**Salary**

**Salary Negotiation Tips: Thou Shalt Not Speak Too Soon**

**Answering the salary expectation question right might be the wrong answer.**

By Jack Chapman

***The Ten Commandments of***[***Salary Negotiation***](http://www.theladders.com/career-advice/tag/salary-negotiation)***(Part 1):****Salary expert Jack Chapman offers 10 lessons on salary negotiation in the vein of the Ten Commandments.*

There is one, and only one, time to discuss salary in any detail: when they say they’re ready to make you an offer.

What if the employer asks about it before they’ve made you an employment offer?

You’ll want to answer because we are all rewarded in school for answering questions. We eagerly raise our hands and offer whatever information we can. But in salary negotiations, if you give the “right” (factual) answer, you’ll often be giving the “wrong” answer — the answer that costs you money.

Why wrong? The usual outcome of talking too soon about salary is that you get screened out, or you get screened in but [lowballed](http://www.theladders.com/career-advice/how-to-negotiate-larger-salary-lowball-offer).

Delay disclosing your salary expectations until you know you’re on the short list.

At the start of the [interview](http://www.theladders.com/career-advice/interviewing) process you don’t have enough information to know what the job’s worth or what its potential could be. You could agree to a smaller salary than the job is worth.

If you don’t lowball yourself and you aren’t eliminated outright, you may be eliminated later when it comes down to two candidates and it turns out you cost more.

Wait until they’re serious about hiring you. And when are you sure they’re serious? When they make you an offer.

Postponing the answer without upsetting your interviewer requires tact. To put off answering the salary expectation question, you’ll need your own personalized phrase: something you can say with confidence and that sounds like you.

Having that statement well prepared and rehearsed can gain you thousands of dollars.

**Salary Negotiation Tips: Thou Shalt Not Regret Salary Disclosure**

**Just because they know your current salary or salary expectations doesn't mean you can't negotiate for a fair market value.**

By Jack Chapman

***The Ten Commandments of***[***Salary Negotiation***](http://www.theladders.com/career-advice/tag/salary-negotiation)***(Part 2):****Salary expert Jack Chapman offers 10 lessons on salary negotiation in the vein of the Ten Commandments.*

Oops, I already [told the interviewer how much I make](http://www.theladders.com/career-advice/salary-negotiation-tips-thou-shalt-not-speak-too-soon). Now what?

All is not lost! Just because she knows your current [salary](http://www.theladders.com/career-advice/salary) or salary expectations doesn’t mean you can’t negotiate for a fair market value.

Once you’ve broken the sound barrier, so to speak, on your salary, you at least have one advantage: no more tug of war between you and your potential employer about revealing salary.

If salary bumped you out of [interviewing](http://www.theladders.com/career-advice/interviewing), it will be hard to gain re-entry at all, and even if you do, it might be at the price of an informal pre-interview agreement that if chosen, you’ll consider a pay cut.

If you’re still in the running, however, your “disclosed” circumstances make it doubly important to do your research well. In this case, you don’t need to address salary again until there’s an offer. At that point use researched facts about the fair market value for someone with your skill set in a similar job in the region, not your past salary, to substantiate your salary request.

When they’ve decided to hire you, it’s time to make the move away from the number you disclosed to your ideal [compensation](http://www.theladders.com/career-advice/math-behind-move). Don’t let your past salary be the starting point for negotiations. Let your own satisfaction and joy of receiving great pay be the motivating force behind you at this point.

Remember that what you negotiate now is what you’ll live with for a long time. A minute or two here can engender months and months of satisfaction — or the opposite if you miss this opportunity. Let’s assume they’ve made an offer. What do you say?

Respond with, “I know I’ve discussed my [current] salary/salary expectations. I want to make sure from this point forward that we’re looking for a compensation package that is not just a ‘raise’ from my previous job, but rather a motivating, fair, value-based salary we will both be satisfied with. Can we agree on that principle?”

Once you have your agreement on that, you can return to standard salary negotiation.

