

Salary Negotiation

Career Development Office



Lawyers are trained to be effective negotiators for their clients. However, many law students and graduates report that they feel uncomfortable when it comes to negotiating their own salary and benefits with prospective employers. Discussing compensation can be a delicate process as there may be several points to consider; therefore, it is important to know the rules *before* sitting down with an employer. Doing your homework and exercising your negotiation "know how" is critical to achieving your salary expectations.

The cardinal rules of effective salary negotiation are as follows:

**know your worth/know the market*

**do not discuss compensation until you receive an offer*

**let the employer make a specific salary offer*

Know Your Worth/Know the Market

It is imperative that you research compensation levels--both the employer's and its competitors. In doing so, you will have the facts necessary to negotiate effectively and increase your bargaining power. Performing preliminary research is the only way to know if you are getting a fair offer.

In addition, you must carefully assess your own worth to the prospective employer. Consider your skill-level, years of experience and degree of expertise.

Investigate the firm/organization's track record for making offers. Perhaps the employer consistently makes offers that are lower/higher than its competitors.

Most importantly, you must know your "bottom line" figure. (Keep in mind your monthly living expenses which will be deducted from your earnings.)

Effective negotiation can only be accomplished from a position of strength--**information is power.**

Do Not Discuss Compensation Until You Receive an Offer

Whenever possible, **do not** disclose your salary expectations until you receive an offer and **never** disclose a figure until you have done the aforementioned research. Unfortunately, many employers like to put the ball in your court to get an idea of your expectations. If your expectations are too high, you might price yourself out of a job; too low and the employer may suspect that you do not have a good handle on what the job entails or lack the skills necessary to expect a fair market salary. Either way, you lose out.

If you find yourself in a situation where the employer tells you "we're interested, how much will it take for you to join us?", your best tactic is to try to deflect their attempt to get you to disclose a figure. Consider the following responses:

"Money is important to me, but it is not the most important thing. I'm confident that if we both agree the job's a good fit for me, we can reach an agreement."

"You've asked me several times what I expect to earn. Does this mean you're offering me the job?"

If the employer persists, you may be best served by offering a salary range rather than a specific figure.

"I understand the market value for an associate position at this level would be \$40,000 to \$50,000." Remember your bottom line figure when taking this approach--your bottom line figure should at least reflect the minimum amount you can afford to accept (in this instance, \$40,000 would be the minimum). Offering a salary range rather than a specific figure also communicates that you are flexible. The employer will likely be more receptive to your input.

If you are employed with another firm/organization, the employer may ask you to reveal your current salary. This can be awkward, especially if you're leaving the job because you are being underpaid. This situation can be handled as follows:

"My total compensation package is \$35,000 which is approximately \$5,000 below market value. That's one of the reasons I'm interested in looking for new opportunities."

Try to remember that the interviewer may be looking for signs of discomfort when you address salary matters. Stay calm, maintain eye contact and answer questions as briefly as possible. Talking too much during negotiation may indicate that you are nervous or unsure of yourself--hold your ground.

Let the Employer Make the Specific Salary Offer

Effective negotiation is less complicated when the employer addresses the salary issue first. When this happens there are three possible courses of action: accept the offer, refuse the offer, or ask for something else.

Accepting the offer: If you are pleased with the offer you receive, try to resist the temptation to accept the job on the spot. Instead, express your enthusiasm about the possibility of joining the firm/organization and ask for a couple of days to consider the offer. During that time, you can ask a trusted colleague/friend/career development professional to evaluate the offer and you can explore any unanswered questions or issues that surface. The following response might work in this situation:

"I am very excited about your offer. I'd like a day or two to think it over. I will contact you on Friday morning."

Refusing the offer: If you are dissatisfied with the offer and do not foresee a positive response to your expectations, you should refuse the offer. Be sure to communicate to the employer that you thought it over carefully and appreciate their interest. Be polite and pleasant when turning the employer down--you want to keep the possibility of future employment options open.

Asking for something else: Try to bridge the gap between your expectations and the employer's initial offer. This can be done in many ways. Increasing the salary offer is the most obvious method:

"I appreciate your offer and have thought it over carefully. Although you offered me \$25,000 per year, I was expecting \$30,000 to \$40,000 per year. I've researched similar positions in similar companies and have found that to be the market range."

You have the advantage of knowing the employer wants you. You must be able to express your reasons for believing you are worth the extra money without sounding unappreciative. Salary negotiation is a business deal. Maintain your professionalism at all times regardless of your dissatisfaction with an offer.

There are other ways to bridge the gap between the employer's offer and your expectations. You might discuss the possibility of a three month performance review followed by a salary increase if your work is up to par. Perhaps you can arrange for an annual bonus or incentive plan which could increase your annual earnings. Consider your benefits package too. An offer that includes medical insurance, a pension or 401K company matching program, profit sharing, etc. may be worth more than a job that offers more money but not the perks.

Important considerations:

benefits (health, maternity, retirement plan)
legal malpractice insurance
bar association dues/fees/seminar funds
bonuses/incentive plans
timing of evaluations and compensation adjustments
secretary/office space
library/internet access
work distribution
partnership track vs. non-partner, contractor

Position Yourself to Win!

Effective salary negotiation is one of the most critical components to a successful job search. The goal of securing the highest offer possible without pricing yourself out of the job can be realized. Using the negotiation skills you learned in law school will make the process easier and may impress the employer.

Information is power. Winning a salary negotiation means listening and gathering information and controlling the disclosure of information. It sounds easy enough; however, be advised--it can be a difficult skill to execute. By following some of the suggestions included in this handout, you may find it easier to manage the process. Always maintain a professional demeanor regardless of what you think of an offer!

Put it in Writing

After you have reached an agreement with an employer ask for a letter outlining your salary and benefits. This step is important for two reasons. First, the letter will express clearly the terms of employment in writing. Second, it will help avoid possible misunderstandings down the road, particularly with parties other than the one with whom you negotiated.

Resources on Salary Negotiation

The following resources, which are available in the Career Resource Library, will provide additional information on salary negotiation:

The Legal Career Guide: From Law Student to Lawyer

Jobs for Lawyers

Guerrilla Tactics for Getting the Legal Job of Your Dreams

Changing Jobs: A Handbook for Lawyers in the New Millennium

What Can You Do with a Law Degree

The following resources include annual updates of salary ranges for lawyers:

The NALP Annual Associate Salary Survey

The Office of Career Development Graduate Profile

The Federal Government Salary Rates

and on the Internet...

www.salary.com Select "Legal Services", your geographic area and a specific job title to create a personalized salary report graph. This salary finder includes information for attorneys with many levels of experience in a wide geographic range.

www.attorneyjobs.com

www.nalp.com

www.abanet.org/careercounsel

www.greedyassociates.com

www.bostonbar.org

www.salarywizard.com

www.usajobs.opm.gov

www.salarysurvey.com

www.salaryexpert.com

www.wageweb.com