

 Payscale

# Your salary negotiation **playbook** for the pay transparency era

How to make offers, handle counters, and commit to fair pay when candidates know the range



# Pay secrets **exposed**

Once upon a time, job candidates entered interviews without a clue. They thought it poor form to ask about pay.

First, get the offer.

Managers would inquire about a candidate's current salary. Then they'd lean back in their leather chairs and pronounce a pay verdict.

Confident applicants asked for more. They might be rewarded for their pluck.

Evidence shows that these informal negotiations hurt women and minority groups. Massachusetts realized that 10 years ago, becoming the first state to ban salary history questions.

California followed suite. The movement caught fire. Today, more than 20 states have a ban on salary history questions.

But banning salary history questions only went so far. Legislators realized that stopping employers from digging into the past was one thing. Making sure workers knew what they were signing up for was another.

The next step wasn't silence. It was greater transparency.

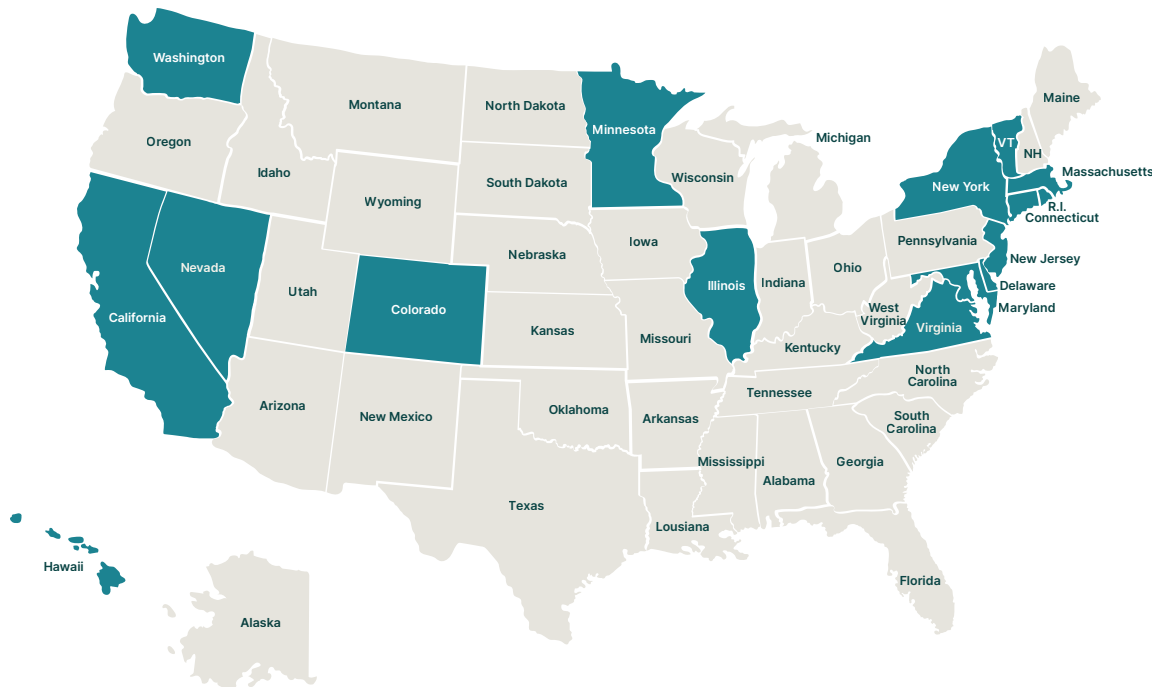
Soon enough, many employers were required to post salary ranges in jobs.



Seventeen states and multiple municipalities have strong pay transparency laws. Some employers must post salary ranges in job listings, while other legislation demands pay reporting.

Even employers in the 34 states without pay transparency laws have gotten in on the act. Why?

### States with pay transparency laws 2026



Transparent pay practices:

- Give you higher-quality applicants
- Shorten time-to-fill and lower vacancy costs
- Build trust with internal employees
- Keep a consistent employee experience across states
- Alleviate pay compression pressures

Two forces are driving pay transparency: the legislation that mandates it and a workforce that expects it.

