

# Michael Haubrich

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## SUMMARY KEYWORDS

career, asset, employer, retirement, job, benchmarking, skills, clients, asset management, life, industry, tenant, continue, company, costs, capital fund, salary, pay, networking, years



00:08

Thank you for joining us today for the Career Speaker Series. This series brings to you the nation's top career authors who provide tips, tools, and best practices you can use to create a successful career strategy. Hello, my name is Dawn photobomb, and I'll be your host today. With me today is Michael haubrich, owner and president of financial service group incorporated and author of career asset management. Getting Ahead and staying ahead. And the next hour, you're going to learn strategies that will help you manage your career. Now have your pen and paper or electronic device ready to take notes. Check the download option to gain access to resources that will help you use Michaels ideas to better manage your career. We all want to remind you that this webinar is all about you. You are invited to help influence the program by offering your thoughts and how we can continue to be a support to your career. Click on the menu option that says give us your feedback. And at any time during today's presentation, type in a question. We'll include it in the q&a session at the end of today's presentation. So let's get to the meat of things. Let me give you a brief background about our very accomplished speaker today. Michael is a certified financial planner and he brings more than 30 years of hands on experience to his fee only financial planning practice is working with hundreds of clients on an annual basis. He is known for creatively blending traditional financial planning with contemporary thinking and tools to meet the work and life realities of today's citizens. Since founding and starting Financial Services Group in 1983, he has been a relationship focused industry innovator who is passionate about his responsibility to help his clients experience their great life. Now, in 2006, Mike introduced career asset management to the financial planning and career counseling profession. As a thought leader on this topic, he has been a frequent speaker at conferences and professional events. Career Asset Management has also been featured in news articles, and has become an adopted topic for many financial planners and career counselors throughout the country. It's an idea that I think

you will be very interested in learning how you can adapt for your life. Now, today, Michael is going to share with you a lot more information that you'll be able to take home that is very practical. He is going to be your private consultant to share with you the secrets of career asset management. So join me today in welcoming Michael haubrich.



03:03

Thanks, Dan. Thanks for the introduction. And I'm happy to be joining you this evening as part of your career management series. Not to belabor what you already did an announcement and introduction of myself. Again, I've been doing this for 30 years, and I'm dedicated to helping our clients live their great life as they define it. We have been, we work with clients in what we call integrated, integrated financial life planning. And this includes strategies for investment, retirement tax and estate planning. And in this in this model, or in this this environment, we created career asset management and that's the topic for evening or evenings evenings discussion. The important distinction is since we work as a fee only financial planner we can start looking at these kinds of, of ideas and concepts outside of the traditional financial product arena. We're not in the in the business of selling financial products. So we're able to take a look at clients as they go through life's transitions. We work with our clients when they're dealing with the transitions of death of birth, a new job a layoff, marriage, divorce, and illness. Whatever may be happening in their lives, we're blessed that they're that they will include us in being a part of that life transition. Well, tonight I'm going to share a couple of ideas about one of the areas we work with our clients that I personally find to be one of the most rewarding. That is as we mentioned career asset management. A little more than 10 years ago, I developed this financial planning service model in response to what I was experiencing with a growing number of my clients. You see I started seeing more and more clients coming to see me discussing retirement. And when I when I asked a few questions I found it wasn't so much that they were interested in retiring as much as they looked at retirement as a strategy to deal with a dysfunctional career. In other words, they had bad bosses lack of balance, they were doing uninspired work. They all had their own reasons for why they were coming to me, but what they all had the same desire, and that was looking at retirement as a way to get out and get out as soon as possible. Well, frequently, this was at a great risk to their retirement plan and the assets that they were trying to accumulate. I started to realize that unsatisfied workers were looking at working or retiring as a binary choice, rather than looking for options and alternatives that could offer a solution to their immediate need. And that was the desire to escape their current situation. And I wanted to figure out a way that we could reframe the conversation around what retirement even looked like. So I started to work with these clients to explore a wide range of options, and how they read how they even viewed traditional retirement. Because I was seeing this disconnect. It wasn't that they were retiring, that they were

looking forward to a new transition in their life rate of retirement looking towards that they were looking at getting away from this dysfunction of a dysfunctional career. So I started working with career and life coaches, HR professionals, and folks from other disciplines to develop a team approach in helping clients truly own their career asset and extend the period of time that asset produced results. Since that time, many financial planners, as I presented these concepts at various conferences across the country, other financial planners are now starting to include clients careers, is part of their financial planning process. And we're going to be moving through a few important ideas rather quickly this evening. So I want to let you know up front a couple of ways that you can learn more about and stay connected with career Asset Management going forward. As you can see on the slide, there's a number of ways that you can connect, you can find us on the web, we have a dedicated site for career asset management, we have a separate Facebook page, you can also follow me on Twitter. And we also have a YouTube channel with short clips on a variety of topics. And of course, my book is available on Amazon. I'm going to use a couple of examples from it in my in my presentation today.



