

# ON COURSE

## Cybersecurity and Your Wealth — 5 Ways to Protect Yourself

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# Cybersecurity and Your Wealth – 5 Ways to Protect Yourself



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**In today's digital world, perhaps the greatest threat to high-net-worth families and individuals doesn't come from markets, inflation, or taxes. It's the unseen threats lurking behind computer screens, phones, and tablets.** Cybersecurity has become a critical component of a comprehensive risk management strategy. For affluent families, the stakes are particularly high.

While you may already have safeguards in place, such as strong passwords, antivirus software, and encrypted messaging, cybercriminals are increasingly targeting affluent people not just for their money, but also for their access, influence, and vulnerabilities. As wealth managers, it's our job to help our clients think differently about risk. Protecting wealth is much more than good insurance and a diversified portfolio. It's also about shielding your financial life from digital threats.

We've covered common types of cyber threats before, but as a refresher, these are

some of the more common attack strategies from cybercriminals:

- **Phishing scams** are typically emails disguised as wire requests that appear to be from a trusted source, such as an advisor, friend, or family member.
- **Social engineering** exploits publicly available information (often taken from social media posts)
- **Account takeovers** are typically the result of overused and/or weak passwords.
- **Targeted ransomware attacks** frequently target a person's association with a particular business or charitable involvement.

The rapid advancement of artificial intelligence (AI) is making all of these threats more sophisticated and dangerous. The use of AI allows the scammers to operate more quickly, gather greater details on their targets, and develop very realistic-looking scams that may be timed parallel to real activities happening in your life.

In essence, the presence of AI makes every digital transaction you make worth a second look.

The cost of complacency can result in devastating financial losses. A single phishing email can open access to your accounts, lead to wire fraud, or result in identity theft. And the result can be more damaging than lost money. Reputation, trust, and family safety can also be at risk.

information on social media. Cybercriminals often use public posts to guess security answers or impersonate family members. Also, avoid posting real-time travel updates, luxury purchases, or sensitive business information.

**3. Secure Your Devices and Networks.** Keep devices updated with the latest security patches. Use virtual private networks (VPNs)

initiate wire transfers or account changes via unsecured email. We encourage clients to verify all fund movement requests by phone or through secure portals, and we educate family members and household staff on how to recognize suspicious requests. Establishing clear protocols for financial communication helps protect against impersonation or manipulation attempts.

**5. Include Cybersecurity in Family Planning.** Many clients involve children or assistants in their digital lives. That means your cybersecurity is only as strong as the weakest link. Strengthen those links by:

- Educating younger generations on digital hygiene
- Using password managers and MFA for all family members
- Developing plans for responding to cyber incidents, including who to notify and what actions to take.

#### **How Slaughter Associates Adds Value**

Cybersecurity is no longer an optional concern. It's a necessary layer of protection

*“Because we know these risks are real, we apply the same diligence to your financial safety as we do in managing your investments, because protecting your wealth isn’t just about growing it.”*

In our experience, some families wait until an incident or near-miss occurs before acting against these threats. Sadly, that's too often too late. At Slaughter Associates, we believe in proactively preparing for digital threats and that cybersecurity is a part of holistic risk management. Here are five strategies we recommend to help protect your assets:

#### **1. Strengthen Account Access.**

Use multi-factor authentication (MFA) on all financial, email, and cloud-based platforms. Implement a password manager to generate and store complex, unique passwords. And, avoid using the same password across multiple accounts – particularly for banking and investment accounts.

#### **2. Minimize Public Exposure.**

Limit personal and family

when accessing financial sites from public or unsecured networks. Consider professional assessments for home Wi-Fi security, especially if you conduct work or financial transactions from home.

**4. Review Financial Communication Protocols.** At Slaughter Associates, we never

#### **ABOUT RICHARD P. SLAUGHTER ASSOCIATES, INC.**

Richard P. Slaughter Associates is a leading wealth-management firm specializing in delivering tailored strategies as a fiduciary for high net worth individuals, families, and businesses. Slaughter Associates constructs a comprehensive financial relationship with its clients by delivering expertise in financial planning and asset management while coordinating with tax, insurance and estate professionals. The result is a holistic approach—unique in the financial industry—that generates a clear path to the individual financial goals of the client. Founded in 1991 in Austin, Texas, Slaughter Associates was among the first fee-only firms in the nation, a fiduciary status that allows it the freedom to provide advice that is always in the best interests of the client. Slaughter Associates is a NABCAP Premier Advisor, recognized for its commitment to maintaining top business standards, first-class financial-management capabilities and dedication to preserving transparency in the financial services industry.

#### **EXPERTISE**

##### **Areas of Expertise**

Specialization in comprehensive wealth-management services for families with over \$1 million in net worth

##### **Other Interesting Fact**

One of the first fee-only advisor firms in the United States

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in our current modern digital world. While we don't replace dedicated cybersecurity firms, we play a vital role in helping our clients in multiple ways:

- Help identify potential digital vulnerabilities by encouraging regular reviews of cybersecurity hygiene and technology use within your financial routines
- Coordinate secure communications and document-sharing practices
- Educate families on best practices and evolving threats
- Work alongside your broader team (CPA, estate attorney, IT consultant, etc.) to support cohesive and secure financial

practices across your network.

#### **A Real-Life Near-Miss**

Earlier in this article, it was mentioned how many people tend to wait for a real event before taking more decisive actions to protect themselves. If it helps, consider this as a near-miss example for yourself.

Not long ago, a longtime client was in the process of closing a large real estate purchase and making plans to wire funds. During this process, the client received an email that appeared to be from their attorney detailing new wiring instructions. At first, the email seemed very legitimate. Before proceeding, the client

asked us to review the email and transaction instructions. Fortunately, we were able to identify some inconsistencies in the domain and formatting. We paused the transaction and confirmed the email to be a sophisticated phishing attempt. Without sounding too dramatic, this client was a click away from sending \$250,000 to thieves.

Because we know these risks are real, we apply the same diligence to your financial safety as we do in managing your investments, because protecting your wealth isn't just about growing it. It's also about making sure no one else can steal it from you. 🦋



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