The State of Telework in the U.S.

Presented by:
Kate Lister and Tom Harnish,
Principals of the
Telework Research Network

Based on a white paper by the Telework Research Network

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Research cited in dozens of publications

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How Many?

- Is it 3 million?
- Is it 16 million?
- Is it 35 or 70 million?

Who Do You Count?

- After Hours Work?
- Plumber?
- Home Business?
- Unpaid Family?
- Road Warrior?
- Ad Hoc?
Who Cares?

Community Leaders

- Transportation Planners
- Regional Planners
- Sustainability
- Politicians

Business Leaders

Community Benefits

- Increase local spending
- Reduce outbound talent migration
- Alleviate traffic congestion
- Reduce human congestion
- Revitalize cities by reducing traffic
- Improve emergency responsiveness
- Reduce traffic accidents
- Improve air quality
- Increase productivity among non-telecommuters by reducing travel times
- Improve continuity of operations
- Reduce the spread of disease
- Reduce pollution from road-work and office construction
- Further reduce travel through widespread use of virtual technologies
- Increase employment opportunities for disadvantaged
- Provide portable work options for military families
- Reduce the offshoring of jobs; homeshore some already lost
- Raise the standard of living in rural and disadvantaged areas
- Reduce terrorism targets of opportunity
Road Map


2) Why

Growth?

2005 to 2010 U.S. Workforce Growth

<table>
<thead>
<tr>
<th>% Change</th>
<th>Workforce w/o Self Empl &amp; Work at Home</th>
<th>All Self Employed</th>
<th>WAH Self Employed</th>
<th>All WAH</th>
<th>WAH w/o Self Employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1%</td>
<td>3.1%</td>
<td>-5.4%</td>
<td>-1.0%</td>
<td>23.5%</td>
<td>66.2%</td>
</tr>
</tbody>
</table>

WAH = Those who worked the majority of their week at home

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Component Growth in Work at Home

For Profit

Non Profit

Local Govt WAH

State Gov't WAH

Component Growth in Work at Home

Fed Gov't WAH

Total WAH

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Who Do They Work For?

WAH as a % of Workforce

2005 vs. 2010

U.S. 2.4%        U.K. 4.9%        Canada 3.0%

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WAH By Industry

Industry as % of Total Employed Population vs WAH Population

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WAH By Occupation

- Management: 21%
- Professional: 20%
- Healthcare: 2%
- Other: 2%
- Protective service: 1%
- Construction: 4%
- Production: 2%
- Service: 11%
- Sales/Office: 29%
- Transportation: 3%
- Military: 3%
- Farming, fishing and forestry: 2%
- Construction: 4%
- Production: 2%
- Transportation: 3%
- Military: 3%
- Service: 11%
- Sales/Office: 29%

How Old?

- 40-65: 49%
- 60-69: 10%
- 70+: 1%
- 50-59: 20%
- 40-49: 25%
- 30-39: 22%
- 18-29: 25%

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Education

- Total Workforce
- WAH Census

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Total Workforce</th>
<th>WAH Census</th>
</tr>
</thead>
<tbody>
<tr>
<td>Some HS</td>
<td>5.8%</td>
<td>4.8%</td>
</tr>
<tr>
<td>HS Grad</td>
<td>22.6%</td>
<td>18.3%</td>
</tr>
<tr>
<td>Some College</td>
<td>33.2%</td>
<td>32.3%</td>
</tr>
<tr>
<td>College</td>
<td>19.8%</td>
<td>29.3%</td>
</tr>
<tr>
<td>Post Grad</td>
<td>10.8%</td>
<td>15.3%</td>
</tr>
</tbody>
</table>

How Much Do They Make?

- Individual Income

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Total Workforce</th>
<th>WAH</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2-$10k</td>
<td>11.8%</td>
<td>15.0%</td>
</tr>
<tr>
<td>$10k-$15k</td>
<td>7.6%</td>
<td>7.4%</td>
</tr>
<tr>
<td>$15k-$25k</td>
<td>16.3%</td>
<td>13.0%</td>
</tr>
<tr>
<td>$25k-$35k</td>
<td>15.1%</td>
<td>10.7%</td>
</tr>
<tr>
<td>$35k-$50k</td>
<td>17.1%</td>
<td>12.0%</td>
</tr>
<tr>
<td>$50k-$65k</td>
<td>11.7%</td>
<td>9.4%</td>
</tr>
<tr>
<td>$65k-$75k</td>
<td>4.7%</td>
<td>15.4%</td>
</tr>
<tr>
<td>&gt; $75k</td>
<td>27.5%</td>
<td>50.0%</td>
</tr>
</tbody>
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Where Do They Do It?

Remote Work By Location
Source: WorldatWork Telework 2011

Regions

Greatest Growth
Riverside CA: 25x
Tampa FL: 18x
Salinas CA: 18x
Chicago IL: 14x

Highest % WAH
San Diego CA: 4.2%
Atlanta GA: 3.4%
San Fran. CA: 3.1%
Seattle WA: 3%

Lowest % WAH
Detroit MI: 1.8%
Houston TX: 1.8%
New York NY: 2.1%
The 5% ‘Privilege’

<table>
<thead>
<tr>
<th>Number of Employees</th>
<th>Union vs. Non-Union</th>
<th>Blue vs. White Collar</th>
</tr>
</thead>
<tbody>
<tr>
<td>100+</td>
<td>Union</td>
<td>Blue</td>
</tr>
<tr>
<td>&lt; 100</td>
<td>Non-Union</td>
<td>White</td>
</tr>
<tr>
<td>7%</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>4%</td>
<td>5%</td>
<td>6%</td>
</tr>
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<table>
<thead>
<tr>
<th>Occupation</th>
<th>Natural Resources, Construction &amp; Maintenance</th>
<th>Production, Transp., and Material Moving</th>
</tr>
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<tbody>
<tr>
<td>Management, Professional &amp; Related</td>
<td>5%</td>
<td>9%</td>
</tr>
<tr>
<td>Service</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Sales &amp; Office</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>Professional &amp; Related</td>
<td>13%</td>
<td></td>
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<td>6%</td>
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<td>5%</td>
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Source: BLS 2010 Annual Compensation Survey

Training?

