

# A question of time: current working hours, preferences, and the case for a four-day week

BRIEFING PAPER

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The idea of a four-day working week has become increasingly prominent in recent years. It has been trialled by businesses, backed by governments throughout the world, and identified as a potential solution to the economic trauma caused by the coronavirus pandemic. This briefing paper brings new data analysis to the debate, examining who wants and who stands to benefit from a four-day week – and what that means for the case for reform.

## KEY FINDINGS

- **Most workers – 80% – would not favour a four-day week if it meant earning less.** That puts the onus on advocates of the policy to explain how shorter working hours can be paid for, with no loss of income for workers.
- **Support for a shorter, 32-hour work week is strongest in certain pockets of the labour force.** 11% of workers would be willing to sacrifice some income for more leisure. Rollout of the four-day week should focus on these pockets, which are more likely to be found in sectors like banking and construction, and in managerial and professional roles.
- **Those that stand to benefit from a four-day week in the first instance are more likely to be socially advantaged:** higher earners, those in higher occupational classes, and men. It may be that an increase in inequality on some dimensions is an acceptable price to pay for some workers to see improvements, or that other strategies are needed to offset these inequalities.

## CONTEXT: THE RISE OF THE SHORTER WORKTIME DEBATE

The idea of a four day-week has become increasingly prominent in recent years. It has been advocated by academics,<sup>1</sup> trade unions,<sup>2</sup> and research institutes,<sup>3</sup> and it has already been trialled by businesses across the world.<sup>4</sup> Meanwhile, the arrival of the coronavirus pandemic and the disruption it has caused to the workplace has resulted in more flexible, more autonomous working practices – bringing renewed calls for change.<sup>5</sup>

Since the crisis, an increasing number of employers<sup>6</sup> and politicians<sup>7</sup> have begun to challenge the status quo by arguing for a rethink of our current working patterns. This includes pledges to trial a four-day working week by leaders in Spain<sup>8</sup> and Scotland,<sup>9</sup> funding employers to pilot it and measure its success. In the past, the four-day week has been adopted as official party policy by the British Labour Party,<sup>10</sup> whereas shortened weeks – in different forms – have been proposed in France,<sup>11</sup> Germany,<sup>12</sup> Denmark,<sup>13</sup> Finland,<sup>14</sup> New Zealand,<sup>15</sup> and Iceland.<sup>16</sup> The government in Ireland is currently seeking research proposals on the implications of the four-day week.<sup>17</sup> The UK government's Flexible Working Taskforce has considered a move toward the four-day week,<sup>18</sup> while the issue continues to be debated in the Westminster parliament<sup>19</sup> and London's City Hall<sup>20</sup>.

Its proponents believe a four-day week will help to support the post-pandemic economic recovery, and that it will improve workers' health and wellbeing, reduce inequalities, and help the environment.<sup>21</sup> Organisations like the 4 Day Week Campaign and its members have marshalled a significant amount of evidence in making the case for a four-day week,<sup>22</sup> while also proposing blueprints for how it would work in practice.<sup>23</sup> Despite these efforts, some questions – in particular, how to implement the scheme in practice – remain unresolved.<sup>24</sup>

This briefing paper seeks to add to this evidence in order to highlight some of the trade-offs and challenges that face a move towards a four-day week. Specifically, we use Labour Force Survey data to examine two questions: who would be affected by a shortened working week, and who actually wants to work less. As such, this paper sheds light on existing working conditions and the needs and inequalities of the labour market as it currently operates, as well as contributing to the four-day week debate.

While the four-day week is undoubtedly an exciting policy idea, with the potential to change the working of lives of many workers, its benefits should not be overstated. It needs to be designed carefully to address a number of barriers and practical challenges – in particular, funding the scheme. Moreover, there is a risk – at least initially – that it may exacerbate pre-existing inequalities. In short, advocates of a four-day week have a lot of questions to answer, and until they can address these issues, the movement should proceed with caution.

The structure of this research report is as follows:

1. **Context** - defining the four-day week and why people want it
2. **Review** - previous research on working hours and attitudes to a four-day week
3. **Analysis** - new evidence based on Labour Force Survey data
4. **Discussion** - implications for the four-day week campaign and policy
5. **Conclusion** - summary of findings

## WHAT IS A FOUR-DAY WEEK AND WHY DO PEOPLE WANT IT?

### Defining the four-day week

Despite being ostensibly unambiguous – the ‘four-day week’ implies a straightforward, fixed arrangement – there is no firm consensus on what it means in practice. This is because there are different variations of flexible ‘working time’ models associated with the four-day working week, from reduced working weeks to increased holiday, shortened shifts to allowances for caring leave. These approaches do not always involve a literal four-day working week, but they do entail a *reduction of working hours* with the objective of improving work-life balance.<sup>25</sup>

The concept remains open to deliberation, flexible enough to be adapted to the specific needs of different sectors, employers, and employees.<sup>26</sup> However, the most prominent formulation of the idea, certainly in the British context, is the one adopted by the 4 Day Week Campaign, which is supported by progressive think tanks such as Autonomy, the New Economics Foundation, and Compass. They define a four-day week as:

- A 32-hour working week
- Worked over four days
- With no reduction in pay for workers that have switched from working five days a week<sup>27</sup>

The 32-hour target was also proposed by the Labour Party ahead of the 2019 General Election, and it is the version of the four-day week due to be trialled in Spain.<sup>28</sup> As a result, in this report we use 32 hours of work a week as our benchmark.

### What are its benefits?

Those in favour of a four-day week argue that the policy could bring a wide range of potential benefits. To again refer to the manifesto of the 4 Day Week campaign, it is claimed that a four-day week can help to improve society and communities, the economy and productivity, the environmental challenge, and even democratic engagement.<sup>29</sup>

**Table 1: Purported benefits of the four-day week**

<b>Benefit</b>	<b>Rationale</b>
<b>Society</b>	
Better mental and physical health	More time to relax, recover, exercise, socialise, and spend time with family.
Reduced gender inequality	A more equal distribution of paid and unpaid work between men and women, with men also taking on a greater share of caring responsibilities.
Stronger communities	More time to build local relationships and to care for children, the elderly, and the disabled.
<b>Economy</b>	
Less unemployment/ underemployment	Redistribution of working hours from those that are overworked to those who are out of work or have too few hours.
Boosted productivity	Improvements in mental health and better prioritisation of tasks can lead to more efficient working.
Increased domestic tourism	More leisure time to spend on taking short breaks and holidays in the UK, adding value to the domestic tourism sector.
<b>Environment</b>	
More sustainable living	With more free time, it may be easier for individuals to make more sustainable lifestyle choices; for example cycling instead of driving.
Reduced carbon emissions	Less time at work, could reduce carbon-intensive activities, such as from commuting and powering offices.
<b>Democracy</b>	
Higher civic and political engagement	More time to spend engaging with politics and societies, for example by participating in local campaigns.