**Salary Negotiation Tips: Let the Employer Make the First Salary Offer**

**They will want you to reveal your salary history, but hold fast, and win the job offer before you establish your salary negotiation.**

By Jack Chapman

***The Ten Commandments of***[***Salary Negotiation***](http://www.theladders.com/career-advice/tag/salary-negotiation)***(Part 3):****Salary expert Jack Chapman offers 10 lessons on salary negotiation in the vein of the Ten Commandments.*

Employers want to know your most recent salary for one main reason: to screen you out. When faced with many applicants they use the salary as a quick shorthand way of assessing the fit and narrowing down the list. They will want you to “go first” in the compensation discussion and they’ll ask you to reveal your expectations and salary history. Going first is “sacred ground.” Don’t give it up or you can get screened.

Is it ever in your interest to get screened? There are exceptions where your situation would be improved upon by revealing your [salary history](http://www.theladders.com/career-advice/should-you-share-your-salary-history). But in most scenarios, if you’re qualified for the job (or if you think the job can be altered to fit you), no! Your first objectives are to discern whether this job is a fit for you and to establish what you can do for the employer.

The risk you run by speaking first is that your salary history may scare them off. If you go first, you’ll either be too high, or too low. But since you won’t know ahead of time which of those three numbers applies to you, you can lose the offer by coming in too high or too low.

Instead, wait until you know they’re serious about hiring you — let them make you an offer. That way you lock in an offer and you've got the job — and you can negotiate from that place of security. Let them offer you the [job](http://www.theladders.com/jobs) and raise the question of salary.

By speaking first, you can also leave money on the table if you’re too low or within the range they are prepared to offer. The best strategy is to let them make the first offer first. That way, you know you have an offer, and you have a solid base from which to negotiate.

There are exceptions to the rule and situations in which it would help your cause to declare your salary history, including when speaking to an executive recruiter, where transparency is beneficial. Try to get their estimate of your market value first, though, so you know where you stand; then fill them in on your salary history and expectations.

**Safety or Momentum**

Employers use salary as a screening tool. If you have already passed the screening and if you've gotten to the point where they definitely want to hire you, not your competitors, you can name a salary figure first. In other words, if you know you have the job locked up, then going first with a high number can act as a magnet and pull their offer up higher without risk of getting them upset and moving to the next candidate in line.

Looked at in another way, choosing who speaks first can offer either safety or momentum. If it’s the safety/security of the offer that’s most important to you, let them go first and establish the offer; it’s secure.

If you speak first, you can provide momentum to the salary offer. Going first with your top number will act like a magnet, pulling up the employer’s offer. If you are secure they will offer you a job, this method puts you in a strong position — it is easier to negotiate down from a high number than to push up from a low number.

Whichever strategy you choose, winning a job offer is the aim. Once you have achieved that you can consider the offer and accept or begin the back and forth of negotiating.

**Salary Negotiation Tips: Thou Shalt Not Agree**

**Saying ''OK'' or ''yes'' to the first salary offer can leave thousands of dollars on the table.**

By Jack Chapman

***The Ten Commandments of***[***Salary Negotiation***](http://www.theladders.com/career-advice/tag/salary-negotiation)***(Part 4):****Salary expert Jack Chapman offers 10 lessons on salary negotiation in the vein of the Ten Commandments.*

After months of preparation, getting your [resume](http://www.theladders.com/career-advice/resume) fine-tuned, answering ads, researching on the Internet, [following up](http://www.theladders.com/career-advice/tag/follow-up) leads and [networking](http://www.theladders.com/career-advice/networking) with numerous people to find the right job, one word can throw away thousands of dollars.

Believe it or not, that word is "OK." It may be inexperience in dealing with salary negotiations, or just an anxious moment, that makes you say OK. Either way, blurting out OK to the first salary offer can leave money on the table.

Consider what you might do instead. How about memorizing a one-word response that will work in every negotiating scenario?

Think of this as a riddle: What’s a four-letter word that has no vowels, is not in the dictionary and makes money every time you use it with negotiating precision? Give up? The word is “Hmmm” — a single word that buys 30 seconds of silence. A 30-second pause really amps up the pressure on employers to offer more.

Many of my clients have said this is the one technique that has made them the maximum amount of money with the minimum amount of effort. All you need to do is shut up — harder for some than others, eh? But it’s doable by anyone.

The move is called “The Flinch.” It works in salary negotiations, raise negotiations, flea markets, used car sales, the sewer repair bill — just about anywhere financial transactions take place. When you hear the other person’s first offer, don’t say OK. Say Hmmm.

