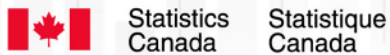




# Research to Insights: Working from home in Canada

January 18, 2024

Catalogue no. 11-631-X  
ISBN 978-0-660-69232-6



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## ***About Research to Insights***

The *Research to Insights* series of presentations features a broad range of findings on selected research topics. Each presentation draws from and integrates evidence from various studies that use innovative and high-quality data and methods to better understand relevant and complex policy issues.

Based on applied research of valuable data, the series is intended to provide decision makers, and Canadians more broadly, a comprehensive and horizontal view of the current economic, social and health issues we face in a changing world.

# Background

## Working from home: A new experiment for many Canadian workers and employers

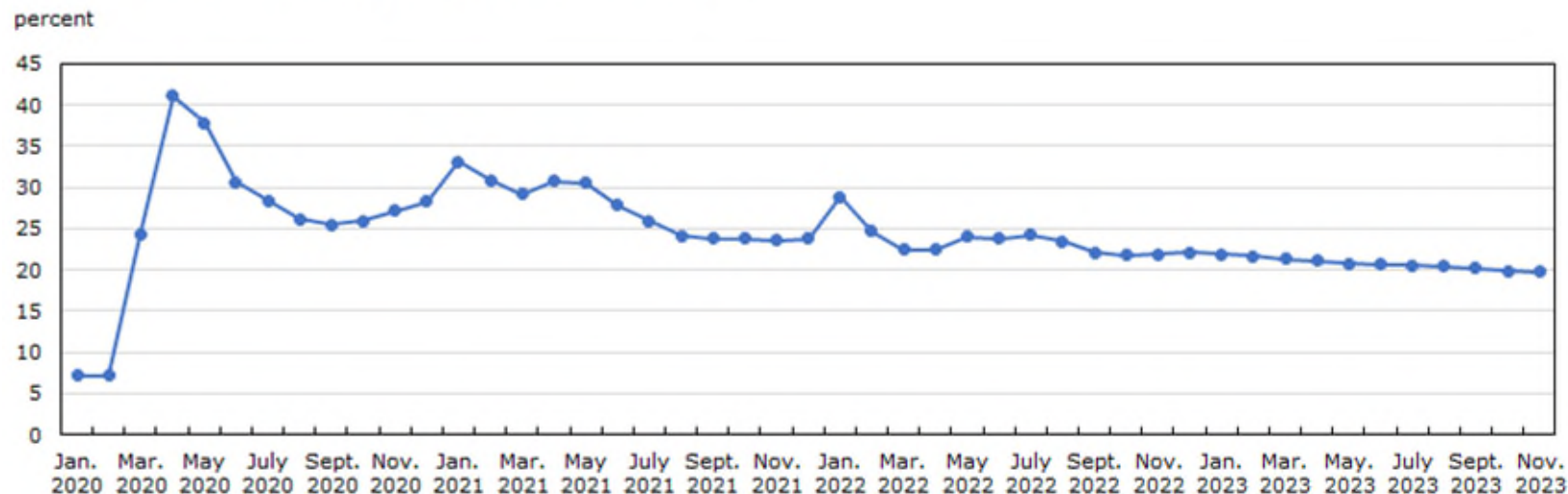
- The COVID-19 pandemic triggered a substantial change in work arrangements in Canada. The percentage of Canadians usually working most of the time from home has risen sharply since the mid-2010s, increasing from 7.1% in May 2016 to 24.3% in May 2021. It was 20.1% in May 2023.
- This increase in work-from-home arrangements has potentially important implications for numerous aspects of the economy and society, such as the housing market, office rental space and economic activity in downtown areas, productivity, wage growth, worker turnover, family–work balance and child care, commuting, public transit, and greenhouse gas emissions.
- To shed light on these issues, this presentation synthesizes what has been learned to date about working from home in Canada.

**For more information:** [The Daily — Commuting to work by car and public transit grows in 2023 \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/26-262-x/2023001/article/00001-eng.htm), [Working from home in Canada: What have we learned so far? \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/26-262-x/2023001/article/00002-eng.htm) and [The long-term wage growth of teleworkers before the COVID-19 pandemic \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/26-262-x/2023001/article/00003-eng.htm).

# After rising to about 40% in April 2020, the percentage of Canadians working most of their hours from home in a given week was 20% in November 2023

- In April 2020, Statistics Canada introduced questions in the Labour Force Survey (LFS) aimed at estimating the number and percentage of Canadians working most of their hours from home and their usual work locations.
- LFS data show that after rising to about 40% in April 2020, the percentage of Canadians working most of their hours from home during the LFS reference week declined to almost 30% in January 2022 and was about 20% in 2023.

**Chart 1**  
Percentage of workers working most of their hours from home during the Labour Force Survey reference week, January 2020 to November 2023



**Notes:** Workers aged 15 to 69 who are not full-time members of the Armed Forces and who worked during the reference week. The sample includes employees and self-employed individuals. Numbers for January and February 2020 are based on the 2016 Census of Population and refer to workers usually working most of the time from home. Numbers for March 2020 and those for 2023 (except May, August and November) are interpolations. Numbers for January to April 2022 are modelled estimates based on Morissette, Hardy and Zolkiewski (2022).

**Sources:** Statistics Canada, 2016 Census of Population and Labour Force Survey.

**For more information:** [Working Most Hours from Home: New Estimates for January to April 2022 \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/75-602-x2022001/article/00001-eng) and [Working from home during the COVID-19 pandemic: How rates in Canada and the United States compare \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/75-602-x2022001/article/00002-eng).



