



Module 9 Deep Dive Guide:

# Negotiating Salary *to* Get the Job

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## Module 9 Deep Dive Guide:

# Salary Negotiating *to* Land the Job

**Being offered the job is just the first step!** Now it's time to negotiate salary with your new employer to ensure that you will be paid a fair rate. You also need to consider benefits and other perks to ensure that you are getting the best deal.

Despite its importance, people are fearful about negotiating salary and benefits for many reasons:

- Economic uncertainty
- Losing the opportunity
- Weak negotiating skills
- Avoiding an unpleasant situation
- Lack of self-confidence

But regardless of the reason, negotiating salary is crucial! Failure means leaving big money on the table.

**The estimate is that you could be losing a half a million dollars by age 60 if you don't learn to negotiate.**

The fact is those who negotiate make more money, but not everyone even tries: 36% of people always negotiate, 44% occasionally negotiate and a full 20% never negotiate. Only 38% of millennials negotiate their first offer.

Women in particular are resistant to negotiating **and that has got to stop** if we are ever going to change the pay gap that is causing women to be paid just 79 percent of what men are paid for doing the same job. (Source: AAUW)

While 46% of men always negotiate, only 30% of women always negotiate. But man or woman: 76% of people regret not asking for more -- 76%!

Gender differences also play a role in why people resist negotiating. Men tend to fear losing the job offer, while women fear a lack of skills **even when their skills are the same or better than men.** If you are a woman, push past doubt and recognize that your skills are as valuable as the next guy's.

Another gender difference: Men tend to think of negotiating like its winning a ball game, while women think of negotiating like it's going to the dentist ... a painful necessity. They hate it! But if you can change your mindset to think of negotiating like a sports challenge, you can get better results.

**The most important thing to realize is that companies typically EXPECT to negotiate and that they usually allot more for the position than what they first offer you.** They HOPE that you will take the first offer because that means that they will save money, but they DON'T EXPECT you to take the low offer.

**Use this knowledge to give yourself permission to negotiate.**



It's also valuable to understand how salaries are determined because **typically the salary that companies offer has nothing to do with what you want or expect to be paid.**

Salaries are typically determined by compensation surveys amongst companies. Companies talk amongst themselves or survey companies gather salary data from the compensation departments at companies. Companies also monitor why people left past jobs. If it's because of low salary, the new employer realizes that they will have to pay more to get people to accept their jobs. Another factor used to determine salaries is the scarcity of qualified candidates for the type of position. Sought-after positions, like java developer, pay higher because there are not enough qualified candidates.

Salary determination is also based on a candidate's years of experience. Employers segment by experience level to control costs and to let job seekers know what experience level they want. For example, an employer hiring for a media specialist, may state in their job description that they want someone with 0-to-3 years of experience because they want to pay in the 25<sup>th</sup> percentile of the salary range.

Most job postings seek someone with 0-to-3 years of experience (which typically pays in the 25% percentile of the salary range); some job postings want people with 5-to-7 years of experience (which pays in the 50<sup>th</sup> percentile of the range), and a few job postings want 10 or more years of experience (which pays in the 75<sup>th</sup> percentile of the salary range).

Someone with 0-3-years of experience range is expected to have:

- Good technical / critical thinking skills
- Some problem-solving abilities
- But they need to learn much more
- Recent college grads or career changers
- Pay range: Around 25th percentile

Someone in the 5-7 years of experience range is expected to have:

- Very good technical/critical thinking skills
- Experienced subject matter expert
- Can solve 90%+ of problems
- Pay range: Around 50th percentile
- Entry level management or supervisor

Someone in the 10+ years of experience range is expected to have:

- Strong subject matter expertise in 2 or more areas
- Strong leadership abilities
- Manager, director or above positions
- Pay range: Around 75% percentile

The remaining percentage in the salary ranges is for salary negotiation or for raises.

**If you are a recent grad without industry experience, employers expect to pay you in the 0-3 year range or the 25th percentile of the salary range for the job.** So for a job that pays \$35,000 to \$45,000, expect to be offered a salary in the 25<sup>th</sup> percentile (\$35,000 and \$37,500). If you can convince them that you have superior education or abilities beyond your experience, you may be able to negotiate a higher salary, but expect that the company will typically try to stay near its pre-determined range for your experience level.

## Determining salary ranges

There are several web sites (some with free trials) that can give you a general idea of what a company or industry pays based on the job title and your geographic area. Having such knowledge can help you better negotiate for a position in interviews and keep you from stating a range that is too high or low for the job you want.

