NEW YORK STATE

SALARY NEGOTIATION GUIDE

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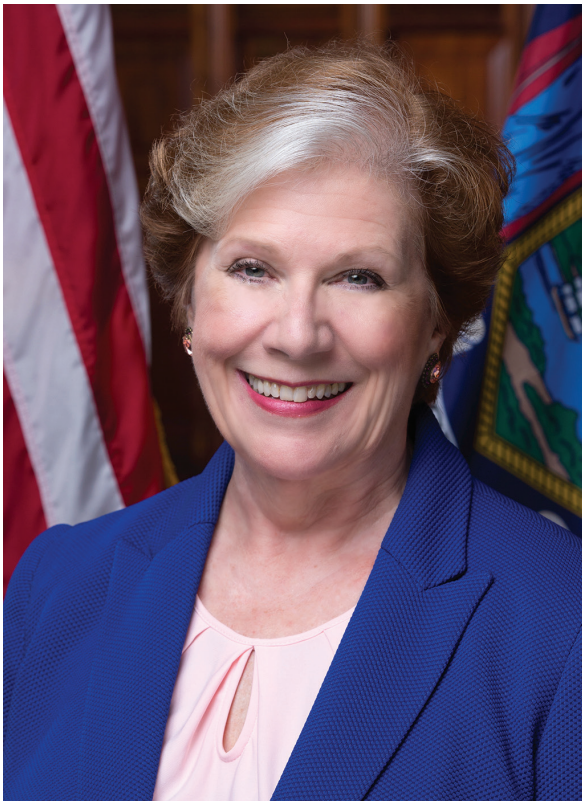
NEW YORK STATE OF OPPORTUNITY. Department of Labor

MESSAGE FROM STATE LABOR COMMISSIONER, ROBERTA REARDON



Salary negotiation is an essential part of any job interview process. This is especially true for women as we work to close the gender wage gap in New York State, leading the way for the rest of the nation.

Why is it so important? Because if women start out making less than their male counterparts, the difference compounds over time.

We know a lot about this issue because it was raised many times during our gender wage gap study in 2017. I was so proud to co-chair this project, at the direction of Governor Andrew M. Cuomo, with Lieutenant Governor Kathy Hochul. We brought together a panel of diverse leaders and facilitated numerous public hearings and meetings across the State to engage representatives from women's groups, academic experts, workers, advocates, business leaders and educators. They shed light on the pervasive inequality rooted in the gender wage gap facing women in New York State.

The hearings, gathering of personal stories and extensive research culminated with the publishing of "Closing the Gender Wage Gap in New York State" in April 2018. Our report focused on real solutions and set a path forward for addressing the gender pay gap in New York.

Thanks to Governor Cuomo, New York State is on the forefront of closing the gender wage gap, but more remains to be done. New proposals and actions are being developed and implemented to help ensure equal rights–including the right to equal pay for equal work–prevail in the great State of New York.

In fact, one of our key recommendations to help close the gender wage gap was to create this Salary Negotiation Guide to give women the confidence to successfully negotiate their salaries and benefits during the hiring process and during their continued employment.

This guide will examine negotiation practices during the interview, how long to consider the offer, when to approach the topic of asking for a raise in your current job and additional resources for up-to-date salary information.

You can do this! And together, we will help end the gender wage gap, one negotiation at a time.

Roberta Reardon
New York State Labor Commissioner

If you are collecting Unemployment Insurance benefits, you must be ready to accept “suitable work” while you collect benefits. While we encourage you to negotiate for fair and equitable compensation, it is important that you know the requirements and how they can impact your Unemployment Insurance eligibility before declining an offer. Please visit **https://labor.ny.gov/ui/claimantinfo/work-search.shtm** and consult your Claimant Handbook for more information.

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INTRODUCTION

THE IMPORTANCE OF SALARY NEGOTIATION

We cannot overstate the significance of negotiating your salary; failure to do so has financial repercussions for individuals, families and businesses. If you leave thousands of dollars on the table because you chose not to negotiate, it will affect you for the rest of your life.

In many cases, employers at your next job will base your salary on your current or previous salary. It's why you may still get asked about your salary history. Although this is frowned upon and, in some cases against the law, employers are gauging what it will take to get you into a new role, your salary expectations and requirements and whether they'll be able to afford you. If you were underpaid in a previous position, chances are you'll continue to be underpaid in the future. In 10 or 20 years that amount adds up and compounds – unless you negotiate. Experts say it is imperative you get the maximum amount possible for any job because it will have a sustained and positive impact on your financial future. Thinking about this ripple effect may help you see how important a successful salary negotiation can be.

