Benefits of Maintaining Telework Policies

Amid nationwide shelter-in-place orders during the pandemic, businesses and organizations have significantly changed their operations, including implementing telework policies at an unprecedented scale. Telework measures have shown economic, equity and environmental benefits for organizations, employees and local governments.

A survey by Global Workplace Analytics found 77% of office-based workers were working from home five days a week in the early months of the pandemic, compared to only 9% before the start of the crisis. Theoretically, based on their job responsibilities, work tasks, customer relationships and necessary coworker interactions, it is possible that as many as nearly 75 million U.S. employees could work from home — more than half of the non-self-employed workforce.

Along with this economic shift, increased telework promises to be instrumental in the fight against climate change. Although not all vehicle miles traveled (VMT) avoided during the early days of the COVID-19 shutdown are directly tied to telecommuting policies, researchers at the UC Davis Road Ecology Center found that, after California’s statewide stay-at-home order in March and mid-April 2020, total VMT fell by 75%, with a corresponding drop in pollution levels.

The annual environmental impact of half-time remote work (for those who both want to work remotely and have a compatible job) would be the greenhouse-gas equivalent of taking the entire New York state workforce off the road. There is no easier, quicker and cheaper way to reduce your carbon footprint than by reducing commuter travel.
Brookings Institute research shows that one step to reduce congestion, deliver a safer, greener transportation system, and still bring the economy back to full capacity is demand management, allowing employees to work from home more often, and with more flexible work schedules where possible.

The researchers recommend implementing VMT fees to account for the losses in gas-tax revenues (from less driving), promoting public transit, and redesigning streets for more sustainable uses like walking and biking to foster active transportation and dissuade people from using their cars as their primary mode of transportation.

Economists recommend directing post-recovery spending on embedding climate-positive behaviors, by supporting telework, high-speed broadband connectivity, and residential energy efficiency.

“The COVID-19 crisis has encouraged a rapid shift to digital and remote working practices in many countries and reduced aviation and car transportation,” said Nobel laureate Joseph Stiglitz.

“If leaders take the right steps — encouraging telework, altering revenue structures, and retrofitting roadways — the nation can emerge from the COVID-19 pandemic with a stronger and safer transportation outlook. It’s now up to society to remake itself in the image it wants,” concluded Brookings Institute researchers. “Employers will need to rethink their telecommuting practices, government officials will need to accelerate adoption of new revenue sources, and entire communities must be willing to redesign their roads for greener and more flexible uses.”

Telework jobs also offer better employment options for rural workers (in locations with broadband access) and for people with disabilities.

A Growing Market for Telework

The percentage of workers around the world who are permanently working from home is expected to double in 2021, as productivity has increased during the pandemic, according to an Enterprise Technology Research survey of 1,200 chief information officers across different industries in September 2020.

The survey also found IT decision-makers expect permanent remote work to comprise 34.4% of their companies’ workforce in 2021.

Regular work-at-home has grown 173% since 2005, much faster than the rest of the workforce (which grew by 15%), according to Global Workplace Analytics’ analysis of 2018 ACS data.

How many more people could work from home?

- 43% of employees already work remotely with some frequency, according to Gallup’s 2016 “State of the American Workplace.”
- 56% of employees have a job where at least some of what they do could be done remotely, according to Global Workplace Analytics.
- 35% of employees would change jobs for the opportunity to work remotely full-time (47% of millennials, 31% of boomers), while 37% would do so to work remotely some of the time, according to Gallup.
- A recent questionnaire by Blind found that more than one-half of those surveyed would prefer to continue working remotely rather than get a $30,000 annual salary bump.
Good for Businesses and Workers

Telework can boost productivity, improve performance, and reduce absenteeism. Teleworkers are an average of 35-40% more productive than their office counterparts, and have measured an output increase of at least 4.4%. With stronger autonomy via location independence, workers in certain types of jobs have been shown to produce results with fewer quality defects. Because workers are more engaged, absenteeism is also down 41%.

More than one-half of employees (54%) say they would change jobs for one that offered them more flexibility, which results in an average of 12% turnover reduction after a remote work agreement is offered.

“Many workers view telecommuting as a job perk, with more than half seeking the arrangement as a way to improve work-life balance. People choose to work remotely to avoid daily commutes, reduce workplace distractions and fulfill family-care responsibilities,” Laurel Farrer wrote in Forbes in February 2020.

“Employers can hire geographically distributed talent and reduce overhead expenses, while employees can gain flexibility, save time, and reduce transportation and some childcare costs,” according to the American Psychological Association.

The Dollars and Sense of Telework

Telework can also help the bottom line. Global Workplace Analytics estimates that organizations save an average of $11,000 per year per part-time telecommute, or 21% higher profitability as a result of savings in real estate, absenteeism, turnover and increased productivity.

Telecommuting can help reduce the capital drain of owning or leasing a building, while also saving on parking-lot leases, furniture, supplies, maintenance, security, janitorial services, insurance, taxes, common area and other related costs, and cutting compliance costs.

