
One Year Remote

A look back at the key trends and learnings
from working remotely over the past year

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Introduction

2020 was undoubtedly a year of significant change. Nearly every aspect of our daily lives shifted practically overnight in mid-March 2020, and, arguably, one of the biggest changes was around the way we work. Commutes suddenly became just 15 steps, and kitchens became conference rooms as the home and the office morphed into one.

As we approach the one-year mark that the country went remote, we look back on the year to highlight how impactful this shift has been for businesses and professionals across the country. What have we learned in the full year that companies and professionals have been without the walls of the traditional office?

We've highlighted and quantified five key learnings from a full year of remote work.

01. Working Remotely Improves Productivity



Before the pandemic, we have a handful of academic studies suggesting that remote work positively affected productivity. However, these studies were about a handful of occupations, and the generalizability of the results was unknown. With the pandemic, we have thrown millions of businesses and tens of millions of workers into the remote work experiment overnight, raising the question of whether productivity would go up, down, or stay the same. As a result, we can explore how a wider group of workers are doing with productivity while remote.

When workers are asked if productivity has gone up from working remotely, 61% say yes, and only 12.7% say no¹. While workers may be viewing their productivity in a self-serving light, Upwork's survey of 1,000 hiring managers showed a positive view as well: 32.2% of hiring managers felt that overall productivity had gone up as of late April compared to the 22.5% that felt it had decreased².

What's more, as businesses and workers learn more about how to work remotely, their perceptions have improved over time. A follow-up survey of 1,000 hiring managers in November found that 68% said it was going better than when they first started working remotely³.

Not only are people getting better at remote work, but new remote work technologies will be invented, remote-first businesses will be born, and those for whom it doesn't work will go back to face-to-face. As a result, the productivity effects of remote work, which were positive to begin with, will continue to build over time.

¹ https://bfi.uchicago.edu/wp-content/uploads/2020/12/BFI_WP_2020174.pdf

² Ozimek, Adam. "Future Workforce Report," Upwork, 2020.

³ Ozimek, Adam. "Future Workforce Pulse Report," Upwork, 2020.

02.

Remote Offers the Freedom to Relocate



Aside from the lack of a commute, remote work also provided professionals with a new sense of geographical freedom. Without the requirement to be within close proximity to the office, many seized the opportunity to move to areas that better suited their lifestyles. We estimated that up to 23 million people planned to relocate due to a greater ability to work remotely⁴.

For many, this meant moving away from metropolises that were densely populated, expensive, and close to their office. A significant 20.6 percent of those planning to move were based in a major city. Additionally, more than half (52.5 percent) were planning to move to a significantly more affordable house than their current home.

The freedom to live wherever without worrying about work will help redistribute opportunity across the U.S. Today, many skilled professionals leave their hometowns or small communities looking for better jobs in big, expensive cities. With the rise of remote work, it will be easier to find opportunities without paying the high price of expensive cities and sacrificing where they'd like to live for where they need to work. This will be good for those individuals and their communities.

⁴ Ozimek, Adam. "Remote Workers on the Move Report," Upwork, 2020.

03.

Remote Work Has Opened the Door to Hybrid Teams

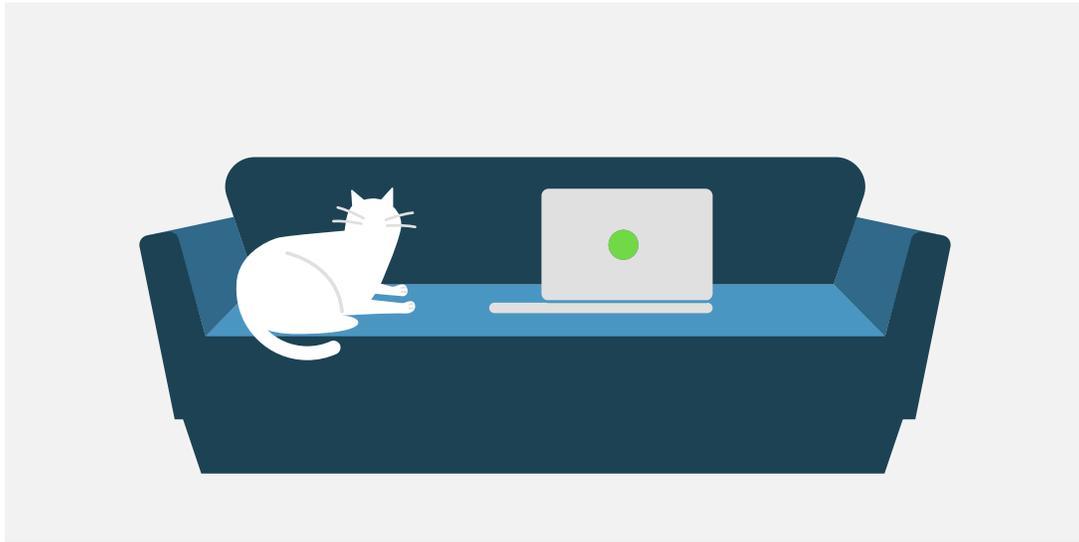
As more businesses and professionals adjusted to the idea of working remotely, many also became receptive to the idea of having teams that are made up of a hybrid of full time employees and independent talent. Independent talent have always been disproportionately remote, and companies that hire them have tended to be the same ones that are comfortable with remote work.