Source: *The 4 Day Week Campaign*

We are not going to fully evaluate all of these claims in this report. However, even a relatively cursory review of evidence makes clear that some of these arguments have more support than others. In particular, the case for a four-day week in the interests of worker wellbeing seems stronger than arguments promoting it in order to further gender equality or political engagement, which are thus far more speculative.

The UK is said to be overworked – it works longer hours than European Union countries on average<sup>30</sup> – and workload is the single biggest cause of sick leave.<sup>31</sup> The Health and Safety Executive has estimated that 828,000 workers suffer from work-related stress, depression, and anxiety, and in all 17.9 million days were lost in 2019/20 because of it.<sup>32</sup> A shorter working week has been found help to reduce overwork, resulting in less sick leave and better perceived health and wellbeing among workers.<sup>33</sup>

A key claim of the four-day week is that it will improve productivity. This continues to be a source of apprehension among the business community, who fear that they will have to foot the bill and potentially become less profitable as a result.<sup>34</sup> But it is hypothesised that employees with more free time will be happier and better motivated, and this in turn will lead to better quality and more efficient work – limiting any negative effect on businesses' bottom lines.<sup>35</sup> Indeed, the companies Perpetual Guardian in New Zealand<sup>36</sup> and Microsoft Japan,<sup>37</sup> both found heightened productivity and efficiency among employees when they piloted a four-day week. Because of these benefits, which help businesses to perform more cost-effectively, Henley Business School has estimated that the four-day week already creates combined savings worth £92 billion each year for UK businesses.<sup>38</sup>

The four-day week may also serve as a strategy to address unemployment and underemployment, with shortened hours that are reallocated in the industries and among the people that need it most. It has even been argued that a reduced working week could have served as a remedy to the trauma caused by the pandemic to sectors such as hospitality, retail, and the arts during the pandemic, helping companies to prevent lay-offs and adapt to a return in demand.<sup>39</sup> Job sharing and short-time working are well established ideas, having already been deployed in Germany<sup>40</sup> and under the Thatcher government<sup>41</sup>. However, insofar as a four-day week is intended to encourage firms to take on new employees, it may require government subsidy to cover some of the additional costs of hiring, such as national insurance and pensions.<sup>42</sup>

It is also argued that a four-day week could create a fairer society, with reduced inequalities, strengthened communities, and more sustainable living practices,<sup>43</sup> but there is less evidence to support these claims. For example, it is that said a transition to a four-day week could help ease the burden of unpaid work carried out by women, but that it first requires broader degendering cultural change and buy-in from men – an unwieldy task.<sup>44</sup> Though not implausible, improvements in gender equality had been observed in France's 35-hour week<sup>45</sup> and in the trialling of a shortened week in Iceland,<sup>46</sup> such elements of the case for a four-day week require further attention.

### **How is it to be achieved?**

According to ONS and OECD figures, the average number of hours worked by UK full-time employees prior to the pandemic was 37 hours a week.<sup>47</sup> This is just 5 hours, not even a full working day, more than what is proposed by the 4 Day Week Campaign. But for that time to be successfully reduced or re-distributed, the four-day week must be carefully implemented.

Though economy-wide 'big push' legislation, such as France's 35-hour workweek, has had some effectiveness in reducing working hours, campaigners for a four-day week do not tend to favour such an approach.<sup>48</sup> A 'one size fits all' strategy can have significant negative consequences in sectors where shorter hours are less easily feasible and which are not able to adjust in time. For example, French hospitals struggled to recruit and train enough new staff to make up for the lost hours. Reducing statutory working hours can also incentivise firms to reduce pay or worsen conditions for workers (for example, reducing their control over which hours they work). Moreover, the experience of France suggests that it is socially and economically

disadvantaged workers that are most likely to lose out because of rushed blanket implementation of a shorter working week.<sup>49</sup>

Campaigners therefore tend to advocate a sector-by-sector approach, implemented gradually over time. It has been suggested that an implementation period of up to a decade might be most appropriate.<sup>50</sup>

Autonomy have devised a roadmap towards a four-day week with three interconnected elements:<sup>51</sup>

1. The use of trade unions and worker bargaining to promote a four-day week on a firm-by-firm basis.
2. Rollout of a four-day week in the public sector, which should be easier as it is more unionised than other parts of the workforce.<sup>52</sup> This, in turn could set expectations and standards for the private sector.<sup>53</sup>
3. As reinforcement policies, an increase in the number of public holidays to support norms around work-life balance – as well as the repeal of current anti-union legislation to empower workers to negotiate shorter hours.

This approach echoes proposals made by the New Economics Foundation<sup>54</sup> and by the Labour Party<sup>55</sup>, who have also called for a four-day week to develop through trade union negotiation and increases to workers' statutory leave entitlement. Alongside this, they both recommended that a new external body – a Working Time Commission, much like the Low Pay Commission – be created in order to monitor and provide guidance to employers and trade unions on how to reduce working hours across sectors. Another route towards a four-day week is through pilot programmes overseen by devolved governments, metro mayors, or local authorities.<sup>56</sup>

These approaches are not necessarily alternatives – rather, they are mutually reinforcing ways to achieve the same basic goal: reducing the average working week, either by empowering workers to demand it or by improving workplace entitlements. What we turn to next is the question of how strong those demands are likely to be.