07:49

So let's start with a high level look at what I mean by career asset management. See, it's important to recognize that your career is your most valuable asset, because it's the fuel for you to acquire other assets. You can't buy or invest and create investment accounts, stocks, bonds, real estate, insurance, or really anything without what your career provides to you. And that's income. Since your career as an asset, you have to develop it, manage it and optimize it just like you would any other asset. So it provides the greatest return for you for the longest period of time. The theory behind career asset management is that if you were able to extend the useful life of your career, while also ensuring you're getting what you want and need out of that career, you can also extend your earnings for a longer period of time. That will truncate what I've experienced initially in the need of where people are looking at retirement. early retirement is a way of getting out of their dysfunctional career. If you love what you work, if you love your work, and what you do, you're going to be you're going to want to do it for a longer period of time. And this allows you to continue to build your financial reserves longer than you may have thought. By finding a work life fit that aligns with you, you can continue to build your career asset. Now let me share with you an example of how this can have a financial impact. Here's a simplified example of someone who is looking for a better work life fit and how we can extend their useful life of their career asset. In this case here consider an employee with peak wages of \$75,000 a year, who abruptly retires at age 60. Now let's consider what it would look like if that person's career was extended for an additional eight year period of time during the first three years The employee works at 75% of the current scheduled income. And again, in this example, we're looking at age 60. So between 60 and 63, if the

person just continued instead of quitting their job completely renegotiated a deal, where they just slowed down a bit. And if they got 75% of their of this \$75,000 of income, that would be \$56,000 a year, for that first three years to age 63. For the next three years, if they just again, ratchet it back to 60% of their peak earnings, that would be \$45,000 a year. And in the last two years, which would be age 67, and 68. If they were just to work and earn at 40% of their peak earnings, that would be \$30,000 a year. Here's the amazing outcome of that, assuming an average income and employment tax rate of 40%, and a 6% discount rate, the present value in today's dollars of that increased income stream is \$174,000. by any standard, that's a good return on this example of all of the career investment. Besides, besides the financial benefit, extending your career asset, career asset management is about helping you see how you actually own your career standard, how you how you only lease it out to worthy tenants for a period of time. Now, this might require a little mental reframing a shift in the paradigm from your employer as being in charge of your career, to you being an acting like the owner of your career. Keep in mind, what I'm suggesting is that you are the owner, your employer just rents your time, talents and potential. Sometimes it helps to think of it this way, people take care of their the stuff they own better than the ones that what they would borrow or rent. I mean, an example of that is, when was the last time you washed a rental car, or cleaned your hotel room before you checked out. I often relate to owning your career as being a landlord of a rental property.



12:30

As the owner of that property, you want to make sure that your place has all the features that will attract the right kind of tenant, that's a tenant who is willing to pay a fair price in a rent, that property needs to be maintained. And every few years, it needs to be updated and refreshed, to keep it rented to that ideal tenant. And it has to be properly promoted and marketed. And of course, the rent needs to be fairly priced into the market. Like that real estate asset, your career asset is something you own invest in and lease to an employer for a specific period of time. So who is that ideal tenant? We also refer to as your employer for your career asset. Well, it's someone who respects and appreciates your property for what it provides to them a long term value, you see, it's a value for value exchange, you provide the asset, that the tenant, also known as your employer can benefit from, and they benefit by earning a profit. And that profit is greater than the rent, which is the salary they're paying to you. That's the way it has to work to be sustainable. Now you see you as the landlord, look at ways to improve the value proposition to the market. And the market is your current tenant or employer, or your next one. And you do this by a commitment to constant improvement. So how do you know how much your career asset is really worth? Well, as this slide shows, this is a little bit formulaic. But there's two aspects

