

SB0197 Four-Day Workweek Act FAV.pdf

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TESTIMONY FOR SB0197

Four-Day Workweek Pilot Program and Income Tax Credit - Established (Four-Day Workweek Act of 2023)

Bill Sponsor: Senator Hettleman

Committee: Finance

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of SB0197 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists and our Coalition supports well over 30,000 members.

This bill will allow employers to participate in a four-day workweek pilot program to collect information about productivity and revenue experiences by companies in Maryland. Employers who participate in the program would receive tax credits. Employees would be able to go to a 32 hour workweek with no decrease in pay. Workweeks would not necessarily be set to four days, but would be flexible from company to company, with some companies electing to spread the 32 hours over 5 days, and others going to 4 days. Programs like this one have been successful in other countries and have led to enhanced worker satisfaction and productivity and have also increased revenues for the companies involved.

Since the pandemic, most employees have re-evaluated their jobs and are unwilling to put up with the same stress level that they experienced before the pandemic. Employers are experimenting with ways to attract and retain employees with work-from-home benefits and other non-salary benefits. This would be another way that companies can attract and retain employees.

At one of my past employers, I went from a 40 hour per week employee to 32 hours, along with a few other employees. From my standpoint, I enjoyed working part time and was very reluctant to go back to work 40 hours per week. I was able to get errands done during the week, which left weekends free to enjoy. I was also able to spend more time with my family and my life was much less stressful. My manager told me after the first year that the part-time employees were outperforming all of the full-time employees. This was not the outcome he expected, since he had been reluctant to allow his employees to work part time. After that, he expanded part-time employment.

This is a good policy that will allow businesses to be more flexible, which will enhance their ability to attract and retain employees. We support this bill and recommend a **FAVORABLE** report in committee.

TESTIMONY SB197.pdf

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Position: FAV

TESTIMONY FOR SB0197

Four Day Workweek Act of 2023

Bill Sponsor: Sen. Shelly Hettleman

Committee: Finance

Organization Submitting: Lower Shore Progressive Caucus

Person Submitting: Sydney Bradner-Jacobs, LSPC Member, East New Market, MD, Dorchester County

Position: FAVORABLE

I am submitting this testimony in favor of SB0197 on behalf of the Lower Shore Progressive Caucus. The Caucus is a political and activist organization on the Eastern Shore, unaffiliated with any political party, committed to empowering working people by building a Progressive movement on the Lower Eastern Shore.

The Lower Shore Progressive Caucus support SB0197 because one's livelihood should not be defined by their job. Not everyone wants to work every single day of their lives. Working class people want to have a life outside of work to focus on themselves and their well-being, as well as the well-being of their family and loved ones.

The way we see it, a four-day work week is a win-win for everyone. It's a win for employers, as you are able to extract more productivity out of workers, and it's a win for workers, as they become less stressed and much happier altogether.

Don't believe me? Take my personal word for it. As of now, I personally work a four-day work week at my job as a dishwasher in St. Michaels. Every time I report to work after my three-day break, I feel rejuvenated and refreshed. While I always give it my all when I'm at work, I truly feel that whenever I work a four-day work week, I'm able to give my job truly more of my all and I feel less exhausted and energetic while doing it.

Previously, I worked another job as a dishwasher, and not only did I have to work multiple double shifts within one week at times, sometimes I had to work weeks where I worked every single day of my life, and there's one time where I didn't get an actual day off until two weeks later. Of course I still did it because I needed the money, but working like that can often wear you out and prevent you from truly living your full life.

At the end of the day, we only live one life. We don't know when we're gonna go, and every moment you live on this Earth counts. Working class people deserve full prosperity, and while there are many steps to get to full working class prosperity, you are never going to get there until working class people have the opportunity to have a life outside of work and to truly live it to its fullest potential.

It is for these reasons the Lower Shore Progressive Caucus supports this bill and recommends a **FAVORABLE** report in committee.

