

EPISODE 1487

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FT: So Money episode 1487, asking for more money, even when you're scared, with negotiation expert, Alexandra Carter, author of *Ask for More*.

“AC: Fear points us to what's important, and it's going to be different things will be important for each one of us. Fear points us to joy. I know that for me, the times in my life when I felt most afraid to take a leap, it's because I knew what I was going to experience on the other side if I got through it.”

[INTRO]

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FT: Welcome to So Money, everybody. We're coming out of Equal Pay Day 2023. I thought we got to have Alexandra Carter back on the show. She's one of our most popular guests and for good reason. She's got some really important, timely, specific, and road-tested advice on how to ask for more money, how to be your biggest advocate in the workplace.

Alexandra is the author of *Ask for More: 10 Questions to Negotiate Anything*, and a clinical professor of law at Columbia Law School. She consults fortune 500 companies, is a year-round keynote speaker, and she knows how to negotiate. So I wanted to catch up with her and see how do we do this now, when so many of us are in transition. Some of us are switching jobs, or we've been recently laid off, or we're heading back to work after a break. How to negotiate when you're in this in-between phase. What we should negotiate for but rarely do.

This was incredibly eye-opening. Are you negotiating your severance, before you even accept the job? Alex says you absolutely should and why being scared in a negotiation is not a bad sign. It actually means you're doing it right. Here's Alexandra Carter.

[INTERVIEW]

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FT: Alex Carter, welcome back to So Money. Women's History Month. We just got one month. That's kind of crappy.

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AC: I know, right? They get 11. We need to start annexing April and May.

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FT: You have been very busy this month, as you should be, talking to everyone from like the media to employers, the UN, I'm sure, where you are at Columbia, talking about using your voice, negotiating in your career and in life, largely to a female audience, women audience. What are you confronted with most right now? What seems to be on a lot of people's minds that is perhaps also reflective of like where we are in the economy and in the world? What are people really struggling with, and what are you helping people most with right now?

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AC: Yes, absolutely. So the first thing I'm seeing is a lot of people in transition. So what's interesting, and you know this, is that the job numbers are, in some ways, really robust and good news, especially for women and people with college degrees. A little bit less so for folks who haven't attained college, in part because of the industries, right? They might have been in retail, which suffered hits. They might have been in hospitality, which suffered hits.

But even among a lot of the women I advise and talk to, who have attained college degrees, maybe even advanced degrees, they're out in the market, depending on what sector you're in, you could either be having the year of your life. Of like my friends in tech, you could find yourself now in transition, right? It's been really well-publicized, lots of large layoffs. Even some folks I know, Farnoosh, who took jobs in the last couple of years, some of them, they really panned

out. Others, they thought, “I jumped and this might not have been the right opportunity.” So I'm talking to a lot of people about transition.

I would say the second thing that I'm talking to people about is negotiating things that are beyond money. So especially for women who are in middle manager and up positions, there are lots of things that they need that are beyond the contract that gets you to the first day. For example, thinking about how do I get access to the right meetings? How do I make sure I've got the information I need to do my job, the support? Some women, especially as they get more senior, they're facing what's known as the glass cliff, where a company might say, “We need to turn this around. We need to put a woman in this position. We need a change agent.” Then they don't give her the infrastructure and the support to succeed in that role.

The last thing I would say on the nonmonetary is something that I'm experiencing right now, which is a sabbatical. So lots more companies now are thinking about how do we retain people? How do we retain women? You might take a week-long vacation, maybe even two weeks. You come back, and you've got 3,000 emails to get through. It seems like it didn't make a dent in your burnout.

I, right now, by virtue of being an academic, I'm on a sabbatical, and I've written for NBC Know Your Value and spoken to lots of organizations about why this might be important and a driver of retention to give people a more meaningful break after a period of work.

