

Module 4. – Investment Considerations – Wealth Preservation Decisions in Sport

Unit 4.1

Introduction

In this final module of the course, we will be discussing wealth preservation decisions in sport. Firstly, we will aim to give an understanding of wealth preservation, what it is and why it is used by normal investors. We will then discuss why sports organizations and the individuals that play in these sports are increasingly feeling the need to invest in these methods.

Additionally, we will then consider the benefits and drawbacks of investing in sport itself as a wealth preservation method, before concluding with a summary and an activity. But first, we will aim to understand what exactly is wealth preservation.

What is Wealth Preservation?

Wealth preservation is an investment strategy that pursues the aim of, as the name would suggest, preserving wealth that has already been accumulated (Chen, 2021). It is not about growing wealth, as we will see, but protecting existing wealth from loss. It can involve both short-term and long-term investment strategies, although often focusing on longer-term investments over short. However, as Chen notes, government backed short investment schemes such as bonds could be useful here (Chen, 2021).

Investors or investment groups make the decision on the type of strategy depending on several factors. For example, those who are naturally more risk averse will be proponents of a wealth preservation strategy. It may also be in line with their investment objectives at a current time, it does not mean that they will always pursue this type of strategy, but that it serves a purpose at this current period in time.

But hang-on, is this not just the same as growing wealth? Well, no. There are many key differences that exist between growing and preserving wealth, as this figure below from Brock (2022) highlights.



Figure 1: Differences between growing and preserving wealth

Growing Wealth	Preserving Wealth
<ul style="list-style-type: none">• Concentrated positions in certain asset classes or assets• A high level of risk, with a heavy allocation of growth assets, including public and private equities• Theoretically, unlimited return potential, largely due to asset price appreciation• Active investment management, which entails regularly buying and selling assets based on perceived opportunities• Absence of a strict investment process, which facilitates flexibility and gut-instinct decision-making	<ul style="list-style-type: none">• Highly diversified exposure across asset classes and assets• A low level of risk, with a heavy allocation of stable value products, including investment grade bonds• Limited return potential, with long-run goal of exceeding the rate of inflation by a small margin• Passive investment management, which entails an emphasis on duplicating index performance in a low-cost manner• Rigorous adherence to an investment process, which entails periodic rebalancing to a target asset allocation

Source: Brock, 2022, <https://bit.ly/3bgV6NI>

So, as we can see, there are some significant differences between growing and preserving wealth. Let us go through these points one by one. Firstly, when preserving wealth, we want investments to be highly diversified and not concentrated on limited assets. This is because we want to be able to protect ourselves if a section of the investment should fail. If we sought to grow our wealth, we might focus on one area of investment, while the rewards, which we will come to, are likely to be much larger, we might also run the risk of losing a vast majority of our investment or even all of it. Therefore, we aim to diversify.

Due to the high level of diversification of the investment, the investment will not be as risky as some others. It will not guarantee a return, but it will certainly be more certain than only focusing on one area. As such, we are not looking, in this case, to achieve vast sums of return. We want the investment to be solid, of course, but we are happy if the investment continues to return a little over inflation for its lifetime.

But this will, of course, likely lead to lower profits and this is something that the investor needs to balance. If they are happy to take the risk of losing more to gain more and have the financial ability to do it, then they could perhaps focus on growing their wealth. This would require a more active management to garner the returns that would be needed to



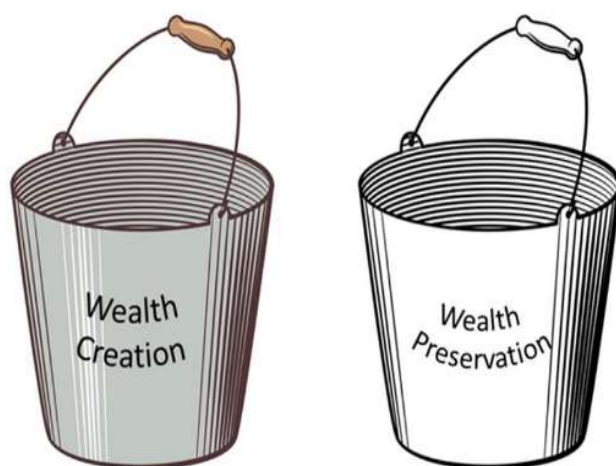
justify the approach. This is then a fine balancing between investment and return. The following story from Jennings (2021) details the decision that some investors must make.

