

Good morning/afternoon everyone. My name is _____, and I'm a [insert title] with Hartford Funds. Thank you for taking time out of your schedule to be here today.

How many of you look forward to negotiating?

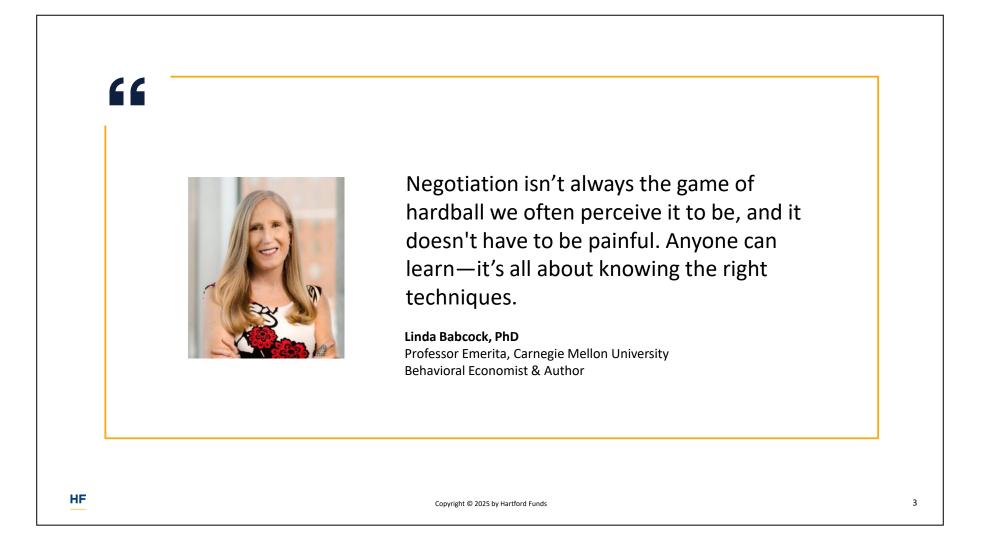
When you hear the word "negotiation" what comes to mind? For many it's stress, conflict, or rejection. Negotiation is an important life skill that's seldom taught, which can make it seem quite intimidating.



When we think of negotiation, we often picture intense discussions or price haggling. But there are many situations offering opportunities to negotiate that we tend to overlook, often without money being the focus.

For example:

- In the workplace: Pay, bonuses, working conditions, vacation, task assignments, retirement transitions, and conflicts with co-workers
- With your spouse or partner: Household responsibilities, financial decisions, approaches to raising children or grandchildren, where to live, and how to spend your time
- With family and friends: Deciding on vacation destinations, dinner plans, or movie choices
- Vendors and retailers: Car or home purchases and repairs; cleaning and landscaping; hotel and car rental rates and tour packages; electronics, appliances, and furniture, streaming services, and insurance premiums are just *some* examples.



We partnered with Dr. Linda Babcock, a renowned expert in negotiation, to develop this workshop. Drawing on her extensive experience and successful teaching methods, she brings invaluable insights and strategies to help you master the art of negotiation.

Linda is a behavioral economist and spent 36 years as a professor at Carnegie Mellon University. She has published multiple best-selling books that focus on barriers to women's advancement in the workplace and highlight the role of gender differences in negotiation. Her work is regularly cited in the world's most prestigious media outlets, and she works for businesses and non-profit organizations to help them increase gender equity in their organizations.

Linda's done research on gender differences in negotiation for almost 30 years. She's written two books: *Women Don't Ask* and *Ask for It* that share this research and teach women to negotiate confidently and effectively.

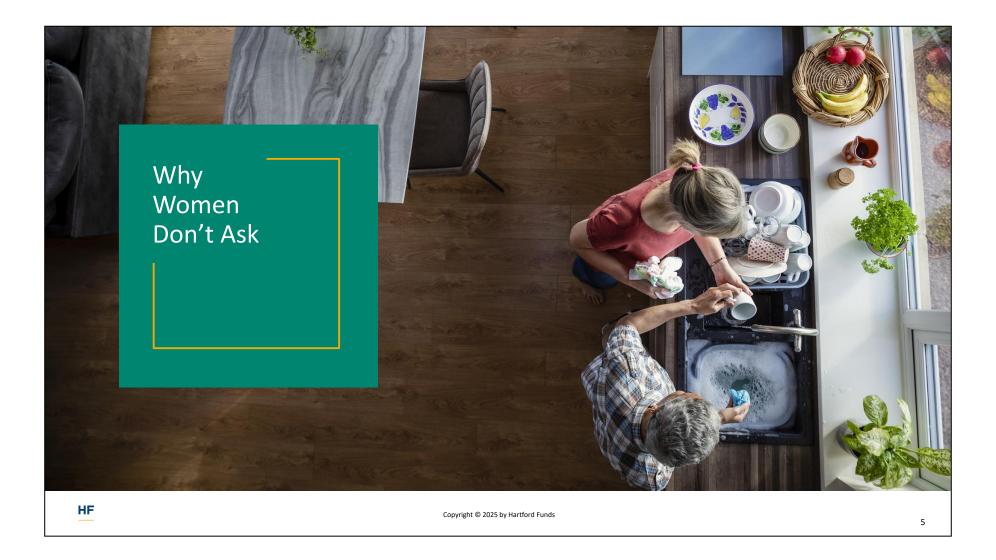


Today's presentation will have three parts:

First, we'll explore why many women hesitate to use negotiation as a tool to get what they want. We'll cover the main reasons for their reluctance and, if you find them relatable, how to overcome these barriers.

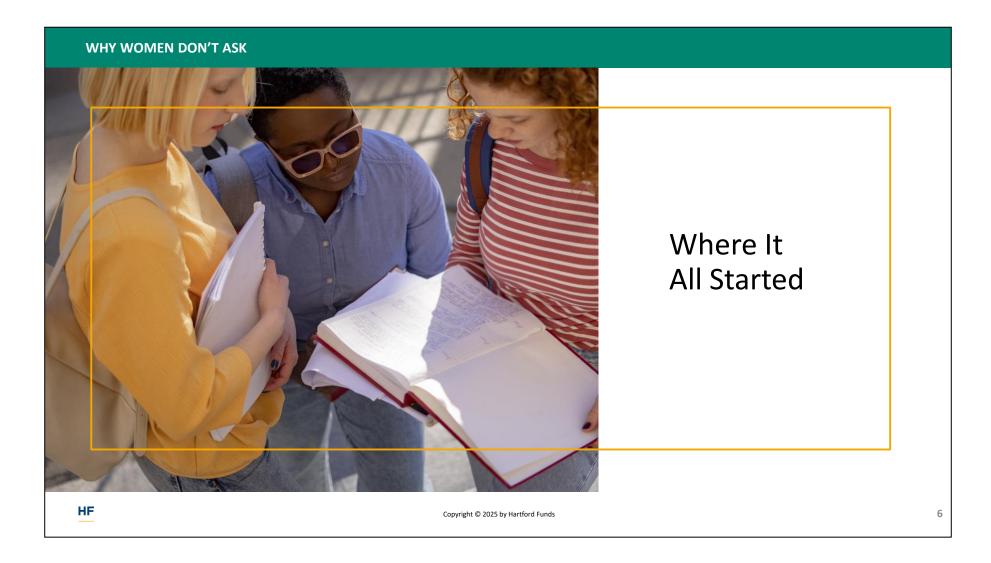
Second, effective negotiating requires preparation. I'll show you the steps you need to take to get ready, feel more confident, and develop a successful strategy.

Third, we'll cover negotiation tactics.



The most significant gender difference Linda found is that women negotiate far less frequently than men.

Here's how she began studying this phenomenon.



