

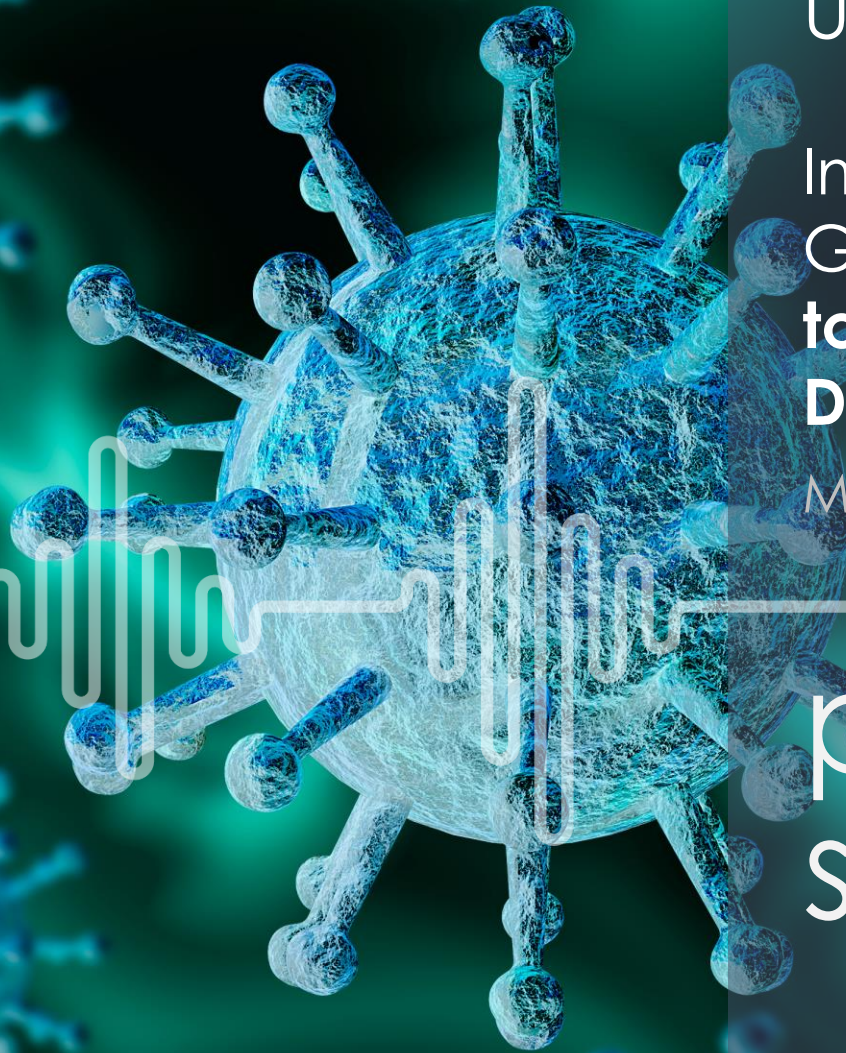


COVID-19 Update

Impact on
Global Mobility
**to include U.S.
Domestic**

March 2020

pulse
survey



Four months after COVID-19 was discovered in Hubei province China, many countries are struggling to contain new cases. Information changes daily. News updates, nations working from home, daily government briefings, physical distancing, quarantines, unemployment, and declining economies have become the new norm.

Aires' initial COVID-19 Pulse Survey focused on the immediate impact for employee mobility programs related to travel restrictions and the initial types of support that were being provided to employees in response to this unprecedented pandemic.

As our world and industry continuously react to these daily changes, Aires has conducted a follow-up COVID-19 Pulse Survey to expand information on the impact to mobility programs and their employees.

Impact on Domestic Mobility

Although there is much unknown at this point, one positive finding of survey is that COVID-19 is not bringing employee mobility to a halt. Comments made by survey respondents illustrate much of the uncertainty of the moment, but many comments also resonate with confidence that employee mobility will prevail amid the uncertainty.

