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October 2021

The Power of Negotiation

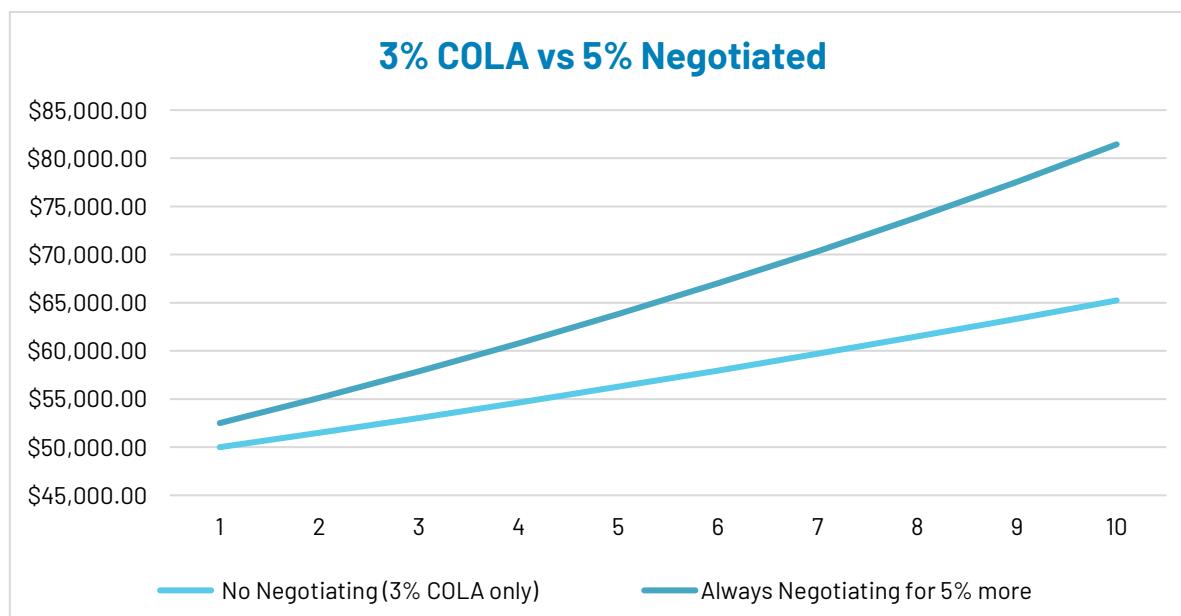
Despite natural instincts to support others, many women often find themselves at a loss for words and even confidence when it comes to advocating for themselves. This challenge is particularly true when it comes to negotiating about money.

Sallie Krawcheck, CEO of Ellevest, suggests that some women internalize messages about not being good with money or math, and then shy away from

those discussions. Despite her successful career in financial services, Krawcheck shared "My whole life has been on Wall Street, and every time I go to negotiate a salary, my neck blotches. I used to have to wear a turtleneck."¹

Additionally, the gap in negotiation confidence and success is even more significant for women of color. In a recent CNBC article, "Be Willing to Walk Away": 6 Black women career coaches on negotiating your salary and countering a low offer", Kimberly Cummings, Career and Leadership Development Expert, explained that "Many times, women of color may be going into their interview process feeling discouraged, feeling overwhelmed, or feeling undervalued and underappreciated and they really allow imposter syndrome to take over. It's very important that when they're having these [salary] conversations that they're shedding as much of that weight as possible and that they're standing on the results and impact they've had in the workplace."²

Financial loss from a lack of negotiation compounds over time. Every year that a woman accepts average (or less than average) instead of negotiating a more significant raise, and every time a woman avoids the discomfort of pushing for a higher starting salary in a new role, she sets herself up to lose thousands of dollars that could be saved or invested.



Many organizations set a standard of a "COLA" or cost of living adjustment as a baseline for pay increases. For illustration purposes, we've used 3% at the COLA.

In this very simplistic example, a woman starts working (Year 1) and accepts her first job offer for \$50,000. She would have liked more, but for a first job, she feels like it's a good start. Year after year, she avoids negotiating and receives reasonable pay increases around 3%. If she had negotiated just 5% more than she was offered (\$2,500 more), she would start herself on an upward trend – and if she maintained that negotiation strategy, nudging out an extra 2% over COLA

each year for a total of 5% each year, her total earnings after 10 years would be \$87,145 more than if she never negotiated. The income gap widens over time, and the benefits of negotiating multiply over the years.

