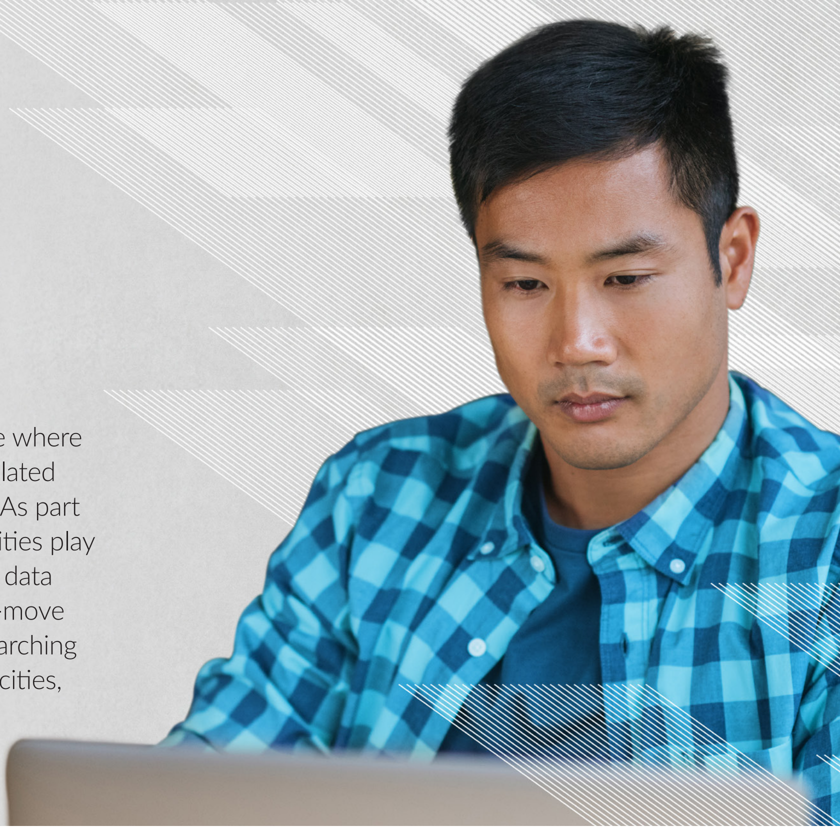
MOTUS LIVING COMMUNITIES



A TRUE LIVING COSTS COMPARISON

Across the United States, people pay varying amounts to live where they do. These living costs depend on location and are calculated based on family size, income and homeowner/renter status. As part of Motus Two Location Comparison Reports, living communities play an integral part in calculating a true cost comparison. Motus data provides an accurate comparison between the pre and post-move locations from a socio-economic perspective. How? By researching cost of living data in different areas. This is not just for large cities, but for specific living communities.

WHAT ARE LIVING COMMUNITIES?

Living communities are areas employees can potentially live, calculated to be within a certain radius of the worksite—or as defined by a company. It's a component of how Motus calculates a fair cost of living. Consider other methods of conducting cost of living reports.

Company work sites, the most commonly used parameters for cost of living reports, typically don't represent the area where an employee lives. Work sites may be in a downtown location or an industrial/ commercial area. These areas aren't representative of where employees will either rent or buy a home, and for that reason, don't serve as a reliable basis for a cost of living calculation.

Similarly, lifestyles vary based on employee. For example, one employee might choose to live in a suburban community for the school system, while another employee with the same income might choose to live downtown in an apartment for access to restaurants and bars. An employee's decision to live in one particular area as opposed to another should not impact the amount they receive for their cost of living allowance. Many tools available online will solely use the exact location to determine the cost of living. This can lead to significant differences, both positive and negative, in a cost of living report.

Through our use of appropriate living communities surrounding the worksite locations, we ensure that employees of comparable income levels and housing status are treated consistently when moving between two worksites.

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HOW ARE THEY SELECTED AND USED TO CALCULATE COSTS?

We compare appropriate communities, chosen by Motus, within a radius of the work site or desired location and defined by the company, to ensure a true cost comparison and ensure equity or an "apples to apples" comparison between the two areas.

