

Episode 14: Know your Worth with Jordan Sales

Elizabeth:

Jordan, welcome to the Women In Product podcast. It's great to have you on here today. So I thought that we would start, and you could tell us a little bit about 81cents.

Jordan:

Awesome. Well thank you for having me Elizabeth, and I'm excited to be here and a huge fan of Women In Product generally. So 81cents is a pay equity startup, and we were founded about three and a half years ago with a mission in to help close the wage gap for women and underrepresented racial minorities. And we do that through a pretty interesting model, which is that we crowdsource information, data, guidance, negotiation support from a network of what we call pay equity advisors, or hiring managers, recruiters, really senior professionals who work in tech. And basically, anytime a candidate needs support, they come to us, they submit the details of their offer or their current compensation package. And we anonymize them and then send them out to our network of advisors for feedback. So for every candidate we support, we try to get perspectives from somewhere between five and 10 different advisors to kind of guide the candidate through their negotiation, weighing in on if they feel the offer is too low, what recent offers they've seen. If they were in the candidate's shoes, what would they do? Are they seeing any red flags in the offer? And what we're really trying to help candidates do is kind of tap into a network that's probably bigger than their own and get perspectives from people they might not have otherwise interacted with.

And this is personal for so many people. And it is for me too. And I think part of the reason why we're really excited about what we're doing is that often we see in negotiations that people tend to go ask people for feedback who look like them or who they're really, really comfortable with. And those often aren't the best people you should be getting feedback from. You should be talking to people who are at your manager's level, at your manager's manager's level. Should be talking to people who've been through 20 negotiations who know your field inside and out. And I know that when I've negotiated in the past, I've tended to go to people who I'm really at ease around, which could be a parent, or a partner, or an aunt or an uncle. And those aren't always the people who are doing the same kind of work that I'm doing. So our goal is really to help build a network for candidates who may not have one, or who may feel that there is lacking a little bit of expertise.

Elizabeth:

That's great. So that sort of begs the question of why do we need this, right? What prompted you to start this up? What was the need that you saw?

Jordan:

Yeah, it's a great question. One of the first pieces of advice I got when I was thinking about starting a company was build something that's very, very personal to you. Solve your own problem. And negotiation has very much been that for me. I'm very lucky, very privileged that I've always had a really strong network of mentors, advisors, family support. I've had the privilege of being super educated. I've had the chance to do internships, all of that. But along the way, I never learned how to advocate for myself, or how to talk about money, or how to figure out what I was worth, or how to negotiate.

And I remember my very first experience with this was I got a job offer towards the end of my senior year of college. And I was ecstatic that someone wanted to hire me. I wasn't sure I had many marketable skills at the time. And I remember calling my uncle, Dennis, who I'm really close with, and who's kind of guided me through a lot of tough career moments. And I remember telling him, "I got this job offer, and I'm just so excited, and I can't wait to take it. It's a great offer," whatnot. And he was like, "Awesome. I'm really proud of you. So what are you going to encounter with?" And I just remember thinking, "Counter, what do you mean? First, what does that even mean? But then second, I'm supposed to push back on this offer? What? No, I don't have any work experience." And I remember him kind of sighing being like, "You know Jordan, this is kind of how the war world works. Everyone around you is going to be negotiating. The company is expecting you to negotiate. This is what it means to be a working professional. You just can't expect that everyone else out there is going to take care of you in this way. You really have to go out and advocate for yourself."

And I remember being like, "Why did no one ever teach us this in school? How come this is the first time I'm hearing about this?" But I kind of let him guide me through the negotiation, which was really lucky. And I made a case based on cost of living, relocation expenses, and I had done an internship at the company that the offer should be higher than the one they'd given me. And it was super easy, and they came back the next day and were like, "Yep, here's 20% more," or whatnot. And I just remember my jaw dropping and just being kind of blown away by how easy it was. And that was the first moment when I realized one, this system seems pretty unfair. And how if I hadn't talked to my uncle about this, what would I have done? I just would've accepted, and then started making 20% less than I otherwise would've. And two, this is really uncomfortable. I remember it being a really hard process for me to ask for more money when I hadn't even started working and in my career yet.

