Negotiating a Job Offer

Negotiating a salary can be intimidating, but preparing yourself and doing some research ahead of time can make it less so.

By negotiating a fair salary, you set yourself up for better earnings down the road, since future raises will be based on your starting salary. That said, don't stress about it too much; everyone has to start somewhere.

**STEP 1: BEFORE YOU GET AN OFFER**

1. Get an idea of what you need to earn.
   - Track your spending for a few months to see where your money goes. Identify expenses you could reduce or eliminate. What's the minimum you need to live on?
   - Use CNN's Cost of Living Calculator to see what a given salary in one city equates to in another city.

2. Research the Position and Salary Range
   - **Aspects of the job**
     - Key Responsibilities – What does a typical day look like? How much time will you spend working alone, in meetings, creating new things, etc.
     - Challenges – What challenges do they expect someone in this role to encounter? Are there opportunities for growth? Do you find them exciting? Is this a good fit based on the culture and environment?
     - Values – Does the company's values align with yours? What is the reputation of your supervisor? Do you know what kind of team you'll be working with? What is your location and travel like?
   - **Research the salary range for this role by industry, job title, or location**
     - Online resources:
       - Bureau of Labor Statistics (BLS)
       - Glassdoor
       - PayScale
       - Salary.com
     - Talk with individuals who work in this industry to validate your research. Ask for their take on the data you found, not specifically their salary.

3. Get Clear on What You Want and Need
   - **What are my must-haves in a job?**
     - What is most important to you in the next one to three years?
     - What are your values? What needs must be met? What motivates you?
       - Consider: job security, salary, quality of work, flexibility, team environment, opportunities for growth, etc.
   - **What are my deal-breakers?**
     - What aspects of the job are non-negotiable? Be honest.
       - For example, traveling 50% of the time for work would be a deal-breaker.
     - What trade-offs could I accept?
       - For example, if I were offered more money for more travel, would the trade-off be worth it?
4. Establish a Salary Range with the Employer

- **Current salary**
  - If they ask what is your current salary, don’t answer directly but restate that you’re trying to find the right fit. If pressed, be sure to include all perks and bonuses in your current compensation (such as car or cell phone allowance, mileage, etc.).
  - “What salary are you looking to make?”
  - Share how you are looking to progress in your career. If pressed, share your salary research as a range. Reiterate that you will consider all aspects of the offer, not just salary.

**STEP 2: RECEIVE AND EVALUATE AN OFFER**

1. What To Do When You Receive an Offer
   - Show excitement about the position!
   - Ask for the offer in writing so you can review and document it.
   - Ask when they want an answer. If you want or need more time, ask for it, within reason. Typically, 24 to 48 hours is a reasonable time to consider an offer.

2. Consider Total Compensation
   1. Base Salary
   2. Bonus Pay if any
   3. Paid Time Off (PTO) or vacation
   4. Stock (or Equity) - Questions to ask: Would you own the full value of the shares (“be vested”) right away, or do you have to wait five years? What happens to your shares if you leave before you’re fully vested?

3. Evaluate Total Compensation
   - Are you being offered fair market value in base pay (salary)?
   - Compare to your must-haves and trade-offs:
     - Does the total compensation support your needs and growth?
     - Do you believe in the product or service the company offers? What is the company reputation? Do they share your values?

**STEP 3: NEGOTIATE**

1. Prepare a Counter-Offer
   - Come with research that backs up your statements and questions.
   - Present other options
     - For example, if they turn down your request for a higher starting salary, ask if they would agree to give you a performance review with the possibility of a raise in six months instead of a year. Get any such agreements in writing before you accept.
   - Ask about the value of the medical and retirement benefits

2. What to Avoid
   - Don’t be unprepared or unrealistic. Do your research. Recognize that your wishes and the company’s may not match up.
   - Don’t make it personal. Settling on a salary is a business decision for you and for them.

Reference: Christine DiDonato, Negotiating Your Job Offer
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