

# Should you join a MLM?

Multi-level marketing companies, or MLMs, are companies that sell their products or services through person-to-person sales.

People who join MLMs can make money by:

- Selling the product or service to friends, family and other customers.
- Earning more money if you get someone else to sign up as a representative or distributor for the company.

Many people try MLMs as a side business to make extra money. Unfortunately, many people who join MLMs make very little money. They may even lose money. Be wary of promises to “get rich fast” or make huge amounts of money from MLMs.



If you are thinking about it, ask yourself:

1. **Do I want to be a salesperson?** People in MLMs have to sell their product or service. They have to ask people they know to invest time or money in their product. They may also ask others to join and become a salesperson too. If this makes you feel uncomfortable, it's probably not for you.
2. **Do you have a sales plan?** Think about whether you know enough people who will buy this product from you. They will need to buy from you over and over again if you want to make long-term money.
3. **Think about the product and how easy it is to sell.** Can people get a similar product in a store by spending less money?
4. **How much money do you want to earn?** Is this amount possible with the number of people who may buy it?
5. **Do you have money and time to invest?** Usually, you spend money to get product samples or equipment. Do you also have time to spend selling to people at parties or meetings? Are there training events that require travel? What about website fees?

Finally, be careful about using a credit card to pay for your start-up expenses or other costs. This could backfire if you have to pay high interest rates and can't pay it off right away.

It's your money and your life. Don't let big promises or convincing marketing try to talk you into an MLM if you're not sure about it.

Source: Federal Trade Commission