



HIGHTOWER
Westchester



How to Negotiate a Fair
and Equal Salary

Landing a new job can provide a huge stepping stone toward achieving long-term financial security. In 2021, following the onset of the COVID-19 pandemic, we saw many American workers participate in “The Great Resignation” in search of higher salaries, benefits, and work flexibility. In fact, by 2022, U.S. salaries hit their peak annual growth rate of 9.3%.¹ But now, following inflation and the job market resetting back to pre-pandemic norms, pay raises have slowed, and many Americans feel like they don’t have the upper hand in negotiating their salaries.

Failing to negotiate can result in leaving potential money on the table, particularly for women. A Pew Research Center study found that men are 32% more likely to ask for a pay raise compared to just 28% of women.² The study also revealed that both men and women who requested higher pay were often granted the amount they asked for or even more.

Lack of negotiation skills early in your career can lead to a domino effect of lower lifetime earnings. The same study showed that 46% of individuals aged 18–29 who did not ask for more money during their last hiring were more likely to feel uncomfortable asking for higher pay later on.

Regardless of your gender or age, whether you are interviewing for a new job or seeking a raise in your current role, it is crucial to have the resources needed to negotiate a fair salary. Below, we outline steps to take when you receive an offer or when you ask your manager for a pay increase.

Gather Salary Data

To understand how much you should be paid, it’s essential to analyze the data. Pay often depends on factors such as location (state, region, or city), job level, education, experience, and skill set. The U.S. Bureau of Labor Statistics offers an extensive database of employment and wage statistics, covering national data down to metropolitan areas within states. This resource allows you to view the mean, median, and median wage for your occupation in your area. Additionally, pay can vary based on the industry and the hiring company. Job listing sites like Glassdoor and Indeed provide features that enable workers to filter through salaries in their company’s departments.

If you feel underpaid in your current role, these tools can be invaluable. It’s also beneficial to discuss pay with your colleagues. Although traditionally considered taboo, talking about salaries can foster a culture of transparency in your office and potentially reveal significant pay discrepancies within your organization.

Understanding pay across your organization can also be achieved by leveraging your state’s pay transparency laws. States such as Illinois, New York, California, Nevada, and Maine, among others, have laws requiring employers to disclose a position’s salary range in the job posting or upon request. By searching your company’s career page, you can see what incoming colleagues will be earning compared to you, providing leverage when negotiating a raise. Ultimately, this legislation promotes pay equity for workers and helps reduce wage gaps prevalent among women and minorities.



Develop your pitch

Before entering a salary negotiation with a recruiter, it's crucial to have a well-prepared pitch that highlights your value. Recruiters and hiring managers only get a brief glimpse of your skills and expertise from your resume. The salary negotiation process is an opportunity to emphasize your skills, achievements, experience, and education. Just like in the interview process, you need to craft a compelling pitch to demonstrate why you deserve a higher salary.

During your pitch, present the facts and data you've researched about the average salary range for your role in your specific industry and city. Be ready to share metrics on your past achievements. For instance, if you're interviewing for a marketing director position, you might explain how you achieved a 25% increase in quarterly sales revenue by implementing targeted marketing strategies and optimizing the sales funnel. This kind of example helps the recruiter understand your workplace performance and the value you can bring to the company. Ultimately, when a company decides to hire you, they are choosing to invest in you. A strong pitch during negotiations can show how you will provide a return on that investment.

Analyze the entire employment package

When discussing compensation, people often focus solely on monetary aspects. However, non-monetary benefits also play a crucial role in fair and equitable compensation. When a company presents an offer, it typically includes information on various benefits such as commuter benefits, professional development opportunities, tuition assistance, paid time off, lunch stipends, and flexible work schedules. Many workers may believe that the benefits presented by human resources are set in stone, but this is not always the case.

During the offer phase of the hiring process, you can negotiate non-monetary compensation to better suit your specific needs. For example, if you have a daily commute to the city that requires parking in a fee-based garage, you can ask your employer for pre-tax commuter benefits. These benefits allow you to use a portion of your paycheck, before taxes are deducted, to pay for parking, thereby reducing your taxable income and increasing your take-home pay.

Another example is requesting more flexibility. If you have a child and need to work from home a few days a week to pick them up from school, you can ask for a hybrid schedule that allows remote work on Mondays and Fridays. This arrangement can help you manage childcare responsibilities more effectively.

Combining these non-monetary benefits with monetary ones, such as bonuses, stock options, equity, health insurance, and retirement plans, can significantly enhance your quality of work life. It's important to note that you can also negotiate non-monetary benefits even if you've been in a job for a few years. Major life changes, such as the birth of a child, an illness, or a move, can prompt your employer to consider these requests if you ask.



Be kind in negotiating

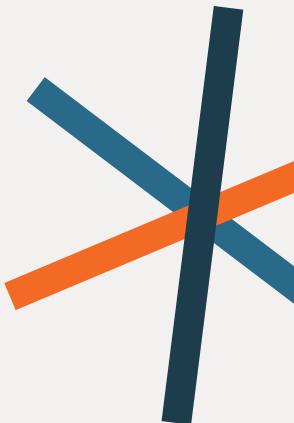
It's common for the initial offer you receive to be lower than expected. If this happens, it's important to manage your emotions. Approach the negotiation with politeness and gratitude. Start by expressing your appreciation for the offer and your excitement about joining the organization. Then, steer the conversation towards discussing an increased salary or a non-monetary benefit that you find beneficial.

Example Statement

"Thank you, [NAME OF RECRUITER]. I appreciate the offer! I'm very excited about the opportunity to work at [COMPANY NAME] and contribute to [MENTION SPECIFIC PROJECTS AND GOALS]. Before accepting, I wanted to ask if there is any flexibility on the salary. Given my qualifications, I am hoping to discuss an offer around [DOLLAR AMOUNT]. I have conducted research on industry benchmarks, and the average salary for someone with my experience and skills in similar roles is [MARKET RESEARCH DATA]. I understand that there may be budgetary constraints, but I am confident that my contributions will be well worth the investment."

conclusion

Negotiating a salary can be daunting, whether you're starting your career or have years of experience. Take confidence in knowing that HR professionals often expect candidates to negotiate and consider it part of the standard hiring process. While the recruiter may not have a say in the budget allocated for your position, they can communicate your requests to the hiring manager and work together to create a competitive offer. This process helps ensure you are paid fairly and in alignment with your experience and skills.





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¹ Christian, A. (2024, March 8). US salaries are falling. Employers say compensation is just "resetting." <https://www.bbc.com/worklife/article/20240306-slowing-us-wage-growth-lower-salaries>

² Beshay. (2024, April 14). When negotiating starting salaries, most U.S. women and men don't ask for higher pay. Pew Research Center. <https://www.pewresearch.org/short-reads/2023/04/05/when-negotiating-starting-salaries-most-us-women-and-men-dont-ask-for-higher-pay/>

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