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Issue #11: Career Transitions & Financial Planning: Looking Beyond Compensation

Career opportunities often arrive with excitement, momentum, and the promise of something new. Whether it's a promotion, a new role, a transition to a different firm, or a major change in professional direction, these decisions can have meaningful financial implications beyond compensation alone.

In many cases, the focus naturally centers on salary, bonuses, or headline numbers. But the long-term impact of a career move is often shaped just as much by the surrounding financial details, including benefits, taxes, savings opportunities, lifestyle changes, and long-term flexibility.

For this reason, career decisions are often most effective when evaluated not only as professional opportunities, but as broader financial planning decisions as well.

Looking Beyond Salary

Compensation is rarely as simple as a single number.

A new opportunity may involve:

- Changes in bonus structure of variable compensation;
- Equity compensation or deferred incentives;
- Differences in retirement plan offerings;
- Variations in healthcare costs or insurance coverage; or
- Changes in tax treatment or cash flow timing.

In some cases, a role that appears more attractive on paper may create new financial pressures once these factors are fully considered.

At the same time, there are situations where accepting lower near-term compensation may still make sense if the opportunity better aligns with long-term goals, lifestyle priorities, or future earning potential.

The Lifestyle Side of Career Decisions

Career transitions can also influence larger fixed expenses, such as housing, lifestyle upgrades, or additional obligations that become difficult to reverse later. Conversely, a lower compensation structure may require adjustments to savings rates, investment contributions, or overall spending habits.

At the same time, not all career opportunities should be evaluated solely through the lens of immediate compensation. Leadership opportunities, mentorship, organizational culture, and long-term upward mobility can all meaningfully influence both professional and financial outcomes over time. The quality of leadership – particularly working with individuals who are invested in your growth and long-term success – may not outweigh compensation considerations, but it is often an important factor worth evaluating alongside them.

For many individuals, maintaining flexibility during periods of transition can be just as valuable as maximizing compensation.

Practical Planning Considerations

Before making a significant career decision, it can be helpful to evaluate:

- How will cash flow change?
- Will retirement savings opportunities improve or decline?
- Are equity incentives or deferred compensation tied to future vesting?
- Will the transition impact long-term savings goals or lifestyle flexibility?
- How stable and predictable is the new compensation structure?

These decisions are rarely purely financial, but understanding the financial implications can help ensure professional opportunities align with broader long-ter objectives.

Looking Ahead

Career decisions often shape far more than short-term income. Over time, the structure, flexibility, and sustainability of a professional path can have a meaningful impact on long-term financial outcomes.

Approaching these transitions thoughtfully can help ensure that professional growth and financial progress remain aligned.

Thanks for reading this issue of ***Well Advised***. We hope this perspective provides a helpful framework for evaluating career opportunities and transitions, and if you’re considering a change or weighing a new opportunity, we’d be happy to talk.

