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Would You Join A Multi-Level Marketing Company For Retirement Income?

At some point in your life you've been pitched a multi-level marketing (MLM), direct selling, or network marketing business opportunity. While the pitch varies from company to company, it basically promises a chance to ditch your 9-5 work schedule, be your own boss, and make lots of money while making new friends in the process.

It all sounds good on paper, yet there is a seemingly endless debate over whether these companies and programs are legitimate business opportunities or not, so I dug in and got the real scoop. As a result, I believe that the entire industry is poised for explosive growth and can be one of the most significant solutions to America's current retirement savings crisis.

Initially, that may sound like a bold statement, but it's not if you understand retirement the way I do. The reality is, making a successful transition into retirement has more to do with psychology than with money... and the same may hold true for multi-level and network marketing.

Don't get me wrong, money has a role in retirement, but it's not the primary one every one gives it. Combine that concept with eye-opening statistics like AARP's estimate that half of all baby boomers (76 million) are interested in starting a business and the makings of a massive trend are in place.



As far as the retirement saving crisis is concerned, more and more people are coming to terms with the fact that they probably aren't going to be able to save enough money to just sit around and slowly deplete their nest egg from age 62 to 100. With the average 50 year-old estimated to have less than \$50,000 in retirement savings, there is an obvious need to find alternative ways to either save more or generate supplemental income starting now, and continuing throughout retirement. Moving beyond just the dollars and cents, boomers are growing tired of feeling guilty or bad about their past savings habits and are interested in moving towards possible solutions.

Another growing reality that could benefit MLM and related businesses is the increasing number of baby boomers who are disenchanted with their current careers. They're worn-out from years of the corporate grind and don't feel the connection between their job and the people it impacts outside their office walls or company grounds.

They're shifting their focus from accumulating a giant nest egg to a desire to be part of something bigger and better... to have a positive effect on others... and working in retirement. Facets of life that can be fulfilled with specific types of products and service available through some MLM or Direct selling opportunities.

MLM and direct selling programs also offer very low barriers into entrepreneurship, often providing training, support, and ample encouragement along the way. As retirees begin to realize they need activities that keep them busy, relevant, in good health, and connected to others, the time, energy and cost to participate in these kinds of companies make them very appealing to large segments of the population caught up in these dynamics.

This is not a ringing endorsement for the entire industry. Like any investment of time, money, and energy, people need to be aware of what they are getting into and do their homework. That's the primary reasons I began researching the topic by reaching out to regular everyday people involved in these types of businesses and who were willing to skip the hype and offer a transparent view of the programs and give their opinions as to whether this can be a realistic source of retirement income.

I initially spoke to a retired friend who said she joined a health and beauty direct selling company as a means of meeting new people. She had recently remarried and moved to a new location, so she combined the practice of meeting new people with making extra money. After almost a decade in the business, she's built a small niche business with family and friends despite switching to from one company to another competitor after three years.

She admits she doesn't attend all of the company's local meetings and goal-setting sessions because she's not interested in becoming a top producer. She just likes to use the business activity to keep busy (particularly in the winter) and use the extra money she earns to travel and spoil the grand kids.

Having studied the psychology and behavior of boomers, this example represents a major shift in my thinking about the industry. I no longer perceive these types of opportunities as money-making pyramid schemes. Instead, I now see it as a way to enhance many of the personal aspects of retirement that are rarely discussed let alone planned for, with the added benefit of supplementing other popular retirement income sources such as pension and social security.

Daria M. Brezinski Ph.D, a practicing psychologist and former marketing director for a multi-level marketing magazine, echoes these sentiments. "Many people don't realize that multi-level marketing companies are successful because they help people satisfy a number of important human needs, including feeling significant, having connections, learning something new, and making a difference. I have heard people in network marketing say again and again, 'I'm doing this because I'm meeting amazing people ... making so many connections ... and I feel so good about myself.'"

Dr. Brezinski's point is well taken and easy to see practiced by popular network marketing companies. Many MLM and NM companies tout a three-to-five year plan to attain freedom and wealth, yet many of the people running company meetings have been in the business for five or ten years and still haven't left their full-time job or landed on easy street. "As it turns out," Dr. Brezinski notes, "when other human needs are being met, the members and consultants don't focus solely on the financial aspects."

Continuing my interviews, I challenged three others who are in the business to be straightforward, and prove to me that the process really works. What I found was good, consistent business advice applicable to any new business.

Lorene Hochstetler, from Ohio, recommends keeping your current job while slowly making the transition into MLM. She's been able to replace her full-time income but explains, "It didn't happen overnight, and I still work every day. I am very disciplined with my business and wake up every day knowing what I have to do in order to succeed at this. You have to treat it like a

business and be willing to follow advice from others who have made it.”

Tracy Willard of California began her MLM career out of necessity. “Prior to getting involved in my business, I told my friends to never let me join one of those things... but when our family was hit by the mortgage crisis I had to do something different.” She started her business with the intention some retirees may also find themselves. “I started with the idea that I just needed to make my month easier. My company helped me figure out what I needed to do in order to make an extra \$500 per month.”

She reiterated a common theme I heard throughout the interviews. “If you treat it like a hobby it won’t pay you like a business.” She also acknowledged that, in spite of her success, she doesn’t sit around eating bonbons every day waiting for residual checks to hit the mailbox. “That’s a common misconception,” she said. “I work hard at my business every day, although it doesn’t always feel like work. Similar to other entrepreneurs who profit from their passion, she says “It’s rewarding because I found a product that has made in difference in how I look and feel... and I love selling it and helping other people start a business.”

Staci Cahill runs her Washington MLM company in a way many people can appreciate. She keeps her personal life separate from her business life by avoiding home parties, offering instead workshops that educate prospects on the products she offers. “I didn’t want to be that person others hid from because they thought I was going to ask them to host a party. I like to keep my business life and personal life separate.”

When I asked her if she was successful at her craft, she pointed out an MLM approach different from what many might expect. “Yes, I am very successful given what I wanted to get out of it. I’m a single mother who used to work 50 hours per week outside the home. Now I’ve cut it to 20 hours, which is a major upgrade for me and my family.”

As a five-year veteran of MLM, she attributes her success to the fact that, “I switched companies a few years ago once I realized that pots and pans don’t change people lives. The products I now offer has changed my life and that of others... and I find a lot of value in waking up and going to bed knowing that.”

The interviews and psychological connections lead me to conclude that MLM and NM companies, along with other small businesses opportunities, are important considerations for anyone entering retirement. In fact, I believe the concept of starting a business for retirement income will become one of the most significant trends impacting retirement in the 21st century. But it has to start with redefining entrepreneurship and framing it into a retirement lifestyle. That means helping people find ways to turn a passion, hobby, or personal desire into extra money in their pocket... not to mention helping people see the importance of planning for the non-financial aspects of retirement such as replacing a work identity, staying relevant and connected, as well as keeping mentally and physically fit.

Something multi-level marketing as well as network marketing companies are poised to capitalize on. As a result, the industry could soon experience larger than life growth, spurred by baby boomers looking to adjust their retirement feelings and plans.