

Search Finance Search Web

Follow bridgingthegapsyahoo

11 Things You Need to Know When You're About to... Get Promoted

BY BRIDGING THE GAPS
THURSDAY, 6/11/2015 AT 1:35PM

1 note
Share {84} Tweet {0}

By Sarah Netter



Walking out of the boss' office with a promotion is cause for celebration. This could mean a new job title, a new corner office (or at least a bigger cubicle) and, likely, a raise. Todd Zeidenberg, a Connecticut financial advisor, recommends taking the following steps toward financial success with that promise of cold, hard cash.

1. Don't spend your raise before you get it.

Something could always happen between that initial meeting and payroll processing. "I'd wait until it's a definite and you see it in the paycheck," Zeidenberg says.

2. It's okay to go out and reward yourself, within reason.

Take a night off, Zeidenberg says, and grab "dinner, a movie, a pat on the back... You are acknowledging your success before you start doing other things financially," he says. "You enjoy it. And now you've got to get back to work."

3. Put more money into your retirement plan.

When you get a raise, "you want to add at least 1 percent more savings to your retirement plan," Zeidenberg says. "So, if you're doing 5 percent, you do 6 percent to your 401k." He also recommends automating your savings, which can include that extra money to your 401k, but also signing up to have your bank move \$100 a month from your checking to your savings account. Also consider opening a Roth IRA and contributing \$25 per month. "You will be paying taxes on the seeds today," Zeidenberg says. "When you make an investment on this, it's after taxes, but all the money grows tax-free so when you take it out this thing has mushroomed. It's a big harvest."

4. Update your wardrobe.

Consider it a new look for a new income. "A new shirt, new shoes, play the part," Zeidenberg advises. "Show the people at work... hard work is paying off."

5. Consider buying a new car.

Take stock of your wheels. “Is it old? Does it need repairs?” Zeidenberg asks, adding that the car’s warranty and mileage should also be considered. If you have the money look at buying a car with a payment of about \$100 more per month than you are currently paying.

6. Beef up your emergency fund.

Employees should look at the net amount of each paycheck and keep at least three times their monthly net income in a savings account. If you own a business or work a job with less stability, then plan to keep six times your monthly net income in your emergency fund. “Let’s just say the washer-dryer breaks [or] you need a new roof,” Zeidenberg says. “That needs to be there. It’s not a vacation fund.”

7. Don’t be afraid of “the B-word.”

Budget. Figure out what you are spending on everything from housing to food to cable, then consider where you might want to expand your budget. “It’s a perfect time to re-do your financial situation,” Zeidenberg says. “That’s going to set the stage for what you can spend.”

8. Look at your insurance policies.

New money often translate into new assets, in which case you may need to consider whether there are gaps in your existing coverage. After you drive off the lot in your new car, look into an umbrella insurance policy. If you purchase new art, jewelry or other valuables, make sure your homeowners policy has you covered. Smart updates now can save some of your hard-earned cash down the road, should damage, theft or some other

catastrophe strike.

9. Take control of your risk management.

Nobody likes to think about death or major injury, but it's best to prepare for the unexpected, especially if you have children. "Since your income has gone up, your benefit for your survivors should have too," Zeidenberg says. He recommends buying an outside personal policy and not relying solely on benefits offered through your job, that way the policy stays with you if you lose your job or change employers. "You lock in a premium on the outside and you own it," he said. "It's a better way to do things. "

10. Pay off your credit card debt.

Carrying around major credit card debit "is ruining your FICO score if you want to buy a house or a car," Zeidenberg says. He recommends aiming for a credit score of 750 or higher. "The more balance you have on credit cards, your FICO score goes down," he says.

11. Build an "attitude of gratitude" at work.

You come into work after a nice steak dinner, wearing your new outfit and dreaming of that brand new car. Now's the time to deliver a handwritten note to your supervisor thanking him or her for the promotion. "This is going to plant the seed for future promotions as well," Zeidenberg says. "You're setting yourself up for future success."