SB 197 - WLCMD - FAV.pdf

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Position: FAV

BILL NO: Senate Bill 197
TITLE: Four-Day Workweek Pilot Program and Income Tax Credit - Established (Four-Day Workweek Act of 2023)
COMMITTEE: Finance
HEARING DATE: February 9, 2023
POSITION: **Favorable**

The Women's Law Center of Maryland is dedicated to ensuring the physical safety, *the economic security*, and the bodily autonomy of women throughout the State. One way we work towards this goal is by supporting systemic changes to our current economic policies and practices that disproportionately affect women. Senate Bill 197 is a step towards establishing these systemic changes, which is why the Women's Law Center of Maryland urges a favorable report.

SB 197 would provide the option for public and private businesses, with at least 30 employees, to participate in its Pilot Program ("Program") of operating under a 4-day work week. In doing so, employees of participating businesses would not see a reduction in their salary or benefits, and participating businesses would be eligible for a tax deduction for their involvement in the Program. Employers would allow the Department to conduct employee surveys and additional research on the Program's impact on participants. The Women's Law Center understands that some friendly amendments have been proposed to clarify that the Program will operate by proportionally reducing the hours worked per week and not by compressing the employee's current work week into 4 days. The WLC would support such amendments; while compressed workweeks can be an appropriate option for some employees and employers, it does not provide the same benefits, nor does it warrant tax incentives, as the reduction of hours does.

Although Maryland would be one of the first states to enact this type of legislation, this Program is far from the first of its kind. In 2022, 4 Day Week Global, a non-profit think tank, launched a 6-month pilot program comprised of 33 companies from the United States, Ireland, and Australia. The companies involved in this pilot program transitioned into 4-day 32-hour work week schedules without reducing employee salary or benefits. The results were overwhelmingly positive for both employers and employees. Overall employer feedback reported, "revenue rose approximately 8% over the trial and was up 37.55% in comparison to the same period in 2021. Hiring rose, absenteeism was reduced, and resignations declined slightly." Employee self-reporting of work performance and overall work satisfaction went up. Significantly, "70% of employees reported that in order to go back to a 5-day 40-hour work week they would require a 10% to 50% pay increase."¹

Over the last (almost) three years, the COVID-19 pandemic has underscored the cracks already breaking in the current labor market standards. Not only did the pandemic force employers to implement changes to their operations, but it allowed employees to reevaluate their relationship with work and their work-life balance. One of the most notable issues brought to light during the pandemic is the crushing inequity suffered by working mothers, and particularly those who are women of color. In Maryland, Hispanic and Black women earn \$0.46 and \$0.68 respectively to every dollar their white male counterparts earn. And although women are working outside of the home, they still carry the majority of the childrearing responsibilities². Of the women surveyed by the Maryland Commission for Women regarding their work-life experience during the pandemic, 50% had difficulty juggling children's care and school with their own work schedule, and 24% were concerned that employers would not provide the flexibility needed to juggle their children's schedule and work. Women were forced to leave the job market at unprecedented

¹ 4 Day week Global Foundation, <https://www.4dayweek.com/us-ireland-results>

² Maryland Commission for Women, https://dhs.maryland.gov/documents/MD-Women-A-Status-Report_FIN-2.pdf

rates. 82,700 women left the labor force between March 2020-September 2021, while 17,700 men joined³. Implementing a 4-day 32-hour work week would be a step toward the systemic changes needed to rectify these inequalities.

Working mothers and families would benefit from incentivizing businesses to participate in the Program. Respondents who participated in the 4 Day Week Global trial reported an increase in ability to carry out paid work and family care responsibilities, as well as an increase in overall life/work balance. Shortening the work week allows for more time to care for family and personal needs. It also provides the opportunity for male parents to take on child and homecare responsibilities. According to the report published by Maryland Commission for Women, the average overall childcare cost for families in Maryland is \$17,622. Implementing a 4-day 32-hour work week would benefit families financially by cutting down on childcare costs while maintaining existing salaries.

