

Chair's Corner by Dr. Gary Blank



The 2009 Return of our Newsletter: I was the AICN Chair from 1999 to 2002. I have been recycled. Now that I am back as AICN Chair, I am re-awakening our AICN newsletter. Our enthusiastic 2009 Committee has some exciting plans and innovative ideas, which will be helpful to all IEEE members in these challenging times. I asked each of the members of the Committee

(all practicing consultants) to write an article for this kick-off version of the new Newsletter. Here is my contribution. It is similar to an article that I wrote in an old AICN newsletter almost eight years ago. The information is still timely.

How to Find Clients: Finding clients is the most crucial aspect of being a consultant. When I decided to launch my consulting career, my mentor advised me to try a variety of methods for finding clients. I have been taught, and I have used, more than twenty methods — all of which I discuss in detail in my seminar on consulting. It is easy, comfortable, and it gets results.

Here is one of my favorite methods for finding clients:

I visit the universities and colleges in my area. The two people I seek on each campus are the Chair of the Electrical Engineering Department (or related area) and the IEEE Student Branch Faculty Advisor. I introduce myself as a consultant, and make two offers. I offer the Department Chair my availability as a speaker to talk to the students about industry, and what it is like to be an engineer. This offer is very valuable to the Chair, and I am often referred to another faculty member to implement it. It is important to make a good impression, to be sincere, to be generous with your time and offer, and to leave your business cards with everyone you talk to.

I also offer the Student Branch Advisor my availability as a speaker about many aspects of the engineering profession. IEEE's Student Branches are anxious to get speakers for their meetings.

How does speaking to students and student groups enhance your consulting business? Indirectly, the students may be helpful later — but they are not the principal target. The key person in this scenario is the Department Chair. When there is an engineering problem in industry, managers often call the nearby university to seek help. Most of the faculty members do not have the time or desire to accept consulting assignments. But the Department Chair who gets the call remembers the consultant who introduced himself and offered to speak to the students. This method has worked for me. It has resulted in many consulting assignments. It will work for you too. Try it.

How To Get Started In Consulting by C.B. Johnson

The first step is to gain skills that you can market. You accomplish this goal through education, experience and using your natural talents. Then, you either work for another company as an employee (think of yourself as an "in-house consultant"), or you establish your own company and work as a consultant (independent contractor).

For many reasons, taking the first big step to work on your own as a consultant is not easy. However, this first step is often made easier (in practice), if you are laid off. If you are laid off, instead of again looking for someone to hire you as an employee, why not market yourself as a consultant?

Lots of good references and information are available to help you successfully establish your consulting practice. You can

Clients and the Power of Sharing Contacts by Paul Kostek

For anyone starting out as a consultant, the first challenge can be finding clients. And even if you get your first assignment, how do you find the second, third and other future assignments? Being a part of an IEEE Consultant Network provides two great advantages. First is the opportunity to meet with other consultants and second repeated exposure provides opportunities to develop those contacts to assist in helping you find clients. Look for consultants with similar backgrounds. See if you can assist them on projects. You may get the chance to take on assignments they are unable to.

Make sure you're in the Consultants Database [www.ieeeusa.org/consultants]. The database provides another opportunity to share work with others. You may see a project or assignment that interests you, but you can't do all of the work. Search the database to find others to partner with.

If you already have an on-going business, why would you want to share your clients or contracts with another consultant? Well, if you can't take on an assignment, but you find your client a person who can, they'll remember you for helping them out. The other consultant will appreciate the opportunity. And at some point, going the extra mile will bring you work from that client, or the other consultant.

The Consultants Network offers the power of a network, if you're willing to use it.

find a wealth of material on the IEEE-USA Web site. As bad as the general economy is at this time, it is actually a very good time to be a consultant.

Review some of the available information at www.ieeeusa.org/business/. Contact other IEEE consultants for free advice. In general, they will be very helpful. And attend a local IEEE Consultants Network meeting.

Considering Engineering Consulting as an Option

by R.H. Gauger, P.E.

If you are an IEEE member facing a cutback due to tight budgets, downsizing, or off-shoring, perhaps you should consider consulting as one of one your options. To make an immediate savings, companies frequently lay off specialized, experienced (and more highly-paid) employees that have skills a company continues to need, but only on a part-time basis. As an independent consultant, engineers can then offer their special skills to industry for a fee. This type of self-employment can be particularly attractive. From the company's viewpoint, it has realized an immediate dollar-savings. From the consultant's viewpoint, this arrangement allows an opportunity to serve more than one client.

To make the most of such opportunities, consultants need to have up-to-date, salable skills; a high-risk tolerance; and a special mix of personal characteristics needed for self-employment. Often, experienced engineers are more likely to have acquired such abilities. On the other hand, the demand for competitive computer skills means younger engineers can also do well in consulting.

For the consultant-to-be, the first evaluation should be whether consulting is the right option. Ask yourself:

- Are you a risk-taker?
- Can you work at home, with its many distractions?
- Can you solve new problems on your own?
- Are you organized? Can you handle multiple clients and multiple deadlines?
- Do you work well with people?
- Can you continually market your services? Some engineers find this one difficult.
- Can your finances support you during a start-up period of six months, or more?

The best time to consider consulting is while you are still employed, but you can see the handwriting on the wall. Join a local consultants network, and talk to the members about their experiences. Read all you can about consulting and the fields that you plan to enter. Network and meet potential clients. Use your vacation or free time to do some moonlighting for a short consulting assignment. If you like what you are doing, you are on track.

Consider your financial resources. Consulting requires a much smaller cash outlay than other areas of self-employment, but you will need several thousand dollars to equip your office — more if you also need a lab, or special equipment.

Much more important: planning your living and marketing expenses for the first six months, or until your first contract is completed and paid. Today, many companies are not paying invoices as promptly as they were in the past. Realize that you are entering a new field. Be aware that it may take several years before your new consulting practice is providing an income comparable to your previous salary.

How to Get Started as an Engineering Consultant

by William R. Kassebaum, P.E.

I started my small consulting business more than 10 years ago with a small group of skilled engineers. At the time, we had only limited experience with how to run a company or market ourselves to potential customers. Over time, I have learned a number of secrets key to starting or growing a consulting practice. Succinctly put: you must identify your strengths; improve your credentials; and farm your professional network. These strategies are powerful, yet simple concepts that should guide you and foster your practice as you grow.

First of all, you need to know yourself, and identify your strengths and weaknesses. What skills do you have that set you apart from other consultants? In what areas do you perform the best? Make sure you highlight these skills and communicate these abilities to your potential clients.

Second, do you have good credentials? You can always improve your credentials, even if you have a Master's or Ph.D. You can get your Professional Engineering License (PE). And you can get other credentials in your field that may help you identify yourself as an expert in your chosen industry. Also, consider writing articles or publishing white papers on topics of interest to you. Such publications become credentials you can refer to.

Third, grow your professional network! It just doesn't matter how awesome you are if no one knows you. In consulting, people work with those they know and like. Consider volunteering with the IEEE to meet others in your field. Find and attend meetings associated with your industry and with executives and directors who may be potential customers. Introduce yourself confidently and repeatedly. Take time to grow a relationship over months and years. A carefully cultivated relationship can lead to other contracts and referrals! Also, the old adage holds that you get more work while you are working than when you are not working. That is because you are meeting people in the industry that you are working in. Those meetings and referrals are powerful. So, get out there and socialize!

