



Initial findings report

Mercer 2008 Gas Price Impact SnapShot™ Survey

August 2008

Organizations are struggling with how best to support their workforce in light of rising commuting costs from gas price increases. On one hand, employers are concerned with attraction and retention and want to alleviate the impact higher gasoline prices could have on employees deciding to change jobs to shorten or eliminate commutes. On the other hand, employers also are asking themselves how long they will be able to make accommodations, about the precedents they would be setting and whether environmental consciousness should become part of their employment value proposition.

Some North American organizations have already taken steps to help their employees offset the high cost of gasoline according to Mercer's *2008 Gas Price Impact SnapShot™ Survey*, which assesses how organizations are determining what actions – if any – they will take. The survey was conducted in July 2008 and includes responses from almost 800 organizations across North America. Below is preliminary analyses; final results will be available by mid-September.

The most popular actions implemented or planning to be implemented to mitigate the impact of higher gas prices are:

- Increasing the mileage reimbursement amount for business-related travel (76 percent of US companies; 76 percent of Canadian companies). A majority of those respondents (66 percent in the US and 71 percent in Canada) plan to increase reimbursement amounts up to 20 percent.
- Allowing flexible work schedules (75 percent US; 58 percent Canada)
- Increasing the number of teleconferences versus face-to-face meetings (62 percent US; 54 percent Canada)
- Allowing increased telecommuting from home (58 percent US; 37 percent Canada)

See Tables 1 and 2 for US and Canadian results, respectively.

Creative alternatives

With gas prices still high despite moderating recently, organizations are finding innovative, low-cost and environmentally friendly ways to help employees manage the escalating costs of their commutes to work.

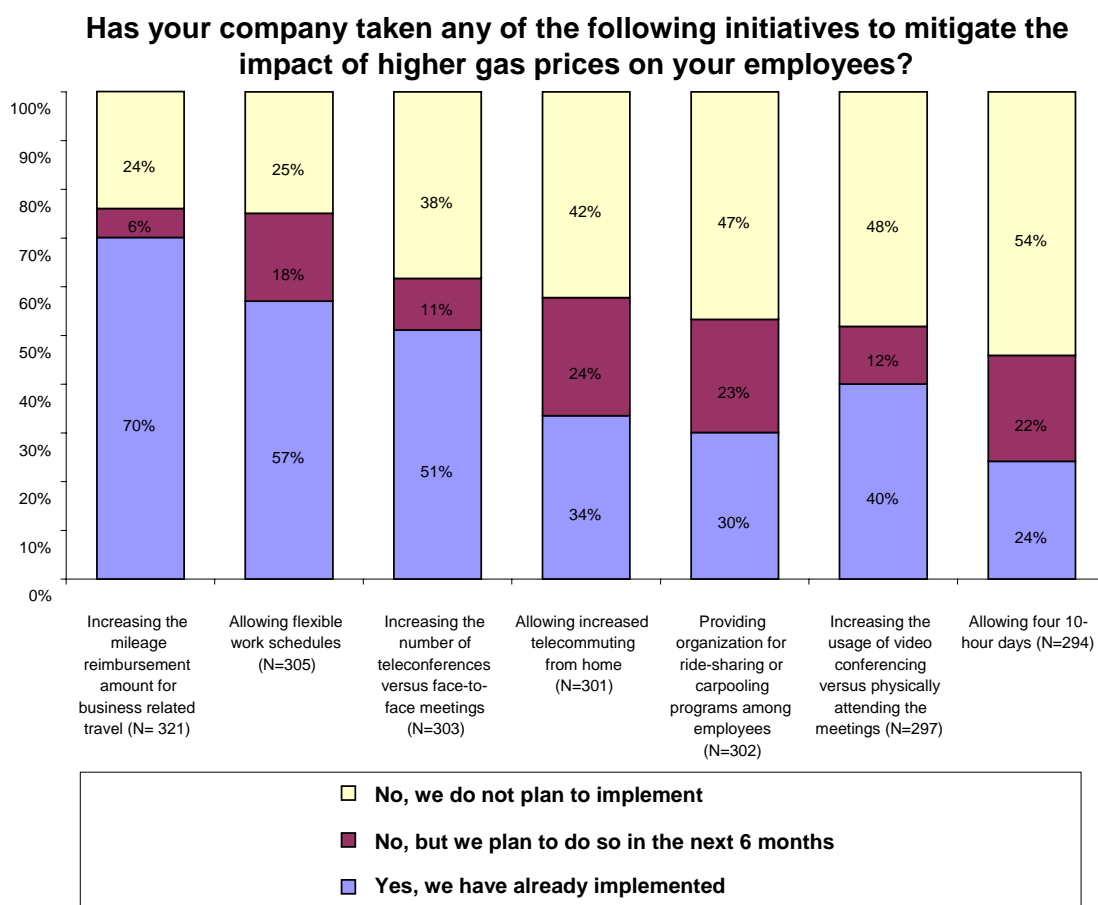
Employers across North America, for example, are planning within the next six months to organize ride-sharing or carpooling programs among employees (14 percent), increase usage of video conferencing versus face-to-face meetings (13 percent) and offer at least some of their employees the option of a four-day work week (13 percent). See Table 3 for North American results.