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FT: When you talked about the support, drafting a contract that isn't just there to support you on day one but throughout, that takes a lot of visualizing the role, and experience helps. I remember negotiating a contract. It took many months to arrive at what we felt was a very doable contract. It was actually an entrepreneur who gave me this tip. @cindypink is her Instagram. She sold her health care company for a billion dollars, female Viagra. Look her up.

She said that in her contract, when they acquired her, she said, “You need to put X dollars of marketing money behind this product.” Her fear was that they were going to acquire her product

and just put it on the shelf because some companies like to do that, because it's like getting the competition out of the market.

Do you know what? They broke that contract. They did not give her the resources, the marketing, the support, the talent that she felt was needed to bring this product to market properly. So she got back the product, and she kept the billion dollars.

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AC: What?

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FT: Yes. Her story is – Cindy Eckert, Cindy Eckert. @cindypinkceo is her URL. She's fantastic. I can connect you if you want to talk to her. But entrepreneur billionaire and then there's Farnoosh. I was able to learn from that. So when I went into this agreement, and I think it's also – we had a special arrangement.

But anyone listening, like when you are hired at a company, at like a higher level, or it's like a new kind of role, or it's a role that has a lot of growth attached to it, like you're coming in to drive a new product, to build something new, a new team, a new widget, a whatever, questions to ask. What are the resources? How are you going to invest in this? I'm going to be able to do what I promise. But are you going to also give me the right infrastructure?

I think that's what I hear what you're saying we should start to negotiate more. Brilliant. I don't think people are doing this enough.

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AC: They're not. Mostly, it's now I'm seeing it in informal networks of women, talking to one another, just like you spoke to Cindy saying, “Here are the things to watch out for.” But if I could break this down and operationalize this for your listenership, here's what I would do. I would fast forward. Imagine you're in that job, and you're about to get your first raise, bonus, possible

promotion. I want you to think about how would you shape your key performance indicators. What are the things that you're going to work backward from that are going to be indicators of your success?

So then thinking about what are likely to be the drivers for my bonus, for my future promotion, for wherever my career trajectory takes me, you work backward. So that could be, yes, marketing money. That could be headcount. That could be also I've got – I'm tremendously talented for this position, but I need more industry contacts. So here are the conferences I need you to send me to. Here's the women's club, whether it's CHI for luminary or the crew. Here's where I'd like to be because I see I'm the only woman in your leadership team, and I'd like to up skill myself, not just substantively but on my leadership, all of these different things that you can negotiate for.

The last thing that I would negotiate for is severance up front. Look at the volatility in the market. I always tell people that hypothetical dollars are much easier to negotiate than real dollars. At the beginning of your contract, when, as you said, everybody has high hopes, those are hypothetical dollars. You might then be able to pave the way, if you do need to make a move, to have an advantageous exit when that comes to pass.

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FT: Such great advice. My gosh. Okay, I have so many more questions. That's a whole show right there. The thing that you're not negotiating that you need to. I mean –

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AC: This is – I talk to women all the time about negotiating beyond the contract. It is more than day one. It's everything you need not just to survive but to thrive in that job and to support you in the rest of your life. All of that can be asked for when you're negotiating.

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FT: You mentioned that a lot of the women you are working with right now are in some phase of transition. In terms of negotiating with the fact that you just got laid off, does that put you in a lesser powerful place because you're going for a job without one?

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AC: Not necessarily. I think it depends. For example, as you pointed out, the tech layoffs in particular have been so high profile and so covered in the news that like a friend of mine, who's a senior person at Twitter, that person is laid off. There's really very little explanation necessary. I also have friends at Google and Amazon, same thing.

I think what you could do is if you're fresh into this, if you're mid-exit, see if you can negotiate some outplacement services. What might they be able to help you secure in terms of references or resume help, LinkedIn, whatever it might be, to help you bridge that gap? You also want to be writing down your story while it's still fresh. Your accomplishments at that company, if you were – if this was blindsiding for you, you may not have been regularly updating your win sheet or your resume, your LinkedIn profile. But it's really about making sure that you've told the story. Once you have that story, being able to share that with others.

