

IS IT REALLY WORTH IT TO TAKE A PAY CUT?



In the booming times, taking a pay reduction was pretty much unthinkable. You worked really hard and did well so you got a raise or a better job that paid more money. A decrease in salary was seen negatively, as if you had done something wrong in your career. But today, in these tough economic conditions, the tune has really changed. The negative stigma is diminishing and it is more acceptable and commonplace to take a salary reduction. Actually, chances are good that you, or even someone you know, will be faced with this question at some point in your career. So, when is it really worth it to take the pay cut?

1. You are currently unemployed and you need a job. Whether you have been unemployed for five minutes or five months, it is much more imperative that you consider all job opportunities, regardless of what the salary might be.
2. You're trying to start a new career. If you have made the decision to change your career path, you will likely start near the bottom of the salary ladder until you build up your experience.
3. You are changing industries. Sometimes it might be necessary, or even desired, to switch industries. For example, you are a marketing professional in the real estate industry, but you take a new position in the medical marketing field. Since all of your industry expertise doesn't transfer, you might end up with a lower starting salary.
4. You are in love with your job. You have found your dream job...or close to it. There is great company there, an easy commute and fabulous people. Happiness and an overall job satisfaction can far outweigh a higher salary in a less than fulfilling situation.
5. You're getting better benefits. What you aren't getting in a take-home pay, you are making up for in stock options, health insurance, a 401k match, and other great company benefits.
6. Your hours are amazing. You cannot put a price on a great work schedule. Maybe you get to be at your son's soccer practice or you have some time to hit the gym every morning. Whatever the case may be, a flexible work schedule can be a huge benefit.
7. You can telecommute. Saving money on gas, wear-and-tear on your car, and time commuting is worth its weight in gold. The cost savings alone can justify a lower salary.
8. You're moving into an area with a lower cost of living. Salary ranges are altered by the cost of living in a certain area. Make sure you do a cost comparison when you are relocating. You could find out that you still end up on top even with a few dollars in your paycheck, because you are paying less for everything else.
9. You want to stay with your current company. This is pretty self-explanatory. You like the job, and the commute, so you sacrifice for the company you've grown to love.
10. You want your foot in the door. If you've found a company that you like, with some room for advancement, taking a job that pays less may be a good way to get started.