to determining your total career value. One is quantitative and the other is qualitative. Let's take a look at each your career financial asset is equal to the present value of wages plus the present value of benefits you receive minus the present value of your employment costs. Well, your wages are equal to salary plus bonuses, plus perhaps any types of reimbursements you get. Benefits are your employee benefits such as pension, health and welfare, vacation time. And let's not forget government benefits that accrue over time like Social Security and Medicare. Now what comes out of that is employment costs. And these include your employment taxes, transportation costs, tools and supplies, education and training costs, and business related costs such as clothing, meals and entertainment. We can't ignore childcare and family care costs because if you're working, you've got to, you've got those costs. And let's not exclude the cost of networking. We're going to talk about networking later on. In addition to looking at the quantitative factors for your career value, there are also qualitative factors to consider. Let's take a look at those now. There are numerous qualitative factors that can contribute to helping you quantify your total career value even though those factors are difficult to assign \$1 amount to, for example, there's a value in your career knowledge, you've worked hard for years to become a subject matter expert in your field. People come to you for answers, or for your perspective about a situation or problem based on your industry, institutional or technical knowledge. Keep in mind, however, knowledge value declines over time as relevant job skills change. We're living in a dynamic environment where everything's changing, as work relationships, and work relationships, they're also developed over times, and over time, and things like shared experiences, common goals, networking, and simply the outcome of spending at least a third of our lives together, have an intrinsic value. And we call those the relationships at work. Another qualitative value comes in the form of experience, maturity and wisdom. Some call that institutional knowledge. The job satisfaction, qualitative value measures the intrinsic rewards of a job, such as the feeling of control over our work, and our sense of accomplishment. Also included is the satisfaction with our manager, or co worker relationships, and the feelings of appreciation and respect from our organization.



17:20

Those of you who are self employed often derive job satisfaction from opportunity and achievement as a substitute for organizational respect and appreciation. We cannot ignore family qualitative values, which take into account the connection of our career with our individual family life. Now, this is a challenge because achieving a comfortable work life fit. and assessing how well work fits the demands of family life is one of those also high determinants of job satisfaction. The comparative importance of each career qualitative value varies among individuals, some people will value some of these areas more than others. But this is something that we obviously have to take into account when we value

our career. So when we look at the total career value, this is the summation of the career financial value, which is the quantitative plus the career qualitative value. And we use both of those factors to arrive at the total career value as a couple of other important concepts when we look at our career from our through the lens of a financial asset, and that is what we look at are consider risks in a career. There are two primary risks in our career. And that is career velocity, which refers to the number and frequency of job changes and career volatility. Now, if you're blessed to be a tenured professor, or a Supreme Court justice, you don't have to worry about the career risk we're talking about because your job secure and your income is very predictable. But when you are dealing in careers that have high velocity fields that have high velocity, changing jobs often comes with increased expenses related to job search, networking, creating your resume, and other self promotion materials. You may engage a career coach or counselor, and there'll be costs associated with that. Those costs can be significantly higher. If the need for a job change stems from unforeseen event like an involuntary termination, or evolve or reduction in workforce. Now career volatility is the fluctuation of income over the life cycle of your career asset. Sometimes that volatility is a result of a job change, yielding a lower salary than the previous Job. Sometimes it's the outcome of a career change in which you take on an entirely new career path. That mean, that may mean you earn a lower wage for a period of time as you're you build a skills in that new career. Regardless of the reason, potential changes in your income represent a risk factor that should be calculated in your career asset working capital fund, and this is the next concept I want to share with you. Well, when it comes to ensuring you have funds available to invest in your career asset, I recommend establishing a career asset working capital fund.



20:42

While emergency cash reserves are used to pay for living expenses, the career asset fund is used to fund building or maintaining your skills, paying for job and career change expenses, and providing for a career sabbatical or family medical leave. Not all career asset funds need to be in cash. This is this is an important point here. Some of it may be in the form of lines of credit 529 plans. This is many times a surprise to people because we think of 5.9 plans as an investment vehicle to accumulate money for our children or grandchildren's college education. But it's an excellent tool or funding vehicle for the career asset working capital fund, and even career even traditional retirement savings accounts like 401k plans, which can be used for longer term or higher cost career investments, like sabbaticals or returning to schools. Back to School. Many employers offer benefits like tuition reimbursement, and pay for job related attendance at conferences and workshops. These opportunities not only help you build value in your career asset, your employer benefits from your expanded skill and knowledge. But be aware that many employers often have stipulations including payback periods for tuition

