

2007 CRS IMPACT Award™ Winner

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Lewis J. Altfest started his independent financial planning and investment advisory firm in 1983 because he wanted to put clients' interests first. "I was intent on bringing a new level of objectivity to the financial services profession," he says.

But on Wall Street, where he had been a successful investment manager, fee-only was synonymous with "free-only." "Everybody else around me in New York was selling advice and products," Altfest says. "There was an established feeling that fee-only was not viable."

Altfest proved his critics wrong. L.J. Altfest & Co. has grown from a one-man shop to a 21-person firm managing \$550 million in client assets, with annual growth of 20 to 25 percent. And Altfest himself has won accolade upon accolade for his client-centric approach to wealth management.

He has been listed among the leading financial advisors in the United States by such publications as *Barron's*, *Financial Advisor*, *Medical Economics*, *Wealth Manager*, *Mutual Funds Magazine*, *Worth* and *Money*. His textbook *Personal Financial Planning* is considered the definitive guide to the profession. An earlier book written for consumers, *Lew Altfest Answers Almost All Your Questions About Money*, was named one of the best financial planning books by *Money* magazine.

Visionary Leadership

As gratifying as they are to receive, accolades have never been Altfest's goal. But he has earned them by folding his personal mission—improving others' lives—into his work.

Early on, he read about a nascent group of fee-only planners who were meeting in Atlanta. He decided to go. "There was such a difference" between that group and his colleagues back home, he recalls. "We had such commonalities of interest. I knew that this was my organization."

He joined the board and helped develop the National Association of Personal Financial Advisors. The young group had no money, and directors like Altfest who were committed to the cause covered their own expenses. He remains heavily involved in NAPFA today.

Altfest also contributed to the growth of the field as a founding member and former board member of the Consumer Financial Education Foundation and former director of the New York Chapter of the International Association for Financial Planning. He speaks widely and teaches principally graduate students in the Lubin School of Business at Pace University.

The Human Side of Business

Altfest has had an equally powerful influence on his clients, many of whom have been with his firm for years. More than half of new clients have been referred by existing clients. "In many cases, the older generation sends their grown children to us," Altfest says.

Part of Altfest's purpose in starting his own firm was to be closer to clients, to understand their lives, ambitions and philosophies. He knew, he says, that investment performance, while important, was not the only reason clients had for turning to an advisor. "Their goal is not to accumulate the most money

possible," he says. "Their goal is to feel comfortable with the wealth accumulation phase and then to use their money for their own life-cycle needs."

Altfest's exclusive, innovative wealth management system is called Total Portfolio Management (TPM™). Based on the philosophy that a planner must understand how individuals think in order to develop a realistic financial plan for them, TPM™ incorporates all assets and liabilities, including human assets and real estate, into the planning process and takes into account behavioral elements such as discretionary and nondiscretionary spending. Altfest says TPM™ enables an advisor to customize asset allocation for each client and better help clients fulfill their goals.

Each Altfest client works with both a planner and an investment specialist. The firm also offers clients expertise in such products as 529 plans and insurance. In addition, the firm specializes in meeting the needs of physicians, academics and women, the latter a particular interest of Altfest's business partner and wife, Karen.

Clients meet the staff, and each other, at frequent seminars, special events and L.J. Altfest's annual meeting, where the atmosphere, Altfest says, "is like a college homecoming." At that annual meeting, Altfest invites a speaker from a mutual fund company to give clients "an understanding of the names, the faces, the ideas of the mutual funds that may be in their portfolio."

Understandably, a business so in tune with human nature looks out for its staff too. Employees are assigned to clients in teams of at least three, headed by a client relationship manager. Every person on the team, however, understands the client's situation and can answer the client's questions. Employees are encouraged to pursue professional designations, and each department has a track that defines benchmarks for employee advancement.

Giving Back

Altfest devotes a great deal of his time to educating clients, staff, other professionals, and even—through his writing, public speaking and Web site—the general public. He also believes in mentoring as a personal responsibility. The firm offers internships that help promising planners learn about the field and get their next job. Sometimes that next job is with Altfest & Co.

Altfest's humanitarianism extends to a wide range of community work beyond financial services. He is involved with the Celiac Disease Center at Columbia Presbyterian Hospital, the City University of New York, Pace University, and the Kent (Connecticut) Library, among others.

Growth Strategy

A leadership circle within the firm meets monthly to discuss strategic issues. The current five-year plan includes a recently completed move of the firm's offices from downtown Manhattan to Park Avenue. That was part of a goal to attract more affluent clients, those with \$1 million to \$6 million or more in investable assets. The five-year plan also emphasizes reaching out to clients and increasing assets under management to \$1 billion by 2010.

It's typical of Altfest that he received news of the Charles R. Schwab Award with a sense of responsibility. "I said to myself, 'I have to continue to set an example for others, many of whom are just as deserving,'" he says. "I felt very proud to receive the award from Schwab, because Schwab personifies independent planning and investment management."

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