

WELCOME TO MONEY SMART DAY

2023



moneysmartday.gmu.edu

SALARY NEGOTIATION

In the chat:

Share your worst fear about negotiating salary



TOPICS TO DISCUSS!

- Employer expectations
- When should I negotiate?
- What can I ask for?
- What's important to you?
- Evaluating a job offer
- What do I say? – offer v. raise
- Accepting/Declining offers
- Bias and the Wage Gap
- When you're the employer...



EMPLOYER EXPECTATIONS

- **73%** of employers agreed they are not offended when people negotiate
- **84%** of employers said they always expect job applicants to negotiate salary during the interview stage
- **87%** said they've never rescinded a job offer following negotiations during the interview
- **ZERO** employers reported demoting or firing an existing employee for asking for a raise

Source: <https://www.salary.com/chronicles/salary-negotiation-separating-fact-from-fiction/>

POLL

**IF AN EMPLOYER ASKS
YOU FOR A SALARY
REQUEST BEFORE
EXTENDING AN OFFER
YOU SHOULD...**

1. Avoid the question
2. Give your ideal figure
3. Give a range
4. 1 and 3
5. None of the above

WHEN TO NEGOTIATE – TIMING MATTERS!

- In the application
- During the interview process (*pre-interview questions, screening interview, final interview, etc...*)
- As part of formal offer by phone or in writing



PRE-OFFER: AVOID GIVING A NUMBER

- Do NOT initiate a conversation about salary before an offer
- Do NOT share your current salary or salary history
- If they ask, here are some possible responses:
 - ❖ *I'd like to learn more about the job and see the total benefits package.*
 - ❖ *I'd like to understand the expectations of the role first.*
 - ❖ *If you decide to make me an offer, then we can discuss it.*
 - ❖ *I would prefer to see if this is a fit for both of us before discussing salary.*
 - ❖ *I am not comfortable sharing my finances.*
 - ❖ *I would expect to be paid the same as others currently working in this capacity within your organization.*

VARIABLES THAT INFLUENCE THE OFFER

- Type of degree you have
- Supply and demand
- Department budget
- Employer industry
- Geographic location
- Market pay*
- Experience level
- Anticipated commissions
- Pay rate of current staff
- **Interview performance**
- **Negotiating...**



DO YOUR RESEARCH: SALARY RESOURCES

- **Informational Interviews**

- National Association of Colleges & Employers (NACE)

- Professional associations

- Chronicle of Higher Education/Inside Higher Ed

- Glassdoor.com
- Payscale.com
- Salaryexpert.com
- Salary.com
- ONETonline.org
- OPM.gov (Federal Government)
- Company Web Site

CHALLENGE: COMPARING OFFERS

WHICH IS “BETTER”?

Salary \$54,000

Salary \$57,000

Salary \$59,000

TOTAL COMPENSATION: IT'S NOT JUST THE SALARY



WHICH OFFER IS “BETTER”?

A. Salary \$54,000

- 2 Weeks Vaca
- 10 Sick Days
- 11 Holidays
- Med/Dental/Vision
- Tuition - \$5,000/yr.
- Monthly Bonuses
- Free Child Care
- 3 telework days/wk

B. Salary \$57,000

- 3 Weeks Vaca
- 5 Sick Days
- 12 Holidays
- Medical/Dental
- Tuition - \$7,500/yr.
- Casual Dress
- Free Lunch Fridays
- Association Fees
- Flexible Hours

C. Salary \$59,000

- 2 Weeks PTO
- 6 Holidays
- Public Transport
- Dental/Vision
- Clothing Stipend \$1000/yr
- 1 telework day/wk

EVALUATING OFFERS

WHAT ARE **MY**
PRIORITIES?

WHAT IS
NEGOTIABLE?

THINK ABOUT **YOUR** PRIORITIES

- Professional growth
- Child/family care
- Well-being
- Medical considerations
- Involvement in gig economy
- Commute, travel, hours
- Post-workday engagement(s)
- Stress, workload
- Mentorship
- Company culture/Values
- Telework
- Feeling like I make an impact
- The diversity I bring is valued
- ?
- ?
- ?

WHAT IS NEGOTIABLE?

- Base salary
- Medical insurance
- Sick/disability pay
- Life insurance
- 401K/pension
- Dental insurance
- Annual salary increases
- Employee assistance
- Tuition reimbursement
- Bonus commission plan
- Planned social activities
- Shorter probation period
- Promotion opportunities
- Commuting benefits
- Flextime
- More than 2 weeks vacation
- On-site fitness center fees
- Stock options
- Telecommuting
- Dependent care benefits
- Company car
- Payback of student loans
- Travel
- Relocation
- Training/certification costs
- Choice of projects
- Professional conferences
- Sign-on bonus

WHAT DO I SAY?

