

# Quick Tip Sheet

## Salary Negotiation

.....

### Overview of Salary and Compensation

Salary is defined as the fixed compensation that an employee is regularly paid by an employer for services. When engaging in salary negotiation, it's important to consider the net value of a job and *overall compensation*. That consists of salary (actual pay) plus other potential benefits including:

<ul style="list-style-type: none"> <li>● Signing bonus</li> <li>● Vacation/flex time</li> <li>● Relocation funding</li> <li>● Retirement funding</li> <li>● Medical Insurance</li> </ul>	<ul style="list-style-type: none"> <li>● Remote work option</li> <li>● Educational reimbursement</li> <li>● Housing allowance</li> <li>● Childcare expenses</li> <li>● Stock options</li> </ul>	<ul style="list-style-type: none"> <li>● Office space/location</li> <li>● Commuting expenses</li> <li>● Access to recreation facilities</li> <li>● Work-related equipment</li> <li>● Performance review timing/frequency</li> </ul>
--	---	---

### Determining Salary Needed Depends on Cost of Living and Budgeting

To know what salary and compensation you need prior to negotiating, you should understand the concepts of cost of living and budgeting.

- **Cost of Living:** The amount of money needed to live in an area that includes key expenses such as housing, transportation, meals, taxes, and health care. \*This can significantly vary depending on where you live.

To calculate, visit: [bankrate.com/calculators/savings/moving-cost-of-living-calculator.aspx](http://bankrate.com/calculators/savings/moving-cost-of-living-calculator.aspx)

- **Budgeting:** A financial plan or strategy to identify income and expenses.

To create a budget, visit: [risla.com/budgeting-calculator](http://risla.com/budgeting-calculator)

### The Importance of Negotiating Salary

A small annual difference in salary can make a significant difference over the course of a career. If you negotiate effectively in terms of salary and benefits, you will make more in lifetime earnings and achieve an overall higher rate of pay. Although in some cases it's not possible to negotiate salary, most employers anticipate that candidates will try. Best practice is to attempt to negotiate your salary. Determining the salary and benefits package that will present you with the standard of living you are seeking is one of the most important factors in long-term satisfaction - both in your professional and personal life.

### Preparing to Negotiate Salary

Before identifying a target salary and engaging in the negotiation process, understand salary ranges for the position, your worth as a candidate, employer practices for determining salary, benefits for the position, and relevant information about your location.

- **Identify jobs that interest you and determine how your skills and qualifications match the opportunities.** Do you have the necessary skills and experience to meet the qualifications and fulfill the job duties?

- **Conduct research.** Identify duties, qualifications, salary ranges (based on job requirements and city/location), and benefits related to your target jobs. Speak with personal/professional contacts connected to your target job or career field and do research via web-based resources including:

<a href="http://Salary.com">Salary.com</a>	Best to use as a real-time information source for salaries in all industries.
<a href="http://Glassdoor.com">Glassdoor.com</a>	Best for finding salary ranges & learning of people’s experiences with companies.
Company Websites	Best for job postings (see HR section of websites) and company mission statements.
<a href="http://LinkedIn.com">LinkedIn.com</a>	Best for identifying relevant companies, people, and professional organizations.
<a href="http://Careeronestop.org">Careeronestop.org</a>	Best to use to find out more about a field that interests you.
<a href="http://BLS.gov">BLS.gov</a>	Best to use to find out overall summaries & salary ranges for target positions.

- **Create a customized salary negotiation strategy.** Your strategy should include identifying your strongest qualifications and professional strengths, data to support your market value (your worth), and target salary amount and related benefits.

### Building Your Salary Negotiation Strategy

Create an outline to identify areas of strength and qualifications to support your candidacy.

Topic	Qualities you possess and your unique selling proposition (what sets you apart from other candidates)
Education	Undergraduate degree, relevant coursework, and professional development related to the industry; also certifications
Skills	Technical or job-specific skills, transferable/soft-skills (communication, teamwork, taking initiative, time management, problem solving, and critical thinking)
Experience	Internships, part-time or full-time jobs, volunteer service, and projects (through coursework or independent/self-directed)
Leadership	Involvement on campus or in the community; leadership roles in an organization or through class projects

### The Process of Negotiating Your Salary

Executing your salary negotiation strategy involves understanding timing, considering the leverage you have, and communicating effectively and confidently.

- **The employer should introduce the topic of salary during the hiring process.** Don’t bring up salary during the first interview. Usually, the employer will introduce the topic during the second interview.
- **Recognize the leverage you have in a negotiation situation.** You may have more leverage if there’s a scarcity of candidates or qualified professionals in your field, the company is experiencing an immediate need, you have a strong resume and experience, there is a financial incentive to hire you, or if you have specific information regarding other employee salaries.
- **Communicate effectively to achieve your desired outcome in your salary negotiation.** Use clear and respectful language, establish your value with factual information, show that you’ve done your research, and illustrate that you can provide tangible benefits in the areas the company most values. Maintain a professional demeanor. Don’t be demanding, rude, or angry.

## Sample Salary Negotiation

Dear Ms. Williams,

Thank you for your offer regarding the account executive position at your company. I'm excited at the prospect of joining your team. Your company's philosophy and the outstanding work you do is precisely the type of environment I'm seeking, and I believe I will be a valuable contributor to your organization. Thank you for sharing the salary and benefits offer with me.

While I'm excited to receive the offer, I would like to explore the possibility of negotiating salary and benefits for this position. I feel that a salary in the range of \$56,000 - \$58,000 is appropriate. This is based on my three previous years of experience in the field, relevant certifications, and professional skill set. Please let me know if you'd like me to provide any additional material to support my proposal.

I look forward to speaking again and am excited about the possibility of joining your team.

Sincerely,

Laila Velasquez

## Salary Negotiation Best Practices

All situations are unique, but overall salary negotiation best practices include:

- Focus on your value; what you can offer the employer
- Consider total compensation (salary and all related benefits)
- Negotiate with rationale, don't demand without context
- Know the laws in your state related to disclosing salary history
- Be strategic, don't reveal past salary history or what you'll accept
- Consider your competition (is there demand for qualified candidates or an oversupply?)
- Understand other factors including how position fits into your long- and short-term career goals, daily work activities, opportunities for advancement, ability to advance skills and experience, impact of job on your lifestyle, stress related to new job and/or transition, values of new company, and compatibility with your values
- Know there are no guarantees, and you may not be able to increase your salary later (raises, promotions, etc.)



Roosevelt Hall  
401-874-2311  
uri.edu/career