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Remote Workers in Southeast Michigan: Demographic Trends Before and During the COVID-19 Pandemic

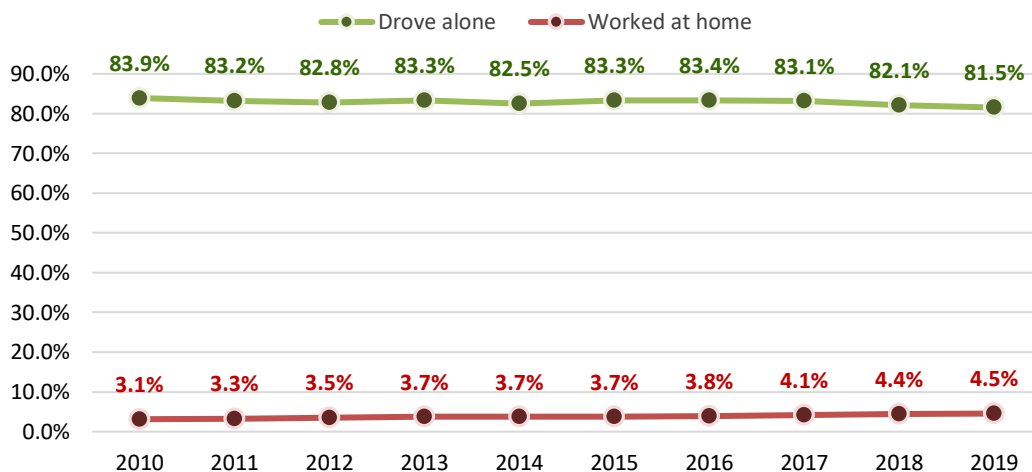
In March 2020, millions of workers around the country shifted working from an office building or commercial space to working from home due to the COVID-19 pandemic-induced business closures. By summer 2021, many people were vaccinated, states and municipalities lifted many pandemic-related restrictions, and businesses began resuming normal business hours. However, one and a half years into the pandemic, many employees continue to work from home at much higher rates than pre-pandemic levels.

This report highlights some of the trends in remote work, or telework, in Southeast Michigan before and during the pandemic. The analysis uses data from Census Bureau's American Community Survey (ACS) to identify trends prior to the pandemic. Census Bureau's Households Pulse Survey data is used to examine the trends in remote work during the COVID-19 pandemic.

Before the COVID-19 pandemic, remote work was an optional benefit to relatively few workers in Southeast Michigan.

The share of remote workers in the region has been on the rise since 2010, but the rates of increase were in single digits. As of 2019, only 4.5% of the region's workers worked from home – a share that increased by only 1.4 points from 3.1% in 2010 (Figure 1). In contrast, 81.5% of the region's workers drove alone to work in a private vehicle in 2019.

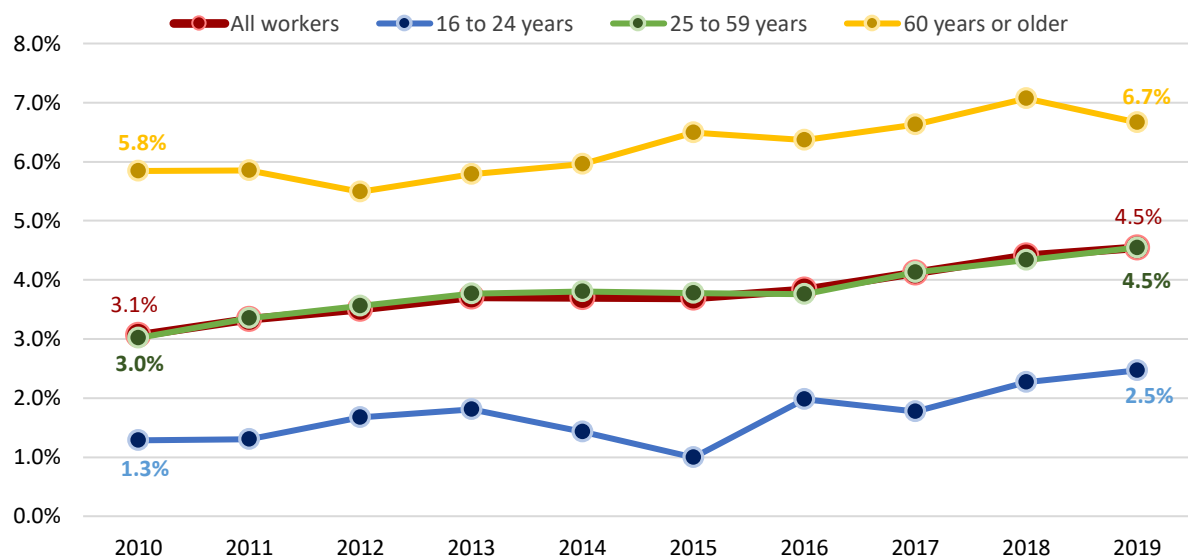
Figure 1: Percent workers driving to work vs working from home, 2010-2019



