

# THE BUSINESS CASE FOR REMOTE WORK

FOR EMPLOYERS, EMPLOYEES, THE  
ENVIRONMENT, AND SOCIETY

2021



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If the 48M U.S. full time employees who both hold a remote-work-compatible job (45 percent)<sup>1</sup> and would like to work remotely at least weekly (82 percent)<sup>2</sup> did so an average of half the workweek:

- Employers could collectively save over \$500B a year—roughly equal to the GDP of Sweden, Belgium, or Poland—or almost \$11k for each employee who works at home half of the time
- Employees could collectively save over \$149B a year or \$3k per person and save the equivalent of over 670M days a year (14 days per person) they otherwise would have wasted sitting in traffic
- The environment would be spared the greenhouse gas equivalent of taking the entire New York workforce off the road for a year and over 80k traffic accident injuries or deaths would be prevented

In April 2020, still early in the pandemic, I predicted it would be the tipping point for

remote work and that 25-30 percent of the workforce would work from home multiple days a week when the threat was over. At the time, though I was comfortable in the data-driven process I'd used to arrive at the estimate, it felt like a bold assertion. Now, nearly nine months into the world's largest work-from-home experiment, if anything, I'm feeling my estimate might be low.

Senior leaders and middle managers have long been the biggest resisters of remote work. Now, having experienced it themselves, many if not most are far more open to the concept. Experiences change hearts, but facts change minds. A successful change initiative requires both.

The purpose of the paper is to provide facts about the employer, employee, and environmental business case for remote work; to put hard numbers behind the hard decisions organizational leaders are making, right now, about how they will operate in the future.

*Kate*

Kate Lister

President of Global Workplace Analytics

# Methodology

Global Workplace Analytics maintains a proprietary database of over 6,000 case studies, research papers, news items, and other documents related to the who, what, when, where, why, and how of work. That body of research informs our client work and the return on investment (ROI) calculators we have become known for. Our Telework Savings Calculator® is one tool we created to quantify the potential employer, employee, and environmental impact of hybrid or fully remote workplace strategies.

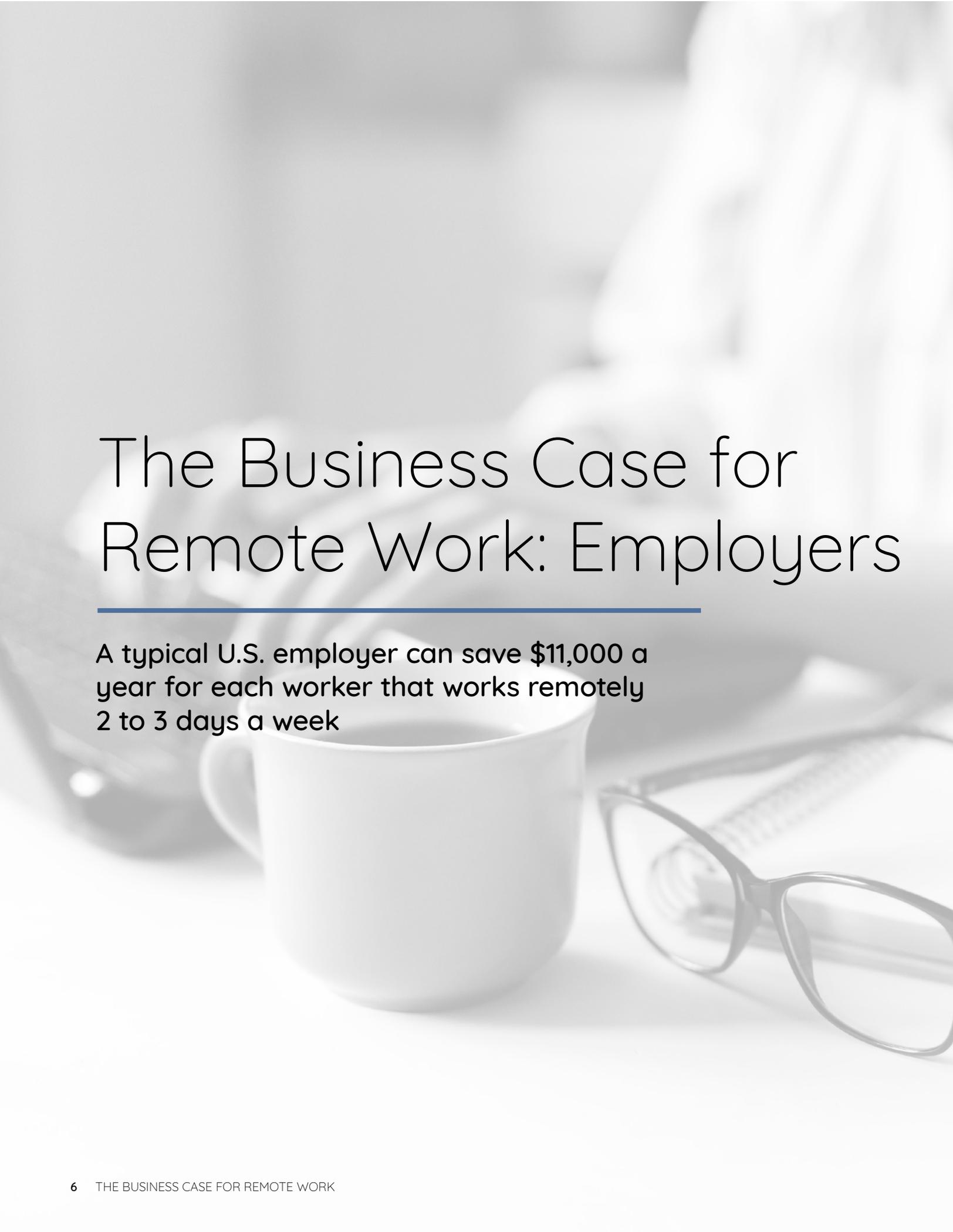
In 2016, members of Congress asked the U.S. General Accountability Office (GAO) to investigate tools that would help agencies estimate the impact of their telework programs. Based on recommendations from the Office of Personnel Management, GAO asked to see the inner workings of, and research behind our Telework Savings Calculator®. It was the only tool they included in their final report to Congress which referred to it as “comprehensive and based on solid research.”

A lite version of the Calculator has been available free on Global Workplace Analytics’ website for over 15 years. Thousands of company representatives, government agencies, and consultants have used it to make the business case for remote work for their organizations, agencies, or clients.

The full version of the Calculator—which includes more than 125 customizable inputs and performs over 600 calculations—forms the basis of the employer, employee, and environmental business case summarized in this report.



**Comprehensive and based on solid research  
– U.S. General Accountability Office**



# The Business Case for Remote Work: Employers

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**A typical U.S. employer can save \$11,000 a year for each worker that works remotely 2 to 3 days a week**



During the pandemic, our Global Work from Home Experience Survey found that 95 percent of U.S. office workers worked from home three or more days a week.<sup>3</sup> A full 82 percent said they wanted to continue working remotely at least weekly when the threat of the pandemic was over. Only 3 percent said they would not want to work remotely at all.

