SALARY NEGOTIATIONS

KNOW YOUR VALUE/RESEARCH

Most entry-level candidates do not have much clout in salary negotiations as many entry-level jobs have fixed, non-negotiable starting salaries, anyway. But you will not get more unless you ask. Your ability to negotiate within the set range depends on your qualifications and information gathered through research. There is no substitute for knowing the facts and using them to your benefit. Understand your bargaining power: assess your worth, identify special skills, recognize what you bring to the relationship and analyze the competition.

- Evaluate realistic personal salary requirements. How much do you need to earn to "live"?
- Find out what your skills and level of experience are worth in the job market (i.e. internships, co-ops, volunteer and part-time work, education level, etc.). Speak to a career counselor regarding your experience level and estimated market averages based on experience.
- Research career fields and salary averages for various occupations. Review web resources such as the Occupational Outlook Handbook and NACE salary survey.
- Investigate cost of living adjustments to salary based on employment location: salary.com, homefair.com, usacitylink.com.
- Develop a salary range (not too broad) with a high, low and middle range.
- Examine company's hiring history. Conduct informational interviews or utilize your network to gather information. Many companies' websites list their job postings and may list salary ranges and job descriptions.

KNOW WHEN TO NEGOTIATE

Ideally, the best time to negotiate is after an offer is made by the employer. Discussing salary before an offer is made may screen you out of the job if your requirements are too high or it may lock you into a low salary.

When asked what your salary requirements are by a potential employer during an interview, indicate a range, not a dollar amount. (i.e. "Based on the industry average and my level of experience, I am seeking between $33k and $37k"). This range should be slightly higher than the low end of your range. Once the offer is made, then consider negotiations.

Occasionally there will be circumstances where salary requirements will be discussed prior to an offer. Handle each situation with confidence. While these are not negotiations, they can influence how later ones may go. Here are examples of situations where salaries may be discussed and suggestions on how to handle them:

- When responding to an ad/application, indicate "open" or "negotiable" under salary requirements. Under salary history, indicate "competitive" unless it asks for a specific amount. If asked for specific salary dollars list total compensation package (base salary, bonuses, medical, profit sharing, etc.). Be truthful as most companies verify past salaries with previous employers.
- At networking events, discuss what your interests are (not specifics) and get their opinions on salary ranges for those positions.

When dealing with recruiters and employment agencies, be honest about your expectations and salary history.

Try not to negotiate over the phone. Ask to meet in person to discuss if possible.

WHEN EMPLOYER MAKES OFFER

Maintain an honest yet non-emotional response. This response should be based on your research. First, restate the offer, then "digest" it. Your body language should demonstrate thought, not emotion. If it is less than you expect, you can indicate that it is lower than you expected based on your research.

Be prepared to verify how and where you researched. Then counter their offer with your researched response and desired range. Remain objective, positive and courteous during this conversation. They will respond with what they are able or not able to offer. Sometimes this may involve speaking to another person in the company and getting back to you. Know that employers will not usually rescind an original offer as a result of your counter offer. In rare instances, however, employers may be forced to rescind based on current corporate circumstances such as downsizing, mergers, acquisitions etc. The employer should return with a response which, hopefully, meets your needs; otherwise they will discuss why they are unwilling to negotiate and state that the offer stands.

NEGOTIATE BEYOND SALARY

When salary is non-negotiable from the start, know that you have other options to negotiate. These include: bonuses, salary reviews (consider timing, basis and percentage), health, dental, life and disability insurance, pension plans or retirement, overtime policies, profit sharing plans, sick days and vacation, tuition reimbursement, employee discount, company car/expense accounts, termination contract, stock options, relocation/moving expenses, professional memberships, certifications and sign on bonuses.

For example, you may negotiate the timing of your first salary increase. Instead of receiving your first increase at one year,

you may negotiate to be evaluated in six months and receive the same percentage allowable at that time based on your performance.