As with the overall trend, the work-from-home share for all age groups also rose between 2010 and 2019, although the shares among the groups differed considerably. Working from home was significantly higher for older workers than for those in younger age groups (Figure 2). In part, this is because workers aged sixty-or-older were more concentrated in occupations where work could be

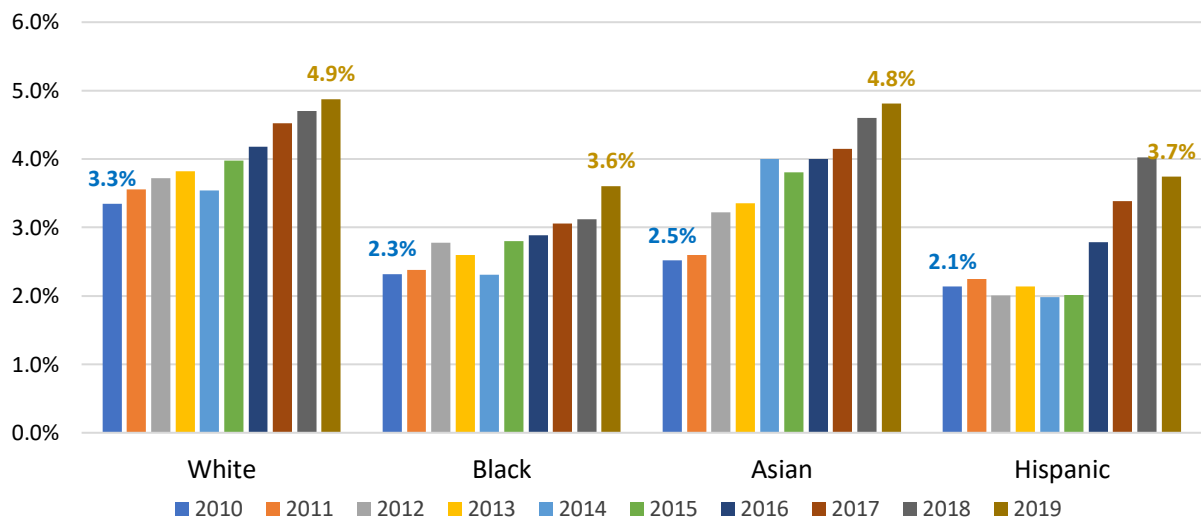
done remotely. In 2019, 31% of employed workers sixty and older held jobs in legal and administrative support occupations, compared to 15% of those in ages 16-to-24 and 21% of those aged 25-to-59. Similarly, 19% of workers aged 60-and-above were in business and financial occupations compared to 6% of workers aged 16-to-24 years.

Figure 2: Remote workers by age group, 2010-2019



Among racial and ethnic groups, White and Asian populations had higher shares of workers working from home compared to Black and Hispanic populations (Figure 3). While work-from-home rates have been rising among all race and ethnic groups, Asian workers witnessed the largest gains between 2010 and 2019, from 2.5% to 4.8% respectively.