Job Offer

"Thank you for your offer and I am certainly interested in the position and company. In the past few days, I have thought about the nature of the job and its responsibilities. I have evaluated my previous work experience and skills that fit this opening. I think that with my skills and experience, a salary of (insert range) is reasonable."

RAISES AND PROMOTIONS

Timing matters

- Performance evaluation cycle
- New contract/client
- Coming off a success
- New information

Considerations

- Employee length of service
- Enhanced education
- Accomplishments
- New responsibilities
- Leadership expectations
- Company culture and policies

Same two questions...

1. What are my priorities?
2. What is negotiable?

WHAT DO I SAY?

Asking for a Raise (provide context)

"Given these accomplishments, I'd like to discuss a raise in my current salary. I've done my research into positions like mine at other companies. But before we discuss a raise, I'd also like to add how I believe I add value to our division/organization moving forward."

"Given my performance this past year and the success of _____, I would like to discuss the possibility of a raise in the near future. When would be the best time to discuss this and what should I bring with to this meeting?"

ACCEPTING / DECLINING OFFERS

Accept Offer

- Commit fully
- Request a written offer letter
- Acceptance letters
 - Show appreciation
 - Outline offer

Decline Offer

- Show appreciation
- Send written notice even if verbally declined



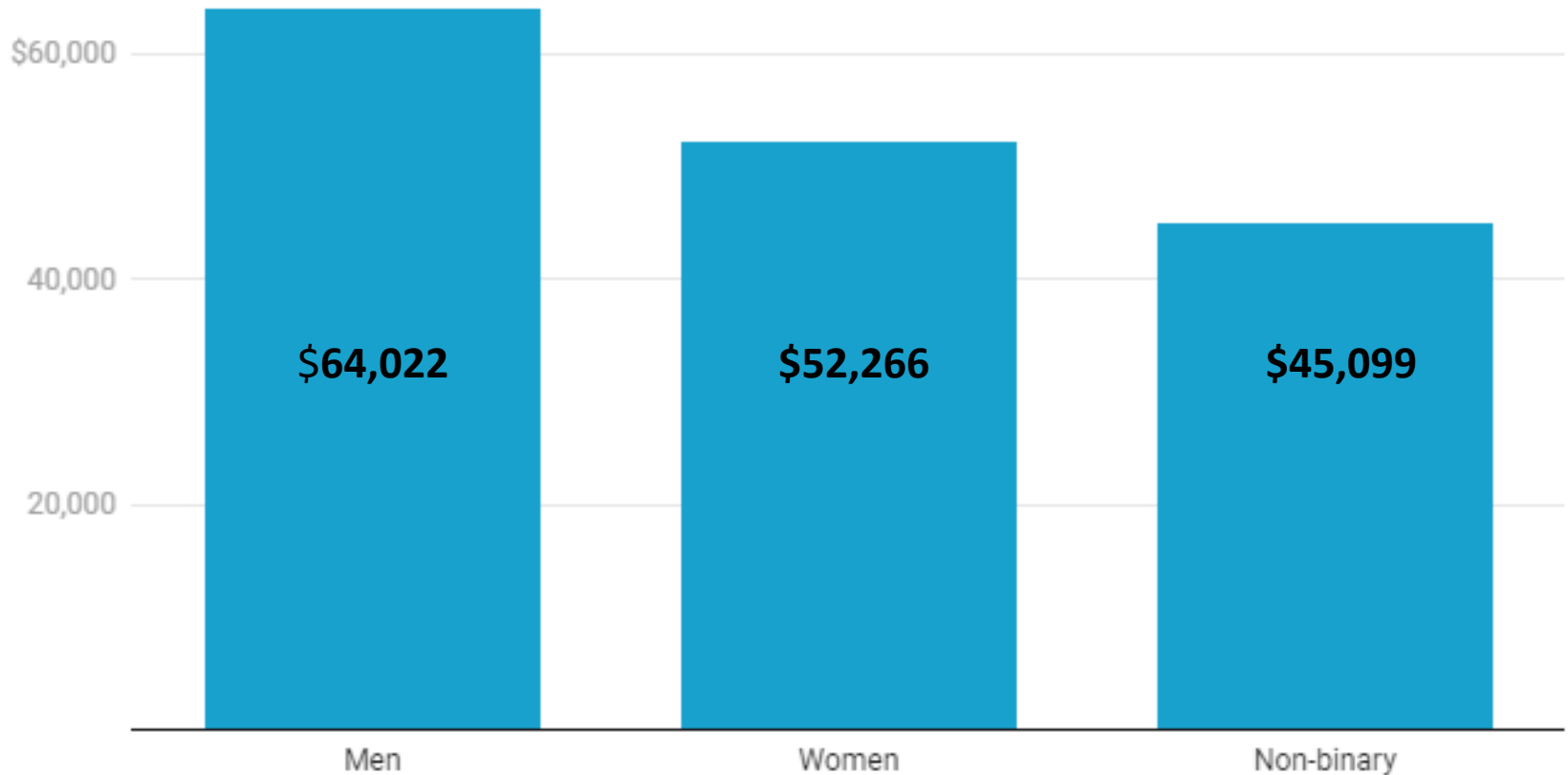
NO ONE LIKES TO NEGOTIATE...

