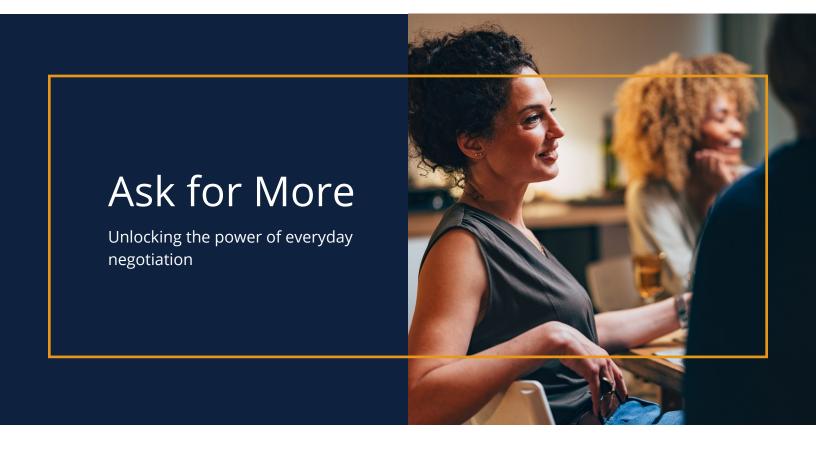
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What do you think of when you hear the word "negotiation"? For many, it brings to mind stress, conflict, or rejection. Negotiation is an important life skill that's seldom taught, which can make it seem quite intimidating.

Women, in particular, tend to experience more anxiety about negotiation and feel less entitled to what they want. Additionally, women face external challenges, as they're more likely than men to encounter backlash when they negotiate. It's no surprise, then, that men are four times more likely to negotiate than women.

Almost Everything Is Negotiable

Opportunities to negotiate extend far beyond just salary or major purchases. In fact, negotiation is possible in most situations, often without money as the focus

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

With vendors and retailers: Car purchases and repairs; home goods, maintenance, and services; vacation rental rates and packages, and insurance premiums are just some examples

Because women may be less comfortable negotiating, they can end up overpaying for goods and services, agreeing to do things they don't want to, or getting paid less than they deserve.

But here's the good news. You can learn how to negotiate effectively and confidently. It just takes learning a few basic techniques and some preparation.

What We'll Cover

- How to Negotiate a Purchase
- How to Negotiate in Relationships
- Negotiation Tactics

Created in collaboration with Linda Babcock, PhD, Professor Emerita, Carnegie Mellon University



Prep work is vital to conducting any successful negotiation. Thorough preparation helps reduce anxiety and boost confidence during the negotiation process.

We're starting with a car-buying example because, believe it or not, it's relatively straightforward. Why? It typically involves one main issue—price. Plus, you probably won't encounter the salesperson again, so it's short-term and there's no added pressure of maintaining a relationship.

Example: Buying a Car

Suppose that 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.

Five Steps for Preparing to Negotiate a Purchase



Identify what you want

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 when negotatiating, be ambitious.



Gather Information

There are good sources of information available to research the market for the specific car you want. Spend time visiting different websites to get a good understanding of what others have paid for the same car and what other factors might be relevant (e.g., seasonal deals or incentives, etc.).

Questions to get you started:

- What's the fair market price for the car?
- How many of these cars are on the lot?
- Will next year's model soon be available?
- Is it the end of the month or model year when salespeople and dealers are more pressured to hit sales goals?



Assess your negotiation parameters

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

Let's assess the negotiation parameters for the new Lexus purchase.

Negotiation Parameters

- Interests: What you're trying to achieve or gain.
 The lowest price possible for the car you want.
- **BATNA:** The Best Alternative to a Negotiated Agreement (i.e., Plan B)
 - If you can't reach an acceptable agreement with the dealer, you'll keep your old car but expect to pay higher maintenance bills in the future.
- Reservation Value (RV): The least desirable agreement you'd accept before resorting to your BATNA
 You decided that you're willing to pay up to \$52,000 for the car based on the information you gathered.
 If you can't get it for this price or less, you'll go with your BATNA: keep your old car.
- **Target:** An ambitious (but potentially do-able) goal

 Based upon your internet searches, you think it's possible to get the car for as low at \$50,000. That's your target price.
- Options: Multiple ways to achieve your interests
 Options are different agreements that are better than your BATNA. Prices of \$52,000 and below are options you would agree to.



Establish a mindset

Having your parameters in place will help you avoid being persuaded to pay more than you intended.

Enter the negotiation with a competitive mindset, as there's only one major issue to discuss—price—and your relationship with the other side will be short-term.



Develop your opening script

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:

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

You might begin like this:

Let's talk about the price for the Lexus I just testdrove. Based on the research I've done, a price of \$48,000 seems reasonable.

