



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Testimony in Support of HB181

Testimony by Delegate Vaughn Stewart

February 14, 2023 • Economic Matters Committee, Ways and Means Committee

What the Bill Does:

HB181 would encourage companies to experiment with shortened work weeks without reducing pay or benefits. The bill sets up a pilot program administered by the Department of Labor. Businesses that apply to participate in the pilot program would be eligible for both an income tax credit (capped at \$10,000 per a sponsor amendment) and technical assistance from the Department. The tax credit is meant to compensate the business for the time it would take to survey their employees and share data around productivity, satisfaction, and profitability with the Labor Department.

Under a sponsor amendment, employers who participate in the program would be required to meaningfully reduce their employees' hours to 32 hours each week without reducing pay or cutting benefits.

Why the Bill is Important

Americans are overworked. About half of working adults work more than the traditional 40-hour week, and nearly a fifth of workers work more than 60 hours in a week. Some employees are eligible for overtime, but overall, overworked employees are at a higher risk of burnout, fatigue, depression, and anxiety.¹ In addition, employees who work upwards of 50 hours a week are much more likely to be injured on the job while at work, and also have an increased risk of developing a variety of chronic diseases.

¹ <https://www.adecgroup.com/future-of-work/latest-insights/the-dangerous-effects-of-overworking/>

Decreasing weekly working hours for employees has been proven to minimize many of these risks, and even result in positive impacts such as increased productivity and mental wellbeing.² In a pilot program done by the Four Day Week Global foundation, over 900 workers across North America worked on a reduced schedule while still aiming to fully maximize their productivity. Workers in the study reported a decrease in fatigue, burnout, and time spent commuting to work. In addition, one business reported a 38 percent increase in revenue from the same time period a year prior. The American Journal of Epidemiology reported that working more than 40 hours a week can reduce cognitive functioning and how much work they complete during the work day.³ A more condensed work schedule enables workers to maximize their productivity because they're given more days off to rest and engage in other activities. Workers from Kickstarter who took part in the study reported a significant increase in productivity that has helped reduce job stress, turnover, and staffing issues.⁴

Giving our employees the opportunity to trial the four-day workweek can help us understand how this change might work at the state level. First, these workers will be the first to benefit from less stress during the workweek, increased productivity, and more free time —all while receiving the same pay. Secondly, employers who take part in the pilot program will be compensated through the tax credit and will benefit from technical assistance from the Department. At the end of the five years, Maryland will have a treasure trove of data to analyze, and we will be able to assess the viability of this type of change long-term.

Why the Committee Should Vote Favorably

The prospect of a shortened work week, even on a limited and trial basis, presents a win-win-win possibility for Maryland's economy. Employees would have more free time to spend with their friends and families, as well as developing talents or pursuing passions. Recent studies have suggested that employers could also benefit from better recruitment, retention, and productivity. And

² <https://www.cnbc.com/2022/12/09/us-4-day-workweek-trial-results-no-one-is-going-back-to-normal.html>

³ <https://academic.oup.com/aje/article/169/5/596/143020>

⁴ <https://www.cnbc.com/2022/12/09/us-4-day-workweek-trial-results-no-one-is-going-back-to-normal.html>

finally, it could be a win for society as a whole: Workers with more free time would choose to use those extra hours to volunteer, politically engage, and otherwise give back to their communities.

I urge a favorable report.