In summary, you need to learn many aspects of business to help you succeed. But, the keys to getting started as an engineering consultant by getting and growing your workload is simple:

- Identify your strengths and key service offerings; highlight them when you introduce yourself
- Improve your credentials by getting your P.E. or other certifications; write articles on topics of interest to you
- Get out and meet people to grow your network; volunteer in the IEEE; become acquainted with those in your target industry
- Take time to farm — plant seeds of relationships with your professional network; water those seeds; ask for referrals

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Welcoming New Local Networks

We have new Networks joining us! In February, I was invited to talk to the Florida West Coast Section (Tampa/St. Petersburg). My talk focused on why the Section needed a Consultants Network. Two days later, I did an additional 6-hour, how-to seminar for Section members on consulting and its benefits. This seminar was well attended. At the end of this seminar, I issued my call — calling the attendees and the Section leaders to work with me to launch the Florida West Coast IEEE Consultants Network — right there on the spot, before everyone left the seminar. We had some very enthusiastic participants and the rest is history. On 17 March, the Florida West Coast Consultants Network was approved as a new IEEE Affinity Group. This method of doing the Section meeting, followed by the “how to do it consulting seminar” has been working very well for re-invigorating existing networks — and especially well for starting new ones.

I have been invited, and I will soon be going, to Charleston, W. Va., to participate in the same activity. Then, I'm on to Lincoln, Neb., to start a new network there. I have also been invited to go to Kansas City, Mo., in July to re-invigorate their network. We are going to use the same method — as if we are starting from scratch — in Kansas City. I will be speaking at a Section meeting, and then also doing my 6-hour, how-to seminar two days later.

There is more good news! I did not go to Houston in person, but I have been communicating with them and working with their leaders to start a Consultants Network. I am pleased to announce that on 27 April 2009, IEEE received application materials from the Houston Section to establish a new network and Affinity Group.

Networks outside the United States

There is also a new network in Colombia, South America. If you want to see a full list of networks inside and outside the United States, please check out our local networks page at the IEEE-USA Web site.

Upcoming Webinar

I will be doing an IEEE-USA webinar on 9 June, entitled “Consulting 101.” For details, please see the “Webinar: Consultants 101” in this newsletter. Also, keep a look-out for future webinars in the fall by checking <http://www.ieeeusa.org/careers/webinars/>.

Please remember: our theme and mission this year is to keep asking and answering the question: What can we (AICN) do to help our fellow IEEE members in these challenging times? So, if you need us, please don't hesitate to call.



Webinar: Consulting 101

The Alliance of IEEE Consultants' Networks Coordinating Committee (AICNCC) is holding the first in a series of webinars on 9 June 2009 at 2:00 pm EDT. This webinar will be most informative, addressing issues consultants deal with every day. In addition, if you sign up and participate in this webinar, you'll receive free access to IEEE-USA E-Book: *The Best of Today's Engineer: On Consulting*.

Consulting 101

If you are concerned about losing your job in this slowing economic climate, and are considering making the transition from a full-time corporate position to a full-time independent consultant, then this webinar is for you. Additionally, if you are already consulting and looking for ways to increase your assignments and client base, you will find this webinar very informative and helpful. Issues explored will include:

- Introduction to modern consulting and the consulting marketplace
- Myths about consulting — some are true, some are false
- Reasons to become a consultant — How do these reasons influence your success as a consultant?
- Critical details and important concerns about Getting Started — What are the steps?
- Simple Record Keeping procedures that many consultants use

This webinar is a free presentation. You can register for this event at <http://www.ieeeusa.org/careers/webinars/>. Access to the free E-Book only goes to actual webinar participants. We look forward to seeing you — log on!

AICN at the Annual Meeting

Your AICN was on display at the IEEE-USA Annual Meeting from 26 February to 1 March in Salt Lake City, Utah. We had a prime location for our booth, and a full set of flyers and handouts detailing our current services. We also had copies of How to Start a Local Consultants Network on display. To top it all off, we had an internet connection for live demonstrations on how to navigate through our IEEE-USA Consultants Directory, and other AICN Internet resources. The booth was staffed during all the breaks, giving us a chance to learn more about IEEE consultants' needs.

We realize that with the present economy, more U.S. IEEE members will be considering consulting. Our display was aimed at helping all consultants, as well as Section and PACE Chairs, organize local consultants networks, and to assist them in offering help to their local members. If you were not fortunate enough to get to Salt Lake City, you can see a listing of all the Consultants Networks, IEEE-USA E-Books and the Consultants' Database at <http://www.ieeeusa.org/business/>. Remember: Annual Meetings are a great place to network, so come see us next year from 4-7 March 2010 in Nashville, Tenn.

Award

Also, congratulations go to Martin Izaak, a 2008 recipient of the IEEE-USA Professional Achievement Award. At the 2009 IEEE-USA Annual Meeting in Salt Lake City, Mr. Izaak was honored for his efforts in establishing and chairing the Consultants Network in the IEEE New York Section. The Professional Achievement Award for Individuals goes to recognize significant specific contributions, achievements and individual efforts in the development and implementation of professional activities in the United States.

For questions, comments or submissions
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www.ieeeusa.org/business

IEEE★USA

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Unemployment Rate for U.S. Engineering and Computer Occupations Jumps Significantly in First Quarter

The unemployment rate for U.S. engineering and computer occupations is increasing more rapidly than for professional occupations in general, according to data released Friday by the Department of Labor's Bureau of Labor Statistics (BLS).

"Engineers create jobs, so these data are very discouraging," IEEE-USA President Gordon Day said. "Engineers strengthen companies and start new ones, leveraging the economy upwards. The fundamental need is for capital to support engineering activity. That's why the government's investments in technology and its efforts to restore the banking system are so important."

The unemployment rate for all engineers jumped from 2.9 percent in the fourth quarter of 2008 to 3.9 percent in the first quarter of 2009. For all computer occupations, the rate went from 3.3 percent to 5.4 percent. In comparison, the quarter-to-quarter rate for all professional workers increased from 3 percent to 3.7 percent.

For electrical and electronics engineers the jobless rate rose from 2.4 percent to 4.1 percent, quarter to quarter. For mechanical engineers, it went from 2.1 percent to 4.2 percent. Aerospace engineers suffered less, with an increase from 1.1 percent to 1.4 percent.

In computer occupations, the rate for software engineers went from 1.9 percent to 4.2 percent. For computer scientists and systems analysts the change was from 3 percent to 5.7 percent.

High-tech managers also experienced unemployment increases. For computer and information systems managers, the rate rose from 2.7 percent to 4 percent. For engineering managers it went from 1 percent to 1.8 percent.

"We at IEEE-USA are concerned about how rapidly engineering and computer-related unemployment is trending upwards," Day said. "In 2007 the overall engineering unemployment rate was only 1.2 percent."

IEEE members can find career enhancement resources at <http://www.ieeeusa.org/careers/>. Help for unemployed and at-risk members is available at <http://www.ieeeusa.org/careers/help/>.

Watch for the 2009 IEEE-USA Consultants Fee Survey

As a consultant is preparing a proposal or negotiating a contract, one of the primary concerns is deciding how much to charge. To establish a fixed price, or a fee that is both competitive and fair, the consultant needs to know what other consultants working in similar fields charge. In response to this need, the Alliance of IEEE Consultants Networks (AICN) conducts national fee surveys of its members.

