

OVERVIEW

Your career will have many highs and lows. By creating a plan and continually investing in yourself, you'll get through the low times faster.

A little preparation will go a long way when your income takes a dive. Of course, it's easier to prepare if you know in advance that change is coming, such as when you decide to quit a summer job to focus on school or when you move to a new city. Still, there's a lot you can do in advance to ease the stress of a layoff or unexpected work interruption.

What you learn in this lesson will help you deal with temporary or unexpected drops in income.

LEARNING OUTCOMES

In this lesson you will outline a plan to deal with changes in income. Along the way you will:

- Give examples of work-related changes that can impact financial status.
- Discuss ways to deal with irregular or a temporary drop in income.
- Identify skills, knowledge, and attitudes that employers value in the workplace.
- Consider entrepreneurial possibilities.

Use what you learn today to prepare for changes in income and work status.

LEARNING TASKS

These tasks match pages 32-39 of Guide 3.

__ 1.	Brainstorm a list of challenges teens face when it comes to predicting income.
__ 2.	How do you think the Chinese proverb "Dig the well before you are thirsty" applies to a person's work status and income? Generate a list of strategies to cope with dips in your income. (optional) Complete Activity 3.13: Downsizing My Financial Plan .
__ 3.	Re-read Tom's story on page 37. What advice would you give Tom in this time of misfortune?
__ 4.	The best offense to having a steady flow of income is to be employable. Compare your skills with what employers want. How can you develop work skills when you are not employed? Complete Challenge 3-C: My Accomplishments to create or update a list of your accomplishments, skills, training, and certification. Be sure to include any details such as dates, places, and title. If you have a resume, update your resume with any new information.
__ 5.	One way people deal with job loss is to go into business for themselves. This can also be a great strategy to gain work experience if you are unable to find a job working for someone else. Find out if you have what it takes to be an entrepreneur.
__ 6.	Complete Challenge 3-D: Planning for My Career to create a career plan.



TAKING IT HOME

Ask a close adult the following questions:

1. What types of temporary or part-time jobs did you have when you were a teen or young adult?
2. What money management strategies do you recommend for someone who has a sudden drop in income or inconsistent income?
3. What has helped you transition to new jobs?



TAKING IT HOME

Identify someone you think would be a suitable mentor to provide guidance as you get started in your career. Seek out someone who is successful and has had experiences similar to what you hope to encounter.



FURTHER STUDY

Interview a local entrepreneur to learn about how s/he got started on his or her business endeavor. Ask what s/he thinks it takes to be a successful entrepreneur.

Activity 3-13: Downsizing My Financial Plan



NAME:

DATE:

Directions:

If you studied money management skills in *Module 1: Money Management*, take a look at the spending plan you created for Challenge 1-C. Change your spending plan to show the adjustments you will make if you happen to have a drop in income or irregular income for reasons such as leaving a job, working fewer hours than expected, or working at a job with unpredictable hours.

My Income:	Original Amounts	Adjusted Amounts
My Total Income:	\$	\$

My Expenses:	Original Amounts	Adjusted Amounts
My Total Expenses:	\$	\$

FROM HOMELESS TO HAIR CARE BILLIONAIRE

John Paul DeJoria spent much of his youth in an East Los Angeles street gang. At 9 years old, he started selling greeting cards and delivering newspapers to help his immigrant mom keep their struggling family together. But it didn't work and he ended up in foster care.

A high school math teacher's comment that he'd never succeed at anything in life prompted DeJoria to clean up his act. He joined the Navy Reserve after graduation. Two years later, he was honorably discharged and floated through a series of jobs, including encyclopedia salesperson, janitor, and bike mechanic. He was even homeless for a time, cashing in soda bottles to make ends meet.

Eventually, he landed an entry-level marketing job with *Time magazine*. Good performance helped him work his way up to Los Angeles Circulation Manager. But his boss said he wouldn't be promoted again without a college education.

DeJoria left and was fired from his next three jobs.

Instead of giving up, he and hair designer friend Paul Mitchell borrowed \$700 to create a hair care system for salon professionals. DeJoria was totally broke and living in his car again. So he created an innovative door-to-door sales strategy based on his past encyclopedia sales experience to get the company off the ground.

Today, the multi-billionaire co-founder and CEO of Paul Mitchell Systems is known for donating millions each year to worthy causes. "I look upon the misfortunes in my life as blessings because they got me to the next step," DeJoria says. **"Whatever you do, if you do it better than anyone else, it's amazing how things just start falling your way."**



COPY HER SUCCESS

Ursula Burns grew up in the projects of New York City's lower East Side. Her mom took in ironing and ran a day care so she could send Burns and her two siblings to better schools. Although she was a math whiz, teachers tried to steer Burns toward nursing. But she researched the top-paying math-related fields and decided instead to attend the Polytechnic Institute in Brooklyn for mechanical engineering degree.

After a summer internship at Xerox, she accepted an entry-level job and the company helped pay to earn master's degree from Columbia University. Burns was quite content with her engineering career at the printing giant.

But that changed in 1990, when her boldness on a companywide panel caught the attention of a Xerox executive. He offered to mentor her. Working alongside him raised her sights to the executive suite. Another high-level mentorship opportunity followed. In 2007, she became company president.

