



## Randy's Work *and You*

August Edition

Dear clients and colleagues,

In an article by Jim Hopkins, USA TODAY edition of Mon Jul 18, self-employment plunged last month as entrepreneurs sought steadier income and benefits with established companies. The number of self-employed workers in June fell 3.1%, or 303,000, from the month before, new Labor Department data show. It was the second-consecutive month of big declines, and the third-biggest monthly drop since 1995, a USA TODAY analysis found. Self-employment tends to fall as the economy grows. That's especially true among laid-off workers who start tiny companies after failing to find work in slow times. The new data follow a study published last month that found the number of U.S. adults involved in entrepreneurship fell 20% last year from 2003. The Florida International University study estimates 18 million Americans were starting companies or working for firms less than 4 years old last year. . The National Federation of Independent Business trade group has cited health insurance costs as the No. 1 problem facing small companies in surveys

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### Upcoming Events:

*Thursday, 8/18, 10:00 a.m.*

I will be speaking at ProMatch, a Networking Group In Sunnyvale, CA. My topic will be "Maximizing The Interview". We all know that the most qualified person does not always receive the offer. Effective interview techniques will be discussed. For more information click on <http://www.promatch.org>.

*Thursday 8/25 at 1:00 p.m.*

I will be speaking at Csix, a Networking Group in Dublin, CA. My topic will be "Job Search—2005." The latest job search techniques will be discussed along with networking tips that get you in front of the decision maker.

Wincentive  
6040 Dougherty Road  
Dublin, CA 94568

*Tuesdays, starting 10/4 and ending 10/25, 7:00 PM - 9:00 p.m.*

In Larkspur, CA. I will be giving a workshop titled: "A New Kind of Retirement". Were you born between 1946 and 1964? What has changed? Nearly everything! Seeing a new kind of retirement is the first step in developing a plan that encapsulates the best part of the past with a new future! We will discuss transition into meaningful life/work arrangements as you reorganize your later years around core values and life challenges.

For details, go to [www.marinlearn.com/](http://www.marinlearn.com/) <http://www.marinlearn.com/> .  
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### **This month's topics:**

- 1. The 14 Ways to Look for a Job**
- 2. Use Your References Well.**
- 3. Boomer Corner: Work late in life? Only for some.**
- 4. Success Story**
- 5. Humor Department**
- 6. Words that Inspire**

### **1. The 14 Ways to Look for a Job**

*Some are more efficient and successful than others*

By Richard N. Bolles

April 14, 2005

#### **Bolles's Recommendations:**

Fifty-one percent of those who use only one method of job hunting abandon their job hunt by the second month. On the other hand, only 31 percent of those who use two or more methods abandon their search by the second month.

Not many people realize it, but the job hunt is one of the most studied phenomena of our time. It is amazing what we know about it.

Acquainting yourself with this research can pay rich dividends, especially if your job hunt is running into trouble.

Most job hunters think there are basically only three ways to go about their job hunt: resumes, ads, and agencies.

Actually, there are 14, listed below with their effectiveness rate, starting with the least effective:

1. Using the Internet to look for job postings or to post one's own resume. (1 percent).
2. Mailing out resumes to employers at random. (7 percent).
3. Answering ads in professional or trade journals appropriate to your field. (7 percent).
4. Answering local newspaper ads. (5 to 24 percent depending on salary demands).
5. Going to private employment agencies or search firms. (5 to 24 percent depending on salary demands).
6. Going to places where employers come to pick out workers, such as union hiring halls. (8 percent).
7. Taking a Civil Service exam. (12 percent).
8. Asking a former teacher or professor for leads. (12 percent).
9. Going to state and federal employment service offices. (14 percent).
10. Asking family members, friends, or professionals you know for leads. (33 percent).
11. Knocking on the door of any employer, factory, or office that interests you, whether or not you know of any vacancies. (47 percent).
12. Using the Yellow Pages to identify fields that interest you then calling employers in those fields to see if they're hiring for the kind of work you can do. (69 percent).
13. In a group with other job hunters using the Yellow Pages as above. (84 percent).
14. Doing what is called "the creative approach to job hunting or career change." That entails doing homework on yourself to figure out what your favorite and best skills are, followed by face-to-face interviewing for information only at organizations in your field. This is followed by using your personal contacts to get in to see the person-who-actually-has-the-power-to-hire-you (not necessarily the human resources department). (86 percent).

#### **Failure Rate**

What is interesting about this list is that we know the failure rate of each method. Simply subtract the effectiveness rate from 100.

What is also interesting is that researchers found the effectiveness rate is directly proportional to how much work each method requires—the more work, the more effective. In addition, you definitely want to use more than one method, but less than five. Researchers discovered that one-third of all job hunters never find a job because they give up too soon. And the ones who give up most easily are the ones who are using only one job-hunting method (such as sending out resumes). Fifty-one percent of those who use only one method abandon their hunt by the second month. On the other hand, only 31 percent of those who use two or more methods abandon their search by the second month.