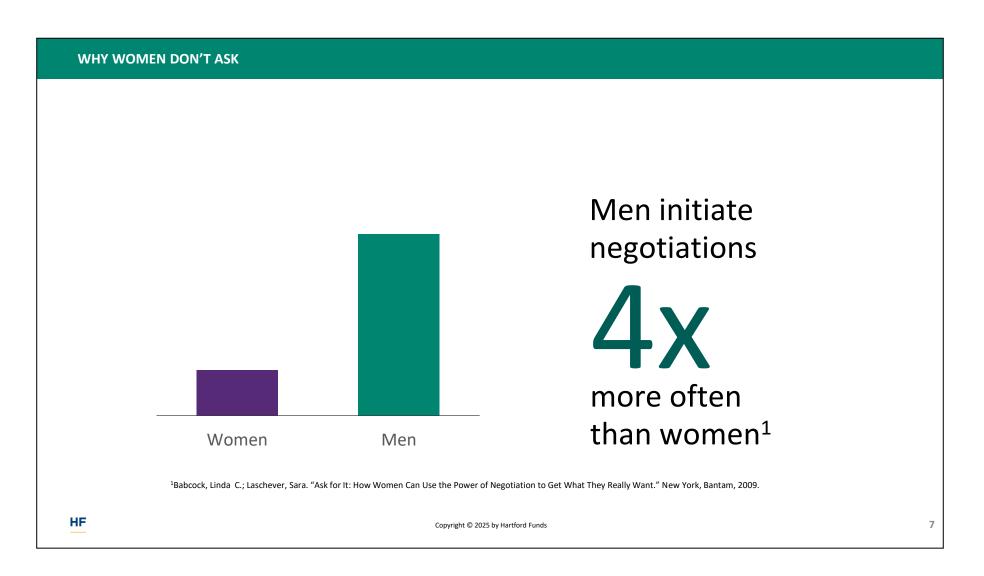
When Linda was the director of the graduate studies program at CMU, a group of female PhD students visited her office. They complained that the male grad students had been assigned to teaching positions, while the female students were assigned to be assistants and graders. Teaching paid more than teaching assistant positions. Plus, it's more interesting and looks better on a resume.

Surprised, Linda approached the associate dean, who oversaw teaching assignments (and happened to be her husband), to reprimand him for discriminating against the women. He was unaware of the gender disparity, but when they reviewed the list of student teachers together, they found that all the teachers were indeed men.

What the dean realized was that each of those men had come to him directly and asked if they could teach a course. The students were effective in the classroom, and he was happy to offer them teaching opportunities.

He told Linda, "The women didn't ask."

The women clearly wanted to teach. Assuming that available teaching positions would be announced, they waited to be offered the opportunity. They weren't aware that they could negotiate their roles. But somehow, the men's inclination was to negotiate.



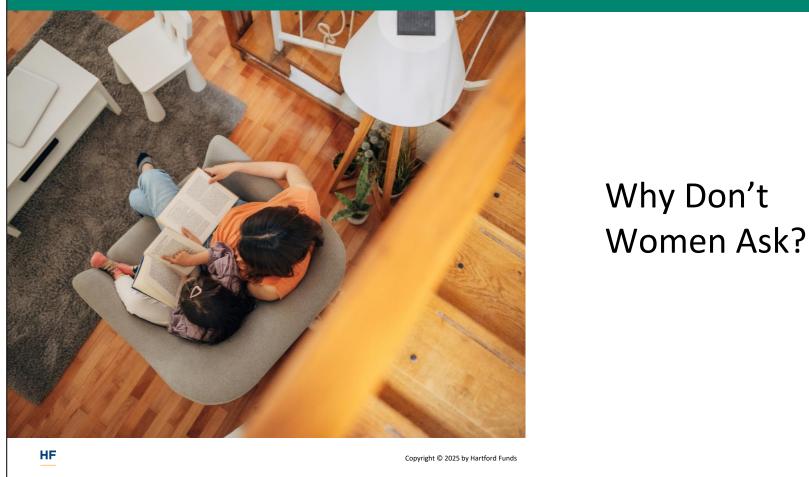
This discovery inspired Linda to conduct numerous research studies on gender differences in negotiation.

[read slide]

Again, it's not that women are inherently bad at negotiation. In fact, women possess strong problem-solving skills and other traits that can help them excel at negotiation. Linda also noted that women are confident negotiators when negotiating on behalf of others.

Nor are men inherently good at negotiation—but men are four times more likely than women to **ask**.

WHY WOMEN DON'T ASK



You're might be wondering why women avoid negotiation much more than men. Linda discovered four main factors that contribute to this gender difference. 8

Four Common Causes

- External locus of control
- Anxiety
- Fear of backlash
- The entitlement gap



¹Babcock, Linda C.; Laschever, Sara. "Ask for It: How Women Can Use the Power of Negotiation to Get What They Really Want." New York, Bantam, 2009.

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First, women are more likely than men to have an external locus of control versus an internal one. Having an internal locus of control means believing seeing yourself as having the potential to determine your future and make things happen; that your own decisions and efforts guide much of your life.

Having an external locus of control means you wait for things to happen to you and believe you can't easily change situations for yourself. It's external forces (e.g., others' decisions and actions, event, luck, etc.) that are responsible for events in your life. Some research suggests that men tend to have a higher internal locus of control than women.¹ This may lead them to be more optimistic about negotiating to their circumstances, whereas women are often pessimistic. Thus, women negotiate less frequently than men.

Second, women are much more anxious about negotiating than men. In one study, participants chose scenarios they thought resembled what negotiating felt like. Men chose scenarios like winning a ballgame—something positive, or a competition to be won. But women chose scenarios like going to the dentist, which many which many find anxiety-inducing. This intense anxiety often deters women from negotiating.

Third, women are also more likely than men to anticipate negative consequences of negotiating, namely that the other person will have a negative impression of them. Sometimes women fear that asking may damage a relationship. And sometimes they don't ask because they've learned that society can react badly to women asserting their own needs and desires. This can make women reluctant to negotiate. And this isn't an irrational fear. Research indicates that there can be backlash against women, but not men, when they negotiate. Before you get discouraged, there's also research that shows how women can be effective in negotiation and *avoid* backlash.

Fourth, research indicates that women often perceive themselves as less entitled than men to the get the things they want. This is sometimes called the "entitlement gap," and it holds women back from negotiating for what they want, their needs, and even aspirations.

¹Locus of Control and Your Life, verywellmind.com, 6/24

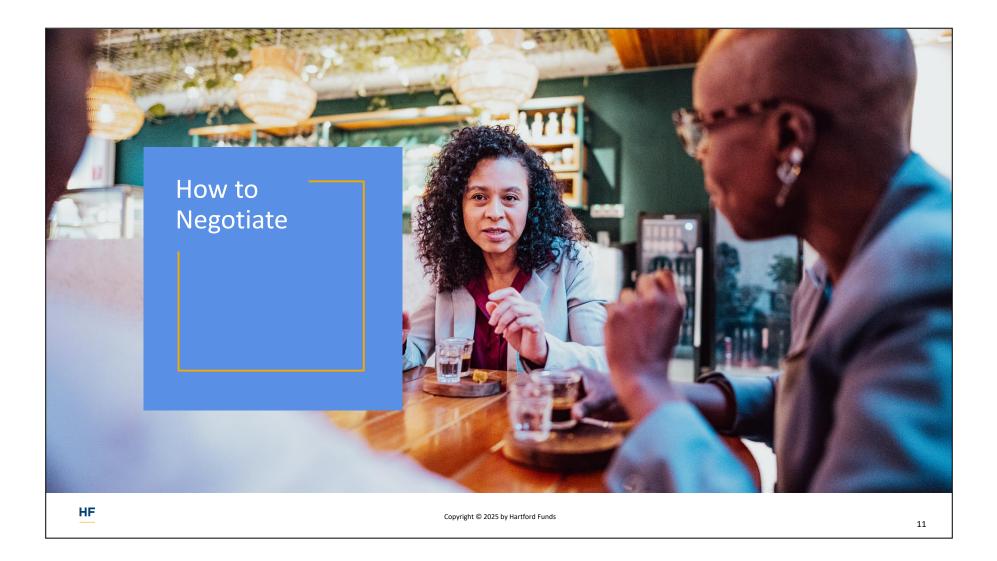
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Unfortunately, not negotiating can have significant consequences not only for women's financial health but also for their mental and physical well-being.