Last thing, I just think there are so many people in this position. It's not just because of mass layoffs. Another thing I'm seeing is women talking about incompetent management. So many people are either getting forced out, or they feel like they're being constructively terminated, in air quotes, because the management is so terrible that they need to go somewhere else where they can breathe and have a real opportunity. So it's a good idea to make a list of what went wrong, what you didn't like in that last position, and what you're looking for in a next manager. Then tap every last one of your connections and your networks.

The people I'm finding who are in transition and are landing in new jobs, no surprise, are connecting with people through alumni networks, through LinkedIn, through people they know in their neighborhood, whoever it might be. Just letting people know that you're on the market and what you're looking for is how I'm seeing people bridge that gap.

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FT: It's so true what you say about your departure, being basically pushed out and not to any fault of your own. That's important to remember that sometimes you leave a job because it is other people's failures, not yours. Layoffs are seldom personal. It's usually like a headcount thing, a salary thing. Other times, you leave a job because you can't – there's no future for you there. That's not because you didn't try hard enough.

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AC: Absolutely.

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FT: Alex, we're seeing more states pass these salary transparency laws. I just want to touch base on this with you because I want everyone to be able to make the most of this, to leverage this law to their best ability. What do you know about these laws and how we can use them effectively in negotiations?

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AC: Yes. So these laws truly have – it's been very long and coming. I can't tell you how many people, but women in particular, all over the country were telling me they were getting asked in their salary interviews, "Well, Farnoosh, what did you make in your last job?" So let me just say, no matter what state you are in, whether you have a law on the books or not, what you made in your last job is not relevant to what you are looking to make in the current position. So if you get that question, I always advise people to say, "Thank you for asking. Different companies value roles differently. So I'm excited to learn more about this role at this company, and I look forward to having a more robust conversation about salary, once we filled in some of the details about the role." Don't answer the question.

A lot of this was being talked about when Encanto came out, and every child I know was watching this movie. I said we don't talk about Bruno. Okay. Prior salary, do not say it. Okay. So if you are in this scenario, here's what I would say. I, like you, I'm sure, have been following

these laws, including in New York City that recently passed a salary transparency law. Sometimes, the ranges are useful. Sometimes, you get companies who clearly resent having to name the range. I'm wondering if you've seen this, Farnoosh, where the range goes from like a dollar to two million or something like that. It's so broad as to be meaningless.

What I would say is, number one, you can still get a hiring manager or an HR person who asks the question, even though they're not supposed to. So be prepared to answer, okay, and not to disclose that. Number two, you still need to do your human intelligence. Yes, you can start with Indeed, with Glassdoor, with Payscale. I have found in counseling a lot of women through salary negotiations, that those are often the base. That actual compensation can be much higher, depending on the position. So you want to be talking to every human being you know who's in a similar position or maybe who works at that company. Get your human intelligence because you will still need to defend where you believe you should be within that range.

I always tell people, when you're asking for salary and compensation, you want to go with the largest number that you can credibly stand behind. It's got to be specific, it's got to be justifiable, and it should be optimistic. So you want to commend framing your value to say, "I understand. Here's the range and here's why. My record of accomplishments, my education, and this role merit the top of that range."

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FT: Yes. I have seen – it was actually, I think, an article where I don't remember where I saw it. But it was like how companies are circumventing these laws, basically putting up the middle finger to it.

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AC: Right. I think we're going to continue to get some of that. But here's what I've been saying to media outlets since the beginning of the year and further back. This is going to be – salary transparency will be a market advantage for the companies that truly implement it. We've seen over and over again, when women on mass, women in the workforce are studied and asked

about their experience with pay, they almost always fear or feel that they are being underpaid. A large part of the time, they're right. But even when they're not, they fear they are.

