Salary Negotiation 101

Captain Patricia Cole, USN (Ret)
Program Director, MOAA Career Transition Center
Topics We’ll Cover

• Common Fears of Negotiating
• When to Talk Money
• Preparing for Salary Negotiation
• How to Respond to Salary Questions
• Evaluating the Salary Offer
• Questions
Nailed it!

Now what???
Take a deep breath
Common Fears of Negotiating

- Fear of rejection
- Not worth the effort
- Lack of confidence
- Aversion to risk
Biggest Misconception:

The company is out to shortchange you.

(No. They’re not.)

- This is *not* an adversarial process
- Assume the employer is acting in good faith (and you do the same)
- You and the employer have the same goal!
First Things First...
Have 3 separate numbers in mind:

1) What you need to meet your financial obligations
2) What you would like to have and would be happy with
3) A salary that is far beyond what you thought you could make

Easier to evaluate an offer if you’ve thought about this beforehand
What Factors Affect Salaries?

• It’s not just about your knowledge, skills, education, and experience

  – **Market rates** for people doing similar work, in similar industries, and in similar regions

  – **Salary ranges** set by individual employers

  – The **number of people available** to perform the specific job
Determine Your Worth

• Your value to the prospective employer
• Location
• Industry
• Size of the company
• State of the job market
• Communication skills
When to Talk Money: The Power Curve

- Screening
- 1st Interview
- 2nd Interview
- 3rd Interview
- Offer

Employer’s Interest

Your Power
Negotiating Salary

• Knowledge is power, so do your homework
  – Research salaries for jobs of interest
  – Goal: To determine a reasonable salary range
  – Objective is to be in the ballpark (i.e., not too high or too low)

• Always evaluate the full compensation package
  (compensation = salary + benefits)
  – Assume almost everything is negotiable

• Get the job offer first, then negotiate
  – Give/get a salary range
  – May come earlier in the process
## Where to Find Salary Info

<table>
<thead>
<tr>
<th><strong>READ</strong></th>
<th><strong>TALK</strong></th>
<th><strong>LINK</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupational Outlook Handbook</td>
<td>Informational Interviews</td>
<td>Salary.com</td>
</tr>
<tr>
<td>Trade / Professional Journals</td>
<td>Networking</td>
<td>JobStar</td>
</tr>
<tr>
<td>American Salaries and Wages Survey</td>
<td>Executive Recruiters</td>
<td>America’s Career Info</td>
</tr>
<tr>
<td>American Almanac of Jobs and Salaries</td>
<td>Competing Organizations</td>
<td>Net</td>
</tr>
<tr>
<td>Jobs Rated Almanac</td>
<td>Consultants</td>
<td>PayScale.com</td>
</tr>
<tr>
<td>American Salary Wage Surveys</td>
<td></td>
<td>Bureau of Labor Statistic</td>
</tr>
<tr>
<td><img src="image1.png" alt="Image 1" /></td>
<td><img src="image2.png" alt="Image 2" /></td>
<td><img src="image3.png" alt="Image 3" /></td>
</tr>
</tbody>
</table>
Factors That Will Work in Your Favor

• Willingness to build rapport
• Focusing on the other party’s perspective
• Willingness to compromise
• Put forward only requested information
• Limit the number of items to be negotiated
Responding to Salary Questions

• **Defer**: “I’d be more comfortable discussing salary once I have a better understanding of the position.”

• **Toss back**: “My range is probably more flexible than yours; what is the range you are considering for this position?”

• **Respond with market information**: “Based on my research I understand that salaries are between $X and $Y for similar positions. Is this consistent with your salary range?”

**Insist on an Offer Letter or “At Will” Letter**
What’s Negotiable?

MOVING EXPENSES  FLEX TIME  WORK SCHEDULE
HOUSING  IT ALLOWANCE
PARKING  HEALTH CLUBS
START DATE  COMMISSIONS
OFFICE SPACE  EDUCATION
MATERNITY PACKAGE  FREQUENT FLYER MILES
VACATION TIME  TRANSPORTATION
SIGNING BONUS  REPORTING RELATIONSHIP
401(K)  ASSOCIATION FEES
JOB TITLE
Evaluate the Package

• Get it in writing, and read the fine print
• Take time to evaluate the offer
  – 3 to 4 days is common; offer letter will state date by when a reply is required
  – Consider your three salary baseline numbers
• Discuss benefits with spouse/significant other
• Your options: Accept / Decline / Renegotiate
If You Can’t Close the Gap

• Propose a 6-month performance review:
  – Key question: Can you add value in 6 months?

• Discuss a signing bonus

• Name 5 things as important as salary:
  – Title
  – Direct report
  – Growth potential
  – Mentoring
  – Culture
Offer Letter Components

**Normally Included**
- Title/direct report
- Salary
- Vacation
- Benefits – may link to handbook or website
- Start date
- Offer expiration date
- Place of employment

**Optional**
- Bonus potential (note typical performance factors):
  - Individual performance
  - Group performance
  - Company performance
- Signing bonus
- 401(k) match
- Stock and options
- Perf review schedule
Some Final Thoughts

- Knowledge is Power
- Try to deflect monetary discussions until an offer is presented
- Don’t immediately accept any offer
- Companies want to retain you!
- Think about your entire career path
- Always conduct yourself professionally
Questions?

patriciac@moaa.org
MOAA Making a Difference

Currently Serving

Veterans and the Extended Military Community

National Guard and Reserve

Families

Top Lobbyist | 2007-2018

THE HILL

The Center for Association Leadership

2015 SUMMIT WINNER

Military Officers Association of America