- **Financial health:** Failing to negotiate aspects of a job like raises, bonuses, work assignments, and retirement transitions can impact the assets women build over time. Additionally, not negotiating prices for cars, houses, vacation packages, and services can result in overpaying, which can affect overall net worth.
- Mental Health: Poor or no negotiation can lead to misunderstandings and unresolved conflicts, which can strain relationships. This can result in feelings of frustration, resentment, and emotional distance. Trying to juggle too many things without negotiating for help is also very stressful whether that be about household duties or taking care of family members.
- **Physical health**: Financial difficulties, unresolved issues, and ongoing disputes can heighten anxiety and stress, which may adversely impact both mental and physical well-being.

The good news is, it's never too late to learn how to master the art of negotiation.



Now, how to negotiate.

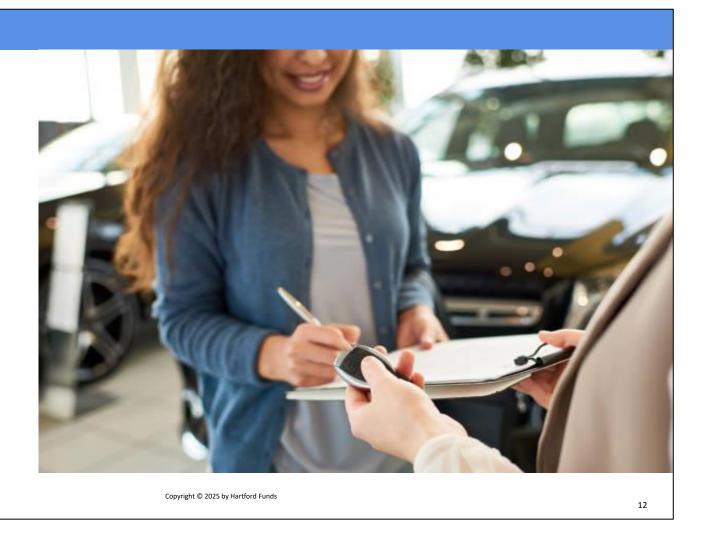
Although asking for more seems simple, learning how to ask *well* requires new tools.

And while many opportunities for negotiation arise in our daily lives, we often overlook them. Recognizing and embracing these moments can make a significant difference in achieving our goals and improving our circumstances.



How to Negotiate a Purchase

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We'll begin with how to negotiate the price of a big-ticket item that's everyone's favorite...



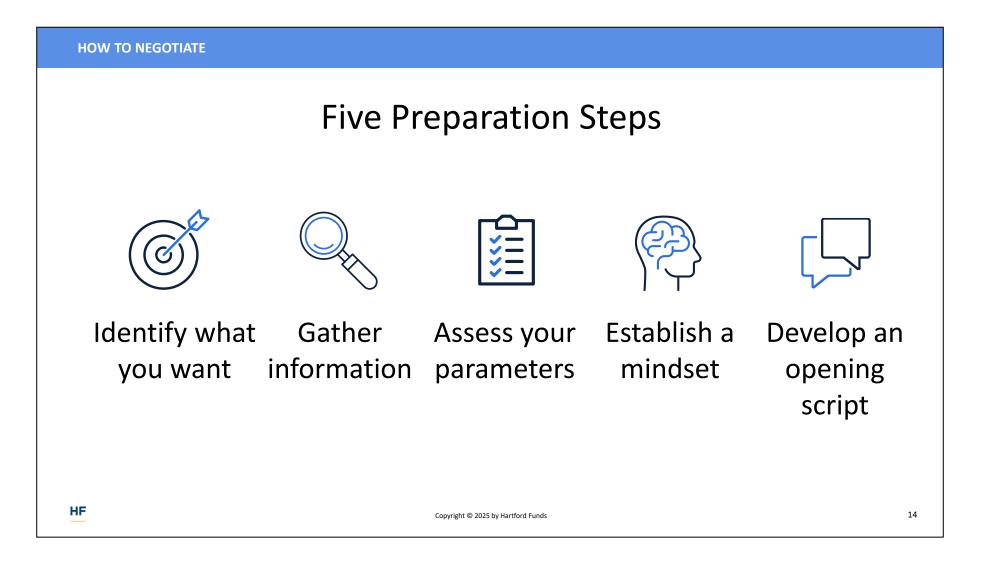
...a car!

We're starting with a car-buying because, believe it or not, it's relatively simple. Why?

It typically involves one main issue—price. Plus, it's a short-term interaction since you probably won't encounter the salesperson again. Unlike other relationships, there's little at stake.

Suppose you're considering buying a new car. After some online research, you decide that if you can get it for the right price, you'd like to purchase a 2025 Lexus ES Hybrid with the Ultra Luxury package. The sticker price is \$55,000.*

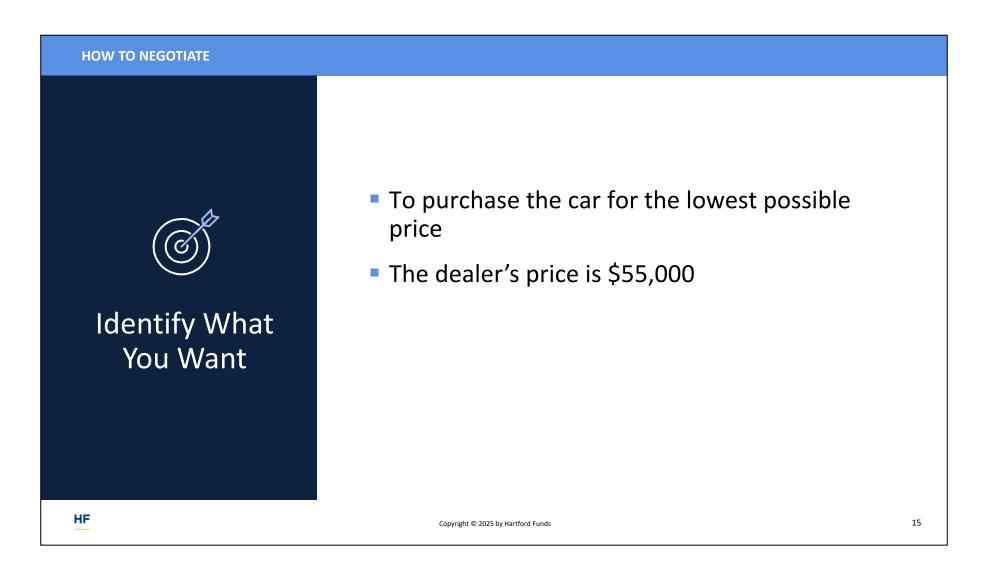
Before you negotiate with the dealer, there's prep work to be done.



Preparation is vital to conducting any successful negotiation. While it's not difficult, it does require time and effort to gather the necessary information.

Thorough preparation also helps reduce anxiety and boosts confidence during the negotiation process.

There are five basic steps, and we'll go through each one.



When buying a car, the main issue is cost, so your objective is to purchase the car for the lowest possible price.

It may be tempting to ask for a moderate discount and hope for the best. But this time, you're in control, not at the salesperson's mercy—so don't hold back.



The information you gather will depend on what you're negotiating.

Everyone here has probably purchased a car at some point and has experience researching information relevant to that transaction. However, information-gathering is crucial for all types of negotiation.

There are excellent resources available to research the market for the specific car you want, such as Kelley Blue Book, invoice-pricing.com, and autotrader.com.