Does this mean that you should try to use all 14 methods if your job hunt just isn't working? Not exactly. As I said earlier, it is amazing what we know about the job hunt. Researchers discovered that job-hunting success increases with each additional method you use, but only up to four methods. If you use five or more of the 14 methods listed above, job-hunting success starts to decrease.

#### **Time Factor**

I have pondered this bizarre finding, and concluded that the explanation may lie in the fact that you have time for only four methods and if you try to do five or more, you start cutting too many corners.

Well, there it is. Some of what we know about the job hunt. The moral for your next job hunt? Don't just use one method, such as resumes or ads. *Use up to four methods, and especially those that pay off the best.*

## **2. Use Your References Well**

Employers agree that checking references is a critical part of the hiring process. Applicants with a successful work history are also eager to have their past successes communicated to potential employers. Yet the entire process often frustrates everyone.

Because of concerns over legal liabilities, many employers refuse to comment on job performance, and will only verify dates of employment, job titles and possibly salary. Yet those same employers would welcome in-depth reference information from other employers. As a result, good applicants are often unable to get the recommendations they deserve, while candidates with a negative history can go on to a new and unsuspecting employer.

The reason employers limit reference information is simple: They do not want to get sued for defamation. The hesitation exists despite recent law changes in some states that protect employers from defamation lawsuits when giving job-related, credible and non-malicious information when asked by a prospective employer.

Many labor attorneys still advise employers to verify only basic data and not answer questions on job performance, however, because there can be uncertainty in court over what is "credible evidence" or "job related."

Adding to the complexity is a recent California case that found a school district could be liable to a victim of sexual assault for giving a positive reference for a former employee and withholding negative information. If an employer gives a reference, the employer should generally give both the good and the bad.

Employers are arguably placed in a Catch-22. If they give a positive recommendation and leave out anything negative, a victim could sue them. If employers reveal negative information, however, they run the risk of being sued by a former employee for defamation.

Since employers have no obligation generally to say anything, many have adopted the approach of "no comment" when it comes to questions concerning job performance. Many will not even answer a question about whether a past employee is "eligible for rehire."

Several large employers, in fact, have deposited past employment information on a telephone service, limiting new employers to a computerized voice verifying just employment dates and job title.

Applicants still have many avenues available to communicate their past successes to employers, even if past employers will not give a reference. The key is to plan ahead and to remember the importance of promoting your own career by obtaining the materials necessary to successfully market yourself:

When leaving a job, clarify the past employer's policy on references and try to determine what will be said if a new employer calls.

1. If the former employer has a "no comment" policy, offer to sign a release of information.
2. Before leaving a job, try to obtain personal letters of recommendation. Even if the firm does not give references, a supervisor or co-worker may be willing to write a letter on the theory that it is a personal recommendation.
3. Seek a letter of recommendation from someone no longer at the firm, who can verify job performance.
4. Keep copies of outstanding performances appraisals- or keep an example of your work to show at an interview (provided it was proper to retain it).
5. Try to have references give specific examples. General statements like "great team player" are not nearly as strong as examples of behavior or performance in specific situations.
6. Retain pay stubs and other documents as a means of verifying past employment. When firms merge, go out of business or move, it can be difficult to confirm past employment. If the previous employment was through a contract with an outside agency, or was through an employee-leasing firm, the actual workplace may not have records of you.
7. It is also very important to accurately summarize the job duties and title for a previous job on a resume. Although everyone wants a resume to show them in the best light, a resume that overreaches can raise questions about honesty.
8. For applicants who are having difficulty finding a job and suspect that a previous employer is giving a bad reference, it may be helpful to think through the lack of success in more detail. There may be other

difficulties involved, especially since firms are often hesitant to say anything negative. However, job applicants who are concerned should contact a labor lawyer to review their rights.

-Lester S. Rosen

Attorney Lester S. Rosen is president of Employment Screening Resources, a San Rafael pre-employment screening and credentials verification firm. Call him at (415) 472-7788 [www.ESRcheck.com](http://www.ESRcheck.com).

### **3. Work late in life? Only for some Americans want to work past 65, but obstacles bar some**

*Long-lived baby boomers are going to transform the idea of retirement, working late into their golden years, right?*

Certainly statistics show more older Americans are opting to work later in life, but there remains a hefty portion of older people who consistently retire early, some economists are warning.

Whether it's because of health problems, a desire to slow down, or getting laid off and being unable to find new work, sometimes the intention to work long into one's later years goes awry.

Among 61-year-old women, women's employment rate falls to 51%, from the peak of 76% among women who are 46 years old, said Elise Gould, an economist at the Economic Policy Institute, a liberal think-tank, in a recent study based on 2004 data. By age 65, 26% of women that age are working.

