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Preparing for Recovery: The Impacts of COVID-19 for Mobility Teams

COVID-19 past and present

COVID-19 has had many impacts on relocation in 2021, due both to capacity reductions made by providers in 2020 and increased demand in 2021. From a transferee volume perspective, many industries reduced transferee volume in 2020; hospitality, technology, air transportation, energy and certain retailers were hit particularly hard. As the economic recovery progresses, many, but not all, of these industries are ramping relocation volume back to pre-COVID levels. Relocation is very dependent on economic growth. As companies grow and hire, labor demand results in increased relocation volume from those sectors of the economy that are hot. Many businesses that did not previously have relocation programs have recognized the need in the face of growing production and a tight labor market.

If your mobility team is trying to manage the effects of a changing COVID-19 landscape, there a few key strategies to keep in mind as we look to a future of reorganization and recovery.

Capacity shortages within both temporary lodging availability and the household goods moving industry

Capacity reductions occurred within the relocation provider network during the pandemic. Business failures in the temporary lodging industry and continued retirement of household goods (HHG) owner/operators (drivers) have created temporary shortages in capacity in these areas.

In the HHG arena, capacity constraints (particularly this summer) are resulting in:

- Booking - minimum 30+ days in advance
- Load date spreads at origin
- Delivery spreads expanding
- Less notice on delivery requiring transferee to be available during the entire spread

In temporary housing, capacity constraints have led to:

- Less units available
- Longer terms are required
- 30-day leases are more expensive than pre-COVID
- Fees or rent increases on month-to-month leases

Best practices for handling current capacity shortages

- Provide as much lead time as possible
- Arrange HHG and TL dates prior to committing to vacate date
- Be flexible with needs and schedules
- Advise ASAP of any required changes
- Avoid changes unless absolutely necessary
- Respond quickly to schedules and options communications
- Plan and organize your household goods for the move

Balancing relocation with business needs

Employers who wish to save money or stay within a specific budget are utilizing managed caps. As an example, companies may choose to provide a specific amount of relocation dollars, and utilize a third-party relocation management company to manage the move and get the best pricing for their transferees. Employers in competitive labor markets are finding that only the most generous policies, including BVO home sale programs, will ensure recruiting and retention goals.

Managing remote work options

Some employers have opted to allow their employees to work remotely 100% of the time. This requires robust technology, a willingness to manage a remote staff and job duties that do not require in-presence activities. Increases to travel budgets are also required for the handful of face-to-face meetings that occur. Employers should be mindful that remote work policies do not establish a recognized presence in states or jurisdictions in which they had not previously resided. The simple fact of having an employee work substantially from home in a state not previously occupied results in a variety of payroll related reporting and taxes and may subject the company to additional state and local income taxes on total revenues, regardless of where earned. Some employers have allowed transferees to work from home, but only after moving to an acceptable state for employment record keeping purposes to avoid these issues.