

The Real Estate Career Preference Indicator™ ***Is real estate right for you?***

The following Real Estate Career Preference Indicator™ will ask you six key preferential questions. After you choose an answer, you can see feedback based on the advice of experienced real estate brokers and instructors, and on research of high achievers by the late David McClellan, Professor of Behavior Science at Harvard University.

The format of the Career Preference Indicator™ works more like an informal discussion than a rigid test, and it isn't intended to predict whether you would or would not succeed at real estate sales. It can, however, give you valuable guidance about how you might best approach succeeding at real estate. It can also help you foresee personal resources you can draw on, and personal challenges that you will need to overcome.

1. When you face a difficult task or problem that is new to you, which action would you tend to take?

- I would seek the help of a trusted friend.
- I would seek an expert for help.
- I would work it out by myself.
- I'm not sure what I would do.

Critique of question 1

If your tendency is to ask an expert for help, you have a preferred strategy for solving problems.

Research shows that people with a high need for achievement are more inclined to ask experts for help. When they are driven toward their goals, they look for the shortest path to achieving them. There's nothing wrong with asking friends for help; and that can be a comfortable option. And there's nothing wrong with working out solutions for yourself, because that can give you a sense of mastery. But when you are hot with desire for a goal, an expert's advice can save you valuable time.

Asking for help is not a sign of weakness; it's a sign of wisdom and determination.

2. When working on a project, which would you prefer?

- I like to be in control, or work alone.
- I like to work as part of a team.

Critique of question 2

High achieving real estate agents know that they need as much control as possible in order to properly service their clients and to reach their career goals. That doesn't mean they want to dominate other people, but they do want control over tasks and outcomes.

Some people prefer working in collaboration with others because they enjoy cultivating and maintaining close personal relationships. There's nothing wrong with that, but you should ask yourself whether you would reach your professional goals quicker, and with less energy, by simply working on your own.

3. What usually prompts you to give advice to others?

- I wait until advice is requested.
- I give advice when I think it is needed.

Critique of question 3

In addition to being goal-setters, successful real estate agents see themselves as people helpers—even when help or advice isn't asked for.

If you have goals that involve people-helping, you will find yourself developing effective influence skills, including sales and counseling techniques.

4. Which is the most exciting to you?

- When the task's success is almost a sure thing.
- When there's a 50/50 chance for success.
- When the challenges seem almost insurmountable.

Critique of question 4

High achievers are most energized by the moderate risk of a 50/50 chance. Those odds imply that the person's efforts can tip the balance in his or her favor. On the other hand, people who want no or little personal responsibility for outcomes will often either choose the sure thing, or gamble on unlikely results.

5. Which characterizes the way you think about completing projects?

- I usually set specific deadlines.
- I prefer to let projects find their own best completion time.

Critique of question 5

Research shows that high achievers set goals that are specific and measurable, moderate and achievable, and time-framed.

A goal without a deadline might be wishful thinking that relies too much on luck. While it's true that deadlines cause pressure, important goals don't get accomplished without some pressure behind them.

6. Which characterizes you when you start projects?

- I usually start projects with positive thoughts.
- I usually fret about possible problems.

Critique of question 6

Studies reveal that high achievers are not dreamers with faith in fate. In order to assess whether a goal is attainable, and to prepare for challenges, you should assess your strengths, but also try to anticipate and prepare for obstacles. That's not being "negative;" it's being realistic.

Would you enjoy selling real estate?

After considering the following pros and cons, you should be able to decide whether you would enjoy a real estate career.

First, look at 4 *pros* that might encourage you to become a real estate professional, and then look at 4 *cons* that might talk you out of it.

- Pro #1: Freedom and independence
- Pro #2: Responsibility
- Pro #3: Respect
- Pro #4: Excitement
- Con #1: Having nothing to do
- Con #2: Doing the wrong things
- Con #3: Weird working hours
- Con #4: Irregular income
- Income potential
- Startup costs
- Real estate investment opportunities
- Save money with tax planning

Pro #1

Freedom and independence

A panel of top performers talked to a standing-room-only crowd of agents at a real estate conference. Everyone in the room wanted to know what made those successful producers tick. One agent in the audience asked the panel members, "What do you like best about the real estate business?" Everyone on the panel ranked "freedom and independence" at the top. Money was second for all of them. Helping people was number three for most of them, yet they all agreed that providing outstanding client service was central to a successful career.