I recently discussed with a client whether to put half of her wealth into a new business venture. If the business failed and she lost that money, it would affect her lifestyle and financial security. On the other hand, if the start-up business took off and doubled or tripled her wealth, very little would change – she already had enough to achieve all her lifestyle and financial goals. Accordingly, she invested 20% of her money into the new business and found other investors to make up the difference. (Jennings, 2021, para. 13)

For most seasoned investors, an approach as the one described above is the most common. Investors will generally split funds between the growing or preserving wealth. The individual has to decide how they wish to split their investments in line with what they want to achieve. If they are more focused on preserving their wealth, then they are likely to stick to balancing their wealth across different assets in an attempt to diversify and make sure that their investment is secure against market conditions. What do we mean when we talk about rebalancing? Jennings (2021) again provides a scenario that explains this.

First, thinking in terms of two buckets helps set expectations. The money in the generating wealth bucket can generate great returns or go to zero; 20% of new businesses fail within their first year, half survive five years, and only one-third make it to age ten. Money in the preservation bucket grows wealth less spectacularly, but reliably over the long term... Second, as the value of a business grows, it may make sense to move value from the creating bucket to the preserving one. (para. 17)

Figure 2: Two buckets model



Source: Jennings, 2021, <https://bit.ly/3oOv1Zr>

Benefits

One of the main benefits, as we have discussed, is that these types of investments are relatively secure. These are passive investments that track, hopefully, just above the rates of inflation, but are in effect safeguarding against the loss of any money from an investment portfolio. The other main benefit is that this is a passive method of investment, with limited need to quickly move investments around to make profits. Therefore, these types of investments can be self-managed, saving money for the investors who might not need a costly investment manager. Of course, with any strategy, there are drawbacks that must be considered.

Drawbacks

As Chen (2021) notes, inflation is a major drawback of this strategy. Even through minor inflation rises, it can severely deplete the value of an investment. This is because the purchasing power of an investment is gradually lost over time as the value stays the same, but costs and prices rise. Furthermore, It is unlikely that any interest on the investment will cover these losses.

In addition, one of the benefits of a wealth preservation tactic is its security; however, as we know, nothing is entirely secure in the world of investments. We might think that the methods of preserving wealth are relatively risk-free, but there have been several high-profile instances where it has not been.

One of the most often used investment methods is that of purchasing an asset that can be used to draw a small amount out of each year. While there are good investments to be made within the property sector, it would be prudent to consider the pitfalls. The property market could crash and the value of the property fall. Therefore, the money that could be drawn out of the property when needed could be much less than initially hoped or even below what was initially invested. Other issues related to the upkeep of a property could also significantly eat into any minor profits that could be made, once again, diminishing any potential returns. Despite these potential issues, it remains arguably one of the most important things individuals and firms can do with investments. The following section will seek to answer why that is.

Why Is It Important?

While wealth preservation has always been important, on an individual level, we might be seeing an increase in the desire to preserve one's wealth as we move further into the future. This is particularly true for those individuals approaching the twilight of their life as costs rise, but also the wish to leave some form of legacy only intensifies.

Retirement from work will eventually come to us all, though with careful planning and an eye on how much wealth is being saved, it can come much earlier to some rather than others. The overall aim here is to have enough money with which to stop working. Of course, the definition of how much money is 'enough' will vary from individual to



individual. What most people are after is a sense of financial freedom, the ability to choose what they do with their life once they are passed a certain age. For some, it will mean finishing work completely, for others it will mean continuing to work, but on much reduced hours.

Butler (2014) considers four main areas that there are four main concerns that need to be addressed when considering how best to meet this objective: “how long you live, how much you spend, the return you achieve on your capital and the rate at which the cost of living rises” (p. 10).

Regardless of these factors, it is important that some wealth is preserved for later life or as the British like to term ‘a rainy day’. Life will undoubtedly throw up some less than ideal circumstances that will require some form of wealth to get out off. It is perhaps better to have this wealth saved rather than having to borrow it from a third party, for example, a bank, as you will only end up paying more back than you would have initially borrowed. Despite these warnings, or more accurately advice, a great proportion of adults globally do not have anything saved. This is perhaps more due to circumstance rather than choice. The cost of living is increasing all around the world, while wages have remained stagnant. It is, therefore, quite difficult to save money when all of it is leaving your account just to survive.