To encourage ride-sharing, some companies offer special parking privileges for carpooling, company-funded vanpools, and van services from bus and train stations.

Or, if they decide to offer subsidies to employees, such as prepaid gas cards, these may be in the form of performance incentives rather than as a new benefit offered to all employees. For instance, some organizations are providing prepaid gas cards for perfect attendance, gas card giveaways for top performance and subsidies for public transportation costs. Mercer's survey shows that 13 percent of companies currently provide employees a subsidy for public transportation costs, while another eight percent plan to offer this option in the next six months.

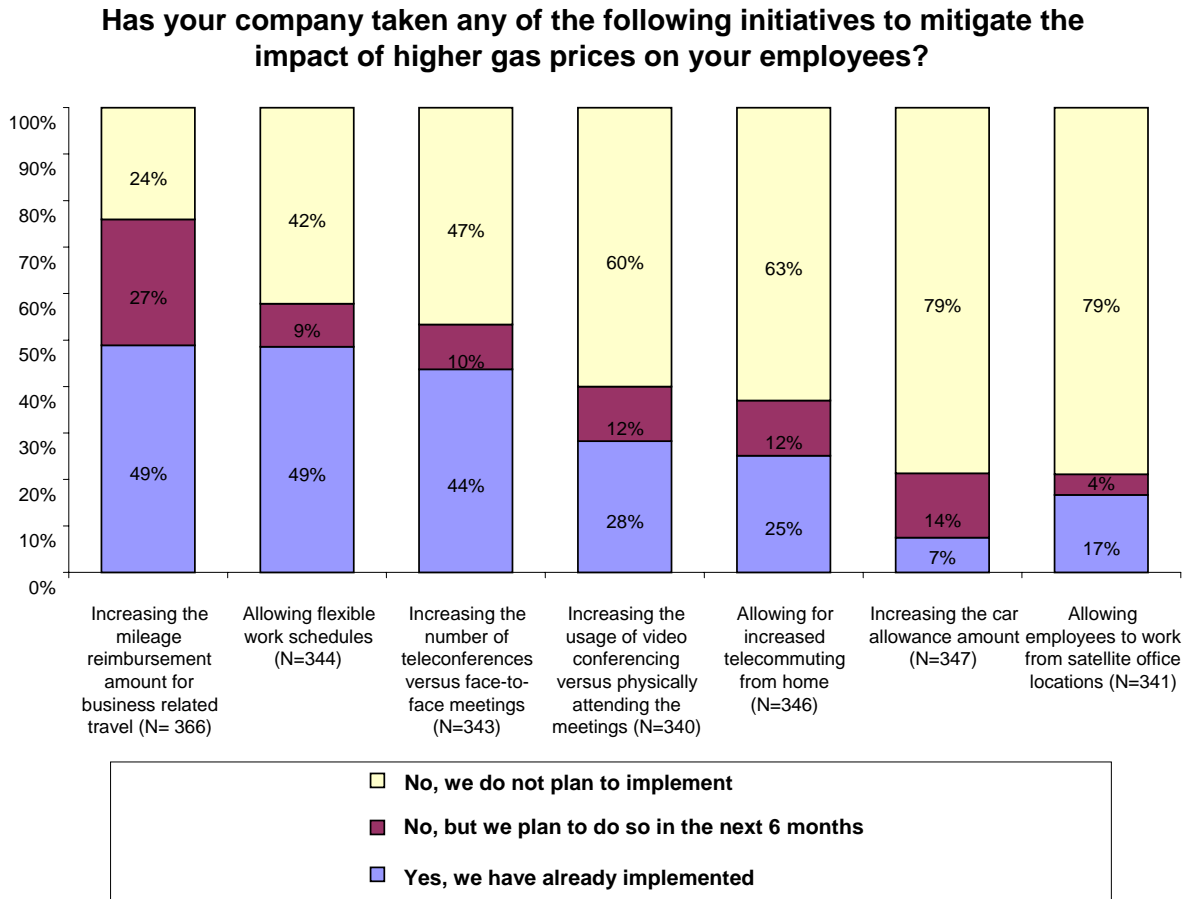
Mercer's complete analysis of the *2008 Gas Price Impact SnapShot™ Survey* report will be available in mid-September; participants will receive results via e-mail.