The annual Consultants Fee Survey used to be conducted in late fall; however, beginning this year, it will be conducted in the spring to provide more timely data. All IEEE Members who indicate in their membership profiles that they are consultants will be e-mailed an invitation to take the survey, unless they have opted not to receive e-mail from IEEE.

To have free access to the survey report, you only need to complete the Fee Survey yourself. So please participate in 2009 IEEE-USA Consultants Fee Survey. We're sure that you and your fellow consultants will benefit greatly from it.

IEEE-USA Web Resources for Consultants

For those of you who may be considering, or just starting out in, the world of engineering consulting, or are already long-time consultants, we have developed this brief summary of IEEE-USA services that consultants can access at <http://www.ieeeusa.org/business>. In our winter issue, many of our story authors referred to some aspect of services that can be found on the Consultants Services Web page. We want to provide you with a brief summary of services, so you are aware them:

WEB SERVICES

IEEE-USA Consultants Database — An exclusive online database that is available to U.S. IEEE member independent consultants. Prospective clients search this database for consultants with relevant qualifications, as well as post assignments on its Assignment Board. In March, the Database logged more than 40,000 visits. The annual fee for a listing is only \$79 for IEEE members.

E-Book: 2009 Profile of IEEE Consultants — This report on the IEEE-USA 2009 Consultants Fee Survey provides the profile of self-employed technical consultants, including their education, experience, business practices, median earnings and hourly fees. The 2009 Survey will be conducted this spring and the e-book report published this summer.

The Best of Today's Engineer: On Consulting — A compendium of the best content from *IEEE-USA Today's Engineer* magazine on consulting, this IEEE-USA e-book puts 65 pages of useful information right at your fingertips. It includes information on how to start a local consultants network; how to make sure you get paid for your work; and how to make the transition from marketing to paid consulting. IEEE Member Price: \$4.95; Non-member Price: \$14.95.

Local Networks Listing — A directory of Web sites and principal contacts, where available, for each of the local IEEE Consultants' Networks in the United States and abroad.

Consultants Workshops — Lists workshops from some of the more than 30 local consultants networks throughout the United States. Consultants can go to this Web page to find local workshop information. Many Consultants Networks use this reference to find out about and borrow workshop ideas from other Consultants Networks.

Web Resources — Provides links to more than 30 Web sites where consultants can go to access information about venture capitalists to tax experts.

These resources are just a sample of what awaits engineering consultants at <http://www.ieeeusa.org/business>. Check them out! Contact Daryll Griffin at d.r.griffin@ieee.org with questions, or for further assistance.

Reports:

Kauffman Foundation: Entrepreneurship Still on the Rise

The latest **Kauffman Foundation Index of Entrepreneurial Activity** shows that the level of entrepreneurial activity in the U.S. increased slightly from 2007 to 2008; approximately 530,000 new businesses started up each month in 2008, representing a .02 percent increase over 2007. Check out the report online at: http://www.kauffman.org/uploadedFiles/kiea_042709.pdf.



Simple Things You Can Do to Find Clients

The recent free webinar, Consulting 101, was very successful, with more than 100 participants. I really enjoyed doing it. Many participants contacted me afterward, and asked if we can proceed with Consulting 102. It is in the works.

Various Sections and Networks frequently invite me to come and help with the start-up of a new Consultants Network; to train new consultants; and to help working consultants expand their practices. I do a live six-hour seminar on *How to Start a Successful Consulting Practice or How to Expand an Existing One*.

One of the subjects I spend a lot of time on is teaching seminar attendees how to find clients. An expert in the field taught me, so I teach his subject matter, and what has worked for me. He taught me that mass or blind resume mailing is a waste of time and money, and emphasized that one should do the unusual — things that others do not do. In the seminar, I teach more than twenty different effective methods of finding clients. Here is one that I would like to share with you:

Having attended and graduated from three different universities, I receive a lot of alumni mail, including solicitations, announcements and newsletters. I used to throw most of them away, until I realized what a powerful resource the alumni newsletters were for finding consulting business. And now that I have used this method successfully many times, I can share it with you.

When I receive a newsletter, I quickly turn to the page where promotions and accomplishments are announced. These announcements are usually grouped by years of graduation, in chronological order. I look for the years close to my years of attendance at the university.

Usually, I do not recognize the names or the pictures of the people there. However, I intensely read about all the promotions and advancements. I circle the ones where the alumnus is possibly in a position to deal with or hire consultants. Then, I prepare a short and simple, hand-written note that reads something like this:

Hi X,

Congratulations on your promotion to the position of Vice-President of Engineering. You are a credit to the university and your promotion is evidence of the high caliber of students from our Alma Mater. We probably took a few classes together and possibly played on the same intramural teams. It would be enjoyable to get together and reminisce about those glorious days.

I have held several challenging positions since graduation, and my career has benefited from all of these experiences. I am currently a full-time consultant. I help companies solve difficult engineering problems, and I really enjoy what I do.

Perhaps our paths will cross before the next class reunion. Contact me, if I can be of service to your company. My card is enclosed.

— Signed

How many similar notes do you think this person will receive? Probably only one — yours. If that company has a need for a consultant, chances are excellent that you will be remembered? It is simple and it works. ■

IEEE-USA Hosts Record Number of Participants for Consulting 101 Webinar

"This session was very informative! I would attend future sessions," wrote Nawaz Hosein, after participating in IEEE-USA's Consulting 101 webinar. With more than 110 participants from across the country listening and watching, Dr. Gary Blank, chair of the Alliance of IEEE Consultants' Networks Coordinating Committee (AICNCC), gave detailed advice in his hour-long presentation about what people should consider when they make the decision to become a consultant.

Dr. Blank describes this webinar as a basic primer on engineering consulting. He covers why people generally go into consulting; basic tools people need to get their practice off the ground; and challenges people may face when just starting out. He also addresses such issues as insurance coverage, and tax and record-keeping. Dr. Blank also kept attendees attention by injecting a little personal history into the

discussion, sharing his own compelling story about embarking on the journey into consulting.

Dr. Blank ended the session with a quick question and answer period. He also promoted the Consultants Database, taking the Consultants' Fee Survey, or being a part of a Consultants Network for those attendees not involved in any of the IEEE-USA consultant services.

The AICN Steering Committee plans on doing a follow-up to this webinar, to the delight of many, including Ahmad Haque, who wrote, "Please do more sessions, ASAP!"

For those of you who missed this webinar you can view it and previous webinars at www.ieeeusa.org/careers/webinars/default.asp. ■

Getting Started

Entrepreneur Magazine Provides Excellent Resource for New Consultants

The AICN Steering Committee is always looking to provide our Consultants Networks with leads to good information that will help their members develop successful practices. An article posted on www.entrepreneur.com provides an excellent primer for consultants just starting out.

