

With Scant Jobs, Grads Make Their Own

By Todd GUTNER

Andrew Levine knew he wouldn't find a job in investment banking when he graduated with an M.B.A. from the University of Miami in 2008. Wall Street was in the midst of a financial collapse. So instead the 24-year-old focused his efforts on launching a start-up. "I figured that starting my own company was the best use of my time while I waited for the market to thaw," says Mr. Levine.

Faceted with an unemployment rate of 16% for 20- to 24-year-olds, a growing number of recent college and grad-school graduates are launching their own companies, according to anecdotal evidence from colleges, universities and entrepreneurship programs around the U.S.

For his part, Mr. Levine built upon a business plan for a niche social-networking company he had created for an entrepreneurship class the prior year. He showed the plan to the father of a college friend who was an angel investor and got \$40,000 in seed money in exchange for an equity stake in the business. Mr. Levine created what he calls an online social-networking site for musicians and their followers. It serves as a forum for independent music community—both fans and musicians—to discover and promote new music. The site is in beta testing now with a launch expected in January.

This push toward entrepreneurship among young people is likely to continue as employers plan to hire 7% fewer graduates from the class of 2010 than they hired from the class of 2009, which saw a nearly 22% drop in hiring from the class before, according to a recent report from the National Association of Colleges and Employers. The annual average percentage of all job seekers starting their own businesses increased to 9% through the third quarter of 2009, according to Challenger, Gray and Christmas, a global outplacement consultancy. That's compared with 5%

at the end of 2008.

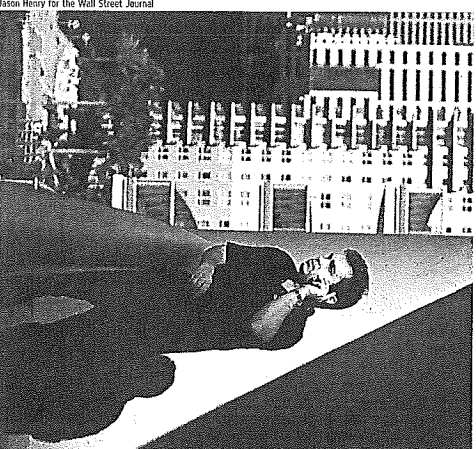
"Given the state of the economy, and the state of the job market, many young people are getting the push they needed to become entrepreneurs," says Bob Fishback, vice president of entrepreneurship at the Kaufman Foundation, a nonprofit that promotes entrepreneurship. "It's a lot easier to decide to launch your own company when there aren't a lot of jobs out there."

School career-service officials say it makes sense for new grads to go the start-up route. Young adults are often well-suited to put up with the long hours start-ups demand. They don't have the responsibilities and financial obligations that burden older adults. What's more, these graduates grew up on the latest technology and easily adapt to technological improvements.

Of course, young entrepreneurs also are likely to face their own hurdles. "Having the skill set to become an entrepreneur is different than any thing you learn in school," says Susan Arndt, the executive director of the Launch Pad at the University of Miami, an entrepreneurship-support program based out of the campus career center.

At the end of the program for young entrepreneurs, Mr. Arndt says, it's important for necessary help to get started. For current students or recent grads, it might be easier to reach out for assistance on campus. Many schools have campus incubators or offer start-up competitions, like Babson College's annual Entrepreneurship Forum, which offers cash, consulting, legal and Web services to winning business plans. Other schools have business incubators that help students—and sometimes outsiders—hone business ideas and, in some cases, support them financially or with other resources.

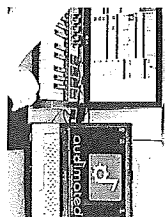
Mr. Levine turned to the Launch Pad before he sought out an investor to fund his business plan and inventor presentation. The program also gave him guidance for creating a venture strategy and trademarking the site's logo.



Andrew Levine (above) and his Web site (right).

