



KIMELMAN & BAIRD

We Listen. We Learn. We Invest.

HOW TO SURVIVE A DOWNTURN WHEN YOUR WEALTH IS TIED UP IN HARD ASSETS

This winter, NPR interviewed Bhavesh Patel, an owner of hotel franchises in the mid-Atlantic and Midwest, as part of its American Indicators series on the effects of the pandemic recession on the hospitality industry. Patel, who has run hotels since the 1980s, declared the past year “the worst we’ve ever seen it,” with occupancy rates at 10–15%—down 50% or more from typical rates.

The pandemic certainly created a financial burden for families and businesses across the country and around the globe. For hard asset owners like Bhavesh Patel, it threw everything into a tailspin. Within weeks, owners of businesses like hotels, motels, restaurants, and convenience stores saw years of hard work and profit vanish.

18 months later, the state of the world and the state of the economy remain uncertain. What had once seemed like a relatively risk-free investment strategy—i.e., allocating the bulk of your wealth to investments in hard assets—now teems with risk.

The most risk-averse thing to do now? Diversify.

At Kimelman & Baird, it’s our job to protect families like these. We know that hard asset owners have worked too hard and sacrificed too much to jeopardize the wealth they’ve amassed. Here’s how these individuals can survive a downturn and continue to thrive, even amid macroeconomic uncertainty.

1 MAKE YOUR MONEY WORK HARDER FOR YOU

You work hard for your money. But what’s it doing for you? If all your assets are sitting in properties or savings accounts, they’re not realizing their full potential. Make your money work harder for you by diversifying your assets. For example, individuals who invested in the S&P 500 have doubled their money every seven years for the last 40 years. By making strategic investments in various entities, you can realize similar returns without additional hard work.

2 DON’T DO IT ALONE

When you’re sick, you go to a doctor. When your car needs repairs, you go to a mechanic. When you need to protect and grow your assets, you don’t need to do it alone. Rather, go to a trusted and experienced financial professional and rely on their expertise to help optimize your portfolio.

Kimelman & Baird, LLC does not offer legal or tax advice. Please consult with your attorney, accountant, and/or tax advisor for advice concerning your particular circumstances.

Investing involves risk including the potential loss of principal. No investment strategy can guarantee a profit or protect against loss in periods of declining values. Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance. Past performance does not guarantee future results. Consult your financial professional before making any investment decision.



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FIND A FINANCIAL ADVISOR WHO WILL LISTEN

Money is personal, and the financial planning approach that works for one person or family might not be the best fit for another. Don't go to a financial advisor who adopts a one-size-fits-all approach. Rather, work with someone who understands that every client has different views about money, different priorities, and different appetites for risk. Work with someone who will take the time to listen to you and understand your background and future goals before investing your money.

EXPECT VOLATILITY

When it comes to investing in the markets, the only guarantee is that there will be volatility. And that's actually a good thing! Without movement in the market, no one could ever make a profit. That's why it's important to think about the long-term when making investments—and to work with an investor who understands and respects your priorities.

CONSIDER YOUR LEGACY

How do you define success? Is it leaving a hard asset to the next generation? Or is it empowering the next generation to live comfortably and pursue their own dreams?

If it's the latter, diversifying your assets now can pay dividends for your family in the future. As you work to protect yourself and your loved ones, reframe how you think about your legacy.

READY TO GET STARTED?

We're ready to help. At K&B, we've spent over 50 years advising clients, helping them achieve their financial goals, and assisting them as they strive to provide security for their families. Our time-tested process puts you at the center—we always take the time to learn about you, your family, your lifestyle, and the legacy you want to leave, so we can help you navigate the now and safeguard the future.

Want to learn more? Reach out to Partner and Co-Chief Investment Officer Sapan Vyas at svyas@kimelmanbaird.com for an initial conversation.

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