Another way that we are probably aware of wealth preservation within a retirement context is through the writing of wills. Those individuals who have preserved their wealth can then gift this on to other individuals or groups after they have passed away. It may even be the primary motivation for the individual doing the preserving, to help someone who is dear to them with their life goals. Though these can, as we are no doubt aware, also be problematic. Arguments have been fought over many years, where those who thought they were getting something from a will, perhaps a chunk of this preserved wealth, have been left empty-handed, much to their frustration. This is unfortunate, but happens very regularly as the wealth of an individual is portioned up.

Additionally, it can also be used for individuals who are very much alive. Butler (2014) uses the example of rising care costs for why an individual might want to preserve their wealth. To use this example, the figure below displays the UK care costs for those individuals who require them following retirement from 2014/15. While the figures will have changed from this time, it remains a useful illustration. What this figure displays is that an individual between the upper and lower capital limits can expect to have the full cost of care home support covered in addition to the NHS (National Health Service) contribution to the cost of care for anyone that needs it, through a flat fee.



Figure 3: Capital limits on care home funding

	England	Scotland	Wales	Northern Ireland
Upper limit	£23,250	£26,000	£24,000	£23,250
Lower limit	£14,250	£16,000	£24,000	£14,250

Source: Butler, 2014, p. 394

While we might think that this is somewhat reasonable; however, remember that capital in this context is all of the money an individual has, and not a yearly amount as they are not working. While there are of course some exclusion factors, notably to do with proceeds of property sales, this can still leave individuals with large bills to pay. This is of course to say that this should all be done legally, if an individual is found to have cheated the system then the authority in charge can make sure any assets are taken into consideration and the subject billed accordingly.

As we have said, the costs have increased significantly as the years have progressed, but the means testing displayed above has often failed to keep pace with these increases due to rising costs of living and national debt levels. Therefore, a good proportion of individuals will now not qualify for support, but also find bills much higher. This is where good wealth preservation comes in.

By preserving some wealth for later life, the individual, or family has a choice of how they wish to fund any bills of this nature, which is better than having no choice at all (Butler, 2014). They can decide whether they would like to remain at home or move into a care facility. Whether they have enough wealth preserved to cover the costs of this decision and, if they so choose, to leave some of this wealth in a will as we have already discussed.

These examples were used to show just how important preserving of wealth can be for individuals or groups in what we might term 'normal' everyday life. To provide a clear picture, we must also consider the goals of the preservation.

Preservation Goals

The goals of the individual or groups can vary vastly depending on circumstances and what exactly it is that they wish to achieve through their wealth preservation. As we have seen above, for some it might just be the aim of survival in later life or making sure that all their hard work is not wasted. Although there are other reasons. We might wish to avoid some form of tax or secure investment for future generations. We will often seek to do this by taking less risky methods of investment as we plan to have the investment for a longer period of time, which can decrease the risk.

For example, in this module, we have already discussed the concept of risk and how an investor or investment group can seek to manage investments according to their approaches to investment. Therefore, if an individual is not usually taking risks, but is



happy to accept lower returns on this investment, then their goals must align with this or else they will be disappointed with the outcome.

Each investor will be different and their circumstances as well, this method is not about quickly flipping investments, but about protecting what you have. But what types of wealth preservation investments and strategies are there for individuals and investment groups alike?

Types of Wealth Preservation Investments

There are many investments that can help individuals preserve their wealth. They range from the easiest of ways for an individual such as pension to the more outlandish investments in precious metals.

There are also some alternative investments that some of the population use to preserve their wealth. Investing in gold is another well-used method of preserving wealth. Gold preserves its wealth, we can see this because its value has increased, and also it has not been impacted by inflation (Lioudis, 2022).

Agrawal (2022) suggests that these can be a combination of gold and other precious metals but also, fine art, exclusive real estate, and even rare coins. These investments, Agrawal (2022) argues, are often the play things of the super wealthy, who have tried ever more elaborate ways to hold on to their wealth. The process of buying high-profile and limited items is not cheap and, therefore, whenever they do appear on the market, whichever form they might be in, they are desirable and achieve high values.

How do we access these investments? Can any of us do it? And, more importantly, be successful? Well, yes! We can set ourselves up with wealth preservation tools and techniques, and it does not require any special practice apart from knowing what you want to achieve and the best methods with which to do so. However, some investors will seek the services of dedicated wealth managers who will best advise them on methods to preserve their wealth. This advice, of course, does not come for free and therefore the investor should consider the costs of doing this when they think about any returns on their initial investment.

