

# Work-from-Home Doubled to More than 20% Post-COVID-19 – but Not Everyplace

Almost everybody has a facile opinion about the future of remote work. It turns out that the future will vary widely by industry and job function, existing housing stock, a region's workforce age and household size. Here's a roadmap. I'll show the way in even greater detail in future issues.

By Steven S. Ross / *Editor-at-Large*

It is time to take people's newly acquired taste for work-from-home (WFH) accommodations seriously. Most broadband deployers already have. Many property owners and managers are still confused, however – and they should be. Building a dwelling unit costs more than providing broadband. And the data are not as definitive as most people seem to believe.

For instance, the well-reported glut of office space in suburban office parks and metro centers is far more significant on a percentage basis than the overall rise in telework. Office work is particularly well suited to WFH, and that strategy also leads to immediate economies in corporate space requirements. Factories, however, are factories. Every fall, usually in **BROADBAND COMMUNITIES'** October issue, I detail where new multiple-dwelling-unit (MDU) construction is nationwide. This column adds critical data to the magazine's coverage of remote work trends.

The data could be more precise. Remote workers spend only some of their time working from home. Some work from cars, libraries, clients' establishments or cafés. Some run businesses from home – commercial photographers, writers, plumbers and electricians come immediately to mind – but do most of their work outside the home.

In this column, I closely examine the data and what it means nationwide and for types of workers in particular industries (see Table 1). I also look at how external forces can change the equation in the next decade or two. Today's buildings and new construction will have to “live” in that future. This will allow developers to judge their needs by looking locally, apart from national trends.

## TELEWORK PROS AND CONS

There is no question that the COVID-19 pandemic and video conferencing reset worker expectations and that labor shortages have put teeth into employee demands. There is also

no question that telework is good for the environment and saves commute time. But there is also no question that most jobs must be performed in person, at least some of the time, and that will change only when robots dominate, if even then.

Last September, the Bureau of Labor Statistics (BLS) deemed the pandemic effectively over and stopped asking specifically in its workplace survey if COVID-19 considerations still dominated work habits. It failed, however, to appreciate the long-term increase in second-income or part-time work. In May 2020, the BLS began asking families whether COVID-19 affected the hours they worked or prevented them from looking for work. It did. The employee data no longer tracks the employer data well in that regard.

Some details: Table 1 shows data by industry for 2021. According to BLS employer surveys, remote work dropped from 2021 to 2022. For the survey period in August and September 2022, 72.5 percent of workplaces (“employer establishments” in BLS-speak) reported “little or no” telework. That was up from 60.1 percent in the survey period from July through September 2021. Many employers have multiple establishments, so the BLS data is not wildly warped by corporation size. The BLS also reports size data, and I certainly review it. Look for more details on that in another column.

From the “labor” point of view, the data that real estate developers saw meant 27.5 percent of workplaces allowed substantial amounts of telework in late summer 2022, compared with nearly 40 percent in the summer of 2021 at the height of the pandemic. That's a drop of about a third.

But BLS also found that the proportion of establishments with at least “some” employees teleworking was 16.4 percent in that period in 2022, compared with 29.8 percent in 2021. Thus, the number of workplaces that could be considered at least mildly telework-friendly dropped by almost half from 2021 to 2022.

Nevertheless, when the BLS asked about workplaces with all employees teleworking all the time, that number rose in

2022, according to the data as reported. The data actually showed no change, however, considering the survey period started earlier in 2021 (10.3 percent) than in 2022 (11.1 percent, a rise in the unadjusted data). What's more, 19 out of every 20 workplace establishments surveyed in that 2022 period expected telework to remain unchanged for the six months ending roughly March of this year.

That extra summer month in much of the U.S. is a period with additional tourism and restaurant and hotel work that, especially in a pandemic year, confounded the regular BLS seasonal adjustments.

Conclusion: About 10 percent of all full-time employees will continue teleworking regularly, even after COVID-19 becomes endemic like

## Remote work reportedly dropped from 2021 to 2022, but about 10 percent of all full-time employees will continue teleworking regularly, and about 20 percent of homes must accommodate telework.

the flu. As of May 2023, COVID-19 incidence has dropped substantially but is still roughly double the incidence and severity of a bad flu season.

