

THE BIG SHIFT TO WORKING FROM HOME

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September 2022

SOURCE MATERIAL

Survey of Working Arrangements and Attitudes (www.WFHResearch.com)

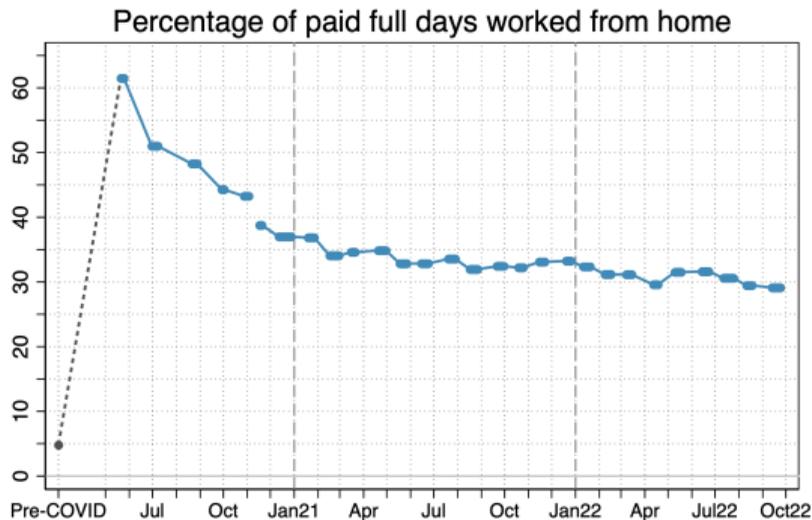
- ▶ Monthly cross section of $\sim 10,000$ US residents earning \$10,000/year recently
- ▶ Current WFH and post-pandemic *plans* for WFH, *efficiency* of WFH
- ▶ **Chicago**, **Stanford**, and **ITAM**

Survey of Business Uncertainty (www.atlantafed.org/sbu)

- ▶ Monthly panel of ~ 500 US firms
- ▶ Current and expected sales growth and employment
- ▶ **Atlanta Fed**, in collaboration w/ researchers at **Chicago**, **Stanford**, and **ITAM**

IN PICTURES: THE SHIFT TO WFH

Working From Home Before & During COVID

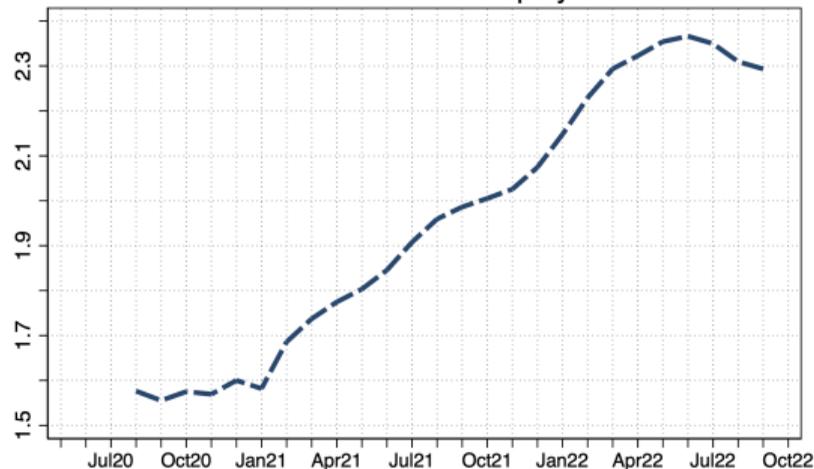


*Pre-COVID estimate taken from the 2017-2018 American Time Use Survey

*The break in the series in November 2020 reflects a change in the survey question.

Employer Plans: ~2.3 Days/Week for Those Who Can WFH

Average Days per Week Working From Home After the Pandemic Ends: Employer Plans



Sample: Workers able to work from home

Notes: The left chart shows the percent of paid days that are full working from home days in all SWAA waves covering May 2020 to September 2022. The right chart shows a 3-month moving average of employer plans for those who are able to work from home from August to October 2022. See wfhrefsearch.com and Barrero, Bloom, and Davis (2021b).

