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**PRACTICE MANAGEMENT:Planners Waive Some Fees To Clients In Need**

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NEW YORK (Dow Jones)--Financial advisers sometimes sound like social workers when they speak of their desire to help people. In this financial crisis, some are acting like them, too.

In limited situations, financial advisers are waiving or reducing fees for troubled clients, and offering free consultations to non-clients in need. Advisers have typically done this on a one-off basis, but the number and severity of cases seem to have increased in recent months.

These advisers must balance their need to run a profitable business against their wish to assist consumers who can't afford to pay.

Karen Schaeffer, a certified financial planner with Schaeffer Financial in Rockville, Md., works primarily with government workers who have job security and pensions in retirement. Some of them are referring to Schaeffer their friends and relatives who have lost their jobs or at risk of losing their homes.

Schaeffer estimates she has received about a dozen such requests for help in recent months.

She is currently advising one family hit by a confluence of unfortunate events: the children were in private school, the mother had health problems and the father, who took a position at a bank after working for himself, had a stroke while waiting to learn whether he had been downsized. The family filed for bankruptcy protection and might lose their house.

Schaeffer said she hasn't tracked how much time she had spent with the family but feels a professional obligation to help them through this difficult time.

"We're not going to charge them," Schaeffer said. "There aren't many people who have the multiple areas of expertise you need to help somebody like this."

Schaeffer isn't running a charity, however.

Another client recently sought Schaeffer's help for his housekeeper. The client agreed to pay the fees and the woman appears to need relatively straightforward financial assistance. Schaeffer will likely direct the woman to her daughter, who also works for the firm and whose hourly financial planning rate is lower than Schaeffer's.

In other cases, Schaeffer said she's referred people to attorneys and consumer credit counselors and helped them identify their most pressing needs.

"Then I give them a little pep talk," she said. "They're devastated and mortified. Usually you can find a little glimmer of hope."

Financial advisers say there are few options for long-term clients facing a cash crunch due to a job loss or unexpected medical expense.

Wealth management firm Lassus Wherley recently waived its annual \$7,000 minimum fee for a longtime client in the midst of a family financial crisis, said co-founder and certified financial planner Diahann Lassus. The client will instead pay a percentage of the assets the firm oversees for the client, which will be a lower amount.

Lassus Wherley, which has offices in New Providence, N.J., and Bonita Springs, Fla., charges clients either the annual minimum fee for investment management and ongoing oversight or a percentage of assets, whichever is higher. Clients may pay an hourly rate for larger financial planning projects.

"We try to work with people who are having a really difficult time," Lassus said. "We have to look at the financial health of the client and the financial health of the firm."

To be sure, it's a small minority of clients who can no longer afford their financial advisers' fees. Investors who work with professionals tend to be relatively well-off and, with their advisers' help, have built a cash cushion to insulate them from emergencies.

By contrast, the number of people who can't afford a financial professional but need help is large. Financial advisers can't assist everyone, but some are looking for more ways to address the growing need in their communities.

The Financial Planning Association is supporting its regional chapters' efforts to provide additional financial education for consumers, said Jonathan Sprague, the FPA's director of pro bono services.

(A future Practice Management column will look at some of the consumer education initiatives financial advisers have introduced amid today's challenging economy and markets.)

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