

# BEATING THE ROOKIE WASH-OUT RATE

*by Blanche Evans, reprint from realty times url- realtytimes.com*

When you enter a career in real estate you are armed with little more than desire, hope, a license to sell, and a little course work that is more geared to keeping you and your broker out of arbitration/litigation than helping you make money. You are up against incredible odds - 170 out of every 200 agents fail their first year, and only seven percent of those renew their licenses, according to an Arizona broker, Cec Daniels. Moreover, 76 percent of all agents earn less than \$30,000 per year, says the NAR's latest member survey. Yet, others earn in the six figures or in the millions. So how can you compete?

Here are some tips that will help you soar like an eagle instead of sink like a stone. Be realistic.

You are starting with zero clients and you don't earn any money until you close a client's home for him/her. Even if you start day one with a signed client representation agreement, it will be 30-45 days until your contract closes and you get paid. So, give yourself a more realistic time frame to start building a client base and selling some homes.

## **Don't go into real estate under subsidized.**

Most professionals agree that you will need a fall-back income cushion of at least six months to a year. Real estate pay days are irregular at best and every transaction will have a different commission amount. If you really believe in yourself, you can list your own home, sell some stuff, get a business loan, hit up your relatives, curb your spending, and otherwise tough it out until some commissions start rolling in. I recommend starting with as little debt as possible, even if it means divesting yourself of assets to get started. In other words, don't let a savings account or investment portfolio gather three to nine percent interest if you are forced to buy food on a credit card that charges 18 percent. Sell the stock. You can always jump back into the stock market when it makes financial sense to do so.

## **Prepare to invest in yourself.**

Getting your license to practice real estate is only the beginning. A license only qualifies you to go to work for a broker as an agent in most states, and you will be working without experience. To gain more insight into the real estate transaction, learn as much as you can.

Just as other professionals prepare for their careers with student loans and a college degree, you must expect to pay the same kind of dues to gain background in real estate. Agents can earn credentials from broker's licenses to an assortment of designations that denote to other professionals and the general public that they are experts in the field of real estate. Do you want to earn more? Brokers average 25 percent more income than agents. An N.A.R. affiliate, [The CRS Council](#) suggests that their designees are the top five percent of agents, involved in 25% of the nation's transactions. Set your sights high.

### **Prepare to reinvest in yourself.**

Be willing to take and/or pay for additional classes to give you the skills you will need to do business on the Internet and offline. Be prepared to invest in continuing education, a requirement in most states. Special tip: Don't wait until the last minute for continuing education. Look at your local real estate organization's offerings periodically and jump into a course that you need when it is offered. If you wait until just before it is time to renew your license, you'll end up with a course you don't need, and that wastes both your time and money.

### **Don't work part time.**

Would you consider becoming a part-time lawyer or accountant? Real estate is a profession of fiduciaries, not of sales. As a fiduciary, you couldn't possibly keep up with the changes in the marketplace or the newest rules, regulations and laws if you worked only part-time. Also, divided loyalties mean divided strengths. This is particularly true when you are attempting to become successful as an independent contractor, a situation in which you are already a lone ranger. It will only be a matter of time before your other job presents a conflict. What if a customer wants to view homes or your broker would like you to work the phones on the weekend and you can't get away because you're scheduled to work at your other job?

If you have a family, you already have a variable that can cut into your sales time. You still have to support your children, not just financially but being present at their ball games and recitals, too.

### **Don't expect your broker/manager to be your coach.**

A good broker will have enough of a competitive drive and financial cushion to be able to afford some in-house training, but expecting your broker/manager to coach you to success is unrealistic, particularly if the broker is also an active agent. Some brokers oversee double-digit staffs, and some into the hundreds. Time is not something s/he will have to spare. Save your questions for the really important issues. Ask other agents for advice when you need some.

### **Do hire a coach.**

An investment of several hundred dollars a year to get a good coach is well worth the money, and the goods ones will work over the Internet to assist you via email and regularly scheduled phone time. They will also mail you materials as needed. Coaches are easy to find. You can visit the popular real estate sites online such as [Realty Times](#) and [Realtor Magazine Online](#) and see which coaches are writing articles or advertising. Visit their Web sites. E-mail them and tell them what you want to learn, and ask for their pricing schedules. Use all of this data to evaluate their style of communication, so you can learn if this is the right coach for you and your niche.

On [Agent News](#), you'll meet [Joeann Fossland](#), a coach who specializes in daily business organization and time management tips as well managing the psychological side of being an agent. [Dirk Zeller](#) specializes in toughening you in the same way a football or

basketball coach would do, steeling you to "take those shots," and "win the game." In case you are beginning your career as a broker, as you can in some states with the right educational background (college degree, in some cases,) [Patti Brotherton](#) specializes in working with brokers and office managers. [Terri Murphy](#) specializes in e-business. Take advantage of free/low cost resources.

You don't have to pay for all the information you get. Much of it is free on the Internet. Top trainers who are public speakers often write articles and newsletters, such as [Mr. Internet](#), Michael Russer. When you join the N.A.R., you will receive *The Realtor Magazine*, but even better is its online counterpart, [Realtor Magazine Online](#). And don't forget the only independent real estate news service for agents on the Internet, [Agent News](#).

Visit your favorite bookseller online such as Amazon.com or Dearborn.com, and look up the real estate category. Look for authors such as Terri Murphy and Ken Edwards for quick agent help. But you'll want to know more. Need to learn about mortgages? Try *The Common-Sense Mortgage* by Peter Miller. Need to know about marketing? You can't beat *Real Estate Rainmaker*, by Dan Gooder Richard. Want to understand the Internet climate? Read John Tuccillo's *Click and Close*.

### **Don't expect real estate to be a cure for the past.**

Are you hopping from another job to real estate where you think you might be more successful? Take a good look at your life and try to make a fair assessment of where you are and why. Sometimes things happen to people and they get downsized through no fault of their own. They can also decide that a certain job is no longer satisfying, and choose of their own volition to try something new. Or they are let go because they failed to provide something a company thought it needed.

Whatever your situation, your personal strengths and flaws will come along with you and apply themselves to your new career as an agent. In other words, if you had a problem working for someone else or taking orders, it won't magically be different because you are your own boss now. It's an illusion - there is no such thing as being your own boss. You always answer to someone, whether it is a broker, another agent, or a customer. A new career won't make a divorce or an empty nest easier to bear, either. But what it can do is give you a focus so you can rebuild your life. Many of the nation's top agents, including [Ralph Roberts](#) and Coldwell Banker's top producer, Sheets began their ascents to fame and fortune under the cloud of early personal setbacks.

### **Take it a day at a time.**

You are learning a new career while you are on the job, and there is mountain of information to process, but it doesn't have to be done immediately. Give yourself a break and don't overload yourself. Take it a bite at a time. Cut up your day into easy-to-manage increments so that you can cover some farming, networking, market education, marketing and administrative tasks every day. Keep a balance as much as possible.