

The background is a solid red color with abstract geometric patterns of triangles in various shades of red, orange, and yellow. Some triangles are solid, while others are outlined in white. The patterns are scattered across the corners and sides of the frame.

The Money Talk

**B*tch
better have
my money!**

The Alternative Title to this
Presentation





What are we doing today?

Breaking Down an Offer

We will help you understand the different components to consider in your offer.

Current Market Rate for SWEs

Awareness of the current ranges for salary, equity and signing bonuses for various companies is paramount.

Comparing Offers

We'll walk through how to evaluate various offers.

When and Why to Negotiate

Having reasonable expectations and clear motivations is key for a smooth negotiation.

Creating Leverage

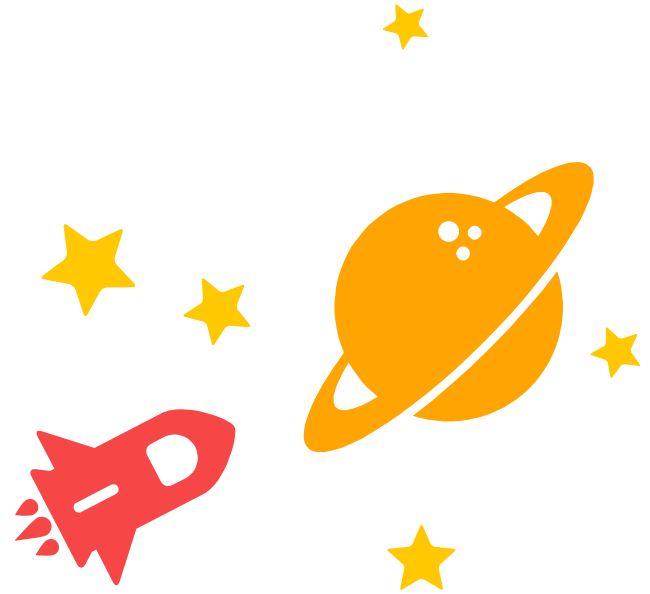
What is the most effective way to motivate companies to meet your compensation goals?

Q&A

Bring any and all questions!

This Money Talk covers **FULLTIME** offers.

Internship offers are typically standard at a company across roles/location and aren't negotiable.



The Trifecta: Monetary Components of a Typical Offer

Base Salary

- Your yearly salary distributed via your paycheck (usually twice per month)
- Each level/position title will have a salary range associated with it. Common for companies to set 1 specific college new hire salary.
- Note that if your company has an annual/yearly bonus, it's typically a percentage calculated based on your base salary

Equity

- If the offer is from a publicly traded company, this is typically the most financially impactful of your offer.
- Common for equity to be paid out over 4 years, 25% each year.
- Equity will either be presented as a total number of shares, or total share value.

Sign-On Bonus

- A one-time bonus you receive for accepting your offer
- Typically paid with your first paycheck
- Can sometimes be split over two years
- Note that if you leave before 1 year, you typically have to give this back.



How do you read an offer? Example-

- ▶ Microsoft Software Engineer I
 - ▶ Level 59
 - ▶ Salary: \$110,000
 - ▶ Equity: \$120,000 split evenly over 4 Years
 - ▶ Signing Bonus: \$20,000
 - ▶ Average Annual Company Bonus: 10%



Break it out over the length of your equity package and look at year over year, plus the total for the time it takes for the equity to fully vest (usually 4 years)

Company	Line Item	Year 1	Year 2	Year 3	Year 4	Total 4 Years
Microsoft	Salary	110,000.00	110,000.00	110,000.00	110,000.00	624,000.00
	Annual Bonus	11,000.00	11,000.00	11,000.00	11,000.00	
	Stock	30,000.00	30,000.00	30,000.00	30,000.00	
	Sign-On	20,000	-	-	-	
	Relocation	-	-	-	-	
	Total:	171,000.00	151,000.00	151,000.00	151,000.00	

- Things to Note about this calculation-
 - Doesn't adjust for promotions
 - Doesn't adjust for projected stock growth / worth**
 - Doesn't adjust for additional stock rewards
 - The annual bonus is an ESTIMATE

