

## **Negotiating for More Money in a Tough Market**

by Chere B. Estrin, Ph.D.

If you've ever read the lists for Top Ten Stressors, losing your job is right up there with life-altering events. However, it has long been my opinion that looking for a new job should be right under losing one. If you've been on the job market for any length of time, you know that this current tough market can wreak havoc on your nerves. You search and search, receive plenty of rejections, search again, interview, interview, interview, and sit tight.

Then, after finding that dream job, you hold your breath hoping the right amount of money will be offered. That little stressor is guaranteed to give you hives, insomnia, or worse, little crow's feet right around your otherwise perfectly smooth eyes from all the worrying. All I can say to that is, "Botox!! Someone give me Botox!!"

Relax. If your strategy is in place, and the job is a fit, chances are you'll end up getting the dollars you want, or at least, pretty close to it. At this point in your career, you've got to know there are ground rules to the negotiating game. Some of those rules work quite well. Other rules, however, although nothing in life is guaranteed, they're still good to know about.

Above everything else, knowing the current marketplace is the first place to start. Generally speaking, today's raises are little more than 2-3% in most areas. Several years ago, prior to recessions, economic downturns, 9/11, lean-mean-company-machines, annual raises in law firms could go upwards between 8-10%. Bonuses in some firms were heavenly. Some paralegals in major metropolitan areas reported bonuses of \$10,000 - \$20,000. (I doubt these were the paralegals who also received overtime pay, however.)

But the fact remains that law firms were once of a more generous mindset than they are today. Of course, things were very different then. Clients were more accepting of a law firm's bills. Hardly even questioned them, actually. Wow, have things changed!

## **Understand Law Firm Economics**

For a paralegal to get ahead in today's market, it is imperative that you understand the economics of a law firm before you can even entertain the idea of "reasonable raise." Going to the boss to ask for a raise based solely on what you think you should earn does not always get you what you want. Asking a potential employer to give you thousands and thousands of dollars more than what they were thinking of won't work. Neither will simply saying, "I'm worth it." There has to be some substantive reasoning behind the incremental dollars.

Before you make a move for more money, consider:

- What is the market rate for someone with your experience level, educational background, and work history from comparable firm or organization?
- What percentage of salary increase does the firm generally give employees? If you are instead seeking employment, how much higher than your currently salary does the firm generally go? Some firms will only be willing to grant a

light increase; others insist on lateral moves, while others will pay whatever the going rate is.

- Was the firm's paralegal department profitable last year? (Hard information to obtain, for sure.) If the firm's department suffered a revenue or net loss last year, chances of getting a stellar raise, despite your performance, may not be too good. However, you can use this as a negotiating technique if you are seeking a new position. You might say, "By bringing in someone at my experience level and expertise, you may be able to turn this program around." In other words, paying the right dollars for the right person.
- Has the firm recently undergone huge changes that called for significant investments such as computer systems, phone systems, office renovations? Investments that do not bring in revenue are cash outlays that can temporarily cripple cash flow. Firms may trim raises or high salaries in an effort to level the playing field.
- Is your work profitable? Are the firm's billing rates in line with going rates? Is time being written-off that you don't know about? Often, paralegals don't know if they are "stars" in the eyes of the firm administrator because they are highly profitable. If that's the case, the firm might be able to let loose with a few more dollars. If you are negotiating for a new position, do the math for yourself. If the billing rates are too low and you are asking for a high salary, what incentive does the firm have to bring you in if they are unwilling to charge more?

### **Negotiating for a Higher Offer or Raise**

These suggestions should help the next time you get a new job offer or want to negotiate for a higher raise:

- When asked the salary you are seeking, do not give a range. Giving a range gives the potential employer permission to offer you the lower amount. So many paralegals have said, “I’m seeking between \$45,000 and \$50,000” and are taken back when they receive the lower figure. Don’t give employers permission to offer you the lower amount! It’s much better to say, “I’m looking for around \$50,000,” or, “I’m seeking the upper \$40’s.”
- Never lie about the salary you are now getting. Employers can check three things: dates of employment, reason for leaving, and salary. In this day and age of tighter background checks, if you lie, or even fudge, you may be found out. It’s not worth losing the job because you inflated your current salary.
- Research what the market will bear at your level of experience. Having to guess about the going rate for positions at your experience and expertise levels puts you at a distinct disadvantage.
- Get your hands on current survey data. Thus armed with facts, if you are offered a salary at below market rate, you could say, “According to recent salary survey information, this offer/raise is slightly below market rate. How can we work together to bring it up?”
- If you get an offer/raise that is below what you were expecting, do *not* respond with a close-ended question or statement like these:
  - 1) This offer is less than what I am currently earning.
  - 2) I would like the compensation part of the offer re-evaluated.
  - 3) Can you change the salary?
  - 4) The base salary is lower than what I expected.

