

12 Factors that affect your pay

1. **YOU, the CANDIDATE. There are two main factors here:**

- If you are a top performer, your recommendations, references and success stories will allow you to command top dollar. This is where your hard work really pays off!
- If you don't ask, you won't get. Period. This really is the #1 barrier to negotiation success. Most of the time, you just have to ask. Relax! I'm about to teach you ... step by step ... HOW to ask for it! I not only use these strategies for myself in my own business every day, but I've used it to negotiate millions of dollars in pay for others over the past 22 years ... from executives making \$1M per year through to helping a pipe bender get \$7 more per hour (which was equal to \$14,000 more per year for him!)

2. **The MARKET.** This is - and always will be – a big factor. Basic supply & demand rules apply. When there is a shortage of nurses, they get paid more. When the housing market crashed, architects were not getting paid as much as they do during a housing boom. And, of course, the current going rate has a significant impact. According to the U.S. Department of Labor, current pay for medical transcriptionists is between \$22,000 and \$60,000 around the U.S. in various markets. What a swing! Make sure you don't get paid at the bottom of that range ... but also understand that to ask for \$120,000 per year is unrealistic.

3. **The company BUDGET.** No matter what the market is paying, if a manager only has \$80,000 in the budget and no "slush fund" anywhere, then it doesn't matter what the market is paying ... that's all she can afford. She either needs to find someone who is less-qualified, or just someone whose expectations are lower.

4. **The BOSS and his/her negotiation skills and beliefs about compensation.** Some managers are much better negotiators than others (and get people for less money). Some have more pull with the CFO and CEO, and can get more money than other managers (and therefore pay above market). Truly, it often comes down the manager's skill at negotiating internally and externally.

5. **The company NEED & URGENCY.** If they are desperate for help, they will pay more. A plumber gets paid MUCH more money to go out at midnight on Saturday than he or she does to schedule a non-emergency call for mid-day on a Tuesday.

6. **The LEVEL OF RESPONSIBILITY** (size and scope of the job). In general, the more direct reports, the higher the pay. The larger the P&L (profit and loss), the larger the pay. In sales, the larger the anticipated revenues, the higher the pay.

7. The company CULTURE. Are you sitting down? I've seen rates vary by as much as \$50 per hour (\$100,000 per year) from company to company ... but it's more common to see just a 5-10% swing. If they treat people badly and have high turnover, they will pay more (because they have to). In contrast, if they treat people well and people love working there, they can get away with paying less. If the CFO is tight-fisted, no matter how much the managers kick and scream, the CFO will not give them more money.
8. WORK SCHEDULE & COMFORT. Jobs that require a lot of travel usually pay more. Jobs that are 2nd or 3rd shift usually pay more. Dangerous jobs usually pay more. This actually points back to market demand: fewer people want extensive travel, or night and weekend jobs. Because the supply is lower, employers need to pay more to cover those schedules. Dangerous jobs are usually regulated by outside authorities, including labor unions and government.
9. Years of EXPERIENCE. Typically, more experience results in higher pay ... until you hit the top of your pay scale (and the top of what the market will pay). At that point, you will probably have to add new skills, and/or move into management to increase your pay (note: managers do not always make more money than their employees. Sales managers often make less than their top performers, but more than their lowest performers).
10. EDUCATION and CERTIFICATIONS. This one is tricky. Education is fantastic! Not having a degree can be a knock-out factor (especially at larger companies, and for highly-technical positions). However, a degree rarely guarantees higher pay. Experience usually trumps education when it comes to pay scale. While certain degrees and certifications are often required to get in the door, they are not a guarantee of higher pay.
11. PERFORMANCE and REPUTATION. Your performance and reputation matter. They are especially important when asking for a raise internally, but they are also at play when you are applying for a new job. One reference check, for instance, can make the difference not only in whether or not you get offered a position, but also in terms of enhancing your credibility and inciting the employer to offer you more money. If you have a stellar written performance review, it's a good idea to share that with a prospective employer.
12. The RECRUITER or SALESPERSON "pitching" you to the hiring manager. The truth is, as a rookie recruiter & salesperson in my early twenties, I was terrible at negotiating. Terrible! So, if you were my unlucky candidate, I was so thankful for the placement, I would ALMOST take whatever they would give me ... to keep my job. The only thing that kept me from giving candidate away for too cheap was my boss. Seriously.

As you can see, **compensation is tricky for employers, too.** Some companies spend a fortune to bring in compensation experts to help them set their pay scales. Aside from that, smart employers do the following:

1. Online research
2. Talk to peers in their industry
3. Ask staffing vendors for current market rates
4. Compare salaries of all their candidates. Every time a candidate shares salary information (past and current expectations), it gives an employer a pulse on what the market looks like right now.

REMEMBER: "COMPENSATION" MEANS MORE THAN JUST A PAYCHECK

If you are looking at full-time jobs with benefits, you've got to evaluate all the benefits ... not just the paycheck. Consider things like healthcare, paid vacation and other time off, 401K match, tuition reimbursement, free memberships, free parking, etc.

YOUR COMPENSATION IS TOO IMPORTANT TO LEAVE TO CHANCE!

I know it can be tempting (especially after looking at this list!) to throw your hands up in the air and just take whatever money they are offering you. Don't. Your compensation is far too important to leave to chance! The great news is this: Christine, you are already WAY ahead of your competition... and well-poised to ask for something on the higher end of the scale. The simple fact that you have done market research will enable you to state your expectations with confidence and a smile. Ahead of entering the "money conversation," figure out what you want (as well as what your bottom line ... so you know when to walk away), then practice asking for what you want with a friend.
