

Ep #171: How Hard Work, Grit, and Determination  
Move the Needle with Jason McGarraugh

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## **Ep #171: How Hard Work, Grit, and Determination Move the Needle with Jason McGarraugh**

Welcome to the *New Planner Podcast*, where it's all about helping you successfully enter the financial planning profession and accelerate your financial planning career.

This podcast will help you understand the profession, become familiar with the various career paths available to you, and avoid the mistakes that limit your success.

Join your host, Caleb Brown, to explore the human side of creating a successful planning career through interviews, personal experience, and insights from the trenches.

Let's get started.

**Caleb Brown:** Welcome to the 171<sup>st</sup> episode of the *New Planner Podcast*. This is Caleb Brown, your host. My guest today is Jason McGarraugh, a financial advisor with BentOak Capital in Houston, Texas. Listen as Jason shares his background from growing up on a farm, how being exposed to his grandparents' estate planning got him interested in a career as a financial planner, but why he actually started his career in the food services industry.

Check out the middle too, where he talks about how he had to overcome a less than stellar GPA to gain admittance into the graduate school, how he progressed through the program, passed the CFP exam, and secured a position as a retiring advisor's succession plan.

Listen to the end too, where he talks about buying out the retiring advisor who brought him into the business, and why he recently made a change to another firm so he could provide a better service and experience to his clients, plus some tips for new planners.

If you think the key to success in financial planning is all based on luck, then this episode is for you.

**Caleb Brown:** Hey Jason, welcome to the New Planner Podcast.

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**Jason McGarraugh:** Happy to be here, Caleb. Good to see you again.

**Caleb Brown:** It has been a minute. Always great to chat with a fellow Texas Tech alum and just a good buddy, right? So we go way back. It's been a while since we caught up, but we go way back. So maybe if you would just start us out with why you even went to Texas Tech and majored in financial planning.

**Jason McGarraugh:** Well, I kind of got the bug for financial planning, I'd say, back in the mid to late eighties. My great-grandfather settled in the Texas Panhandle. Perryton, Texas was created in 1919. My great-grandfather and his brother settled there, and my grandfather was the youngest of seven, my father was the youngest of four, I'm the youngest of two.

You can kind of see how as the machinery got bigger, the family sizes got smaller. But my grandfather and my father let me sit in on the estate planning, financial planning meetings for my grandfather's farm. So I'm fourth generation, my kids will be fifth generation. My grandfather died in 1989. So the estate plan bypassed trusts and family-limited partnership. The estate plan was set in motion in 1989.

My grandmother passed away at 102 and a half in 2021. So that estate planning process did not go full cycle till 2021, 2022, when my dad settled everything out. So that whole process being exposed to, had no idea what they're talking about, but having my grandfather, grandmother, father, uncles, aunts, all at the same table, and it was life insurance planning with an estate planning attorney out of Lubbock and pretty simple bypass trust set up, but my grandfather, he probably could have left all of his boys over a million dollars, but didn't want to just give it outright, wanted to incentivize everybody to play nicely together, but not shackle them together.

So it was the family-limited partnership and my dad and two of his three brothers still today run the family farm, but since grandma passed away, everything that was my grandfather's and grandmother's has been separated to the four families. And when I say four families, my dad and his three older brothers. That lit the spark back in the 80.

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**Caleb Brown:** Hey, but Jason, before we go any further, just let me stop you. Some of our listeners may not know what a bypass trust is. Can you just give a brief, just like, what is that?

**Jason McGarraugh:** Back when it was put together, let's say in the 70s and 80s, the estate tax exclusion was 300,000, maybe? Maybe less? Now it's upwards of 12 million plus per person, so with a farm of over 7,000 acres of operating farmland and equipment, and now, land in Perryton, Texas is not like land in Iowa.

It's a good amount of money, but it's not you can do nothing for the rest of your life money. It's just simply utilizing the exclusion that you've got, transferring assets into the trust so that you're not—you don't have estate tax issues. Now most families today don't have estate tax issues because that exemption amount is so large.