This article is an excerpted from Entrepreneur Magazine's Consulting Business start-up guide. It's a six page overview covering issues consultants should focus on such as:

- Your Target Market
- Location and Employees
- Income and billing
- Marketing
- Resources

Although this article is not specifically directed towards engineering consultants, it provides

sage advice all potential consultants should consider. For example, it lists things to consider before you become a consultant:

- **What certifications and special licensing will I need?** Depending upon your profession, you may need special certification, or a special license, before you can begin operating as a consultant. For example, fund-raising consultants don't need special certification, although you can become certified through the **National Society of Fund-Raising Executives**. And in some states, you may need to register as a professional fund-raising consultant before starting your business.
- **Am I qualified to become a consultant?** Before you hang out your shingle and hope that clients begin beating your door down to hire you, make sure you have the qualifications necessary to get the job done. If you want to be a computer consultant, for example, make sure you are up-to-date in the knowledge department with all the trends and changes in the computer industry.

- **Am I organized enough to become a consultant?** Do I like to plan my day? Am I an expert when it comes to time management? You should have answered "yes" to all three of those questions!
- **Do I like to network?** Networking is critical to the success of any type of consultant today. Begin building your network of contacts immediately.
- **Have I set long-term and short-term goals?** And do they allow for me to become a consultant? If your goals do not match up with the time and energy it takes to open and successfully build a consulting business, then reconsider before making any move in this direction!

This article can be found at: www.entrepreneur.com/startingabusiness/businessideas/startupkits/article41384.html

Also, don't forget you can go to www.ieeeusa.org, and check out all the tools we offer our Consultants Networks. ■

Promoting Your Services

Use Craigslist to Market... Yourself

Leibson's Law (Blog): Written by Steve Leibson, former Editor in Chief of EDN. You can email me, Mr. Leibson, at steven.leibson@att.net. This blog is about the disruptive technologies that either have or will win over electronic engineers; some that won't; and why.

In my continuing quest to return to gainful employment, I've been learning about the latest methods for marketing yourself. This week, I attended two sessions on networking (the human kind, not the 802.xx kind), and today I attended a half-day session on using Craigslist as a consultant's marketing tool. In this blog, I'll focus on today's session, which was put on by the local IEEE section's Consultant's Network Silicon Valley (CNSV). The instructor was Carl Angotti, a design engineer and long-time consultant who specializes in medical products, project management and product development. Carl's been consulting for 30 years, so he knows a thing or two about consulting, and how to stay in business, even in tough times. Since 2003, he's been using Craigslist to market his

services effectively, and he shared the secrets of his success with us today.

There were more than 20 people in the audience this Saturday morning, and we met at Cogswell Polytechnical College in Sunnyvale, literally a stone's throw from my current marketing consulting gig. The name of the college reminds me of Cogswell Cogs from the 1960s animated TV show, *The Jetsons*. Had there been anyone from the college present this morning, I probably would have heard "Yeah, we get that a lot," but it was just us consultants, plus a videographer this morning.

I was the only marketing consultant swimming in a sea of engineers. Unsurprisingly, a lot of the attendees had been laid off since the beginning of this year. The range of specialties was pretty interesting, so I jotted them down in order from the introductions:

- Microwave antenna design
- IC and ASIC design
- Software QA automation
- Database programming
- Printed-circuit board design
- FPGA design and optimization
- Medical device development

- Expert witness
- Systems engineering
- Semiconductor manufacturing automation
- High-performance computing
- Renewable energy
- Analog IC design
- Management consulting
- Firmware engineering
- Electromechanical design

Quite a variety. All can benefit from Angotti's self-marketing techniques. Even me.

The first thing to understand is that Craigslist now fills the niche formerly occupied by the local newspaper classifieds. Craigslist listings are faster, cheaper (free), and do not require the reader to buy a subscription or a copy of the newspaper. In essence, Craigslist classified ads have far less market "friction" than newspaper ads. That's why Craigslist has sucked almost all of the advertising out of the local newspapers' classified advertising here in the United States.

Angotti's technique is based on using Craigslist's "resume" section. Many of the people in this morning's class didn't know that Craigslist had a resume section. In truth, I didn't know it either until I was laid off some weeks ago. I missed

Protecting Yourself & Your Business

Professional Liability Coverage Protects Consultants

Professional Liability Coverage for Technology Professionals

Most everyone is aware of liability risks in this litigious society. A better-informed public, aware of clients' rights and the potential to recover costs and damages and perhaps embittered by the failing economy, is often encouraged to bring suit against professionals. Informed professionals are even more aware of their vulnerability to liability issues every workday. They face increased risk exposure as more become self-employed. Whether claims are frivolous or fact, simply being named in a claim has significant emotional and financial expenses. That's why, if you own your own business, or are temporarily or permanently self-employed, it is essential to protect against the cost and serious consequences of professional liability claims.

Professional Liability Insurance vs. General Liability Insurance

General Liability insurance provides protection when a business is sued for something it did or did not do that caused bodily or personal injury, including liable and slander, or property damage. Without General Liability insurance, a single accident could create a significant financial strain and potentially drive you out of business.

Professional Liability insurance, commonly known as Errors and Omissions (E&O) insurance, protects professional practitioners, such as technologists, against potential negligence claims made by their clients. This type of policy is increasingly becoming a requirement for all professional service providers.

The primary reason for Professional Liability coverage is that a typical General Liability insurance policy will only respond to a bodily injury, property damage, personal injury or advertising injury claim. However, the sophisticated products and services provided by technology professionals can cause claims without causing bodily injury, property damage, personal injury or advertising injury.

Common reasons alleged in making claims on Professional Liability policies are negligence, misrepresentation, violation of good faith and fair dealing, and inaccurate advice. For example, if a software product fails to perform properly, it may not cause physical damages, personal or advertising injuries, therefore the General Liability policy would not be triggered. It may, however, directly cause financial losses which could potentially be attributed to the developer's misrepresentation of the product capabilities.

Liability Insurance for Technologists

Professional Liability and General Liability insurance policies are designed to complement one another. Both cover allegations, whether or not actual, the legal costs to defend a suit and compensatory damages awarded to claimants.

Risk management professionals often recommend technology professionals purchase both General Liability and Professional Liability insurance to ensure your business is adequately protected against liability claims, eliminating the worry and risk associated with gaps and coverage.

Unfortunately, some technology professionals experience difficulty in obtaining General Liability insurance when their business is based out of a home office, leaving their business susceptible to significant risks.

In an effort to fill the protection gaps currently faced by some technologists who are unable to acquire General Liability insurance coverage, IEEE is working with Marsh Affinity Group Services to create a General Liability endorsement to the existing Professional Liability plan. This new General Liability endorsement will be offered to IEEE members whose work concentrates in the fields of computer hardware/software which would include: electronic data processing, systems analysis, software design, programming, computer systems/consulting and computer/systems installation and support.

This exciting new product, which will be made available to IEEE members later this year, will provide a comprehensive solution to protect the assets and reputation of your business in the event of a claim.

To learn more, you can contact Marsh Affinity Group Services at 1-800-375-0775 or access information online at www.ieeeinsurance.com. ■

(Craigslist cont'd)

noticing the resume section before that, because I used Craigslist mostly to buy stuff like old, historic HP desktop computing gear and used Ikea furniture. However, there is such a section and you can post a resume in it for free once every 72 hours. Part of the battle is just posting something. "Envisioning" the act isn't sufficient. You need to actually do it, of course.

What you post is at least as important. You want to stand out from the crowd. You do that in two ways. First, you need to firmly conform to the "WIIFM" principle, which means "What's in it for me?" Resume readers want to know what you will do for them and not what you know or what jobs you've previously held. You have precious little time and relatively little screen space to make that point so you cannot waste the screen space on the conventional paper-

resume formats. You also can't exploit the Web's ability to absorb as many characters as you care to type. Posting a 5000-word resume defies readers to figure out what you can do for them because no one has the time or the patience to wade through that much verbiage any more. We live in an instant-gratification world.

