



## Exercise 1

### Negotiating A Job Salary:

Suppose you're searching for your first full time job post-college graduation. You've been searching for employment for 6 months. Your college roommate informs you that her employer is hiring for a position in the field you studied. You decide to apply and human resources contact you for an interview. On interview day, you meet with HR and then the hiring manager. When you prepared for the interview at home, you had in your mind what amount you want as your annual salary. Prior to the interview you do not know the amount the company is paying because it is not mentioned in the job description and you do not have access to other sources to give you that information prior to the interview. During the interview, the hiring manager reveals to you what the salary is. She thinks you are qualified for the role and wants to hire you. You are also very interested in the position and want the job. However, the salary amount hiring manager reveals to you is \$2000 less than salary amount you want to get paid. What do you do? How do you ask and negotiate with hiring manager to pay you \$2000 more than what they are offering. What do you do if she does not agree to your request?

**Set up** – Have students split into pairs; one student to take role of hiring manager and one student to play role of interviewee. The students will role play what each person wants and negotiate; be sure to give them 5-10 minutes to prepare.

**Tip** – Be sure to understand what each person wants and why:

- Hiring Manager – wants to hire you because you have the skills necessary for the role and think you will be a good addition to her team
- You/interviewee – want the job because you need to start working full time, need a stable job and salary. You also like the company and the people you've met on the interview including the hiring manager.

**Consider the following factors (both sides):** Salary, vacation, perks, insurance benefits, bonus, commuting distance and expenses.



## Exercise 2

# Negotiating On College Financial Aid Package

As a graduating high school senior, you've been accepted into two of your top choice colleges. One is your home state university and the other is a small private university approximately 5 hours away from home. Each school offers you very different Financial Aid packages. The package from the private school consists mostly of loans, and the package for the state school consists mostly of scholarships. You really, really want to attend the private school because it has exact major you want and you think you will adjust quicker and better on a smaller campus. Given the less favorable financial aid package and considering greater traveling costs to and from school if you attend the smaller university, you are without additional aid. As you go through the process of deciding on which school to attend, you realize that a recent change in your parents' job status, resulting in lower income, will impact your financial packages. As such, you want the schools to adjust the financial packages to reflect changes in your family's need level. The period for submitting financial aid application has passed. The private school has agreed to re-review your paperwork but you must reply that you will attend the school. You might be in a losing situation if you agree to attend the school without knowing how the updated paperwork will impact your financial aid. How do you negotiate that you can not commit to attending the school without the revised financial package?

**Set up** – Have each students take time to prepare for a meeting with financial aid office at the small private university; given it is the top choice school. Use “Tips for Preparing” sheet as guide.

**Tip** – Determine which negotiation style is best applicable in this situation.



## Exercise 3

# Negotiating In Car Buying

Background: Before purchasing a car you should know which car you want, what the dealer cost is, how much you want to pay, what your trade-in is worth, and how much equity you have in it. In order to collect information go to [www.edmunds.com](http://www.edmunds.com), [www.bluebook.com](http://www.bluebook.com), or [www.cars.com](http://www.cars.com)

Philosophy of Car Salespeople: They have got to convince you to buy the car “now”. Once you leave the lot the chance of them selling you a car plummets. If they don’t sell cars, they don’t get paid.

Your Attitude Should Be: I’m an informed customer who is ready to buy today, and this is the price that will get the job done. If you can do it, I’m an owner, if you can’t I’m outta here.

Buying a car is an emotional experience. We love the color, the style, the shine, and the newness. If we like the new car smell, and driving the car, then the Salesperson will see and feel that, and they may play hardball with the price. So keep your emotions in check!

First, try to put some time between test driving the car and negotiating. Go to lunch, walk around the lot, use the bathroom, and do not negotiate right after driving the car.

Second, try not to show your “Hot Buttons”. Don’t let the sales person see you excited about anything particular about the car.

Third, try to put a dollar value on your emotions. For example, if the car is exactly what you want and it’s a \$100.00 off from your target price, then you may want to take the deal. But if it’s \$1,500.00 off your target price then do not take the deal.

Lastly, always remember there will always be another car, another sale, another car that you fall in love with. Sometimes it’s better to pass on a deal until you can find the right match and price.

