

Global Economic Insight



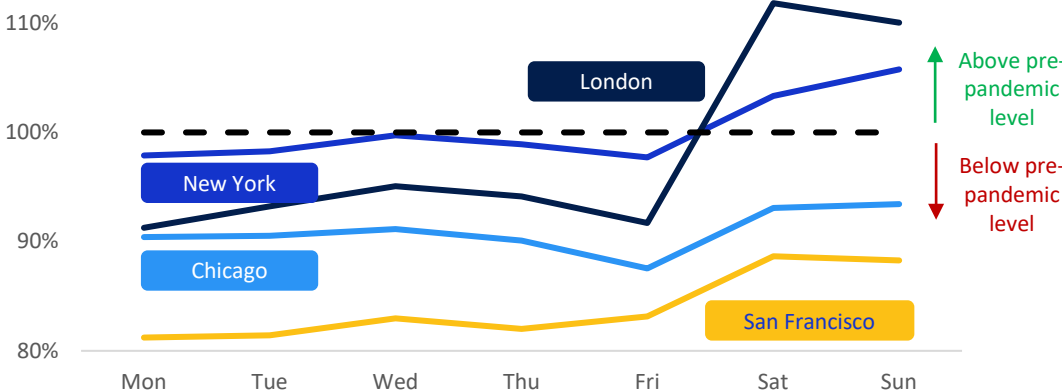
Weekends are the new weekdays for restaurants, as remote work alters traffic to urban centers

The COVID-19 pandemic fundamentally altered the way we work. Remote work, working from home (WFH) and hybrid models proliferated rapidly during the pandemic. What appeared at first to be only temporary accommodations to lockdowns has since persisted, even after the world decidedly entered the return-to-office (RTO) era by 2022.¹ On average, the typical employee now works from home at least 1.5 days per week worldwide, which far exceeds the pre-pandemic norm.²

This structural shift has far-reaching implications—not only for employee job satisfaction, but also commercial real estate demand, commuting energy usage, and restaurant traffic, to name a few. The persistence of non-traditional working models means that certain merchants—notably those exposed to the consumer journey from home to the office and back—will need to adjust to a sustained shift in customer traffic flow and spending, which has measurably changed throughout the typical week. This trend is playing out acutely in the restaurant industry. Eateries that were strategically located near large commercial centers and office complexes can no longer rely on a steady stream of customers five days a week. In fact, compared to 2019, weekends now account for a larger share of restaurants’ total traffic, according to the analysis of Visa Business and Economic Insights.

Fig. 1: Restaurants’ traffic recovery varies by day of the week

In-person visits to restaurants in 2022 compared to the same days in 2019 (Based on number of transactions, grouped by day of the week)



Sources: Analysis of VisaNet data, Visa Business and Economic Insights



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Key Points:

 Flexible working arrangements are here to stay

 Working from home has major implications for spending at restaurants and other merchants

 In some cities, in-person restaurant visits have become more heavily skewed towards the weekend

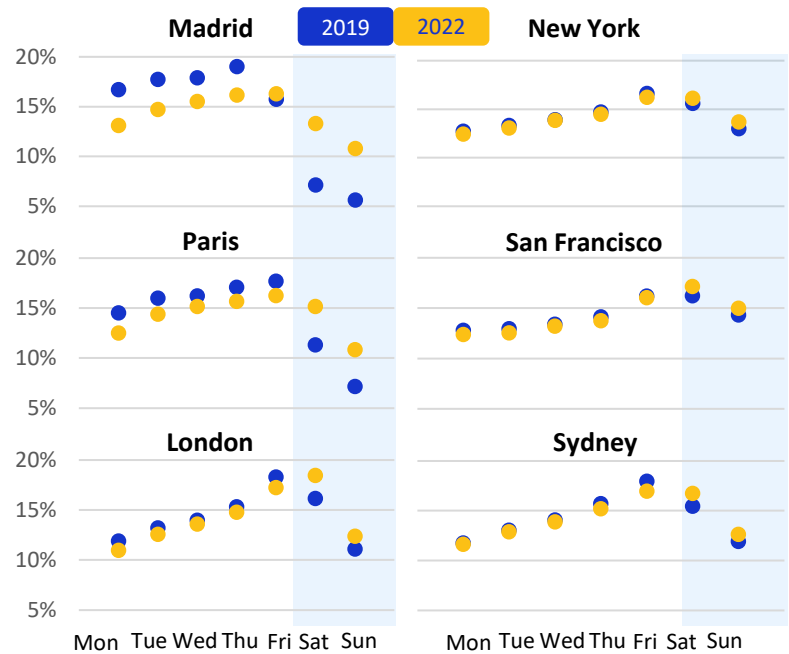
Remote work alters restaurant visits and spending in major global cities