Over the past several years, the primary driver of telework programs has been the attraction and retention of talent, but during the last recession, it was largely about saving money. Desperate to shed costs, organizations found they could do more with less real estate. Since that time, occupancy studies have shown just how inefficient office space was being used.

The pandemic will also likely cause executives to rethink the need for travel to meetings and conferences. While going virtual may not have all the same benefits of face-to-face meetings, the savings may often outweigh the cost.

Larger companies are most likely to offer telework options to most of their employees, based on a study of 2017 ACS data by Global Workplace Analytics. For example, Ford Motor Co. has announced 30,000 employees will telework; and Allstate anticipates 60% of their employees will work remotely after the pandemic. Salesforce, San Francisco’s largest private employer, plans to allow half, or more, of its employees to work from home for the long-term, CEO Marc Benioff said.

Cost Savings and Access to Jobs

Telework can reduce household transportation costs and support job opportunities for people who live away from job centers.

Due to reduced cost for travel, parking and food, employees could expect to save between $2,500 and $4,000 a year by teleworking at least half the time — and even more if they’re able to move to a less expensive area and work remotely full-time. Some insurance companies also offer special telecommuter rates, saving as much as 15%.

Workers save time as well as money. By reducing their commute driving time, a half-time teleworker can save the equivalent of two to three work-weeks per year (or often the vacation days that a company gives its employees). Less time on the road also means teleworkers are less at-risk of being in a traffic crash and have less exposure to harmful pollutants, pathogens and stress that could lead to a multitude of related illnesses.

Telework can also help achieve social-equity goals. If jobs are less dependent on location, a greater diversity of individuals could have access to job opportunities, bolstering more equitable distribution of wealth, according to Global Workplace Analytics.
Climate Change, Infrastructure and Public Health

Telework policies can help fulfill a range of local-government goals, from addressing infrastructure and climate-change impacts to improving health outcomes.

Decentralized labor and reduced commutes associated with telework reduces strain on public infrastructure. Between December 1, 2019, and March 31, 2020, Los Angeles and Ventura counties experienced a 30-40% drop in VMT, according to Institute of Transportation Engineers data.

U.N. data showed a 5.5 to 5.7% decline in CO2 emissions due to the pandemic. Continuing VMT-reducing telework policies would also help maintain the reductions in greenhouse-gas emissions and harmful pollutants (SO2, O3, NO2, CO and PM 10) we’ve seen during the pandemic.

Almost 95,000 traffic-related injuries and deaths can be prevented, and more than $11 billion a year in related cost savings can be achieved, by shifting the 50 million Americans with compatible jobs and a desire to work from home at least part of the time to half-time telework.

Telework strategies by state and local governments can help cities handle infrastructure costs, foster economic growth, create sustainable jobs.

Government Support to Encourage Telework

Telework and Workers with Disabilities
Groups like Respect Ability and the Viscardi Center are working to elevate awareness of and opportunities for people with disabilities to have jobs through telework and adaptive-work policies and practices.

While many state governments have inclusive telework policies for agency employees with disabilities, a range of other employers during the pandemic are using telework policies and job accommodations that may have once appeared extravagant. With remote accommodations now commonplace, opportunities for workers with access and functional needs are more attainable.

In December 2020, the Council of State Governments’ national-conference session on “Telework: Adapting to the COVID-19 Economy” showcased strategies that state and local governments and the private sector use to accommodate employees with disabilities and new telework conditions, and released a new report on “Disability-Inclusive Telework for States.”

The Journal of Occupational Rehabilitation also details the benefits of maintaining telework practices for workers with disabilities after the pandemic. As an employer, the federal government likewise regards telework as a way to retain its workers with disabilities.
A number of states and cities have recognized the value of telecommuting and provided assistance for private-sector initiatives that benefit both employers and employees (including those in California).

**Tax Breaks**

In Virginia, businesses that promote telecommuting can get up to $50,000 in tax credits for spending $1,200 in telework expenses for each employee. Meanwhile in Washington, Senate Bill 6016 was introduced to give businesses up to $250 in tax credits for each remote employee who telecommutes at least 12 days per month, with up to a maximum of $10,000 per year.

Georgia’s Commuters Choice tax-benefits program offers financial incentives to employers and employees for using alternative commute modes, such as teleworking, carpooling or cleaner transportation vehicles.

**Relocation Incentives**

Some policymakers are betting on programs that tap digital technologies to entice skilled workers to relocate. In 2018, the Governor of Vermont enacted the Remote Workers Grant to attract full-time remote workers to the state by offering a variety of incentives, including up to $10,000 in relocation expenses. Also in 2018, the George Kaiser Family Foundation began paying telecommuters $10,000 to relocate to Tulsa, OK, in addition to providing a housing stipend and coworking membership. Tulsa has attracted 700 people so far, and hopes to add another 750 more this year.

In October 2020, Michigan’s Berrien County launched Move to Michigan, offering $10,000 — and another $5,000 if they enroll a child in public schools.

