How to answer: "What are your salary expectations?"

It makes many people squirm, but "What are your salary expectations?" is an important question in the job interview process.

Anyone who's hiring – whether they're a recruiter or an employer – asks this question at some point, so it's important to be ready for it.

The way you respond can be a real factor in getting the role, and the amount you're paid if you do. Aim too high without backing it up and you may lessen your chance of landing the role but go too low and you may send the message that you don't know the value of your work. But a little research and preparation can help you to hit the right mark.

Use this guide to help you prepare your answer to salary or pay questions, so you can discuss money more confidently in your interview.

Why interviewers ask this question

Employers want to know how well you know your worth—or level of skill and experience in the industry. They also want to ascertain if you're at the level they're looking for. But the main reason employers ask about your salary expectations is to ensure they're not wasting anyone's time, says Leah Lambart, career and interview coach at Relaunch Me.

"There's usually no point progressing with the recruitment process if the candidate's salary expectations are way outside the salary range that has been budgeted for the position," Lambart says. "In most cases, the hiring manager won't have a lot of room to move outside of the range, unless the role is highly specialised and it's likely to be very difficult to find a suitable candidate."

"If this question is asked in the initial screening call, it's likely the recruiter is trying to gauge whether you're at the appropriate level for the role. If your salary expectations are way under the range, then it's an indication to the recruiter that you may be too junior for the role. If your expectations are way above the range, it's an indication to the recruiter that you may be over-qualified."

This is why it's important to research what employees with your level of experience and expertise can expect to be paid.

How to research salaries

Multiple factors can impact how much you should ask for, including how long you've worked in the industry, your achievements and qualifications and the demand for your skills and industry trends. So, it's best to start with some research. "It's up to you to know your worth if you want to be in a position of power when it comes to negotiating your salary," says Lambart.

Start by seeing how your current salary compares with the average salary for your role, based on real job ads on SEEK. You'll be able to see the average annual salary range for your role and identify a ballpark figure to use or aim for. You can also explore salary trends within your industry to get a better understanding of how salaries are shifting for roles similar to yours. Then, check out our pitch-perfect guide to getting your salary sorted, which covers all the basics of salary discussions.

Viewing job ads on SEEK for similar positions is another effective way to see what other organisations are paying for comparable roles. You can use SEEK's salary filter to search for jobs by salary (even if an employer chooses not to show the salary range on the job ad) and refine and benchmark your results.

"You can also do additional research by speaking with your industry connections and asking the opinion of recruitment consultants who specialise in placing roles in your industry," Lambart says. The important thing is to be prepared; then you can answer with confidence.

Five tips on how to answer: 'What are your salary expectations?' (with sample answers)

1. Build up to it

As we mentioned before, many of us get uncomfortable when it comes to the topic of money, so we either avoid it or try to get it out of the way early. However, it's important to get the timing right and know when to talk about money in an interview. You don't want to bring it up too early in the discussion, or too late.

"Although you need to be prepared to answer questions about your salary expectations, I don't recommend raising the money question in the first interview," says Lambart. "The general rule in negotiations is that the person who asks the questions first about money has the least power when it comes to negotiations, so build up to it slowly and don't be too eager to talk about the money."

Ensure the hirer knows about your skills and experience first. Our recent guide to answering "Tell me about yourself" will help you put your best foot forward and demonstrate you're the right person for the job.

As Lambart says, "Ideally, you want to know that you're their preferred candidate long before you start discussing salary expectations." So, instead of naming a number or range too early on, frame yourself in the best possible light and present yourself as the ideal candidate first.

2. Make a strong case

After you've built up to the topic by showing you're a strong candidate for the role, you need to make a strong case for the salary range you want.

From your research, you will have an idea of how salaries are calculated based on the factors outlined above. But it's also good to understand how salary packages are calculated, and what they typically include (for example, additional benefits, incentives or rewards, such as superannuation, annual and sick leave, car allowance or bonuses).