## WHAT DO WE ALREADY KNOW ABOUT THE IMPACT OF AND DESIRE FOR A FOUR-DAY WEEK?

### Public support

There is some existing evidence to suggest that at least a section of the workforce considers itself to be overworked. A 2019 survey from the Chartered Institute of Personnel and Development found three in five employees said they were working longer than they would have liked. The same survey showed that 60% of people were working more than their stipulated hours each week, with 24% working more than 10 hours in overtime.<sup>57</sup> One in five workers said they have no flexible working arrangements available to them, even though 68% would have liked to work flexibly in at least one form, suggesting a level of unmet demand among the labour force.<sup>58</sup>

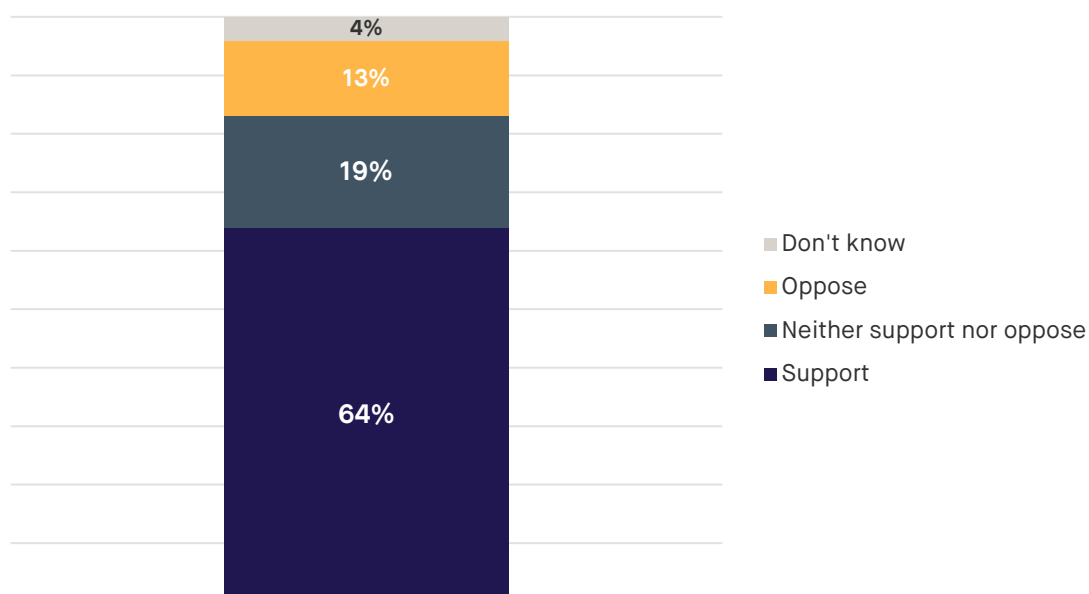
These statistics indicate that a change in the length of the working week would be welcomed by some workers. And when addressing the idea of the four-day week specifically, there are a number of studies that demonstrate significant public support.

In polling carried out by Survation on behalf of Autonomy in July 2020, it was found that 63% of workers supported a four-day working week with no reduction in pay.<sup>59</sup> In June 2021, support was shown to increase by a further 1%.<sup>60</sup> Autonomy also revealed strong support among the business community, as 79% of UK businesses leaders said they were receptive to the idea.<sup>61</sup>

A survey by YouGov showed the same strength in support. Across seven European countries, Britain was among the highest in enthusiasm for a four-day week, with 63% backing a reduction in working hours. But the study also found that only 17% would support it if the scheme were to harm the economy and leave people worse off financially.<sup>62</sup> This suggests that income is vital to how people perceive the shift to a shorter working week; that it is a priority.

Similarly, the TUC has showed that, after asking workers what they saw as being the ‘ideal’ working week, the preferred option (45%) was four days. But they also acknowledged that not all people have the same preferences. For part-time workers, a four-day week would be an unacceptable increase in working hours, for example.<sup>63</sup>

**Figure 1: Support for the government piloting the four-day week with no loss of pay**



Source: Survation

## Working time differences

Research has showed that desired working arrangements and hours vary between different groups. For example:

- Not all sectors share the same working patterns. The ‘mining and quarrying’ and ‘agriculture, forestry and fishing’ industries have the most workers classified by the ONS to be working ‘unsatisfactory hours’ (over 48 hours per week);<sup>64</sup>

whereas workers in the retail and hospitality industries are more likely to receive shorter hours, part-time contracts, and lower pay.<sup>65</sup> There is an uneven distribution of flexible working across the economy.<sup>66</sup>

- There are occupational differences. Those in managerial and professional occupations have been found to have the worst work-life balance,<sup>67</sup> and directors and senior officials are least likely to be in a job with satisfactory hours.<sup>68</sup> There is a clear class gradient across occupations, as underemployment is more likely in routine and manual jobs and in low-paying service jobs.<sup>69</sup>
- Gender outcomes are also varied. Men are more likely than women to work longer, unsatisfactory hours, with females being around 10 percentage points more likely to work satisfactory hours than males. This means that 86% of women in employment work satisfactory hours, compared to 75% of working men.<sup>70</sup> Domestic inequality also exists, as women carry out the bulk of unpaid work – an average of 10 hours more than men<sup>71</sup> – and they are more likely to use flexible work schemes for caring responsibilities.<sup>72</sup> It has also been found that some male workers have negative attitudes towards reducing their working hours as, due to stereotypical gender roles, they are more likely to be viewed as less competent and as having less commitment in the workplace, while women are expected to have shorter hours.<sup>73</sup>

## NEW EVIDENCE: WHO WANTS THE FOUR-DAY WEEK, AND WHO WOULD BE AFFECTED BY IT?

In this section, we contribute to the existing debate on a four-day week in two ways. First, we consider some of the distributional implications of the policy. As we have seen, there is substantial variation in the position of different types of workers. We attempt to understand who would be affected by a four-day week and how: who stands to gain? Second, we consider a new source of evidence on workers' appetite for shorter hours – the ONS Labour Force Survey (LFS) – to add to our understanding of potential support for a four-day week.

Using data from the Q4 2019 wave of the LFS, the last wave of the survey to reflect a 'normal', pre-pandemic labour market, some key findings emerge. By comparing people's circumstances at work with their preferences for change, we identify where the four-day week stands out as being most feasible and – crucially – where potential challenges lie ahead.

