

EPISODE 1304

“AC: By the time you go in for the last conversation, the conversation, you want the person who's making decisions to have heard your name in an echo chamber be hearing about you so much and what you are doing and what you're contributing that your presentation is just the final nail to get you to that next level.”

[INTRO]

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FT: Welcome to So Money, everybody. Wednesday, January 12th. Update, daughter is still showing no symptoms, all clear. Everybody in the house just experiencing cabin fever. We got our PCR tested and have to wait five to seven days for those results. Yeah, that's where we are in America right now. This is really testing my patience.

In the meantime, I thought I would dedicate a podcast to how we can make the most of this year when it comes to our salaries. One of my favorite experts on this topic is back on So Money. She is fantastic. Her name is Alexandra Alex Carter. Her book *Ask for More: 10 Questions to Negotiate Anything* was first published back in May of 2020 by Simon and Schuster. Now, she has the paperback with some timely updates, namely the pandemic, working from home, the Zoom culture. How to make more money in 2022 is a topic of conversation today, and we talk about some of the macroeconomic issues like inflation, the increased cost of living, and how to weave that into your negotiation, how to make a case for your value in a work culture where now you're working virtually and your results may not be as visible.

We also address a listener question that has more to do with how to tell when your employer just isn't going to give you the money. Maybe they're giving you a title raise. Maybe they're giving you some credits towards taking classes. Maybe they're giving you flexible work hours, but what you really want is money. How to tell if that's even in your cards? An advice for women why this year could be the year to put your foot down, be aggressive, even if it backfires because we all know women don't negotiate like men. It doesn't always work out for us. Here's Alexandra Carter.

[INTERVIEW]

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FT: Alexandra Carter, welcome back to So Money. Happy 2022. How are you?

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AC: Thank you. I'm really well. I'm planning to be starting out the year with you. It's my first interview of the year.

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FT: Thank you. I loved having you on the show when you were on previously. This was I think fall of 2020. We were talking about negotiating, making more money in the context of the recession that was happening at the time, as well as we were in the throes of COVID-19. Unfortunately, the pandemic is still with us. Well, looks like the job numbers are improving. What we are seeing since you were last on the show that the big I think job story was the great resignation. So many people leaving the workforce for various reasons; burnout, low wages, bad benefits, an inability to balance home and work under the constraints of the pandemic, or all of the above. So this brings us to why we are so delighted to have you on the show because you have some important advice for those of us who are looking to either start a new job or do better at the current place that we're working, making more money, getting more benefits, if that's what's important to us.

Let's start with where we are right now in the world, Alex. You have just re-released your book, *Ask for More*. It's in paperback. What's new? What has changed since you first published and any advice that has pivoted since 2020?

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AC: Yeah, absolutely. So *Ask for More* came out May 5th, 2020, right? So that was, as you mentioned, a chaotic time, and so much was uncertain that a lot of people I spoke to, nearly

everybody, said that any raises or promotions or that type of thing was put on hold because management was just trying to get a handle on the situation and how is it that we are going to survive, meet our quarterly goals, our year goals, and people were getting told later?

It's interesting because you mentioned that great resignation. I think this is actually what I'm seeing, especially in the last six months, is the great reevaluation on the part of US workers. The thousands of people that I talk to, that I counsel, they're looking at compensation, absolutely, and a lot of them are going out either getting raises at their current company to keep pace with market value or generating other offers and going elsewhere for significantly more. But people are also doing this in the context of having had the chance to reevaluate what makes for a rich and fulfilling life. I don't just mean rich in the material sense, but putting all the building blocks together of a sustainable and good life to live.

So that could include money. Lots of people are negotiating for that. That's always priority one. But people are also negotiating for plenty of other things. They're negotiating for support, lots of senior women negotiating for membership to women's clubs as a part of their package. They're negotiating for boundaries and what their work-life balance is going to look like. They're negotiating for travel benefits or even pockets of money that are separate from the basic compensation. There's always something to evaluate and ask for. So I think a lot of these moves that you're seeing are in alignment with people reevaluating what they want from their lives.

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FT: But as you always say that you want to make the negotiation about your values. So with respect to everything that's happening externally, how do you work that into your conversation but focusing still on your value, as opposed to – You know things are happening. Our company has seen a departure of many workers. I know that some people are jumping ship, and competitors are offering this. How do you eloquently weave that into your debate or your negotiation?