Knowing what's possible enables you to build your case for what you want and need. "If you feel you need to negotiate to get a higher salary, then you need to build a compelling case," Lambart says.

"Your argument should always be based on a compelling business reason such

as what value you can add to the business, the problems that you can solve, or the revenue that you can generate. Never negotiate based on emotional reasons such as 'I need X much to pay my mortgage.' Keep the emotion out of the negotiations and instead reinforce what skills, experience and value you can bring to their team."

Sample answer:

Based on my research and with my experience and specific skills in XYZ, I would expect to earn \$X (provide higher value of the salary range). However, I am willing to be flexible as I am more interested in this role and working for Company X than I am in the initial offer.

3. Be flexible

"Making a strong case is important, but so too is demonstrating that you are flexible and keen to work collaboratively to get a win-win solution," Lambart says. "By sharing a salary range that you would be comfortable with, this provides the hiring manager with some room to move and demonstrates that you are not too rigid."

Lambart recommends having a margin to play with. "Always ask for a higher salary—within reason, say 10% higher than you are willing to accept—so that the counteroffer might be closer to your goal. Again, do your research so that you don't come across as greedy or completely unrealistic about your worth in the market."

In some cases, hiring managers have no room to move with salary but may be able to make allowances in other ways.

"If you feel you need to be compensated at a higher amount than the salary offered, then consider how you can negotiate in other areas like work perks. You could request the organisation cover additional expenses such as laptop, mobile, self-education fees, relocation expenses or provide you with extra leave, flexible hours or working-from-home arrangements as part of the package," says Lambart.

"However, bear in mind that the degree to which you can negotiate will depend entirely on your worth to the company. If you are an entry-level employee, you're unlikely to have as much bargaining power.

Likewise, if there's an abundance of candidates in the market just like you, then a company is likely to just move onto someone else if you are difficult to please. The power to negotiate comes with having specific expertise, industry knowledge or connections that the organisation wants a piece of. If they really want you, then they will be prepared to negotiate."

4. Flip the question

"If you're not comfortable disclosing the salary range you're expecting for fear of being screened out of the process, then flip the question and ask the recruiter what they are looking to pay for the role," Lambart suggests.

The interviewer will then either provide a salary range or give you more details on the role and ask you the question again. Either way, you'll have to indicate what your desired salary range is, and whether it's in line with what they're offering.

"Be prepared that they are likely to give you a range rather than an actual figure and will pay at the lower or upper part of that range based on relevant skills and experience," says Lambart.

Sample answer:

That's a good question. It would be helpful to me if you could share what a person with my background, skills and qualifications typically earns in this position with your company.

5. Delay answering

Sometimes you can be put in an unfair position when a recruiter asks about your salary expectations before you have a proper understanding of the job, Lambart says.

"If you need more time to research or understand the role, then think about delaying your response by responding that you'd like to know more about the role and what it involves before confirming your salary expectations. For example, if a role requires working after hours on a regular basis or being on call, then you may wish to be compensated at a higher level."

Sample answer:

I don't feel that I know enough about the role at this stage to provide you with my salary expectations. Before I provide a salary range, can you please tell me more about the hours and specific expectations for this role?

"To be a good negotiator, you need to know your own value and be prepared to articulate it in a confident manner," Lambart says. "A good salary negotiator prepares well and gets clarity about the skills, experience and attributes they can bring to the role. If the hiring managers can see how you can make their life easier, they are bound to consider offering you a little more if they have the power to do so."

You should never accept an offer on the spot, either at the interview or verbally over the phone, says Lambart. "Instead, thank the employer for the offer and express your enthusiasm for the job. Then ask the employer when you can expect to receive the offer in writing so that you can evaluate the total package and other terms and conditions."

By being aware of what you can ask for and knowing how to respond, you'll be prepared to negotiate a fair salary that meets your needs. Keep these tips in mind and you'll tackle this question like a pro.