Figure 3: Remote workers by race and ethnicity, 2010-2019



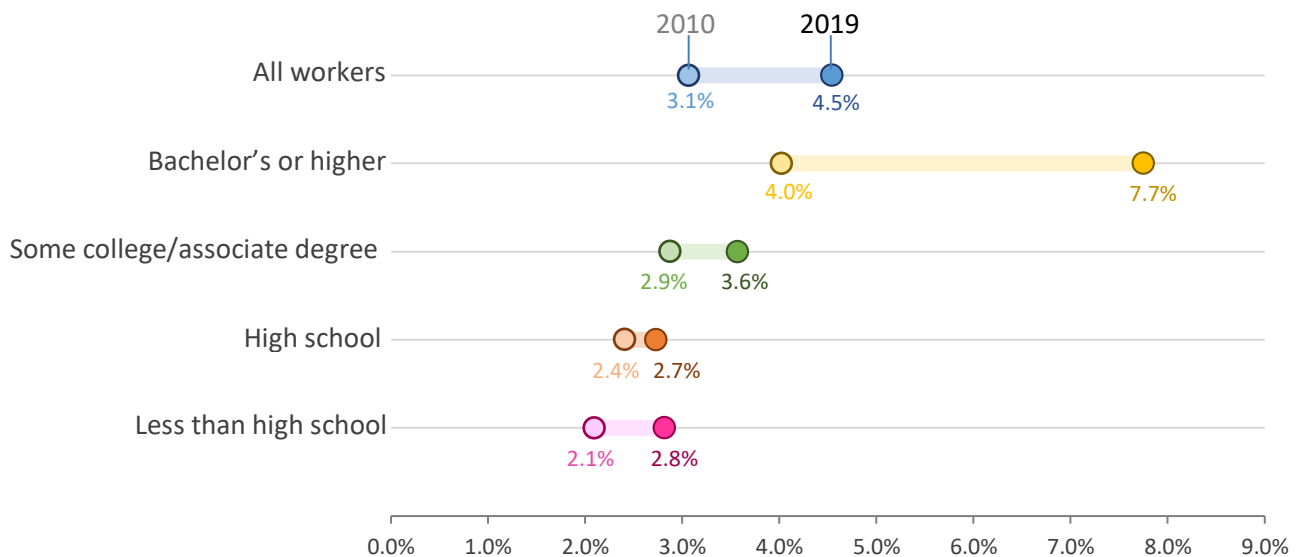
Note: White, Black, and Asian groups are single-race and non-Hispanic

Higher percentage of workers with a bachelor's degree or higher worked remotely.

In 2019, 7.7% of workers with a bachelor's degree had jobs that were performed remotely. As shown in Figure 4, that is more than double the share of those who completed some college education, including an associate degree (3.6%), and nearly triple the share of workers with just a high school diploma (2.7%). Work from home share increased for all education levels between 2010 and 2019,

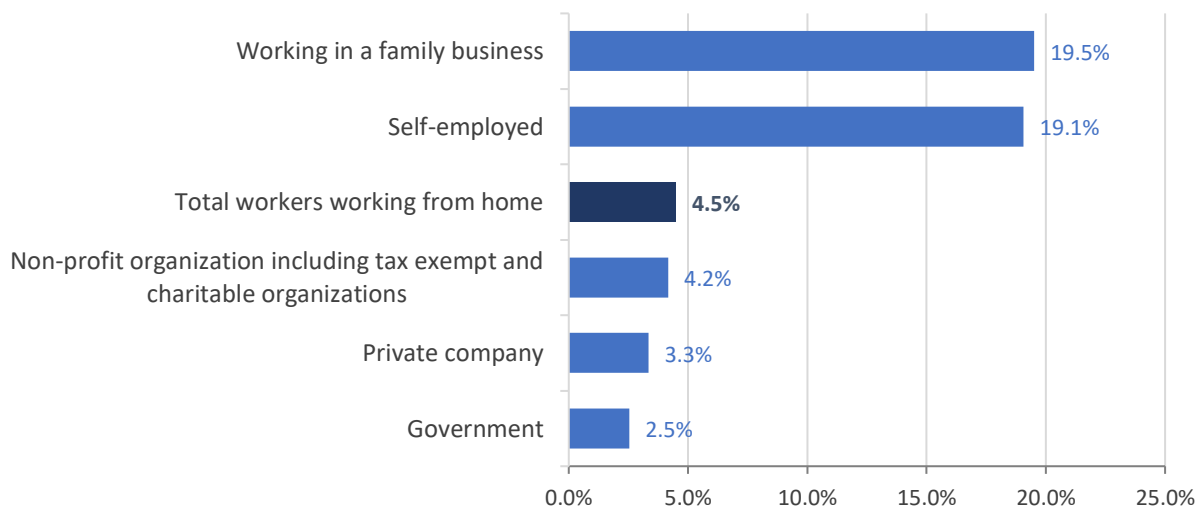
but jobs requiring the attainment of a bachelor's degree or higher witnessed a greater increase in the share of remote workers.