This has all been, so far, thought of as a process of an individual or within a normal business context. Where does it fit in when applied to the world of sport?

How Sporting Individuals and Organizations Use Wealth Preservation

This section will deal with what methods sporting organizations and individuals use to preserve their wealth, and how this might differ from the ordinary individual or organization. There are some methods that the individuals will use that those in the public will use and the high net worth of particular sport stars will not change this, for others it will possibly alter slightly. Regardless of income, wealth preservation is always important in today's society as a form of protection in later life.



Firstly, sporting organizations will often use methods of wealth preservation to reach their field and off-the-field objectives. It is unlikely that these organizations are making investments for a quick return. Instead, investments will be made to safeguard the future of these organizations to make sure that they last until the next generation. This might involve using existing land and facilities, or even investing in areas not immediately connected to the organization itself.

Earlier on in this course, we spoke about Luton Town FC, who embarked on a scheme to build a new stadium, which took the course of investing in land development to make this a reality. They made investments in areas outside of football to reach the goals of the football club and this was not a 'quick flip' of assets but took many years to realise its potential and value.

The individuals involved in sport, such as the athletes, will use wealth preservation methods that non-sporting individuals will use in an effort to protect their income. Depending on the sport, the difference comes when the athletes concerned have a much higher level of wealth. This can open up different investment possibilities, but also make them more susceptible to loss in some circumstances.

Why Is It Important in Sport?

As has consistently been shown within these modules, the world of sport, while having some differences that make it operate in a slightly unusual way compared to normal businesses, has begun to operate in a more business-like fashion. It is therefore no surprise that sporting organizations and individuals that participate within these sports have begun to take their financial security and wealth preservation more seriously. This section will be broken up into the importance for sporting organizations and the importance for individuals.

Sporting Organizations

In the increasingly competitive sporting environment, it is important to consider how best to hold on to wealth. Sporting organizations at the top level cannot just operate from one season to the next, as they need to plan many years in advance to make sure that they remain at the top of their respective sports.

There are all sorts of elements that need to be factored in, for example, projected income and expenditure, perhaps through player sales or trades, tickets and sponsorship. To secure themselves against any fluctuations in their immediate environment, clubs are investing for the future. As we will discuss later, even in the most stable of environments, there can be issues that to overcome.

How do sporting organizations, or indeed individuals, make the decision about which type of wealth preservation technique is best for them?

How Sporting Organizations Make the Decision



Sporting organizations must, as we have said before, make decisions that are in their best interests. This might seem obvious, but so many sporting organizations do not do this, preferring to act on the whim of an individual or group ownership body, who are often acting in their own personal beliefs. The issues that this can cause if done incorrectly will be covered in a following subsection.

The way that sporting organizations might go about making, hopefully, the correct decision is to consider their goals. Once they have firmed up their goals, they can then assess what their potential strategy is. For example, if an organization wishes to invest in a long-term improvement of facilities, then they need to make sure that they have the finances to do so, but also that the market will be there to use them once the building is finished. The market might be extra people able to buy tickets to sit in additional seats, who will, as a result, increase the revenue for the organization during match days. Furthermore, additional facilities could also be used by outside organizations, contributing further to income. But crucially, the investments could increase the value of the organization if it were to be sold. Some publicly listed clubs pay dividends to shareholders, and this investment would likely increase the value of these dividends and the shares themselves, helping to protect the wealth of the organization and the individual investors. It is not just important for sporting organizations, but also the individuals involved in sport.

Sporting Individuals

Particularly at the top level of performance in sport, the individual athletes are increasingly tapping into investments during their playing careers to make sure that they can continue living the lifestyle that they are familiar with. Individual athletes go through stages of their career and might require more or different help and guidance during each of them.

Weldon (2022) outlines a series of important factors that make it important for those athletes within sport to consider wealth preservation.

1. They acquire wealth at an age when they have had little opportunity to develop the knowledge and skills to manage it or to handle the impact of it on their personal life and personal development.
2. Because of their youth and inexperience, they are heavily dependent on agents and other professionals to look after their interests, both in the exploitation of their talents and in the management of their affairs.
3. Because they are 'in the public eye', with a high media profile, they are obvious targets for those who wish to take advantage of them.
4. As their sports careers come to an end, they have to prepare for a second career, which may be far less remunerative and less 'glamorous'.



