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Speaker 1

Welcome. My name is Andrew Baron and this is, Well... It Depends! The podcast where I present the pros and cons of financial decisions so that you, the audience, feel better informed when you are confronted with these decisions in your own life. In this episode, I ask the question, should I change jobs?

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But before we begin a short disclaimer. This is being recorded on October 25th, 2022. The contents of this podcast are strictly for informational purposes only, and nothing said should be taken as investment, tax or legal advice. Any strategies discussed may not be suitable for listeners specifically, and so we strongly encourage consulting with your advisor before implementing any strategies to ensure they meet your individual objectives.

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Well... It Depends! is sponsored by my firm John G. Ullman and Associates. We are a team of financial planners, research analysts, tax specialists and support staff, all working together to give our clients a comprehensive experience. If, after listening, you'd like to discuss your situation with one of our financial planners, including me, please email info@jgua.com. Getting into it. Should I change jobs? Well... It Depends!

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You may have heard a lot about the great resignation with record numbers of people leaving their employer. Not only did these people leave their employer, but some even left the entire industry they were working in. Another narrative going around is about quiet quitting or the act of doing a minimal amount at work. This is coupled by the great resignation in that employees that do remain oftentimes have to pick up the slack when a team member suddenly departs as the loyal employee see or rather don't see significant pay increases, a means of reclaiming compensation is to do less at work.

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If you're getting paid the same amount and doing less work, that sort of a pay raise since you're getting paid more per task performed. Both of these groups, the people leaving their jobs and the group that is doing less, are both benefiting from the lessons companies learned during the pandemic. Namely, that lesson is good workers can be hard to find. Even with a suspected looming global recession, we are still seeing a strong job market as companies continue to build their workforce for the future.

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So, why would you leave your job? Well, one of the biggest reasons is for higher pay. While you may have received modest raises from your current job, you're more likely to see a substantial pay increase by changing employers. This is because companies often have different pools of money for current employees compared to new hires. But while compensation is important, it isn't everything.

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Another reason to leave is for more satisfying work. This can mean a number of different things. Either work that you find more interesting or are more passionate about, or you may find new job offers a better work life balance that you find appealing. Even in the face of a recession where new employees are more at risk of being terminated than long term employees, there may still be a benefit to changing jobs now.

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Such as, if you think that your current company or perhaps industry isn't in a very good position to bounce back after a recession, you may consider opportunities that offer more stability or upside potential from what you have now. Alright, why might you stick it through? Well, I said this earlier, but during major recessions, often the first to be let go are new employees.

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This will depend on the industry, with it being more likely for industries such as manufacturing and service industry workers to be spared for loyalty. On the other hand, tech workers can often be infected by industry wide boom bust cycles with seniority, not insulating them from layoffs. An extreme example of this is Twitter's proposed 75% cut across the board.

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The older you are, the more difficult you may have finding a new position. Assuming a normal traditional trajectory, this is just a function of there being less senior level positions than entry level positions. And the grass isn't always greener leaving because you are fundamentally unhappy is one thing.

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But leaving because you're mildly satisfied may cause leavers remorse for employees that change jobs, wishing that they hadn't. To recap, we are living through interesting times where, despite a looming global recession, the job market remains competitive. This presents an opportunity for some workers to seek higher compensation for work that they find more enjoyable. This isn't without risks, however.

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New employees have traditionally less job security than loyal ones, which could come back to haunt you if the global situation continues to get worse. Consulting with your advisor can help you evaluate the pros and cons for you specifically. So to answer the question, should I change jobs? Well... It Depends!

Speaker 1 – Andrew Baron, CFP®, EA