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Job Offer Negotiations

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Introduction

As Career Industry Experts, we are frequently asked, "Is it a good idea to negotiate a job offer?" Our answer is yes, especially if the initial offer fails to meet your expectations or requirements. The final decision to negotiate a job offer depends on your priorities and the company's policies.

It's important to remember that negotiating a job offer is a common practice for all levels of employees and is often expected by employers. Negotiations can also demonstrate your confidence, assertiveness, and willingness to advocate for yourself, which can be viewed positively by the employer.

Some industries are more open to job offer negotiations than others. Generally, industries that are more competitive or have a higher demand for skilled workers are more likely to negotiate. These industries include technology, finance, sales, healthcare, and creative industries.

This Resource Guide contains 10 strategies to ensure you are getting fair compensation and benefits for your skills and experience.



Know Your Salary Needs

Evaluating Your Salary Needs: From Bottom Line to Ideal!

We would all like to make a fortune, but that is not going to happen for most of us. So how do you decide what salary or salary range to ask for?

First, you need to decide what the minimum salary is that you could accept based on your minimum financial needs. This is your "bottom line" salary.

Next, you want to decide on a salary that would allow you to meet your minimum financial needs, maybe put a little into savings, and have money for fun activities. This is your "livable" or "satisfaction" salary.

Lastly, you want to decide on your ideal salary. This is the salary that meets all of your financial needs now and into the future, while also allowing you to save for emergencies, retirement, and maybe buying a home. This would be your "ideal" or "wow" salary.

Now you have the financial information based on your salary needs to help you determine your salary range.

- STEP 1 – Bottom Line: ADD UP YOUR MONTHLY EXPENSES**
- STEP 2 - Livable: DOUBLE IT**
- STEP 3 - Ideal: ADD 20 PERCENT**

If your market value (see pages 6 and 7) falls within the "bottom line" to "ideal" salary ranges, most candidates will shoot for a salary that is somewhere between the "livable" and "ideal" amounts.

If your market value is higher than the "ideal" salary, you may need to adjust your spending habits or aim for a higher paying job.

Know Your Salary Needs (cont'd)

STEP 1: ADD UP YOUR MONTHLY EXPENSES

Identify your monthly expenses for the past 6 months and total everything up. Multiply this monthly average expense calculation by 12 to get the “Bottom Line” annual salary needed to meet your monthly expenses.

Include regular bills, as well as expenses that can change from week to week, like groceries and gasoline. Be sure to include cash expenses like that cup of coffee you buy every day. Tallying up 6 months of expenses will help you see your spending patterns, instead of basing your expenses on a month when expenses were particularly high or low.

STEP 2: DOUBLE IT

Double the annual average expense calculation from Step 1 and multiply by 12 to get the annual “livable” salary. This is the amount needed to meet your monthly expenses, have some discretionary spending, and put money toward savings.

Maybe you need to buy a new car in the next year or you'd like to launch your own business in three years. On top of that, you'll want an emergency fund to pay for rent for a few months, as well as money aside for the fun stuff like vacations and dining out. This step also takes into consideration the fact that taxes and benefit costs will be withheld from your paycheck.

STEP 3: ADD 20 PERCENT

Multiply the annual “livable” salary from Step 2 by 20% to get your annual “ideal” salary.

The 20% cushion does two things:

1. It forces you to request a higher salary than you might normally be comfortable asking for.
2. It gives you a buffer zone for the counter-offer. Chances are that the company will come back with a lower number, but if you've already padded your ask with 20%, their offer will probably land within the zone you're shooting for.

Know Your Market Value/Worth

Before you begin interviewing, it is beneficial to determine the average salary, or market value salary, for the positions that you're targeting.

There are a number of resources to help you determine a salary range and total compensation package that are acceptable and appropriate for the title and job location, as well as for your skill set and expectations.

Here are two easy ways to determine your market value for the job title you are applying to:

1. Visit the 6 websites below to identify your average market value. Each of the sites will give you a Minimum, Midpoint, and Maximum salary amount.
 - a. Once you have those amounts from each site, find the average for each:
 - i. Add up all 6 Minimum market value figures and divide by 6 to get an average minimum for your market value salary range.
 - ii. Add up all 6 Midpoint market value figures and divide by 6 to get an average midpoint for your market value salary range.
 - iii. Add up all 6 Maximum market value figures and divide by 6 to get an average maximum for your market value salary range.
 - b. Sites:
 - i. [Salary.com](https://www.salary.com)
 - ii. [Salaryexpert.com](https://www.salaryexpert.com)
 - iii. [Payscale.com](https://www.payscale.com)
 - iv. [Indeed.com](https://www.indeed.com)
 - v. [Glassdoor.com](https://www.glassdoor.com)
 - vi. [Bureau of Labor Statistics](https://www.bls.gov)



2. Pay attention to salary ranges provided on job posting in cities and states with **mandatory salary transparency laws**. See pages 7 and 8 for a list of cities and states with those laws, and their specifications.