So that sort of theme continued throughout the earliest years of my career of just really struggling to advocate for myself, really feeling uncomfortable talking about money, being pushed to do it by people who were smarter than me, and ultimately having a good amount of success with it. But still, I had this feeling deep down of why does the system work this way, and how come no one ever gets taught these kinds of things?

So then a few years later I had like a much less successful negotiation, and it was really challenging, and I kind of promised myself, "Okay, I think this is a problem I want to figure out how to solve." So I started reading negotiations books and kind of diving into it. And that was the earliest stages of starting to think about it even since.

Elizabeth:

I think you bring up a couple of things that people think about in that process. The first one being if I negotiate, will the offer go away? Because this is the offer I have, and I'm afraid that it will go away.

And then the second one being just that it's not a comfortable process, right? So you kind of have to get comfortable being uncomfortable in a way, and/or find strategies that help you do it with confidence. And I think that's sort of what you have created with 81cents is to take that point of view of how do we give you information that will help you conduct that negotiation and think about that negotiation in some context. So maybe you could talk a little bit more about what it is somebody gets when they submit. And then we can talk about how they might use that information.

Jordan:

Yeah, absolutely. So our first product that we launched with was what we call a market value report. And the idea here is that in a negotiation, data is something that I think is universally accepted as being important. Recruiters will often ask, if you're trying to make a case for more, they'll ask you to kind of share the numbers that you've found. Everyone tells you data is really important in negotiation, but there just isn't a great source for sourcing that data. On the company side, there is. Companies pay tens if not hundreds of thousands of dollars every year to have access to compensation benchmarks, and they all share information amongst each other. But on the candidate side, there's not really anything out there that is high quality, specific, reliable that you know is true. There are lots of big free databases. But usually when you try to cite one of those in a negotiation, the recruiter will tell you, "Everyone knows Glassdoor isn't that accurate." So that's not super helpful here.

A lot of times, often people look at those compensation databases and they just don't even feel they're true. The numbers feel way too low, or they don't know what the data is going into them. Often, those databases will also just give you one round number too. And they don't talk, especially in tech where equity is super important, signing bonuses and things like that. So our goal has been to sort of go out and help people build that data for them.

And certainly if you're really extroverted, and you have a really massive network, and you're totally connected, and asking about money isn't scary you, then you can go do this kind of research yourself. This is what we're doing for our candidates. But for most people, that process is pretty uncomfortable. So our goal is to go out and get as much market data as we can for candidates as possible. And then it all kind of gets compiled into a report with a little bit of analysis from our team. So someone has a deliverable that's like, "All right, I've now gotten perspectives from seven different product managers who all work at fintech startups, from people at my levels all the way up to the SVP of product or the chief product officer. Of those seven professionals, six think this offer is about 20% too low. They all gave me a data point or two that I can use. They all told me they think I have the most leverage. One, right now before I accept the offer. And two, negotiating my base and my equity package. And they've given me specific phrases to do."

So it's kind of like here's your guide to how to think about the negotiation. So I like to think we do at least 50% of the work and kind of get the candidate on the process so that they can take it and say, "All right, now I'm going to go close this deal and have the tough conversation." And now I know I'm not going to accept something that is significantly below my pay. They can have more confidence in that. Yeah.

Elizabeth:

I like that you bring up the equity if you're, in a startup or signing bonuses, or all of these other things that sometimes we don't think about, but can be negotiated oftentimes, right? And actually in some situations, it's super important that you negotiate them because it's a critical part of the package. I mean, if you step into an early stage startup, stock grants are probably going to be, equity's going to probably be the biggest upside for you. And that's where you actually need to get more of that and be more concerned with that than the salary.

Jordan:

Yeah, absolutely. I mean, I could do a whole podcast on alternative forms of compensation because I think they're really important. And I don't think they're talked about enough. But we tend to think of them in terms of three categories. So you have cash compensation, anything that helps you add money to your bank account. Then we have cash equivalence, or basically things that help you have to spend less money.