reimbursement. So it's not recommended to use this benefit. If it's your intent to lead your current employer within that payback period. So I'm often asked, How much should I invest in my career asset fund will consider the following. What's the annual cost of maintaining any of your credentials, professional designations or licenses in your career? Are there any of those types of designations that you don't currently have, but you've considered investing in those? Consider enhancing your career by making those investments if it can improve the value of your career? Keeping these credentials in retirement may also be something you want to budget for. So what are the annual dues of the professional associations to which you belong? and want to maintain? What's the conferences, conventions, workshops or seminars you currently attend? And you want to continue attending? Are there others you haven't been to in the past, but they'd be worthwhile to build or rebuild your career value? Be sure to factor in program costs, not only the program costs, but consider what's your travel lodging and food expenses and other miscellaneous costs? What if you were to return to school? How much would you need for tuition, books and other costs? Be sure to consider if you're refreshing updating your existing skills, or your intent is to retrain in a new career area. With enough forethought, these expenses could be funded by a qualified 529 plan. And that comes along with tax advantages as well. How much money will you need to pursue other employment opportunities? Will you need a career coach? Will you use a professional resume writer? How much will you need to spend on networking events? maintain a career asset working capital fund will help ensure you have the resources available to invest in your career asset, insulated against a rainy day, and if needed, continue to use it during your retirement.



24:29

Now I want to shift gears to three things I think will be something that will really benefit you. And you can start this immediately. Because these are examples of what it's like to own your career. In my book, I refer to them as sustainable sustainability habits. Remember, as I said before, you're the landlord of your career property. You're the one responsible for making sure it's always ready to be rented out to buy a great test. That, that perfect employer. And to do that, you will need to attract those great employers who want to rent your career asset from you, or what's the first thing you can do to make sure you're attracted to them, and that is actively engaged in lifelong learning. Keep your skill, your career asset, delivering top returns by making sure you're relevant to the market. And you do that by lifelong learning. This includes things like learning and using new technology, participating in workshops and seminars within your area of work, stepping outside of your direct job functions and attending a seminar or workshop about a related area. And it may not be one that you're actively involved with in your role right now, but

it's an excellent way to increase the value of your career asset. attending conferences is another way to ensure you continue to remain current and knowledgeable about your field. Some professions require a number of continuing education credits each year to maintain designations or certain credentials. In my case, as a certified financial planner, I have to have to have to have 30 hours of continuing education every two years. One way to also do perform or continue to do ongoing lifelong learning is downloading audible books. It's a great way to use windshield time, and help expand your knowledge. For the same reasons, those professional professionals that have required continuing education, we should also look at that and employ that strategy to maximize maximize our career value. Ask your employer what learning opportunities exist for you to advance in your field. You see, your employer may be part of a trade or industry association that offers skill development, or education. At the very least, subscribe to trade publications and be current on the new developments in your field or industry. So the second career sustainability habit is to periodically check the value of your career career skill set, you should do this at least once every two years. You do this by benchmarking your job or skills against the market. Depending on the type of employment that you that you're in, you can find information online, or by using a career counselor or coach for that benchmarking. One website that provides salary benchmarking is salary.com. By knowing what value your job skills represent, you can better negotiate salaries and benefits. You can also identify the skills you may be lacking that are limiting your highest potential.



28:03

benchmarking can also determine if you are currently overpaid for your responsibilities and skills. Yes, that does happen. And when it does know you're at risk. I've seen this firsthand in a number of cases. After benchmarking a client's value market value against their current compensation. We found in one case, a client was overpaid by more than 30%. By the time we discovered this, there was little else to do but prepare him for a job change. At least in that case, we had about a year to work on his next job and prepare him before management recognize they were overpaying for his skills and laid them off. Now you may wonder, why would I Why would a company overpay someone sometimes there's a strategy behind it. Let me share this example to illustrate it. I had a client that spent many years working with the same privately held company. And over time, she exceeded her benchmark value of the roles and responsibilities per her job to a really significant a significant level. You'll see she was earning nearly \$200,000 for a job that was benchmarked when we had her work with a career coach at \$120,000. Now you may ask why was the current owner willing to pay her this much more than the benchmark value? Will you see the company which was family owned was in the process of being sold. And my client was responsible, they distributed their products through catalog sales, and she was responsible to make and had the skills all laid out to get that catalog out in time and