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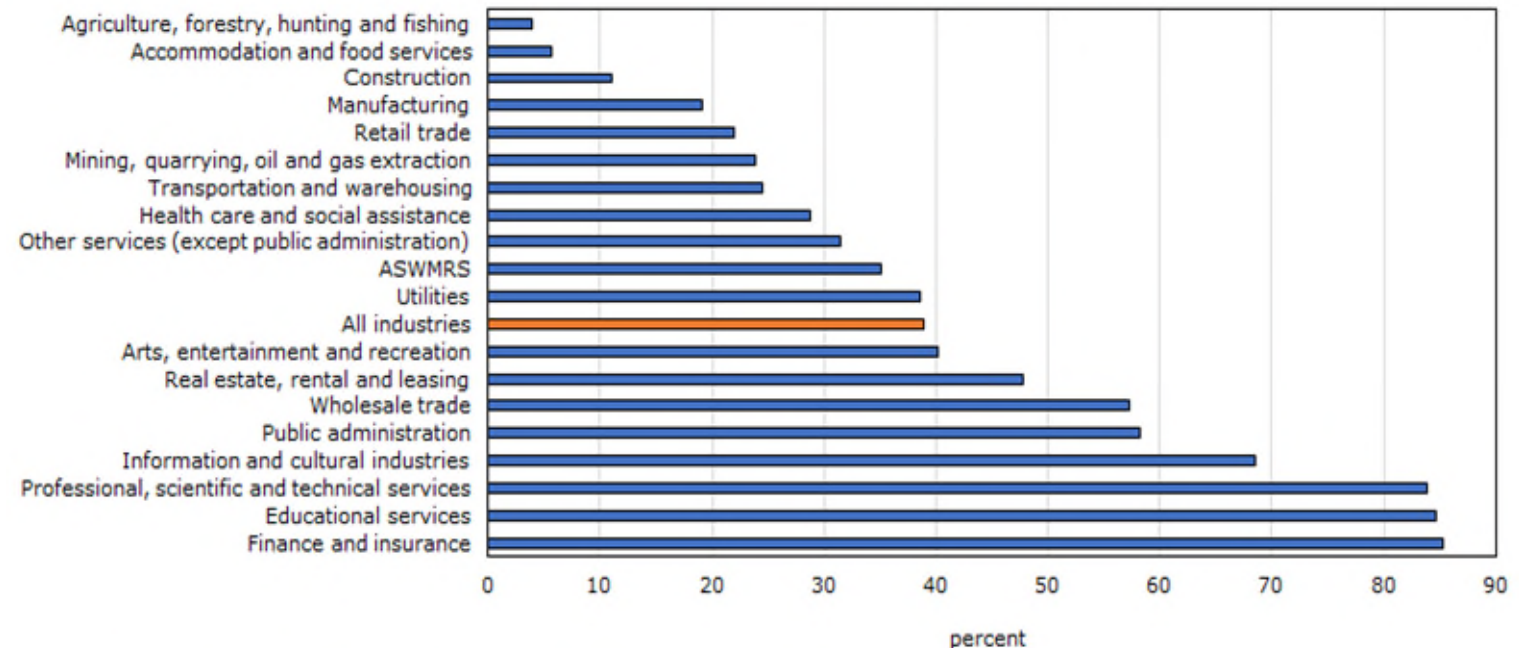
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# While roughly 40% of Canadian jobs can be done from home, telework capacity varies substantially across industries

- In 2019, roughly 4 in 10 Canadian jobs (39%) could, in principle, be done from home. A similar percentage is observed in the United States (37%).
- Telework capacity—the percentage of jobs that can be done from home—varies substantially across regions, education levels, wage deciles, industries and population groups.
- These differences largely reflect the degree to which different groups of workers have office jobs, many of which can be done from home, and the prevalence of these jobs in different regions.

**Chart 2**  
Percentage of Canadian jobs that can be done from home, by industry, 2019



**Note:** ASWMRS refers to administrative and support, waste management and remediation services.  
**Source:** Deng, Morissette and Messacar (2020).

**For more information:** [Running the economy remotely: Potential for working from home during and after COVID-19 \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/75-662-x/2020001/article/00001-eng.htm), [Inequality in the feasibility of working from home during and after COVID-19 \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/75-662-x/2020001/article/00001-eng.htm) and [How Many Jobs Can be Done at Home? | NBER](https://www.nber.org/papers/w26190).

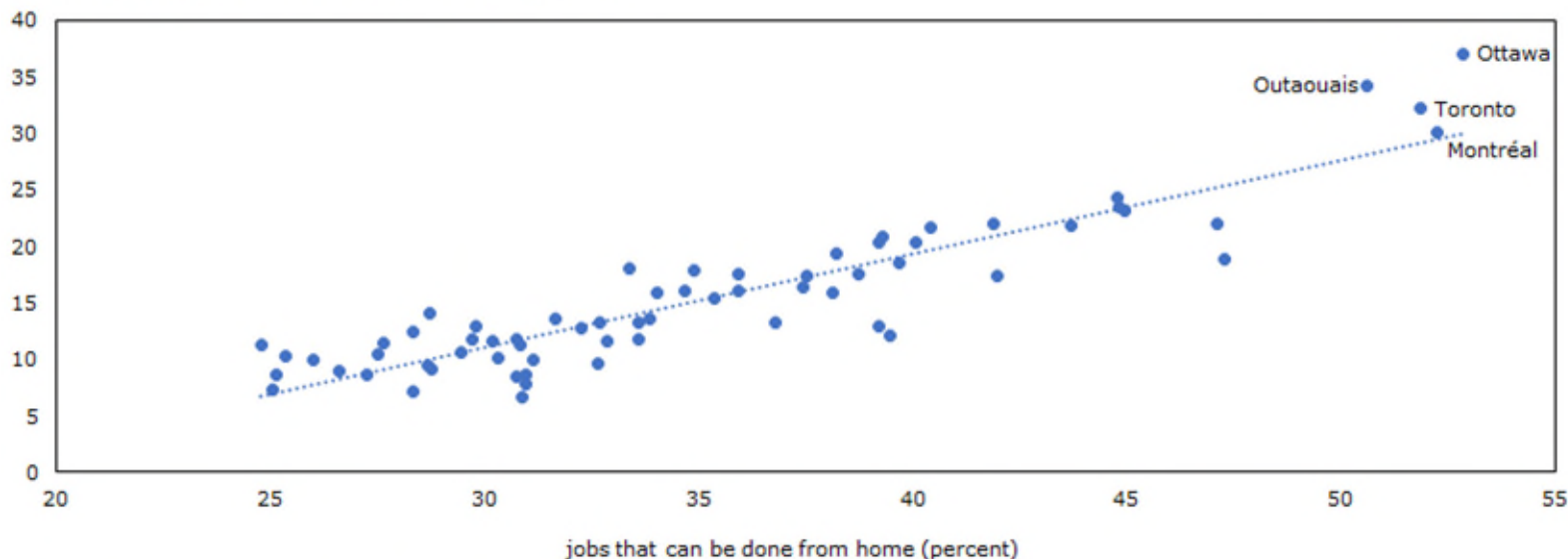
# Telework capacity effectively predicted the degree to which workers in various regions and groups worked from home during the COVID-19 pandemic

- Groups of workers with high telework capacity generally displayed high rates of work from home during the COVID-19 pandemic.
- For example, in 45% of dual-earner salaried couples in the top 10% of the earnings distribution, both spouses worked from home from April 2020 to June 2021. This was nine times the rate of 5% observed for their counterparts in the bottom 10% of the earnings distribution.
- In 57% of dual-earner salaried couples in the top 10% of the earnings distribution, both spouses held jobs that could, in principle, be done from home. The corresponding percentage for dual-earner salaried couples in the bottom 10% of the earnings distribution was 11%.