5. Most have to rely significantly on wealth amassed by their mid-thirties to provide for their lifelong needs. If they fail to get it right, they may never get another opportunity.

We, of course, must realise that these are largely generic and that different sports people will have different needs as their contracts and sporting lifespan differ. As we have previously noted, those that are not earning in their sport far above a national average wage will operate wealth preservation strategies in much the same way as the general population. In team sports, even the top-earning individuals will have pension plans in some countries because they operate under normal employment law.

However, those high net worth individuals may behave differently. Sports stars, earning vast sums, will often be able to afford guidance around the types of strategies they use. It is imperative that they get this correct, as they might be making the money in their 20s and 30s that must sustain them for the rest of their life. But who makes these decisions for them? Who guides them on this route? Weldon suggests that they could be guided by their agent, mentor, or a formal wealth management advisor (Weldon, 2022).

The agent and mentor will be in a position of trust typically, having been with the individual for an extended period of time, possibly from the very early days of their career. They will guide the individual through their career, proposing moves, negotiating contracts, and being a person that the player can rely on. It is important that the interests and wishes of the individual are reflected and shared by the agent and mentor. Due to the informal nature of these relationships, largely with the mentors, there can be, and have been, instances where the interests have not aligned with shorter term goals applied by agents or mentors when the players themselves are thinking in the longer term. So, what does a formal wealth management advisor do, and how does it differ from these informal structures described previously?

1. Managing day-to-day expenditure supporting lifestyle needs of the individual and family.
2. Where desired, to provide support for other family members (e.g., parents) on an agreed and controlled basis.
3. Making long-term investments (mainly equities, fixed interest and property), to build a capital base which will provide for their financial needs when earnings have diminished.
4. Managing, reviewing, and administering the investment portfolio.
5. Managing the risks (including insurance), particularly the risk of injury which may cause unexpected loss of income or, *in extremis*, a premature end to the career.



6. Setting up appropriate holding structures for the assets to promote tax efficiency, whilst resisting the temptation of artificial tax avoidance 'schemes' (which may fail, resulting in heavy fines and adverse publicity).
7. Where desired and appropriate, consider whether and how to allocate funds for participation in private ventures (including property) often brought to them by friends and associates (most sportsmen and sportswomen have no experience in this area, which carries considerable risk).
8. Where appropriate, consider allocating funds to invest in building a platform for a second career (Weldon, 2022).

This is a comprehensive list of the things that a wealth manager might do. They help control the here and now, what money is being spent while the athlete is performing, who has access to it and how much of it. They also, as we would suspect, plan for the future. Wealth managers can suggest and enact saving methods that can make the money the athletes are earning secure, for example, putting it in bonds or high-interest accounts, and they can also do this by investing in assets, such as property. By doing this, an athlete can make sure that they are 'set up' for the next stage of their life. They will have something that is drawing an income for them as they plan for the next stage of their life.

Athletes' careers can finish as quickly as they have started through injury or deselection, and history is littered with examples of athletes who have finished with sport and been left with very little to show for it. It is also important to remember that athletes are highly trained individuals, regardless of sport. Many athletes begin training for the discipline at a very young age, meaning that schooling and other educational opportunities can be missed. Then, when they finish their sporting careers, they lack the qualifications needed to enter the world of work. For some sports, this is perhaps not a problem, as money can be made by continuing to operate in the sport as a coach or media pundit. In others, these avenues simply do not exist, and this puts real pressure on athletes and any associated adviser to make sure they get the financial planning right.

Money that they were earning during their careers has not been invested, correctly or at all, and therefore finances become a real issue, rapidly.

Athletes who are forced into early retirement might have to go back into the world of 'normal' work.

Regardless, we are now seeing that sporting organizations themselves are becoming good investments for those seeking to hold on to wealth.

