

Salary Negotiation 101

Key strategies to consider when negotiating a job offer.

Negotiation is a process that begins when you receive the official job offer before you accept the position. It is when you and an employer communicate mutual needs and come to an agreement about the terms of your employment and/or compensation package. This is an option for all job seekers, however it may not be beneficial for everyone. In order to decide what is right for you, it is important to reflect on your experiences and skills, and gain an understanding of employment trends in your career field.

Research

It all begins with the research! Before you negotiate or accept a job offer it is important to review the compensation package in full and compare this information to your skills and experience level.

Knowledge of the position, its requirements, benefits, and the organization will help you place value on the offer. The following resources can assist you with researching aspects of an offer:

Salary Information

PayScale: <u>payscale.com</u>

O*Net Online: onetonline.org

Cost of Living

Bank Rate: bankrate.com/calculators/savings/moving-cost-of-living-calculator.aspx

PayScale: payscale.com/cost-of-living-calculator

Taxes

Pay Check City: paycheckcity.com/calculator/salary/

• ADP: <u>adp.com/tools-and-resources/calculators-and-tools/payroll-calculators/salary-paycheck-calculator.aspx</u>

Budget

Student Aid Education: studentaid.ed.gov/sa/prepare-for-college/budgeting

• Bankrate: bankrate.com/finance/financial-literacy/secrets-to-creating-a-budget-1.aspx

Considerations

Take some time to read and reflect on the salary and benefits package offered. For most entry level positions you will not have the opportunity to negotiate salary, however negotiations are not only limited to salary. Here are some negotiable items to consider:

Salary Location Work Hours and/or Work Week Vacation Moving Expenses Start Date Professional Development Benefits

The Art of Negotiation

Once you have gathered the appropriate information, it is time to develop talking points that explain why you deserve upgrades to your compensation package. Use the above information in addition to your skills, experiences, and academic level as a way to state your case. Remember it is not just what you say that will impact the employer's decisions, but the way you approach the situation. Demonstrating positivity, confidence and professionalism as you discuss your credentials and researched facts will improve your chances of success. Being clear and direct in your communication is also another key aspect in fostering the best results for you.

The employer should be the first to introduce the topic of compensation. However once this topic has been brought up, here are some tips to help you:



Timing: This is important to consider because negotiation happens typically in between the time you are offered the position and before you officially accept. It is appropriate to ask for an amount of time to consider and review the offer before accepting. Employers are typically amiable about this request, but make sure to be respectful of the amount of time you request.



Communication: It is always preferable to negotiate in person or over the phone. There may be multiple correspondence before you both agree to the terms of your compensation package and it is important to be available for these discussions. Do not negotiate via written form (email or letter). Any form of written communication could be seen as official and binding.

Example Negotiation Scenarios

Negotiation Topic: Moving Costs

Scenario: You have been offered a full time position across in another state, and you will need to pay to move all your furniture and belongings to your new location. After research, you determine this will cost more money than you have, and will be making in the first three months on the job.

Research: Evaluate relocation expenses such as gas prices, moving company fees or similar fees, travel time, and security deposits for a new rental. Create an Excel document or Word table with the costs of these items.

Example Script: "After researching moving costs, financially I will be struggling to cover expenses the first three months of my employment. Do you have the ability to offer me compensation to cover the cost of moving?"

Negotiation Topic: Salary

Scenario: You have been offered two full time positions in your career field. After careful consideration, AB Organization aligns with your career goals and values closer than CD Organization; however, Organization CD offers a significantly more competitive salary.

Research: Evaluate entry level salaries for your career field; factor in the location of each job offer and cost of living. Do a comparison of what AB Organization and CD Organization offers to the average salary. Develop talking points based on this research to present to AB Organization.

Example Script: "Thank you for offering me a position within your company! I have received additional offers, which seem to match average compensation in this career field, but found that AB Organization's offer is lower. Is it possible to negotiate my starting salary, or an incentive/retention bonus?"

 $Information\ Used:\ http://cdc.indiana.edu/doc/salary-negotiation.pdf$