

INTERVIEWING GUIDE

Effectively Negotiating Salary Packages

**Alumni Career Services
Seaver College Career Center**



Effectively Negotiating Salary Packages

Part of the job search process can include salary negotiation. With a basic knowledge of negotiation, your anxiety will be reduced and your success rate for negotiating will increase. There are several ways to make the process of salary negotiation effective. Start by taking a good look at your own salary requirements as well as developing an understanding of what your skills are worth in the current employment market.

Be aware that the first inquiry about salary may come in the form of an application. When completing application forms, be sure to use "open," "negotiable" or "competitive." Avoid stating a specific figure. In general, do not bring up the subject of salary, time off or benefits yourself in an interview, especially the first interview. The interviewer will not want to discuss these items until he/she has made an initial determination that the company is interested in you.

Another reason not to bring up the subject of salary, time off or benefits in an interview is that it communicates to the interviewer that you are more interested in money or time off or benefits than the job. In the worst case scenario, asking about money may make you appear desperate. If you do bring up salary in an interview, do not beat around the bush.

RESEARCH THE AVERAGE SALARY

Research salary ranges for your position/industry/location before you begin the interviewing process. Check out salary.com to learn industry and regional standards and averages. Enter the salary negotiation portion of your interview with a firm understanding of what your skills are worth. Use this average as a starting point.

In researching, it is best to be specific. Instead of relying on the average salary of a bachelor's degree graduate of \$55,000, target your specific educational program since the earning power varies greatly by area of study. BS in chemical engineering will draw starting salaries well above \$60K, while some liberal arts degrees will draw less than \$40K.

MAKE A BUDGET

Look at your monthly cash requirements. Keep in mind that your paycheck after taxes is approximately 28% less than your gross monthly salary. Factor fringe benefits into your calculations. Include savings and contingencies in your budget planning. See the Monthly Budget Worksheet following this section. (You do not need to tell anyone your salary requirement: it only provides you a foundation on which to make decisions.)

FACTOR IN THE BENEFITS

Factor the organization's entire compensation package (i.e., tuition benefits, investment options, health plan, and any perks) along with salary into your negotiation discussion. Compute the dollar worth of these benefits and add this figure to the salary for a more realistic picture of how the organization compensates. If it is important to you, you may decide to negotiate benefits rather than an actual dollar increase.

DON'T WORRY ABOUT THE JONES'S

Don't worry about what your friends are making. Similarly titled jobs in different fields may vary widely in salary range.

HAVE A MINIMUM SALARY IN MIND

While unlikely, it is possible to get offered a job at the end of a first interview -- So, have that minimum salary figure in mind so that you are prepared. If you are unsure as to whether you want the job, don't hesitate to tell the person who made you the offer that you would like time to think about it.

Salary/Terms of Employment Negotiating Strategies

By taking a good look at your own salary needs, understanding the current market, and approaching salary as something that you and the employer will agree on as mutually beneficial, your chances of successfully negotiating a salary are greatly enhanced.

- When an interviewer asks for salary history or salary range, he/she is interested in establishing a starting point for negotiation. The important thing is to avoid basing your desired salary on your current salary. Do not lie about your past salary; reference checks can easily provide this information. Provide information about why your salary may have been lower, if appropriate.
- When stating a salary range, it is acceptable to extend the range to approximately \$5,000. This shows that you are within the employer's price range, but interested in somewhat more compensation.
- Determine opportunities for promotion. Job progression is an important factor in making salary decisions. Ask how promotions and salary reviews are handled.
- It is never wise to accept or reject an offer of employment if you have unexpressed doubts about something. Bring them out into the open. They may be unfounded and you will be able to start your new position with a clear mind. Or they may have foundation, in which case you are better off knowing about it and not proceeding further (or deciding to proceed now that you have actual knowledge of what you are getting into).
- Make sure you have talked to the person you will work for. If there is bad chemistry, ask for another interview to get a second impression. You don't have to like your boss, but it helps if you respect him or her.
- When you do get a job offer, try to get as much information as possible about what the job really entails.
- Don't take what is offered just because you are grateful or relieved to have an offer. Try to get an appropriate salary even if you have to bite the bullet and negotiate. The best way to negotiate a good salary is to make your prospective employer state the range first; **DO NOT BE THE FIRST TO THROW OUT A NUMBER.**
- Don't accept a low offer hoping that once you are there they will recognize just how talented and capable you are and give you a raise. It is unlikely that you will receive a salary increase until you have been with the company at least one year.
- You do not have to respond immediately to an offer. A reputable company will give you at least 24 hours to make a decision. If you feel like you are being pushed to respond immediately, simply say, "I have to confirm that your offer of salary and benefits **will allow me to meet my financial commitments.** I will have an answer for you by close of business tomorrow. Thank you." (If you would like

Seaver College Career Center – Alumni Career Services

further advice as to the appropriateness of the salary for the job, talk to your career counselor). If this job is your #1 choice and the salary offer is what you were hoping for, than you can certainly accept immediately. Your enthusiasm will be greatly appreciated by your new employer!