**Keep in mind that some sites price salaries higher than what companies might feel is the going rate so use the information as a guide and not as the absolute word.**

Research several salary sites and take into consideration if it is a down economy (which may lower the range) and if the position is for a small company, nonprofit or educational organization (all of which tend to pay less than a large corporation).

### Research salaries using these salary sites

[Glassdoor.com](http://Glassdoor.com)

[Indeed.com/salary](http://Indeed.com/salary)

[Jobs-salary.com](http://Jobs-salary.com)

[Monster.com](http://Monster.com) (search for its Salary Wizard)

[Payscale.com](http://Payscale.com)

[Salary.com](http://Salary.com)

[Simplyhired.com/a/salary/home](http://Simplyhired.com/a/salary/home)

Note: Such sites may quote salaries that sound too high for your city, so use your own judgment as to whether it sounds accurate. Another valuable site is the Federal government's Bureau of Labor Statistics, (<http://www.bls.gov/>). It can give you all sorts of guidance on employment trends, wages by area, and much more.

Also search for salary information on Google and other search engines. To do so, type the company name, the job title, and city, and then type the word, "salary", like this:

**Proctor Law Firm, patent attorney, Austin, TX, "salary"**

Use the information that you find to determine the low and high end of the salary range for each job opening. Also ask around. Sometimes just asking a friend or someone at a target company can yield the salary range information that you need.

In addition, seek to really know and understand the company so that you have a clear idea about their priorities and employee pay ranges. You can find out a lot about companies by using business intelligence sites like Hoovers.com, DNB.com, InfoUSA.com or Avention.com.

You can also learn about companies by visiting their web site, by studying them on search engines, by checking out their company page on LinkedIn, and by asking employees, competitors and suppliers about them. If they are publically-held, review their annual report, investor relations and news web pages to learn how they are doing financially.



## Negotiating a Better Salary

(particularly after working at a low paying position or just after graduating)

Are you just out of school or have you been toiling at a low-paying job? Both scenarios can result in employers paying you badly because they can use your current non-existent or low pay as a reason to pay you a low salary. Taking a low pay job can keep you on the path of continued bad pay because the average raise is only 3 to 5% per year, which means it can take years to make up for not negotiating your salary. Plus your earnings at future companies are often predicated upon your past earnings.

The good news is that you can improve your chances of securing a higher salary during the negotiation process by following these steps during your interview.

### Here's how:

If the employer doesn't know your salary history yet and wants to find out before revealing its range to you, try these techniques to move them to your preferred salary range:

- Ask for a range. Say: *"I'm sure we can arrive at a mutually agreeable salary. Can you tell me the range?"*
- If the recruiter gives a range and the high end is acceptable to you, don't give your exact salary.

Instead reply:

*"I'm looking at positions in that range."*

- If even the high end of the range is too low, say:  
*"From my research and the job description, an acceptable salary range for this position is \$XX,XXX to \$XX,XXX, not including benefits. My requirement is flexible and negotiable within that range depending on additional benefits and advancement opportunities."*
- If they won't reveal the range and insist you state your salary history, respond with your most recent total compensation, not just salary. Say something like: *My salary was A, my annual bonus was B and my employer's contribution to my 401(k) was C, so all together, my compensation package was \$(A+B+C)."*



## If you are offered a low salary based upon your current/most recent salary:

- Explain why you are underpaid (briefly and as positively as possible).
- If you're coming from a small or struggling company, state that your employer gave low annual increases or froze raises due to the economy.
- If you're coming from a low-paying business segment, say:

*"I'm sure you know I'm coming from a nonprofit where salaries are not in line with the private sector."*

- If you took a low-paying position in lieu of remaining unemployed, say:

*"I had two options: 1) Stay unemployed and wait for a job that paid a higher salary, or 2) Take the available lower-level position. I opted to take the position to keep my skills well-honed. The company has benefited greatly from having a top-notch pro [or, highly educated, highly skilled candidate] handling the job, but I am uniquely qualified to handle the challenges of this position and should be paid accordingly."*

- Explain that while you're not looking to leave your job based solely on salary, you expect to be paid the fair market value when you make a move.

Emphasize that your current/recent job is a very different position (even if the skills needed are similar) and, therefore, the salary for the new job should be higher.

- Mention that while your position was satisfying, it didn't offer much in the way of compensation. (Note that this often happens when companies fail to keep up with standard salaries for long-term employees).
- Share a recent performance appraisal to show that your low salary wasn't based upon a performance issue.
- Provide a rational explanation for why you seek a higher salary.

## Seek the best offer

If the company makes a low offer, realize that the offer is likely a negotiation strategy, not a final number. Their first offer is called "the floor" and they expect the price to go up. Their highest offer is "the ceiling". Move them to their ceiling offer through negotiation and patient tenacity.