### Here are some tricks to watch out for:

- 1) Buy it today! Or the price will not be the same.
- 2) Value package discounts- They will tell you the manufacturer already discounted the price.(rubbish)
- 3) The “Switch” Close-Maybe this car is too expensive; let me show you a cheaper car.
- 4) Paying cash instead of financing. - Never tell them you are paying cash until a price has been negotiated. They make their money by charging you financing and interest on car loans.



## **Exercise 4**

# **Negotiating With Parents**

Have one student read each negotiation style aloud...

Collaborative, Competitive, Compromising, Accommodation and Avoiding, Have the students share examples of each one.

After discussing the different styles, break the students up into 4 groups. Have them prepare a short skit that deals with one of these scenarios. Each student must have a role (ie, students can be a parent, the kid, a friend) The students must pick at least one of the styles to focus on as well to express comprehension of the various styles. Enjoy, the skits will be hilarious!

1. Student wants to go on The College Tour, Parents say no.
2. Student wants to go to an Out of State College, Parents say no.
3. Student wants to attend a party at a friend's house, Parents say no.
4. Student wants to take the train to a College Fair in New Jersey, Parents say no.



## Exercise 5

### Tenant/Landlord Negotiations (Mentor Copy)

Mr. and Mrs. Lance are the owners of a small three-unit apartment building located in Manhattan. The Lances have had a problem collecting back rent from two tenants, Mr. and Mrs. Tate, who refused to pay rent for three months last winter—December 2013, and January and February 2014. The Tates, who live in the top floor apartment, told the Lances that they withheld the rent because their apartment did not get adequate heat. They resumed monthly payments in March. The monthly rent is \$3,200 and the total arrears are \$9,600.

The first and second floor apartments both rent for \$3,500. The Tates' rent has been \$3,200 per month since July 2012. The Tates pay less than the other tenants because the Lances' feel they are more greatly affected by the lack of an elevator in the building. Each of the tenants pays all utilities except heat.

In mid-November 2013, the Lances received telephone calls from all of the tenants. They said there seemed to be a problem with heat in the apartments. As a result, the Tates and the other tenants withheld their rent. The Tates withheld rent for December, January, and February. The other tenants withheld rent for December and January. The Lances were able to resolve the disputes with the tenants in the other two apartments by allowing each apartment a rent reduction from \$3,500 to \$2,800 for December and January each (a total reduction of \$1,400 for each apartment).

In February, the Lances wrote a letter to the Tates. The letter demanded that they pay the rent due for the three months in question, and also stated that if they did not pay within ten days from the date of the letter, the Lances would start eviction proceedings. The Lances' intent was that the demand letter would serve as a threat to the Tates, nudging them to try to settle. The Tates sent the Lances a letter in early March, and proposed to settle the dispute for \$4,500, a little less than half of the arrears. After receiving the letter, Mr. Lance called Mr. Tate and said that he would not agree to settle for \$4,500 but would accept \$7,500—a \$2,100 reduction for the three months of rent (the same monthly reduction rate offered to the other tenants who withheld rent). Mr. Tate said that he did not consider \$7,500 to be a reasonable amount to pay. He stated that his apartment was “freezing” for almost all of the days during those three months.

Then, in late March, the Tates had a leak in the ceiling of their bedroom, caused by a crack in the roof of the building. The Lances fixed the leak promptly. The repair cost \$950. The Lances would like the Tates to reimburse them for the repair cost. The Lances are aware that the Tates would go onto the roof several times a week and do a CrossFit-style workout. The Lances think the weight of the equipment and movement on the roof surface damaged the roof and caused it to leak.

The Tates' lease will expire on June 31st, but the Lances have not discussed with them anything about renewing the lease, nor have they asked the Tates to move out at the end of June. Both parties have had a cordial relationship all along and the Lances were expecting that the Tates

would be more reasonable about this dispute. If everything could be resolved satisfactorily, the Lances would consider asking the Tates to stay on as tenants. A satisfactory resolution would have to include payment of the back rent with a small discount for the lack of heat. The Lances are willing to forget about the cost of the roof repairs as long as the Tates agree not to press them for reimbursement for their property damage. If the Lances were to offer the Tates a new lease, they would hope to raise the rent by about 7 percent. When the Tates signed their second two-year lease at the start of July 2012, the Lances had increased their rent by 10 percent. If the issues cannot be resolved fairly quickly and to the Lances' satisfaction, the Lances would like the Tates out by June 31st.