Leveraging card spending data from VisaNet across major global metropolitan centers, we can see that downtown-area restaurants were susceptible to the more widespread adoption of remote working arrangements. An analysis of in-person transactions at restaurants by day of the week (using this number as a proxy for traffic) shows that weekday traffic remains below pre-pandemic levels (Figure 2). Pre-pandemic, weekdays were generally the busiest for restaurants and cafes in major cities, as people went to work, grabbed coffee on the go, dined at restaurants during lunch breaks and went out for dinner or drinks after work. Interestingly, San Francisco’s recovery in weekday restaurant visits was the weakest among the cities we examined. This is consistent with the city’s high concentration of tech companies known for their more flexible working arrangements, which now incorporate more remote work in the post-pandemic era.³

Recovery in restaurant traffic for all cities appeared to be strongest on weekends. The degree of variability in restaurant traffic recovery and number of dine-in transactions by day of the week suggests that the shift in the work structure had a sizeable impact on these merchants.

Expanding the analysis to the change in the distribution of in-person visits to restaurants (i.e., which days of the week accounted for most in-person visits), there is a notable shift again in the frequency of restaurant visits in major cities, though to varying degrees. In contrast to 2019, when most employees traveled to the office five days a week, restaurant visits are now either distributed more evenly across the entire week or more heavily skewed toward the weekend days. As an example, in Madrid, restaurant visits on Saturday now account for 13 percent of total weekly visits on average, up from 7 percent in 2019 (Figure 2). Similarly, the share of restaurant visits on Saturday is up by 4 percentage points in Paris and 2 percentage points in London. The share of restaurants’ weekend visits also rose in New York, San Francisco and Sydney, though at a weaker rate.

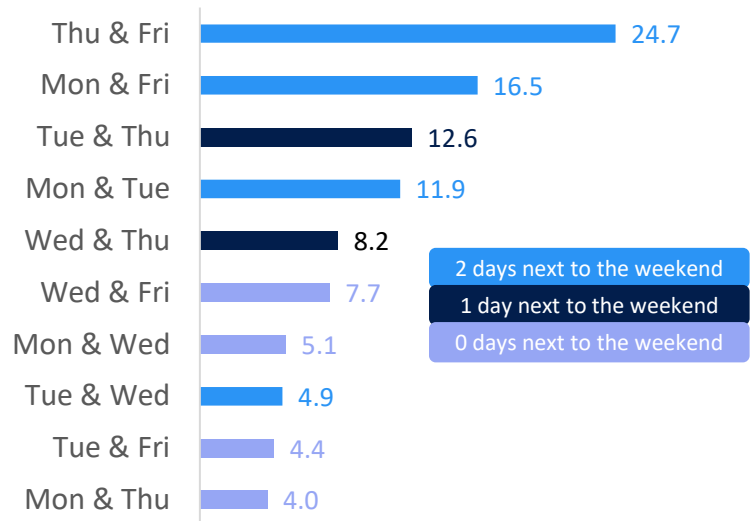
Fig. 2: Weekends’ share of restaurant traffic rises
Distribution of in-person visits to restaurants by day of the week, percentage of total weekly visits (based on number of transactions, grouped by day of the week)



Sources: Analysis of VisaNet data, Visa Business and Economic Insights

Fig. 3: Days close to the weekend are popular for WFH

Most popular two-day combinations working from home, percent agree



Sources: WFH research



Remote work alters restaurant visits and spending in major global cities (continued)

In Madrid, Paris and London, Mondays saw the sharpest drop in the share of total weekly in-person restaurant dine-ins based on the number of card-present transactions. The decline is likely due to the fact that Monday is one of the most popular days to work from home.

