



# A CORPORATE GUIDE TO WORKING FROM HOME

MARCH 2021

**AARP**<sup>®</sup>

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## KEY TAKEAWAYS FROM THIS REPORT



According to a 2020 [survey](#) from JUST Capital asking what Americans want from corporate America during the coronavirus crisis, 82% of Americans agree that companies should provide the flexibility to work from home, something critically important to public health and safety during this time.



Even before the coronavirus crisis, [surveys](#) showed 98% of employees want to work from home at least some of the time.



According to a study from the University of Chicago, [63% of U.S. jobs require significant onsite presence and the remaining 37% can be performed entirely at home.](#)



Communities of color and older workers, however, are [less likely to have access](#) to work from home options.



Re-opening too soon can lead to increased illness and in some cases, [fatalities.](#)



Enabling employees to work from home with the right structures in place has the potential to improve productivity and lower costs for employers.



## THE STATE OF WORK FROM HOME (WFH) IN AMERICA

Of all the changes that COVID-19 has brought, work from home (WFH) policies have been among the most significant for businesses today and will likely remain a key consideration for companies as the pandemic continues and then subsides. Prior to the global health crisis, the option to work from home was accessible to only about 37% of workers, and around [20%](#) of wage and salary workers were working remotely on an average day, with people of color [even less able](#) to access work from home benefits. Roughly 21% of white Americans were working from home as of October 2020, down from over 35% in May. During the same time period, 19% of Hispanic workers and only 9% of Black workers were also working remotely. These discrepancies extend to income level as well, with employees making less than \$34,000 per year [less likely to work from home on an average day](#) than employees who make over \$84,000 per year. For some companies, working remotely is built into the business model, with workforces either completely or partially remote. For companies that have struggled to find the right balance for remote employees throughout the global health crisis, there are a few key considerations that can help smooth operations and combat issues from adjusting communication silos and adapting to time zone differences, to increased technology access for employees.

Now that some companies have been operating under a primarily remote work format for over eight months, those who can still work from home are adjusting to a new normal. Based on data collected by JUST Capital for the 2021 Rankings of America's Most JUST Companies, [23% of America's largest public companies](#) disclosed a general WFH policy, while 79% disclosed some kind of COVID-19-specific WFH policy. Industries with fewer frontline workers saw over 90% of employees working from home, including Internet, Consumer & Diversified Finance, and Pharmaceutical companies, while more consumer-facing industries including Retail, Building Materials, and Restaurants & Leisure saw closer to 50% remote work rates.

While the number of people working from home has decreased somewhat since May, [parents are much more likely than non-parents to be teleworking](#), presenting unique challenges and necessitating new solutions for maintaining a healthy work environment and accommodating families. Beyond WFH specifically, in 2019, 39% of America's largest publicly traded companies disclosed a flexible working hours policy. Additionally, 14% of companies also disclosed resources for backup dependent care, and 6% disclosed an option for subsidizing dependent care. Another 85 companies have announced additional backup care during COVID-19, and increasing access to policies like these are essential to the success of work from home policies, as families struggle to balance working while caring for dependents at home, helping children with school, and sharing space in an unprecedented fashion.

Work, and the workplace, is changing around the world at a rapid pace. With people living and working longer, employers are managing up to five generations at work on any given day. Offering benefits, including greater flexibility through WFH policies, helps workers of all ages. While it remains to be seen how companies will adjust to work from home schedules once it is safe to return to working in the office, there are myriad benefits to creating some regular WFH structure for employees, especially the increased flexibility that can benefit employees across age groups. It is clear that companies will continue to operate under a WFH structure where possible [into 2021](#), with some even making the decision to [go remote permanently](#) or at least offer this benefit as an option.

