



THE ART OF WEALTH PRESERVATION

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Magicians are known for their vanishing acts, but when it comes to wealth, it is preservation that will earn you all the plaudits. Wealth preservation is the calculated conservation of your financial assets and resources in a manner that they retain and grow their value over time. Much like how great pieces of art preserve and even multiply in value. And not just the ones made by famous artists. A 17th-century painting made during Ming Dynasty China clocked around \$75 million in a 2020 auction.

In many cases, a great artwork is destined for success. Take a painting by Dali or Picasso made during their heydays, for instance. But there is an element of chance in some cases involving art and fortune. But when it comes to your personal finances, you must not leave anything to chance at all. The art of wealth preservation involves sensible investment decisions, and well-timed risk management and portfolio diversification.

Mastering the Technique: Strategies for Financial Security

From fingerprints to ultraviolet rays, humidity to theft, there are dozens of things to take care of while preserving art. Similarly in finance, surviving and even thriving during an inflationary scenario, market volatilities, and economic uncertainties are important. Wealth preservation strategies and techniques aim to ensure that your personal and business finances can sustain financial health and pass on the legacy to future generations.

- Diversification – By diversifying your investments across different asset classes you can reduce asset-specific risks.
- Timely monitoring – Also a part of an effective wealth preservation strategy is the regular monitoring and reshuffling of assets to keep them aligned with your financial goals. Sometimes, market conditions may also demand a realignment in investments.
- Liquidity – Maintaining a cash reserve keeps your finances flexible. This liquidity is helpful during volatile market conditions and personal emergencies.
- Support – Keeping a tab on the latest developments that can affect your investments is also a part of your wealth preservation strategy. In this context, professional advice and assistance can be crucial in your financial decisions and tax optimisation too.
- Legacy – As the term almost suggests, wealth preservation is not just for you. It is for posterity as well. Estate and legacy planning will ensure a smooth inheritance for the heirs, while also managing taxes.

The Palette of Opportunities: Leveraging Financial Strength

An artist is often at the crossroads, of which colour to choose, and which strokes to apply. When to be bold with his expressions, when to be subtle. In wealth preservation, similar conundrums remain. When to seize the opportunities and when to manage the risks. On one hand, you have to invest in a diversified portfolio, on the other you have to devise tax-efficient strategies as well.

There are plenty of different priorities in your financial journey, each of which will help you preserve your wealth. For instance,

- You will have to save and invest consistently so that you benefit from the power of compounding
- Clinch side gigs and/or entrepreneurial ventures to open up additional revenue streams
- Reduce your debt obligations or consolidate it to a loan product with a lower interest cost
- Irrespective of your place in your business or professional hierarchy, never quit educating yourself about personal finance and investments

Also, keep your entire approach flexible so that you can adapt to changing economic conditions. It will help you to navigate your way out of uncertainties and also identify emerging prospects as they arrive. And don't forget to keep a trusted source of professional advice to optimize your finances.

Brushstrokes of Financial Planning: Tax Efficiency

One way of preserving your wealth is to not lose a lot of it on taxes. In India, several investments help you optimise your tax liability. People have been using instruments like the Equity-Linked Savings Schemes (ELSS) and Public Provident Fund (PPF) to avail of deductions under Section 80C. You can also utilise the tax efficiency of an equity mutual fund, and enjoy the limit-based exemption on long-term capital gains. You must regularly design and re-innovate your investment strategy so that it ensures efficiency from a tax perspective.

Gallery of Success: Stories of Financial Preservation

Wealth preservation is, and should be, a priority in all families and businesses. Take the Bajaj family for instance. Founded by Jamnalal Bajaj, the Bajaj group has flourished for generations. Their business acumen has enabled them to diversify across sectors like finance, automobiles, and industrial products. However, it is through meticulous estate planning and professional management that they have preserved their generational business worth. The Godrej family has been phenomenal when it comes to wealth preservation since 1897, or thereabouts. While they have consolidated interests in real estate, consumer goods, industrial manufacturing and several others, they have passed on their legacy and prospered for successive generations. Even the recent split is being carried out amicably among the Godrej cousins.

A lot of planning, monitoring and execution goes into successful preservation of wealth. Much like the creativity that goes into preserving and nurturing the prospects of an artwork. May the success stories of influential business houses inspire and enlighten us evermore on diversified investments, financial discipline, and strategic planning in preserving wealth.