So, but back then, it didn't take much to have an estate tax issue in 40, 45 percent of state taxes. You get to those upper brackets pretty quick. So the bypass or AB trust setup was designed just to take advantage of both exclusion amounts for spouses and get everything out, but when grandmother passed away, all of those trusts dissolved upon her passing, so everything's gone back.

They used the original will to determine who got what piece of land. And each of the boys had since purchased some other additional land, so. Now we're primarily running—the family-limited partnership owes all of the farm equipment, but each family member owns their land and they farm it as a partnership.

**Caleb Brown:** Gotcha. Okay. So that's quite the history of the McGarraugh family, but also that's some Texas history in there too. Settling the panhandle, that's a big deal. So you were at the table, then what did you do? Did you go to Texas? 'Cause you got your master's degree in financial planning.

**Jason McGarraugh:** I graduated high school in 1995. My cousins all went to Tech. So Tech was the only school I applied to and I had this little flame

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of, oh, I want to do financial planning and state planning. I'll study finance. And was probably my junior year before I really figured out that Tech had a financial planning department, but only at the undergraduate.

It's weird that it worked out the way it did, but I'm glad it did 'cause Gustafson was one of my very first professors and I'm going to have to ask him why he never recruited me. Got a sinking suspicion. I probably wasn't up to his caliber at the time. I needed some maturing. But anyway, worked for dining services, got a job on campus my second day there, went to Tech because my family had gone there, studied finance because I thought it would get me to understanding financial planning, but it was all corporate finance and accounting. By the time I graduated, it was December 1999. Not a great time to have a business degree. The job prospects weren't there, but my dining services job, I was three-quarter-time full with three-quarter benefits.

I had accidentally built a whole career in food service and dining services because that was my job. And, as a farmer, working was always my hobby. I was an excellent employee and moved up the ladder from washing pots and pans to when I graduated, I was an administrative-level assistant manager for the director of dining.

**Caleb Brown:** I think getting started at a farm had something to do with that, right? I rarely hear anybody say like, "Oh, that person that we hired that grew up on a farm, they're a slacker and they don't work." I've never heard that and never will probably.

**Jason McGarraugh:** Oh, working in a kitchen was like a vacation and I got fed all the time so it was great. But I knew that when I was flipping through the grad catalog, I wasn't going to take a lower-level job opportunity and banking and credit for less money than I was already making on campus. So I decided to take a few extra accounting classes, figure out what I wanted to do, started looking into graduate schools, flipping through the catalog, and saw Gustafson's name and remembered it.

And my office was just across from human sciences, walked across, knocked on Gustafson's door, opened it, introduced myself, and immediately he remembered who I was, remembered where I was from, hadn't seen him in four years.

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**Caleb Brown:** Well, and it's also amazing to me, too, that a university with 25,000 or approximately students, like, you can do that. You can just walk over and like, and he didn't lose track of you.

**Jason McGarraugh:** Well, I walked around campus like I owned the place anyway, so. But he was approachable, and I remember him being approachable. It was just kind of happenstance, but I knew that the undergraduate, I wasn't active enough in that corporate finance program. I didn't develop any connections. What I did is I developed connections through my job, dining service. To this day, when I go back to Lubbock, I still drop in and talk with all of them.

So the decision to go to graduate school, the program had just started the masters financial planning program, back then personal financial planning program that just created the masters program, and I was actually in that first big cohort of graduate students that started in the program, but I sat down with Gustafson, met Dr. Hampton, and the other professors, went to the graduate school, applied, and got in on conditional status. My letters of recommendation from my money banking and credit professor, and my boss was the director of dining services, which after athletics was the largest department on campus. But my grades in the B.A. were, I think, a 2.97. I always say I had a three, but they were concerned I wouldn't be able to—they had to tell me, “You need to keep a 3.5 GPA, Jason, or 3.25.” I nodded my head. That was definitely up to the task. But I always like to tell that story. After graduating with the Leadership Award, I actually got in on Conditional Status.