- Observe how SIGNIFICANT the stock award is in this case. You need to pay



Compare offers side by side

Microsoft Software Engineer I

- ◀ Salary: \$110,000
- ◀ Equity: \$120,000 split evenly over 4 Years
- ◀ Signing Bonus: \$20,000
- ◀ Average Annual Company Bonus: 10%

Amazon Software Engineer I

- ◀ Salary: \$112,000
- ◀ Equity: \$80k on a 5/15/40/40 schedule
- ◀ Signing Bonus: \$26k after year 1, \$22k after year 2
- ◀ Relocation of \$7k

Compare offers side by side

Company	Line Item	Year 1	Year 2	Year 3	Year 4	Total 4 Years
Microsoft	Salary	110,000.00	110,000.00	110,000.00	110,000.00	624,000.00
	Annual Bonus	11,000.00	11,000.00	11,000.00	11,000.00	
	Stock	30,000.00	30,000.00	30,000.00	30,000.00	
	Sign-On	20,000	-	-	-	
	Relocation	-	-	-	-	
	Total:	171,000.00	151,000.00	151,000.00	151,000.00	
Amazon	Salary	112,000.00	112,000.00	112,000.00	112,000.00	583,000.00
	Annual Bonus	-	-	-	-	
	Stock	4,000.00	12,000.00	32,000.00	32,000.00	
	Sign-On	26,000.00	22,000.00			
	Relocation	7,000.00				
	Total:	149,000.00	146,000.00	144,000.00	144,000.00	



Equity from Pre-IPO vs Established Companies

- ◀ This is basically paper money until they IPO.
- ◀ In general, more complicated. Consult an actual professional.
- ◀ Can usually be counted as stable, dependable income*
- ◀ Golden Handcuffs: Used to coax employees into staying for at least the length of the vest cycle.



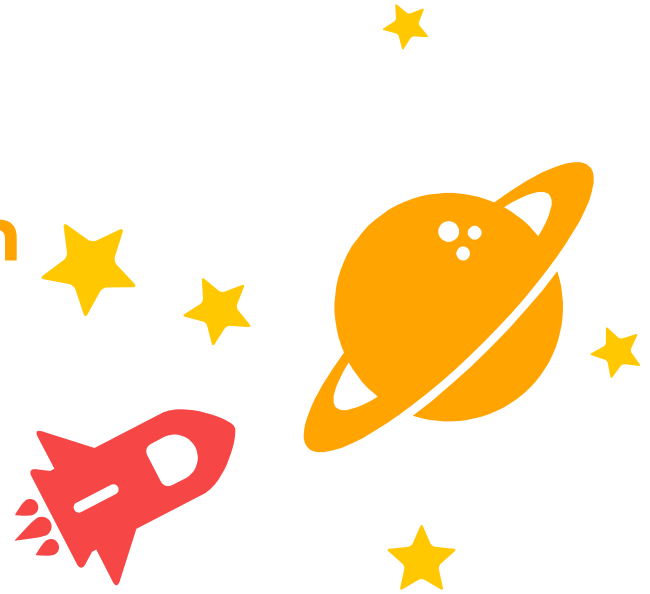
Keep Things in Perspective-

All of these numbers are BEFORE taxes

- ▶ Research Tax brackets for your location (ie. Washington vs California)
 - ▶ An extra \$10,000 in salary roughly equates to an extra \$625 / month post taxes in WA
- ▶ Cost of Living will impact your take-home
 - ▶ Example- a seemingly lower offer in Austin, TX may result in more money in your bank account vs a higher offer in San Francisco, CA

**The money that you
make is not an indication
of your self worth.**

Say it again for those in the
back.





What role does money play in your life?

- ▶ Covers basic needs for you and your loved ones (housing + food)
- ▶ Enables you to do/have things you want
- ▶ Saving/Investing provides stability and security for your future to do the previously mentioned.
- ▶ Only you can answer this question: How much do you need to achieve your lifestyle goals / be content?



Which money motivation camp do you fall into?

- ▶ A: I just really want to feel like I am getting paid FAIRLY. I stress over how to tell if an offer is a “good” one. If I am getting paid a comparable rate to my peers with similar experiences at the same company for the same position and I can meet my lifestyle goals, I am Gucci.
- ▶ B: I literally want the highest fucking offer that is possible and am ready to hustle my actual ass off for it. I AM MONEY MOTIVATED, LET’S GO.



