Careers and Money: *Show me the Myths and Truths*

ODU Career Development Services, 2202 North Webb Center
www.odu.edu/cds http://www.odu.edu/success/careers/tools/offer

- **About Starting Salary and Real Earnings....**

When you get that first monthly/weekly salary direct deposit, do you know that the actual net amount is very different than the gross (salary/wage) amount?

![Salary Paycheck Calculator](image)

You must pay state and federal income taxes, social security, medicare, deductions for health care, and other possibilities... Your actual wages each month will be 25-35% less than your gross pay.

**TIP: CALCULATE ALL DEDUCTIONS & BUDGET WELL**

- **About what should be considered when comparing salaries.**
  **Higher paying careers do not always yield more net income or security:** *When I say I want to earn $50,000 what do I need to know?*

<table>
<thead>
<tr>
<th>Example Net: $3000 NET INCOME FOR CAREER/JOB SCENARIO #1 vs. SCENARIO #2</th>
</tr>
</thead>
<tbody>
<tr>
<td>No commute</td>
</tr>
<tr>
<td>Pack lunches $75</td>
</tr>
<tr>
<td>Pay Increase 2% after 6 mo.</td>
</tr>
<tr>
<td>Health center on site</td>
</tr>
<tr>
<td>What you have to use</td>
</tr>
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<td></td>
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</tbody>
</table>

**TIP: SAVE RIGHT AWAY...and COMPARE THESE FACTORS and COSTS/BENEFITS**
Cost of living… Rent housing and food cost a lot more in major cities because of the additional services and easy access you have too many conveniences.

Sign on bonus... Some employers will provide a one-time sign-on bonus to help you get started in a new area.

Moving... Will the employer pay any portion of your moving expenses?

Healthcare... What will the employer cover, including possible life insurance long-term care and disability...? What about vision and dental care?

Savings for retirement... Some employers will match percentage that you put in which could be around 3 to 5% of your paycheck.

Additional services such as assistance for childcare, elder care, allowing pets in the office vehicles or equipment/technology provided if a user in high usage requirement by your position.

Access to health clubs, or fitness center on site.

Telework options or flexible hours.

Professional development support or reimbursement for travel.

Potential for annual increases-what has the organization provided over the last 5 years?

Annual leave-are there standard days allowed for sick time or vacation? What holidays are included?

Performance-based bonuses or increases; is this a possibility?

The working environment and culture.

Professional attire-high cost- required, dry cleaning service?

Working environment and culture- is space/light/team rooms important to you?

Subsidized food options-some organizations offer quality food on site at lower rates than what you can find “around the block”.

Commute- what will gas, parking, or transit per month cost you?

All these things could have a major difference in one job offer versus another, and how much monthly spendable income you actually have.

About the cost of switching majors, jobs, and careers… assuming your major and career choice will not have any earnings potential...you can lose time and earnings.

TIP: Pick a career based on your skills, interests, and consider money as only one factor.
Liberal Arts Majors Close Earnings Gaps—Earn More than Professional Majors at Peak Earnings Ages: Key Findings from a 2014 AACU Report

At peak earnings ages (56-60 years) workers who majored as undergraduates in the humanities or social sciences earn annually on average about $2000 more than those who majored as undergraduates in professional or pre-professional fields.

Unemployment Rates are Low for Liberal Arts Graduates—and Decline over Time The unemployment rate for recent liberal arts graduates is 5.2 percent. The unemployment rate for mature workers with liberal arts degrees (41-50) is 3.5 percent—just .04 percent higher than the rates for those with a professional or pre-professional degree.

Many Liberal Arts and Sciences Majors Also Attain Graduate and Professional Degrees and Experience Significant Earnings Boosts When They Do. More than 9.6 million individuals hold a baccalaureate degree in a humanities or social sciences field, and nearly 4 million of these individuals (about 40 percent) also hold a graduate or professional degree. These graduates with advanced degrees experience, on average, a yearly boost in earnings of nearly $20,000. More than half of science and math majors earn advanced degrees and experience, on average, a boost in earnings of more than $30,000 when they do.

Graduate and Professional Degrees Provide Earning Boosts for All; Largest Boost for Science and Math Majors and Smallest Boost for Professional Majors Graduate and professional degrees provide significant boosts in earnings for all majors. The largest graduate/professional degree earnings bump is experienced by those with science or mathematics degrees.

Median Annual Salaries are Highest for Engineering Graduates; But, Whatever the Undergraduate Major, College Degrees Lead to Increased Earnings over Time and Protect Against Unemployment The median earnings of engineering graduates are consistently higher than the earnings of all other degree holders, but college graduates in all fields see their salaries increase significantly over time. Median annual earnings of full-time year-round wage and salary workers ages 25–34, by educational attainment: 1995–2012

TIP: LOOK NOT ONLY AT SHORT TERM, BUT LONG TERM VALUE, noting Graduates Change Jobs over 7-10 times in a lifetime
About the value of a degree...

Rising Earnings Disparity Between Young Adults with And Without a College Degree

Median annual earnings among full-time workers ages 25 to 32, in 2012 dollars

<table>
<thead>
<tr>
<th>Degree Type</th>
<th>1965</th>
<th>1979</th>
<th>1986</th>
<th>1995</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bachelor’s degree</td>
<td>$31,384</td>
<td>$32,999</td>
<td>$34,595</td>
<td>$41,989</td>
<td>$45,500</td>
</tr>
<tr>
<td>Two-year degree/Some college</td>
<td></td>
<td>$39,485</td>
<td></td>
<td>$44,770</td>
<td></td>
</tr>
<tr>
<td>High school graduate</td>
<td></td>
<td></td>
<td></td>
<td>$43,663</td>
<td></td>
</tr>
</tbody>
</table>

Notes: Median annual earnings are based on earnings and work status during the calendar year prior to interview and limited to 25-32-year-olds who worked full time during the previous calendar year and reported positive earnings. “Full time” refers to those who usually worked at least 35 hours a week last year.


TIP: STAY IN SCHOOL, FINISH in 4 and USE CAREER Blue Print: 7 Steps to Career Success

WWW.ODU.EDU/CDS

**NOTE:** Earnings are presented in constant dollars, based on the Consumer Price Index (CPI), to eliminate inflationary factors and to allow for direct comparison across years. Full-time year-round workers are those who worked 35 or more hours per week for 50 or more weeks per year. **SOURCE:** U.S. Department of Education, National Center for Education Statistics. (2014). *The Condition of Education 2014* (NCES 2014-083), *Annual Earnings of Young Adults.* -- DDS Feb 2015