

Determinants and Consequences of Return to Office Policies

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Research Question

What are the post-COVID return to office (RTO) policies of firms and what determines the policies chosen by these firms?

The employers' conundrum: what is the correct mix of in-person and remote work?

- Employees like being able to WFH (work-from-home)! Will accept lower wage in exchange for more WFH
- Some in-person work likely more productive than fully remote
- → Potential trade-off between productivity and wage bill

Employers trying to find mix that optimizes profitability - what do they decide?

What We Do

Hand collect data on RTO policies and classify policies manually

Document facts about RTO policies of publicly-traded firms

Develop a simple model of determinants of RTO policy choice

Test model predictions empirically

Examine stock market reaction to RTO announcements

Why Care

- Which policies companies choose may provide insight into productivity of WFH
- Documenting policy distribution helps provide guidance as to evolving norms
- Distribution of policy choices an input for models looking at implications of WFH for residential and commercial real estate
- NIPA will require estimates of amount of WFH going forward to adequately estimate TFP and capital stock

Preview of Results

Variation in RTO policy choice

- 75% of announcing firms choose a policy that entails a mix of in-person work and WFH
- Wide variation across industries and cities

Multivariate analysis

- Industries where telecommuting is more feasible allow more off-site work
- Firms headquartered in cities with more expensive office space allow more off-site work
- Larger firms require more in-person work
- Firms headed by women allow more off-site work

No reaction from stock market to deviation of policy from industry average policy

Related Literature

Spatial models of WFH (Davis et al., forthcoming; Delventhal and Parkhomenko, 2023) emphasize tradeoff depends on commute times, office rents, and residential rents

- We find higher office rents in HQ location lead to more lenient (less in-person work) policy

We build on experimental literature on employees willing to accept a wage discount to WFH (Mas and Pallais, 2017; He et al., 2021; Moens et al., 2022; Colonnelli et al., 2023)

Related Literature

Evidence on productivity benefit of being in-person:

- Emanuel and Harrington (2023) show that, after controlling for adverse selection into remote work, primarily remote call-processing employees handle fewer calls than on-site workers
- Emanuel et al. (2023) show physically proximate workers get more feedback
- Atkin et al. (2022) and Brucks and Levav (2022) show that in-person helps with idea generation
- Bloom et al. (2023) find no productivity loss associated with *hybrid* work relative to fully in-person

Tension relevant for this paper is that workers may want more WFH than the most productive level

Overview of Data Collection and Classification

Data collection and classification captures two dimensions of RTO policies

1. Mix of in-person and remote work
2. Level of discretion:
 - Is RTO policy set at the *firm-level* by top management? E.g., all employees must be in office 2 days/week
 - Or do lower-level managers, supervisors, team leaders, etc., have *discretion* to set a RTO policy that applies to their employees? E.g., different teams will have different requirements

Data Collection and Classification

Two key assumptions. If a firm announces a RTO policy, then

1. At least some work can be done remotely.
 - Firms that require 100% in-person work should not make RTO announcements
2. Announced policy applies to employees who can feasibly work off-site
 - Corporate, IT, or call center employees vs employees in retail sales

Data Collection

Hand collect RTO policy announcements for Russell 1000 firms

- Russell 1000 constituents as of Dec 2019
- Announcement period: March 1, 2020-June 1, 2023

Two sources for policy announcements:

- Factiva
 - Collects news and information on millions of firms using “newspapers, magazines, journals, websites, blogs, market research and multimedia formats from credible, reliable sources.”
 - Article types include popular press, earnings calls, regulatory filings, television interviews, etc.
- Flex Index by Scoop
 - Scoop collects its data from “publicly-available information and statements” and via “company submissions from current employees”

Data Collection: Factiva

Begin with a keyword/phrase search in Factiva for each firm

Flag each article published between 1March2020 and 1June2023 that contains one or more of

Factiva article search phrases	
hybrid work	work from home
remote work	back to the office
working remotely	back to office
remotely working	flexible work
return to work	working flexibly
return to office	flexible working
return-to-office	hybrid model
return to the office	return to workplace
back to work	in person
back-to-work	in-person
reopen	

Data Collection: Factiva

Read each Factiva article manually and filter out articles that do not explicitly announce a RTO policy

- Discussion of a delay in RTO policy decision
- Making an announcement that is too vague or general to allow us to classify the RTO policy
- Other reasons unrelated to RTO decisions

