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Understanding Benefits & Compensation (Video)

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Assessing a job offer involves more than just the salary—understanding your compensation and benefits is an important part of the bigger financial picture. In this video, Grimes & Company Financial Advisor Gordy Thomas explains how to evaluate employee benefits and negotiate compensation when considering a new job offer.

From health insurance and paid leave to equity compensation and negotiation strategies, Gordy shows how to look beyond salary and evaluate the full value of an offer. Watch the full video below to learn how the right approach to benefits and negotiation can support your long-term financial goals.

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VIDEO TRANSCRIPTION:

My name is Gordy Thomas, a wealth manager here with Grimes and Company, and today we're going to talk about understanding employee benefits and how to negotiate compensation. When considering a job offer, it's important to understand it's more than just your salary. Benefits and smart negotiation can make a huge difference in your financial future.

Common benefits that most employers will have will include things like health insurance, retirement plans, paid time off and leave, as well as insurance, stock options, and other financial incentives. For health insurance, it's important to review things like premiums, deductibles, and coverage for different providers and prescriptions, as these can vary between different plan providers.

For retirement plans, most plans today offer matching for employees. Some plans may also offer Roth options, which can be valuable to younger employees or employees in lower tax brackets. While on the other end of things, for more tenured employees, certain plans will offer things like in-service rollover options, where you could move the funds into an IRA with additional investment offerings.

Paid time off and leave are also important, especially looking to have a family, knowing what sort of benefits you get there in terms of what your coverage is for being away from work. These are all things that may not be front of mind when you're trying to negotiate salary and comp, but over time can add up into the tens of thousands of dollars in value.

Other perks that are used as negotiation when comparing between different job opportunities or perhaps moving to another company are things like stock options, professional development, the opportunity for remote work, and other wellness programs.

There are a lot of different perks and benefits that employers offer. So how do you evaluate all these things together? It's important to ask for information upfront for a couple of reasons. Number one, it gives that employer the impression that you're serious about the job and you're thinking long term about where you'd like to be in the future.

But it's also important for you to evaluate all these things because when you add them all up together, on the surface, one company may be offering a higher salary, but in reality, with the additional benefits, there may be another more attractive offer out there.

So how do we evaluate the full package? As a best practice, it's important not to just factor in salary, but to add up the total value of benefits. A slightly lower salary with strong benefits may actually be the better deal. Another thing that you can do when you're considering different job opportunities is to try and negotiate, depending on your seniority level within the company, or if you have any specialized skills.

Knowing your market rate is the first step. Negotiation is more common among executive levels, but again, if you're in a

specialized role within an industry that's in high demand, there may be some additional leverage there for things like equity compensation, or if it's a privately held company, shares within the company.

When you're looking to switch jobs, something else to factor in would be equity awards granted by your current employer that you would forfeit if you were to leave. You could ask for what's called a make-whole award if you are leaving something on the table. These can be granted most commonly in the form of RSUs and typically match the remaining vesting schedule from your previous company.

When negotiating compensation, it's important to be respectful but also confident.

Employers expect negotiation. It's actually a sign of interest and engagement in the role throughout the hiring process. However, it is important not to overplay your hand and ask for too much. Some takeaways for this are that your compensation is more than just your paycheck.

Understanding the benefits, evaluate the full package, and don't be afraid to negotiate. The right approach could boost your income and improve your quality of life. If you're unsure about how a job change could also impact your personal situation, that would also be a great time to speak with a financial planner.

Once again, my name is Gordy Thomas and for more information please visit our website at grimesco.com.

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