Figure 4: Share of remote workers by educational attainment, 2010-2019



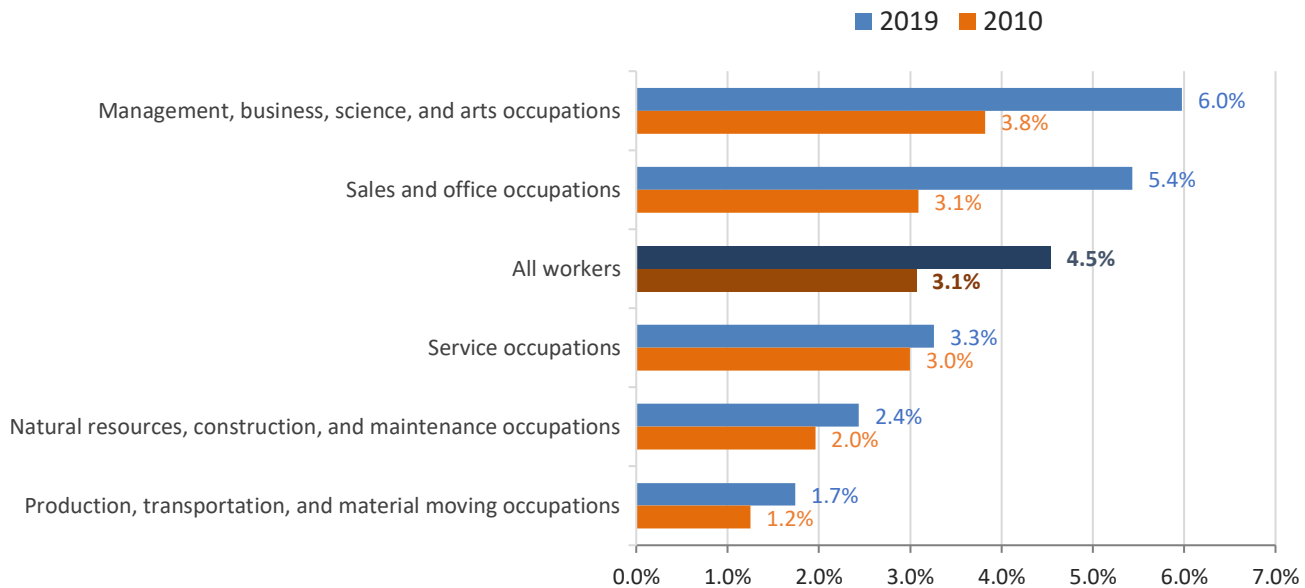
In 2019, workers in family business (19.5%) and those who are self-employed (19.1%) had the highest ratios of working from home, while government workers (2.5%) had the lowest share (Figure 5).

Figure 5: Share of remote workers by type of workers, 2019



Some jobs by their very nature are difficult or impossible to do from home, and workers in these jobs cannot do their jobs from anywhere but their worksite. These include restaurant servers, hair stylists, production and maintenance workers, and construction workers. In 2019, less than 2% of workers in production – and 2.4% of workers in maintenance or construction-related occupations – had access to telework, the lowest shares among all occupation groups (Figure 6). While the teleworking shares for these occupations have increased slightly between 2010 and 2019, the increases are marginal when compared to management, business, professional, or sales and office occupations.

Figure 6: Share of remote workers by occupation, 2010-2019



Telework is more common among “knowledge workers”, those working in science and technology sectors and people who do most of their work on computers.

In 2019, workers in information, professional, scientific, and management sectors – such as corporate executives, IT managers, lawyers, software designers, scientists, and engineers – along with those in financial, real estate, and administration sectors had higher than average teleworking rates (Figure 7).

These occupations are also the ones that have relatively higher salaries, so it is not surprising that among the workers that work from home, the shares varied significantly by earnings. In 2019, of all the people that worked from home, 38% earned more than \$75,000 per year and 17% had earnings between \$50,000 and \$75,000. On the other hand, only 7% of teleworkers were in the lower earning category (less than \$15,000). Additionally, the share of workers who could work from home and had earnings higher than \$75,000 increased between 2020 and 2019. In contrast, the shares of lower-wage workers who could work from home decreased during the same time period (Figure 8).