Chart 3

Percentage of jobs that can be done from home and percentage of workers working most of their hours from home during the Labour Force Survey reference week, by economic region, May 2022 to December 2022

workers working most of their hours from home (percent)



Source: Statistics Canada, Labour Force Survey.

For more information: [The Daily — Working from home during the COVID-19 pandemic, April 2020 to June 2021 \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/75-662-x/2021001/article/00001-eng.htm).



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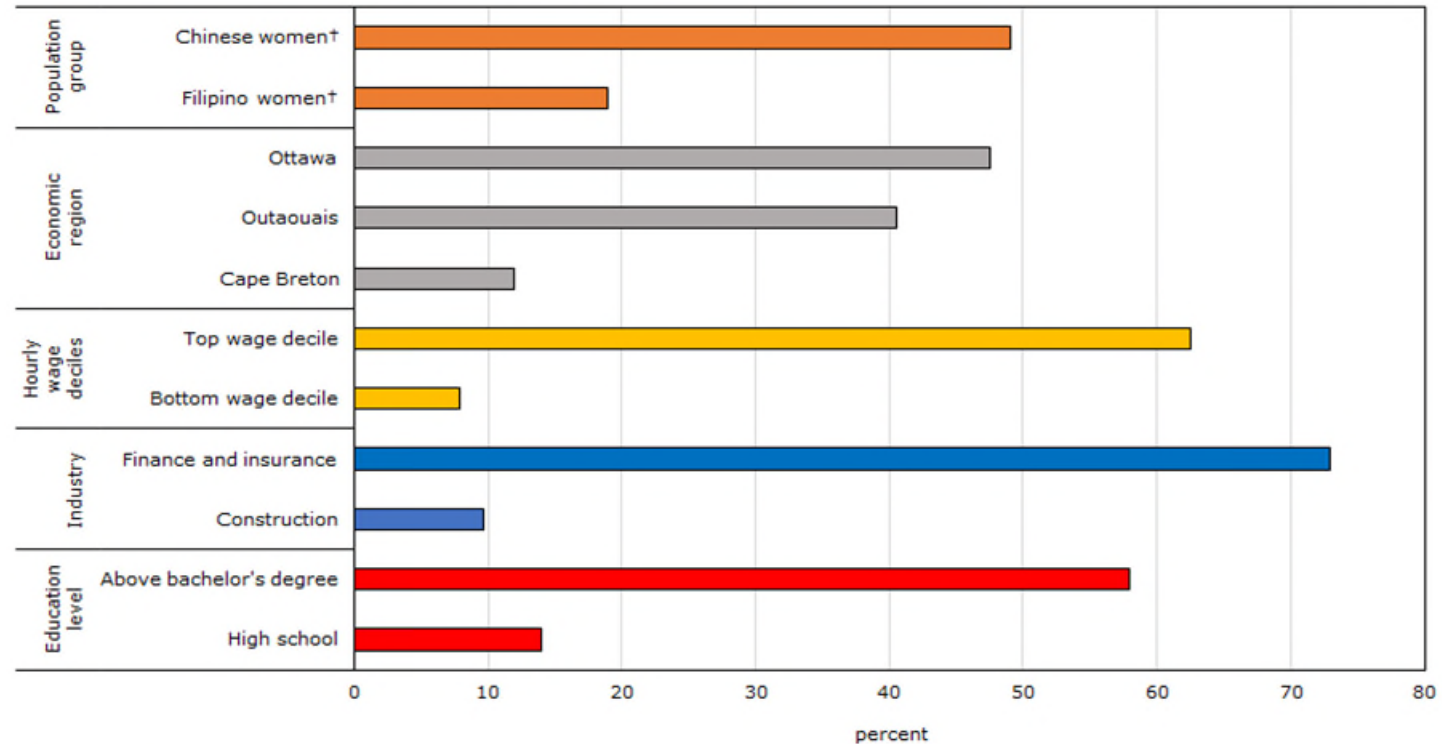
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# Different groups of workers worked from home to varying degrees during the COVID-19 pandemic, largely because of differences in the degree to which they held office jobs

- Partly because they are overrepresented in the finance and insurance sector and the professional, scientific and technical services sector—two sectors where the vast majority of jobs can be done from home—a relatively high proportion (43%) of Chinese men worked from home during the COVID-19 pandemic.
- This was almost three times the rate of 15% observed among Filipino men.
- Likewise, the propensity to work from home was substantially higher among Chinese women (49%) than among Filipino women (19%).
- In Ottawa, close to half (47%) of all workers—many of whom work for the federal public administration—performed their tasks from home during the pandemic.

**Chart 4**  
Percentage of workers working most of their hours from home during the Labour Force Survey reference week, by selected characteristics, April 2020 to June 2021



† From July 2020 to June 2021

Source: Statistics Canada. "Working from home during the COVID-19 pandemic: April 2020 to June 2021" (2021).