For firms with multiple announcements

- Keep the first announcement observed during sample period
- Firms' subsequent announcements/revisions may be determined in part by realized stock market reaction to firm's initial announcement

Factiva search yields 362 announcements of initial Russell 1000

Full Sample

For remaining firms, search Flex Index and record RTO policy type when available

- Collect total of 260 additional firms using Flex Index
- Caveat: Flex Index does not track the announcement date

622 Announcers of initial Russell 1000 index

- Remaining firms are “Non-announcers”

Assign 622 Announcers to 1 of 5 categories

- Categories are based on manual analysis of text of Factiva announcements and mapping of Flex Index policies onto our categorization
- Capture (1) mix of in-person vs remote work and (2) whether policy is firm-wide or whether lower-level managers/supervisors/section leaders make the call

Data Classification

1. In-person: most employees must work in the office 5 days per week
2. Remote: most employees are allowed to work remotely 5 days per week
3. Hybrid: most employees must work a mix of in-office and remote
4. Flexible: type of RTO policy is at **discretion of lower-level managers/supervisors**
 - No single, firm-wide policy
 - Some teams may be fully Remote, whereas others fully In-person, whereas other Hybrid
5. Mixed: multiple types of RTO policies but determined at the firm-level
 - E.g., 50% of employees will be fully Remote and 50% Hybrid
 - Unlike Flexible, there is **no managerial discretion specified**

If more than one policy type mentioned: use least stringent [▶ examples](#)

Data Classification

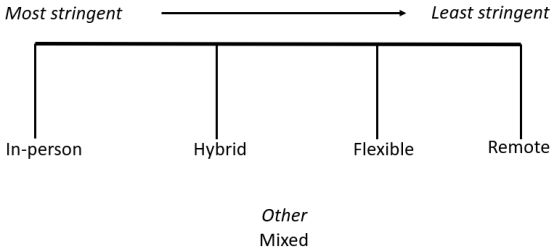
Ranking RTO policies: how stringent is the policy?

Extremes:

- Most stringent: In-Person
- Least stringent: Remote

Interior solutions:

- Hybrid: most employees fall under same policy, no discretion for managers
- Flexible: employees fall under different policies, discretion for managers
- Mixed: employees fall under different policies, no discretion for managers



Mapping Flex to Our Categories

Flex index uses 8 categories that we map into ours as follows:

1. Fully Remote → Remote
2. Employee's choice → Remote
3. Minimum days a week → Hybrid
4. Specific days a week → Hybrid
5. Minimum & specific days a week → Hybrid
6. Minimum percentage of time → Hybrid
7. Full time in office → In-person
8. Flexible → Flexible

Other Data

- Firm characteristics & HQ location: Compustat
- CEO characteristics: Boardex
- Office space effective rent: Compstak
- Residential house price: Realtor.com listing prices by MSA
- WFH feasibility measure: Dingel-Neiman 2020 (DoL O*NET)
 - Proxy for pre-Covid feasibility of remote work
 - Measures fraction of work that can be done remotely by 2-digit NAICS
 - Feasibility based on industry occupation shares
- Commute time: 5-year 2019 American Community Survey (ACS)

Announcers and Non-announcers

622 firms announce during the sample period, and announcers tend to be larger than non-announcers

Firm Size (assets in \$billions) by Announcer vs Non-Announcer

	N	Mean	Median	SD	Min	Max
Non Announcer	311	14.28	7.29	20.17	0.37	148.19
Announcer	622	59.81	14.01	203.65	0.44	2687.38

Announcement Timing

Is announcement driven by economic fundamentals or public health concerns?

- Early RTO announcements may be driven in large part by mandated lockdowns and/or public health-related uncertainty
- Announcements made after resolution of lockdowns and health-related uncertainty may be more related to economic fundamentals

Split sample based on roll-out of COVID-19 vaccines in US

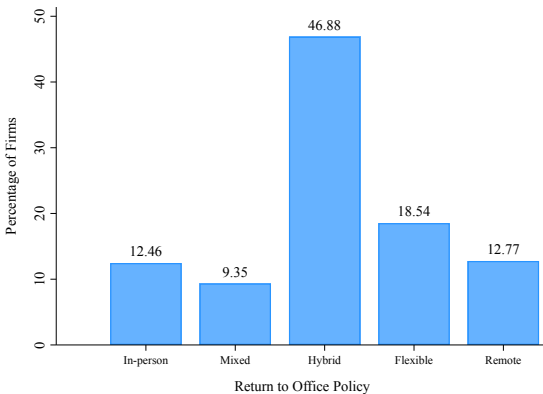
- By July 2 2021, roughly 67% (47%) of the U.S. adult population had received one (two) vaccine dose(s)
- Early Announcers: March 1, 2020 to June 30, 2021
- Late Announcers: July 1, 2021 to June 1, 2023

