CAREER WARRIORS

Finding a Job You Love in the New Economy

For out-of-work Americans, the competition for each available job remains fierce. Many wonder if they'll ever find employment, or a position, commensurate with their knowledge, experience and skills. Taking a more entrepreneurial approach to job-hunting, however, could land them their dream career.

By
Joseph Montagu RoosEvans, MBA, CFP®, ChFC®, CLU®, CLF®
Founder & Chief Leadership Officer, FRA Financial Group

FRA FINANCIAL GROUP
FOCUSED ON YOUR DREAMS

Introduction

One of the many casualties of the Great Recession of 2008 has been the near demise of "The American Dream." Writer and historian James Truslow Adams coined the phrase The American Dream in 1931 to describe the ideals of freedom, equality and opportunity traditionally held to be available to every American.[1]

For many people, the American Dream has a much more personal definition. It stands for the promise of a good, steady job; a nice house; college for their children; an annual vacation; and enough discretionary income left over after all the needs are met to cover a few wants.

Yet amid the tattered remnants of the Great Recession there was one stark truth. At no time since the phrase was first uttered in the 1930s has the American Dream and all it stands for seemed so unattainable.

This White Paper will focus on one of the major tenets of the American Dream – the promise of a good job where one's hard work and loyalty were rewarded with continued employment and annual pay increases. Following massive layoffs and with new jobs creation falling well below what was expected from a recovering economy, the growing ranks of the unemployed and the underemployed are finding the road back to full-time and fulfilling employment in a vastly changed job market frustrating, daunting and demoralizing.

This paper examines how and why steady employment with a company has become a thing of the past, what the new face of employment looks like in the new economy, how to re-brand yourself and find your dream career, and how, for many people, the traditional work environments have given way to a new entrepreneurial business model.

How Did We Get Here?

"There are some companies that wouldn't hold workers oneminute more than they're needed. They will hold inventories of goods for a long time, but they don't want to hold inventories of people."[4]

– Jeffery Pfeffer, Standford University management professor, who studied hirings and firings by semi-conductor companies

The easy answer is the global economic meltdown that began in October 2008. But in truth trouble was brewing just beneath the surface of a seemingly healthy economy for several years prior.

From corporate executives to consumers, people simply failed to heed the warning signs.

In 1998, the *Los Angeles Times* reported on a growing and disturbing trend in Corporate America. In spite of a robust economy, many corporations were relying on downsizing to enhance the bottom line. [2]

Stockholders were turning up the heat on corporate executives to generate greater profits. Downsizing – cutting employment costs – became the strategy of choice, in good and bad times, to meet their demands.[3]

One company profiled in the article was Applied Materials. Stanford University management professor Jeffery Pfeffer told the *LA Times* that the Silicon Valley company's "… periodic layoffs are consistent with an industry that practices just-in-time employment."[4]

The recent massive corporate layoffs and industry closings confirm what the *LA Times* foreshadowed in that 1998 article. Peter Cappelli, head of the management program at the University of Pennsylvania's Wharton School was quoted in the article saying, "…workers already know that there is little long-term job security, and your ability to retain your current job is beyond your control."[5]

Still many employees adopted an "it can never happen to me" mentality when it came to layoffs and began a spending spree that saw consumer debt rise to more than $2 trillion by 2007.[6] While they were maxing out credit cards to purchase the latest and greatest in technology, trips, cars and retail goods, they were failing to save. Early in 2008, personal savings as a percentage of personal income was a dismal 0.3 %.[7]

By October, the party was over.

The Domino Effect

Just like toppling dominos, the bastions of the U. S. economy – legendary Wall Street firms, brokerage houses and banks – collapsed one after the other, shuttering their doors forever beginning in October 2008. All were household names. Most had been fixtures in the financial world for generations. Some had even survived the Great Depression, but they didn't make it out of the Great Recession alive.

Following close on the heels of the financial institutions' collapse, the real estate industry experienced its own comeuppance when the housing bubble burst. High default rates on sub prime and adjustable rate mortgages (ARM), and grossly inflated housing prices, as well as an increase in high-risk mortgages were some of the reasons that caused the housing market to go south.

But it wasn't only the banks and lending companies that took the punches. Homeowners were hit hard. Faced with an upside down housing market and skyrocketing ARM rates, many found themselves in arrears on their mortgage payments and were forced to make the tough choice between foreclosure or walking away from their investment.

And the fissure tearing a swath through the U. S. economy took aim at the country's corporations, manufacturers, retailers, technology sector and small businesses next. The steep decline in revenues and growth in these sectors that began in late 2008 continued well into 2010.