NEGOTIATING ON EQUAL GROUND

Depending on location, experience level and industry, the gap between what men and women earn will differ substantially–and the gap is far more pronounced with race. One of the contributing factors is that women are less likely to initiate or negotiate salaries than their male counterparts. A Glassdoor survey found that more than two-thirds of women accepted a salary without negotiation, while this was true for only half of men. According to researchers, many often feel guilty about asking for appropriate compensation and negotiating.

Instead, we all must push outside our comfort zone and make salary negotiation a mandatory step in the job interview process. In her book *Lean In*, Facebook Chief Operating Officer Sheryl Sandberg writes of the negative ways society perceives women when they negotiate–that they violate a "perceived gender norm." This is a common perspective from both men and women.

By not negotiating salaries and benefits up front, you will suffer financial cost throughout your lifetime. Fear of asking for a promotion or a project that could lead to advancement in your career may negatively affect your ability to be independent, own a home or take care of your family. In *Knowing Your Value*, Mika Brzezinski observes, "knowing how to speak up authentically when feeling less-than empowered is something all of us must learn to do in the workplace.

NEGOTIATING FOR YOUR FUTURE

Negotiating can be a daunting experience and even viewed as taboo as money is often an uncomfortable subject to discuss. However, negotiations will be a part of your future whether you're building your career or established in one. It's the start of a long-term relationship between you and a potential employer.

The key is having the confidence and skill to approach the subject to benefit both you and the organization for which you are or will be working. This three- or four-minute discussion could lead to a lifelong benefit you might not have been expecting.

NEGOTIATING THE UNCOMFORTABLE

When you're about to be offered a position, anxiety might creep in because it means you're about to have the dreaded salary discussion. For some, discussing salary can be debilitating. It's a discussion that is rarely comfortable and where your financial future is at stake and could suffer because:

- You fear that the employer will either withdraw or reduce the offer
- You don't want to come across as demanding or inappropriate before your start
- You underestimate or doubt your self-worth

It's normal to have these concerns. The good news is that most employers expect you to ask or negotiate your salary. They know you are working to put food on the table and pay bills, and so there is an unspoken expectation you will stand up for yourself and put your needs on the table. Through this process, not only are you showing interest in a position, you're also putting your needs and job satisfaction to the forefront.

You've come this far in the process–it means the employer is invested in you. They think you are the best candidate for the job and are as much interested in you as you are in them.

If you negotiate realistically, it's very unlikely an employer will withdraw or reduce an offer because you asked. Your goal is to be compensated fairly based on the market value of the work you do.

Remember, this is a lifelong benefit you are negotiating. Your approach to the entire process will have a major impact on your career and personal life, whether you are in the private or public sector.

The following pages will outline how and when to negotiate effectively.

BEFORE YOU NEGOTIATE

Before you negotiate, ask yourself this question: “have I done my homework?” If you enter into any conversation about salary, without doing a substantial amount of research, you may appear entitled or come across as uninformed about the reality of the industry. You are potentially setting yourself up for failure and for ruining your professional reputation. If you really want this job, you need to be prepared to work for it. This will pay off in the end. Here are five things that will help you to negotiate better.

RESEARCH THE COMPANY OR ORGANIZATION

Research a company’s location, size, and length of time in business. Find out what people are saying online and what the company pays their employees. By doing this, you get a feel for the appropriate range for the company. The last thing you want to do is undervalue yourself. For example, you don’t want to ask for $55,000 while everyone else there makes $70,000.

RESEARCH SALARY TRENDS

A simple Google search will reveal salary trends for the position and similar positions in the region.

KNOW YOUR WORTH

Consider what your market rate is, based on your level of experience, qualifications, and the unique value you would bring to the company. These are all important ingredients in providing a realistic range to an employer and can impact how much you are offered during your negotiation.

HAVE A REALISTIC SALARY RANGE

A range usually provides better results than fixed numbers. It is based on what the industry in that area pays for the position being filled. It’s not based on what you would like to receive. Providing a realistic range will give you more flexibility when you negotiate. You never want to be out of range – either too low or too high.

