

Negotiating a Faculty Job Offer

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Congratulations!

You have just been notified that you are being offered the faculty position that you have applied for.

You are *relieved* and *excited*-the nerve-wracking job search is finally over and you are eager to get started. You want to shout “Thank You!” and accept the position.



But Wait.....

**You are not quite done
yet!**

Need to Understand and Negotiate Your Offer



You need to fully *understand* and *negotiate* your offer.



Understand your duties and responsibilities and your total compensation package.



Understand the negotiable and non-negotiable elements of your compensation package.

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Need to Understand and Negotiate Your Offer

Fortunately, you are now in a position of maximum strength for obtaining what you want because you are their chosen candidate and they want to succeed in acquiring you.


The balance of power has at last tipped in your favor. So how should you proceed.

Time to Take “AIM”

Appreciation. Be sure to express appreciation and gratitude.



Interest. Share your interest and enthusiasm for the position and the exciting opportunity that it represents for you.



Motivation. Indicate your motivation to make a decision promptly. Ask for when you can expect to see the written offer, and what the time line is for making a decision.

Evaluating the Offer

Before you make a decision...

1. Learn the details of the offer.
2. Calculate what you are worth in salary.
3. Detail the other resources you need in order to succeed in your scientific career.
4. Convey this to the institution and negotiate the offer.

NOTE: Universities EXPECT you to negotiate elements of their offer in part because only YOU know what would best support your success.

You are respectfully requesting consideration in support of maximizing your satisfaction and ability to succeed in the position they are offering you, which is exactly what they want, too.

Remember....Be Savvy, not Sorry

No surprise is a good surprise. Make sure that you don't find yourself down the road saying, "*If only I knew then what I know now.*"



You can do this by turning your attention towards doing "*due diligence*" and *negotiating* your offer.



Due Diligence

- Doing *due diligence* is all about finding out as much information as possible about the position, the offer, and your value.





Negotiation

- *Negotiation* is all about maximizing the resources that you can recruit in your new position in order to maximize your success and your contributions to the university and to your field.



POLL

Who Should I Negotiate With?

- A. The Chair of my Search Committee
- B. The Departmental Accountant
- C. The Department Chair
- D. The Provost

Who Should I Negotiate With?



The Department Chair is your natural source of basic information and the one who will represent your interests to the Dean. The Dean often serves as the “hiring agent”.



Request any recent internal self-studies or external reviews.

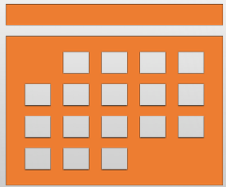


Ask for a copy of the department and university’s faculty handbook.



Speak discreetly but candidly with people about the departmental standing within the college, faculty relations, and customary levels of salary increases, merit raises, or other types of compensation.

What, Specifically, You Need to Find Out



Your job title and what it means

tenure accruing?

9-month or 12-month
appointment?

duration of the initial contract
and under what terms will it be
renewed?



Your base and annual salaries

The amount of your “base pay” and
whether it can be supplemented

whether the base salary is
guaranteed or whether part of it
must be obtained from other non-
departmental sources.

policies on outside consulting

Determine What You are Worth

- **What you are worth**
 - find comparative information on faculty salaries at the institution offering the job and in your field
 - A good source of information includes the Center for Workforce Studies at the American Psychological Association, www.apa.org/workforce/data-tools/2015-salaries

POLL

In general, a starting Assistant Professor is most likely to earn about....

- A.** 35K-45K
- B.** 50K-60K
- C.** 65K-75K
- D.** 85K-95K

2015 Salaries for Full-Time Psychology Faculty by Rank



Substantial Variability in Salaries According to:



Rank (Instructors, Assistants, Associates, Full Professors)



Geographic Region



By Type of Institution (Private or Public)



Etc.

Consider Cost of Living, too



Cost of living calculators.



Utilize online salary calculators that compare salaries in “real dollars” in different locations.

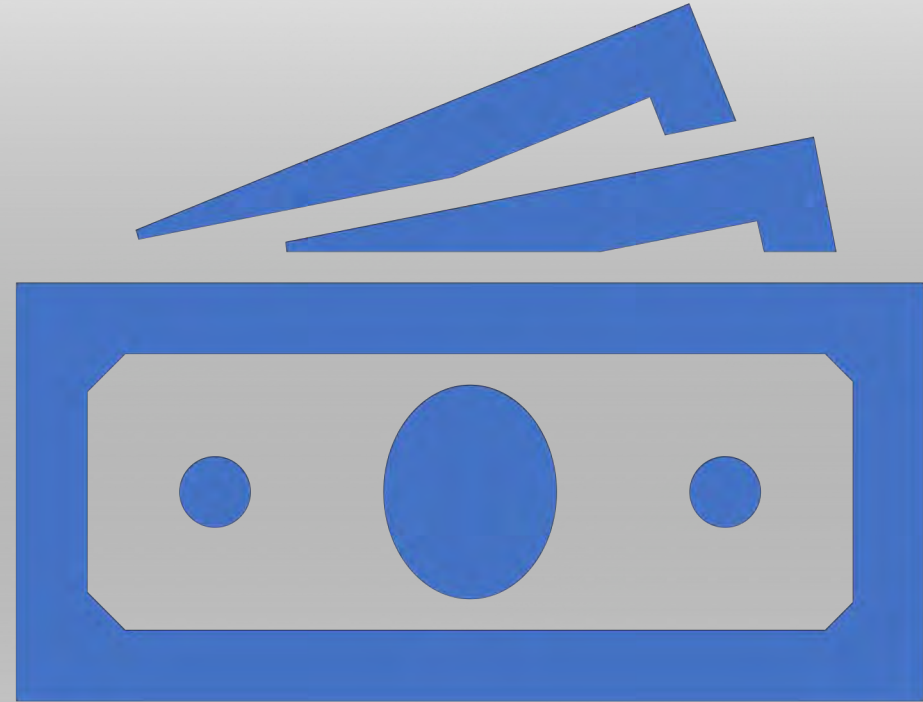


Washington, D.C. is 225% more expensive than Milwaukee, so an \$80,000/year job offer in Milwaukee would only be worth \$32,000 in real dollar terms in Washington, D.C.!