Among men who are 61 years old about 61% work, compared with 89% of those at the peak employment age of 39. By age 65, 36% of men are working.

Gould's data snapshot is an attempt to show that a portion of older Americans stop working before being eligible even for partial Social Security benefits at age 62, and that increasing the eligibility age for full benefits doesn't remove the barriers that prevent some older Americans from working.

Gould's report is in response to policymakers on Capitol Hill, some of whom suggest increasing the age at which Americans are eligible to receive full Social Security benefits as a solution to the program's projected funding gap.

"Raising the age doesn't help older Americans get jobs," Gould said. "If we're going to insist on people working longer because they can't get Social Security, we have to think there are going to be that many more jobs in the economy to be able to employ people of all ages."

Others said workplace and policy changes are needed to keep older Americans in the workforce.

Upping the Social Security age "will help the Social Security problem, but it won't help the problem of real people," said Alicia Munnell, director of the Center for Retirement Research at Boston College, adding that in general she's in favor of policies encouraging older workers to remain in the workforce. She cited the Employee Benefit Research Institute, a nonpartisan research group, which for about a decade has surveyed workers and retirees on retirement issues.

On average, those surveyed retire at age 62. About 40% of retirees say they retired earlier than intended, a consistent finding for years, according to the EBRI survey.

"Every year they ask people when they're going to retire and everyone says 65, and when you ask when did they retire and it's 62. People have had plans for a long time to work longer, and they've not come to pass," Munnell said.

"We need to have a policy to change real work patterns and then maybe we can discuss raising the normal retirement age under Social Security," she said.

#### **Slower-paced work**

Some of those early retirements are due to health problems, but another reason is older workers often want to step down from a hectic, time-consuming job yet hope to continue working at a slower-paced job.

"There's still this issue of wanting to slow down and it's very hard for people to do that in their current employment and hard for them to leave current employment and find a new job," Munnell said.

"Who knows whether it's discrimination or not, but older people look expensive and in some cases are expensive. People are skeptical about hiring older workers," she said.

Said Gould, of the EPI: "Once people become unemployed, these older age groups are much more likely to fall into the ranks of the long-term unemployed. It can take them a much longer time to find jobs."

Certainly, another reason people retire at 62 is because of the early Social Security benefit available at that age.

"A lot of people don't have very nice jobs and Social Security offers early retirement benefits at age 62. As soon as they see money that looks sufficient to live on the tendency is to grab it," Munnell said.

Some say increasing that eligibility age for partial benefits could help keep older Americans in the workplace.

"If as a society we want individuals to continue working longer, then probably the only change in Social Security policy that can definitively do that is to increase the age of first eligibility," said Dallas Salisbury, president of EBRI. "The data suggests that large numbers of people would work longer because they basically would have no choice."

#### **Another Social Security age increase?**

In 1983, Congress mandated that Americans born after 1959 collect their full Social Security benefits starting at age 67, vs. age 65 for those born in 1937 or earlier. Now another age increase is being considered by some as a way to ease the projected Social Security shortfall. Raising the age leads to reduced benefits by paying out over a shorter period of time.

"This is a fundamental choice that policymakers are facing," said Bruce Schobel, chairman of the retirement principles task force at the American Academy of Actuaries, and a practicing actuary. In 1983, Schobel served on the National Commission on Social Security Reform, and he worked at the House Ways and Means Committee at the time Congress enacted the age increase.

"If they don't want to raise taxes, then they're going to have to cut benefits, and if they cut benefits workers are going to either have to lower their standard of living in retirement or they're going to have to save more or work longer or something. We don't really know what's going to happen," Schobel said. Another member of the American Academy of Actuaries recently testified at a Congressional hearing that increasing the age for full benefits would help cut the Social Security shortfall, though Schobel said the Academy does not advocate one Social Security reform over another.

Meanwhile, the American Institute of Certified Public Accountants, a non-partisan trade association, noted in a recent analysis of various Social Security reform proposals that if the eligibility age is increased, "financial soundness would improve at the cost of higher poverty levels" among older Americans.

Of course, even under current law, if people continue to retire at 62, they'll get smaller benefits than older retirees who quit working at 62. That's because of the 1983 changes, under which someone born after 1960 who retires at age 62 will receive just 70% of full benefits, while someone born before 1938 who retires at age 62 gets 80%, Schobel said.

"Maybe the smaller benefit will motivate them to retire later," he said. Or, "maybe just the demographic changes in the workforce may provide incentives to retire later. It could be that employers will start trying to retain older workers instead of trying to get them to retire," Schobel said.

"A lot of things may change as a result of the retirement of the baby boom generation. They're going to leave a lot of holes in the labor force that will have to be filled by somebody."