Many like to make the conversation about remote work polar—either everyone is in the office or everyone is remote. In reality, while the portion of the workforce that wants to work fully remote nearly doubled during the pandemic—10 percent of U.S. office employees were already fully remote before the pandemic and 19 percent say they want to be when it's over—the majority prefer a mix of both. In the U.S., the preference averages out to be 2.5 days a week.<sup>4</sup>

The majority of employers prefer the hybrid model too.<sup>i</sup> They fear a fully remote approach will lead to cultural erosion, make it harder to onboard new employees, be particularly difficult for parents with young children at home, and deprive young employees of the subtle grooming that takes place when they are co-located with more experienced colleagues.

Employers are also drawn to remote work for the potential cost savings. According to the Telework Savings Calculator<sup>®</sup>, a typical U.S. employer can save \$11,000 a year for each half-time (2 to 3 day a week) remote worker. That's over \$1M for every thousand employees! Those savings come from:

- Increased productivity
- Reduced office costs
- Reduced absenteeism
- Increased continuity of operations
- Reduced turnover

The pages that follow provide details about how the financial benefit from each of the above is calculated, research behind the assumptions, and real world examples of organizations that have compared their performance before and after the introduction of remote work.

i. The term hybrid-remote has emerged to mean a combination of on-site and remote work



## The Impact of Remote Work on Productivity

To a large extent, the concept of productivity is outdated, a vestige of the industrial era when performance could be measured by counting the number of widgets produced. In the information age, it's brains not machinery or brawn that create value. Just as it was a manager's role to keep the machines churning out widgets during the industrial era, it is now their role to help people do their best by, in part, removing or reducing any barriers to their success such as:

- Workplace distractions and interruptions
- Physical or mental health problems
- Worries about a loved one, money, etc.
- Being too hot, too cold, or otherwise uncomfortable
- Feeling excluded or undervalued
- Processes and practices that are inefficient or overly restrictive

It's these kinds of things, and many others, that rob people of three of their most precious commodities: time, energy, and their health.

And it's these same kinds of things we can use as a proxy for measuring productivity.

### The Value of Employee Productivity

Including just salary and benefits, a \$75K a year employee costs an employer \$0.83/minute (see Figure A).

**Figure A: Time is Money**

Salary	\$75,000
Benefits/Taxes (+32%)	\$99,000
Cost/Day	\$396
Cost/Hour	\$50
Cost/Minute	\$0.83

How many minutes a day do employees waste sitting in traffic? Reading and responding to email? Struggling with technology? Traveling to and from meetings? Or because of unwanted

interruptions which, the research shows even if minor, can cost an extra 15 to 25 minutes due to the recovery time needed (see Figure B).<sup>5</sup>

**Figure B: Employee Time Drains**

Travel to/from work	55 mins/day <sup>6</sup>
Email inefficiency	80 mins/day <sup>7</sup>
Struggling with technology	21 mins/day <sup>8</sup>
Interruptions	Every 11 mins <sup>9</sup>

In a survey of over 20,000 employees conducted by The Energy Project and Harvard Business Review, only 18 percent said they had time for creative or strategic thinking. The results were reported in a *New York Times* opinion piece called “Why You Hate Work”.<sup>10</sup>

Research has consistently shown that remote work can substantially reduce time and energy drains like these and therefore, increase productivity.

In April of 2020, Global Workplace Analytics partnered with Iometrics to gather data on how the sudden shift to work from home was working.<sup>11</sup> Among other things, the Global Work from Home Experience Survey asked participants questions about the number of

unwanted interruptions at home versus the office and how much of their commute time they actually spent working. Based on over 2,500 global responses, here’s what we found about each.

**Fewer Interruptions at Home**

Respondents said they lost 35 minutes a day less due to interruptions at home versus the office.<sup>12</sup>

**Interruptions: Home vs. Office**  
**At the office = 78 minutes a day**  
**At home = 43 minutes a day**

Keeping with the assumption of half-time remote work, over a period of a year that equates to an extra nine days of concentration or \$3,600 worth of productivity.<sup>ii</sup> This is not a one-off or pandemic-related finding. It is something seen repeatedly in client work and other studies. What was a surprise, however, was that the savings held up even in the early days of the pandemic when working from home was new to over half of the people doing it<sup>13</sup> and for many, had the additional complications of children and spouses at home.

**35 minutes/day**  
**x 83¢/minute**  
**x 125 remote workdays a year**  
**= \$3,631/year**

ii. 35 minutes a day x 125 days a year = 4,375 minutes a year ÷ 60 minute an hour ÷ 8 hours a workday = 9 workdays a year



**Respondents said they lost 35 minutes a day less due to interruptions at home versus the office**  
*– Global Work From Home Experience Survey, April 2020*



**A 15 percent increase in productivity due to remote work would be equivalent to getting 74 new employees free**

### Commute time spent working

A wide range of pre-pandemic studies showed remote workers spend about half the time they would have otherwise spent commuting, actually working. The Global Work From Home Experience Survey results were similar. Employees said they voluntarily worked an average of 47 percent of the time they would have otherwise spent commuting. Based on a typical commute, that adds up to another seven days of productivity per year for a half-time remote worker (see Figure C).

These two factors alone, fewer interruptions and commute time spent working, increase the annual productivity of each half-time remote worker by the equivalent of 16 workdays a year.

**Figure C: Extra Productivity from Commute Time Spent Working**

Avg. round-trip commute	55 mins/day <sup>14</sup>
Percent of that time spent voluntarily working	47 percent <sup>15</sup>
Extra minutes of work/day	26
x 125 days/year (half-time remote work)	6.8 days/year



## Case Studies: Productivity

- Apollo Group, parent to University of Arizona, measured a 34 percent increase in productivity following the implementation of remote work<sup>16</sup>
- National Equity Fund measured a 50 percent increase in productivity from its remote work program<sup>17</sup>
- Ctrip, one of the largest firms in China, saw a 22 percent increase in productivity with the introduction of telework in a study conducted by Stanford University<sup>18</sup>

## By the Numbers: Productivity

Assuming a 15 percent increase in productivity due to remote work, that adds over \$7k in additional productivity per person per year. Across a population of 1,000 half-time remote workers, that would add \$7.4M of productivity per year. At a cost of \$99k per employee, that would be like getting 74 new employees at no cost.

Annual Cost per Employee = \$99,000  
X 15 percent increase due to remote work = \$14,850  
÷ 125 remote workdays a year  
= Annual extra productivity per half-time remote worker of \$7,430

= \$7.4M extra productivity per 1,000 workers who work remotely half the time

## The Impact of Remote Work on Real Estate Costs

During the last recession and in the decade that followed, many employers tried to reduce their real estate costs by decreasing the amount of space dedicated to each employee. Many did so by doing away with private spaces and enclosed offices in favor of big open spaces. For many, if not most, that came at the cost of lost productivity.

Likely, the pandemic will reverse the move to greater office density and accelerate the trend toward activity-based design. As employers contemplate their return to work, they are increasingly focused on designing places and spaces where people actually want to work. Assigned seats, particularly for those who choose to work remotely on a regular basis, will give way to a choice of reservable or drop-in areas that are purpose-built to facilitate collaboration, teamwork, socializing, restoration, and concentration.