So if a company is going to give you free lunch, then that's \$10 you don't have to spend every day that helps you keep more money in your bank account. If they have amazing healthcare, then that's less of a premium you need to pay out of pocket. So you get to keep more in your bank account at the end of the day. And then we think of the non cash compensation, which are usually things that we tend to pay the least attention to, but the things that end up mattering the most, like how am I being leveled in this role? What kind of responsibilities do I have? Is this a management position or an IC position? What is the growth trajectory at this company look like? What is PTO? All of these things that at the end of the day end up being hugely important to our experience. And if we like our jobs or not, often people don't really think enough about those in the negotiation, because money is like so emotional for all of us. We tend to really focus a lot there. And obviously it is important. You need to really ensure you're being paid fairly. But we tend to see people kind of over index on a couple of types of compensation, or forget to look at all the rest.

Elizabeth:

Yeah. Now I think it's worthwhile to point out that 81cents can be used if you're looking for a new job and you have a job offer. But it could also be used in the job that you're currently in if you are thinking that you would like a promotion, or if you think you're underpaid in the job that you're in and want to increase or something like that as well.

Jordan:

Yeah. We work with probably 50% of people are kind of navigating a new offer. Either in the interview process, final rounds of interviews, or actually have an offer, multiple offers that they're negotiating. And then the other 50% of people are more in the I just want to know if I'm being paid fairly today. I want to make a case for an increase in my current role. I'm starting to think about new opportunities. How does my current pay stack up? Things like that. So we try to support people across the life cycle.

Because certainly when you're negotiating a new offer, that is the absolute best moment for taking a really big step up in your pay. But it is not the only moment that matters. And if you only start thinking about it at that moment, then you're probably doing yourself a disservice.

Elizabeth:

Yeah. Yeah. I mean, the one thing that I'm seeing relative to people thinking about their careers is it's kind of something that you need to be doing all the time, right? You shouldn't wait until you're in some tight jam to think about is this really the right job for me? Am I really being compensated fairly? Am I happy with what I'm doing? Am I progressing, or am I getting to do the things that I'm interested in doing? So it seems like it's valuable to take a look at that periodically, and just make sure that you're where you think you should be. Right?

Jordan:

I think unfortunately for a lot of people along with all these kind of career questions fall into the bucket of important, but not necessarily urgent. So it ends up being one of those things we can just punt on over and over.

Elizabeth:

Yeah. Yes, that is absolutely the case. And when people lead busy lives, it's easy to get caught up in all of the things that are immediate, and urgent, and not the things that are important, but not necessarily urgent. So yeah, this definitely falls in that category.

So can you talk a little bit about the flow of a typical negotiation? What does that look like? Can you give us a sense of how the candidate would use the report in the process?

Jordan:

Yes, definitely. So I'll start by saying that every negotiation will look a little bit different, and pay tends to come up at different points in the interview process, which is frustrating from the candidate side. Sometimes it's a question you get asked about in your first or second interview, and sometimes you won't even talk numbers until you're at the offer stage.

I know a lot of candidates get really stressed when pay comes up earlier in the negotiation. But I actually think it's a really good thing because if you're not on the same page as the company, you're in totally different ranges, I think that's really helpful because then you're not wasting anyone's time. But I know that a lot of times, people will be kind of caught off guard if it comes up early in the process. So because of that, we try to say that you want to do your market research as early possible, just in case the question comes up. And so you can be proactive in thinking about what you want in your next role, versus reacting to what the company offers.

There's a lot of research out there that shows that whoever says the first number, or the first title, or the first comp package, whatever it is, that kind of sets the anchor for the negotiation. And then everyone else reacts to that.

So if you know what you want, even if you're not saying it, that will give you something to react to then when they do throw numbers at you, you can compare them to what you've already come up with.

I will say once you've received an offer typically over the phone, I recommend even if you have done all your research, even if you know it's too low, not necessarily trying to negotiate right away, like right off the bat. Companies won't expect you to do that. And it can be like I mentioned, an emotional process. So generally, I recommend being appreciative and reiterating your excitement for the role. But saying very little other than that. So, "Thank you so much. I'm really excited about the opportunity. Would it be possible to send the details over email?"

I also, when I'm talking about this part, I also like to call out that there are a few companies out there that I've heard of that won't necessarily be willing to share the details over email until the offer is negotiated. I think Apple can be like this, Twitter. So if that happens to you, you can kind of repeat back what you've heard from the recruiter, or email them what you heard and then ask them to confirm.