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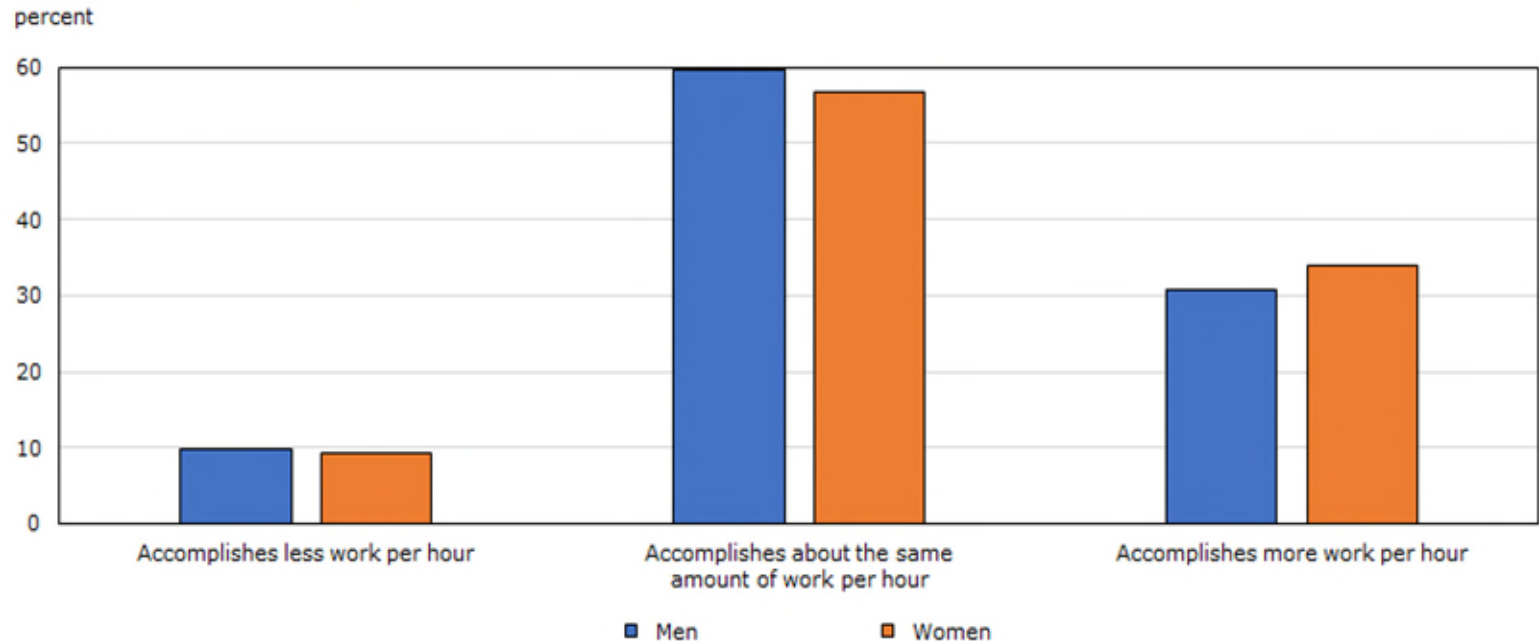
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# During the COVID-19 pandemic, the vast majority of new teleworkers reported being at least as productive at home as they were in their usual place of work

- In February 2021, 90% of new teleworkers—employees who usually worked outside the home before the COVID-19 pandemic but worked most of their hours at home during the LFS reference week—reported accomplishing at least as much work per hour at home as they did in the office.
- Whether Canadian employers' assessments of teleworkers' productivity align with those of their employees remains an open question.
- The fact that jobs and tasks are generally quite diverse suggests that the productivity effects of working from home will likely vary across firms, sectors of the economy and types of work arrangements (hybrid work arrangements versus exclusive telework).

Chart 5

## New teleworkers' assessment of their productivity at home relative to productivity in their usual place of work, February 2021



Source: Mehdi and Morissette (2021).

For more information: [Working from home: Productivity and preferences \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/75-662-x/2021001/article/00001-eng.htm) and [The Evolution of Work from Home - American Economic Association \(aeaweb.org\)](https://www.aeaweb.org/).

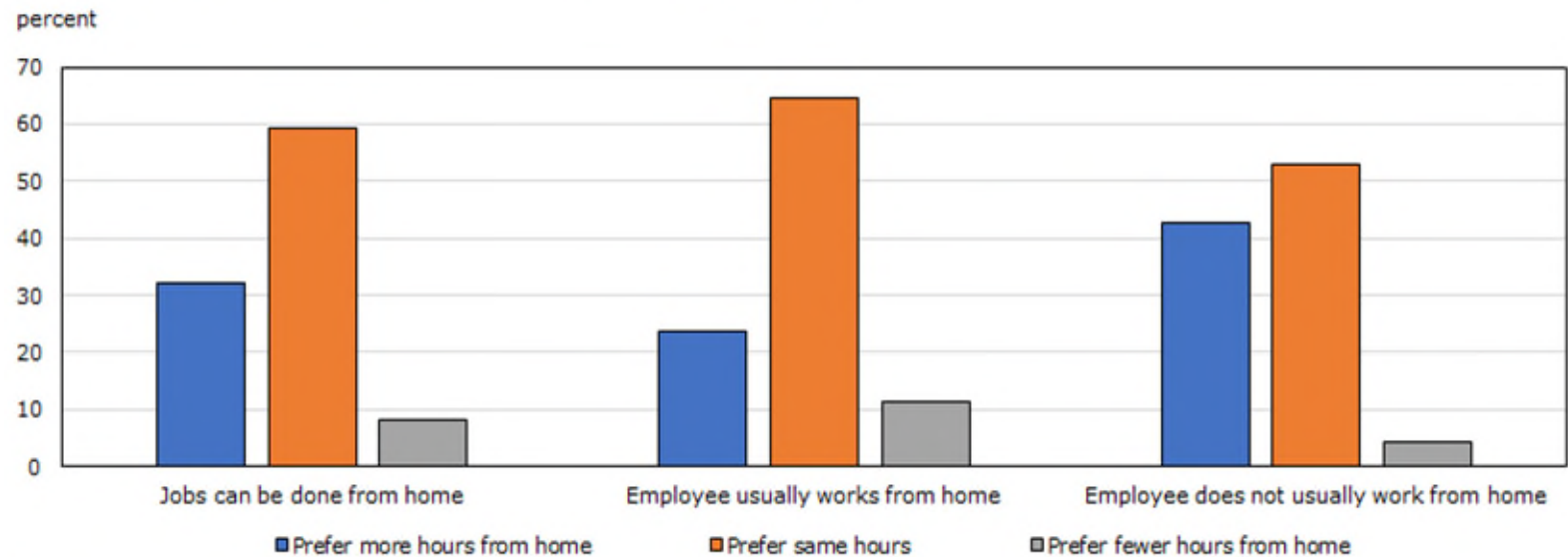


# An important consideration for employers: Employees' preferences about working from home are diverse

- Of all employees usually working from home, almost one in four would ideally work a greater proportion of their hours from home than they did in the reference week of August 2023.
- In contrast, about one in eight would ideally work a smaller proportion of their hours from home than they did during that week.
- One challenge for employers seeking to implement telework is to accommodate this diversity of preferences.
- A mismatch between employees' preferences for telework and the hours they work from home may negatively affect employee retention.

**Chart 6**

**Employee preferences regarding the proportion of hours ideally worked from home relative to the proportion of hours worked from home during the Labour Force Survey reference week, by telework status—jobs that can be done from home, August 2023**



**Note:** Employees aged 15 to 64 who are not full-time students or full-time members of the Armed Forces, who worked during the reference week and who hold jobs that can be done from home.