The labor standards established in 1938 no longer meet the needs for working families in Maryland and throughout the country. The legislature must take action to make systemic changes that do work for the people. Therefore, the Women's Law Center strongly urges a favorable report on Senate Bill 197.

The Women's Law Center of Maryland is a private, non-profit legal services organization that serves as a leading voice for justice and fairness for women. It advocates for the rights of women through legal representation for individuals and statewide advocacy to achieve systemic change.

³ Maryland Commission for Women,

<https://dhs.maryland.gov/documents/Initiatives/Maryland%20Womens%20Commission/FINAL%20%20%20AT%20THE%20HEART%20OF%20THE%20PANDEMIC.pdf>

SB197_GomesPhD.pdf

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Position: FAV

Testimony in Senate Bill 197 Hearings

In favour of establishing a Four–Day Workweek Pilot Program

Dr. Pedro Gomes

Associate Professor of Economics at Birkbeck, University of London

Author of *Friday is the New Saturday: How a Four-Day Working Week Will Save the Economy*

Coordinator of the Four–Day Workweek Pilot Program by the Portuguese Government

In 1970, Paul Samuelson, one of the most widely regarded modern economists, called the four-day workweek a “momentous social invention” comparing it to language (Poor, 1970). This how I view the four-day workweek, not as a partisan policy, but as a social innovation - a better way to organize economic activity in the 21st century. We should do it for – not in spite of – the economy (Gomes 2021).

The workweek is a social, political and economic construct, and it should evolve and adapt, as technology and societies evolve and adapt. In the 19th century we worked six days a week. The movement towards a five-day workweek started in 1908, with a few small companies adopting it as a management practice. The movement got a big boost when Henry Ford, now considered the greatest entrepreneurs of the 20th century, adopted a five-day workweek in all his factories in 1926. It then moved from management practice to the macroeconomy, by legislation, in 1938, with the *Fair Labor Standards Act* that established a 40-hour week. First, it only applied to large firms doing interstate commerce. Its coverage expanded in the following decades. The movement for six to five days was a long process that took several decades.

Since the five-day workweek was normalized more than 50 years ago, everything in our economy and society has changed – the speed we communicate, the types of jobs we do, the technology available to us, the number of years we study, the structure of our families, the duration of our lives, our social interactions, but we still organize work in the same way. It is these structural changes that made the five-day workweek obsolete, and a four-day workweek a better way to organize modern work.

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Just like 100 years ago, nowadays many firms are shortening the workweek, this time to four days. Firms adopt it with the objective of increasing the well-being of workers, improving their productivity and reducing stress and burnout. The book, *The 4 day week*, provides a first-hand account of the implementation in a New-Zealand company Perpetual Guardian (Barnes and Jones, 2020), and the book *Shorter* presents many case studies of firms from different industries around the world that have implemented it (Pang, 2020). I believe that the positive economic effects of a four-day week will be much bigger than the productivity gains for firms or the well-being of workers. It will improve the wider economy, because it will boost aggregate demand for certain industries, it will unleash innovation and entrepreneurship, it will improve the functioning of the labor market, and enhance the political-economy of decision making.

The four-day workweek will stimulate the economy through the demand for leisure industries, entertainment, culture, hospitality and tourism. An economy where everyone works hard but where there are no customers is a weak economy, warned John Maynard Keynes, and people without time are not great consumers. We need money to consume, but we also need time. It is in our free time that we feel our needs. Imagine what you would do and where you would go over three-day weekends. Most likely it would involve spending money. Henry Ford wrote, in 1926, when he adopted a five-day workweek:

‘Instead of business being slowed up because the people are 'off work', it will be speeded up, because the people consume more in their leisure than in their working time. This will lead to more work. And this to more profits. And this to more wages. The result of more leisure will be the exact opposite of what most people might suppose it to be.’