Early vs. Late Announcers by Firm Size (assets in \$billions)

	N	Mean	Median	SD	Min	Max
Early Announcer	102	160.4	28.0	428.8	1.0	2687.4
Late Announcer	260	50.4	14.4	137.3	0.5	1927.6
Flex Index Announcer	260	29.8	11.6	62.5	0.4	551.7

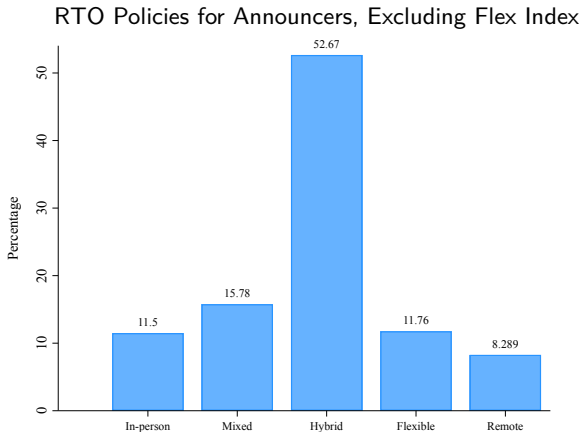
Larger Early Announcers may be market or industry leaders → subsequent announcements may follow leaders

RTO Policies for Announcers



Interior solutions are modal choice: Hybrid, Flexible, and Mixed

Distribution of RTO policies



Interior solutions are modal choice: Hybrid, Flexible, and Mixed

Modeling RTO Policy Choice

What economic determinants should be associated with RTO policy?

Simple production economy (Jermann, 1998)

- Profit maximizing firms in industry j and city c
- Firms choose **RTO policy** $P \in [0, 1]$ that partially determines TFP, office lease bill, and wage bill

$$\Pi_{j,c,t} = \underbrace{A(P_{j,c,t})}_{\text{TFP}} \underbrace{F(K_{j,c,t}, N_{j,c,t})}_{\text{Non RE cap x labor}} - \underbrace{\alpha_1 r_{c,t}^o N_{j,c,t} g(P_{j,c,t})}_{\text{Office rent expense}} - \underbrace{\hat{w}_j(P_{j,c,t}) N_{j,c,t}}_{\text{Wage expense}}$$

Higher P = more stringent policy requiring more time in the office

TFP increasing in level of in-person work ($A'(P_{j,c,t}) > 0$)

More in-person work requires more office space ($g'(P_{j,c,t}) > 0$)

Modeling RTO Policy Choice

Wage bill:

$$\hat{w}_j(P_{j,c,t}) = \underbrace{w_j}_{\text{Remote w}} + \underbrace{(\alpha_2 + \alpha_3\tau_c - \alpha_4r_{c,t}^h)}_{\text{IP prem + Commute - Home office}}g(P_{c,j,t})$$

where $g'(P_{c,j,t}) > 0$

More in-person work requires higher wage $\rightarrow \alpha_2 > 0$

Higher commuting costs reduce labor supply (Ready et al., 2019) $\rightarrow \alpha_3 > 0$

More remote work requires more residential space (Stanton and Tiwari, 2021)
 $\rightarrow \alpha_4 > 0$

Predictions

1. Higher productivity *loss* from off-site work: $\uparrow P$ (more stringent policy)
 - Firms in industries with greater pre-COVID productivity of remote work will choose lower P
2. More expensive office space: $\downarrow P$
 - Firms in cities with more expensive pre-COVID office rent will will choose more lower P
3. Longer commute times: $\downarrow P$
 - Because firms must increase wages to compensate for commute
4. More expensive residential real estate: $\uparrow P$
 - Because firms must increase wages to compensate for need for additional home office space

Determinants of RTO policies

Baseline cross-sectional ordered probit regression:

$$P_i = \beta_1 WFHFeasibilityShare_j + \beta_2 OfficeRent_c + \beta_3 ResiPrc_c + \beta_4 Commute_c + \beta_x X_i + \epsilon_i$$

