



Compensation Negotiation: Salary and Benefits

The amount you are paid and compensated at your job is a reflection of your value in the workplace. However, far too often, women are underpaid, undercompensated, and therefore undervalued compared to their male counterparts. The gender wage gap exists for many reasons, but part of it can be attributed to the fact that women, on average, negotiate their salary far less often than their male colleagues.

Negotiating your salary and compensation is intimidating and daunting for many women and men but is nevertheless a vital skill to practice at any point in your career. Women face unique challenges when it comes to negotiating, because societal expectations have long pushed women to act agreeable and compliant. Women are too often viewed as unlikeable and demanding when they ask for what they want.

Women also have a tendency to underestimate their professional value and often have been socialized to avoid assertiveness, which is an essential quality for a successful negotiation. These obstacles make negotiating more difficult, but no less important for women. In fact, they make negotiation skills all the more important for women to master. With enough preparation and practice, negotiating your salary and compensation will become a little easier and less daunting.



The Importance of Salary Negotiation

Linda Babcock, author of *Women Don't Ask*, studied the starting salaries of Carnegie Mellon MBA graduates. She found **only 7% of women negotiated their salary while a staggering 57% men of men did**. Those who did ask for more money (most of whom were men) received a 7% increase in their starting salaries (or just over \$4,000).

You may not feel comfortable asking for more money, but that doesn't mean you shouldn't ask. It's better to ask the question than wonder if you could have negotiated a better offer.

Here are some reasons why you should always negotiate your salary, whether you're at the start of your career or a seasoned executive:

- **Negotiating your salary gets you a lot more income, both now and over the long haul:** Negotiating your salary before accepting a job is consistently shown to increase the amount you earn at that job and in the future. Over time, those numbers add up. Research shows that executives who negotiated their first salaries out of college stood to make over \$500,000 more over their working lives than those who did not.
- **Your current salary will follow you to your next job:** In today's job market, one of the first questions often asked on a job application concerns salary history. By not negotiating your current salary, you are lowering the number that you'll get to show your next employer to evaluate your prospective pay in that job, and so on down the road. If you negotiate for more money, your next employer is more likely to pay you more as well.
- **Negotiating salary shows an employer that you know your value:** Negotiating your salary shows your employer that you are capable, confident, and comfortable with what you have to offer. Those skills are the same skills that your employer will value when it comes to increasing your level of responsibility, trusting you with key clients, and promoting you into leadership positions. As the old saying goes, no one will know your worth unless you do.
- **You never know what you might get unless you ask:** Unless you ask for what you want — whether that's money, perks, benefits, or responsibilities on the job — you're unlikely to get it.



Negotiating your salary benefits your current career positioning, your future career trajectory, the women you work with and mentor, and the pay gap as a whole. And while the money is important, the benefits of successfully negotiating your value are also priceless to your self-esteem. Learn to negotiate your salary and your entire career will be better for it.

Salary Negotiation During a Job Offer

When to negotiate your starting salary

There are some jobs where the pay rate is set in advance and thus the salary is non-negotiable. Some of the jobs which tend to have a fixed pay rate include:

- Retail, customer service, and low-level hospitality jobs
- Hourly positions
- Entry-level jobs
- Union jobs
- Government and civil service jobs
- Jobs at large companies with a structured compensation plan (in this case, you may be able to negotiate a higher amount within a range)

However, many jobs, especially mid-career to high-level jobs, have negotiable salaries. Compensation may be part of a salary range, or it could be based on the candidate's skills, experience and qualifications. **It is crucial to be prepared to negotiate your compensation before you are offered a job.** The best time to prepare is during the application process.

How to negotiate salary during a job offer

1. Do your research

Before your first interview, do some research into salaries within the company or in similar positions. Search on the internet for company review websites (like [glassdoor.com](https://www.glassdoor.com)) and look at comparable titles within the company. Then, look at the salaries of similar jobs to what you're applying for. Use salary research tools like [The Salary Project](https://www.salaryproject.com) to look at salary data across industries, job titles, and years of experience.