In the years that followed the implementation of the 40-hour week in the United States, several companies linked to the leisure industries were born, such as: McDonalds, Best Western, Atlantic Records, Fender, or Dick's Sporting Goods. After the reduction of the workweek from six to five days in China in 1995, there was an explosion of their domestic tourism market, now the largest in the world. In Maryland, tourism alone accounts for 150 thousand jobs.

The four-day workweek will unleash innovation and entrepreneurship because many new ideas and products are born from passionate people with day jobs creating something new in their sheds during the leisure hours. The best example is Henry Ford, who took three years to build his first car with an internal combustion engine while having a six-day job at one of Thomas Edison electricity plants. He became Henry Ford because of what he did in his

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leisure time. Like Ford, there are countless examples of innovation born out of leisure: *Apple*, *Nike*, *Spanx*, *Instagram*, or *Wordle*. According to Edmund Phelps, an economics Laureate, the key to innovation is Grassroots Innovation, done by regular people in all corners of the economy (Phelps, 2013). The driver of grassroot innovation is leisure.

The four-day workweek will protect jobs at risk of automation reducing technological unemployment, increasing wage and reducing inequality. The economic argument does not rely on work-sharing, but on the idea that reduction of the workweek will reduce the pace of job-separation in response to the implementation of the labor-saving technology and give time for workers to retrain to move to a more profitable occupation.

Wages do not increase because of political will. They increase because of market forces, and the market is supply and demand. By increasing demand for workers (because of higher productivity and higher demand for leisure industries), together with a reduction of the supply of hours, the four-day workweek will create the market conditions for a sustained wage growth. In the three decades following the *Fair-Labor Standards Act*, wages in the US grew at 30 per cent a decade (after discounting for inflation). Before the 1940s and after the 1970s, real wages have only grown at about 10 per cent a decade.

I believe that people will have more freedom to work more under a four-day workweek than they have of working less under a five-day workweek. The partition between the workweek and the weekend is just a construction to coordinate one type of (team) work during the week, and individual work as well as economic leisure activities at the weekend. The weekend doesn't and won't stop anyone from working more if they want to, accumulating a second job in the leisure industries, in the “gig” economy, or in individual projects.

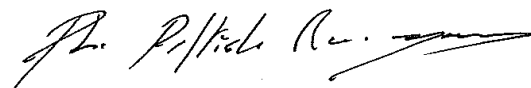
Finally, by **sharing the benefits of economic growth with everyone, it will reconcile a polarized society and deflate populist movements.** Improving the economy is not only about making it grow, but also about protecting it from downside risks, and one of the biggest risks that our economies face is the one brought by populist movements. They do not bring constructive policies to the discussion, and instead opt to divide. The four-day workweek, on the other hand, is not divisive. In all surveys, 70, 80 or 90 per cent of people say they would like it. They might be scared it would harm the economy, but as a goal, it is one that inspires people, and is one that is worth having. I believe that if we - politicians of both sides of the aisle, businesses, unions, workers and academics – work together, it is a goal within our reach.

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Ultimately, the core of each argument relates to what people would do with their extra day off work. They might rest more, which would increase their efficiency during their four working days. They might enjoy leisure activities that involve spending, which would stimulate consumption. They could decide to work, so they would be exercising their individual freedom. They could use the day for retraining and acquiring new skills to help them move to a more rewarding or promising occupation. Or they could devote their time to their passion and create the innovations of the future. Economists simplify reality. In most economic models, labor is viewed as the input for production and leisure as time away from the economy – a vacuum. But we are humans, and what we do in our leisure time also contributes to the economy. In the words of the Nobel-Prize laureate economist James Tobin, ‘every leisure act has an economic pay-off to someone’.

The movement from five to four days is a process that will likely take several decades, and it will require some activism, and small steps to promote experimentation by firms. Many countries are already launching their own four-day workweek pilots, for instance Spain or Portugal. I have been invited to coordinate the Portuguese project. Although we are not providing any subsidy to firms to experiment a four-day workweek, we have about 90 firms from various sectors that showed interest in the project, which testifies to the appeal that a four-day workweek has for some companies that understand its potential. The companies that wish to, will now have three months to prepare the pilot, that will start in June 2023.

