

Ep #160: How to Best Negotiate Compensation with  
Kate Dixon



# NEW PLANNER PODCAST



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**With Your Host**

**Caleb Brown**

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## Ep #160: How to Best Negotiate Compensation with Kate Dixon

Welcome to the *New Planner Podcast*, where it's all about helping you successfully enter the financial planning profession and accelerate your financial planning career.

This podcast will help you understand the profession, become familiar with the various career paths available to you, and avoid the mistakes that limit your success.

Join your host, Caleb Brown, to explore the human side of creating a successful planning career through interviews, personal experience, and insights from the trenches.

Let's get started.

Caleb Brown: Welcome to the 160th episode of the New Planner Podcast, this is Caleb Brown, your host. My guest today is Kate Dixon with Dixon Consulting in Portland, Oregon. Kate is a world-renowned expert on compensation and negotiation and stops by the show today to share her wealth of expertise.

Beginning with why you should always negotiate an offer, what areas to try and negotiate if the hiring firm will not budge on salary and why participating in negotiations face-to-face is best in most circumstances.

Check out the middle too where she talks about how to overcome nerves and emotions and how to best prepare for negotiation conversation. What is likely to happen if you do negotiate in her four-step process to help ensure negotiations go as smoothly as possible.

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She also shares some pitfalls to avoid and why a collaborative approach works the best.

Stay tuned to the end where she discusses her best practices for how to handle negotiating a promotion and/or an increase in pay once you're already in the workforce, and some differences in compensation preferences across the various generations in the workforce.

If you're seeking to become more confident in your negotiations, then this episode is for you. Check out my conversation with Kate Dixon.

Hi Kate, welcome to the New Planner Podcast.

Kate Dixon: Thank you.

Caleb Brown: Hey, I'm so excited to have you here. I didn't know when I sat down at the Kolbe Conference that you were this compensation consultant celebrity, and I'm just happy to know you. I wish I would've met you 20 years ago.

Kate Dixon: Oh, my gosh, I wish I would've met the person I am today, 20 years ago too. Because we always say that we write things for the person we used to be, and that's kind of all things work for me too, so-

Caleb Brown: So, very well known. I mean, you've been doing this for a while. Lot of books, lot of stuff on your website that I think we'll get to and we'll also link to. But maybe if you would, just for our audience who may not be as familiar with you and the financial planning industry, just maybe talk a little bit about what you do and how you got started.

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Kate Dixon: So, I'm a salary negotiation coach and a compensation consultant. And I've been in this iteration of my work for a little over six years, but I've been in the compensation field for most of my career.

So, I've worked with great companies like American Express and Intel and Nike and managed pay programs within those large companies. And I've also been on the other side of salary negotiations.

So, watching candidates negotiate with the company and what kinds of things are happening in the background and what are we doing to try to make things better for the candidate and all of that kind of jazz.

And my friends started asking me for help years ago, "Well, how do I make sense of this offer and what should I be asking for?" That kind of thing. And it happened more and more, and then people started asking me to speak about the topic.

And so, I started doing that and then I decided that I should put all my advice into a book, which I published in 2020. And yeah, and I've been doing this kind of stuff formally for pay for six years and I help people who are the very top of very large organizations. And I also help folks who are brand new in their career.

My kids are early career folks, and my son is my biggest hype man. He's constantly recommending my advice to all of his friends. And I do work with some of them as well. So, I'm really fortunate to have kind of a pretty broad background and deep experience in this stuff.

Caleb Brown: That's amazing. Thanks for sharing that. So, maybe just talk a little bit about, you mentioned sort of the two ends of the

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spectrum. One the higher end executives, but also the more entry level folks.

And for the sake of this conversation maybe geared towards the entry level folks, I mean, what are you seeing out there? Well, I guess the first question is should people negotiate, or should they just accept the offer? What are your thoughts there?

Kate Dixon: Well, I often say that people's biggest salary negotiation mistake is accepting the offer on the spot and not negotiating. So, I do think that it's expected now for people to negotiate. And there are a very few kinds of things that the company will tell you straight off the bat, "We don't negotiate."

And so, if somebody's coming into an organization that has a very strong training program, they're hiring a lot of the same types of people into the same types of jobs with the Fair Pay Act, we are seeing a little bit more of a homogenous hiring rate.