OVERCOME OBJECTIONS

You may hear the following **objections (O)**. Here are some **responses (R)** to overcome these:

O: Not within the budget.
R: Communicate your VALUE to the employer.

O: Others in the organization with similar qualifications and experience aren't paid that much.
R: Emphasize fair compensation for expected performance based on VALUE.

O: Your salary history does not justify such an increase.
R: Stress that you expect to be compensated for the VALUE of your work and what you expect to achieve.

KNOW WHEN TO SAY WHEN

If you feel like the employer is getting frustrated with your proposals or states that is all they can do for you, stop and evaluate what is on the table. You do not want to appear greedy or impatient. When the company comes back to you with their final offer, evaluate the offer and make a decision.

THE FINAL OFFER

Take time to evaluate the offer: One to two days is usually acceptable. Weigh your options and evaluate your total compensation package (salary, benefits, incentives, allowances, etc.). Ensure you are clear on specific duties, performance expectations and responsibilities.

Get the offer in writing: Once both parties have confirmed an offer verbally, ask for a written copy. Then send a thank you letter outlining your understanding of the offer, your enthusiasm about starting and your appreciation for their decision to hire you.

DIFFICULT CONVERSATIONS

Employers may ask the following:

– Have you thought about salary?
– What salary are you expecting?
What is the minimum salary you would accept?

If possible, answer the question with a question.

– "What is the salary range for this position?"
– "Most of my peers who are also graduating in xyz major have been receiving offers in the ### K range. What range is authorized for this position?"
– "My current salary is $###. What are your guidelines?"

If the employer tells you, "We're going to pay somewhere in the range of $32,000 to $34,000," you say, "Considering the demands of the position, and the hard work I'm going to put into this job to make sure it's done right, I believe my salary should be in the area of $34,000 to $36,000." You've set up a bargaining situation in which it's logical to strike a deal at $34,000 or $35,000. Use this response cautiously. You may find the tension level created by using this to be uncomfortable.

If living costs are a concern, try, "As you know, it's expensive to live in this city. I've planned very carefully, and I don't think I could afford to live here on $32,000 a year. Do you think a consideration could be made?" Chances are, however, that cost-of-living has already been factored into your salary offer. If you have other offers, you can use them to strengthen your case.

Consider the type of industry: Salaries are more negotiable in the private sector than at universities or government agencies. Small companies tend to be more flexible about responsibilities and titles than large ones. Industries with labor shortages are more accommodating than those with many applicants.

Plan what and how you will say it: Identify the major points you want to make. Summarize the requirements of the job and match your skills and abilities to them. Anticipate how you will deal with any response from the employer. Many times, no matter how unusual his or her response (anger, quietness, etc.), the interviewer is checking your reactions and tenacity. Develop convincing arguments to possible objections. Your task is to convince him or her that what you bring to the relationship is valuable and should be reimbursed.

Practice ahead of time: Rehearse (with someone or recording yourself) what you will say and how you will handle any questions. Approach the process of negotiation with a cooperative, friendly, but persistent attitude.

You must also consider how long you are willing to hold out for a specific job. Remember, a higher salary will not necessarily make up for the salary lost as you continue to job hunt. Also, if the company reviews salaries frequently, the starting salary is less significant.

CALCULATE TAKE HOME PAY

Salary		$ _____
Sign-on bonus	+	$ _____
Relocation bonus	+	$ _____
Performance bonus	+	$ _____
Year-end bonus	+	$ _____
35% tax / social security	-	$ _____
Insurance	-	$ _____
Deductibles	-	$ _____
Retirement/life insurance	-	$ _____
**Net figure	=	$ _____

**Equals the amount available to live on including rent, car payments, student loans, utilities, telephone, food, entertainment, dry cleaning, laundry, clothing and shoe purchases, travel home, furniture purchases, kitchen utensils, etc.

Also, review cost of living comparison charts to assess costs in the location you are considering.