the new acquiring company would want to have that operating smoothly without any hiccups. Now as it turned out, that new company was also looking at transitioning away from catalogue to online sales. So when the new acquiring company bought her company, they continue to pay her that \$200,000 for long enough to glean from her her experience and knowledge. And as we had expected within 18 months, they let her go. Today, she's making \$120,000 another employer. You see, when we first told her that she was benchmarked at \$120,000, that was hard for her to hear, but it was better for to hear it and prepare for the eventual job displacement and get aligned and ready to put herself back in the marketplace at where she was benchmark. The third career sustainability habit is networking. This is an ongoing process of communicating your skills in the market. And look at networking within your company and industry. And don't ignore the opportunities to network outside of your company and industry. Your network within your company in industry by establishing and increasing visibility, for your skills and the value that you add. Join general and professional organizations within your field. Networking outside of your industry do this by joining various service and business organizations. Volunteering is one of the best ways to network and demonstrate your skills to other members of that organization, along with the reward of contributing to a worthwhile cause. At a minimum, everyone in the professional job market should be using LinkedIn. LinkedIn is a no cost or if you use their premium services, quite affordable, low cost internet based solution for finding and maintaining contacts and connections with business associates and their connections. You know, by building a discipline around these three habits, again, lifelong learning, benchmarking and networking, you can ensure your most valuable financial asset will continue to be attractive to would be tenants of your career asset, also known as employers. In addition to giving you a framework to look at your career, like an asset you own, I hope you're beginning to think differently about exactly how to develop, manage and optimize that career.



32:35

As a final thought, I'd like to emphasize that retirement will be different than the retirement of our parents and grandparents. Let's take a look at the old view of retirement. The beginning of what we know as retirement was really was created in 1935 when President Roosevelt enacted Social Security. Let's take a look at what life was like back then. Well, for one thing, average life expectancy was only age 63. On average, retirement lasted only a couple of years for most people. Retirement for many meant the end of working completely, life was spent enjoying those couple or three golden years. Now let's fast forward 80 years to today. Today, the average life expectancies have increased by more than 15 years to age 79. But what's really shocking is the number of people over the age of 100. Today, that age group is the fastest growing by percentage of all the age groups. I recently read an article in the Wall Street Journal

that indicated the first person who will live to age 150. It has already been born and is alive somewhere in the planet today. That's an unbelievable long time. You see, so if we're relying on Social Security, and a meager retirement savings that most Americans have as the primary funding source for 2030 or 40 years or more of retirement, that is just not a viable strategy or even sustainable. And that's one of the reasons we're talking about this idea of extending out our career asset. This naturally leads us to start thinking differently about retirement, or is a colleague of mine says we need to develop a new retirement tality. Let me share a story to illustrate what Mark Friedman calls. The encore stage of life an encore career in his book called The big shift, navigating the new stage between the beyond midlife market also the founder of encore.com, which is building a movement to tap the skills and experience of those in midlife and beyond to improve the communities and the world we live in. Let me provide an example of someone who discovered her encore. I have a client, who taught high school Spanish for more than 30 years. Six years, she told me she wanted to retire early. For as she put it, I need to retire. My job is killing me. She was eligible to take a retirement package, and she didn't care much about anything other than reducing her stress. She was 59 years old at the time. And as a public employee, she had a great pension. And she was just a few years away from being eligible to start collecting Social Security. She had saved up some money that she could dip into as a supplement. As I looked at her family history for life expectancy, I figured she had a good chance to make it to age 95. For those of you interested in calculating your longevity based on a variety of factors, check out the website living to 100 dot com.



36:17

After my review, I figured she could, she would either have to cut back on her standard of living quite dramatically. In other words, a whole lot of things she couldn't do, or she had to be sure to die within 20 years. In order to live the lifestyle she wanted. You see she needed to earn an additional \$30,000 per year for eight years on top of her pension. And that Prime primarily is because of her family factors, she could expect to live to age 95. I encouraged her to consider an encore career. The thought of continuing to work was something she was initially opposed to. You see, she was thinking of work, as she did as a public school teacher. And she reminded me that job was killing her. And she didn't want anything to do with that. And certainly not for another eight years, for that matter, not even another year. Well after I talked her down from the ledge, I suggested that she had transferable skills that we could look at employment in a different manner. But you see, she had been working at same job for so long, she was skeptical that she had any skills that a company would value and pay for. I continue to work with her to explore new opportunities to engage her skills. After a few months of exploration, she found an opportunity to consult in a bilingual working environment, teaching English speaking