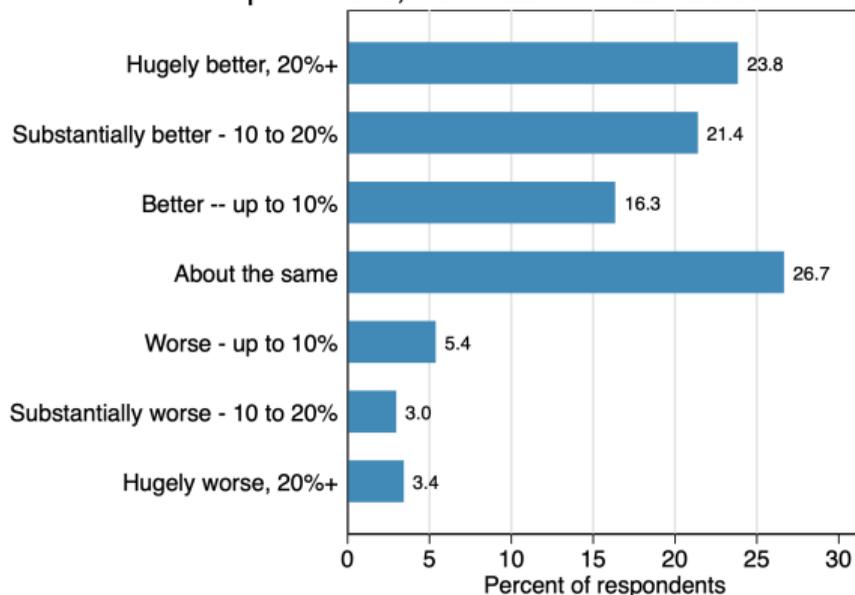
N = 92,717 (left) N = 72,494 (right)

FOUR REASONS WHY WFH WILL STICK

1. **Learning & experimentation**
2. **Demand from workers in a tight labor market**
3. **Efficiency gains, much from saved commuting time**
4. *Long Social Distancing*

WHY WFH WILL STICK: FORCED EXPERIMENTATION AND LEARNING

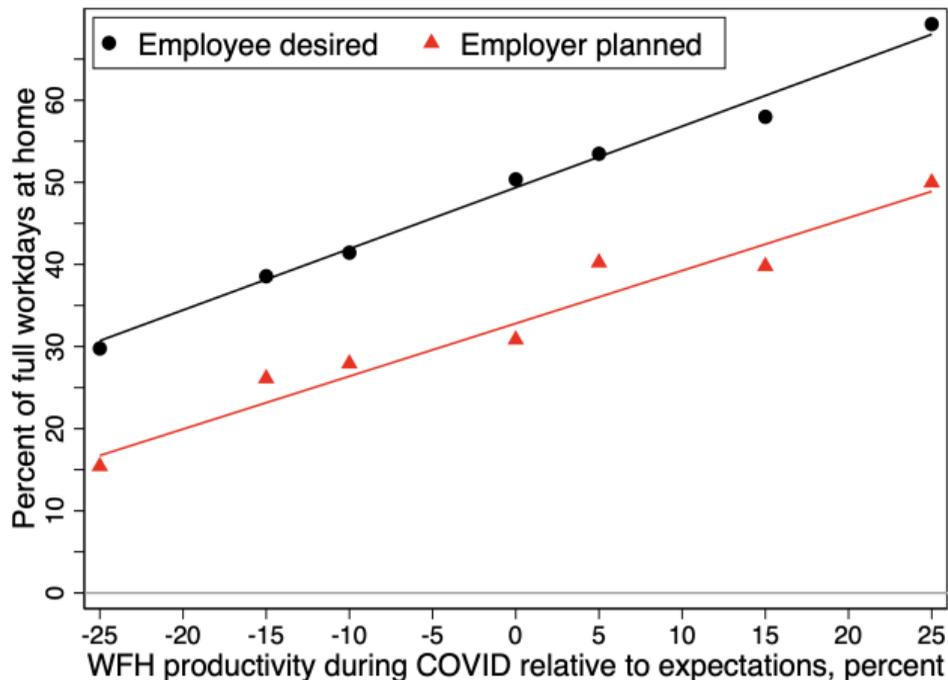
Relative to expectations, how has WFH turned out?



