

## A Brief Review of the Current State of Remote Working

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## **Introduction**

Ideas about where and how people can work have changed drastically since the beginning of the COVID-19 pandemic. Remote work, telework, and work from home, all terms used to describe working away from a central office, have become increasingly popular in the U.S. and worldwide. In 2019, only 7% of the American workforce worked from home (Barrero et al., 2023). Although remote work rates have dropped since the onset of the pandemic, the Pew Research Center estimates that 14% of workers 18 or older are working fully from home (Parker, 2023). Additionally, Barrero et al. (2023) suggest that around 29% of Americans followed a hybrid work model last year. It is worth noting that among this group, many would prefer to work fully remotely if they had the option (Parker, 2023). Remote work rates also differ across the U.S. For instance, results from the California Labor Laboratory's California Work and Health Survey (CWHHS) show that just under half of the employed California population worked at home at least some of the time, while 17% worked from home exclusively (Yelin et al., 2024). Working from home is even more common in urban areas like the San Francisco Bay Area, with 57% working from home at least some of the time and just under a fifth doing so exclusively (Yelin et al., 2024).

Despite return to office mandates increasing, remote work rates are not likely to decrease. Data from a survey conducted by the Atlanta Federal Reserve Bank, University of Chicago, and Stanford show that while many companies are forcing their employees to work in the office, executives expect the number of onsite workers to decline and fully remote and hybrid employees to grow over the next five years (Bloom et al., 2023).

## **Demographics of the Current Remote Workforce**

Individuals working remotely in the U.S. tend to be college-educated and white. According to Suarez (2022), data from the Bureau of Labor Statistics (BLS) estimated that in 2022, 80% of remote workers held a bachelor's or graduate degree. The author also reported that as of May 2022, 70% of remote workers were White, almost 16% were Asian, 10.5% were Black, and around 9% were Latinx. Additionally, in their paper "The Evolution of Work from Home,"

Barrero et al. (2023) found that women are slightly more likely than men to work from home, which they argue can be partly explained by the fact that more women are college educated than men. This inclination towards remote work is further accentuated among women with young children, who engage in remote work at higher rates than women without kids (Casselman et al., 2024). Barrero et al. found that parents, in general, are more inclined to work from home.

The authors' findings also highlight the industries that have embraced remote work, with the information, finance and insurance, and professional and business services sectors having the highest number of teleworkers. More broadly, BLS data indicate that the majority of remote work is done in the private sector (77.6%), with a relatively smaller portion of individuals working in government roles (15.6%) (Suarez, 2022).

### **Impact on Workers**

**Work-Life Balance.** Work-life balance is a frequently discussed topic when it comes to remote work. The flexibility of remote work is often seen as its greatest advantage, as it can allow people more control over how they manage their work and family obligations. According to the Pew Research Center, "71% of those who work from home all, most or some of the time say doing so helps them balance their work and personal lives" (Parker, 2023). Previous studies conducted before the pandemic also found that working from home increased work-life balance (Hackney et al., 2022). However, Pew Research also found that "About one-in-ten (12%) of those who are at least occasionally working from home say it *hurts* their ability to strike the right work-life balance" (Parker, 2023). This may be due to the blurring of boundaries between work and home (Beckel & Fisher, 2022).

**Health and Well-Being.** Remote work has the potential to positively or negatively impact worker health. Results from a review by Beckel and Fisher (2022) show how telework can be both beneficial and harmful to well-being. On the positive side, the authors found that telework has been linked to improved physical health, including decreased health risks, healthier behaviors, and reduced blood pressure. Working from home is also associated with decreased stress levels (Hackney et al., 2022). This is consistent with findings from the CWHS, which

report that California workers in better overall health were more likely to work from home (Yelin, 2024). The health benefits associated with remote work could be attributed to the absence of stress caused by commuting or the increased flexibility to practice healthy habits (Kennette & Lin, 2021). However, Beckel and Fisher found that individuals working remotely may be more prone to musculoskeletal and pain symptoms due to factors such as improper workstations or extended computer use.

The authors also examined the relationship between telework and mental health. They found that telework in moderation (eight hours or less) can help alleviate symptoms of depression. However, the authors explain that when individuals work beyond their regular hours, it can lead to social isolation and exacerbated mental health issues. The positive effects of remote work on mental health may also depend on the individual. For example, remote workers from marginalized backgrounds may experience improved mental health due to less exposure to discriminatory behavior or unsafe social environments (Kennette & Lin, 2021).