Ordered dependent variable based on our classification

- $P = 3$: In-person
- $P = 2$: Mixed or Hybrid or Flexible
- $P = 1$: Remote

Determinants of RTO policies

Baseline cross-sectional regression:

$$P_i = \beta_1 WFHFeasibilityShare_j + \beta_2 OfficeRent_c + \beta_3 ResiPrc_c + \beta_4 Commute_c + \beta_x X_i + \epsilon_i$$

Economic determinants:

- *WFH Feasibility Share*: Dingel-Neiman industry share (2018 data, proxy for feasibility of remote work)
- *OfficeRent*: 2019 city median net effective rent per square foot
- *ResiPrc*: 2019 city median listing price per square foot
- *Commute*: city average commute time (2019 5-year ACS)

X_i : Firm size, firm age, CEO age, and CEO gender (all as of 2019)

Determinants of RTO policies

Negative coefficient = more likely to announce $\downarrow P$ (requires less in-person)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
WFH Feasibility Above Mean	-0.38*** (0.10)				-0.30*** (0.11)	-0.33*** (0.11)	-0.31** (0.12)
Office Rent Above Mean		-0.32 (0.21)		-0.39* (0.23)	-0.37 (0.24)	-0.40* (0.24)	-0.41 (0.28)
Home Price Above Mean		-0.07 (0.21)		-0.01 (0.21)	0.02 (0.22)	0.08 (0.23)	0.02 (0.26)
Commute Time Above Mean			-0.06 (0.10)	0.11 (0.13)	0.14 (0.13)	0.14 (0.13)	0.15 (0.14)
Above Mean Firm Size						0.35** (0.14)	0.41*** (0.15)
Above Mean Firm Age						0.13 (0.11)	0.10 (0.12)
CEO Age Above Mean							0.14 (0.12)
Female CEO							-0.46*** (0.16)
Observations	619	566	567	533	531	531	471
Pseudo-R ²	0.02	0.02	0.00	0.01	0.02	0.04	0.05

Marginal Effects

- Moving to above avg WFH feasibility industry: prob(In-person) ↓ 6 p.p.
- Moving to above avg office rent city: prob(In-person) ↓ 8 p.p.
- Moving to above avg firm size: prob(In-person) ↑ 8 p.p.
- Firms with female CEOs: prob(In-person) ↓ 6 p.p.

Early vs Late Announcers

- Lockdowns and public health uncertainty vs economic fundamentals
- Market leaders vs followers
- Our hand-collected data (announcement date available) vs. Scoop (no announcement date available)

Early vs. Late Announcers

	(1)	(2)	(3)	(4)	(5)	(6)
WFH Feasibility Above Mean	-0.34*	-0.33*	-0.26*	-0.24*	-0.30	-0.24
	(0.18)	(0.17)	(0.14)	(0.14)	(0.18)	(0.15)
Office Rent Above Mean	-0.60***	-0.61***	-0.80***	-0.81***	-0.66***	-0.84***
	(0.18)	(0.18)	(0.24)	(0.25)	(0.19)	(0.28)
Home Price Above Mean	-0.15	-0.11	0.18	0.27	-0.23*	0.24
	(0.13)	(0.13)	(0.22)	(0.23)	(0.13)	(0.25)
Commute Time Above Mean	0.57***	0.57***	0.32*	0.32*	0.63***	0.30
	(0.20)	(0.20)	(0.17)	(0.17)	(0.23)	(0.19)
Above Mean Firm Size		0.15		0.18	0.17	0.27
		(0.24)		(0.19)	(0.28)	(0.21)
Above Mean Firm Age		0.10		0.22	0.11	0.21
		(0.21)		(0.16)	(0.23)	(0.18)
CEO Age Above Mean					-0.061	0.17
					(0.21)	(0.16)
Female CEO					-0.71**	-0.56***
					(0.29)	(0.21)
LateAnnouncement			-0.04	0.00		-0.02
			(0.17)	(0.17)		(0.19)
Sample	2021Q2-	2021Q2-	Full	Full	2021Q2-	Full
Observations	222	222	313	313	195	275
Pseudo-R ²	0.06	0.07	0.04	0.05	0.09	0.08

- WFH feasibility and office rent robust to excluding early announcements
- Stringency of late announcements not significantly different from early, consistent with late announcers following early

Industry Heterogeneity

Which industries are most associated with more remote work?