Compared to your expectations before COVID (in 2019), how has working from home turned out for you [in terms of productivity/efficiency]?

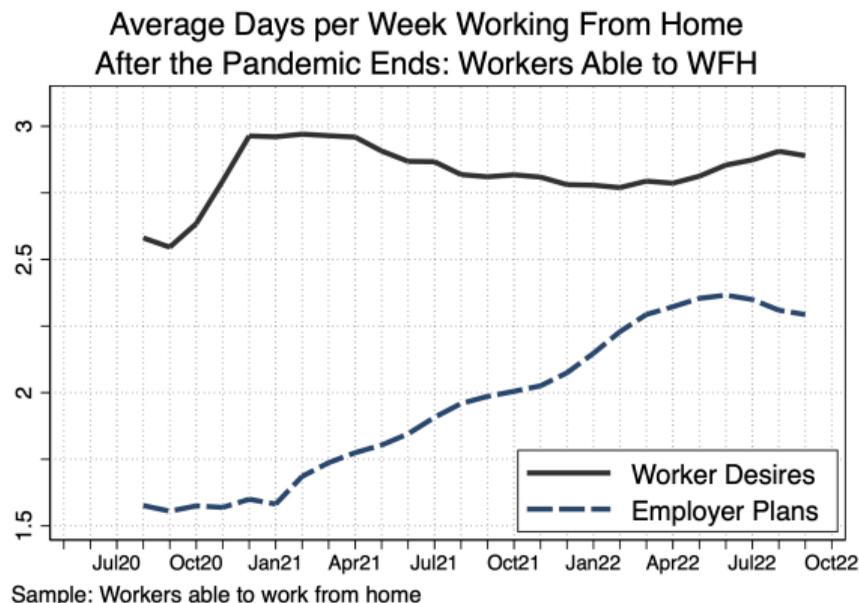
Notes: Data are from the July 2020 to September 2022 SWAA waves. We re-weight raw responses to match 2010-2019 CPS pop. by {age × sex × education × earnings} cell. N = 55,998.

DESIRED AND PLANNED POST-COVID WFH REACT TO EXPERIMENTATION & LEARNING



Notes: Data are from 68,250 survey responses collected between May 2020 and April 2022. We re-weight raw responses to match 2010-2019 CPS pop. by {age × sex × education × earnings} cell. N = 51,885.

WHY WFH WILL STICK: WORKERS WANT MORE WFH THAN EMPLOYERS



As the pandemic ends, how often would you like to have paid work-days at home?