**Source:** Statistics Canada, August 2023 Labour Force Survey.

**For more information:** [Working from home after the COVID-19 pandemic: An estimate of worker preferences \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/75-662-x/2023001/article/00001-eng.htm).



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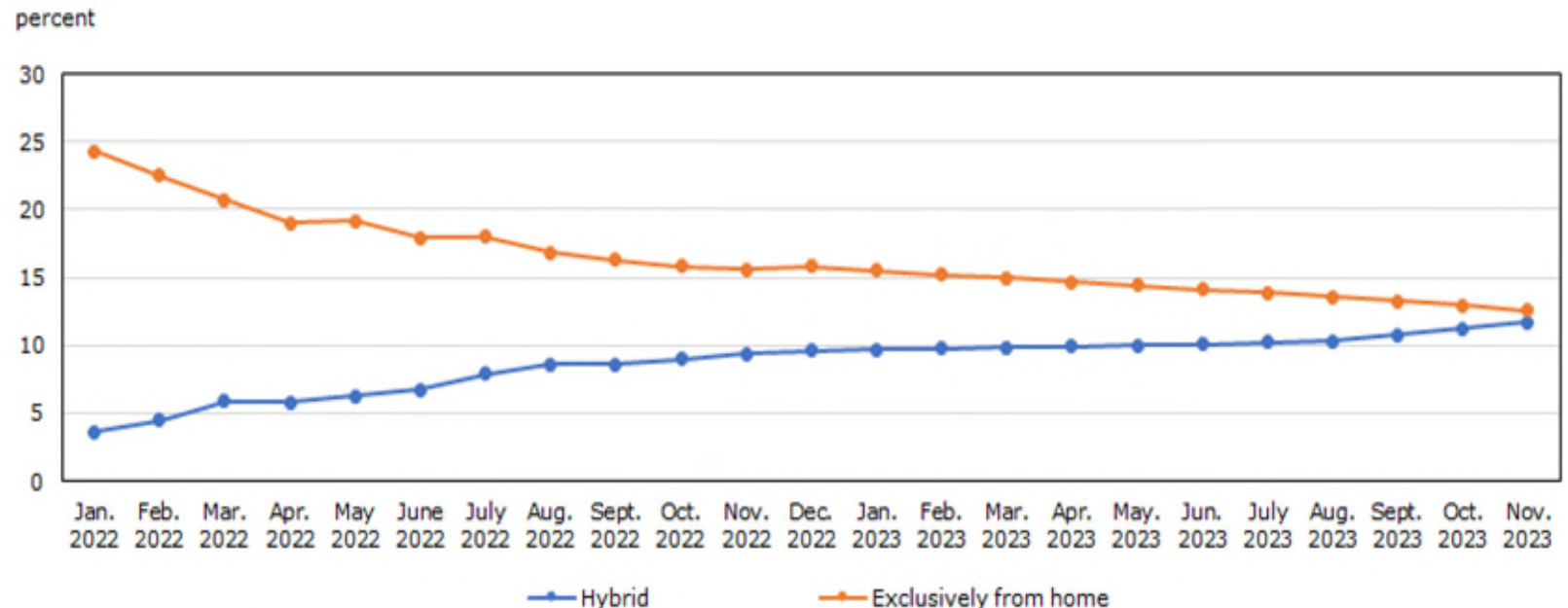
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## Hybrid work arrangements have been gaining ground since the beginning of 2022

- As more employees returned to the office, hybrid work arrangements gained ground in 2022.
- Some employees were far more likely than others to work exclusively from home in 2022: highly educated workers; highly paid workers; employees in the information and cultural industries sector, the finance and insurance sector, the professional, scientific and technical services sector, and the public administration sector; and those in large firms.
- The percentage of employees working exclusively from home had an inverted U-shape pattern across age groups.
- Women were slightly more likely than men to work exclusively from home.

**Chart 7**

**Percentage of workers working exclusively from home or in hybrid work arrangements, January 2022 to November 2023**



**Note:** Workers aged 15 to 69 who are not full-time members of Armed Forces. Except for May, August and November, numbers for 2023 are interpolations.

**Source:** Statistics Canada, Labour Force Survey.



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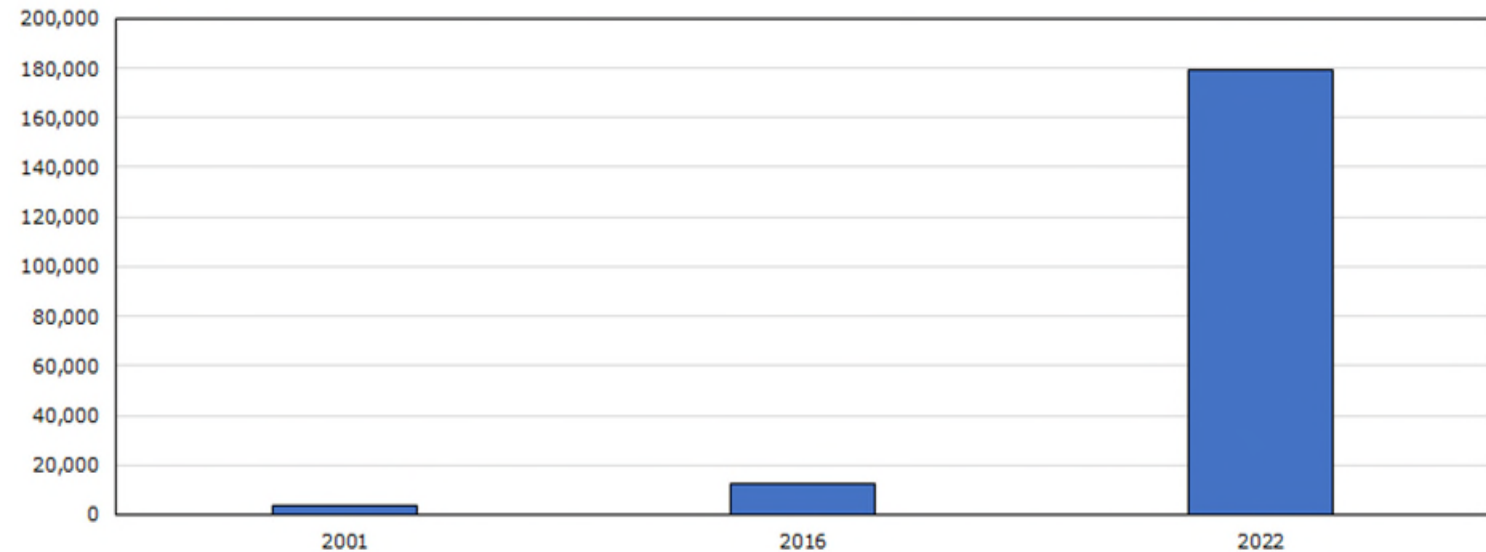
# Although working from home has increased the pool of workers available to employers, relatively few Canadians work from home for an employer located in another province or abroad