Company owners and senior executives watched as orders for new products and services disappeared and financing became almost impossible to find. Employers looked for ways to shrink their costs drastically. They tried everything from furloughs to hiring freezes and wage reductions in an effort to avoid the growing inevitability – massive job cuts.[8]

In January 2009 alone U. S. employers slashed 598,000 jobs. This represented the worst job loss in 34 years. The job loss from November 2008 to January 2009 represented the biggest three-month drop since immediately after the end of World War II, when the defense industry was shutting down for conversion to civilian production.[9]

In a *New York Times* article, Andrew Stettner, deputy director of the National Employment Law Project, explained that even if the economy recovered quickly, many companies might not rush to increase staff. [10]

Collateral Damage

"… downturns often motivate companies to restructure business models permanently, meaning jobs they cut now are unlikely to be replaced."[10]

– Andrew Stettner, Deputy Director of the National Law Employment Project

Stettner's warning has come to pass. Many companies are making do with a much smaller workforce. Fewer employees shouldering a greater workload, often without the necessary skills and experience to do so, have led to an increasingly stressful work environment. The employees that stay with a company following downsizing develop something akin to survivor's guilt – sad that their co-workers and friends are no longer there, gratitude and guilt that they still have a job to go to every day, and fear that they won't be able to cut it and will be the next to go.

The sheer number of people who remain on or continue to join the ranks of the unemployed is staggering. As of June 2, 2012, the number of persons claiming unemployment insurance benefits in all programs – including Regular State, Federal Employees (UCFE), Newly Discharged Veterans (UCX), EUC 2008 (Emergency Unemployment Compensation created in June 2008), Extended Benefits, State Additional Benefits, and STC (short-time compensation)/Workshare – had risen to 5.8 million. Those joining the unemployment ranks each week is a whopping 387,000.[11]

These statistics don't reflect the number of people who've fallen off the grid and are no longer collecting unemployment, or those who are now known as the underemployed – people who are employed, often in jobs other than in their field of expertise and making a fraction of what they made previously.

Those still on the unemployment rolls can expect to be there for a long time. *The New York Times* reported in a June 3, 2011 article that the "average unemployed person in America has been looking for work for 39.7 weeks, or more than nine months. That is the longest average unemployment spell since the Labor Department started keeping track in 1948.[12] And the timeframe continues to grow from months to years without a steady job for those looking for full-time work. Three worrisome trends are emerging from the growing length of joblessness:

1 The longer a person is unemployed, the less employable he or she becomes because of factors like stigma and skill deterioration.[13]

2 Many of the long-term unemployed — who now constitute about 45 percent of all unemployed workers — have already had their jobless benefits run out.[14]

3 Long-term unemployed are disproportionately made up of older workers — who, when compared to their younger counter parts, are less likely to lose their jobs, but more likely to have trouble finding a new one if they are laid off. It is entirely possible that many of these older workers will never work again.[15]

Think Like an Entrepreneur

"To adapt to challenges of professional life today, we need to rediscover our entrepreneurial instincts and use them to forge new sorts of careers."[18]

– Reid Hoffman, the co-founder and chairman of LinkedIn, writes in his book *The Start-up of You.*

In an update to his award-winning book, The World Is Flat, *New York Times* columnist and Pulitzer Prize-winning author Thomas L. Friedman examined the impact the new global economy and the subsequent "flattening of the world as we know it" have had on our lives and our future. Friedman depicts a world moving and evolving so quickly, most of us can't keep up.[16]

There is no going back. The reality of the new economy is here to stay. Friedman's message is clear: be prepared, because this phenomenon waits for no one. To remain competitive in this new global landscape governments, businesses and people not only must keep up, but they must stay ahead of the trends.[17]

To thrive in the new global economy, people must return to the roots of entrepreneurialism, independence, and self-sufficiency. Whether you're looking for traditional employment in Corporate America or going the entrepreneurial route, you need to take a page from the marketing guru's book. When a long-time, invested brand becomes tired and ineffective, they simply re-brand and re-launch it (think Kentucky Fried Chicken's transition to KFC). This is what people must do to remain competitive and nimble in an ever changing and ever shrinking job market.

Reid Hoffman, the co-founder and chairman of LinkedIn, writes in his book *The Start-up of You* that to truly seize the opportunities in today's fractured job market, "you need to think and act like you're running a start-up – your career."[19] As he sees it, the conditions we face in re-tooling our careers are not unlike the ones that the entrepreneur faces when starting a new business. Like an entrepreneur, when looking for a job or carving out a new career, you have to:

1. Deal with uncertainties, changes and constraints head-on.
2. Take stock of assets, aspirations and market realities to develop competitive advantages.
3. Craft flexible, iterative plans.
4. Build a network of relationships throughout your industry that outlives your start-up.
5. Seek and create breakout opportunities that involve focused risks, and actively manage that risk.
6. Tap your network for business intelligence to navigate tough challenges.
7. Do each of these things every day.[20]

Which Way Do We Go?

