

# The Wealth of Families: Building, Preserving, and Transferring Wealth

Wealth is a powerful tool that can provide financial security, freedom, and opportunity. It can also be a source of stress and conflict, if it is not managed properly. The goal of this article is to help you build, preserve, and transfer your wealth in a way that benefits your family and future generations.

## Building Wealth

The first step to building wealth is to develop a plan. This plan should include your financial goals, your investment strategy, and your estate plan. Your financial goals should be specific, measurable, achievable, relevant, and time-bound. For example, you might want to retire at age 65 with \$1 million in savings. Your investment strategy should be based on your risk tolerance and time horizon. If you are young and have a long time horizon, you can afford to take more risk. As you get closer to retirement, you should gradually shift your portfolio to more conservative investments. Your estate plan should ensure that your assets are distributed according to your wishes after you die.



## The Wealth of Families: Building, Preserving & Transferring Wealth by Lakita Wilson

★★★★☆ 4.5 out of 5

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Word Wise : Enabled

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Screen Reader : Supported



Once you have a plan, you need to start saving and investing. The sooner you start, the more time your money has to grow. There are many different ways to save and invest, such as through a 401(k), IRA, or mutual fund. The best way to save and invest for you will depend on your individual circumstances.

## **Preserving Wealth**

Once you have built up some wealth, you need to take steps to preserve it. This means protecting your assets from risks such as inflation, market volatility, and lawsuits. You can protect your assets by diversifying your portfolio, investing in safe and stable investments, and having adequate insurance. For example, you might diversify your portfolio by investing in a mix of stocks, bonds, and real estate. You might invest in safe and stable investments such as certificates of deposit or government bonds. And you might have adequate insurance to protect your home, car, and other valuable assets.

## **Transferring Wealth**

Eventually, you will need to transfer your wealth to your heirs. This can be a complex process, so it is important to start planning early. There are many different ways to transfer your wealth, such as through a will, trust, or gift. The best way to transfer your wealth for you will depend on your individual circumstances.

If you have a large estate, you may want to consider setting up a trust. A trust is a legal arrangement that allows you to transfer your assets to a trustee, who will manage the assets and distribute them to your beneficiaries according to your wishes. Trusts can be used to avoid probate, reduce taxes, and protect your assets from creditors.

If you have a smaller estate, you may be able to transfer your wealth through a will. A will is a legal document that states how you want your assets to be distributed after you die. Wills are relatively simple to create, but they are not as flexible as trusts.

You can also transfer your wealth through gifts. Gifts can be made during your lifetime or at death. Lifetime gifts are subject to gift tax, but there is an annual exclusion amount that allows you to make gifts of up to \$15,000 per person without paying gift tax. Gifts at death are subject to estate tax, but there is a lifetime exclusion amount that allows you to pass on up to \$11.7 million in assets without paying estate tax.

Building, preserving, and transferring wealth is a complex process, but it is important to start planning early. By following the tips in this article, you can help ensure that your family will have the financial resources they need to live a happy and fulfilling life.

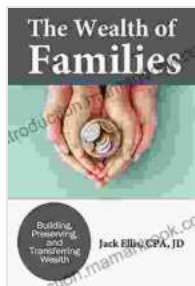
## **Additional Resources**

\* [The Ultimate Guide to Building Wealth]

(<https://www.nerdwallet.com/article/investing/building-wealth>) \* [How to Preserve Your Wealth]

(<https://www.forbes.com/sites/forbesbusinesscouncil/2022/04/26/how-to-preserve-your-wealth/?sh=3f75e40e6c48>) \* [Transferring Wealth to Heirs: A

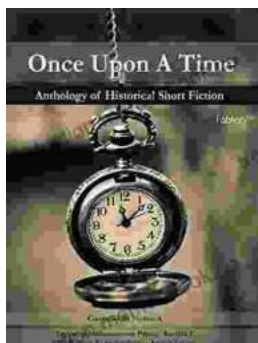
Guide for Estate Planning](https://www.investopedia.com/financial-advisor/articles/basics-of-estate-planning/)



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