[00:06:58]

AC: Yeah. Well, it's all relevant, right? In the end, the cornerstone has to be your value, your performance, what you've been doing. But, of course, that's against the backdrop of what is happening at the company, right? If I'm leading a department and I've had four people leave, or if several people have left above me and I am effectively now doing the job of one of those people in addition to my own, this is a case that we want to build them throughout the year. You talked about the conversation. I think a lot of people, we talk about the conversation. But this is not just one conversation, right? This is – I like to think of it as a political campaign that you are running year round. You want to be keeping track of your wins, making those wins visible, which can be challenging in a virtual environment. I used to be able to just walk into your office and say, “Hey, got great feedback from the client.” Now, I have to remember to send that email or forward something by whatever means I have available. Making those wins visible, keeping people abreast of what you're working on, rallying your allies and advocates.

You know, Farnoosh, by the time you go in for the last conversation, the conversation, you want the person who's making decisions to have heard your name in an echo chamber be hearing about you so much and what you are doing and what you're contributing, that your presentation is just the final nail to get you to that next level. So it's really a year round conversation, focusing first on let me show you everything I've been doing, as I've mentioned throughout the year, and I have done this against the backdrop of incredibly difficult commitments in the workplace and a lot of turbulence in the market. That's the framing.

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FT: So then is the recommendation for those of us who are entering the New Year hoping to make more money, hoping to improve our work status, that we need to be in it for the long game, that the idea that you're going to make that raise this month or this quarter, if this is the first time you're approaching the idea in your head, that you need to give yourself more time.

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AC: It's different at every company. Each company has its own lifecycle in terms of when these decisions come up. Again, what I would say is if the company makes comp decisions in April, and your performance review is late March, don't wait until then because it's possible that the monies will have been allocated already by that point. You want to be starting months earlier to

put this on your manager's radar to say, "Here's what I'm working towards." So it's going to be different at every company.

But I also want to give a cautionary note about waiting because I have to tell you that I've heard from so many people, and in particular women, who get told over and over again, "Not quite yet. Soon. It's almost your time." In fact, I counseled a woman. This was back in 2020. We had a session together. At the time, she had just been told, "Not yet. We can't put you up for managing director yet." She's in finance, and she's working in a new area, and they told her, "Nope, not yet." She decided, "No, I think it is my time, and I'm going to go ahead and tell them." She went back and said, "I'm asking you to put me up. I'm ready. This is my time. Put me up." She then ran the campaign for six months. She collected her allies and advocates. At the end of the year, she was a managing director.

I do want to encourage you that if you are not being valued and you – The carrot just keeps moving a little bit further down the road. That's either time for a conversation then to say, "Look. You know, I could go out and generate another offer. I'm hoping not to have to do that. I prefer to stay. We all know I'm underpaid. Here's what market is. Here's what I've been doing. How soon can we get me there?" If that doesn't work, especially if you have been at a place for a long time, one thing I found is that if you grow up in a place and I see you nodding, they're never quite going to value you the way somebody else will when you're coming in fresh.

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FT: Alex, I've quit a job after they wouldn't promote me. Two months later, my manager called me while I'm sitting at my desk at my new job and says, "Can we hire you back?" I was like, "Is this happening? Is this – This is like I'm living in a sitcom." Last time you're on the show, we talked a lot about women and negotiating, specifically advice for women, which is I feel like it's very conflicting advice. What you just described with the woman you counseled, I'm hearing this and I'm rooting for her. But I can't help but also fear that in front of the wrong employer, she may be perceived as too aggressive. I'm using air quotes. Too aggressive, nasty, a B, which studies show when women go in with the same script as a man to ask for a raise, I think that both are looked down upon, men and women. They're both – Each receive a bit of a negative reception but women more than men.

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AC: Yeah. They expect it from the men, right?

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FT: Yeah. I kind of wonder, with everything going on in the market right now, with so much turbulence with now more than ever the ability to quit and find another job, I feel like the job hunting probably won't take as long because there's so much of a need for talent, that this is your time to sort of test the waters as a woman and be aggressive and be assertive. If you were afraid of doing this before, do it now. If it ricochets, well, guess what? You can leave, knowing that maybe you have a better place somewhere else, going where you are more loved. What's your advice in those regards?

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AC: Yeah. Well, you are absolutely right that research shows women are much more likely to be labeled. I don't know about you but I personally have heard it all. You're too much. You're too aggressive. You're too loud. You talk about your accomplishments too much. I actually had a gentleman tell me that my voice was too big for my body type, and that was his helpful constructive feedback. Thank you so much for that. So I was like, "Wow, you thought that and then you said that out loud."

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FT: You said that out loud.

