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Severity of Global Recession and Shrinking Corporate Earnings Cause Sharp Cutbacks in Overseas Assignments, According to Brookfield Global Relocation Services

Annual Global Relocation Trends Survey Uncovers Pessimism Not Seen Since 2001 as 67 Percent of Companies Expect to Either Decrease or Maintain Number of Employees They Relocate; Moving Younger Employees Hits A Snag – And an All-Time Low

Woodridge, Ill. (June 8, 2009) – In a sign of continuing uncertainty about the global economy, multinational companies will be sending fewer employees on international assignments than in past years, according to the latest Global Relocation Trends Survey Report, published annually by Brookfield Global Relocation Services (Brookfield GRS) (<http://www.brookfieldgrs.com>).

What's more, when companies do relocate employees for both short and long-term overseas assignments these days, they are opting to dispatch older and more experienced employees because they present the least risk of assignment failure. In fact, just 9 percent of expatriates were 20 to 29 years old – the lowest in the survey's 14 year history. It appears that developmental assignments are declining in the current economic climate as companies opt to send more experienced employees.

The worldwide survey of 180 multinational firms revealed widespread wariness and pessimism: More than two-thirds (67 percent) of corporations surveyed said they will either decrease the number of employees they plan to relocate in 2009 or, at most, maintain current expatriate levels.

Of that percentage, 25 percent said they expected their expatriate numbers to decrease (compared with just 5 percent in 2008), while 42 percent expected no change. This represents the second-most pessimistic outlook by corporations since the survey was first published 14 years ago (only the 2001 report featured lower expectations).

Firms that participated in this year's survey manage a total worldwide employee population of 9.8 million. Brookfield GRS will present key findings of the 2009 survey on Thursday, June 18th, during a complimentary webinar designed to provide a comparative

analysis of the key global mobility issues facing today's business world. To register, go to: <http://www.brookfieldgrs.com/GRTS2009.html>

Now in its 14th year, the annual Global Relocation Trends Survey has become the definitive study of companies' employee-relocation practices, policies and projections. As it does each year, the newly released survey paints a comprehensive picture of evolving trends and emerging issues facing companies of all sizes that rely on an international workforce. For information on how to receive the full GRTS report, go to: http://www.brookfieldgrs.com/insights_ideas/grts/

"Each year the Global Relocation Trends Survey reveals a fascinating look at worldwide expatriate activities, in turn providing companies valuable insight into current and emerging global mobility trends," said Rick Schwartz, president of Brookfield GRS. "This year's survey makes clear that many multinational companies have adopted a cautious wait-and-see approach, as concerns over the global economy continue to cast a shadow over their business."

Some of the survey's key findings follow:

Expatriate Demographics – Companies are relocating older, more experienced professionals who they consider less risky to fail in an assignment:

- At 49 percent, the percentage of expatriates who were accompanied by children reached an all-time low (the historical average is 57 percent)
- The number of female expatriates averaged 20 percent (the peak figure for female participation was 23 percent in 2005 and has remained above 19 percent since. The historical average is 16 percent).

Family Concerns – Family concerns remain the most overwhelming reason (92 percent) for assignment refusal or failure. In addition, family concerns were the top reason for early returns from assignments (27 percent).

The most critical challenges facing families were adjustment (15 percent); partner resistance (15 percent); children's education (13 percent); cultural adjustment (12 percent), and location difficulties (11 percent). Historically over the years of the survey, the top five challenges have been family adjustment, children's education, partner resistance, difficult location, and partner's career.

When it comes to preparing employees for their new assignment, cross-cultural training was made available 81 percent of the time, however, only 56 percent offered it to the entire family and only 22 percent mandated the training.

Spousal Employment Hits An All-Time Low

- Spousal employment was at all-time low in all three categories: before the assignment only, during the assignment only and both before & during the assignment.

- Reason for assignment refusal: Most cited reason was family concerns (92 percent), and this was followed by spouse's career concerns (61 percent).
- Assignment failure: Top reason for assignment failure was spousal dissatisfaction (56 percent).

China: A Category Topper – for Better or Worse

China tops every destination ranking in the survey for the first time. It is the top destination (followed by the U.S., the United Kingdom, Singapore and Switzerland) and is ranked as the top emerging destination (followed by India and Russia).

Conversely, China also was seen as presenting the greatest challenges to international assignment managers and assignees alike due to the difficulty in finding suitable homes and schools, accessing medical care, immigration formalities, tax compliance, communication and knowledge of international regulations, the remoteness of the destinations, and increasing costs. India and Russia ranked second and third, respectively, in terms of companies presenting the greatest challenges.

China, India, the United Kingdom, and the United States were cited as the locations with the highest rate of assignment failure (India moved up from fourth position in 2008).

Relocation Challenges: Real *and* Now

There is a noticeable move by companies to control costs, with the number one relocation challenge being controlling the overall cost of assignments (46 percent). Finding suitable candidates (39 percent) and controlling policy exceptions (33 percent) rounded out the top three relocation challenges.

- A majority of companies -- 68 percent – indicated they were reducing expenses for international assignments in response to economic conditions; last year 58 percent indicated so, and the historical average of the survey is 60 percent.
- Nearly one third (32 percent) of companies plan to reduce policy offerings.
- Just under two thirds of companies (61 percent) said their assignments were long-term, compared to 22 percent short-term and 12 percent one-way.

About the Global Relocation Trends Survey

The 2009 Global Relocation Trends Survey Report is the 14th report issued by Brookfield Global Relocation Services. Released annually, the reports are considered one of the most reliable and respected sources of global mobility data and trends information. The longevity of this survey enables the company to compare each year's results with "historical averages," which help gauge the relative importance of annual variations. This year's survey contained 112 questions answered by 180 respondents representing small, medium, and large organizations with offices located throughout the world. For additional information on how to receive the 2009 Global Relocation Trends Survey, go to http://www.brookfieldgrs.com/insights_ideas/grts/

About Brookfield Global Relocation Services

Brookfield Global Relocation Services (<http://www.brookfieldgrs.com>) is a leading, full-service outsourcing partner of end-to-end employee relocation, assignment management and mobility consulting services for multinational organizations worldwide. The company serves corporations throughout the world and manages over than \$2 billion in relocation-related transactions.

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