



NEGOTIATING SALARY AND BENEFITS: KNOW YOUR WORTH

Your Career Collaborator
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Negotiating Isn't Easy

- We don't want to offend anyone or hurt our chances of getting the job
- We want everyone to like us
- We find it more difficult to separate personal and business
- We care what others think
- We question our own value
- We tend to be emotional when things get stressful
- We avoid conflict and uncomfortable situations
- It can be more difficult for women, due to the pay gap
- **YOU ARE SELLING YOURSELF AS A PRODUCT FOR AN EMPLOYER TO "PURCHASE" – WHAT IS YOUR PRICE TAG?**





NEVER START AN
INTERVIEW ASKING
ABOUT SALARY,
BENEFITS, OR TIME OFF

Before the Interview: What are you worth?

- **Research!** Be sure to look at salaries for your geographic area, for your type of position, for your level of education and experience. If you will relocate, find out the cost of living in the new city. Will the employer pay for relocation?
- **Most accurate information is Bureau of Labor Statistics** (1- to 2-year lag, so add 7-9%)
<https://www.bls.gov/bls/blswage.htm>
- Remember that Salary.com and Payscale.com figures are much higher than reality. Glassdoor.com and Ladders.com can be off by 30-40%.





Budgeting & Salary

- Include savings and contingencies in your budget planning. (You do not need to tell anyone your salary requirement: it only provides you a foundation on which to make decisions.)
- Prepare a list for yourself of ALL your expenses (current and potential) to see what your salary needs to be to cover your living costs.
- Enter the salary negotiation portion of your interview with a firm understanding of your skills and what they are worth to different segments of the economy and in a variety of industry settings.

Before the Interview: How Much Do You Need?

- Look at your monthly cash requirements.
- Keep in mind that your net paycheck after taxes is approximately 28-30% less than your gross monthly salary.
- Don't confuse how much you need with how much you're worth and vice versa.

| Expense Item | ANNUAL Cost |
|---|-------------|
| Mortgage/Rent | |
| Car Payment | |
| Insurance – Auto & Home/Renters | |
| Homeowners' Association Dues | |
| Installment Loans | |
| School Loan(s) | |
| Credit Card Payments | |
| Phone/Cell Bill | |
| Utilities - Gas/Water/Sewer/Electric/Cable/Internet | |
| Trash Collection | |
| Groceries & Sundries (cleaning/laundry supplies, personal care items, housewares) | |
| Entertainment (movies, eating out, lunch/snacks, concerts, dates, hobbies) | |
| Gasoline | |
| New Clothing, Shoes, and Dry Cleaning | |
| Gifts (wedding, birthday, holiday) and Charitable Contributions | |
| Personal Property Tax (cars, real estate, etc.) | |
| Alimony/Child Support | |
| Car Repairs/Maintenance | |
| Daycare/Babysitting | |
| Newspaper/Magazine Subscriptions | |
| Healthcare, Doctor, Dentist, Vision, Medicine, etc. | |
| Health Club Membership/Association Membership | |
| Haircuts and hair care/spa/salon visits | |
| Lawn Care / Pest Control | |
| Household Repairs/Maintenance | |
| Pets (food, grooming, vet visits, etc.) | |
| Savings allowance | |
| Vacation costs | |
| Other expenses | |
| TOTAL | |

During the Interview

- If the interviewer asks you how much you expect, don't throw out a number without learning more about the job, working environment, etc.
- If you're forced to give a number, provide a wide salary range based upon the research you've done up front. Make sure the bottom of the range is still acceptable to you.
- Talk about what's appropriate for the role, based on your experience and what you have to offer.
- If you impress them enough, they will want to pay you!



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SALARY HISTORY?

During the Interview

- When an interviewer asks for salary history or salary range, he/she is interested in establishing a starting point for negotiation.
- You do NOT need to tell them your current salary.
- Avoid basing your desired salary on your current salary.
- Base it on what is fair in the current market for someone with your education/skills in your geographic area and secondarily on your personal cost of living.
- Do not lie about your past salary--reference checks can easily provide this information.



During the Interview

- If the company won't reveal the salary range and insist you state your salary history, respond with your **most recent total compensation, not just salary.**
- If you don't know it, find out!
- Say something like: My salary was A, my annual bonus was B, and my employer's contribution to my 401(k) was C, so all together, my compensation package was $\$(A+B+C)$.



JOB OFFER

After the Interview

- Never accept it on the spot.
- Think it over.
- Don't accept a job without getting the official offer **IN WRITING**.
- An offer of employment will include the following: job description, salary, benefits, paid time off, work schedule, reporting structure, etc.
- Ask for the Total Rewards Package.
- Ask around to see if anyone you know works there: environment, boss, coworkers, reality!
- Sign and return the letter as a formal acceptance of the position, or you can counter the offer, or decline the offer.