U.S. Domestic Relocation and Assignment Initiations:

- 11%** There has been little to no change in new assignment/relocation initiations
- 66%** Things have slowed
- 23%** All new domestic relocation and assignments are on hold

“We are extending start dates for an additional 60 days for new hires. We are also looking only at distances not requiring air travel. In other words, relocation locations for highway travel only.”

“Those offers, which include relocation, that have already been extended are being followed through. HOWEVER, each move will be reviewed as to where the employee is in the process and if they need to be moved or if they can wait depending on their living status.”

“It is a possibility to hold off on relocations. For now, we are continuing to relocate new hires as necessary.”

Although we expect there to be a degree of resiliency with employee mobility, there is no doubt that domestic programs in the U.S. are currently being impacted. The inability to deliver services in some locations, travel restrictions, and other roadblocks are occurring that all impact the relocation process.

78%

Of survey respondents report start dates of already approved domestic relocations/ assignments have been delayed



- 17% All are on hold
- 15% Some are on hold
- 46% Case-by-case basis
- 12% Don't know yet

The challenge for many is that there is little certainty over how long things may be disrupted. There are too many factors that employers are not able to control. Travel, being able to work face-to-face, and other nationally and locally mandated measures to fight COVID-19 will determine the pace at which employee mobility will resume.

90%

Confirm having no timetable for how long relocations/ assignments may be suspended

- 70% Of survey respondents report **most** employees are working from home
- 24% Of survey respondents report **all** employees are working from home
- 92% Of the actual survey respondents are working from home

With all the restrictions taking place in the U.S., employees currently in the process of relocating may experience delays. Some employers are faced with these realities, and they are granting exceptions or making alternative arrangements. The most impacted aspects of domestic relocation include travel, home search, temporary living, household goods shipments, home sale and home purchase, with domestic travel being impacted most significantly.

Current State of Domestic Travel:

- 32%** Of companies have suspended all domestic travel
- 60%** Of companies may approve essential air travel
- 18%** Of companies have suspended air travel to specific locations
- 15%** Of companies are encouraging employees to drive when possible in lieu of flying
- 23%** Of companies report mileage is being reimbursed more frequently
- 65%** Of companies are reimbursing airfare cancellation fee (if they have not been waived by the airline)

Many situations that employers and employees are facing have no precedent, so exceptions may be inevitable. Like most exceptions, they are being reviewed on a case-by-case basis. Some employees currently in temporary housing are being impacted.

48%

Report paying for extended temporary housing

30%

Report handling each situation on a case-by-case basis

25%

Report employees moving out of temporary housing as scheduled

7%

Report returning employees in temporary housing back to their home location

The survey also explored what, if any, additional support employers are providing to employees currently in the relocation process in temporary furnished housing.

Additional Support Provided to Employee Current In Temporary Housing:

- 21%** Of companies are continuing to pay a per diem
- 4%** Of companies have increased the per diem
- 21%** Of companies have or may reimburse additional expenses that result from quarantine and/or social distancing
- 7%** Of companies are reimbursing meal or grocery delivery services
- 28%** Of companies are handling requests on a case-by-case basis
- 21%** Of companies report providing no additional support

Services that operate on a specific timetable also have the possibility of being impacted, such as home sale. Forty percent of survey respondents currently offer a Guaranteed Buyout home sale program (GBO). Some of their programs have been impacted. As this pandemic continues, more change may be necessary, but it is too soon to tell. Several respondents note no current GBO home sales or no current pending offers. Like most situations, home sale programs are being viewed on a case-by-case basis.

50%

Report moving forward with their GBO program as normal

30%

Report not having any new cases

18%

Report having to delay appraisals until there is more certainty and businesses resume normal operation

12%

Report extending the GBO acceptance period for employees that have already received the buyout offer

Interns

Perhaps one of the most stressful areas of uncertainty in the U.S. is students and graduates. Many primary and secondary schools have closed indefinitely, and most colleges have sent students back home to continue with online instruction to finish the school year.