When asked in a survey on remote work which two-days they preferred to work from home, 24.7 percent of full-time workers across 27 countries said they prefer Thursday and Friday, followed by 16.5 percent saying they preferred Monday and Friday.⁴ The negative impact of WFH on restaurant traffic on Friday might be cushioned by the fact that it is the beginning of the weekend and people often go out at night.

While the implications of working from home are notable on restaurant traffic, the status of return to office varies significantly by country. Regardless of where workers live, though, at this stage hybrid work models are likely here to stay.



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The status of return to office worldwide

The RTO movement may have reached an equilibrium. Across the globe, the typical employee spends approximately 1.5 days working from home per week, which is much higher than before the pandemic but much lower than in 2020 or 2021.

Most countries are close to the global average of 1.5 days per week (Figure 4), including large economies like Brazil, Germany and the United States.⁵ However, some jurisdictions have followed divergent WFH paths. At the extremes, more than half of all workdays are performed remotely in India, whereas just 10 percent are performed remotely in Korea.

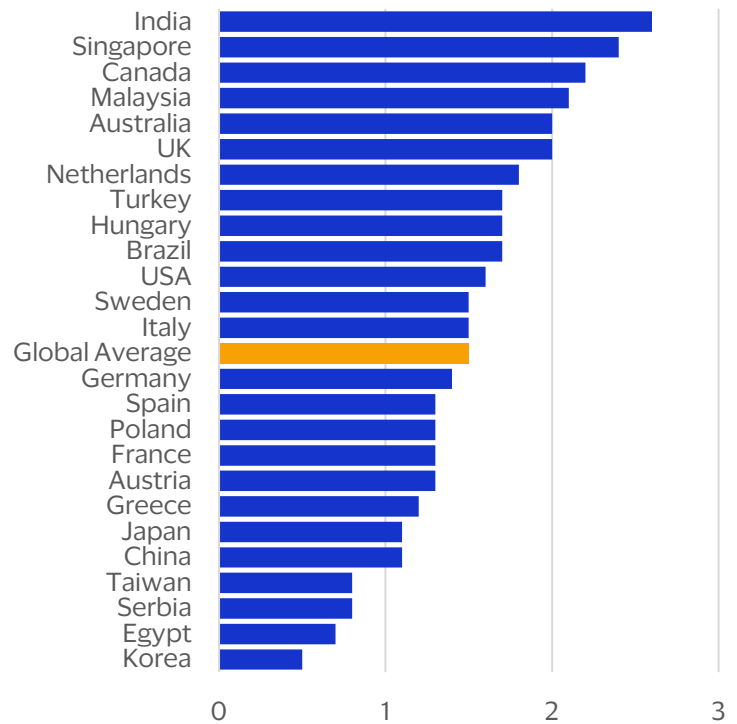
In the United States, which has the most detailed data on remote work, approximately 28 percent of working days were performed from home in early 2023.⁶ This is starkly different from 46 percent in 2020 (Figure 5), showing a rapid return to the worksite as the economy reopened, but is largely unchanged from 30 percent in 2022, suggesting a new equilibrium.

Some industries never truly went remote, including hospitality, transportation, retail and manufacturing.⁷ Working on-site is a fundamental requirement for many jobs in these sectors. Rather than transitioning between WFH and RTO, these industries had large-scale layoffs and re-hirings, a process that is now mostly complete.