Employers may respect you more for being a confident negotiator. It infers you will be a confident on the job. Counter with a higher number, but know that your response doesn't have to be your final answer either. Most employers will not rescind the offer just because you ask for more ... so why not try?

If they make a better offer, but it's still not good enough, repeat what you want. Say: *"I appreciate the better offer. Thank you. However, I am seeking \$XX,XXX. How can we make \$XX,000 a reality?"* Don't end negotiations too quickly or give in before you get to your target salary, lest you leave money on the table that was intended for you!

## Seek a mutually beneficial outcome

- Research the company before it makes you an offer. See page X for a list of sites to find the compensation levels for specific jobs at the company.
- Negotiate in person with the decision maker whenever possible. It's not as easy for the person to dismiss your salary requirements in person as it is over the phone.
- Stand your ground, stay silent and don't twitch.
- Demonstrate that you are the best person to help overcome challenges. Offer solutions and strategies at meetings and in follow-up e-mails.

## Build the relationship with the employer even if the offer is too low

- Let them know if you have competing offers (but don't lie), or are conversing with other prospective employers.
- Don't lie about your current salary. Potential employers usually learn if the numbers you state are accurate. Lying could be grounds for them rescinding their offer to you.
- Appear confident (but not cocky), dynamic and busy. Express delight at being offered the job and don't take low-ball offers personally. Remember they offered you the job so thank them for choosing you. Respond gratefully:

*"I'm honored that you chose me. It's definitely the job that I want. I'm sure we can arrive at a mutually agreeable compensation package to make my employment with you a reality. How open are you to negotiate the offer?"*

Or, say: *"Thank you for the offer. I appreciate being your choice for this position. I believe I can do great things for XYZ Corp.; however, I am disappointed. I'm seeking \$XXX."*

- Don't accept the offer on the spot. Ask for the offer in writing outlining the entire compensation package.
- Buy time. Seek their deadline and state that you will review the offer and call with any questions.
- Have a perfect number in mind, but do NOT say it out loud ... it could be lower than they would have paid.
- State what's most important to you (salary, vacation time, office setting, etc.) and what is a nice, but unnecessary perk. Let the employer know that you may be open to enhanced benefits in other areas such as increased vacation time if the company cannot completely meet your salary expectations.
- Don't accept the offer right away. Say that you are interested, but need time to discuss the decision with loved ones or your attorney. Agree on a time when you will provide a response.



If the offer is still too low, you could refuse to negotiate like this to give it one more try: “I’m seeking \$XX and believe I am worth it because I bring A, B and C to the table.”

Shift the pressure to the hiring manager because they don’t want to come away from the negotiation table empty handed. Give them the opportunity to be generous.

### **Consider the employer's perspective**

As mentioned earlier, employers determine salaries for a position based on factors that may have nothing to do with you. Reasons could include the scarcity of the skills / experience needed, the level of the position, the salary ranges within the geographic area, the current economic conditions in the market and industry, and the company’s culture and pay philosophy. The company simply may not be in the position to pay you what you think you are worth.

Also realize that companies typically cannot pay you more than what is proportional to the pay ranges of its current employees. Being overpaid in their eyes may not be good for you as a new employee either. Your work will be overly scrutinized; expectations will be extremely high; and coworkers may resent you for being treated special.

Be realistic. If you've done your homework, by all means, negotiate for more! But if you find you are asking for more than what is fair or what the company is willing to pay, bow out, or adjust your expectations. A slightly lower salary than you want is not the end of the world.

### **Additional thoughts:**

- Never be rude and don’t beg
- Smile, be polite and professional
- Sit up and look them in the eye
- Expect long pauses. Stay silent and wait for a response.
- Don’t cave in to the pressure or finalize negotiations too quickly
- Maintain emotional neutrality
- Radiate that you are the answer to their problems

Salary negotiations can be stressful and your expectations may be very different than what the employer expects. Stay professional and open throughout the negotiations, lest you hurt the relationship before you even start the job.

In a win-win salary negotiation, employer and employee leave satisfied ... so learn to negotiate well. It can help you land a job at the salary that you want!

### **The best salary request answer if you have to state an amount:**

“An acceptable salary range for this position, based upon the job description and my research, is \$XX,XXX to \$XX,XXX, not including benefits.

My requirement is flexible and negotiable within this range, depending on factors such as additional benefits and increased advancement opportunities.”

## Handling online salary requests

Salary Requirement (required): \$ \_\_\_\_\_ / year

Employers may insist that you put an exact salary requirement number in a box on their online job application sites. Here are solutions to make the most of such online salary requests.

