



Pedestrians in downtown Washington, on Friday, Feb. 24. *Photographer: Al Drago/Bloomberg*

CityLab + Work Shift

## Washington Suffers as Federal Employees Work From Home

Quiet streets in downtown Washington, DC, have the city's Democratic mayor joining Republicans in a call to end teleworking.

By Mike Dorning

March 9, 2023 at 8:00 AM EST *Updated on March 9, 2023 at 2:49 PM EST*

Pedestrians are sparse on downtown Washington's once-bustling sidewalks. Storefronts are papered over with for-lease signs and light streams through vacant floors of glass office towers.

The capital city's main business district has long relied on the steady work of governing to survive economic downturns. Now it remains strangely desolate and depopulated long after pandemic lockdowns ended.

That's because federal employees, who account for one-in-three downtown jobs, embraced working from home and many don't want to go back. The resulting clash over bureaucrats' telework has thrust a workplace conflict simmering in businesses across the country into the political sphere and forged

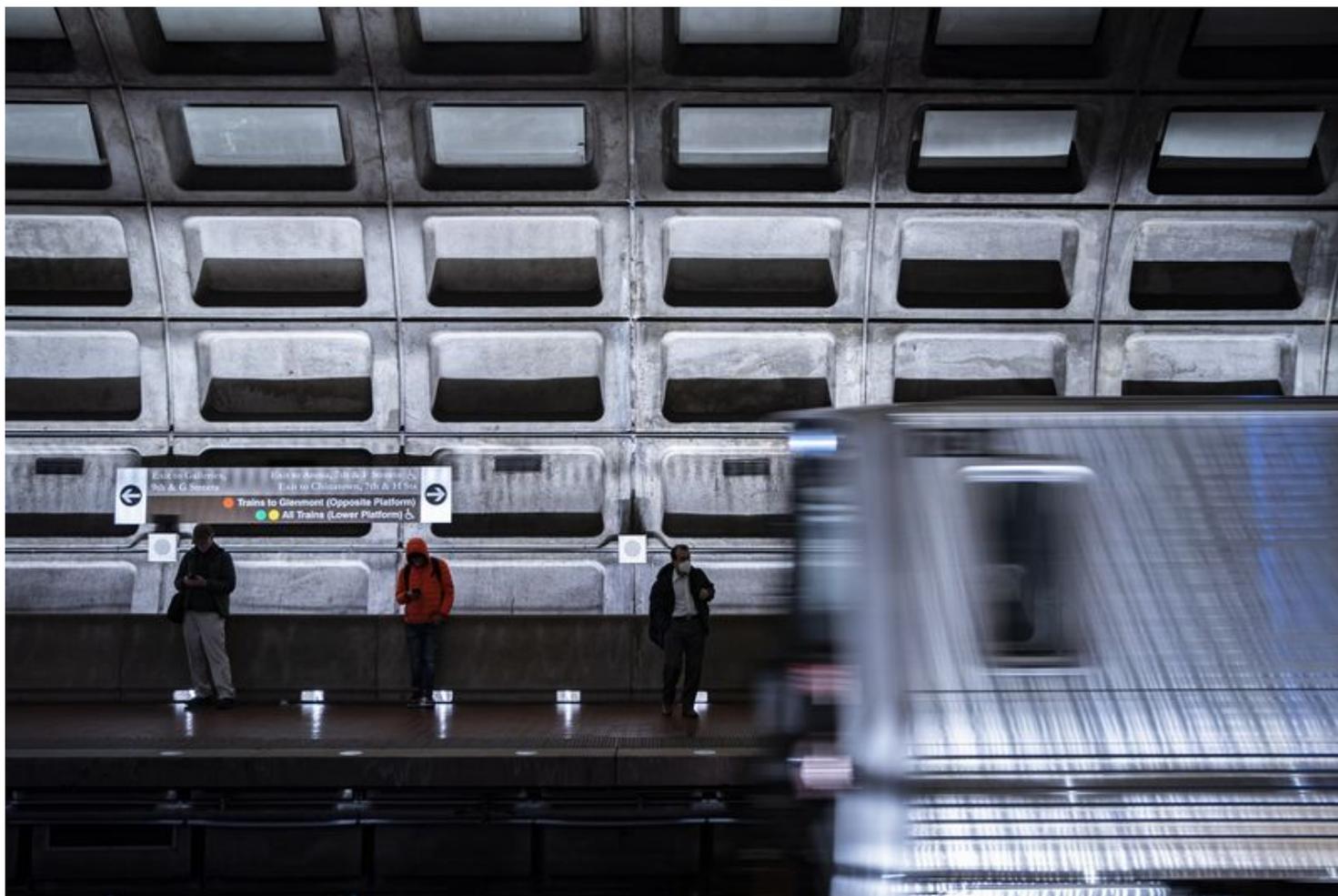
an unusual alliance, as Republican congressional critics and Washington's Democratic mayor demand a faster return to office.

