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Is MultiLevel Marketing Worth It?

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Have you ever had a friend ask you if you're ready to jump in on "the most incredible business opportunity of your life"? Of course you have. If you're a living, breathing human being (and have your own bank account), you've probably been approached by someone—even your own family members—asking you to join their incredible multilevel marketing business.

But when we say the words "multilevel marketing," what comes to mind? Maybe you think

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actually means "ask me again in two weeks." Bless their heart.

So, what exactly is multilevel marketing? And does it actually make you any money? Would it be a great supplemental income for your family? Good questions. Our answers just may surprise you.

What Is Multilevel Marketing?

Multilevel marketing (MLM) is a type of business strategy that uses an army of everyday salespeople to sell and distribute products and services. Instead of selling products in a retail or brick-and-mortar environment (or directly to consumers), these companies offer people a way to start their own businesses and make a commission—without having to start from scratch.

Dave's easiest money-saving tip: See if you're over paying for car insurance.

Many people are a little wary of MLMs because of their not-so-good reviews from customers and even distributors (representatives, consultants or whatever they call themselves). While a few bad apples can give the whole tree a bad rap, you shouldn't be too quick to write them all off. But you should do your research and be careful about which MLM you get involved in (if any).

Let's start by looking at a few pros and cons of joining a multilevel marketing company:

Pros of Multilevel Marketing

1. You can start your own business without having to start from scratch.

Starting a business can be pretty intimidating, especially if you aren't even sure what type of business you want to start or what to do next. Multilevel marketing businesses come with a business plan, strategy and mission of their own. There's no guessing what to do because they've already done the groundwork for you.

2. There's potential to make money.

There's no such thing as a "sure thing" when it comes to making money with an MLM.

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3. There's plenty of support from your team.

Business can be pretty lonely if you're doing it alone (and have no idea what you're doing). Multilevel marketing companies come with a built-in support system. Typically, when you join, you'll have team leaders (called your upline), and they'll be excited to help you get trained, share tips and tricks of the trade, and encourage you to set and reach your business goals.

4. You have flexibility.

If you're looking to work from home and do it at your own pace, an MLM might be what you're looking for. Like with anything else, your success is determined by how much time and energy you spend working. But you get to call the shots and decide what works for you and your family.

Cons of Multilevel Marketing

1. You could alienate yourself from friends and family.

Just like with Aunt Betty and her embroidered purses, it can be easy to push away the people you love the most. Many multilevel marketing companies teach you that every living, breathing human within 3 feet (ahem, 6 feet) of you is a future customer. When it comes to sharing your products, services or even that "business opportunity" with your friends and family members, self-awareness (and listening) should be your number one goal. No really does mean no.

2. It will cost you money up front.

No matter how you decide to start a business, it's always an investment of your time, money and energy. But with most MLM companies, you have to pay to join, pay for a website, and then pay for their products. You'll have to spend time getting to know the products like the back of your hand, making a business strategy and goals, and sitting through company-wide coaching calls. Just know that you're going to have to invest a lot of time (and money) up front before you start seeing any returns.

3. There can be a focus on recruiting versus selling.

Are you a great salesperson? What about a great recruiter? It's important to know how you're going to be compensated. If your MLM is promising you a six-figure paycheck in

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Is it for the amount of product sold or the amount of people you recruit to be on your team? Making money solely based on how well you sell the business and how many people you can get to be in your "downline" is what gives a lot of these companies a bad name (ahem . . . pyramid scheme).¹ But remember: Not all MLM companies are pyramid schemes. Do you research and be on the lookout. Otherwise, jump in and have some fun with your business.

4. You could lose money.

Since your job is to either sell a certain product (sometimes within a certain timeframe), you could end up eating your investment. If you buy lots of product in the hopes of selling to your customers but you don't actually sell anything, you'll have wasted a lot of money. Look into your MLM to see if they offer a buyback program for unused and unopen product. If not, you'll have lots of product and nothing to show for it. On top of that, your leaders and teammates will be encouraging you to buy more (and sell more), so it's easy to spend your own hard-earned money in the name of "being a good teammate."

Should I Join an MLM?



is "Why?" Why do you want to join the business? If you're looking for a supplemental income, look elsewhere. Most people join MLMs in the hopes that they can help make an income for their family. That's a great reason. But the end result and your success with the company all depend on your personality style, skill sets and even your network of contacts. If you're looking for extra income, it might be better for you to find a stable part-time job with a reputable company.

Otherwise, there's nothing wrong with reputable, respectable multilevel marketing companies. As long as you do your research, know what you're getting into, and know exactly how much you want to invest (and when you'll get a return on your investment), we say go for it! Just remember, most MLMs are more about the sales and recruiting side of business than anything else. If you're a salesperson at heart, this may be the right thing for you.

Want to get an idea of how profitable you can be with a multilevel marketing company? Christy Wright can help. Christy is a #1 national bestselling author, inspiring speaker and certified business coach. Check out her free <u>Profit Potential</u> tool to help you figure out just how profitable you can be this year.



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