

## Salary Negotiation and Accepting an Offer

**\*First you should begin by creating a budget for yourself so you know what you absolutely need for a salary to cover your expenses. On the CD, use the Excel spreadsheet titled: Budget Worksheet under the Salary Negotiation folder.**

### When to Discuss Salary

- Do not bring up salary/benefits until you have actually been offered the position
  - You want to wait until this point because then you know the employer is convinced you are the best candidate so they are more likely to be flexible with the salary, plus you do not want to seem like the only reason you are interviewing with them is for the paycheck.
- If an employer does ask you a question related to salary during the interview, below are some ways to avoid and move on from this question:
  - "I'm sure we can come to a good salary agreement if I'm the right person for the job, so let's first agree on whether I am."
  - "Well so far the job seems to have the right amount of responsibility for me, and I'm sure you pay a fair salary, don't you...So let's hold off on salary talk until you know you want me. What other areas should we discuss now?"
  - "I can understand that you want to be sure you can afford me, and I won't require a salary out of line with the job. But it is a principle of mine not to discuss salary yet, because it can throw us off track. What's really important is whether I am right for the job and what I can produce for you."  
(Chapman, 2006, p. 27)
- These are suggestions for responses if you receive the question about salary. These should not be memorized and should be what is most comfortable for you if you are asked this question in an interview.

### The Job Offer...Now What?

- You should have already researched salaries for that type of position, in the type of company you are interviewing at, and in that particular geographic area ahead of time so you have an idea of what the position should be paid. You should also create some idea of a range for yourself based on your research and what you think you deserve based on your skills and experience.
  - Be prepared with two numbers: the highest you are worth and the lowest you will accept
  - Websites that can help you find a salary range for positions: [www.salary.com](http://www.salary.com), [www.payscale.com](http://www.payscale.com), [www.jobstar.org](http://www.jobstar.org), [www.careerjournal.com](http://www.careerjournal.com), [www.bls.gov](http://www.bls.gov)
- You want the employer to initiate the first initial number of range for salary.
  - If you give out your range or idea first, you could be shooting too high or too low for them, which could leave you jobless after the discussion.
  - The employer should give you the starting off point, so from there you have an idea if that fits with what you are looking for, or if you think you have a little wiggle room to negotiate higher based on your experience and skills.

### Negotiating the Offer

- If you have followed the advice above, the employer has thrown out the first figure. You then want to inquire more about its benefits/compensation package before countering the offer, which you could ask like the response below:
  - "Before we get into discussing salary, could you give me an overview of what would go into the compensation package here at XYZ Company? What, for example, do you offer in terms of bonuses, stock options, health benefits, time off, and perquisites? Do you have much flexibility with the various benefits? I would appreciate more information on what all comes with the job."(Bernard Haldane Associates, 2001, 70).
- While the employer explains what they offer be sure to listen carefully, take notes and ask questions when you need clarification so you have an understanding of what is being offered to you and thinking about what those benefits are worth. Use the document titled: Benefits Worksheet on the CD and decide which ones are the most important to you and how much they are worth to you. Some benefits may be standard like health benefits or retirement-oriented benefits, which will be the same for each employee.

