Salary Information: What Are You Worth?

Starting Salary Figures

Most people want some idea of what their starting salary should be. A salary for a single job title may vary considerably by program of study and type of employer. The offer may depend upon your prior professional experiences, degree level, GPA, leadership activities, and the employer’s internal salary range or schedule. You can research starting salaries using the following resources:

- Salary.com
- Additional salary calculators available at: http://www.uwrf.edu/career/salary-calculators.htm

Dealing with an Employer’s Request for a Salary Requirement

Occasionally, an employer may ask you to give a salary range. This question is typically asked of experienced people with a salary history. For a student being hired directly out of an undergraduate or a graduate program, the question may seem awkward because many new graduates have not had a salary in previous jobs, but were hourly employees.

There are a number of ways to approach the problem outlining your salary requirements:

- It is perfectly acceptable to say “negotiable” on applications or cover letters.
- You may choose to suggest a range to the employer. If you do, make sure to do your research first! Also, tell the employer the sources of information on which you based your request (i.e. US Department of Labor Statistics, or cost of living index for the employment location).

If you ask for a salary well above average, explain your request. Stating why your background and experience qualifies you will show that you have the ability to perform at the same level as others earning that salary.

What's the difference between a salary requirement and a salary history?

A salary requirement is the minimum annual salary or range that you'll accept. (Unless an employer requests otherwise, it's a good idea to offer a range verses an exact figure, to leave the door open for salary negotiation.) You'd state it in your cover letter or in a salary requirement letter, depending on what employers request.

A salary history is a list of the starting and ending salaries/hourly wages (or ballpark annual ranges) you've earned at each employer you've listed on your resume. You'd include it with your cover letter, or send it separately, depending on what employers request.

In either case, ballpark salary figures will do. In both cases, never volunteer the information. You might strictly limit your negotiation power if your salary is low. Worse, even if it's only slightly high, you might never land interviews in the first place.
Salary Requirements Example:

Scott A. Johnson
123 Any Street • Any City, WI 54321 • (715) 555-5555 • sjohnson@xyz.com

January 1, 2008
Mr. John Doe, Manager
ABC Company, Inc.
123 Industrial Park
Any City, WI 54321

Dear Mr. Doe:
In response to your request, my salary requirement is in the mid-to-high $30K range. It is negotiable depending on the job requirements and benefits Abc Company offers. If you need more information, please do not hesitate to contact me.

Sincerely,

[Signature]
Scott A. Johnson

Salary History Example:

Scott A. Johnson
123 Any Street • Any City, CA 54321 • (715) 555-5555 • sjohnson@xyz.com

Salary History

DEF Company
678 Any Parkway
Any City, CA 12345
Main Phone (123) 555-3000
Title: Customer Service Manager
Starting: $35,000
Ending: $40,300
Plus benefits, and semi-annual bonuses

CDE Company
567 Any Drive
Any City, CA 12345
Main Phone (123) 555-2000
Title: Customer Service Representative II
Starting: $32,000
Ending: $34,200
Plus benefits and semi-annual bonuses

XYZ Company
123 Any Lane
PO Box 123
Any City, WI 54321
Main Phone (715) 555-1000
Title: Customer Service Representative
Starting: $30,000
Current: $30,200
Plus benefits
Factors for Consideration

A well developed approach is needed at this point and you should consider the following factors before making your final decision. Adjust the percentages based on your needs and values.

**Job content**

Your first test for any offer is the nature of the work. People master the basics of the job between three weeks to six months. Ask yourself, "Am I proud of the products or services of the employer? Is the job interesting to me? Does this position fit into my long-range career plans and personal goals?" No matter whether the job is a lateral move or promotion, job content is most important. You can explain to your next employer what skills you learned no matter what your job title.

**Your boss**

Don't dismiss this concern. Ask yourself honestly, "Can I work and get along with this person?" Almost as important as the chemistry is how the boss will serve as a mentor. You will want to feel comfortable with his/her interpersonal and management style. You will want to work for a supervisor who is capable and interested in your growth. Without a boss who is committed to helping you learn and succeed, other benefits aren't worth as much.

**Salary and benefits**

Is the salary at market level? If you're not increasing your salary against your current or previous jobs, will you at least get the going rate? Would taking this position create economic hardship? How are individual increases determined (performance, job level, length of service, etc.)? How are salary reviews and promotions handled? Your salary should be reviewed on a regular basis; many organizations do it every 12 months. Your potential for salary growth quickly becomes more important than your starting salary. Don't think of salary as the only compensation you will receive. Remember: people working solely for money will eventually feel unfulfilled. Think also of the benefits package when considering the offer.

