

WAEPA GUIDE

Hybrid Work and
the Hidden Impact
to Your Finances



Worldwide Assurance for
Employees of Public Agencies, Inc.
waepa.org

All our **FREE WAEPA Guides**
are now available on our website
at **waepa.org**.

Hybrid Work and the Hidden Impact to Your Finances

Published by WAEPA, Worldwide Assurance for Employees of Public Agencies, Inc.

Copyright © 2022. Published by Worldwide Assurance for Employees of Public Agencies (WAEPA), 433 Park Avenue, Falls Church, Virginia 22046. Telephone: 800-368-3484. Website: waepa.org. All rights reserved. No part of this book may be reproduced in any form or by any means without prior written permission from the Publisher. Printed in the U.S.A.

"This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is published with the understanding that the publisher is not engaged in rendering legal, accounting or other professional service. If legal advice or other expert assistance is required, the services of a competent professional person should be sought."— *From a Declaration of Principles jointly adopted by a committee of the American Bar Association and a committee of publishers and associations.*

Contents

Pages

5 Introduction

Government Employees Training Act

6 Hybrid Work and the Hidden Impact to Your Finances

Commuting

Food

Office Supplies

Utilities

Office Perks

Child care

Housing

The Costs of Hybrid Work

Hybrid Work and the Hidden Impact to Your Finances presented by:



The goal of WAEPA is to provide access to products and services that promote the health, welfare, and financial well-being of its members.

WAEPA – A Non-Profit association formed in 1943, governed by Federal Employees, just like you, to serve the Federal community.

Join WAEPA Today – Membership offers the opportunity to participate in Group Term Insurance programs and other services through the association.

Introduction

The Federal sector provides employees many opportunities to achieve their career goals, but a proactive approach gives you a better chance for promotion. With an estimated 2% of the total civilian workforce, the Federal Government is the largest employer in the United States, and it continues to grow as new programs are launched. The option to transfer to other agencies and geographic locations increases your chances for upward mobility. Being proactive and setting realistic targets will help you realize your goals.

It is recommended that Civilian Federal Employees create an Individual Development Plan (IDP) to identify their career path. Completing an IDP is the employee's responsibility. Every agency provides their employees tools and training, but without an IDP, there's no training for new positions. However, agencies must provide career development for interested employees. Constructive feedback from your supervisor is integral to advancing in the Federal Government.

— *The WAEPA Staff*

Government Employees Training Act

Public Law 85-507, The Government Employees Training Act, is outlined in Title 5, Chapter 41, of the United States Code. It provides the authority to train employees to most Federal agencies. From 1967 through executive Order 11348, this law was amended. It states that the policy of the United States is "to develop its employees through the establishment and operation of progressive and efficient training programs, thereby improving public service, increasing efficiency and economy, building and retaining a work force of skilled and efficient employees, and installing and using the best modern practices and techniques in the conduct of the government's business."

Federal agencies and departments are required to assess and evaluate their training requirements. This ensures they achieve their objectives by identifying modifications to improve performance. Each year, new resources are created to support training and professional development as required by Federal Career Development Laws, but training can be provided by other government agencies or vendors from the private sector. Empowering agencies to develop their own programs assures the training is tailored to the agencies, department needs, and the employees that occupy these roles.

Conclusion

The goal of every supervisor is to have well trained and skilled employees, and there are many programs available to further the careers of these employees. Supervisors can even fund evening college classes if the class is related to your work or included in your written IDP plan, but this option is dependent on available funding, approval, and specific GPA targets. There are also many government courses, certification programs, and temporary opportunities that could lead to promotions.

If you want career advancement and promotion, there are many resources available to help you succeed. Follow the steps in this guide, complete your IDP, and meet with your supervisor to outline the best path forward.