And sometimes that's okay and sometimes it'll differ based on the geography that somebody's located in. So, the cost of labor is different in New York City than it is in a town like Borger, Texas.

But other than that, I mean, even if they say there's no salary negotiation, so you can still do some negotiation. Especially for my early career clients, I recommend that if they can't negotiate the salary that they work on something else that might be helpful to them.

So, relocation isn't always offered for folks who are early career and sometimes you can negotiate sign-on bonus to help with your relocation expenses and that sort of thing. So, that can be something that you do, negotiating the terms and conditions of how you work.

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So, how many days you're going to be in the office, what your start times and end times are, those are things that you can also negotiate. And people don't really think about that as part of the salary negotiation, but I think of it, because it's a whole package.

Caleb Brown: Love those. And I say stuff similar when people ask me, like, yeah, I mean maybe just take it off the salary because a lot of times that could be threatening to the employer like, "Oh, you don't need," you just send us the wrong message.

And I can't remember if I read this or heard this or stole it from somebody, but it was something like, it's not necessarily about when they're talking about negotiation, not the number, it's about what are you getting for the number. Maybe start negotiating that way. So, even like vacation days or something as maybe as small as that.

Kate Dixon: Well, and honestly, even when my clients, and I have tons and tons of clients, it doesn't happen very often. But even if a client does not get "anything" out of the negotiation, the things that they are getting from that are, number one, they're getting practice.

It's really a challenge to have these salary negotiation conversations, they're hard for people to do. They're emotionally fraught. And so, getting kind of live practice in that is really important, even if it doesn't pay off in dollars and cents the first time that you do it.

The second thing that it offers you is salary negotiations show people what it's like to work with you. And I like to think of it as you're solving a business problem together, you and the person you're negotiating with.

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So, if you're conducting yourself with integrity and professionally and collaboratively, that is really important for your prospective employer to see because they know that they should take you seriously. They know that you're going to be a great person to work with. All of those things can pay off in the long run.

Caleb Brown: Whenever candidates ask me, I was like, "It's fine to negotiate, but just make sure you're approaching it in a professional or a humble, very respectful manner because these things are delicate."

What's your thought? I mean, I'm always telling, pick up the phone, don't try to do it in email. What is your thought there? I mean, if they want to negotiate, should they do it in writing or via phone or both?

Kate Dixon: Honestly, it's a really interesting topic. I almost always recommend the phone. I think you're totally right and there are a couple of exceptions to that, but the reason that I recommend people do this over the phone is one, you can have all of your notes in front of you, and I don't know about you, but with conversations like this that tend to be emotional having a few pieces of data that I want to go back to and stuff so that I don't get caught unawares and stumble for words and stuff, that can be really helpful.

And some of my clients want to do it over Zoom and I don't recommend that because we take a lot of our brain to process visual images and you need all your brain for the negotiation done. And you don't want them watching you look down at your notes, not like that.

So, video's not something that I normally recommend and email's also not something I normally recommend. And that's

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because tone of voice is hard to gauge, and you don't have that give and take.

You need to hear what the person you're negotiating with sounds like when they're saying, "No, I don't think that's going to work." It could be, "No, I don't think that's going to work," period. Or it could be like, "Nah, I don't think it's going to work."

Those are the same words, but they mean two different things. First one is like, "No, stop the negotiation there." The second one is, "Well, hmm, maybe there is some room." And you can't really tell that over email.

And it's easier to mess up, especially if you're early in your career and you're not like a wizard in the land of emails. And also, some people will say, "Well, I want to do it via email, and I'll just use ChatGPT."

Well awesome. And Chat is great, I love, and these are delicate conversations, and you want to be as in control of them as you can be. And sometimes Chat does not help you in that manner.

But by the same token, so the places where I have recommended other things besides phone. And again, phone works for probably 95% of my clients, but I had a head of sales that I was helping with negotiations and he's like, "They need to see me, and this is my medium and if I can't see them in person, at least I can see them on video and I've got to do it on video." I'm like, "Dude, knock yourself out."

Because he's used to negotiating in that platform. So, he felt like that was the best representation of himself. And on the opposite side of things, there was a tech guru, a principal engineer that I was helping a few years ago and he insisted on doing everything over email.

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He's like, "I don't like to talk to people over the phone. I get really nervous, and I can't organize my thoughts and I don't feel comfortable." And he was also principal engineer working for tech companies and tech companies tend to do a lot more over email than they do over the phone. So, that worked really well for him. But again, by and large, 95% of people I think could benefit from doing this over the phone.

