

INTERACTIVE EXERCISE

Course 92: Expatriate Compensation

We'll begin by opening ERI's **Relocation Assessor**. This tool allows you to compare cost-of-living levels in over 10,500 areas in over 200 countries worldwide.

Make sure the **Two City Comparison** tab is selected. To begin setting the parameters for the comparison, in the *Name* field, enter "Joan Shoemaker." In *Earnings* enter "255,000."

Under *Base Location*, press the **Browse** button.

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Relocation Assessor **Two City Comparison** COL Table By Earnings Estimated Per Diems City Reports Maps

Options Saved Criteria -- Select Saved Criteria -- Save Delete

Name
Joan Shoemaker

Earnings
255,000

Base Location
United States Average

Base Currency
United States Dollars

Destination Location
Canada Average

Destination Currency
United States Dollars

Two City Cost Comparison

Comparison

	Base City: United States Average United States Dollars	Destination City: Canada Average United States Dollars	Differentials: United States Dollars
Consumables	18,346	28,573	10,227
Transportation	11,000	14,880	3,880
Health Services	2,536	2,348	-188
Rent/Utilities/Insurance	34,592	23,925	-10,667
Income+Payroll Taxes	9,949	19,516	9,567
Miscellaneous	3,577	3,577	0
Total Cost-of-Living	80,000	92,819	12,819
COL % of Base City	100%	116%	16%

The *Browse Areas* box displays. In the *Area Name* field, begin entering "Portland, Oregon" and select it when it is highlighted in the list. Then press the **OK** button.

Browse Areas

ERI Areas

Radius Search

User-Defined Averages

Browse By Region

Internal Areas

Area Name

Gresham

Postal Code ?

Type Postal Code

Filters

All Areas

Select Area

Area Name

Gresham, Oregon

Gretna, Louisiana

Greve Strand, Denmark

Greven, Germany

Grevenbroich, Germany

Greybull, Wyoming

Griffin, Georgia

Griffith, Indiana

Grimbergen, Belgium

Grimes, Iowa

Grimsby, Ontario

Grimsby, United Kingdom

Grimshaw, Alberta

Grindavik, Iceland

Grinnell, Iowa

1 of 10620 areas have been selected.

Cancel

OK

Back at the *Two City Comparison* screen, make sure Base Currency is “United States Dollars.” Now, press the **Browse** button for *Destination Location*.

Relocation Assessor

Two City Comparison

COL Table By Earnings

Estimated Per Diems

City Reports

Maps

Options

Saved Criteria

-- Select Saved Criteria --

Save

Delete

Name

Joan Shoemaker

Earnings

255,000

Base Location

Gresham, Oregon

Browse

Base Currency

United States Dollars

Browse

Destination Location

Canada Average

Browse

Two City Cost Comparison

PDF

Excel

Comparison

Reset to Default

Edit Values

	Base City: Gresham, Oregon United States Dollars	Destination City: Canada Average United States Dollars	Differentials: United States Dollars
Consumables	18,346	28,573	10,227
Transportation	11,000	14,880	3,880
Health Services	2,536	2,348	-188
Rent/Utilities/Insurance	34,592	23,925	-10,667
Income+Payroll Taxes	9,949	19,516	9,567
Miscellaneous	3,577	3,577	0
Total Cost-of-Living	80,000	92,819	12,819

In the *Browse Areas* box, begin typing “Munich, Germany” and when it is highlighted, press the **OK** button.

Browse Areas

ERI Areas Radius Search User-Defined Averages Browse By Region Internal Areas

Area Name:

Postal Code:

Filters:

Select Area

Area Name
Munich, Germany
Münster, Germany
Munster, Indiana
Muntinlupa City, Philippines
Murcia, Spain
Murfreesboro, Tennessee
Murphy, Texas
Murray, Kentucky
Murray, Utah
Murrells Inlet, South Carolina
Murrieta, California
Murrysville, Pennsylvania
Muscat, Oman
Muscatine, Iowa

1 of 10614 areas have been selected.

[Cancel](#) **OK**

Make sure the *Destination Currency* is “United States Dollars.”

Note: The **Relocation Assessor** only operates in a rent mode for cities outside of North America because most expatriates rent due to the temporary duration of their assignments.

Now enter these additional parameters:

Sq. Ft.:	1,800 (rents are high in Munich so the living space is smaller)
Family Size:	4
Automobiles Owned:	2
Total Value:	\$50,000 (Lease value for Joan’s car)
Miles/Year:	20,000

Expenditure Pattern = Local: Unchecked (Joan will not be localized during her assignment)
The comparison below now shows that there is a 20.8% cost of living differential between Gresham, Oregon, and Munich, Germany, with the housing adjustment. This would indicate that Ms. Shoemaker should receive a \$53,000 annual cost-of-living allowance for her assignment to Munich.

Destination Currency
United States Dollars

Browse

Housing

☐ Own
☒ Rent

Sq. Ft.:
Family Size:

Automobile

Owned:
Total Value:
Miles/Yr:

Tax Residence

United States

The calculations made here also do not include a hazardous/dangerous duty premium, since Germany is not a country that would qualify for danger or hardship pay.

This concludes the tutorial portion of this exercise. Please close this PDF and select the **Next** button to continue.