Figure 7: Share of remote workers by industry, 2010-2019

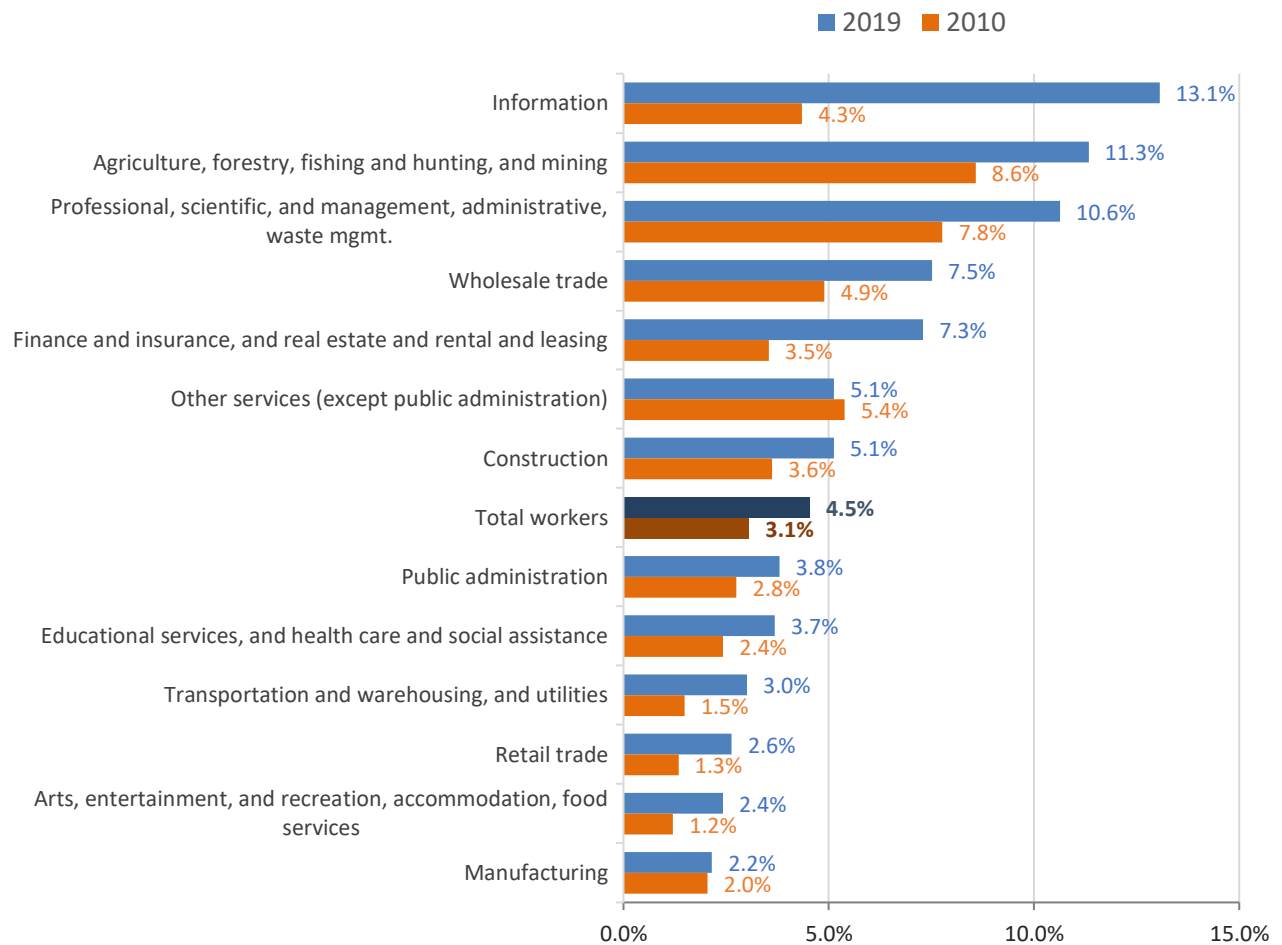
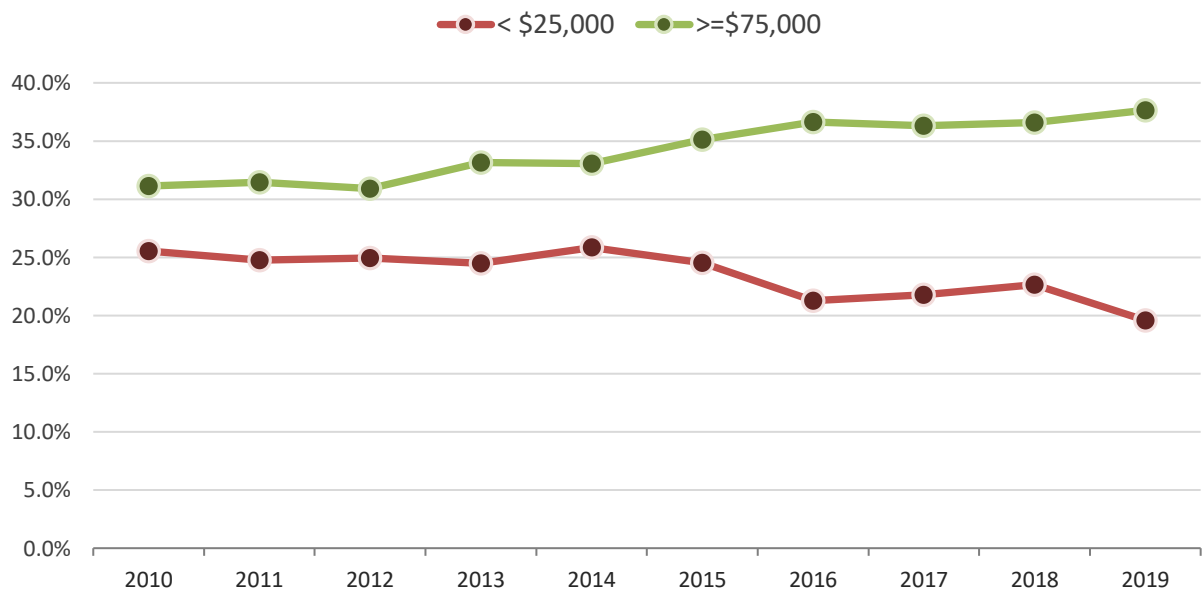