Half of the survey respondents have an intern program. Many of these have prepared by identifying some or all of their summer interns, but it is unknown what the internship experiences might consist of. The following statistics are based only on companies with intern programs.

46%

Have identified
all their summer interns

32%

Have identified only
some of their summer interns

No survey respondents confirmed
making any changes to the
relocation benefits that will be
offered to interns

COVID-19 Impact on Internships:

- 11%** Of companies have suspended their intern programs
- 5%** Of companies have cancelled all new interns
- 21%** Of companies expect to proceed as planned when working situations return to normal
- 18%** Of companies are considering remote/work from home arrangements
- 5%** Of companies are planning remote/work from home arrangements
- 38%** Of companies don't know yet or are taking a "wait and see" approach

Impact on Global Mobility

Travel bans, travel warnings, reduced flight availability, delayed visa processing, closed offices, and closed schools have all impacted global employee mobility. National and local governments are taking action to protect their citizens by limiting public exposure. Employers are also steadfast in their approaches to stop the spread of COVID-19.

Among all this disruption and uncertainty, **employee mobility still prevails**. Only 15% of survey participants said they have cancelled a new assignment or relocation due to COVID-19. This data illustrates that business must go on.

85%

of survey respondents **have not cancelled** a new assignment/relocation

Type of local support provided to assignees/employees:	Beginning of March 2020	End of March 2020
Reimbursement of expenses for precautionary measures	21%	15%
Increase in current hardship	3%	3%
Implementation of a hardship	0%	2%
Additional paid time off	12%	15%
Other (childcare, travel-related reimbursements)	N/A	8%
None of the above	68%	65%

Action taken regarding employees' work locations:	Beginning of March 2020	End of March 2020
Return employee and family from assignment	33%	34%
Return family from assignment	14%	15%
Allow work from home/remote	73%	78%
Additional/extended home leave	10%	15%
Evacuate employee and family	5%	26%
None of the above	18%	14%

COVID-19 Impact on New Global Mobility Initiations:

- 13%** There has been little to no change in new assignment/relocation initiations
- 52%** Things have slowed
- 35%** All new global assignments/relocations are on hold

Below are some comments made by survey participants that sum up the actions they are taking. Similarly to domestic employee mobility, many survey respondents say they are dealing with situations on a case-by-case basis.

“Considering options. No final decisions right now.”

“Some employees [who evacuated their host location] intend to return to the host location but some will not return, and we will make arrangements to pack and ship their household goods for them once it is safe to do so.”

“We repatriated everyone in Italy and France. We are paying them a per diem during their self quarantine period of 14 days. We are not paying anything additional for those who were already located in the U.S. If anyone gets diagnosed with COVID-19, they are eligible for 14 days off with pay in addition to their disability benefits. This also applies to any employees who have a family member who is diagnosed with COVID-19.”

Future of Uncertainty

In the countries where the spread of COVID-19 has abruptly changed life, most people are stuck waiting. Waiting to return to their office, waiting for children to return to school, waiting to enjoy dinner at their favorite restaurant, waiting to visit relatives, and waiting to once again enjoy all the pleasures and freedoms of daily life that were performed with ease just weeks ago.

While we do not know how long the efforts to stop the spread of COVID-19 will continue to impact our daily lives (and certain locations will be impacted differently), we do know one thing from the survey – **employees are still planning to relocate**. Feedback from respondents, when asked if employees are requesting that upcoming or pending relocations and assignments be cancelled, is positive. This gives us hope that this is temporary, and we hope to resume daily functions in the near future.

In the meantime, everyone needs to do their part to stop the spread of COVID-19.

COVID-19 Resources

World Health Organization www.who.int

Center for Disease Control www.cdc.gov

National Institutes of Health www.nih.gov

Aires COVID-19 Resource page info.aires.com/aires-resource-page

Aires recommends our clients monitor these sources for ongoing updates and further information.