### If the job posting includes a required numeric salary box:

Research the going rate and then either enter an amount toward the lower end of that range, or enter the salary that you want (based on your salary history, the position requirements and the going rate based on your salary site research).

**Risk:** You may price yourself too high or too low for the position.

**Solution:** Impress the company's decision makers through other means, such as by asking an influential person to vouch for you, contacting the hiring manager through LinkedIn and building a relationship, sending a letter or email convincing them of your abilities, or calling them directly.

### If the salary request does not require that you complete a numeric salary box:

#### 1. Ignore the request.

**Risk:** You may not get an interview because you didn't follow directions.

**Solution:** Write, *"I'd like to arrange a meeting with you to learn more about the job and to discuss the salary range. I think you will find that my salary requirements are quite negotiable dependent upon the job duties and benefits."*

#### 2. Include your salary history rather than your salary requirement.

**Risk:** If your former salary was higher than the going rate or what you believe the company wishes to pay, you can be rejected before you ever get an interview.

**Solution:** Include your salary history, then, *"Please note: I do not require making the same salary and am, in fact, more interested in working very hard in a satisfying job experience."* If you fear being rejected for being paid too low, include your salary history and then say, *"My most recent position was a survival position while seeking a job in-field. My going rate in-field is \$\_\_\_\_\_."*

#### 3. State that your salary requirement is negotiable.

**Risk:** An employer may pass you by because you are being evasive.

**Solution:** Expand upon your *"I'm negotiable"* statement. Say, *"My salary requirement is negotiable. I am so eager to become part of XYZ Company, I'm sure we can work out a range that will be mutually agreeable."*

**4. State a range, rather than an exact figure, to leave the door open for negotiation.** Say something like, *"My salary requirement is in the \$60,000 - \$70,000 range."*

**Risk:** Employers may opt to pay you at the bottom of your range rather than at the top.

**Solution:** Add a qualifying statement so you can negotiate higher later: *"An acceptable salary range for this position, based upon my research, is \$70,000 to \$75,000, not including benefits. My requirement is flexible and negotiable within this range, depending on factors such as additional benefits and increased advancement opportunities."*

## **Weighing salary and benefits**

Review the offer in writing carefully. Make sure that what's stated in the written offer is what was promised. The hiring manager may say one thing and the HR manager who writes up the contract may be saying something else. Also keep in mind that your compensation package is more than the base salary. Consider asking for other perks, such as a signing bonus wrapped into your base salary so that you get extra money every year. Also consider asking for yearly performance bonuses, commission plans, merit increases, and a company car or a car allowance. Not every job provides such perks, but if you are in sales, these might be options.

Consider:

- Signing bonuses
- (trying wrapping it into base salary)
- Yearly performance bonuses
- Commission plans
- Merit increases

Not every job qualifies for perks like signing bonuses, but if you are in a sought-after position, are applying for a leadership role, or in certain sales positions, these kinds of benefits might be very doable.

Other benefits to negotiate include:

- Extra vacation days
- Sick days and maternity leave
- Paid parking
- Stock options or 401(k)
- Healthcare, disability and life insurance
- Tuition reimbursement
- Flexible hours or work from home
- Retirement or an enhance severance

Never turn down a benefit! Use the benefits that are offered to you as a bargaining chip to get what you really want.

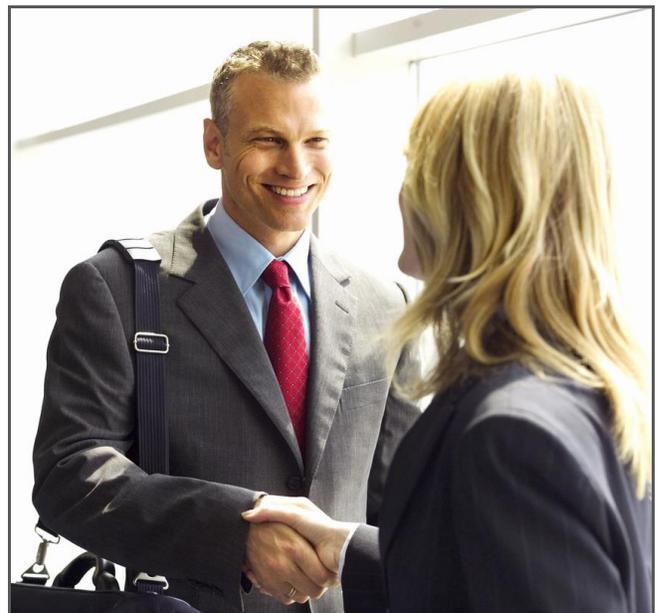
## **Be wary of promises**

Promises of increased pay after a set a time on the job often disappear. Get better money BEFORE you accept the job.