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AC: Right. Congratulations. What must it be like? So here's what I would say. Anytime I give advice on this, Farnoosh, I am – We're walking this line, right? We're navigating a tension between dealing with what is, and there's no question that there is baked in institutionalized sexism in all of our organizations. There's just no question that that's out there. So frankly, for some women, if you've hesitated to negotiate, I get it because you may have absorbed a

message that's in the air that you're lucky to be here, and you should be grateful for what you have, right? You may fear the backlash and with good reason. By the way, the backlash is even worse for black women, as one might predict, than it is for white women. So not all women are equally situated, but it's there. So dealing with what is versus changing the culture.

Here's my viewpoint. I teach negotiation strategy. My goal is to get as many of us into positions of senior leadership as possible so that we are changing that culture from the top down and working to educate the men and allies who are also part of that leadership structure to change it. Until that day, we have to go out and get what we deserve. I do have one tip, actually two. You know that in *Ask for More*, the whole foundation of this is powerful questions, and powerful questions are a great way to start a compensation negotiation with somebody who might be somewhat fragile, right? Somebody who might be likely to react to you. If instead of going in and saying, "It's my time. I want 25%," you go in and you say, "Tell me how you make the case for the next level. Tell me your view on my future at the company. Talk to me about how we could work together to build this out in a place that's going to be impossible for them to say no, right," it's powerful questions to get information about how it works and to put you in the best possible position.

Then if you're worried about backlash, studies actually show that framing your ask in a particular way will help, and this is called the I, we. Here's what I'm asking for and here's how we all benefit. In other words, tying what you need to the collective. This has been shown actually because women are expected to be more collaborative and more community-minded. Again, this is really effective. I hate to have to give the advice, but actually it works really well for people of all genders, right? Because if you can write somebody's victory speech, if you can show them how giving you a raise so that you stay and they don't incur the turnover costs, or giving you the promotion is going to benefit them, that's putting you in the driver's seat to have the best possible conversation. It's true for any gender. It's especially true if you're a woman.

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FT: We have a very timely question from a listener. I was going to save this for a Friday episode of Ask Farnoosh, but you're the expert on the employment. So I want to share this with everybody because I think people will hear themselves in this. So before I get to the question,

there is this thing right now that I hear from friends who are hiring, title inflation. They're interviewing applicants who are relative to maybe existing employees at their company, are junior but they have senior titles. I think this is happening a lot at companies where they don't want to give raises, but they're making everybody happy with like a higher title.

This gentleman writes in to the show, and he says, "I'm frustrated with my employer. In some ways, they've been great. They've given me a title raise. They've given me also credits and money to go advance my education. But every time I ask them for more money, they just come up with these alternatives. Now that I have the title raise and I have the advanced education, like I want the money, and they're not giving it to me." So what's your advice for him and then at large for those of us who go to the employer, and they're like, "Well, we can't give you the money now, but we'll give you the title raise." Is that always a plus?

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AC: That's very interesting. I'm always intrigued to hear about people getting a raise without the title and I've heard that so much during the pandemic. What's amazing to me is how the company spin this like, "This is a huge benefit to you. You're going to get a bigger job, and we're not going to pay you more." That's really what it is. I mean, yes, having a good title could benefit you down the road. But if that's not also accompanied by a real value increase, then the first thing I would tell that gentleman is you have to look immediately. That is a situation. If they have been stringing you along, and you've got this new title, you need to monetize that. If you can't monetize that where you are, you're going to monetize it somewhere else. So that's number one.

Number two, you didn't ask this. But what happens when you get to the next company, and they ask you what you're making now, right? You –

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FT: Well, do you have to answer that question?

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AC: You do not. Okay. Absolutely. First of all, in some states, they can't ask you that because that, as you know, is a question that's really been used. Just think about it. If women are underpaid, right? I'm a white woman. I'm underpaid statistically likely to be underpaid compared to a white man. My black sisters, my Latina sisters are faring even worse. If you are asked what you make, and that becomes the baseline, we're going to perpetuate the gender pay gaps into eternity. So instead, I like to reframe the conversation and say, "Well, we're not talking about my last position. We're talking about this position and what the appropriate compensation is for that. So talk to me more about this position at this company and what it looks like." Then at an appropriate juncture, I think it'll be time for us to talk compensation, right? It's not relevant. In some states, you can't ask. Even where technically you might be able to ask, don't answer the question. What I was paid before for a previous role is irrelevant. It's about this company, this role, and what market is for that, period.

