

The Art of Salary Negotiations

Congratulations! You've been actively interviewing and receive a job offer. This is an exciting time. We encourage you to strategize and think about possible outcomes.

It is important to realize that not all offers can or should be negotiated. Keep in mind that most firms will make an offer in good faith. Many employers are well aware of the current market and what their competitors are offering. **Every situation is unique, so we encourage you to seek the help of Career Services staff to guide you in this process.**

- ⊛ A few words of advice before you plunge into negotiations: be cautious about evaluating an offer solely on the salary or the prestige of the organization. Look at additional factors such as daily responsibilities, your impression of co-workers and supervisor, and opportunity for growth. Ask yourself how this position fits into your long-term goals.

Four Important Points

1. Do not attempt to negotiate before a job offer has been made.
2. Prior to negotiating, do some research and know your fair market value.
3. Do not negotiate with an employer if you have no intention of working at that firm.
4. Avoid focusing solely on salary. There are many other factors to consider as well. The benefits package is typically worth at least 30% of your annual salary.

*Negotiating entails some risks. **If you feel strongly that you want to work at this firm or agency, you might want to just accept the offer.*** Successful negotiations require careful research, strong listening and communication skills and a calm manner. There is always the possibility that the employer will say: "Sorry, we cannot meet your needs but good luck in your next job" and dismiss you. If you do not want to take this risk, we encourage you to accept the offer and ask for a 3-month performance review where salary can be discussed again.

When the offer is on the table, do not decide on the spot. Tell the employer you are very interested in their offer and ask for time to respond. Prior to making a decision, you will need all of the details: salary, benefits, start date, vacation, etc. There is no standard amount of time that an organization is required to give you to make a decision. Some will allow a month or more, while others will require an answer within a week or two.

Identify the main concerns that you want to negotiate.

- Think carefully about what terms and alternatives are acceptable to you.
- Consider salary, health insurance, sign-on bonuses, profit sharing, relocation expenses and start date.
- If your request for a higher starting salary is denied, you might negotiate for other items of importance to you: a later starting date, a flex schedule, etc.

Determine if you have grounds for negotiating. Consider negotiating if you:

- Have experience or other qualifications that exceed those of other candidates offered similar positions by the firm.

- Learn that similarly qualified candidates have been offered more appealing employment packages by the same firm.
- Have other offers and will only accept the offer if the firm will negotiate satisfactory terms with you.

Know your market value: This is the first step in obtaining your best salary offer.

We suggest that you open negotiations with a potential salary range rather than one specific figure. Utilize the following resources to research salary:

- GSD Career Services Annual Graduating Student Report, personal contacts, mentors and alumni.
- Salary surveys through professional association web sites and publications, such as:
 - www.aia.org – American Institute of Architects
 - www.asla.org – American Society of Landscape Architects
 - www.planning.org – American Planning Association
- www.salary.com

Consider the entire offer and what the job entails.

- For jobs in firms or agencies, there may be opportunities for sign-on bonuses, stock options (ESOPs), relocation costs, early or frequent performance reviews, professional affiliation memberships, assistance with IDP (Intern Development Program) or visas.
- For jobs in the academe, factors may include: teaching load, technical facilities, relocation costs, and funds for summer travel or research. Please note that the benefits package (medical, dental, life and disability insurance, retirement and pension plans, vacations) may vary among employers.

Key factors to consider include:

- How the firm is structured and managed
- Company culture
- Size and financial condition of the organization
- Your potential for growth and advancement
- The position: challenges and opportunities for skill development
- The type of work that the firm or agency does
- Location/commute/climate

When and How to Negotiate

Avoid discussing salary at the first interview. You want the full opportunity to sell yourself and understand all aspects of the job. We encourage you to let the interviewer name the figure first. This allows you to adjust your expectations (either higher or lower) and often gives you the best leverage. If you are pressured for a figure, you can say:

“I am still thinking this through, but I am confident you will offer a fair salary at the market rate, taking into consideration my particular background and experience.”