I believe that this bill to establish a pilot program in the State of Maryland is the right first small step in a path towards a four-day week and towards a stronger, more innovative, and more sustainable economy.



Dr. Pedro Gomes

Birkbeck, University of London

Testimony in Senate Bill 197 Hearings: Dr. Pedro Gomes

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Biography

[Dr. Pedro Gomes](#) is an Associated Professor in Economics at Birkbeck, University of London. Previously, he was an Assistant Professor at the University Carlos III de Madrid, a Visiting Professor at the University of Essex and held positions at the European Central Bank and the Bank of England. Pedro did his BSc in Economics at Lisbon Technical University, and received his PhD from the London School of Economics in 2010. A leading researcher on public-sector employment, he has published numerous articles in peer-reviewed journals and chapters in books. His work has been widely cited, has received awards, and has influenced policymakers. In 2021, he published *Friday is the New Saturday: How a Four-Day Working Week Will Save the Economy*. The book was one of [Financial Times, Business Books of the Month](#), and considered by Jason Furman as one of the top two books he read in 2021 on [Wall Street Journal Books of the Year](#). The book has been translated into Korean, Portuguese and Italian. In 2022, he was invited by the Portuguese Government to coordinate their four-day workweek pilot.

Written Testimony in Support of SB0197, Four-Day W

Uploaded by: Peter Davis

Position: FAV



**Written Testimony in Support of SB0197
Four-Day Workweek Pilot Program and Income Tax Credit**

Pete Davis
Director, Democracy Policy Network
February 9, 2023

I. Winning the Weekend

The length of the workday and workweek has changed at various points throughout American history. Before the Civil War, the Sabbath was the only time that most free, working Americans had off. In fact, the word “weekend” did not even exist until the 1870s.

With the Industrial Revolution, fewer Americans participated in farming, which had a natural stopping point at sundown. As laborers moved into factories, working conditions became harsher, and the work day became more regimented. With the growth of industrialism came the growth of the labor movement, which started to press for worker interests. And in 1884, the Federation of Organized Trades and Labor Unions called for an eight-hour day. When their demands were not met, they called for widespread demonstrations for “time for ‘what we will’.” They made buttons that read: “8 hours for sleep, 8 hours for work, 8 hours for leisure.”

Soon Jewish immigrants took up the fight for a longer weekend, since their Sabbath was Saturday instead of Christians’ Sunday. When the first American factory—a New England spinning mill—instituted a five-day workweek in 1908, it was to accommodate Jewish workers, and the practice soon spread to other factories.

The movement got a boost from Henry Ford, who responded to the labor movement’s push for an eight-hour day by instituting the practice at his car factories. He argued in business terms: if people were stuck in factories all week, they would not have time to take weekend road trips in his Model Ts. “People who have more leisure must have more clothes,” he told the press. “They eat a greater variety of food. They require more transportation in vehicles.”

In 1916, the government began to step in, requiring an eight-hour day for railroad workers. In 1919, four million Americans—about twenty percent of the industrial labor force—went on strike, demanding, among many things, more time off. During the Great Depression, it became more practical to limit the working week, as fewer hours for each worker meant more people working at least some hours.



Americans responded positively to the shorter hours and by 1938, half a century after the word was invented, “the weekend” was written into federal law when President Franklin D. Roosevelt signed the Fair Labor Standards Act, which phased American working hours down to a limit of forty hours a week. (Five years earlier, the Senate had passed a *30-hour* workweek bill, but it failed to pass the House.)