- Replace WFH feasibility with 2-digit NAICS indicators
- Excluded industry = Mining/Oil&Gas

Industry Heterogeneity

	(1)	(2)	(3)	(4)	(5)
Utilities	-0.88*	-0.95**	-0.82*	-0.52	-0.55
Manufacturing	-1.09***	-1.08***	-0.99***	-1.27**	-1.21**
Wholesale Trade	-1.42***	-1.36***	-1.30***	-1.37***	-1.33***
Retail Trade	-0.78*	-0.75*	-0.72	-0.89	-0.70
Transport/Warehousing	-0.70*	-0.71	-0.78*	-0.68	-0.91
Information	-1.59***	-1.54***	-1.43***	-1.63***	-1.73***
Finance/Insurance	-1.18***	-1.31***	-1.23***	-1.29**	-1.09**
Real Estate	-0.73*	-0.62	-0.49	-0.92*	-0.48
Prof, Scientific & Tech Services	-1.73***	-1.66***	-1.60***	-1.90***	-1.77***
Accommodation & Food Services	-1.21**	-1.11*			
Office Rent Above Mean	-0.20	-0.26	-0.36	-0.34	-0.59**
Home Price Above Mean	-0.09	-0.02	0.02	-0.34	0.22
Commute Time Above Mean	0.10	0.10	0.07	0.49**	0.20
Above Mean Firm Size		0.37**	0.43**	0.10	0.20
Above Mean Firm Age		0.13	0.10	0.04	0.24
CEO Age Above Mean			0.10	-0.16	0.10
Female CEO			-0.42**	-0.44**	-0.43**
LateAnnouncement					-0.08
Sample	Full	Full	Full	Post-2021Q2	Full
Observations	502	502	441	188	266
Pseudo-R ²	0.06	0.07	0.08	0.14	0.13

Other Specifications

Continuous variables instead of indicators [▶ regs](#)

Four category ordered dependent variable

- In-person=4, Hybrid=3, Flexible=2, Remote=1
- Exclude Mixed [▶ regs](#)

Most robust results are that larger firms choose more stringent policies, and female-headed firms choose less stringent policies

Announcement returns

Does stock market react to RTO announcements? If so, how is policy stringency viewed by market?

- Focus on In-person, Hybrid, Flexible, and Remote announcements
- Rescale stringency: **In-person=4, Hybrid=3, Flexible=2, Remote=1**
- Keep only Late Announcements (during or after 2021Q3)

Industry relative policy stringency

- Compute rolling average policy stringency by 2-digit NAICS over announcement dates
- Compute $deviationscore_i$ equal to difference between numeric announcement value for firm i and lagged industry-average value

Example: assume i is fifth announcer in industry j

- Two previous firms announced Hybrid, and two announced Remote
- If i announces In-person, then $deviationscore_i = 4 - \frac{3+3+1+1}{4} = 2$

Announcement Returns

Dependent variable: cumulative abnormal returns in $[-2,+2]$ day window surrounding announcement date

- Obtain raw returns data from CRSP
- Two measures of abnormal returns:
 - Excess return over market return
 - CAPM-adjusted returns (using previous 60 days to estimate normal return)

Independent variable $deviation_i$ in four categories:

1. *Positive Deviation*, which is an indicator variable equal to one when $deviationscore \geq 0$
2. *Large Positive Deviation*, which is an indicator variable equal to one when $deviationscore \geq 1$
3. *Negative Deviation*, which is an indicator variable equal to one when $deviationscore < 0$
4. *Large Negative Deviation*, which is an indicator variable equal to one when $deviationscore < -1$

Restrict to industries with at least 5 firms that announce during or after 2021Q3 to ensure sufficient observations to compute averages

Announcement Returns

Summary statistics for announcement deviation measures

	N	Mean	Median	SD	Min	Max
Deviation score	158	-0.12	0.08	0.76	-2.05	1.60
Positive Deviation	158	0.65	1.00	0.48	0.00	1.00
Large Positive Deviation	158	0.08	0.00	0.28	0.00	1.00
Negative Deviation	158	0.35	0.00	0.48	0.00	1.00
Large Negative Deviation	158	0.12	0.00	0.33	0.00	1.00