And when the professors were talking about tightening up their requirements, and I was there at that conversation and I looked at—Gustafson said, “You realize under these requirements, y'all never would have let me into the program.” Adding some of that, it's not always the grades. It's the passion. By the time I started grad school, I knew this was what I wanted to do. I wanted to make a concerted effort to build relationships. In the area that I wanted to work in.

**Caleb Brown:** Got it because you and I were in some classes and I know I've always sort of ribbed you because I was an undergrad and like Jason's over here sitting on the other side of the room and he's getting a master's

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degree. I'm like, what the heck this is—but I know you guys had to do like after projects and the curves weren't as good, but—

**Jason McGarraugh:** And they didn't have the 150 program for you guys yet. Y'all just bad timing, Caleb, bad timing,

**Caleb Brown:** But we also then so we progress through our respective degrees. And then we went and took the CFP exam together, didn't we?

**Jason McGarraugh:** I had a short stint in Singapore before the CFP exam. Dr. Hopkins had handed me an email. I lived up in human science because I was Dr. Bagwell's graduate assistant, helped her start Red to Black. And that was a pivotal point in starting Red to Black with her, sitting in a class, it was probably one of the classes we took together. was counseling, and Dr. Bagwell was tasked with starting a student-based financial counseling center on campus and I quit my three-quarter time job for, a graduate assistant position that paid one-third of what I was making in dieting.

**Caleb Brown:** Can you just give us a sense, and this was a long time ago, what were you making as a dining person?

**Jason McGarraugh:** I was administrative management, 28,000 a year.

**Caleb Brown:** Okay. All right.

**Jason McGarraugh:** And I was in my early 20s. And then I had three-quarter benefits, three-quarter time. The best part was I had a yellow sticker with an H on it. I could park anywhere on campus I wanted.

**Caleb Brown:** That is worthless weight in gold right there.

**Jason McGarraugh:** Any maintenance spot around any dining hall, I could park it in. Having to give that up, that was almost worse than giving up the paycheck. But, Dottie hired me on as her graduate assistant to build Red to Black. Bu I took a substantial pay cut, about a third. I was making maybe 7, 8,000 a year. It was only spring and fall semester so I was effectively, she couldn't pay me in the summer. I was working for free. I went back to dining

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services, washing pots and pans in the summer and working for Dottie for free. And then the next summer I got my internship at Pennington Bass. They brought me on as a second intern. To this day I still think that was just them feeling sorry for me, bringing me on, Jennifer Co, Jennifer Deaver now, was my boss and she was in school with us.

So, but I knew it in my heart this was what I wanted to do. I had taken stock of not making the connections through academics through undergrad, but I'd made connections and I had built a career that could have been very fruitful going forward, but I knew it wasn't what I wanted to do.

So making that conscious step to go 2, 3 steps backwards to reset and take full advantage of the graduate school opportunity, and being part of Texas Tech's financial planning department, which was just, that's when it really exploded and kind of—not quite notoriety—had been known around our industry for quite a while, that graduate school explosion and the undergrad numbers went up, but that was a fun time to be there. Being at Tech in the nineties and early two thousands was fun.

**Caleb Brown:** I mean, this is interesting to me. Like you're like a career changer, but you were still in school. Like, I don't know that we've had one of those before.

**Jason McGarraugh:** Well, you got to take into account I got my first paycheck for working a 12-hour day when I was six. So being a farm kid, I graduated when I was almost 26. So I had a 20-year career from the age of six to 26, and dining services, I was on campus. I worked for dining services for four and a half, five years, then switched over to working with graduate school.

**Caleb Brown:** And you were managing people too, right? You were managing and having a lot of responsibility. So how has that helped your success in your current roles and in financial planning?

**Jason McGarraugh:** It was kind of—I went to Singapore. I consider it a semester abroad, was a great opportunity, didn't work out career-wise. Came back home defeated. We won't go too deep into that, but I came back home



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kind of defeated. I went over there with the intent of making a career out of that opportunity and it didn't work out for various reasons. Came back to Perryton. I was so defeated. I thought I was just going to stay on the farm and be done with it. That's how down in the dumps I was. Well, two weeks of building fence with my dad changed that whole, "I'm going to be a farmer again."

