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## The Pitfalls of the Counter-Offer

Some companies use counter-offers to retain employees who are set to leave. Incentives might include promotions, raises, equity, etc. Counter-offers may be flattering but they can have an adverse effect. Consider these reasons to decline a counter-offer:

- Ask yourself if you were worth x dollars yesterday, why are they suddenly willing to pay you y dollars today when you were not anticipating a raise for some time?
- Consider the fact that your present employer could be merely “buying time” with this raise until they can locate a replacement. Suppose you were given an annual raise as a counter-offer of \$3,000, when they find a replacement for you in, say 60 days, then the actual cost to them is only \$500.
- The company may feel as though they have been unduly pressured into giving you a raise when you announced your decision to leave.
- Realize that you may limit your opportunities if you accept a counter-offer. The possibility of promotion may be limited for someone who has “given notice”. The company is vulnerable, they know it, and may not risk giving more responsibility to someone who was previously committed to leaving.
- Ask yourself, “Aside from my paycheck what will really change?” Consider the new opportunity you will be giving up.
- Your reasons for wanting to leave may still exist. Conditions are just made a bit more tolerable in the short term because of the raise, promotion or promises made to keep you.
- When economic slowdowns occur, your position could be among the first at risk. You indicated your intention to leave once before, so it is only natural that your position could be eliminated in a slow period.
- Where is the money for the counter-offer coming from? Is it your next raise early? Most companies have strict wage and salary guidelines which must be followed. Are they going to make your increase retroactive in order to compensate for underpaying you over the last several years?