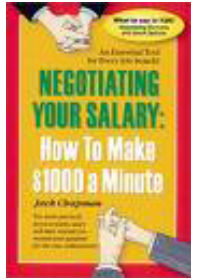


Negotiating Your Salary: How to Make \$1,000 a Minute

Most personal-finance blogs write about cutting expenses. But you can obtain powerful results by looking beyond frugality, by boosting your earning power. One of the best ways to increase your income is at the source: during salary negotiations, either when you land a job or during a performance review. This can be scary. For many people, salary negotiations are an awkward thing.

I was discussing this subject recently with my friend Michael, who runs the career development office at Western Oregon University. He takes pride in helping students get good jobs with good salaries. Michael recommended a book called [*Negotiating Your Salary: How to Make \\$1,000 a Minute*](#) by Jack Chapman, so I picked up a copy for \$7 at a local used book store. I recommend it highly.



How to earn \$1,000 a minute

“We spend years thinking about what we’ll be when we grow up,” Chapman writes. “But when it’s time for a raise, most of us just accept whatever we’re offered. How many minutes do we spend negotiating the money? *Zero.*”

Chapman argues that by spending just a little time up front, you can put yourself in a strong position to negotiate an increased salary, either during a performance review or when applying for a new job. Those few minutes in an interview during which you ask for what you’re worth can make a difference of tens of thousands of dollars over your lifetime. Maybe hundreds of thousands. You can literally earn \$1,000 a minute if you do this right.

His book offers five specific rules for negotiating your salary:

1. **Postpone salary negotiations until you have been offered a job.** “The same applies to raises,” Chapman writes. “There, the rule is never discuss a raise until you’ve had your review.” Chapman says that the hiring (or evaluation) process consists of two phases: judging and budgeting. You can only hurt yourself by dealing with salary when the employer is judging instead of budgeting. (Chapman actually says there’s an intermediate “fudging” stage, too, but it’s not relevant to this review.)
2. **Let them go first.** Chapman argues that it’s difficult to win by being the first to name a number. Do what you can to let the employer name a salary first. For many people (and I’m one of them), it can be awkward to evade direct questions. Chapman recommends preparing for this situation. His website includes [a short video](#) on how to answer the question, “What are you earning?” or “What are your salary expectations?” (See also: Penelope Trunk’s advice on [how to answer the toughest interview question](#).)
3. **When you hear the offer, repeat the top value — and then be silent.** “The most likely outcome of this silence is a raise,” Chapman writes. The book offers a specific technique for responding when you hear the salary offer, a technique that’s designed to give you time to think about it while also putting a little pressure on the employer.
4. **Counter the offer with a researched response.** Your next move is to make a counter-offer based on what you know about yourself, the market, and the company. Chapman says that it’s important to do your research before the interview so that you’re prepared with a reasonable expectation of the salary range for the position. The book explains what to do if the offer is too low, too high (a nice problem to have), or just right.
5. **Clinch the deal — then deal some more.** The final step in salary negotiations is to lock in the offer, and then negotiate additional benefits. This is like locking in the price of the car you want to buy before you begin negotiating the value of your trade-in.

Negotiating Your Salary contains detailed instructions for each of these five steps. It also offers information for determining your fair-market value (though much of that can be done online now with tools like [PayScale](#), [SalaryScout](#), and [GlassDoor](#)), explores special situations that break the rules, and offers tips for applying these techniques to raises and performance reviews.

Note: I’m reviewing the 1996 edition of *Negotiating Your Salary*. It sounds as if newer editions incorporate some changes, including a less rigid approach to “let them go first” — although that’s still the

general recommendation.

Additional resources

As an example of Chapman's tips, here's a two-minute video in which he discusses [The Flinch](#), the reaction he recommends immediately after hearing an offer:



[Chapman's website](#) contains a series of free resources that draw from the information in his book. He divides these resources into five sections (each of which has a corresponding YouTube video like the one above):

- [When to discuss salary \(YouTube video\)](#)
- [Who goes first? \(YouTube video\)](#)
- [Your first move \(YouTube video\)](#)
- [Your researched response \(YouTube video\)](#)
- [Clinch the deal and deal some more \(YouTube video\)](#)

I bought my copy of *Negotiating Your Salary* for \$7 at a used bookstore. If you need *instant* access to the book, you can download it for \$30 from [Chapman's website](#). (You also receive a couple of bonuses when you purchase online.) Or you can buy [Negotiating Your Salary](#) for about \$10 through Amazon. And, of course, you can probably borrow it from your public library. (Although my county library system only has one copy.)

It may sound as if Jack Chapman has paid me money to pitch his book. He hasn't. I've never communicated with him. But I don't think people spend enough time looking for ways to boost their income. Learning how to negotiate your salary is one of the best ways to improve your financial well-being, and this book is an excellent source for tips on the subject.

For more information on this subject, check out [4 tips for salary negotiation](#) from Penelope Trunk.