Hybrid Work and the Hidden Impact to Your Finances

Hybrid Work and the Hidden Impact to Your Finances

For many people, their new work life normal has become an interesting mix of COVID-19 life and pre-pandemic working. While many organizations have allowed employees to continue working from home full time and others have returned to an onsite presence, a very large percentage are adopting a hybrid work model where employees work part of their time at home and another percentage of time in the office. A 2022 study¹ found that 74% of U.S. companies are using or plan to permanently implement a hybrid work model. This move to hybrid work is not just driven by companies looking to save money on office space or increase productivity, it's being demanded by the workforce. 59% of employees are more likely to choose¹ an employer that offers remote work opportunities over one that doesn't.

It seems like a mix of in-office and home work is here to stay as a report from Accenture showed that hybrid workforce models are embraced by 63% of high-revenue growth companies². With this as the new reality, it's time to take a hard look at what you really are saving and spending in this hybrid model and adjust budgets and habits accordingly. This guide will walk through several key budget line items and the considerations that need to be made when working in a hybrid model.

Commuting

The time and money saved commuting is frequently the first perk noted by people working from home. While full time work from home models do provide considerable savings in this area, a hybrid arrangement makes the budgeting a little more complicated.

Monthly passes may still be the best deal

Let's say you are working in a hybrid work arrangement, going into the office three days a week. It seems that you would be saving on commuting costs, but some simple math can uncover that you may actually be spending more. Let's say a monthly transit pass costs \$200. You'd likely overlook this option if you are only going in part of the week, but if a daily pass costs \$20

you're leaving money on the table. The daily rate of \$20 for the 12 trips will cost \$240. You are in fact better off paying for the monthly pass and using the discount. Parking fees should also be examined similarly. A monthly contract may end up being cheaper than paying the daily rate each time you commute to the office, such as property management and inventory processes.

Carpooling becomes more attractive option

You may also want to reexamine carpooling. Traveling with colleagues five days a week may feel onerous to some people, but if you are looking at that trip only twice a week a carpool option becomes more palatable. In this scenario you are decreasing your commuting costs further by splitting them with the carpool team.

Food

Like commuting, working from home would seem to be a great way to save on food costs by making it easier to avoid dining out. However, 42% of people that work from home³ reported their monthly grocery spending increasing by over \$100. This increase might lead to you spending the same amount on food month over month as if you were in the office five days a week

Watch the In Office Treat Days

Another caution for part-time office workers is to watch the frequency of dining out when you are on site. It's tempting to "treat yourself" to lunch at a restaurant that is only located near the office or indulge in a fancy coffee when you walk by the coffee shop or to motivate yourself to make the longer

Hybrid Work and the Hidden Impact to Your Finances

Continued

commute. When you worked in the office five days a week, you may have had a limit on the number of coffees or lunches out. With a more sporadic schedule it is easy to lose track of how often you're indulging in more expensive treats.

Re-budget For New Realities

As you settle into a hybrid work arrangement take the time to reexamine your food spending and desired budget to set new limits and experiment with different meal plans. Try committing to using last night's leftovers for lunch at home.

Office Supplies

When working from home becomes a regular routine, it's important to have a comfortable place to work and have all of the supplies you need on hand. Doing so is not cheap. On average it can cost \$3,500 to furnish a basic home office⁴. When stocking up for hybrid work, determine what you really need at home and what supplies could remain in the office.

Look Beyond Printer Ink

When looking at home office costs, we must look beyond paperclips and printer ink. One study showed that 72% of remote workers⁵ don't have a dedicated office space, and 40% aren't even working from a dedicated desk. This means a lot of people are hunched over laptops on couches, coffee tables, and beds leading to the potential for serious alignment and physical issues

which then lead to increased health costs. Investing in a good chair is well worth saving money (and pain) on chiropractor visits.

Ask for Help

Because a safe work environment is important for health and happiness, many companies will reimburse employees for the cost of setting up a home office. Ask supervisors what your organization's policy is and plan and budget accordingly.

