

TheStreet

June 25, 2010

Working From Home Cuts Costs, Helps Planet

By Carmen Nobel

SAN DIEGO ([TheStreet](#)) -- If the **BP (BP)** oil spill has you thinking about energy conservation, it may be time to start telecommuting. Sound like another work from home scam? Or simply too good to be true? Think again. The rise of homeshoring employers has paved the way to legitimate work-from-home careers that allow flexibility for a whole new workforce – including work at home moms and dads, caretakers, military spouses, people with unique medical needs and the differently abled.

According to a recent report by the Telework Research Network, full-time employees who work from home 50% of the time can save an estimated \$362 on gas per year (assuming gas prices of \$2.61 per gallon) and \$3,840 on parking, lunch and clothes. Those who drive more than 60 miles round trip, about 11% of workers, can save an average of \$5,800 in annual gas expenses by working from home half the time. That means that for every 500 employees who work from home two or three days each week, the U.S. would save more than 3,500 gallons of oil per year.

The [report](#), commissioned by the software company **Citrix Systems(CTXS)** but based on preexisting independent data, also found that an office that encourages employees to work from home at least half of the time can reduce its real estate [costs](#) by 18%, including annual electricity savings of 4,400 kilowatt hours per person.

Unisys(UIS) was able to reduce its real estate-related costs by 87% by instituting a telecommuting program. **IBM(IBM)** has 80,000 employees who work remotely at least part time, saving the company \$700 million in real estate costs, according to the [study](#).

The report also found that allowing employees to work from home cuts absenteeism by 3.7 days a year because home-based workers often work when they're sick. They also avoid office germs and report lower levels of stress and depression. And office employees are, on average, 27% more effective on days they work from home, according to the report.

"One of the reasons people want to work from home is that they want to feel more [productive](#)," says Kate Lister, author of the report and co-author of the book *Undress for Success: The Naked Truth About Making Money at Home*. On average, employees give back 60% of the time they otherwise would have spent commuting, Lister says.

In 2006, the General Services Administration commissioned **Booz Allen & Hamilton** to analyze the potential savings of enabling 50% of the federal workforce to work from home part of the time. The resulting study found that implementing a "teleworker-at-home" program for 50% of the employees in a 100,000-person agency would yield \$36 million worth of benefits in a three-year period, including better employee retention, reduced absenteeism, real estate savings (including electricity), and increased productivity -- with employees working an average of one additional hour on the days they work from home.

The study also found that technological support of such a program would cost \$16 million over those three years, including the costs of buying laptop computers, but proponents insist that the general savings outweigh any technological costs.

"In the past, you would have had to have your IT department set up a server, train people to use these tools and then pay them, says Bernardo de Albergaria, general manager of global marketing and e-commerce at Citrix Online, the company's Web division. "But setting up someone to work with a remote location isn't as hard as it used to be. You can have a [Web conferencing](#) solution for as low as \$39 a month."

But many employees end up eating basic [technology costs](#) and responsibilities themselves, in exchange for the benefit of working from home. "We consider their Internet connection and utilities to be the equivalent of their car -- it's how they get to work," says Jim Ball, co-founder of **Alpine Access**, a Denver-based outsourcer of call center services. All of its call center operators work from home. "If the agent's PC doesn't work, that's the same as having a flat tire," he says.