Second, you need to optimize your listing for Craigslist's search engine. Here, Angotti has a neat trick. He skims the job boards — he favors Dice.com — for related job listings, and he mines long lists of relevant keywords by copying entire job descriptions from these job boards and sluicing them through text analyzers that perform frequency analysis on the words in the descriptions. Delete common words such as *a*, *an*, and *the* and you've got good start at a relevant set of keywords. Carl

shoots for 500 or so keywords, which he then deposits at the bottom of his resume simply as a search-engine magnet. Now realize that these filtered keywords ought to relate to your resume. Otherwise, you're just fooling the searcher. Worse, you're fooling yourself, if you think that you can get a job using a blatantly obvious trick.

Today's training cost me \$47, and I'm tracking those dollars pretty darn carefully these days because there aren't that many coming in. Nevertheless, I consider the money well spent. Today's session was videotaped and will end up on the CNSV site for members only. If you're interested, check out the site. They sponsor many such programs during the course of a month, and I plan to pay more attention to them myself. ■

Recovery: Economic Stimulus in Action

New SBA-Guaranteed Emergency Bridge Loans Now Available

The U.S. Small Business Administration (SBA) began guaranteeing emergency bridge loans for small firms in mid-June.

Through the program, small businesses that are having trouble making payments on existing non-SBA loans can borrow as much as \$35,000, interest-free. The money can be used to make up to six months of payments of principal and interest on small-business debt, including mortgages and credit cards.

Small businesses will have one year after the final disbursement of these bridge loans before they have to start paying them back. Then, borrowers will have five years to repay the loans.

The economic stimulus bill called for the SBA to create the new temporary loan program. The agency will guarantee 100 percent of the amount of these America's Recovery Capital loans, which will be made through its network of private-sector lenders.

SBA Administrator Karen Mills said the agency will provide guidance to lenders on the ARC program, and began accepting loan packages from lenders on 15 June. "We expect these loans to be in high demand," Mills said.

Tony Wilkinson, president and CEO of the **National Association of Government Guaranteed Lenders**, estimates the approximately \$350 million in loans that will be available through the program will be used up "rather quickly," perhaps in three months.

Plus, the SBA will subsidize the interest on the loans. And as to what interest rate lenders can charge, details were made available as of 8 June, according to Mills.

In general, she said viable small businesses are firms with a track record of success that are experiencing temporary difficulties, such as declining sales, because of the economic downturn.

They must also present a plan demonstrating they will be able to sustain themselves after they have used up the emergency loan, she said.

Lenders that currently do not participate in the SBA's government-guaranteed loan programs will be given the opportunity to do so. This participation will enable them to help borrowers who are behind on their loan payments, and turn past-due loans into loans that are current.

This assistance should result in more banks becoming SBA lenders, which is a goal of both Mills and Sen. Mary Landrieu (D-La.), chair of the Senate Small Business and Entrepreneurship Committee.

"Only about half of all U.S. banks make SBA loans," Landrieu said, "If there is a problem with the program that keeps banks from participating, we want to correct it." ■



EE Unemployment Rate Soars to New Record, Engineering Jobless Rate Up for Second Consecutive Quarter

The unemployment rate for U.S. electrical and electronics engineers (EEs) hit a new record in the second quarter, while the rate for all engineers increased for a second straight quarter, according to data released last week by the Department of Labor's Bureau of Labor Statistics (BLS).

"Technology drives our economy, which means engineering unemployment is a bellwether for recovery and job creation," IEEE-USA President Gordon Day said. "These new data suggest we've got a long way to go as the United States attempts to regain its economic footing."

The news for EEs was particularly bad, as the jobless rate more than doubled from 4.1 percent in the first quarter, to a record-high 8.6 percent in the second. The previous quarterly record was 7 percent, in the first quarter of 2003.

For all engineers, the unemployment rate jumped from 3.9 percent in the first quarter to 5.5 percent in the second quarter. The rate for computer professionals steadied at 5.4 percent, after a significant jump in the first quarter. The second-quarter unemployment rate for all professional workers showed a modest uptick, from 3.7 percent to 4.3 percent.

The BLS reports that 29,000 EEs were unemployed in the second quarter, up from the first-quarter figure of 13,000. On a small positive note, the number of employed EEs seems to have stabilized, actually rising 2.3 percent quarter-to-quarter, but at levels well below those of the past decade.

"Taken together, these data may suggest that engineers laid off last year and early this year are having trouble securing the new engineering jobs being created," Day said.

IEEE members can find career enhancement resources at www.ieeeusa.org/careers/. Help for unemployed and at-risk members is available at www.ieeeusa.org/careers/help/. ■



Chair's Corner by Dr. Gary Blank

Updating You on AICN Activities & Networking

The AICN is planning a face-to-face meeting on Saturday, 21 November, in New Brunswick, N.J., on the heels of the IEEE Organization Units Meetings. We will be working on some exciting plans for 2010 which will include debating story ideas for future newsletter pieces and finalizing details for a "Consulting 102" webinar.

Keeping In Touch & Networking

Keeping in touch: To keep in touch we are reaching out again this month to every Network to see how each one is doing and asking if there is anything we can do to help the Network. If we do not have the answers we will try to find them. If we do not contact your Network it is possible that you are not on our list and not on our website www.ieeeusa.org/business/localnetwork.asp. Also a reminder that if your Network has active affinity group status (which is true of most networks, regardless of size) there is an annual rebate to your Section. Sections love to have Networks.

Networking: We are experiencing how valuable it is to network beyond our local Networks. There are times in the consulting arena when geographical considerations require us to reach out to fellow consultants in other IEEE Consultants Networks. Sometimes it is necessary to help a client to find a consultant close to the client's facility. We are going to be seeing more of this inter-network activity. Participation in our Alliance of IEEE Consultants Networks will be beneficial for all of us.

I will report to you the results of our meeting in New Brunswick in the next newsletter. ■

Consultants Fee Survey Underway

Check your e-mail in-box for your invitation to the 2009 IEEE-USA Salary and Fee Survey. For the first time, the Salary and Fringe Benefits Survey and the Consultants Fee Survey have been combined into one questionnaire. All respondents will get five free uses of the IEEE-USA Salary Calculator; in addition, those respondents primarily practicing as consultants will be eligible to get a free copy of the Consultants Fee Survey report.

Third Quarter Engineering Unemployment Data Show Mixed Trends

The unemployment rate for U.S. electrical and electronics engineers (EEs), which had jumped to a record high in the second quarter, has eased, according to third quarter data just released by the Department of Labor's Bureau of Labor Statistics. For the engineering profession as a whole, the rate continued to climb, but more slowly.

The jobless rate for EEs dropped from 8.6 percent in the second quarter to 7.3 percent in the third. Quarter to quarter, the EE work force grew by 26,000. For civil engineers, the unemployment rate dropped from 4.7 percent to 3.6 percent, but for mechanical engineers, it rose from 5.6 percent to 9.5 percent. Overall, engineering joblessness rose to 5.9 percent, a 0.4 percentage point increase compared to a 1.6 percentage point increase in the second quarter.