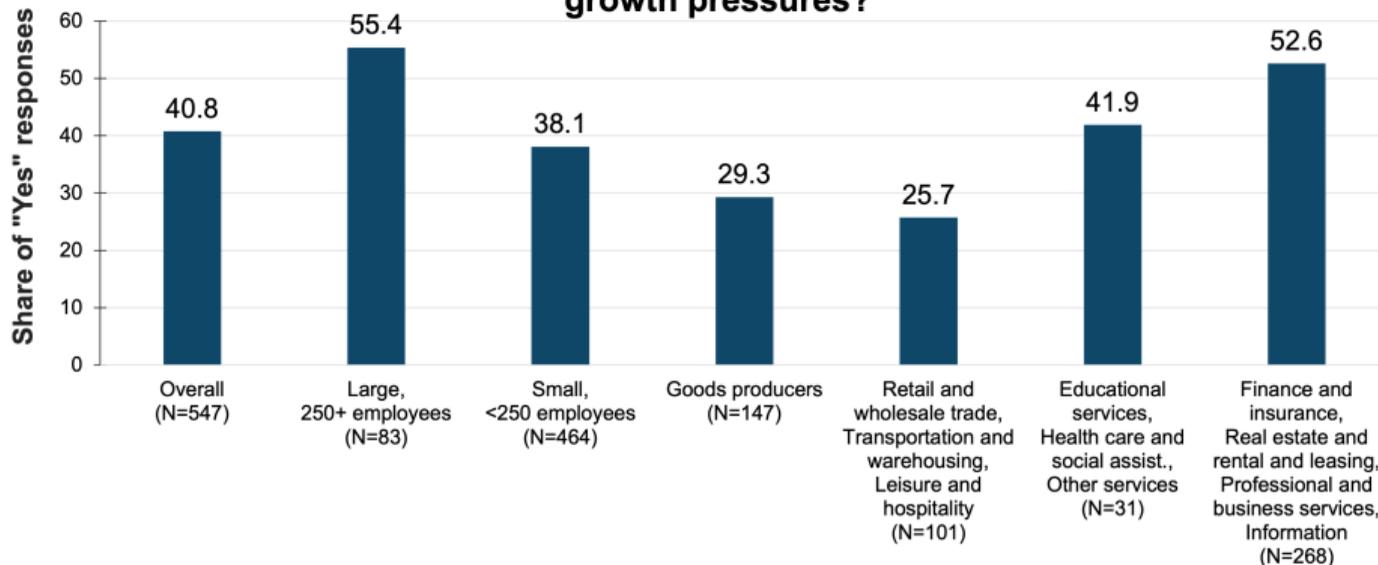
- ▶ *Never*
- ▶ ...
- ▶ *5+ days per week*

As the pandemic ends, how often is your employer planning for you to work full days at home?

Notes: Data are from the May 2020 to September 2022 SWAA waves. We re-weight raw responses to match 2010-2019 CPS pop. by {age × sex × education × earnings} cell. Each month we compute average worker desires and employer plans for full paid working days at home after the end of the pandemic. The figure shows three-month moving averages for each variable, but we use two-month moving averages at the ends. N = 78,029 (desires). N = 72,494 (plans).

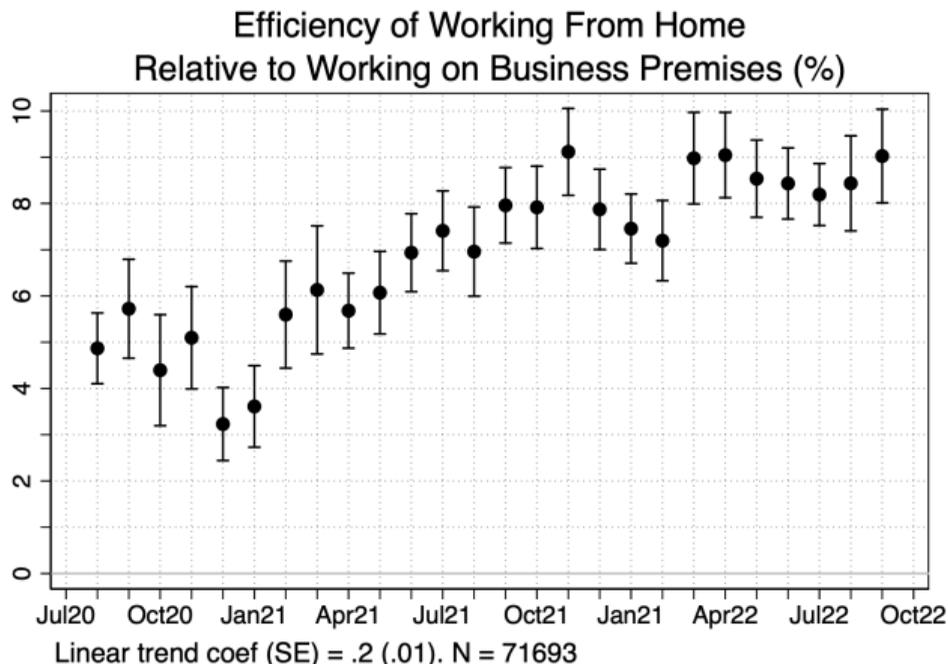
EXPANDING WFH OPPORTUNITIES SUPPRESS WAGE GROWTH BY ~ 1 P.P./YEAR

Over the next 12 months, will your firm let employees work from home (or other remote location) at least one day per week to restrain wage-growth pressures?



