

Port of Seattle Telework Case Study

The King County WorkSmart program offers free telework consulting services to businesses. The services are designed to help companies create turn-key telework and/or compressed work week programs. Washington State Department of Transportation, King County Metro, and the Federal Transit Administration provide funding for the program.

The Port of Seattle chose to take advantage of the services offered through WorkSmart to develop a telework program that would allow it to decrease employee vehicle trips, lessen the agency's environmental impacts, and improve employee morale. WorkSmart started working with the Port of Seattle in 2012 to help formalize and expand the pilot program that was developed in 2009. WorkSmart consultants worked with the Port to review existing documentation and procedures for program development. WorkSmart also worked closely with the Port to develop a tailored training program for both the managers and teleworkers. Several training sessions were conducted in person at various sites, an online session was recorded and are available on the Port's intranet for use by future teleworkers and their managers. The consulting team worked with the Port to develop online evaluation surveys for managers and teleworkers, many of the results reported in this case study are based on the findings of those surveys. A total of 117 Port of Seattle employees said they telecommuted 5 or less days during the analysis period and 63 employees said they telecommuted 6 or more days during the analysis period. Various worksite locations were included such as the seaport, the airport and other locations.

Results from the Port of Seattle program were very positive and offer an insight into the types of benefits that other companies could achieve through the implementation of their own telework programs.

Travel Impacts and Employee Savings

Data from the Port of Seattle evaluation surveys indicate that the telework program reduced drive alone trips from 71 percent of all commute trips to 62 percent. The program also resulted in a decrease in the percentage of commute trips made by carpool from 8 to 7 percent. While a reduction in carpool trips may initially appear to be a negative occurrence, closer examination does not bear this out. The decrease in carpooling does not appear to have resulted in an increase in drive alone commuting. The decrease in carpool trips was part of an overall trend in the reduction of vehicle use for commuting purposes that resulted from the Port of Seattle pilot telework program.

Because of the telework program, Port of Seattle employees who participate are, on average, reducing the amount they drive by 1,050 miles per year. According to data from AAA, these employees are saving approximately \$220 per year¹ in reduced vehicle operations costs. This does not include parking, which can easily cost \$15 per day² or more. Factoring parking costs into the equation could result in savings of \$1,000 or more per year. For many employees these kinds of savings are equivalent to an annual raise, but with the added benefit of being tax-free.

Employees also save time when they telework. Port of Seattle employees estimate that they save 104 minutes every day they are able to telework. Assuming one telework day per week, the time savings is equivalent to 83 hours per year. Using data from the United State's Department of Transportation, this time savings has a monetary value of approximately \$1,000 per year².

¹ Based on 2013 data from AAA. Assumes a medium sedan, gasoline costs of \$0.1146/mile, maintenance costs of \$0.0460/mile and tire costs of \$0.0064/mile.

² 2009 USDOT value of time study assumes \$12.00/hour for intercity personal travel (http://www.dot.gov/sites/dot.dev/files/docs/vot_guidance_092811c.pdf)

Business Impacts and Employer Savings

Employers also benefit from telework programs. Port of Seattle *managers* estimate that their employees' productivity increased, on average, 5 percent. For most companies, this level of productivity increase would yield a savings of \$530 per year per teleworking employee³. Port of Seattle *teleworkers* estimated that their productivity increased by 18 percent. Using this estimate, a business could achieve annual productivity savings of \$1,900 per teleworking employee.

The implementation of the telework program has also improved employee morale and likely decreased employee turnover rates. When asked if their morale had improved as a result of teleworking, 72 percent of employees said yes. Additionally, 66 percent of employees say they are less likely to look for another job because they can telework. Reduced turnover results in very real and significant cost savings. A recent study by the Center for American Progress estimates that the cost of replacing an employee is equal to 20.7 percent of the employee's annual salary⁴. Each avoided turnover saves a company, on average, \$12,000⁵. Reducing turnover by 20 percent can reduce turnover costs by \$525 per employee per year⁶.

Bottom Line

Employees at a company with a telework program that achieves similar results to those achieved by the Port of Seattle can save \$1,200 to \$2,000 per year in travel, parking and time costs. The company would see annual savings of \$1,055 to \$2,425 per teleworking employee. These savings are achieved by allowing an employee to telework just one day per week. Increasing the number of allowed telework days can result in larger savings associated with productivity gains and could also yield savings by freeing up office space, thus allowing a company to reduce the amount of office space it leases or owns. Telework programs, by offering additional employee benefits, also help employers recruit the best employees.

³ Assumes annual wage of \$57,616 based on 2012 Census data for full-time management, professional, and related occupations. Does not include cost of benefits.

⁴ <http://www.americanprogress.org/issues/labor/report/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>

⁵ Assumes annual wage of \$57,616 based on 2012 Census data for full-time management, professional, and related occupations.

⁶ Based on "Quit" rates from the US Bureau of Labor Statistics for the first quarter of 2013 for all private sector workers (Annual rate of 22%).