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CAREER & WORKPLACE

Biden says it's time to return to the office and downtowns, but will companies follow?



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President Biden said it's time for American workers to return to the office after many Americans have spent nearly two years working predominantly in remote environments.

Biden's comments come at a time many businesses are ramping up their return-to-office plans as Covid-19 case counts have fallen significantly in recent weeks.

“It's time for America to get back to work and fill our great downtowns again with people. People working from home can feel safe and begin to return to their offices,” President Biden said in his State of the Union address to Congress. “We're doing that here in the federal government. The vast majority of federal workers will once again work in person.”

The comments were made as part of a broader series of statements on Covid-19 and broader federal efforts to fight the pandemic.

A widespread return to offices would provide a significant shot in the arm for many industries, with commercial real

estate firms, restaurants, small-business owners and local governments all facing high stakes.

But Biden's call also comes at a time when many workers have discovered they like – and in many cases prefer – working from home, and some companies facing a tight labor market are wary of rocking the boat by forcing workers to return. Many are settling on hybrid arrangement that includes a specified number of work-from-home days.

The Labor Department recently found in a report that one-third of companies increased remote work for some or all of its employees, and that 60% of those companies expect to make those changes permanent after the pandemic ends.

Michael Cupps, senior vice president of marketing at Las Colinas, Texas-based ActiveOps, a workforce management software company, said there are a variety of reasons why remote work has stuck.

"The reason remote work has become permanent is that employees and company directors learned it is possible, if not also optimal, throughout the pandemic for office work. Employees save money and reduce stress from commuting. Employers reduce their carbon footprint and facilities costs," Cupps said in an email.

But studies have also shown long-term, widespread remote work can have a long-term impact on urban cores and downtown areas long reliant on commuter spending and office space. [A 2021 analysis of the impact of long-term remote work after the pandemic and its potential impact on cities](#) comes from the University of Chicago's Becker Friedman Institute for Economics, which found the post-pandemic work-from-home shift will lower spending on meals, entertainment, personal services and shopping, cutting spending in major cities by 5% to 10% of overall pre-pandemic spending.

It's a big deal, according to Steven Davis, an economist and a professor at the University of Chicago who is one of the paper's authors. The trend could have multimillion-dollar implications for commercial real estate, labor market trends, city government budgets and the culinary sector, among others.

"Cities like San Francisco, New York and Chicago and so on have long been big destinations for inward commuting," David said at that time, adding that with fewer people commuting, fewer people would be spending money. "Commercial property values will probably decline for office buildings but even more so for retail space. That means lower property tax revenues and lower sales tax revenues."

And now more than a quarter of all high-paying jobs in North America are now offered in either a remote or hybrid environment – and that number is only going to go up, according to a review of 5 million career listings on Ladders, a career site focused on high-paying jobs.

Roughly 20% of high-paying professional jobs are offered as remote. Another 5% are offered as hybrid positions with a mix of in-person and remote work. Both segments have skyrocketed since the start of the pandemic.

As Ladders' data suggests, many employers are choosing a hybrid route that will require employees to be in the office a set number of days a week. Some, such as accounting giant PwC, are opting for permanent remote work. Survey after survey also shows that workers are willing to take pay cuts in order to snag a job with remote work – including new graduates who have gotten used to the work-from-home environment.

Here are some of the fastest-growing fields for remote work.

But for small businesses that offer remote work, it can be an edge in an otherwise tight labor market that has forced businesses across industries to raise wages. About 50% of

small-business owners said they raised pay over the last three months, according to new survey by the National Federation of Independent Business, a 48-year high.



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