Is this something you could do?

Buyer

You've initiated the conversation and started out with a price that's better than your target value. Now it's time to wait for the other side to respond with a counteroffer.

I can't go that low, but I could give it to you for \$52,000.

Dealer

Their offer is at your reservation value which you could accept. But try to obtain your target value.

Suppose we split the difference for a price of \$50,000?

Buyer

Offering to split the difference appeals to people's sense of fairness.

OK, I can do that.

I'll start the paperwork.

Dealer

Who Was in Control of This Negotiation?

Having a strategy helps you stay firm in your position with no need to compromise.

- You knew how much you were willing to spend
- You wouldn't be swayed by the dealer's sales strategy
- If your reservation value wasn't met, you could walk away with other options

In this example, an agreement was reached quickly. Car deals usually drag on, with the salesperson consulting with their manager several times. Perhaps you won't hit your \$50,000 target, but any price below your reservation value of \$52,000 is still a win.

Negotiation is often expected when making a purchase. In other situations, it might not seem feasible. However, if there's something you want to change about an existing scenario, negotiation *is* an option.

Action Steps: Negotatiating a Purchase

Think about a product or service you're	considering purchasing in the	upcoming months. Use	the instructions below to s	tart
crafting your strategy.				

1	Identify what you want
2	Gather information (e.g., sellers, price ranges, discounts or promotions, etc.)
3	Assess your negotiation parameters
	Interests:
	BATNA:
	Target:
	Reservation Value:
	Options:
4	Establish a mindset (e.g., with your parameters in place, you won't be at the mercy of the seller)
5	Develop your opening script Introduce the topic
	Ask for more than your target (i.e., something better)

Remember, whether it's car, applicance, service, or another purchase:

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



Although we often associate negotiations with financial matters, most of your negotiations will occur within the context of other 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.

While the preparation steps are similar to the ones you would use for making a purchase, it's essential that your negotiation approach honors and values the importance of 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.

Example: Negotiating a New Thanksgiving Dinner Plan

Imagine that every year, your whole family gathers for Thanksgiving at your sister'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.

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.

Five Steps for Preparing to Negotiate in Relationships



Identify what you want

You want to spend the holiday with your family but don't want the stress of more travel.



Gather Information

Unlike buying a car, there's no pricing information to research. Instead, you'll need to think through this carefully.

- Identify ways your sister might respond to a change of plans
- Reflect on your past interactions and what you learned
- Consult with family members for insights on your sister's interests and concerns

This information will help you be sensitive to her perspective and consider alternatives that might appeal to her.



Assess your negotiation parameters

Let's see how you could assess the negotiation parameters for the Thanksgiving dinner arrangement.

Negotiation Parameters

- Interests: What you're trying to achieve or gain Enjoying Thanksgiving with your family without the stress of traveling.
- **BATNA:** The Best Alternative to a Negotiated Agreement (i.e., Plan B)

You prefer to stay home rather than travel, so if the celebration isn't relocated closer to you, you won't attend.

Remember, your BATNA is what you can do without the agreement of other parties.

Reservation Value: The least desirable agreement you'd accept before resorting to your BATNA

Having Thanksgiving dinner with your family at a restaurant in your city.

- Target: An ambitious (but potentially do-able) goal Hosting Thanksgiving at your house and rotating hosting duties going forward.
- **Options:** Multiple ways to achieve your interests
 - You host Thanksgiving dinner
 - Your daughter who lives nearby hosts
 Thanksgiving
 - 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.



Establish a mindset

Your mindset as you enter a negotiation is particularly important in long-term relationships, such as those with family members.

For instance, when discussing a change in the Thanksgiving venue with your sister, it's reasonable to anticipate some resistance. However, it's essential to view the conversation not as a power struggle, but as a collaborative effort to find a solution that satisfies everyone.

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

- It's a discussion, not an argument
- Share your interest and your position
- Ask questions to understand the other side's perspective
- Listen carefully to the other side to create mutually appealing options



Develop your opening script

In this scenario, there are key differences in the way you'll approach this conversation, which we'll highlight on the next page.

You might begin like this:

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?

You

- It introduces the topic: "Thanksgiving plans."
- It sets a positive tone: "...it's been lovely."
- It uses a cooperative word: "discuss" to encourage a collaboration rather than an argument.
- It indicates flexibility: "...different options."
- It asks for more than your target: "rotate" and "host this year."
- 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.

I put a lot of effort into making Thanksgiving special for everyone, so hearing this is pretty upsetting to me.

Sister

Your priority now is to de-escalate the situation by identifying a point of agreement and take 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.

I agree! Everyone has a wonderful time at your house. I'm sorry if what I said implied that we didn't.