With the knowledge that a lack of negotiating has not just an immediate loss, but a compounding loss, women simply can't afford not to negotiate. Not if we want to be paid fairly. Not if we want to get what we deserve. Not if we want to stop the trend and shift the narrative on money for the next generation. The first step is to decide negotiating is important, and the second step is to get prepared.

3 Tips to Prepare for a Negotiation:

1. **Know your worth.** If you are negotiating a salary, start by researching average market salaries for your job or the job you are pursuing. On top of that, consider all of the ways you bring more to the table than average. Consider years of experience within the industry, tenure with the organization, additional responsibilities or committee work. Latesha Byrd, CEO/Executive Coach at Byrd Career Consulting, suggests that women should "always ask for 10% higher than what you truly want to help cover a range."³
2. **Know your boundaries.** Think through the "what ifs". Is this a position or a firm you will leave if you are not compensated fairly? Are you comfortable with a percentage of what you really want, while expecting to have a follow up discussion on money in the near future?
3. **Broaden your negotiation terms beyond cash.** Byrd also recommends that women be prepared to discuss more than salary..."think about more PTO, work-from-home opportunities, professional development training, equipment, mentorship, travel benefits, transportation stipend, relocation package."³

Women who negotiate better pay and better terms for themselves will not only financially benefit, but they will also gain confidence and feel empowered in ways that go beyond finances. Stephanie Hathaway, Senior Executive Assistant at RiverFront, encouraged her younger sister, Shannon MacDowell, to negotiate when she received an offer for a new position. MacDowell was thrilled about the opportunity, knowing it would put her on the career path she had been seeking. Hathaway encouraged her sister to negotiate by talking about how men generally don't hesitate to ask for more than an initial offer, while women find it difficult to speak up to ask for more. MacDowell successfully negotiated a \$4,000 increase in the starting salary. She later shared that she felt accomplished and even empowered after negotiating because she knows that she deserved more. MacDowell stated that "...negotiating also shows the employer that you value yourself."

We are losing for ourselves and for the next generation of women when we do not master the art of skillful and intentional negotiation. Although preparing for a negotiation meeting can be draining and stressful, it is important to press forward. Don't let the challenge hold you back from negotiating again and again. Creating a plan to "stay in the game" of negotiating is critical to securing future opportunities and financial gain.

4 Ways to "Stay in the Game" of Negotiating:

1. **Shift to a mindset of annually and every time as opposed to "one and done".** When we consider the statistics on the financial loss over time as a result of not negotiating, we see that *negotiating is non-negotiable*.
2. **Practice negotiating and advocating** on other things – perhaps things that carry less emotional weight – in order to build confidence. Having some landscaping work done? Perhaps you can negotiate some on the price if you are willing to be flexible on timing.
3. **Share.** When we hold information so close, we miss opportunities to learn from others and to help others. While it may not feel comfortable to pass out copies of your most recent paystub, you can certainly share general numbers with a close colleague or someone within your professional network. The worst thing that can happen is that you find out you are being grossly underpaid – which will give you a boost of motivation to negotiate.
4. **Encourage others** to negotiate, and you'll find that you are also encouraging yourself. Are you mentoring someone more junior? Coach her to negotiate Every.Single.Time.

Footnotes:

1. How to Negotiate Salary Advice from Sallie Krawcheck | KCM (katiecouric.com): <https://katiecouric.com/lifestyle/money/how-to-negotiate-salary/>
2. 'Be Willing to Walk Away': 6 Black women career coaches on negotiating your salary and countering a low offer (cnbc.com): <https://www.cnbc.com/2021/08/03/black-women-career-coaches-on-negotiating-your-salary-and-countering-a-low-offer.html>
3. Want a more flexible work schedule? Here's how to ask for it (cnn.com): https://www.cnn.com/2021/08/10/success/how-to-ask-a-manager-for-more-flexibility/index.html?utm_term=162867851505210g8fc1bf88d&utm_source=cnn_Five+Things+for+Wednesday%2C+August+11%2C+2021&utm_medium=email&bt_ee=6DtI1mYATBiFpA4TcurnwoOyW9LffcNiWG0gFUJmdm8kDE54sTy4MSGRVcS1q%2Fz&bt_ts=1628678515054

About ENGAGE

RiverFront founded [Engage](#) in 2019 with the goal of changing and improving the experience for women in financial services. The mission of Engage is to engage women in our industry through mentorship, education, and support.

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