Caleb Brown: I think a lot of the new planners that I deal with, and some people in our audience are maybe nervous to negotiate. I mean, I think they agree with all your points, but like, "Oh, well Kate, what's going to ... like if I don't get it, is it going to be awkward? Are they going to rescind my offer? Are they going to fire me?" What have you seen over your career in that area?

Kate Dixon: Well, I think the concerns that you're expressing are almost universal. People are ... they're scared to do this because they don't know what's going to happen. They don't know what's happening on the other end of things as well.

And I really try to reassure folks that once you get to the offer portion of the show, they really want you to come work for them. They would not extend an offer if they kind of thought that maybe it wouldn't be a great idea to work.

So, they're convinced that you're a match when they offer this job to you. So, have that confidence that they want this to work out. And if you can help the company know that you want this to work out too, again, that sets everybody at ease. And believe it or not, your recruiter, HR rep, even the hiring manager, they're nervous because they really want you to say yes to them.

And so, part of what I help my clients with is setting the conversation up so that not only are you the candidate at ease,

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but you're setting the person you're negotiating with at ease as well.

And so, I have a pretty simple four-part conversation recipe that I teach my clients. And the first part is always expressing delight. Make sure you're saying, "Hey, thanks so much. I'm glad that company X thinks that this is as great of a match as I do." Oh, okay, well oh great, yay. We're entering in by this is a positive thing.

A lot of times people want to just jump right into this base pay isn't enough and I want more. And PS by the way, that's not how you would approach that conversation but really you need to kind of go through this more of a funnel. So, expressing delight.

The second part is asking questions. Again, this is really about getting the person you're negotiating with more at ease. So, you're going to ask them questions that are important to the negotiation, but they're not about making request.

So, things like, "I saw in the benefits booklet that you all offer a 401(k) match, but it didn't show what the match percentage is, could you share that with me?" And these are questions that your recruiters used to answering. They can do it typically without a lot of research. It's not controversial.

So, again, their emotional perspective at that point is they're calm and collected. So, expressing delight puts them at ease, answering questions, they got this. And then you move into making your request and then you'll make your request.

So, you might want to ask for more base pay or you might want to ask for a signing bonus, or you might want to ask for a

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couple of different things. And you make your request. And then the last piece is ending on an up note.

So, again, this is about putting a little star at the end of your sentence here, but you really want to make sure that they know you want this to work out.

So, one of the things that I recommend to people is to say something like, “I’m confident that we’re going to wind up with a solution that works for both of us.” And don’t expect for your conversation to be done after the first one.

I mean, a lot of people think, “Oh, okay, I’m going to have a negotiation conversation and it’s going to be all wrapped up and that’s going to be great.” That’s not typically how it happens.

What’ll happen is you make your request, and they’ll say, “Well, we need to go back and talk to the hiring manager, or I need to get additional approvals or whatever.” That’s ideal. That’s exactly what you want.

And before you get off the phone, what I really recommend is make sure you know when you’re going to talk to them again. And it’s okay to ask. So, “Well, it sounds like you need to go back to the hiring manager, when should we touch base again?”

Just knowing, I mean, because people think, okay, the hardest thing about salary negotiation is making the ask. The hardest thing about salary negotiation is waiting for them to answer your call. So, yeah, that’s kind of how I recommend doing it.

Caleb Brown: I mean, I’m just listening to you talk about your process and I love that. So, expressing delight, asking questions,

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making the requests, and then handing on an up note, do we get that right?

Kate Dixon: That's perfect.

Caleb Brown: If — that's bought a home or a car or something, there's a lot of similarities in there. It's not a sort of one, "Here's my number." Like, "Okay, alright, I don't have to deal with that anymore."

But I like the ending on an up note. Like, yeah, I really want this to work because over my career, and I'm sure you've seen this too, I've seen deals fall apart over not a lot of stuff. And it's really disheartening.

So, maybe talk about that for a moment. I mean, what if it's, the job seeker has two options, will you either just take what they offered, or you walk, what do you talk them through when you're working with them?

Kate Dixon: So, if they're not able to get, and even if they get some concessions, but it's not what they want, I think one of the things that's important for folks to do before they even enter a negotiation is figure out what their bottom line is.