Gen Z will be 30% of workers by 2030. Unlike previous generations, they talk openly about salaries and view pay transparency as a bare minimum.

Compliance is just the starting line. Embracing pay transparency means building a compensation program where every salary decision holds up to scrutiny.

# Pay equity goes **mainstream**

Pay transparency tells people what you pay, while pay equity tells them what you value.

You can't really do pay transparency without pay equity. Nothing will send your workforce into revolt faster than discovering you're paying new hires more.

Studies show top talent attrition accelerates significantly when new hires receive higher wages than incumbents in similar roles.

Thankfully, employers are prioritizing pay equity. Against a backdrop of a wilting labor market and tighter budgets, 60% of organizations currently conduct or are planning a pay equity initiative in 2026. That's up 3% from 2025 and a staggering 22% from 2020.

Even amid market uncertainty, employers perceive pay equity as a positive good.

And they should. Top-performing companies are more likely to conduct a pay equity analysis (68%) than their underperforming counterparts (50%). Like pay transparency, pay equity is more than a compensation best practice — it also benefits your talent strategy.



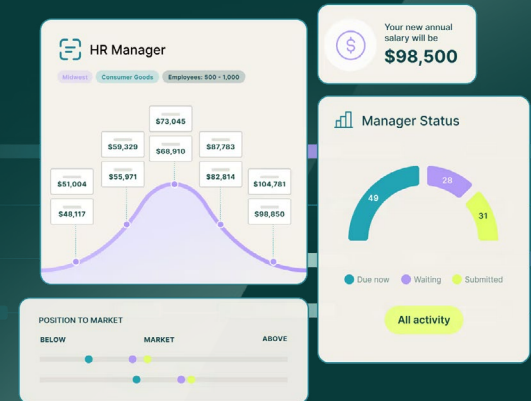
Unfortunately, pay equity isn't a one-and-done project. It requires formal pay structures and regular analysis.

**Before you start, define your objectives:**

- Why is pay equity important to your organization?
- What's the risk of employees discovering what others earn?
- If pay differences are based on legitimate compensable factors, how will you communicate this to workers?
- Will you wait for employees to ask for a raise, or will you address pay equity proactively?

Answering these questions puts you on a firmer footing in creating fair compensation structures. And it all begins with figuring out the right ranges for your jobs.

# Need to model how pay changes impact your bottom line?



**Take a peek a Paycycle**

# Setting the **right** salary range

The first step in pay transparency is getting the salary range right. And it starts with the two questions: Where will you find market data? How many sources do you need?

One data source provides a number and nothing more. Multiple sources tell you whether you can trust it. When you reference multiple datasets, you're cross-checking work. Making sure it all adds up.

**HR practitioners might select from the following salary sources:**



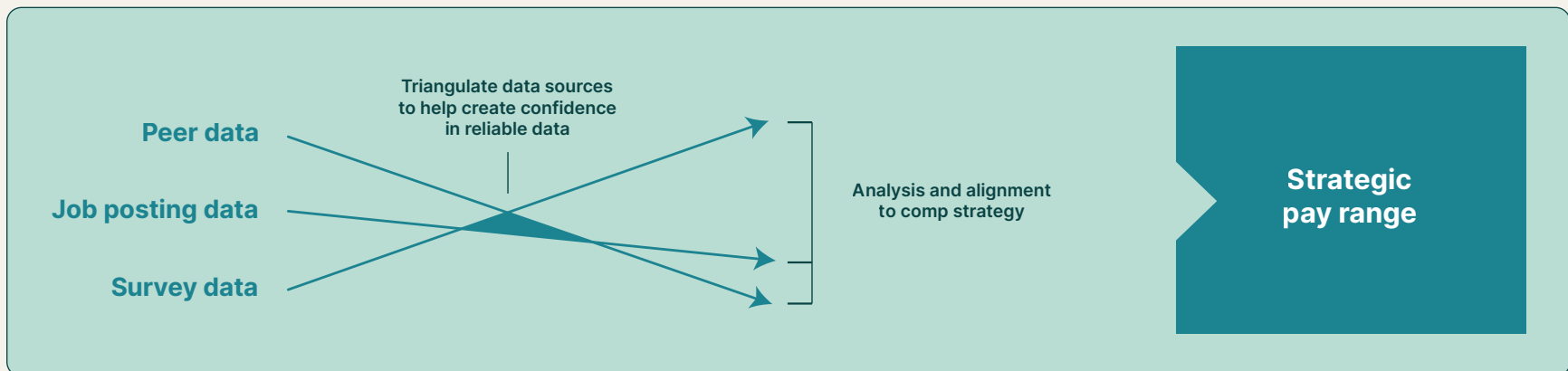
- Salary surveys from third-party providers (trustworthy but sometimes dated)
- Online and employee-reported data (unreliable but helpful in gut-checking against HR-reported sources)
- Fresh HR-reported data (trustworthy and timely datasets like **Payscale Peer**)
- AI market data (reliability depends on the source)
- BLS data (trustworthy but dated)
- Job posting data (real-time but sometimes unreliable)

