



Is it Finally Time to Adopt the 4-Day Workweek?

COVID changed minds about working from home, maybe this is next

There is a storm raging between employers and employees that is unlikely to go away any time soon. On the one hand are employers, who hope to have their offices up and running by the end of the year – with employees in those offices. On the other hand are employees, who prefer to stay remote indefinitely. Both reference data that reinforces their position and both sides will end up compromising to some extent.

While this storm rages, maybe we should ask ourselves: is it time to switch to a four-day workweek?



The 4-Day Workweek

Remember a year ago when employers and employees first began to switch to remote work? Most were worried how productivity would be impacted as the WFH (Work from Home) movement gained steam. Well, as it turned out, both employers and employees thought it worked.

According to consulting firm PwC:

- 83% of employers considered remote work to be a success;
- 71% of employees considered remote work to be a success; and
- 52% of bosses thought productivity improved.

So, might we see similar results by moving to a four-day workweek?

- The International Labour Organization at the United Nations conducted a study that showed that shorter work hours can result in greater output thanks to lower fatigue, improved motivation, and reduced turnover.
- The World Health Organization and the International Labour Organization estimated that in 2016, 398,000 people died from stroke and 347,000 from heart disease as a result of having worked at least 55 hours a week.

Today, the Society for Human Resource Management estimates that only 15% of employers offer a four-day workweek. But as companies invest in more technology to make the transition easier, better and safer, maybe the four-day workweek idea will become a reality.

A Case Study for the 4-Day Workweek

Andrew Barnes, founder of Perpetual Guardian (and co-founder of 4 Day Week Global, so he's probably biased to some degree) said he witnessed a 40% increase in productivity and a 15% decrease in employee stress levels when he implemented a four-day week at his own business.

Here is what the Atlantic wrote of Barnes' experiment:

"In 2018, Andrew Barnes approached the employees of his company, a New Zealand firm called Perpetual Guardian that manages wills, estates, and trusts, with an offer: If they could figure out how to get more done in a day, they could work one fewer day per week. In consultation with employees, the company installed lockers in which workers can voluntarily stash their phones for the day, and soundproofed meeting spaces to reduce the sound of ambient chatter. Meetings were shortened; employees started putting little flags in their pencil holders whenever they wanted to signal to coworkers that they didn't want to be disturbed. It worked: Perpetual Guardian's business didn't suffer, and the four-day workweek is still in place three years later."

"Having gathered the first qualitative and quantifiable evidence of how individuals, families, businesses and the climate do better under this model, it is heartening to see it grow into a truly global movement," Barnes said in a release. "Like the transition to a five-day week a century ago, most businesses will implement the change gradually, customizing teams' schedules to fit everyone's needs. It is time to take this next step and build a world that is more balanced, sustainable, and equitable."

We shall see if the four-day workweek takes hold.

Your Financial Advisor

There is no doubt that the next few years will be very different when it comes to employee benefits – more of us will be working from home, our technology will get better and a four-day workweek might even become the norm.

Layer on top of those changes our need to save more, manage our money better and ensure our financial plan is personalized to our risk tolerance, and it's easy to become overwhelmed.

You can count on your financial advisor to help you consider all your needs and make decisions tailored to your hopes and dreams – whether you enjoy a four-day workweek or not.