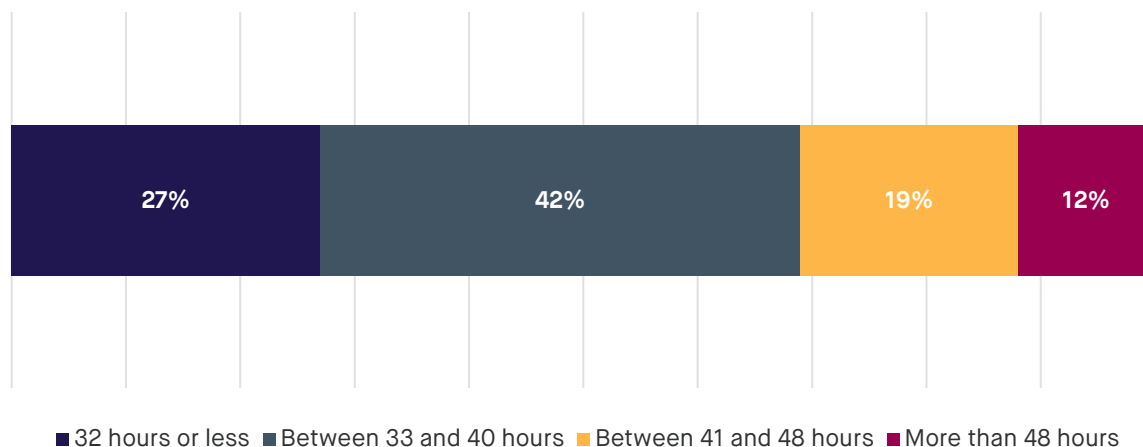
### **What hours are people currently working, and how would they be affected by a four-day week?**

As we have seen, advocates of a four-day week favour reducing working time to 32 hours a week.<sup>74</sup> Before the pandemic, the majority of people – 73% – worked more than this, and 27% worked 32 hours or less. Therefore, around three-quarters of the working population would have shorter hours under a four-day week.



42% work between 33 and 40 hours, 19% work between 41 and 48 hours, and 12% work more than 48 hours – the threshold deemed ‘unsatisfactory’ by the ONS.<sup>75</sup> On average, respondents worked 36.5 hours per week.

**Figure 2: Total amount of hours worked by the UK labour force per week**



Source: SMF; Labour Force Survey

Just over three fifths of people worked ‘regular’ hours (33-48 hours), meaning that a significant proportion (39%) were either underworking or overworking. But just as previous research would suggest, discrepancies also exist – particularly within certain sectors, occupations, income bands, and among women.

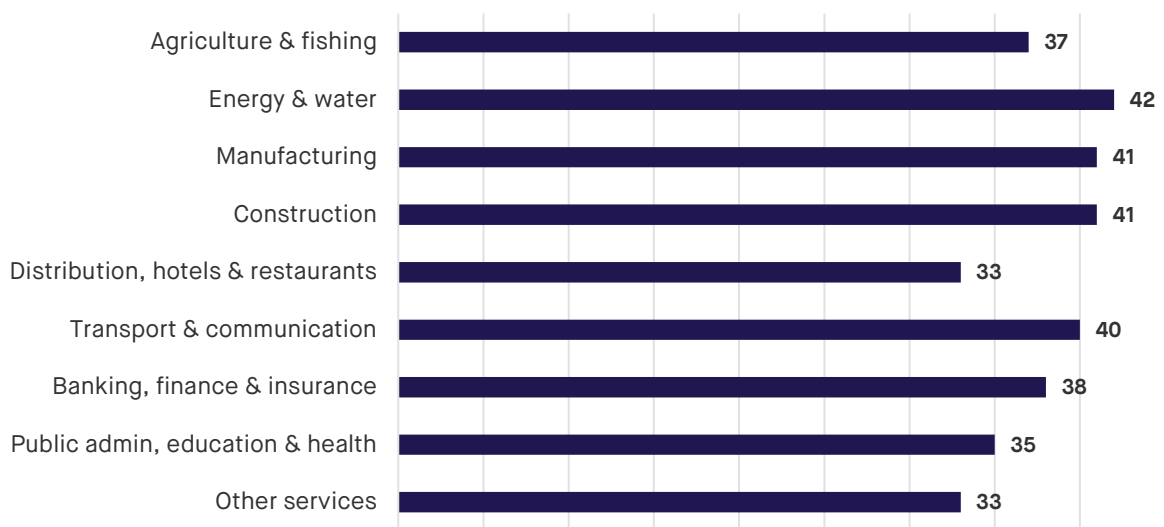
- The average number of total hours worked per week differed across sectors. Hospitality (33) and other services (33) had the lowest; energy and water (42) construction (41), and manufacturing (41) had the highest.
- In all sectors, the majority of workers worked more than 32 hours per week. People working in agriculture & fishing (22%), construction (20%), and transport & communication (17%) were most likely to work longer, unsatisfactory hours (48 hours or more). The hospitality industry showed the largest proportion of people working less than 32 hours per week (42%) and working part-time (39%).
- In terms of wages, people were significantly more likely to work 32 hours or less per week if in the lowest pay quintile (50%), as well as being more likely to work part-time (46%).<sup>i</sup> Workers were increasingly more likely to work full-time and more than 32 hours per week from the lowest to the highest quintiles upwards, demonstrating a linear relationship (see Figure 4).
- By occupation group, those in elementary (53%), sales and customer service (51%) and caring, leisure and other service jobs (48%) were most likely to work 32 hours or less per week, as well as being the most likely to be in the lowest

<sup>i</sup> The measure of pay used here is adjusted for working hours (i.e. total earnings are divided by total hours worked), so this finding is not simply the result of people earning more by working longer hours.

pay quintile and to work part-time. Managers and directors (28%) were most likely to overwork, working more than 48 hours per week.

- Looking at ethnicity, Bangladeshi (35%), Pakistani (33%), and people from other Asian backgrounds (32%) were most likely to work 32 hours or less per week, while Chinese people (25%) were most likely to work more than 48 hours per week. There was little variation in the percentage of people that worked regular working hours by ethnic group.
- Women were considerably more likely (41%) than men (13%) to work 32 hours or less per week. This was true across all industry sectors, pay quintiles, and occupation groups. Women were also more likely to work less than 24 hours per week (27% versus 8%) and part-time (38% versus 11%). In terms of average total hours, women (33) worked significantly less than men (41).