You know the job market is unprecedented in the limited number of jobs available and the unlimited number of people fighting for them. You know that to find, steady work in the new economy you must be flexible, nimble and think like an entrepreneur. There are different work environments out there to consider. It is important to find one that meets your goals, your needs and your comfort level. We'll examine two of the more traditional routes you could take and a third that may surprise you.

Corporate America

You might think that seeking employment in Corporate America might be difficult for the person who has been downsized out of a job or career. But there is something to the well-known quote, "better the devil you know than the devil you don't." Some people are more comfortable in the familiar and traditional workplace offered in a corporate setting. There are many perks.

1. Regular, steady income
2. Vacation and holiday pay
3. Benefits, including healthcare, for the employee and his/her family
4. Matching 401(k) program
5. Life insurance and long- and short-term disability
6. Company handles withholding of state and federal taxes, as well as unemployment and worker's comp insurance.
7. A fully equipped office or workstation, featuring the latest technology
8. Continuing education and training
9. Possible fitness center, childcare services and stock options
10. Promotions and recognition for hard work[21]

Which Way Do We Go?

"The recession has decimated so much of that collateral that now most small businesses have to go out and seek alternative financing because traditional or SBA loans aren't an option for them."[22]

– Ami Kassar, CEO and Founder of the business loan advisory company Multifunding

But the flip side of working in Corporate America has been painfully detailed earlier in this paper. Employees often are viewed as expendable. It wasn't so long ago that corporations took pride in hiring employees, training and developing their talents and skills, and grooming them to move up the ranks and enjoy a long career with the organization. This is no longer the case. It is still a time of uncertainty in economic markets making lay-offs and company closings real possibilities. There are no guarantees in life, but one thing is certain – an employer's loyalty will always be to his/her stockholders and investors.

Own Your Own Small Business or Franchise

Another route to take is to start a small/family-owned business or to purchase a franchise. While on the surface this may seem like the dream career move for the person who wants to control his/her career and time, it is not for the faint of heart.

These are high-risk ventures requiring a tremendous amount of capital especially at the outset, as well as a commitment of time. Starting a small business even in the best of economic times is not a sure bet, with everything from location, advertising, competition and the whim of the consumer affecting its outcome.

Financing through government initiatives, such as the Small Business Jobs Act, is freeing up lending lines, but it is still difficult to obtain a loan. The lynchpin rests on having collateral.

According to Ami Kassar, CEO and Founder of the business loan advisory company Multifunding: "If you've got a strong small business and a lot of collateral, banks are going to fight to get you a loan."[22] Unfortunately, for many that collateral comes in the form of the equity (or what's left of it) in their homes.

Yet small businesses remain vital to a thriving economy. According to the Obama administration's estimate, small businesses create about 70 percent of the nation's jobs. With the unemployment rate at 7.6%,[23] small businesses play a crucial role in the country's continued economic recovery.[24]

Buying a franchise, especially a well known, well respected one, brings somewhat less risk than starting a small, family-owned business, but that little comfort comes with a much bigger price tag.

Determining what a franchise will cost can be tricky, as each has its ownfinancial requirements, but in mostcases the franchisee can expect to pay a franchise fee, all build-out costs for the location (including furniture, fixtures and equipment), professional

Which Way Do We Go?

If you're interested in the granddaddy of franchises – a McDonald's outlet – be prepared to open the bank vault. The McDonald's Corporation requires "a minimum of $250,000 of non-borrowed personal resources" just to initiate the discussion process.[27]

does not contribute to any of these costs.[25] These are just the start-up costs.

Here is an example of the up-front costs associated with purchasing a Dunkin' Donuts franchise located in a shopping center:[26]

Shopping Center/Storefront Unit

Type of Fee	Low	High
Initial Franchise Fee	$40,000	$80,000
Building Costs	$75,000	$309,000
Site Development Costs	$0	$40,000
Additional Development Costs	$6,500	$34,000
Real Estate Costs	Varies	
Equipment, Fixtures and Signs	$88,000	$233,000
Electronic Cash Register / Retail Technology System	$18,200	$26,000
Opening Inventory	$8,000	$20,000
Miscellaneous Opening Costs	$9,500	$50,000
Licenses, Permits, Fees and Deposits	$3,500	$5,500
Uniforms	$400	$1,200
Insurance	$4,500	$15,000
Travel and Living Expenses While Training	$13,120	$35,400
Marketing Start-Up Fee	$10,000	
Additional Funds for First 3 Months of Operation	$98,000	$150,000
Estimated Total (doesn't include real estate costs)	$374,720	$1,009,100

And this is just the beginning. There are ongoing fees to be paid annually, many taken as percentages of total gross sales. If you're interested in the granddaddy of franchises – a McDonald's outlet – be prepared to open the bank vault. The McDonald's Corporation requires "a minimum of $250,000 of non-borrowed personal resources" just to initiate the discussion process.[27]

Which Way Do We Go?