Employee Benefits
Package

Average Costs of Common Employee Benefits

- **Benefits combined are worth about 30-35 percent of your total compensation package, according to the U.S. Department of Labor.**
- So, for a salary of \$75,000, your company pays \$22,500 – \$26,250 for your benefits.
- Therefore, your total rewards equals \$97,500 and up!

Total Rewards Packages

Consider that these items should be calculated into your final salary figures:

- Health, dental, vision benefits
- 401K company match
- Life, ADD, STD, LTD insurance
- Pension
- Tuition assistance
- Paid pregnancy/childbirth/adoption leave
- Time off, holidays, sick leave, vacation, bereavement leave, military leave, overtime, comp time, etc.
- Training & development
- Employee Assistance Program
- Flexible Spending Account
- Profit sharing, stock options
- Commission and bonuses
- Company car, cell phone, laptop/tablet, travel
- Health club membership
- Relocation
- Corporate Culture
- Commute time/work from home
- Parking



ABC Company

TOTAL REWARDS PACKAGE

Annual Salary: \$50,000
Bonus: Up to 10% of salary, based on performance (\$5,000)
Raises: Annual COLA raises of 5%, based on performance

Financial Benefits: Matching 401K up to 6% of income (\$3,000); stock options; pension

Time off: 12 paid holidays; 1 paid personal; 12 paid sick; 10 vacation days

| Benefit | Company Pays | Employee Pays |
|--|-------------------|---------------|
| Family Medical Insurance | \$1200 / mo. | \$0 |
| Prescription Coverage | All except copay | \$15 |
| Vision Insurance | All except copay | \$20 |
| Onsite fitness center | All | \$0 |
| Wellness programs (weight loss, smoking cessation, etc.) | All | \$0 |
| Paid Pregnancy/Adoption Leave | All | \$0 |
| Employee Assistance Program | All | \$0 |
| Life Insurance of Twice Your Annual Salary | All | \$0 |
| Tuition Assistance | Up to \$5,200/yr. | Amount beyond |
| Paid parking (worth \$100/mo.) | All | \$0 |
| Casual dress code | n/a | \$0 |
| Off at noon on Fridays during June and July | n/a | \$0 |

$\$1200 \times 12 = \$14,400$ (your benefit value)

TOTAL REWARDS COMPARISON CASE STUDY

XYZ Corporation

TOTAL REWARDS PACKAGE

Annual Salary: \$65,000
Raises: Annual COLA raises of 2%, based on performance
Financial Benefits: 2% matching 401K (\$1,200)
Time off: 7 paid holidays; 7 paid sick; 5 vacation days

| Benefit | Company Pays | Employee Pays |
|--------------------------|------------------|---------------|
| Family Medical Insurance | \$700 / mo. | \$500 / mo. |
| Prescription Coverage | All except copay | \$25 |
| Vision Insurance | All except copay | \$50 |

$\$700 \times 12 = \$8,400$ (your benefit value)
 $\$500 \times 12 = \$6,000$ (your cost for health coverage)
No paid parking (you pay \$1,200 per year)

TOTAL REWARDS COMPARISON CASE STUDY



Salary Ranges

- Typically, a company will only be allowed to pay within a range for a job
- They may not be able to go outside of that range
- They may be required to start a new employee's salary at the low end of the range
- Some organizations pay for the JOB, and NOT for the PERSON
- Some pay for the person's SKILLS, EDUCATION, and TALENTS and not for the JOB

Compensation Structure Example

Grade 9 CEO

Grade 8 Vice Presidents

Grade 7 Directors

Grade 6 Managers

Grade 5 Specialists/Supervisors

Grade 4 Skilled Staff/Technicians

Grade 3 Clerical/Administrative



A Grade 6 job might have a range like this:

Starting: \$50,000 / Mid-Point: \$75,000 / High-Point: \$100,000

Compensation Structure Example

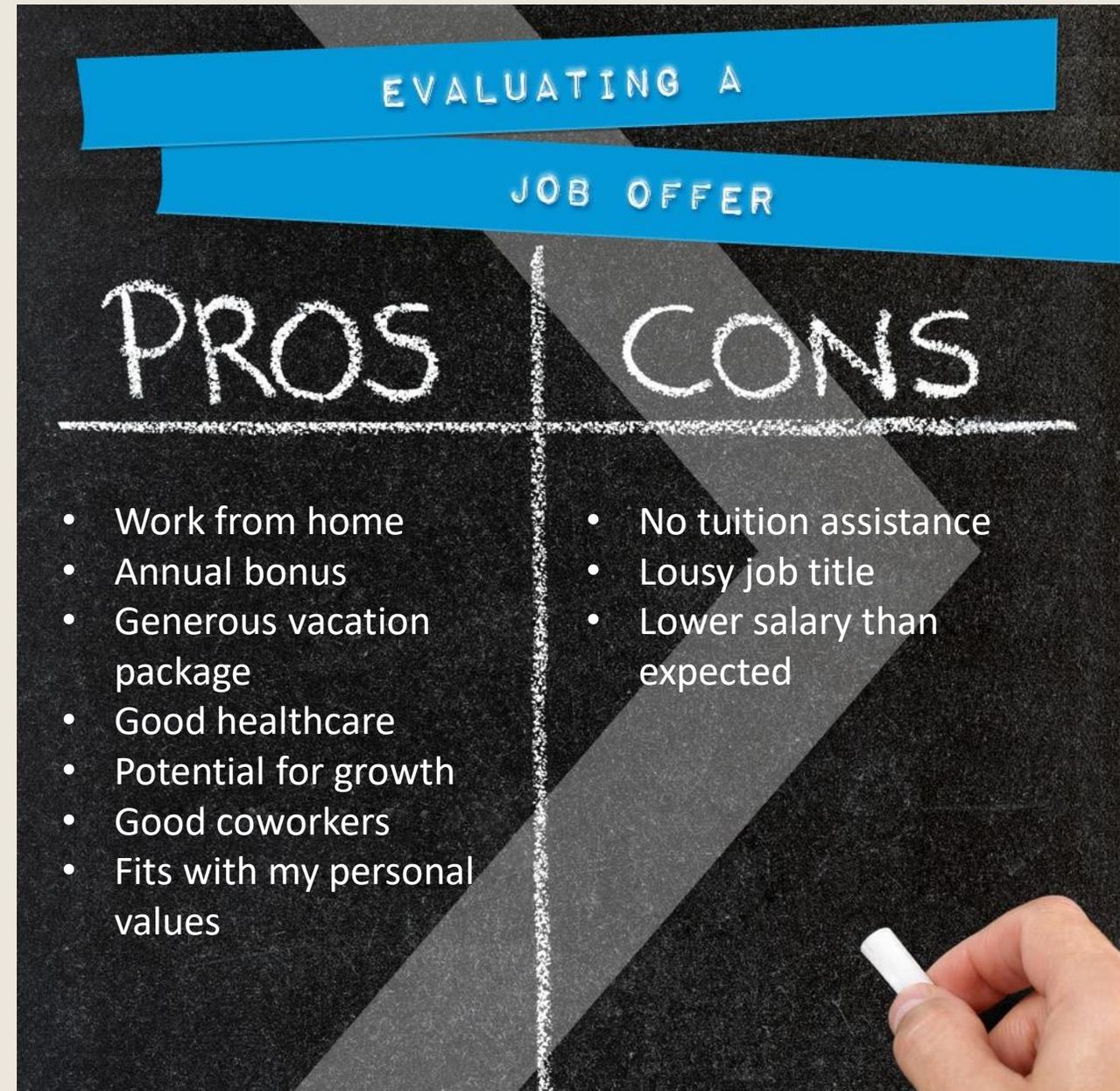
Starting: \$50,000 / Mid-Point: \$75,000 / High-Point: \$100,000

- Ranges can vary widely. If you insisted on getting \$110K for this job, this company could not pay you more than those making at the highest end of the range. Also, once employees get to \$100K in this role, they are "red circled," meaning they cannot receive any pay raises. They are "maxed out."
- To earn a higher salary, those red circled employees must move into a higher-level job.



Evaluating the Offer

- Salary negotiation begins AFTER the company makes you a job offer WITH a salary offer.
- After the offer, if you are not satisfied with it, write a letter with SPECIFICS.
- Remember that they may NOT counter.
- Communicate what is specifically lacking in the initial offer.