Know Your Rights

Salary Transparency Laws (page 1 of 2)

State / Municipality	Law	Notification Timing	Effective Date
California	<u>Senate Bill 1162 (Amends 2016 Equal Pay Act)</u>	Mandatory Posting	1/1/2023
Colorado	<u>Equal Pay for Equal Work Act</u>	Mandatory Posting	2021
Connecticut	<u>H.B. No. 6380</u>	Upon Request or At Time of Offer	2021
Maryland	<u>Equal Pay for Equal Work Act</u>	Upon Request	2016 (updated 2020)
Nevada	<u>Senate Bill 293</u>	Automatically After First Interview	2021
New Jersey: Jersey City	<u>Pay Transparency Ordinance</u>	Mandatory Posting	5/23/2022

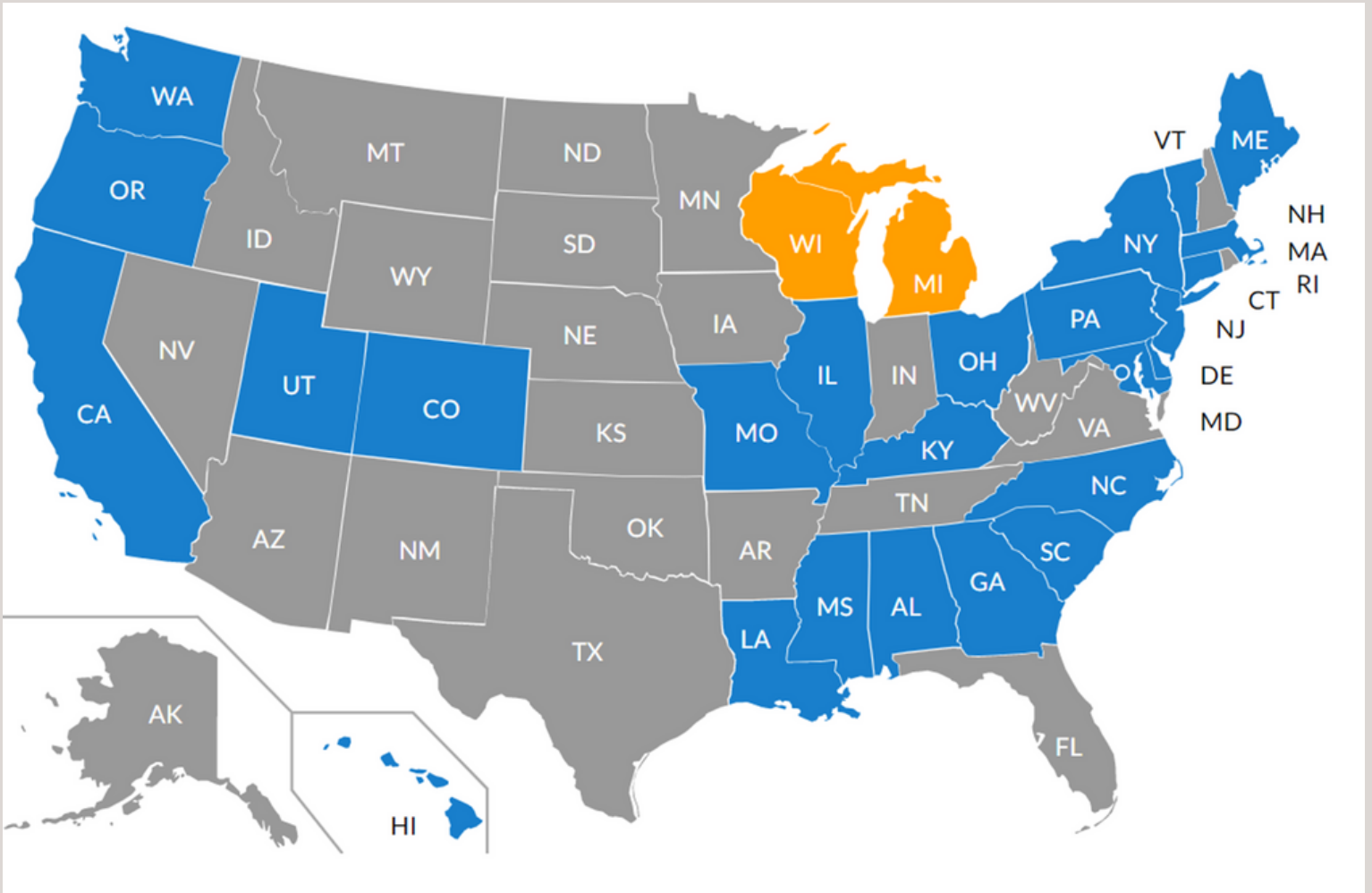
Know Your Rights (continued)