The logic for most HR practitioners goes something like this: pick a primary salary source. Use other “data” to confirm it. Price jobs and post ranges.

This isn’t the best method. Instead, you should triangulate market data for pricing confidence.

Because confirmation isn’t the same as validation. When you’re confirming data, you’re not actually getting multiple perspectives. You’re just checking if your primary source seems reasonable.

Triangulating market data means treating all reputable sources as equal, then finding where they converge. That convergence point is your actual market price.



It's the toughest part of pay transparency: knowing you have the right range.

Traditional salary surveys lag the market. By the time you have the data, it's already months old. Sometimes it's over a year. For fast-moving or newly emerging jobs, this causes problems.

And what about jobs that don't exist yet? AI roles are exploding. Hybrid positions are combining responsibilities in ways participant roles don't capture. If you're waiting for your data to catch up, recruitment suffers and your pipeline stalls.

**This is where fresh, HR-reported data changes the equation.**

Payscale Peer pulls salary data directly from your competitors' HRIS systems. It's updated daily, so you're not guessing what the market paid six months ago. You're seeing what companies are paying right now for roles you're filling.

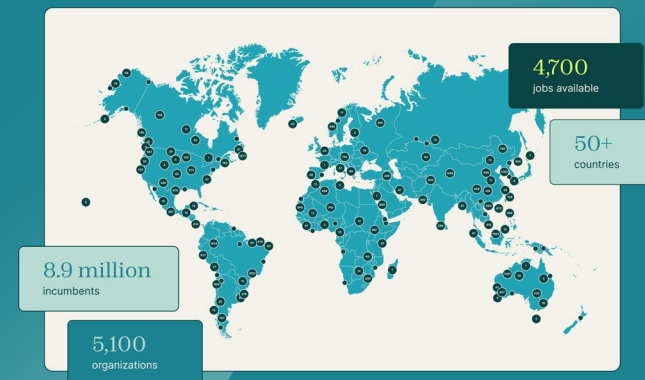
New job title? Peer covers it. Unusual hybrid role? We have the data cuts. Need to know what your direct competitors are offering? Peer shows you.

**Getting pay right at the time of hire matters more than ever.** Top candidates know the ranges. They're often comparing offers at multiple companies. And if you lowball because your data is stale, you'll lose out on the skills you need to grow.

Pay transparency has raised the stakes. You can't afford outdated data or guesswork. You need intelligence from the companies you're actually competing against for talent.

And once you have a range, you need to use it.

Want to see what  
your competitors are  
really paying?



Peer into the data

# Why every job posting deserves a pay range

A growing number of employers are taking a dangerous gamble. Instead of complying with pay transparency, they're throwing caution to the wind.

If we're honest, many leadership teams may not care about the fines (or even lawsuits) from non-compliance.

But the actual cost isn't the fine. When pay transparency disputes become publicized with lawsuits, regulatory action, or even a TikTok calling out your organization, the damage is irreversible.