Figure 8: Share of remote workers by earnings, Southeast Michigan, 2010-2019

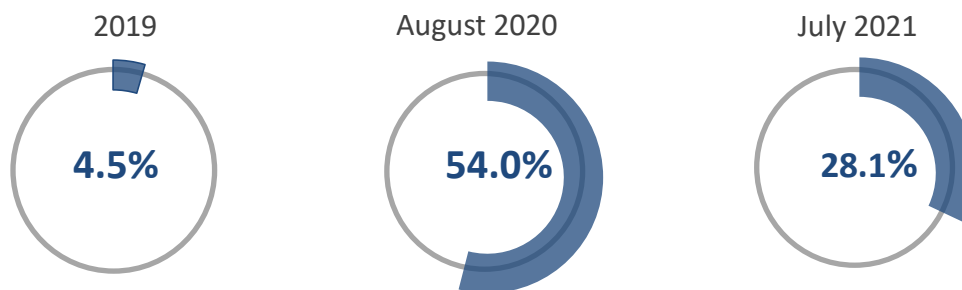


In March 2020, the world of remote work changed dramatically. In the wake of pandemic-related responses resulting in business and office shutdowns and stay-at-home orders, telework became a necessary response to continue business operations. In the months following the shutdowns, remote work looked vastly different than it did a year ago. In August 2020, 54% of the workers in Southeast Michigan were working from home, a twelve-fold increase from the year before. As vaccines started to roll out in early 2021 and stay-at-home orders were relaxed and businesses began to reopen, many people started returning to the workplace. However, by summer 2021, the share of people that were working entirely onsite was nowhere near the levels that were observed in years prior to the pandemic.

The following part of this report will examine how the pandemic-induced option to work from home has changed for various demographic groups in the Detroit metro region. This section will highlight data from the Census Bureau's Household Pulse Survey to analyze the trends that were observed in August 2020 and how they changed a year later (July 2021).

As shown at the beginning of this report, 4.5% workers in the region worked from home in 2019. COVID-19 accelerated the increase in remote work to levels that were unforeseen. In August 2020, 54% of workers in the region were working from home. While many workers returned to on-site work by summer of 2021, a significant number of workers are continuing to work from home. In July 2021, 28% or two-in-seven workers in the region were working from home (Figure 9).

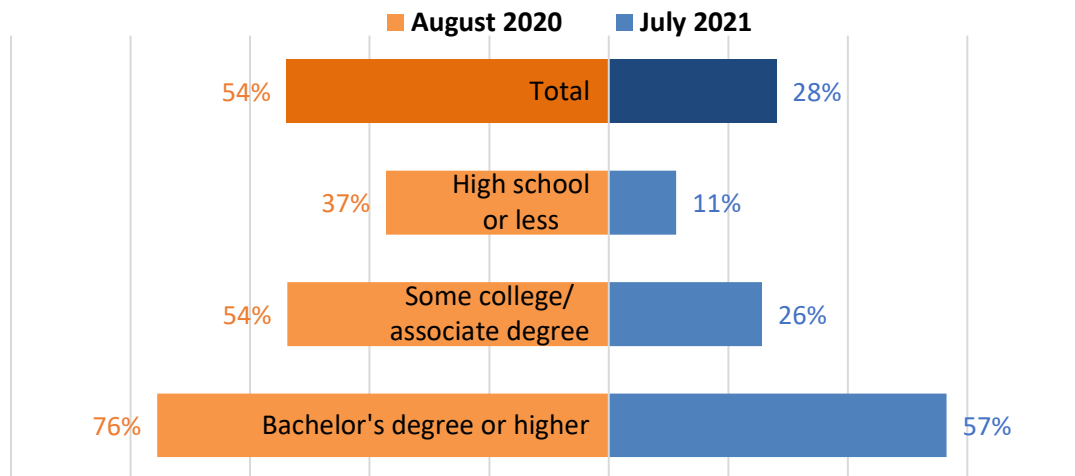
Figure 9: Surge in remote work, Southeast Michigan, 2019, 2020, and 2021



While many workers returned to work sites, telework continues to remain high for certain demographic groups.