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FT: I was going over old emails, my very first job, where I got like benefits and everything was at NY1 News. Shout out to all my friends there. I mean, I made all the mistakes, Alex. I remember, I have an email that I'm emailing with HR. I've got the job. They want me for the job, and she's asking me how much either I want to make or I am making. I just tell her. I like put it in writing. I'm like, "\$45,000 would be great." I had no advice back then about how to ask for more. I think I set myself up for failure there because that was the job where I was taking on a ton of responsibilities. I was doing 18 different job roles, way more than what I would have been hired to do, was far more capable, should have been making more. They just – This is the boss that called me two months after I left, "Hey, can we bring you back," because they realized letting me go was like needing to fill four more jobs, right?

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AC: Oh, my god. I love this. It's like the relationship where the other person's like, "I think we should see other people." Then you find somebody better, and all of a sudden they're like, "Wait, you were so great."

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FT: Yeah. Not to toot my own horn, but it is a little bit of a redemption, given the fact that I was so sorely underpaid and misunderstood the whole time I was there. Let's talk about another current event, which is inflation. Inflation, we're all feeling it, whether that's at the grocery store, at the gas pump. The only positive maybe is interest rates on our savings. Savings rate's going up, but we haven't even seen that. How does that impact your ability to negotiate successfully? How does that – Should that even work its way into the conversation?

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AC: Yeah. Inflation is, in fact, it's affecting all of us. It's frankly affecting some more than others. As with a lot of things, the hourly wage workers tend to get hit the hardest. Like you said, the gas pump, if you need to buy a car, different things that are happening every day. It's also affecting different employers differently. I actually spoke to the Wall Street Journal about this recently, and what I was talking about there is I wouldn't make it the cornerstone of your argument, right? I can see you shaking your head because, really, where do we want to be focusing on when we're asking for compensation? We want to be focused on our value and the role. That really should be the cornerstone of any argument.

It's possible that some employers might be receptive to an argument where you say, "My salary hasn't been increased for years, and my cost of living have skyrocketed." It's possible but it's also possible that you would be met with a, "You know, Alex, we totally get it, and our costs have risen also, and it's really a tough situation, and we appreciate you hanging in there." So for that reason, I wouldn't lead with inflation. I would lead with, "Here's what I've been doing. I haven't been raised for several years. I'm significantly under market value. And we all know that by this time, I've accrued so many relationships, so much experience, that it would be really expensive to replace, and I'm hoping, rather than incurring that expense, that the company sees fit to pay me market for this position, right?" It's not quite a, "I'm going to leave." But it's a, "Just to remind you, in case you're worried about the expenditure, there are all these statistics about how expensive it is to replace somebody." Even for an hourly worker who's not making too terribly much, it can be \$20,000. If you're a senior manager, it could be \$50,000, \$100,000, or even a little bit more to fully replace that person.

I think if your previous employer, all the roles that you were filling, all the knowledge that you had, replacing that, getting the right people into replace you, getting them up to speed, doing the

job hunt, all of that costs real money and hours, that we need to focus employers on when we're asking for more.

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FT: It's relative I know, but how much can we expect to make on top of what we're making already? Some people think 20%, 30%. In a previous job, I had a mentor there tell me, "Whenever you're leaving a job for a new job, always ask for like 50% more, double." This is in the news industry, so the rules are different. What do you think? Just to give people a sense of like ballpark or at least how to measure it for your own situation.

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AC: Yeah. I personally – This can differ from industry to industry, as you noted. But I personally would never ask for less than 20%. I've spoken to so many hiring managers who tell me that there's room there, whatever the offer is. I've had people tell me during the pandemic, when everybody said, "Yes, I'll take it," because they thought, "I have a job. I have to take this. The hiring managers are telling me we have more. We had at least 10% on the table, maybe 15." So I personally would not make a move and ask for less than 20% more. That could even be for a lateral move. If you're moving up, then, of course, you're going to ask for more. But this is where I would say sometimes folks rely on the websites. That should really only be the beginning of your information gathering. If you heard that hackneyed saying your network is your net worth, or it's wrapped up in who you know, you want to be tapping your networks to find out what people are making. Over and over again, the people I counsel, when we look through their network, we find somebody who can give them the real scoop on what the ceiling is and how much they can be asking for. It's why, as women, we need to talk about money. This is why I love what you do because the more we are frank and leveling with each other to talk about money, the more we're going to close the gap and level that playing field.

Right now, the employer has all the information. They know what they pay everybody. They have it all. So you have the system and a bunch of one-time players going up against the system, and we can only level it. If they're not going to share information, then we have to and we have to be the ones telling each other how to ask for more.

