

**Network Marketing: Recession Creates**  
**An Explosive Industry 2008**  
**Monday, January 28, 2008 Call**

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We will examine the reasons why recession is a great time for networking so you can be in a better position to discuss them with potential Business Builders or “I Caner’s”.

1. Evaluate History

(a) Recessions: people experience and economic downturn...lost jobs, lost earnings, lost hope, lost security, etc. Where to turn?

**1950’s:** early 1950’s, no network marketing companies worth talking about; late 1950’s, Shaklee, Neolife, and Amway all came out from 1956-1959. Unemployment rate low in first half (in fact in 1953 it was an all time low of 2.9%). In the last half of the 1950’s, the unemployment rate was highest since the Great Depression in 1958 at 6.8%.

**1960’s:** early 1960’s all networking continued to flourish with advent of Mary Kay in 1963, and Avon, Tupperware, and Fuller Brush all achieving momentum. Late ‘60’s saw a great softening in the industry with no new companies coming on of any significance.

Unemployment high in the first half of the decade; over 2 and ½ million workers were back to work in the second half.

**1980’s:** Again we saw the network marketing industry really flourish in the first half; while in the second half of the decade, it softened and many network marketing “fiascos” occurred. When networking is soft, people and companies take more risks. There were twice as many lawsuits in the second half of the 1980’s as were in the first half. In the first half the unemployment rate reached its highest level in 40 years at 9.7%. While at the end of the ‘80s there were almost ½ the number out of work as there were in the early ‘80’s.

**1990’s:** Once again, the trend occurs. In the early 1990’s (1990-1994) huge momentum in the industry, in fact “there was more wealth created in by way of MLM from 1990 to 1994 than any other time in

history.” Network Marketing Lifestyles May 2000. From 1996-1999, we had a network marketing recession. In the early 1990’s, the unemployment rate was very high and then in the later years in the 1990’s it hit a 30 year low of 4.2%.

Why were the 1970’s an exception? They really were not but they played out differently. It was an exceptional decade...the first half of the ‘70’s saw unemployment rates jump. The attention to network marketing took off but with all the heightened attention, five times as many lawsuits were filed from 1970-1974 than all of those filed in the ‘50’s and ‘60’s, and the big one, Amway, which challenged the very existence of network marketing, lasted until finally settled in 1979. This legal dispute of course dampened what otherwise would have been a greater boom in network marketing in the second half of the decade. In the first half, recession of ‘73-’75, many MLM companies’ growth took off.

2. Where are we headed in 2008?

All major indicators suggest recession: stock market, credit card debt, mortgage foreclosures, fall of the dollar against foreign currencies, company earnings reports across all sectors, manufacturing sector, employment figures, etc.

3. How do we take advantage of this opportunity?

- (a) Market health products? This does not solve the average person’s perceived need/want. Health can not be a major priority in this time.
- (b) Make a shift to support people in building residual streams of income to empower them to withstand any kind of economic downturn. “Recession causes people to open their minds to gaining alternative sources of income.” Lou Clements, Marketwave Inc.

4. What are the selling points of a network marketing business?

- (a) Security (not found in a recession)
- (b) Financial freedom
- (c) Time freedom
- (d) Self-development
- (e) Self-employed; no boss so no sacrifice of your own values;  
Creating your own standard for the ethics in your business
- (f) Time freedom
- (g) Purpose driven: helping others with focus on them

- (h) Unlimited income: no one telling you what you are worth
- (i) Residual income
- (j) Dream again
- (k) Great relationships
- (l) Reduce stress
- (m) Great incentives to get opportunities to travel the world
- (n) No employees
- (o) Tax benefits are terrific

5. "I Can" fits within this model perfectly as an approach to support people in gaining streams of residual income

Use this as an answer to the upcoming recession...

Need...fulfillment; we must learn how to promote the business and do it well. Those who do will surely be overwhelmingly successful in the next year.

**SO, STRAP YOURSELF IN AND GET READY FOR THE RIDE OF YOUR LIFE!!**

**ON A MISSION!**