PREPARING TO NEGOTIATE

Practice these scenarios with a friend.

SCENARIO #1:

Company: After much discussion we have decided that you're the person for the job! What salary were you hoping for?

You: What's the salary range for the position?

Company: Mid-40's.

You: Is 100% of the cost of medical, dental, life and long-term disability insurance covered by the company?

Company: Yes.

You: A salary of \$46,500.00 will allow me to meet my financial commitments.

SCENARIO #2:

Company: After much discussion we have decided that you're the person for the job! What salary were you hoping for?

You: What's the salary range for the position?

Company: Mid-40's.

You: Is 100% of the cost of medical, dental, life and long-term disability insurance covered by the company?

Company: No. The company covers 50% of the cost.

You: A salary of \$46,500.00 plus compensation equal to the cost of 50% of the benefits will allow me to meet my financial commitments.

SCENARIO #3:

Company: After much discussion we have decided that you're the person for the job! What salary were you hoping for?

You: What's the salary range for the position?

Company: Well, what were you looking for?

You: Rather than shoot too high and price myself out of your range, or shoot to low and make less than I could, I think it would be helpful if you could provide me with the salary range for the position.

Company: Well, we are thinking mid-40's.

You: Is 100% of the cost of medical, dental, life and long-term disability insurance covered by the company?

Company: Yes.

You: A salary of \$46,500.00 will allow me to meet my financial commitments.

OR

You: Is 100% of the cost of medical, dental, life and long-term disability insurance covered by the company?

Company: No. The company covers 50% of the cost.

Seaver College Career Center – Alumni Career Services

You: A salary of \$46,500.00 plus compensation equal to the cost of 50% of the benefits will allow me to meet my financial commitments.

SCENARIO #4:

Company: After much discussion we have decided that you're the person for the job! What salary were you hoping for?

You: What's the salary range for the position?

Company: Well, what were you looking for?

You: Rather than shoot to high and price myself out of your range, or shoot to low and make less than I could, I think it would be helpful if you could provide me with the salary range for the position.

Company: Well, actually, it's a new position and we have not determined a salary range yet. What do you think it's worth? What do you think you are worth?

You: Is 100% of the cost of medical, dental, life and long-term disability insurance covered by the company?

Company: Yes.

You: A salary of \$___?___ will allow me to meet my financial commitments.

OR

You: Is 100% of the cost of medical, dental, life and long-term disability insurance covered by the company?

Company: No. The company covers 50% of the cost.

You: A salary of \$___?___ plus compensation equal to the cost of 50% of the benefits will allow me to meet my financial commitments.

?* = **State a figure that is approximately 50% more than you want (as long as it meets the minimum salary you require to meet your financial commitments).** The company will probably meet you somewhere in the middle, or simply restate the original offer. Example: The company offers you \$48,000.00. You really need/were hoping for \$50,000.00 or \$51,000.00. You counter offer at \$53,000.00 and hopefully they meet you in the middle at \$50,500.00!

How much money do I need to make each month?

Living Expenses	
Fixed Expenses	\$
Rent (Does your apartment building require you to pay for parking?, if so, add that in here.)	
Renter's Insurance (optional)	
Electricity	
Natural Gas	
Water	
Telephone (land line)	
Telephone (cell phone)	
Cable/Satellite (add TIVO or Netflix here)	
Internet	
Variable Expenses	
Groceries/ Restaurant Food & Beverage (Example. \$10/day x 30 days = \$300/month)	
Clothing/Footwear/Drycleaning	
Personal Care (Haircuts, Health Club, Etc.)	
House Hold Items (lightbulbs, detergent)	
Computer/Office Supplies (paper, printer cartridges)	
Transportation Expenses	
Car/Lease Payment	
Auto Insurance	
Gasoline	
Repairs & Maintenance	
Registration, license, etc.	
Work Parking/Public Transportation	
Health Expenses	
Medical (Doctor, Dentist, Optometrist)	
Health/Life Insurance	
Other Expenses	
Recreation, Entertainment	
Gifts	
Credit / Loan Repayments	
Educational Loans	
Credit Card:	
Credit Card:	
Personal Loans	
Savings and Investments	
Savings (Special Goals, Holidays, Etc.)	
Savings (Unexpected Events, Replacements, Etc.)	
Investments	
Charitable giving, church tithing, alumni donations	
Monthly Expenditures	
X 10% for the unexpected	X 10%
Total Monthly Expenditures	
Monthly Income	
Net monthly salary/wages ("net" = actual cash take home pay after payroll taxes & benefits)* deductions)*	
Other monthly income, family allowances and benefits	
Total Monthly Income	
Totals	
Total Monthly Income	
Total Monthly Expenditures	
Cash Flow Position +/-	