

Bartering has become a way of life for some people

By Eric Spitznagel, Bloomberg

When Toronto financial planner Shannon Simmons offered her expertise to a professional clown, it wasn't exactly business as usual.

Simmons advised her new client to switch from a "couch fund" to a high-interest-bearing account with limited market risk. In exchange for her advice, Simmons received trapeze lessons.

Surprisingly, it isn't the weirdest way that Simmons has been paid in the last year. Since leaving a full-time job at investment management firm Phillips, Hager & North in 2010 and embarking on a yearlong experiment as a barter-only financial consultant, she's been compensated with a tutorial in butter churning, a large bag of toiletries and a chance to perform with the University of Toronto cheerleaders.

"I had a guy come up to me once and say, 'I'm a fire-breather and I'd like to barter with you,' " Simmons says. "I was like, 'I don't think I can say no to that.'"

She ended her experiment in November, and not a moment too soon. She's broke, she says, and not sure if she could survive much longer with a barter-only business model.

"It's a great idea in theory," she says. "But there are things you don't think about. ... You can't barter with your landlord. Trust me, I tried."

Bartering may sound like a style of commerce more fitting to a backwater marketplace than a modern capitalist environment. According to the International Reciprocal Trade Association – an organization created to promote "just and equitable

standards” in modern bartering – the U.S. barter market is a staggering \$12 billion annually. In other words, \$12 billion worth of goods and services are traded every year without any currency changing hands.

Scott Whitmer, founder of trade exchange company Florida Barter, says that while 2011 saw positive signs of an economic recovery, many small and medium-size companies are still struggling.

“Bartering has continued to help many companies grow and conserve cash,” he says.

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