FIGURE 5b: Training for Managers
*Is training provided to managers about how to successfully manage employees with a flexible work arrangement?* (n = 456)

FIGURE 5a: Training for Employees
*Is training provided to employees about how to be successful as an employee with a flexible work arrangement?* (n = 456)

Source: WorldatWork 2011 Telework Report

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US Telework Potential
% of 2009 Non-Self Employed Population

Sources:
WorldatWork
Telework Research Network

WAH Future Composition

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Everyone Wins

- Employer
- Employee
- Community

Assumptions

- American Community Survey
- Bureau of Transportation Statistics
- U.S. GSA / Booz Allen
- Reason Foundation
- EPA
- Colliers International
- BLS
- U.S. Department of Energy
- National Highway Safety Administration
- Federal Highway Administration
- Cushman & Wakefield MarketBeat
- American Management
- CCH Unscheduled Absence Survey
- Global Environment and Technology Foundation

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VARIABLES

- Telework frequency
- Commute distance
- Commute time
- Other employee savings
- $/gallon of gas
- % offices eliminated
- Cost/kWh of electricity
- Cost/office
- Cost of turnover
- Cost of absences
- % Reduction in absences
- % Turnover
- Productivity change
- Average annual earnings
- Other company savings
- % Who could
- % Who want to telework
- % Daily travel reduction
- Parking, food, clothes
- Other Individual Savings
- Day care costs
- Environmental factors

Employer Savings

- Productivity
- Real Estate
- Absenteeism
- Turnover
- . . . and more
Productivity?

- Fewer Interruptions
- More Effective Time Management
- Empowerment
- Flexible Hours
- More Hours
Productivity Savings

Save $4,000 to $16,000 /year
Assumes: Average salary = $41,605
Productivity increase = 15% to 55%
Half time telework

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Facilities

- Desk sharing
- Office hoteling
- Space reduction
- Subleases

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Facilities Savings Examples

- Deloitte: 10% staff increase, 42% decline in real estate
- Sun: 19,000 teleworkers saved $96 million (RE, Electricity, IT)
- Oracle BV: 248 s.f. pp to 140 s.f.
- McKesson: $2 million/year
- U.S. Patent Office: $11 million/year

Facilities Savings

Assuming:

- $10,000 / office / employee
- 25% reduction with half time telework

Save $2,500 per teleworker / year
Absenteeism

- Exposure
- Stress
- Continue working
- Appointments
- Exercise
- Happiness

Absenteeism Savings

Assuming:
- 3.6 days reduction / year
- $500/day savings

Save $2,000 per teleworker / year
Turnover

Infographics by CitrixOnline

This is not your father’s workforce

Photo Credit: Ed Yourdon (Flickr CC License)
Here’s a list of our demands . . . You have until 5PM

Turnover Savings
- #1 Non-Financial Benefit
- Expands Talent Pool

Assumes:
- Turnover cost = 138%
- Average quit rate = 18%
- 10% reduction

$1,300 per teleworker/year
Tell ‘em what they’ve won Jane!

$11 Million

And More . . .
But what about costs?

Employees save too:

- Time
- Money
- Sanity
And that means . . .

And More

- Eldercare
- Office gifts
- Car insurance
- Shopping sprees
- Housing
- Taxes
Sustainability

National Impact

- 235M Barrels of oil
- 43M tons of GHG

The Bottom Line

$631 Billion

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### Let’s Pretend They Did?

#### Annual Savings with Half Time Telework

<table>
<thead>
<tr>
<th>Company Savings</th>
<th>Assumption</th>
<th>Per Person</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate</td>
<td>25%</td>
<td>$2.5 K</td>
<td>$108 B</td>
</tr>
<tr>
<td>Productivity</td>
<td>15%</td>
<td>$4.1 K</td>
<td>$174 B</td>
</tr>
<tr>
<td>Absenteeism / Turnover</td>
<td>3-4 days / 10%</td>
<td>$3.4 K</td>
<td>$142 B</td>
</tr>
<tr>
<td>Total Company</td>
<td></td>
<td>$10.0 K</td>
<td>$424 B</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employee Savings</th>
<th>Per Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>2 to 3 workweeks</td>
</tr>
<tr>
<td>Money</td>
<td>$2K to $9K</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Community Savings</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greenhouse Gases</td>
<td>7.8 million cars</td>
</tr>
<tr>
<td>Air Pollutants</td>
<td>507K Tons</td>
</tr>
<tr>
<td>Value of Oil Saved</td>
<td>$19 B</td>
</tr>
<tr>
<td>Total Savings</td>
<td>$631 B</td>
</tr>
</tbody>
</table>

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And Why the &^%! Not?

Can you spell ‘t-r-u-s-t’?

Top Barriers to Telework

- Management Resistance
- Job Incompatibility

Source: WorldatWork 2011 Telework Report
It’s time we made the road less traveled the way to work! ™

Kate Lister & Tom Harnish
Telework Research Network
TeleworkResearchNetwork.com
Kate@TeleworkResearchNetwork
760-703-0377 (Left Coast Time)

Let us help you build the business case for workplace flexibility.