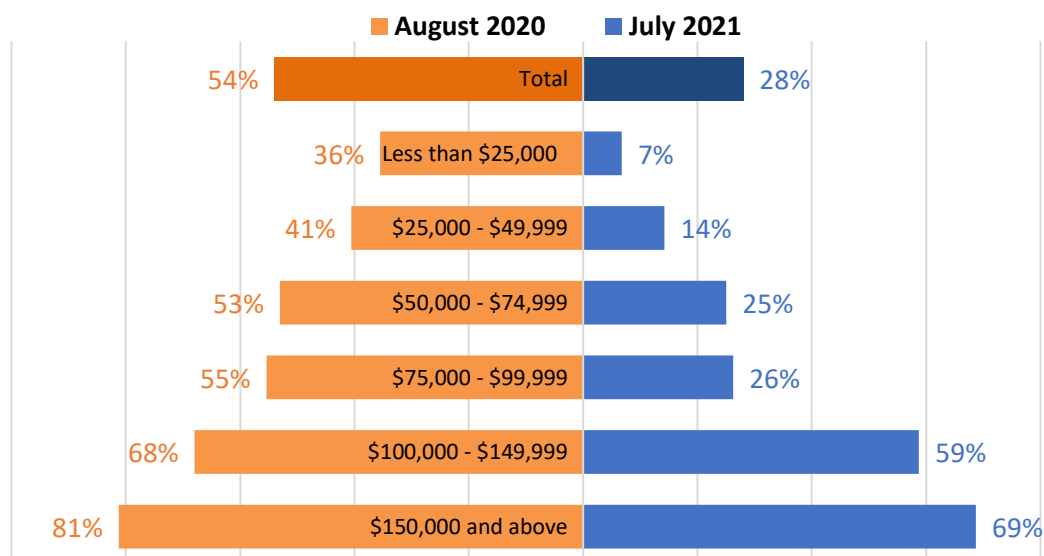
As shown in the ability to telework by industry in the pre-pandemic data, jobs that tend to rely on social interactions, such as retail and food services have lowest share of teleworkers and these are also the jobs that require lower levels of education. Similar to the trends before the pandemic, the ability to work from home was not evenly distributed across levels of educational attainment during the pandemic too. In August 2020, three-in-four workers (76%) with a bachelor's degree or higher were working from home. In contrast, only 37% of workers with a high school degree or less were able to work from home (Figure 10). In July 2021, more than half (57%) of those with bachelor's degree or higher continue to work from home while only 11% of those with a high school degree or less had the option to work from home.

Figure 10: Remote workers by education, August 2020 and July 2021



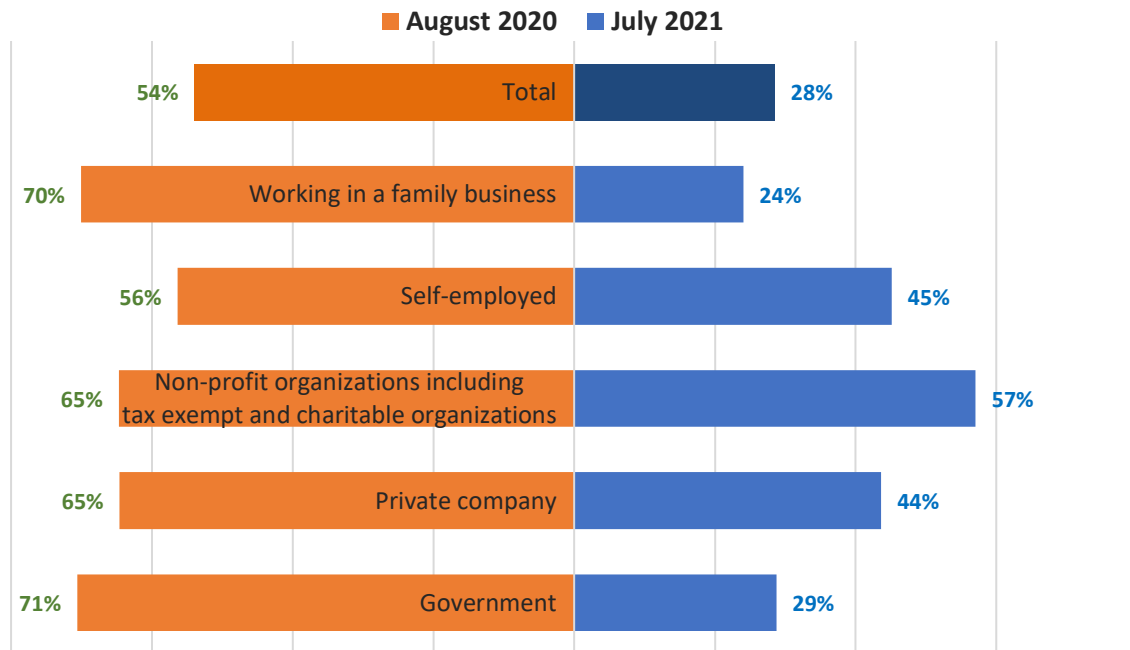
Ability to telework is also substantially lower for workers in lower-income households. As with all other metrics, the share of workers working from home increased for workers among all income levels in August 2020 and decreased by July 2021. However, the reductions were significant for those in lower income households compared to those in higher income households (Figure 11). In August 2020 36% of households with income \$25,000 or less were working from home. The share of teleworkers in this income group decreased to 7% by July 2021, a 29 percent point decrease. In contrast, eight-in-ten workers (81%) with household income \$150,000 or more were teleworking in August 2020. While their share also decreased by July 2021, the reduction was not as substantial as those in lower income categories. By July 2021, 69% of workers with household income of \$150,000 or higher continue to work from home.

