

Career Planning for a Satisfying Job

By Scott Niederjohn

Many people find their way into particular careers by haphazard means, influenced by a chance occurrence or unreliable information. To make more deliberate, well-informed choices, we need to understand the job market, identify our own aptitudes, and grasp the relationship between marketable skills and workplace success. People considering any given career must take account of the knowledge, skills, and experience needed to work successfully in that career. Most importantly, students should take advantage of their comparative advantage as they make their career planning decisions.

Career Research

Choosing a career should be based in part upon a person's interests and abilities, but it also should be based upon the demand for workers in certain occupations. DVD and Blu-Ray players have long since replaced the old videocassette recorder (VCR) technology that preceded them, and these will probably be replaced by online streaming media. Today, the demand for workers who repair VCRs is very low. For that reason, it would probably not be a good idea for a young person to invest much time and effort in learning to repair a VCR. However, young people would be wise to acquire skills, knowledge, and experience in fields of interest that are in high demand, such as computer technology, health care, engineering, and accounting. The Bureau of Labor Statistics' Occupational Outlook Handbook (<http://www.bls.gov/ooh/>) can help young people understand what careers are in demand today, what careers are likely to be in demand in the future, how much a job generally pays, and the level of human capital required for positions in the field.

Knowing which occupational areas are expected to grow can help you plan the direction you will take in starting or switching

careers. Aiming toward high-demand occupations may provide for more opportunities when job-hunting time comes. Similarly, investing in human capital through education and training can make you more marketable in the workplace.

Determining Which Careers Are in Demand Today

The BLS Occupational Career Outlook Handbook allows students to search for careers by education required, on-the-job training required, projected number of new jobs, projected growth rate of jobs, and recent median pay. As an example, one could search for careers where the median pay is more than \$75,000 per year and the projected growth rate in jobs is more than thirty percent. Such a query yields six career paths: physical therapists, health specialties teachers (post-secondary), industrial-organizational psychologists, information security analysts, nurse practitioners, and physician's assistants. Four of these six occupations are in the fast-growing health care field. Further sorting by the required education shows that information security analyst is the one occupation in this list that requires only a bachelor's degree. The others all call for an advanced degree.

This database reinforces the idea that greater education goes with higher earnings. When the database is queried for jobs that pay \$75,000 per year, it finds none that require less education than a two-year associate degree. Only two positions that pay more than \$75,000 are in reach with an associate degree. However, once the bachelor's degree category is chosen, more than fifty careers appear in the \$75,000 or more per year category. There are still more that require master's, doctoral, or professional degrees.

There is no free lunch in career choice; jobs that pay more usually require more training and education. The higher income acts as an incentive to attract workers to those occupations, while the additional education required acts as a disincentive that discourages many people. Also, pursuing one career has an opportunity cost: the careers you did not pursue instead.

Comparative Advantage and Careers

In searching for a major, remember this advice in *Common Sense Economics* (Part 4: Element 1): Discover your comparative advantage. You will be better off if you are really good at something that is highly valued by others. The best major for you takes both elements into account: (1) your own relative talents and (2) how highly these talents are valued by others, as signaled by earnings in your possible fields of study.

Most economics students are familiar with the idea of comparative advantage through its application to international trade. Nations become wealthier if they specialize in their comparative advantage, where their relative efficiency is better. Then they trade for items they are not as good at producing. It turns out that even if a country is worse than another at the production of everything, both countries will still benefit from trade if each concentrates in those areas where it has a comparative advantage. Just as in international trade, individuals can earn higher incomes by concentrating in the areas of their comparative advantage.

When you consider your own interests, aptitudes, and goals, you are asking where your comparative advantage lies. For example, even though the demand for agricultural workers may not be growing, people with certain kinds of human capital and interests are needed to replace workers in agriculture who leave their jobs or retire. If your comparative advantage is clearly in agriculture, this might be the best place to concentrate your efforts toward a career even if this field does not have one of the fastest growing job markets. Obviously, the best scenario is one in which your comparative advantage and human capital is a match for a fast growing career area, but that is not always possible.

Assessing Your Comparative Advantage

There are many online tools to help you assess your own interests and aptitudes and then translate this information into careers that will suit you well. Careership is one such site: <http://mappingyourfuture.org/planyourcareer/careership/>. On this site, you can match your career interests by first assessing whether you are realistic, investigative, artistic, social, enterprising, or conventional. A short survey of questions helps lead you to areas of greatest interest and potential. Once this determination has been made, the site's search engine will list careers that most closely match a persons assessment of themselves. By then clicking on that career, you can read a description of the career, tasks it includes, and the education and skills it requires.