At this point, typically we'll have engaged with a candidate by this point in the process, or hopefully even earlier. We like to tell people, "If you know you have an offer coming in the next couple weeks or you think it's likely, start the process with us so we can select your advisors, get your background information ready. And then once you get your numbers, we'll go hit send on everything. That helps us be able to work faster and make sure that we can meet people's timelines."

But in an ideal world, once you've had an offer come in, I typically recommend waiting and not doing anything for at least a day. I know that can be hard and it's not necessarily realistic. But like I've mentioned, you can be just really emotional when you're thinking about money, and it can trigger a lot of emotions, and make us act irrationally. And either get angry if we feel like the offer's too low, or accept it if we think it's really high. So I personally had an example of this where I once got for that was about \$10,000 below the range that had been listed on the job description for the role.

Elizabeth:

Whoa.

Jordan:

Yeah, it was really upsetting and really frustrating. And I was just so upset that I basically started the negotiation right away and pushed back and was like, "I can't to make this work. This is lower than what it said." Dah, dah, dah. At this point, I hadn't started 81cents, so I probably would've said different things if I had known what I know now.

But I think the biggest takeaway from that experience was that I was acting out of anger. And if I just take a beat, I think I would've totally changed my strategy to how to negotiate. It was an early stage startup. So yes, I would've made a case for more base. But I also would've asked about equity. I also would've asked about bonus. I would've just tried to negotiate for an overall larger package, instead of just focusing on this very particular piece of it.

Elizabeth:

Yeah. You got fixated on that one thing in particular, as opposed to being able to see the whole package.

Jordan:

Yeah, totally. I was kind of blindsided by this grievance. I just felt so offended by it. So I always try to advise people to take a break, take a beat. Don't look at the offer for a little bit. If you've done yours search, then you already probably have an idea of how you're going to respond to it anyways.

And then the last piece of it is to get ready to negotiate. And usually that involves building out a script for yourself. A lot of people don't do this step. They just kind of have some notes written down. But I just can't overstate how important being prepared to negotiate is, and how much that will impact your confidence. Having what you want to say written down will keep you accountable to saying the right numbers. It'll stop you from underselling yourself or low balling yourself in the conversation. It will help you react to tough questions you might get. A lot of people have a lot you're around negotiation. What if they say, "Oh sorry, we can't make that work. Or this is the highest we go."

Having those answers scripted out will make it so that you're kind of prepared for any possible question you might get. And then once you have a script written, you can actually send it around to a couple of friends and get their feedback on it. And the reason behind that is because often as

underrepresented candidates, there's a lot of research that shows that women and people of color in particular tend to undersell themselves. And it's much easier to advocate for someone else than it is to advocate for yourself. So in this case, if you ask your friends to take a look at it, they might come back and say, "Hey you're really doing yourself a disservice here. You should be asking for more. You should be selling your accomplishments a little bit more strongly," things like that. So that's where having a script can also be helpful.

Elizabeth:

Yeah. I can definitely see where the script can make a big difference. And I don't know if you guys recommend this, but I would imagine that it's also helpful to maybe do some role playing with somebody just saying it so that, I don't know, when you say things, it kind of takes the edge off of it. Then when you get in the real situation, you kind of got it built in a little bit of how you're going to come back, how you're going to respond. Preparation.

Jordan:

Yeah, absolutely. I think practicing it a couple of times with someone else can help you get a lot of jitters and fear out the first go around and also help you realize, "You know what, I wrote it down that way, but that sounds pretty awkward. I actually think I want to say it this way." Or, "I'm realizing that I wrote way too much, and I should be speaking in shorter paragraphs and asking more questions to try to get more information from the recruiters." So practicing will definitely help illuminate places where you could improve your strategy.

Elizabeth:

Right. You don't need to apologize for asking for more money or anything like that.

Jordan:

An apology can almost be a verbal tick sometimes when we're negotiating. We don't even realize it. So practicing it can help you realize, "I'm kind of prone to saying I'm sorry. Or I'm prone to kind of rambling because I don't know what to say." So it'll help you learn to just kind of sit with the silence a little bit.

Elizabeth:

Exactly. So you've talked a little bit about this network of advisors that you have. So how do you keep the results balanced? Because I know the first time I talked to you about this, it's dawned to me well, if it was only women in the network, then you're going to get a lower amount as seen as the norm. So maybe you could talk about what you guys did on that front in terms of the advisors a little bit more.

