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The Future of Working Away from Work

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Issue

The COVID-19 pandemic turned American work life outsidein. Before March 2020, nearly all workers worked outside of the home all or most of the time. In the spring of 2020, at least half worked at home as a result of stay-at-home recommendations and orders¹ and enabled by advances in online video-communication technologies. Telecommuting is not new; it grew slowly in the four decades leading up to the outbreak. From 1980 the share of California's workforce working primarily at home rose from just under 2% to 6% (see blue line in Figure 1), similar to national trends (red line). It peaked at 62% in May 2020, but was back down to 37% by the end of the year. But fully two years later the average was roughly 30%, a five-fold increase over prepandemic levels.² Remote work appears here to stay.

This dramatic shift has profound implications for transportation as much of the system is designed to carry morning and evening commuters into and out of downtowns and other office centers. While vehicle traffic, which plummeted in the early months of pandemic, has since rebounded, public transit ridership has yet to fully recover – with most systems stuck at about under three-quarters of pre-pandemic levels. Researchers at the UCLA Institute of Transportation Studies have analyzed the extensive research literature and more recent reports on working-from-home and travel to determine how it affects travel and what a future of elevated remote work means for our transportation systems.

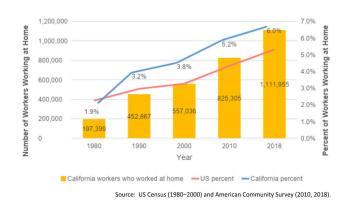


Figure 1. Work-at-home trends in California and the United States, 1980–2018

Key Findings

Remote work is likely to remain elevated for many years to come. While it is possible that work from home rates will drop further below the current stable rate of roughly 30%, there is no evidence pointing to a return to the low levels of working from home (5-6%) we saw prior to the pandemic.

Working remotely, even part-time, is extremely popular with workers who can do so. The tight labor market in 2021 and 2022 gave workers leverage to insist on remote work options. Still, only about four in 10 jobs can reasonably be performed remotely.³

Employers are more skeptical of remote work. Despite wariness among many employers, there is little evidence that remote work leads to declining productivity in the



near term. In fact, many studies find that it may actually improve performance.⁴ However, its longer-term effects are uncertain.

Telecommuting is unlikely to solve chronic transportation problems like traffic congestion and vehicle emissions. Over a dozen studies from across the world show that remote workers actually drive *more* than those who commute to a physical workplace — not less as is commonly perceived — mainly because they take more household-serving and personal trips. And hybrid-remote workers (who split their workdays or weeks between home and office) are more likely to live farther from their workplaces — a trend that pandemic-era remote workers have likely accelerated in search of home offices in larger homes — in suburbs where travel destinations are more spread out.

Any significant recovery for public transit depends on repopulating dense activity centers. Since many transit systems serve downtowns and other major activity centers, growing future ridership will depend on whether and how much those centers will be able to attract new firms and workers, as well as residents to new multi-story housing, in the months and years ahead — both of which are presently unknown.

Further Information

This policy brief is drawn from the report "The Future of Working Away from Work and Daily Travel: A Research Synthesis" by Samuel Speroni and Brian D. Taylor, at the UCLA Institute of Transportation Studies. The report can be found here: www.its.ucla.edu/project/post-pandemic-work-from-home-and-travel.

For more information, please contact Professor Taylor at <u>btaylor@ucla.edu</u>.

¹ Katherine Guyot and Isabel V. Sawhill. "Telecommuting Will Likely Continue Long After the Pandemic." Brookings, April 6, 2020. <u>https://www.brookings.</u>

edu/blog/up-front/2020/04/06/telecommuting-will-likely-continue-long-after-the-pandemic/2020.

³ Joshua Drucker and Asad J. Khattak. "Propensity to Work from Home: Modeling Results from the 1995 Nationwide Personal Transportation Survey." *Transportation Research Record* 1706, no. 1 (2000), 108–117. <u>https://doi.org/10.3141/1706-132000</u>; Henning Holgersen, Zhiyang Jia and Simen Svenkerud. "Who and How Many Can Work from Home? Evidence from Task Descriptions." *Journal for Labour Market Research* 55, no. 4, (2021). <u>https://doi.org/10.1186/s12651-021-00287-z</u>.

⁴ Vivian Giang. "The Office Monsters Are Trying to Claw Their Way Back to 2019." *New York Times*, June 4, 2022. <u>https://www.nytimes.com/2022/06/04/</u> <u>business/dealbook/companies-return-to-office.html</u>.

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² Barrero, J. M., Bloom, N., & Davis, S. J. (2021). *Why Working from Home Will Stick* (Working Paper No. 28731; Working Paper Series). National Bureau of Economic Research. <u>https://doi.org/10.3386/w28731</u> (with data updated through 2022).