Take the time to visit various websites to understand what others have paid for the same car and consider other pertinent factors, such as seasonal deals or incentives.



The building blocks of any negotiation are your negotiation parameters. These parameters provide a framework that helps you clarify your primary goal, the alternatives you'll accept, and other ways to achieve what you want.

Let's assess the negotiation parameters for the 2025 Lexus ES Hybrid purchase.

HOW TO NEGOTIATE		
kssess Your Negotiation Parameters	Interests: Buy the Lexus as cheaply as possible BATNA: Keep your old car Reservation Value: \$52,000 Target: \$50,000 Options: Any price less than \$52,000	
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Again, the main issue is the cost, and your interest is to get the car for the lowest price you can. You've decided that if you can't get a good price to buy, you'll keep your old car instead. That becomes your BATNA.

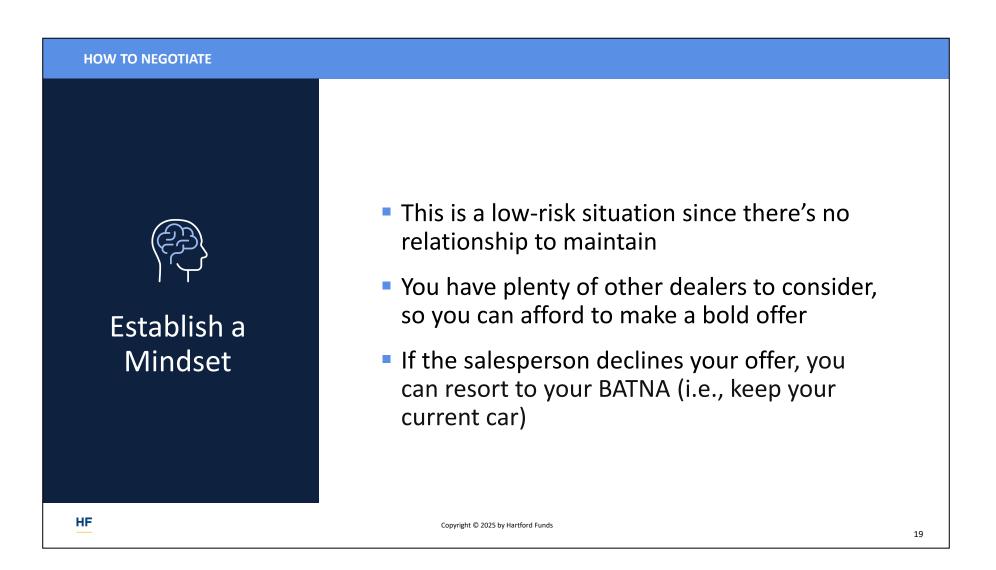
How do you determine what would be a good target? This needs to be ambitious but potentially doable.

After a few internet searches, you found that a good price for the car is between \$50,000 and \$53,000.

You decide that your target is \$50,000 and your reservation value, or the most you'll pay, is \$52,000.

Options are different agreements that are better than your BATNA. In this case, an option could be paying any price less that \$52,000. Additionally, you could buy the car from another dealer or buy a different car.

Remember, having a well-defined target and reservation value helps you stay focused and avoid overpaying. If you can secure a deal within this range, you'll know you've made a good purchase.



Remember, this is a low-risk situation since there's no relationship to maintain, and you have multiple dealers to choose from. You can afford to be ambitious and use a competitive approach.

The worst outcome is the salesperson saying no to your offer. If that happens, you can always fall back on your BATNA: keeping your current car. Knowing this can help you stay calm and in control.

HOW TO NEGOTIATE		
CDevelop an Opening Script	Let's talk about the price for the Lexus I just test-drove. Based on the research I've done, a price of \$48,000 seems reasonable. Is this something you could do?	
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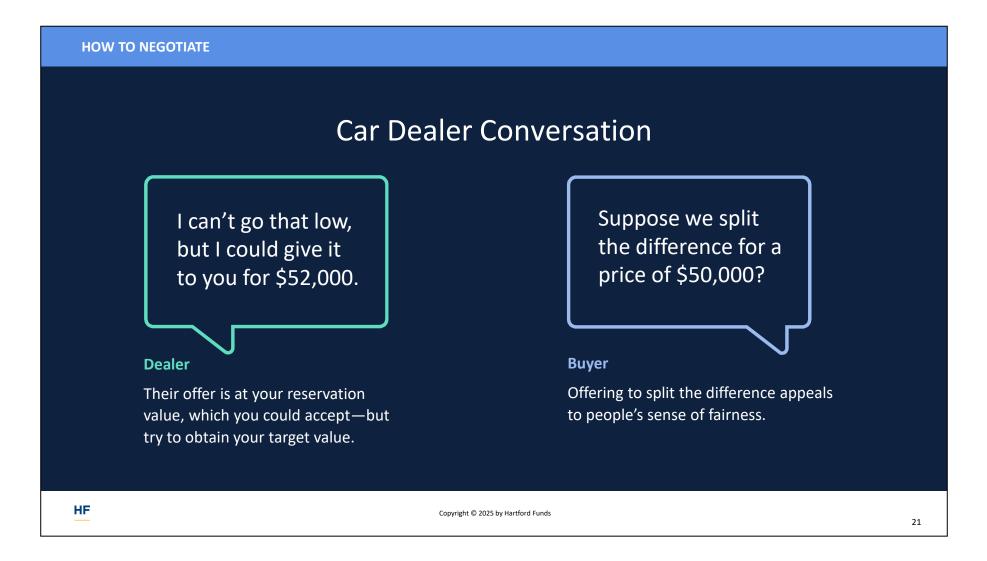
Your opening script is how you'll start the negotiation conversation. In this case, it'll be with the salesperson at the car dealership.

There are a few things to keep in mind:

- Start by asking for a price that's better for you than your target value (i.e., a lower price)
- Never tell the other side your reservation value
- Make the first offer to steer the conversation in a way that benefits you

[read slide]

Here, you've initiated the conversation, showed that you're informed, and started with a price that's better than your target value. Next, you'll wait for the other side to respond with a counteroffer.



[read slide]

Hopefully, the dealer will accept your offer of \$50,000.

HOW TO NEGOTIATE		
	It's a Done Deal	
	OK, I can do that. I'll start the paperwork. Dealer	
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In this scenario, an agreement was reached quickly. Car deals usually drag on, with the salesperson consulting with their manager several times.

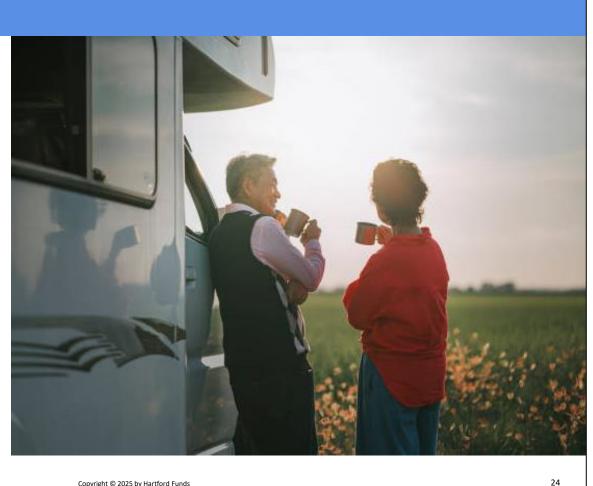
Even if you don't quite hit your target of \$50,000, getting a price below your reservation value of \$52,000 is still a win.

HOW TO NEGOTIATE		
Who Was in Control of This Negotiation?	 You knew how much you were willing to spend If your RV wasn't met, you could walk away with other options, including your BATNA 	
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Having a well-defined strategy helps you stay firm in your position. If the dealership doesn't meet your reservation value, you can walk away without feeling pressured or powerless, knowing you have other options, including your BATNA (keeping your current car).