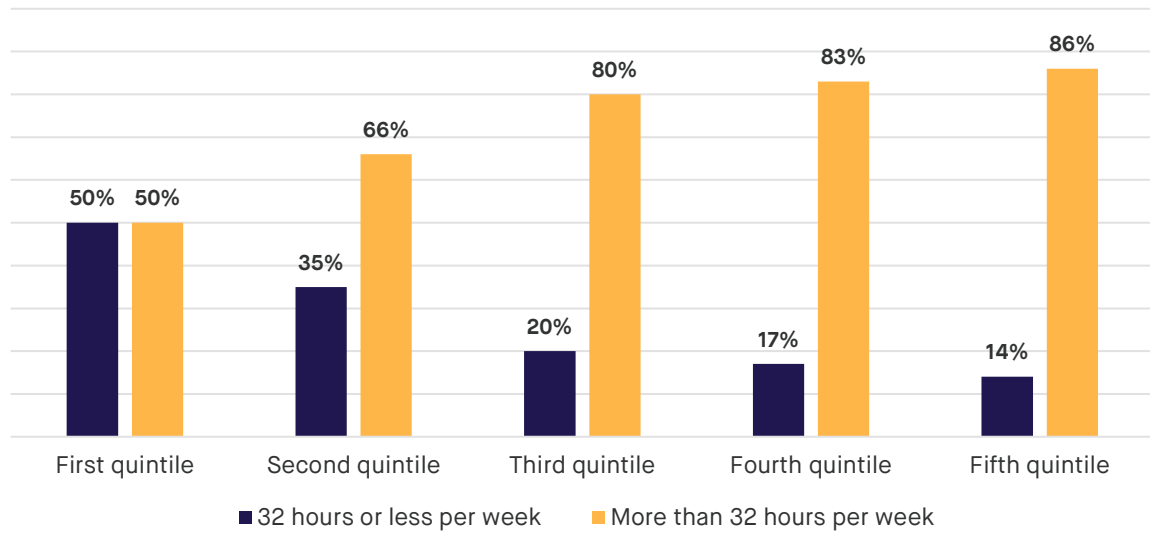
**Figure 3: Mean number of hours worked by industry sector**



Source: SMF; Labour Force Survey

These findings show that while the majority of workers would work less under a four-day week, the gains in leisure time would not be shared evenly. They also tell us that it is those in positions of relative privilege – the higher paid, those with higher occupational status, the white ethnic majority, and men – that are more likely to be working longer hours. That has potentially troubling implications for the equalities impact of a four-day week, which could be seen to offer greatest benefit to those that are already socially and economically better off. By contrast, relatively disadvantaged workers are more likely to work less than 32 hours – as such, many of them will see underemployment as a greater issue than overwork. In theory, a four-day week could bring such groups benefit if it leads to a redistribution of work from those who have too much to those who have too little – but this is not straightforward to achieve.

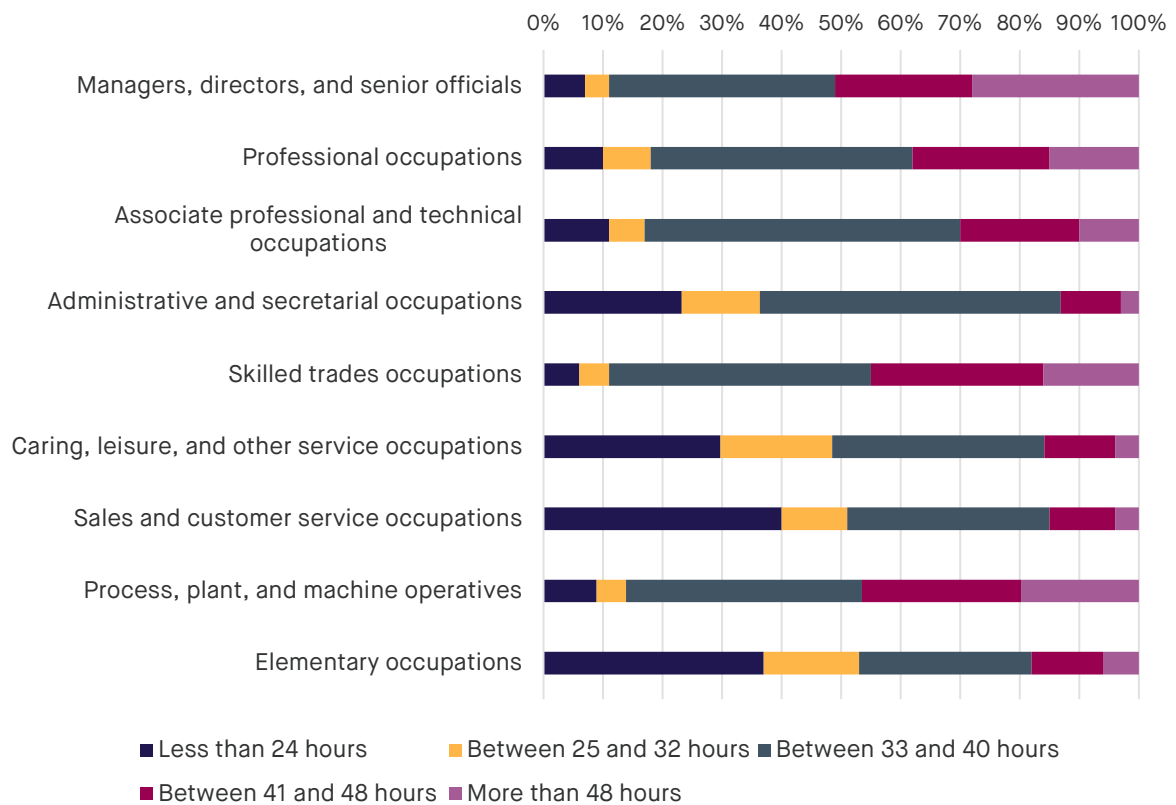
**Figure 4: Number of hours worked by pay quintile**



Source: SMF; Labour Force Survey

This data tells us about where working hours are *typically distributed*, but on their own they do not tell us where working *time could or should be reallocated* – people’s personal preferences must also be considered. We turn to those preferences in the following section.

