What Are Statement Assets?

Opinions expressed by *Entrepreneur* contributors are their own.

The definition of a statement asset is an asset that is perceived to make you look richer, smarter and better connected than your peers. If you own something like a sports team, your friends will be inclined to say, “I know the family who owns that NFL team, or office tower.” Their status then becomes enhanced by their association with you.

Other examples include high-end fine art, most Class A real estate in major cities, European sports leagues and anything aspirational — but not quantifiable — on Instagram.

The unspoken benefits of being a pro sports owner

Beyond the impressive returns reinforced by the league’s protected brands, most owners gravitate towards this asset class because it provides something very few other clubs or societies can offer.

Where else can you network with other people who are at the top of their game and have invested in many different industries and have achieved that kind of success? It’s just a unique club that is for the uber elite.

Revenue sharing is occurring with online sports gaming companies. Now, these teams are getting a piece of these revenue streams that they would never have counted on before.

Related: How E-sports Is Different From Fantasy Gaming And Real Money Gaming

Do statement assets hold up?

Pro sports have always been a wealth-creation mechanism for the elite, insulated by fierce brand protection. Now with financialization added to the mix, valuations can continue to keep climbing.

At the end of the day, the time valuations continually go up, making it a much less risky investment.

Those spectacular risks have increased fortunes. They have been a path of legitimacy for those families and will continue to be a standard for some time to come.

For families that have substantial assets behind them, the approach to pro sports ownership should be no different than any other form of investing: Buy into multiple sectors and multiple geographies. Then, construct a portfolio with thematic investing with the mentality that you're focused on building a portfolio that is very diversified by exposure.

Related: Why PR Professionals Need to Pay Attention to the Social Media Revolution in the Sports Industry

Do all owners have the same agenda?

Sometimes people just want to invest, be passive, and say, "I own it."

Then you get those guys who say, "Well, I want to get into this business. I'm going to invest because I want to use this to build my other business."

On the other hand, sometimes there's an anonymous charitable trust that exists just to give away money. It doesn't need anything from anybody. Most guys invest in this direction because they want to be heard and seen. It can benefit them in the other business ventures that they own.

So no – not all owners have the same agenda.

Related: How Has Technology Changed The Way We Watch Sports?

https://www.entrepreneur.com/article/403650