When someone pays you a salary, he or she has purchased at least some of your time and energy. But when your income is based on your own earned commissions, you control your time, and therefore, your life. That freedom is priceless to many real estate professionals.

What could you do?

Millions of people feel like prisoners in jobs they don't like because they fear losing their paycheck and benefits package. But what if they had the courage to do what they really wanted to do? What could they accomplish in their lives, and how would they feel about it?

No regrets

Harvard Psychologist Daniel Gilbert, in his book "Stumbling on Happiness," points to a study that questioned elderly people about their regrets in life. Very few had regrets about things they had done—almost all of the regrets were about not doing things they had wanted to do.

Balance

Like entrepreneurs, real estate agents often choose to work harder than they would if they had a "regular job." However, if you neglect other important areas of your life, you can start to feel hamstrung by your career. Always remember to balance your business goals with other important aspects of your life, such as time for family, friends, faith, and fun.

Pro #2

Responsibility

In most states, real estate agents and brokers are the only professionals who can draft real estate contracts without being a lawyer. You will often give advice to clients about their most valuable assets, whether it is their home or an investment property, and you will be working on transactions worth large sums of money. Corporate or institutional employees might work for years before they are given that much responsibility, if ever at all.

Pro #3

Respect

I don't mean veneration: when you arrive at a party, the room won't go silent in awe because the real estate agent has entered. However, you are in a respected profession, and compared to other businesses and professions, real estate agents and brokers rank high in public opinion polls. Sure, we are chided in sitcoms and movies (remember the "Real Estate King" in the movie *American Beauty*?), but so are lawyers, doctors, and teachers. On the other hand, real estate "reality" television shows actually star real-life agents (although in somewhat exaggerated situations).

Pro #4

Excitement

There are few things as satisfying as helping buyers find a new home or investment property, or helping sellers sell their property—and not just because you will earn a substantial commission; helping people accomplish their real estate goals is a satisfying reward in itself. If you like variety, rest assured that no two days will be the same, and there is a world of difference between helping a buyer or seller with a unique need or problem, and just showing up at a job. Every little success in real estate seems to promise even greater successes later. It's an energizing lifestyle that seldom becomes mundane.

Are you feeling encouraged about a career in real estate? If so, let's test the strength of those positive feelings with some possible downsides...

Con #1

Having nothing to do

The dark side of freedom is inactivity.

If you are accustomed to a boss setting your goals, defining your tasks, and demanding certain working hours, then you will have to learn to become the new boss in your life. You will need to design your own business plan, and have the discipline and courage to follow it.

Employers usually expect employees to spend a certain number of hours on the job, whether those hours are productive or not. As a real estate agent, you can say goodbye to that nonsense. But you must stay on-task with your priorities, ignore distracting minutia that tries to clutter your life, and enjoy your scheduled free time!

Con #2

Doing the wrong things

The drawback of independence is making mistakes.

As a real estate agent, you will probably be working under little or no

supervision. (You wanted to be independent, remember?) Even if you have a coach, mentor, or attentive manager or broker, you will have plenty of opportunities to make mistakes. I'm not talking about big mistakes that make the lawyers smile and rub their hands. We cover those hot zones thoroughly in pre-license real estate courses.

By doing the wrong things, I'm mostly talking about the daily time wasters, the frustration provokers, and the little stumbles that experienced agents have long ago learned to side-step. It will take you longer to do things during your first year than in subsequent years, because efficiency and effectiveness are learned by experience.

The key word is experience. You can learn a lot through our classes, but you must then learn how to best apply what you have learned from us. As an example, if you want to learn how to fly an airplane, you can attend ground school (you could even become an aeronautical engineer by attending classes), but you'll never learn how to fly until you get into an airplane and start making mistakes (with the help of a certified flight instructor, please).

But, as in learning to fly, mistakes are learning opportunities only if you understand what you did wrong, and if you understand what to change next time. The overriding goal of our online courses is to give you diagnostic skills, so you'll see every mistake as a learning experience, an investment toward your growing success.

"A sailor is seasoned by sailing in storms."
-- Unknown salty mariner

Write down this prescription for staying on course:

Twice daily for 21 days, ask yourself:

1. What is the most important task for me to work on today?
2. What distractions are keeping me from working on that task right now?

Con #3

Weird working hours

The downside of choosing your own hours is choosing long or irregular hours.

A typical real estate agent's workweek might include:

- Hosting an open house on a Sunday afternoon
- Working with buyers when they get off work in the evening
- Presenting an offer to your sellers, as soon as you receive it from another agent

In other words, brace yourself for a less-than-routine working schedule.

