 races, I can confidently say I agree with Slovic that having more information does not increase accuracy. I also agree that gathering more information did build our confidence. Moreover, I actually felt there were two biases at play throughout the weekend, "Overconfidence Bias" and "Confirmation Bias".

Here is what I mean. Typically, we would settle on a horse we favored with just a few pieces of information:

- Horse's Name
- Jockey
- Trainer
- Odds

From there, my brain would seek a few additional data points that would support my already-made decision including:

· Owner
· Recent order of finishes
· Times in races with similar distances

The first four pieces of information created the confidence needed for a decision, aka Overconfidence Bias. The additional pieces of information simply helped confirm the decision already made, aka Confirmation Bias.

We see similar patterns of Overconfidence bias regularly in Wealth Management, often coupled with Confirmation bias, both are usually the result of too much information. Overconfidence alone can lead to poor decision-making.Combined, they can be a devastating tandem.

In the big race, we settled on 4-1 favorite Renegade to win The Kentucky Derby. What we could not account for in our exhaustive analysis was a 23-1 longshot named Golden Tempo passing 19 horses down the stretch including Renegade at the finish line, despite not having many data points in the program that would suggest he could run with the favorites.

The bad news about gambling is the odds are not in your favor over the long-term. However, the biases that cripple gamblers can also appear when it comes to investing and planning decisions.

3. **Wisdom over Information**

Today, human beings have more computing power and access to information at their fingertips than ever before. As a result, overconfidence bias can be a challenge for Wealth Advisors and the families they counsel in 2026. As Mark Twain said, **"it ain't what you don't know that gets you into trouble. It's what you know for sure that just ain't so."** Below are just a few examples of what people "know for sure" that can lead them down a wrong path:

· "Stocks are risky."
· "Bonds are safe."
· "Deferring taxes is always best."
· "I make too much money to make Roth contributions."
· "I am properly diversified and allocated."
· "This time is different."

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As a partner in a Wealth Management practice, one might think we lean heavily on our Business/Finance degrees to be good at our jobs. In college, we studied economics, accounting, statistics, quantitative analysis, corporate finance, capital markets, risk management, etc… We certainly lean on that education in our jobs daily. However, looking back 30 years later, it would have been nice to have sprinkled in some Psychology courses around human behavior.

Oftentimes in Wealth Management, the challenge isn't intellectual. It's emotional. The key to helping families achieve their hopes and dreams is not about knowing. It's about doing. A good Wealth Advisor knows the prudent path forward. A great Wealth Advisor perpetually motivates the families they counsel to get on the prudent path and stay there regardless of outside noise which is abundant and relentless.

One key is to focus on what matters most and tune out the white noise. As the great jazz artist Miles Davis said, **"I always listen to what I can leave out"**. Financial Services legend Nick Murray said it another way. He said great advice is about **"places in the heart vs places on some chart"**. In Wealth Management, it boils down to a handful of questions. Everything else is just noise.

1. Where are you now?
2. Where would you like to go?
3. What resources/levers do you have at your disposal?
4. Are you willing/able to adjust and/or pivot if necessary?

Overconfidence bias tries to crowd out both these questions and the answers, while revealing itself in multiple ways. Overconfidence can cause investors to either be overly reckless or overly cautious, depending on the people and/or the circumstances. The job of the prudent Wealth Advisor is to recognize biases like overconfidence when it appears and steer the conversation back to what matters most, the clients goals, dreams and aspirations and whether their behavior aligns with their vision.

If there is any truth in the Slovic study, then human beings are more confident today in their decision-making than ever before while the accuracy of their decisions remains woefully underwhelming.Now more than ever, the world is drowning in information yet still starved for wisdom. Knowing is easy. Information abounds. Confidence is high. Great Wealth Management is about activating the right behavior in the face of powerful biases which are trying relentlessly to steer us in the wrong direction. And when the narrative changes yet again and a different bias is activated, stay on the path.