A boot-camp training program or organized group for aspiring business owners also can help. The Kaufman Foundation's Launch Pad, a 10-week boot camp created throughout the country, and Y Combinator, an incubator in Boulder, Colo., offer cash and mentoring to young founders.

The biggest challenge, though, might be convincing investors and customers that a young 20-something has the experience needed to deliver on a plan. One way to clear that hurdle is with strong advisors. "Recruit the right advisors who will vouch for you who are experts in your field, will let you use their name and add beyond yours," says Mr. Fishback. Brooks Morgan, a 2009 graduate of University of Kansas, did just that. Mr. Morgan wanted to work in venture capital, but jobs were scarce, so he found work on the other side—at a start-up.



As vice president of business development for Energy, a start-up enterprise social-networking company, Mr. Morgan's first boss of business to attract advisors. His last two years in college, he had worked part-time with Richard Canuso, a venture capitalist, who introduced the three intrepid principals to people who could help them land deals with corporations.

Banking Bonus Points For Better Times

By Jane PORTER

It's no secret that bonuses—if they are given out at all—are likely to be less-than-hoped-for this year. According to PayScale.com, a site that provides salary reports across industries, bonuses dropped an average of 33% across the hard-hit financial sector over the past two years.

But even if you received a small bonus check, you can set yourself up for a more substantial bonus when company financials are better. First off, don't want too much. It can feel good to commensurate with co-workers, but maintaining a positive attitude at a time when most people are disgruntled will help you stand out. Don't take the dollar amount you receive personally and try to take stock of the company-wide strategy as a way to sort out your disappointment. Joining a chorus of complaining won't change things and can hurt the image your boss has of you.

"It's career-limiting to come across as dissatisfied," says Marsha Egan, CEO of Egan Group Inc., a Reading, Pa., professional coaching firm.

If you have unanswered questions, talking with your manager about how bonuses were determined is acceptable, but be sure to take a forward-looking approach, says Ms. Egan.

Dwelling in the past is a sure-fire way to anger your boss, says Don Hartzel, a retired executive with Insure, a retail executive search firm. "I've seen a lot of people who insure that out boss for me, that 30 years. When it comes to bonuses, you need to plan for the long run and not the short run," he says.

Frame your conversation around how you can help the company rather than making it all about you, advises Ms. Egan. Ask what you can do to help bring down costs, or how you can help a bigger role moving forward. One thing you should not do, less work in a tough economy, there's nothing more dangerous than slack off, says Rick Smith, co-author of "The 5 Patterns of Extraordinary Careers." Instead, consider taking on a leadership role to set yourself apart from the crowd—especially the complainers. "The worst possible thing you can do for your career [is to feel] 'You're not paying me so can I slack off,'" says Mr. Smith.

If you are convinced you should have received more money, it might be appropriate to approach your boss to request a reevaluation—but make sure to have a clear case for how you contributed to the bottom line before you ask for the meeting.

Jack Chapman, career and salary coach and author of "Negotiating Your Salary," recommends researching the marketplace to see how your compensation stacks up to others. Web sites like PayScale.com and Salary.com offer data-driven estimates for bonuses and salaries by field and job level, while sites like Glassdoor.com and Vault.com profile careers and often include compensation data.

Go into a negotiation with a number in mind, says Mr. Chapman. Knowing what you want and putting it out there will do you far more good than letting the boss throw out a number first.

While compensation tends to be similar across different companies in the same industry, opportunities for growth can vary widely, different, says Mr. Smith. Don't let one year's results govern the rest of your career by overreaching. "Keep your head down, build value for yourself and eventually you will get paid down the road," he says.

If you see the parity bonuses as part of a larger trend at your company, you could consider looking for a job elsewhere. But, Jim Piper, principal at Stanton Chess International, says it's a long-term. "He gets about 20 times a day from traders stone. It's probably a good time to set your dissertation," he says. "The bonus structure, the situation will never be as it was before."

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