managers how to communicate to their Latino workforce, and to provide basic English tutoring to that Spanish speaking workforce. You see, it never occurred to her that the value of teaching Spanish to adult learners was worth far more than teaching their children in the public education system. In coaching her on how to price her services. Again, she was skeptical. She couldn't see how anyone would be willing to pay her \$125 an hour for classes with only five to 10 adults. You see, after 30 years of teaching public education, and about \$30 an hour plus benefits. She couldn't imagine that the marketplace would value her services at this price. I told her emphatically that she needed to price at that \$125 an hour, because if she didn't, her prospect wouldn't take her seriously. But the market did value her. And she started with one corporate client that led by referrals to more that within two years. The demand for her time became so great that she eventually cut back so she could do other things as well. Things that she enjoyed doing. She discovered that she enjoyed teaching adult learners so much so that she started a weekly class for the general public, teaching conversational Spanish. That was also priced so that she could earn between 100 and \$150 an hour. getting even more creative with her unique skills. She applied them to what she enjoys it as a lifestyle. And that was traveling several times a year she served as a tour guide and interpreter for groups traveling to Latin American countries for retreat experiences because she was a trip organizer. And in this picture on this slide. This is actually her in the center slide. The one next to the redhead in with dark hair. She was leading these and a lot of the people that attended were her adult learners. In her classes, and get this, she got to travel for free. So today, let's take a look at where she's at. She's collecting her pension from the school system. And she's getting her social security, and the additional \$30,000 a year and encore income for part time work that's aligned with what she likes to do. And let's not forget, she travels for free, all while she stays actively engaged and contributing to her community. That sounds like a great encore stage of life.



40:37

So before we open it up for questions, I'd like to thank you for listening. And for taking the time to think about your career as an asset. I want you to keep these thoughts in mind, I want you to start acting like you own your career. You see, it's your asset to develop, manage and optimize and determine your total career value using the quantitative and qualitative factors to help you arrive at it. Because by determining your value, and measuring it, you can start comparing this over time and compare if you're improving the value of that asset. Use benchmarking networking, and continuous learning as habits to build the value of your career asset. Remember, those are the career the three career sustainable habits, sustainability habits I mentioned earlier. And let's not forget to recognize that retirement will be different for you and I than what it was for our parents. begin thinking how you can use your unique skills and talents to keep your asset your

career asset thriving throughout your your complete life. So as we wrap this up, I want to open this up for questions. And again, I want to put this slide up, which gives you an opportunity to reconnect with some of the resources I talked about in engaging with career asset management. I want to thank you for listening. And I want to wish you all the best as you develop, manage and optimize your your most important asset. That's your career asset. So Dan, I want to open it up for questions.



42:21

Michael, thank you, one of the fascinating way to look at one's career.



42:28

Well, we do have fun reshaping the way that people look at career and that big transition shift between who actually owns our career. Do we own our career? Do we take ownership? Do we act like the owner? Or do we acquiesce that Or have we acquiesce that to our employer, and if we own our career, we take care of it. I like that, that I like that example of when was the last time you watched a rental car, or cleaned and vacuumed your hotel room, we take care of things we own much better than than we do the things that we borrow or rent.



43:06

Very, very good point. You know, so few of us spend any time investing on our career. And yet, as you're saying it has the potential for your greatest investment that you could ever make the time that you spend beginning to develop additional soft skills that your employer might be looking for, to learn new, new information related to industries reading industry trade information, or producing some kind of document for the company about issues that the company may be facing in the next few years. All of that as an investment, to be able to increase your salary increase your sense of responsibility and opportunities to expand the company. And we just I think we just tend to turn over control of our careers to our bosses.



44:00

When I use that metaphor of our career is like a rental property. I go into further distinctions on this in my book where I actually compare in the old days when we had lifelong employment, that that lease that agreement with our employer looked more like a

triple net long term lease of a warehouse space, or a shopping center, where it was the employer the tenants responsibility to optimize and and get the most value out of it. And for that we traded loyalty, long loyal service in terms of working with one employer, well in today's modern economy, that that implied contract is no longer relevant. People on average, someone entering the job market today can expect nine to 11 career changes during their working career. So today, if we look at that metaphor, Real Estate, it looks more like a day spa, where we're renting it by the day. To that to that employer tenant. And we need to make sure that occasionally we refresh that and we're attractive to the taste of of the marketplace, or relevant skills to the marketplace.



45:19

Well, your advice gives all of us a great deal of control over not only our career, but to gain more respect among management, because we're proving to management that we are investing in our career, we are investing in the company or we are investing in the outcome of the profitability of the company, listen success of the company. So really wonderful advice. And we're getting a lot of questions that are coming in the first one that I'd like to share with you. It comes from Samantha and she's referring back to your benchmark your career asset discussion, and she's wondering how, after you kind of benchmark, you've gone to salary comm or the other sites that are going to compare what one might be paid for with a similar kind of job responsibilities. She's wondering if How do you adjust the qualitative knowledge that one has to that kind of information? So so maybe Samantha has a great deal more networking connections within the industry. In the case of the woman that you shared with, she had all of the knowledge about being able to produce those magazines on a timely basis, right at the critical time that the company needed them? How do we kind of re twist what salary comm is telling us with our different skills and gifts.