Burns made headlines by becoming the first black woman CEO of a Fortune 500 company in 2009. She's been on Fortune magazine's Top 50 Most Powerful Women in America every year since 2005 and Forbes' Most Powerful Women in the World since 2008.

When talking about her success, Burns credits her mom for instilling the belief that circumstances shouldn't define you. As she said, "**Where you are is not who you are.**"



A NATURAL SUCCESS

A big chunk of 19-year-old Jasmine Lawrence's income comes from Walmart. She doesn't work for the retailer though—they sell her Eden Body Works line of all natural hair care products in their stores.

After a chemical relaxer left her embarrassed and nearly bald at 11 years old, Lawrence vowed to never again put chemicals on her hair. But finding a truly natural product proved impossible. So she started experimenting to make her own. Soon, others were commenting on her gorgeous hair and she decided to help others have naturally beautiful hair, too.



A Network for Teaching Entrepreneurship summer camp and \$2,000 loan from her parents—using her allowance as collateral—provided the know-how and funding. Lawrence started selling her hair products to friends and family from her parents' basement when she was 13 years old.

Next, she asked salons in her Williamstown, New Jersey, hometown to carry her product. Sales were going well. But after she was invited to appear on the Oprah show, sales went through the roof. Big chains like Wal-Mart and Whole Foods called soon after that.

By the time Lawrence graduated high school, Eden Body Works was a multi-million dollar business and her mom had become a full-time employee.

But years of watching her engineer parents, both military veterans, immersed in technology had sparked her passion in robotics. Determined to follow her dream, she hired a management team to handle daily operations and moved south to earn a degree in computer engineering from Georgia Tech University.

As Lawrence likes to tell other teens, **“Just find your passion and live your dream ... All you have to do is just stay dedicated, stay focused, and just keep your mind on what you really want to do.”**

MINTING MONEY

Aaron Patzer started earning money when he was 8 years old. After he built intricate, original K'NEX models, his dad sold the designs back to the company. At 16, Patzer started selling web development services to local businesses. That money helped finance a computer science and two engineering degrees from Duke University. After graduation, he attended Princeton University for a master's in electrical engineering.

Early on, he logged long hours working for IBM and a technology start-up. Tracking his money and spending had always been important to him. But he was frustrated by how much time it took to use traditional personal finance software. Fed up, one day he decided he had to find a faster, easier way.

He researched possibilities, created a business plan, quit his day job, and spent seven months building a new solution. In 2007, the 26 year old launched Mint.com—the first free, automatic and secure way to manage your money online. It quickly became a hit and more than 7 million people use Mint.com today.

In 2009, Intuit (the maker of Quicken) paid Patzer \$170 million to buy Mint.com. But even after the big payday, he's maintained his frugal ways. He drove his 1996 Ford Contour until it died and now lives in a 600 square foot apartment near Intuit, where he's currently Vice President of Innovation ... until he's ready to launch his next big idea.

Patzer tells other aspiring entrepreneurs, “**Solve a real problem and the world is yours.**” He warns that it'll be long hours and a lot of hard work, “But if you have confidence in your product, you will succeed.”



PERSISTENCE BREWS SUCCESS

An athletic scholarship was the ticket out of a Brooklyn, New York housing project for Howard Schultz, the first in his family to attend college. After graduation, he landed a good sales job with Xerox but found printers boring.

Several sales jobs later, he met one of the three founders of a Seattle client—Jerry Baldwin—and was blown away by the passion he had for coffee. Schultz was determined to find a way to work for their company, which had a few stores selling coffee beans and supplies. He met with Baldwin several times over the next year. Each time, he shared ideas on how the little company could become a nationwide success.



After dinner with all the founders one night, Schultz was sure he'd won the job. He was crushed when he got the bad news the next day—the founders just weren't ready for that much change. He refused to give up. He called Baldwin back and they finally offered him a job two days later. But, it would be a big step-down in title and salary from his current position. He said yes and joined Starbucks anyway.

Three years later, the founders refused to back Schultz's vision of bringing the coffee shop concept so popular in Italy home to the U.S. Over the next year, he asked 242 people to invest in his new company—217 people said no. But the ones that said yes provided the money he needed.

In 1986, the first location of Il Giornale opened. **“Even then I had a dream of building the largest coffee company in North America, with stores in every major city,”** Schultz said. Less than a year later, the Starbucks' founders sold him their business. Schultz took over the company, renamed his coffee shops ... and the rest is history.

Task: Work for Myself

NAME:

DATE:

Directions:

Answer the following questions as you think about start your own business.

A. What are your three top interests? (Creating a business based on your passion will enhance your probability for success.)

1.

2.

3.

B. What three things are you better at than most people you know? (You need to make sure you understand what you can do within your business and when you might need to get help.)

1.

2.

3.

C. Assess your personality. Going into business for yourself isn't for everyone. Do you have the personality required to start your own business? Identify at least seven of the following entrepreneurial attributes that you believe best describe your personality:

independent

creative

honest

strong work ethic

organized

leader

good listener

positive

effective planner

good with money

risk-taker

hard worker

strong research skills

confident

team player

motivated

technology savvy

life-long learner

constantly asking questions

strong time management skills

D. So, based on your reflection, which is the better option for you?

Start my own business

Get a stable job working for someone else