THE FUTURE OF HOME OFFICE COST SHARING

SURVEY REPORT HIGHLIGHTS

October 2020
WE’VE BEEN PUSHING THE REMOTE WORK ROCK UP HILL FOR OVER 15 YEARS...

Suddenly, it’s chasing us all down the other side.

In turbulent times, we surveyed executives responsible for making decisions about their views on necessary work-from-home tools for their employees. Highlights of what we learned are summarized in the pages that follow so you can make more informed decisions about the future of work.

We know the pandemic has given business leaders a positive new perspective on something many once feared. They’ve seen for themselves that remote work not only works but that it offers significant advantages over a strictly bricks and mortar, butts in seats at the office, model.

Remote work pioneers—organizations that embraced a culture of flexibility long before the pandemic—did not make the change overnight. They spent months and even years developing and refining their policies and practices. They were the early adopters, but most employers were not prepared for the sudden need to support a home-based workforce when COVID-19 hit. Nevertheless, many companies made the sudden shift surprisingly well. But now, months into the pandemic with no real end in sight, the cracks in their ad-hoc programs are beginning to show.

According to the Kaiser Foundation, in July over 40 percent of U.S. adults reported signs of anxiety and depression, three times more than a year ago. Managers are worried about the erosion of culture, employee health, and the esprit de corps of office life. Employees, many of whom have been getting by with less-than-ideal work set-ups, are starting to literally feel the pain of working at the dining-room table. They’re struggling to stay productive with technology borrowed from their kids. And for the 70% who work paycheck to paycheck, absorbing the extra costs of working from home is breaking their spirit and their bank.

We want to help you address these and other remote work issues. To do that we fielded a survey in September 2020 with our partner, Design Public Group, focused on the question of who employers think should pay for home office technology, furniture, and other costs. Here are the results.

Kate Lister, president of Global Workplace Analytics
FACTSHEET: THE ROI OF PROVIDING EMPLOYEES WITH HOME OFFICE FURNITURE

Many companies are currently debating whether to provide their employees with furniture (desks, chairs, etc.) for home offices. The hesitation is typically around cost, so we collected some research that looks at the ROI for you to consider as you make these important decisions.

• A typical employer saves $11,000/year for every full-time employee that works from home 50% of the time. That’s over $1.1 million/year for every 100 half-time telecommuters. Making a one-time investment of $1,0001 to provide an employee with home office furniture will pay for itself in a little over a month.

• You can maximize your ROI by setting up a program that ensures employees are buying commercial grade furniture with multi-year warranties.1

• In general, an employee injury is compensable under workers’ compensation if it arises during the course of employment, regardless of the location the injury occurs.2 Outfitting employees with high-quality, ergonomic home office furniture improves employee productivity and reduces worker’s comp and health insurance costs.

• A company could pay for 350 ergonomic chairs if it prevented one annual workers' comp claim.3

• A sit-stand desk has been proven to increase productivity by 45%. It would pay for itself if it saved an employee 34 seconds/day. It would breakeven in 143 minutes of use.4

1Design Public Group’s Work From Home program offers commercial-grade, 5-year warranty bundles that include a desk, chair, and storage piece(s) for less than $1,000 all-in
2Source: SHRM
3Assumption $400/chair, amortized over 5 years. Average $28K per workers’ comp claim (Source: OSHA)
THE PANDEMIC WILL FOREVER CHANGE HOW AND WHERE WE WORK

- Our survey showed that only 5% of companies expect a return to normal when the pandemic is over.
- Nearly half of companies have already announced a more permanent shift to work from home.

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<thead>
<tr>
<th>Description</th>
<th>% of Companies</th>
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<tr>
<td>COVID has temporarily changed how we work:</td>
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<td>Employees are working from home now, but we will expect most to return to</td>
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<td>the office when the pandemic is over</td>
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<td>COVID might permanently change how we work:</td>
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<td>Employees are working from home now, and we have not yet decided about</td>
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<td>whether we will continue to allow it when the crisis is over</td>
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<td>COVID will permanently change how we work:</td>
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<td>We have announced plans to have all of part of our workforce continue to</td>
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<tr>
<td>work from home on a regular basis when the crisis is over</td>
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THERE IS A HUGE CHANGE IN WORK-FROM-HOME EXPECTATIONS POST-COVID

• Nearly a quarter of companies surveyed expect over 75% of their workforce to work from home post-COVID-19

• More than two-thirds of companies expect over 25% of their workforce to work from home 3+ days/week post-COVID-19

• 22% of companies are still undecided
EMPLOYERS FEEL THEY ARE RESPONSIBLE FOR HOME OFFICE SET-UP

• 82% of leaders feel the employer should absorb the cost of a home office set-up for employees who work from home full time

• Majority feel it’s their responsibility for those who work from home three or more days a week

% of employers that agree* the organization should absorb the majority or all the cost of a home office set-up for employees who work from home...

1 day/week 23%
2 days/week 34%
3 days/week 61%
4 days/week 77%
5 days/week 82%

*Top 2 box
Most organizations have already equipped their people with the technology they need to be successful. 92% of organizations have provided their work-from-home employees with a laptop, 68% with a webcam, and 54% with a 2nd monitor.

