

Finding a salary that's just right

by Jennifer Nycz-Conner

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When Tina O'Harrow had to hire an office manager for her advertising agency, she did her homework to determine the salary she should offer.

The president of The Ad Store in Georgetown checked with five salary and industry sources, including a professional association for design, before settling on a pay range.

Her experience was akin to that of Goldilocks. The industry group gave her a range that was narrow and on the high side because it is more for designers than office managers. The more generic salary Web sites, such as **CareerBuilder**, gave ranges that were too broad. After crunching all the data, O'Harrow came up with a number that seemed just right.

When she extended an offer to two candidates, both came back and said they needed roughly 15 percent a year more to get by in the Washington area. So this flexible Goldilocks company owner adjusted her amount for geography, met the candidates' numbers and eventually hired one.

"The biggest challenge is finding talent," O'Harrow says. After a month of looking and more than 100 resumes, she was ready to dish out a bit more porridge to get the bears in chairs.

The Big Question

What are you worth?

Before you answer, read the question again. It's not asking what would you like to make. Or even how much money your mom insists you should be earning.

When you sit down at the negotiation table, either for a new job or your salary review, you better be able to answer the question concretely and provide ammunition for a solid case that either justifies what you are making or persuades the person controlling the checkbook to make sure that's what that semimonthly envelope contains.

Here are a few ways to go beyond the ubiquitous salary calculators to find that elusive range.

Which way to the ballpark?

There's no getting around it -- playing the "What number am I thinking of?" game in salary discussions is just plain hard. "It's one of the toughest things," says Paul Vilella, CEO of Reston recruiting and staffing company HireStrategy.

Salary seekers often flock first to online salary calculators. The HireStrategy site's calculator, set up through a licensing agreement with **Salary.com**, is one of the most trafficked pages on the site, Vilella says.

Those calculators often don't get you far, says Laurence Shatkin, senior product developer for JIST Publishing's Titusville, N.J., office and author of "Salary Facts Handbook."

"Most of them inflate or deflate national salary averages by a factor based on how all jobs in your region compare to all jobs nationwide," he says.

In addition, many calculators' numbers are often dated.

"Too many folks do not understand that they are using public data that is often 12 to 24 months old and then use average pay raises to update it to current plus cost-of-living data to adjust it to the area one specifies," says Patricia Frame of Strategies for Human Resources in Alexandria. "It is not that it is bad data. But it is not what many people think: current real info from people in the specific job in the area you specify."

Salary levels do not exist in a vacuum. Geography, industry, education, certifications, market conditions, expertise and likability all factor into the equation.

While no one has come up with a likability calculator just yet, there are ways to narrow your salary sphere.

A good place to start digging for specific numbers is the U.S. Department of Labor's Bureau of Labor Statistics. By taking a look at BLS' May 2006 Metropolitan and Non-metropolitan Area Occupational Employment and Wage Estimates for the Washington area (www.bls.gov/oes/current/oes_47900.htm), you can get a good -- and free -- idea of an occupation's average pay. You can then drill down into a specific occupational specialty. Take those numbers, inflate them by roughly 3 percent and you have a good idea of this year's figures.

The location-specific numbers are especially important. Geography matters, often in ways that are counterintuitive.

Shatkin illustrates that fact by pointing out that dentists in North Carolina actually make more than dentists in New York City. Why? North Carolina has just one dentistry school, which has the effect of limiting the number of dentists there.

The same goes for jobs like airline mechanics. In unionized cities that also serve as airline hubs, wages are higher.

The amount of collaboration required among employees in industry also affects salary. Where team-based work is an advantage, such as information technology jobs in Silicon Valley or the Dulles corridor, the salary numbers go up.

"You want to be in a beehive with all the other bees," Shatkin says.

On the other hand, if you are a massage therapist, more therapists mean more competition, so the earnings numbers go down.

With the BLS numbers in hand, take a look at your industry's local association to get more detailed numbers for your specific position. Professional associations and trade groups are often treasure troves of current salary information. You may have to pay to join and gain access to it, but if it helps you up your weekly pay, it's a worthy investment.

Recruit a recruiter

Recruiters can give you an idea of where you fall in the salary spectrum.

"They spend their days and weeks and their life talking to other people and companies about compensation," says John Harder, managing director of CFO services company SolomonEdwardsGroup LLC's Washington-area office.