The combination of remote work for all or some employees, activity-based working, and full or partially-unassigned seating not only allows organizations to reduce real estate costs, it increases their agility and improves workplace effectiveness.

An employer paying \$7,700 per employee per year for office space<sup>iii</sup> would save nearly \$2k per half-time remote worker per year if they reduced their real estate footprint by just 25 percent for every half-time remote worker. Those savings would increase by a factor of five in some of the nation's most expensive cities.<sup>19</sup>

Interestingly, while employers often adopt remote work as a cost reduction strategy, they generally find its real value lies in the human capital benefits.<sup>20</sup>

iii. Based on approx.\$50/sf; 150 s.f. per person



## Case Studies: Real Estate

- National Equity Fund reduced their real estate needs by 25 percent by allowing two to three day telework for half their people<sup>21</sup>
- The U.S. General Services Administration increased their building capacity by 60 percent through remote work and office hoteling<sup>22</sup>
- The U.S. Patent and Trademark Office shed \$42M in real estate costs as a result of their work-from-home program<sup>23</sup>
- The implementation of telework for 11,000 employees saved BT Group £60M/year<sup>24</sup>

## By the Numbers: Real Estate

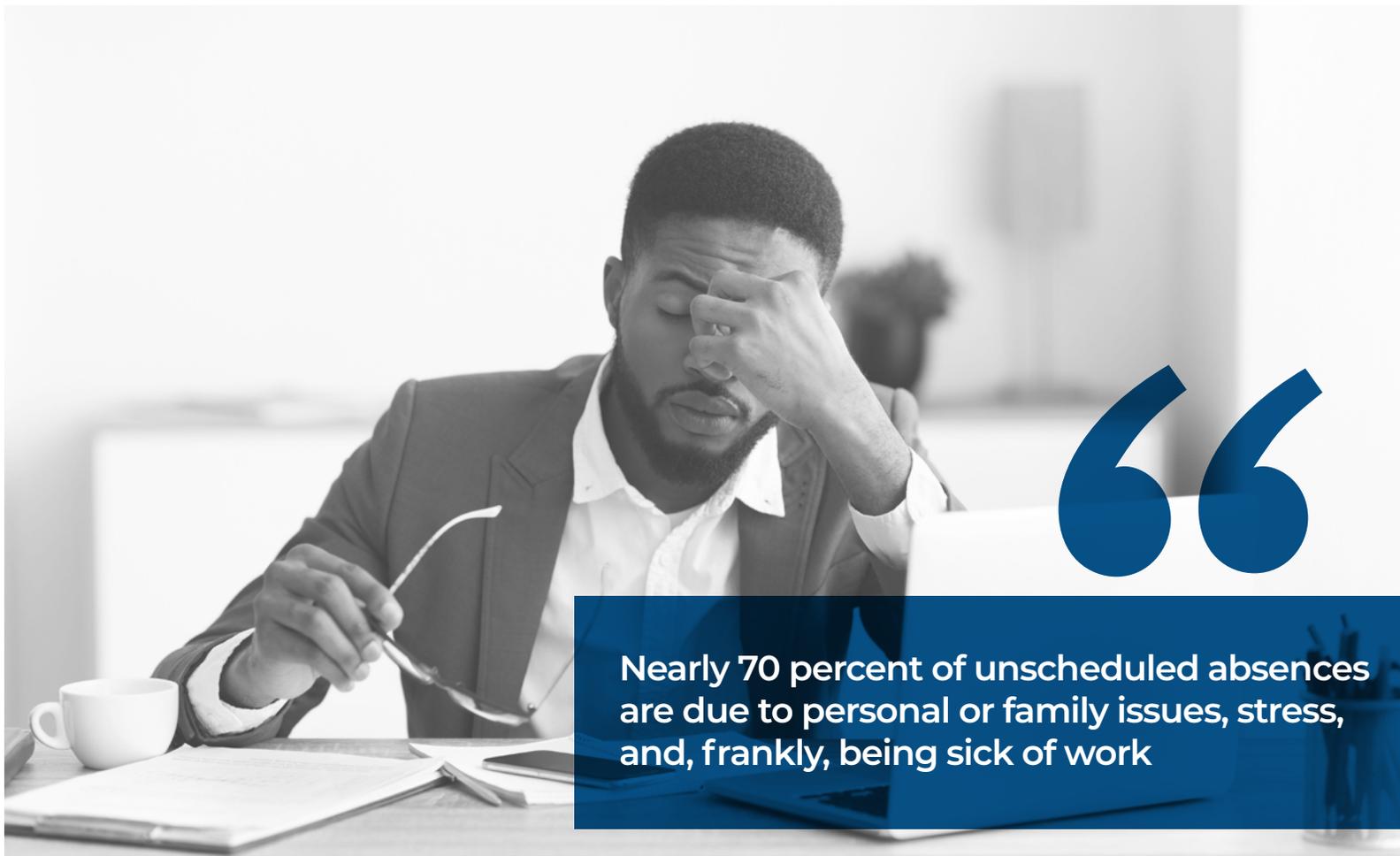
If remote work allowed an employer to reduce office space by just 25 percent, the savings would total \$1.9M per year for every half-time remote worker.

Annual office cost per person = \$7,440

Reduction through half-time remote work = 25 percent

Annual savings per half-time remote worker = \$1,935

= Annual savings per 1,000 half-time remote workers of \$1.9M per year



Nearly 70 percent of unscheduled absences are due to personal or family issues, stress, and, frankly, being sick of work

## The Impact of Remote Work on Absenteeism

The majority of people who call in sick aren't. Nearly 70 percent of unscheduled absences are due to personal or family issues, stress, and, frankly, being sick of work.<sup>25</sup> Case studies show the option to work remotely can reduce absenteeism by between 26 percent and 88 percent because remote workers:<sup>26</sup>

- Are exposed less to sick coworkers
- Are exposed to fewer occupational and environmental hazards
- May be happy to work when they are not feeling well enough to go to the office
- Are sometimes willing and able to return to work (at home) more quickly following the birth or adoption of a child
- Can often return to work (at home) more quickly following surgery or extended illnesses
- Are able to handle personal appointments without taking a full day off
- Avoid the stress of commuting, office politics, and frequent interruptions<sup>27</sup>
- Are happier in their job and therefore less likely to take mental health days<sup>28</sup>
- Often report sleeping better, eating healthier, and taking more time for exercise<sup>29</sup>