Investing in Sport as Wealth Preservation

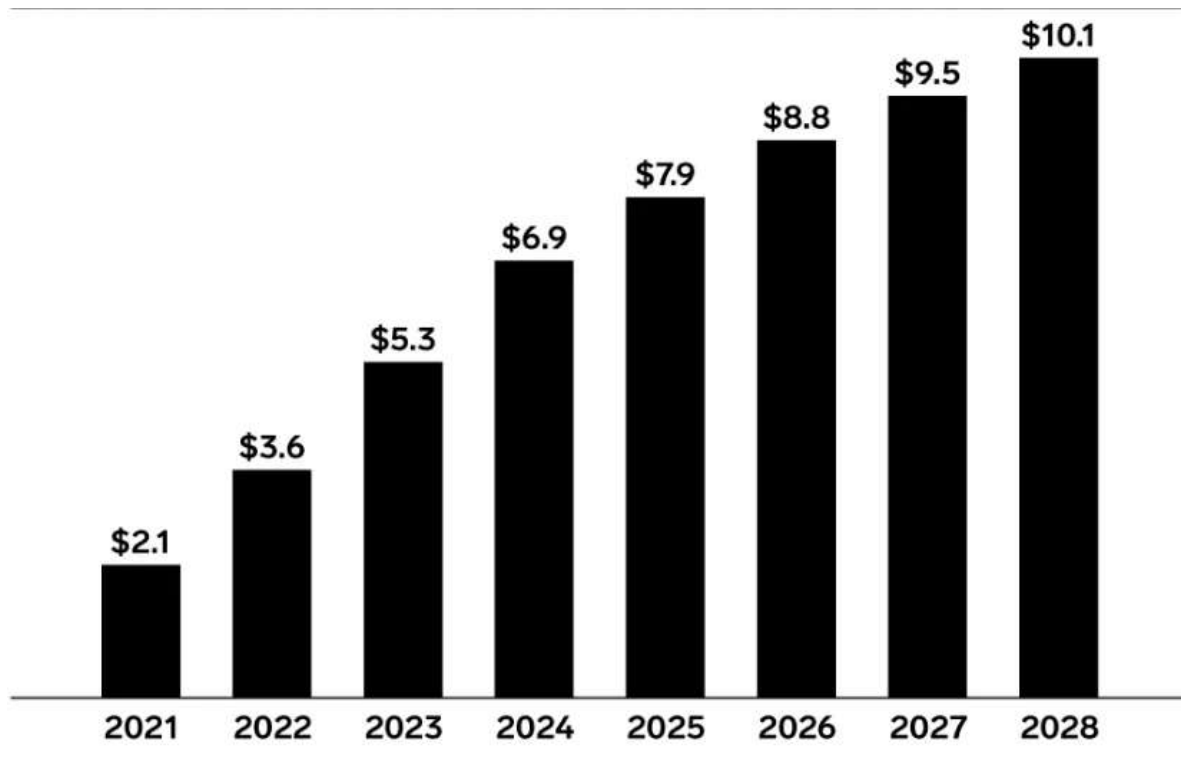
As with any other element of business, there are numerous areas that investors can choose to put their money into. In this section, we will look into betting and football teams themselves. The fact is that these are two of the biggest sporting related industries with a



high-growth potential and therefore will become even more popular areas in which to deposit wealth.

Sports betting, placing money on suspected outcomes of sporting fixtures for a chance to win more money than you initially placed, is very popular around the world and, as a market, it is only getting bigger (Longley, 2020). The reason for this is the deregulation of betting and gambling across the United States, as each state is now free to decide how it allows these companies to operate. We can see the projected increase in the figure below.