## THE ROI OF WFH

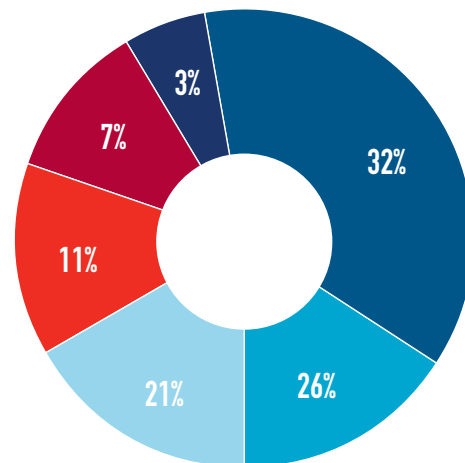
Even beyond keeping employees inspired and adapting to the ever-changing needs of their workforces, businesses can see significant financial return from including WFH policies in their benefits packages. **Typical employers can save an average of \$11,000 per employee working from home half-time per year, due to increased productivity, real estate savings, reduced absenteeism and turnover, and better disaster preparedness.** Global Workplace Analytics' Latest Work-At-Home/Telecommuting/Mobile Work/Remote Work Statistics highlight, "In terms of time, a half-time telecommuter saves the equivalent of 11 workdays per year in time they would have otherwise spent commuting. Extreme commuters save more than three times that amount. These estimates assume a 75% reduction in driving on telework days."

## BENEFITS OF WFH FOR EMPLOYERS AND EMPLOYEES

There are many forms that WFH policies can take, many of which can decrease working costs for both employers and their employees – including office space rental, commute times and costs, dependent care coverage, and more. Employers can also see a significant increase in productivity when shifting more employees to work remotely due to the limitations of workplace distractions, flexibility in working hours, ability to take more productive breaks, and increased morale. Turnover is significantly reduced by remote work policies as well, with increased flexibility, better work-life balance, and reduced/eliminated commute times increasing employee satisfaction overall.

Depending on an individual worker's specific needs, there are a variety of benefits WFH policies can take into account, with top priorities including flexibility in scheduling and location of work, spending time with family, and skipping their commute as demonstrated in Buffer's [2020 State of Remote Work report](#):

### WHAT'S THE BIGGEST BENEFIT YOU SEE TO WORKING REMOTELY?



- Ability to have a flexible schedule
- Flexibility to work from anywhere
- Not having to commute
- Ability to spend time with family
- Ability to work from home
- Other

Source: "State of Remote Report 2020" ([buffer.com/state-of-remote-2020](https://buffer.com/state-of-remote-2020)).



## SPOTLIGHT: SALESFORCE

By instituting best practices for working remotely, companies can see increased engagement and productivity from their workers. [Salesforce](#) has taken steps to ensure the health of its employees while they continue to work remotely in the U.S., by creating at home workouts, meditations, and its [B-Well Together](#) video series, which brings together leading mental health experts, scientists, and artists who provide tips, resources, and insights into all aspects of mental, physical, and social well-being. The series has also been made available to the general public. The company also continues to provide free resources to employees to ensure their work from home arrangements remain comfortable and productive. Despite the challenges of a remote workforce, Salesforce's revenue rose 26% year over year in the first nine months of fiscal 2021, with double-digit growth across all four of its businesses, as demand for its cloud services remained stable throughout the crisis.

## RESPONDING TO THE CHALLENGES OF REMOTE WORK

### SUMMARY OF PROMISING WFH PRACTICES

- Ensure **clear communication** channels.
- Provide **access to key equipment** (including internet) when necessary.
- Maintain access** to alternative work arrangements.
- Support employees' **physical and mental health needs** during periods of prolonged WFH.

While the vast majority of Americans would prefer to work remotely at least some of the time for the rest of their careers, there are a number of barriers to success that employers and employees face in maintaining mental health and productivity when utilizing these benefits, including balancing childcare, maintaining regular working hours without going over, loneliness, internet access, and more. [Verizon Media](#) has implemented a number of mental health-related benefits during the global health crisis, including regular fireside chats with mental health experts, which create an open dialogue on how employees are faring while working remotely, as well as expanding its Mindfulness program to provide access to crisis counseling, stress management strategies, and more. Employers must work to understand that the stress of these challenges accumulates for employees, potentially leading to [burnout](#) or decreased output. Employers should encourage employees to “turn off” at the end of the day when working from home, showing that they understand the specific challenges their individual employees face while spending entire workdays online.