Negotiating Your Salary

- Asking for a salary within a range, or within the “ball park of...” provides the administration with greater latitude.



Negotiating Your Salary

*“I very much **appreciate** the offer and I definitely want to respect the **rational salary structure** within the department. But I was wondering whether I could be given any **further consideration** in light of my prior experience and record. In truth, I would be very **comfortable** in the \$\$-range (e.g. mid-70s).”*

*“The opportunity is extremely appealing to me. Although I have other offers, this position remains a top consideration for me. I just want to make sure that I am making the best decision in relation to the place where I can make the best contribution. What I am looking for is a **compelling reason** to tip in favor of X University. To me, a **compelling offer** is one that lifts me into the mid-\$\$\$s. I don’t know if that is possible, but I do know that if we position me in that range, I would accept the offer promptly and begin making my transition to X University ASAP.”*

- *It never hurts to ask for salary consideration.*
- *the worst that can happen is that they will say “no” and provide an explanation as to why the salary is capped at the stipulated level.*
- *Their inability to increase the salary, though, may encourage them to provide compensatory increases in **other** elements of your compensation package.*

Many universities will not be willing to lose their top candidate for the difference of a few thousand dollars.

But they all will have realistic caps on what they can offer.

Even a few thousand dollars can make a difference of hundreds of thousand dollars across the course of your career, given that everything is based on your starting salary.

POLL

\$1,200 increase, invested @ \$100 month for 35 years at 7% return generates.....

- A.** Over \$50,000
- B.** Nearly \$100,000
- C.** Nearly \$200,000
- D.** Over one million dollars

\$193,912.84

Base Salary is only one element of a compensation package



Negotiable Elements



Non-Negotiable Elements

POLL

Which of the following elements are negotiable elements of a compensation package?

- A.** Availability of Summer Teaching Salary
- B.** Assignment of a Research Assistant
- C.** Moving Expenses
- D.** Reduced Teaching Load
- E.** All of the above are negotiable

Negotiable Compensation	Non-Negotiable Compensation
Base pay	Medical, dental, Vision, Rx
Summer salary	Sick Leave
Moving expenses	Vacation Leave
Teaching load	Raises (annual, merit, promotion)
TA/RA	Children's tuition
Travel support	Sabbatical
Memberships	Parking/Transit
Lab and office equipment	Coursework
	Retirement Plan

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Salary Isn't Everything: The Start-Up Package

Identify what you need (not what you want) and its cost:

- lab space
- equipment
- office furniture
- computers
- software
- moving expenses
- availability of grant support
- travel support
- summer support
- teaching reduction(s)
- teaching and research assistance
- opportunities to buy out your teaching with grant support

Sample Start-Up Package

Reduced teaching load of a 1-1 in the first year.

TA assigned to each of the UG courses, and one .33 FTE Research Assistant for each of the first 2 years.

Guaranteed Summer teaching in the first two years.

Travel funding of \$2,000 for the first year and \$1,000 in the 2nd year.

Equipment and software costs to total \$27,000 (itemized).

Moving expenses up to \$8,000, reimbursed based on receipts.

**If Negotiations
Bog Down in
Relation to any
Particular
Elements, You
Can Always
Say...**

- *“If you can accommodate this (stipulated) consideration, I will be willing to sign immediately and begin the transition to the University enthusiastically.”*
- If you use this approach it is very important that you say what you mean and mean what you say. If they provide the concession, you are obligated to accept the offer, as you have indicated that you would do.

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Deferred Compensation Comparison

- Compare two offers. Both are for \$75,000/year to a 30-yr-old incoming faculty member who will receive a 3% raise per year across the course of a 35 year career. The incoming faculty member contributes 10% of his or her salary per year to his or her deferred compensation program in both scenarios.
- The only difference is that in the first case, the employer contributes nothing to the program whereas in the second scenario they match the employee's 10% contribution.



Poll

What is the difference in these two retirement packages when the faculty severs service 35 years later?

- A. Nearly \$100,000
- B. A quarter of a million dollars
- C. Over a half-million dollars
- D. Over one-and a half million dollars

End Total at Retirement:

- Scenario 1 (no employer match) = \$1,540,000.
- Scenario 2 (10% employer match) = \$3,070,000.
- *Employer matches can vary widely, from as little as 2-3% to as much as 14-15%*

Other Forms of Compensation



Health coverage, dental insurance, life insurance, disability insurance and retirement benefits.



Other family-related benefits such as tuition support for family members and access to university recreational facilities and events.



Sick Leave and/or vacation leave.



Availability of housing subsidy or assistance with securing housing



Be sure to schedule a meeting or phone call with the Human Resources Division to discuss your employee benefits prior to making an employment decision.



Handling Multiple Offers

- Multiple offers are gratifying and advantageous, but introduce complexity.
- Keep all parties informed of the status of other offers.
- Use your leverage to ask an institution to match an offer, but only if you intend to accept the offer.
- Be prompt to refuse so that other candidates may be considered for a job that you decline.
- Ask for an extension of a deadline but don't miss a deadline.





Final Considerations

- Always negotiate in good faith.
- Be professional, respectful, appreciative and interested.
- Remember, people are working hard to address your needs
- And they are going to be your future colleagues and co-workers!

