

Quick Tip: Handling Salary Negotiations

by *Marta Ricardo and Robert White*

This Quick Tip is intended for alumni who are entering a position where there is not a clear market standard for compensation. A similar strategy might be used to negotiate in a situation where there is a clear standard, but where the alumna has expenses such as relocation expenses, or has particularly valuable skills or experience, and seeks a signing bonus.

Alumni, and alumni counselors, may feel unsure of themselves delving into the uncharted ground of salary negotiations. However by following these steps negotiations may be effectively managed without undue stress or complications.

Ten Steps for a Successful Salary Negotiation

Congratulations! You just received a call from a firm with which you have interviewed. The hiring manager is calling to extend you an offer. The only bad news is that the salary is slightly lower than you expected. What do you do now? Negotiate!

Step One: Consider your own salary history. Many employers take salary history into account when establishing salaries for new hires. If you were making more money in a previous position, point that out. If the new job would mean a raise, show how the increase in responsibilities outweighs even the offered increase in wages (see Step 3 below).

Step Two: Gather as much information as possible about salaries for lawyers at the firm or organi-

zation or at similar employers. Review salary calculators or listings (see sidebar below). Consider consulting with alumni who previously worked at the institution.

Step Three: Consider the skills and relationships which you bring to the organization. Do you already have the specific skills that the position requires? Will you be transitioning to a new practice area? If you have specializations that will benefit the organization, raise these with the hiring manager as justification for a higher base salary or signing bonus.

Salary Calculators

Private Sector — Legal

Robert Half Legal Salary Calculator —
<http://www.roberthalflegal.com/salary-calculator>

Internet Legal Research Group (ILRG) —
<http://www.ilrg.com/employment/salaries/>

Private Sector — Non-Legal

Jobstar — <http://www.jobstar.org>

Simplyhired —
<http://www.simplyhired.com/a/salary/home>

Nonprofits

Guidestar (Form 990 reports for nonprofits) —
<http://www.guidestar.org>

Step Four: Consider the components of the compensation package. Try to get a sense if the base salary typically rises every year. Is the base salary tied to title or years of experience? Is the first year's bonus a function of hours billed, business unit targets, or overall corporate earnings? (Tip: multiply the firm's expected billing rate for you times the minimum annual billables and divide by three — this is a rough guesstimate for your salary.) Would they consider guaranteeing your first year's bonus? Would it be possible to receive the first year's bonus in cash rather than restricted stock? How many vacation days will you receive? Would you take fewer days of vacation in lieu of a higher salary, or vice versa? For nonprofit employers, is your position funded for a specific period, and how well funded is the organization?

Step Five: Consider or improve your BATNA (Best Alternative To a Negotiated Agreement). Might there be more opportunity staying in your current position? Consider following up on other pending positions to secure another offer. Let the hiring manager know that there are other positions that you are considering.

Step Six: Prepare for the discussion with particular care considering the manager's perspective. Most employers provide an initial offer with some room to increase the offer. The manager has expended a substantial amount of time and energy (which translates into \$\$\$) in finding the right hire for the position and likely does not want to offer the position to their second choice, or worse, begin the process again.

Step Seven: Create a plan for the conversation. Write out the questions that you might ask to acquire additional information before making a counter offer, such as "How did you arrive at this figure for salary?" If the manager is reluctant to raise his or her initial offer, ask whether you might have a six-month review with established goals and a bump in base salary at that time.

Step Eight: Practice what you are going to say and how you are going to say it. Any negotiating style which includes neutral statements and questions, willingness to listen, and logical ordering of arguments for or against positions may be effective.

If possible, negotiate with the hiring manager face to face. Begin with the positive: how excited you are about the new organization and the position, and how your skills will contribute to the organization. Don't begin the conversation with "I know this might not be possible" or "I am unsure of what your budget allows." Instead, you should state, "I would like to discuss the starting salary."

Step Nine: Ensure that your agreement is documented accurately. Most organizations will create an offer letter that will set out the terms and conditions of your employment. At the very least make sure there is a very clearly written email from the employer that you print out and file away.

Step Ten: Keep track of your work tasks, achievements, and progress so that you can establish a case for increasing your annual salary at the time of your review.

Additional Resources

Salary listings and grade scales (for public employees) — salaries of public employees are mostly publicly available information:

- Federal employees — See the most recent Federal Legal Employment Opportunities Guide (available via PSJD.org) for detailed information on federal government grade levels and salary information. The Office of Personnel Management (www.opm.gov/oca/payrates.asp) lists salary tables for federal employees, and databases such as DataUniverse (<http://usgovinfo.about.com/b/2012/05/21/database-reveals-federal-employees-salaries.htm>) list some individual employee salaries.
- State employees — here are links to databases of salaries for some of the states with the largest numbers of attorneys:

CA —
<http://www.sacbee.com/statepay/>

FL —
<http://dmssalaries.herokuapp.com/salaries>

IL —
<http://ledger.illinoiscomptroller.com/index.cfm/find-the-salary-of-a-state-employee/>

NY —
<http://seethroughny.net/>

TX —
<http://www.texastribune.org/library/data/government-employee-salaries/>

Market Surveys — general overviews of the market for lawyers in a particular geographic or practice area can be helpful background information for negotiations.

- NALP —
<http://www.nalp.org/salariescompensation>
- Laurence Simons Global Legal and Compliance Survey —
www.laurencesimons.com/global-legal-compliance-salary-survey-2013
- Legal recruiters are a great source of information about law firm and inhouse salaries.

Articles — Following are a few articles on salary discussions that may be helpful to you:

- “Negotiating Your Salary,” J. Murray Elwood, available at
<http://www.lawcrossing.com/article/1068/Negotiating-Your-Salary/>
- “Salary History,” Brian Braiker, available at
<http://www.salary.com/disclosing-salary-history/>
- “Salary History And Salary Requirements,” Sue Campbell, available at
<http://www.1st-writer.com/Salary.htm>
- “Salary History; Disclosing Your Salary History to Employers,” Alison Doyle, available at
<http://jobsearch.about.com/od/salaryinformation/a/salaryhistory.htm>
- Articles from the Lawyer Transitions Series by Valerie A. Fontaine & Roberta Kass, available at
<http://www.sfbsearch.com/content.cfm/ID/20082>, including:

“Money Isn’t Everything”
“The Art of Negotiation”
“Talking About Compensation”
“What’s on the Negotiating Table?”

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