I've just been feeling a bit worn out lately and was hoping we could find a way to make Thanksgiving a bit more manageable for me this year.

You

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

Could you help me understand why me hosting this year wouldn't be good for you?

You

Well, you know how much I love cooking. It brings me joy to do it for everyone, and it's a family tradition.

Sister

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.

I've got an idea. Why don't you come to my house early, and you can cook Thanksgiving as you always do?

I can gather any special ingredients you need and help out. Would you be open to that? It would be fun!

You

That does sound fun... and it would give us a chance to catch up before everyone arrives.

Sister

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 valued her opinion
- Maintaining a positive tone helped ease the tension and avoid a confrontation

Remember, resistance or a decline doesn't automatically mean your request was excessive or out of line. It just means people are used to the way things are.

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.

Action Steps: Negotiating in a Relationship

Think about something you'd like to negotiate with a friend or family member in the near future. Follow the instructions below to start crafting your strategy. 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.

1	Identify what you want			
2	Gather information (e.g., the other party's interests, constraints, and concerns)			
3	Assess your negotiation parameters			
	Interests:			
	BATNA:			
	Target:			
	Reservation Value:			
1	Establish a mindset (e.g., this is a dialogue, not a demand, aiming to create mutually appealing option for both			
_	Develop your opening script			
	ill in the lines below to develop your opening script, using the components. (The Thanksgiving conversation example can erve as a reference.)			
	Introduce the topic	Indicate flexibility		
	Set a positive tone	Ask for more than your target (i.e., something		
	Use cooperative words	better)Ask for the other side's perspective		



While it's impossible to predict every twist and turn in the conversation, the following recommendations can help you stay focused and get what you want.

Use a Cooperative Approach

Before you negotiate, you want to make sure you're framing it as a cooperative endeavor rather than a competition or demand. Misconceptions like these often lead people to shy away from negotiating.

Understanding the true nature of negotiation can help ease your anxiety and minimize the risk of backlash. Additionally, adopting a cooperative approach can strengthen your relationship with the other party. Considering different perspectives can help achieve positive outcomes that benefit everyone involved.

Use a Cooperative Approach

Competition

X Arguing

- Sticking to one's position
- Presenting demands
- Monopolizing the conversation

Cooperation

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

Generate a List of Questions to Ask

Understanding why someone turned down your proposal can help you create a new one that benefits both parties. This opens up an opportunity for brainstorming, where you can suggest and discuss a variety of ideas.

- What do you think of my idea?
- Would you help me understand your perspective?
- What are your ideas for working this out?

Manage Emotions

Keeping your emotions in check will help the other side stay focused and reduce the potential for negative repercussions. Working together in a positive dialogue to find common ground can actually improve your relationship as well as develop options that work for everyone.

- A positive state of mind boosts creative problem-solving
- Find a way to let the other side know you value your relationship
- Resist getting angry—even if they do

4

Don't Give Up Too Soon

Sometimes the negotiation doesn't go according to plan. It may be tempting to give in at the first sign of resistance, but this is giving up too soon. If your first proposal won't work, you can suggest another alternative that still works for you.

If you're caught off guard by their reaction and unsure how to proceed, explain that you need some time to digest what they've said and that you'll get back to them.

When you regroup, stick to your parameters. If the other party doesn't agree to your target value, adjust your offer slightly closer to your reservation value and gauge their response. If needed, continue to adjust your offer down to your reservation value—but not below it.



Practice

When you're getting ready to negotiate, it's best to practice before the real negotiation starts.

After developing your parameters and your opening script, role-play with a friend. Afterward, get feedback from your friend on what worked well and what needs improvement.

Practicing has several benefits to helping negotiation go more smoothly. It helps reduce anxiety. It helps you anticipate and deal with any negative emotions because you've thought about how you'll to respond if they arise.

To Summarize

First, there are countless opportunities to negotiate that we often overlook, and many don't even involve money. Second, the key to a successful negotiation lies in thorough preparation—it's the cornerstone of your strategy. Third, mastering additional negotiation tactics will help you stay calm and navigate the process with confidence.

Anyone Can Learn to Negotiate

Negotiation isn't always the game of hardball we often perceive it to be, and it doesn't have to be daunting. It's a skill anyone can master with the right techniques. By understanding the essence of negotiation and embracing a collaborative approach, you can ease anxiety and reduce the risk of backlash. Ultimately, negotiation paves the way for win-win agreements and can even strengthen relationships.

Next Steps

- 1. Consider something you'd like to negotiate and the outcome you want (see examples on page 1)
- 2. Begin crafting your strategy using one of the templates
- 3. If you'd like to learn negotiation strategies more in-depth, check out Linda's best-selling book, *Ask for It*



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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.

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