Figure 4: Projected US sports betting revenue 2021-2028



Source: Verna, 2022, <https://bit.ly/3JmxAq>

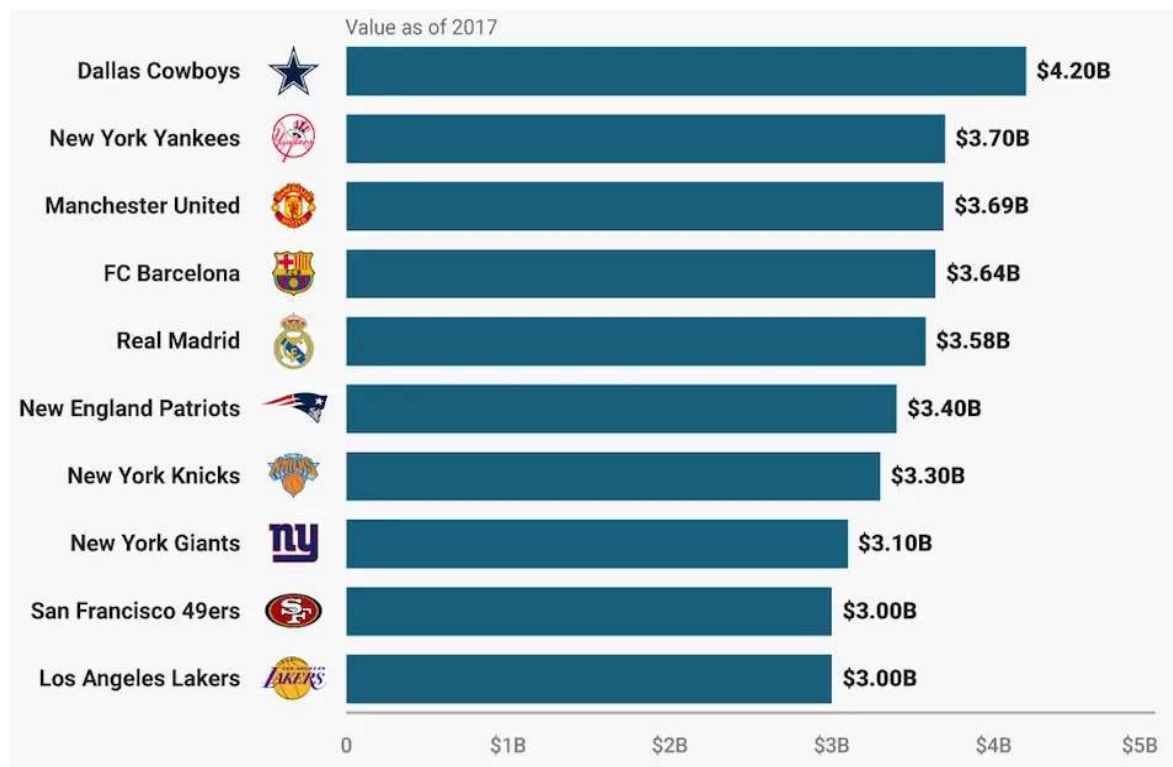
The potential increase in the market revenue, as detailed above, will be a key driver in investment decisions. While we are not, of course, looking to quickly chop and change our investments to make money, we are looking for a stable or increasing field to invest in. When we see an industry increasing in size, like the betting industry, we would be interested in what this investment might be able to do for us in terms of wealth preservation.

Some investors may find that this is an unethical way to invest their money and therefore steer clear of it. However, there can be no denying in the ability for investors to make money from this investment type. Whether it will provide the long-term stability that is needed for wealth preservation is unclear, as with many investments, and is something that will need constant review.



There is an old joke that the way to make a small fortune in football is to start with a large one. The finances it takes to purchase a team and then invest in players and other staff, as well as dealing with the stadium and other associated costs, has proved to be too much for some investors and resulted in bankruptcy. However, this is now changing as the football market becomes ever more lucrative. We can begin to understand this in the figure compiled by Belden and Nudelman (2017) below.

Figure 5: Most valuable sports teams in the world



Source: Belden and Nudelman, 2017, <https://bit.ly/3zIQU2G>

While this chart is from 2017, it provides an illustration of just how large this market is. The wealth that is now wrapped up within sporting organizations is astronomical.

It is also a relatively stable area. The American market is a good example of this stability, which it has due to its franchise system. The franchise system that all the American major leagues, NFL, NBA, MLB, and NHL, operate under has several special features, no relegation, revenue sharing, and competitive based allocation of players. This keeps the leagues competitive and therefore spectator interest high, which results in good ticket sales and television viewership. In addition, anti-competition laws and increasing global interest make these investments particularly secure.

Investors in these sporting organizations can be confident that their investments will continue to increase, in part due to the incredible loyalty that fans will often show their teams. Attending fixtures even if the team is having a poor season and bonding with them