No matter which camp you're in, this is my advice to set you up for success

- ▶ A good relationship with your Recruiter is KEY
- ▶ Get everything in writing. Do your negotiations via email rather than on the phone / in person.
- ▶ During offer rollout, be gracious but make it clear that you are exploring options.



Handling offer rollouts

- ▶ For college offers, a recruiter typically presents your compensation package as soon as (or shortly after) they notify you that you're receiving an offer.
- ▶ It's RARE that they ask you what your compensation expectations are ahead of time but if they do, I advise you to say, "I expect to be paid the fair market rate for an entry level software engineering candidate from a Top engineering school."



Handling offer rollouts

◀ If your recruiter asks you how you feel about the offer, my advice is to be enthusiastic and express gratefulness for receiving an offer but remain neutral about the compensation aspect.

- ◀ “I am so excited about this offer and am honored the team wants me to join them. I am happy to follow up with you on my thoughts on the compensation package once I’ve had some time to review the different components.



Sometimes, the threat of an interview is enough to get you more \$\$\$

- ▶ If your recruiter asks you if you plan on interviewing elsewhere, my advice to you is to always say yes.
- ▶ If your team/company really wants to close you, sometimes they'll ask you what you need to stop interviewing. If you have a specific goal (that has been well researched and is reasonable) for one of your compensation components, this is a GREAT opportunity for you to go for it.
- ▶ Don't be offended if a company doesn't beg you to stop interviewing. Recruiters know that students like to play this game 😊 It's still worth shooting your shot though.



Quick Reminder: What Monetary Components are Negotiable?

- ▶ Equity
- ▶ Signing Bonus
- ▶ Salary**
 - ▶ Note that salary is not typically negotiable at large tech companies unless you negotiate a level change.

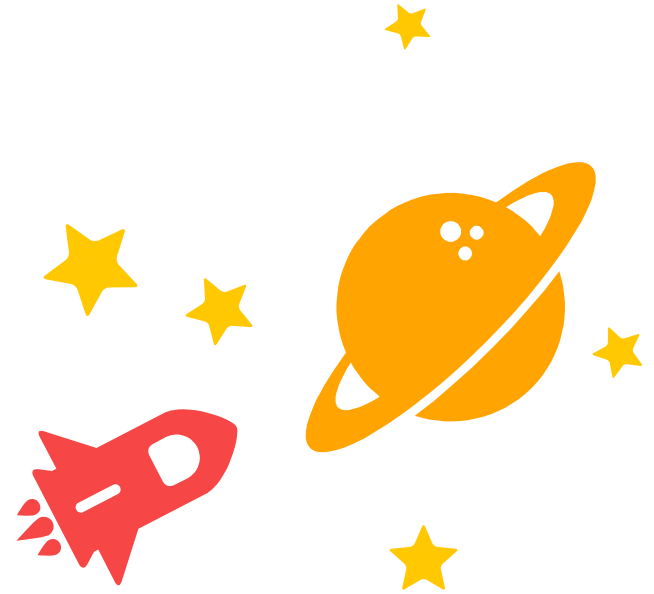


Use School Deadline to Your Advantage

- ▶ Allen school affiliates need to honor the school mandated deadline aka November 30th
- ▶ You are responsible for communicating your offer deadlines and recruiting timelines CLEARLY with all of your recruiting contacts. Transparency is KEY.

**OK KIM, HOW do I
make companies give
me more money?**

CREATE LEVERAGE






How do you create leverage?

- ▶ GET COMPETING OFFERS
 - ▶ THAT'S IT.
 - ▶ SERIOUSLY.
-
- ▶ Real talk- why would a company be compelled to give you more money if you have no other options?



So, basically-

- ▶ Use the fact that you already have an offer in hand to signal to other recruiters that you are an attractive/competitive candidate
- ▶ SMASH THOSE INTERVIEWS. Candidates that give a strong performance during interviews can be presented with better than average offers.
- ▶ Hi Recruiter from Company A, Company B is offering me XYZ. Compared to my offer from Company A, I would be receiving \$X more per year resulting in \$Y more over the course of 4 years at Company B. Would Company A be willing to adjust my compensation package to be more aligned (or better 😊) than what I am receiving from Company B?
- ▶ Play this game until companies get to their final offer.