...BUT WOMEN ARE MORE LIKELY TO AVOID IT!

Across different studies:

- **41% of ALL people** say they didn't negotiate salary for the job they currently hold
- **7% of women MBA's** said they attempted to negotiate their job offer, whereas **57% of men** did
- **60% of women** say they've never negotiated with an employer over pay

Average starting salary for the Class of 2020 by gender



Average starting salary for bachelor's degree graduates from the Class of 2020.

Source: [National Association of Colleges and Employers](#) • [Get the data](#) • Created with [Datawrapper](#)

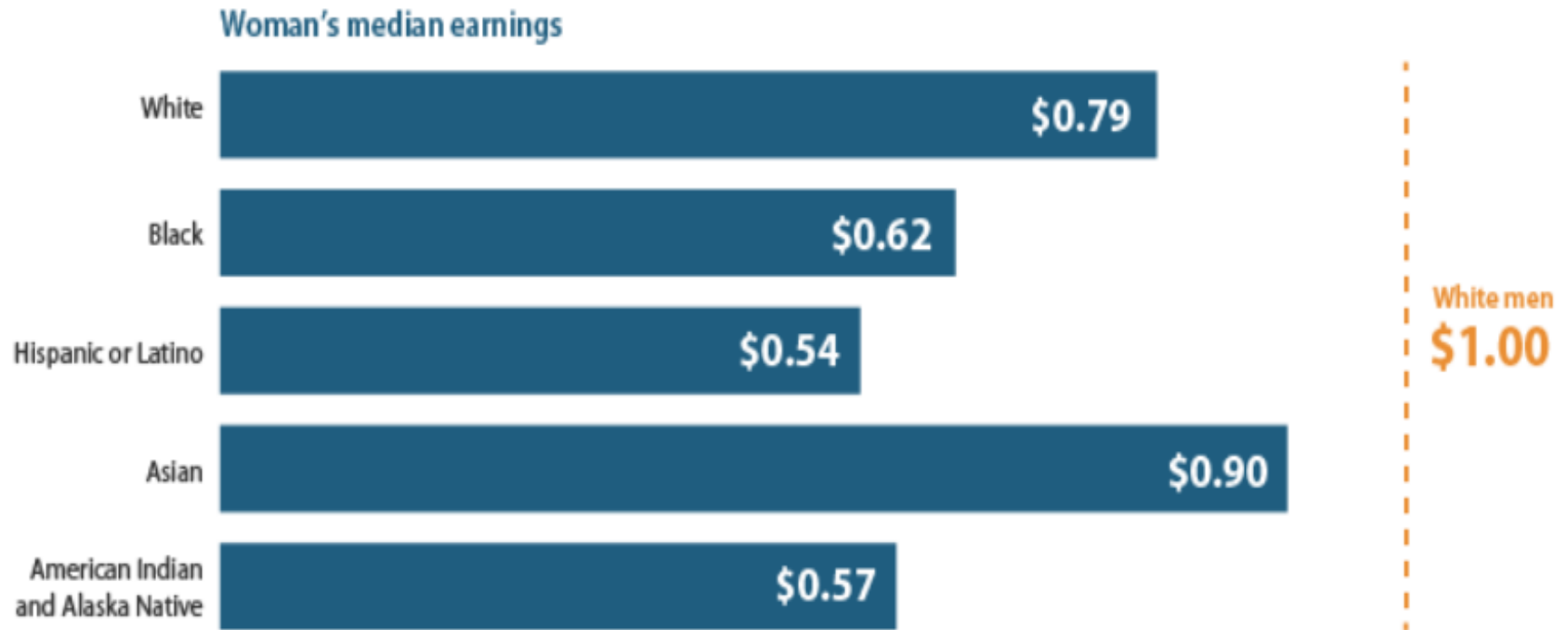
<https://www.cnbc.com/2022/01/20/gender-pay-gap-for-class-of-2020-starting-salaries-shown-in-new-report.html>

THE GENDER WAGE GAP IS REAL AND INTERSECTS WITH RACE

FIGURE 1

The gender wage gap is more significant for most women of color

Comparing 2018 median earnings of full-time, year-round workers by race/ethnicity and sex