Take some time to really ponder it. Check your gut — are you delighted? Neutral? Disappointed? Worried? Give yourself some time and in the seconds of silence the other person’s offer is more likely to improve in some way.

Don’t blabber. Be quiet. Let silence do its work.

**Salary Negotiation Tips: Know How Much Money You're Worth**

**Ask yourself, ''What range would the company have to pay to find someone like me?''**

By Jack Chapman

***The Ten Commandments of***[***Salary Negotiation***](http://www.theladders.com/career-advice/tag/salary-negotiation)***(Part 5):****Salary expert Jack Chapman offers 10 lessons on salary negotiation in the vein of the Ten Commandments.*

Your skills and talents are worth something and you want to get paid the fair-market value when a [company](http://www.theladders.com/companies) makes you a salary offer. But what is your market value? Don’t trust the hiring company. Find out for yourself.

You can easily research the job’s [salary](http://www.theladders.com/career-advice/salary) range. Your goal is to find typical job salaries for people with similar experience and skills in your industry.

In other words, answer the question, “What range would the company have to pay to find someone like me?” Put another way, “If I don’t take the job what would the company have to offer to find someone as good as me?” Without having this kind of salary data you won’t be able to substantiate your case for the salary you want.

Your fair-market value is not one tidy number, but a range. It is a composite of three components: your objectively researched value, your individual value and your future value.

Once you know the job title and perhaps the job description, you’ll be able to hone in on your objectively researched value or, simply put, the present going rate.

The Internet in general, augmented by your library’s subscriptions to data, should give you enough data to get a fix on the competitive rate.

These sites can help shape your opinion:

* [PayScale.com](http://www.payscale.com/) — collects ongoing salary data directly from visitors.
* [Salary.com](http://salary.com/) — collects salary data from companies and customizes it to location, size of company, etc.
* [CareerJournal.com](http://careerjournal.com/) — has articles about salary trends.
* [Bureau of Labor Statistics](http://www.bls.gov/) — supplies surveys of corporate payroll data and employee questionnaires.

You won’t get one simple numeric answer, but with an hour or so of effort, search and printouts, you can get a range for the pay-level comparison. Once that’s done, the two other factors above should be calculated.

Your individual value accounts for your special training, assets, skills, competencies, etc., that are of value to your employer. Finally, take into account any long-term rewards like profit-sharing, performance bonuses, raises, stock options, etc., that are part of your package to determine your future value.

Blending these three numbers gives you negotiation power. Instead of “Here’s what I’d like,” you can say, “Here’s the range of what others are paid, and why I should be paid the top of the range.”

**Salary Negotiation Tips: Thou Shalt Covet Thine Own Benefits and Perks**

**Many compensation packages can be increased by negotiating for benefits.**

By Jack Chapman

***The Ten Commandments of***[***Salary Negotiation***](http://www.theladders.com/career-advice/tag/salary-negotiation)***(Part 6):****Salary expert Jack Chapman offers 10 lessons on salary negotiation in the vein of the Ten Commandments.*

Geri doubled her salary by negotiating a perk.

The job, as advertised, paid $50,000 to be a full-time librarian. In 40 hours a week, the librarian hire was expected to keep the law library at a corporate office functioning from 7 a.m. to 7 p.m. Her job was to see that the corporate patrons got the information and guidance they needed all 66 hours a week with some weekend hours. Two clerical employees helped out, 40 hours each, and they covered the 26 hours the main librarian was not there.

Geri, a client whom I advised and whose real name I will withhold, claimed that she could upgrade the two clerical staff member's capabilities so that they could give much better service all 66 hours the library was open. She claimed she could develop their skills to the point where the three of them could meet the firm’s requirements and Geri would only be needed 20 hours a week. This effectively doubled her hourly rate by negotiating a perk: time off.

Many [compensation packages](http://www.theladders.com/career-advice/sales-package-commission) can be substantially increased by negotiating benefits like Geri’s.

