

The Value of Your First Job - Transcript

Tim Mullooly: Welcome back to Living with Money. This is Tim Mullooly. On today's episode my brother Brendan is joining me. Brendan thanks for coming on.

Brendan M.: Yeah, happy to be here.

Tim Mullooly: You know, it's summer time, kids are home from school, they're working a lot. So we figured today's episode we would talk about the value of a first job. Come at it from a couple different perspectives. We can reminisce about our first jobs as kids in the summer. We can also talk about from the view point of a college student fresh out of school looking to get their first real job. Also, from a parents point of view, kind of imposing lessons on your kids. Teaching them the value of a job and a paycheck and earning money.

Bren, for the listeners out there, I obviously know your story. What was your first job and what are some things that you remember about it?

Brendan M.: Yes. We were kind of talking before we turned on the mics here. It was actually somewhat of a progress, so I started out with really simple stuff and progressed to a full day of work.

The first thing that I did was umpiring little league games for the local teams here. I did that, I think I was eight grade when I did that. So that was one of the first things I did, I got somewhere in the realm of \$10 to \$20 a game and it was just cash.

Tim Mullooly: And the hot dog.

Brendan M.: Yeah, you could get some grub from the food shack. It was interesting in the sense that I think it was easy, because I liked baseball and it was not a hassle to be around the little league fields, because I had been at that age anyway. So it was kind of like a natural thing. It wasn't too much of a hassle and it was brief. It was like an hour or two of work, that was pretty much it. It was a good way to get my feet wet working, so to speak, I guess I would throw air quotes on "working". It was kind of work, it kind of wasn't.

Tim Mullooly: Yeah, it was more work when you ran into some testy parents or coaches.

Brendan M.: Yeah, that was part of it. It was, I guess, interesting in hind sight. Just learning to deal with people who may or may not appreciate the job that you're doing out on the field.

Tim Mullooly: Right. You're a 14 year old or something at ... You know, you're a teenager umping a nine year olds game. It's like, okay.

Brendan M.: And getting berated by a 40 year old man.

Tim Mullooly: Yeah. That ball was outside! All right, calm down man. Did you have a bad day at work or something?

Brendan M.: Yeah, I'd just got out of middle school and I have homework to do after this game. But thanks. One of the things I did with the money from that job, I pretty much saved up the entire season because my goal was, by the time we got out of school, which was pretty much the end of little league season. This time of year actually, middle to end of June here. Was to buy a surfboard so I could learn to surf over the summer. I made enough money to afford that. So I thought that was a good lesson too, in the sense that I delayed gratification. I started out putting my \$10 into a box. Then at the end of the season, I took all of this cash and went to the surf shop in Manasquan, and bought a board.

Tim Mullooly: Yeah, I remember when we went to go pick up that surfboard.

Brendan M.: Yeah, I was so proud of it dude.

Tim Mullooly: Right, yeah, because you worked hard for it.

Brendan M.: Exactly.

Tim Mullooly: And that's-

Brendan M.: A valuable lesson.

Tim Mullooly: Right, a good first lesson, a good first experience. What was next after umpiring?

Brendan M.: After that I worked, this was just in the summer, it was a summer camp for kids here in Wall. That was from roughly 9:00 to 1:00 every day during the week. Yeah, I was a camp counselor. So again, kind of progressing from an hour or two, to like, depending on the day, three to five hours, somewhere in that ballpark. That was fun. Again, kind of work, kind of not. Obviously we had to look after kids and make sure that nothing was happening to them wrong, but we also got to go bowling for free and stuff like that with them. Playing games, like playing kickball out in the yard. Again, there were many fun aspects to that. I think the responsibility aspect and communicating with parents when they were picking up and dropping off their kids was something good that I took away from that. As teenager being able to communicate with older people. I know you were there with me.

Tim Mullooly: Right, yeah, I was going to say, that was my first job as well. You had been there for a summer or two, then I started. I only worked there one summer, that was the first job that I had. I thought it was touching on pretty much the same points as you, that was good in terms of having some sort responsibility looking after the kids that were there at camp. Work alongside your other counselors, get teamwork together to try to come up with a fun day for the kids. It was a good way to start, like you said, it was only 9:00 to 1:00.

Brendan M.: Also, we got actual paychecks for that. So I'm pretty sure that, that job was when I had to go open a bank account. Because I don't believe that I had one before that.

Tim Mullooly: Yep, same here.