As a result of this, 58% of non-freelancing professionals new to remote work are considering freelancing in the future⁵. The past year's shift to remote has introduced many professionals to the benefits of greater flexibility and control on how they work, and freelancing will be for some a natural next step.

At the same time, working remotely for the first time also eased many companies' minds from the fears they had about engaging remote freelancers. When looking at 1,000 hiring managers, we found a 10 percentage point increase in the share of their workers planned to be remote in the long-run was associated with a 1.6 percentage point to 2.7 percentage point increase in the likelihood of hiring freelancers. While this may sound modest, 2 percentage points of the workforce would represent over 3 new million independent professionals and would be close to the overall increase in the size of the freelance workforce from 2015 to 2019⁶.

⁵ "Freelance Forward Report," Upwork, 2020.

⁶ "Freelancing in America," Upwork, 2019.



Additionally, when managers personally enjoy remote work, they are 10 to 16 percent more likely to work with freelancers⁷.

The increase in the number of companies that have become comfortable working remotely this past year has helped open the door to hybrid teams. In the same study conducted in November 2020, when asked about plans for engaging freelancers in the next six months 36.1% hiring managers say they plan to somewhat or significantly increase their use of independent talent⁸. We have also seen this similar trend first hand on Upwork's marketplace. Over the last year, demand for online freelancing has grown at

rapid pace alongside the growth in interest in remote work.

On Upwork, we can see the strong demand across countries and categories. While there are places where demand is more substantial, the increase is truly broad-based, reflective of a change in how companies work. Even in the fourth quarter, well into the pandemic, Upwork saw revenues grow 32% year-to-year compared to 19% in the same quarter of 2019. Both new clients and existing clients engaged in the platform more than in the past. There were 6,400 new core clients in the fourth quarter, compared to 4,000 in 2019⁹.

⁷ Ozimek, Adam. "Future Workforce Report," Upwork, 2020.

⁸ Ozimek, Adam. "Future Workforce Pulse Report," Upwork, 2020.

⁹ 2020 Earnings Release

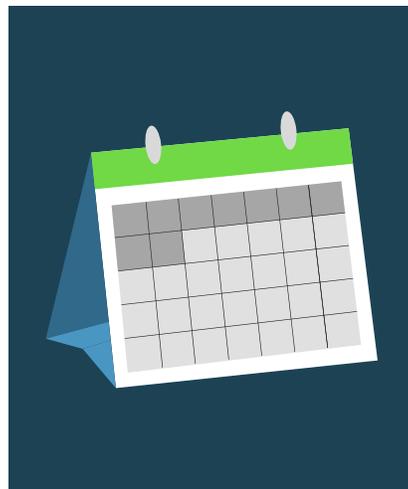
04.

Remote Work Saves Time and Money

In addition to sustained productivity, professionals also realized some of the clear advantages of working from home. Among the most impactful advantages is the elimination of a commute. As our report in August showed, commutes in the U.S. have been growing since the 1980s and before the pandemic, the average commute time reached 49.6 minutes a day.

Remote work, however, allowed many professionals to forgo the daily hassle of getting to and from the office and consider just how much time a commute eats into their lives. To put this time savings into perspective, only one year working remotely has saved people, on average, nine days (9.02) from commuting¹⁰.

Aside from time, there are also obvious economic benefits to a lack of a commute. Just in this past year, we estimate that on an individual level, commuters who were commuting by car prior to the pandemic have saved around \$4,350 this year, including the costs to the public from their driving. This benefit alone will likely give professionals some hesitation about returning to the office. Not only that, but it will provide businesses looking to improve their environmental footprint and corporate social responsibility a reason to lean into remote work as well.



¹⁰ Ozimek, Adam. "Where Remote Work Saves Commuters Most," Upwork, 2020.

05.

Remote Work and Remote Work During a Pandemic Are Not the Same

Lastly, an important takeaway from this year is that remote work and remote work during a global pandemic are not the same. Too often this year, remote work critics conflated the effects of the pandemic with the impact of remote work. Parents, for example, have likely had to balance work with interruptions from children. This is not a product of remote work, but rather a result of many schools having been closed due to COVID. In a post-pandemic situation, kids will be at school, and remote work will mean fewer interruptions. Indeed, even with kids at home, our research shows that ‘fewer interruptions’ is one of the most cited benefits of remote work, according to hiring managers.

Similarly, many of the pain points cited about remote work were from companies and organizations for whom remote is not ideal, but was necessary for this emergency situation. At the height of the pandemic, upwards of two-thirds of professionals were working remotely. In comparison, our research shows that the percent of professionals remote over in the next five years will be closer to 20 to 25 percent¹¹. Many will be or have returned to the office, and for some functions, this makes sense. Upwork’s survey revealed that remote work was working overall for hiring managers even early in the pandemic. This is remarkable given the extent of remote working that was taking place.



¹¹Ozimek, Adam. “Future Workforce Pulse Report,” Upwork, 2020.

Conclusions

For companies and professionals across the country, the past year of working remotely has been eye opening. For professionals, it's allowed people to question and prioritize aspects of their lives that they likely have not been able to do before. Whereas businesses tested many of the preconceived notions about how to build teams, source talent, and operate.

Although COVID-19 was the catalyst for the change in the way we work, the benefits of remote work for businesses and professionals is why many will continue to operate this way even in a post pandemic world. Many constraints of the old ways of work have been removed and this has led businesses to rethink how they find, source, and work with professionals, regardless of their geographic location.