Keep in mind that location is often a major factor in salary. Jobs in bigger cities usually have higher salaries because the applicant pool and cost of living are generally much higher. Also note how unique the role is—is this a common position where many people do the same work? If so, there's probably less room to negotiate than, say, a specialized position.

Next, evaluate your own qualifications as it related to this new role. Make a bulleted list of the things you've accomplished and compare those to your original job description. Have you exceeded expectations? If salary is commensurate to experience and qualifications, this type of self-reflection is crucial to your own salary negotiation.

After completing this research, decide on your desired salary that you will request. You will want this to be higher than what you would consider the minimum salary you would accept – but within an acceptable salary range for the position – in case you receive a counteroffer that might be lower.



For more on how to calculate your desired salary, read this article:

<https://www.careercontessa.com/advice/desired-salary/>

2. State Your Desired Salary

This is where men and women tend to differ. When asked what their desired salary is during a job interview or application, men often give a distinct number based off of market research and self-evaluation. Women tend to give an unconfident version of what they'd settle for. If you've done your market research and you've taken the time to validate what you bring to the table, **state your requirements in a concrete fashion, then explain why you feel this number is appropriate.**

When the interviewer asks if this number is flexible, simply state you would be able to reassess once you've seen the entire packaged offer. **Keep in mind, your “package” could include any of the additional compensation benefits and perks covered in the [Negotiating Benefits](#) section below.**

3. Counter After the Job Offer

If you are offered the job, this is the crucial part of the salary negotiation where you have the most leverage. **Once you've received an initial offer, you have some serious negotiating power.** The employer wants you, and they'd rather find a compensation package you're happy with than start the search all over.

Feel free to counter for more money if they've offered less than your original salary requirement. However, stay within reason. Keep your counter offer proportionate to the initial offer. If they have no flexibility in cash resources, appeal for more compensation benefits and perks.



TIP: How to quickly estimate your salary – If you're presented with an hourly rate during an interview, an easy formula for estimating your equivalent annual salary on the fly is to double your current hourly wage and add three zeros to that number.

Example - \$15/hr X 2 + three zeros ≈ \$30,000/yr

4. Review the Offer

Once you reach an agreement, be sure to thoroughly review your offer letter, sign it, and return it within 24 hours.

However, know that you don't have to take the job. If there is no way that you and the employer can come to terms on a salary and reasonable compensation package that is agreeable to both you and the company, you can politely decline the offer and continue your job search.

Negotiating Benefits

Sometimes the salary is not negotiable (but make sure you ask!). Sometimes even when salary negotiation is an option, the final offer isn't what you initially hoped. However, many of us don't realize that a company's standard benefits package **is** usually negotiable.

Compensation and benefits goes beyond salary. It can include health insurance, paid time off, retirement plans, stock options, remote work and flexible hours, professional development opportunities, and other perks. These benefits can represent up to 30% of your total compensation package. That said, a lot of the big-ticket items that go into your compensation are non-negotiable. For example, you'll likely choose your health insurance plan from among a few options that are pre-determined by your employer.

It is important to take the time to review what you're offered to make sure it is what you need at this stage of your working life. If you're not sure about the benefits that are offered, ask for additional information or clarification. If you're reviewing multiple job offers and trying to decide which one to take, evaluate both compensation packages and compare to see which comes out ahead.