**Your co-workers**

Will I fit into the corporate culture? Sometimes peers can be more difficult to deal with than a prospective boss. Talk to your potential boss about them before you accept the position. Get a sense of their personalities and work styles.

**Typical work week**

What is a typical work week like? How many hours a week does the position require? Remember your other commitments to family, friends and outside activities. Ask yourself, "Can I really coach soccer and be a star in the workplace?" Which matters most to you?

**Location**

Do you like the location or region where you'll be working and living? How long and arduous is the commute? Don't underestimate location as a satisfaction issue.

**Organizational flexibility**

Is the organization rigid? Does it work strictly by the book? Will the employer be flexible during emergencies? How will this position alter my lifestyle? If it will, can I handle such changes?

**Additional factors to consider**

Searching for a position is difficult. After spending many hours on a search, making a careful decision regarding a job offer is important. Getting an offer does not necessarily mean you will take the job. Most employers will not expect you to make a decision on the spot. You will probably be given a week or more to make up your mind. Weighing the advantages and disadvantages of the job will help you make a more informed decision, rather than deciding on impulse.

There are some general parameters you should follow when evaluating job offers. How well the employer's values match your own is key to making a good decision. Consider ranking the following work values in order of importance by using this scale: 1-very important, 2-important, 3-somewhat important, 4-not important.

<table>
<thead>
<tr>
<th>The job</th>
<th>The organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Duties and responsibilities</td>
<td>1. Technologically innovative</td>
</tr>
<tr>
<td>2. Match for values/interests/skills</td>
<td>2. High involvement in research and design</td>
</tr>
<tr>
<td>3. Personalities of supervisors and colleagues</td>
<td>3. Management styles</td>
</tr>
<tr>
<td>4. Variety of work assignments</td>
<td>4. Opportunities for growth and advancement</td>
</tr>
<tr>
<td>5. Opportunity for individual achievement</td>
<td>5. Layoffs and restructuring</td>
</tr>
<tr>
<td>6. Exposure to outstanding colleagues</td>
<td>6. Reputation and image of employer</td>
</tr>
<tr>
<td>7. Opportunity to work independently</td>
<td>7. Financial stability and growth prospects</td>
</tr>
<tr>
<td>8. Opportunity and frequency of travel</td>
<td>8. Salary, benefits, and compensation</td>
</tr>
<tr>
<td>10. Opportunity to apply academic background</td>
<td>10. Personnel policies and flex-time</td>
</tr>
<tr>
<td>12. Physical environment and working conditions</td>
<td>12. Required relocations and transfers</td>
</tr>
<tr>
<td>13. Pressure and pace of work; turnover</td>
<td>13. Public or private employer</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The industry</th>
<th>The location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Growth history</td>
<td>1. Proximity of graduate schools</td>
</tr>
<tr>
<td>2. Future need for goods and services</td>
<td>2. Opportunity for partner's career</td>
</tr>
<tr>
<td>3. Dependence on the business cycle</td>
<td>3. Climate</td>
</tr>
<tr>
<td>4. Dependence on government policies and programs</td>
<td>4. Cost of living; distance from work</td>
</tr>
<tr>
<td>5. Long-term future potential</td>
<td>5. Community life; environment</td>
</tr>
<tr>
<td>6. Record of layoffs or downsizing</td>
<td>6. Location of company headquarters and branches</td>
</tr>
</tbody>
</table>

Once you have ranked the values, star the ones ranked 1 or 2. Now you have a picture of what is important to you in a job. Consider this information when evaluating a job offer as well as your initial reaction about the people or place you have visited. Are the type of people you met the kind you would like to work with on a regular basis? Did they seem interested and excited about their work?

Considering Fringe Benefits

Don't focus solely on salary, because most employers offer a range of other benefits, sometimes worth as much as 30-40 percent in addition to your actual salary. Listed below are major categories of benefits and illustrative "generous" benefits in each category. It is unlikely that any employer will offer all these benefits at these high levels, but they provide a measure of what might be offered in specific areas by organizations with especially attractive benefit plans. When you evaluate a job offer, there is much to consider. Only you can be the one to decide whether a larger salary will balance more promising advancement opportunities, or whether better health insurance will make a longer commute worthwhile.