Brendan M.: Which was cool, because I had to go and deposit my checks. It was a summer job so we didn't set up direct deposit or anything. So I had to take my checks to the bank and deposit them into my checking account that I opened. I think we had a parent on there, too, because we were too young to technically have a standalone account at the time.

Tim Mullooly: Right. But just you know, good building blocks in terms of finance. Not bringing home lucrative amounts of money from being a camp counselor. But it teaches lessons as a young kid, as a teenager, be disciplined and get a paycheck and work and actually earn money and deposit it into a bank.

Brendan M.: You get a checkbook when you open a checking account. So learning how to write a check or ATM cards, we can go take \$20 out if you're going to the movies or something with your friends. You can actually pay for your own stuff when you're going out with friends or doing things at that age, which was cool, and a lesson to learn too. Not that we had anything to really budget for, it was just kind of, "Oh, I have some money in the bank now, like a few hundred dollars. And if I want to do something, then it's on me to make sure that I can cover the cost of that." So kind of just learning that was interesting at that age, because you're obviously coming from a young age where you don't really realize that you go someplace and you have to pay something.

Tim Mullooly: Things cost money.

Brendan M.: Yeah, exactly.

Tim Mullooly: So my jobs kind of progressed a little bit too, working up through the summer jobs. I went from a camp counselor to a caddy for a summer at a golf club. So I went from-

Brendan M.: That's a little more lucrative than the camp.

Tim Mullooly: Definitely a lot more money. Went from managing kids to managing an adult's golf bag. Although sometimes the temperament is equal to that of a kid at camp.

Brendan M.: Easy to lose your temper out on the golf course. It's a frustrating game.

Tim Mullooly: Yeah. It was a nice ... It's pretty much just a walk in the park for four hours. Again, not a full day's work. You make more money, but you also had to put up with a lot of cranky old guys who take out their bad golf games on you. They blame the club choice, or you were moving in their back swing, stuff like that. So that was only a summer's worth for me and I had enough of that.

Then I went and worked at a pavilion that served food at the beach in Spring Lake. Did that for a couple of summers. Ended up essentially managing one of the pavilions for an entire summer. So that taught me to manage other co-workers, I had to take inventory and schedule other employees work weeks out for them.

So a lot more responsibility there.

Brendan M.: Learning how to deal with that, because you're not always going to be Mr. Popular if you have to from time to time lay down the law, or schedule somebody to a shift that they don't want to work. Something like that, like the weekends, I'm sure less people wanted to work. Even though you make more money on the weekends, I'm sure more people wanted to work Tuesday afternoon than Saturday.

Tim Mullooly: Yeah. With that, you had to manage your co-workers, like you were saying. Then manage some of the guests as well. As you can imagine, on the Boardwalk, New Jersey beach, in the summer. If you've ever been down here and been to one of these pavilions, it gets extremely busy. The place that I worked in was no bigger than a little shack. So we were pumping out hundreds of hot dogs and hamburgers for people. Sometimes the wait built up a little bit and people would get irritated. So you had to calm down some guests. So it also taught me more people skills and how to calm an irritated guest.

Which kind of has rolled over into being an advisor, to some extent, with clients. Sometimes people call in and they're unhappy with what's going on in their account, or performance, or something has set them off. You have to be able to calmly calm them down.

A bunch of different lessons there from the progression of jobs that I started out with before becoming an advisor here.

A question for you, Bren. For parents, how early do you think they should start teaching kids about money? Now, full disclosure, neither me or Brendan have children. So we're looking at it from an outside perspective. But your opinion, how early do you think parents should start talking money with their kids?

Brendan M.: I've heard of something cool that a couple of people, I want to say Peter Lazaroff has talked about this, and maybe Justin Castelli too. They have young kids, maybe five, six, seven years old, in that realm. I think that is potentially a good time. You could start as early as that. What they're doing is giving them some kind of weekly allowance, let's say it's \$5 or something. They have different buckets that they set up, where it's one bucket is money that they're going to contribute to a charity, one bucket is for fun stuff for them, the other one is to save.

So it just teaches them like, if you hand them five singles and they put a couple of them into each of these buckets, it's just a weekly exercise where you teaching them about money and having a framework for what to do with your money when you have it. Then they can see the value over time. Where if after a couple of weeks or months, whatever it may be, they have some money in their fun buckets, so you take them to the store and they can buy a game, or a video game or something. Or you take the money that you put into the charity bucket and you bring it over to the homeless shelter, or whatever charity you're donating to, maybe the ASPCA or some like that.