In this example, negotiating was expected, and there was a single issue to be discussed: price. In other contexts, negotiating might not seem like a possibility. But if there's something you want to change about an existing situation, negotiation *is* an option, and you can decide what to discuss.

How to Negotiate in Relationships

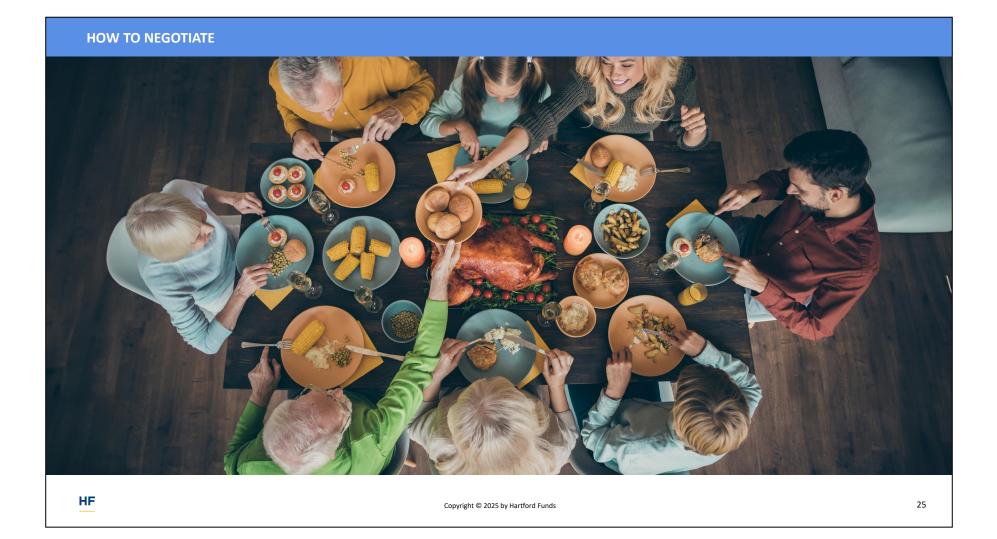


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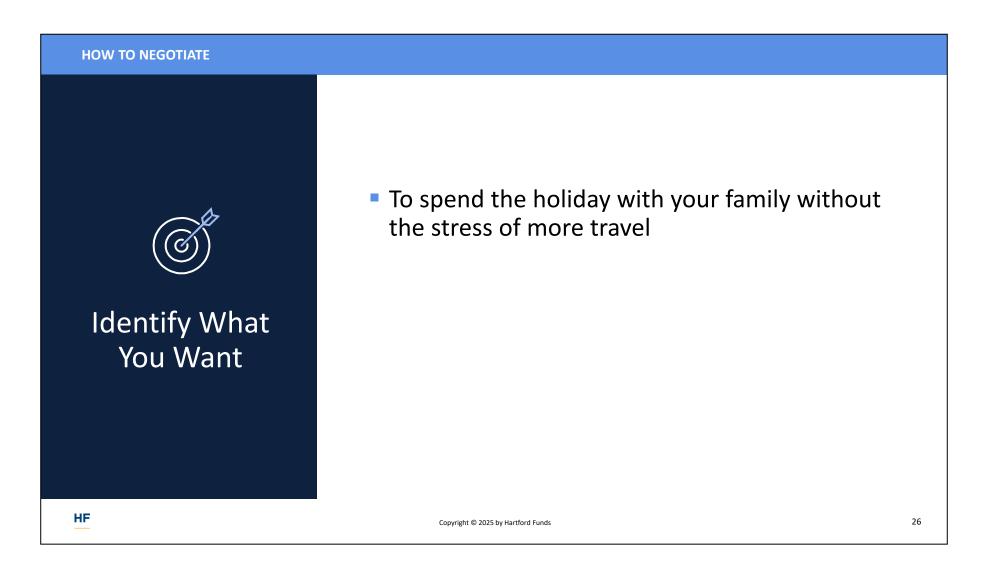
We often associate negotiations with financial matters, but most of your negotiations will occur within the context of long-term relationships whether with your partner, family, friends, employer, or co-workers. While finances might play a part, these discussions typically revolve around intangible aspects such as roles and responsibilities, plans and activities, and time commitments.

The prep work still involves identifying what you want, gathering information, assessing your negotiation parameters, establishing a negotiation mindset, and developing an opening script. The difference is that it's essential your approach honors and values these relationships. Unlike buying a car, your preparation will be driven by the desire to maintain and even strengthen these bonds. Also, since there are likely multiple issues to consider, there's more flexibility to create agreements that work well for everyone and to brainstorm different options.



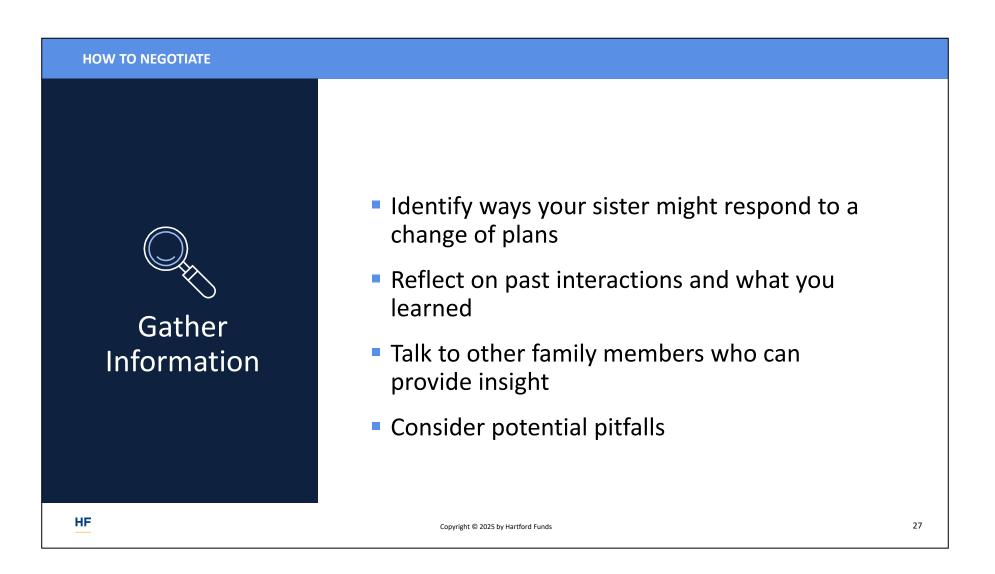
Imagine that every year, your whole family gathers for Thanksgiving at your sister's (or another relative's) house across the country. It's always a wonderful experience. However, this year, you've been traveling extensively, and the idea of another trip is really stressing you out.

Onto our first step. [next slide]



Identify what you want. [read slide]

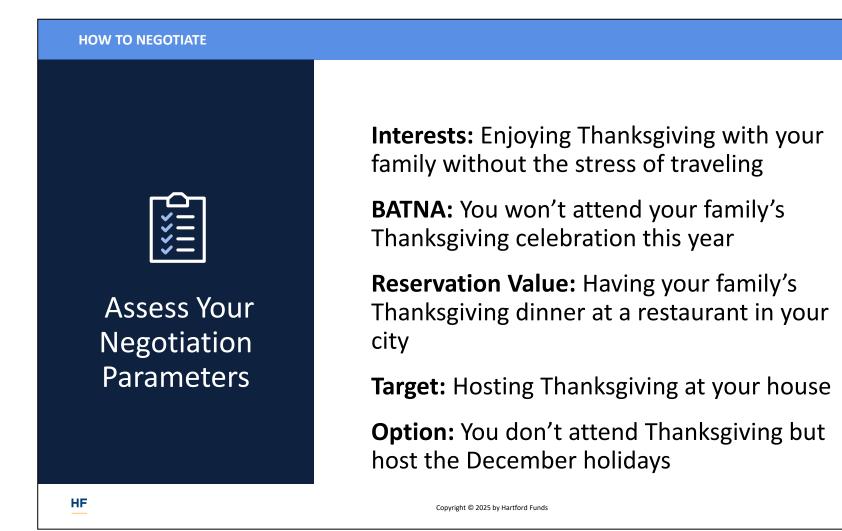
Step two... [next slide]



You're unsure how the rest of your family would feel about changing the venue for Thanksgiving, but you suspect your sister (or another close relative), the host, may have strong objections. Therefore, your negotiation will primarily be with her.