Here's the "silver lining": You control your schedule. It feels a lot different when you decide to work unusual hours than when someone else (i.e., your employer) orders you to work after hours. When you are pursuing opportunities with large commissions involved, you probably won't mind missing your favorite TV shows now and then.

There is more good news about your flexible schedule: You'll have time off when other people are working. And you won't need to ask permission for that time off—you decide when you need a few days of R&R or an extended vacation, or just an afternoon for some fun.

"When you get control of your time, you get control of your life."
-- Alan Lakein, author of "How to Get Control of Your Time and Your Life"

Con #4

Irregular income

The flip side of high income potential is low income potential.

It's sometimes hard for new real estate agents who are accustomed to regular paychecks to get used to a commission-only lifestyle. As with any business, that lifestyle includes putting money into savings or investments during high-earning months, and budgeting expenses during tough months. You'll eventually learn that in spite of no safety net, your career in real estate puts the control of your work-life firmly in your hands. If you work hard and follow the steps in our pre-license and continuing education courses, you'll learn how to plan for a predictable cash flow. And once that happens, you will never want to go back to a salaried job.

Speaking of income, how much can you earn?

Income potential

Top producing real estate agents can make more per hour than most professionals, including doctors and lawyers, with far less investment in formal education. The income from a real estate career usually comes in large chunks, so an average of one or two transactions per month (in most markets) will usually constitute a reasonably good income. Add one or two more transactions each month and you're headed for top performer status.

The formula for calculating your income falls into two different real estate company business models. Some companies charge their agents monthly service and user fees, but they generally give the agents a relatively high commission split. This arrangement gives the company a predictable bottom line, and it gives the agents the highest commissions per transaction. On the other hand, some companies charge their agents low or no fees, but rely on a portion of the commission to cover their overhead expenses. Some of these companies increase the agent's portion of the commission as the agent's sales volume increases over time.

As an example, let's look at a sale in a company that charges no or low fees, and gives their agents 60% of the sales commission. If one of their agents sold another company's listing (a common practice in most markets), and let's say the listing company pays the selling company 2.5% of the sale price, the selling company would pay 60% of that to the selling agent.

Here's the math:

Selling price of the property	\$200,000
Commission percentage owed to selling company	2.5%
Commission dollars sent to selling company	\$5,000
Commission split to agent	60%
Commission dollars paid to selling agent	\$3,000

Disclaimer about the numbers

The preceding commission numbers and calculations are only examples of possible scenarios. But average sale prices vary from market to market, and real estate companies independently decide their own listing commission rates, agent compensation policies, and splits to other companies.

Startup costs

At a minimum, you'll need to purchase business cards, and you'll eventually want at least three open house signs if you're selling residential properties. The real estate company you place your license with will probably have recommended sources for these, but to get an idea of the costs, you can perform an Internet search with the keywords "real estate business cards" and "real estate open house signs."

You'll also need a basic mobile phone, brief case, and a measuring device to determine room and foundation dimensions.

Hold off on purchasing electronic gadgets, brochures, a personal website, or other tools that agents seem to be using, until you find a real need for them.

Spending wisely

Before spending any money on marketing, take our free mini-course "**Personal Marketing Campaigns That Will Bring You Clients.**" After you have your real estate license, you should consider our approved continuing education course "**The Essential Real Estate Marketing Guide,**" which is instructed by a broker with over 35 years of real estate experience.

Real estate investment opportunities

In addition to excellent incomes, some agents have parlayed real estate investment portfolios that will give them comfortable—and sometimes early—retirements. As a real estate insider, you'll often find out about investment properties before the general public does, and you'll have access to knowledge about real estate investment practices through our free monthly newsletter and our continuing education courses.

Save money with tax planning

Like other business people, you'll find opportunities for business tax deductions. Personal and business income taxes are beyond the scope of this course, but ask your tax advisor about allowable deductions for your vehicle, home office space, business meals, and travel to real estate conferences and conventions. As a real estate professional, you might also be able to deduct real estate investment accounting losses from your regular income—that's another point to ask your tax advisor about.

Further information about real estate work-styles

The preceding discussion was taken from our free training course, "The Good, The Bad, and the Mundane of a Real Estate Career." You may take any of our mini-courses to further explore the work-style of a real estate agent. Click on the "Free Training" tab above to see the course list.