Salary Transparency Laws (page 2 of 2)




State / Municipality	Law	Notification Timing	Effective Date
New York State	<u>Senate Bill S9427A</u>	Mandatory Posting	9/17/2023
New York: New York City	<u>New York City Human Rights Law Amendment</u>	Mandatory Posting	11/1/2022
New York: Westchester County	<u>Westchester County law</u>	Mandatory Posting	11/6/2022
New York: Ithaca	<u>Ordinance 2022-03</u>	Mandatory Posting	9/1/2022
Ohio: Cincinnati	<u>Ordinance No. 83</u>	Upon Request	2019
Ohio: Toledo	<u>Ordinance 173-19</u>	Upon Request or At Time of Offer	2020
Rhode Island	<u>Rhode Island Equal Pay Law</u>	Upon Request or Before Salary Discussions	1/1/2023
Washington state	<u>Senate Bill 5761 (amends 2019 Equal Pay and Opportunities Act)</u>	Mandatory Posting	1/1/2023

Know Your Rights (continued)

Salary History Ban Laws



Key

-  - State or city salary history ban enacted
-  - No salary history bans enacted
-  - Salary history bans prohibited

For more information, go to <https://www.accusourcehr.com/salary-history-bans-by-state-interactive-map/>

Never Negotiate Immediately Upon Receiving the Offer

1. Never negotiate immediately upon receiving an offer.
2. Thank the person and reiterate your excitement about the position.
3. Ask when they would need an answer from you (3-5 business days is appropriate).
 - a. You can accept or decline an offer before the timeline that you have set.
4. If the offer was made via an email, determine whether you need to request a phone call to clarify any information.
5. Consider the entire compensation package (see page 13). Evaluate it. Check off what works. Determine the potentially negotiable items.
6. If you counter-offer, you need to present your proposed terms and conditions, verbally and via email.
7. If you receive a counter-offer in response to yours, ask for a day or two to consider it. Evaluate again, then either accept, make one final counter-offer, or decline.
8. When the employer submits their “best and final” offer, it's time to accept or politely decline. If you decline, wish them the best in finding the right candidate and to keep you in mind if anything changes.
 - a. If you accept their offer, be sure to ask for a counter-signed final version of the offer letter that includes any clarifications, changes, additions, deletions, etc. made to the initial offer.

Don't be Afraid to Ask Questions About Your Offer

When you receive a job offer, clarify the terms of the opportunity. Ask about the start date, job responsibilities, performance measures, and benefits. This will help you understand what you're agreeing to and what you can negotiate.

Be sure that the job offer contains all of the necessary information:

- Position/Title
- Name/Position of Supervisor/Manager
- Full-time/Part-time Classification and Schedule
- Hourly or Salaried and Exempt/Non-Exempt Classification
- Base Salary (\$/hour for hourly or \$/year for salaried)
- Bonuses (sign-on, annual, performance, etc.)
- Stock, if applicable (restricted and/or stock options)
- 401(k) match, if any, and Deferred Compensation Plan match, if applicable
- Relocation details, if applicable
- Commission, if applicable
- Benefits (what is being offered, and when they go into effect)
- Vacation/Sick/PTO/Paid Holidays

In addition to the offer letter, be sure to asked for copies of the following documents:

1. Benefits Guide (health, dental, vision, life, disability, etc.) and payroll contribution sheet.
2. Employee Handbook.
3. Any applicable bonus policies.
4. Applicable stock plan policies.
5. 401(k) plan document
6. Deferred Compensation plan document, if applicable.
7. Relocation policy if applicable.
8. Commission policy, especially as commission interacts with, or is impacted by, base salary.

Consider the Entire Job Offer Package and Know What You Want

When you are considering a job offer, you need to look beyond just the salary being offered. You need to look at the total compensation. Total compensation includes: bonuses, commissions, any benefits paid for either in full or partially by the employer, and various other benefits and perks. Check out our "[Salary. Isn't Everything](#)" resource document for more details on all of the benefits and perks that should be considered when evaluating a job offer.