For workers with children and caregivers to older adults, the challenges are even more complex, requiring parents to juggle new roles as educators during the school day while continuing to work remotely. Many workers are also responsible for taking care of elderly family members, a particularly barrier-ridden and time-consuming challenge during the COVID-19 pandemic that employers must take into consideration. There are [11 million working caregivers](#) who provide care to both young children and older adults. And since these workers are in many cases now sharing space with their dependents while trying to work, it's essential for employers to consider how WFH and individual dependent care needs interact. To help combat the ongoing stresses of balancing WFH with other responsibilities, a number of companies have stepped up during the global health crisis to expand dependent care coverage. [Bank of America](#), for example, expanded its benefits to include an additional [\\$75 to \\$100 a day](#) to pay for childcare expenses through at least the end of 2020, and [Microsoft added three additional months](#) of paid parental leave to help working parents navigate WFH schedules and extended school closures.

In addition to these more immediate work-life balance challenges, employees report several different struggles while navigating remote work, including issues communicating or collaborating with team members in other locations, other distractions at home, and navigating working with teammates in different time zones. Companies have taken a number of steps to combat these issues, including mental health days, care packages, and additional infrastructure to provide a stable internet connection, though it can be difficult to understand all the issues employees may be struggling with. Some employers are providing stipends to employees to pay for additional internet services, as well as stipends for necessary equipment and other office benefits that employees would typically be without at home. In JUST Capital's [Quarterly JUST Call with Humana](#), CEO Bruce Broussard acknowledged that “the prolonged being at home, the prolonged Zoom calls, and prolonged isolation is having a toll on the behavioral side.” The company has a longstanding history of ensuring the physical and mental health of its employees, including measuring the number of healthy days experienced by both customers and workers, regularly soliciting feedback on areas in which employees would like more support, and expanding access to counseling services.

## THE FUTURE OF WFH

By creating alternative work arrangements, companies can increase productivity and reduce turnover by [up to 50%](#), even when working from home is less of a requirement than it has been throughout the pandemic. This reduction in turnover comes from a variety of WFH benefits, especially increased flexibility for employees, savings on commuting costs, and better work-life balance. As they move to update or implement new policies, companies can consider:

- Creating an open, safe communications platform for employees to express issues with WFH, something that can significantly [increase job satisfaction and productivity](#).
- Establishing a communication hub to ensure dissemination of essential information to all team members and build structures of transparency so that employees can have visibility to their teams' functionality and work.
- Providing robust mental health benefits, share resources on mental health, and provide space for colleagues to interact with each other even when apart.
- Understanding that WFH and dependent care are intertwined, and provide accommodations and benefits accordingly, particularly flex time.

As the future of work and culture remain uncertain, the benefits of these policies are more important than ever to ensuring the safety and well-being of communities, workers, and customers. And the benefits of work from home policies go beyond retention and health. In fact, research from JUST Capital shows that companies that prioritize their workforces [outperformed their peers by 7.3% as of June 2020](#). Companies are facing a distinct choice to maintain and update their remote work strategies as the workforce evolves and adapts to a new normal and are likely to see benefits from these updates not just for the duration of the pandemic, but for the long term.




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### **ABOUT JUST CAPITAL**

The mission of JUST Capital, an independent nonprofit, is to build an economy that works for all Americans by helping companies improve how they serve all their stakeholders – workers, customers, communities, the environment, and shareholders. We believe that business and markets can and must be a greater force for good, and that by shifting the resources of the \$19 trillion private sector, we can address systemic issues at scale, including income inequality and lack of opportunity. Guided by the priorities of the public, our research, rankings, indexes, and data-driven tools help measure and improve corporate performance in the stakeholder economy. To learn more about how data-driven insights are creating a more just future for capitalism, visit: [www.JUSTCapital.com](http://www.JUSTCapital.com).



### **ABOUT AARP**

AARP is the nation's largest nonprofit, nonpartisan organization dedicated to empowering Americans 50 and older to choose how they live as they age. With nearly 38 million members and offices in every state, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands, AARP works to strengthen communities and advocate for what matters most to families with a focus on health security, financial stability and personal fulfillment. AARP also works for individuals in the marketplace by sparking new solutions and allowing carefully chosen, high-quality products and services to carry the AARP name. As a trusted source for news and information, AARP produces the nation's largest circulation publications, AARP The Magazine and AARP Bulletin. To learn more, visit [www.aarp.org](http://www.aarp.org) or follow @AARP and @AARPadvocates on social media.