- The substantial increase in work from home observed since March 2020 raises the possibility that, in the near future, some Canadian workers might be able to work from home for an employer located in another country, in another province or territory, or far within their province.
- A recent Statistics Canada study estimates that in 2016, 12,600 Canadian employees worked from home for an employer located in another province, up from 3,500 in 2001.
- LFS data from June 2022 show that 5.3% of all Canadian employees who work from home (179,000 employees) reported to a worksite located in another province.
- Taken together, these numbers indicate that the number of Canadians working from home for an employer located in another province has grown markedly—albeit from a small base—since 2016.
- LFS data also show that in June 2022, 87,000 employees working from home reported to an office or worksite located in a different country.

**Chart 8**

**Number of employees working from home for an employer located in another province**

number of employees



**Note:** Due to methodological differences, caution must be exercised when comparing 2001 and 2016 estimates with those for 2022.  
**Sources:** Statistics Canada. "Working from home for an employer located in another province or territory" (2022) and June 2022 Labour Force Survey.

**For more information:** [Working from home for an employer located in another province or territory \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/75-602-x/2022001/article/00001-eng.htm) and [The Daily — Labour Force Survey, June 2022 \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/75-602-x/2022001/article/00001-eng.htm).



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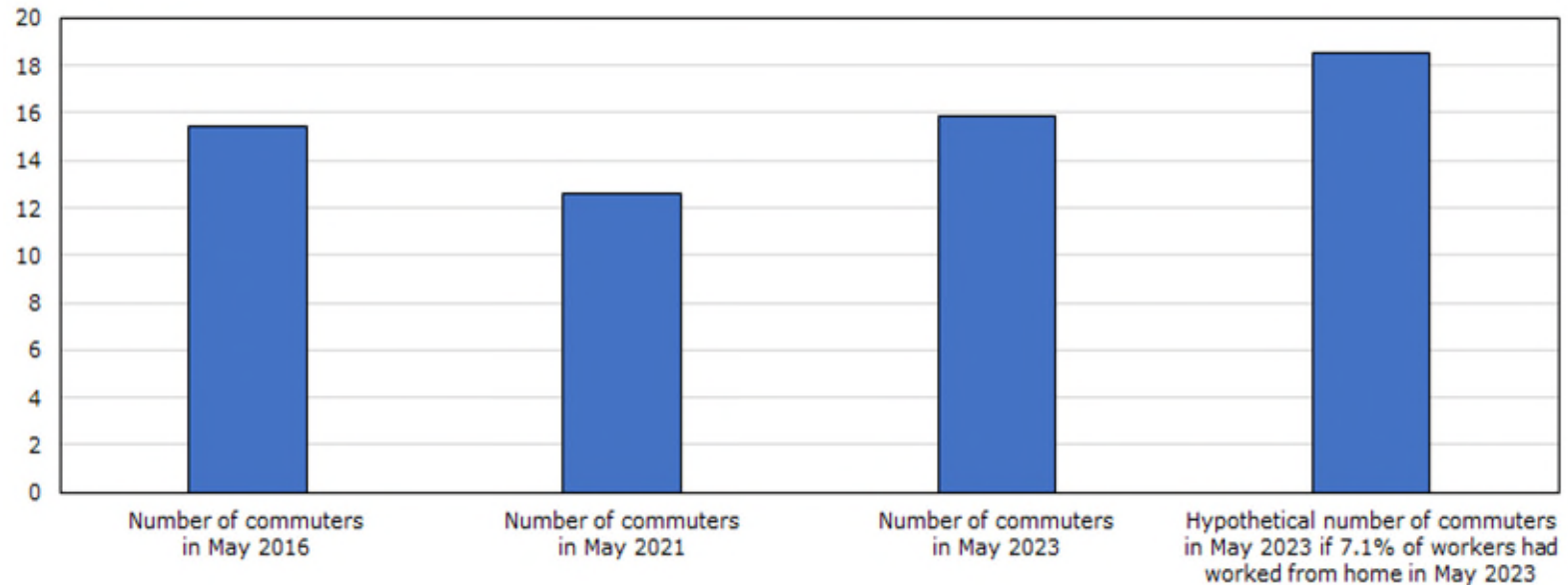
# The increase in work from home has reduced commuting

- In May 2023, 15.9 million Canadians (79.9% of all 19.9 million workers—data not seasonally adjusted) were usually commuting to a location outside their home.
- Had the percentage of Canadians working from home stood at 7.1% in May 2023 (instead of 20.1%), the corresponding number would have been 18.5 million (92.9% of 19.9 million workers).
- Thus, the increase in the number of employees who worked from home from 2016 to 2023 potentially reduced the number of commuters by about 2.6 million during that period.

**Chart 9**

**Number of commuters in May 2016, 2021 and 2023 and hypothetical number of commuters in May 2023 in the absence of growth in work from home from 2016 to 2023**

number (millions)