The unemployment rate for computer professionals went from 5.4 percent in the second quarter to 6 percent in the third quarter. Software engineers showed a slight decline (4.7 percent vs. 5 percent), while computer scientists and systems analysts experienced an increase (7.3 percent vs. 6.4 percent).

"These mixed data suggest that the worst may be passing, but we are still a long way from the levels of engineering unemployment we would expect to see in a strong economy," IEEE-USA President Gordon Day said. "We are also encouraged that announcements of layoffs in the high-tech sector appear to have subsided, after peaking early in the year. A clear turnaround in engineering unemployment would be a very positive sign for the general work force, since engineers create new jobs in many categories."

Career enhancement resources are available for IEEE members at www.ieeeusa.org/careers/. Help is available for unemployed and at-risk members at www.ieeeusa.org/careers/help/.

IEEE-USA advances the public good and promotes the careers and public policy interests of more than 210,000 engineers, scientists and allied professionals who are U.S. members of IEEE. IEEE-USA is part of IEEE, the world's largest technical professional society with 375,000 members in 160 countries. See www.ieeeusa.org. ■

Becoming Your Own Boss By Carl Selinger

Most of us dream of being our own boss, answering only to ourselves, choosing what we'll do and when, and accomplishing great things on our own. Many of us have already accomplished this goal. Some of my former engineering students started their own consulting firms soon out of college. I started my own business eight years ago, after a 30-year career at a public agency. And we all know of the famous bosses of technology — the Steve Jobses of the world, who go out on their own to develop the megaproducts of our age.

But alas, most of us have to deal with the challenges of getting a steady income, putting food on the table, and gaining experience in our chosen field — supported by our employers, before we can consider breaking away. So how do you know when you're ready to branch out on your own? Here are some things to consider on the "if" and the "when" of becoming your own boss.

Identify where you are already your own boss. In your current job, what activities are you responsible for; how many people do you supervise; what budget level responsibility do you have? These areas are all measures that show you are accountable for results, with some degree of independence. Don't forget to include your membership in voluntary organizations, like professional societies. Being chair of a professional committee, or a scout leader, gives you some measure of taking responsibility for running things.

Ask yourself what you like and dislike about having responsibility. Are you comfortable when other people depend on you to make decisions, or would you rather not have the added pressures? Are you willing to work harder and longer hours to get a job done, or do you place a higher value on being able to leave work at a regular time each day? Your answers to these questions indicate whether or not you have the inner drive and motivation to be successful on your own.

If you're looking for more opportunity and autonomy, here's something you can do right away: try "managing your boss." You can exert more control over your work than you think by helping your boss. Don't wait to be told what to do all the time; take more initiative under your general guidelines; keep your boss at least as well informed as he or she would normally expect; and see whether you get more support. Treat your job as if it were your own "candy store"—as if you were running your own business. This attitude will probably make you more effective, and also give you a sense of how you would operate, if you became the boss.

Start a side project at work or a home business. Some companies will allow their professionals to take some time (say, 10 percent) to pursue a pet project along with their assigned responsibilities. A side project may be a great opportunity to show your entrepreneurial skills, while staying in your current position. Similarly, developing an outside business in your spare time may be the perfect opportunity to see if you have what it takes. This business could be the kind that you would start on your own full time, or it could involve turning a hobby into a business. But be careful: don't quit your "day job" until you have established a track record that makes you confident that you can strike off on your own.

Assess the skills that you would need to be a boss. All these skills are necessary to be an effective professional, but they are especially critical in helping you succeed in your own enterprise:

Are you willing to work long hours? Face it, the days of the 9:00 a.m. to 5:00 p.m. job is probably gone forever. Do you have enough "fire in the belly" to put in the time and effort required to succeed?

Do you know how to delegate effectively, so that you can leverage your goals through your staff? You can't be everywhere and do everything, so your people will need clear direction and the appropriate degree of autonomy to get things done right.

Do you understand business planning and finance and the need for sufficient working capital? You need a fundamental knowledge of business management, so you can develop your business as well as work with accountants and lawyers.

Are you well organized? You'll need to find important things quickly, and keep track of appointments and deadlines.

Are you able to set priorities and adhere to them? Are you able to judge what's important on your to-do list? There's a difference between doing things and getting things done.

Do you have good interpersonal skills? It's not just the technical know-how that makes for success. You need to deal with all sorts of people — customers, suppliers, and, of course, employees.

Do you know how to market? Do you even like to do it? You must understand the need for your product or service — and be able to target specific markets. Apply the four "P"s of successful marketing: product/service, price, promotion, and the place where you sell it.

Are you decisive? People will look to you to make decisions, from strategic choices to where to take a customer to lunch. Are you comfortable taking on a heavy load of responsibility? If you're the boss: tag, you're it. The buck stops on your desk. Ready or not, you're in charge.

And, perhaps most significant, can you manage increased stress in your life? Stress is a fact of life for all of us, but learning how to manage higher stress levels — like finding time to relax — will help you stay healthier while you're in charge.

When should you consider going on your own? The timing will depend on your career attainments, family commitments and financial situation. But engineers at any age can contemplate doing this type of move: you can be right out of school, at midcareer, or approaching retirement. You need to develop realistic strategies that deal with your obligations, especially those to your family.

Begin preparing your strategy by projecting scenarios three to five years into the future. Envision several approaches. What product or service would you provide? What skills would you need? What income would it take? Learn what you need to know, take business or technical courses, get certified in key skills, and build financial reserves.

Now that I've given you some food for thought about becoming your own boss, let me ask you another question. Do you want to become a chief engineer or a chief executive officer some day? Be honest. It's not a trick question; I'm not trying to test your level of ambition — only surprise you a bit. You are already a CEO...the CEO of you! Although you may have to get advice and support from others, such as your spouse or your boss, you are ultimately accountable for your own actions. In this sense, you are already your own boss.

You owe it to yourself to seriously consider becoming your own corporate boss. Whether this means gaining more responsibility in your current position or planning for the day when you're truly in charge of your own enterprise, look into it carefully. Assess your abilities, do your homework, and challenge yourself to make your career more satisfying and rewarding by going out on your own...or by happily staying put. ■

About the Author

Carl Selinger is an aviation and transportation consultant, author and professor. His series of professional development seminars is called "Stuff You Don't Learn in Engineering School." His book of the same title was published by Wiley-IEEE Press in the United States, and by Science Press in China. Visit www.carlselinger.com.

They are available free to download You can also find this list at www.carlselinger.com/IEEE%20Spectrum%20Careers%20articles.htm.

Also an engineer, consultant and seminar leader, Carl has written more than 30 articles for the Spectrum magazine in the past few years. Many of the Spectrum articles apply directly to what we need to learn and know as consultants. So, we bring you this article, and will be featuring many more articles from Carl in future AICN newsletters.

Homeland Security to Hire Up to 1,000 Cyber Security Experts

The Department of Homeland Security (DHS) will hire up to 1,000 cyber security experts over the next three years, to help protect U.S. computer networks, according to an Obama administration official.

“Cyber security is one of our most urgent priorities,” said Homeland Security Secretary Janet Napolitano in early October 2009.

She unveiled the plans at an event marking the beginning of National Cyber Security Awareness Month.

“This new hiring authority will enable DHS to recruit the best cyber analysts, developers and engineers in the world to serve their country, by leading the nation’s defenses against cyber threats,” according to Napolitano.

