

# HOW AND WHEN TO NEGOTIATE A STRONG STARTUP PACKAGE\*

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## Abstract

Presentation in the 2006 Rice University NSF Advance Conference entitled “Negotiating the Ideal Faculty Position”. This presentation introduces the reader to the things to consider when negotiating a start-up package. The original presentation authors are Rebekah Drezek (BioE) Behnaam Aazhang (ECE), Barry Dunning (Physics), Jim Kinsey (Chem), Marcia O’Malley (MechE), and Michael Diehl (BioE).

*Workshop Authors: Rebekah Drezek, Behnaam Aazhang, Barry Dunning, Jim Kinsey, Marcia O’Malley, and Michael Diehl [4]*

## 1 Slide 1: Our Plan for This Session

- Components of a Start Up Package
- Faculty Member Perspective
- Chair/Dean Perspective
- Q and A - Our Primary Emphasis

## 2 Slide 2: Negotiating Your First Position

## 3 Slide 3: My Favorite General References

- The absolute best reference:
  - *HHMI Lab Management: Making the Right Moves*[1]
- Other good ones:
  - *Tomorrow’s Professor—Preparing for Careers in S/E* [5]
  - *A PhD is Not Enough!* [2]
  - *The Chicago Guide to Your Academic Career* [3]
- And you have to read:
  - *Ms. Mentor’s Impeccable Advice for Women in Academia*[6]

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#### 4 Slide 4: A Day in the Life of an Assistant Prof (2/17/06)

- 8:30-10:15
- Meeting at MDACC on ovary study. Our protocol was approved (Yay!). Did we mention it has to be absolutely pitch dark?
- Try to get back to Rice on time for nanobio training review. Hope it is not raining (irritates my Segway...)
- Nanobio student No. 1 review (I am co-supervisor on joint project)
- 10:30-10:45
- Nanobio student No. 2 review (I am supervisor on joint project)
- 10:45-11:00
- Meeting with postdoc No. 1 on paper revisions due last week.
- 11:00-11:30
- Meeting with student project team No. 1 for BIOE 572
- 11:30-12:00
- Meeting with grad student No. 1 on fl project.
- 12:00-12:30
- Meeting with grad student No. 2 on job search.
- 12:30-1:00
- Meeting with grad student No. 3 on protocol for R21 (Did I mention we have a R21 due today? By 5:00.)
- 1:00-1:30
- Forage office for food.
- 1:30-2:00
- Meeting with student having HW trouble in BIOE 572
- 2:00-2:30
- Meeting with student project team No. 2 for BIOE 572
- 2:30-3:00
- Meeting with grad student No. 4 on paper submission
- 3:00-4:00
- Weekly teleconference on RO1 No. 1. Curse each other (as always)for choosing mouse model for colon cancer. Learn more than you ever care to know about strategies for colonoscopy in mice.
- 3:45-4:00
- Leave teleconference early to hook up computer for this seminar.
- 4:00-5:00
- Give seminar.
- 5:00-6:00
- Teleconference to discuss competing renewal of RO1 No. 2.

TIME is the new MONEY. Negotiating start up is not about maximizing dollars but maximizing your opportunity for success.

## 5 Slide 5: Example: A Bare Bones Offer Letter

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### Letter 1

C. Sidney Burrus  
DEAN OF THE GEORGE R. BROWN SCHOOL OF ENGINEERING  
MANFIELD AND OSHEAN PROFESSOR OF ENGINEERING

May 29, 2001

Rebekah Drezek  
3207 Grooms St., #1  
Austin, TX 78705

Dear Ms. Drezek:

It gives me great pleasure to inform you that we are prepared to act upon a recommendation to appoint you to a position of Assistant Professor in the Department of Bioengineering for a four year term effective July 1, 2002 at a salary of \$[REDACTED] for the nine-month academic year. Faculty members may earn up to three-ninths of their academic salary during the summer from sponsored research, providing they have appropriate grant support. We also offer you the following:

1. A start-up fund of \$[REDACTED] for computational equipment and maintenance for your research, as discussed with Professor McIntire.
2. Up to [REDACTED] months summer salary to be used over the first three years (2002-2005) at Rice University, in the event that full summer salary support for the first three years cannot be obtained from external research funding sources.
3. Support for two graduate students per year, for [REDACTED] years, if needed.
4. We also agree to pay reasonable and justified moving expenses from Austin, TX, to Houston, TX, according to the following schedule: 100% of the first \$1,500; 80% of the next \$1,000; 65% of the next \$1,000; and 50% of the next \$1,000, not to exceed \$3,450.

This offer is contingent upon your receiving your Ph.D. by your arrival at the University July 1, 2002.

Figure 1: Bare Bones Offer Letter

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### WHAT IS HERE

- salary

- start-up fund
- initial summer salary
- graduate student / yrs
- moving expenses

#### WHAT IS MISSING



- raise to reflect late start date\*
- teaching relief
- how long do you have to spend money?
- when can you start spending?
- where is space?
- how much of it?
- renovations?

\*if not incorporated into offered salary – will be difficult to figure out if only 1 year delay

## 6 Slide 6: Example: A More Detailed Offer Letter

Letter 2

### Example: A More Detailed Offer Letter

start up AND how long it lasts  
slush funds: how much/how long\*  
dealing with expensive housing\*

Rebekah Drezek  
Rice University  
Bioengineering Department  
P.O. Box 1892  
Houston, TX 77251

Dear Rebekah:

It is our great pleasure to offer you a dual position as Assistant Professor in MIT's Division of Health Sciences and Technology (HST) and the Department of Electrical Engineering and Computer Science (EECS), starting on or before September 1, 2004, and running for three years.