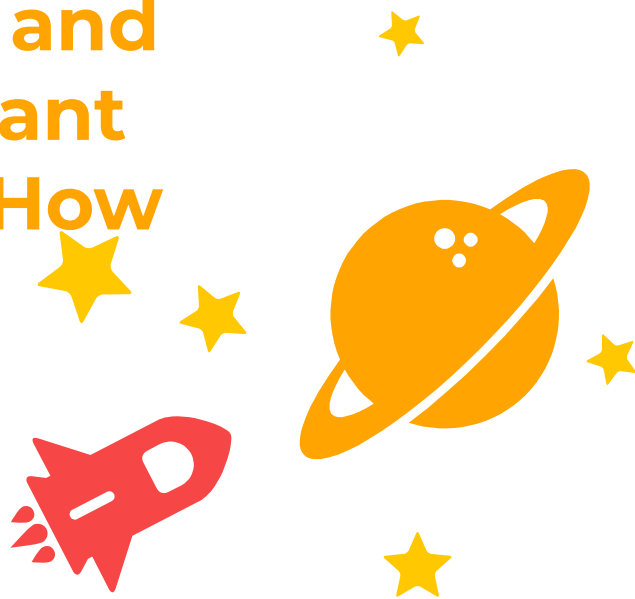


Pro Tip: Don't lie about other offers unless you're really fucking good at lying

- ▶ Google has started asking for proof of competing offers (ie. they want you to forward them your other offer letters). Don't be surprised if this becomes industry standard.
- ▶ You're going to look kinda dumb if you tell your recruiter from Company A that Company B is paying more and then Company A decides they can't pay you as much as Company B and you end up needing to accept the offer from Company A because your offer from Company B isn't actually as good.....wow #awkward.
- ▶ For reals, just don't. It's not worth it and recruiters have the best bullshit meters you've ever seen.

OK KIM, I hate recruiting and interviewing and I just want to take my offer and go. How do I know if I got a good offer?

LISTEN FAM. It's all about knowing EXACTLY what pay is possible. That's it.





You need to know what is realistic.

- ▶ Ask Kim
- ▶ Ask a Friend
- ▶ Ask other Interns
- ▶ Levels.fyi is an A+ resource
- ▶ Consult the internet but be aware that there are liars out there.

BE A HERO. SHARE ACCURATE SALARY DATA.





You can't compare Apples to Oranges

- ▶ When checking if your offer is “fair”, the key is to compare your offer to other offers from the same company for the same role in the same location.
- ▶ Set your expectations accordingly depending on what type of company your offer is from (ie. start up vs. large tech)



2018 “After the Allen School” Survey Results

Company	Salary Range	Signing Bonus	Stock Awards
Microsoft	\$100,001 - \$110,000	\$15k - \$50k	\$75k - \$150k vested equally over 4 years
Amazon	\$100,001 - \$110,000	\$30-\$35k paid in year 1 + additional \$30-\$35k paid in year 2	\$65k vested over 4 years on a 5/15/40/40 schedule
Google	\$100,001 - \$120,000	\$20k - \$75k	\$120k - \$200k vested equally over 4 years
Facebook	\$100,001 - \$120,000	\$75k - \$100k sometimes divided out over 2 years	\$100k - \$250k vested equally over 4 years