Yeah, no, the old man took me out. We built fence. It was late spring, early summer. And then I realized the Texas Tech faculty was starting that—what was an eight-week review course, 10-week review course in Lubbock, I'd come back from Singapore, I'd saved up enough money, I signed up for that course, moved back to Lubbock.

**Caleb Brown:** I mean, it was like a couple thousand, it was like what? About two grand or something? It was some money for guys that didn't have any money.

**Jason McGarraugh:** Yeah, I had four, five, six grand saved up from Singapore. Didn't spend a whole lot of money there. Payback. Lived with two of the other guys that were studying with. They had a house in Tech Terrace area. Had a spare bedroom. And I had a mattress on the floor, spare bedroom, just helping them pay rent and studied six days a week, take one random day off each week. And I'd signed up for, it was like, okay, CFP, get it done.

**Caleb Brown:** Why did you take the CFP exam?

**Jason McGarraugh:** It was the lowest hanging fruit to grab when you're kind of desperate and needing to write yourself. I wasn't in a deep fit of depression, but I was like, man, I came out with a Leadership Award named after me in my first job was a flame out, three months.

**Caleb Brown:** You felt like you didn't live up to expectations.

**Jason McGarraugh:** Right. Exactly. But my old man humbled me pretty quick. So that's a good thing about having the farm, we've all slept in the basement at the farm, everybody's hit the skids in our family. And that's what

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having a home base like that is very beneficial. And I know not everybody has something like that, but yeah, really couple of weeks still in summer for myself, CFP review, let's go tackle that. And that was my sole focus at the time. I'll look for a job after that.

**Caleb Brown:** And what was your study? Because we were in that same review class. What was your daily routine to pass that exam?

**Jason McGarraugh:** I think we—and I wrote an article about this and I've got it tagged on my LinkedIn profile—and six days a week for sure, I think we were in class four days or was it—

**Caleb Brown:** As in the evenings though. Yeah.

**Jason McGarraugh:** Yeah. Whatever days we had class, I studied all day, so I'd study before class, we'd go to class, and I'd finish up, so you've got a good heavy, let's call it six quality hours of in-depth, back-to-back uninterrupted studying. And on days we didn't have class, I spent at least four hours in the stacks.

**Caleb Brown:** That's the library, for the listeners.

**Jason McGarraugh:** There we go. Yeah, the library. You can rent little study cubicles up in the upper floors. I got one of those. I don't even think it was ramp. It just, you sign up for it and just stayed at it. The biggest thing in my article though is I knew how serious the exam was. And thank you to the late Professor Barnhill for over-preparing us in his estate planning class for how demanding that exam is. And I wanted to make sure that I only did it once. So putting the time and effort into it and really attacking it and figuring out early what I did not need to study at an undergraduate degree in corporate finance and a master's degree in personal finance, the investment section, the fundamental section, I never even opened the investment section of the study materials.

I had a hard time with retirement and estate in class going through the degree program. Those parts of my books were just destroyed and marked up and

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repetition over and over. But I legitimately did not open the investment section of the books.

**Caleb Brown:** It's funny you mention that because I was thinking about this the other day when I was getting ready for this. There were a couple of guys from a wirehouse, which is going to remain nameless. They were a lot older than us, had more experience and they love the investments. They knew everything about the investments, but they didn't pass the exam.

We took it and we, I remember I asked him what happened and they said, "We studied the investments too much because that's what we liked." Like, well, appreciate the honesty, but did not work out for you.

**Jason McGarraugh:** No. Well, your brain tricks you if you've studied any behavioral finance or behavior, you want to study the things you know 'cause you get the answers, right? You get that—you feel good. I wanted to feel miserable. I wanted to do it once. And if I got to the end of that and felt like I wasn't just exhausted and tired, and do I really want to do this for a living, and I wouldn't have studied enough. You have to over-prepare. You can't just get enough. But it's right you've got to figure out what you already know and trust that you already know it. And you got to use that extra time for the harder parts, retirement planning and estate planning. And the funny thing is I remember being in Dr. Hampton's class, retirement, playing for this review, and all of a sudden a lightbulb went off, and all those regulations for all the different kinds of play, it literally just in my brain, everything connected.