Here’s a starter list of possible benefits and perks: medical and dental coverage, disability and life insurance, wellness days, training, deferred compensation, tuition reimbursement, paid holidays, vacation, general education, specific training, certification reimbursement, paid sick leave, child day care, 401(k) contributions. In addition, there’s gym, health club or fitness membership; transportation, travel per diem, laptop, cell phone, Internet access and company car; casual dress, flextime and corporate housing. Consider also stock options, stock grants and profit-sharing. You could negotiate for first-class travel and, for attendance at conventions, comp time off around conventions and other long-hour days. See if you can land office (vs. cubicle) space, administrative assistants and certain software to make your job easier. And potential benefits having to do with if relocation have at least 10 components alone.

Remember that money decisions are best made in the cool climate of logic and impartiality. Give yourself time to think. When you've finished your salary negotiations, put all your enthusiasm back in gear and say, "This sounds terrific! I think we have a match here. I'll get back to you as soon as you need to know. When do you need to know?"

**Salary Negotiation Tips: This Is the Job Thou Coveteth**

**In some types of negotiations, purchasing a car for instance, ''playing it cool'' pays off. Not in a salary negotiation.**

By Jack Chapman

***The Ten Commandments of***[***Salary Negotiation***](http://www.theladders.com/career-advice/tag/salary-negotiation)***(Part 7):****Salary expert Jack Chapman offers 10 lessons on salary negotiation in the vein of the Ten Commandments.*

Don't play it cool.

Most people have the erroneous assumption that in [job interviews](http://www.theladders.com/career-advice/interviewing) and [negotiations](http://www.theladders.com/career-advice/tag/salary-negotiation) they should "not appear too eager." "I don't want to look desperate," they say. In some types of negotiations, purchasing a car for instance, “playing it cool” pays off. Showing how much you really want those wheels costs you some negotiating leverage.

In a job search, however, people hire enthusiasm over cool.

Does it motivate an employer to offer you less if he knows that you're eager to take the job? It could, but mostly it doesn't. The fact that an employer knows that you really want a job can even make him increase the offer in hopes of attracting and retaining such enthusiastic help.

Similarly, knowing an employer is sold on you gives you leverage. It's important that your attitude is well matched to your natural personality and that it is expressed in a manner consistent with that personality.

Some people are lovable. Some people are funny. Some are quiet as a mouse. Any type can be "just the right" style for a given hiring-decision maker. Hiring is a haphazard, prejudiced, imprecise art — certainly not a science. Hardly anyone is actually trained in how to do it.

This means that emotions will play a big part in getting hired and getting paid well.

This short, real-life story illustrates the point: Bret noticed three telltale signs his currency ran high with the hiring-decision maker. He spoke as if Bret was already a part of the [company](http://www.theladders.com/companies); he returned a couple of times in the interview to talk about their common alma mater; he said that the combination of graphics and teaching was rare and a great fit. Bret joined in and shared how excited he was about the fit, too. Then he used the "What's the best you can do?" strategy to capitalize on that personal chemistry and pushed the hiring-decision maker another $4,800 to the top of his range.

**Salary Negotiation Tips: Thou Shalt Not Worry about Earthly Economy**

**Should you negotiate at all when the economy is slow and companies are feeling the pinch?**

By Jack Chapman

***The Ten Commandments of***[***Salary Negotiation***](http://www.theladders.com/career-advice/tag/salary-negotiation)***(Part 8):****Salary expert Jack Chapman offers 10 lessons on salary negotiation in the vein of the Ten Commandments.*

A lot of people wonder whether they should negotiate at all when the economy is slow and companies are feeling the pinch.

[Unemployed job seekers](http://www.theladders.com/career-advice/solving-unemployment-catch-22) are especially prone to such doubts; after they’ve been out of work for many months, they are relieved to have an offer — any offer. They fear that if they negotiate, they can upset the trust they’ve built up over the [interview](http://www.theladders.com/career-advice/interviewing) process. They cringe at the thought of being told, "There's a long line of people who'd love to have this job. If you don't like my offer, we can always hire another."

It feels like groveling is the order of the day. But fear not: You're not negotiating with the economy, you're dealing with a hiring decision maker who needs you.

Of course, the extent to which "needs you" applies has changed dramatically over recent years. For example, in the heyday of the dot-com ‘90s, fresh college grads were negotiating hefty comp packages. [Companies](http://www.theladders.com/companies) were so desperate to get "techies" on board, they would agree to practically anything. Negotiations sounded like this: "You want a masseuse to give you a rubdown twice a week? No problem. You want to bring your parrot to work? Sure, how does the bird like his steak cooked?"