Sample of “smaller” tech new grad packages

Starbucks

Salary: \$116k

Stock: 0

Sign-On: \$5K

Docusign

Salary: \$110k

Stock: 0

Sign-On: \$100K

AmEx

Salary: \$92k

Stock: 0

Sign-On: \$4K

Expedia

Salary: \$103k

Stock: \$15k

Sign-On: \$20K

HBO

Salary: \$135k

Stock: 0

Sign-On: \$40K

Liberty Mutual

Salary: \$79k

Stock: 0

Sign-On: \$5K

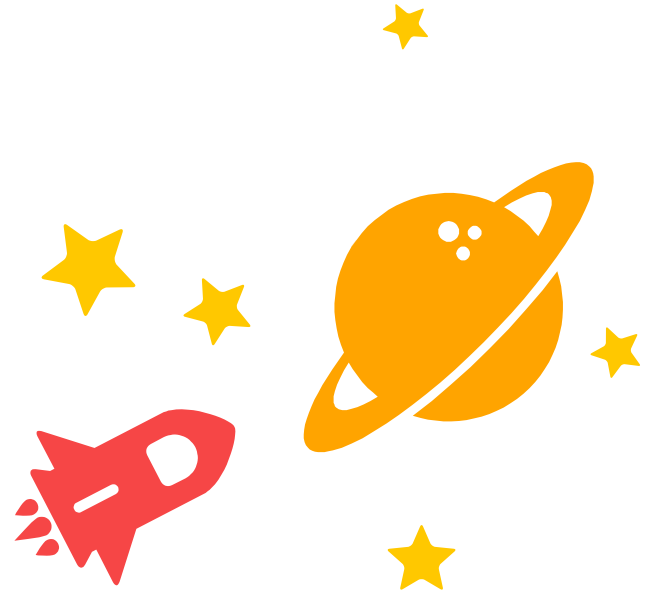


When should you negotiate?

- ▶ When your current offer is significantly lower in one or more of these areas of compensation based on accurate research: salary, equity, sign-on bonus.
- ▶ Hello Recruiter from Company A, I've been researching the average salary for entry level software engineers at Company A for this year's recruiting season and I was surprised (and a little disheartened to find) that my salary seems to be significantly less than many of the data points that I have acquired (15% less). I understand that everyone's situation is different, but I am very concerned about starting my career at Company A with such a disadvantage. Is this something you and the compensation team would be willing to discuss and adjust? This can affect my earning power in the long-term and I just want to ensure I am being paid in an equitable manner compared to my peers with similar experiences."

QUESTIONS?

I know you got some.





Other \$\$\$ Components

- ▶ One Time Relocation Bonus
- ▶ Yearly Bonus based on Salary
- ▶ 401K Contributions
- ▶ Discounted stock and other stock options
- ▶ Health Benefits (#adulting)
- ▶ Tuition Assistance
- ▶ Vacation because your time is money

But Can Money Buy You Happiness, Fam?



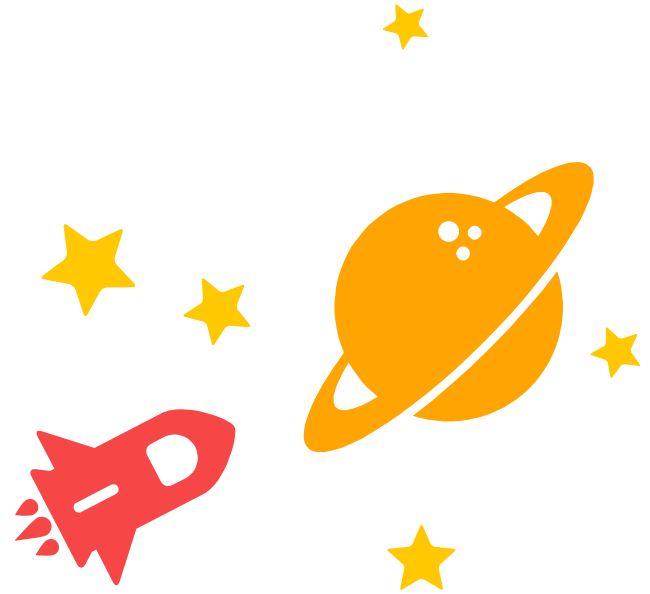


Non-Money Related Things to Consider

- ▶ Visa Support
- ▶ Location
- ▶ Family, SOs, Friends
- ▶ Job Content
- ▶ Scope/Impact
- ▶ Career Trajectory
- ▶ Manager
- ▶ Teammates
- ▶ Work Culture
- ▶ Company Values
- ▶ Work/Life Balance
- ▶ Contribution to long-term goals

Your priorities will mostly likely change.

And that's okay! Check in with yourself regularly and keep tabs on your own priorities.



Okay, but let's get back to what's top of mind.

