

8 Financial Considerations When Starting a New Job

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Getting a job offer is always an exciting time. Whether you're getting your first job, a promotion, or changing careers, there's a lot to be happy about. ***But it's always wise to consider the financial aspect of any decision; starting a new job is no exception.***

Before You Accept the Job

1. **Negotiate your pay.** It never hurts to ask for a little more money. Keep in mind that any increase in salary you can get now will only compound your future raises. Respectfully asking for more money doesn't cause any harm.
 - ***Negotiating is the highest paying activity you're likely to ever to take part in.*** Consider that just a minute or two could result in thousands of dollars in additional income for many years. When was the last time you made that much money for a couple of minutes of work?
2. **Ask about the benefits.** Typically, you'll be told the general aspects of the company benefits. Don't be afraid to ask for details. For example, some medical insurance plans are much more expensive than others. A job with a slightly lower salary might be much better when you have all the details.

After You Start Your New Job

1. **Deal with your previous 401(k).** Either roll the money into an IRA or move it into your new 401(k). Resist the temptation to withdraw the money; the tax penalties are significant. Ask your new human resources department about

your options and then make the smart choice.

2. **Keep your lifestyle in check.** Just because you get a raise doesn't mean you have to buy a more expensive house or car. If you can maintain your spending level for even one year, you can save a lot of money. If you do increase your lifestyle, then be sure to bank at least part of your raise.

- ***Getting a raise is a great opportunity to save a lot of money or aggressively pay down your debt.***

3. **Start paying yourself first.** Set up your bank account with automatic savings of part of your increased income so you start saving money immediately. ***It will be easier to start saving now than later because you won't miss money that you've never seen.***

4. **Ensure you're withholding enough for taxes.** It's not financially smart to get a huge refund every year. On the other hand, it can be pretty challenging both financially and psychologically to have to pay more at tax time. Be confident your withholding is enough to guarantee a small refund each year.

5. **Make benefit choices wisely.** Set up your life, health, and disability insurance and other benefits intelligently for your own unique needs. For example, the most expensive medical plan might not be the option you want if you're young and in perfect health. Your life insurance needs will vary depending on your family situation.

6. **Have your paycheck deposited into an interest-earning account.** Interest rates are so low right now that it might not matter a whole lot, but it makes sense to deposit your paycheck into an account that pays interest. You can always transfer what you need into your checking account later.

Being financially healthy is the result of making smart decisions consistently. A job opportunity is a time for celebration; just ensure you're making positive financial moves to take your best advantage of this occasion.