46:48

That's where I think that when you look at the at the at the online sites for benchmarking, I view that as cutting with a cleaver, a meat cleaver, not a scalpel, if you want to get more into the finer parts, that's really where the value of a career coach comes in, to make those subjective adjustments for what's unique in your value proposition in with your current employer. And sometimes diamond simply what shows up is that that employer doesn't value what you have, that's your unique genius. And and that's part of what benchmarking will do will point out that you need to, you need to dust off the For Rent sign and post it out there and get out in the marketplace, and find the tenant who's going to appreciate what your unique genius is in that in that that qualitative space. So I think

that that's, that's, again, really good work that career coaches can kind of help people that are trying to figure out, what's the proper adjustment for what I have, that's unique, that doesn't show up in salary.com.



48:02

So you're also suggesting that periodically, even though I may be okay with my job, maybe not totally dissatisfied. But occasionally, just put some feelers out there and start to see what others would rate my skill sets and my knowledge with their company.



48:21

You know, that's where benchmarking and network is a hand in glove situation. If you're actually out there networking within your industry. And you're also benchmarking, you're going to have information that you're going to do a little bit of comparison. I mean, how many times when you go to any type of an industry event, where there's people there from different companies within the same industry, that around the lunch table, people aren't talking about, about what they're getting paid. I mean, that's where human beings, that's how it shows up. So that that certainly is one way to get to get a sense. You don't have that. But there are certain industries that really require for advancement, that you actually have to move you, you get a glass ceiling. And when you go to a new employer, within that same industry, they will pay up. We see this a lot off a lot in the area of software engineers, that people that are in the creative space often need to move to be able to or at least negotiate with another employer, and then your existing employer will wake up and say, wait a minute, we can't have this asset leaving. You know, I had a situation. And I also wanted to kind of dovetail into this idea of, of job burnout and satisfaction you said even if you're still kind of satisfied. One of the ways I do a quick test is a scale from one to 10. I asked someone 10 being you love your job so much. You can't believe they're paying you to do it. And one being, you're ready to be, you know you're expected to your picture is going to be at the post office, we're going postal, because you hate your job so much, where are you. And if you're below a seven, seven or below, there's an opportunity for you to look at, at least having a conversation with your existing employer about how to improve that. Because if you're not satisfied, you're not able to do your best work and give the best value for the rent that your employer is paying you.



50:32

Very good and easy way to do that, we've got a question from Floyd, our certificate type programs seen as positive, rather than only formal diploma programs, as keeping up with

the industry or gaining new skills.



50:49

That's an area that's industry professions specific. There are when you're when you're over in the space of the trades, those certificates have great value, when you're over in the professional side, it usually has to be in conjunction with a formal education background, and then the certification has complete value merit. So it depends again, and before you invest in that type of investment for a certification, be sure it's recognized within your industry. And there's a lot of certificate Mills out there that are creating pieces of paper that really don't have any recognized value. So not only ask your existing employer, but again, the power of that networking within your industry is you're able to see which one of those certificates have real value.



51:50

Excellent and good advice. And certainly, one is not necessarily better than the other the fact that you're showing that you are advancing your career that you're continuing to learn, it's going to bring some additional recognition among either the current manager or those that you're interviewing with. Now, I got a question from Tony, and he finds your, your career asset working capital fund idea, very fascinating. And is wondering if there is a percent of salary or a percent of income, that you see some of your clients kind of generally falling into whether it's 1%, or 2%? Or does that just vary based on individual industry and goals?



52:39

It varies by what what I introduced, and it was, again, this is a quick survey overview in my presentation, but when I introduced the idea of career velocity, and volatility, those are the two huge determinants of how much you need to have in a career asset working capital fund. For example, if you have a career that I use the example of software engineers where they're doing project based engagements, they may be working for 12 to 24 months, and then they might be unemployed for six months while they're finding the next gig. And I've got a client who actually does this. And he gets paid a lot of money for the top for those projects, because companies will just buy him for the project. But then he's got these furloughs in between. and his career asset working capital fund needs to be considerably more. And we actually I actually have a formula in my book and how to figure that piece out. But it has to be a lot more than a tenured college professor, who really doesn't have career velocity or volatility at all. In that case, very little, very small

amount. And in that case, we would look at the at these at the tenured professor, as having a career asset working capital fund, more for family medical leave that risk depends family dynamics, and exposure that he has, or every so many years, a career sabbatical. That would be unpaid. Sometimes the universities and colleges pay for him, but often they may not. And that's where that career asset working capital fund can come in.