“I would like to hear more about the details of the job/the entire benefit package before we discuss salary.”

If the employer continues to ask about salary, we recommend that you provide a range (e.g. mid-high \$40's) rather than a specific figure. If you are told this is too high, you might want to discuss other possible areas of compensation (see above). If the employer maintains that this is their standard offer to new hires, point out how your specific skills will add immediate value to their goals and projects.

If the offer comes quickly, try to arrange for a second meeting to discuss the details in person. Respond that because of personal reasons, schoolwork, etc. you will need time to make a decision. Two weeks is a reasonable amount of time for most situations. If you need more time, ask for an extension. The time of year and the needs of the employer will effect how long you have to make the decision.

If the offer is made and you want to negotiate, let the employer know that salary is a concern. If you want the job but the salary is disappointingly low, express enthusiasm for the job and ask if there's any flexibility in determining salary. Say that you have some concerns but you are certain that you can come to a mutually agreeable resolution. Listening to the response will help you judge if negotiation is possible.

Your best argument for negotiating a higher salary is based on what you can contribute and what comparable employers are paying for comparable work. Are you bringing a new skill or ability to the job? Just saying you need more money rarely sways an employer.

Helpful Guidelines

- ✓ **Always negotiate in good faith.** Plan to accept the offer if your needs are met. Don't attempt to push for a higher salary from a prospective employer if you are not really interested in the firm.
- ✓ **Decide on the minimum amount of compensation** that you will accept. Be realistic according to the type of job you seek.
- ✓ **Establish a budget** and don't neglect to account for taxes taken out of your pay. There is no point in accepting an offer if you think you'll be dissatisfied and want to look for another job in the near future.
- ✓ **Negotiating should be like a dance, not a battle.** When it is over, everyone should shake hands and gracefully walk off the dance floor feeling happy. Your main objective is a pleasant, long-term work relationship, not a short-lived, vitriolic encounter.
- ✓ **When you ask for more time to consider an offer**, you are implying that either you have another offer or that you are not happy with their offer.
- ✓ **Some employers respond by asking what you need to come to a decision** (an invitation to negotiate) while others will pressure you by imposing a deadline on their offer. Calmly explain that while their offer is very interesting, you have other options to consider as well. You might be asked to state a date by which you will decide. This is a fair request and in the best interests of all concerned.
- ✓ **If your first offer is not your first choice**, contact your preferred firm and tell them you have another offer pending but they are your strong preference. Ask them if there is anything more you can do to help them make their decision.
- ✓ **You do not have to accept the offer** if you feel that you can't agree on a mutually satisfying compromise. You can ask for a short period of time to reconsider. Come and talk to Career Services about your options.
- ✓ **If you come to an agreement, be prepared to accept the offer.**
- ✓ **It is not a solid job offer until it has a salary figure attached to it.** Until an employer gives you an exact figure, keep looking and consider it open for discussion.

Accepting an Offer

- **Be sure to get the offer in writing.**
- **Request a letter** that includes the salary, start date, benefits and all of the details you have discussed and agreed upon.
- **Always accept a job offer in writing**, even if you verbally accepted over the phone. You're making a commitment when you accept a job.
- **After you receive a written offer, inform other employers** who have shown an interest in you. Let them know you have accepted another firm's offer and thank them for considering you for their position.

It's a small world. You will always benefit by conducting yourself ethically and professionally.

Print Resources

Check the following books in the GSD Career Services Office for more information:

"Earn What You're Worth" by Nicole Williams, Penguin Group, 2005

"Negotiating Your Salary & Perks" by Duncan Haberly and Robert A. Fish, WetFeet, Inc., 2004

"Salary Negotiation Tips for Professionals: Compensation That Reflects Your Value" by Ron and Caryl Krannich, Impact, 2005

"Negotiating Your Salary: How to Make \$1000 a Minute" by Jack Chapman, Ten Speed Press, 2006