The latest statistics from the US Bureau of Labor Statistics show that on average salary makes up 70% of an employee's total compensation, and all other benefits make up 30%. This means that if you are offered a salary of \$50,000, your total compensation is actually approximately \$65,000. There may also be non-monetary perks to consider.

Remember, just like you can negotiate salary, you may be able to negotiate some benefits and non-monetary perks.

This is where doing your research and identifying your salary needs and walk-away number really comes into play.

For example:

1. Based on your expenses, your "bottom-line" salary is \$50K, your "livable" salary is \$60K, and your "ideal" salary is \$75K. You are looking for a base salary of \$73,000, 3 weeks of vacation, and an annual bonus of 10%.
2. The employer offers \$63K, 3 weeks vacation, and an annual bonus of 10%.
3. You explain that, based on your research, your experience, and your sought-after certifications, you are countering with \$70K, 4 weeks vacation, reimbursement of your COBRA expenses, a \$5K sign-on bonus, and an annual bonus of 10%.
4. They counter with a best-and-final offer of \$68K, 3 weeks vacation, and a \$7.5K sign on bonus.
5. Since the \$68K is above your livable salary needs, you might be willing to accept it with the offered additional perk (\$7.5K sign-on bonus).

Make It Clear That You Are Excited About The Position

According to Harvard Business Review, if you intend to negotiate, you need to make it obvious to the employer that you want to work for them. If they think you are not serious about joining the company, they won't come to the table to negotiate.

Whether you receive the offer in writing or on a call, the first thing to do is to thank the recruiter or hiring manager and express your excitement for the opportunity. Then, establish a timeline by which you'll give them an answer (48 to 72 hours is usually acceptable). No one expects you to decide on the spot.

Some example counter-offer ideas include:

1. "I'm excited to work together! We are in agreement with the salary. I'm willing to take \$3,000 less than offered with. . . (e.g., three weeks of vacation vs. two, a performance review in 6 months vs. one year, etc.)."
2. "Thank you – I look forward to working on your team! I'm ready to accept your offer for this position today with one change. I'd like to propose. . . (e.g., a starting salary increase of \$2,000; that the company pays 50% of my commuter rail pass; that I receive reimbursement for the final course in my MBA program; that the company cover the costs of my membership dues in my professional association, etc.)"

DON'T SAY: "Thanks for that offer. What flexibility exists in that number?"
Never present an ambiguous counter-offer, because this puts the control in the hands of the employer, not you. This type of answer also tells the employer that you haven't done your research and can't back up your counter-offer.

Help the Employer Understand Why You Deserve What You are Requesting

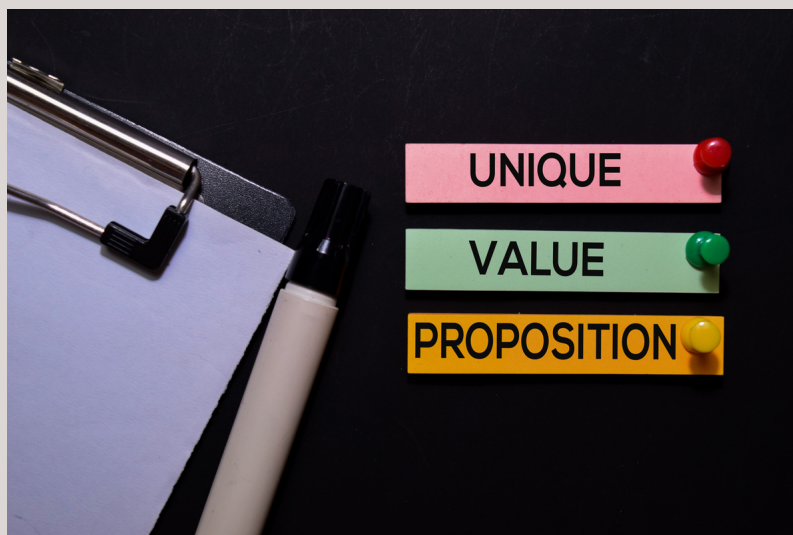
An Indeed.com article titled "[How To Negotiate Salary After a Job Offer](#)" states that "it's important you know exactly how much value you can offer an employer before you begin the process of negotiating a salary."

The article goes on to list the factors that can influence your compensation.