54:18

Now, how do you set aside that money, we all have a difficult time kind of shorting out where cash will go, we put it in the bank? Is there an easy way to do it? If I refer back to my mother's technique, there was an envelope with a sample of 20 in this envelope, right, right. Right, right, right. So you got to get into some kind of behavioral method and any tips ideas on



54:46

how to do well, the concept is that you're in the domain of what's called behavioral finance. And that's where those OPT programs have automatic savings coming out of your paycheck right off the bat. Now, let's not ignore it, when we redefine retirement time, the opportunity opens up for us to look at our 401k plans differently. And I actually wrote an article on a blog, if you look it up, it's about 50. I think it's called, it's about 55. And if you just do a google on the or go to our website, you'll be able to find that blog, we're actually wrote that people who are doing who are maybe doing a career sabbatical or retrain sabbatical, using your 401k plan is not a bad idea, even with the 10% penalty. And I go into the reasons why. So you can use your 401k plan, perhaps with company matching as really an effective way to build up money that could be used as a career asset Working Capital Fund, the 529 plan, another advantageous vehicle, and a home equity lines of credit. Also, if we redefine retirement in a different model, and we look at we lean into this idea of encore stage of life encore career, to where we're working, albeit at a slower, more sustainable pace between, you know, all the way until are 70, or even 70 to 73. That whole idea of retirement changes, and the idea of a 401k plan for retirement, we don't even know what retirement looks, what do you call that? It's not really retirement. So what's that back in the reserves? Can ally right there?



56:36

A question. Question from Phyllis related to extending one's career and and you started off in today's presentation showing a three years, three years, two years. At that reduced



salary amounts? How is that suggesting? One is working more towards into their 70s or somewhere between the 65 and 70? And is that how you're coming up with the additional \$174,000 that individual might be able to add to their retirement funding?



57:11

Well, it isn't that they're adding to the retirement fund. That's the present value of the discounted cash flows from those reduced salaries. That they In other words, they continue to work but albeit at a more lifestyle relevant for their age level, here's the thing that we I want our listeners to carefully listen to is the challenges that employers in the future are going to have about the talent to maintain their talent force, they're going to be willing to do project based employment lower. And that's where, because they can't lose this talent. Because they don't have, they don't have talent coming up behind. So companies are willing to negotiate these kinds of arrangements. The, if we own our career, and we recognize the value that our career asset represents to the employer, they're not going to want you to walk out the door, if you're a positive contributor, you can negotiate a lower a lower level of engagement at lower compensation that makes everybody happy. And that's what I'm talking about in that example. Again, I've got, I've got more detail in the book, or where we don't have to, I'm trying to compress everything. So the idea is, let's, during that encore stage of life, we have this encore career, we might be doing the same thing we're doing, but we're doing it more on a sustainable, lower level. And of course, our compensation is going to be lower than two.



58:46

I think it's a terrific idea. And one thought too, if you're approaching management is that you go to management with a plant that just kind of sit down in front of someone's desk and say, Hey, I'd like to work less than be paid a little bit less. What can I do? You're the creative one in your kind of world, and you know, the problems that they're going to have, if you leave. So write out a little document and ask for a little bit of time, from management to say, here's the plan, what modifications would you make to it?



59:21

If I can just leave one final thought on that. I mentioned Kelly Yos book earlier, work plus life, finding the fit that's right for you. It's an oldie but goodie, it's it's a it is a manual that will walk you through building your business case. And it will help you get clear before you have that conversation with your employer. So you're prepared that book has I think it's chapter 18. that talks about your value proposition and renegotiating that in a work life fit

that's going to work for you.



59:56

Michael, this has been really great information and of course we've run out of time. And there's still questions that were not answered. So I do encourage all of you to take a look at his book career asset management, dig into it, there's a lot of information, a lot of detail looks like a social media connections where you can get a daily diet of information that's coming from the philosophy that Michael has been sharing with us today, Michael, it's really great stuff. You're a pioneer in this area. I've never heard of it. And I just love the way that you are introducing this idea to all of us. Well, thank you. It's been it's been my pleasure. And thank you all for joining us today for another Career Speaker Series program. You can return at any time and watch any of the past recordings of the presentations, this will be available, and the information will be at your alumni website. We wish you well as you plan your career and take control of your greatest asset. Don't forget to reach out to Michael at any of the social media sites that you see ahead and good luck to you.