U.S. officials are mindful that both government and private sector computer sites have been targeted, and consequences can be dire. The Internet, Napolitano said, is “a critical part of our everyday lives, and how our society and our economy operate.”

She added, “We rely on cyber networks to control and manage transportation, electricity, and banking.”

Department officials could not say precisely how many cyber experts now work at DHS and its various component agencies, such as the Secret Service and Immigration and Customs Enforcement. Napolitano said she doubts it will be necessary to fill all 1,000 authorized positions, but she is focused on making DHS a “world-class cyber organization.”

The Obama administration has set cyber security as a top priority but has yet to hire a cyber czar to head up its efforts. Chris Painter, the White House National Security Staff’s acting senior director for cyber security, said the president remains committed to finding someone for the post. Source: CNN.com, 10/2/09 ■

How Can You Fill the Gaps between Consulting Jobs?

The team that administers the IEEE-USA’s Consultants Database fields a variety of consulting-related questions on a daily basis. Recently, a member asked if we could clarify the intent or purpose of the field “*Available for Contract Engineering*” contained in our Consultants Database. Our response was that the purpose of the this field is to indicate that a consultant is open to taking a position with a firm (most likely an employment agency that provides temporary workers to engineering companies) to work on a temporary or contract basis. AICN Chair Gary Blank elaborated that most consultants are self-employed, but to fill in those gaps when business is slow, many consultants are willing to accept temporary assignments as “contract” engineers.

In light of our current economic times, the following bullets are activities engineers can engage in to provide short term work, or provide leads to new business opportunities:

- A quick Google search (temp jobs for engineers) will help you find a number of temp companies providing various types of temporary positions/assignments for engineers.
- Some engineering consultants also work as adjunct professors. Adjunct professors generally do not hold a permanent position at the academic institution, and only teach courses in a specialized field. They are also generally part-time positions, with a teaching load below the minimum required to earn benefits (health care, life insurance, etc.). Adjunct professors generally are not required to participate in the administrative responsibilities at the institution expected of other full-time professors, nor are they generally assigned any research responsibilities.
- Many engineers serve as mentors. Mentoring young engineers provides a way for most engineers to pass on knowledge not only about engineering, but also point students down a different career path — to possibly becoming a consultant.
- Participating in voluntary assignments is another way consultants fill gaps between assignments. Many humanitarian projects needing engineering expertise have begun to sprout up, such as the National Academy of Engineering (NAE) *Grand Challenges for Engineering*. Working on such projects allows consultants another venue to mentor young engineers, as well as expose consultants to upcoming technological advances.
- In addition to taking on voluntary assignments, many consultants are highly involved with their industry association. Becoming involved is a way consultants use to keep or maintain contacts, and also expand their professional network. Maintaining this network increases your chances of landing that next client or consulting assignment. ■

IEEE-USA Consultants Database Member Profile: Timothy L. Johnson, Ph.D.

In this newsletter, we have heavily promoted the benefits of joining IEEE-USA's Consultants Database (an exclusive, online database available to U.S. IEEE member independent consultants or members in good standing with their local IEEE Consultants Network). Prospective clients, fellow consultants and engineering industry partners search this database on a daily basis for consultants with relevant qualifications to provide expertise for their projects.

In addition, consulting assignments are posted on its Assignment Board, so database members can pick and choose assignment to pursue. The annual fee for a listing in IEEE-USA's Consultants Database is only \$79 for IEEE Members. Starting with this fall newsletter, we will highlight one consultant profile each issue. These profiles will showcase the wealth of information potential clients have available when searching our database, to choose the right consultant for their assignments.

Listing/Contact Information (address, phone & email omitted)

Timothy L. Johnson, Ph.D.

President Johnson Dependability Services, LLC

Key (searchable) Phrases

Controls Reliability

Diagnostic Technical Services

Automation Dependability

Fault Tolerant Systems Design

Technical Categories (drop down menu provided)

Automation

Process Controls

Diagnostic Software

Electrical Power Quality, Reliability and Safety

Instrumentation and Controls

Failure Analysis

Embedded Systems, Hardware, Software and Controls

Servo/Control Systems

A 200 or 1600 characters maximum description of your consulting specialty:

Dependability of automated systems involves a combination of reliability, fault tolerance, survivability, availability and repair ability, among other factors. When feedback is involved, embedded computer systems can be very complex to evaluate and to certify. Johnson Dependability Services, LLC offers the ability to analyze, design, or develop service strategies for automated equipment, including aerospace, medical, or industrial power distribution, or process control applications.

200 word or 1600 characters maximum description of your software tool expertise:

Expert in controls, embedded software, fault tolerance, diagnostics and associated analysis methods, including FMEA, FMECA, DO-178B, UML, Reliability Engineering (Reliasoft tools), and control design tool sets.

Available for contract engineering: No

Languages other than English in which you have a technical proficiency: Some German, French. Not proficient.

Are actively seeking international assignments? No

If you are a member of a local IEEE Consultants Network, please indicate which one: No

Disability Insurance: The “Forgotten” Safety Net

When most people talk about having “enough” insurance, they’re usually referring to life insurance. But if your family relies on your paycheck to make ends meet, your loved ones could find themselves in a worse financial situation if you become disabled than if you were to die.

Why?

Because a disability that keeps you from working can generally bring even greater financial pressures in the form of extra bills to pay for your care. If you cannot work, where will your family find the money to pay additional medical bills, on top of regular household expenses?

That’s why many financial experts refer to disability coverage as a “forgotten” safety net. While many Americans help protect their family’s financial future with life insurance, only a small fraction of today’s workers have set up a similar level of protection for their income — their most valuable asset.

Who needs disability coverage?

If you need your income to pay the bills at the end of the month, chances are you also need disability insurance. Here are just a few common situations:

- **You’re single.** Your need for disability insurance may be significant, because you don’t have a spouse’s paycheck to fall back on, if a disability keeps you from working.
- **You’re married and are the sole breadwinner.** You should consider disability insurance a “must-have” in this situation, especially if your spouse has been out of the work force for a few years. It may be extremely difficult (particularly in today’s job market) for a spouse to quickly find employment at a salary level that adequately replaces your income.
- **You’re married and both of you work.** Many dual-income families can’t imagine making ends meet on one salary, when it seems like they can barely get by on two paychecks. Disability coverage for both spouses is often recommended.
- **You own your own business.** How would your business keep going ... and your income continue ... if you weren’t able to work at your business? For many business owners, disability insurance is a key component of their financial plan.

Scenarios like the ones above are just a few of the reasons Graham Fuller, Marsh Affinity’s assistant vice president of IEEE Member Group Insurance Plans, urges all technology professionals to give strong consideration to adding disability coverage to their financial portfolio.

“We all insure our homes and our cars. But when it comes to our biggest asset — our ability to earn an income — too many of us have simply overlooked a significant risk,” says Fuller. “It’s important to make sure you have a strong disability plan in place to help your family make ends meet, in case an accident or illness keeps you from working and earning a paycheck.”

Why many employer disability programs may not be enough

Perhaps you haven’t thought much about disability coverage, because you have disability insurance through work. Now may be the time to reconsider that decision.

Fuller points to three important reasons to add an additional disability plan to your financial portfolio ... even if you already have coverage through work:

1. **Benefits may not be high enough.** Many group plans offered through employers only cover up to 60 percent of your income. (Disability plans generally don’t replace 100% of your salary because many people would have very little incentive to return to work in that situation.)