## Leave Room for Negotiation

Statements such as the ones above give the employer no room for negotiating. You’ve also responded negatively to what was probably a well-

thought out offer/raise. Instead, it is better to respond with something like the following statements:

- I appreciate the pressure you must be under. I would like to find a way for us to resolve one area of concern. I'm hoping that the firm has some flexibility.
- Thank you for this insightful offer/raise. I'm delighted to work (remain at), at Rain & Thunder. However, there is one remaining issue that I hope we can resolve together.
- I have some concerns about the level of assignment with regard to what the corresponding pay. Can you clarify a few things for me?

Or try one of these techniques:

- Given your need for someone with my background and given my interest in this firm, can you share with me how we might exercise some flexibility in this offer/raise?
- How can we reshape this compensation package?
- If you still can't get the firm to increase it's offer/raise, try asking:
- In what ways can we redefine this offer/raise?
- In what way, other than compensation, can we think about changing the nature of this offer/raise?

You might be able to negotiate for additional perquisites (perks) instead of monetary compensation:

- A better or private office
- Additional vacation
- Credit for more experience with the firm
- Salary in lieu of health insurance (perhaps your spouse already has you covered)

- Better or stronger job title. (You can always take that with you when you leave and leverage it for more money then.)
- Continuing education
- A salary review in three to six months.

When you start the negotiation process, remember that you place yourself in a risk-taking situation. There's always the risk the employer will say no or even, while rarely, withdraw the offer. But if you accept an offer knowing that you are not at all happy about it, you'll probably be looking to leave in a very short time.

### **Successfully Managing Salary Negotiations**

Salary negotiations can take two different paths. Countering is used when you are uncomfortable with every aspect of the offer. You will negotiate from top to bottom to improve the offer. A limited counter is used when you feel the offer is partially acceptable, or close to what you want, and you negotiate for a portion of the offer. At the outset of either approach, realize that whatever salary or perks the firm decides to bestow must be met with a realized benefit to the firm in doing so. Train yourself to present a benefit to the firm for each request.

You must decide what your acceptable range of salary will be. After completing your market research, determine where you would like to be. Consider factors such as your current salary as an experienced paralegal; going market rate for experienced or entry-level; location of the employer (some regions pay less); size of the firm; current market conditions; practice specialty and level of assignment. Don't expect to go much higher than current market unless you have an exceptional skill you are bringing to the marketplace.

Take deep cleansing breaths and walk into the meeting prepared for a collaborative discussion, not a fight. A decision to accept a position or raise

should be based on many factors and salary is only one of those factors. Make an intelligent, informed decision. Above all, do not walk into the negotiating session with an “all or nothing” attitude. You’ll be defeated easily.

If you are leaving too much on the table, ask for a review in three to six months. Be sure you ask for a salary review, not a performance review. Some firms take the approach that you are still an unproven commodity at that point. If you do get the firm to commit to a mid-year review, be sure to get it in writing. Three months down the line, it will be difficult for the reviewer to recall exactly what was said, and it’s possible that the same person will not be in that position.

Be sure to portray a positive, confident, easygoing professional attitude (even if you are extremely nervous), and above all, do not issue an ultimatum. They aren’t effective.

If you are working with a headhunter, for heaven’s sake, make sure they are skilled in negotiations! Nothing is worse when the headhunter does not understand what you want. If you are negotiating on your own, here is a great opportunity to get involved in the process. Only you can take your career and make it what you want. The negotiating process is a perfect opportunity to help shape that career.

There you go! Negotiating for a new position or raise can be fun and exciting. Just remember to be flexible...be open...be good at what you do...and the rest will fall into place. Guaranteed.

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