

Why and How You Should Negotiate Your Salary

How to negotiate your salary

People often are so happy to receive a job offer they are afraid or don't think to ask for a salary that will adequately compensate them. Don't be afraid to negotiate! The only way you will get a higher salary than initially offered is if you ask. Use these tips, guidelines and resources to help you prepare for your salary negotiation discussion.

Why you should negotiate

- ***Could determine your future with the company:*** All your future raises, and therefore earnings, will be based on your starting salary as long as you stay with that employer. Even future promotions will be impacted since they will likely determine the salary for your promotion based upon what you were already making.
- ***Reflects your value:*** Whether you admit it or not, you will attach value and a piece of your self-worth to how much your company is paying you in total compensation. If you feel they aren't paying you what you're worth, this will eventually show up in your work performance and overall disposition (which could have detrimental effects on your career.)
- ***Impacts retirement planning:*** Retirement contributions are often based on your salary – so the smaller the salary, the smaller the employer contribution. Over the course of a career, this could add up to thousands of dollars or more.
- ***Communicates respect:*** You communicate your worth by negotiating, and you gain respect for future positions and promotions. You deserve to be compensated for the job for which you are qualified – ask for what you deserve.

Steps in negotiating

First thing's first – Do your research

The best time to research for a pending salary negotiation is before you even start the application process. Be sure you are knowledgeable about the going rate for your particular profession in your geographic location before your second interview with the company. Use any resources available, including websites with validated data on salary rates for your profession, skills,

education, company and location. Your salary requests should factor in additional qualities, including competencies, certifications or other assets you have. Some recommended sites for salary information include Salary.com, Payscale.com and BLS.gov (U.S. Bureau of Labor and Statistics).

It may also be helpful to talk with others in your network. Although you don't want to ask someone directly about their salary, you can ask about ideas on the range for a position. If they work for the company in which you are applying, they may be able to shed some light on the company culture around salary and negotiations, regardless of their current position.

Conducting a thorough salary research will help you be clear on your own expectations. Determine your bottom line acceptable salary based on your lifestyle needs. If the salary range of a position is below that amount, then you can save everyone some time and not pursue the job.

Many organizations do similar research because they want to remain competitive in the marketplace, but may offer a salary lower than what they are willing to pay simply because they are expecting the candidate to negotiate upwards. Knowing information about your expected salary in advance will help you find common ground without stumbling and can lead to greater satisfaction in your new job.

Choose your timing

In negotiations, timing is everything. For salary negotiations, it is most advantageous to wait for the right time to discuss rather than jump in with figures too soon. So when is the right time? Conventional wisdom says to wait for the employer bring up the topic and let them be the first to state an actual number.

Sometimes an employer brings up salary by asking you about your current salary or asking you for your salary requirements. It is best to try to avoid this line of questioning since answering directly can limit your negotiating power. In reality, your current salary has nothing to do with your skills for the job and there is no reason to ever reveal your salary (unless you think it will get you a higher offer). However, this is not an uncommon question for employers to ask, so if pressed, here are some tips for proceeding:

- It is OK to state total compensation (salary, bonus, stock options, etc.). Be clear what the total includes.
- Use your salary to show growth in your skills and abilities by saying something like: "In the last five years my salary has grown from \$35,000 to the high 40s."
- Focus on a range. For example, say your salary was in the high 40s.
- Try turning the table. Say something like "In my research, it looks like people in this profession in this area make about \$50,000 – is that in line with your budget for the position?"
- However you decide to answer, do not exaggerate as this information is easily verifiable.

Think about the offer

It may be difficult, but resist accepting a salary offer immediately. If you say yes to the first salary offer, you may undercut yourself. It is OK to take some time to think after an offer is made. Check your own feelings about the offer. Are you happy, neutral, disappointed or concerned? Consider your research. Is the offer in line with the going rate in your geographic area for this particular job?

Ask to review the benefits package. The salary may end up being a little lower than you had hoped, but if the employer picks up a large portion of the medical insurance costs, the actual take-home pay may be more than with the higher salary. Consider things like 401K match, life insurance premiums, tuition reimbursement, etc. For example, you may have wanted \$50,000, but they won't go above \$45,000. However, they are also willing to pay for you to earn an MBA. Then that may actually be a better long-term offer than the \$50,000 salary.

Negotiate

Once the employer has made an offer and you have taken some time to consider the offer, it is time to negotiate. Remember: Be realistic, be prepared to explain your salary history and be factual by utilizing objective criteria.

Express your interest and enthusiasm about working for the organization. Remind them of your experience/skills and present your counter offer.

How to ask for more

“Thank you for the offer, I’m really excited to work for your organization and I know I will add a lot of value to the team. I appreciate the offer of \$50,000, but based on my experience and skills, I was expecting more in the \$60,000 range. Can we discuss that range for my position?”

If additional salary is not an option, don't forget about non-cash benefits, as well as future opportunities. Consider other types of compensation that you find valuable, including vacation time, bonuses, flexible hours, working from home, professional memberships, relocation costs, etc.