Although online tools can help, some of the most important thinking you can do requires no online support. What have you liked about earlier jobs you have held, even part-time and summer jobs? Although you may not want to work in the same exact career, earlier jobs and/or internships have already helped you learn about your relative preferences; is it sales or production, technical or people-oriented work? In the end, career choice is not just a matter of figuring out what you do best. As *Common Sense Economics* (Part 4: Element 2) points out, it is important to discover those productive activities that provide you with the most fulfillment. Enjoying what you do, and finding it satisfying, will make it easier to do more of it and to do it better. Remember that real wealth is measured in terms of personal fulfillment.

Entrepreneurs: Working for Yourself

Some people make jobs for themselves. They are called entrepreneurs. The definition of an entrepreneur is one who innovates and takes risks in developing a product or business. There are obviously costs and benefits to being an entrepreneur. Entrepreneurs tend to work long hours and many business ideas fail. This is why choosing this sort of career can be categorized as risky. Entrepreneurs do not have the security of an employer that

may provide their health care benefits and help them save for retirement. Of course, the benefits are that entrepreneurs are their own bosses, have the potential to make large earnings, and can set their own schedules.

Entrepreneurs tend to be independent, confident, hard-working, well organized, and self-starters. If you work for yourself, your job stability will depend on your own effort and talent; your work hours may be long, but you will determine your schedule; you will succeed only if your business succeeds; your income may be low early on, but it may increase a great deal over time; you will have a large measure of control over the work you do and your workplace environment.

It is difficult to teach people how to be entrepreneurs. Many of us will never be entrepreneurs in the sense of owning our own business. However, as *Common Sense Economics* (Part 4: Element 2) highlights, you can think entrepreneurially even if you remain an employee of someone else's business. In practice, this means figuring out how to make your services more valuable to employers, current and future. Over time this will make you much more successful than concentrating on how much the boss is paying you.

If you truly want to be your own boss, you will first need a good idea for a business. While there might be many businesses you would enjoy starting or working at, you need to be sure that you have an idea that can succeed in a competitive marketplace. You want to be sure that there is demand for the product or service you will be providing. You also need to beware if there is such a high degree of competition in the business that it will be difficult for you to attract customers. You might consider trying to answer the following questions about your business idea:

- Have you considered all the advantages or benefits of the idea? Is there a real need for it?

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- Have you determined the exact problems or issues your idea is expected to solve?
- Is your idea an original, new concept, or is it a new combination or adaptation?
- What immediate or short-range gains or results can be anticipated?
- What are the risk factors?
- What long-range benefits can be anticipated?
- Have you checked the idea for faults or limitations?
- Are there any problems the idea might create? What are the changes involved?
- How simple or complex will the idea's execution or implementation be?
- Does your idea have a natural sales appeal? Is the market ready for it? Can customers afford it? Will they buy it?
- What, if anything, is your competition doing in this area? Can your company be competitive?
- Does your idea fill a real need, or does the need have to be created through promotional and advertising efforts?
- How soon could the idea be put into operation?

If after a careful analysis of these questions you are still convinced you have an idea worth pursuing, the U.S. Small Business Administration (<http://www.sba.gov/content/follow-these-steps-starting-business>) identifies these steps in getting started in your own business:

- Step 1: Write a Business Plan
- Step 2: Get Business Assistance and Training
 - Take advantage of free training and counseling services, from preparing a

business plan and securing financing, to expanding or relocating a business.

- Step 3: Choose a Business Location
 - Get advice on how to select a customer-friendly location and comply with zoning laws.
- Step 4: Finance Your Business
 - Find government-backed loans, venture capital, and research grants to help you get started.
- Step 5: Determine the Legal Structure of Your Business
 - Decide which form of ownership is best for you: sole proprietorship, partnership, Limited Liability Company (LLC), or corporation, S corporation, nonprofit, or cooperative.
- Step 6: Register a Business Name ("Doing Business As")
 - Register your business name with your state government.
- Step 7: Get a Tax Identification Number
 - Learn which tax identification number you'll need to obtain from the IRS and your state revenue agency.
- Step 8: Register for State and Local Taxes
 - Register with your state to obtain a tax identification number, workers' compensation, unemployment, and disability insurance.
- Step 9: Obtain Business Licenses and Permits
 - Get a list of federal, state, and local licenses and permits required for your business.
- Step 10: Understand Employer Responsibilities

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- Learn the legal steps you need to take to hire employees.

If you do not find yourself discouraged by this list, and are determined to do what it takes to start your own business, you may have what it takes to be a successful entrepreneur.

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