

THE RISING COSTS OF

# HOUSEHOLD GOODS SHIPMENTS

An analysis of the rising costs of household goods shipments over the past 5 years, and what global mobility programs can do to contain costs.



# Executive Summary

As a corporate mobility manager, navigating the rising costs of household goods moves while trying to maintain a cost-effective and competitive relocation program presents a significant challenge. Pricing in most industries and consumer products has gone up significantly over the past few years, and that fact remains especially true in the movement of household goods industry.

Many factors contribute to this, including: shortage of available drivers, rising costs for labor to help with the move, rising cost for materials like cardboard and lift van containers, rising costs for truck maintenance and repairs, and rising costs for insurance. The industry saw rising costs due to some of these factors pre-covid, and they have continued to rise ever further post-COVID-19 as well.

The phrase “you get what you pay for” rings especially true in the movement of household goods industry. It is important that you do not just look for the cheapest price out there because, unfortunately, there are many instances of low costs equating to poor service, or just flat-out fraud. While illegal, there are many well-documented examples of moving companies holding shipments hostage unless the customer pays additional fees. These fees are never agreed on, and way higher than on the original estimate.

## Moving with an RMC

RMCs have relationships with a network of moving companies, auto shippers, crating, and associated service providers. RMCs can leverage these partnerships to secure competitive pricing, negotiate favorable terms, and ensure high-quality services for employees. Centralized vendor management also simplifies billing and invoicing processes.

At WHR, we have a dedicated supply chain team that is responsible for monitoring and maintaining a strong, robust move network that has high capacity and high quality. We look at each move on an individual basis before awarding a move, and that way we can try to pair the right mover for the right job every time that we can. In addition, we are constantly working to analyze the market from a pricing standpoint to ensure that we offer competitive rates.

## Industry-wide Cost Increases

Pricing for the movement of household goods has increased significantly over the past five years, equating to roughly a **52% increase** over the entirety of that time period. On the next page, we examine two examples of moves and the costs over the years.

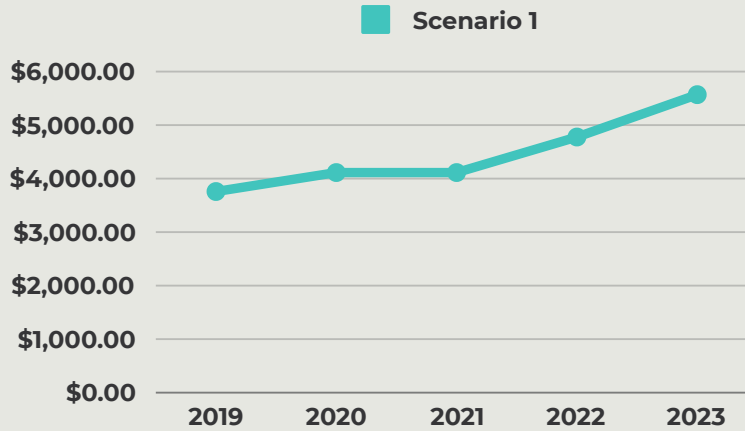
# Historical Cost Comparison

For illustrative purposes, we've performed a sample historical analysis of the price of household goods shipments over the past 5 years, from 2019 to 2023.

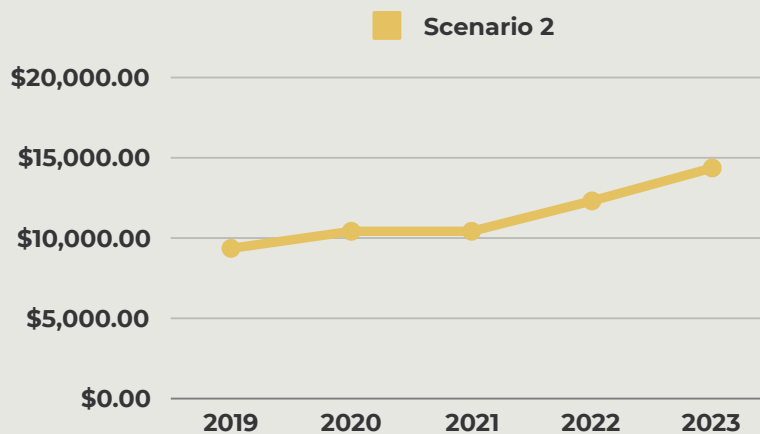
- Departure Location: Denver, CO
- Destination Location: Chicago, IL

**Scenario 1:** 4,000 lb renter shipment, family size of 2.

**Scenario 2:** 12,000 lb homeowner shipment, family size of 4.



Year	Cost	Δ%
2019	\$3,758	-
2020	\$4,113	+9%
2021	\$4,113	0%
2022	\$4,777	+16%
2023	\$5,569	+17%



Year	Cost	Δ%
2019	\$9,358	-
2020	\$10,421	+11%
2021	\$10,421	0%
2022	\$12,315	+18%
2023	\$14,367	+17%

## Cost Saving Strategies

To help combat the rising costs of household goods shipments, consider implementing the following cost saving strategies:

- Discard & Donate
- Self-Move Options
- Small Shipment Program
- Flexible Scheduling
- Policy Review & Optimization
- Container Moves

By implementing these strategies and exploring innovative approaches to household goods moves, corporate mobility managers can effectively manage rising costs while ensuring a seamless relocation experience for employees. Proactive planning, strategic partnerships, and a focus on cost optimization are essential for navigating the challenges of today's dynamic relocation landscape.