Have your employees requested their upcoming or pending relocations and assignments be...

SUSPENDED?

- 44% No
- 27% Isolated Few
- 20% Some
- 7% Many
- 2% All

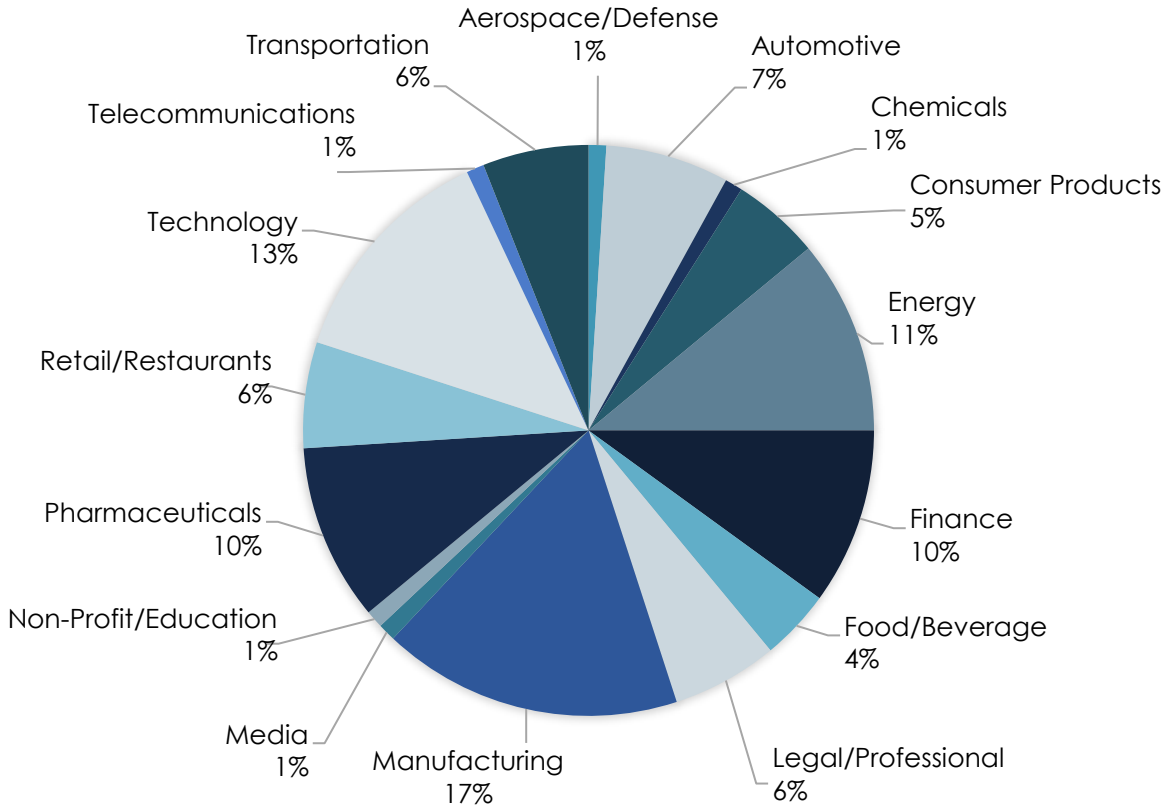
CANCELLED?

- 81% No
- 15% Isolated Few
- 4% Some
- 0% Many
- 0% All

Survey Participants

A total of 82 companies participated in this survey.

Participant Profile



Participant Size

# of Employees	Percentage
100,001 or more	13%
50,001 – 100,000	13%
20,001 – 50,000	19%
5,001 – 20,000	29%
1,001 – 5,000	18%
1,000 or less	8%

CORONAVIRUS

COVID-19
VACCINE RESEARCH 0034 - 234

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