**Sources:** Statistics Canada, 2016 and 2021 Census of Population, and May 2023 Labour Force Survey.

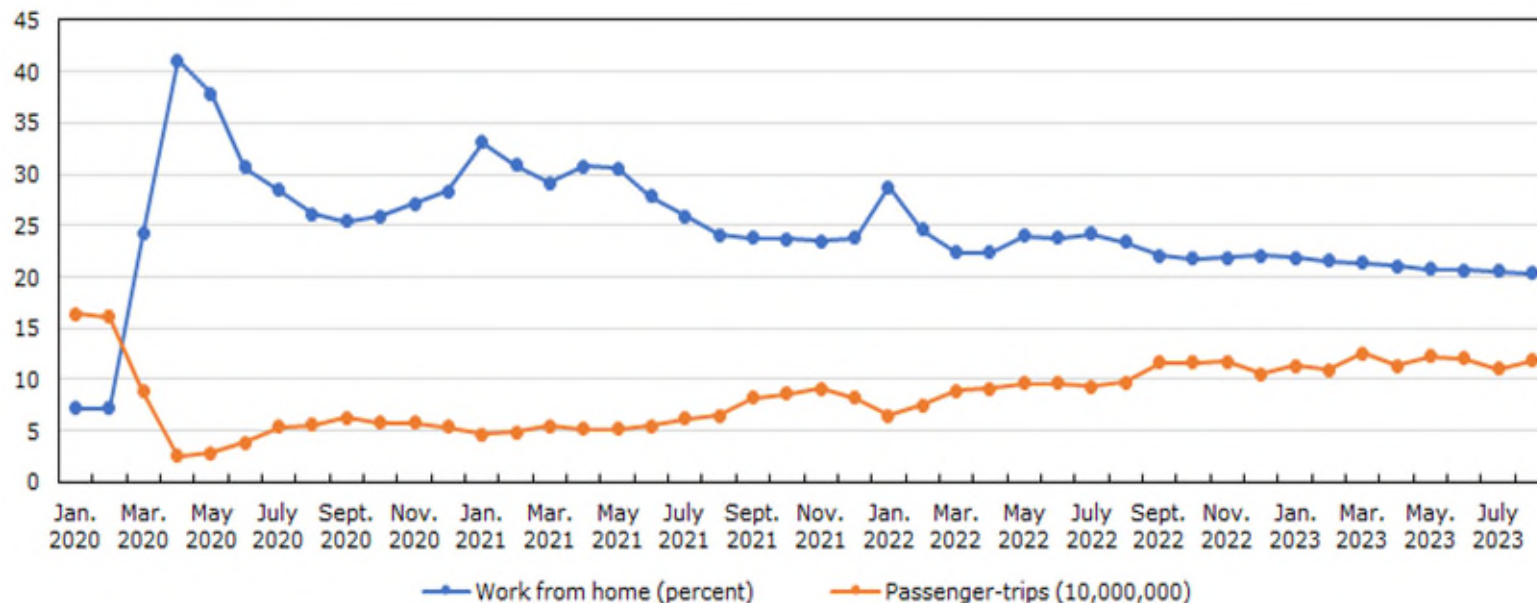
**For more information:** [The Daily — Commuting to work by car and public transit grows in 2023 \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/26-262-x/2023001/article/00001-eng.htm).

# The increase in work from home has reduced public transit use

- The percentage of commuters using public transit fell from 12.6% in May 2016 to 10.1% in May 2023. Several factors may explain this decline:
  - 1) Increases in telework reduced the number of passenger-trips of former public transit commuters who now work from home.
  - 2) By reducing traffic, such increases may also have led some non-teleworkers to switch from public transit to car commuting.
  - 3) Health concerns triggered by COVID-19, stay-at-home orders and physical distancing measures may have led some individuals to leave public transit permanently.
  - 4) The reduction in the number of routes—whenever it happened—may also be a contributing factor.

**Chart 10**  
Percentage of workers working most of their hours from home during the Labour Force Survey reference week and number of passenger-trips in urban transit systems, January 2020 to August 2023

percent or number (10 millions)



Sources: Statistics Canada, 2016 Census of Population, Labour Force Survey and Table 23-10-0251-01.

For more information: [The Daily — Commuting to work by car and public transit grows in 2023 \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/26-26977-2023001/article/00001-eng), [Commuting to work during COVID-19 \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/26-26977-2023001/article/00002-eng), [Public transit in a post-COVID-19 Canada \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/26-26977-2023001/article/00003-eng) and [The Daily — Urban public transit, August 2023 \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/26-26977-2023001/article/00004-eng).



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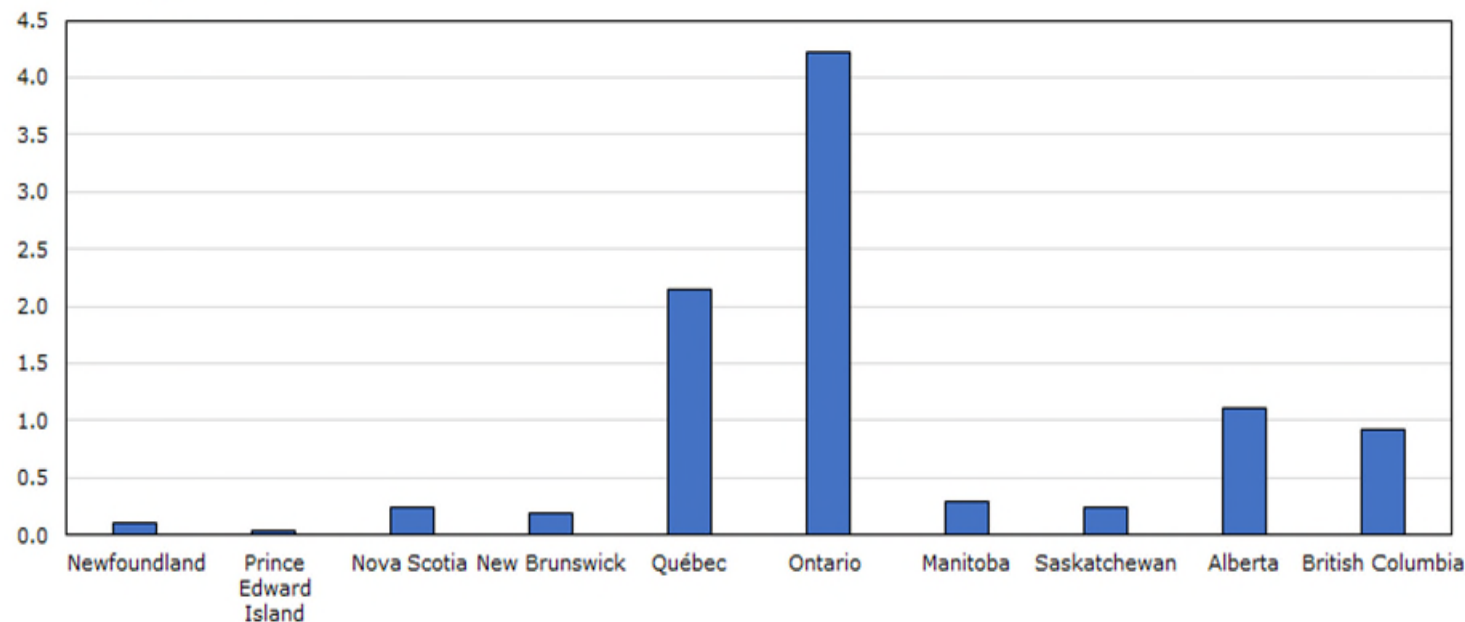
# The increase in work from home likely reduced greenhouse gas emissions from transportation

- A recent Statistics Canada study estimates that if all Canadians whose job could be done from home in 2015 and who worked on-site that year had started working exclusively from home, greenhouse gas (GHG) emissions from transportation could have fallen by 9.5 megatons of carbon dioxide equivalent on an annual basis. This represents 12% of households' direct GHG emissions from transportation in 2015.
- Since not all Canadians currently work exclusively from home, the reduction in households' direct GHG emissions from transportation triggered by the increase in working from home from May 2016 to May 2023 is, on an annual basis, likely lower than 12%.
- Another consideration is that, if personal homes are less energy efficient than large office buildings, part of the reduction in GHG emissions triggered by reduced commuting could be offset by emissions associated with households' increased energy use required for heating or providing air conditioning. The magnitude of this offsetting effect is currently unknown.

