

TO: Job Marketeers 2016/17  
FROM: Claudia Goldin and Larry Katz  
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RE: Negotiating (should you want to and should you have the opportunity)



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The following information comes from several Harvard students who accepted jobs at a variety of academic places in the past.

**Caveats and warnings:** We don't know what fraction of people negotiate over anything. It is difficult, but not impossible, to negotiate if you have just one offer. Don't waste people's time and don't be a pest. But do get what you need to go to a place and be a productive worker. Negotiating over public goods or research funds looks better and is often more productive than negotiating over your own salary. Remember as well to leave some of the surplus from the employment relationship on the table and make sure that it is shared between you and your prospective employer.

### **(1) What to negotiate over.**

Here is a list, surely not exhaustive, of things we know people have negotiated for.

- Salary and summer salary
- Research budget and other forms of research support (e.g., a funded RA for a summer)
- Teaching load and courses
- Ability to take a one-year post-doc before the position begins
- Joint appointments with another department or school or division
- Physical location of your office, or splitting time between locations
- Visa sponsorship and employment permits or job opportunity for partner

When it comes to choosing what to negotiate for we have heard different things suggested – from “choose your battles” to “ask for everything.” If you can, push hard on a few things you care most about and that would make you look good (e.g., research support especially if it helps graduate students as well; support for a workshop that is shared with others).

### **(2) How to negotiate.**

Bargaining is very idiosyncratic; every candidate has different needs (e.g., money to run field experiments, a job for a spouse) and every school has different constraints and different items to offer. There are no fixed rules. That said, we found a few basic principles helpful.

**Find out who controls what at the school and negotiate accordingly.** Schools differ in how decision-making power is distributed. In some places the economics department will have considerable autonomy and will directly control most of your contract parameters; in other places, much of the power will reside with a higher authority, such as a dean. This directly affects

bargaining. For example, it will determine who must make sacrifices to grant you a concession (e.g., does your research budget come out of the economics department budget or the social sciences budget?).

**Use (1) your own outside options, and (2) your concrete research plans as leverage.** You need to give the school a concrete reason to give you what you're asking for. The usual reason for school A to improve a contract feature is to compete with an offer from school B that does better on that dimension. This seems to be true even if school A's offer is better than B's on several other dimensions, perhaps because you can always argue that a particular feature is really important to you. In cases where your offers are not directly commensurate you could try monetizing benefits, e.g., calculate what a summer of RA support costs.

It may also help to provide concrete details supporting your request. For example, if you are asking for more research money you might provide a budget from your most recent project in the field and explain that conducting this kind of fieldwork is integral to your research agenda and would help others in the department, e.g., faculty in your area, graduate students.

If you have an offer and are using it as leverage but do not plan to accept it, it is obviously good form to conclude your negotiations as soon as possible so the unlucky school can resume its search.

### **(3) What not to do.**

**Don't waste people's time and energy.** Negotiating contract details takes time and, in some places, requires people to use their social capital on your behalf. Haggling over details with a school whose offer you are unlikely to accept wastes these resources and can backfire if they end up feeling slighted. Feelings may also be hurt if people learn you are trying to get them to improve their offer simply to use it as a bargaining chip elsewhere. Remember that this is a repeated game; the people you are bargaining with may be your colleagues or referees in the future.

**Don't be a pest.** The person with whom you are negotiating (e.g., the department chair), has internal constraints and needs to negotiate with people in the university administration, such as the dean. That makes it important to state clearly which dimensions of the job offer are most important to you and what it would take for you to accept the job. Avoid a situation in which the chair uses up a lot of political capital to increase research funds only to find out that teaching was more important to you.

Don't expect an Economics Department to meet the salary and research budget offered by a Business School. You can reveal to the former the terms from the latter but with the understanding that the former is offering you the benefits of being in an Economics Department (if that is what you want).

To avoid these problems, some people give their top choice a "buyer's option," i.e. they provide the school with a list of requests and indicate that they will accept if those requests are met.

#### **(4) Advice from a real expert.**

Deepak Malhotra from HBS has a one-hour video (with 615,000 views!) on negotiating that some from last year found useful: [https://www.youtube.com/watch?v=km2Hd\\_xgo9Q](https://www.youtube.com/watch?v=km2Hd_xgo9Q)

All of Deepak's advice is common sense and remarkably similar to what is listed above (“don’t waste people’s time and don’t be a pest but do get what you need to go to the place”). Some of the other advice that our students found useful was to be clear (“Dimensions A and B are really important to me and if A were increased so that I could afford to hire an RA that would be really important for my decision-making”) and to explain why a certain dimension was important to me and potentially also sensible for the department (“I primarily work with data so having an RA who can assist with data collection, cleaning, and analysis would directly help to make me a more productive researchers while working in your department”).

There is also an HBR article by Deepak Malhotra that contains the essence of his advice:

<https://hbr.org/2014/04/15-rules-for-negotiating-a-job-offer>