I think that kind of thing that I've heard of, it seems like a good way to approach it.

Tim Mullooly: Yeah, I think that, that's a fun way to give money a purpose to a young child.

Brendan M.: Right, because otherwise, what does it even mean to them? It's just a piece of paper, right?

Tim Mullooly: Exactly, right. I guess you know the cliché answer could be, "Oh, it's never too early to start teaching your kids about money." There might be an age where it is too early, they can't really grasp the concept. But like you're saying, these guys have young kids, about five, six, seven years old.

Brendan M.: Yeah, they've got to be able to count and understand the concept of it if you can explain it to them.

Tim Mullooly: One interesting idea that was actually used by our parents, on me, and I've heard of other parents doing this as well. Is kind of like a match idea, to give a kid an incentive to work and earn money if they want to buy something. Say they do a job and they get \$15 or \$20, or they have a job, and they get a paycheck. And it's, like you were saying, umpiring, or something after school. Where they're not earning all that much money, but just the fact that they have a job, the parents say that they will match whatever the kid makes. So it kind of helps them along if they're working towards something, it helps them along a little faster. While also teaching them the value of working for something that they want.

Our parents did that with me. I wanted to buy a drum set right after eighth grade going into freshman year of high school. It was a little more expensive than I thought it was going to be. So I set out and had a couple of jobs that I knew it cost this much. So my mom and dad said, "If you work and you get a paycheck, we'll match what you get. So that we can help you along."

Brendan M.: So you could afford the drums?

Tim Mullooly: Right.

Brendan M.: That's a sacrifice by them. Money and they had to listen to you play the drums and me play the guitar. No, it's an interesting concept though, the parent match. We have clients and I've heard about other people doing this too, where if it's not something like you're discussing where you're matching towards something that they want to buy, some parents will do a match because if you have earned income you can send it to something like a Roth IRA or something like that. That can serve a dual purpose where you have this account where you're matching a couple hundred bucks, or whatever your kid is making. Putting it in the account, then you could also begin to teach them about compounding and investing and the value of having money working for you. You're earning money while you sleep, that kind of thing. Which I think powerful in itself.

Tim Mullooly: Right. For parents, how do you think they should go about trying to balance letting kids be kids versus going out and getting a job and learning to work. You're only a kid once, you want to enjoy that. As a parent I feel like you want to let your kids enjoy their times being kids. But at the same time, it's very important to instill some sort of work ethic in them and understand the meaning of making money. Where would you draw the line on finding a balance between that?

Brendan M.: I think it definitely depends. Because somebody could have an afterschool job that they really enjoy because they're working with their friends, maybe, let's say.

Tim Mullooly: Right.

Brendan M.: On the other hand, it could just be a job. They're just doing it purely to earn some money. But I think kind of the way, and this maybe bias, but I think that the way we both seem to have done it. Where we gradually just eased into, over the course of let's say, late middle school through high school, to working a job that demanded an actual full day of work from us. Where you start off doing something that's a couple of hours, then you build on that. Then at some point towards the end of high school, you're capable of working an eight hour day and doing something pretty realistic, like real world stuff. As opposed to maybe ... Like I started off with umpiring a baseball game. Finite, we're done after six innings, that's it.

Tim Mullooly: Something you touched on just there as well. Maybe try and find a job for your kids where they work with friends.

Brendan M.: It definitely makes it a lot better.

Tim Mullooly: Right, when I worked at that beach pavilion, I worked with our brother Casey and our friend Brian, and a lot of other friends. Same thing with caddying, I did with a friend. But sometimes on the other hand of that, working with friends-

Brendan M.: It's an interesting lesson to learn, because you need to balance being serious about your job, with being around your friends. I think that is maybe a lesson in itself.

Tim Mullooly: Right.

Brendan M.: But I get your point that it could be ... it's a double edged sword.

Tim Mullooly: It could make it more fun working and more enjoyable for the kid, if they have a job where they're working with friends. But also, you need to make sure they're taking it seriously and actually getting work done and doing a good job.

Brendan M.: And maintaining the friendship. Because if you're butting heads with somebody at work, that's not great either.

Tim Mullooly: Right.

So, shifting gears a little bit, for someone who's just leaving college looking for their first real job. Not like what we were talking about, camp counselor, summer jobs, not that. For someone looking for their first real job, what would you say is the most important thing to consider?