Andrea Coombes is a reporter for MarketWatch in San Francisco.

#### **4. Success Story** **An Executive Networks to Find a Job at 57** **By Perri Capell**

The beard had to go.

Since the late 1970s, John Wold had worn a beard. As a young executive calling on clients for TransUnion LLC, a Chicago-based credit bureau, Mr. Wold thought it made him look more mature. But by the time he embarked on a job hunt in late 2002, he was concerned that his beard, now bushy and white, might make him seem older than his 57 years. "I thought, 'Maybe I don't look distinguished; maybe I look extinguished,'" he says.

Mr. Wold doesn't know whether his clean-shaven look helped his search, but he has found a position he loves. His 18-month job hunt ended in November 2004 when he became chief operating officer of RelyData LLC, a Chicago start-up that helps victims of identify theft resolve credit problems.

His biggest surprise about job hunting was finding out through the networking groups he joined just how many other senior executives were also on the market. "There were many times when I thought, 'There are way too many people out here,'" he says.

Mr. Wold had never been unemployed before and having to create a daily schedule was another unique experience. "I had to get up, get with it and beat the bushes," he says.

Mr. Wold had built a career in the credit and data-reporting industries, starting with TransUnion. A consulting job in California was winding down when a former boss at TransUnion called in 1998 and asked him to move to Chicago and become group vice president for "vertical" markets, a unit that sold credit data for insurance underwriting and direct marketing. He built revenues in his area to \$80 million annually when TransUnion eliminated the business. Mr. Wold was laid off in late 2002 with a year's severance and a noncompete agreement that kept him from working for three large competitors for a year.

His first thought was to do some consulting, but most of his contacts were in California or retiring, and competition for consulting jobs from other out-of-work executives was stiff. As he pursued consulting, he began hunting for a new senior-executive role. He responded to leads he received through the networking groups, print ads and online job postings and contacted executive recruiters. He constantly revised his resume, tailoring it to every opening he sought.

But his mainstay was networking. The groups Mr. Wold joined stressed the importance of helping others when networking. He usually attended about five events for job hunters in Chicago each week, some in the morning, some at night and smaller get-togethers for coffee in between. He and other unemployed

executives began calling Starbucks "the Transitional Cafe."

"I became a networking fool," he says. "There wasn't anybody I didn't want to meet. I made it my business to find out if there was anything I could do for others and others could do for me -- but it was mostly the former."

From networking and other leads, he estimates he pursued about 100 full-time opportunities during the 18 months. In all, he had 40 to 50 phone interviews and eight to 10 in-person interviews for jobs with Midwest companies. These included openings for a director of business development at a midsize database-marketing company; vice president or chief operating officer (COO) of a collection agency that sought debts owed to government agencies; and an executive role with a credit-industry software provider. No offers resulted.

He says he believes his age and experience may have been among the reasons behind his lack of offers. It was never overt, he says. He just had the sense that employers thought he was too experienced or wouldn't be happy unless he held a high-level position. "Many times, there would be great interest in me, then they would get my resume, see that I had all this experience, and things would just die," he says.

Mr. Wold says that besides shaving his beard, he lost a few pounds in an effort to appear more fit. He tried to address the age issue directly, by making it clear he wasn't interested in being chief executive officer and that he wanted to use his experience to make a contribution, "but maybe it didn't go over too well," he says.

In 2004, his personal networking paid off. Mr. Wold had acquired some consulting clients in the data-reporting industry and also was helping his son build a company that provides software to help creditors access credit-reporting data. Impressed by Mr. Wold's expertise, a lawyer for his son's business referred him to the founders of RelyData, who were attempting to get their idea off the ground. He began working for the company as a consultant in June 2004.

RelyData couldn't afford Mr. Wold's services full time, but he was attracted to its mission and wanted to devote more time and energy to the start-up. He and the founders negotiated an agreement in which he received equity instead of a full fee in exchange for more of his time. In November, he signed on as its new COO and now is seeking more seed money from investors. RelyData's president Garnet Steen confirms this account. Although his new salary is well below his former annual pay, which ranged from \$240,000 to \$300,000, Mr. Wold is willing to accept the pay cut because he finds the work exciting and sees a larger payoff down the road.

Mr. Wold says the support and encouragement he received from his wife, Marilyn, was key to his eventual success. But he says she worried about the couple's economic future.

He believes that talking openly and often with her about his progress was key to helping her understand that the process takes time. "She could see that I was doing everything I could," Mr. Wold says. "We talked often, and her support was wonderful."

His advice to other out-of-work executives? "Don't ever stop networking. Don't pass up opportunities to stay in touch with someone, because it will come back to you," he says.

## 5. Humor Department

## 6. Words that Inspire

"When you have faults, do not fear to abandon them."

-- Confucius, philosopher

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