Unlike buying a car, there's no pricing information to research. Instead, you'll need to think through this carefully. To gain insight into her likely response, you could first talk with your daughter and brother to understand your sister's interests, constraints, and concerns.

Knowing this will help you be sensitive to her perspective and consider alternatives that might appeal to her.

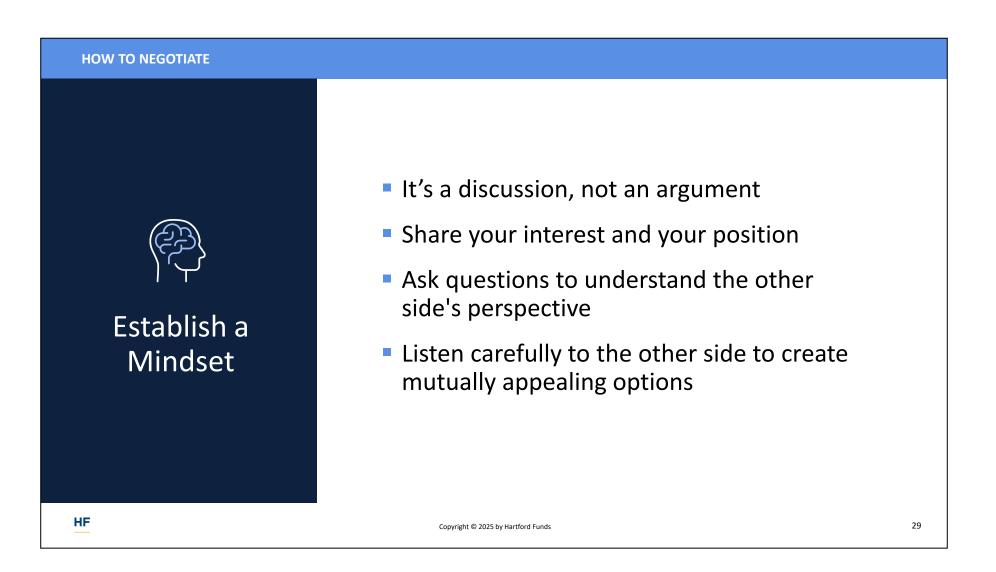


Other options:

- You host Thanksgiving dinner
- Your daughter who lives nearby hosts Thanksgiving
- Your family meets in your city but have Thanksgiving dinner at a restaurant
- You don't attend Thanksgiving but host the December holidays
- Combining holiday celebrations

You believe all these options are better than your BATNA. It's important to remain flexible and not become fixated on a specific option in case it doesn't suit the group.

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Entering a negotiation with the right mindset can make all the difference in reaching an agreement that works for everyone. This is especially true when negotiating within a long-term relationship, such as with your sister. While you expect your sister may resist the idea of changing the Thanksgiving venue, it's crucial to frame the discussion as a collaborative endeavor rather than a power struggle.

Here are some ways to characterize how you want the interaction to go.

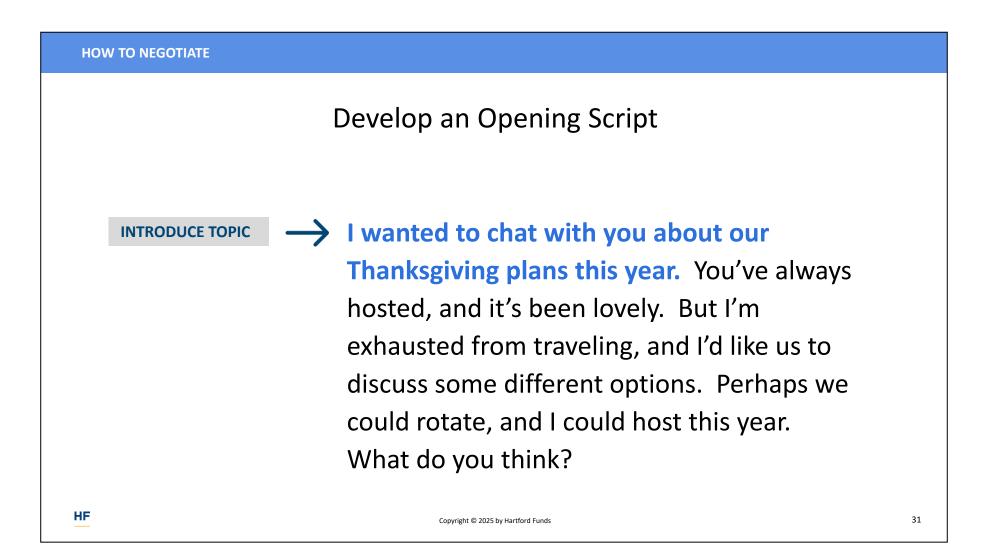
[read slide]

When we refer to interests and positions, interest is what you're trying to get. Your position is how you might achieve that. In this case, your interest is reducing your stress. Your position is that you won't travel.

HOW TO NEGOTIATE	
C Develop an Opening Script	I wanted to chat with you about our Thanksgiving plans this year. You've always hosted, and it's been lovely. But I'm exhausted from traveling, and I'd like us to discuss some different options. Perhaps we could rotate, and I could host this year. What do you think?
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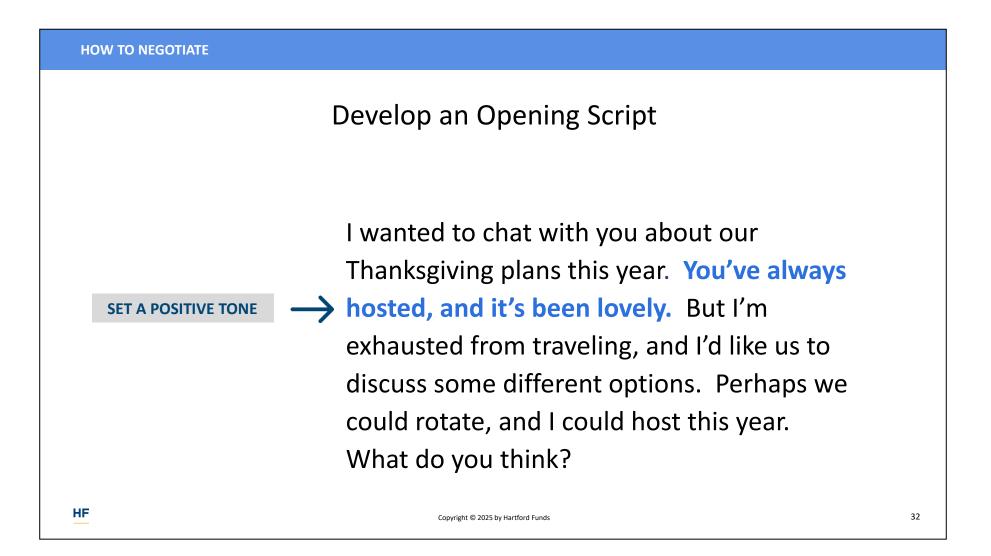
In this scenario, there are key differences in the way you'll approach the conversation compared to the conversation with the car salesperson that we'll highlight on the upcoming slides.

