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# GETTING PERSONAL: Garrett Finds Success With Fee-Only Advice

By Jilian Mincer  
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NEW YORK (Dow Jones)--Sheryl Garrett was an entrepreneur before she knew what the word meant.

Growing up in Emporia, Kan., Garrett learned that, if you wanted something beyond the necessities, you earned the money to buy it yourself. Early on, she worked in a neighbor's florist and delivered newspapers. Since she was too young to drive and had a horse, she used it on her route.

"I wanted to be financially independent," says Garrett, founder of the Garrett Planning Network, an international network of financial advisers who offer services on an hourly, as needed, basis. "I just didn't know you could do it for a living."

She took a circuitous route to financial advice - first working in a laboratory and a family business before landing at several financial firms. Garrett quickly discovered that she didn't like cold calling or selling products.

She was so bad at it that one year she earned only \$883 in taxable income and had to rely on help from her parents, her roommate and her credit cards.

Garrett eventually found a position working for a fee-only adviser. The work changed her life, and on April 1, 1998, she opened her own fee-only office. Business was so good that a friend suggested raising her rate to \$150 an hour from \$120.

"I was getting as many calls from advisers as consumers," she says. "One guy offered to intern for free for eight months."

Though a friend suggested that she "bottle it and sell it," instead in July 2000 she launched the Garrett Network, which currently has more than 300 members who serve mostly clients with household incomes of \$100,000 to \$200,000.

One of Garrett's early clients was Wendie Theus, who had left another adviser because of risky investments.

"What I liked about [Sheryl] was that she had this very broad perspective," says Theus, who lives in Colorado. "She looked at my property, insurance and assets."

Garrett also recommended some investment changes and "had me make the trades to avoid extra fees," Theus says.

"I trust her completely," says Theus, a business consultant. "I don't have to look at the stuff."

In recent years, Garrett has focused on the network, speaking and writing, including a recent book, "Investing in an Uncertain Economy for Dummies."

In the last year, she says, existing clients have returned for their regular check-ups, but fewer new clients have been signing up. "They are starting to talk about 'what do I do next,' but [they are] not quite ready to pull the trigger," she says. "People are choosing not to spend money if they don't feel they have to."

A small minority of network members charge a fee on assets under management but the number adding assets under management hasn't increased any more than a few years ago.

"I hear more people moving away from AUM fees and replacing that with a short- [six-month] or long-term [one-year] retainer engagement and project fees continue to increase as a percentage of the total number of engagements," she says.

Garrett suggests that investors get recommendations and a written estimate before hiring an adviser. "Do not trust anybody until they earn your trust," she says.

(Jilian Mincer is a Getting Personal columnist who writes about personal finance; she covers topics including pensions, insurance, and college and retirement savings. She can be reached at 201-938-4042 or by email at [jilian.mincer@dowjones.com](mailto:jilian.mincer@dowjones.com).)

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