Figure 11: Share of remote workers by household income, August 2020 and July 2021



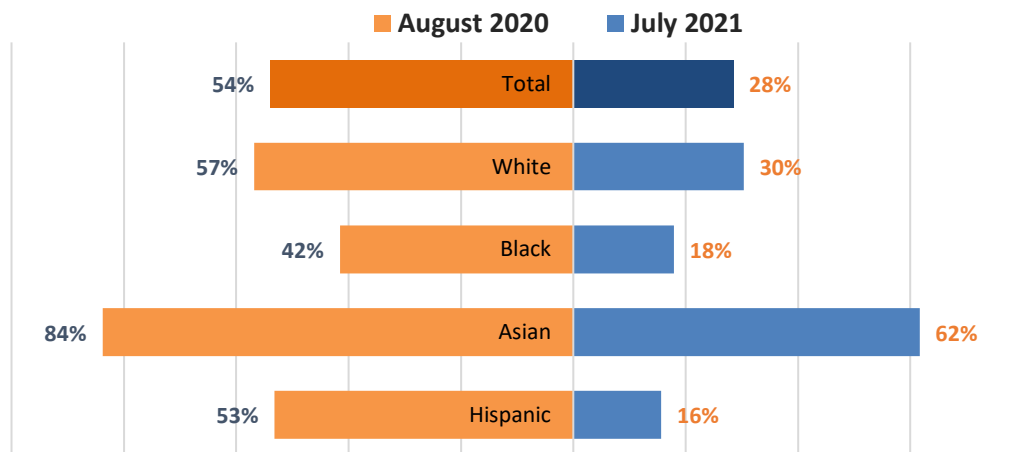
When looking at type of workers, contrasting trends emerged during pandemic compared to the pre-pandemic period. In 2019, workers working in a family business or self-employed had higher shares of teleworkers compared to those working for a private company or government. In August 2020, government workers had the highest shares of teleworkers (71%), as shown in Figure 12. While that share decreased to 29% by July 2021, workers working in a family business had the lowest shares of teleworking (24%), a slightly higher rate than in 2019 (19.5%). Among those working for a private company, 44% continued to work from home in 2021.

Figure 12: Share of remote workers by type of workers, August 2020 and July 2021



As with the pre-pandemic period, a large disparity remains between the share of Black and Hispanic workers who are able to work from home compared to White and Asian workers. In August 2020, when most of the non-essential businesses were closed, 57% of White workers and 84% of Asian workers were working from home and 42% of Black and 53% of Hispanic workers were working from home. However, in July 2021, the share of Black and Hispanic workers who worked from home dropped significantly to 18% and 16%, respectively (Figure 13). While the shares for remote White and Asian workers also dropped, the reductions were less compared to Black and Hispanic workers. In 2021, 30% of White workers and 62% of Asian workers continue to work from home.

Figure 13: Share of remote workers by race, August 2020 and July 2021



It is evident that remote working has become a viable option for many workers and that remote working is currently much more prevalent than before the COVID-19 outbreak. While remote working has enabled many workers to continue working while maintaining social distancing, it has accentuated the long-standing disparities in access to telework for several demographic groups. Identifying these groups is useful as policymakers target social programs to those that need them the most. Likewise identifying the share of jobs that could be performed at home is an important input in predicting the economy's performance as the pandemic and the resulting period of social distancing continues.