Table 1: **United States** initiatives to mitigate the impact of higher gas prices



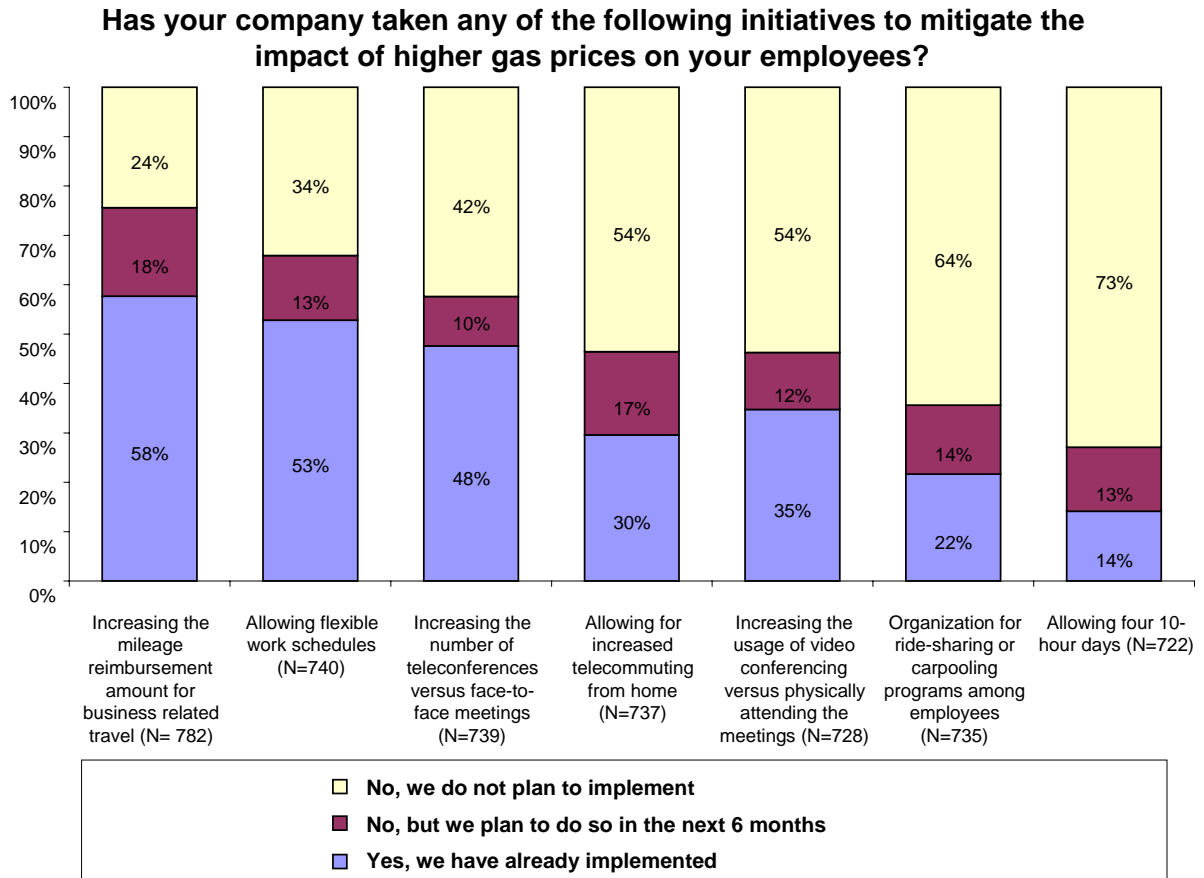
Source: Mercer, *2008 Gas Price Impact SnapShot™ Survey*

Table 2: **Canadian** initiatives to mitigate the impact of higher gas prices



Source: Mercer, 2008 Gas Price Impact SnapShot™ Survey

Table 3: **North America** initiatives to mitigate the impact of higher gas prices



Source: Mercer, 2008 Gas Price Impact SnapShot™ Survey