## Case Studies: Absenteeism

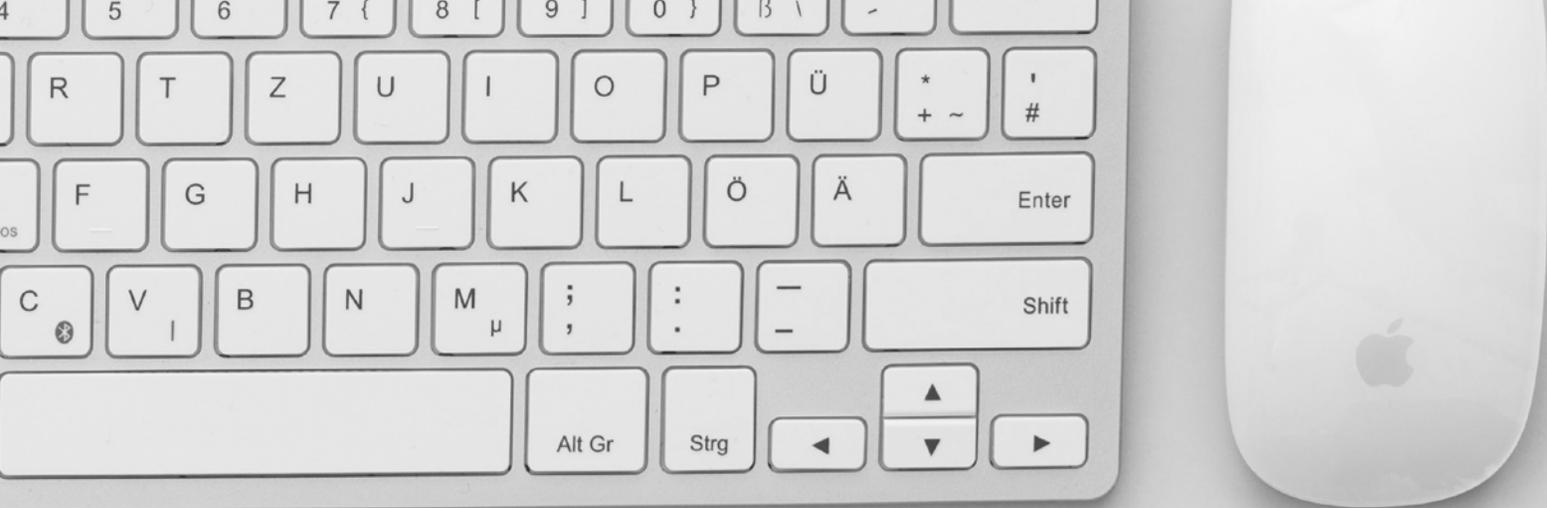
- Apollo Holdings saw an 88 percent decrease in unapproved absences following the introduction of work from home options<sup>30</sup>
- 77 percent of federal teleworkers said being allowed to work from home reduced their stress<sup>31</sup>
- BBC found stress-related absences 26 percent lower among home-based staff<sup>32</sup>

## By the Numbers: Absenteeism

Assuming an annual absenteeism rate of 10 days/year (based on the average annual absenteeism rate in the U.S.), a reduction of just 30 percent would add an extra three days of annual productivity, or \$1.2k per employee.

Annual absenteeism = 9.8 days a year  
Remote work reduction = 30 percent, or 3.3 days a year  
X \$396 cost of an average employee per day  
= Annual savings/cost of productivity lost per half-time remote worker of \$1.2K

= Annual savings/cost of productivity lost per 1,000 half-time remote workers of \$1.2M per year



## The Impact of Remote Work on Turnover

Experts place the cost of losing an employee at between 10 percent and 213 percent of salary.<sup>33</sup> Beyond the cost of the separation, finding a replacement, training, and lost productivity, turnover can result in a loss of morale, co-workers, customers, and organizational memory. It can cause project delays, disrupt team dynamics, and stall new customer on-boarding. New hires also come with the huge risk of not working out. Nearly 40 percent quit before their first anniversary!<sup>34</sup>

The ability to work when and where they want has long been at the top of the wish list for the majority of employees. The pandemic has solidified their resolve. Just months into the pandemic shelter-in-place order, while many were still struggling to find a work-from-home routine, recent research shows:

- 82 percent of those working from home want to continue doing so at least one day a week when the threat of Covid-19 is over<sup>35</sup>
- A third would take a pay cut of up to 5 percent for the opportunity and nearly a quarter say they would forego over 10 percent of salary<sup>36</sup>

Remote work options have been shown to enhance the attraction and retention of talent not just because it is so highly prized by employees, but because it:

- Expands the talent pool beyond geographic boundaries
- Offers a way to retain employees who might have otherwise left the workforce (e.g. caregivers, workers who need to relocate, persons with physical or mental challenges)
- Can help slow the brain drain by allowing seniors to work more flexibly



**New hires also come with the huge risk of not working out. Nearly 40 percent quit before their first anniversary.**



## Case Studies: Turnover

Following the introduction of their remote work programs:

- Apollo, parent to University of Phoenix, saw a 56 percent reduction in turnover<sup>37</sup>
- National Equity Fund saw their voluntary turnover rate drop by more than a third and found they were better able to attract a sought-after slice of job seekers, young college students who had majored in urban renewal<sup>38</sup>
- Seventy-six percent of Federal teleworkers said it increased their desire to stay with their current agency<sup>39</sup>
- Following a rollback in remote work options for Education Department employees during the Trump Administration, almost two-thirds said they were considering leaving the agency and 86 percent said they knew someone who already had or was considering doing so<sup>40</sup>
- Companies that offer remote work options see 25 percent less turnover than those that don't<sup>41</sup>

The pandemic has broken the barrier to remote work and exploded the opportunities. If organizations expect to attract top talent in the future, the option to work remotely will have to be on the table.

## By the Numbers: Turnover

Assuming a cost of turnover of at 75 percent of annual compensation—the middle of the range suggested by HR experts, and average unwanted turnover of 6.9 percent<sup>42</sup>—a reduction in voluntary turnover of just 10 percent would save an average of over \$500 per half-time remote worker per year.

Average annual compensation (with benefits and taxes) = \$99K/employee/year

Average rate of unwanted turnover = 6.9 percent

Cost of turnover = 75 percent of annual compensation

Reduction in turnover = 10 percent

= Annual savings/cost not incurred per half-time remote worker of \$512

= Annual savings/cost not incurred per 1,000 half-time remote workers of over \$500K

## The Impact of Remote Work on Business Continuity

Remote work allows employees to continue operating in the event of a disaster. It has been the cornerstone of government continuity of operations and private sector disaster preparedness planning for over four decades.

When the pandemic hit and employees were suddenly forced to work from home, individuals who had done so in the past were able to return to productivity far more quickly than those who had not.<sup>43</sup>

This will not be the last pandemic or other disaster that will force a shift in where we work. Even something as simple as a snowstorm or a fire in the popcorn maker can be costly if workers are not prepared to work remotely.



### Case Studies: Continuity

- Over 50,000 employees were displaced following a series of earthquakes in Christchurch NZ that occurred between 2010 and 2012. Many, including one government agency, turned to telework to ride out what turned out to be a multi-year disruption.<sup>44</sup>
- During a record-breaking blizzard in 2010, the federal offices on the East Coast were closed for six days. The U.S. Office of Personnel Management estimated the loss of productivity from government workers at \$100M a day; they later revised that estimate to \$70M to reflect the fact that some federal teleworkers were able to continue working.<sup>45</sup>
- Had the world's employees not been able to work remotely during the pandemic of 2020, the hit to global productivity would have been devastating.

### By the Numbers: Continuity

Being able to work remotely just one day a year they would otherwise not be able to get to the office would save an organization nearly \$400 per year for every half-time remote worker.

