Missing the Point – The Four-Day Workweek

Wednesday, February 1, 2023



Teamwork. Getting the job done without regard to the clock. (Shutterstock)

The role of government is to facilitate the will of the people – and, occasionally, to act on their behalf when there are barriers to the expression of their will that people cannot easily overcome. It is not to tell us what to do.

While our legislature in Annapolis means well, its efforts to encourage experimentation with a four-day workweek are overstepping its role – while neglecting far more urgent matters.

Maybe you've noticed... How could you not? ...that understaffing is a problem in the economy whichever way you look. And it's not just a problem for what might be described as stressful occupations. That there is a serious shortage of policemen and policewomen in Baltimore is perfectly understandable. But now it turns out that pharmacists are quitting because of the relentless pace of their work, despite signing bonuses <u>as high as the \$75,000</u> Walgreen's is said to be offering.

A couple of days ago, I went online to get the customer support number for one of the premier manufacturers of car seats and strollers. I've talked to them before and can say that they are really excellent. The website showed that they were open from 9 to 5 PM ET, but then, when I called them after 9:00 AM, the recording said 1 until 5 PM. Not only were they too understaffed to maintain a full 8-hour day of customer support –

even though they are all working from home – they don't even have the IT support to update the hours on their website.

Something, maybe it's COVID, has happened. People are changing their minds about the nature of the work they want to do. What we're experiencing isn't just an incidental fad. It's a real movement, a major adjustment that will have long-lasting consequences for the whole of our capitalist system.

Many companies are understaffed, but then the big tech firms are laying people off by the thousands. Where, exactly, are the people going who are walking away from their jobs? Are just fewer people working? Well, no. As it turns out, <u>data published by the Bureau of Labor Statistics</u> indicate that year-to-year, seasonally adjusted labor force participation is actually up a bit. More people were working in December than a year before that. And the unemployment rate is down. ...In other words, a lot of what's happening is that people are leaving one position to go to work elsewhere with very little if any downtime in between jobs.

Surviving COVID has awakened and emboldened us. There's a palpable sense, a natural consensus forming that we can do better – with the confidence to motivate us to take risks that, before COVID, were beyond what our naturally conservative nature would have tolerated. Change is in the wind, a reality that has not gone unnoticed by our representatives in Annapolis.

Living, as we do, in a small, but nonetheless enlightened state, our legislature is giving bipartisan consideration to not only studying, but outright incentivizing a transition to the four-day work week. What I'm talking about is <u>House Bill 181</u>, the "Four-Day Workweek Act of 2023." It's a two-year, completely voluntary experiment, suggested by common sense and the success of a <u>two-nation (US and Ireland) experiment</u> last year that was very favorably received by both the companies and individual employees who participated. The result was more time for family and other life-affirming activities with the added bonus of somewhat higher productivity.

"Sounds great!"

Yes, it does. <u>Work four eight-hour days and get paid for working five</u> – which is what our legislature has in mind. I mean, what's not to like? My point is, pretty much everything...

It is most definitely not up to the state to give companies that choose to define full-time employees as those who work only 32 hours per week a subsidy, a financial incentive not to be enjoyed by their competitors who need their workers on the job for 40 hours and five days a week.

Paying your employees the same for just 32 hours as you were for 40 hours is tantamount to giving them a 25% increase in their effective hourly rate. Hence the

need for the state subsidy to compensate participating employers. What happens two years from now when the subsidy is gone? What about employees whose productivity cannot justify the higher hourly rate? Can you imagine walking into your supervisor's office and demanding a 25% increase in hourly compensation without offering anything in return? What are the economics of that exchange? Where is the corresponding increase in productivity to justify the raise?

How does the company staff the fifth day of the workweek? With part-time employees? By spreading it's four-day workforce over the full week with fewer people working each day? With what impact on coordination of employee activities that involve teamwork? And on overall corporate productivity? In various different industries?

By the way, even without House Bill 181, there nothing stopping employees from demanding and companies from allowing, even encouraging a four *ten*-hour day workweek. Producing the same output, but over just four days instead of five. I mean, you're already on the job. The only difference between working eight and ten hours a day is, for many people, the pleasure of avoiding rush hour traffic on one end of the day or the other.

And what effect will encouraging companies to go to a the four-day work week have on the employees who prefer the energy, the opportunity, the creativity involved in working five *or more* days a week to build the shop or small retail business they've founded? Or to work their way up inside a larger company they respect? Are these Type A employees heartless people who couldn't care less about their families and friends?! Of course not. They're the workers who, to a large extent, have made our economy what it is today. Over-workers and entrepreneurs alike, of every type and scale of their endeavors, are the human fusion that powers our capitalist star.

So, there was, as noted above, this experiment last year testing interest in a four-day workweek. And when they surveyed the participating workers, there was widespread agreement that working only 32 hours for the same income you were making working 40 hours was a good thing. No kidding! What did you think they were going to say? Who doesn't want to work less for the same money? Those aren't meaningful survey results, there's no practical, economic basis for what the respondents are telling you and they are certainly not a reason for new law encouraging the four-day workweek.

The state needs to stay out of the economy, out of the labor market, except to facilitate what the market tells the state it needs. Moving the economy to a four-day workweek is an extremely complicated process that's best left up to a free-market economy to work out for itself over however much time it needs to do that.

When I went to college, I spent my first and second years living in dorms on campus. It was an older campus, where the "quads" – the grass and treed clearings around which residential and classroom buildings were clustered – were well-worn and in need of re-landscaping. And the college made the improvements, remodeled the quads, not just for the esthetic necessity of it, but as a teaching moment. They ripped up everything on these parks through which students and faculty grazed, in favor of putting down nothing but grass. No pathways. Just grass. Why? Because they were uncertain about where to put those paved trails and chose, instead, to leave it to the students to chart their own travel among the various buildings. And that's what we did. And then the contractors – the legislators of our campus landscaping – came back later to pave the paths we had worn for them. The simplicity, free enterprise version of their process impressed me then and still does, decades later.

My point is, let the economy – employers and workers – work it out for themselves, make the adjustments as they see fit and, in doing so, mark their own beaten paths for government to follow close behind.

And to the Maryland legislature, you're missing the point. There are more critical issues for you to worry about where the private sector has failed.

"Like what, for example?"

Like taking over control of the City of Baltimore's public education, police services and economic development. Without the slightest hyperbole, people in Baltimore are going hungry and are, literally, dying for lack of income and as a result of violent crime. People aren't dying because they have to work a five-day week. The big sinkhole in the heart and wallet of Maryland is the City of Baltimore that needs urgent and massive attention. If there's one issue above all others that cries out, literally for many families, for help from the state government, it's Baltimore where government and the local economy are critically dysfunctional for most of its residents.

-Les Cohen

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