**Figure 5: Number of hours worked by occupation group**



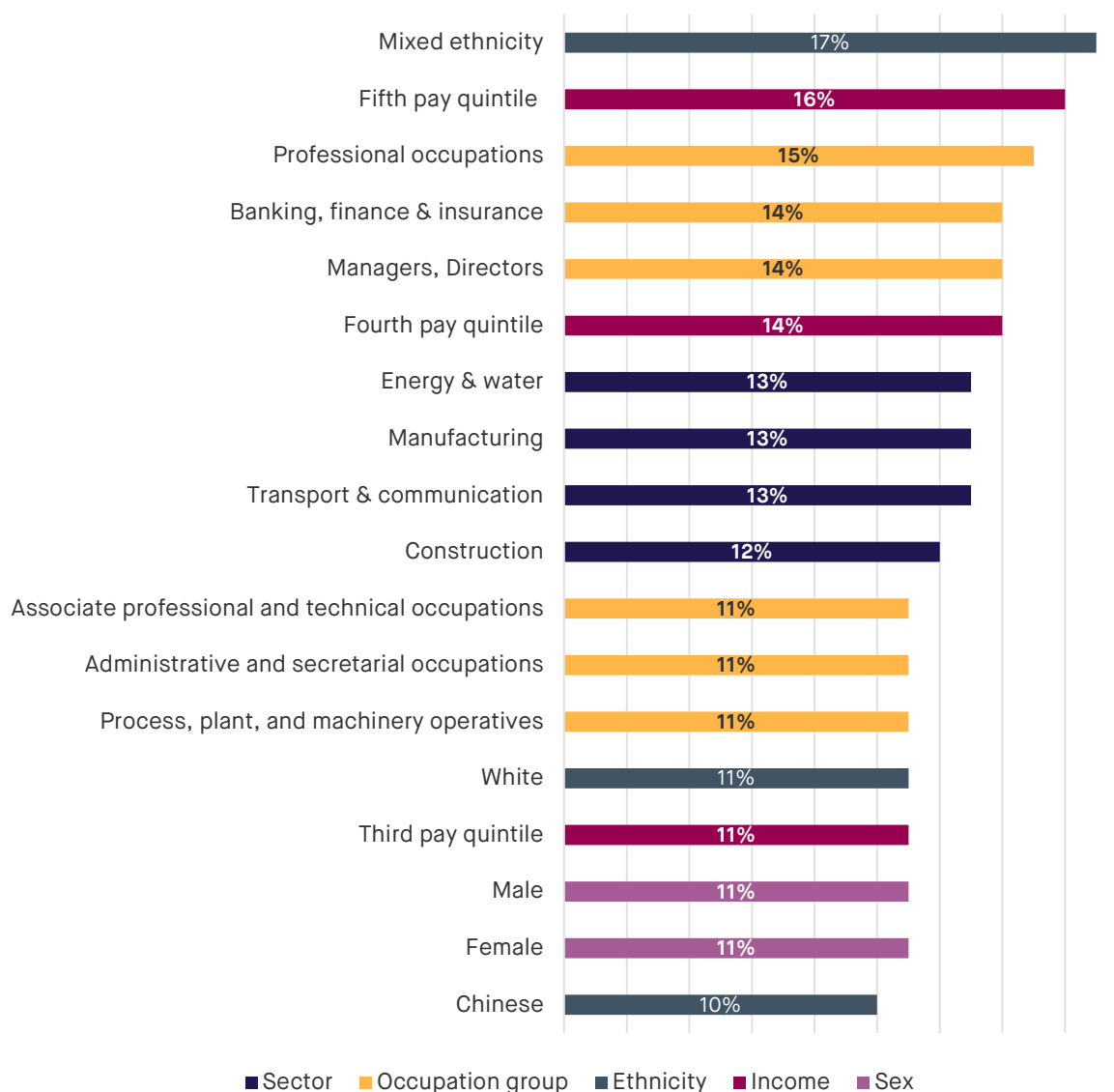
Source: SMF; Labour Force Survey

## What hours do people want to work?

The LFS asks respondents how many hours they would ideally like to work. However, it is unlike many of the previous surveys we have discussed above in that it explicitly asks respondents to trade-off leisure and pay. The specific wording of the question is: “Would you rather work shorter hours than at present, even it meant less pay?” This is, of course, crucially different from what the four-day week campaign promises, which is shorter hours *and* no loss of pay. However, the LFS question still tells us important things about the strength and nature of workers’ desire for a four-day week. It tells us how strong the desire for reduced working time is by identifying the proportion of the workforce that would be willing to pay for it out of their own pocket. It also allows us to compare the relative importance of the first (32 hours a week) and second (no loss of pay) parts of the four-day week plan.

At first glance, analysis of the Labour Force Survey paints an uninspiring picture for advocates of a four-day week: only 20% of workers said they wanted a change in their working hours; 11% said they wanted to work fewer, 9% said they wanted to work more. Looking beyond those who did not want a change in their working hours, to those that did, the data showed the following:

- 13% of those working more than 32 hours per week wanted to work less, and 20% of those working 32 hours or less per week wanted to work more. For those working more than 48 hours per week, 17% said they wanted to work less.
- Looking at sectors, people working in banking (14%), energy & water (13%), manufacturing (13%), transport & communication (13%), and construction (12%) were most likely to say they wanted to work less. People working in hospitality (14%), other services (12%), and public administration (8%) were most likely to say they wanted to work more hours.
- By income, there was a linear relationship between income and whether or not people wanted less or more hours. Those in the top quintile most wanted to work fewer hours (16%), whereas those in the bottom quintile most wanted to work more hours (17%).
- In terms of occupation group, those in professional occupations (15%) were the group most likely to prefer a reduction in their working hours, followed by managers, directors, and senior officials (14%) and administrative and secretarial, associate professional and technical, and process, plant and machinery occupations (all 11%). Sales and customer (18%), elementary (17%), and caring, leisure and other service (15%) jobs were most likely to prefer an increase in their working hours.
- By ethnicity, people of Mixed (17%), White (11%), and Chinese (10%) backgrounds were most likely to say they wanted to work less. All other ethnic groups were more likely to say they would prefer more hours.
- Women and men were in close agreement about wanting a change in hours – despite women working considerably less than men on average – as 11% across both sexes said that they wanted to work fewer hours.