## Exercise 5

### Tenant/Landlord Negotiations (Landlord Copy)

You are the owner of a three-unit apartment building in Manhattan. You have had a problem collecting back rent on the unit rented by Mr. and Mrs. Tate, who refused to pay rent for three months—December 2013, and January and February 2014. The Tates, who live in the top floor apartment, told you they withheld the rent because their apartment did not get adequate heat. They resumed monthly payments in March. The monthly rent is \$3,200 and the total arrears are \$9,600.

The two other apartments, on the first and second floors, each rent for \$3,500. The Tates pay less than the other tenants because you feel they are more greatly affected by the lack of an elevator in the building. Each of the tenants pays all utilities except heat.

In mid-November 2013, you received telephone calls from all of the tenants indicating that they had problems with heat in the apartments and the tenants then withheld rent. The Tates withheld rent for December, January, and February. The other tenants withheld rent for December and January. You were able to resolve the disputes with the tenants in the two other apartments by agreeing to a rent reduction from \$3,500 to \$2,800 per month each (a total reduction of \$1,400 per apartment).

In February, you wrote a letter to the Tates demanding payment for the arrears and threatening eviction if they did not pay within ten days. Your intent was that the demand letter would nudge the Tates to try to settle. The Tates sent you a letter in early March, and proposed to settle the dispute for \$4,500. After receiving the letter you called Mr. Tate and said that you found \$4,500 unreasonable but would accept \$7,500—a \$2,100 reduction for the three months of rent (the same monthly reduction rate offered to the other tenants who withheld rent). Mr. Tate responded that he did not consider \$7,500 to be a reasonable amount to pay.

Then, in late March, the Tates had a leak in the ceiling of their bedroom, causing damage to some clothing and a television. You repaired the leak promptly for a cost of \$950, which you would like the Tates to reimburse you for. You are aware that the Tates would go onto the roof several times a week to do a CrossFit-style workout. You believe the leak was caused by the wear and tear that the Tates' workouts had placed on the roof. You are interested in collecting the past due rent and also wish to seek reimbursement for the cost of the roof repairs.

The Tates' lease will expire on June 31st, but you have not had any discussions with them about whether or not to renew it. You have had a cordial relationship with them and were expecting that they would be more reasonable about this dispute. If this dispute could be resolved satisfactorily, you would consider asking the Tates to stay on as tenants. A satisfactory resolution would have to include payment of the back rent with a small discount for the lack of heat. You are willing to overlook the cost of the roof repairs if the Tates agree not to seek reimbursement for their property damage.

If you were to offer the Tates a new lease, you would hope to raise their rent by about 7 percent. When the Tates signed their previous two-year lease, you increased their rent by 10 percent. If the issues cannot be resolved fairly quickly and to your satisfaction, you would like the Tates out by June 31st.





## Exercise 5

### Tenant/Landlord Negotiations (Tenant Copy)

You rent an apartment owned by Mr. and Mrs. Lance located in a three-unit building in Manhattan. You withheld the rent for three months last winter—December 2013, and January and February 2014—because your apartment did not get adequate heat. You resumed monthly payments in March. The monthly rent is \$3,200 and the total arrears are \$9,600.

You live in the top floor apartment. Your rent has been \$3,200 per month since July 2012. There are two other apartments on the first and second floors. Each of the tenants pays all utilities except heat.

In mid-November 2013, you and the other tenants called and complained to the Lances that there was a problem with heat in the apartments and, after the situation continued, you withheld rent for December, January, and February.

In February, you received a letter from the Lances demanding that you pay the rent due for the three months in question, and also stating that if you did not pay within ten days, an eviction proceeding would be commenced. You sent a letter to the Lances in early March and proposed to settle the dispute for \$4,500. After receiving the letter, Mr. Lance called you and said that the Lances could not agree to settle for \$4,500 but would accept \$7,500—an offer of a \$2,100 reduction for the three months of rent. You said that you did not consider \$7,500 to be a reasonable amount to pay. You felt that your apartment was “freezing” for almost all of the days during those three months.

Then, in late March, you had a leak in the ceiling of your bedroom, caused by a crack in the roof of the building. The Lances arranged to have the roof fixed. You would like the Lances to compensate you \$1,250 for clothing and a television that were damaged from the leak.

Your lease will expire on June 31st. You have always been reliable in making rent payments and have had a cordial relationship with the Lances. You would not mind renewing the lease provided that the Lances settle the arrears for a reduced amount acceptable to you, and that they compensate you for the damage to your belongings resulting from the leak.