



## DON'T QUIT YOUR DAY JOB!

Ever heard someone try to sing who isn't a very good singer? Or someone try to tell jokes who isn't really very good at being a comedian? That's when you'll often hear the saying, "don't quit your day job!"

This article is about something different. We are assuming that you ARE qualified to do whatever it is that you are currently doing, though you may not be as happy in your current occupation as you would like to be.

Among the top 5 questions that I am asked, or issues that are raised by people I talk to, is whether or not someone should quit their job to work a home based business. Or, if they are currently out of work, whether they should try to make a go of working their business fulltime as opposed to looking for employment and/or going back to work.

In most cases the answer is, categorically, no! But, not always... Let's take a look.

Though many people get themselves into trouble by placing too much confidence in their ability to earn income from their newfound home business too soon, fortunately there are some very simple guidelines that you can use when considering such decisions.

1. Are you earning at least as much, if not more, in your home based business as you are in your current occupation?

If not, then you should really think twice before trying to venture out and quitting your job.

2. How long have you been working your business, and how long has the company been around?

Both are important factors. According to readily available statistics, such as from the SBA (Small Business Administration), most businesses fail within the first 5 years. Further, especially in network marketing, most new companies are out of business within a year or two. If you are pinning your future on a brand new company, that's probably not a very wise approach, especially if you don't have money saved up, as we'll discuss below. Similar factors apply to you. The more business experience you have and the longer you've been at it, the greater the likelihood that you too will be able to pass the test of time. If you are brand new to working your own business then you should probably allow some time before deciding to quit your current job.

3. How much do you have in liquid or readily accessible savings that you can use for living expenses?

Most financial planners and experts agree that you should have enough liquid savings to cover, at minimum, 3 months of living expenses and overhead. And 6 months to a year, or more, is even better.

In addition to the above, by all means always remember NOT to plan your future without a job on what you "hope" your home business will do, as opposed to already having a proven track record that demonstrates how much money you can reliably expect your business to put into your bank account.

Especially if you are new to being involved in a home business then it can be difficult really visualize what lay ahead. But, if you consider things from a standpoint with which you are already familiar, such as a job, it will be easier to understand. For instance, let's say that you currently work as a Senior Administrative Assistant and you decide that you would like a career change and you want to become a surgical nurse. Would you realistically expect to be earning money from that new occupation any time in the near future? Probably not. You would need to go to school, or back to school, perhaps for years, to be trained and prepared for entry into your new chosen profession.

This analogy seems obvious when applied to a job, but for some reason many people feel that they can simply jump into a new home business, with no prior experience, no training, etc., and make an immediate go of it. However, doesn't it only make sense that if you are going to become involved in starting a new business that, likewise, you will need to undergo the proper training, and that there will be a learning curve, etc.?

True, a certain small percentage of people do manage to create instant success, and a fulltime income, even starting a new business with no prior experience. But, those are the exceptions rather than the rule.

Most people working toward success in a home business will at the very least undergo a learning curve, will very likely experience some struggles along the way, and may very well end up spending or losing sizeable amounts of time and money before becoming profitable and creating a sustainable income. The more information and training you gather along the way the more likely you are to be successful, faster, and with fewer headaches. But, even if you do well, it is still unrealistic to expect to create a fulltime income immediately starting from scratch.

Near the beginning of this article I cited a commonly known statistic about business failure rates. Another equally well known fact that you can likewise easily confirm via many sources, including the SBA (Small Business Administration), is that near the top of the list as reasons for business failure are a lack of capital and cash flow. In other words, not enough money. Knowing this, you would be especially wise to include your current employment, or some kind of regular employment that produces a steady paycheck, into your business planning.

Once you actually start making a profit in your home business, and you have a track record, then you can start planning your budget and your future according to what you realistically expect to earn each month in your business. However, until you get to that point you "business" operating budget realistically has to come either from the money that you earn in your current occupation, or from savings, or both. Quitting your job prematurely, or choosing not to seek employment when you have no other source of regular income, in the hopes that you will earn enough from your home business is, in most cases, a recipe for disaster unless you've followed guidelines similar to those discussed here.

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