

Life Events: First Job (I/IV)



How to prepare for a first job?

There are multiple ways to prepare for identifying and securing your ideal first job, including:

- Internships, externships, co-ops, volunteer opportunities and research are all helpful ways to gain experience and make professional connections for future career opportunities
- **Networking** is key when searching for the right job opportunity; use informational interviews as a way to learn more about possible career fields and employers
- Build and update your resume ensuring that it is complete, accurate, contains no errors and highlights the qualifications you possess for the job(s) you are seeking
- Employers may ask permission to perform a **background check**; many employers also review candidates' **social media accounts** as part of the hiring process, so make sure those are in good professional shape
- Employers cannot see your credit score but may review your **credit report** to determine how you handle your responsibilities. Therefore, it is important to review and address any issues that might surface and correct them prior to entering the job search process so they don't become a barrier to being hired. You may obtain your free credit report once every 12 months from each of the three credit bureaus (Experian, Equifax and TransUnion) at www.annualcreditreport.com

How to evaluate a job offer?

Once you have secured a job offer, you may want to consider the following elements:

- **Fit:**
 - Are company culture and work environment in line with your preferences and needs? Are your unique talents and perspectives valued?
 - Are the specific job responsibilities clearly defined and aligned with your desires?
 - How strong is the on- and off-the job training program, and are there sufficient options for career advancement?
- **Compensation:** Are base pay and potential variable compensation in line with your expectations? What increases can be expected going forward, and how are raises determined?
- **Benefits:** How comprehensive is the benefits package, and are the provided options in line with your needs?
 - See next page for details
- **Location & Commute:** Is the location (on-site, work-from-home or hybrid) in line with your desires? How long and costly is any necessary commute?
- **Working Hours:** Are working hours and overtime or flextime policies clearly defined and in line with you desires?
- **Strategic Considerations:** How bright or risky is the future of the company, is it sustainable?

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What employee benefits might be included?

- Employee benefits are a critical component of the offer as they may add an additional 20-30% to the salary and combined make up your total compensation package
- To note: An offer with a lower salary may be more attractive than a higher paying offer once the benefits are factored in

Employee Benefit	Typical Options
Retirement Plans	<ul style="list-style-type: none"> • Defined benefit plan (pension) • Defined contribution plan (401k, Roth 401k, 403b, 457b, Thrift Saving Account) • SIMPLE IRA, SEP IRA
Health Insurance	<ul style="list-style-type: none"> • Parent coverage until age 26 • Medical insurance and prescription drug coverage • Vision insurance • Dental insurance • FSA v. HSA v. HRA
Disability and Life Insurance	<ul style="list-style-type: none"> • Long-term disability insurance • Short-term disability insurance • Whole life v. term life insurance
Other Benefits	<ul style="list-style-type: none"> • Leave (vacation and/or sick leave) • Stock options • Training/certifications/licensures • Childcare/fitness center/tuition reimbursement/student loan payoff

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How can I maximize my benefits?

- Take advantage of any matching opportunities – Contribute an amount necessary to retirement accounts* to maximize any company match contributions
- Use preventative care benefits – Take advantage of preventative health care benefits (e.g., annual physical, annual eye exam) which are covered 100%
- Utilize tax-advantaged accounts that allow you to pay pretax for medical expenses and dependent care – Contribute pre-tax dollars via payroll deduction to a health savings account (saves income and FICA taxes), a health reimbursement account (saves income tax), or a flexible spending account (saves income tax) to pay for qualified medical expenses; explore the availability of HSAs (Health Savings Accounts), which can be “triple-tax-advantaged”
- Consider disability insurance – Long-term disability insurance is a valuable benefit to protect your future financial stability in the event you become disabled and cannot work for a significant amount of time

**With the passage of the SECURE 2.0 Act, retirement plans may (beginning in 2024) match student loan payments with a retirement plan contribution*

How can I negotiate my salary?

- Research the market compensation for similar positions using search tools such as Salary.com, Glassceiling.com, and Indeed.com
- Have an acceptable compensation range in mind rather than a specific \$ amount; in negotiations, consider starting by providing a range that is 20-25% above your target
- Try to avoid being the first to provide an amount and defer to the employer to provide their starting offer which you can then counteroffer
- Know the lowest amount you would accept, factoring in / nor forgetting about the value of any employee benefits and other potentially beneficial job characteristics
- Be prepared to ask for non-base salary benefits in negotiations (e.g., signing bonus, relocation assistance, professional development/travel budget, etc.)
- Speak professionally emphasizing the skills set, experience and education you possess and how it translates into value for the employer

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What are next steps after finalizing the job offer?

- Complete a W-4 tax form to withhold the correct amount of taxes from your paycheck
 - Make your employee benefit elections and name beneficiaries for your retirement, life insurance or Health Savings Accounts
 - Review any noncompete or employee agreements thoroughly, and securely store them for future reference
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What should you do to update your budget and financial plan when starting a job?

- Build or update your budget – Reduce your gross income by taxes and benefits paid from income and adjust expenses that may increase or decrease due to new job such as travel, childcare, food, gym benefits, etc.
 - Pay yourself first – Try to automatically deposit 10-15% of your paycheck into savings to cover emergencies and save for short-term financial goals
 - Save or invest excess income in tax-advantaged strategies – Begin saving and investing for longer term financial goal such as a new car, deposit for a home or the future
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What legal documents are important to consider when starting a job?

- Create or update your beneficiary designations on benefits such as retirement plan, life insurance and Health Savings Account
- Create or update a Power Of Attorney for financial decisions that authorizes one or more agents to make financial decisions on your behalf
- Create or update a Will or a revocable living trust for your estate to ensure property passes according to your wishes upon death
- Execute an Advance Directive for Healthcare with three key components:
 - *Living Will* – Articulates wishes regarding care to be taken in case you become incapacitated
 - *Healthcare Proxy (aka "Healthcare Power of Attorney")* – Authorizes one or more agents to make healthcare decisions on your behalf
 - *HIPAA Authorization* – Authorizes doctors and other healthcare professionals to discuss your medical records with an agent

Supporting Information



Last Reviewed 01/13/2025

Key Sources and Further Reading

Salary Research

- [salary.com](https://www.salary.com)
- [indeed.com](https://www.indeed.com)
- [glassdoor.com](https://www.glassdoor.com)
- [bls.gov/bls/wages.htm](https://www.bls.gov/bls/wages.htm)

Credit Review

- [annualcreditreport.com](https://www.annualcreditreport.com)
- [Fair credit reporting act](#)

Other Resources


- [irs.gov](https://www.irs.gov) (Publication 969)
- [paychex.com/articles/employee-benefits/short-vs-long-term-disability-insurance](https://www.paychex.com/articles/employee-benefits/short-vs-long-term-disability-insurance)
- [irs.gov/forms-pubs/about-form-w-4](https://www.irs.gov/forms-pubs/about-form-w-4)
- [nerdwallet.com/article/investing/estate-planning](https://www.nerdwallet.com/article/investing/estate-planning)

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