## **Benefits**

- Salary Review – discuss the raise percentages, the number of times/when you would be reviewed, if there is a review after a 90 day trial to possibly increase the salary in the case that you are not satisfied with the salary offer, and what the review process is
- Performance Bonuses – generally these could be profit sharing and stock options
- Insurance
  - Health (ask about the plan/coverage and deductible; also ask about when the coverage begins and when it extends to following termination)
  - Dental; Vision
  - Life insurance
- 401K/Retirement planning
- Cars and expense accounts – this is something you would want to discuss if you will be traveling a lot
- Professional Memberships (associations that are affiliated with your line of work that will aid your professional development in your field – will they pay your dues and allow you time off for meetings or trainings involved with the association?)
- Vacation and Personal Days – Ask what the company's vacation, sick-day, and personal-day policies are; frame it in the idea that you will be more productive with the vacation days to recharge to continue to do exemplary work. Try to get at least a few more days than they offer or see if you can earn more vacation by achieving 100% attendance.
- Relocation expenses if your company asks you to relocate which can include moving expenses, mortgage payment penalties, real-estate brokerage fees...etc.
- Other benefits/perks: Christmas bonus, matching fund investment program, free parking, corporate cafeteria, health club membership, credit union, tuition reimbursement, child care, dry cleaning, clothing/uniform allowance
- Signing bonus – generally offered when demand is high in your particular specialty
- Commissions – Make sure you also discuss how commissions and pay are handled if you leave the company as well.
  - Straight commission: your compensation is strictly a percentage of your sales – you determine your salary/success based on how well you are able to sell
  - Variable commission: Same as straight commission except the rate on the commission may go up or down depending on the sales circumstances
  - Draw against commission: Straight commission but the employer lets you draw out a certain amount of money each pay period to help get you started. (If you have a \$1,000 draw, and you only make \$800 in commissions, you get the \$1,000 check and pay the company back out of future earnings)
  - Advance against commission: Like a draw, but it is occasional rather than a continual event, and will generally not exceed the amount of commissions already earned
  - Base plus commission: You receive a certain salary and above that the company gives you a commission according to an agreed upon formula
- Once you have an understanding of what the benefits are worth, then you can begin to negotiate salary, going back to the original number the employer offered you or have the employer give you their first offer. You must think about this offer and compare it to the research you have already done of positions in this field and your worth.
- Remember throughout this process that the negotiation will set a tone for your relationship with your employer so keep that in mind while you are negotiating.

## **What to do When the Employer Gives You a Salary Range or Number**

- Repeat the number aloud and silently think about the number, you can give yourself 20-30 second to think about this (sometimes by repeating the number the employer may think you are disappointed and may even raise the number a little)
  - If they give you an hourly amount, and you want to know the yearly amount, double the number in thousands (i.e. \$15 an hour = \$30,000 a year)

- If they give you a weekly amount, and you want to know the yearly amount, multiply it by fifty (i.e. \$600 a week = \$30,000 a year)
- Once you have thought about the number they provided you, compare it with your expectations of what you think the job should pay.
- Respond with the truth, if the offer sounds great, acceptable, or disappointing and move forward from there.

### **Too High, Too Low, or Just Right?**

- **Salary Higher than your research:** You might be thinking, when could a salary ever be too high? The caution if the salary you are offered is much higher than you expected, you need to investigate a little or make sure that you are clear on the expectations of the position to make sure you can handle what is expected of you.
- **Salary Lower than your research:** Example: the employer offers \$50,000 for a position you researched that generally makes \$58,000-67,000; you may inquire by saying, “That is interesting. I spent some time checking salary data for the same position in comparable companies within this region. Most companies pay \$58,000-\$67,000 for this position including a signing bonus. Is there some reason why you would offer \$50,000 when such a figure seems to be way below the norm and especially given my proven track record for producing results?” (Bernard Haldane Associates, 2001, 72)
  - The interviewer will respond with what they can do in this range, so be ready for a discussion to reach a common ground. If you cannot change the salary amount, see about including other benefits as well which could make a more appealing package. If the negotiation comes to nothing, you can either choose to move forward with the original offer or politely decline the offer.
- **Salary within your range:** Using the example range above, the employer offers you \$60,000, which is within the range you researched for positions of this type. Then use this number as the bottom of your range and say, “I was thinking in terms of \$60,000 to \$67,000. Given my previous track record of accomplishments, is it possible to go \$67,000?” (Bernard Haldane Associates, 2001, 74)
  - This allows you both to have wiggle room, so the employer may counter with \$62,000, then you could counter with \$66,000, and may both end up agreeing on \$64,000 or \$65,000. If the employer is reluctant to move much in your direction, and you are still interested in the job, you can move to discussing benefits to negotiate for additional compensation there instead of salary