KNOW YOUR MINIMUM

You can’t negotiate without knowing the lowest amount you need to maintain your lifestyle. This is called your minimum. It is based on needs, budget, and personal lifestyle. If your minimum is $55,000 and an employer offers you $53,000 but allows you to work from home a portion of the time, it may offset the difference. Based on additional benefits, you can change your minimum on how your expenses are recalculated.

If you are an hourly wage employee, the same principle can apply. If an employer insists on making you a low offer, an offer that you know to be below the going range for that type of job in that area, you may want to think twice about working for them.

Ideally, the minimum you negotiate will allow you to save money and/or meet career, financial, or personal goals.

SALARY NEGOTIATING: RESPONDING TO AN OFFER

An employer finally extends an offer to you. Congratulations. This is your best time to consider all aspects of the offer, including additional questions you may have.

Here are a few things to keep in mind:

SHOW ENTHUSIASM

When you receive an offer, express excitement and interest in the job and your desire to discuss salary and benefits.

ASK FOR REASONABLE TIME TO CONSIDER THE OFFER

Never accept an offer immediately. Thank the employer and ask for a reasonable amount of time to consider the offer, for example, 24 or 48 hours, and stick to it. Be sure to factor in holidays and weekends into your timeline. Inquire whether you can call back in case you have more questions. It's usually better to promise a response before a specific time and date. Most employers expect you to take time to consider. This gives you time to review the offer in its entirety.

GET YOUR OFFER IN WRITING

Whether your offer is initial or final, make sure you get the offer in writing before you commit. This way there can be no questions about everything that is included in the package.

LEAVE EMOTIONS OUT OF IT

Take time to make an informed decision, including the factors listed above. Consider asking a trusted mentor, family member or co-worker for advice. Then, gracefully, accept or decline the offer.

THINK ABOUT THE ENTIRE BENEFIT PACKAGE

When considering an offer, think about the entire benefit package, not just base salary. Be prepared in advance with questions and focus on what will bring you greater value in the long term. It's easier to negotiate non-salary benefits. These could include:

- Commissions and bonuses
- Work schedule and/or telecommuting options
- Childcare benefits (access to programs or discounts)
- Commuting costs
- Paid time off (vacation, sick time)
- Insurance (health, dental, vision, life, disability, etc.)
- Retirement benefits or plans (401(k), pension, etc.)
- Tuition reimbursements and/or student loan repayment
- Equity in a company
- Wellness programs (gym memberships, etc.)

WHEN AND HOW TO DISCUSS SALARY

DISCUSSING SALARY IN A NEW POSITION

Experts say you should discuss salary:

- When an employer makes you an official job offer
- During the first interview

Traditionally salary discussions begin when an offer is made and you counter that offer. This is a more traditional form of approach and usually works well for entry-level or lower-paid positions. However, in an era of information transparency, it is acceptable to begin the salary conversation during the first interview (not when a hiring manager calls to schedule the interview). In most cases employers expect you to do so. It may be appropriate to ask at that point:

> *Can you tell me the salary range for this position?*

By asking the salary range upfront you are letting the hiring manager know you're interested in the position and you have a salary figure in mind.

It's better for everyone to know sooner rather than later if you are all in the same ballpark. If they cannot make that number, you don't want to waste their time or yours, to find out you can't afford to take the job down the road. For example: You've gone through two rounds of interviews, submitted writing samples and finally hear back. Then you get a job offer for $50,000. Unfortunately, your minimum is $55,000, and you can't accept the position.

Avoid placing yourself in a situation like that, especially when you are negotiating for higher-paid positions. By the time negotiation comes around, chances are you've been through multiple interviews, perhaps traveled long distances or flew to a different state. Some companies even ask you to create a project or produce sample work within a short time period. In these instances, you've invested your time, money and creativity as part of the interview.

There are situations where an employer may not be willing or able to discuss salary so soon. If that's the case, then ask again in a follow-up interview. Begin by reiterating your interest in the position:

> *I'm very interested in the position. I'm wondering, are you at liberty to discuss the salary?*

If they are still unwilling, you may reconsider working for that company. However, in most cases, employers expect you to ask during the first interview.

WHEN THE EMPLOYER INITIATES A SALARY DISCUSSION BEFORE MAKING AN OFFER

If you feel more comfortable waiting until later in the hiring process to discuss salary, you still must be prepared to answer a question about your salary requirements if the employer initiates a salary discussion before making an offer. Two potential responses are outlined below.