Brendan M.: The value of the connections you could make with your first job should not be understated. That in itself can be pretty valuable, it could be a springboard to bigger things. It could end up being a connection that you make that, years down the road, ends up paying off

somebody that you met at your very first job. So the people ... Hopefully you can find something where you work with people that you like and respect and want to learn from. Because I think that ultimately is the most important thing. Obviously, hopefully you are finding something too that, that can cover your costs in the short term. Because realistically, you do need to make money as well from your job. So if you could get both of those things, I think you're getting the best of both worlds.

Tim Mullooly: Right, yeah, I agree with that. But kind of along the same lines, where do you fall on the spectrum of holding out for a job that you really, really love, that you're really passionate about, versus taking a job just for the sake of paying the bills? What triggered that question for me, you were saying, "The people are really what matter the most in that first job." So would you say, even if you don't like the work that you're doing, you can still take something valuable from it, the connections that you make with the people there? Because it might not necessarily be the work that you want to be doing, but you can still take positives away from that?

Brendan M.: I can't totally speak to this, because I was like you, pretty fortunate to come out of school and work in a family business. But I think that ultimately you do have to make a decision. I don't think you can wait around for the perfect job. I don't think that's going to happen. You can be selective to an extent. I think people probably have a threshold after graduation where the student loan payments start kicking in. If it wasn't urgent to have income before that, that is probably the point where it's, "All right, I need to have something coming in." Yeah, if the opportunity isn't perfect, again, I think like you said, there are always going to be things that you can take away from an experience. Even if it's just learning that I don't want to do this. Or I liked these few things, but didn't like these things, and it kind of maybe takes a broad field that you are interested in and begins to narrow it down so that you can find more of a niche that really interests you.

It's tough to have a passion coming out of school without having done it at all. You could think you have a passion then you get your first job in the field that you thought you were going to love your entire educational career, then you get there and it sucks.

Tim Mullooly: Right, I was going to say that. Kind of you said, "Find a broad field and you can kind of narrow it down." But you could just go straight in for the narrowed down job, and realize that it's not what you want to do. Then you kind of need to take a step back and broaden it out a little bit.

Brendan M.: Trial and error.

Tim Mullooly: Right, exactly. There's usually that, on a lot of loans, there's a six month grace period.

Brendan M.: So if you graduate in May, it's by the end of the year you're, "All right, got to have some income coming in."

Tim Mullooly: Right, so you can sit around and wait for that perfect job to jump at you, but at the same time the clock is ticking on getting some income. So don't wait around forever for that perfect job. Because, like we were saying, that perfect job could end up not being perfect.

Brendan M.: At a certain point I think you just need to do, instead of wait. You just got to do it. If you were right and it's not for you, then maybe you're in a job that you don't enjoy the work but you still meet people who you do like and you've made something valuable out of an experience like that. You can move on and you've gained, hopefully-

Tim Mullooly: Build connections.

Brendan M.: ... experience professionally and I think show well in term of, even if you're changing fields or slightly changing fields. It's still experience and it's under your belt and you're earning a paycheck. All important things.

Tim Mullooly: Right. And I think if you have that mind set going into a first job, you might realize, "Okay, I might not love what I'm doing here, but I'm getting experience, I'm making friends, making connections." So still be able to take positives away from what you're doing and realizing at the same time, "This might not be what I want to do for the rest of my career, and that's okay."

Brendan M.: Yeah, and that's valuable in and of itself to know that.

Tim Mullooly: So coming out of college getting that first job like we're talking about, and starting to have income coming in on a regular basis is great. Having money is great. But it can lead to some over spending and living above your means. You finally get your hands on a paycheck and you're "Finally, I have money in my account! Let's go out, let's go take a trip, let's buy a car." What would you say are a few good steps that young professionals can take in order to stay within their means when first start getting that real paycheck?

Brendan M.: It's interesting, because the entire financial planning process centers around what my answer is going to be. But it's just looking at cash flows, your budget pretty much. If you look at now with this paycheck, what is coming in every month. I think it's important to, if you take a look at your pay stub, to understand the gross income and the net income, and what's coming out. So understanding things like your effective tax rate, you can learn that from your pay stub pretty easily. You probably have to determine it at some point before then without ... There's probably some guidance at work through HR.

But in terms of what do you withhold from taxes, after all that stuff in netted out, what is coming into your bank account every month? Then what automatically has to go out? Things like student loans and then as you get a place, rent or mortgage. Looking at paying utilities, things like that. The expenses start to add up over time. It's interesting to track all of that. Take the net income that you're making, get rid of all of the automatic expenses that come out like your bills, then see what's left over. Because that's realistically what you can be frivolous with. If you're checking all the boxes, I'm paying all my bills, I'm saving a little bit of money, now I have a few hundred

dollars at the end of the month. That's what you know you can go out to dinner with, or you can do whatever with.