So if a company is transparent about what they are paying, it takes that off the table. What you're going to see is employees who feel trust in their employer. They feel the transparency, which really makes them want to plug in and work for the mission. Also, you're going to get longevity. People will be slower to jump, if they know they have clarity about where they are in the pay band and why it was they were awarded that pay.

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FT: You brought up fear. It's near and dear to me. You wrote recently on your Instagram, which I love. Everybody, follow Alex on Instagram. That being afraid means you have something to lose but something even bigger to gain. I think that post was sort of about how to like do it scared. Ask for the race scared. Do the negotiations scared. But I also think that, for me, at least, I appreciate that so much. Because it means like you need to see where the fear is pointing you, that it's saying, "Hey, Alex, Farnoosh. You're afraid for good reason. Because if you don't do this thing, you have something great that you may not get."

Like I always say, if you're afraid to ask for the money, that's fair. But imagine 10 years from now, 30 years from now. You didn't ask for – this was your moment. You let it pass. You didn't ask for more, and then you arrive in retirement with significantly less money to take care of yourself and to support your lifestyle or whatever the fill-in-the-blank goal is. That sometimes, we have to imagine the worst fear to propel us to do the right thing. But when it comes to your relationship with fear and negotiating, what's the healthy balance?

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AC: Fear points us to what's important, and it's going to be different things will be important for each one of us. Fear points us to joy. I know that for me, the times in my life when I felt most afraid to take a leap. It's because I knew what I was going to experience on the other side if I got through it. The most terrifying experience of my life in some ways was pacing around a hotel room in Spain, while my little daughter was waiting for me to go to the playground. I was giving

lectures, and she didn't understand why we weren't going out. I said, "Mommy's really scared. I'm about to send this email to see if anybody wants to buy my book, and it's a possibility that they won't want to buy it." My daughter said, "Cool story, bro. Can we go to the playground?"

So I hit send, and what happened on the other end of that was the greatest joy and sense of contribution I have ever experienced in my life. I was able to help millions of people because I sent that email. So the first thing I always tell people is think about the folks you're going to be able to impact on the other side, right? Every single time, a woman has written me. One wrote me just this morning from Singapore to say, "I did it. I conquered my fear. I got 50% more compensation, and I can't even tell you. The money is super meaningful for my family. Don't get me wrong. But what's even better is that I now walked into my job today, knowing that I did that for myself."

Number one, if you're not somewhat scared, you're not somewhat uncomfortable, you haven't asked for enough. Okay. If everybody feels good in round one, you have not asked for enough. So back at the beginning of this conversation, when you talked about a multi-month negotiation, right? That's uncomfortable. It is uncomfortable to prolong something and not feel like you have to take the first offer that's on the table. I've had women say this before. They feel pressure to accept. I say ask them what the timeline is about. They say, "Oh, somebody's going on vacation." Their vacation is not your emergency.

So it's okay to feel uncomfortable and afraid. You asked kind of where is the line, right? I wonder if implicit in your question was how do we know if fear is telling us something more. Like maybe we're on the other end or going too far. I wonder if you could tell me more about that.

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FT: Yes. I guess I'm always trying to find the wisdom in the fear, which I think you clearly outlined. We don't always look for the wisdom because we've been told culturally that fear is bad. There is no wisdom. We don't even give it patience. We don't have a patience with fear. We don't sit with it and go, "Okay, this showed up for a reason." Sometimes, the fear is telling you like go the other direction. Don't negotiate because this isn't the right fit for you, right? But

you have to go through the motions. I think you owe it to yourself to see where the fear is pointing you towards.

The exercise, sort of the self-inquiry that fear sometimes wants us to do is like what am I feeling, why am I scared, what is it that I want, ultimately, because that's what fear is there for, right? It's there to protect you. It's there to guide you in some sort of safer way. We all want safety. So that's – I think you answered it because without that self-inquiry, we can make a rash decision. We try to shove fear down, pretend it doesn't exist, and then make an impulse move to sort of overcompensate for the fear. I guess that's what I'm trying to say is like the line is between recognizing and leaning into fear, but not overcompensating for how you feel either.