Some of the resources used to analyze and select appropriate living communities include:

- Census data
- School ratings
- Crime rate
- Quality of housing data
- Relocation Real Estate professionals

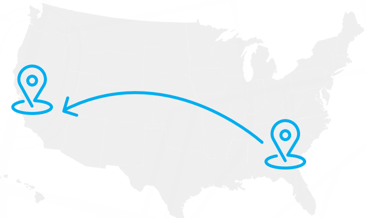
Each living community is surveyed for the following:

- Typical size range of housing
- Average price range of housing
- Age of housing
- New construction or development in the area versus existing home activity
- Housing values trend
- Population size
- Sales activity
- School & Crime Statistics

HOW DOES IT WORK?

Let's take a look at a few examples to understand how living communities play an important part in calculating the right cost of living differential.

EXAMPLE 1



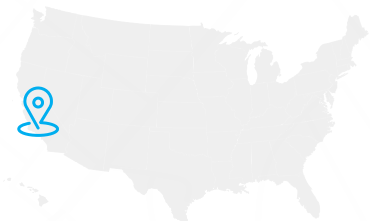
Two employees moving from Atlanta to San Francisco

EMPLOYEES WHO PREFER DIFFERENT LOCATIONS

EMPLOYEE 1	EMPLOYEE 2
Same size family & salary as Employee 2	Same size family & salary as Employee 1
Wants to live downtown	Wants to live in the suburbs

Let's say there are two employees moving from a suburban Atlanta headquarters to a downtown San Francisco office. They both have the same salary and family size. Using the suburban work site for the pre-move location and the downtown office for the post-move location will artificially inflate the differential (unless both employees opt to live in downtown San Francisco, near the office). Additionally, the company doesn't want one employee to get more financial support than the other just because one employee wants to live in downtown San Francisco while the other wants to live in the suburbs. Using employee choice introduces unwanted bias into the comparison.

EXAMPLE 2



Two employees relocating to Los Angeles/Orange County Area

EMPLOYEES WITH DIFFERENT SOCIO-ECONOMIC STATUS

EMPLOYEE 1	EMPLOYEE 2
Makes $75,000 annually	Makes $400,000 annually
New work site is Laguna Beach	New work site is Anaheim

Consider two employees relocating to the Los Angeles / Orange County area. The first is a homeowner who makes $75,000 and their new work site is in Laguna Beach. Based on their income and homeowner status, Laguna Beach, an expensive coastal community, is not an area where someone of their socio-economic status would or could purchase a home. Rather, they would likely live in other communities surrounding Laguna Beach. Running a report through a tool or calculator specifically using Laguna Beach would significantly overcompensate this individual. Why? Because it's much more expensive than the areas where that employee would typically buy a home.

The second employee is also a homeowner but is an executive making $400,000 annually. Their new work site is in Anaheim which is a large inland community. While this executive could choose to live in Anaheim, it's much more likely that they would opt to live in other communities with housing more common and typical of their socio-economic level. In this scenario, if the company were to use a tool or calculator specific to Anaheim, they would significantly undercompensate that employee.

NEXT STEPS

Motus Two Location Comparison Reports calculate an accurate cost of living comparison based on living communities that are common and typical for employees at their salary level. This ensures that data collected in both the origin and destination worksites have similar socio-economic characteristics. Every report provides a fair and accurate calculation that can be used to determine an allowance in the transferee's new location. Better yet, it prevents over-paying or under-paying based on the employee's income, family size and homeowner/renter status and eliminates individual employee bias and lifestyle preferences .

Keep things fair and accurate with Motus Two Location Comparison Reports.
Interested in learning more?

Contact Us

ABOUT MOTUS

Motus is the definitive leader in solutions for businesses with mobile-enabled workforces. Motus simplifies reimbursement and management of mileage, mobile devices and remote work with proprietary software that calculates personalized reimbursements for each employee, while improving employee productivity, reducing overall mobility costs and supporting customers' tax and labor law compliance programs. The company's unmatched living cost data, refined over more than 80 years and updated in real time, has made Motus the leading provider of mobile workforce management solutions for top Fortune 500 companies. Motus automotive data, captured and analyzed across the world's largest retained pool of drivers, also underpins the annual Internal Revenue Service (IRS) business mileage standard, the amount an individual can deduct for business vehicle expenses. For more information please visit **www.motus.com** or connect with us on **Twitter**, **Facebook**, **Instagram** or **LinkedIn**.