"As the rest of America went back to work in person, many federal workers did not," Representative James Comer declared on the House floor. "The American people have suffered as a result."

The Kentucky Republican blames the telework for customer service horror stories involving the Internal Revenue Service, Social Security Administration and veterans' records. The agencies acknowledge struggles – callers to the Social Security help line waited an average of nearly 40 minutes for an answer in January – but say they are making progress and blame staffing shortages and the pandemic, not employees working from home, for the problems.

It's not clear from available data whether federal office workers are teleworking at higher rates than their private-sector counterparts. The US Office of Personnel Management says 47% of the government's roughly 2 million civilian employees across the country were teleworking in 2021 but it doesn't have a more up-to-date figure. This week it ordered agencies to begin tracking the data in payroll reports.

A newly empowered GOP leadership has trumpeted the issue, which plays to resentments of blue-collar constituents who mostly don't get the chance to do their jobs from home. The SHOW UP Act to force civil servants to work from their offices was one of the first bills passed by the House this year, though the Democratic-led Senate is unlikely to take it up. The oversight committee Comer chairs is pressing the issue in hearings, including one Thursday in which members peppered the federal government's chief personnel officer with questions.



Passengers wait as a red line Metro train arrives during evening rush hour at the Gallery Place Chinatown station in Washington, on Feb. 22. *Photographer: Al Drago/Bloomberg*

It's not just Republicans. Washington's Democratic mayor, Muriel Bowser, in January used her third-term inaugural address to call for "decisive action" from the Biden administration to bring "most federal workers back to the office most of the time."

Other big city leaders, such as New York's Eric Adams, have urged employers to bring their workers back to counter swelling office vacancy rates. The nature of working for the taxpayers, however, places an extra burden on the the public-employee unions to justify telework as they fight return-to-office orders, such as a Federal Deposit Insurance Corporation policy requiring full-time workers to come into the office at least once every two weeks.

Jacqueline Simon, policy director for the American Federation of Government Employees, the largest union representing federal workers, said remote work in many cases has been "an incredible success story" and civil servants shouldn't be forced into the office for political reasons or to boost sales of local retailers.

"The federal government doesn't exist to provide business to downtown restaurants," Simon said. "It exists to provide services to the American people."

## Washington, DC Workers Lag Other Cities in Return to Work

Percent of workers in the office compared to before the pandemic in 10 of the largest US metro areas