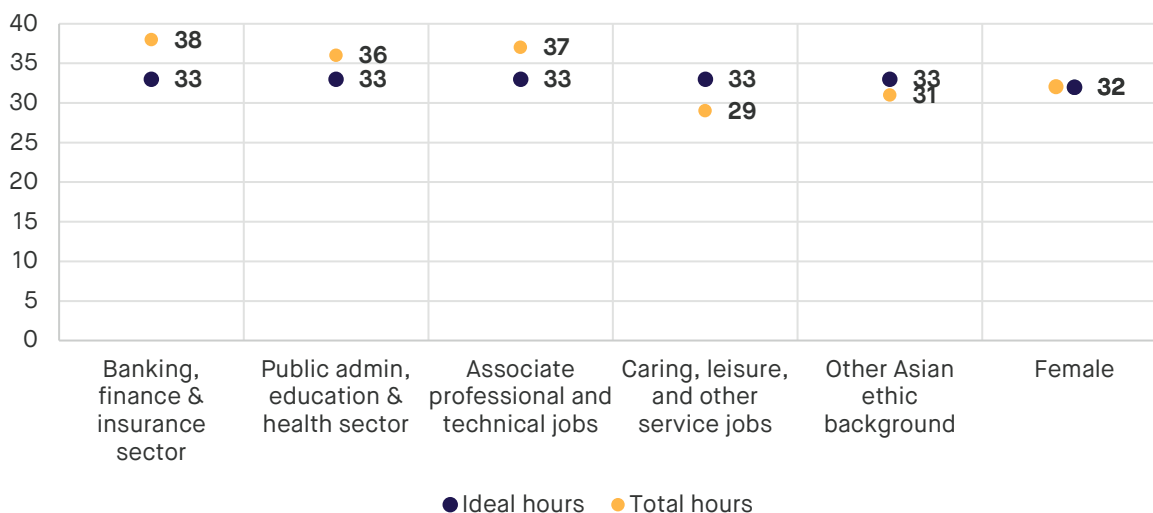
**Figure 6: Groups most likely to want a reduction in their weekly working hours**

Source: SMF; Labour Force Survey

The LFS also asked people how many more or fewer hours they would like to work. Combining this question with their current hours, we can infer workers' ideal length of working week. Overall, there is little difference between the number of hours respondents actually worked on average (36.6) and the number they said they would prefer to work instead (36.4). This indifference suggests that, in aggregate, the demand for a change in working hours was weak.

Among those that did want to see change, we see a slightly different picture. For those that wanted to work fewer hours, the number of hours that workers ideally would have liked to work was, on average 31 hours. For those that wanted to work to more hours, the preferred amount was 39 hours on average. The table below shows the ideal number of hours that different groups would like to work – including where a 32-hour week is most desired.

**Figure 7: Groups most likely to desire a 32-hour week on average**



Source: SMF; Labour Force Survey

## DISCUSSION: TIME IS MONEY

In this paper, we have provided new evidence to show which workers would be most affected by a four-day week, and the strength of their desire for such reductions in working time. We have found that the workers likely to benefit most are those that fit typical understandings of social advantage, due to being higher earners, senior professionals, and male.

We have also found that relatively few workers – 11% – would be willing to receive less income in order to achieve shorter working hours. Meanwhile, on aggregate, workers’ average desired working hours is almost identical to their actual working hours. This raises – but in most cases reiterates – some of the challenges of the four-day week. In this section, we consider the implications of these findings and areas in need of further discussion.

### Who pays?

The discrepancy between previous polling, which shows strong support for a four-day week among workers and businesses, and the findings presented here in this paper reflect the importance of framing. If people are promised a maintenance of income, this is likely to increase support for a shorter working week. Money matters to people, and TUC polling has already showed that support for the four-day week drops significantly if it were to harm people financially.<sup>76</sup> In 2019, a Scottish study found that 86% of employees did not want shorter working hours if it amounted to less pay.<sup>77</sup> This is unsurprising, but not trivial. It shows that even though a large proportion of people would prefer shorter hours, most do not want to pay the cost themselves.

These findings emphasise that both promises of the four-day week - the cut in working hours, but also the maintenance of income – are critical to its appeal. This presents a

challenge for its proponents: if they wish to make the scheme as attractive as possible, increasing demand from workers, then they need to explain who, if not workers, will bear the cost.

There are five possible options, though these are certainly not mutually exclusive. The question for campaigners is not necessarily which of these options to choose, but to acknowledge the relative balance between them in order to best close the gap between people's current level of wages and the amount they need to work less without earning any less. They are:

### **Option 1: Self-sustaining productivity returns**

As we have seen, a less stressed, more efficient workforce should be more productive – and their increased output could help cover the costs of a reduction in working time. If the gains found in some pilots can be replicated across the economy, then paying workers the same income, even for less work, would be economically possible.

For every hour reduction in the length of a working week to 32 hours, productivity needs to rise by 3.1% for the four-day week to 'break even'. So, if someone were to reduce their working hours from the weekly average (37), working five less hours, this would require an increase of 15.5% in productivity. Successful trials of the four-day week have reported productivity increases of 20% and 40%.<sup>78</sup> This suggests that in many cases, a four-day week could come without any costs, and that firms and employees could both benefit from shorter hours. However, such large productivity increases may not be achievable in all sectors. Moreover, for jobs and industries with working hours that substantially exceed the average, the necessary productivity gains to avoid any loss of output begin to look implausible. For example, a person moving from 50 hours a week to 32 would need to be 56% more productive to avert any downside.

### **Option 2: Employees work less, but for less pay**

Even though the vast majority of workers are not willing to earn less, a sizeable minority – just over a tenth of the workforce – is. For those groups that are willing to bear the financial cost of a four-day week, an option of reduced working hours in exchange for a proportionate reduction in income would be desirable – as it is for many workers currently on part time contracts. It is possible that this tenth of workers is sufficiently concentrated in certain workplaces and industries for them to push for shorter worker hours alongside lower pay (see below). In many cases, though, such bargains cannot be struck without affecting the majority of workers who would refuse such a deal. Moreover, there is a risk that they could undermine the cause of those pushing for shorter working hours with no loss of pay. Less work for less money can at best only be a small part of the move towards a four-day week.

