

Negotiating Salary in a Bad Economy

Despite lagging consumer and business confidence and Thursday's dramatic market tumble, Friday's unemployment report demonstrates that some companies are still hiring. The U.S. created a net total of 117,000 non-farm jobs in July, notching the unemployment rate down one tenth of a percent, to 9.1%. Some sectors like technology are even struggling to fill all their open positions. In fact the private sector created 154,000 new jobs last month, offset by the elimination of 37,000 government jobs, mostly at the state and local level where budget shortfalls have prompted cuts.

In other words, despite the debt ceiling bill's dampening effect on the employment picture, job seekers continue to land new positions. Though it might seem a strange time to release a book on how to negotiate salary, it's worthwhile to bone up on the latest thinking about strategies for landing the best possible compensation package. A compact and entertaining new book by Wired's associate director of marketing, Jim Hopkinson, *Salary Tutor: Learn the Salary Negotiation Secrets No One Ever Taught You*, lays out some of the basics in an engaging style.

The best part of this slim volume is Hopkinson's personal story about how he went from college grad with a degree in Computer Information Systems to unpaid intern to clerk in Staples' computer department, on to several more jobs that culminated in his current post in the marketing department at Wired, a division of Conde Nast. He peppers his narrative with first person anecdotes about his career decisions, and lessons he's learned.

The most novel aspect of Hopkinson's approach: he recommends preparing a single-page document he calls the IRS, or Industry Research of Salaries, that takes into account salary data from websites like Salary.com, Payscale.com and Glassdoor.com, and from personal networking. He even suggests candidates hire a designer to prepare the IRS sheet, which would graph the salary range for a position from low to high, and list details about achievements (including years of experience and skills like "accomplished speaker"), specifics about the job (eg. Seattle area, manage a team of 3) and information resources that the salary information sources.

To me, this exercise seems like overkill. By all means, candidates should do plenty of homework and research the salary range for a position in advance. They should also give serious consideration to salary goals and limits, and what sorts of perks, like vacation, benefits and flextime, they would be willing to trade for money. But the most important rule of salary negotiation is the one Hopkinson notes in another chapter: The candidate should not be the first to name a number.

Hopkinson helpfully covers how to fill out applications that try to force job seekers to name a number. In the blank where it says "previous salary," he recommends writing, "competitive." Where an application asks for desired salary, write "negotiable." Hopkinson advises that even when applications say, in all caps, "APPLICATIONS THAT DO NOT INCLUDE FULL SALARY HISTORY WILL BE DISCARDED," do not fill in the blank with a specific number. The way around this demand is through networking. Find someone at the company who can put your application into the hands of a hiring manager.

Hopkinson also includes some helpful suggestions on how to answer salary questions in an initial interview. When the human resources rep asks about your desired salary, you can say, "Well, I've actually done a fair amount of research while preparing for this interview... what I found is that there was a pretty wide range depending on a number of factors, and I'd really need to have the full picture of all the responsibilities before I know what that range is."

A creative response to the what-were-you-making question: "Well, the reason I didn't list my previous salary on the application is that I've been freelancing since I was laid off, and the compensation for that would equal \$200,000 if you calculated it annually." Hopkinson also points out that at most large companies, employees are issued policy handbooks that include the instruction that employees should not share sensitive company information with the public. If the HR rep presses you and says she can't move you on to the next interview without knowing your current salary, you can say, "I'm sorry but the employment contract I'm under with my current employer does not allow me to reveal my compensation. However, I'm sure that when the time comes to discuss salary, we won't have a problem settling on a number we can both agree on."

For Hopkinson, the crucial stage of the salary negotiation process comes after the potential employer has named a number. He recommends that candidates always try to push the offer higher. One strategy, when you're offered a range, is to take the top number in the range and then just repeat it and add the word "hmmm." So if you're told the position is budgeted at \$65,000 to \$75,000, your response would be, "\$75,000, hmmm." Hopkinson encourages candidates to push for a higher number, while emphasizing their experience and accomplishments. Negotiate for perks like title, benefits, bonuses, vacation and period salary reviews.

Reading through Hopkinson's book, I noted the two stories we've run on salary negotiation. I think he'd agree with our tips. Here are two slide shows on the topic, with a total of 16 pointers.

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