[read slide]



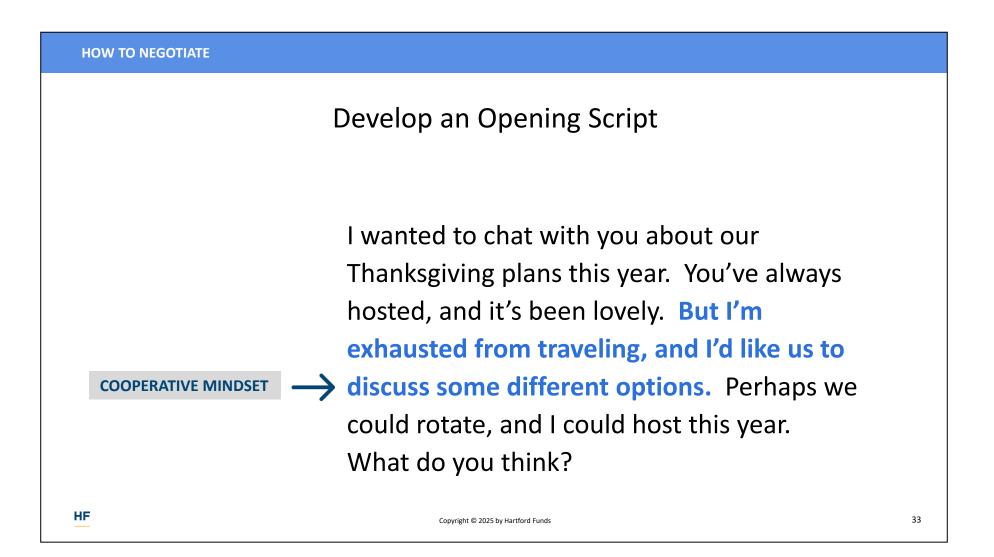
Here are the key components of this script:

• It introduces the topic and sets the stage for what you want to discuss.



It sets a positive tone: "...it's been lovely."

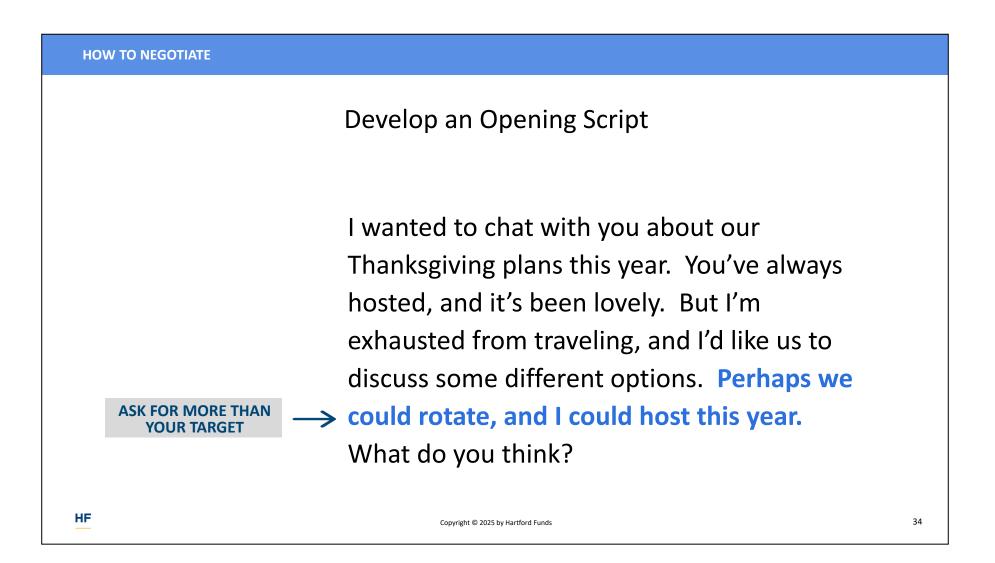
Creating a positive tone can help facilitate a cooperative negotiation; the other party may be more open to discussion.



• It uses a cooperative word: "discuss."

This isn't a demand or an argument; it's a request for a dialogue that encourages collaboration.

The use of "different options" indicates flexibility.



• It asks for more than your target: "rotate" and "host this year."

You're hoping to host every three years, so ask for every other year to give yourself some room to concede.



• It asks a question to learn the other side's perspective: "What do you think?"

The next step is to prepare for her response. While you hope for a constructive discussion, it's wise to prepare for the worst-case scenario to avoid being caught off guard.

For example, your sister could have a strong reaction.



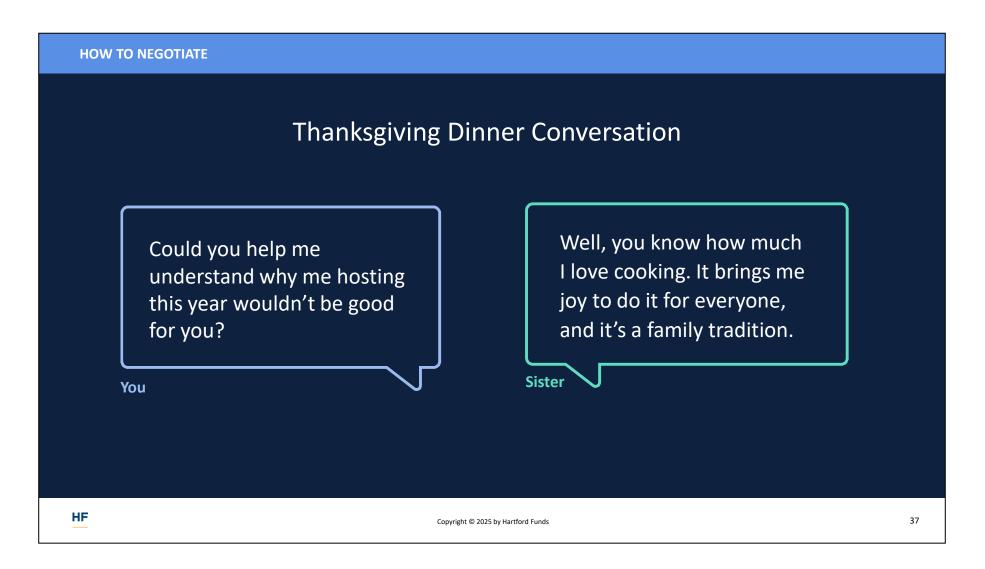
And in this case, she did.

[read Sister's conversation bubble on the left]

Your priority now is to de-escalate the situation by identifying a point of agreement and taking the other side off the defensive position. You also need to re-state your interest—reducing stress—and frame the process as a collaborative effort to resolve the issue together.

[read conversation bubble on the right]

After that, you need to understand why your sister reacted so negatively. Negotiation is a back-and-forth, so you want to hear how your sister is viewing this. You can achieve this by simply asking her a question.



[read the conversation bubble on the left, then read Sister's conversation bubble on right]

Now that you've learned how meaningful cooking for the family is to your sister, you can propose an alternative that aligns with her interests.

[next slide]



Afterward, you can explore other options based upon what you learn.

[read the conversation bubbles on the slide]

While the conversation might not go as scripted above, you can still use the key concepts to keep the conversation moving in the right direction.

[Optional:

Don't threaten the other side with your BATNA but do allude to it. If your sister is refusing to come to your house for Thanksgiving, you can sympathize with her but still stand firm: "I know hosting Thanksgiving is really important to you, but I hope you can understand how exhausted I am from traveling so much. Why don't we just try it this year and see how it goes? I'd really hate to have Thanksgiving all alone."]

What Helped This Conversation Go Smoothly?

- Framing this as a discussion helped to keep the interaction from feeling threatening
- Asking questions showed your sister that you weren't issuing an ultimatum but valuing her opinion
- Maintaining a positive tone helped ease the tension and avoid a confrontation

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[read slide]

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Your prep work will greatly increase the likelihood of a smooth negotiation process. It will also reduce your anxiety about negotiating, make you feel more confident about the legitimacy of your interests and goals, and will mitigate the potential for backlash.

Since you can't always predict how the conversation will unfold, here are my recommendations to help you stay on track.