### **Option 3: Firms bear the costs**

Businesses, if they do not see increased productivity, could take on the costs of paying their workers themselves. This would mean reduced profitability and, in some cases, increased chance of being thrown into loss. The experience of the national living wage appears to show that in some cases firms are able to absorb the cost of measures that benefit workers in the form of lower profit margins.<sup>79</sup> Modelling by Autonomy suggests

that in a worst-case scenario with no productivity gains and businesses forced to face the entirety of the cost of a four-day week, most firms would still remain profitable. However, in certain labour-intensive sectors – education, health and social care, information and communications – average profit margins would turn negative.<sup>80</sup>

#### **Option 4: Pass the costs onto consumers**

Alternatively, firms may choose to pass on the cost of a four-day week to consumers in the form of higher prices. This could be regarded as an acceptable consequence of ensuring products and services that are generated by more fair and compassionate business practices – just as other forms of regulatory standards, such as restrictions on sweatshops or animal welfare laws, are seen as morally necessary, even if they mean more expensive goods. At the same time, as the vast majority of consumers are also workers, this would essentially reduce the purchasing power of people's wages. It could therefore be seen as inconsistent with the promise of a 32-hour week with no loss of (real i.e. inflation-adjusted) income.

#### **Option 5: Government subsidies**

As we have seen, many four-day week programmes involve government subsidies to help businesses manage the risk and increase in labour cost, especially for firms that need to hire additional workers.<sup>81</sup> In Spain, the government is providing €50m in funding to allow companies to trial reduced hours with less risk, covering the costs for a company at 100% during the first year, 50% during the second year, and 33% during the third year.<sup>82</sup> In Germany, employers and local councils will work together to agree on which payment options to provide metal and engineering workers.<sup>83</sup>

Scaled up across the economy, such subsidies could be extremely expensive and will have to compete with other priorities for government spending. If they are paid for by taxes on workers, they could again violate the promise of less work for no loss of (disposable) income. However, in at least some contexts and industries (not least the public sector), the government will have to pay to make a four-day week a reality.

### **Where to prioritise?**

There are some groups who already want a reduction in their working hours, regardless of pay. Perhaps this is where the implementation of the four-day week is most feasible.

While these workers as a proportion of the labour force as a whole are only a small minority, there are some groups that stand out. Certain sectors (such as banking, construction, and energy & water), income groups (the 5<sup>th</sup>, 4<sup>th</sup>, and 3<sup>rd</sup> pay quintiles), and jobs (managers, directors, and senior officials; professional; and associate professional and technical) all said they would prefer to work less hours, by some margin.

In terms of some groups' ideal or preferred amount of weekly hours, there are even some groups who want or are close to wanting a 32 hour week. This includes: the banking (33) and public administration (33) sectors; caring, leisure, and other service (33) and associate professional and technical jobs (33); and women (32). These groups are openly willing to a shortened week; for implementation to be effective it stands to reason that it is first aimed towards them.



In line with previous proposals, the targeting of these groups could be facilitated by trade unions.<sup>84</sup> According to most recent statistics from the Department for Business, Energy & Industrial Strategy, employees that are in the public administration sector; in professional and caring, leisure and other service occupations; are middle-income earners; and are women are more likely to be unionised.<sup>85</sup> Given that the conditions for bargaining are more ripe among these groups – as well as them having a stronger demand for change – trade unions could be used to help catalyse take-up. For groups that want a reduction in their hours but work in sectors of lower union density, strengthening unionisation may be part of the route to a four-day week.

### **What about inequalities?**

The Labour Force Survey has provided some cause for optimism for proponents of a four-day week, but it also highlights some of their challenges. One such challenge is the issue of gender equality. Some of those in favour of a four-day week claim that by giving both men and women more free time, men will take on a greater share of women's unpaid domestic work, and women in turn will be better placed to progress in their paid work.<sup>86</sup>

The LFS suggests we should treat such arguments with some scepticism. Our analysis has showed that, despite working eight hours fewer than men per week on average, women did not want to work any more or less hours. It was also the case that, overall, men did not want a reduction in their working hours.

This suggests that merely reducing working hours by itself is unlikely to produce much progress in equalising the domestic division of labour and supporting women in their careers. Indeed, it could even be counterproductive if it leads women to disengage more from paid work than men. With or without the four-day week, CIPD have argued that workplace cultures need to be more supportive of more flexible types of working, and that more should be done to encourage men to reduce their hours in support of women. This also points to a far messier problem around inclusive organisational cultures that challenge pre-existing stereotypes, and how they can result in the meaningful implementation of more flexible working.<sup>87</sup>

Similarly, we showed that a reduction in working hours is not favoured by everyone, and that those in low-income groups, those in routine occupations, and those in sectors such as hospitality do not want to (or, cannot) work less.<sup>88</sup> Again, income is important, and people quite often *need* more of it. For these groups in particular, it is important that reductions in working hours are accompanied by policies and incentives to encourage more hours for the underemployed.

More discussion is required in order to understand how the four-day week can overcome these barriers. We have found that the employees most likely to benefit from a working time reduction are those that are higher earners, senior professionals, and male – demographic characteristics typically understood to reflect higher levels of privilege. This suggests that, if implemented where hours are longest and demand greatest, there will likely be a degree of elitism to the four-day week – it could come to be seen as a middle-class indulgence or white-collar office perk. But if large parts

of the working population see no benefit from the four-day week, they may turn against the principle.

In our view, the four-day week as a select privilege is better than no privilege at all. There are swathes of the workforce that would benefit from shorter hours, and it would be perverse to deny them that until every firm or worker is able to benefit. In rolling out a four-day week, it makes sense to prioritise those businesses and sectors where both workers' need and firms' capacity to adapt is greatest. The hope is that such an approach can help demonstrate the advantages of a shorter work week and build a beachhead of support as a first step towards a broader coalition behind the policy.

## CONCLUSION

The purpose of this briefing paper is to identify some of the fundamental needs and privileges of the labour force in terms of hours worked, as a means of assessing where the four-day week might be most feasible and where it has the greatest appeal.

There are many aspects of the labour market this paper does not consider. For example, we have not examined the importance of different workplace cultures, strategies for supporting and coordinating trade unions, and how they might affect application. We have only sketched potential demand and distributional effects from a high level, without digging into the nitty-gritty of implementation.

Three main findings have emerged from our analysis that campaigners and government should take note of. If these barriers relating to working time are addressed, it seems likely that public demand for the four-day week – and the likelihood of its implementation – will grow.

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