### **Before Accepting an Offer**

- Make sure you jot down all the details of the offer and have the employer review the offer to make sure you have it correct
- You have negotiated pretty much everything with the employer, and they ask “So do we have a deal?” You want to take some time to think about this, but how do you tell them this?
  - **Very Interested in the Position:**
    - “Great, I’m really looking forward to working with you and the people that I have met thus far. This is my type of company. One final note, could you summarize what we’ve agreed upon and send me a copy for my reference? I took some notes but I want to make sure we both understand what we agreed to.” Then once the employer responds if they will email or fax it to you, you could respond by saying: “I will try to get back to you within 24 hours so we can finalize our agreement. Assuming everything is ok, when would you want me to start?”
    - This sounds terrific! I think we have a really solid match and I would just like to look over everything we discussed to make sure I have not forgotten anything, when would you like my final confirmation? Would you prefer this confirmation verbally or in writing? Or “What is the process at your company to formally accept an offer?”
  - **Interested with some Reservations:** If you need to discuss this decision over with family first before accepting or the compensation package you negotiated wasn’t exactly what you wanted, you want a little time to think about the changes that will come with accepting this position
    - “This sounds really good. However, I need to discuss it with my family. Would it be okay if I got back to you in a couple of days? I will give you a call by noon on Friday.”
    - 48-hours is an acceptable time frame to request for contemplating a job offer
  - **Juggling Other Offers:** If you are juggling more than one offer, and the company’s timetable does not work with the other offer, see if they can work with your timetable: “This meets all my criteria for what I

want, and I have every indication that this is the correct match, but I want to consider this very carefully. I'd like two weeks to let this decision settle. Will that work in your schedule?" It may or may not work for the company, but it is worth a shot. At this point you could discuss the pending offer at the other company and notify them that you have received another offer, and you want to know about their hiring timeline to meet the timetable for the first offer.

### **Accepting the Offer**

- You can accept the offer by phone, and you may request a more formal written offer to ensure that you are formally offered the position and that it is to the terms you agreed upon.
    - You want to delay giving notice to your present employer until you have the letter or formal agreement from your new employer
  - This is good opportunity to lay out some of the specifics for beginning the job:
    - Start date and time
    - Your desk/workspace
    - Dress code
    - Plan for the first few weeks on the job – training, shadowing, meetings...
- (Taken from: Accepting a Job Offer found on <http://www.find-your-dream-career.com/>)

### **Declining an Offer**

- A new job is a significant decision, and you need to make sure it is a right fit for you before accepting an offer, so if you have a gut feeling it isn't right for you, then you probably shouldn't take it, even if the salary and benefits are ideal, they may not be good enough to make up for some of the work you are doing or your fit within the company.
- If you already verbally accepted, technically until you have signed an employment contract, you may still decline a position, but be very careful with this because in your profession you may still have contact with this company and you do not want to burn bridges for yourself.
- To decline an offer, if you do so on the phone or in person, send a formal letter in the mail as well which could be something like this:

900 Town Road  
Mequon, WI 53092  
(262) 555-1234  
Frederick.Falcon@cuw.edu

April 20, 2009

Dr. Joan Swietzer  
Aurora Advanced Healthcare  
1234 Mequon Road  
Mequon, WI 53097

Dear Dr. Swietzer:

Thank you very much for your telephone call and letter offering me the position as a Registered Nurse at the Menomonee Falls Clinic with Aurora Healthcare. While I believe firmly in the mission of your organization and appreciate the challenging opportunity you offer, I have had another offer which I believe more closely matches my current career goals and interests. Therefore, although it was a difficult decision, as I explained when we spoke by phone this morning, I must decline your offer. I do appreciate all the courtesy and hospitality extended to me by your organization, and I wish you well in your endeavors.

