

How to Handle The Job Offer You Can't Afford

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Earlier this year, Mark Cummuta walked away from a chance to become the No. 2 executive of a Chicago technology consultancy -- for less than \$100,000. As the sole breadwinner and father of triplets, Mr. Cummuta couldn't afford a nearly 20% cut in pay, compared with what he was earning as an independent management consultant.

He's still looking for a permanent position. "Every now and then, I hit myself and say, 'I should have taken that offer,'" concedes the consultant, who has helped several firms navigate difficult times since 2003.

Unfortunately, Mr. Cummuta is hardly unique. More battered businesses are giving new hires less money than they made in their last job. "I am seeing that a lot more," says April M. Williams, a career coach in Algonquin, Ill. Puny amounts flabbergast some of her clients.

"As the downturn deepens, an increasing number of job seekers will find themselves getting lower-paying offers," says Mark Royal, a senior consultant at Hay Group. "We are on the cusp of a trend."

But excess eagerness to toil for fewer bucks sends the wrong signal. Such applicants often "are really desperate," says Niki Leondakis, chief operating officer at Kimpton Hotels & Restaurants, a boutique chain in San Francisco.

Rather than immediately reject or accept a lowball deal, you should mount a careful counterattack, experts recommend. You could improve your chances of winning a satisfactory compromise, with tradeoffs ranging from a faster pay review to extra perquisites.

Just Say No?

Reasons why you might want to reject a lower-paying job:

- You couldn't afford your rent
- Your old pay far exceeds prevailing rate for the new position
- Your repeated efforts to negotiate alternative rewards fail
- Boss-to-be won't let you make more money than him
- The offer reflects a workplace that's a poor fit for you
- A better offer looms elsewhere

Source: WSJ reporting

Arm yourself with data about the going rate for your position by trolling Web sites such as www.Salary.com, indeed.com/salary, salaryexpert.com and Glassdoor.com. You'll see whether a concern "has poor information about the external market" and rewards staffers below prevailing levels, says Robin Pinkley, a professor at Southern Methodist University's business school and author of books about pay negotiations.

As part of your homework, you must grasp a potential employer's problems so you can promote yourself as a problem solver worth more than the proposed skimpy pay. "To negotiate in tough times, you have to be able to create a vision," says Jim Camp, an author and president of Camp Group, a

negotiation-consulting firm in Dublin, Ohio.

A big New York law firm recently agreed to hire an Ohio lawyer for \$140 an hour, \$40 an hour less than he was earning. The firm blamed tough times. But the attorney knew he could provide important client referrals, recalls Mr. Camp, who coached him. "What number would I be paid if I brought a million-dollar client?" the candidate asked firm officials.

"If you're a rainmaker, the numbers change," they replied, according to Mr. Camp. After further interviews, the firm raised his starting pay to \$240 an hour. He began last summer.

A West Coast executive took this tactic a step further. Keen to enter senior management several years ago, she hoped to accept a vice presidency at a midsize manufacturer -- and keep making over \$300,000 a year. But the concern offered less than \$200,000, the same cash compensation it gave other VPs.

The woman prepared a Power Point presentation for the chief executive, highlighting accomplishments he didn't know about and describing ways she might bolster customer satisfaction. She says she also sold him on a quarterly bonus plan for herself, linked to measurable milestones needed for the manufacturer's long-term growth.

The CEO enlarged her package by nearly \$25,000. And she racked up bonuses fast enough that she was paid nearly \$300,000 within a year. "It was a win-win for the company," she notes.

Some job hunters weighing lower offers bargain for alternative rewards, such as flexible hours, extra vacation, special training or a gym membership. Not everyone can long survive on a shrunken paycheck, however.

PeaceKeeper Cause-Metrics, a small cosmetics distributor, offered Stephanie S. Hayano a \$50,000 salary to be its chief operating officer starting last January. She previously earned \$300,000 a year running Natural Health Trends Corp. The puny pay wouldn't have even covered mortgages for her three residences. "Unless I was prepared to totally change my lifestyle, \$50,000 was not in the cards," Ms. Hayano says.

She assumed the COO title at the New York firm, but gets compensated as a part-time consultant and retains other consulting gigs.

It's a good idea to assess the long-term career impact of toiling for less. Younger individuals, for instance, might get a valuable opportunity to build their résumés.

That proved true for Sanjay Gupta. In 1994, the 26-year-old senior marketing analyst accepted 10% lower pay when he transferred to a database marketing job at his employer, FedEx Corp. He and his wife were forced to dine out less often. However, Mr. Gupta says that he gained experience "with every facet of marketing," a critical skill for becoming a chief marketing officer of a big business some day. He achieved that title last March, when GMAC Financial Services named him CMO.