- **Vacation**: 1-2 years: 2 weeks; 3-10 years: 3 weeks; 10+ years: 4 weeks; extended service: sometimes 6 weeks.
- **Holidays**: Ten paid holidays a year. Some organizations give employees a holiday on their birthday.
- **Retirement**: Pension is a percent of highest five years of salary at a typical rate, fixed at 50-60% of the highest salary years.
- **Life and disability insurance**: Pays full cost of life insurance coverage equal to a full year's salary. Added insurance available at a low cost. Provides disability insurance and pays for 50-65 percent of salary if employee is unable to work.
- **Medical insurance**: Employer pays all or part of premiums on policy that covers all (or 80 percent of major hospital and other expenses). Employees usually pay for some (or all) of costs for routine physical and prescriptions. After the first $100-$200, employer pays for all dental expenses up to a ceiling of $1,000.
- **Tuition assistance**: Pays all or most of job-related classes. Some payment amounts related to grade received in course.
- **Stock purchase or savings plan**: Stock options priced below market value or contribution matches are available.
- **Child care**: Employer pays for preschool children, free or at a low cost.
- **Bonuses**: Cash awards may be given for useful job-related suggestions. $100-$500 bonuses for hiring referrals.

The table below outlines the importance of considering more than just the base salary being offered:

<table>
<thead>
<tr>
<th></th>
<th>Company A</th>
<th>Company B</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base Salary</strong></td>
<td>$30,000</td>
<td>$35,000</td>
</tr>
<tr>
<td><strong>Medical</strong></td>
<td>$0</td>
<td>$840</td>
</tr>
<tr>
<td><strong>Parking</strong></td>
<td>$0</td>
<td>$912</td>
</tr>
<tr>
<td><strong>401K Match</strong></td>
<td>$1,500</td>
<td>$0 10% contribution</td>
</tr>
<tr>
<td></td>
<td>10% contribution, Match 1st 5%</td>
<td>No Match</td>
</tr>
<tr>
<td><strong>Perks</strong></td>
<td>$2,000</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Taxes</strong></td>
<td>$7,290</td>
<td>$8,505</td>
</tr>
<tr>
<td><strong>27% taxable income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Actual Compensation</strong></td>
<td>$26,210</td>
<td>$24,743</td>
</tr>
</tbody>
</table>

Responding to a Salary Offer: Is It Negotiable?

If an employer makes you a salary offer, and you are interested in the position, but believe you may have a basis to request a higher salary, do the following:

1. Base your argument on facts. Consider:
   - Another higher salary offer you have received.
   - Comparison of the salaries relative to cost of living (See the Salary Cost of Living Calculator, available through Career Services’ web site under “Research Salaries” at http://www.uwrf.edu/career/salary-calculators.htm. This enables you to compare salaries in different geographic locations).
   - Research on the salary ranges and averages for your field (See salary information in Career Services).
   - Your own background and qualifications. If you are asking for an above average salary, are you above average in your credentials?

2. If you have a strong argument to ask for a higher salary than was offered, you may do the following:
   - Ask the employer, in a tactful and diplomatic way, if their salary offer is open to negotiation.
   - Make sure you convey to the employer that you are truly interested in the job you have been offered. Don’t sound as though you are just shopping for the best salary.
   - If the employer says no, accept the answer gracefully. You can weigh the option you have.
   - If the employer indicates the salary offer might be open to negotiation, or asks you why you are asking, you can present your argument.
   - Be prepared for the possibility that the employer still may not change the salary offer.

Be sure to present your argument tactfully, so that if the employer does not change the salary offer, you can still accept the original salary offer if you so choose.

Never Burn Your Bridges

Keep in mind the importance of diplomacy when rejecting an offer, because in today’s fast-paced world, you never know when your work environment may shift or when your job may be eliminated. Here is an example for diplomatically declining an offer: “I really appreciate the offer; however, I have been offered another position that I feel will better fit my goals at this time. I really want to say how impressed I am with your company and how much I’ve enjoyed everyone I have had the opportunity to meet.”

Ethical Dilemma

If you are offered a position that you feel you “should” accept because you fear you will not have other options, think carefully before you accept. Do not accept an offer before you are ready. Acceptance of an employment offer should be made in good faith and with the sincere intention of honoring the commitment.

One you make a commitment to start a job, it would be viewed as unprofessional and unethical should you revoke on your commitment.