Today, it's an industry built on developing strong, long-lasting relationships. It uses technology to extend its reach and connectivity to a global audience. Network Marketing is sophisticated, complex, diverse and inclusive. Many of the industry's leading companies are using traditional management tools to train and develop its already knowledgeable workforce. Integrity and professionalism have become the touchstones of an industry that has traded pep rallies for stock options.[28]

Network Marketing – A Surprisingly Palatable and Lucrative Alternative

Network Marketing as a career option might surprise you, but it may be the ticket to your dream job. For many people, Multilevel Marketing (MLM), as Network Marketing used to be known, conjures up images of fly-by-night companies with hucksters spouting hyperbole and talking people into bartering their dreams for inventory they won't be able to move.

During the past decade, Network Marketing has undergone a transformation. It has matured and grown. What's emerged is a legitimate entrepreneurial business model that delivers on the promise of helping people to build a successful business with little start-up cost and fewer risks.

Charles W. King, in his book The New Professionals: The Rise of Network Marketing as the Next Major Profession, describes a new group of entrepreneurs coming from the ranks of lawyers and doctors, corporate executives and government workers, the downsized and the underemployed who have embraced an industry that they once would have found laughable.[28]

Today's Network Marketing is a far cry from its predecessors, the MLM or Direct Selling industry (the Fuller Brush man, Encyclopedia Britannica salesman or the original Avon lady). Today, it's an industry built on developing strong, long-lasting relationships. It uses technology to extend its reach and connectivity to a global audience. Network Marketing is sophisticated, complex, diverse and inclusive. Many of the industry's leading companies are using traditional management tools to train and develop its already knowledgeable workforce. Integrity and professionalism have become the touchstones of an industry that has traded pep rallies for stock options.[29]

In a nutshell, here's how it works. Through a Network Marketing company, you're in business for yourself and not by yourself. You earn ongoing income and long-term residual income through the sales of products and services you make, as well as the sales made by the people who join you.[30] You control your time, income, business growth and risks.

The network marketer is normally an independent contractor who can call his/her own shots.

Which Way Do We Go?

A recent LIMRA survey found that ownership of personal life insurance was at a 50-year low; The 11 million households in greatest need – those with children under 18 – had no insurance, and 8 of 10 U.S. households currently did not have a personal insurance agent or broker.[33]

Usually not bound by a set territory, the independent contractor can sell anywhere the United States or in any foreign countries where his/her company operates.

Independent contractors:

- Run their own selling operations
- Set their own work schedules
- Receive commissions on the products and services sold by them directly or by their sales team.[31]

Network Marketing and the Financial Services Industry

The type of companies that make up the Financial Services Industry are built on a foundation of trust between the agent and client. The agent often helps his or her client make decisions about some of life's greatest and most personal challenges – retirement, death of a loved one, illness of an elderly parent, college funds and investing a life's savings.

This makes it an ideal fit with Network Marketing, an industry that emphasizes the importance of person-to-person communication in building relationships. In a 2010 Life Insurance Ownership Survey, LIMRA (Life Insurance Marketing and Research Association) found that 60% of Boomer households prefer to buy life insurance face to face.[32]

There is great growth potential for a financial services network marketing organization. In the United States today there is a growing and largely underserved market that is in need of financial products and services. That same LIMRA survey also found that ownership of personal life insurance was at a 50-year low; The 11 million households in greatest need – those with children under 18 – had no insurance, and 8 of 10 U.S. households currently did not have a personal insurance agent or broker.[33]

Conclusion

In the aftermath of the Great Recession of 2008, Americans, many of whom were facing unemployment for the first time in their lives, found the job landscape dramatically changed. Long gone was the notion that if you worked hard and were loyal to your employer a steady job was your reward. Employers, with an eye on the bottom line in a still shaky economy, were making do with fewer workers. This left those looking for work battling with greater numbers of their fellow out-of-work Americans for fewer and fewer jobs.

