



Point of View

Boost Your Bargaining Power by Keeping Salary History Confidential

Many potential employers will want to know what you earned at your last job. Disclosing that information is not only irrelevant, it also severely diminishes your negotiating ability. Here are some suggestions about what to do when you're asked - including some alternatives to revealing information that is best left private.

At some point in the job-hunting process, you will be asked about your salary history. It may come up in an ad, during the initial screening or as you advance through the interview process. If you can, avoid answering directly. There are ways to deflect the question and it is in your best interest to keep your salary history private.

It's also likely you'll be asked about your salary *requirement*. Your salary requirement is the amount you'd accept to take the job. This question isn't your friend either. You never want to drop a number - either related to your salary history or requirement - before the potential employer tells you what they are prepared to pay.

If you disclose first, you have given up much of your negotiating power. If your current salary is low, for example, you may have trouble getting the new employer to budge past a certain percentage increase.

Focus on the present, not the past

Equally important, your salary history is not relevant to the discussion at hand. The right discussion is about the particular job, its value to the company and your skills. All of these things are tied to the job's fair market value. How can you help the new company be more successful and add to its bottom line? That's how a potential employer should assess your value. And that has nothing to do with your salary history.

So, what should you do when asked the salary history question? Say you believe that information is personal and confidential and you're not comfortable discussing it. Or perhaps you signed a contract and your salary is "company confidential." In either case, follow up with something along the lines of, "I've researched what comparable jobs pay and I'm confident we can reach an agreement on salary."

Decide on a salary range

Also, prior to applying or interviewing, decide on a range that spans the lowest salary you'd accept and your desired compensation. If you absolutely must reveal your salary, segue directly to your expectations and why you deserve the requested salary. Focus on your accomplishments and abilities. Be sure to thoroughly research the job and the market so you can speak with authority and conviction.

Then let the potential employer make the first offer. If you're asked what salary you want, counter politely with, "What is the salary range for the position?" When you get an offer, treat it as the starting point for negotiations on salary, benefits and perks.

Remember, your initial salary will have far-reaching implications. Subsequent raises are often a percentage increase over your current salary. In many cases, your company's contribution to your 401(K) is calculated as a percentage of salary. By knowing your own worth, mastering a few strategic skills and being savvy about market conditions, you can get the salary you deserve now and for the future. And you can only achieve that by looking forward, not back.