In April 2021, West Virginia launched a similar public-private program — Ascend WV — that seeks to lure out-of-state outdoor enthusiasts to live and work in this rural state with a $12,000 grant plus free passes for recreational destinations. Over the next five years, the program aims to attract 1,000 remote workers.

A variety of small towns in Iowa, Kansas and Texas offer free lots (valued at about $3,000) for transplants to build a house. OpportunityMaine offers up to $367 a month in state tax credits for recent college grads to pay off their student loans.

**Potential Impacts on Government Revenue**

While the expansion of telework opportunities will boost the economy as a whole and the bottom line of most companies, it’s possible that local governments will inevitably experience a decrease in tax revenues — at least in the short term.

Fewer workers in an office means companies will need less office space. With fewer workers around to drive consumer foot traffic in the downtown and other commercial districts, area restaurants and stores may see their sales decline, which in turn decreases sales-tax revenue for local governments in the near term and potentially dampens commercial property-tax revenue longer-term as the demand for and value of office space drops. That, of course, has a ripple effect on the fiscal capacity to fund essential public services, community benefits and infrastructure improvements.

Those short-term losses can be reversed over time through the elasticity of the market, varying by degree from city to city, and can also be accelerated by a variety of strategies to attract and sustain new business growth and stimulate other sources of municipal revenue. Among those options:

- Evaluate and update street and parking standards with the reduction of peak-hour commuter traffic, delay and need for expensive capacity improvements.

- Adopt dig-once policies and explore public-private partnerships to increase broadband availability, access and speed.

- Evaluate and update land-use policies and zoning codes to support conversion of unneeded or surplus office space to residential and mixed-use development.

- Explore potential fiscal impacts and mitigation strategies associated with decreasing public-parking revenue and changing sales-tax revenue.
Telehealth Opportunities

Healthcare costs are an enormous factor affecting the sustainability and vitality of our economy, and for individual choices about employment. Expanding telehealth opportunities can reduce the cost and increase the effectiveness and public health and safety services, and also support telework expansion in other sectors.

Improving access to telehealth services is a major opportunity to make comprehensive and quality services available to people in need, especially in rural areas and low-income communities. In addition to providing more frequent and easier access to preventative and mental-health care, telehealth platforms can also provide access to more vital services of medical specialists in different locations from patients in need.

In February 2021, the American Telemedicine Association created a national telehealth equity coalition to review public data on telehealth adoption in communities across the country to ensure underserved patient populations have access to quality telehealth care.

“It is imperative that we take this unprecedented opportunity exposed by the public health emergency to permanently break down the barriers of health equities for vulnerable and rural populations,” said ATA CEO Ann Mond Johnson. “We are looking forward to advancing the important work of technology-enabled care services (TEC) and exploring how technology and personal health can lead the way to health equity.”

Comprehensive and quality healthcare is important for people’s physical, social and mental health and overall quality of life, and access to such care enables people to take preventative measures, manage disease, and reduce unnecessary disability and premature death. Research shows greater use of primary care is associated with lower costs, higher patient satisfaction, fewer hospitalizations and ER visits, and lower mortality.

The additional challenge is that there is a shortage of health professionals, which affects access to care: An estimated 7 million Californians live in areas with healthcare provider shortages. In the San Joaquin Valley, the Inland Empire and the rural northern and Sierra regions, those shortfalls are particularly high.

Furthermore, studies show California could be short as many as 10,000 primary-care clinicians, including nurses and physician assistants, by 2030. Since the beginning of the pandemic, it is estimated that 60% to 90% of physicians are using some sort of telehealth services — about half of them for the first time.

Americans’ attitudes on telehealth have changed during pandemic, according to a Sykes survey released in April 2021. In March 2020, 65.6% of Americans doubted the care quality provided in telehealth appointments; however, by March 2021, 87.8% wanted to continue using telehealth services after the pandemic subsides. In March 2021, 85.9% of Americans said telehealth has made it easier to get the care they need, while a majority (51.6%) believe telehealth has allowed them to visit their physician more often; and nearly one-third (31.3%) said their healthcare costs have decreased since using telehealth.

Temporary Policy Changes during the Pandemic

At the federal level, the Centers for Medicare and Medicaid Services issued temporary measures to make it easier for people enrolled in Medicare, Medicaid and the Children’s Health Insurance Program (CHIP) to receive medical care through telehealth services during the pandemic. Some of these changes allow providers to conduct telehealth with patients in their homes and outside of designated rural areas; practice remote care, even across state lines, through telehealth; deliver care to patients through tele-health; and bill for telehealth services as if they were provided in person.

The Centers for Medicare and Medicaid Services also significantly expanded the list of covered telehealth services that can be provided in Medicare to include emergency-department visits, initial nursing-facility and discharge visits, home visits, and therapy services. Federally Qualified Health Centers and Rural Health Clinics were also given permission to serve as telehealth sites and provide telehealth services to patients at home.

Efforts by state and federal healthcare providers show how rapidly policy deployment and care adaptation to telehealth services during a pandemic can be maintained and leveraged for the benefit of those who have historically lacked access to consistent, comprehensive and quality care.