

URL: <https://ecorner.stanford.edu/in-brief/dont-sweat-the-salary/>

Your first salary after graduation has almost no correlation to your ultimate net worth, explains Airbnb strategic advisor and Modern Elder Academy founder Chip Conley. He advises aspiring entrepreneurs to turn down tempting salaries and instead chart their own path, even if it means taking a low-paying job that promises more agency and equity.



## Transcript

- The amount of money you make in your first job out of college or graduate school, has almost zero correlation to how much wealth, if financial wealth is what you're looking to actually create, there's almost zero correlation to it.. So, my recommendation is you force rank your top five preferences when it comes to job opportunities and you make sure that money is not in the top three, unless you absolutely need money to pay back your loans, which is, for a lot of people, true.. But the natural tendency, because it is absolutely benchmarkable, is to use money as one of the predominant ways to actually judge the offers you have.. I will tell you a personal story from me.. So between my first and second year of business school I went to work for Morgan Stanley in New York, in their real estate division.. I did well, they liked me a lot, you know, they wanted me to come back, they gave me an offer, I turned it down, they gave me a second offer.. And you know, back then in 1984, which was when this was happening, it was a lot of money, it was like 80 to \$100,000, which back then was a lot of money.. I think it was actually \$100,000 including the guaranteed bonus.. I took a job out of Stanford Business School in 1984 for \$24,000 a year salary.. Maybe I'm dumb..

(laughing) One of the people in the career development section of the business school, pulled me aside one day and said, "Do you know that the next highest person," they couldn't tell me who it was, in terms of what the next lowest salary was after my \$24,000, it was \$55,000.. So it was like, I was way off the bell curve.. But the lesson for me is this, I knew that I wanted to be an entrepreneur when I grew up, I knew I wanted to be a real estate entrepreneur, and I wanted to do something creating interesting projects.. So rather than go work for Morgan Stanley out of business school, making about \$100,000 a year, I was in a lucky position that I didn't have a lot of student loans and I actually was able to take a job that paid me \$24,000 a year.. But did promise that within a year, if I was doing well, I'd become a partner in the business, which I did, and within a year after that, we were looking at doing a hotel project in San Francisco, which introduced me to the idea of hotels, which led me to saying, "I would like to be a real estate person, "but specializing in hospitality." So, 2 1/2 years after I graduated from business school, I started a boutique hotel company and grew it to the second largest in the U.S., at age 26 I started that.. If I had gone to work for Morgan Stanley that would never have happened.. I'm not saying it wouldn't have been a bad path, I might have learned how to become an institutional real estate person, but that wasn't what I was looking for.. So, if you get too wedded by the one thing that's most easy to benchmark, which is your salary, you actually give extra weight to something that, in the long term, may not matter all that much to you...