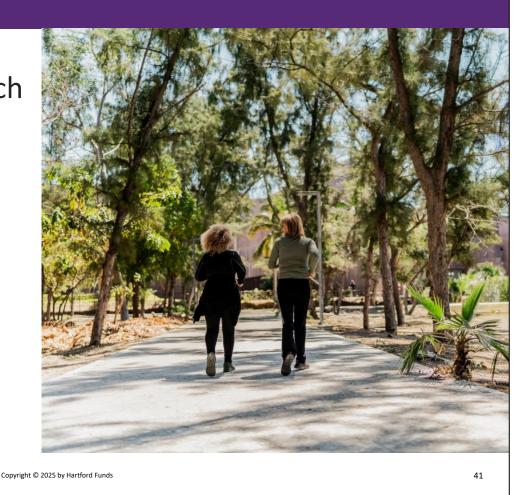
Use a Cooperative Approach

- X Arguing
- X Sticking to one's position
- X Presenting demands

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X Monopolizing the conversation

- Cooperation
- Discussing
- ✓ Generating options
- Asking questions
- Listening



Before you negotiate you want to make sure you're framing this negotiation as a cooperative endeavor rather than a fight or a competition.

This will help alleviate your anxiety and reduce the potential for any backlash (negative repercussions) because approaching this cooperatively can actually improve your relationship with the other side.

[Optional: Further explanation to characterize negotiation:

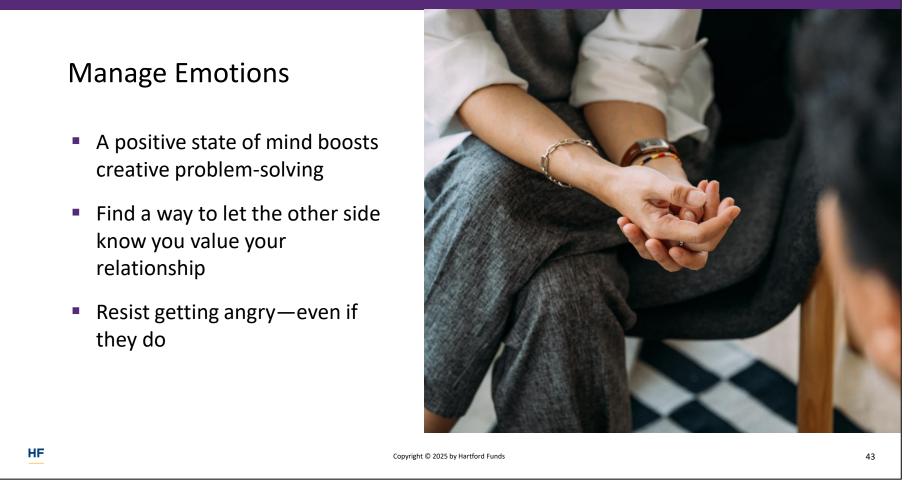
- **Collaborative**: Focus on working together to find common ground.
- **Respectful**: Ensure all parties feel heard and valued.
- **Open-minded**: Be willing to consider different perspectives and solutions.
- **Constructive**: Aim for positive outcomes and solutions that benefit everyone involved.
- **Transparent**: Communicate openly and honestly to build trust.]

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Understanding the reasons behind someone's objections to your proposal allows you to develop a new plan that could be beneficial for both of you.

This is an opportunity for brainstorming, where you propose various ideas and discuss them together.

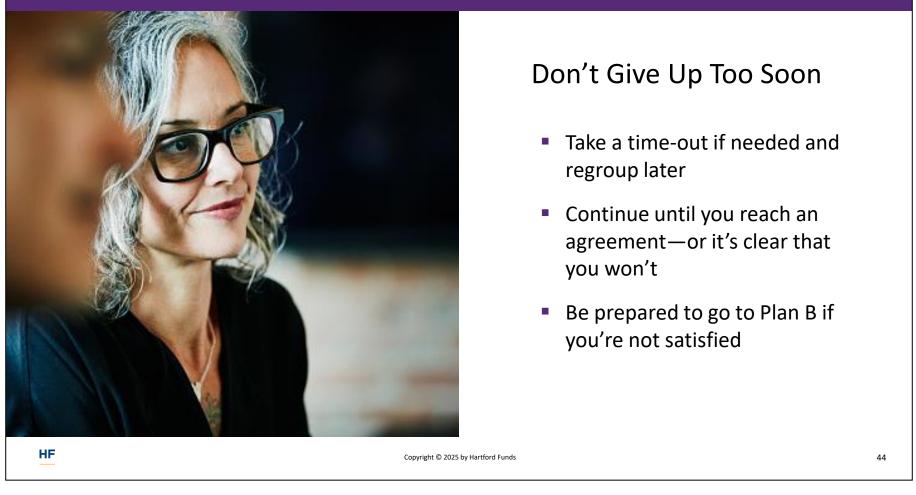




Managing your emotions will help you stay focused, avoid being reactive, and reduce the potential for negative repercussions. Working together in a positive dialogue to find common ground can improve your relationship with the other side as well as develop options that work for everyone.

- To spark creative problem solving, get into a positive, relaxed state of mind before you initiate a negotiation (e.g., listen to music, watch a comedy skit).
- During the negotiation, do what you can to lighten the mood (e.g., compliment or show appreciation for the other side, resist getting angry even if they do).
- Negative emotions can derail a negotiation, so keep yours in check.

NEGOTIATION TACTICS



It may be tempting to give in at the first sign of resistance from the other side, but this is giving up too soon. Your preparation will give you multiple options for how to solve the problem. So, if your first proposal doesn't work, you can suggest another alternative that still works for you.

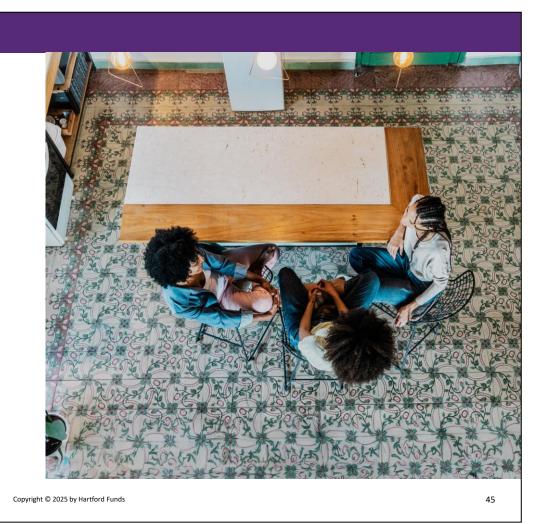
Sometimes the negotiation doesn't go according to plan. If you're caught off guard and unsure how to proceed, explain that you need some time to digest what the other side said and that you'll get back to them.

It's possible that you'll have to go with your plan B. Keep working until you know there's no agreement that can be reached.

Practice

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- Role-play with a friend
- Brief your friend on the context and the reactions the other negotiator will likely have
- Try several approaches until you find the best one



For any consequential negotiation, it is important to practice. It will help the negotiation run more smoothly and increase your comfort level. You'll need a partner so that you can anticipate reactions the other side might have and get feedback on your strategy.

Practicing has several benefits to help the negotiation go more smoothly. It helps reduce anxiety. And while you can't predict exactly how the negotiation will unfold, practicing will give you a sense of the range of possible outcomes. This helps you anticipate and deal with any negative emotions because you've thought about how you'll respond if they arise.

[**Optional, additional guidance:** Using the Thanksgiving dinner scenario as an example, you can brief a friend on the main aspects of the negotiation and how to play the role of your sister. Consider what your sister is likely to say, her concerns, and whether the conversation will be heated or good-natured. Draft your script and let the practice negotiation proceed. At the end, get feedback from your friend on what worked well and what needs improvement.]



[read slide]



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Ask for More Unlocking the power of everyday regotiation		1.	Consider what you'd like to negotiate and the outcome you want
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