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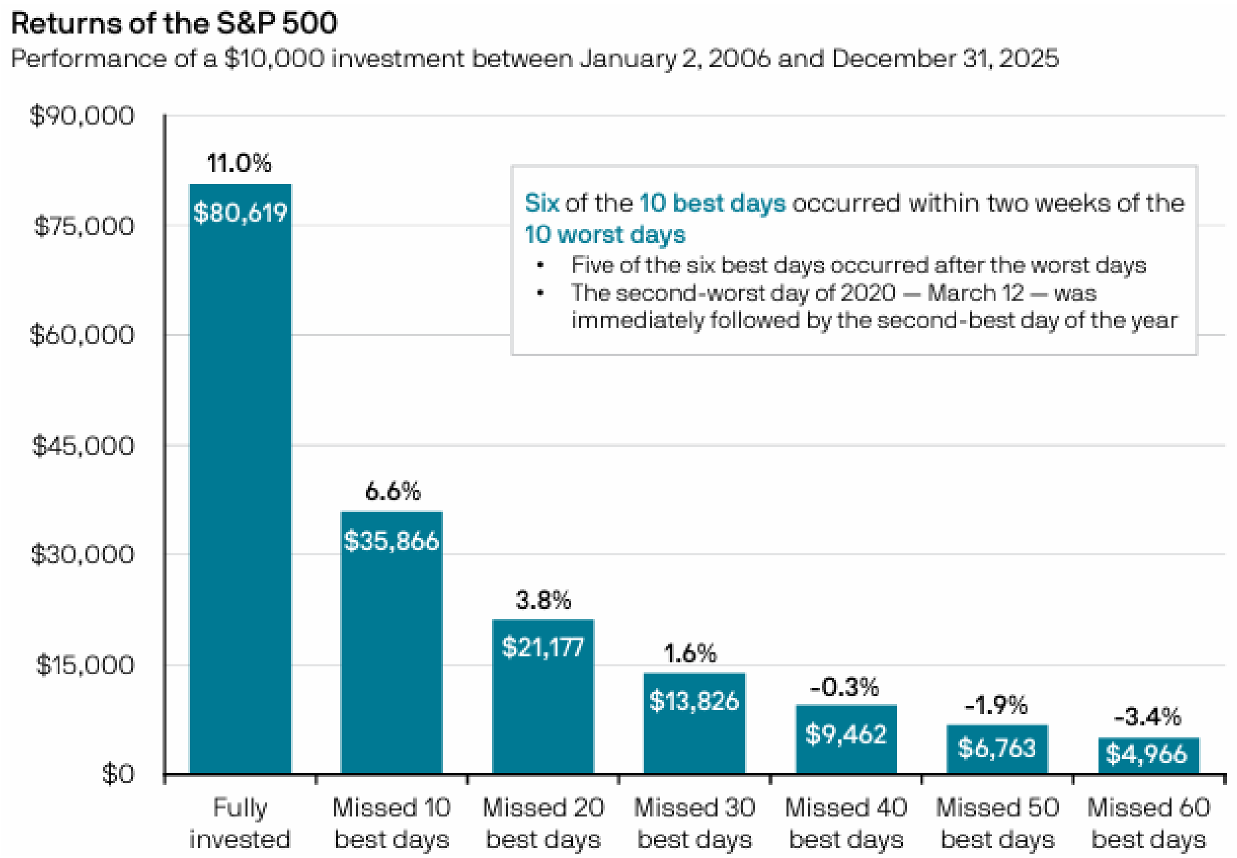
Chart of the Month: The Impact of Being Out of the Market

This chart illustrates the long-term impact of missing just a small number of the market's strongest trading days over time.



Source: J.P. Morgan Asset Management using data from Bloomberg. Data as of December 31, 2025. Past performance is not indicative of future returns. An individual cannot invest directly in an index.

Explaining the Chart:

The chart compares the growth of a hypothetical $10,000 investment in the S&P 500 Index between 2006 and 2025 under different scenarios. It shows how investment outcomes changed when an investor missed a limited number of the market's best-performing days.

One of the more important takeaways is that many of the market's strongest days occurred during periods of heightened uncertainty and volatility, often close to some of the market's weakest days.

Our Perspective:

Periods of uncertainty can create a strong urge to "do something," whether in investing or broader financial decision-making. However, consistently stepping away from long-term plans during difficult periods can sometimes create unintended consequences over time.

While market volatility and career transitions are very different experiences, both often reward thoughtful planning, discipline, and a long-term perspective rather than reactive decision-making.

You Asked, We Answered

Each month the newsletter will include a reader-submitted question and our take on it. If there's a topic you'd like us to explore – or something you've been wondering about – we'd love to hear from you.

Question: "How much of a pay cut can I realistically afford?"

Our Take:

There is rarely a universal answer, because the impact of a compensation change depends heavily on spending patterns, savings habits, and overall financial structure.

In many cases, the more important question is not simply whether income will decline, but whether core financial priorities can still be maintained.

For example:

- Will retirement contributions continue uninterrupted?
- Can long-term savings goals still remain on track?
- Will fixed expenses remain manageable?
- Does the new role create better long-term opportunities, flexibility, or lifestyle alignment?

For individuals with strong savings habits and manageable fixed expenses, a lower compensation package may still support long-term financial progress, particularly if the opportunity improves quality of life, professional development, or future earning potential.

Conversely, when spending obligations have expanded alongside income, even a modest compensation reduction can create financial pressure and reduce flexibility.

This is one reason lifestyle inflation can quietly become so impactful over time. The more dependent a financial plan becomes on maintaining peak earnings, the fewer career choices may feel financially available later.

Ultimately, the goal is not necessarily to maximize income at every stage, but to preserve enough financial flexibility to pursue potential opportunities that align with broader long-term priorities.

Thanks for reading this issue of ***Well Advised***. If you'd like to submit a question for a future edition – or talk more about anything we covered today – we'd love to hear from you. Let's keep the conversation going.

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Disclosures

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