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# TIME FOR A PAY CUT

**WTF, YOU MAY HUFF, BUT TAKING A BACK-POCKET HIT IS A SAD AND GROWING REALITY FOR MANY PEOPLE (EVEN THE NEW POTUS). HERE, HOW TO MAKE IT WORK AND FIND A POSITIVE OUTCOME.**

**A** working life used to be so simple – get the degree, do the training then graft until you’re sent off into the sunset with a gold watch. Not anymore. Career changes, redundancies, toggling between the private and public sectors or simple pressure to progress make the prospect of a pay cut more likely than ever before.

Not, we’d hope, anything on par with the \$1 a year President Trump has volunteered to take for his White House gig which, to be honest, seems about right for someone with his level of civic experience. But with employees tending to spend less time in roles, dropping up to \$10k in salary is no longer unusual.

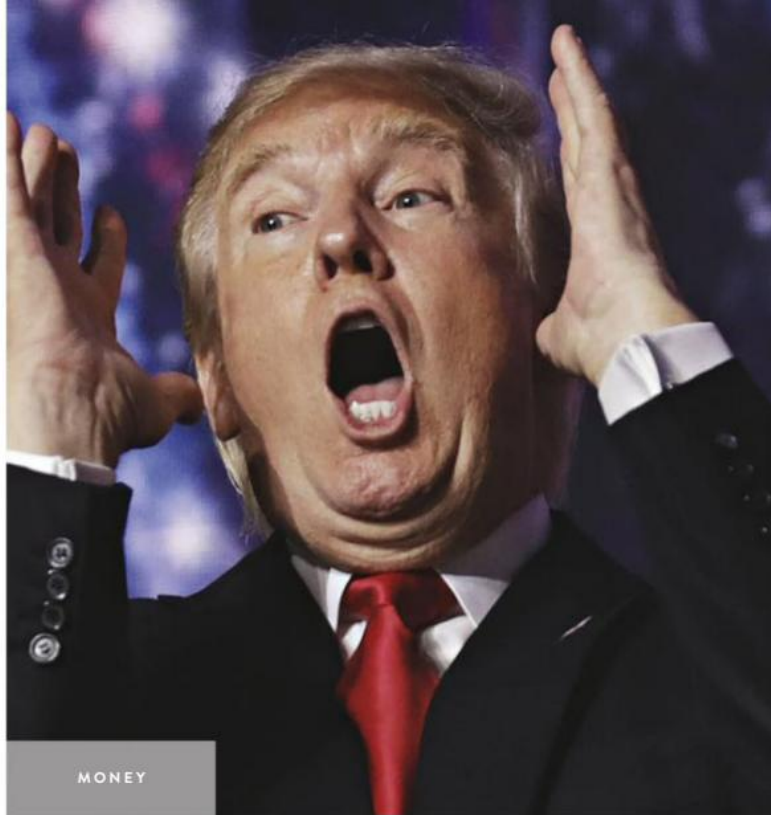
The trick is to view it as a smart, gutsy play in a long game.

“Showing you’re willing to take a speculative opportunity despite a short-term sacrifice is attractive to employers,” explains Marcus Crow, from business training agency *10000hours.com*.

Michelle Gibbings, a leadership expert at Change Meridian, agrees that career progression trumps pay.

“Employers will consider whether your roles are getting bigger, more responsible and more influential,” she says. “Often salary doesn’t even come into the first conversation.”

Constant upgrading of your skill set is what’s key, adds career coach Benjamin J Harvey from Authentic Education, named one of BRW’s



MONEY

‘Fast 100’ companies in 2015.

“If you tell a recruiter ‘I took a \$20,000 pay cut to do more meaningful work and better position myself for future opportunities’ then you’re someone who’s got the courage to go against the norm and be different,” says Harvey.

There are some circumstances where taking a pretty sizeable back pocket hit is almost guaranteed, such as moving from corporate to public sector; making a major industry change that requires starting out on a lower rung; entering the start-up space; opting for self-employment; or even just trying to recalibrate the supposed work/life balance. Occasionally, it can also occur when trying to survive a purge at a company.

“Be really clear on your reasons,” says Gibbings. “Is this something you’re doing because you see greater opportunity? Or because there’s a chance to become a stakeholder if it’s a start-up? Or is just to enter a different working culture?”

Knowing your reasoning not only helps sell the move to future employers, but helps you justify

to yourself the pain of that first remittance slip.

“Reminding yourself of your reasoning will allow you to handle the short-term adversity,” says Crow.

Don’t forget to do the math. Can you afford it? And if the numbers mean concrete lifestyle changes – trading the Cayenne for a Kia – can your ego take the hit?

In the same way, think through the question of title.

“People are often much more connected than they think to their position,” says Gibbings. “Like it or not, we live in a fairly hierarchical society and there is status connected to title, so if you’re also taking a downgrade, you’ll need to be comfortable with that.”

If it all adds up, hold your nose and jump. “The narrative, inwardly and outwardly, really should be one of courage,” adds Crow. “You’re someone with the capacity to face certain losses for uncertain gains. But you do it because you believe the future benefits will outweigh the financial loss, and because, over time, you know you’ll make up the shortfall.” ■

## PLAN FOR THE PAIN

When staring a downgrade in the face, it pays to be prepared. Benjamin J Harvey shares his tops tips on the necessary due diligence.

### 1. IDENTIFY THE IDEAL OUTCOME AND THE STEPS TO GET THERE

Can you go part time for the same money? Can you drop \$5k in return for a company car to help with a long commute? What about losing \$10k and receiving another week’s leave? Think outside the obvious, even if it means phoning a friend.

### 2. ESTABLISH YOUR LINE IN THE SAND

At what point will you be willing to walk away? Know your non-negotiables.

### 3. ASSESS COMMON WANTS

What do you and the company you’re negotiating with want in common? A win-win is the ultimate result.

### 4. SHORTLIST THE OBJECTIONS

List every possible trouble spot, downside and potential objection you’re likely to encounter.

### 5. WORK OUT THE FIX

Knowing the work-around in each case will put you on the smartest, most effective path towards your end target.

WORDS: MEG MASON. PHOTOGRAPHY: GETTY IMAGES.

STRESS

A STUDY USING MRI TO REVEAL IF PATIENTS COULD RECALL ANGRY PHOTOS SHOWN TO THEM THE NIGHT BEFORE CONCLUDED GOING TO BED MAD LEADS TO RESENTMENT.