

This is Your Job at Risk

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Advisors are blissfully unaware of the risk inherent in their jobs.

The illusion of security

In the past few months, I've spoken to advisors and others who lost their positions due to cutbacks. They have a universal lament: They never thought it could happen to them.

Over a decade ago, I met a couple who both worked in the real estate division of Lehman Brothers. They wanted my thoughts on their 401(k) holdings. I asked them how they were invested. They told me they were 100% in Lehman stock.

I advised them to diversify their holdings. They declined my advice. One of them said, "You understand, Dan, we work for Lehman, right?"

Working for someone else provides the *illusion* of security. The reality can be quite different.

A loss of control

If you work for others, you should at least be aware of your risk.



The primary risk is loss of control. This is not a trivial issue. A belief that you're in control of your life is associated with *better health, wealth, wisdom, life satisfaction, optimism, cognitive performance (e.g., better memory or ability to pursue goals), and lower levels of depression and less functional limitations.*

It's difficult to have a feeling of control when your merit is judged by others. Their assessment may be influenced by their own biases (legal or otherwise). It can be arbitrary or inaccurate. Whatever motivates your supervisors in their evaluation of your work, one thing is perfectly clear: It's largely beyond your control.

Unrealistic expectations

What would you tell an investor who wants minimal risk but maximum return?

You'd explain that those goals are inconsistent and not realistic.

When I ask newly unemployed advisors and executives what they want to achieve in their next career move, some tell me they want to replicate their salary with minimal risk. They say they never want to feel vulnerable again.

How is that different from an investor who wants big returns with minimal risk?

There's one way to minimize the possibility of being fired unexpectedly, but it involves serious risk.

Take control

I run my own companies. It's not without risk, but there's one benefit that's indisputable.

I can't be fired.

While I'm subject to the judgment of my clients, that's a risk I'm prepared to take. If our work doesn't meet their standards, we make changes to ensure it does.

"I eat what I kill," which is how another entrepreneur expressed it to me.

The market judges whether I will succeed or fail every day. That's a rational standard.

You won't find *real* control working for others. Maybe it's time to start your own firm.

Most new businesses fail and many people aren't cut out to be entrepreneurs. But if you have been hesitating because you don't want to lose a "steady" paycheck consider the risk of a layoff in your current position.

Measure the risk of starting your own firm against the (newly enhanced) risk of staying in your present job.

A realistic analysis may surprise you.

For more information about marketing and branding opportunities with Dan's upcoming book, Ask: How to Relate to Anyone, [click here.](#)