- Glassdoor reviews plummet
- Your candidate pipeline contracts
- Employee engagement scores drop
- Your reputation with regulators gets messy
- Your brand makes the headlines for the wrong reasons

Even if you ultimately "win" a legal battle, you've already lost the war for credibility with candidates and current employees.

Our discussion of the harms of pay transparency non-compliance introduces another question: What range should you actually post?

Most pay transparency laws aren't prescriptive. They require a "fair hiring range." This is what you expect to pay candidates. What that means in practice is largely up to you.

Some employers post the full range. Others post a portion of it (typically the lower half) to avoid anchoring candidates to the top of the range. Both are defensible but come with tradeoffs.

Posting the full range invites candidates to negotiate near the maximum. That's manageable if you have a clear compensation philosophy and can explain confidently why job offers are where they are in range.

Posting a narrower band reduces this pressure but might backfire if candidates feel misled.

There's no universally right answer. What matters is that the range you post reflects what you genuinely expect to pay. Recruiters can explain it. Hiring managers feel comfortable providing it.

Employers should be prepared to explain job offers to candidates whatever its posted range.



## You should still explain offers

Your preferred candidate has run the interview gauntlet. It's time to make an offer.

Even if you agreed on a salary range, clarify how you arrived at the final number. Pay ranges usually have a market midpoint and a 40% spread from min to max. 20% on either side.

For example, say a role's midpoint is \$100,000. Your range would be \$80,000 – \$120,00. Understand that candidates will naturally push for the top of the range. This may be problematic if you posted the full range.

The antidote for this isn't necessarily tougher negotiation, but a compensation philosophy for positioning employees correctly in range.

Bringing someone in at the top of the range leaves little room for pay progression. It's a recipe for resentment later.

Think of the initial offer as an opening conversation in a longer pay progression story. Set an honest range and explain it clearly to build trust from day one.

This is also a great opportunity to talk about your compensation strategy and total rewards offering. A brochure or visual guide highlighting a new employee's complete pay picture goes a long way.

Communicating pay is the bedrock of your compensation program

[Click here](#)

# Know when to walk away

It's the toughest moment in the hiring process. You want the candidate. But you also want a candidate who reflects your values and culture.

Additionally, you have hundreds of other employees whose pay you've worked hard to make fair and defensible. Caving in on base salary to land one hire can unravel it all.

But before walking away, exhaust your options. A sign-on bonus might work: it's a one-time cost that doesn't break your salary range. Maybe you can offer an accelerated first review (six months instead of twelve), giving a strong candidate a path to a higher number.

Also think about a flexible working arrangement, extra PTO, better benefits, or an equity grant. These all close the gap without wrecking your pay band.

Your chosen candidate might be in multiple interview loops. Maybe they received a higher offer elsewhere but prefer your organization. They might try to use the other offer as leverage to increase the starting salary.

If you can meet another offer without undermining your pay structures, go for it. But this isn't always possible. When you truly can't meet a candidate's demands, the best option might be to walk away.

Watch out for candidates who dismiss your commitment to pay equity. A fixation of getting the absolute highest base salary often signals they won't stick around for long.