Jordan:

Absolutely. Yeah. That became pretty clear early on that if we're not intentional on how this network is made up, then we might unintentionally give people really skewed advice. But at the same time, we think it's really important for people to be able to get advice from people who look like them and who maybe had similar experiences negotiating. Maybe not as important around the numbers, but more so in how should I think about making the case for myself? How should I navigate potential pushback?

Because research shows that candidates of different identity groups really do experience negotiations differently. So we wouldn't want to be naive to that.

So as a result, we have parameters that we use when we think about kind of building the advisor set for any candidate we're supporting. And that includes things like we want people at their level and at the couple of levels above them. We want a mix of recruiters. If they're at an early stage startup, we want people who are at the founder, or CEO, or C-suite level. So we try to get balanced perspectives that way. And then we also try to kind of balance the gender and racial makeup of the advisor list as well so that we're not accidentally saying, "Here are perspectives from seven other women." And they might be giving you the best possible advice they can, but they just may have seen skewed numbers too, because of the way that pay gaps work.

Elizabeth:

Yeah. Yeah. So tell me a little bit about what the results are that you've seen today. I mean, I know you've had people using the service quite a few. And I'm imagining that you have some overall market insights that have come from that.

Jordan:

Definitely. So we actually just supported our 800th candidate in January, which is really awesome. And I think safe to say that we'll be able to pass 1,000 this year, which is really exciting. And the average in pay that the average 81cents candidate sees is about 18%, which we think has amounted to over \$6 million in additional income, which we're really, really excited about.

I think the coolest thing though about salary negotiation or pay negotiation more broadly is one, what you learn and feel from doing it once, you'll carry with you to every future job negotiation. So if you negotiate your very first job, you're probably going to try to negotiate your second, your third, and your fourth. Those skills don't go away. They actually only improve over time.

But then second is that there's a lot of compounding effects here. So if you negotiate your base salary, then chances are when you get, or 10% raise next year, that's going to be a percentage of your base salary. So if your base is higher in year one, it's going to be significantly higher in year two. Your annual bonus is a percentage of your base salary. So that will be higher. Your understanding of your market rate is going to be different. So when you start looking for jobs, you're going to be anchoring higher. So there's all sorts of compounding effects.

I mean, even you're making more, so you can put more into your 401(k). Your 401(k) match is going to be higher. All of those kinds of things. So we like to think yes, the number is 6 million. But we think that there are actually tens of millions of dollars of impact that are going to come to the candidates you work with in the future, not to mention the intangible value of feeling more confident and knowing you've advocated for yourself.

Elizabeth:

Yeah. Knowing that you sort of maximized what you could get there. Stood up for yourself. Is it mostly women that are using the service, or do you have some men too? If you have men, do you see any differences between the men and the women relative to this stuff?

Jordan:

So a about 93% of the candidates we support are women. And within that, we've worked really hard to make sure that we are not just supporting white women, but supporting all women. So one of the stats I'm proudest of is that in 2021, I think it was over 65% of the candidates we supported were identified as women of color. Because we haven't mentioned this, but the stats within the pay gap, within the 81cents or it's now 83 cents that women earn on the dollar, the stats are just so different depending on your racial identity group with Black women earning significantly less. Latinx women are earning significantly less. I think it's Black women earn 64 cents on the dollar, and Latinx women earn 57%. So it's so, so different. So that's one of the things that I'm really proudest of.

We do who get a certain number of men who use the service. And I have been advised that because of the space we're in, we can't tell someone, "No sorry, you can't use this service on the basis of your race or gender, because that would be discrimination." Even if the intent is to close pay gaps. So right now we just focus all of our marketing, all of our partnerships on supporting underrepresented groups. But we do work with anyone who needs us.

And so far, that approach has worked pretty well for us. In terms differences, I think anecdotally we think that there may be some of differences in terms of client expectations and things like that. But I wouldn't want to say men are being significantly paid more just because they make up such a small percentage of our database. I think it's kind of hard for us to not.

Elizabeth:

~~Yeah. And I think that was one of the things that I wanted to ask you about was,~~ is 81cents really relevant for people who are in tech? Or are there other fields, or professions, or industries that it works for or doesn't work for, right?

