



BERT WHITEHEAD

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Bert Whitehead, MBA, JD

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Bert Whitehead, MBA, JD, a recognized authority on fee-based financial planning, wrote the landmark book *Facing Financial Dysfunction: Why Smart People Do Stupid Things with Money* (2nd ed.). He is also the author of numerous articles and columns for media outlets across the country.

Bert's unique and commonsense approach to finances for middle-income Americans has made him a recognized name in the financial industry. He is interviewed and quoted regularly in the *Wall Street Journal*, *Consumer Reports*, *Kiplinger's Personal Finance*, *Money*, *Forbes*, *Financial Advisor*, *Investment News*, *Bloomberg*, *U.S. News & World Report*, *Dow Jones Investment Advisor*, the *New York Times*, and dozens of other media outlets across the country.

Consumer Reports

"Retire in the Black"

In the January 2005 issue of *Consumer Reports*, Bert Whitehead states that mortgage debt is often characterized as "good debt." But more house generates more expenses. Whitehead says that's why he often advises clients with overspending and debt problems to downsize their homes and relocate to a lower-cost area. "The cost of living is closely tied to how much house they have." Findings from the *ESPlanner* support his claim.

Financial Planning Magazine

"The Expert's Corner" by Bert Whitehead

"I find that most asset managers add very little value, particularly in large cap, because large cap markets are just too efficient. You've got thousands of people looking at a thousand companies. The way the Cambridge Index is structured is that we use 29 of the 30 stocks in the Dow. (We leave out Philip Morris to avoid social concerns.) Then we take the largest eleven stocks in the NASDAQ that aren't in the Dow. And then we take the ten largest S&P—largest by cap—that aren't in the NASDAQ or the Dow, so we end up with 50 stocks."

Investment Advisor Magazine

"Bert's Crusade" by Margaret Opsata

Bert Whitehead has made it his mission to "rescue" commission-based salespeople from what he calls the "dark side" by teaching them to survive and prosper on fees alone. His rescue vehicle? The Cambridge Connection, a program he invented that's part training program, part planner network, part financial-planning-practice-in-a-box. And just as a fellow Midwesterner once strived to bring motor cars to the masses, this planner from Franklin, Michigan, aims to help planners provide fee-



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only planning to the not-so-rich of America's families. Says Whitehead, "I would like to be remembered as the Henry Ford of fee-only planning."

Financial Advisor Magazine

"Reassigning Clients" by David Drucker

Bert Whitehead, owner of Cambridge Connection Inc. and founder of the Cambridge Advisor network of fee-only planners, both based in Franklin, Mich., involves his associates in meetings and not only expects to transition his clients to them, but to have his associates leave with his clients—for a fee, of course.

Initially, the associate joins the meeting to familiarize him or herself with the client, begin the bonding process and handle follow-up tasks for Whitehead. Which is all by design. "I raise clients' fees steeply every three years," says Whitehead. "Those who object to the increase can elect to keep their lower fee by transferring to the advisor who has been teaming with me. Clients with whom I don't work well are faced with the highest fee increases to encourage them to switch."

Registered Rep. Magazine

"Charging into Fall" by Ruth Halcomb

However, be sure to move beyond the millennial bug to schedule events that bring clients together for fellowship or prepare them for the year's end. Says Bert Whitehead, president of Cambridge Advisors, a fee-only financial planning firm in Franklin, Mich., "Fall means marketing opportunities for brokers."

Whitehead suggests planning social events for clients and their guests in the fall—after everyone is back from vacation and more available. "You don't have to market yourself," he says. "Your clients do it for you." At the dinners he hosts, about 25% of the attendees are guests, and about half of them become clients.

Kiplinger's Personal Finance

"Finding the Right Pro" by Anne Kates Smith

Jane Bertsch, 59, signed on with Detroit-based Cambridge Advisors in 1999. For \$5,000, she received an initial review, which included an evaluation of her investments, assistance in drawing up a will and tax planning. Three years later, Bertsch lost her patient-relations job with a group of hospitals. But her \$2,000 annual retainer entitled her to advice from lawyer and MBA Bert Whitehead, Cambridge's founder, and his staff, who weighed in on whether Bertsch should take her pension early or wait, how she should pay income taxes based on her newly self-employed status and how she might restructure her \$250,000 fund portfolio. Meetings are scheduled quarterly, but,



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says Bertsch, "if I were to decide to buy a new car, I'd call and ask whether I should buy or lease. They're always available."

In fact, advisers who share Whitehead's philosophy are available in more than 25 states through the Alliance of Cambridge Advisors, a network of about 150 planners. Clients can choose, like Bertsch, to pay an annual retainer for ongoing advice, or pay a one-time fee ranging from about \$500 to \$900 for a financial "tune-up" to address just two or three issues.

SmartMoney

"Time to Reappraise Market Timing" by Jeff Schlegel

Count Bert Whitehead among the more evangelical anti-timers. "Timing systems, like gambling systems, will end up on the shelves of history along with the theories of alchemy," says the founder of Cambridge Advisors in Highland, Mich. "It seems that most people in the financial community believe the myth that people can predict what stocks will do."

Whitehead follows a strategy he calls functional allocation, which comprises stocks, bonds and real estate. Setting aside 10% of a person's income in a 50-50 mix of stocks and bonds that earn market returns, over a long period of 30 years or so, should provide enough money to live off, he says, while real estate is the "wild card" that can really boost a person's portfolio.

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