

NEGOTIATING YOUR SALARY AND BENEFITS

What salary range do you expect?

This may be one of the most difficult questions you will be asked in an interview, if you are not properly prepared. Any time you walk through the door for an interview, even a first interview, you should be aware of what your education, experience, and geographic preference is worth in dollar amounts. If you are not prepared to answer this question, you could be offered much less than you're worth, and even an extra \$1,000 or \$2,000 matters. On the flip side, if you are unrealistically high in your expectations you could lose the job offer.

Initial Salary Research

Researching salary ranges can provide you with a starting point. You should approach this issue in terms of a range, from the lowest salary you can accept to the highest you can expect. You can find this information from a variety of sources. We recommend the following:

- NACE: www.jobsearchintelligence.com/NACE/jobseekers/salary-calculator.php
- Glassdoor: www.glassdoor.com
- Salary: www.salary.com
- Payscale: www.payscale.com
- The Riley Guide: www.rileyguide.com
- Indeed: <http://www.indeed.com/salary>
- Engineer Salary: <http://www.engineersalary.com/>

Researching Geographic Differences in Salary Offers

Although comparing offers might seem easy – the highest salary wins – it is not enough to simply look at dollar offers. A \$35,000 salary in Boston has the same buying power as a \$26,000 salary in Buffalo, and benefits make a huge difference. Your next step, after finding out your salary range nationwide is to compare the costs of living in the places in which you are interested. Ways to find this out include checking these websites:

Relocation Salary Calculator, <http://www.homefair.com>

- Enter the city you are most familiar with and the city to which you might be moving, and compare the cost of living and equivalent salaries. You can also enter a city with an average cost of living to compare your desired city against. Myrtle Beach, SC is an example of a city with an average cost of living.

CNN & Money Magazine's Best Places to Live, <http://money.cnn.com/best/bplive/>

- Compare the cost of living in different areas, get great profiles on most U.S. cities, and take a test to find out cities that may be compatible with your lifestyle.

Bureau of Labor Statistics, <http://www.bls.gov/ncs/ocs/compub.htm>

- For those of you who are *really* interested, this site is very specific as to what people in different occupations make in US cities. It requires Adobe Acrobat to read, and it is *very* detailed, but is well worth it.

Sperling's Best Places, <http://www.bestplaces.net/col/>

- A quick way to look at cost of living for U.S. midsized and large cities.

The Next Step: Benefits

Benefit packages can be worth 30-40% of your base salary, which may make lower salary offers much more attractive. When you evaluate a job offer, consider which of these benefits are the most important to you, and those on which you can compromise. For example, which is more important – a great health insurance package, or reimbursement for further education? Keep in mind that many employers will say they have an “excellent benefits package,” but at some point before you make your decision, you need to be told exactly what that includes. Some benefits you may need to evaluate include:

- **Vacation days**– A standard might be two weeks of paid vacation/year, but there is a wide variety. Ask if you need to wait a certain amount of time before using vacation, whether or not it is paid, as well as if and how it can be accumulated from year to year.
- **Sick days** – Some companies do not offer formal sick days for salaried employees and just expect you to call in when sick; others have a set number of sick days.
- **Holidays** – A standard might be ten days per year, but your company may also offer “floating” holidays which can be used at your discretion, and there are other variations.
- **Retirement** – Many organizations have a standard plan you can supplement. It is probably not a big deal for you now, but will be very important later in life.
- **Life insurance** – This will become much more important if you have, or add, dependents. Check and see if you can purchase additional blocks of insurance, or whether or not you should purchase additional coverage separately. Your company may also offer accidental death, business travel, or disability insurance.
- **Health and medical insurance** – There are a wide variety of individual and family plans, which may or may not include prescriptions, vision, dental, emergency room coverage, etc. Find out what the monthly or per-pay-period costs are for the benefits plan, who is covered (you, or family option), when you are eligible to begin receiving insurance benefits, and whether you will need to pay taxes.
- **Tuition reimbursement** – Some pay part or all of your expenses to get an advanced degree. Some may require you maintain a certain GPA, or remain with the company for a certain period of time.
- **Stock options/Profit sharing**– Which may vary widely. Approach with caution. Ask what the company has paid during the last three years to individuals working in similar jobs as a baseline, and be cautious in making decisions based on the company’s estimate as to what you might be paid in upcoming years.
- **Performance Bonuses** – Cash awards may be given for performance related achievements.
- **Signing Bonuses** – Cash upon agreeing to work with the company.
- **Child/Dependent care** – An organization may reimburse you for child, or may provide it on-site.
- **Flex time** – The ability to work a varying workday, or workweek.
- **Assistance in relocation** – Reimbursement for moving expenses.
- **Other perks** –health club, free lunches, parking reimbursement, commuting reimbursement, etc.

