



WORLDWIDE ERC®
THE WORKFORCE MOBILITY ASSOCIATION

2009 U.S. Benchmarking Survey

May 2009

This pulse survey on relocation assistance provided to employees relocated within the U.S. is based on data collected in April 2009. Of the 816 member organizations invited to participate in the online survey, 182 responded—a 22 percent response rate. Data pertains to employees relocated domestically within the U.S.

Just under half of organizations reported that their U.S. domestic transfer activity for both current employees and new hires dropped between 2008 and 2007. About 70 percent anticipate further declines for both of these groups in activity in 2009 from 2008. Just over half of organizations indicated having a hiring freeze currently in effect for at least non-critical employees and virtually all of them reported that the freeze had taken effect within the last 12 months. Nearly three-quarters of companies are experiencing problems with employee reluctance to relocate—41 percent cited moderate to major problems. Of those experiencing problems, almost all of them indicated that the depressed housing market was the major reason for employee reluctance to move.

Two-thirds of respondents provide homesale assistance. Looking for ways to help employees manage through a difficult housing market, a small percentage of organizations (13 percent) with homesale programs offer property management assistance to employees who are ineligible for the homesale program. Most companies assist at least some employees with purchase closing costs when buying a home in the new location. However, it may be difficult to buy a home right away in the current market and so transferees must rent for a period of time. When an employee eventually does buy a home, the large majority of companies will still assist with the purchase closing costs but only if the employee does so within 12 months of the relocation. Only 13 percent provide assistance with no time limit.

Approximately 70 percent of organizations have made changes to their policies within the last year—most of which address challenges created by the housing market. Most commonly, these changes included: restriction on the listing prices of homes being processed through the homesale program to a certain percentage of the company buyout offer, extension of the temporary living period, the addition or enhancement of a homesale bonus for those employees who find buyers for their homes, and restriction of the availability of the guaranteed buyout to selected employees.

1. Compared to 2007, was your organization's 2008 U.S. domestic transfer volume for current employees:	% (N=180)
Significantly less	19%
Somewhat less	28%
About the same	30%
Somewhat more	17%
Significantly more	6%
Total	100%

2. How do you anticipate your organization's 2009 U.S. domestic transfer activity for current employees will compare to 2008:	% (N=179)
Significantly less	36%
Somewhat less	35%
About the same	20%
Somewhat more	7%
Significantly more	2%
Total	100%

3. Compared to 2007, was your organization's 2008 U.S. domestic transfer volume for new hires:	% (N=177)
Significantly less	15%
Somewhat less	27%
About the same	41%
Somewhat more	11%
Significantly more	7%
Total	100%*

* Percentages do not total 100% due to rounding.

4. How do you anticipate your organization's 2009 U.S. domestic transfer activity for new hires will compare to 2008:	% (N=177)
Significantly less	40%
Somewhat less	31%
About the same	24%
Somewhat more	6%
Significantly more	1%
Total	100%*

* Percentages do not total 100% due to rounding.

5. Estimate the percentage of your total 2008 U.S. domestic transfer volume that was:	% (N=173)
Current employees	58%
New hires	42%
Total	100%

6. Estimate the percentage of your total 2009 U.S. domestic transfer volume that will be:	% (N=176)
Current employees	63%
New hires	37%
Total	100%

7. Estimate the percentage of your total 2008 U.S. domestic transfer volume that was:	% (N=171)
Homeowners	58%
Renters	42%
Total	100%

8. Estimate the percentage of your total 2009 U.S. domestic transfer volume that will be:	% (N=172)
Homeowners	56%
Renters	44%
Total	100%

9. Is your organization experiencing any problems with respect to employees' reluctance to accept transfers? Do not consider new hires.	% (N=178)
Yes, major problems	6%
Yes, moderate problems	35%
Yes, minor	31%
No	28%
Total	100%

10. If yes, what are the major reasons for employees' reluctance to accept transfers?	%* (N=129)
Slowed real estate appreciation/depressed housing market at old location	95%
High housing cost areas	29%
Employee/family resistance to move	22%
High cost-of-living areas	19%
Spouse reluctance to leave his/her job	16%
Less than adequate relocation policy	9%
Undesirable areas	4%
Employee satisfaction with current position	1%
Other	1%

* Percentages do not total 100% due to multiple responses.

11. Does your organization currently have a hiring freeze?	% (N=179)
Yes, for almost all critical and non-critical positions	9%
Yes, for non-critical positions but can hire for critical positions	42%
No	47%
Total	100%*

* Percentages do not total 100% due to rounding.

