

INFORMING

WOMEN

TIME TO ASK FOR A PAY RISE?

The gender wage gap is putting many women on the back foot financially – but a successful salary negotiation can make a significant difference. Here's how to do it.



In November last year, Hillary Clinton came close to shattering the glass ceiling in her run for the US presidency – but didn't quite reach it. And although women have made enormous strides towards gender equality in the workplace, there is still a long way to go in bridging the wage gender divide.

In Australia women still earn 17.7% less than their male counterparts across all industries and occupations.¹

And on a global scale, the World Economic Forum estimates that even with the current rates of improvement, it will still take around 170 years before men and women are earning equal salaries.²

Not prepared to wait that long? Then you might need to be proactive about asking for a salary boost.

Negotiating your way to better pay

New research has debunked the popular theory that women are less likely to ask for a pay rise than men – which many believe to be a major cause of the pay gap. In fact, a recent study of 4,600 workers across Australia found that although female employees ask for wage rises just as often as men, their male peers are 25% more likely to get them.³

While this may seem discouraging, the results also revealed that younger men and women are equally likely to receive a pay rise – indicating that the younger generation are sharpening their negotiation skills. Here are five things you can do to be a successful pay negotiator.

1 Research the market

You know your skill set best, so make sure you understand how much you're truly worth. That's where a little research can go a long way. Find out all you can about your employer – whether it's your current one or a potential new one – as well as the broader job market in your professional field. Talk to peers or other employees in similar positions, both male and female, to work out an acceptable salary range.

2 Prepare and practice

Negotiations can be daunting, but if you do some practice beforehand it can have a positive effect on the result. Think through all possible scenarios and prepare for each direction the negotiation may head. An even better option is to role play the conversation with a friend or partner. That way, when the time comes for the real thing, you'll be calmer and more in control.

3 Act confident

Self-confidence is the key to negotiating, which is why you need to remind yourself that you're the right person for the job in question. From the moment you start the negotiation, it's important to show that you're feeling positive about the outcome – so shake off any anxiety before you walk into the room.



4 Start high

Always begin your negotiations at the top end of the salary range you're hoping for. By asking for more than you really expect, your employer will feel they are getting a better deal by bargaining you down – and you may even end up with more than you were aiming for. If you start low, the only direction the negotiation will go is further down.

5 Be ready to walk away

When you're working out how much you want to ask for, you should also decide your breaking point – the lowest figure you would possibly accept. If your employer refuses to go above that amount, then the job might not be the right fit for you after all. Remember, if the negotiation results in you backing down and being unhappy with the outcome, be ready to walk away.

Making the most of your income

Mastering the art of negotiation can have a great impact on your overall financial situation. But no matter how much you earn, it's important to make the most of your income so you can achieve your lifestyle goals. Your financial adviser can help, by creating a financial strategy that will allow your money to stretch as far as possible, now and into the future.

1 Workplace Gender Equality Agency, Gender Pay Gap Statistics, November 2016.

2 World Economic Forum, The Global Gender Gap Report, 2016.

3 B Artz, A Goodall, A Oswald, Do Women Ask? Sept 2016.

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