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AC: Yes. Okay. I love that you talked about the self-inquiry because fully the first half – so I write a negotiation book. The first half of it is called the mirror. This is about the self-inquiry because I have seen over and over again that when you are truly grounded in – I would give you two questions if you're feeling fear.

Number one, you need to write down what do I need. So it's more than just what you want. It's your deep needs, and you can make a bucket for tangibles, right? What do you need in terms of money, title, resources, whatever it might be, the things you can touch, see, or count? But also, make a list of the intangibles. I need freedom. I need advancement. I need challenge, whatever it might be. Ask yourself what do these look like? Because when you've made that list of your deepest needs, then when you're feeling the fear, you can look and say, "I'm going for this. If I don't get it, then I'm going to have the clarity that this is not the job for me." You have the yardstick.

But more than that, Farnoosh, you talked about actually writing down your feelings. This might be the single biggest piece of advice I give people before any negotiation, even if you don't have apparent fear. Because when you write down those feelings, sometimes you're going to write down, "I'm afraid everybody's going to look at me and think I'm a fraud." There's something about seeing those words on the paper, where you then look and you think how likely is that? How likely is it truly that after four interviews, I'm going to get in the room, and everyone is going

to laugh and say, “Ha, ha, ha. Alex, how could you ever think you could have this job?” Not likely?

So what it does is it releases some of that over you so that you can go in saying, “Maybe I'm not afraid. Maybe I'm uncomfortable.” That is an okay place to be. In fact, that may be exactly where I need to be because discomfort means growth. So you are going in to reach for that next rung, that next bracket of compensation, that next title. You want to show up as that person already, and you bet that's going to be uncomfortable. But that's how you're going to get to the end goal.

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FT: Yes. Basically, are you afraid of something that is real or that you have been led to be afraid of but it's really not real? Impostor syndrome, we know, is – we've done the studies. It's not real real. It's something that is sort of – been manufactured in the workplace and some would argue to deliberately make women feel inadequate in the workplace. It serves the patriarchy really well, when most women feel this way. So they don't try to escalate through the ranks, fearing that people are going to laugh at me and laughed me out of the room. You can't be afraid of something that's not real.

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AC: Yes. Fear is tied to risk. A lot of times, we as human beings are not all that great at assessing risk. So sometimes, there's real risk. If you're at Everest base camp, and you're getting ready to climb, that is a serious risk. Okay. So, yes, by all means, pay attention to the fear in your gut. Okay. But if your “risk” is what if they don't like me, what if I don't succeed, or my risk in sending out that book proposal. I finally realized, what am I risking, my ego? If that's the case, I'm going to tell you to go for it every single time. That is not a real risk. That's an apparent risk. It's something you might see. It's a mirage. But truthfully, the real risk might be in staying where you are.

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FT: Yes. You have given words. Still, I'm writing this book, believe it or not. As you know, you write a book until the very last minute. But you just gave me some language for something that I've been trying to articulate in the book. But you actually – because when it comes to our financial fears, I have found that a lot of times, we're afraid of what you just call, like these apparent risks or these mirages. But what I want to steer people towards is the real risks, right? The things that you should be more afraid of.

Because when we experience that level of fear of the real juggernaut stuff that has true risk and consequences, that's when you actually are propelled to do the right thing. When you're just sort of in this place of like, “Oh, no. What if people don't like me?” You can't do anything with that. That's just a fear that's going to keep you spiral. There's no solution. You can't force people to like you.

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AC: Is that even a worthy goal?

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FT: It's not. Right. It's not even worthy. So, yes, this idea of good fear versus bad fear. You just gave us a good lesson in that.

Okay. Now, for a question from our month-long sponsor, Prudential, Alex, what is a moment in your life that propelled you to the next level of your finances?

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AC: Wow.

