



Berkshire

DIVIDEND STRATEGY

Berkshire Asset Management
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Practice Management Concepts

“Both Sides Please”

Since wealth is comprised of assets AND liabilities, if you ignore the right side of a client’s balance sheet can you really call yourself a wealth advisor/planner? -- I know, I know some might grumble about "lending" but we believe integrated asset & liability management is here to stay.

Just a couple of years ago, if a client had to fund a major expense, the decision seemed (relatively) easy. Try to borrow at an extremely low (often variable) rate, keep investing in quality stocks and hopefully your portfolio grows at 7-8%. Easy-peasy, interest rate arbitrage right out of CFA Level 1!?

Fast forward to today... not so fast. Short rates in some cases have tripled, home equities shot up and stocks are under pressure. Clients are seeking serious advice in this new world, so gear up to add unique insight to these discussions – Operating on both sides of the balance is not only a client retention tool, it will likely open new doors.

Kitces published a thoughtful article to navigate and build new skills surrounding the topic. He hits on intra-family loans within estate plans, fixed vs adjustable and “downsizing” opportunities:

[Providing Mortgage Advice In A Higher Interest-Rate Environment: Opportunities For Advisors To Add Value](#)

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