Remote and at-home arrangements are most common in knowledge-based sectors like tech and finance, where almost half of all work is now performed off-site.⁸

Fig. 4: Working from home varies by nation

Paid full days worked from home per week, country-level averages
Last actual: 2022



Sources: Visa Business and Economic Insights and WFH Research

Fig. 5: Working from home in the United States

Percent of paid full days worked from home, NSA

Last actual: May 2023



Sources: Visa Business and Economic Insights and WFH Research

“More than half of all workdays are performed remotely in India, whereas just 10 percent are performed remotely in Korea.”

Flexible work arrangements carry significant implications for consumer spending

Across most major economies, job postings that offer remote or hybrid arrangements have become commonplace (Figure 6). In some nations, they continue to increase, suggesting that larger shares of employees will work remotely in the future.⁹ This is typical across Europe, including in Austria, Belgium, Spain, Switzerland, France, and the United Kingdom.

In other parts of the world, including most of North America and portions of Asia-Pacific, the share of WFH postings has plateaued, providing further evidence of an equilibrium in the RTO process.

Understanding developments in remote work has become a critical component of business intelligence for restaurants and other merchants. Remote and hybrid employees earn far more than their on-site counterparts, and they tend to be younger.¹⁰

Hybrid workers in the U.S. typically earn more than \$80,000 annually, while fully remote workers earn \$74,000 and fully on-site employees make \$55,000.¹¹

Hybrid and remote work is most common for early and mid-career professionals, representing more than 40 percent of the millennial and Gen Z workforce. By contrast, fully on-site is the norm for Gen X and baby boomers.

Remote and hybrid workers are also clustered in large

cities. Despite the pandemic-induced migration wave, where people moved outward toward the suburbs and the countryside, remote work is still predominately a big-city phenomenon. For example, across the 10 largest cities in the U.S., almost 35 percent of paid working days are performed from home, a share that is growing. In smaller cities and towns, more than 75 percent of paid working days are performed on-site.¹²

Aside from changing the frequency and timing of in-person visits, remote and hybrid work has major implications for the amount that consumers spend during the workday (Figure 7). Across large U.S. cities, surveys indicate major workday spending reductions on meals, entertainment and shopping near the worksite.¹³ In New York, where food and entertainment prices are high, people reported spending almost \$4,700 less in 2022 than in 2019. Los Angeles, Washington D.C., Atlanta, and Miami show similarly large impacts. Even in Philadelphia and Houston, where consumer prices are lower and WFH is less common, workday-related spending has fallen by almost \$2,200 per employee.

By many measures, WFH is here to stay. Businesses can successfully navigate this new climate by understanding how flexible work influences consumer spending decisions in the restaurant space as well as other industries that depend on foot traffic.

Fig. 6: Share of job postings advertising WFH
Percent, 3 month moving average, NSA

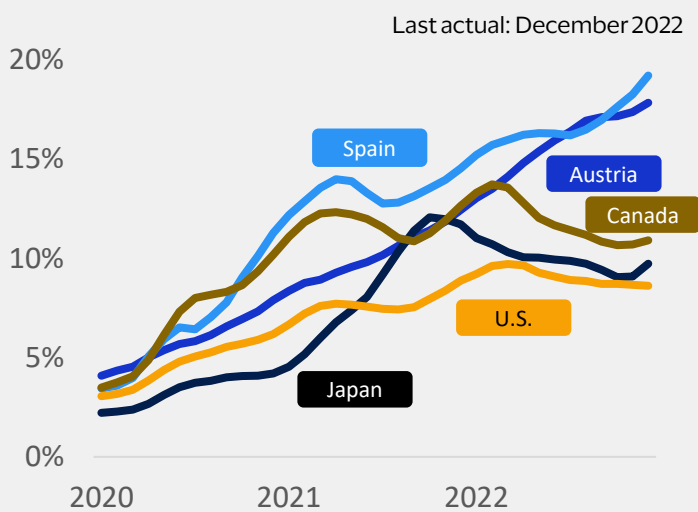


Fig. 7: Workday spending has declined in U.S. cities
Change from 2019, thousands of dollars per worker per year





