

# Relocation Reality Check

## The Impact of Inadequate Relocation Benefits on Job Offer Commitments

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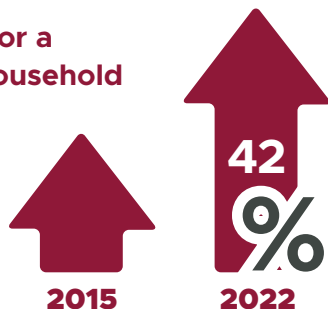
## Caught in the middle

**The US job market remains highly competitive and candidates have greater choice about where to work than ever before. Hiring Managers continue to manage a long list of candidate expectations including work location flexibility, compensation, and benefits.**

Candidates are searching for companies that align with their values, offer an employee centric work culture, and provide opportunity for growth and professional development. And given the growth in opportunity to relocate, it's no wonder there is an increasing lens on evaluating and negotiating relocation packages. To lure employees back to the office at least three days a week, employers are increasing their level (i.e., expense) of relocation support.

Inflation has impacted all aspects of the US economy and relocation expenses are no different. Factors such as increased housing costs, rising household goods moving expenses, and the resulting Federal, State, and FICA tax impact imposed on the employee and employer have contributed to a significant increase in the overall cost to relocate for a job. According to the most recent *Worldwide ERC U.S. Domestic Permanent Transfers Volume and Cost Report*, the average cost for a professional household goods move in 2015 was \$11,583. In 2022 the average cost of a professional move was \$16,465. That is a 42% increase.

**Average cost for a professional household goods move**



Increasingly, Recruiters are required to address the gap between candidate expectations and their organization's relocation benefits & budget. Understanding the candidate's needs and priorities, particularly regarding relocation, is essential.

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**“We work so hard to find, vet, and secure a candidate...it is almost unimaginable to lose a new-hire at the end of the recruiting process due to relocation costs.”**

Recruiter, Global Manufacturing Company

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## Bridging the gap

Strategies for keeping pace with evolving employee expectations include proactive communication, flexibility, and a willingness to customize relocation benefits to the candidate's needs. Employers should recognize that a Lump Sum or "Relocation Bonus" approach may no longer suffice in the current competitive job market.

### **Tips for staying on top in a highly competitive talent market**

Employers must remain agile and open to continuous adaptation to stay competitive in talent acquisition. Regularly reviewing and updating relocation packages is crucial to aligning benefits with the realities of the job market. HomeServices Relocation recommends a reexamination of relocation assistance budgets and the utilization of, at a minimum, a Managed Cap approach to relocation assistance.

**A Managed Cap is a relocation benefit program that sets a maximum limit on the total amount that an organization will spend on an employee for relocation expenses. It takes job level, relocation distance and family needs into consideration and can be structured as a line-item list with caps – amounts that benefits cannot exceed.**

Addressing the concerns of candidates, especially regarding the efficacy of relocation benefits, is essential for attracting top talent. Employers should reassess and modernize their employee relocation strategies, keeping in mind the dynamic nature of the job market, the expectations of today's candidates, and the reality of increased relocation costs. By doing so, companies can create a win-win situation, ensuring the satisfaction of their employees while securing the talent needed for future success.





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