Compensation benefits and perks you may be offered with a job include:

- **Vacation and Sick Time** – Increased paid time-off can be an easy sell when it comes to negotiation. It doesn't hurt to ask whether you can increase your vacation time by a couple days more.
- **Retirement Plans** – Not all retirement plans are created equal. A great retirement plan can significantly increase the value of a job offer. Employer match, vesting schedules, and investment options are some important factors to consider. Inquire about how much of the benefit costs are provided by the company, and how much you are expected to contribute. If there are a variety of options available, request copies of the plan descriptions so you can compare benefits packages.
- **Stock Options** – Stock options give employees the ability to buy shares of company stock at a certain price, within a certain period of time. They can be lucrative, especially in growing industries. When considering or comparing a compensation package with stock option benefits, be sure you understand exactly how stock options work and what they might be worth in the future.
- **Flexibility and Company Culture** – Many of us with small children, elderly parents, or other personal considerations need flexibility in our schedules. To some of us, the ability to work a schedule that isn't a typical 40-hours-in-the-office work week is important.
- **Telework** – Similar to flexible hours, telework or telecommuting allows you to work from a remote location outside of the office. With the growing rise in remote work, you may be able to negotiate a number of days that you can work from home, if your job allows.
- **Educational Benefits** – Many companies offer tuition reimbursement as part of their benefits package. Employees usually pay up front for college, graduate, or continuing education classes. Once the class or semester is complete, the employer will refund a portion of the money spent or the full amount. Aside from tuition reimbursement programs, ask whether you have access to any professional development funds or the ability to obtain certifications required for your job, free of cost to you. Opportunities to attend conferences and seminars are another benefit that some employers offer.
- **An Earlier Review** – An earlier review may not sound like much of a perk – but don't dismiss it. If you can negotiate your first review in six months instead of a year, for example, you might accelerate your first raise or bonus. You will also find out if your own assessment of your goals and achievements matches your manager's.
- **Other Perks** – Gym memberships, free parking, commuting reimbursement, catered meals, free coffee, and other perks can be negotiated.

Here's a simple tenet but one you should never forget: **it never hurts to ask**. When you've received an offer, you have the upper hand. While you may not get the requests you make, this is a prime opportunity for negotiating. Plus, you may find that while there's no leeway for negotiating a higher salary, benefits adjustments are easier to accommodate. Take time to review everything included in a job offer, and if you're wondering whether any of the additional benefits are negotiable, just ask and then tell your potential employer exactly what you want to negotiate.

When all is said and done, make sure to take the time to read and understand the offer and agreed-upon negotiations. To that end, save all communications, including emails. This will avoid any after-the-fact misunderstandings and ensure that you're able to enjoy the benefits you worked so hard to negotiate.

Negotiating a Pay Raise

When to ask for a raise

Asking for a pay raise is a common and normal practice among employees who have been working in a given job for certain period of time. However, asking your manager for a raise can create anxiety, which causes some people to wait for months or even years before asking for a raise they deserve.

The truth is, there's nothing wrong with asking for a raise that reflects the hard work that you do. Nevertheless, there are some approaches and best practices that will always get better results than others. Additionally, picking the right time to ask for a raise is just as important as preparing for the discussion.

A few great times to ask for a raise are:

- **Annual performance reviews** – A natural time for this conversation may be at your annual performance review, when the topic of salary is not only timely, but often expected.
- **After completing an important project** – A great time to ask for a raise is after successfully completing an important project or showing excellent work.
- **When your manager is happy** – Asking for a raise during of a stressful or hectic period will guarantee that your manager is short on time and patience. Wait to ask for a raise until the dust has settled and you have, once again, proven your worth.
- **When your company or organization is in good financial health** – If the company is not doing well, this is not the time to ask for a raise.
- **The end of the fiscal year** – A fiscal year is a 12-month period that companies use for budgeting and tax reporting purposes. At the close of that period (the end of January is common), employers are likely making hiring and compensation plans for the next year.



How to ask for a raise

The first step to asking for a raise is to prepare. Even though your manager has data on the hard work you've been doing, you still need to present your case for why you deserve a raise. Then you need to be prepared to negotiate.