Today, even people with years of experience and sterling track records may face obstacles getting back in the race. Still, that doesn't mean you shouldn't negotiate. Just because the playing field has changed, doesn't mean that you should meekly accept whatever they offer. Negotiations are part of the hiring game. If you agree to whatever they offer, it will hurt your paycheck (obviously), and it may also make the employer value you less.

Think of what happens in another setting where negotiations are expected: the garage sale. Suppose you're selling an item that isn't hard to find — say, a clock. It works. It's not a bad-looking clock, but it's a common item. That's like the low-demand job market. You put a low price tag on it, you don't negotiate, and maybe even offer to throw it in for free with another purchase. Your communication affects the potential buyer's feelings about the clock, and the buyer may even refuse to take it if you offer it for free.

On the other hand, if you're selling that great-looking, expensive leather jacket that's in mint condition but doesn't fit you any more, you will be a tough negotiator. You'll pad the price a bit to give you a little wiggle room because you know people like to bargain at garage sales. By tough negotiating, you communicate that the item has high value. If you set your price too low or come down in price too easily, the buyer may wonder if there's something wrong with the jacket.

Likewise, by tough negotiating, you communicate your own worth. Good companies expect you to negotiate for your value. Far from hindering your [job search](http://www.theladders.com/job-search), the ability to negotiate helps you get the respect you need to get hired for good positions or to get better raises.

Now, in flush times, you're more likely to get what you ask for than lean ones. It's probably true that in a tight economy you won't get everything you ask for. But you can count on one thing being the same in both good times and in bad: If you don't ask, you won't receive. It's never improper to ask. The employer may cry "poor" and decline, but that doesn't mean don't ask.

Sometimes asking now will pay off later. I coached a particularly energetic entry-level bank branch manager named Victor to ask for $5,000 more than the average salary for that position. The president said he couldn't go that high but said that he pays for performance. Three months later, the boss was impressed with Victor's results and added five grand to his salary. Would that have happened if Victor had just said, "OK" to the first offer?

So you're not negotiating with an economy, you are talking to a human being who's trying to get ahead in his/her own [career](http://www.theladders.com/career-advice). If you can do the job, you deserve to be compensated. Ask for what you deserve.

**Salary Negotiation Tips: Thou Shalt Not Take the Name of Thy Salary in Vain**

**When you survey the salary landscape, seek the highest common ground.**

By Jack Chapman

***The Ten Commandments of***[***Salary Negotiation***](http://www.theladders.com/career-advice/tag/salary-negotiation)***(Part 9):****Salary expert Jack Chapman offers 10 lessons on salary negotiation in the vein of the Ten Commandments.*

When you arrive for a final [job interview](http://www.theladders.com/career-advice/interviewing), come armed with three numbers that I refer to by the initials I.S.N.:

* Ideal
* Satisfactory
* No-Go

These “name” your [salary](http://www.theladders.com/career-advice/salary) and frame your [negotiation](http://www.theladders.com/career-advice/tag/salary-negotiation). Your employer probably has his/her own three numbers as well. Good negotiations will find the common ground between you. Excellent negotiations on your part will be at the highest possible point of that common ground.

Let’s say you’re a convention coordinator, and in your present job you’re underpaid at $85,000. And let’s say you’d be ecstatic at $135,000 — a number bigger than you think you’d ever get, but it’s not a complete fantasy — it passes the “laugh test.”

At the other end of the spectrum, there’s no point in moving jobs for less than, say, $95,000. We’ve named the Ideal (top) and the No-go (bottom) numbers.

Now, consider the employer. She is pulling her hair out with the complaints she’s getting with her current coordinator. She’s in danger of losing an entire $290,000 account if she doesn’t get someone [like you] who’s good with attention to detail. She knows that the average salary for a coordinator is $75,000 for a plodder, up to $105,000 for a self-starter. The top of her range is $115,000.

Your common ground, then, is $95,000 to $115,000. That’s $95K for your lowest, and $115K for her highest. Neither of you know that common ground when you start negotiating. All you know is your own range.

