# Your Career and Your Financial Future

**There is more to work than just money.** Job satisfaction is equally, if not more, important. Typically, you'll spend at least eight hours a day at work, so why not do something you enjoy? Beyond money and job satisfaction, there are other reasons to work.

## What Employees Want

Earlier we examined what employers want in an employee. But what do employees want from an employer? That's the subject of **employee benefits,** which are the additional benefits offered by employers. Here are a few of those benefits:

- **Paid vacation.** Employers typically offer paid time off of up to two weeks (at least when you're starting a new job).
- **Paid sick leave.** Just like vacation time, many employers allow five to 10 days per year of paid time off for illness, either for yourself or to take care of a family member.
- **Health-plan benefits.** Larger employers often provide health insurance for their employees.
- **Retirement plan contributions.** Many employers will put a small percentage of an employee's salary into a retirement plan.
- **Tuition reimbursement.** Some employers will pay for you to go to college or to take additional training courses.



Many times these benefits are given to employees in addition to their salaries. By some estimates, it costs an employer an additional 20% to 50% of an employee's income to provide these benefits.

As you work for different companies during your lifetime, you can decide which benefits are important at that stage in your life. Just remember to consider benefits as well as salary when you're thinking about taking a new job with a different company.

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## Cost of Living

If you decide to change jobs, you may be asked to move to a new area of the country. If so, an important factor to consider is the cost of living in the new city. **Cost of living** includes items like rent or home costs, transportation costs, insurance, utilities like natural gas and electricity, and food. To compare apples to apples, cost of living data lets you match up what it costs to live in your current location with the costs in a new location.

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For example, think about New York City compared with a small town in rural Oregon. You know that expenses like rent and auto insurance will cost much more in NYC. Food and utilities might be about the same in both areas, but most likely they will cost more in NYC.



Assume you currently live in a small town in Tennessee and you get a job offer to work in NYC. If the job pays the same as you're making now, you'll really be losing money if you move, because it costs much more to live in NYC. When most people move to a new job in a new location, they expect to make more money—after adjusting for the cost of living—than before.



So from a financial planning standpoint, it's a good practice to compare both the salary and benefits of your present job in your current city to a new job in a new city—just remember to factor in any changes for the cost of living. There are many books and websites that track the cost of living for cities across the U.S.

## Starting a Family

If you decide to get married and have children, you know there will be additional costs involved. Your own life will give you an idea how much it costs to raise a child through high school. According to the United States Department of Agriculture, average American families spend between $100,000 and $200,000 per child on expenses from birth to age 18. Throw in the cost of a college education on top of that, and you can see just how valuable you really are to those who love you!

It takes a lot of money to support a family, and that's another reason to seriously consider your career choices. If you start a family, those employee benefits mentioned earlier will become much more valuable. Health benefits are very helpful when you have children, and retirement benefits will come in handy when you reach your golden years.

By now you can probably see how your career choice ties in closely with your financial plan over a lifetime. The individual jobs you hold over the years generate cash and other benefits that drive your financial plan. Your plan provides guidance and direction to which jobs you take and which you reject, based on your values and career goals. It will all happen successfully if you just remember to "plan your work, and work your plan."



**Activity 1**

## Define Your Future Occupation

Your assignment is to define the occupation for which you are preparing. Answer the following questions:

1. Name of my future occupation:

2. Explain the job duties or responsibilities for a beginning worker in my occupation:

3. Describe the working environment:

4. What is the demand for workers in my occupation?

5. What do employers in my field look for when hiring a new employee?

6. How much education or training will I need to enter this occupation?

7. How can I advance in this occupation?