# Cost Saving Strategies



## Discard & Donate

By helping individuals or families declutter and downsize their possessions before a household goods shipment, Discard & Donate services can reduce the overall volume of items to be transported. This reduction in volume can lead to lower shipping costs, as fewer items will require packing, loading, and transportation. This strategic approach not only streamlines the moving process, but also enhances the overall moving experience while ensuring responsible and sustainable practices.

This service assists your employee with removal of items that will not be going with them to their new location. These items will be taken to local charities or disposed of at an appropriate removal site if they cannot be donated. Upon donation of items, a receipt will be provided as proof of donation to charity. Items that are donated to charity may be eligible for a charitable tax deduction.

### How Does this Service Work:

- A professional organizer can assist with preparing items for removal if required (Full Service)
- Should items already be prepared for removal we can simply arrange for a pick up (Rapid Removal)
- Removal should be scheduled prior to your pack & load date with a van line.
- Typical removal takes between 30 minutes up to two hours depending on the number and nature of items
- Donation receipt will be provided should any items be donated

**Click on the image below for a short video on the Discard and Donate program: (or copy and paste this link into your browser)**  
<https://youtu.be/JtA6AeuoaNA>



A few of the partners WHR works with for Discard and Donate services include Home Sweet Home and Relocation Remedies LLC.

# Cost Saving Strategies



## Self-Move Options

Encouraging employees to take a more active role in their relocation by opting for self-moves can significantly reduce costs. Providing employees with resources and support, such as rental truck discounts, PODS, packing materials, and moving guides, can empower them to manage their relocation more cost-effectively.

The following are some Self Move options to consider.

## Self-Haul/Small Truck Movers

Self-haul movers consist of a company providing a rental truck for the employee to complete the remainder of the move. In most cases, the employee rents the truck, loads their belongings, and drives it to their new location. Once they have the unloading complete, the employee can drop off the truck at their earliest convenience. While moving help is not typically included in this service, several moving companies do offer help with the loading of the truck as needed.

### Pros

- Flexible scheduling
- Pack, load, and unload at the employees convenience
- Cheapest option
- Convenient locations for truck pickup/drop off

### Cons

- Little or no labor help included
- Missing out on moving companies' packing experience and knowledge
- No insurance on goods during transit

To view a short video please click on the photo below or copy and past this link into your browser. <https://youtu.be/CbnUwE6Wgk8>





# Cost Saving Strategies

## Simple Moving Labor

(SML Relocation Services)

SML Relocation strives to make moving a great experience and a simple process. Founded in 2007, they are rated A+ by the BBB. Their experienced Moving Labor assists thousands of families nationwide every year. SML offers a menu of cost-effective solutions to meet every need and budget. Their friendly and experienced consultants will guide the transferee throughout their relocation process. SML offers convenient direct billing, split invoicing between WHR and the transferee, or SML can receive payment directly from the transferee.

- **Pay only for what you need** – all Moving Labor pricing is by-the-hour to the nearest half-hour, (2-hour minimum).
- **Background checked, licensed & insured professional movers** – their crew members are experts at efficiently and safely, loading and unloading household goods.
- **SML Moving Labor will arrive with dollies & a basic set of tools** – ready to help disassemble and reassemble bedframes, dining table legs, sofa feet and other common furniture items.
- **Location, Location, Location** – SML is proud to offer Moving Labor services across the continental United States.

## Penske

WHR Group is proud to work with Penske Truck Rental for moving truck rentals. Penske is one of the leading providers of one-way and local truck rentals in the U.S.A. and Canada. With Penske Truck Rental you'll enjoy the 10% WHR Group discount off every rental

- **Unmatched Reliability** - Penske's rental trucks are always late-model and they're well maintained to ensure your employees move goes great.
- **Unlimited Miles** – Penske offers free, unlimited miles one-way moves, which can save your employees a lot of money when they're moving a long distance.
- **Guaranteed Reservation** – Penske is the only company to guarantee the truck will be available at the location it was reserved for, on the reserved date.
- **Great Locations** – With thousands of locations Penske offers many convenient and easy locations for your employee to pick up and drop off their rental truck.
- **Towing Options** – If your employee is planning to tow their car during as part of their move, Penske has the reliable equipment they'll need to tow their vehicle behind the truck.
- **Moving Supplies** – Penske offers everything your employee needs for their move including bubble pack, moving boxes, tape, locks, and much more.
- **Constant Support** – Your employees are never traveling alone with Penske Truck Rental. They offer around-the-clock roadside assistance every day of the year should they ever have any difficulties during their move.
- **Self-Storage Savings** – Your employees have access to great savings options available to Penske Truck Rental customers on self-storage units.

