



MODULE:

Considerations for overall compensation during a career search and even beyond are truthfully a wide range of separate financial factors though, when considered holistically, contribute to one's overall personal financial goals. This module is intended to serve as a guide in the event mentors get questions from mentees on how to provide a safe place for a confidential conversation on a topic that, at times, can be challenging to discuss openly. This module is a safe space and provides guidance to help mentors with talking points and ideas that will help guide mentees should any topic on personal finance come up as it pertains to job searching, career building and why timing in one's career and personal considerations are so important.

LESSON/ TOPIC COVERED:

BASE SALARY This is often what candidates look to learn about during a career search. This is one financial factor among many, though it's a driving financial focus many candidates focus on as they start to build their career

- Other factors that contribute to one's overall base salary include:
 - Bonus payouts (yearly, quarterly, monthly)
 - An important consideration is how the bonus is earned (e.g., is it based on solely the employee's contributions? What key performance indicators factor into the bonus?).
 - Commission payments (depending on the type of position/career path).
 - It's important to understand if there is any kind of "guarantee" that backs the payout of commissions.
 - Annual merit increases.
 - Employee Stock Ownership Programming (ESOP).
 - Salaried Positions vs. Hourly Positions.
 - **Exempt:** being compensated for jobs performed not based on hours worked. Salaried roles typically don't include any pay provisions for Overtime and fall into three categories: Executive, Professional and Administrative.
 - **Non-Exempt:** being compensated for hours worked first over jobs performed. Hourly positions pay employees by the hour and often there are provisions in place for extra compensation for hours exceeding a company's base full-time threshold.
 - **Salary v. Hourly – which is better?** This is a personal preference.
 - Some job seekers believe a salaried role can be more 'prestigious' than an hourly role. True, if one doesn't put in a full traditional schedule their take home pay won't change when taking on a salaried role. The opposite can happen as well when working more hours than a traditional FT schedule.
 - Crunch the numbers. As shared above often there isn't OT for salaried roles so if one works beyond a traditional FT schedule on a consistent basis, they often find themselves 'leaving money on the table.' Some job



seekers/career builders prefer to consider roles that compensate directly for hours worked.

- Which base pay category is better? It's a personal preference along with what type of roles job seekers/ career builders are seeking. It comes down to one's personal and financial goals. Keep in mind The Fair Labor Standards Act (FLSA) designates most employees as exempt or non-exempt workers, so job classifications are categorized and governed by law.

HOW TO ASK FOR COMPENSATION: Probably the most dreaded question in an interview/job search process.

- How to begin searching?
 - Use the *Business Insider* article linked below that outlines helpful ways to research the average market wage for your career interests.
- What is "market" pay?
- How can candidates get experience if they don't have any and it feels like companies want experienced candidates?

Your story telling will be compelling here. You have experiences to share. If you're an employer or in a position to hire and select talent, you have firsthand experiences and tips to share. If you have a colleague who had a horror story, and it came with a great lesson, ask your mentee what they are looking to consider and offer to help with various perspectives. Balance out your stories. Share information.

SAVING FOR RETIREMENT (401K, etc.): Many companies provide financial plans to help their workforce save for retirement. One of the most popular plans most companies offer is a 401K plan where a company will provide a 'match' to those contributing to their plan. Things to consider:

- Starting out as a job seeker/career builder – think about the future NOW while time is on one's side starting their career. Candidates will want to learn as much as they can about a company's retirement program to make an informed decision on how this part of one's overall compensation package measures up to other holistic offers.
- Short term changes make long term affects!
 - When planning a personal budget, consider what can be contributed to a 401K as a start.
 - Put a schedule together to add more contributions.
 - Monthly? Quarterly? Annually? Perhaps taking any new merit increases and transferring those extra dollars earned into retirement?
 - Consider all options as many companies provide the opportunity to increase one's contributions at various times of the year if not all year.
 - When starting out one's career, time is on your side so consider taking advantage of getting active with retirement contributions earlier in one's career vs. waiting until later when like for many others, people find themselves trying to catch up on lost time getting active with contributions later in life.

PAID TIME OFF: A lot of companies are getting sophisticated in offering "PTO" often in one lump sum for their workforce to use at their discretion as needed: vacation time, sick time, family sick-time, etc.



Other companies may offer traditional PTO in separate categories to be used for those separate reasons described above. Paid Time Off is more than just 'time away from work for a break' – it's a part of one's overall compensation package. PTO time is a category of dollars reserved for one's much needed break away from the day-to-day. Considerations to keep in mind:

- Use PTO
- Use PTO
- Use PTO
- Whether earning PTO over a calendar years' time (often referred to as accruing time) or it's provided to the workforce at the beginning of their fiscal year, PTO contributes to one's overall health/wellness and it is paid time off. Take it.
- Help contribute to your own better overall health/wellness but re-energizing and refreshing
- Avoid burnout by using PTO. Even if a job/career 'doesn't feel like work' because an employee loves their role so much, they are a far better colleague to their peers and for themselves by taking that needed time off
- Pay special attention to a company's PTO practices and policies
 - Is it a "use it or lose it" provision?
 - If one can carry time over into the next year, is there a maximum allowed?
 - If one voluntarily leaves a company, is this PTO paid out or not per company policy?



MENTEE OBJECTIVES

Provide a safe place for the mentee to be curious about this topic and ask about overall compensation planning on their own terms. Encourage questions by means of 'fact finding' and express your interest in learning more to help have a conversation. Often these topics are raised out of experiences mentees learn of at home, with their own support systems (family and or friends, including extended people in their lives they trust). Conversations about all categories listed above don't have to happen in one setting.

GOALS / OBJECTIVES/LESSON NOTES

- Provide a safe place to ask tricky questions
- Position the opportunity to have a conversation or 'solving' their challenges
- Breakdown and offer to talk through one part of overall compensation one meeting: base salary/the next PTO, etc. Shake it up
- Pick a specific date to spend 15 min about this topic. Schedule time with a target date to help your mentee feel more comfortable about having this as an agenda item for example:
- Coach your mentee about overall compensation as being part of the 'whole package' when seeking and building a career
- Times change
- Goals change
- It's ok to be flexible and adjust accordingly

HELPFUL RESOURCES

[Listen Money Matters: Hourly vs. Salary](#)

[Business Insider: How to find a job salary before you apply](#)

[Investopedia: Smart Ways to Manage your 401K](#)

[Blog: Everyday Triumphs & Benefits of PTO](#)