To reach some agreement requires a whole negotiating dance. The step I want to emphasize in this commandment is your clarity. Before you begin serious money talk, think through your top, bottom and mid-ground numbers. If they are fuzzy, your negotiations will be fuzzy. If you’re not clear that $95,000 is as low as you’ll go, you might waffle. In the heat of the interview, experiencing great rapport, imagining friendly co-workers (not the grouches you work with now) you will be tempted to say, “OK. I’ll start there and work up.”

No! Do not take the name of your salary in vain! “I’m sorry, Ms. Employer. I would love to work here. I feel a great connection. I love your accounts, but somehow we have to reach a minimum of $95,000 and preferably $105. Let’s put our heads together and find a way, shall we?”

"[Negotiating Your Salary: How To Make a $1,000 a Minute](http://www.amazon.com/Negotiating-Your-Salary-6th-Ed/dp/1580089682/ref=sr_1_5?ie=UTF8&s=books&qid=1301363944&sr=1-5)" has more information about the ISN numbers.

**Salary Negotiation Tips: Honor Thy Wealth and Prosperity**

**If you're not at least a little embarrassed by the size of your first proposal for compensation, you're not negotiating right.**

By Jack Chapman

***The Ten Commandments of***[***Salary Negotiation***](http://www.theladders.com/career-advice/tag/salary-negotiation)***(Part 10):****Salary expert Jack Chapman offers 10 lessons on salary negotiation in the vein of the Ten Commandments.*

When shopping for a house once, I was told by a realtor that if I wasn’t at least a little embarrassed at how low my offer was, it was not low enough. Similarly, negotiating a salary or [raise](http://www.theladders.com/career-advice/are-you-paid-what-youre-worth), if you’re not just a little red-faced at your ideal number, you’re not thinking high enough.

It has to pass the "laugh test," however. If it's ridiculously high, they'll just laugh. Likewise, an employer’s offer must pass yours, lest you laugh because it's ridiculously low.

Once, my daughter asked for my negotiation advice and (surprisingly) followed it. She had been a star document organizer in a nationwide class action lawsuit with 800 trials pending and mountains of e-paperwork to track, file and retrieve at a moment’s notice. She lived in [Manhattan](http://www.theladders.com/joblistings-cityarea/new-york-ny-jobs) on her $35,000 [= $17.50-per-hour] annual salary. After she left the firm, for reasons other than salary, they ran into trouble. They called her back and asked her to consult with the remaining paralegals to show them her organization and retrieval system.

My daughter and I figured that $150 per hour would be fair. Once they had agreed on her consulting role, timing, independent contractor status and the other details, her old boss said, “I suppose we can start at the usual $35,000.”

She laughed.

They flunked her laugh test.

When you present your number, don’t share a small number; share your ideal. Your “Wow!” number. (Quick reminder, though. Remember Commandment 1. [Wait until you’re sure they’re ready to make you an offer](http://www.theladders.com/career-advice/salary-negotiation-tips-thou-shalt-not-speak-too-soon).) Your ideal number should make you blush a little (or it’s not high enough).

Make sure, of course, it’s bolstered by a [solid value proposition](http://www.theladders.com/career-advice/salary-negotiation-tips-know-how-much-money-youre-worth). (See Commandment 5.) Let them know the rationale behind the numbers, and you can soften the economic blow by saying, “This may be just a bit out of reach, but I think I owe it to you to tell you what would really excite me. It’s [\_].”

Think about it. Why would you start negotiations any lower?

There’s a curious phenomenon. In negotiations, the first number you put out will act as a magnet and pull their number toward it: the higher your number [assuming it passes the laugh test], the stronger the magnet.

The only worry in going first and going high is that you might catch your employer off guard and the ideal number has such strong magnetism that s/he agrees to overpay you. However, if you feel bad/guilty for taking advantage of his/her poor negotiation skills, you can always give it back! You can always say, “You know, I think I was a little too demanding in the negotiations, and while I expect to be your star employee, I want you to feel good about my earnings. Why don’t we take 10 percent of my earnings and give them to a charity we can both agree on?”

To the best of my knowledge, no one’s ever done that, but just in case you’re too timid or embarrassed to go for the gold, remembering this might help you engage that last little bit of motivation to “Honor Thy Wealth and Prosperity.”