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Relocation for Work at Historic Lows

TREND OF FALLING RELOCATION RATE COULD BE DUE TO TIGHT LABOR MARKET, NEW TECH

CHICAGO, August 16, 2018 – The percentage of job seekers relocating for new employment has fallen dramatically since the late 1980s, when over one-third of job seekers were willing to move for a new position. Just 11 percent of job seekers relocated for work over the last decade, compared to nearly 19 percent of workers who relocated for new positions in the previous decade, according to new data released by global outplacement consultancy Challenger, Gray & Christmas, Inc.

Just over 10 percent of job seekers relocated for work in the first six months of 2018, virtually unchanged from the relocation rate in the first two quarters of 2017. The relocation rate in the third quarter of 2017 was 16.5 percent, the highest quarterly relocation rate since the second quarter of 2009, when 18.2 percent of job seekers moved for new positions. However, by the fourth quarter of last year, just 7.5 percent of job seekers relocated, bringing the annual average to 11.2 percent, according to the firm.

The Challenger data is based on a survey of approximately 1,000 job seekers who successfully found employment each quarter.

“The dot-com bubble that left companies flush with cash in the second half of the 1990s, allowing them the potential to offer generous relocation packages to attract talent, burst in 2000. That burst led to an increase in job cuts nationwide, and this period seems to delineate the end of the relocation trend. As companies found themselves in cost-cutting mode, it seems many chose to find local candidates and spare the expense of relocation reimbursement in the years following,” said Andrew Challenger, Vice President of Challenger, Gray & Christmas, Inc.

In 2000, the relocation rate was 22.9 percent, the last year the rate hit above 17 percent. Since then, the annual relocation rate for job seekers has averaged 12.7 percent.

Average Annual Relocation Rate

2007-2017	11.3%
1996-2006	18.8%
1986-1995	30.5%

Source: Challenger, Gray & Christmas, Inc. ©

“The one-fifth to one-quarter of workers who were moving to find positions in the late 1990s is nothing compared to what we saw in the mid-to-late 1980s, when nearly one-third of workers were moving for new positions. Much of that movement could be attributed to economic recovery policies after the 1982 recession,” said Challenger.

The current relocation rate of 10 percent is 72 percent lower than in the mid-to-late 1980s. The average annual relocation rate from 1986 (the first year of Challenger tracking) to 1990 was 35.2 percent.

After a deep recession in 1982, the economy sustained the longest period of growth since WWII between 1983 and 1987. Housing prices rebounded, allowing people to sell and potentially relocate for better positions.

“We saw something similar in 2009, when housing prices began to rise after the Great Recession and the annual relocation rate hit 13 percent,” said Challenger.

Now, other reasons could explain the falling relocation rate, according to Challenger.

“There is a lot of risk involved in picking up your life and moving to another area. Especially now, in such a tight labor market where jobs are plentiful, job seekers don’t have to leave the security of their homes to find new employment,” said Challenger.

“Meanwhile, technology has made it so that workers can work from virtually anywhere. Even workers who are offered relocation packages may forego the hassle if they and their employers agree their jobs can be done remotely.

“This expansion in technology has also allowed companies to grow exponentially, giving opportunities to workers across the country. Over the years, in many cases, companies have found it more beneficial to go to where the workers – and favorable business conditions - already exist rather than have talent come to them,” he added.



Challenger, Gray & Christmas, Inc.
The original outplacement company



Percentage of Job Seekers Relocating for New Positions
Quarterly 1986-2017

	Q1	Q2	Q3	Q4	ANN. AVG.
1986	45.0%	43.0%	40.0%	39.0%	41.8%
1987	37.0%	32.0%	34.0%	35.0%	34.5%
1988	37.0%	36.0%	34.0%	36.0%	35.8%
1989	35.0%	36.0%	31.0%	32.0%	33.5%
1990	30.0%	34.0%	31.0%	27.0%	30.5%
1991	30.0%	28.0%	26.3%	21.0%	26.3%
1992	30.2%	28.3%	28.2%	20.5%	26.8%
1993	36.4%	49.2%	30.5%	25.0%	35.3%
1994	20.5%	21.3%	15.5%	24.7%	20.5%
1995	17.1%	17.2%	20.4%	24.1%	19.7%
1996	19.4%	20.5%	29.1%	24.1%	23.3%
1997	19.8%	21.5%	18.7%	20.1%	20.0%
1998	18.3%	27.1%	23.3%	23.7%	23.1%
1999	25.5%	25.3%	22.4%	25.9%	24.8%
2000	20.4%	21.6%	23.5%	26.2%	22.9%
2001	17.1%	16.6%	17.3%	17.0%	17.0%
2002	14.0%	12.1%	15.8%	15.2%	14.3%
2003	15.1%	14.9%	12.9%	12.7%	13.9%
2004	13.2%	16.5%	14.9%	14.2%	14.7%
2005	16.0%	16.4%	16.2%	15.2%	16.0%
2006	16.4%	18.2%	16.1%	15.4%	16.5%
2007	16.6%	15.4%	15.6%	11.0%	14.7%
2008	8.9%	11.4%	13.4%	12.6%	11.6%
2009	14.4%	18.2%	13.4%	7.3%	13.3%
2010	7.4%	7.7%	6.9%	8.4%	7.6%
2011	9.3%	9.5%	7.8%	7.2%	8.5%
2012	8.1%	5.3%	16.4%	9.3%	9.8%
2013	13.3%	14.5%	11.7%	13.7%	13.3%
2014	12.5%	10.3%	14.6%	14.9%	13.1%
2015	11.3%	9.0%	10.9%	10.7%	10.5%
2016	10.6%	12.0%	11.2%	10.1%	11.0%
2017	10.2%	10.6%	16.5%	7.5%	11.2%
2018	10.6%	9.5%			10.1%
QTR AVG	19.6%	20.3%	20.0%	19.0%	

Source: Challenger, Gray & Christmas, Inc.