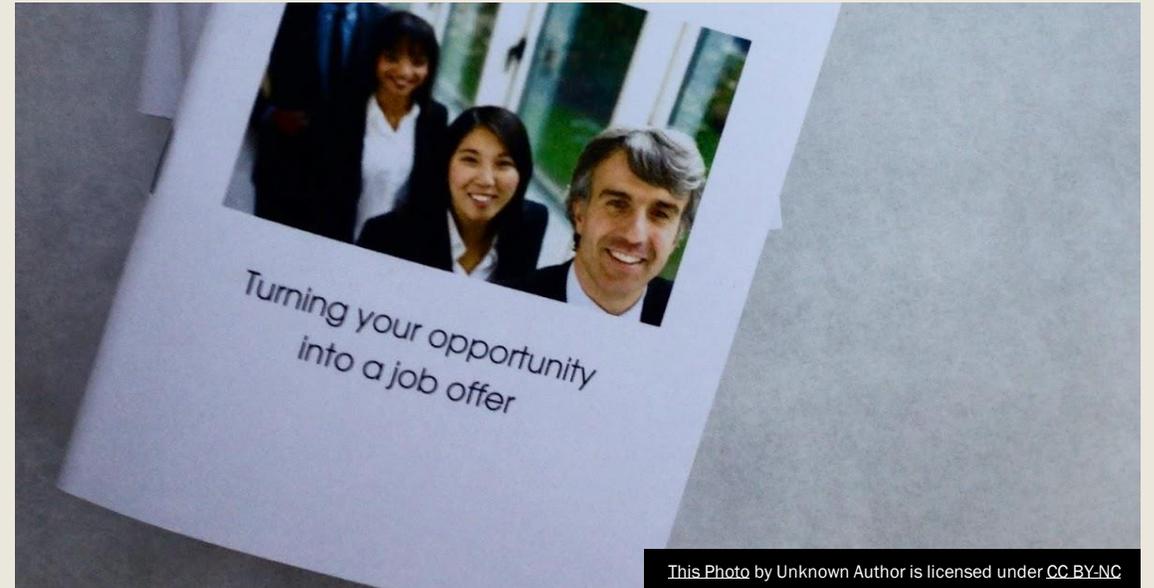
**EVALUATING THE
FULL POTENTIAL
OF A JOB OFFER**

Evaluating the Offer

- Provide a proposed solution.
- Make it understood that if X could be changed, you would be willing to accept the position.
- Don't play the "you shot low, so I'll shoot high" game. Recruiters know the salaries of other companies.
- Some companies have rigid "first offer is last offer" policies.
- Salary is more rigid at the entry level.
- If salary can't be adjusted, maybe other benefits can be.
- If they have other good candidates who will work for less, you may be wasting your time.
- Don't act desperate about needing more money.

Accepting an Offer

- Once you have decided to accept, contact the interviewer right away.
- Follow up with an email that recounts your understanding of the offer – in detail.
- Sign the offer letter.
- Do not continue interviewing for other jobs in case something better comes along. Your reputation is at stake, and your offer could be rescinded.



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Declining an Offer



If you are certain you don't want the position, don't make them wait.

Be responsive and do not put it off.



It's best to call the interviewer – don't decline via email.



Show your sincere appreciation for their time and consideration.



Explain why you cannot accept the offer, but do not provide negative answers.

NO – Your salary range stinks; I deserve more money.

YES – After discussing it with my family, I have decided I need a higher salary to meet our living expenses. I understand your budget restrictions. If the situation changes, I hope we can discuss it again in the future.



Follow up your phone conversation with a formal email/letter.

How to be a Better Negotiator

- View yourself as an agent for “your” organization. Women, especially, negotiate more assertively for other individuals, such as their employees and families, than they do for themselves.
- You’re negotiating so that you can have more money and resources to take care of your parents, your children, your loved ones.
- Build your case by pretending you’re asking on someone else’s behalf. How would you present the case for them? What supporting data would be most compelling?





Negotiating for a Promotion

- To advance in your career, you need to advocate for yourself
- Throughout your career, ask your boss for feedback on how you can be better
- Don't apply for a new job without notifying your current boss
- Be responsible for your OWN career growth
- Find out as much as you can about the job you desire
- Talk to others who do the same job so you can prepare yourself for that work



Negotiating for a Promotion

- Ask your boss to start giving you the work of the other position so you can prove yourself
- Build a compelling case for why you deserve to move up
- Create an outline for your boss to provide:
 - *concrete metrics of the impact you've had*
 - *descriptions of solutions you've delivered*
 - *financial outcomes for which you've been responsible*
 - *data from other departments, coworkers, or customers that point to your success.*
- You need to prove that you're already working at the level you're asking to be promoted to

Negotiating for a Raise

- Don't ask for a raise if you know the company is financially in trouble
- Plan to meet with your boss:
 - *When you know he or she just had a positive experience (not in a bad mood)*
 - *At the end of your annual performance review*
 - *After completing an important project*
- Never use the "I have another offer" tactic. Even if they give you a raise, they will never trust you again.
- Go into the meeting with your supervisor armed with specifics:
 - *Proof that you have been doing work BEYOND your job description for a certain time*
 - *Proof that you have had great success on your latest projects (within six months or more)*
 - *With your desired salary figure and specifically outline how you came to this conclusion (facts about what you are worth)*

To Do List

① Make

② More

③ Money

Conclusion

- Know your worth
- Understand your bargaining power
- Fight for what you and your family deserve
- Be confident!

**You have to have confidence in your ability,
and then be tough enough to follow through.**

– Rosalynn Carter

THANK YOU

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