Tim Mullooly: I feel like as you were saying that, like you said, "This is a pretty basic step in the financial planning process for everyone." When big life events happen, I think it's important to reassess your cash flows. Coming out of school, getting a job, is definitely a big life event. Getting married, having kids, buying a house, those are all life events that happen where people need to reassess their cash flows and their budgets. And I think getting that first job is definitely one of them. So it's not something to overlook.

Brendan M.: No, and you could do a good job setting up a budget or cash flows and they can get away from you, just due to life. Being that, if you're not looking at it all the time, things can drift and expenses change. I think it's probably important once a year to just sit down and make sure that everything is the same as the last time you saw it. Or take average reading of things like bills and make sure that they're still in the range that you were estimating them for. It's something that everybody should stay on top of, but it's not always top of mind. It seems simple, it seems like something you can just wing it, as long as you're not over drafting your bank account, then that is a sign that things are positive. Which is fine, but knowing specifically the extent to which they are positive or having a grip on-

Tim Mullooly: Yeah, details matter.

Brendan M.: Yeah, they do, they do.

Tim Mullooly: Would you say, looking back on it now, that having a summer job throughout high school had a positive impact?

Brendan M.: Yeah, definitely. I think that just the idea of having something to do each day. Maybe not in the beginning, because umpiring was more sporadic, but like camp, every day during the week. That was a nice ease into because you had weekends off. It was every day during the week, I have this thing to do from 9:00 until 1:00. Then maybe I have soccer practice in the evening. So you just start to map out your day rather than ... I'm trying to remember back to summers as a real young kid where it was just like, "Yeah, whatever."

Tim Mullooly: "Wake up, let's go to the beach."

Brendan M.: Playing games and stuff. It's a sign of growing up to have things that you're expected to do every day and responsibilities. I think that most of adult life is just you get more and more of these responsibilities-

Tim Mullooly: Building on it.

Brendan M.: ... bolted onto your schedule until it's basically full every day. So getting used to that, being able to adapt to it. Maybe it's uncomfortable at first, but honestly, at this point after so many years of it, you get to the point where not being in your routine is the uncomfortable part almost.

Tim Mullooly: Right. You would think that the lessons you learn from a summer job and your first real job, would be pretty different. Because one's a couple hours a day, the other one you're earning thousands of dollars as an adult. You would think that they would be pretty different in terms of the severity of the lessons being learned. But having discussed this on this episode here, do you think that the lessons learned from a summer job are really that different from a real job?

Brendan M.: I think the overarching theme in a lot of our examples that we gave, was people skills and interacting with people who are in different emotional states. Maybe you're young and their older, or vice versa, as you continue to progress in life. Just learning to interact with people as a standalone adult, not some kid standing next to a parent, I think is probably valuable. Yeah, I think that kind of rears its head in all of these examples. It's about the people.

Tim Mullooly: Right, yeah. I was thinking it'd kind of the lessons themselves are the same but it just grows in scale. The responsibilities grow and it kind of is just of ... Like the jobs we were talking about in the beginning, they progressively get more and more in depth. But the real root of all the lessons are the same. It just grows in severity.

If you have a question that you'd like us to answer on Living With Money, get in touch with us. You can email us at LivingWithMoneyPod@gmail.com. You can find us on Facebook and send us a message there. Or you can tweet at us on Twitter, shoot us a message on Instagram, we'd be happy to answer any of your questions.

If you're listening to this on iTunes, please subscribe to the podcast to get new episodes every week. Feel free to leave us a review or a comment, because it would really mean a lot to us.

Be sure to follow us on Twitter and Instagram at [@LWM_podcast](https://twitter.com/LWM_podcast) for more news and updates about the show.

That's going to wrap up this episode. Hopefully if you have some kids and they're thinking about getting a summer job in the next or so, next couple of years, you got some good information and good insight. Things to consider when teaching your kids about finance and teaching them about the benefits of earning money and working.

If you're just coming out of college, hopefully we gave you some insight on things to consider when looking for your first real job.

That's going to do it for this episode of Living With Money. Brendan, thanks for talking back and forth with me today.

Brendan M.: Yeah, it was a lot of fun.

Tim Mullooly: Thanks for listening, we'll see you on the next one.