

Financial planning in the no-raise era

IF IT'S BEEN a long time since your last raise, you're not alone. Employers increasingly prefer to give bonuses and other one-time rewards instead of locking in pay bumps. In 2014 the percentage of payroll budgets devoted to raises shrank to 3 percent, while short-term rewards and bonuses grew to nearly 13 percent, according to an Aon Hewitt study. Such wage stagnation upends the traditional financial-planning notion that workers can count on growing paychecks to offset rising costs and save for the future, says Sheryl Garrett, founder of the Garrett Planning Network. What do you do instead?

INVEST YOUR WINDFALLS Even if your paycheck isn't rising, your portfolio still needs to be. Put bonuses to work for you by investing in a diversified mix of stocks.

DON'T WAIT TO SAVE The idea that you will somehow save more tomorrow is a dangerous one, especially if your income isn't keeping up with your expenses. One solution is to set up automatic transfers so that a portion of your paycheck goes into savings each payday no matter what.

UP YOUR 401(K) Increasing your 401(k) contribution by just 1 or 2 percent won't leave you strapped for cash, but it will pad

your account with thousands of dollars more for retirement. Saving just \$50 more a month over the course of 30 years will net you nearly \$75,000, assuming 8 percent average annual returns.

ADD ANOTHER INCOME STREAM Your skills may allow you to consult, teach or blog. You may have a hobby you can turn into a sideline business. In addition to fattening your wallet, a side hustle can help you explore an alternative career.

ASK FOR THINGS OTHER THAN MONEY These might include a better title, more vacation time or professional education. By paying for additional training, for example, the company can increase your value as a worker without having to commit to a higher annual expense.

JOB-HOP Moving to a new job may be the only way to win a significant pay hike. In 2014 the average company raise was 3 percent; job switchers' average wage growth was 5.6 percent, according to research from the Federal Reserve Bank of Kansas City. While staying with the same employer for years may feel comfortable, the choice to remain stagnant can cost you big bucks over the course of your career.

—LIZ WESTON, @lizweston



HOW MEDITATING CAN MAKE YOU BETTER AT YOUR JOB

FIVE MINUTES a day is all you need to reap the professional benefits of mindfulness, says *New York Times* reporter David Gelles, author of *Mindful Work: How Meditation Is Changing Business from the Inside Out*.

1

TRY INTERVAL MEDITATING For a few minutes several times a day, focus on one sensation, such as the passing of air in and out of your nostrils. This forces you to notice what's happening in the present and trains your brain by repeatedly bringing attention back to your breath. It also builds your concentration, making it easier to pay attention in a midafternoon meeting.

2

PICK A MINDFUL PLACE Don't let the fact that you're at work distract you. Instead, find places to be mindful in the office or during your commute. For example, try using a hallway at work. Rather than looking at your phone or scanning the office each time you pass through it, move slowly and feel the sensation of walking, which will ground you in your body. The idea is to learn to associate that place with slowing down, to focus on how you feel as opposed to getting lost in your thoughts.

3

WAIT BEFORE YOU ANSWER Instead of grabbing your office phone when it rings, let the caller wait 10 seconds while you check in with yourself. That pause before starting a conversation can break the routine of being reactive and allow you to respond thoughtfully. —CHERYL LOCK, @CMLock42

45%

The percentage increase from 2011 to 2015 in the number of independent workers—consultants, freelancers, contractors, temporary workers—who earned \$100,000 or more per year, according to the MBO Partners 2015 State of Independence in America report.