Negotiating Salary and Your Startup Package

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Start-Up Package

• Designed to be enough to cover equipment costs and other expenses before the grants are funded
• Negotiations can be difficult and lengthy
• What should a new faculty recruit bear in mind when seeking the best deal to perform their research?
Before You Begin Your Search for A Faculty Position

• Transform your thinking and communication styles to that of a faculty member, not a trainee
• Think about what kind of position you desire
  – What type of institution?
  – What type of institutional culture?
  – What kind of work do you want to perform as a faculty member?
    • Research
    • Teaching
    • Clinical
Know What You Need To Perform Your Research in Advance!

- Your salary and benefits
- Your staff’s salary and benefits
  - One of the largest costs to come out of your start-up funds- salaries for trainees and technicians
- Lab space
- Equipment
- Consumables
- Personal details (Parking, a house hunting visit, moving expenses, day care, holiday time, teaching requirements)
Do Some Research!

- Know the salary range for your discipline in the city/state/region you select
- Know what you can ask for
  - Talk with peers who obtained faculty positions within the last few years
  - Look at the AAMC and US. Labor reports on average salaries in your field
WHICH PROFESSORS ARE PAID THE BEST?

A look at the top-paid disciplines by median salaries (2011-12)

- Legal Professions and Studies: $135,187
- Engineering: $117,911
- Business, Management, Marketing, and Related Support Services: $114,847
- Computer and Information Sciences and Support Services: $103,536
- Computer and Information Sciences and Support Services, General: $102,510
- Architecture and Related Services: $101,034
- Area, Ethnic, Cultural, Gender, and Group Studies: $98,663
- Health Professions and Related Programs: $98,415
- Biological and Biomedical Sciences: $95,118
- Air Transportation: $94,219

Source: higheredjobs.com
What to ask for...Salary

• Cost of living in the area you wish to live  
  – Some cities are very expensive!
• Hard money/soft money split
• How long before you need to bring in more of your salary?
• Summer support  
  – Justify Research/productivity time
When to ask?

• Never give the first number even if asked
• Do not respond immediately after receiving the salary offer – Think about it for 24 hours or so
• Don’t talk about salary until you have a job offer

Make Sure You Have What You Want at the End of the Negotiation!
What to ask for...

- Lab and Office Space
- **Moving costs**
  - Get estimates for the move
  - Usually institutions have a set amount whether you move near or far
- **Tech, grant and/or teaching support**
- **Travel and development**
  - 2 conferences in the first 3 years to build your network
- **Reduced teaching load**
- **TA or RA support**
Keep A Detailed Prioritized Inventory

- Prepare a budget of your consumable needs, animal purchase and care, service contracts, other major expenses
How to Ask?

• Be honest, have integrity and be gracious in the way you ask

• Humility
  – You should be treated well, but not differently than other faculty

• Link your request to how this will help you to be a successful faculty member
  – They are investing in your career
The Offer Letter

- **Proposed starting date**
  - Negotiable
  - Consider experiments to be done, papers to be written, time to move to a new location, family concerns

- **Tenure clock begins at the time of appointment**
  - 6-7 years before tenure review begins
The Offer Letter

• Salary
  – Ph.D.'s range about $78,000-135,000 (Median $100,000)
  – MD or MD/PhD range from about $92,000-$145,000 (Median $120,000)
  – Nine or twelve month salaries
  – Usually paid in full by institution for first 3 years of appointment
The Offer Letter

• Salary
  – Base salary and supplement or incentive component and/or bonus
  – Base salary guaranteed
  – Variable components may be 1/3 or more of annual compensation
  – If supported by gifts, grants, endowments awardee may have to submit annual report
• Letter must state “tenure track assistant professor” if this is the case or other position

• May specify if the appointment has a tenure probation period, tenure line, probationary faculty member eligible for tenure, tenure stream, tenure eligible, tenure equivalent, tenure accruing track, or tenure related
Teaching

• Teaching responsibilities are usually mentioned in majority of offer letters
• Usually delay any teaching until year 2
• Teaching usually reviewed at time of tenure review
• Serving on a committee usually delayed for at least a year as well
Term of Appointment

• Usually three years - may be up to 5 or 6 years
• Reappointment is not automatic
  – Scholarship
  – Funding
  – Teaching and Service
  – Comments from trainees
Start Up Support

• Used for equipment, consumables, personnel costs, and professional travel.