Source: Kastle Systems

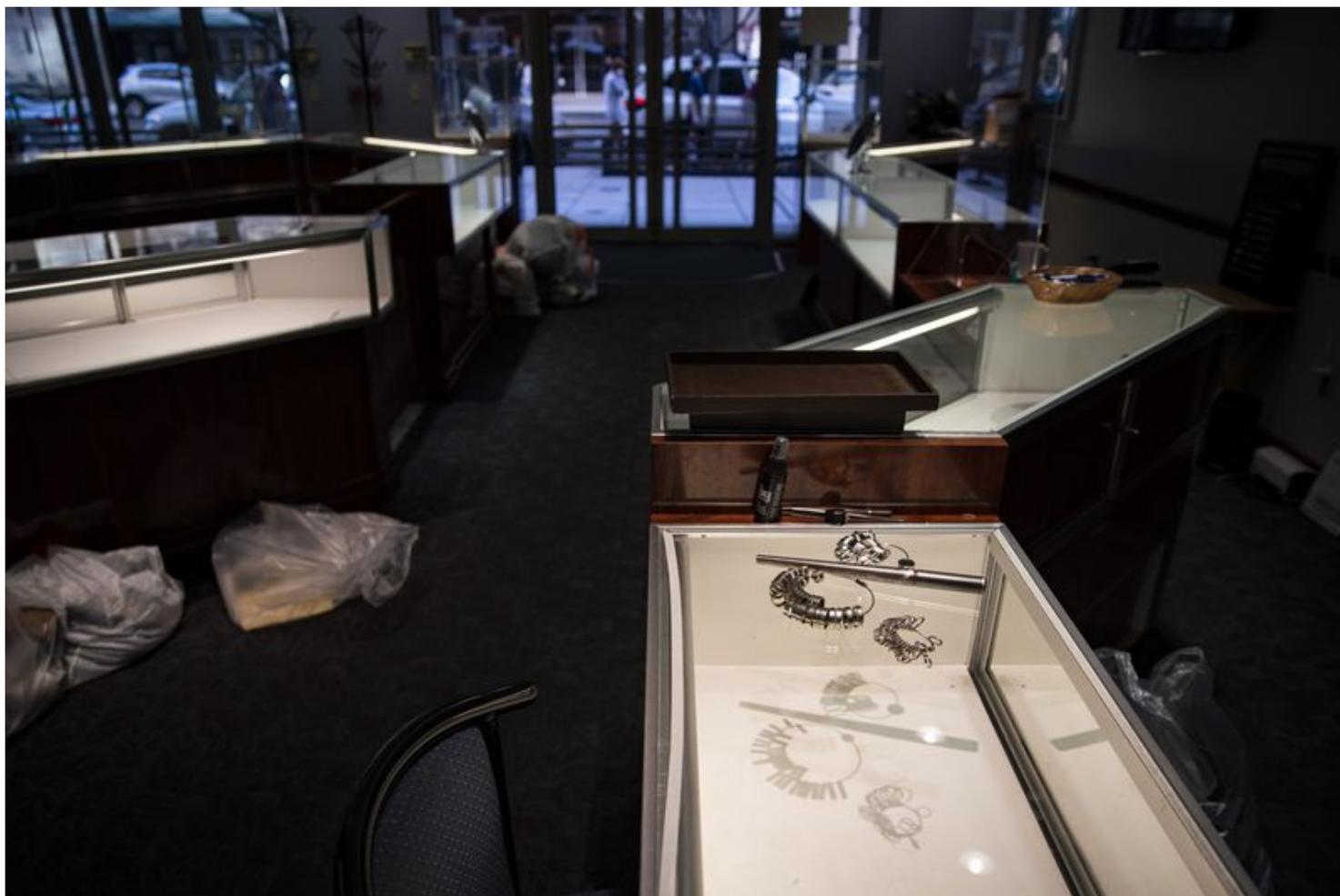
Note: Swipes of Kastle access controls in week ending March 1

### **‘There Was No One Coming In’**

Such rhetoric lands with a clang in Washington’s downtown, where bureaucrats’ low attendance reverberates through the private sector lawyers, lobbyists and contractors whose job is to influence or do business with the government. The lack of office workers is bleeding the life out of establishments like the 84-year-old Bensons Jewelers, a blue-canopied shop on a formerly busy retail strip just blocks from the White House.

“I’m done. I just can’t do it anymore,” said owner Ken Stein, leaning against an emptied display case during one of his last days on the property before he shut it down. “There was no one coming in. Just literally this one block, there’s eight stores that are gone, just so much is boarded.”

No one is quite sure how many federal workers are working remotely. National surveys conducted by the Census Bureau in early February concluded that 38% of all public and private employees were exclusively working remotely but didn’t break out government jobs. The figure was identical for workers in the Washington metro area, where one-quarter are employed by the US government, a sign that the federal workforce isn’t far out of sync with private employees.



Empty jewelry cases at Bensons Jewelers in Washington, on Feb. 23. *Photographer: Al Drago/Bloomberg*

[Related story: Remote Work Is Costing Manhattan More Than \\$12 Billion a Year](#)

Decisions on remote work are left to individual agencies and “are just one factor agencies consider as they work to improve efficiency and effectiveness, compete for talent in the labor market, and streamline key public services,” Office of Management and Budget spokeswoman Isabel Aldunate said in an emailed statement.

Cushman & Wakefield, a commercial real estate firm, compiled keycard data from the General Services Administration and concluded that only 5% of the prepandemic federal workforce had swiped-in to a government-leased office on an average workday in October and November. That doesn’t include government-owned buildings or office space outside the Washington metro area. It’s also not representative of many federal employees across the country such as airport security screeners, meat inspectors, veterans’ hospital nurses or others whose work can’t be done from home.

“Until some more vocal leadership within the federal government compels these workers to come back into the office, the fiscal stability of the District of Columbia could be at risk,” said Nathan Edwards, a senior director at Cushman & Wakefield responsible for Washington DC metro research.

The GSA, in an emailed statement, disputed the accuracy of the 5% figure but said it was unable to provide attendance data.

Building security provider Kastle Systems regularly compares keycard data for 10 big cities to produce its Back to Work Barometer. For the week ended March 1, the Washington metro area's overall office occupancy rate, 47%, ranked 6th. That was 2 percentage points above New York, where Wall Street bosses such as Goldman Sachs Group Inc. Chief Executive Officer David Solomon are aggressively pressing staff to come into the office.