# Plan for career progression

**Share the pay increase process and promotion opportunities.**

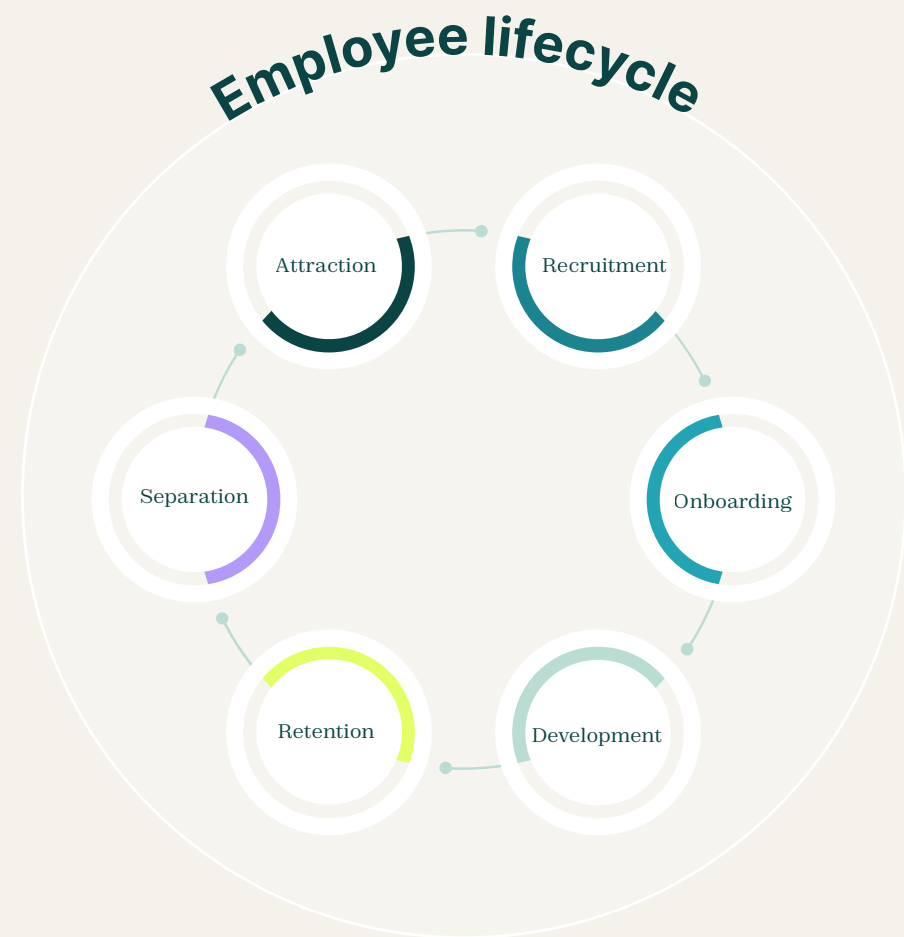
Your chosen candidate accepted. Congratulations, you have a new employee.

Everyone is excited. The recruiter. The hiring manager. The team.  
Your new hire. There's paperwork and onboarding ahead, but it's a win.

Now don't drop the ball.

Your new employee will hit their first pay increase cycle faster than you think. Before that happens, revisit where they fall in the pay range and how increases, variable pay (like bonuses), and recognition actually work at your company.

Career progression matters, especially for new grads and younger employees hired lower in their range. They're looking to grow fast and may be entitled to larger, more frequent increases. Without clarity into the process, they'll get anxious and start job hunting.



# Final thoughts: it all starts with the **right** job descriptions

Pay transparency is only as strong as the job description behind it. A well-crafted salary range means nothing if the role itself is unclear, inconsistent, or out of sync with your compensation architecture.

That's where most hiring processes break down. Your recruiters and TA team are working from job descriptions that weren't built for today's compliance requirements and candidate expectations.

The result is misaligned offers, unqualified applicants, and unnecessary legal exposure.

Payscale acquired Datapeople to fix these problems.

Applying data-driven guidance and market context to every job description, Datapeople makes sure every open rec is clear, compliant, and aligned to your compensation strategy.

Better job postings translate to stronger candidates. Cleaner role definitions make offers easier to defend. And standardized job descriptions align external offers with your job architecture.

Job descriptions are the foundation of transparent and sensible salary ranges. They're what connects your TA function to your broader compensation program.

[Learn more](#)

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**About the role**

You will be focused on financial modeling and organizing information, including all financial reporting, to find data-driven insights and maximum impact for senior members of the company. Reporting to the Manager of FP&A and working with our VP of Finance, you will directly contribute to the continued growth of Hooli Inc. This is a hybrid role, with 3 days in the office.

**You will**

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## About Payscale

Payscale is the original compensation innovator for organizations who want to scale their business with pay and transform their largest investment into their greatest advantage. With decades of innovation in sourcing reputable data and developing AI-powered tools, Payscale delivers actionable insights that turn pay from a cost to a catalyst. Its suite of solutions — Payfactors, Marketpay, and Paycycle — empower top companies in the U.S. and businesses like Cintas, ZoomInfo, Chipotle, Brookdale Senior Living, Ohio State University, American Airlines, and TJX Companies.

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