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Social Security Survivor Benefits

By: Curtis Hopp

What surviving spouses—and divorced surviving spouses—need to know to before claiming

What We'll Cover:

- What surviving spouses are entitled to
- Claiming strategies for surviving spouses
- Claiming strategies for divorced surviving spouses

At 75, Diane was a widow collecting a modest Social Security retirement benefit of just over $1,000 a month. After attending a Social Security workshop, Diane was stunned to learn she had been eligible for a survivor benefit of $2,400 per month based on her late husband's earnings. That's $1,400 more every single month—money she desperately needed and rightfully deserved.

Over five years, Diane missed out on more than $84,000.

Her story is a powerful reminder: not knowing their options can cost a surviving spouse dearly. Widows and widowers owe it to themselves to explore both retirement and survivor benefits, because understanding these options can make a significant difference in their financial well-being.

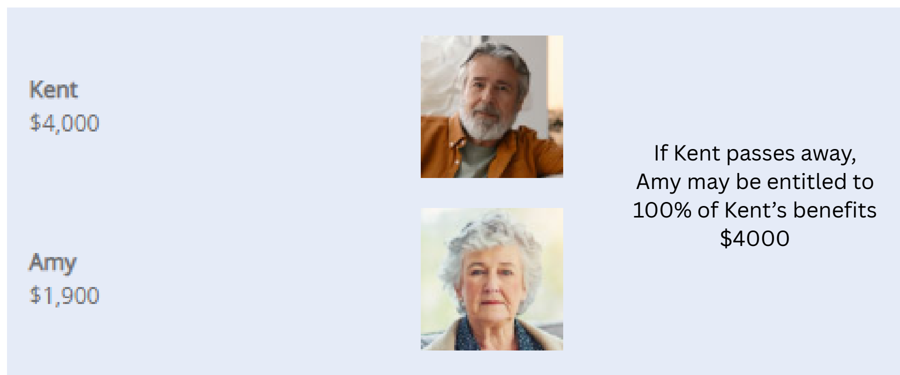
First, What Surviving Spouses Are Entitled to[1]

The Survivor Benefit

If the higher-earning spouse dies, the surviving spouse is typically entitled to the greater of their own benefit or up to 100% of the deceased spouse's benefit. In other words, if the deceased spouse had a higher benefit, the survivor could switch to that higher amount.

Let's use Kent and Amy as an example. Stepping out of the workforce to care for aging parents resulted in a lower individual retirement benefit for Amy. When Kent passed away, she became eligible for Kent's benefit, increasing the amount she received by more than **50%.**

Individual vs. Survivor Benefits



General eligibility guidelines:

- A couple must have been married for at least nine months (and the surviving spouse must not remarry before age 60)
- The surviving spouse must be at least age 60; however, filing before their full retirement age (FRA) is considered early and may reduce the benefit amount
- A spouse is entitled to the greater of their own benefit or the survivor benefit—but not both

If a lower-earning spouse is already receiving a spousal benefit when the higher-earning spouse passes away, Social Security will, in most cases, automatically convert it to a survivor benefit once the death is reported. The surviving spouse may still need to contact the Social Security Administration for the one-time $255 death payment, but not for the monthly survivor-benefit conversion.

Unfortunately for Diane, she didn't realize this, leading to a significant financial loss at an already difficult time. That's why understanding your options is so important—but it's only the first step. The next is knowing how to claim them in a way that supports your long-term goals.

Second, Claiming Strategies for Surviving Spouses

If the surviving spouse hasn't yet applied for either a spousal or individual benefit, they may have valuable filing options to consider—based on their unique needs and preferences.

Today's FRA is 67,[2] and at that age, your Social Security benefit is paid at its full amount, without any reduction for early filing. As the bar chart below shows, claiming benefits earlier (such as at age 62) results in a permanently lower monthly payment, because those benefits are expected to be paid over a longer period of time. By contrast, waiting until FRA means fewer years of payments but at a higher monthly amount.