Best regards,

(your signature)  
Frederick Falcon

## Dressing for Success/First Day on the Job

There are basically two types of dress in the workplace:

- **Business Professional – How you would dress for an interview**
  - Men: Business Suit; wool fabrics are good because they breath better, last longer and wrinkle less than other types of suits. Basic colors – blue, black, gray. Have a traditional button down shirt and a tie. Make sure to wear a belt and make sure the belt matches the shoes.
  - Women: Use the “hanger rule” – the entire outfit/suit should be from one hanger (i.e. don’t match jackets with different skirts/pants. Women should always wear pantyhose as well. Never wear open-toed shoes, sleeveless tops, dangling bracelets or more than one necklace.
- **Business Casual**
  - Men: Khaki pants and a long-sleeve button down shirt, no tie is needed. Still make sure shoes and belt match – no athletic shoes/hiking boots
  - Women: Casual pants or skirts. Neither should be tight. Fabrics should be crisp; colors should generally be solid; navy, black, gray, brown and khaki are always safe bets. For the most business-like appearance, pants should be creased and tailored; neither extreme of tight or flowing. Skirts should come at least to the knee while standing. Generally slits in the center back of a skirt — to facilitate walking a stair climbing — are acceptable. Slits to facilitate a view of your legs are not appropriate for business purposes. Slips should not be visible.
- If you are unsure of the type of dress at your workplace, dress business professional – you would rather be overdressed than underdressed or you may simply ask your employer. It is much easier to take a jacket or tie off than it is to have it back at home and you are not able to wear it.
- When you first start a new position, observe the company culture to develop an understanding of the attire and norms of the company you are now working for

Business Professional



Business Casual



## Salary for Career Changers

- If you are changing to a career field that is different from the one you are currently in, you cannot expect the same salary structure that you currently have. Sometimes you may be moving to a higher salary structure or a lower salary structure; example: the undersupply of nurses means the salaries are higher and the oversupply of kindergarten teachers means the salaries are lower.
- If you are changing firms, or industries, but are planning to do the same type of work (accounting), you will have more of an opportunity to negotiate a salary increase
- If you are planning to change jobs, the rule of thumb is that it is probably not a “good move” financially unless the monetary value of the move is 20% or more.
  - You need to evaluate both the take home pay and the benefits package (looking at the location, health care costs, pension).
    - Pension is also something interesting to look at: Will I have to wait 6-12 months to be enrolled in the pension? Can the money earned elsewhere be folded into the new firm's plan? If I lose 5-8 years of the compounding factor that builds a pension because I can't roll in my current pension, how will I make up for that?
  - You cannot always negotiate everything, some jobs have set benefits and vacation time such as state employees.
- Before changing jobs: research salary trends, the corporation or organizations you are interested in, and the cost of living if you are changing areas.
- Remember that money isn't everything and it doesn't buy you happiness or job satisfaction. You need to take the job you will be happy and satisfied going to every day.

### DO

- Research salaries of the position for which you are interviewing, in the region and type of company you are looking
- Make a range of the highest you believe you are worth and the lowest you will accept
- Negotiate for a salary that you believe you are worth
- Make a budget so you know how much you need to cover your expenses
- Inquire about the benefits and think about the value of those and your salary
- Take time to think about the offer before accepting or declining
- Get the offer in writing

### DON'T

- Give the employer a salary number/range until after you have been offered the position
- Be the first one to initiate a salary number because you may be shooting way too high for the company or selling yourself too low
- Make the negotiation process too unpleasant because it may affect your relationship with your supervisor in the long run
- Take a job that is not the right fit for you because you may be wasting your time and the employer's time by beginning and then quitting a job
- Give notice to your current employer until you have a letter or formal agreement for your new position

Information taken from the sources below which can be found in the Career Services Library:

Chapman, Jack. (2006). *Negotiating your salary: How to make \$1000 a minute*. (5<sup>th</sup> ed.). Wilmette, IL: Jack Chapman.  
Bernard Haldane Associates. (2001). *Haldane's best salary tips for professionals*. Manassas Park, Virginia: Impact Publications.