

What Is Your Minimum Salary Requirement and Why?

You're looking for work and many of the applications request a "salary requirement." Have you thought about how much you *need* to make for this job to work? Even if this is your very first job, with a little time and effort, you can calculate if the offer is worth it.



You can calculate your needs by taking a look at your current monthly expenses.

Use a spreadsheet and list all your recurring costs:

1. Debts: car payment, student loans, credit cards, etc.
2. Daily Living Expense: rent, utilities, internet, cable, food, phone, gas/bus, etc.
3. Insurance: car, health, life, renter's insurance
4. Extras: money for occasional outings like movies, eating out, etc.
5. Savings: you should factor in monthly savings for emergencies
6. Retirement: start early by putting away a small amount each month
7. Long-term Goals: saving for a house, new car, wedding, big trip, etc.

Once you tally that up, you still need to account for taxes... so add 20% (as a minimum) to that total number. You've now determined your "bottom-line" salary requirement. You now know that this is the minimum amount you can accept and still meet all your obligations as well as save a bit for the future.

After you've identified your expenses and know your bottom line, you should also consider doing some research online to determine what this type of job pays for most employers in your area. Your particular salary will factor in your education, experience, and skills... but research can inform your expectations for this type of job in general. Will it meet your needs?

Consider using a tool like [PayScale.com](https://www.payscale.com), a free salary calculator that provides information based on some questions you'll answer about a specific job title, education, experience, etc. You can really drill down in this tool for detailed information after you've entered additional data about benefits and responsibilities.

Another option, [LinkedIn Salary](https://www.linkedin.com/salary), uses its extensive network of members to provide some insights. It shows additional information such as the best locations to work, degrees that make a difference, and highlights how company size can affect your pay. It also shows how your salary may increase as you gain experience in the field.

Time to Negotiate

You've handled the most time-consuming part of the process. Now it's time to meet with the hiring manager and make your case. If the application requires you to state your salary requirements, it's best to give a range and indicate that you're flexible in considering the total compensation package. Give a range that starts at 10% above what you're making now and goes up from there. Make sure the range is realistic; you don't want to ask too much (which may price you out of this position) or too little (which makes you look less confident). Figure out your best-case scenario and focus on that.

How to Calculate your Salary Requirements

Whatever you do, be honest. It's not hard for an employer to verify. If you're changing careers or taking on less responsibility, your new salary requirements might be lower than before. Unless you are specifically asked for your current salary, it's best not to bring it up. This is all about the salary requirements for this *new job*, not what you're making at your current position. Your desired salary is a function of the value you bring and the problems you can solve. Don't sell yourself short.