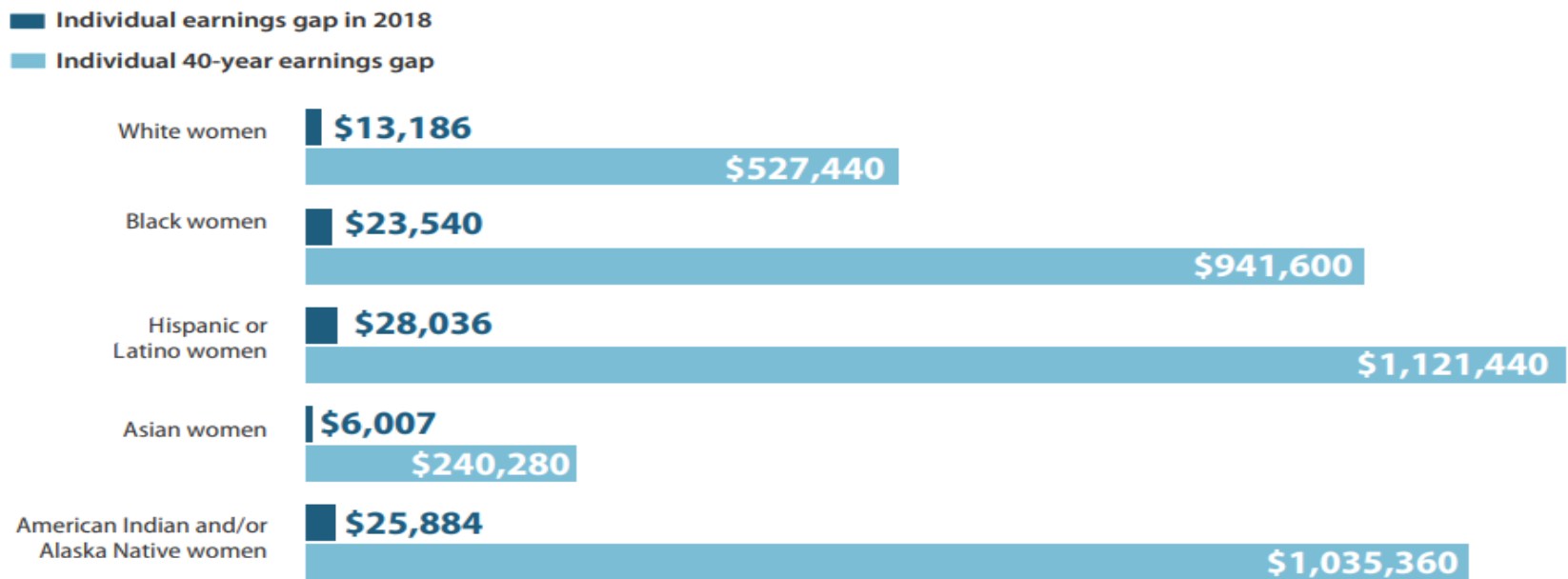
Notes: The gender wage gap is calculated by finding the ratio of women's and men's median earnings for full-time, year-round workers and then taking the difference. People who have identified their ethnicity as Hispanic or Latino may be of any race.

LONG TERM IMPACT OF THE WAGE GAP

FIGURE 2

The average 2018 earnings gap for a woman balloons over the course of 40 years

Examining the gaps between 2018 median earnings for women and men working full time, year round, and extending the gaps over 40 years



Notes: Author's calculations are based on analysis of 2018 median annual earnings of full-time, year-round workers broken down by race/ethnicity and gender. The "40-year earnings gap" is how much less a woman would earn than a man based on the 2018 wage gap over a 40-year career. Figures are not adjusted for inflation, and earnings are in 2018 dollars. People who have identified their ethnicity as Hispanic or Latino may be of any race.

PAY IT FORWARD: WHEN YOU'RE NEGOTIATING AS THE EMPLOYER

- Do not ask for a salary history or what someone is currently making
- Consider your unconscious bias in responding to counter offers
- Encourage your organization to make salaries and benefits public
- Encourage your organization or department to conduct an equity audit
- Lead with your best offer
- Encourage others to negotiate and share with them how you negotiated
- Share what options are negotiable during informational interviews
- Add your salary information to Glassdoor.com, etc.
- Keep negotiating!

QUESTIONS?

BEFORE YOU GO....

Share in the chat what you found most useful or informative about this session!



DATA SOURCES

- <https://www.cnbc.com/2022/01/20/gender-pay-gap-for-class-of-2020-starting-salaries-shown-in-new-report.html>
- <https://www.cnbc.com/2020/01/31/women-more-likely-to-change-jobs-to-get-pay-increase.html>
- <https://www.salary.com/chronicles/salary-negotiation-separating-fact-from-fiction/>
- <https://www.themuse.com/advice/why-women-must-ask-the-right-way-negotiation-advice-from-stanfords-margaret-a-neale>
- <https://www.americanprogress.org/issues/women/reports/2020/03/24/482141/quick-facts-gender-wage-gap/>
- <https://www.payscale.com/data/gender-pay-gap>