However, the benefits you may receive may be even lower than the 60 percent benefit limit. That’s because group plans often cap benefits as low as \$5,000 a month, and do not include overtime or bonuses in your income equation.

2. **Benefits may not be paid for long enough.** Group plans may also limit the amount of time they’ll pay benefits for your disability claim. Six months is a common benefit limitation. If your disability keeps you from earning an income for longer than that, you may find yourself without an income and without disability benefits.

- 3. Benefits may not be tied to your own occupation.** Many disability programs only pay benefits if you're unable to work in any occupation. But as a technology professional, your education and training have prepared you for more demanding and more financially rewarding career options. As a result, it is important to make sure your disability insurance matches your training, with provisions that pay benefits if you're unable to work in your own occupation[†].

How does the IRS fit into the disability benefit picture?

Another potential pitfall for employer-provided disability benefits is taxes. In a nutshell: Current tax laws say that if your employer pays the premiums for your disability insurance, then you owe taxes on any benefits received. If, on the other hand, you pay the premiums for your disability insurance, then any disability benefits are tax-free.

Here's an example to show you how this works:

- Let's say Jason Curtis makes \$100,000 a year. His disability coverage pays up to 60 percent of his salary or \$60,000 a year. So, his monthly benefit would be \$5,000.
- If Jason paid his own premiums for his disability as an individual policy, Jason would receive the full \$5,000 benefit amount, if an accident or injury left him disabled and unable to earn an income.

But what if Jason's employer paid the premiums instead? Jason would owe taxes on his benefits. That means instead of a \$5,000 monthly benefit, Jason would only receive \$3,600, because 28 percent of his disability benefit would go to pay taxes to the IRS.

"It's critical to plan for the impact taxes may have on your disability benefits," adds Fuller. "If paying your own premiums is not an option in your company's disability plan, you should give strong consideration to association group insurance instead."

"A disability that keeps you from working is bad enough. But being forced to pay taxes on your disability benefits simply add insult to injury," says Fuller.

An exclusive option for IEEE members

IEEE sponsors a Group Disability Income Insurance Plan benefit to members interested in adding disability coverage to their financial portfolio. This portable benefit option gives you the advantage of solid coverage protection that can follow you throughout your career.

In addition, monthly benefit amounts up to \$6,500 with a wide range of benefit waiting periods give you the flexibility to tailor your level of protection to your family's unique financial needs. ■

For more information* on the IEEE Member Group Disability Income Insurance Plan, you can call toll-free **1-800-493-IEEE (4333)** or visit www.ieeeinsurance.com.

[†] The IEEE Sponsored Group Disability Income Insurance Plan is designed to cover disabilities that prevent you from performing your occupation, provided you are not otherwise working for pay or profit.

*Features, costs, eligibility, renewability, limitations and exclusions

Underwritten by New York Life Insurance Company

51 Madison Avenue, New York, NY 10010

Under Group Policy G-12150-2

On Policy Form GMR-FACE/IEEE-DI

48387 (9/09) ©Seabury & Smith, Inc. 2009

d/b/a in CA Seabury & Smith Insurance Program Management

Programs, Services, Benefits and Products

By Gary Blank

As a self-employed IEEE member, I'm always interested in exploring and learning what the IEEE and IEEE-USA have made available for its members in the areas of programs, services, benefits and products. Do you have any idea of what such a list would look like? How many items would you guess there are? I have asked other members and the range of guesses varies from 10 to 25. How many of these are you aware of? Here is a list I have compiled. I counted 100+. I hope you find it as useful as I have. Details can be found at the IEEE website using the search engine there. www.ieee.org

- Annual Meeting
- AskIEEE
- Association with IEEE Brand
- Awards
- Career Asset Manager
- Career Checkup
- Career Development Courses
- Career Navigator
- Careers In Engineering
- Careers Webinars
- Competitions (IEEE Xtreme, Robotics, etc)
- Consultants Database
- Consultants Services Website
- Contact Center – Internet
- Contact Center – Phone
- Discounts on IEEE Publications
- Education Partners Program
- Employment & Career

- Strategies Communities
- Employment Navigator
- Entrepreneurs Village
- eWeek - includes Future City Competition
- Expert Now
- Eye on Washington
- Financial Services College Parents of America
- Financial Services Educational Financial Services
- Financial Services Grogan Advisory Services
- Financial Services Simple Tuition
- Government Fellowships
- Home & Office Services - DHL Express
- Home & Office Services - MyHomeBenefits
- Home & Office Services - Office Supplies and Furniture
- Humanitarian Programs
- IEEE Conference
- IEEE e-mail Alias
- IEEE Job Site
- IEEE Member Digital Library (Access to)
- IEEE memberNet
- IEEE Mentoring Connection
- IEEE Potentials Magazine – Digital
- IEEE Potentials Magazine – Print
- IEEE Societies
- IEEE Spectrum Magazine
- IEEE Standards
- IEEE Women in Engineering
- IEEE Xplore Abstracts
- IEEE.tv
- IEEE-USA Career Alert
- IEEE-USA Career Asset Manager
- IEEE-USA Career Checkup
- IEEE-USA Career Enhancement Courses
- IEEE-USA Career Navigator

- IEEE-USA E-books
- IEEE-USA Entrepreneurs Village
- IEEE-USA Salary Service Innovation Institute
- Innovation Styles Profile
- Insurance Services (Access to) - Cancer Expense
- Insurance Services (Access to) - Catastrophe Major Medical
- Insurance Services (Access to) - Catastrophic Disability Income
- Insurance Services (Access to) – Dental
- Insurance Services (Access to) - Group 10-Year Level term
- Insurance Services (Access to) - Group 20-Year Level Term
- Insurance Services (Access to) - Group Disability Income
- Insurance Services (Access to) - Group Level Term Life to Age 65
- Insurance Services (Access to) - Group Term Life
- Insurance Services (Access to) - High Limit Accident
- Insurance Services (Access to) - Liberty Mutual – Auto
- Insurance Services (Access to) - Long Term Care
- Insurance Services (Access to) - Medicare Supplement
- Insurance Services (Access to) - Professional Liabilities
- Insurance Services (Access to) - RxAmerica Prescription Plan
- Insurance Services (Access to) - Short Term Medical
- Insurance Services

- (Access to) - Short Term Recovery
- Insurance Services (Access to) - Small Employer Group
- Insurance Services (Access to) - Travel and Accident Insurance
- Insurance Services (Access to) - Travelers - Auto & Home
- Mass Media Fellow Program
- Membership Card
- Merchandise
- Microsoft Software Offer for IEEE Students
- myIEEE
- Online Communities
- P.E. Exam Review Courses
- Participate in Local Technical Forums
- Participation in Local Meetings
- Participation in Pre-University Activities
- Participation with LinkedIn Group
- Proceedings of the IEEE
- Public Policy Awareness
- Public Policy Awareness - Press Releases
- Salary Service - Employer Version
- Salary Service - Member Version
- Scholarships
- ShopIEEE
- SPACs
- Student Video Competition
- The Beyond Job Satisfaction Fieldbook
- The Institute Newsletter
- Today's Engineer - Online and print
- Travel Services
- Virtual Communities
- Volunteering
- Voting
- Website
- What's New @ IEEE