Related story: Adams Gets Deal With NYC's Biggest Union, Will Test Remote Work

The paucity of workers in Washington's downtown threatens commercial real estate values and has depressed ridership on the region's commuter rail system, which boarded only 43% of the number of passengers in January that it did in the same month three years earlier.

Glen Lee, the District of Columbia's chief financial officer, warned Feb. 28 that the expansion of remote work and particularly its impact on the city's commercial real estate market poses "a serious long-term risk to the District's economy and its tax base." A drop in forecasted sales tax revenue is already endangering a highly promoted plan to make city buses free beginning in July.

The thin crowds are gutting the Washington retail infrastructure that helps attract people downtown, fueling a vicious cycle that undermines all businesses' efforts to bring employees back in person.

"It's getting the federal workforce and others back so that some of these sandwich shops and parking garages and Starbucks re-open," US Chamber of Commerce Chief Executive Suzanne Clark said in a meeting with Bloomberg News reporters and editors.



The Washington Monument near office buildings in Washington, on Feb. 22. *Photographer: Andrew Harrer/Bloomberg*

### **Long Wait Times on Hold**

The IRS, Social Security Administration and National Archives – which handles veterans’ records – all disputed Republican charges that current telework policies are contributing to service issues.

[Related story: San Francisco Sees Budget Gap as Remote Work Hits Revenue](#)

In fact, the National Archives said in an emailed statement that it has cut a backlog in requests for veterans’ records that reached 600,000 last March down by a third in 11 months, partly through using remote work. It anticipates eliminating the entire backlog by December. The agency said 17% of staff hours are now remote at the St. Louis warehouse where the records are stored.

### **Callers to Social Security Wait Nearly 40 Minutes**

Average time before call answered

Source: Social Security Administration

The IRS said employees involved in processing tax returns aren't currently allowed to work remotely and blamed service issues on extra workload and phone calls generated by pandemic stimulus measures. The agency said it has since used funds from the Inflation Reduction Act to hire 5,000 additional customer service representatives, substantially cutting its processing backlog and improving the answer rate on its help line.

The Social Security Administration cited an outdated phone system and "the lowest staffing level in 25 years" for the poor service on the help line. The agency blamed a surge in wait times for disability claims on difficulty hiring examiners, a job with an attrition rate that has hit 25%.

Both the IRS and Social Security Administration declined to provide the portion of their staffs working from home.

### **Unions Oppose RTO Mandate**

Federal employee unions, an important Democratic political constituency, have resisted attempts to rein back telework options. The National Science Foundation in November agreed to a four-year contract allowing most staff to work from home eight days every two weeks. The FDIC is locked in a dispute with its employee union over whether an agency policy requiring full-time workers to come into the office at least once every two weeks violates a remote work agreement reached during the pandemic.

Tony Reardon, national president of the National Treasury Employees Union, said remote work saves the government money and makes it easier to recruit and retain employees.

"In the long run, from my perspective, it reduces leasing costs for the government," Reardon said.

The government's chief personnel official agreed there have been advantages.

Remote-work options have increased applications for federal jobs from women, minorities, disabled people, rural residents and military spouses, Kiran Ahuja director of the Office of Personnel Management testified to a House committee on Thursday. On average, federal jobs posted as eligible

for remote work received 18 times as many applications from military spouses as those posted as on-site only, she said.



A lease sign in downtown Washington, on March 7. *Photographer: Ting Shen/Bloomberg*

Nicholas Bloom, a Stanford University economics professor and former McKinsey management consultant who has researched work-from-home arrangements for almost 20 years, said any blanket policy forcing federal employees back into the office is likely to backfire, raising costs and driving away the best workers.

Evidence is mounting that remote work can improve efficiency, with one Harvard study finding call center workers at a Fortune 500 retail company raised productivity 7.5% when they switched to remote. That comes even as other research shows some office time promotes coordination and collaboration, reflected in a study published in the journal Nature finding in-person teams showed more creativity solving problems than counterparts communicating virtually.

Still, Bloom said, most research has shown government doesn't measure employee performance as well as private businesses. So "a well-organized hybrid" including some days teams regularly work together in the office is probably especially important for government.

Surveys show workers value an option to work remotely as much as an 8% pay increase, Bloom said. If civil servants can gain that benefit elsewhere, “your best-performing employees are going to leave, maybe not in three months but certainly over the next three to five years.”

*(Adds comment from federal personnel chief at congressional hearing in fifth paragraph from bottom)*

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