And it was that lightbulb, aha moment. It finally makes sense because I struggled through her class. Got through it, didn't do bad, but it was almost like rote memorization. It hadn't become part of me yet. And that review course, everything just congealed together and coalesced. But you've got to understand how you study and put the time in.

And I break down the time in my article of the—on a piece of paper, write CFP, everything that's more important than that exam to you, put above it. If you're married, put your spouse's name, if you have kids, kids' names above the CFP. If you have a job, odds are you're not going to be able to study at work, but your job above the CFP, and start mapping out the amount of time you've got. If you're studying over the 250-hour rule of thumb, if you've got

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two months dedicated to studying for that exam and you can put those amount of hours in two months, it's probably a decent rule of thumb as long as you're not studying things you don't need to be studying.

But if you've got enough things above the CFP exam that are requiring your time, you've got to stretch out. You can't put 250 hours in four months. It's just not condensed enough for you to retain it so if you need 400 hours to study, I'd say, maybe three months. I've never researched it. It's just kind of a feel. You can't spread 250 hours over longer than two months. It's almost, it's not, at least for my study habits, wouldn't have been depth enough.

**Caleb Brown:** Everybody's different, right? So we got through that. And then that was back when it was the two-day, 10-hour, and we drove and we, you and I had to stay in some hotel. Remember that we stayed out?

**Jason McGarraugh:** Yeah, we split a hotel in Dallas, at the University of Dallas. I think is where we took our exam. We didn't talk to each other. You'd think we were complete strangers, but both of us had a singular focus on that exam. Neither of us chit-chatted with people after the first day of the exam. Didn't let anybody get in our heads. You really would have thought we were strangers.

**Caleb Brown:** I mean, I felt like I was leading the masters or something. I had to sleep on the lead. It's like, now you don't have to do that anymore. And I'm always ribbing my students about, "Yeah, two, three-hour sessions on a computer now," but I'm not holding a grudge.

**Jason McGarraugh:** Yeah, we walked uphill both ways in the snow for our exam, but you know, I don't begrudge the people before us that got to take the module.

**Caleb Brown:** Right. Let's fast forward. So then you got the, I think it was Waddell & Reed or something. When did you get hooked up with Neal Financial Group?

**Jason McGarraugh:** It was summer 2006. So plan A didn't work out. I needed to get any job in the industry. That's where Waddell & Reed came

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in. Daniel Yerger did a recent one, he had a similar experience. I saw them as the least worse. They had a financial planning component and led with a plan. So plan A didn't work out. The guy I was interviewing with, short story, ended up his oldest daughter wanted to join the family business, so she took my spot that I'd been interviewing for for two months.

I was like, okay, plan B, Waddell & Reed had been recruiting me, it's eat what you kill, come in 200 names of your friends and family, and get going. So I struggled and borrowed money, credit card debt for three and a half years. Fast forward, I meet Wynette. She was a plan A either. I was interviewing with different RIAs at the time, mid 2000s, 2005 2006, and I just wasn't fit.

I was interviewing and I wouldn't get the offer. And one of them that I was really excited about in Memphis, again, interviewed a few times, didn't get the offer. And I asked the hiring manager, why? And over the phone, he goes, "You really want to know?" And I said, "Yes, please." Well, he went through all the different aspects of why the team really didn't think I was a fit.

Talked too much. Wanted too much access, ownership, and I thanked him and he was kind of shocked that I thanked him for that. And I said, "None of that's going to change about me. I'm looking in the wrong place." Even though I did not want to go, Wynette Stuntz was with LPL, independent, grouped up with Neal Financial Group, a silo-type practice.