Source: Survey of Business Uncertainty conducted by the Federal Reserve Bank of Atlanta, Stanford University, and the University of Chicago Booth School of Business. Using data from the April and May 2022 survey waves.

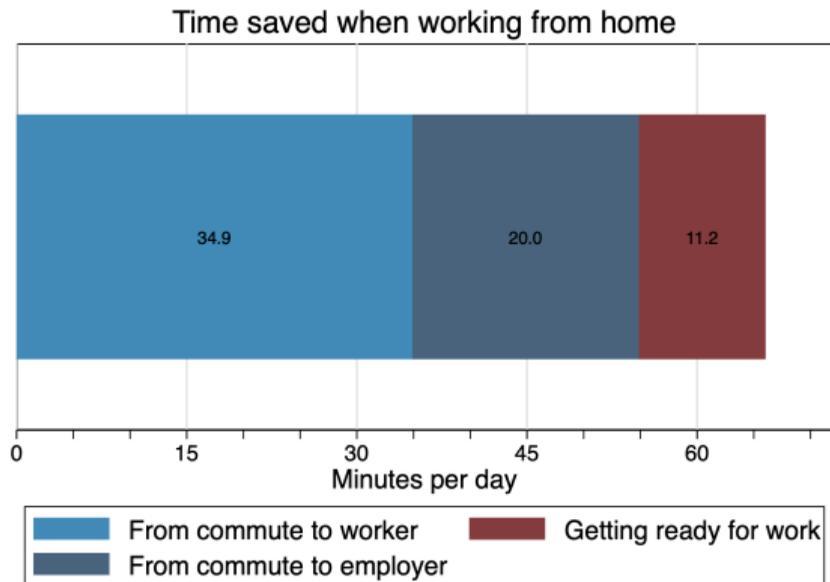
WHY WFH WILL STICK: HIGHER EFFICIENCY



How does your efficiency working from home compare to your efficiency working on business premises?

Notes: Data are from the August 2020 to September 2022 SWAA waves. We re-weight raw responses to match 2010-2019 CPS pop. by {age × sex × education × earnings} cell. The figure shows a binned scatter plot and 95% confidence intervals after controlling for age, gender, the presence of children, industry of current (or most recent) job, race/ethnicity, log(earnings) and years of education.

EFFICIENCY: THE TYPICAL WORKER SAVES >1 HOUR/DAY WHEN WFH



Notes: Data are from the August 2020 to September 2022 SWAA waves. We re-weight raw responses to match 2010-2019 CPS pop. by {age × sex × education × earnings} cell. N = 69,638 (commute time). N = 61,317 (time getting ready for work)

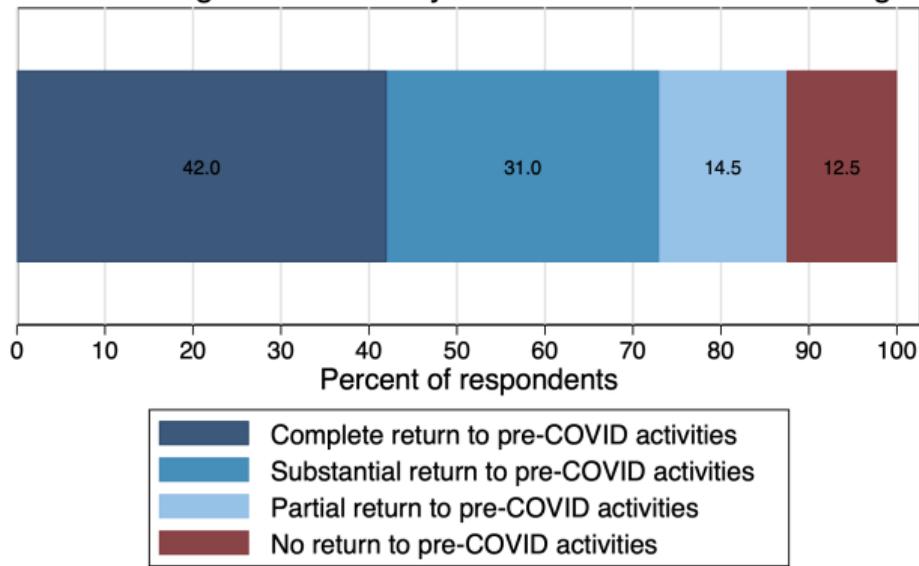
Since the start of the COVID-19 pandemic, while you have been working from home, how are you now spending the time you have saved by not commuting?