**Employee cost avoided = \$396 per person per day**

**Annual cost avoided per 1,000 employees = \$396K**



## The Impact of Remote Work on Employer Costs

Organizations that had modernized their technology infrastructure and tools before the pandemic were far less challenged by the sudden switch to remote work than those that had not. They had already invested in the tools and technologies they needed to support a 21st century workforce such as:

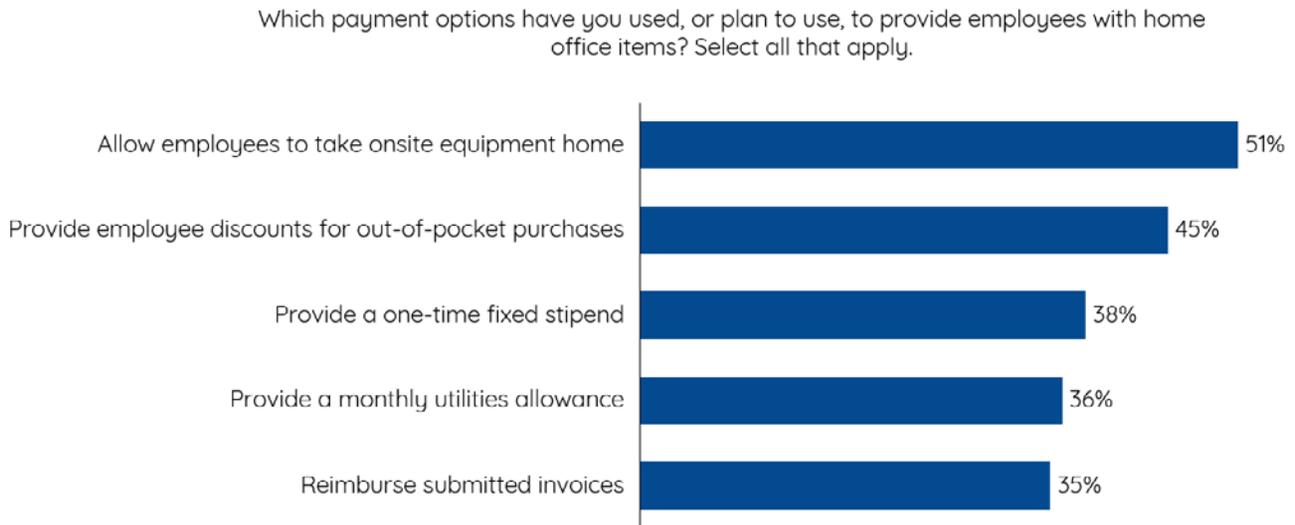
- Digitization
- Security Solutions
- Cloud Storage/Virtual Backup
- Cloud First Solutions (SAAS)
- Mobile Tech
- Platform-Agnostic Solutions
- Virtual Collaboration and Communications
- Virtual Help Desks

Those that had fallen behind the technology curve had to scramble to quickly put the necessary systems in place. It would be hard to categorize the expense of getting to where they should have been as 'remote work' costs. As with so many other trends, Covid-19 accelerated the need for change, but it didn't create it. When the threat of pandemic is over and working in an office is once again an option, the majority, if not all of the costs a company will have incurred to support work-from-home, will improve its ability to compete in the years ahead.

One exception might be home office furniture and equipment. Before the pandemic, being allowed to work remotely was considered a privilege and only a minority of employers

paid for home office technology or other costs. But the pandemic took away the choice and was suddenly something an employee was required to do. As employers scrambled to minimize the loss of productivity, about half allowed employees to take their on-site equipment home. Others provided discounted purchase options and/or stipends to fill the gap (see Figure D).<sup>46</sup>

**Figure D: Approaches to Home Office Provisioning**



Based on a survey of employers conducted by Design Public Group and Global Workplace Analytics in August of 2020:<sup>47</sup>

- 92 percent of employers had provided their people with a laptop computer
- 68 percent had provided a webcam
- 54 percent had provided a second monitor

Though six in ten employers feel providing home office furniture is a good idea, only 15 percent do; another 41 percent are considering it. A majority of leaders feel the employer should absorb the cost of a home office set up for those who will continue to work from home three or more days a week post-pandemic. The problem is, most have not yet decided on their long-term remote work strategy, particularly at the employee level (See Figure E).

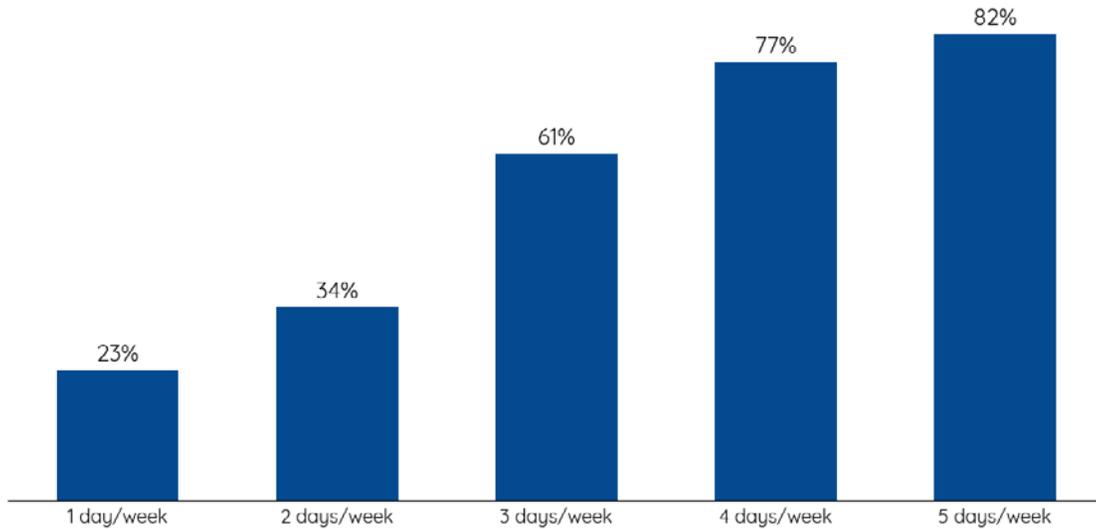
Given the evolving nature of home office technology and furniture provisioning, for the sake of estimating ROI of remote work, we conservatively project the out-of-pocket technology cost for supporting a remote worker at \$1.4k<sup>iv</sup> every three years and another \$1k<sup>v</sup> every five years for home office furniture costs. Again, not all employers share in these costs and, it could be argued that provisioning laptops and other technologies are costs an employer would likely incur regardless of whether or not their people were working remotely. In some states, reimbursing some costs is actually a requirement.

iv. Phone estimate from Dell (11-25-20) for higher-middle bundle before quantity discount

v. DPG Work from Home Furniture and Stipend Solution price for mid-range home office furniture bundle (including shipping)

**Figure E: The Majority of Leaders Feel the Organization Should Absorb Home Office Set-Up Cost for Those Who Will Work Remotely Three or More Days a Week**

% of employers that agree (top 2 box) the organization should absorb the majority or all the cost of a home office set-up for employees who work from home...



## By the Numbers: Employer Costs

The collective cost we include in the model presented in this paper, is \$666 per remote workers per year.