I just wanted a paycheck after four years of eating what I kill and starving to death. I literally pulled Wynette's after Dina Katz called me and asked me why I hadn't called Wynette back. Well, Wynette called Dina 'cause she told Wynette I was gonna call her and I never did. I threw it in the trash and they rattled my cage a little bit.

I called Wynette down here in Houston. Never thought I'd live here. Scheduled a time to come down. Met with Wynette and Doug Neal. We went to an FPA meeting in Houston. And I knew as many people at the Houston FPA, even though I'd never worked here, lived here, through Texas Tech. And I was on FPA committees with you and DFW when you were building career day, when Melissa ran the DFW up and the Houston.

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So I knew quite a few people and we connected and started working June 2006. When that brought me in to be her succession, she was almost 70 years old when we met in 2006. She just turned 85. I still stay in contact with her. But she brought me in. I was her third try trying to do an internal succession plan. Other people had moved on, you know, for whatever reasons didn't work out. But it wasn't where I thought I wanted to be. I was looking in the wrong place for various reasons and—

**Caleb Brown:** It was a fit though.

**Jason McGarraugh:** It was a fit. She was able to pay me a salary and—

**Caleb Brown:** You eventually took over her clients.

**Jason McGarraugh:** Right. I bought in—the end of 2015 she retired. She was 77 and I bought her book and I paid her a hundred percent, even though we had built it over the last 10 years together. She paid me a salary in the beginning then we went to a revenue split, everything flowed through her Rep ID and LPL broker-dealer setup. And by the time she retired, I was taking 55 percent of the revenue. She was taking 45. She made the decision to retire in 10 years was kind of the original arc that we'd looked at. She retired. I bought the book of business for her. That was eight years ago. And we had brought in an intern from tech and that intern turned into my pair of planner.

**Caleb Brown:** How many client relationships did you transition over and buy from her?

**Jason McGarraugh:** So yeah, 115, 110, I think, and I maintain, I've got about 125, 130 relationships, family relationships. Now, I'd say, 60 of them are very active, more on the comprehensive, higher level of service.

**Caleb Brown:** So you stayed under that model with Neal Financial Group, even though when that was gone in the end. Recently, you had a change. So walk us through that.

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**Jason McGarraugh:** So recently, it's starting on January 1st, I joined forces. I'm merging into BentOak Capital. Their main office is out of Weatherford. They've got a Fort Worth office and a Lubbock office. But they're also on the LPL platform. They're a hybrid. They're on the hybrid LPL platform. Neal Financial Group was a hybrid. But they didn't custody any assets under Neal Financial Group. It was just planning only.

**Caleb Brown:** Yeah, explain what a hybrid is.

**Jason McGarraugh:** For Neal Financial Group, all assets were held at LPL under the Corporate RIA even though Neal Financial Group had a separate RIA for planning only, all assets were there. With BentOak, they're on LPL's hybrid platform. Lack of a better term, they utilize LPL more as a custodian and they've got their own RIA, the assets are held under the RIA's umbrella, and planning is also done under the RIA umbrella. And some of this I'm still learning as I go as far as different kinds of structures, but the best way to think about it is BentOak utilizes LPL as a custodian.

Where Neal Financial Group was the BD relationship, and there's a lot of cross-over when you get into the nitty-gritty of it, but in 2019, my paraplanner that I had hired when Wynette retired got recruited away from me to a bigger firm and we'd had interns. And then that was September of 2019 and then COVID hit.

So we all, and I think I put this in my writeup, we woke up one day and it was the middle of 2022. So luckily the licensed assistant that was part of Neal Financial Group was able to take over the bulk of the service duties that my paraplanner was doing. But I had made an offer to the paraplanner to, you know, hit my size, about a hundred million under management.

You're either a paraplanner or a partner. Jason Magiera doesn't have a planning team and an investment team for whatever reasons. And I know, but it's not my story to tell. I actually helped her close her contract with her new employer and squeeze a little bit more money out of him for her. So we ended on good terms.

**Caleb Brown:** You lost her to a bigger firm, right?

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**Jason McGarraugh:** I lost her to a bigger firm.

