

With much of U.S. staying at home, how many jobs can be done remotely?

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Credit: Tima Miroshnichenko from Pexels

Evaluating the economic impact of "social distancing" measures taken to arrest the spread of COVID-19 raises a number of fundamental questions about the modern economy: How many jobs can be performed

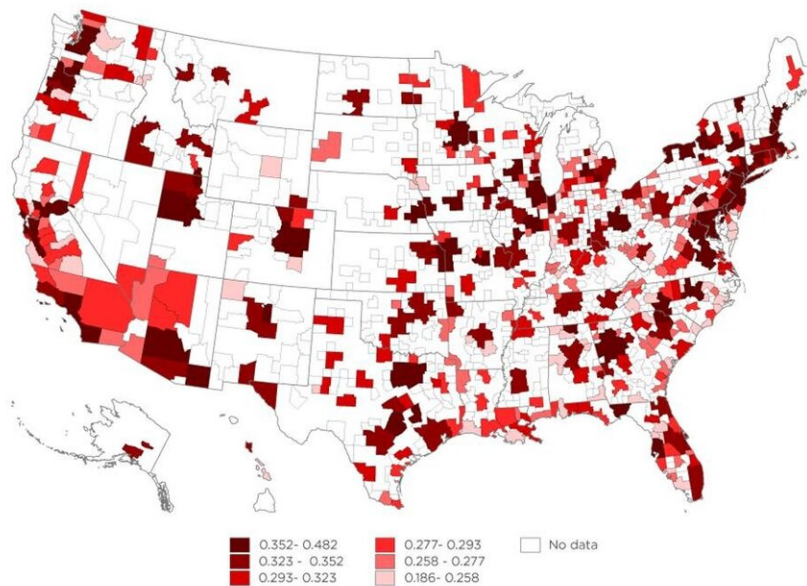
at home? What share of total wages are paid to such jobs? How does the scope for working from home vary across cities or industries?

To answer these questions, Assoc. Prof. Jonathan Dingel and Prof. Brent Neiman of the University of Chicago Booth School of Business undertook a new study to learn how many jobs can be performed at [home](#), what share of total wages are paid to such jobs, and how the scope of working from home varies across cities and industries.

"Social distancing is difficult for everyone, but some people and sectors are disproportionately hurt," said Neiman, the Edward Eagle Brown Professor of Economics, who conducts research on international macroeconomics and trade. "Most jobs in finance or insurance have a chance to continue with some degree of normalcy through the crisis, as they can be performed at home away from others. For just about everyone that works in hotels or restaurants, this is not an option."

By analyzing surveys about the nature of people's jobs, the authors classified whether that work could be performed at home. The authors then merged these job classifications with information from the Bureau of Labor Statistics on the prevalence of each occupation in the aggregate, as well as in particular metropolitan areas and industries.

Share of Jobs That Can Be Done from Home



Notes: This map depicts the geographic distribution of the authors' measure of the share of jobs that can be done at home across metropolitan areas.



According to the study, 48% of jobs in Silicon Valley can be done remotely—more than in any other metropolitan area. Cape Coral-Fort Myers, Florida and Stockton-Lodi, California were at the bottom of the list at 26%.
Credit: Becker Friedman Institute

This analysis reveals that 34% of U.S. jobs can plausibly be performed at home. Assuming all occupations involve the same hours of work, these jobs account for 44% of all wages (occupations that can be performed at home generally earn more). They found there is significant variation across cities.

"Our findings are significant, that two-thirds of U.S. jobs cannot plausibly be performed at home," said Dingel, who studies the nature of economic activity across neighborhoods, cities and countries. "As the COVID-19 pandemic forces us to pause the face-to-face economy, some cities are better positioned to cope than others based on the fraction of

their jobs that might be done from home."

Living in a large metropolitan area may have its advantages in the current crisis. The study by Dingel and Neiman reveals that more than 40% of jobs in San Francisco, San Jose, Austin and Washington, D.C., can be performed at home, compared with fewer than 30% in Fort Myers, Grand Rapids and Las Vegas.

In addition to [geographic differences](#), they also find large differences across industries. A large majority of jobs in finance, corporate management, and professional and scientific services can be performed at home. Not surprising, very few [jobs](#) in agriculture, hotels, retail or restaurants can be done remotely.

More information: How Many Jobs Can be Done at Home?
bfi.uchicago.edu/working-paper...can-be-done-at-home/

Provided by University of Chicago

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