Early Claiming Strategy

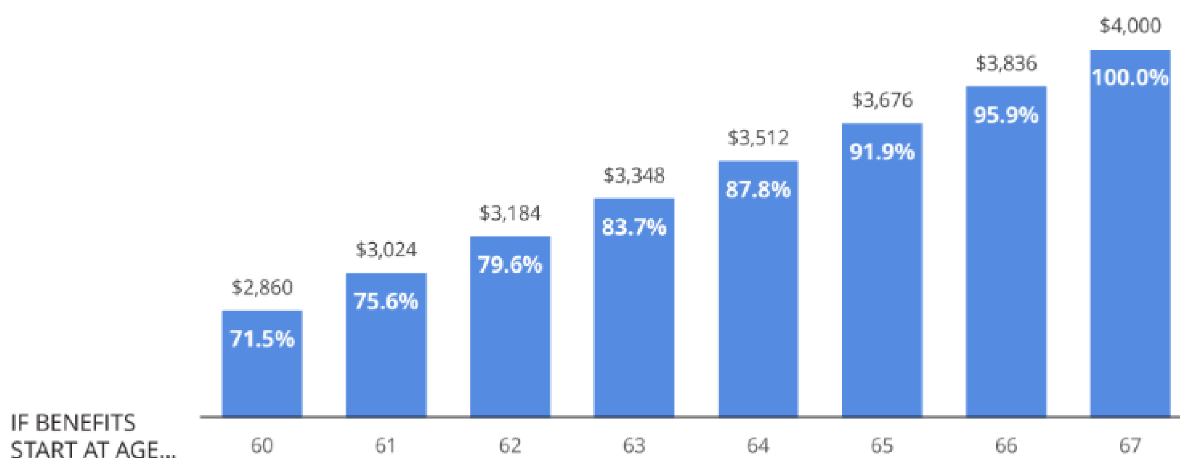
A surviving spouse can claim survivor benefits as early as age 60 (or 50 if disabled), but filing before FRA permanently reduces the benefit. The earlier they file, the larger the reduction. For example, claiming at age 60 provides only about 71.5% of the full benefit, while claiming at 61 provides about 75.6%, and so on. (See Figure 1.)

Maximizing Strategy

By waiting until FRA, the surviving spouse can receive 100% of the deceased spouse's benefit, offering a higher level of support over time.

Figure 1: Early vs. Delayed Filing: How It Affects Survivor Benefits

Portion that would be received assuming survivor benefit of $4,000 at a Full Retirement Age (FRA) of 67*



Note: Survivor benefits have their own FRA schedule, which is slightly different from the individual FRA. Benefits are subject to the earnings test and will be reduced if the survivor is still working and receiving earned income.

*What you could get from survivor benefits, ssa.gov, 2/26.

