

## A 25% Bump in Salary?

By Bill Radin

First Published in The Recruiter's Digest—Recruiting News, Training & Commentary  
©2004 [www.billradin.com](http://www.billradin.com) - Books, Tapes and Training for Recruiters

---

You found the perfect candidate, but the person wants a 25% bump in salary. Is this some sort of joke? Not necessarily. A huge salary increase is sometimes justified. But unless you can intelligently discuss the issue of money with your candidates, you'll run the risk of flying blind whenever an offer is on the table.

To educate your candidates—and avoid surprises—here are a few basic salary guidelines that apply to job seekers:

### Normal Economy

If a candidate is currently employed at about the market rate, they can expect a salary increase at the new company to be one to three times the overall rate of inflation. In other words, if the candidate is currently earning \$100,000, and the inflation rate is three percent, a qualified candidate can reasonably expect an offer somewhere in the range of three to nine percent, or between \$103,000 and \$109,000 per year.

### Soft Economy

In a slow job market, it's not unusual for a candidate to take a lateral in terms of pay, either because the new job is more challenging or offers future growth potential; or as a hedge against being laid off. If the candidate is unemployed, most of the leverage is lost. So it's not uncommon for an employer to offer an unemployed candidate the same salary as when they were last employed, or even slightly less.

***In a super-heated job market,  
all bets are off, and  
candidates can ratchet up their salaries  
to meet the demand [but]  
when the economy changes gears,  
the high-flyers' wings often get singed off,  
and they crash back to earth--  
or back to the unemployment office.***

### Gold Rushes and Nose Dives

In a super-heated job market, all bets are off, and candidates can ratchet up their salaries to meet the demand. I've seen a couple of boom and bust employment cycles, and it's interesting to watch marginal candidates feel empowered and command wages that are way beyond their normal-economy worth. But of course, the employment coin also has a flip side. When the economy changes gears, the high flyers' wings often get singed off, and they crash back to earth—or back to the unemployment office—armed with an impressive salary history, but a not-so-impressive history of accomplishments.

## Special Circumstances

Candidates who wish to relocate, spend more time with their families, change careers or seek greater job fulfillment will usually do so at the expense of their earnings.

If you find yourself working with a candidate whose expectations are unrealistic or uninformed, you should try to educate the person, by letting them know what the current market will bear, and what's reasonable and customary with respect to their circumstances.

However, you can't automatically categorize a candidate who wants a 25% increase as being unrealistic. If their current salary is way below market rate, or their value has risen dramatically—say they just finished their master's degree or obtained a special certification—then the increase could very well be justified.

---

*The Recruiter's Digest* is published monthly by Bill Radin, a top-producing recruiter, trainer and author of "How to Market & sell Your Recruiting Services" and "The Recruiter's Almanac of Scripts, Rebuttals and Closes."