



The Footer Financial Group

1767 Sentry Parkway West
Suite 110
Blue Bell, PA 19422
215-619-4502
Fax: 215-619-3909
footerfinancialgroup@janney.com
www.footerfinancialgroup.com



INVESTOR
EDUCATION

Women and Work: Why Salary, Benefits, and Work-Life Balance Count

As you progress along your career path, there's no telling how far you'll go. But to fully reap the financial rewards of all your hard work, you'll need to take charge of your own career. Here are a few issues you'll want to pay close attention to.

Salary and career advancement

Having a well-paying job is a major concern for most people, but it's no secret that there's often a gender gap when it comes to pay. According to a report from the Bureau of Labor Statistics, within most occupational categories, women who work full-time, year-round earn only 82% (on average) of what men who work the same schedule earn.²

Getting paid less affects not only your current paycheck, but also your long-term asset accumulation. For example, the less you earn, the less money you have to contribute to your retirement plan, and potentially the lower the amount of matching employer contributions you'll receive if your employer offers them. In addition, because current salary is the benchmark for future pay increases and bonuses (which are often expressed as a percentage of your salary), the effect of a pay gap is cumulative. Unless corrected, pay disparities may widen over the course of your career.

Unfortunately, making sure that your pay is in line with industry or company standards isn't always easy, but you can start by checking with your employer. Many employers have transparent compensation practices and are happy to share salary ranges or pay scales, the criteria for pay adjustments, and the timetable for compensation review. You may also want to check out Internet salary websites to get an idea of a typical salary range for someone in your occupation and geographical location.

You may also benefit from honing your negotiation skills. It's possible that you might be missing out on pay raises, not because they're unavailable, but because you haven't effectively communicated what you want or need. Here are a few tips:

- When meeting with your employer (or a potential employer), be prepared to articulate your strengths and specific achievements. What unique skills and qualities do you bring to the table?
- Recognize that negotiation is a two-way street. Clearly communicate not only your salary requirements, but also what you offer the company in return. Be prepared to address any concerns your employer has.
- Don't assume that the first salary or pay increase you're offered is the last. Be prepared to counteroffer.

In addition to pay, bonuses, and other tangible rewards, nontangible rewards such as career opportunities and a supportive culture are important predictors of job satisfaction and success. Here are a few questions you may want to consider when deciding if a job or company is a good fit:

- What advancement opportunities exist?
- How many women in the company hold leadership positions? If the number is low, does the company have any initiatives in place to change that?
- Are career development opportunities available, such as management training, mentorship programs, or networking opportunities?
- Does the company have family-friendly policies and benefits? Are employees encouraged to make use of them?

Employee benefits

Employer-provided benefits are the backbone of your compensation package because they can help provide a financial safety net for you and your family. Know what benefits you have, and make sure you're taking full advantage of them.

Retirement plans

Employer-sponsored retirement plans such as traditional 401(k) and 403(b) plans are a great option for saving for retirement. You can make pretax contributions (which generally reduce your taxable



As more and more women earn college degrees, change in the workplace may be inevitable. According to the National Center for Education Statistics, women now earn 57% of bachelor's degrees, 58% of master's degrees, and 53% of doctoral degrees.¹



According to the Bureau of Labor Statistics, approximately 71% of women with children under age 18 are in the labor force.³

Sources

¹ U.S. Department of Education, National Center for Education Statistics, *Digest of Education Statistics, 2018*

^{2,3} U.S. Department of Labor, Bureau of Labor Statistics, Women's Bureau, *2016 data*, accessed January 2019

⁴ U.S. Census Bureau, *Current Population Survey, America's Families and Living Arrangements: 2017*, accessed January 2019

income) directly from your pay, and any earnings on your contributions grow tax deferred until withdrawn. Your employer may also match a portion of what you contribute.

Although the number of employers offering pension plans has been dwindling, in some industries pension plans are still commonplace. If your employer offers one, make sure you understand the rules for participating and becoming vested in your pension benefits.

Health, life, and disability insurance

Employer-sponsored group health insurance is a very valuable benefit, especially if your employer pays a substantial portion of the premium cost. Employers may also offer low-cost group life and disability insurance that can supplement coverage you already have.

Flexible spending accounts

Your employer may offer you the chance to contribute pretax dollars to a health and/or a dependent care flexible spending account. Your contributions aren't subject to federal income taxes or Social Security taxes (nor generally to state and local income taxes). You can use these tax-free dollars to pay for health-care costs not covered by insurance or for dependent care costs such as child care.

Sick leave, disability, and vacation policies

Your employer's sick leave and disability policies can make a big difference in your ability to take care of yourself and your family members, without jeopardizing your job. Having generous amounts of paid time off (e.g., vacation or personal days) will help reduce stress and allow you to take care of personal business, and will ultimately benefit your employer through increased commitment and productivity.

Other benefits

If you work for a mid- to large-size company, it's likely that you'll have access to other employee benefits. One valuable benefit is an educational assistance program that will cover some or all of the cost of courses and job-related training that you may need to advance. Another is an employee assistance program that can help you deal with challenging personal situations such as divorce or elder care.

Work-life balance

Balancing the demands of career and family is one of the major issues people face during their working

years. Women are often most affected, in part because fewer women than men have stay-at-home spouses or partners. For example, according to the U.S. Census Bureau, approximately 23% of married men who work full-time and have children under age 15 have stay-at-home spouses, in contrast with approximately 1% of married women in the same circumstances.⁴ It's not surprising that without someone at home to handle family and household responsibilities, women who work full-time often face the paradox of having to be their family's "CEO" while also striving to be seen as CEO material at work.

Fortunately, the traditional workplace is changing. Employers are increasingly recognizing that providing work-life balance programs are key to having a diverse, gender-neutral workforce. All workers, women and men, single or married, with or without children, can benefit from flexible scheduling such as telecommuting or a compressed work week that can help them meet personal needs and responsibilities. Here are some tips that can help you make a flexible arrangement work:

- Make sure expectations are clear both at home and at work. If you're working off-site, will you be expected to work during certain hours? Will you need to be available for meetings? Does your family understand your work routine?
- Be proactive in communications with your boss and colleagues. Consider how they might be affected by your arrangement, but don't hesitate to ask for what you need to be successful.
- Stay flexible. Your needs and your employer's needs may change over time, and the terms of your arrangement may need to be adjusted.

While workplace flexibility is gaining momentum, some employers have not yet embraced the concept, and some jobs or industries aren't well-suited to it. But you can still strive to better integrate your home and work lives. As a starting point, enlist support from others. At home, ask your family members for help with household responsibilities — you really can't do it all yourself — or if you can afford it, consider hiring someone to help out. At work, look for opportunities to network with women who have faced similar challenges, and help support them by sharing your experiences and tips. And don't expect perfection. Balancing career and family is always a work in progress.

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