[1] Benefits for Spouses, ssa.gov, 2025

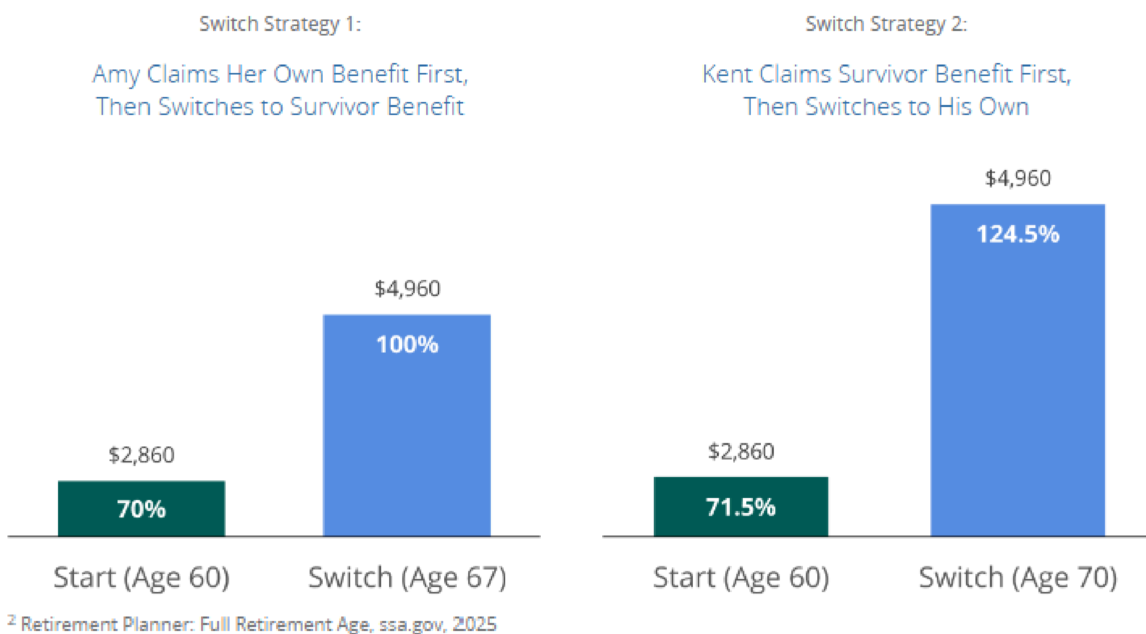
Switch Strategy

Suppose Kent passed away before Amy reached her FRA, and she was only 62. Since she's eligible, she may choose to file for her own smaller benefit. Filing early for her individual benefit would reduce that amount, but it would still provide her with some income. It would also allow the survivor benefit to remain untouched until she reaches her FRA of 67. At that point, she could switch to the survivor benefit and receive 100% of Kent's benefit as his surviving spouse. Survivor benefits do not increase beyond FRA, so waiting past age 67 would not result in a higher survivor benefit. (See Figure 2.)

Conversely, if Amy passed away first, Kent might choose to claim the lower survivor benefit initially. This approach would allow his own retirement benefit to continue growing, since it would earn delayed retirement credits until he reaches age 70. At that point, he could switch to his higher individual retirement benefit. Unlike survivor benefits, an individual's own retirement benefit can continue increasing until age 70. (See Figure 2.)

In both cases, the advantage is the same: by starting with the smaller benefit, the surviving spouse preserves the higher benefit for later, ultimately increasing their income over time. Now that we've seen how this works for married spouses, we can turn to how similar strategies apply—though with different rules—to divorced surviving spouses.

Figure 2: Switch Strategy



[2] Retirement Planner: Full Retirement Age, ssa.gov, 2025

Third, Survivor Benefits for Divorced Surviving Spouses

If eligibility requirements are met, a divorced surviving spouse can use the same Social Security claiming strategies as a married surviving spouse—i.e., Early, Maximizing, and Switch—but the guidelines differ.

General eligibility guidelines:

- The marriage must have lasted for at least 10 years
- The surviving divorced spouse must be at least age 60 (or age 50 if disabled).
- Remarrying before age 60 generally makes a surviving divorced spouse ineligible for survivor benefits on a former spouse's record. Remarriage after age 60 preserves eligibility.

How to apply for survivor benefits

Again, unlike many other Social Security benefits, there is currently no online application process for

survivor benefits. To apply, you must either call the SSA or contact your local Social Security office to complete the application by phone or in person.

You'll need the following documents on hand:

- Proof of death (often reported by a funeral home)
- Your birth certificate or other identification Your marriage certificate (or divorce decree*)
- Social Security numbers for both you and the deceased

If a divorced spouse can't obtain their ex-spouse's death certificate when applying for survivor benefits, the SSA may still be able to help. Often, the death is already reported to SSA by the funeral home. Otherwise, the applicant may need to provide identifying details (such as the ex-spouse's name, SSN, and date of birth), along with a marriage certificate and divorce decree. If needed, SSA can assist in verifying the death through other records.

To Summarize

First, a surviving spouse is generally entitled to receive the higher of their own benefit or up to 100% of the deceased spouse's benefit. Second, if a surviving spouse hasn't yet filed for spousal or individual benefits, they may have valuable claiming strategies available to them. Third, if eligibility criteria are met, a divorced surviving spouse can use the same Social Security claiming strategies as a married surviving spouse.

Navigating Social Security after the loss of a spouse can feel especially overwhelming.

Gaining a clear understanding of available options can provide a sense of direction during a time when so much feels uncertain. Whether married or divorced, filing early or coordinating benefits for future maximization, surviving spouses have important choices that deserve thoughtful consideration.

Diane's story is a reminder of what may be at stake. The goal isn't simply to avoid missing out—it's to make the decision that best supports your financial future.

[1] Benefits for Spouses, ssa.gov, 2025
[2] Retirement Planner: Full Retirement Age, ssa.gov, 2025
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