

Presentation 2

The Effect of Remote Working on Mental Health

Sharon Ware, Will Carswell, Alexia Moehling, Ashton Roess, Taylor Lautz

ECO 5720 - 101

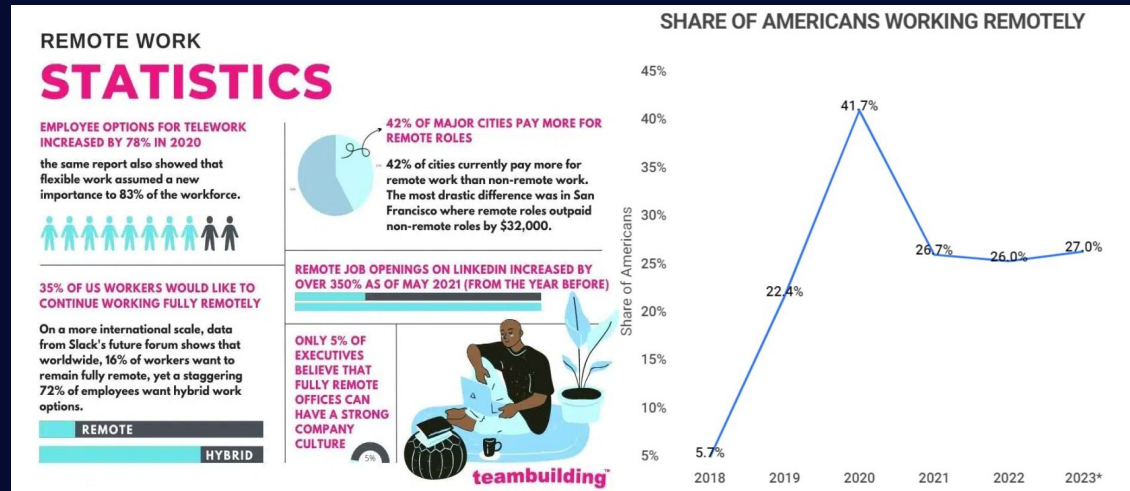
About The Surge of Remote Work Options

- [Implications of COVID-19: The Effect of Working From Home on Financial and Mental Well-Being in the UK \(ijhpm.com\)](http://ijhpm.com)
- (1) why the topic is interesting, (2) what data are available to conduct the analysis, (3) the specific empirical relationship to be estimated, and (4) the estimation strategy you consider most appropriate.
- SHARON IS GOING TO DO THIS SLIDE :)



Why Remote Work and Mental Health?

- ❖ after COVID-19 loneliness, depression, burnout and stress all significantly increased ([2024 Workforce Mental Health Trends Forecast | Lyra Health](#))
- ❖ However, we see that there is a surge in remote positions and more people wanting remote options
- ❖ In 2023, 27.0% of Americans worked remotely
- ❖ 41.1% of all American adults reported having symptoms of anxiety/depression during COVID-19



Data Available to Conduct The Analysis

Data Source: Understanding Society-UKHLS

- A nationally representative survey initiated in 2009
- Approximately 30,000 households

The survey was taken over certain periods starting in 2009:

- Waves 7-9 used for the pre-COVID-19 period (2015-2019)
- Understanding Society-UKHLS COVID-19 survey conducted in April 2020

All members included in the COVID-19 survey must have participated in at least two waves of data collection previously conducted from the main UKHLS sample

- Minimal adjustments made to field questionnaires for the COVID-19 survey to ensure comparability with previous waves

Data Continuity:

- Design allows for linking of data from the COVID-19 survey to responses given in previous and future waves of the UKHLS.

Data Reliability and Consistency:

- Reliability and consistency of data collected through the UKHLS and the COVID-19 survey maintained.



Investigating the Impact of Remote Work on Mental Health

How working from home affects perceptions of future financial situations and mental well-being.

- Study aims to estimate the impact of working from home (WFH) on two key outcomes: perception of future financial situation and mental well-being, measured by the GHQ-12.
 - Data from Table 1 and Table 2 to understand the relationship between WFH arrangements and these key outcomes
- Using data from Table 1 and Table 2 in the analysis, we observed distinct trends between different WFH groups and their perceptions during the COVID-19 period.
 - Shifts in perceptions of future financial situations and mental well-being among those who always worked from home, occasionally worked from home, and those who never worked from home



Investigating the Impact of Remote Work on Mental Health

How working from home affects perceptions of future financial situations and mental well-being.

- Significant increase in negative perceptions about future financial situations, contrasting with occasional WFH individuals who showed no such increase.
 - The negative perception about the future financial situations increased from 0.12 to 0.14, whereas for occasional WFH individuals, this perception remained stable at 0.11.
- Decline in mental well-being among individuals who transitioned to permanent WFH, whereas occasional WFH did not show such adverse effects.



Estimation Strategies

- **Ordinary Least Squares (OLS)**
 - Estimates the relationship between one or independent variables and a dependent variable.
- **Fixed Effects Ordinary Least Squares (FE-OLS)**
 - Variation of OLS where the individual effects in the data are considered. This removes any individual specific attributes that are consistent over time.
- **Parallel Trends Assumption**
 - Testing whether there is an anticipatory effect. When there is no treatment on a group(s), there is a constant difference between the experiment and control groups.

Most Appropriate Estimation Strategy:

- The most appropriate estimation method for measuring the impact of WFH on an individual's perception of their future financial situation and mental well-being.
- This is due to lower standard errors in the FE-OLS results compared to the standard errors in the OLS results.
- ****Must consider the parallel trends assumption and whether or not it holds. It does not hold for FE-OLS, but it does for OLS.**

Panel A: First Group OLS Estimates	
Dependent Variable: Perception of Future Financial Situation	
DiD estimator β_3 (WFH * covidlock)	-0.1043*** (0.0339)
No. observations	14 520
R-square	0.0294
F-Test for the parallel trends assumption	1.0417 [.3531]
Dependent Variable: GHQ-12 Caseness	
DiD estimator β_3 (WFH * covidlock)	0.3625** (0.1432)
No. observations	14 520
R-square	0.0378
F-Test for the parallel trends assumption	0.9690 [.9416]
Panel C: First Group FE-OLS Estimates	
Dependent Variable: Perception of Future Financial Situation	

DiD estimator β_3 (WFH * covidlock)	-0.1065*** (0.0169)
No. observations	14 520
R-square	0.0118
F-Test for the parallel trends assumption	0.0317 [.7361]
Dependent Variable: GHQ-12 Caseness	
DiD estimator β_3 (WFH * covidlock)	0.3726*** (0.1219)
No. observations	14 520
R-square	0.0081
F-Test for the parallel trends assumption	0.0262 [.8234]



Conclusion

- **Remote work is becoming a permanent fixture post-pandemic, necessitating consideration of its impact on workers' well-being.**
- **Employees who never worked remotely express heightened concerns about their financial future, while those who always work from home report lower levels of mental well-being (measured by the GHQ-12)**
- **Occasional remote work does not significantly affect mental well-being and is associated with a more positive outlook on future well-being during the pandemic.**
- **Structuring workdays to balance life and work demands is crucial for enhancing job performance and well-being.**
- **Organizations should adopt a flexible approach to remote work frequency to mitigate negative effects on mental health while maintaining workers' job satisfaction and perception of future financial security.**