

Job hopping...

When is the best time to change jobs?

With the holiday season upon us, many have the time to consider their employment options. The holiday break brings hopes for a fresh outlook and a new employer as one of their new year's resolutions.

Here are some interesting facts about employment statistics and job hopping:

Are we changing jobs more frequently?

Australians who have been in their job five years or more are something of a dying breed according to the most recent labour mobility stats from the Australian Bureau of Statistics. Of Australia's **11.5 million workers**:

- 56% had been in their jobs less than 5 years and 18% had been in their jobs less than 1 year.
- About 66% of women and 60% of men who left work during the year **did so voluntarily**.
- In the same 1 year period an estimated 240,000 men were retrenched compared with 149,000 women.
- Managers, professionals and clerks were **least likely** to switch jobs. Sales workers were **most likely** to switch jobs.
- Employees might change their jobs, but were not so likely to change occupation.
- Of the 1.4 million managers who left work during the survey period only 5.5% moved to a job outside management.
- Just 9% of the 990,000 labourers who left work moved onto something other than labouring.

Did you notice that the statistics above show that not everyone **CHOOSES** to leave their job?

If your employment is secure, how long should you stay at your job (even if you don't like it)? It may be that job hopping could impact your future employment options and, **even worse**, your future borrowing options. You may be right to be concerned.

A Bullhorn survey² reports that 39% of recruiters believe the single biggest obstacle for an unemployed candidate in regaining employment is having a history of job hopping or leaving a company before they have been there for a year. In fact, recruitment managers said a 55 year old with a steady employment history is easier to place than a 30 year old job hopper!

Common questions from a job hopper:

When is the best time to change your employment?

There isn't really such a thing as a perfect resume because there are so many reasons for leaving a job and other reasons for staying in your current employment. Your reasons and decision to change matter on a long term basis as well as a short term one.

If I start a new job, how does that affect my ability to negotiate a loan?

If your new role comes with a pay rise it may increase your borrowing potential as your income level is obviously a key to your ability to repay a loan. But lenders might be more concerned about the security of your new employment than your potential greater capacity to repay.

Lenders will usually consider:

- how often you change jobs
- whether you are staying within the same industry, or
- if you are taking your career in a new direction

These factors influence the lender's assessment of whether you are a **good credit risk**. They tend to prefer applicants who have been in the same job for two years or more.

If you change jobs during the application process however it is usually regarded more positively if you are staying within the same industry and employed in a similar role.

If you are contemplating a new job during the next six months, you really need to book a time with us to assess your options and cover any concerns the lending institutions may have. Please call us before any decisions are made.

Ask us to send you our article on:

'If I start a new job, can you help me get a loan?'

1. <http://www.abs.gov.au/ausstats/abs@.nsf/mf/6209.0>

2. <http://www.bullhornreach.com/reach/content/recruiter-survey-results>