Chart 11

Hypothetical reduction in annual greenhouse gas emissions resulting from a complete transition to telework, by province, 2015

megatons of CO2 equivalent



Source: Statistics Canada. "Working from home: Potential implications for public transit and greenhouse gas emissions" (2021).

For more information: [Working from home: Potential implications for public transit and greenhouse gas emissions \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/28-601-x/2021001/article/00001-eng.htm).



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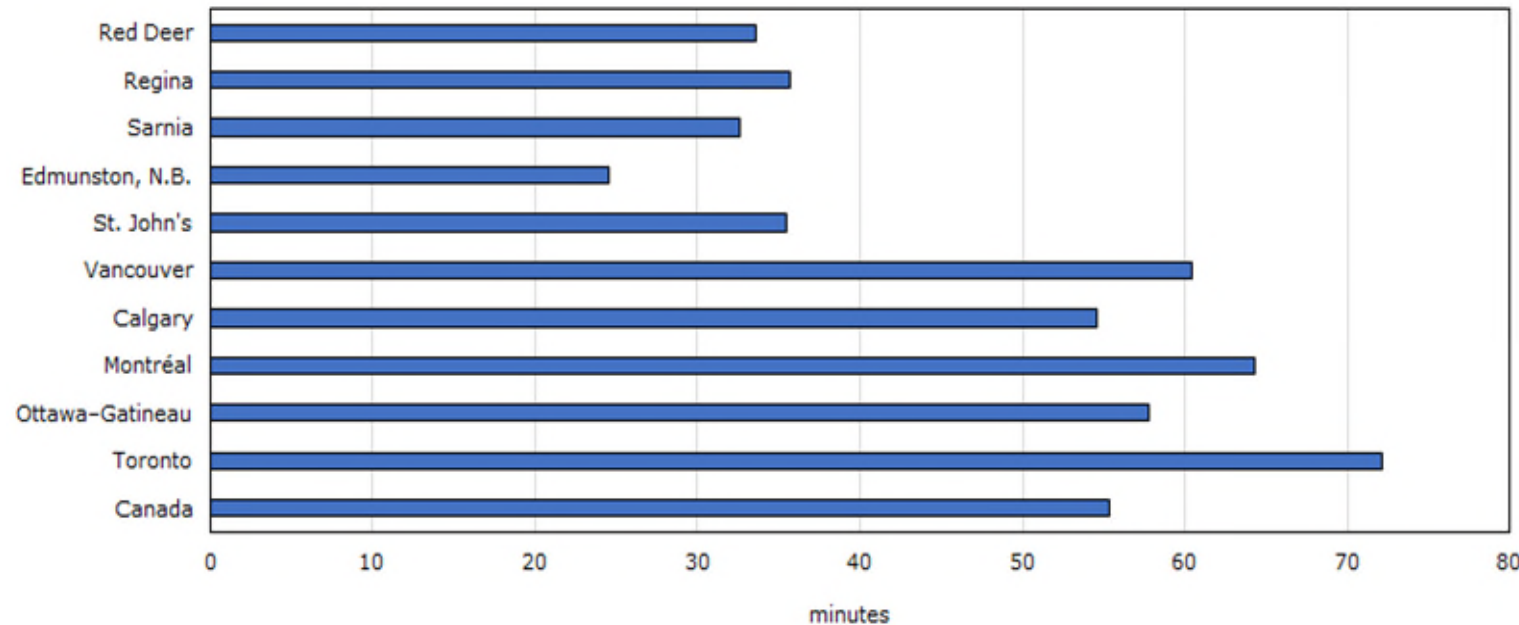
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# The increase in work from home potentially generated time savings for many Canadians

- By eliminating or reducing the need to commute, increases in work from home potentially generated time savings for many Canadians.
- A Statistics Canada study estimated that if all Canadians who could work from home in 2015 had started working from home instead of commuting, they could have saved about 55 minutes per day, on average, by no longer commuting.
- Workers in large cities would have experienced the largest time savings. Those in Toronto could have saved an average of 72 minutes per day, while their counterparts in Montréal (64 minutes) or Vancouver (60 minutes) could also have experienced higher-than-average time savings.
- In contrast, the average time savings of workers living in St. John's or Regina could amount to roughly 36 minutes per day.

**Chart 12**

**Hypothetical daily time savings experienced by potential teleworkers from no longer commuting, selected census metropolitan areas and census agglomerations, 2015**



**Note:** Potential teleworkers hold jobs that can be done from home but do not work from home.

**Source:** Morissette, Deng and Messacar (2021).

**For more information:** [Working from home: Potential implications for public transit and greenhouse gas emissions \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/98-646-x2015001/article/00001-eng.htm).



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## Summary of key findings

- The increase in work from home observed in recent years potentially generated time savings for many Canadians, reduced commuting and likely reduced households' direct GHG emissions from transportation.
- It also reduced the demand for public transit, thereby putting financial pressures on urban transit systems.
- Employees' assessments of their productivity while working from home during the pandemic were generally favourable, but whether these assessments align with those of their employers remains to be seen.
- The increase in work from home was unevenly distributed across regions and groups of workers. Regions that had a high telework capacity—many of which include large cities—ended up having a relatively large proportion of their workforce working from home. Because they often hold jobs that can be done from home, highly educated workers and highly paid workers ended up working from home to a far greater extent than their less educated or lower-paid counterparts.
- Recent evidence shows that among employees who usually work from home, preferences do not fully align with the proportion of hours they work from home in a given week. Such a mismatch may have important implications for employee retention.
- Although working from home has increased the pool of workers available to employers—through the recent refinement of telework-enabling technologies—the number of Canadians working from home and reporting to a worksite located abroad or in another province has remained fairly low to date.



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