# Cost Saving Strategies



## Flexible Scheduling

Offering flexibility in relocation timelines can help minimize costs by allowing for off-peak moving periods when transportation rates may be lower. By coordinating moves strategically and avoiding peak seasons, corporate mobility managers can mitigate the impact of rising costs.



## Policy Review & Optimization

Review existing relocation policies to identify areas for cost optimization without compromising the quality of services provided to employees. Consider revising reimbursement limits, exploring alternative transportation options, or offering lump-sum allowances to empower employees to manage their relocation expenses more effectively.



## Small Shipment Program

Consider implementing a small shipment program for shipments under 5,000 lbs. These shipments generally move with a lift van model, which allows for less handling of goods, and therefore reduced claims ratios. In addition, the model typically allows for a guaranteed one-day delivery window after the goods have arrived at the destination warehouse. Under the lift van model, multiple small shipments are loaded onto the same truck for transportation, which reduces costs by spreading transit and driver costs across multiple shipments.



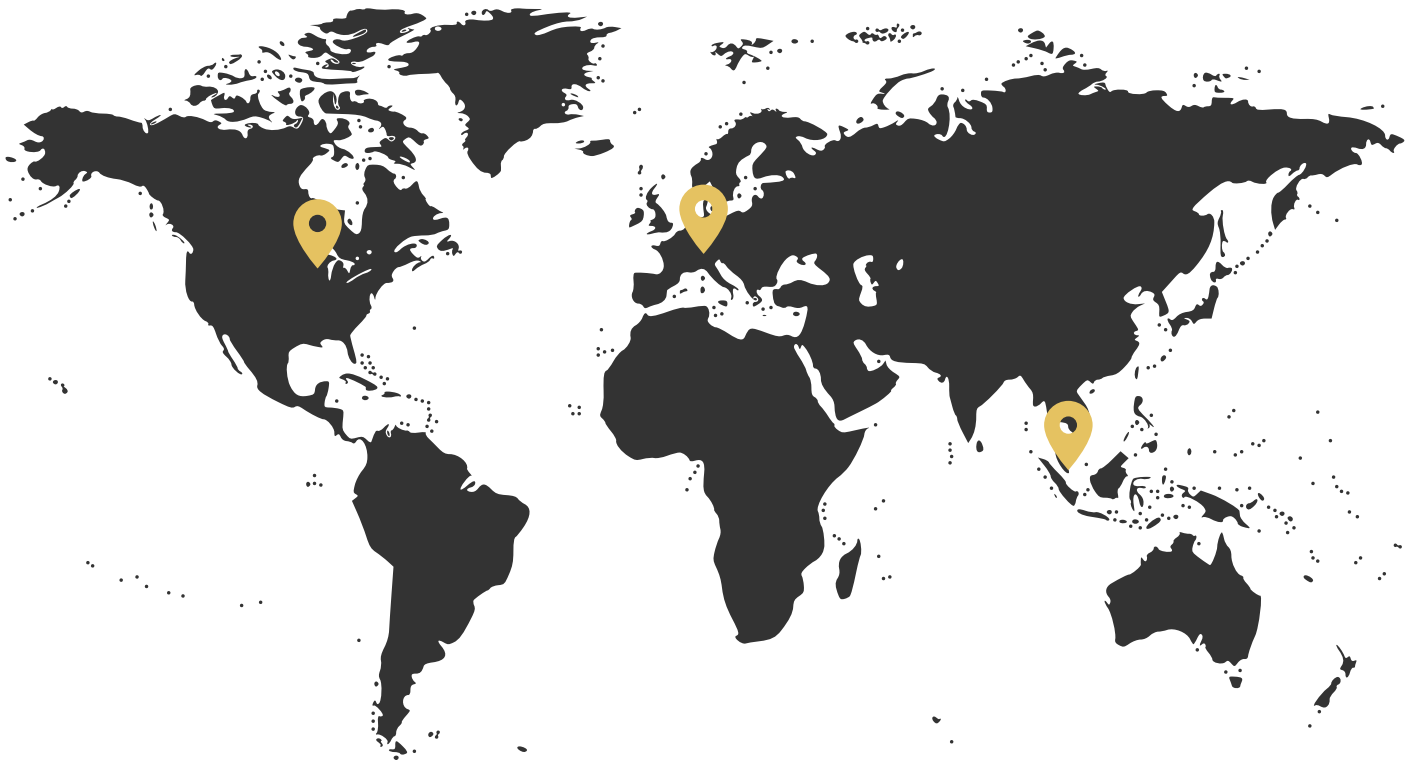
## Container Moves

Container moves offer a great blend between a self haul 'do it yourself' move and the much more expansive (and expensive) full service move. The basic principle of the container move is that a company drops off a shipping container at the employees location to be packed at their own pace, and once full, comes to pick up the container and drives it to the employees new location.

To view a short video on Container Moves, please click here: [\*\*Container Move Video\*\*](#)



WHR Global is an independent, full-service relocation management company with offices in the US, Switzerland, and Singapore. Since 1994, WHR Global has been a leader in the global mobility industry dedicated to Advancing Lives Forward® for employers and their global workforces. With a proprietary technology suite, WHR strives to offer cost-effective relocation benefits without compromising empathy, ethics, or service.



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