Now, employers are considering purchases related to employee health and safety at home. 41% are considering providing a chair, and 31% a desk.
Even settling on temporary policies - i.e. borrowing chair and/or monitor from office, setting a stipend amount, making company discounts with office supply and furniture manufacturers available, how borrowed equipment is returned if an employee leaves the company - involved exhaustive discussions between Facilities, HR Benefits, HR Employee Relations, Legal, Tax, Risk Management.

— Survey Respondent
LIABILITIES/CLAIMS

- Nearly half of companies do not feel worker’s comp and health insurance liabilities will increase if they don’t provide employees with ergonomic home office set-ups. They’re wrong.

% of employers that agree* that if their employees don’t have an ergonomic home office setup, the organization will have increased...

- 55.0% Worker’s Comp Liabilities
- 56.0% Health Insurance Claims

“In general, an employee injury or illness is compensable under workers’ compensation if it arises out of and in the course of employment, regardless of the location the injury occurs.”
— SHRM (Society for Human Resource Management)
I am concerned about work comp claims made by our employees not having the proper set up at home, especially since we provide it at the office (monitor arms, keyboard trays, great chairs, and of course workstations.)

— Survey Respondent
Companies think providing remote employees with home office furniture is both expensive (61% agree) AND a good investment (59% agree)*

“Ignoring home ergonomics is false economy,” says Kate Lister, respected workplace strategist and president of Global Workplace Analytics. “One workers comp claim would pay for 350 contract-grade ergonomic chairs.”
COMPLEXITIES OF PROVIDING EMPLOYEES WITH FURNITURE

Only 15% of companies are concerned about how they will coordinate deliveries to employees’ residential addresses
Companies are likely under-estimating the complexities around employees moving during the pandemic & not maintaining up-to-date address records, logistics, assembly, etc.

Only 26% of companies are concerned about finding furniture pieces that meet each of their employees’ unique needs
Companies are used to traditional office environments where nearly all employees can be provided with the exact same chair, desk, etc. When talking about furniture that will go in an employee’s home, offering variety is important to demonstrate that the employer understands the employee’s unique tastes, space, etc.

48% of companies are concerned about how they will get the furniture back when an employee leaves the company
There are important tax and logistics implications. Most employers are leaning toward writing it off but picking it up when they leave the company is an option.
PAYMENT/REIMBURSEMENT APPROACHES

Companies are using a variety of different payment options; companies often use more than one.

Which payment options have you used, or plan to use, to provide employees with home office items? Select all that apply.

- Allow employees to take onsite equipment home: 51%
- Provide employee discounts for out-of-pocket purchases: 45%
- Provide a one-time fixed stipend: 38%
- Provide a monthly utilities allowance: 36%
- Reimburse submitted invoices: 35%
The ongoing stipends/reimbursements for internet, phone, and office supplies could be much more expensive than a one-time furniture distribution.
— Survey Respondent
ABOUT THE SURVEY — FIELDED SEPTEMBER 2020

Survey N=111, 28 of whom were not responsible for making decisions about employee work-from-home tools within their organization and were removed from the survey analysis. Effective N=83. Functions represented include C-Suite, Human Resources, Real Estate/Facilities, and Office Administration.

Respondents represented companies of all sizes, from less than 500 employees, to more than 10,000. In total, the survey respondents collectively oversee nearly 300,000 employees.

A wide range of industries were represented including Banking/Finance, Education, Software, Legal Services, Retail, Government & Public Administration, and others.
Kate Lister is president of Global Workplace Analytics, a research-based consulting firm that has been helping employers optimize remote work and other workplace strategies for more than a decade. Kate has written or co-authored five business books including the U.S. chapter of “Telework in the 21st Century” (Edward Elgar, 2019), a multi-country peer-reviewed study on remote work. She was one of three witnesses invited to testify before Congress in a recent hearing about remote work in government. Her perspectives on how COVID-19 will change the way people work are among the most widely quoted and have appeared in the New York Times, Washington Post, Wall Street Journal, Newsweek, and dozens of other respected news outlets around the world.
ABOUT DESIGN PUBLIC GROUP

• Design Public Group ("DPG") is a 16-year old B2B and B2C furniture distributor based in Los Angeles, and a technology and operations leader within the industry.

• DPG owns and operates three B2C Ecommerce furniture sites, and has sold to consumers around the globe.

• DPG has an extensive B2B furniture business, and has provided furnishings for more than 60 Fortune 500 companies.

• Earlier this year, DPG launched a first-of-its-kind work from home furniture program.

• For more information, please visit: https://designpublicgroup.com/work-from-home

DPG's white-label platform makes it easy for your employees to order home office furniture directly, and for companies to manage their stipend programs:

Custom Website: built just for your company

Easy Stipend Application: Employees apply stipends directly and pay any balance out-of-pocket

Large Selection: hundreds of items, giving employees choice

Maximize ROI: all furniture is contract-grade, with multi-year warranties

Budget-Friendly: desk, chair & storage bundles starting at less than $1K total. Discounts up to 40% off.

Shipped Directly: any residential address, white glove assembly available, global reach.

Administration & Reporting: Stipends are billed back to the company, along with extensive reporting, eliminating the need for expense reports.
THANK YOU

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