Market Excess Returns

[-1,+1] day window

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Pos. Dev.	0.0034 (0.0061)				0.0030 (0.0061)			
Large Pos. Dev.		-0.0028 (0.011)				-0.0021 (0.011)		
Neg. Dev.			-0.0034 (0.0061)				-0.0030 (0.0061)	
Large Neg. Dev.				0.0078 (0.0080)				0.0091 (0.0083)
Log assets					0.030* (0.017)	0.030* (0.017)	0.030* (0.017)	0.031* (0.018)
Obs	158	158	158	158	158	158	158	158
R ²	0.002	0.000	0.002	0.005	0.019	0.018	0.019	0.024

[-2,+2] day window

Pos. Dev.	0.0028 (0.0080)				0.0023 (0.0081)			
Large Pos. Dev.		-0.0066 (0.015)				-0.0056 (0.014)		
Neg. Dev.			-0.0028 (0.0080)				-0.0023 (0.0081)	
Large Neg. Dev.				0.013 (0.011)				0.015 (0.012)
Log assets					0.046** (0.023)	0.046** (0.022)	0.046** (0.023)	0.049** (0.023)
Obs	158	158	158	158	158	158	158	158
R ²	0.001	0.002	0.001	0.009	0.026	0.027	0.026	0.037

CAPM Market Model Abnormal Returns

[-1,+1] day window

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Pos. Dev.	0.0025 (0.0057)				0.0022 (0.0057)			
Large Pos. Dev.		-0.0035 (0.011)				-0.0029 (0.011)		
Neg. Dev.			-0.0025 (0.0057)				-0.0022 (0.0057)	
Large Neg. Dev.				0.0090 (0.0065)				0.010 (0.0066)
Log assets					0.027 (0.017)	0.027 (0.016)	0.027 (0.017)	0.029* (0.017)
Observations	158	158	158	158	158	158	158	158
R ²	0.001	0.001	0.001	0.007	0.016	0.016	0.016	0.025

[-2,+2] day window

Pos. Dev.	-0.0012 (0.0080)				-0.0017 (0.0081)			
Large Pos. Dev.		-0.0081 (0.015)				-0.0072 (0.015)		
Neg. Dev.			0.0012 (0.0080)				0.0017 (0.0081)	
Large Neg. Dev.				0.022* (0.012)				0.023* (0.012)
Log assets					0.041* (0.023)	0.040* (0.022)	0.041* (0.023)	0.045** (0.022)
Observations	158	158	158	158	158	158	158	158
R ²	0.000	0.002	0.000	0.022	0.020	0.022	0.020	0.046

Conclusion

We collect data on publicly-traded firms' RTO policies

Hybrid/flexible policies are most common

Consistent with simple tradeoff model, commercial office rent and ex-ante feasibility of off-site work affect choice of RTO policy

Firm size also correlated with policy type

Female-headed firms allow more off-site work on average

No reaction from stock market to deviation in policy choice

Examples of categories

In-person: Ally Financial, September 3, 2022

Ally Financial encouraged employees to return to its offices in recent months. Like many companies, it found that some employees stayed home anyway, said Kathie Patterson, the financial-services company's HR chief. Ally has hired close to 2,000 people during the pandemic, Ms. Patterson said, and new employees need to learn alongside company veterans. The company sent a message to staff in recent weeks to remind employees that office attendance is expected, and leaders are telling staff to reiterate that point. "There is a real strong push now, after Labor Day, for all employees to come back into the workplace," she said. "We want a more consistent schedule." For those workers who have spent little to no time in the office, managers are reaching out to have individual conversations, Ms. Patterson said, and may give staffers a deadline to make personal arrangements to return. Further action could take place in the year ahead. "We're prepared to have a very clear conversation that this position is in-office," she said. "If they're not in the office, it could be seen as a form of insubordination, but we have not gotten to that point yet."

Examples of categories

Remote: Brighthouse Financial, January 10, 2022

Throughout the COVID-19 pandemic, the health and safety of our employees and their families has been a top priority. At the end of 2021, all Brighthouse Financial offices remained closed as we closely monitored the current environment. This spring, we plan to begin transitioning to a flexible, hybrid work model that allows our employees to choose whether they want to work fully remotely or use our offices. While we hope that the worst of the pandemic is behind all of us, other headwinds, including geopolitical and macroeconomic ones, have emerged more recently. In this challenging environment, Brighthouse Financial remains dedicated to our mission to help people achieve financial security. Uncertain times further underscore the importance of protecting individuals' and families' financial futures, and we at Brighthouse Financial are proud to be one of the largest providers of annuities and life insurance in the U.S. 1 It is that sense of pride and purpose that drives us every day to deliver on our mission while living our company's core values of collaboration, adaptability and passion.