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FT: Anything you want. Yes.

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AC: Okay. So some number of years ago, early on in my career, I experienced what it was like to have a woman looking out for another woman. This woman was in our department, really highly sought after by a number of companies. She went in and negotiated a comprehensive package with our company on many different levels. Then she immediately sat down with the other women in the department and said, "I'd like to let you guys know what I just negotiated." When I tell you, she listed everything. We saw the numbers, complete transparency. One by one, the rest of us women went in and significantly improved our packages.

I have to tell you, you know this that when you negotiate salary, and especially salary, all your future raises build off that. So just that one moment put me, my family, my daughter in a different position for retirement. It's why I will never stop talking about the power of helping each other and how that makes us all win.

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FT: Wow. Wow, wow, wow. What's next for you? Today, by the way, is Equal Pay Day for women. I failed to mention that at the beginning. Do you think we'll ever get there? Should that even be the goal, like really? Are we focused on the wrong thing?

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AC: I'm going to continue to hold out hope. I don't think it's the wrong thing to focus on equal pay. I don't want us to stop there. There's lots more that we have to achieve. But I think equal pay is in some ways, or the unequal pay we now face, is a symptom of a lot of different societal problems. That if we fix equal pay, we will know that we have solved a lot of those other problems, including women's second shift at home, for those who are caregiving, either for younger humans or older humans. We may have fixed systemic discrimination in the workplace.

Equal pay, though, is something that has – we've really stagnated over the last decade or two. We made –

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FT: That's my point is that maybe we need to focus more on the root causes of inequality in pay. We're kind of like throwing around this banner of equal pay but not really going, "Maybe we should have a banner? Maybe we should have a holiday that's called Second Shift Day." Or like we need to start bringing in all of these other aspects of the conversation, which are all related. I don't know. I feel like –

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AC: They are.

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FT: We keep going in circles over this.

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AC: I've been following with admiration the work of Reshma Saujani and others who are the Marshall Plan for Moms and thinking about – because part of what we're seeing, Farnoosh, is that there are different pay gaps for different ages of women. So if you're 24, you don't have that much of a pay gap. It might be an eight cent pay gap thereabouts. As you get into your 30s and beyond, the pay gap widens. It widens for a lot of different reasons.

When surveyed, women said, "My managers aren't treating me fairly," right? So they're talking about that systemic bias. That's one thing we have to work on. Some folks aren't being paid as much because of the second shift and inequitable home arrangements. So they're the person that has to downshift when kids have issues or elders have issues.

The last thing I've seen, and I've seen this a lot from women who are a little bit older than I am, is stagnating wages as women age. So men's earnings continue to climb throughout their 50s in a way that ours do not. So one other thing we could pick out, if we want to look at the root causes of that gap, women in your 40s and 50s, do not let your employers lock you in to

multiyear compensation agreements, where your comp stays the same no matter what you do, and they promise you some carrot on the other end that may not materialize.

So I agree. We have a lot of work to do. We need to train people to be good managers and leaders. We need to focus on bias in the workplace. Then we got to figure out how it is that we're going to make sure women can continue to earn and save and really prep for retirement so that they're not experiencing higher levels of poverty once they have retired from the workforce.

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FT: Alex Carter, thank you so much, author of *Ask for More: 10 Questions to Negotiate Anything*. I recommend this book everywhere I go. My audience knows you are my north star when it comes to advice around negotiating and asking for what you're worth and using your voice in the workplace. So appreciate you. Thank you.

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AC: Thank you and thanks for being a huge amplifier of other women. I'm happy to come back anytime.

[END OF INTERVIEW]

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FT: Thanks to Alexandra for joining us. A link to her book, *Ask for More*, is in our show notes. Stay tuned for Friday's episode, where we'll be talking about all things investing on Ask Farnoosh, answering your money questions about where to invest, how to invest, and what to make of this weird, uncertain market. Until then, I hope your day is So Money.

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