**Productivity.** The relationship between remote work and productivity varies between studies. As an article in the New York Times reports, "Studies of productivity in work-from-home arrangements are all over the map. Some papers have linked remote work with productivity declines of between 8 and 19 percent, while others find drops of 4 percent for individual workers; still other research has found productivity gains of 13 percent or even 24 percent" (Goldberg, 2023). Similarly, Hackney et al. (2022) found no clear consensus on the effects of work from home arrangements and productivity in the scientific literature. That being said, most of the articles they identified (59%) found that working from home was associated with higher productivity. A minority (27%) indicated instances of both increased and reduced productivity based on various moderating factors, and 14% showed decreases in productivity. As Barrero et al. (2023) report, managers' and workers' views on the effects of remote work on productivity are also generally unclear and differ greatly. The authors attribute this to the difficulty of generalizing across different jobs and organizations. Productivity also depends on the individual. For example, a worker might find their home office less distracting, making them more

productive (Henke et al., 2022). On the other hand, a remote worker may struggle with self-motivation when away from the office (Lee, 2023).

**Job Satisfaction.** Many studies have shown that job satisfaction and remote work are positively associated, although this relationship is moderated by different factors (Beckel & Fisher, 2022). For example, gender may play a role in whether remote work improves job satisfaction. One study found that men working from home experienced higher rates of job satisfaction than women (Feng & Savani, 2020, as cited in Hackney et al., 2022). Moreover, the job satisfaction of remote workers may rely on how well an organization manages them. If an organization fails to establish a supportive culture for individuals working from home, this may lead to a decrease in job satisfaction (Hackney et al., 2022).

### **Impact on Organizations**

The effects of remote work on organizations may vary. According to Hackney et al. (2022), remote work can bring benefits such as increased job autonomy, which can cut costs, reduce turnover, and enhance productivity. An article in the Harvard Business Review states, “The evidence suggests that working from home is valued by employees about the same as an 8% pay increase, on average. It’s a huge amenity and helps reduce turnover — in one recent, large study, by as much as 35%” (Bloom et al., 2023). Having most employees work from home can also cut costs associated with maintaining an office space (Barrero et al., 2023). However, the possible adverse effects of remote work on workers can also lead to negative results on the same organizational outcomes, such as productivity and costs (Hackney et al., 2022). Remote work can also disrupt organizational culture development, lowering motivation (Hackney et al., 2022).

Organizations can take a variety of measures to combat the adverse effects and encourage the positive outcomes of remote work. In their review of what factors make telework successful, Gohoungodji et al. (2023) found that on the most basic level, organizations should have a well-thought-out implementation plan and provide technical support to workers. The authors also state that leadership should establish a culture of trust and communication. Additionally, Gohoungodji et al. show that it is essential for management to avoid harmful practices like

heavily monitoring workers, which negatively impacts productivity, and enact policies that prevent issues such as overworking. Organizational support, especially from senior management, was also found to be crucial for successful remote work.

### **Impact on the Economy**

Remote work significantly impacts the economy. Barrero et al. (2023) report that one of the largest benefits of remote work is that the usual constraints associated with needing to be close to an office are eliminated, which allows for increased job opportunities. Therefore, the authors state that workers in remote areas or households with members employed at different locations can work and find jobs more freely. Additionally, they found that remote work allows for a more diverse workforce, as people with disabilities can more easily work from home and do not face the restraints of commuting or office social interaction. As the authors explain, these changes allow for an increased labor supply.

Remote work has also impacted the real estate market. As a significant proportion of the remote workforce is in a high-income bracket, many individuals have invested in their current homes or bought larger/second homes (Suarez, 2022). Additionally, renters working remotely often choose more spacious accommodations to allow for a home office (Suarez, 2022). Thus, the popularity of remote work post-2020 has dramatically increased the demand for housing, raising prices in the residential real estate sector.

On the other hand, prices have steeply declined in the corporate real estate business (Rappeport, 2024). The lack of demand for office space played a large role in the national office vacancy rate reaching 19.6% in 2023 (Bahney, 2024), with some cities like Washington D.C. seeing rates above 20% (Rappeport, 2024). As a result, corporate real estate investment dropped by 44% in the last quarter of 2023 (“Investment,” 2024). The impacts of these changes go beyond the corporate real estate industry. As Rappeport (2024) reports, “Cities are also starting to bear the brunt, as municipal budgets that rely on taxes associated with valuable commercial property are

now facing shortfalls and contemplating cutbacks as lower assessments of property values reduce tax bills.” Therefore, the economic consequences of remote work are far-reaching.

## **Conclusion**

The impact of remote work on workers, employers, and the economy is vast. Research shows that remote work can positively and negatively affect individuals, organizations, and the economy. While remote work can improve work-life balance and job satisfaction, it can also pose challenges to these same areas. As remote work is a relatively new phenomenon, its impacts are nuanced and are not fully understood. However, as the popularity of remote work increases, it is crucial to continue exploring its complexities and leverage its potential.

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