The position carries with it an initial academic year (nine month) salary of [redacted] to be paid in twelve monthly installments. If you arrive at MIT after the '04 academic year (after May, 2004), your salary will be incremented by the average per cent increase available for faculty in that year. During the summer months you may accept employment elsewhere or you may work up to three months at MIT in teaching or research, provided appropriate funds are available. Compensation for summer employment at MIT is computed at the monthly rate of one-ninth of the salary quoted above. Three months of summer salary would provide an additional [redacted] resulting in a total possible annual compensation from MIT of \$[redacted]. Additionally, you may also devote up to an average of one day a week to consulting or other professional activities.

In addition to your formal appointments in EECS and HST, you will probably want to join an interdepartmental research laboratory. Both the Research Laboratory of Electronics (RLE) and the New Laboratory for Computer Science and Artificial Intelligence have expressed an interesting in having you as a member. Our guess is that you will end up collaborating with colleagues in both labs. Your research laboratory space will be located in the HST Biomedical

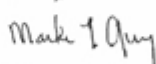
Engineering Center in Building 16. Immediately adjacent to your laboratory space is a cell culture facility and computational laboratory. We are also very happy to inform you that we are able to offer you an excellent start up package to help you establish yourself and your research program at MIT. This package which is financed by a combination of the Provost, Dean, EECS, HST, and the Laboratory—all of which very much want you to come to MIT) consists of:


- [redacted] of discretionary funds that you may use for professional activities at MIT until you achieve tenure or leave MIT.
- [redacted] of additional discretionary funds each year from your second year until you achieve tenure.
- [redacted] housing supplement to help you get settled in the Boston area, and
- reasonable moving expenses.

MIT offers an excellent benefits program, the details of which are explained on our web site <http://web.mit.edu/benefits/www/>. We will be happy to answer any questions you might have about these benefits.

Please let us know in writing [redacted] whether you accept this offer. We are very excited by the prospect of having you join the MIT /HST /EECS faculty and look forward to hearing from you soon.

Sincerely,

  
 Martha Gray, PhD  
 Director, HST

  
 John Gustag, PhD  
 Head, EECS

Joseph Bonventre, MD, PhD  
 Director, HST

cc: Rob Brown  
 Alice Gast  
 Tom Magnanti  
 Maria Judge  
 Elizabeth Cooper

Note difference from Rice letter:  
tenure clocks are not all the same!

Initial salary AND raise for future start date

explicit consulting statement

specifying location of space

\*whether these components are included depends on the school & location; discretionary \$\$ may be built in in various ways

Figure 2: More Detailed Offer Letter

## 7 Slide 7: Faculty Member Perspective

- You are in your most powerful position during the negotiation process (almost impossible to add to once you arrive).
- The Chair is your advocate.
- Teaching reduction buys you time – this is critical!
- Flexibility helps a lot as your needs evolve. Can you change people into equipment? Graduate students into postdocs?
- Talk to as many junior and senior faculty as possible to get advice on what is a reasonable package in your subfield before you start.
- If there is someone at the institution you trust to ask about what a typical package in your field is like that is even better.
- Cannot compare offers w/o understanding a school's overhead and tuition policies. Need to find out how much a graduate student costs and if it changes throughout PhD.

- Also need to understand school's overhead return policies and academic year buy-out policies to compare offers.
- And if it's not in writing, it doesn't exist...

## 8 Slide 8: The Chair/Dean Perspective

### DO

- Realize this is when your chair/dean are forming their impression of you as a future colleague
- Have and communicate a very clear idea of what you need (2-3 pages)
- Differentiate between what you absolutely can't live without and what would be very helpful
- Know what equipment could be shared with others
- Be prepared on the initial visit for your meeting with the Dean
- Be prepared during the dept interview to say which courses you can teach in the dept. you are interviewing in
- Know your space needs (special power, cooling water, etc.)

### DON'T

- Repeatedly change your needs (This was the only comment that every single chair/dean independently mentioned)
- Try to raise your offer at one school to make another match – it becomes obvious and reflects very poorly on you
- Wait until everything else is finalized to bring up a two body issue (when to bring this up is a possible Q and A topic)

## 9 Slide 9: Potential Q and A Topics

- Points from Other Panelists
- When is the right time to bring up “two-body” issues?
- What is the right approach to handling multiple negotiation processes?

## References

- [1] Hhmi resources for the development of early-career scientists: Making the right moves: A practical guide to scientific management for postdocs and new faculty, second edition. <http://www.hhmi.org/resources/labmanagement/>.
- [2] Peter Feibelman. *A Ph.D. Is Not Enough: A Guide to Survival in Science*. Perseus Books, HarperCollins Publishers, New York, 1993.
- [3] John Komlos John A. Goldsmith and Penny Schine Gold. *Chicago Guide to Your Academic Career: A Portable Mentor for Scholars from Graduate School through Tenure*. University of Chicago Press, Chicago, 2001.
- [4] Barry Dunning Jim Kinsey Marcia O'Malley Rebekah Drezek, Behnaam Aazhang and Michael Diehl. How and when to negotiate a strong start up package: Nsf advance workshop at rice university, October 2006. <http://www.advance.rice.edu/negotiatingtheidealfacultyposition/agenda.html>.
- [5] Richard M. Reis. *Tomorrow's Professor: Preparing for Careers in Science and Engineering*. Wiley-IEEE Press, New York, 1997.

- [6] Emily Toth. *Ms. Mentor's Impeccable Advice for Women in Academia*. University of Pennsylvania Press, Philadelphia, 1997.