

The death of the 5 day a week commute?

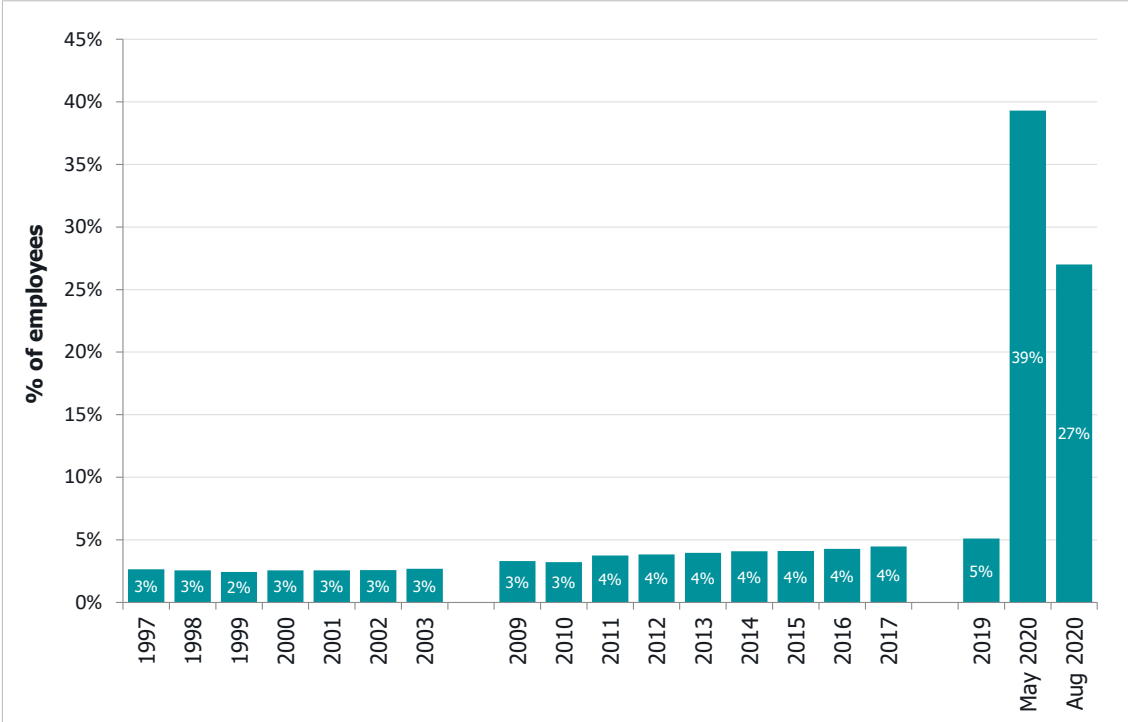
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Covid-19 has had a seismic impact on travel to work, but as we come out of lockdown the question is whether there'll be a return to pre-pandemic life, or has there been a permanent re-adjustment? In this time of uncertainty, science and more specifically behavioural science, can help to provide some guidance.

The impact of Covid-19 on work travel

The ONS has risen to the fore in this pandemic and has provided much of the evidence quoted by politicians. This includes evidence on the extent of working from home which leapt from 5% to almost 40%, before starting to retreat again (Figure 1).

Figure 1: Home working trends



Source: ONS

However, as has been highlighted by the Institute of Fiscal Studies¹, the effects of Covid-19 are very variable with many key and lower earning workers unable to work from home. Others can work from home at a push, but do not have proper facilities such as a separate work-space and high

¹ <https://www.ifs.org.uk/inequality/covid-19-and-inequalities/>

speed internet. This needs to be taken into consideration when looking at the likely long term impacts on working patterns.

The role of behavioural science in predicting the future

The variable impact of Covid-19 on travel to work reflects one of the key behavioural science concepts, the Power of Context. Like all behavioural economics concepts the Power of Context is derived from hard evidence as to what influences people in real life. The concept was summed up neatly by the New Scientist²: “It appears that although we think we are reasoning out our decisions and choosing our actions deliberately, we may often just be responding more or less automatically to cues in our environment. Only afterwards do we make up reasons to explain what we did”.

The relevance here is that the primary determinant of whether someone works at home or not is their circumstances more than any attitudes or preferences. This is illustrated by the fact that depending in the type of occupation the likelihood of working at home can vary by a factor of 22³ . Only at the margins do personal choices have an impact and then it’s more likely to be about the details, such as how many days they work at home.

We can utilise this concept to help predict the future by understanding the context and how this is likely to change, such as the future mix of jobs and types of home.

However, we also need to take into consideration of the important concept of Status Quo Bias (or Habit). Pre-Covid this was a key factor constraining the speed of growth in home-working, which we now can see has substantial unmet potential. One thing that Covid-19 has certainly done is stirred everything up and broken many long established habits. Furthermore, it has now been present for long enough for new habits to form, including avoiding travelling (especially by public transport) and working from home where possible. This is likely to mean that even when the pandemic is finally beaten, people won’t simply go back to what they were doing before.

Rather, people’s behaviour will be influenced by their experiences during lockdown, both positive and negative. In fact, the Loss Aversion effect suggests that the negative aspects will weigh more heavily, although one other effect is that people’s eyes have been opened up to the fact that they’d learnt to live with very unpleasant levels of road congestion, air pollution and overcrowding on public transport.

Here it is also useful to be aware of the Peak End Rule which means that people’s memories of lock-down will primarily reflect the strongest emotional event (whether good or bad) and the last experience.

² New Scientist “Are we really in control of our thoughts & actions?” August 16th, 2007

³ Source: Homeworking by Major Occupation Group in the UK, January to December 2019, ONS

Overall, it seems likely that there will be some permanent changes to working patterns in some office-orientated occupations with greater flexibility in both where and when people work. The extent of this change will be influenced by factors such as employers willingness and ability to adapt, while train operators willingness to embrace flexible ticketing for commuters can also have an effect.

The 'Zoom' generation?

Of course it's not just the commute that's been impacted by Covid-19: we seem to be at the beginnings of a 'Zoom' generation for whom it's not just work that's moving online, but education, GP consultations, leisure activities such as virtual tours, concerts and club meetings.

Does this then mean the death knell for the High Street, for concert venues, cinemas, theatres and so forth? In considering this it is important never to forget the key behavioural economics concept concerning the social nature of people (Belonging) and their need for genuine (not just virtual) social interaction. Visual evidence for this has been widely publicised with pictures of crowded beaches, parks and city centres, even during lockdown. It is also one of the other factors which has (and will continue) to put a brake on home working. However, if people are to be brought back into shops, restaurants and leisure attractions the context has to be right and people will have to be enticed to change the behaviours they've learnt during lockdown using initiatives such as Eat Out to Help Out.

A boost to local businesses?

It has been postulated that these changes could lead to the "death of the city"⁴ and almost certainly there will be changes, with corporations down-sizing their offices and, with people spending more time at home, a shift from big retail centres to more local shops and facilities. This in turn, could provide new impetus to innovative independent retail and service businesses providing for people living and working in their local area.

The potential for a more local and sustainable economy seems therefore to have opened up and it will certainly be interesting to see if this opportunity is taken up.

You can find out more about behavioural science concepts such as those referred to here at the Beyond Logic Consulting Website:
<https://www.beyondlogicconsulting.com/>

⁴ **<https://www.politico.eu/article/the-death-of-the-city-coronavirus-towns-cities-retail-transport-pollution-economic-crisis/>**