

Salary Negotiations



Congratulations and good job on receiving a job offer!

Your hard work has paid off! Now you need to decide if you are going to accept the position and determine if or what you want to negotiate.

Accepting or Comparing an Offer:

Before accepting a job offer there are several things you will want to think about. We recommend that you prioritize the list below to determine what you value most in a job. If you are comparing multiple offers you might find it helpful to compare each of the following criteria in each job offer package.

Professional Development:

Position Title
Promotion/Personal Growth Potential
Decision Making Authority/Autonomy
Type of Work/Responsibilities

Company Information:

Size of Company
Company History/Stability
Work Environment/Company Culture
Company Values
Management Style

Personal Factors:

Base Salary
Weekly Hours
Benefits (Health, Dental, Vision)
401(k)/Retirement Plan
Geographic Location/Travel
Vacation Earnings
Bonus/Stock Options

Salary History:

When asked about salary, how should you respond?

On an application, you may use appropriate words such as "open", "negotiable", and "competitive". When asked about your salary history, acknowledge the request, but try to answer in a general manner.

Examples:

- *"Because of my steady increase in knowledge, experience, and responsibilities, my salary has also steadily increased."*
- *"I would have to contemplate and calculate the exact figures."*
- *"I hope this organization is one that will continue to recognize my contribution."*

In an interview, you might be asked "what are your salary expectations"? Again, you want to use appropriate words such as "open", "negotiable", and "competitive". And try to answer in a general manner.

Examples:

- *"I expect a competitive salary for this field/industry and with my level of experience."*
- *"What salary figure did you have in mind for someone with my qualifications for fulfilling this type of position?"*

However, you also want to be ready with your predetermined salary range, if they ask for a specific number.

Salary Negotiations:

Negotiating a salary or benefits with a prospective employer can be intimidating and uncomfortable for many job seekers. You might either fear being perceived as too aggressive or not assertive enough. You can overcome this fear by becoming familiar with the appropriate time and method for negotiating a complete compensation package.

Step #1: Determine your ideal salary range

1. Determine the “average market value” of your position with a specific employer.
 - There are many resources you can use to determine your “market value”:
 - » Recent OSU graduate’s salary data
 - » [Glassdoor.com](https://www.glassdoor.com)
 - » [Salary.com](https://www.salary.com)
 - » NACE Salary Survey (Accessible through your college’s Career Consultant)
 - Investigate how salaries and benefits compare to competitors
 - Consider cost-of-living difference of major cities. These are good resources for this type of comparison:
 - » [Bankrate.com](https://www.bankrate.com)
 - » [Moving.com](https://www.moving.com)
 - » [Bestplaces.net/COL/](https://www.bestplaces.net/COL/)
 - » [Money.cnn.com](https://www.money.cnn.com)
2. Consider all your current bills and anticipate expenses to determine the minimum salary requirement to meet your financial needs.
3. Determine a realistic “dream” figure. Think of a salary that would cause you to celebrate, but that would not price you out of a job in your field.
4. Finally, establish your desired salary range. Place your “average market value”, as determined from your research, on the bottom end of your range and your “dream” salary at the top end of your range.
 - Note: Your range should span \$5,000-\$7,000.

Step #2: Determine if you should negotiate

1. If the salary offered to you is up-to-date with current economic trends in your industry, your level of experience, and is a competitive offer, it may not be necessary to negotiate your offer.

When to Begin Negotiating an Offer:

We recommend that you **do not initiate discussion of compensation** during the first interview. In the event that an employer broaches the subject of salary in the initial interview, do not evade the discussion, which is why it is important to determine your ideal salary range prior to an interview.

The best time to begin salary negotiations is after a job offer has been officially extended, but before you accept the offer. Prior to receiving a job offer, there is nothing to negotiate. Once the offer has been extended from the employer, it is clear the employer is convinced you are the best candidate.

The employer will present the first salary figure, usually in your offer letter.

Reacting to the Initial Offer:

When an employer extends a compensation package offer to you, it is best to not accept the offer immediately. You want time to think and process if this offer is the best for you. You have only one chance to negotiate the offer. You will likely have one of the two reactions below to the initial offer.

Reaction 1:

You believe the offer is fair and what you were expecting, but you may want to try one more time to increase the value of the proposition. You might want to use a salary range with the employer's offer at the low end of the range and a high end that is slightly above the employer's offer. Regardless of the result, the offer will be no less than the salary you have already judged as equitable and worth considering.

Reaction 2:

If the employer's offer is less than you believe is equitable, your strategy should be to continue negotiations by offering incentives, using leveraging questions, and discussing the value of benefits.

- Incentives, such as an early start date or re-emphasizing the skill package you are bringing, may cause the employer to re-evaluate the offer they extended.
- Leveraging questions may result in the employer increasing the extended offer. Some questions might include:
 - » What is the complete compensation package for an employee at my level?
 - » Will compensation time or pay be given for weekend responsibilities and overtime?
 - » Are performance and salary reviews based on standard raises for all employees or determined by individual performance?
 - » How does the company recognize, evaluate, and reward outstanding employees?

Job Benefits:

When evaluating the value of an overall compensation package, the value of benefits should not be overlooked. The following list mentions benefits common in salary offers. Keep in mind that you may be able to attain some of the one-time benefits by negotiating them into a salary offer that you initially judged as inequitable.

Common Benefits:

- Paid sick leave
- Paid vacation
- Medical, dental, vision insurance (take note of deductibles and premiums the employer pays)
- Relocation assistance
- Signing bonus or year-end bonuses
- Guaranteed promotions or raises within an established time
- 401K or other investment matching programs

Less Common Benefits:

- Cell phone stipend
- Gym memberships
- Company car or car allowance
- Car insurance or insurance allowance
- Car maintenance and gas
- Compensation for unpaid overtime
- Expense account
- Financial planning and tax assistance
- Tuition assistance
- Child care
- Work schedule flexibility
- Professional development programs