• For Ph.D.'s averaged $800,000 (range $500,000 to $1,400,000), with a median of $750,000.

• Start-up offers for physician-scientists averaged $800,000 (range $100,000 to $2,110,250), with a median of $710,000.
More Specific Topics in Offer Letter

- Joint appointments
- Availability of specific types of equipment
- Specific assignments, such as committee participation
- A date in the future when the new faculty member will be required to provide part of his or her salary
- from outside grants
- A mentor and mentoring
- What is expected for promotion and tenure
- Sabbaticals and/or professional development leave
- Spouse employment, dual career couples, trailing spouses
- Institutional support in the form of nominations for other awards and grants
- Annual performance review
- Continuing support for a specified amount of time in the event the new faculty member does not get funding
- Conditions for renewal of appointment
- Support for a trip to look for housing
- Parking
- Criminal background check prior to employment
- Schools of medicine may require incoming faculty members to sign a confidentiality certificate for compliance with HIPPA regulations
- Disclosure of outside employment activities
- Offer contingent upon approval by appropriate institutional officers and committees
The Offer Letter

- Respond enthusiastically
- Don’t tip your hand about the offer
- Don’t commit to anything
- Don’t mention it immediately if something important is missing

For First faculty position
- Do not need everything in writing
- Do not negotiate trivial details
- Creates and adversarial environment
- Build a bridge, not a fence
The Offer

• Decide if you can succeed in that department
• Decide if you might accept the offer - if so, plan to negotiate
  – Make a private list of what you want that is not in offer
  – Re-evaluate your deal breakers without which you will fail
• Prepare a public list and the detailed budget
Other Negotiable Items

- Space
- Relocation Expenses
  - Usually $2000-15,000
- Housing allowance or access to on-campus housing
- One time case supplement ($7500-over $100,000) for specific housing benefits
- Low cost mortgage programs
Negotiation is a Partnership

• Both you and the institution want you succeed and have the best deal to allow you to carry out your research
• The institution doesn’t have an unlimited amount of money
• Other people will need start up funds as well
• Be honest and genuine
• Make sure you have everything you need!
Negotiate

• Begin with a positive comment
  – I am thrilled to have received this offer...

• Provide an overview of your requests and ask how to proceed

• Make and defend your first request

• Review progress and commitments and ask what happens next- express appreciation

• Continue making requests and negotiate until finished
A Great Situation to Be In: Multiple Job Offers!

- Be honest –
  - These colleagues will be in your national network

- If you haven’t heard from a top choice
  - Ask where you are in the process

- Be gracious in asking for more information and more time
Challenges: You and Your Partner Both Seek Academic Careers

• Don’t begin by asking about opportunities for your partner
• But do be upfront about the situation
• “Anti-nepotism Laws” in some states can impact having relatives in positions of power over each other
  – Research institutional practices can vary
• “Options” for the Partner may not be desirable for their career
Disappointed With the Offer?

• Salary is too low- How can my family live on this amount?
• The amount for moving doesn’t come close to the cost to move there?
Abundant and Skimpy Offers

• Academe’s 1%
  – Those who receive tenure-track offers at Ivy League, elite liberal arts colleges and top-ranked institutions like MIT, Michigan, Duke, etc.
Elite Offers (The Upper 1%)

• Generous salaries
• Abundant startup funding
• Child-care support
• Guaranteed maternity leave
• Lavish travel funding
• Miniscule teaching loads
• Teaching release time
• Pre-tenure sabbaticals at full salary
• Complete moving expenses
• Paid visits to find housing
• Summer stipends
• Bonus salaries
• Mortgage support
• Interest-free loans
The 99% of the Rest of the Offers

• Modest salary
• Work-related expenses
  – Parking fees
  – Union dues
  – Journals and society memberships
  – Conference attendance
  – Augmenting research funds
• A resource poor institution might rescind the offer
Important Principals to Follow At All Times

• This is a partnership
• Always open and close each step with appreciation and enthusiasm
• Negotiate with integrity
• Document all points in writing
• Avoid miscommunication when negotiating
  – Keep notes of each discussion
  – Follow up each discussion with and email describing the agreed upon points
• Suggest win-win’s