What is the number that they have to have in order to say yes to the offer? And sometimes it's the offer as it is today, and that's okay. So, if you make your requests and they say, "Hey, we do not have any room to negotiate on this, we're giving you our best and final offer, so we're going to need to have an answer from you."

And again, there are two pathways that you can take here. One is, just say, "Okay, well, it's not what I hoped for in terms of the

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result here, but I really think it's an important opportunity for me and I'm excited to join the firm. That's one way to do it.

Or you can say, "Hey, you've given me a lot to think about. I need another 24 hours to consider this. And then can we meet again tomorrow at nine o'clock?" That's another way you can approach it.

But I think if you don't know what your number is before you go into the negotiation, it's really hard to be effective in the negotiation.

Caleb Brown: Those are great. I love the framing and the phrasing there. Talk about just other mistakes that maybe early career entrant that you've seen over your career, what they tend to do, what are some of the bigger pitfalls?

Kate Dixon: I think one is approaching negotiation like a cage match, I mean, this is not highlander only one can survive kind of thing. Again, back to what we were talking about earlier, it's collaboration. You're solving a business problem.

And so, the whole idea of me versus them, I win, and they lose, or they win, and I lose. That is just not the approach that works. And there's some OGs out there who will tell you otherwise, but I can tell you that the things that I work with my clients on, they're very successful, very, very successful.

So, don't approach it like a cage match, make sure you're being collaborative. Make sure you're being polite and warm. It's okay to stand up for what you want, but don't be a jerk.

Caleb Brown: I mean, it doesn't do any good to beat these people up and get what you want and then you have to show up and work

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next to them. They're like, "Oh, there's Caleb man, they really put us through their finger." That's not ideal probably.

Kate Dixon: Absolutely. And just in case you think that HR people don't talk to the business leaders, you are wrong. It's interesting because I've seen it on both ends of the spectrum.

Folks who have been total jerks in the negotiation process that gets communicated and HR can make your life a lot easier and a lot harder to be frank with you once you get into the organization.

And on the opposite side, somebody is really pleasant and acknowledging the hard work that the recruiter's doing and advocating for themselves and not being a juror that can really smooth your way.

Because the HR person will go to the hiring manager or maybe even the vice president and say, "Hey, oh, this guy that I just worked with oh, Caleb, oh, he's the best. We really love working with him on this. You really got a winner." And that will help you in your career.

Caleb Brown: I mean, it's a very important point. I love how you frame that because a lot of the smaller companies that I recruit for these smaller financial planning firms, I mean really what the new hire, like a lot of time the person I'm representing, what they're going to get paid is coming just right out of the firm owner's pocket.

There's no other pile of money or something in another headquarters in London or something. I mean, it's like, "Nope, that's our take home's going to go down." So, it's a lot of times, I mean, ego sort of hurt feelings, a lot of times that gets things derailed.

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So, we've talked about some of the mistakes and a couple of the best practices, but what else? I mean, what else do you see people having success with when they're maybe negotiating for their first job or second job or even a promotion?

Let's run through this. What if someone's already got the job but they want a promotion or they want more money, how do you coach them to go to their employer?

Kate Dixon: This one is a slightly different approach because you already have great history with them. And I think the big thing when you're talking internally is making sure that you're really representing the value that you bring.

And of course, you're doing that in the interview process when you're interviewing from the outside as well. But people don't necessarily think, they think, "Oh, gosh, you've been working with me so you should know this already."

And frankly, it just isn't always true. Especially, we know that research shows that managers only see about 5% of what people actually do. And so, reminding them, showing them what kind of an impact have you had.

And I like to coach people on really the impact rather than the effort. "I work so hard; I deserve a pay raise." Well, everybody works hard. And you should be working hard.

But talking about how a project that you led or an analysis that you did impacted your client in a positive way, "Hey, we worked with Ms. Jones on her financial plan and she was so thrilled with the results that she brought her best friend and her best friend's mom into the practice."

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“Okay, well that's cool, we want to know about stuff like that.”  
And if that happened a while ago, people may not remember,  
but what is the impact to the business or impact to your internal  
customers or what's the impact that you're having?

So, if you frame it up in terms of the impact that you're having,  
that's really important. I also encourage people to really base it  
on external data. If you're asking for a raise, don't say, “Well I  
deserve a raise because Caleb is getting more than me.” That's  
a very strong temptation.