Footnotes

1. Visa Business and Economic Insights and Google
2. Barrero, Bloom, Davis, Dolls, Giray Aksoy, and Zarate, "Working from home around the world," October 2022. Online at: <https://cepr.org/voxeu/columns/working-home-around-world>
3. Visa Business and Economic Insights and WFH Research
4. WFH Research, "SWAA December 2022 Updates. Online at: https://wfhresearch.com/wp-content/uploads/2022/12/WFHResearch_updates_December2022.pdf
5. Barrero, Bloom, Davis, Dolls, Giray Aksoy, and Zarate, "Working from home around the world," October 2022. Online at: <https://cepr.org/voxeu/columns/working-home-around-world>
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9. Adrjan, Ciminelli, Judes, Koelle, Schwellnus, and Sinclair, "Working from home after COVID-19: Evidence from job postings in 20 countries," SSRN, December 2022. Online at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4064191
10. Visa Business and Economic Insights and WFH Research
11. Visa Business and Economic Insights and WFH Research
12. Visa Business and Economic Insights and WFH Research
13. Visa Business and Economic Insights and WFH Research



Accessibility Notes

Fig. 1: Line chart showing the comparative recovery in in-person visits to restaurants in 2022 by city and day of the week. In San Francisco, the recovery rate in in-person visits to restaurants progressed from 81% on Mondays and Tuesdays, 83% on Wednesdays, 82% on Thursdays, 83% on Fridays, rising to 88% on Saturdays and Sundays. In Chicago, the recovery rate in in-person visits to restaurants progressed from 90% on Mondays and Tuesdays, 91% on Wednesdays, 90% on Thursdays, 87% on Fridays, rising to 93% on Saturdays and Sundays. In London, the recovery rate in in-person visits to restaurants progressed from 91% on Mondays, 93% on Tuesdays, 95% on Wednesdays, 94% on Thursdays, 92% on Fridays, rising to 111% on Saturdays and 110% on Sundays. In New York, the recovery rate in in-person visits to restaurants progressed from 98% on Mondays and Tuesdays, 100% on Wednesdays, 99% on Thursdays, 98% on Fridays, rising to 103% on Saturdays and 106% on Sundays.

Fig. 2: Scatter plot showing the distribution of in-person restaurant visits in major cities by day of the week, comparing 2022 to 2019. In 2019 in Madrid, Mondays accounted for 17% of total weekly visits, 18% on Tuesdays, 18% on Wednesday, 19% on Thursday, 16% on Fridays, 7% on Saturdays and 6% on Sundays, while in 2022, Mondays accounted for 13% of total weekly visits, 15% on Tuesdays, 16% on Wednesday, 16% on Thursday, 16% on Fridays, 13% on Saturdays and 11% on Sundays. In 2019 in Paris, Mondays accounted for 15% of total weekly visits, 16% on Tuesdays, 16% on Wednesday, 17% on Thursday, 18% on Fridays, 11% on Saturdays and 7% on Sundays, while in 2022, Mondays accounted for 13% of total weekly visits, 14% on Tuesdays, 15% on Wednesday, 16% on Thursday, 16% on Fridays, 15% on Saturdays and 11% on Sundays. In 2019 in London, Mondays accounted for 12% of total weekly visits, 13% on Tuesdays, 14% on Wednesday, 15% on Thursday, 18% on Fridays, 16% on Saturdays and 11% on Sundays, while in 2022, Mondays accounted for 11% of total weekly visits, 13% on Tuesdays, 14% on Wednesday, 15% on Thursday, 17% on Fridays, 18% on Saturdays and 12% on Sundays. In 2019 in New York, Mondays accounted for 12% of total weekly visits, 13% on Tuesdays, 14% on Wednesday, 15% on Thursday, 16% on Fridays, 16% on Saturdays and 14% on Sundays, while in 2022, Mondays accounted for 12% of total weekly visits, 13% on Tuesdays, 14% on Wednesday, 15% on Thursday, 16% on Fridays, 16% on Saturdays and 13% on Sundays. In 2019 in San Francisco, Mondays accounted for 12% of total weekly visits, 13% on Tuesdays, 13% on Wednesday, 14% on Thursday, 16% on Fridays, 16% on Saturdays and 14% on Sundays, while in 2022, Mondays accounted for 12% of total weekly visits, 13% on Tuesdays, 13% on Wednesday, 14% on Thursday, 16% on Fridays, 17% on Saturdays and 15% on Sundays. In 2019 in Sydney, Mondays accounted for 12% of total weekly visits, 13% on Tuesdays, 14% on Wednesday, 16% on Thursday, 18% on Fridays, 15% on Saturdays and 12% on Sundays, while in 2022, Mondays accounted for 12% of total weekly visits, 13% on Tuesdays, 14% on Wednesday, 15% on Thursday, 17% on Fridays, 17% on Saturdays and 13% on Sundays.