Working Conditions – the Next Measure of a Job Offer

Do not be sucked in by a great job offer until you take a look at this next set of criteria. Some jobs pay really well, but come at great personal expense. Only you can decide what is important in your life besides your career. Listen to your gut feeling, as it will let you know when salary and benefits might not be enough.

Other factors to consider include: Job content, your supervisor, the atmosphere, typical work week, location, opportunity for advancement, distance of your commute and reputation of the company.

How Do You Discuss This With an Employer?

The rule of thumb is never to bring up salary yourself, ever. Most U.S. employers believe this makes candidates appear more concerned with salary than with the opportunity. Also, the person who names the first figure is in a weaker bargaining position. Discussions of salary should wait until you have been offered a position, or until the employer brings it up. ***Keep in mind that, with the exception of Option #1 below, most employers will try to get you to name the first salary range, so they can establish a starting point for negotiation. It is critical you have done your homework and know what you are worth.***

There are several scenarios you may encounter when discussing salary. We encourage you to schedule an appointment with a counselor at the Career Resource Center to practice any of these strategies.

Option #1: There is no negotiation possible.

This occurs when salaries are regulated by something other than the hiring manager or department, such as in government and education. In this case, salaries are often presented in a straightforward way, either in the advertisement or the first interview, as in “The salary for first year teachers is \$26,500, based on the contract.” In this case, you just need to weigh the factors besides salary in making your decision.

Option #2: There is negotiation possible, but not invited.

- For example, a company may say “We would like to offer you the position of Process Engineer at a salary of \$35,000.” Some possible responses might include:
 - “Thank you for your offer. Before I make a final decision, I’m interested in learning more about the benefits that are included with this salary. Is there someone I could contact for more information?”
 - “Thank you for your offer. I think it is fair to let you know that I am also considering an offer from Company B of \$45,000. Is there any possibility of making up some of the difference between these offers?”
 - “I am very excited about working for you, because Company A is my first choice. However, I am really looking for something in the range of \$40,000 – \$45,000, especially given the cost of living in Baltimore and the national median salary for this type of position. Is there any room for negotiation?”

Option #3: The company is ready and willing to negotiate.

- Your first clue will be the question “What salary range are you expecting?” or something to that effect. At this point, companies are in the budget stage, at which they will naturally want to hire you for as little as possible. Responses could include:
 - “At present, my salary requirements are negotiable. What range did you have in mind?”
 - “At present, my salary requirements are negotiable within the high twenties to mid-thirties, depending on other factors. What range did you have in mind?”
 - “According to my research, the starting salary range for this position falls between \$28,000 and \$34,000. Given the cost of living in Boston, and my internship experience at Prestige Corporation, I would expect to start at the upper end of that range.”

Other Scenarios to Prepare For:

Situation: A newspaper or online ad reads, “Send cover letter with salary requirements (or salary history).”

Your response: Generally, do not specify a figure unless the ad clearly states that letters without a salary figure will not be considered. However, you do have several other options:

- Provide your salary request. You may be much higher or lower than what they were expecting to pay, and could get screened out accordingly, but at least you have followed their directions.
- Ask for a wide salary range or say, “I’m seeking a salary in the mid-40s.” You run the same risk as above.
- Attach a separate page with your salary history, including positions, cities/states, raises, benefits, etc. It is very specific and the employers will be pleased you provided it, but again, you could get screened out based on that. Also, it is not appropriate unless you have had several years of experience.
- BEST BET - Include the statement, “My salary is negotiable,” or “I expect fair compensation for this position and geographic location,” somewhere in the body of your cover letter.

Situation: You accept an offer and find out afterward (maybe from attending a CRC seminar or reading this handout) that you agreed on too low of a salary. You want to go back and request more money.

Your response: You accepted the salary and are probably stuck with it. Some people may want to give it a try anyway, or drop the salary issue and focus on adding benefits, but you are probably out of luck.

Situation: You accept an offer, but the company has to rescind it prior to your start date because of an economic slump.

Your response: Although this is not common, it does happen. You should ask for at least one month’s salary and reimbursement for any moving expenses you had, as well as the company’s assistance in outplacement. If you were paid a signing bonus, you should get to keep it. Please contact the CRC for more specifics in this situation.

The Final Step: Get It In Writing

Most employers will confirm the job offer in writing, including the base salary (or pay structure, if employment is commission based), benefits, starting date, and other requirements such as pre-employment testing. If a written offer is not offered, ask for one by saying, “Will you be confirming this in writing?” or “When can I expect the offer in writing?” Do not accept a job and finalize your relocation plans based on a verbal promise. Likewise, if you should decide to accept, do so both verbally and in writing. Also, remember that as soon as you accept an offer and receive confirmation of it, you are ethically bound to stop your job search and decline all other offers by letter or phone.

Salary Conversions: Hourly/Annual Wages

Very generally: for full-time jobs multiply the hourly dollar amount by 2080 (40 hrs/week, 52 wks/year). There is an excellent salary calculator online at <http://hourlysalaries.com/index.php>.