

SEEING BEYOND SALARY

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When college students reach their last year and are closing in on graduation and the “real world,” most have their minds on what they’d like to do as a career, who they would like to work for, and how much money they’ll make ... but is salary everything?

While money is an important factor, many graduates aren’t aware of the costs or importance of additional benefits offered by employers. Students of today are better at evaluating these additional benefits, but companies seem to offer all sorts of different packages and evaluating the pros and cons of multiple offers can be overwhelming. In this article, we hope to provide a baseline of information that will help you recall the variety of components that can be available in a package and give you some thoughts on how to best evaluate multiple offers and their benefit packages.

Let’s begin by talking about salary — yes it is important! However, in your job search you might find that several companies may offer similar salary compensation and weighing the other components of the job and company become the critical decision factors. As long as you feel the salary is competitive and is in the ball park of your expectations, benefits are the next critical component to consider. (In our opinion, the job itself is most important, followed by company culture/fit, and then salary/benefits.)

To begin to compare benefit packages, one needs to know what constitutes a benefit. The definition of an employee benefit, according to Wikipedia, is that it consists of various non-wage compensations provided to employees in addition to their normal wages or salaries.

As we mentioned, just about every organization has some different combination of their own unique benefits offering. However, here are some common benefits in traditional packages, a partially paid health insurance plan, a 401(k) investment program (where the

employer may or may not have an employer matching contribution), life insurance, paid time-off (vacation, holiday and sick leave), disability insurance, maternity leave, etc. We are seeing an increasing number of employers offer additional perks such as gym memberships or reimbursement, tuition reimbursement, wellness programs, and years of service awards.

get overlooked in the evaluation process, such as dry cleaning service, child care, office celebrations, informal or formal training, athletic ticket funding, shoe shining service, on-site exercise facility, dental or optical insurance, social responsibility programs, etc. The list can go on and on.

When you are in the interview and have the opportunity to ask



Accepting your first full-time job offer can be intimidating and reviewing benefit offers and compensation packages for the first time nerve-racking. You can ease those nerves with careful consideration, evaluation and by asking plenty of questions of the employer and then those you trust to help you evaluate that might have past experience in this arena.

Depending on the job, particularly those in sales or positions that require business travel, there may be additional perks, such as a cell phone/BlackBerry, car allowances, commission, bonuses, business mileage reimbursement, or possibly a company car.

If you are going to work from a home office, there is another list of benefits to consider. Will the company pay for your phone and internet service? Will they provide you a monthly allowance for office supplies? Will they cover the cost to get your office set-up — office furniture, printer, phone, fax, etc.?

Remember that there are unique perks or non-traditional perks that some companies can offer and often

questions of the employer, ask about the benefits available and if there is a list of all of the benefits provided. It is important to learn the details of a benefits plan and you shouldn’t be afraid to ask the employer for those details. Not only will this help you understand the benefits clearly, but it also shows your interest and seriousness about the position. Most employers will be impressed with your ability to think beyond salary.

Pay particular attention to the responsibility of coverage for each benefit. Employers can offer benefits but don’t always have to pay for them; an example of this might be short-term disability coverage. This isn’t necessarily a negative; corporate organizations can often get a

better group rate than what you would receive if you went out on your own and purchased the same coverage. Also, keep in mind that while a benefit is offered it may require potential withholdings from your base pay for your portion of the coverage, such as health insurance and 401k.

Ask a mentor, parent or your career services professional on campus for insight about potential withholdings. They should be able to take you through an exercise to see what all of your deductions are and what you would be left with for disposable income. Also, while it isn't good practice to talk about salaries with your peers, talking about benefits is OK and can provide some good insight as to what is out there and available.

How you evaluate what is going to provide the most value to you is the next step. Keep in mind that trading a great health insurance benefit isn't always worth the instant gratification of an extra vacation day or new car. And, an 8% employer match to your 401(k) plan could definitely outweigh a competing offer that includes no employer match but a cell phone.

Two suggestions to consider when evaluating your benefit options are to assign dollar amounts to the benefits and then also have a list of your priorities and what is important to you. A critical point of consideration in the process is to not only evaluate what is there, but also what is not!

Remember how the definition of an employee benefit referred to benefits as a form of compensation. Looking at the dollar value of benefits offered in a package is a good way to start your evaluation process.

If you can assign what the cost would be to you if you were to have to cover that cost yourself can provide helpful insight. For example, if you plan to go back to school and the employer is offering a tuition reimbursement program, there is a cost associated with what you would have to pay out of your own pocket if that benefit was not available.

For this example let's say the company offers up to \$5,000 tuition reimbursement per semester. If you went for two semesters and met the

policy requirements that would be an additional \$10,000 you technically are making because you don't have to pay that out-of-pocket expense. Do this with each benefit on the company's list of benefits and then add up the total dollar amount that you'll be saving yourself.

BEYOND COMPETITIVE COMPENSATION BENEFITS EVALUATION

- 401(k) or retirement planning
- Vacation, Sick and Personal time or, Paid Time Off (PTO)
- Paid holidays
- Health insurance offerings
- Long term and Short term disability
- Life insurance coverage
- Family medical leave
- Bereavement policy
- Maternity leave
- Wellness program
- Gym membership benefit
- Cell phone and computer policies
- Advanced education reimbursement
- Remote office location policy
- Additional perks

Melinda Hood, Human Resources Manager for **AgCareers.com** says, "If you do receive a competing offer, I wouldn't hesitate to compare the two carefully and itemize your monthly earnings from a total package standpoint. This allows you a direct comparison to potentially negotiate and leverage the competing offer with the employer. However, in the end, you may need to select the best company fit for you and sometimes paying the extra percentage for health insurance or having one less day of vacation outweighs the competing company as a whole. Just be smart about your options and measure the bottom line."

Not all benefits can be assigned a dollar figure; things like company celebrations or informal training don't necessarily have monetary value but might be important to you from a

personal development or cultural fit standpoint.

Another way to assess benefit packages is to make a list of those things that you (and your family) value. While you can actually assign a dollar value to paid time-off, maybe one organization is offering five days and the other ten days. Vacation is one of those benefits that mean a lot to some people and having additional vacation outweighs other benefits and their monetary value.

We've provided a list of frequently offered benefits offered by organizations for you to use, but do some exploring on your own as well for other company offerings. Who has more of what you want and how do your out-of-pocket savings compare.

Just like salary, benefits may be negotiated too, but it is a little more difficult. And, certain benefits are easier to negotiate than others. According to Hood, "As an HR professional, I will be honest in that sometimes it is harder to negotiate the benefits package particularly depending upon the size of the organization.

"For example, it is very unlikely that you are able to negotiate your health insurance premium rate as well, it is unlikely that you would even be able to negotiate a waiting period for benefits to start."

Those two aspects of that particular benefit may be set by company policy and cannot be changed. Now, vacation or paid time-off may be an area you are able to negotiate on. However, as a first-time full-time employee, you most likely will not have a lot of leverage, but it never hurts to ask and if you have multiple offers that can make the negotiation process easier.

Employers are typically very thoughtful in putting together their benefit packages, as they would like the best for their employees as well as they are trying to create consistency across their workforce.

Benefits may not be the sole decision factor in taking a job offer, but they definitely need to be considered. Knowing what the employer's benefit package consists of (with details), understanding the value of the benefits being offered, and knowing what is most important to you are the things you'll need to make an informed decision.