



Alaska

REAL ESTATE

BY DAVE WINDSOR

EliteAGENT
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HOW TO PRESERVE YOUR WEALTH

You've worked hard. You own your own home. You have a little savings and a 401 (K) or IRA. How do you make sure that the money you've earned retains its purchasing power? How do you preserve wealth? This article is not about gaining wealth, nor tax strategies to reduce the skimming of your income by the Federal Government. It is about preserving your current \$\$\$ value, your accumulated net worth. There are 4 ways to preserve wealth, 4 separate vaults in which you can store the value of the money you have now.

People storing wealth put their money in 4 places, and it is my recommendation that you diversify your wealth into these 4 categories. As a rule of thumb, it wouldn't be a bad idea to store 25% in each category, though some people may want extra weight in one class over another.

1. Cash & Liquid Savings: This includes your checking and savings account, C.D.'s and Bonds (Federal, State or Local Government). All these items are essen-

tially very secure but low-interest investments. In other words, this is the portion of your \$\$\$ that you want SAFE & READILY AVAILABLE (This is what "liquid" means). The downside of this category is that you often lose against inflation. This portion of your wealth is safe and easily retrieved but is actually losing value in the vault over time because of rising prices. \$10 today may only buy \$9 of goods tomorrow.

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2. Stocks: You should invest something in the Stock Market. Most people feel uncomfortable handling this themselves because choices must be made regularly. The stock market is profitable, and your return should exceed the inflation rate, but stocks these days MUST be traded from time to time.

Buying and selling stocks is necessary in this era. It is no longer appropriate to use Granddad's system of "Buy & Hold Forever." There-

fore, you will probably need a trustworthy Broker who, of course, does remove some of those gains that would have been all yours if you did it yourself. Edward Jones is developing a 'family friendly' business in this regard but some Edward Jones representatives have very limited skills. So you may want to use a Merrill Lynch or a Charles Schwab. This decision should be made carefully, but stocks form the second pillar of wealth preservation.

3. Real Estate: Owning your own home, preferably without debt, is a means of preserving wealth but, similar to the Stock Market, there is an element of risk and it can rise or fall in value over time. There is a school of thought that favors maximum leverage, or borrowing, against real estate but I am not of that opinion.

From an Alaska point of view, it is my considered opinion that real estate in Anchorage will maintain an appreciation rate above the inflation rate for the

next decade. This is because the economy of Alaska, though "steady as she goes," is fundamentally sound. Despite fears and rumors, the State has enormous natural resources, a strategic location for military as well as international freight, and is an increasingly attractive place to live or to visit. Your real estate assets should also include at least one income property, though it does not need to be in Alaska if cash flow is better elsewhere.

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4. Gold and Other Precious Metals or Items: In my view, over the long term (10 to 30

years), this is the most "Inflation Proof " investment of all and should comprise at least 25% of your wealth. The category includes Gold (literal, physical gold preferred) or Gold Investments, Silver and Other Metals, Diamonds, Artwork and Antiques.

Within this category, I recommend half be allocated to Gold. While stories and predictions abound over the precious metal (currently around \$1,200 an ounce) and, keeping in mind it has no industrial use, it is my sincere belief that, as an Alternative Currency in its own right, you MUST put some of your Dollars here.

That is, use some of your current money to purchase non-money.

Gold is the "alternative" wealth storage used by Sovereign Governments the world over. It is not only an inflation hedge but a safe haven in the event of global crises which are all but certain to be heading our way in the years ahead.

Conclusion:

The field of expertise that your Realtor specializes in is Vault number 3. My office can help you fill that particular vault, but make sure you have 4 Vaults total. Diversification is the key.

Dave

Wilson



3 BEDROOMS

2.5 BATHROOMS

2 CAR GARAGE

2,008 SF –RESIDENCE, 2,702 SF LOT

BRITTANY TOWNHOME

\$287,000

3028 BRITTANY PLACE

MLS #18-15799

Immaculate home with beautiful Solid Brazilian Tigerwood floors down, and new carpet up. Bonus spaces with room for everything. Roof and Skylights 5 years old. R.V. parking adjacent, and popular insulated Eastside community without through traffic. Dues \$260 p.m.

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