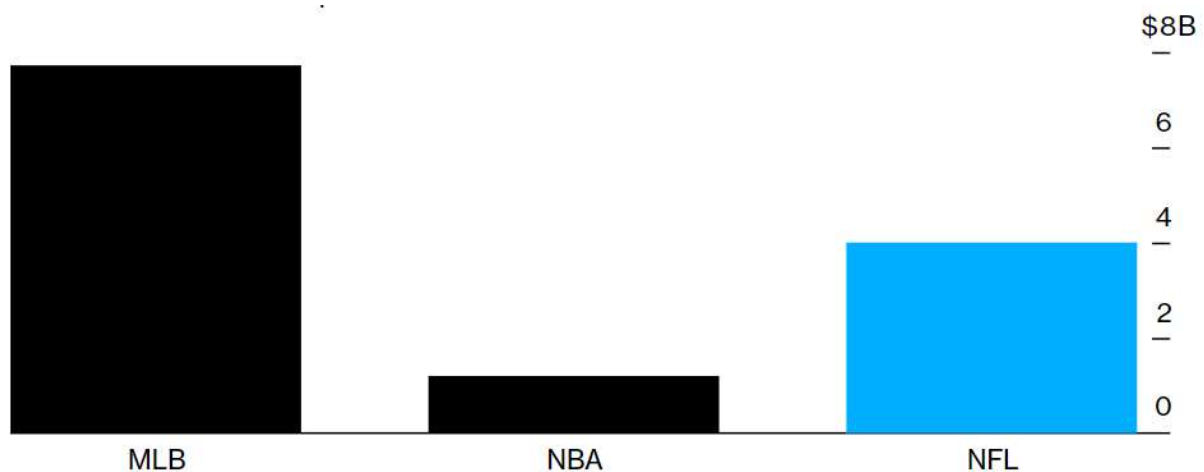
for life despite new entrants (Abraham, 2022). In other leagues, such as European competition, this investment strategy is perhaps less secure.

European leagues do not have the benefits that the franchise system has. Foremost, there is no closed league structure, any team can come from the bottom to the top and, conversely, any team can go from the top to the bottom. It requires constant investment in the team to make sure that they do not fall out of the league they are in. If they do, they might end up in a lower league that does not have the same level of audience attention, meaning lower interest from fans within the stadium or watching on TV. This would then lead to lower revenues from these factors. Furthermore, there is no competitive balance in these leagues, a team can simply buy up all the talent and other teams will not be able to alter this. The leagues in question are in a constant battle to make sure that their product does not become too unbalanced and unwatchable.

However, even with the best investment potential like the American major leagues, like any business the world of sport is not immune to shocks which can shake the industry and cause strife for its investors.

This was probably evidenced best in terms of the COVID-19 pandemic, sports teams lost large amounts of money due to the restrictions on playing and spectators being back in the stadiums when play was allowed. The exact figures will perhaps never be known, but Wiltshire, Supriya, and Baker (2022) estimate that the total globally is billions of dollars. This figure below from Kochkodin (2020) illustrates the scale of this issue.

Figure 6: COVID-19 cost



Source: Kochkodin, 2020, <https://bloom.bg/30Lz03F>

These losses impacted on the ability of some teams to pay dividends to investors and even led to the permanent closure of others. It is something that was perhaps unpredictable and shows the riskiness of investments.



Although, even in normal times, some remain unconvinced by the potential for returns when investing in sport, Peter Sleep, an investment portfolio manager, quoted by Longley (2020) stated that

I would not personally invest in this area, Juventus seems to consistently lose a lot of money and Manchester United's results are highly variable, dependent on results. I would also say that some of these franchises are pretty illiquid, which may not bother a geopolitical or long-term investor, but might concern other investors. (para. 13).

Making a Success of Wealth Preservation

Just because we believe we have made the correct, or best available, decision, does not mean that we will see success in our wealth preservation strategy, as we will discover in the following subsection.

As we have seen from examples contained previously in this course, success in financial matters is not always a given. Even something that seems to be a foolproof scheme with very little possibility of performing poorly can do just that.

Constant revaluation of the methods being used is needed. This does not mean always moving the investment around, but making sure that it is in the best possible position for it to succeed. No investment is ever 100% secure and risk is always there. For example, some are less convinced of the potential of sports teams to be secure investments for wealth preservation, as we have seen from the quote by Sleep.

It is perhaps advisable that if we are looking to embark on a process of wealth preservation that we seek the guidance of professionals. While this will cost more than if we were to do it ourselves, the returns and security of the investment are likely to be increased.

Summary

In this final module, we have covered wealth preservation decisions in sport. We have given an understanding of wealth preservation, what it is and why it is used by normal investors and those participating in sport. We have also discussed why sports organizations and the individuals that play in these sports are increasingly feeling the need to invest in these methods. Additionally, we have considered the benefits and drawbacks of investing in sport itself as a wealth preservation method.

Whatever investment strategy an individual or group takes, they need to be mindful of a few things. It is important that the investment strategy aligns with their investment goals, will they be able to achieve the returns on investment that they wish to do? In this section, we have focused on longer terms of investment, which are about protecting your existing financial assets rather than seeking to quickly increase them.



As a final task, please complete the activity below, which brings together this module and the previous module 3.

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