Fig. 3: Horizontal bar chart showing the most popular two-day combinations for working from home according to the percentage of people who agree. The two-day combinations were reported as follows, ranked by the most popular: 24.7% said Thu & Fri, 16.5% Mon & Fri, 12.6% Tue & Thu, 11.9% Mon & Tue, 8.2% Wed & Thu, 7.7 % Wed & Fri, 5.1% Mon & Wed, 4.9% Tue & Wed, 4.4% Tue & Fri, and 4% Mon & Thu.

Fig. 4: Horizontal bar chart showing paid full days worked from home per week in select countries. The data represent paid full days worked from home in 2022. India averaged 2.6 days per week, which was the most of any country. In descending order, Singapore, Canada, Malaysia, Australia, and the United Kingdom averaged between 2.0 and 2.4 days. The Netherlands, Turkey, Hungary, Brazil, the United States, Sweden, and Italy averaged between 1.5 and 1.8 days. The global average was 1.5 days. Germany, Spain, Poland, France, Austria, Greece, Japan, and China averaged between 1.1 and 1.4 days. Taiwan, Serbia, and Egypt averaged 0.7 or 0.8 days. Korea averaged 0.5 days, which was the lowest of any country.

Fig. 5: Line chart showing the percent of paid full days worked from home in the United states. The chart starts in May 2020 at 61.5 percent. It descends quickly to 34.1 percent by February 2021. It then descends slowly to 28.2 percent by May 2023.



Accessibility Notes (continued)

Fig. 6: Line chart showing the share of job postings advertising work from home in select countries. Spain starts at a low of 3.2 percent in January 2020 and rises to a high of 19.2 percent by December 2022. Austria starts at a low of 3.8 percent in January 2020 and rises to a high of 17.8 percent by December 2022. Canada starts at a low of 3.3 percent in January 2020, rises to a high of 13.7 percent by February 2022, and falls to 10.9 percent by December 2022. Japan starts at a low of 2.2 percent in January 2020, rises to a high of 12.1 percent by October 2021, and falls to 9.7 percent by December 2022. The United States starts at a low of 3.0 percent in January 2020, rises to a high of 9.7 percent by March 2022, and falls to 8.6 percent by December 2022.

Fig. 7: Horizontal bar chart showing reported workday spending reductions in select U.S. cities between 2019 to November 2022. The data are reported as annual dollar amounts per worker. New York showed a reduction of \$4,661, which was the highest of any city reported. In descending order, Los Angeles, Washington, D.C., Atlanta, Miami, and San Francisco showed reductions between \$3,040 and \$4,200. Dallas, Phoenix, Boston, Chicago, and Houston showed reductions between \$2,167 and \$2,869. Philadelphia showed a reduction of \$2,161, the lowest of any city reported.



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