Utilities

Working from home may save you on gas for your car, but it is increasing the gas you use at home. Being in your home all day more means you are using more electricity, water, and gas. Employees working from home can expect to see as much as a \$20-40 increase⁶ in utilities costs each month. The importance of a stable Internet connection also leads many people to upgrade their home Internet service at increased cost. Again, it is worth it to ask employers if they offer a stipend to cover home Internet costs.

Office Perks

The saying "you don't know what you've got 'til it's gone" applies to many onsite perks. Some offices have free fitness facilities. Working from home (even part time) means you may need to invest in a gym membership to keep up your workout routine. Bagel breakfasts, coffee machines,

brainstorm lunches with pizza – depending on the frequency, losing these "free food" opportunities may have an impact on your spending. Working from home also means foregoing other benefits like a healthcare clinic onsite or dry cleaning pick-up and delivery. Taking care of these tasks will mean increasing time and travel to get things done that once happened on office site or consolidating them to happen around the days you are in the office to limit the extra trips and time needed.

Child Care

Being able to more easily manage child care is another highly cited perk of flexible work arrangements, but it can come with a cost. People using family or a nanny to care for children in their home may find that situation does not work when they need quiet and concentration at home. This may force people to look to more expensive out of home options. In fact, 52% of workers³ spent more on child care when working from home. Similarly, if you previously used a child care facility near your office you may have to shift the location to be conducive to working from home which could impact costs

Housing

The biggest expense that could be associated with working from home could be the need for a new home. During the COVID-19 pandemic, many

Hybrid Work and the Hidden Impact to Your Finances

Continued

made it work working from kitchen tables or bedrooms, but that set up is not always conducive to long term work. You may find that you just simply need more space for a dedicated office, requiring a move or renovation.

Households with at least one adult who worked from home spent more money on housing⁷, on average, than ones that all worked outside of the house. Remote renters spent between 6.5% and 7.4% more of their income a month and homeowners spent

8.4% to 9.8% more than non-remote households.

When looking at housing consider how you work and how the space can support those needs also keeping in mind the higher utility costs associated with more time at home.

The Costs of Hybrid Work



The intangible feelings of improved balance provided by hybrid work arrangements need to be viewed alongside the quantifiable impact on your life. Expenses related to working from home make a lot of sense once you see them on paper, but the key is to take that step. Once you understand how your new work situation is truly impacting spending you can take steps to ensure your financial goals remain on track.

References

1. Abby McCain, "30 Essential Hybrid Work Statistics [2022]: The Future Of Work" Zippia.com, September 22, 2022, <https://www.zippia.com/advice/hybrid-work-statistics/>
2. "19 Important Hybrid Working Statistics To Know Now And for the Future (2022)," Apollo Technical, September 13, 2022, <https://www.apollotechnical.com/hybrid-working-statistics/>
3. "The Cost of Working From Home vs The Office in 2021," Business.org, September 13, 2021, <https://www.business.org/hr/benefits/cost-of-wfh-vs-the-office/>
4. Rebeca Lake, "Work From Home vs Working in an Office: What's the Cost," chime.com, November 22, 2021, <https://www.chime.com/blog/work-from-home-vs-working-in-an-office-whats-the-cost/>
5. Chris Westfall, "Statistics Show Remote Workers are Frustrated, Many Still Unprepared for Working From Home," Forbes, August 25, 2020, <https://www.forbes.com/sites/chriswestfall/2020/08/25/statistics-show-remote-workers-are-frustrated-many-still-unprepared-for-working-from-home/?sh=7573475448b3>
6. "The Hidden Energy Costs of Working From Home," Arcadia, March 11, 2022, <https://blog.arcadia.com/the-hidden-energy-costs-of-working-from-home/>
7. Sarah Holder, "The True Costs of Working From Home," Fortune, February 26, 2021, <https://www.bloomberg.com/news/articles/2021-02-26/why-remote-workers-spend-more-on-housing-and-rent>