

Supplemental Survey Report

Service Sector Businesses See Remote Work Persisting

Supplementary questions to the August *Empire State Manufacturing Survey* and *Business Leaders Survey* focused on the extent and nature of remote work, including effects on productivity and space usage. Similar questions had been asked in our June 2021 surveys.

In the current survey, businesses were asked to estimate the proportion of their staff working remotely at least some of the time, at three time horizons—now, before the pandemic, and a year from now. Among service sector firms, an average of 30 percent of employees were estimated to now be working remotely at least some of the time—up from 9 percent before the pandemic. Among manufacturers, in contrast, only 9 percent were said to be doing some work remotely, versus 3 percent before the pandemic. When asked how many days these employees worked remotely, the average service firm indicated 3.3 days a week, while the average manufacturer reported 2.8 days. Combining these estimates across firms, and assuming a five-day workweek, we estimate that the share of hours worked remotely averaged 21 percent at service firms—considerably higher in finance and in professional and business services (not shown in tables)—but just 7 percent among manufacturers. Looking ahead to

a year from now, the average service firm expected this percentage share to decline only moderately, to 18 percent, whereas the average manufacturer saw it holding steady at 7 percent.

Respondents were also asked to estimate what share of their remote/on-site staff works remotely on each day of the workweek. Firms reported that workplace attendance does vary by day of the week, but not by all that much. As might be expected, attendance tends to be lowest on Fridays and, among service firms, on Mondays as well. Tuesdays to Thursdays are fairly similar in terms of attendance.

Businesses that expanded remote work arrangements (since the pandemic) were also queried on how those changes have affected productivity. Almost 70 percent of service firms and just under half of manufacturers said that they had expanded remote work. Among these service firms, the verdict was mixed: 30 percent reported a negative effect on productivity, while 20 percent indicated a positive effect, with the remaining half noting little change. Among manufacturers, the balance was more negative, with 28 percent reporting an adverse effect and just 12 percent indicating a positive effect.

Finally, survey participants were asked if they had reduced or expanded their business's footprint (i.e., square footage) directly in response to changes to remote work arrangements, and if they expected to do so in response to future adjustments in remote work. The vast majority of respondents—more than 75 percent of service firms and more than 90 percent of manufacturers—said they had not changed their footprint due to such adjustments, and the vast majority also said they did not expect to do so in the next year or two. Not surprisingly, considerably more businesses in both groups said they had reduced their footprint than said they had expanded it. Going forward, however, more businesses said they planned to expand than reduce their square footage, but here too, there is some industry variation: manufacturers and firms in service industries that tend to have more face-to-face contact—such as leisure and hospitality, retail, and education and health—are considerably more inclined to expand than reduce their footprints in the next couple years. In contrast, among those in financial services and professional and business services, more firms plan to further reduce than expand the space they use. ■

Supplemental Survey Report, *continued*

QUESTION 1-3

To what extent did your employees work remotely prior to the pandemic, to what extent do they do so now, and to what extent do you expect them to do so a year from now?

	Business Leaders Survey			Empire State Manufacturing Survey		
	Prior to the Pandemic	Now	A Year from Now	Prior to the Pandemic	Now	A Year from Now
Share of employees working remotely at least some of the time	9.1	29.6	25.6	3.0	9.4	9.4
Average number of days those employees worked remotely (in a five-day workweek)	3.8	3.3	3.2	3.8	2.8	2.9
Share of hours worked remotely*	7.6	21.0	17.5	2.6	6.8	6.9

* Product of the first two measures for each respondent whose share was greater than zero, divided by 5 (total number of days in a typical workweek), and then averaged across all respondents. This does not, however, weight by overall company size (number of employees).

QUESTION 4

Among your employees who work both remotely and onsite, which days of the workweek do they tend to come to the workplace? Please enter the approximate share of your workers that works onsite each day of the workweek, excluding weekends.

	Business Leaders Survey	Empire State Manufacturing Survey
	Percentage of Remote + On-Site Workers	
Monday	47.6	62.3
Tuesday	55.3	63.6
Wednesday	56.7	64.4
Thursday	55.5	65.1
Friday	44.1	58.4

Supplemental Survey Report, *continued*

QUESTION 5

If your business has expanded remote work arrangements relative to before the pandemic, have these expanded remote work arrangements generally made your employees more or less productive?

	Business Leaders Survey		Empire State Manufacturing Survey	
	Percentage of All Respondents	Percentage of Respondents Who Had Expanded Remote Work	Percentage of All Respondents	Percentage of Respondents Who Had Expanded Remote Work
We have expanded remote work arrangements relative to before the pandemic	68.6	100.0	49.0	100.0
Less productive	20.4	29.7	13.7	28.0
About the same	33.7	49.2	29.4	60.0
More productive	14.5	21.2	5.9	12.0
We have not expanded remote work arrangements relative to before the pandemic	31.4		51.0	

QUESTION 6

Compared to before the pandemic, have you reduced or expanded your business's footprint (i.e., square footage) directly in response to changes you have made to remote work arrangements for your employees?

	Business Leaders Survey		Empire State Manufacturing Survey	
	Percentage of Respondents			
Reduced footprint	15.9		6.8	
No change	75.6		91.3	
Expanded footprint	8.5		1.9	
Average percentage change	-5.5		-2.3	

QUESTION 7

Do you plan to make any further changes over the next one to two years?

	Business Leaders Survey		Empire State Manufacturing Survey	
	Percentage of Respondents			
Reduce footprint	11.4		3.8	
No change	73.7		82.9	
Expand footprint	14.9		13.3	
Average percentage change	1.4		2.9	