> *Thank you for asking. Would you mind telling me the salary range for this position or similar positions within your organization? My requirements are negotiable and I'd like to consider those ranges before giving an exact number.*

This example puts the question back on the employer to give you a range. Based on the salary figures the employer mentions, you can counter with your expected salary range in a more direct approach

> *I want you to know I'm very interested in the position and believe I'd be a perfect fit for both the job and the company. I'm looking to make between $55,000 and $65,000*

By using a more direct approach, you are giving your salary range while showing your interest and willingness to negotiate. Keep in mind the employer will see your given range as your ceiling and could try to negotiate down. Base your range on your research and never accept less than your minimum.

DISCUSSING SALARY AFTER AN OFFER IS MADE

If you're not pleased with an initial you can ask:

> *Is the salary negotiable, and if so, what is that based on? Is it based on years of experience, education, achievements, community service, or other criteria?*

Follow-Up:

> *How do you determine what someone is paid within that range?*

Asking these questions allows you to understand how to position yourself when that salary negotiation takes place. For example, if an employer says the range is based on experience, have a document that outlines your experience and be ready to discuss them.

WHEN OFFERED AN AMOUNT BELOW YOUR MINIMUM

You get the offer and you're very excited. You see that it's $65,000 and you know you need $70,000 to accept the position. You must be realistic about your minimum salary. One of the first things you do is ask to speak to the hiring manager or person with whom you interviewed. It should be the person who has decision-making authority. An example of your phone conversation would be:

> *I am very excited to know you have selected me for the position and am absolutely interested in joining your team. However, the salary is lower than I need in order to accept.. Is there any potential for increasing that salary?*

You may also inquire about additional benefits that may off-set the minimum salary, for example, a flexible schedule two days per week to help you save on childcare costs.

The employer may decline. If there is no opportunity to negotiate and they are clear on that, you have to be prepared to say:

> *Unfortunately, while I would really like the opportunity to work for the company, I'll have to turn down this job offer. If there is another position with a higher salary range, I would greatly appreciate being considered in the future.*

IF THE OFFER IS SLIGHTLY ABOVE YOUR MINIMUM BUT NOT YOUR IDEAL AMOUNT

In another example, let's say the offer came in at $60,000. It's above your bare minimum of $55,000, but still not at the $65,000-$75,000 range your research showed is appropriate for the position.. You're not considering walking away, but what you could say is:

> *Thank you very much for the offer. I am very interested in the position. However, I was hoping the salary would fall within the $65,000-$75,000 range and would really like to be able to speak to you about the potential of moving closer to $65,000.*

Building on this scenario, if the employer comes back and offers only $60,000 again, you could say:

> *Can we meet half-way at $62,500?*

If they decline again, think about asking for additional vacation time or other benefits to compensate for the gap in salary.

PREPARATION

Preparation helps you to negotiate more effectively so that you are fairly compensated. As you gear up to present all your requests during the salary negotiation, remember to establish (and periodically re-state) your value to the company or organization. This means showing a commitment to the future success of the company, writes Chris Voss in How to Crush Your Salary Negotiation. When the company asks, "what's in it for me?" your answer should demonstrate what you can do to help them and the benefits you bring to that company. This is the perfect time to get your personal elevator speech ready.

> *My resume shows a proven track-record of improving client relationships. What it doesn't capture is my passion for customer satisfaction. For me, the customer always comes first. Sales skyrocketed wherever I've worked – because a happy customer is a repeat customer. I'd like to show you that your investment in my unique skill set is an investment in the long-term growth and the future success of your company.*

Your response should focus on the company's specific goals/vision and this can only be done if you do the necessary research. You are telling them how your unique skills, qualifications, and experience will bring added value to the company if they hire or retain you.

NEGOTIATING A RAISE IN YOUR CURRENT POSITION

Many people are afraid to ask for a raise in their current job. Deciding WHEN to have this conversation with your manager is important, as you can miss an opportunity to advocate for yourself. For example, if you are consistently a hard worker, make sure your supervisor knows about your success and that you educate yourself about potential promotions.

When asking for a raise, first make sure you are prepared to prove why you have earned it. Present your responsibilities and show how they've changed from when you started receiving your current salary. Articulate what more you could do or what other value-added duties would offset costs. Explain how these added duties justify a salary increase. Research what other people in similar positions are doing and make sure what you're asking isn't out of line.