People who work in staffing businesses are constantly trading salary numbers and often have the most current intelligence, straight from the battlefields of new-hire negotiations. Ask around, find one who specializes in your industry and tap into the person's expertise.

Speaking with a local search company is one of the best ways to see if your salary is on par with the market, says Elizabeth Humphrey, managing principal of The **McCormick Group** in Arlington.

"You want to stay connected with executive search consultants," she says. "We're going to tell you what's going on in the market," as well as what it can bear.

Search companies that specialize in particular industries or fields can offer job and geographic-specific intelligence.

Health care search firm Martin Fletcher, which places professionals from nurses to surgeons, delves into not only geography and expertise but also specific kinds of jobs within the nursing field.

"Are they looking to work in an acute care hospital? For a long-term care client? A medical group?" asks Jody Talbert, a vice president in the firm's Irving, Texas, office.

Some firms publish their own studies.

Consulting and staffing company **Robert Half International** publishes separate salary guides for technology, administrative, and accounting and finance professionals.

The booklets go beyond hard numbers to include regional hiring trends and overviews of each field.

Making that information readily available helps Robert Half International reel in job seekers, or as the company knows them, potential clients.

Be sure to ask around outside your company.

"Sometimes your company is the problem. It's not the industry," says Nicole Williams, author of "Earn What You're Worth: A Wildly Sophisticated Approach To Investing In Your Career and Yourself."

Consider The Source

This is going to sound like a bad idea, but trust us on this one: Ask your boss.

We are not advocating that you march into Mr. Boss Guy's office and demand to know if you're making what you should. Instead, experts suggest that you have a constructive conversation about ranges and pose questions like these: What's the range for my current level? What would the range be if I were to be promoted? What will I make at the next level?

This can get awkward, and you very well might not get an answer. But "if you don't ask the question, you don't know if they're ever going to tell you," says SolomonEdwardsGroup's Harder.

Also talk with higher-ups who aren't your boss. They are often more than willing to share what they pay people below them, Williams says. You can bring salary up in the context of asking for help in gathering intelligence, she suggests: "Hey, you're in the marketing industry. I'm thinking about asking for a raise. Can you give me a range?"

Another easy suggestion is to just listen around the coffee machine. People talk about money and give you enough clues to draw a decent conclusion.

"People are more willing to talk about salaries than you'd expect," Williams says.

When you hear business acquaintances talk about a person leaving their office, they may drop bombshells like, "Well, where else is he going to make \$200,000 a year?" You now have a base line from which to work.

Bringing up a potential job change is a good way to open the door for conversations with peers. By asking for their counsel, "you can kind of warm your way into the Big Kahuna" discussions, Villella suggests.

This is also where those salary calculators can be helpful. The numbers you find there can serve as an entree into a salary conversation with a peer. You can use them for the Goldilocks question: "Here's what I found online. Does it sound high, low or just about right?"

Whatever numbers you come across from recruiters, colleagues or online sources, remember to think holistically, as an employee and an employer. No job is purely about the salary. It's an amalgamation of culture, hours, work arrangements, benefits and all those intangibles that form the workplace experience.

When somebody makes a move, it's rarely just about the numbers, says McCormick's Humphrey. "It really has to be about the opportunity."

Don't try this at the office

The do's always seem to be tailed by those nasty don'ts, don't they? Salary issues are no exception.

The biggest "don't" is don't give into the temptation to ask your co-workers point-blank. Trust us. Nothing good can come of this. The odds are slim that you make the same amount, meaning that one or both of you is going to feel awkward. And whiningly exclaiming, "But Bob makes X dollars!" is not exactly a valid argument in a salary negotiation anyway.

That does not mean you can't do some internal reconnaissance. There are plenty of clever ways to get a feel for salaries your company pays without trying to read through your cube mate's paycheck envelope. For example, determine what lower-level people are making -- something you can do by asking about current job openings. Talk to the human resources department or the higher-ups around you. Vice presidents are more likely to be candid about what their lower-level employees are making than to share their own salary numbers.

Finally, you may want to avoid letting on to the boss that you've been talking to recruiters directly. Finding out that staffers are in touch with people who might lure them away can raise some bosses' eyebrows.

"It's a like a fine line there," warns Tom Ruff, president and CEO of Los Angeles-based medical and pharmaceutical sales recruiting business Tom Ruff Co. "It could help or could be construed as negative -- [they're doing this] on company time? How loyal are they to this organization?"