To rise above the competition, unemployed Americans have to develop the mindset of an entrepreneur and begin to think of their careers as their "start-ups," applying the strategies these business mavericks use every day to build new businesses. To find steady work in the new economy, you must be flexible, nimble and keep an open mind.

In addition to the traditional routes of Corporate America or small-business/franchise ownership, one career to consider is Network Marketing. During the past decade, the industry has transformed itself into an entrepreneurial business model that delivers on the promise of helping people to build a successful business with little start-up costs and fewer risks.

Notes

1 http: //en.wikipedia.org/wiki/American_Dream
2 Davan Maharaj. "Layoffs: A Company's Strategy of First Resort." *Los Angeles Times*. Nov. 22, 1998.
3 Ibid.
4 Ibid.
5 Ibid.
6 U.S. Federal Reserve, Feb. 7, 2008.
7 U.S. Department of Commerce, Bureau of Economic Analysis, Personal Income and Outlays: February 2008, released March 28, 2008.
8 Catharine Rampell. "Layoffs Spread to More Sectors of the Economy." *The New York Times*. Jan. 26, 2009.
9 Chris Isidore. "Job Loss: Worst in 34 Years, Employers Slashed 598,000 More Jobs in January as Unemployment Rate Climbed to 7.6%." CNNMoney.com. Feb. 6, 2009.
10 Catharine Rampell. "Layoffs Spread to More Sectors of the Economy." *The New York Times*. Jan. 26, 2009.

Notes

15 Ibid.
16 wikisummaries.org/The_World_Is_Flat
17 Ibid.
18 Reid Hoffman and Ben Casnocha. *The Start-Up of You: Adapt to the Future, Invest in Yourself, and Transform Your Career.* New York. Crown Business, an imprint of Crown Publishing Group, a division of Random House. © 2012.
19 Ibid.
20 Ibid.
21 Charles W. King and James W. Robinson. T*he New Professionals: The Rise of Network Marketing as the Next Major Profession*. New York. Three Rivers Publishing, member of the Crown Publishing Group, a division of Random House. © 2000.
22 William Alden. "Small Business Still Having Trouble Getting Loans." The Huffington Post. Feb. 9, 2011; updated May 25, 2011.
23 U. S. Bureau of Labor Statistics. June 18, 2013.
24 William Alden. "Small Business Still Having Trouble Getting Loans." The Huffington Post. Feb. 9, 2011; updated May 25, 2011.
25 Don Daszkowski. "How Much Does a Franchise Cost?" About.com. 2012.
26 "Dunkin' Donuts Franchise Cost & Fees." FranchiseDirect.com. 2012.
27 "How Much Does A McDonald's Franchise Cost?" BusinessMart.com. 2012.
28 Charles W. King and James W. Robinson. *The New Professionals: The Rise of Network Marketing as the Next Major Profession*. New York. Three Rivers Publishing, member of the Crown Publishing Group, a division of Random House. © 2000.
29 Ibid.
30 Ibid.
31 Ibid.
32 "Life Insurance Ownership Survey." Life Insurance Marketing and Research Association. August 2010.
33 Ibid.

About the Author

FRA Financial Group Founder and Chief Leadership Officer Joe RoosEvans is an industry veteran who has built one of the nations' most successful Independent Marketing Organizations – Financial Resources of America and its affiliated companies, including FRA Financial Group.

Joe has more than 25 years of industry experience and is acknowledged as an industry leader in life insurance marketing, innovation and distribution. Joe has been looking to create a new distribution organization that would disrupt the industry landscape and provide a new opportunity for industry professionals, as well as to attract new individuals to the industry. Throughout his tenure with Financial Resources of America, Joe has received numerous accolades, including:

- No. 1 Agent for Transamerica and The Hartford
- No. 1 FMO Agent for The Hartford and AIG
- Multiple-time Top of the Table recipient from the Million Dollar Round Table

Financial Resources of America has been recipient of the prestigious GAMA Master Agency Award numerous times.

FRA Financial Group

FRA Financial Group is opening a world of possibilities for people who are interested in creating a better financial future for themselves and their families. FRA does this by empowering people by making the wealth secrets of the rich available to everyone. We ensure that people have the leadership, opportunity and tools necessary to make informed decisions and smart choices. They can take control of their future and achieve dreams that once seemed impossible.

FRA's synergistic business model combines distinct marketing elements, such as relationships, innovative compensation and lead generation with the concepts of autonomy, innovation and independence to create dynamic results.

Whether you're our client or you've decided to become a FRA business owner, you'll quickly discover that with FRA Financial Group the possibilities are endless. To learn more, speak to the FRA associate that shared this White Paper with you, or visit FRAFinancial.com.

FRA Financial Group is Focused on Your Dreams.™