HOW LONG TO WAIT UNTIL YOU SHOULD ASK FOR A RAISE

First, ask yourself if you have accomplished enough. If the answer is "yes", you can bring it up during your annual review after you have been in your current position for one year. This is the most appropriate time, but after you've been in your current position for six months is also acceptable if you can show specific results.

Another opportunity is when you are given additional responsibilities. For example, your manager may ask for assistance on special projects. This opportunity could be a temporary one and a chance to gain more skills and demonstrate your value. If the additional role still requires you to perform existing tasks, you may say:

> *I would really be interested in taking this on, but it appears it is going to result in additional preparation work for me, which I am excited about. Is there an opportunity to discuss maybe getting additional pay for this particular work, because I am going to have to devote more time to make that happen?*

Although it may just be a shift in responsibilities, it could also mean additional work. For example, your boss might ask you to train staff in addition to your regular duties. Can you argue that training staff involves prep time on the weekends or at night? You should ask yourself what it's taking to do this additional work, compared to just doing your regular work in the past.

The longer you do extra work without advocating for yourself and speaking with a manager, the more it becomes a part of your day-to-day function. It may be hard for a manager to justify giving you a raise if it's a year later, and you never spoke up from the beginning or if management wasn't aware of your additional responsibilities.

SALARY NEGOTIATION TIPS

PRACTICE

Remember to practice. Practicing boosts your confidence and helps you stay calm and consistent during negotiations. Bring notes with you in case you forget or get nervous.

DON'T NEGOTIATE OVER TEXT MESSAGING

Never negotiate over text messaging. It is viewed as disrespectful and irresponsible and shows a disregard for the process. Even if you have a good relationship with an employer it's more powerful to negotiate in person or over the phone, if necessary.

NEGOTIATE IN GOOD FAITH

Always negotiate in good faith. This means only negotiate if you are seriously considering accepting the job. Let the employer know if you are no longer interested. It's considered unethical if an employer meets all of your terms and yet you still reject the offer.

NEGOTIATE THE ENTIRE PACKAGE AT ONE TIME

Present all of your requests, needs or concerns all at once, along with the importance and priority of each. Otherwise, you risk frustrating the hiring manager and cause unnecessary delay with your multiple requests.

BE CLEAR ON THE SPECIFIC PARTS OF THE OFFER YOU WOULD LIKE TO NEGOTIATE

Be clear on the parts of the offer you would like to negotiate or improve upon. It shows you have considered all aspects of the offer, including what is important for you in your life and career.

STICK TO YOUR DEADLINE

Always respond with your final decision before an agreed-upon deadline expires.

DON'T USE ARBITRARY NUMBERS

Know why you're asking for a specific salary and be able to defend it. It empowers you when you are having this discussion with the hiring manager. If you need $70,000 to offset the cost of daycare it may be easier for hiring managers to bump your salary if they know the reason why you are asking for that specific amount.

DON'T BE TIMID

Don't be timid. Learn to speak up and push your comfort level but be professional and courteous.

AVOID ULTIMATUMS. BE POSITIVE.

Never give ultimatums or threats. It's far better to remain positive. Begin your discussion with:

> *I'm extremely excited to know that you have selected me, and I'm very interested in joining your team. Is there any room to discuss?*

At this point bring up any part of the offer you'd like to negotiate.

BE PATIENT

Delays are common during the negotiation phase. One way is to avoid this is to clarify from the beginning what the timeline will be and whether you can do anything to help move things along.

DON'T BE DEMANDING

Avoid demanding requests throughout the process. . Instead, ask. If an employer has gone through the process to get to this point, they're less likely to walk away over a relatively small amount of money. So be polite, professional, and respectful.

ADDITIONAL RESOURCES

New York State Department of Labor offer a wide range of job search tools to help with your career development. To locate the nearest career center, visit us at **https://labor.ny.gov/career-center-locator/**. To find the most current and accurate wage information, visit us at **https://labor.ny.gov/stats/index.shtm**

JOB SEARCH WEBSITES

Consulting websites, such as the third-party websites listed below, can aid in your salary research.

Glassdoor
www.glassdoor.com/salaries

Salary.com
www.salary.com

LinkedIn Salary
www.linkedin.com/salary

SalaryExpert / Economic Research Institute
www.salaryexpert.com

PayScale
www.payscale.com/salary

Indeed
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