### Technology

15" laptop with webcam, monitor, docking station, keyboard, mouse  
 = \$1,400<sup>iv</sup> ÷ 3-year useful life = \$466/person/year

### Furniture

sit/stand desk, ergonomic chair, storage unit  
 = \$1,000<sup>v</sup> ÷ 5-year useful life = \$200/person/year

= Annual home office cost per half-time remote worker of \$666

= Annual home office cost per 1,000 half-time remote workers = \$666K



## The Bottom Line on Employer Benefits

The estimated net financial benefit of remote work for the employer is nearly \$11k per half-time remote worker per year or nearly \$11M per 1,000 employees. (see Figure F).

**Figure F: Summary of Annual Savings/Increased Productivity/Cost Avoidance for Employer per 1,000 Half-Time Remote Workers**


**Remote Work Savings Calculator ©**

 Global Workplace Analytics' Telework Savings Calculator (c) is  
**"comprehensive and based on solid research."**  
 U.S. General Accountability Office Report to Congress (GAO-16-551)

Enter Assumptions	Results																						
What is the total number of employees who will work remotely?	1,000																						
How many days a week, on average, will they work remotely?	2.5																						
How much do you expect remote work to:																							
• Increase productivity (%)	15%																						
• Reduce office space (%)	25%																						
• Reduce absenteeism (%)	30%																						
• Reduce voluntary turnover (%)	10%																						
What is the per person cost for home office furniture and technology?	\$2,400																						
How many days per year are the majority of employees unable to work due to unforeseen weather, traffic, or other temporary impediments?	1																						
	<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="padding: 5px;"><b>Annual Employer Saving</b></td> </tr> <tr> <td style="padding: 5px;">Productivity</td> <td style="text-align: right; padding: 5px;">\$7,425,000</td> </tr> <tr> <td style="padding: 5px;">Real Estate</td> <td style="text-align: right; padding: 5px;">\$1,935,000</td> </tr> <tr> <td style="padding: 5px;">Absenteeism</td> <td style="text-align: right; padding: 5px;">\$1,164,240</td> </tr> <tr> <td style="padding: 5px;">Turnover</td> <td style="text-align: right; padding: 5px;">\$512,325</td> </tr> <tr> <td style="padding: 5px;">Continuity of Operations</td> <td style="text-align: right; padding: 5px;">\$396,000</td> </tr> <tr> <td style="text-align: right; padding: 5px;"><b>Total Employer Savings</b></td> <td style="text-align: right; padding: 5px;"><b>\$11,432,565</b></td> </tr> <tr> <td colspan="2" style="padding: 5px;"><b>Annual Employer Costs</b></td> </tr> <tr> <td style="padding: 5px;">Home Office Furniture and Technology (amortized)</td> <td style="text-align: right; padding: 5px;">\$ 666,000</td> </tr> <tr> <td style="text-align: right; padding: 5px;"><b>Net Annual Employer Savings \$</b></td> <td style="text-align: right; padding: 5px;"><b>10,766,565</b></td> </tr> <tr> <td style="text-align: right; padding: 5px;"><b>Net Annual Savings Per Remote Worker</b></td> <td style="text-align: right; padding: 5px;"><b>\$10,767</b></td> </tr> </table>	<b>Annual Employer Saving</b>		Productivity	\$7,425,000	Real Estate	\$1,935,000	Absenteeism	\$1,164,240	Turnover	\$512,325	Continuity of Operations	\$396,000	<b>Total Employer Savings</b>	<b>\$11,432,565</b>	<b>Annual Employer Costs</b>		Home Office Furniture and Technology (amortized)	\$ 666,000	<b>Net Annual Employer Savings \$</b>	<b>10,766,565</b>	<b>Net Annual Savings Per Remote Worker</b>	<b>\$10,767</b>
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Calculate your own potential remote work savings at <http://GlobalWorkplaceAnalytics.com/roi>



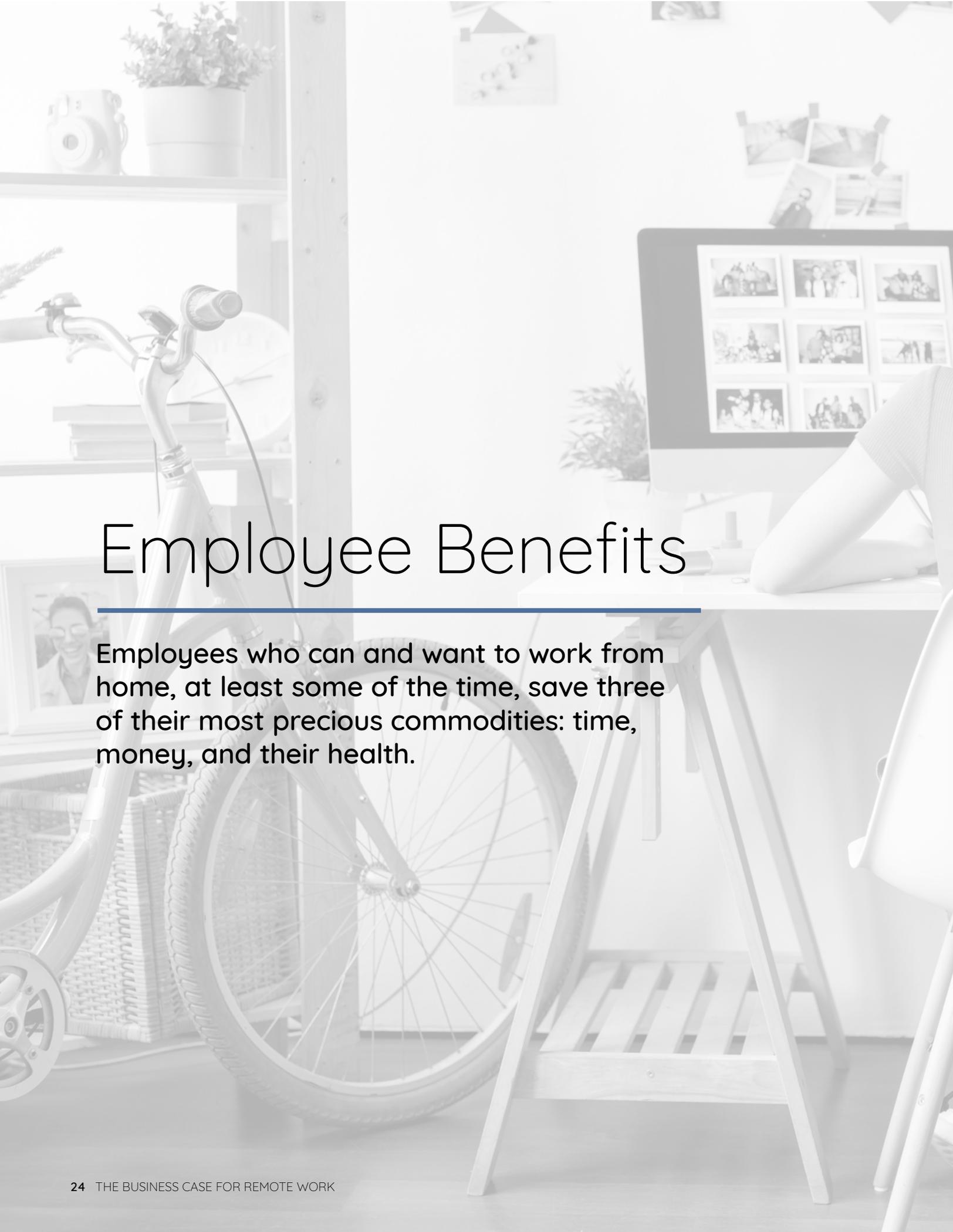
## Other Employer Benefits

The benefits of remote work for employers are by no means limited to those we've quantified here. Other benefits include:

- Increased engagement – Gallup research shows employees who work remotely are more highly engaged than those who don't.<sup>48</sup>
- Enhanced diversity as a result from being able to hire from anywhere and employ populations that otherwise might not have been available (i.e. caregivers, military spouses, the disabled and neurodiverse)
- Democratizing employee performance measures: Remote work forces managers to manage by what people accomplish, rather than the number of hours they spend in the office; something that has never been a good measure of performance
- Increased resilience, flexibility, and scalability
- Reduced costs for parking, fleet vehicles, business travel and entertainment
- Greater sustainability through reductions in real estate, energy, paper, and more
- Improved ability to provide 24/7 staffing where needed



**The estimated net financial benefit of remote work for the employer is nearly \$11K per half-time remote worker per year, or nearly \$11M per 1,000 employees**



# Employee Benefits

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Employees who can and want to work from home, at least some of the time, save three of their most precious commodities: time, money, and their health.



## Time Savings

Avoiding the commute was second only to mitigating the risk of getting Covid-19 in reasons employees wanted to work remotely in 2020.<sup>49</sup>

An average U.S. employee spends the equivalent of 28 days a year playing in traffic (14 days a year for half-time remote work). For the roughly 20 percent of workers whose one-way commute exceeds an hour a day, the annual toll is over 60 days a year.

Aside from the risks associated with driving, long commutes rob people of precious time for exercise, sleep, and time with family and friends. Regardless of the means of transportation, long commutes have been linked to poor heart health, a greater risk of hypertension and obesity, increased stress, anxiety, and depression, and decreased energy and productivity.<sup>50</sup>

## Financial Savings

By not commuting half of the time, a typical employee can save between \$640 and \$6,400 a year due to reduced costs for:

- Transportation and parking
- Meals and beverages
- Work clothes and dry cleaning
- Serendipity spending at work (e.g. football pools, gifts, lunch time shopping)

Those numbers are net of extra home energy costs and at-home food on days they are working from home.

Some employees are able to further reduce their costs by:

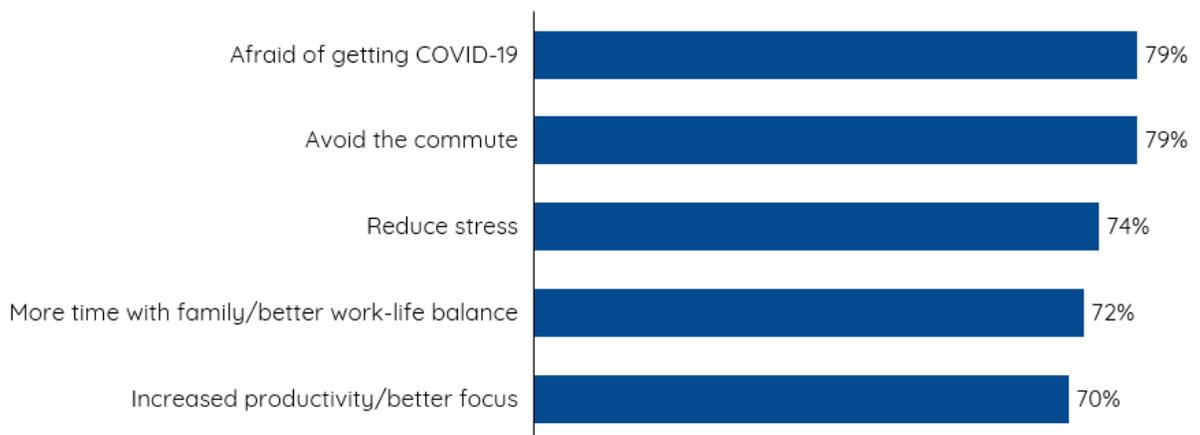
- Negotiating lower car insurance premiums or getting rid of a car
- Moving to a less expensive area
- Lowering daycare, after-school, and eldercare costs
- Taking advantage of a home office tax deduction (if full-time at home)

## Better Health

Many employees report that being able to work remotely improves their sleep, reduces their stress, allows them to exercise more, and reduces work-life conflict (see Figure G and Figure H).<sup>51</sup>

**Figure G: Why people want to work from home**

**2020**

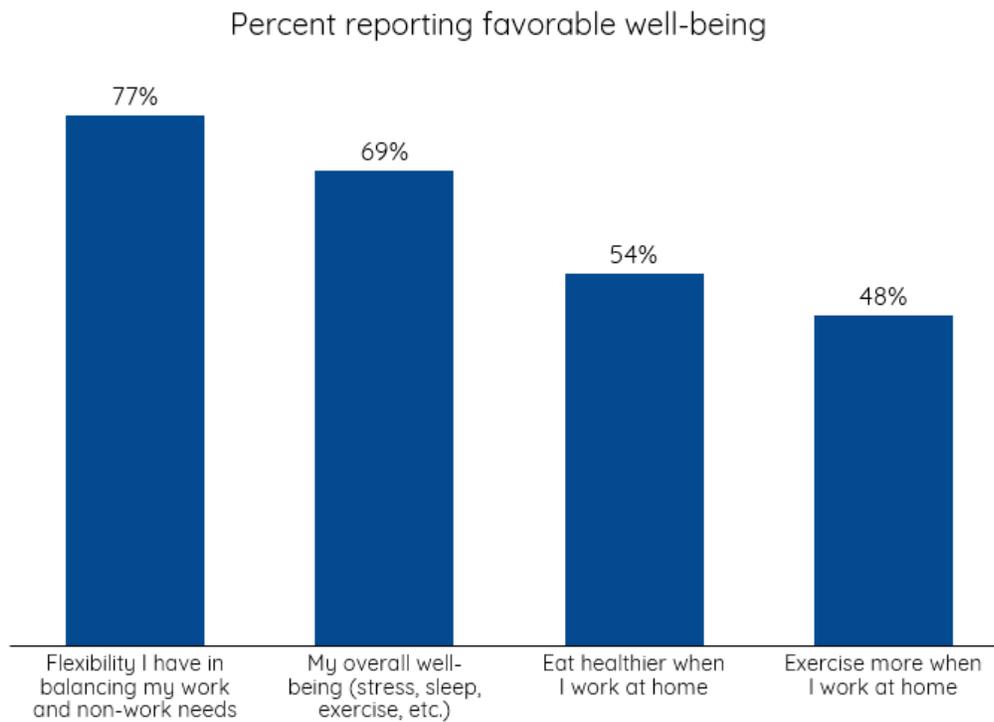


**2019**





**Figure H: Remote Workers Report Greater Well-Being**





# Environmental Benefits

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If those available to work remotely did so half the time, it would have the greenhouse gas equivalent of taking the entire New York State workforce off the road.



The pandemic has given us the opportunity to actually see the difference reducing our commuter travel and office usage can have on the environment. Just a few short weeks into the COVID pandemic, the world was reporting better air quality.