Examples of categories

Hybrid: Wells Fargo, July 16, 2021

Now, Wells Fargo's back-to-office plans will be organized by job function and location, and flexibility will vary, the company said. But the details on such flexibility are still fuzzy. Technology, corporate and back-office employees of the \$1.9 trillion-asset bank will return in October, according to the memo. They will be offered at least some degree of flexibility in terms of how many days they spend in the office and how many days they work from home. For technology teams, Wells "will allow more flexibility to work remotely," while corporate and back-office staffers may have the option of splitting their weeks between office and home, spending at least three days a week in the office, the company said. What flexibility looks like for call center teams is not yet clear. Wells said management is trying to figure out "how to best offer flexibility for contact center and operations roles going forward" and that the ability to work remotely will depend on factors such as the type of job and individual employees' experience.

Examples of categories

Flexible: Charles Schwab Corp, August 19, 2021

The firm also announced additional steps it is taking to address pandemic concerns and provide workplace flexibility for its employees going forward. In light of current circumstances, the firm has delayed a full Return to Office until January 2022, at the earliest. In the meantime, employees can continue to work from home, or return to the office on a voluntary basis. Once back in the office, Schwab employees will enjoy additional workplace flexibility, based on a hybrid work schedule. Employees will also have the ability to work with their manager to determine an approach that works for their individual situation, should they need additional flexibility.

Examples of categories

Mixed: KeyCorp, July 20, 2021

*At Key, the resurgence of the coronavirus hasn't impacted our back-to-the-office strategies, but it could if it continues. **By the end of September, we expect to have our whole team back in the office. We have 17,000 teammates nationwide. Half will work four to five days in the office. Another 30% will work three days in the office on a "reservations" basis, and 20% will work remotely from home. In the Cleveland market, that means about 1,000 of our associates in our downtown Cleveland headquarters and other Northeast Ohio offices will continue to work remotely.***

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Continuous Independent Variables

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
WFH Feasibility Share	-0.86*** (0.21)				-0.68*** (0.24)	-0.68*** (0.25)	-0.63** (0.28)
Office Rent		-0.0073 (0.0061)		-0.012 (0.010)	-0.0092 (0.011)	-0.011 (0.011)	-0.016 (0.011)
Home Price		-0.00080 (0.00057)		-0.00046 (0.00067)	-0.00053 (0.00068)	-0.00027 (0.00069)	-0.00013 (0.00078)
Commute Time			-0.015 (0.012)	0.013 (0.023)	0.017 (0.023)	0.014 (0.023)	0.015 (0.024)
Firm Size						5.4e-07** (2.3e-07)	6.6e-07** (3.0e-07)
Firm Age						0.0048* (0.0026)	0.0050* (0.0027)
CEO Age							0.0093 (0.0091)
Female CEO							-0.43*** (0.17)
Observations	619	566	567	533	531	531	471
Pseudo-R ²	0.020	0.020	0.0018	0.016	0.028	0.040	0.059

Four Category Classification

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
WFH Feasibility Share Above Mean	-0.22** (0.09)				-0.15 (0.10)	-0.18* (0.10)	-0.16 (0.11)
Office Rent Above Mean		-0.17 (0.20)		-0.25 (0.22)	-0.22 (0.23)	-0.25 (0.24)	-0.21 (0.27)
Home Price Above Mean		-0.03 (0.21)		0.02 (0.21)	0.02 (0.22)	0.07 (0.23)	-0.00 (0.26)
Commute Time Above Mean			0.02 (0.10)	0.11 (0.12)	0.12 (0.12)	0.12 (0.12)	0.13 (0.13)
Above Mean Firm Size						0.36*** (0.13)	0.44*** (0.14)
Above Mean Firm Age						0.09 (0.11)	0.09 (0.11)
CEO Age Above Mean							0.12 (0.11)
Female CEO							-0.40** (0.16)
Observations	559	511	514	482	480	480	429
Pseudo-R ²	0.0040	0.0034	0.000033	0.0031	0.0049	0.013	0.023

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