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FT: And sometimes be willing to walk away, right? Maybe this is also the year where you can bite that fear and say, "I'm sorry. I can't." Then we've talked about this that whether it's silence and then negotiation or literally just leaving the negotiation and saying, "This is my final offer," giving your employer time to think about it or – Not to give them an ultimatum but say like, "This is what I need," and being really firm about it. Can you give us any motivating advice around that? Because I think that's a really hard thing to do sometimes or all the time.

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AC: Absolutely. So in *Ask for More*, I give people three words of advice that you should live by in your negotiations, and that is land the plane. Sometimes, you have to have the courage to just make your ask and then zip it. Let it hang there. I think many of us feel this way, especially I would say women I've spoken to. But some men and non-binary folks as well, we want to make people comfortable in negotiation. We feel as though we have to talk to fill the silence. Well, I really would like 25%. But if that's not possible, I totally get it. Uh-uh. You make the ask and then you land the plane and let the silence be.

Do you know in the paperback of *Ask for More* out this week, this is the reason we're talking, one of the things that I did update was some recent research around silence in negotiation. There was a study earlier this year from the Journal of Applied Psychology talking about how many high-value negotiation moves come after a period of silence. How long? Three and a half seconds. It can feel like an eternity, right? So sometimes, it's as simple as sitting back and counting that time, giving the person time to respond. Sometimes, landing the plane means they send you the email. You're not in love with the offer and you don't respond right away. You let it sit.

I can't tell you how often women I've counseled have been pressured to accept like the first counteroffer. Either the first offer, they negotiate once. They're pressured to accept the counteroffer. One woman called up and said, "Can you tell me more about why there's this time pressure?" She found out that her boss was going to Hawaii. Their vacation is not your emergency, right? We don't have to make people comfortable. We can let there be silence. We can take time to consider. We can say, "This isn't going to work for me. I need to take some time

to assess my options.” Sometimes, then people reevaluate, and they come back with something better.

Last thing I will say though is I could tell you so many stories of people who were so afraid, and I've been there too is the secret. I teach negotiation and sometimes I teach from my own pain because I too have feared. I too have been socialized to be the good girl and make people happy and pleased. I too have feared when I send something off thinking I'm going to lose this deal, or people aren't going to want me because I asked for my worth. I'm here to tell you that both for me and thousands of people I have coached, there is so much value on the other side of that fear, and you can do it. You can push through.

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FT: I would argue, Alex, that that fear, the adrenaline, sometimes lead you to the right move, lead you to the right place. Fear is – The fact that you can stand here and say, as the negotiation expert, a Columbia professor, “I get scared sometimes, too.” I mean, that says a lot about fear, that we all experience it. It's not always a bad thing. But recognizing it as you have, having an emotional intelligence around it, is the key.

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AC: Yes. I know you're exploring this, but there are different types of fear. Sometimes, for me, the fear, it comes up, and I just observe it. I say hello to it. I don't judge myself anymore and say, “Why am I feeling this?” I'm like, “Oh, you again. Here we go. I'm raising my prices, and here you are again, whispering in my ear, ‘Who do you think you are.’” The answer is I'm Alex Carter, and it's a new year, and my prices are going up. Thanks so much. See you next year, right? It comes up all the time and it's like, “Hello, darkness, my old friend. All good.”

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FT: Sometimes, it manifests as like a pit in your stomach. Your skin overreacts. I mean, like fear shows up in different ways. For people, sometimes it's a voice in your head. But, yeah, sometimes it's just utter panic. Sometimes, it's a legitimate fear that you want to sit with and

really like talk to for a little bit longer like, “What is up with you? What do I need to learn from you?”

So much to learn from you, Alexandra Carter. Thank you so much for helping us start the New Year on a really strong foot, your new re-release *Ask for More* out now. Congratulations. It’s like a gift that keeps on giving. I encourage everybody to pick up a copy. Happy New Year.

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AC: Thanks. Same to you.

[END OF INTERVIEW]

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FT: Thanks again to Alex for joining us. Check out her book, *Ask for More: 10 Questions to Negotiate Anything*, now in paperback. On Friday, we're going to celebrate So Money Seven. It's our seventh anniversary, everybody. How exciting is that? On Friday, January 14th. I started this podcast when I just had an infant. I was podcasting from a closet, and there were some recordings when I forgot to hit record, and then discovered it when I was thanking the guest and saying goodbye. Fail if you must but fail fast is what I learned in those early days. More to come on Friday and be sure to send in your questions, if you haven't yet. Instagram @farnooshtorabi, email at farnoosh@somoneypodcast.com. You can text me, 415-942-5002, all the ways. Hope to hear from you. I'll see you back here on Friday. In the meantime, I hope your day is So Money.

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