**Caleb Brown:** How'd that make you feel as a firm owner, like training someone then losing them?

**Jason McGarraugh:** It was the best fit for her, speaking as a fiduciary to my employee, which if we're going to be fiduciary, we might as be fiduciary everywhere. It ended up being the right fit for her because she belonged running a planning team, which she does now.

There wasn't enough of that going on with my client base. Ownership really wasn't what she was striving for. She's still young, fresh out of college, four years in the business. Couldn't blame her a bit. It ended up being fortuitous because of the pay cut we all took when the early 2020 hit. But it was fun helping her negotiate a contract 'cause they didn't see that coming. The firm she's leaving is helping her.

**Caleb Brown:** Tell us a bit, why did you join them and what—it sounds like you just merged in. Was there any more to the transaction?

**Jason McGarraugh:** There's a lot. It's two years of me, let's say, like we woke up in 2022, so a year and a half of me really looking at what I need to do. I was at capacity for a one-person shop with a part-time administrative licensed assistant.

And you start thinking about those things. Five years ago, the conversation in Lubbock at Opportunity Days was, there's Legara, the pinnacle lifestyle practice guy. And I surprised a few of our colleagues with my decision to join up with a firm and eventually be an employee of that firm. But there'll be some executive duties that come along there, some bit of ownership. We're still not to the point of completely getting that structure put on paper, but it's coming.

The idea was to get me reconnected, so since they were on the LPL platform, we just did an OSJ switch, which is one form, Doug Neal signed. And the reason you keep things quiet when you're still part of a BD is that OSJ can gum the works up 'cause they've got to authorize the transfer to the new



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OSJ, officer of jurisdictional supervision. You're a compliance guy, the guy you pay a lot of money to look at your email.

**Caleb Brown:** It sounds like he didn't fight you on it.

**Jason McGarraugh:** No. Well, I went in with the form signed and it was a fiercely independent shop. And I've got no bad words to say about my former group. It's just after Wynette retired, a few other advisors retired, the atrophy or that team structure that we had 18 years ago was gradually just starting to deteriorate and wasn't a place, like I said, I've already had one 20-year span. I'm finishing up my second 20-year span of a career. Now I'm on, I'm looking at over the last two years, I've been, what's my next 20 years going to be? I'm 46—

**Caleb Brown:** Oh I thought you'll you say you were going to retire.

**Jason McGarraugh:** No, I'm 46 to another 20 years puts me at 66, my farm blood, whatever you want to call it, you don't stop working. My father's 76 and he's still actively working. So what I want the next 20 years to look like, and another 20 years of that lifestyle practice where I'm at capacity. There are virtual paraplanners, virtual admins, but I've got too much of a runway. I'm not going to let it die on the vine. So it was a lot of years of listening to podcasts like you and Michael Kitsies and got brain trusts everywhere, how have our friends done things. Being around like-minded people looking in the same direction of the industry.

And really I wanted a more robust client service model for my clients. That's not just a step above what the solo practitioner can provide, but multiple steps above what the solo practitioner can provide.

**Caleb Brown:** You said something, I just want to, you said, what I heard was, "I did this for my clients so they have better..." versus other people I talked to on this podcast, but also every day in the recruiting business, it's like, "Well, who's going to pay me the most? That's where I'm moving my clients." That's a different mindset.

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**Jason McGarraugh:** I'm not getting paid the most, not getting under. But it's because I looked at, you know, we've got friends, the Quest and Mercer route. My wife and I looked at possibly moving up to Colorado Springs a year and a half ago, and I was looking at different options, Mercer, and they just didn't feel right for whatever reason.

And we've all seen different kinds of buyout structures. BentOak Capital, I'm actually going to bring the age up a little bit for them. They're all mid to late thirties. There's a few of us that I'd called the young Gen Xers that are in there, but they're seeing some of these other acquisitions go on and whether they're able to avoid that 20 years from now or not, they're at least, they have an intention to try to avoid that and do the right thing for the clients and also second and third generation employees go forward.