But what works a lot better is, “Hey, my research shows that  
jobs like these are paid between X and Y in the marketplace.  
Based on the impact that I've had through this client. I'm  
targeting the higher end of that range. How close can we get?”

And that's really the same way that I encourage people who are  
looking for an external job to frame up their request. It's not  
about, “Oh, I want to make more than this person who sits next  
to me.” It's really, I want to be framed up in the competitive  
marketplace appropriately.

Caleb Brown: I mean it's all about results. And I think you impact over  
that effort because I've gotten that too. It's like, “Well, I've tried  
really hard.” It's like, okay, that's great, but it's a results based,  
at least the for-profit space is for results.

So, here's one for you. So, how have you seen compensation  
preferences adjust through the various generations of  
workforce? So, Gen X, Gen Y, Gen Z?

Kate Dixon: Interesting. Well, I was just talking with my husband about  
this, and Gen Z is really helping the rest of us out so much in  
terms of their requirements of the workforce in general.



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And it's not like they're the only ones who care about hybrid work environments or an appropriate number of work hours and stuff. But what I do see differently about Gen Z than I even did in the millennials, is that they are creating very strong boundaries around work and not work. Which is ironic because they're also wanting to be at home, working from home and stuff like that.

And traditionally, over the years we've seen people who work from home tend to have a little bit more porous boundaries. And so, this bodes well for the entire workforce in terms of from compensation. What I'm seeing with kind of the younger generations is more of a "show me" mentality.

So, back in the 90s, stock options were king, and everybody wants stock options because it's going to pay off and I'm going to be a millionaire, blah. And we've seen less and less tolerance for risk around that as people have gotten burned.

So, we've actually seen a dramatic shift in the marketplace in terms of publicly traded companies are now almost universally using restricted shares, which will have value even if the stock goes down. Whereas stock options, if stock price goes down, you don't get anything.

So, we're seeing more of a trend toward things that you can count on and believe in. Although, in my clients who are in startups, we're still seeing that, "I own 0.5% of the company and I'm going to be millionaire."

And when in reality exit strategies for these startups, more often than not are selling to a PE firm or getting investment from a PE firm, which really harvest the wealth out of the organization and

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they're not going to have their stuff worth a whole lot in the end. So, a long answer to your short question.

Caleb Brown: Interesting. Well, we've covered a lot of ground here. Any final tips or anything else that the job seekers should be considering when evaluating an offer or negotiating or approaching the HR manager or a lot of times the ... like in my world, a lot of times the HR manager is the firm owner and the supervisor, it's all in one. So, any final tips there that you want to share?

Kate Dixon: I think I'd just double down on don't be a jerk. Treat it collaboratively. And a little last tip, I know that these conversations can be really emotional. I'm going to give you a couple of really quick tips here really on how to take the emotion out a little bit.

One is practice out loud. Practice what you're going to say out loud because it's fundamentally different to do it in your head. Because I know, for myself, I'm brilliant when I'm practicing in my mind. But when I actually speak the words, sometimes I can stumble.

And so, practicing out loud is really important. If you have somebody you can practice with, that's even better. But practicing out loud is important. And then this sounds a little weird, but I recommend people meditate for 10 minutes in advance of getting on that phone call.

It allows you to kind of calm yourself, lower your heart rate, breathe deeply, and that will also help that adrenaline pumping stuff that is going to normally happen for you. So, both of those things can really set you up for success. So, yeah, those are my last two tips.

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Caleb Brown: And you've got a lot of info. I'm just browsing through your website, so we'll make sure we link to [katedixon.org](http://katedixon.org). You got books on there, you've got a lot of free stuff articles, but you've got some courses, I mean, and you've got some other packages that people can look through if they're interested.

So, well, Kate, anything else before we go? This has been a blast. Thanks for coming on. Anything else?

Kate Dixon: I am so delighted. Yeah, I mean my contact form is on my website too, so if folks have questions let me know and I will often do and ask me anything kind of thing. So, connect with me on LinkedIn and you'll get to see when I do those as well.

Caleb Brown: Thanks so much for coming on the show Kate.

Kate Dixon: My pleasure.

Thanks for joining us for this episode of the New Planner Podcast. If you are ready to discover the top career paths for financial planners and see which track is best for you, we created a free guide to help you.

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Tune back in next week for another episode, and until then, we are here to help you succeed.