## **Rejecting the offer**

It's OK to walk away if the offer is not right. Recognize what's important to you – whether that's salary, job duties, training, or whatever. Also know what's the least you'll take. If the salary is just too low, let the employer know that you are still interested in them if a better opportunity arises. End the negotiation on a positive note and if doesn't work out; keep looking for a job's right for you at the right salary.

Excelling at salary negotiations takes practice so enlist a fellow job seeker in practice salary negotiations using the salary discussion wording and salary negotiation exercise provided in the next two pages.



## Salary Discussion Wording

### Offer: \$40,000, company is open to negotiate

**You:** *"I'm honored that you chose me. It's definitely the job that I want. I'm sure we can arrive at a mutually agreeable compensation package to make my employment with you a reality. How open are you to negotiate the offer?" With my experience and qualifications, I'm seeking \$48,000." [Or: "I'm seeking \$50,000." with the intention of settling for \$48,000.]*

**Employer Counters:** *"What we offer is standard for this position although we might consider a small bump up."*

**You Counter:** *"I understand. Thank you for your willingness to negotiate. How can we make \$48,000 doable?"*

**Employer Counters:** *"As I said, \$40,000 is usually standard, but because of your education and qualifications, I can go to \$45,000."*

**You Counter:** *"I understand; however \$48,000 is more in-line with what I am seeking. How can we get to \$48? [If no ...] Well then, in addition to the \$45,000 salary offer, I'm seeking three weeks of vacation per year."*

**Or, refuse to negotiate:** *"Thank you for the offer. I appreciate being your choice for this position. I believe I can do great things for XYZ Corp.; however, I'm disappointed. I'm seeking \$XX to \$XXX." [Your **mid-point to highest salary** desire]. "How can we get to \$XXX?"*

**If the employer says:** *"We can't bump you up now, but we can look at bumping you up to \$XXX after 3 months on the job."* **Respond:** *I appreciate that offer, but I'd prefer to receive that bump up now. How can we make \$XXX doable now?"*

### Offer: \$40,000, company will not negotiate salary

**Employer:** *"The salary is set; \$40,000 really is our best offer."*

**You Counter:**  
*"I appreciate you presenting me with your best offer from the start. Since you can't budge on salary, what benefits **can** we discuss, perhaps a signing bonus?"*

Use the Salary Negotiation Exercise on the next page to practice salary negotiating.

# Salary Negotiation Exercise

*Ask another job seeker to role play this salary negotiation situation with you. One person should act as the HR Manager; the other should act as the job candidate. Then switch places.*

## **Roll-playing exercise: Negotiate a \$10,000 salary increase using this scenario:**

### **Job Seeker's Perspective:**

You've been offered an analyst position with XYZ Co. for \$48,000. Based on your research, you know that the typical salary range for the position in your area is \$60,000 but you've learned the previous person in the role was paid \$55,000 and received four weeks of vacation. You believe you deserve a salary of \$60,000 (but will take \$55,000) for the position because you have a relevant degree and had a relevant 2-year internship at a competitor company.

### **HR Manager's Perspective:**

As the HR Manager, you must follow strict company guidelines for establishing a base salary with a floor and a ceiling range for each job category. First offer the candidate a floor price of \$48,000. For exceptional candidates, you can negotiate as high as \$55,000. You think this particular candidate is good but has much to prove. The company usually offers two weeks of vacation but you can allow up to 4 weeks if justified. The benefits package normally begins after 90 days but with justification can begin immediately.

**HR Manager:** Provide the following feedback to the person acting as the job seeker:

- Was the candidate open and professional about what he/she wants?
- Was the employers' strategy of anchoring a low salary figure effective in offsetting the candidates' argument for a higher salary?
- Was flexibility shown or discovered by either party?
- Did the employer offer incentives besides salary?
- Did the candidate show persistence (not giving in too easily to the HR managers offer)?
- Did the candidate try negotiating for a better salary or package?
- Did the candidate seek clarification when employer gave vague promises or assurances?
- What didn't work well in the negotiation discussion? Examples could include ...
  - Failing to be assertive when the employer's offer is less than expected
  - Being inflexible about numbers or focusing purely on salary rather than other perks.
  - Allowing the other party to dominate the conversation (giving them more momentum and persuasive leverage to drive their argument forward)
- What was the result of the negotiation discussion?

**Job Seeker:** What did you learn from this role-playing exercise that you can use in your future interviews? Continue role-playing salary negotiations until you can do so effectively.