How much time do you spend on grooming and/or getting ready for work when:

- ▶ *You commute to your employer's or client's worksite?*
- ▶ *You work from home?*

WHY WFH WILL STICK: LONG SOCIAL DISTANCING

As the COVID-19 pandemic ends, which of the following would best fit your views on social distancing?

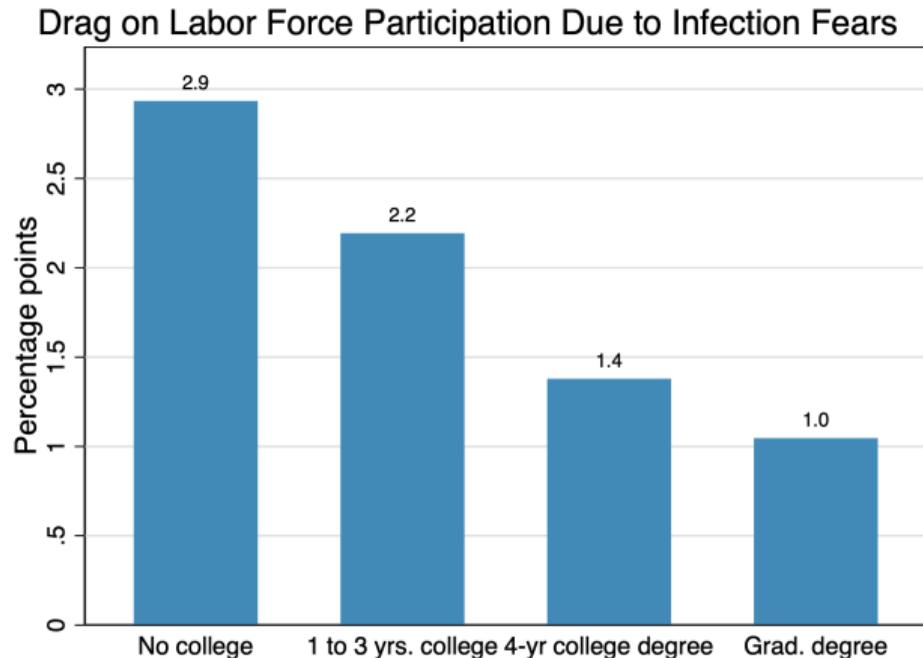


As the COVID-19 pandemic ends, which of the following would best fit your views on social distancing?

- Complete return to pre-COVID activities...
- Substantial return to pre-COVID activities...
- Partial return to pre-COVID activities...
- No return to pre-COVID activities...

Notes: Data are from the survey responses collected between February to July 2022 SWAA waves. We re-weight raw responses to match 2010-2019 CPS pop. by {age × sex × education × earnings} cell. N = 27,632.

LONG SOCIAL DISTANCING SUPRESSES LF PARTICIPATION BY ~ 2.0 P.P.



Notes: The figure uses responses to the question “Are worries about catching COVID or other infectious diseases a factor in your decision not to seek work at this time?” to estimate, for each education group shown, the drag caused by Long Social Distancing on labor force participation. Data are from the February to July 2022 waves of the SWAA and reweighted to match the 2010-2019 CPS population in each {age \times sex \times education \times earnings} cell. N = 27,632.

CONCLUSION

Technology is *central* to the big shift to working from home.

- ▶ Has enabled a huge shift in working arrangements
- ▶ **But technology is not enough:** needed the pandemic as a catalyst
- ▶ In a post-pandemic world, technology can help mitigate *inflation* and the effects of *Long Social Distancing*