Jordan:

Yeah. It's a great question. So I'd say the majority of the work we do right now is in tech. But we know the need is really significant elsewhere too. So eventually, we get a lot of requests from people in healthcare. We really want to start working there, academia. The nonprofit sector is one that we've been doing more work in. But right now I'd say the 75% of the work we're doing is for candidates who are in tech. And we actually started specifically with product management, because that was where my background was. And because actually Women In Product was the first place where I started talking about 81cents. I didn't even have a name for it yet, but I was interested in talking to candidates who were going through negotiations and learning from their experiences. So the first place I posted was Women In Product. And that's where I think I had 40 or 50 user interviews come out of that. And that's where the idea came from.

Elizabeth:

That's fantastic. So are there other ways that people could participate at 81cents? I mean, they can come and they can get a report if they're on their current job or an offer. But are there other ways that they can engage with you?

Jordan:

Yes. So the main ask that I make of everyone that I meet is to join our network of pay equity advisors. We are only able to support as many candidates as we have advisors, and only able to support candidates with backgrounds that we have advisors in those fields and functions from. So we're always looking to grow our advisor base. And it's a really meaningful experience. When you sign up, you let us know a little bit about you, what function you're in, what industries you've worked in. Then you get to choose how frequently you want to give guidance. So once a week, once a month, daily we have some advisors.

And then based on that information, we will send you backgrounds and profiles of candidates who need your support. And it's a totally asynchronous process. So you'll get an email, and then you take a look at a document and fill out a quick survey. And if you don't have time or too busy, you can always skip one. But we get amazing feedback from advisors that they really like seeing the profiles of candidates. A lot of our advisors are hiring managers. So they've recruited from the 81cents experience where they'll say, "Hey, you're being underpaid. And actually, I'm hiring for a few roles that I think you'd be a really good fit for.

Elizabeth:

Maybe you'd like to come over here and talk to me.

Jordan:

Yeah. We've seen interviews, job offers, all of that come through the network, which is really awesome. And then my favorite part is that after we kind of wrap up our work for a candidate, we send advisors a compilation of all of the advice based that we source so they can see what everyone else had to say about the candidate. And then we also share the results of the negotiation.

Elizabeth:

That's fantastic. So they sort of get to see the whole cycle. I would imagine that that information is informative for them in the role that they're in as well.

Jordan:

It's totally informative. And I think it's also really meaningful to know that you help. You gave 10 minutes of your time a week ago, and then hear that that person was able to use your insights to go get a \$40,000 increase or something like that.

Elizabeth:

Pretty nice. Awesome. So I appreciate you taking the time to talk to me today. Usually what I do when I close is to ask you if you have recommendations for people in our audience. And I would say most specifically for women who want to ask for a pay increase, or are looking for a new job in the current market, if you have some advice you'd like to share.

Jordan:

Yes. Great question. So I'd say it's February, 2022, and the job market is just totally bonkers right now. It is very much a candidate's market. Candidates have so much leverage, more than I've ever seen them

have in the three and a half years that I've worked on 81cents. So I would want every in the audience who's currently job searching, in the interview process, in the negotiation process, or just feeling pretty unfulfilled in their current role, to know that this is an excellent time to be looking, it's an excellent time to negotiate, and then you have a lot of power. So that's the first thing I would say.

And then I think the second thing I would say is be intentional about building your confidence. At 81cents, we have a specific approach to helping candidates do this, which is data and harnessing the wisdom of the crowd. But there are lots of things that you can do outside of that. I think probably the biggest and the hardest one is recognizing that you are enough exactly as where you are. And therapy, and all sorts of things around understanding your own limiting beliefs can help. But confidence is one of the hugest things that I think candidates can leverage in a negotiation. And it can just be so transformative for making you realize that an offer is just not going to meet what you need, or making you totally expand your expectations of what you deserve and what you should be paid, called at. What sort of work you should even be doing. So that's a little bit of a fluffier one, but I do think that the candidates who have done the work of trying to really build their confidence are the ones who often do the best.

Elizabeth:

I think that's great advice. I think we see that over and over where women don't quite totally believe in themselves. But you talk to them a little bit, and that confidence comes right up. And they're very confident. Right? Well, Jordan, thank you so much for spending time with us today, and good luck to you and 81cents.