



There's No Such Thing as "Recession-Proof"

Manage Your Career Like a Stock Portfolio

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Abstract

As our jobs and retirement funds are constantly threatened, it can be tempting to seek out a way to minimize the risk. And there are a few lessons we can learn from basic economics to improve our professional "position," but it's important to realize which ones will pay off in the long run and which ones will simply provide meager returns.

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I recently bumped into a colleague at a networking function, and since she's in an industry being hit hard by the recession (architecture/engineering/construction), I asked how things were going. Despite the fact that she was still gainfully employed and actually quite busy, she told me she was there that evening to find a new job. The next obvious question was, "Why?" and the answer she gave me was that she was looking for something that was "recession proof." How wonderful, I thought, to have such a job. But did it really exist?

It's no secret that the marketing department's budget is usually the first to get cut when times are tough. So these days it's quite likely that you know of someone who's been given a meager severance and a free pass to the unemployment line. And that makes most of us wonder what we can do to protect our own meal ticket. It can be easy to find yourself asking, "How do I make my job (or find a job that's) 'recession-proof'?"

As I scanned the news, email and social media in the following days, I realized that there's no limit to the number of shysters ready and willing to prey on the fearful in this economy. They tell us of "secret investments" that can make us money quickly, they promise to return our retirement funds to their former glory and even buy our gold at a fair price. But what about our jobs?

Not All of Us Are Suffering

It's easy to focus on the gloom and doom – unemployment rates, inflation, foreclosures, oh my – but there are actually some industries that thrive during a recession. Healthcare and education are obvious ones, but my favorite example is beer. Not only is the product uniquely capable of soothing the recently unemployed, but it's also the beverage of choice when pricey liquors and elitist wines start looking like an extravagance. And, as a result, beer sales have traditionally fared quite well in a bear market.

So in order to survive a recession, why not hitch yourself to the Budweiser beer wagon? Unfortunately, it's not that easy. Many of these companies suffer from a sort of "inverse recession," meaning that when times are good (by Ben Bernanke's standards, anyway), sales are down. Of course, there are ways to fight the trend – low-carb, flavored, locally brewed ales and lagers, which brings me to the concept of diversification.

Diversifying Means Doing Nothing Particularly Well

One of the best ways to manage risk in a stock portfolio is through diversification. When one type of fund is up, another is down and the gains and losses across the entire portfolio eventually even out, for the most part. But while this is sound strategy for investments, it doesn't make a whole lot of sense for career development.

The most common example of this I've seen is when closet entrepreneurs attempt to start a business while keeping their day jobs. You'll find many of these idea men and women years later, still tinkering with their invention or perfecting their business plan on nights and weekends, never willing to make the leap. They shy away from making a complete commitment to either endeavor and so both jobs suffer as a result. If you need another example, ask any working mother if she feels "successful" at either of her full-time positions.

Economics 101: Buy Low, Sell High

So is there no hope for the fiscally conservative of us? There's always hope. It just needs to come from within – not the snake-oil salesmen that knock on our door. If we return to basic economics, we find the fundamental principle of profitable investment – buy low and sell high. For our careers, this means that there's never been a better time to reinvest in ourselves.

For those employed within an organization, this means education and professional development. The educational industry is experiencing a boom right now, which means your competition is getting smarter every day. If the unthinkable happens and you find yourself on the street, do you want to be the job applicant with the fewest credentials?

It also means getting creative in how you drive the success of your team, position or sales quota. Fortunately, most businesses are hiding and hoping for the sky to stop falling, which means vendors will be more willing to negotiate on price. And you know where you've been falling short. Whether it's in product development, human capital or marketing, the resources – time, talent and materials – are all getting cheaper and cheaper to acquire.

When the Landscape is Ugly, Change Your Perspective

Taking advantage of bargain-priced resources (i.e. "buying low") can change your perspective entirely. Instead of asking how you can avoid a recession, you can start thinking of how to make the most of it. And when the market improves, which it inevitably will, your career or your business will be poised for growth while your competition cautiously emerges from hiding.