To be fully prepared to make the case for your raise, it is important to understand your worth by documenting your experience and accomplishments, as well as researching what people in similar jobs in your industry make. Here are some tips for knowing your worth:

- **Quantify your accomplishments** – Put a number on your contribution to your workplace. Did you plan three successful events last quarter? Did you train 25 new employees? Did you develop a presentation that's now being used by others? Do your best to quantify the results of your work however you can. If it's possible to put a dollar figure to these accomplishments, do it.
- **Bring documentation** – Don't ask your boss to rely on memory or to simply trust that you're being underpaid when you can bring documentation to show it. For example, if you believe you're being paid below the market rate, you might print out salary information you found on Glassdoor. If you believe you deserve a raise based on merit, you might show data or other successful metrics from your last workplace achievement. This documentation is evidence of your value.
 - Glassdoor's Know Your Worth salary estimator gives you a clear idea of the raise you should be asking for, by giving you an objective figure to compare your current salary against.
- **Show improvement** – If your boss has given you feedback about your work, use it to show progress. Implement the feedback and improve your skills, then follow up, prepared to make the case for your raise.



In addition to being well prepared, it is vital to **communicate assertively** when asking for a raise. When you meet with your manager, demonstrate confidence and poise throughout the discussion. Remember, asking for a raise isn't a demand; it is a strong request, and your research and accomplishments will support your proposal.

Although you don't need to have a script when asking for a raise, you do need to be clear and specific in your delivery and it helps to have a few phrases up your sleeve to help guide the conversation.

- **Be clear** – An easy way to begin a raise discussion is to say something like: *"As I'm looking forward to working and growing with the company, I'd love to discuss my salary."* Or *"I'm interested in discussing my salary, is now an appropriate time?"*
- **Be specific** – Mention your desired salary number and specifically outline how you came to this conclusion. It doesn't hurt to bring a copy of the salary research you conducted, such as your Know Your Worth salary estimate. Be clear about when you'd like your new desired salary to be effective and any other details that are pertinent to your desired compensation.

The way you act during a raise conversation is just as important as the tone of voice you use, so be sure that you **balance confidence, graciousness and enthusiasm for the work you do.**

- **Be confident** – This one is easier said than done, but confidence usually comes with preparation. In addition to the preparation tips above, try practicing the conversation with a family member or friend beforehand. Practice getting the conversation going and your talking points. You'll likely be much more confident with a little practice.
- **Express gratitude** – Expressing gratitude and appreciation for what you currently have at the company is a gracious and professional preface to an ask for more money.
- **Express enthusiasm** – Sharing excitement for your future goals and for the future goals of the company or organization, is a way to show you're invested in doing your job well.

- **Stop apologizing** – Using phrases like “I’m so sorry to bother you,” “I know budgets are tight, but ...” and “I feel bad asking this” steals the focus from your accomplishments and makes your negotiation personal. If you’re in a position to negotiate, remember that you’re not asking for a personal favor. There’s no need to make excuses for your request.
- **Have a backup plan** – If the conversation doesn’t go the way you want, don’t be discouraged. Before the meeting, prepare for a possible “no” by considering other perks or benefits you can negotiate beyond salary. You can also request a follow-up meeting to see if a raise would be possible at a future time.



For more on how to ask for a raise, listen to this podcast:

<https://www.npr.org/2020/12/08/944307129/how-to-ask-for-a-raise-know-your-value-and-bring-the-evidence>

Conclusion

Negotiating your starting salary when you are offered a job and asking for a raise are both important skills to develop throughout your career. Failing to negotiate a higher salary or ask for a raise may cause you to miss out on years’ worth of earnings. When salary negotiations don’t go as planned, don’t forget about the other aspects of your compensation package like paid time-off, retirement plans, educational opportunities, and more. Many times, these additional benefits are negotiable even when salary isn’t.

Learning to negotiate is crucial career advice for women to advance their earning potential and professional success. Avoiding salary negotiations can hold you back in your career, so take time to prepare for these conversations and build your confidence. And remember, if you don’t ask, the answer is always no.