These include:

- The cost of living in your geographic location.
- Your years of industry experience. If you meet or exceed an employer's expectations, you could receive a higher salary.
- Your years of leadership experience. Same as above.
- Your education level: Relevant degrees or specialized certifications/licenses may impact compensation depending on the requirements of the role or industry.
- Your specialty/niche or technical skills that make you an expert.
- Your licenses and certifications that are required or preferred for the role.

As you begin your negotiation, you can justify your desired salary by using these factors to explain your value.



Be Prepared for Tough Questions

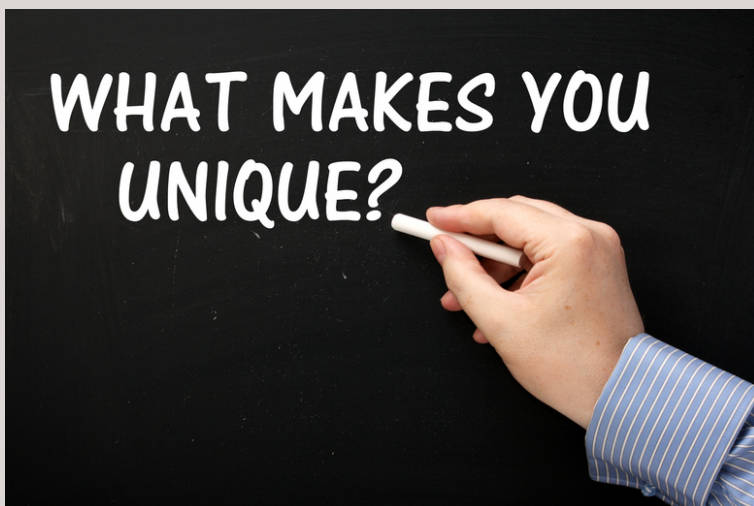
Recruiters and hiring managers negotiate for a living, so they may ask a number of questions about your counteroffer. They want to understand your motivation for your request. They want to make sure your counter-offer is based on research you have done and the skills and experience you bring to the table, instead of just an attempt to get more money.

It's important not to get rattled by these questions and to remain honest.

Questions you might expect to be asked include:

- Are we your top choice?
- Why do you believe you are worth the salary you are asking for?
- Would you consider "x benefit" in lieu of the additional "\$x" salary?
- If we come up in salary, will you accept the position immediately?
- Do you have any other offers?

This is where doing your research and identifying your salary needs and walk-away number really comes into play.



Never Burn Bridges

When negotiating your job offer, it's important to be likable, confident, and respectful. Remember that you're advocating for yourself and your needs, while maintaining a positive relationship with your potential employer. Strive to negotiate collaboratively and constructively to create a win-win situation for you and the employer.

According to a [2022 Career Assessment Study](#) conducted by Fidelity, 85% of Americans who negotiated their job offers got at least some of what they asked for. However, only 54% of men and 62% of women accept the initial job offer without negotiating. Of those that do negotiate, only 39% are negotiating salary AND benefits.

If you are going to decline a job offer, remember that you never know when you might run into the recruiter or hiring manager again in the future. Don't burn bridges!

- You will not damage a relationship with an employer if you turn down a job offer, as long as you do so with respect.
- Tell the employer as soon as you're sure of your decision.
- It is best to decline a job in a phone call, followed by a confirmation email.

You should give a reason for declining the position but be vague.

- For example, "I've decided to accept a position with a different company."

Be sure to thank them for their time and let them know if you think you might want to work there in the future.

- For example, "I'm really impressed by the work you're doing on X and would love to find a way to be a part of it down the road, even though the timing (or salary or so forth) didn't work out this time."

This informative document is presented by The Career Experts Group which is a select group of Master Career Practitioners, Personal Branding Strategists, and Diversity, Equity, and Inclusion (DEI) Consultants. We share one mission: to guide and support individuals at all stages of their career journeys, from new college graduates to C-Suite Executives.

Our clients include neurodiverse workers, professionals of color, older workers, early-career professionals, career changers, and those returning to the workforce. Our own professional backgrounds are just as diverse: high-tech, education, counseling, marketing, human resources, recruiting, and entrepreneurship, to name a few.

Each member of the Career Experts Group is passionate about helping you get to work on your career. We've got you covered, no matter where you are in your career journey.

For a wealth of career-focused information, insights, and inspiration, visit the Career Experts Group website.

Check out our monthly "Your Career>Your Future" newsletter. Subscribe to get the latest information on hot career topics and trends in your email every month.

Do you have questions about career industry news and trends, job-finding strategies, career exploration, diversity/equity/inclusion, building your brand, or any other career-related areas? Just Ask the Experts!

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LET'S GET TO WORK ON YOUR CAREER!