Peer-reviewed research shows a 30 percent reduction in U.S. gas consumption for the period of March through early June 2020 when compared to 2019. Energy consumption dropped by over 7 percent during the same period.<sup>52</sup> In total, the researchers estimate those and other shifts in energy consumption led to an estimated 15 percent reduction in U.S. daily carbon dioxide emissions.

Our model suggests that if those with remote-compatible jobs—approximately 56 percent of the workforce—and a desire to work from home at least some of the time—approximately 88 percent of the workforce—did so half the time, it would have the greenhouse gas equivalent of taking the entire New York State workforce off the road.<sup>vi</sup>

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vi. Assumes a 75 percent reduction in travel on remote work days



# Societal Benefits

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Remote work offers many societal benefits that extend beyond organizations and employees directly



In total, half-time remote work among those U.S. employees who both wanted to and who hold compatible jobs would increase national productivity by \$356B a year and save employees \$149B a year.<sup>vii</sup> In addition, it would:

- Reduce the risks associated with human congestion
- Improve emergency responsiveness
- Reduce the wear and tear on our transportation infrastructure
- Increase productivity among non-telecommuters by reducing travel times
- Decrease our dependence on foreign oil
- Reduce pollution from road work and office construction
- Further reduce travel through widespread use of virtual technologies
- Create fuller employment for the disabled, military families, and rural populations
- Help revitalize communities where industry changes have created severe job shortages
- Reduce the off-shoring of jobs and home-shore some that have already been lost
- Raise the standard of living in rural and disadvantaged areas
- Reduce terrorism targets of opportunity
- Revitalize cities by reducing traffic—a disincentive to visitors
- Reduce the housing crisis through repurposing of office space

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vii. Total impact based on 48M U.S. employees working remotely half of the time

# Closing Thoughts

The potential benefits outlined in this paper won't just happen by letting employees work remotely. Senior leadership will need to stand fully behind whatever path they choose for their organization. They can't just talk about it, they need to demonstrate it with their actions. That will require an investment of time in rethinking work practices, processes, and policies. It will also require an investment in the energy and patience that will be needed to reframe mindsets and shift organizational culture. And it may require a financial investment in the change process, reshaping the places and spaces of work, and providing employees with the tools and technologies they need to be successful.

Advocates and futurists have been pushing the remote work rock up the hill for over four decades. Now it's chasing us down the other side but each organization must decide for itself how it will work in the future. Most will likely settle somewhere in the middle, neither all remote nor all in the office.

In the words of Benjamin Franklin, "Out of adversity, comes opportunity." The pandemic has presented us with a unique opportunity to fundamentally reframe the where, when, and how of work in a way that's better for people, planet, organizational performance, and society as a whole.

## About the Author: Kate Lister

Kate Lister is president of [Global Workplace Analytics](#), a research-based consulting firm that has been helping employers optimize remote work and other workplace strategies for more than a decade.

Kate has written or co-authored five business books including the U.S. chapter of "Telework in the 21st Century" (Edward Elgar, 2019), a multi-country peer-reviewed study on remote work. She was one of three witnesses invited to testify before Congress in a 2020 hearing about the future of remote work in government.

Kate is a sought-after speaker and writer. Her perspectives on how COVID-19 will change the way people work are among the most widely quoted in the nation and have appeared in the *New York Times*, *Washington Post*, *Wall Street Journal*, *Newsweek*, and dozens of other respected news outlets around the world.

Global Workplace Analytics partners with some of the industry's most respected influencers and leading service/solution providers to advance thought leadership on the future of work.

## About the Sponsor: Design Public Group

Design Public Group (“DPG”), a subsidiary of HNI, is a 16-year old B2B and B2C furniture distributor based in Los Angeles, and a technology and operations leader within the industry. DPG owns and operates three B2C e-commerce furniture sites, and sells to consumers around the globe. DPG has an extensive B2B furniture business that has provided furnishings for more than 60 Fortune 500 companies

In response to company needs to easily provide employees with contract-grade, ergonomic home office furniture, while also managing stipend application and reporting, DPG launched a first-of-its-kind employee home office furniture website.

DPG partners with companies to build a custom website where their employees can shop from hundreds of home office furnishings. DPG offers contract-grade, ergonomic desk, chair & storage bundles starting at less than \$1K total. Employees apply stipends directly and pay any balance out of pocket.

For more information, please visit: <https://designpublicgroup.com/work-from-home>

*Employees shop from hundreds of home office furnishings, including desk, chair & storage bundles starting at less than \$1K total, including shipping*

The screenshot displays a shopping cart interface. On the left, a list of items is shown with their original prices, discounted prices, and a '1' icon indicating a bundle. The items are: Alive Desk Top (Bundled) for \$65.00, Alive Desk Frame - Height-Adjustable (Bundled) for \$421.85, Kick Desk Chair (Bundled) for \$603.85, Single Monitor Arm (Bundled) for \$44.85, and Mobile Pedestal (Bundled) for \$161.85. A subtotal of \$1,297.40 and free shipping are shown. A code 'GENERIC1000' is entered in a field, and an 'Apply' button is visible. On the right, the cart summary shows the same items, but the total is now \$297.40 after a \$1,000 discount is applied. A 'Code' field with 'GENERIC1000' and an 'Apply' button are also present in this section.

Item	Original Price	Discount	Final Price
Alive Desk Top (Bundled)	\$400.00	-\$35.00	\$65.00
Alive Desk Frame - Height-Adjustable (Bundled)	\$649.00	-\$227.15	\$421.85
Kick Desk Chair (Bundled)	\$929.00	-\$325.15	\$603.85
Single Monitor Arm (Bundled)	\$69.00	-\$24.15	\$44.85
Mobile Pedestal (Bundled)	\$249.00	-\$87.15	\$161.85
<b>Subtotal</b>	<b>\$1,297.40</b>		<b>\$1,297.40</b>
Shipping	Free		Free
<b>Total</b>	<b>USD \$1,297.40</b>		<b>USD \$1,297.40</b>

Item	Original Price	Discount	Final Price
Mobile Pedestal (Bundled)	\$249.00	-\$87.15	\$161.85
Single Monitor Arm (Bundled)	\$69.00	-\$24.15	\$44.85
Kick Desk Chair (Bundled)	\$929.00	-\$325.15	\$603.85
Alive Desk Frame - Height-Adjustable (Bundled)	\$649.00	-\$227.15	\$421.85
Alive Desk Top (Bundled)	\$400.00	-\$35.00	\$65.00
<b>Subtotal</b>	<b>\$1,297.40</b>		<b>\$1,297.40</b>
Shipping	Free		Free
Code	GENERIC1000		-\$1,000.00
<b>Total</b>	<b>USD \$1,297.40</b>		<b>USD \$297.40</b>

*Employees apply a unique stipend code (in this case valid for \$1,000) and pay any balance out-of-pocket*



# Free Resources

[The Future of Home Office Cost Sharing](#)

[Global Work from Home Experience Report](#)

[Free Remote Work Saving Calculator® Lite \(formerly, Telework Savings Calculator®\)](#)

[Owl Labs State of Remote Work 2020](#)

# Endnotes

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# Thank you



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