11. If yes, for how long has your organization been under a hiring freeze?	% (N=91)
Less than 6 months	55%
6 -12 months	42%
13 – 18 months	1%
19 – 24 months	1%
More than 2 years	1%
Total	100%

12. Do you have a homesale program in which your organization or your organization's relocation management company offers to purchase at least some employees' homes?	% (N=180)
Yes	66%
No	34%
Total	100%

13. If yes, does your company ever offer any assistance for property management to transferees whose homes are ineligible for the company's homesale program?	% (N=119)
Yes, to all employees whose homes are ineligible for the homesale program	3%
Yes, to certain employees (varies by policy tier, type of employee, etc.)	10%
No	87%
Total	100%

14. If yes, for how long has your organization made property management assistance available to U.S. domestic transferees?	% (N=16)
Less than 1 year	19%
1 year	13%
2 years	13%
More than 2 years	56%
Total	100%*

* Percentages do not total 100% due to rounding.

15. In general, are home-owning employees that move to the new location and rent for a period of time (e.g., having difficulty selling their homes in the old location) eligible for purchase closing cost assistance from your company when they eventually are able to purchase a home?	% (N=179)
Not applicable, company never assists transferees with purchase closing costs	6%
No	7%
Yes, and there is no time limit imposed on how soon the employee must purchase a home once they arrive in the new location	13%
Yes, but only if home is purchased within a specified period of time after the employee moves to the new location. Average = 1 year; Most common = 1 year (117 cos.)	73%
Total	100%*

* Percentages do not total 100% due to rounding.

16. In the past year, has your organization made any of the following changes to it's relocation policy(ies)? (Check all that apply.)	%* (N=182)
Not applicable, no changes have been made to our policy(ies) within the last year	30%
Added or enhanced a homesale bonus/incentive for employees who find buyers for their homes	18%
Added or enhanced a homesale incentive for buyers	10%
Added loss-on-sale assistance	12%
Modified policy to provide loss-on-sale assistance to more employees	10%
Modified policy to provide loss-on-sale assistance to fewer employees	--
Modified policy to provide loss-on-sale assistance in greater dollar amounts	12%
Modified policy to provide loss-on-sale assistance in more limited dollar amounts	6%
Extended temporary living period	18%
Increased lump sum for temporary living	2%
Added or enhanced home fix-up allowance for employees marketing their homes	--
Added or enhanced a guaranteed buyout provision to homesale program	--
Limited the availability of the guaranteed buyout provision to selected employees	--
Added or enhanced an equity loan/advance	2%
Added or enhanced negative equity protection	2%
Added a requirement to homesale program that employees use selected real estate agents to market their homes in order to qualify for homesale assistance	14%
Added a requirement to homesale program that employees list their homes within a certain percentage of the buyout offer (or BMA or appraisal) in order to qualify for homesale assistance	20%
Added a dollar cap or percentage cap to the reimbursement for direct reimbursement program	2%
Increased use of appraisals in homesale program	6%
Changed methodology to determine the guaranteed offer (e.g., if three appraisals are needed, average two lowest vs. two highest)	4%
Now use appraisals to determine buyout offers	2%
Added preference or requirement that employees select appraisers from a list of approved appraisers	3%
Added preference or requirement that appraisers conducting relocation appraisals have certain qualifications (e.g., selected designations, specific training, minimum number of years of experience conducting relocation appraisals)	2%
Added or enhanced duplicate housing assistance for employees who purchase a home in the new location prior to selling the one in the old location	10%
Added or enhanced mortgage subsidy	4%
Added or enhanced COLA	3%
Added or enhanced down payment assistance	1%
Added or enhanced coverage for home purchase closing costs	3%
Other	14%

* Percentages do not total 100% due to multiple responses.

17. Industry	% (N=176)
Aeronautics, aerospace, electronics/electrical, business machines, computers, computer software, computer services, semiconductor	12%
Automobiles, automotive parts, industrial machinery/equipment, metals and alloys, transportation	8%
Chemicals, plastics, rubber/rubber products, cement products, wood/paper products, glass/glass products, polymers and fibers	5%
Communications, telecommunications, publishing, printing	6%
Government, military services, public utilities, non-profit	3%
Professional services: accounting, auditing, consulting, law & advertising	5%
Financial services: insurance, banking, finance	15%
Petroleum, gas, refining, distribution, pipeline construction, engineering, mining, forestry, energy, construction	7%
Retail, wholesale, distribution, food service, entertainment, hospitality, consumer products	21%
Pharmaceuticals, medical devices, healthcare	7%
Manufacturing	5%
Conglomerate (diversified)	2%
Other: (please specify)	6%
Total	100%*

* Percentages do not total 100% due to rounding.