But what about part-time work at home, hybrid office-and-home schedules,

and home businesses that generate supplemental income? In theory, the BLS workplace survey captures some of them. Our market research over the years suggests that 9 to 12 percent of all households have such business income,

CATEGORY	PERCENT OF ESTABLISHMENTS	PERCENT OF JOBS THAT INVOLVE TELEWORKING			PERCENT OF ESTABLISHMENTS THAT INCREASED TELEWORK
		FULL TIME	AT LEAST SOME	RARELY OR NEVER	
Educational services	1.3	20.3	36.2	63.7	60.2
Information	2	52.2	68	32	58.9
Professional and business services	20	30.8	46.3	53.7	52.3
Financial activities	9.4	27.5	45	54.9	49.0
Wholesale trade	6.1	14.6	26.4	73.5	41.9
Health care and social assistance	17.4	7.4	18.3	81.7	34.1
Arts, entertainment and recreation	1.6	6.6	14.1	85.9	33.0
All	100	12.6	21.8	78.1	32.7
Utilities	0.2	11.4	19.7	80.3	32.7
Manufacturing	3.6	4.9	12.2	87.6	28.2
Other services	8.3	13.4	23.4	76.6	24.4
Transportation and warehousing	2.6	6	10.8	89.1	21.1
Construction	8.4	3.3	9.2	90.8	15.1
Retail trade	10.4	3.7	6.7	93.1	13.0
Natural resources and mining	1.4	2.1	5.6	94.3	10.5
Accommodation and food services	7.4	0.7	1.8	98.2	3.1

Source: U.S. Bureau of Labor Statistics, 2021 Business Response Survey to the Coronavirus Pandemic. Table 1. Telework increase by industry in 2021 as COVID-19 pandemic peaked.

**EMPLOYMENT AFTER COVID-19**

**Number of Establishments with Remote Work**

"Some" remote work in late 2021	<b>1 in 3</b>
"Some" remote work in late 2022	<b>1 in 9</b>
Establishments (surveyed 9/22) expecting no telework change before March 23	<b>19 in 20</b>
Single-earner households for which telework must be accommodated, at a minimum	<b>1 in 5</b>
Multiple earner households for which telework must be accommodated	<b>1 in 3</b>
Metro and suburban office square footage vacancy rate	<b>1 in 3</b>

with better broadband producing higher percentages. I expect that will grow, as new kinds of “products,” from cookbooks to video blogs to remote education, expand. Those plumbers, electricians, and so forth do not consider this “supplemental” business. Their businesses have always been there.

That brings the total number of households for which work-at-home must be accommodated to about 20 percent of the total, maybe more. At a time when the **BROADBAND COMMUNITIES** annual fall survey shows MDUs now account for a third of newly constructed living spaces, up from the historical average of about a quarter, the shape of MDUs especially must be reimagined.

The BLS also surveys households, of course, to generate monthly unemployment statistics. September 2022 was the last month the BLS ran its supplemental questions on COVID-19. So that month created a clean discontinuity across all BLS data surveys. Hence, Table 1 shows data only from 2021.

Pre-COVID-19, many property owners and MDU managers tended to think of providing communal workspaces to supplement smaller, less expensive, more energy-efficient apartments. Video conferencing and severe security issues, even with modern Wi-Fi 5 and 6 gateways, make that approach less valuable. That, in turn, means more dens and extra bedrooms

in dwelling units. In addition, secure virtual private networks (VPNs) are generally supplied to each remote worker, not to a communal common working area.

**TAKING A FRESH LOOK**

Real estate developers must also consider the shape of the workforce in the areas they are building. They always have, of course, but the new data requires new reading glasses. I grew up in Boston, raised my family in New Jersey, and moved back to Boston more than 20 years ago. Boston is high-tech, especially in medicine. But few hospital workers and drug researchers can work from home. Nevertheless, nationwide, about one health care professional in six works remotely – the highest proportion of any industry, according to BLS. These people typically read medical images, manage phone banks or deal with insurers.

There are about 100 colleges and universities in the region. College educators have *always* had a hybrid

schedule, and about one course in 10, even on colleges with large campus populations, was taught remotely even before the pandemic. But Boston is also a financial center, and many finance people may not need to return to the office.

In much new construction around Boston, young professionals react to high rents by sharing apartments. Studios and small one-bedroom apartments are less popular and command less rent per square foot.

The idea that “culture and collaboration needs” will force people back into the office is not valid for many kinds of office work. It is incredibly accurate in professional settings such as engineering, law and lab or industrial settings, especially where not everything workers need to know can be reduced to text, images and numbers. Remote software development is a thing as are virtual call centers. AI may change that enormously in the next decade – more on AI in my July column.

Bostonians are feeling the pain now from COVID-19–spawned decisions allowing many top managers of the public transit system to work remotely, often from cities hundreds of miles away. Being out-of-touch with new construction shortfalls, maintenance and safety issues, and even the pace of worker retirements, these (arguably) bright, highly paid managers ran the system into the ground. Some were fired. All were ordered back to the office. 🙄



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