**Caleb Brown:** Well, how was the deal structured though, Jason? I mean, you moved your clients and you said, "Look, you guys just keep the revenue and pay me a salary," or what is it? How did it work?

**Jason McGarraugh:** We don't have a deal structured yet. This initial phase, when we did the switch in January is just the OSJ switch, no override because we were going through it. One of the funny things is I called Brandon Garrett up. I had just hired Heath Jackson to do consulting because I was looking at, okay, if I'm going to do this myself, I've got to get serious, hire a consultant to help me sift through my business structure, my clients, and what am I going to need to do to upgrade to an existing clientele I had, but with a practice as old as mine, going back to when that started over 30 years old, you get this service model that's stretched out. You've got small clients that were there at the very beginning that you wouldn't be where you are if you didn't have them, but it's almost like some of the bigger clients are supplementing. It's things we've all kind of see if you've been in the business long enough.

And I hired Heath a couple of weeks after Heath and I started going through my book, I called Brandon and I was like If there's only one LPL shop on the planet that I'd be willing to talk to because I did not want to repay for my clients, going to a tur—from an LPL to a Schwab or to a Fidelity or Raymond James, another organization there.

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I wanted to save my clients that headache if I could because I was willing to do it all myself. Stay on the LPL platform, get my own RIA, be a hybrid that way. There's a lot of different ways to do it, but I called Brandon up, and he paused for a second and said, "McGarraugh, two weeks ago, I almost called." And then I find out he hired, we hired the same, and then they specialize in engineers or data-dependent clients and farm and ranch families. While I'm in Houston, I have a ton of data-dependent engineer clients and I've got a farm and ranch background so

**Caleb Brown:** it's not a fit at all. Is it?

**Jason McGarraugh:** Not a fit at all. And Weatherford and most of everybody in that firm is from some type of smaller community, but they wanted access to the Houston area because recruiting, really, how many people are you going to be able to recruit and get to live in your—or work in your Lubbock office, for your Weatherford office. They've got the Fort Worth office, but having another Metroplex for internal recruiting and client access and stuff too. So it was a good fit. Minimal to no work from the client's perspective. Everything transferred over.

There'll be some adjustments from the Corporate RIA to sort of a hybrid already set up, but account numbers don't change, history's not lost. Yeah, I was doing the right thing by my clients. And that goes back to Wynette, when she brought me on, she had offers for people to buy her book, bring her in, fold her in. But at her age, being in her mid to late sixties, they all wanted her two years, three years and you're absorbed. There was no buy-and-grow. There was a buy and bye-bye. And she refused to do that to her clients because she knew in her heart the top part of our client base would be taken care of, but most of them would probably die on the vine atrophy. So that kind of goes back to my predecessor, that desire to do the right thing by the client.

**Caleb Brown:** Really cool story. Really cool story. I mean, it's been great going down sort of memory lane with you on this and how it unfolded and just sort of how your careers develop and the success you've had. I mean, any final tips or anything for the new planner community out there that you want to leave them with?

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**Jason McGarraugh:** I'm a big component of I've worked all my life and I've built careers in multiple career paths through working. If you can do it, make those mistakes, learning how to work as early as you can. When it comes to studying for the CFP exam, really understand how difficult it is and how demanding it is. Get a mentor, get multiple mentors, reach out to those of us that have been in the industry for a while. There's a reason we go back to Lubbock for Opportunity Days, to Texas A&M for their events and national gatherings for FPA and NAPFA and all of those. Don't sit at a table with all your friends. Not one of them's going to give you a job. To pull something from Dr. Gustafson, "Just don't sit with them. They can't give you a job."

**Caleb Brown:** Well, Jason, this has been a lot of fun. Thanks so much for coming on the show.

**Jason McGarraugh:** I appreciate the time.

Thanks for joining us for this episode of the New Planner Podcast. If you are ready to discover the top career paths for financial planners and see which track is best for you, we created a free guide to help you.

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Tune back in next week for another episode, and until then, we are here to help you succeed.