The two-day weekend went viral overseas, too: by the 1970s, every European country had a weekend and, at most, a forty-hour workweek. And by the mid-twentieth century, Americans were so bullish on the idea of a shorter workweek that many experts thought the workweek would shorten even more. The economist John Maynard Keynes thought technological advancement would lead to a fifteen-hour workweek by the 2020s. A 1965 Senate subcommittee predicted a fourteen-hour workweek by the year 2000. And in 1956, then-Vice President Richard Nixon stated that a shorter workweek was “inevitable within our time.”

II. Burnout nation

Nixon and Keynes were not wrong about productivity growth: American worker productivity has consistently increased since the 1950s. That increased productivity, however, has not led to fewer working hours.

This is a uniquely American phenomenon. Americans work about fifty percent more than people living in Germany, France, or Italy. We also work more than the citizens of Sweden, Norway, the Netherlands, Finland, Switzerland, and Austria—all nations that, probably not coincidentally, rank higher than America on World Happiness surveys. We put in 122 more hours per year than Brits, and we’ve even surpassed Japan, the nation that invented a word, *karōshi*, meaning “death from overwork.”

It’s not just that we are working nights and weekends. We are also overworking at work. One third of American workers eat lunch at their desks. Half of American workers report feeling they can’t get up for a break at all. Even having kids is not stopping or slowing our drive to productivity. While France has sixteen weeks of parental leave and Japan has fourteen weeks, the United States is the world’s only industrialized nation with no federally mandated paid parental leave.

According to the OECD Better Life Index, we rank 28th among advanced nations in “work-life balance”—ninth from the bottom. 41 percent of us say we feel tense or stressed out during a typical workday. More than half of us report being “burned out.”



This stress is costing us. It's making us bad at work— half of us say we're being less productive as a result of stress. It's making us resent our neighbors — more than a third of us report feeling anger at our coworkers and resentful that they do less work than we do. Burnout is the leading cause of employee turnover and, according to one British study, the source of almost \$7 billion) in economic losses per year. With all this in mind, it is no surprise that, according to a 2017 study, only thirteen percent of Americans are passionate about their jobs.

III. The Four Day Workweek

Fortunately, there is an international, multi-sector movement to reduce the workweek further.

In 2008, Utah governor Jon Huntsman, Jr. issued the Working4Utah Executive Order, which mandated a four-day workweek for almost all of the state's government employees. The program was popular with the employees themselves: four out of five state employees said they liked the new system. But the system also had benefits for the state as an employer: workers took less leave, were happier, were absent less and reported being more productive.

In recent years, some cutting edge companies — from Kickstarter to Shake Shack to Shopify — have begun experimenting with a four-day workweek, with business reviews and journalists beginning to take note the positive effects on employee happiness, productivity, and burnout.

Take health, for example. The president of the U.K.'s Faculty of Public Health has said the four-day workweek might help lower our blood pressure and increase our mental health. Or take the problem of unemployment: a staggered four-day workweek, where employees work on different days throughout the week, could function to redistribute work hours to more people and lower the unemployment rate.

As for productivity, it turns out that we perform worse when we work too many hours a week. According to a study in the American Journal of Epidemiology, at fifty-five hours a week, we start doing more poorly on mental tasks than our colleagues working forty hours a week. British writer C. Northcote Parkinson has theorized that work inevitably expands to fit the time we give it. If we have five days to get a week's worth of work done, we'll take five days to do it. If we have four days to get a week's worth of work done, we'll get it done in four.

Indeed, a four-day workweek may better address the reality of what most people are capable of producing in any given day. In studies aiming to find out how much work is too much, K. Anders Ericsson—who has spent years studying how we develop expertise, and influenced Malcolm Gladwell's famous "10,000 hour" rule—has found that in any one sitting, most of us can only

complete four to five hours of concentrated work. Any more than that and our work suffers, or we just stop working entirely.

The four-day workweek also appears to have cultural benefits. A shorter week at work would especially benefit women, many of whom reduce their at-work hours after having children. Forty-four percent of female doctors now work four or fewer days a week, up from twenty-nine percent in 2005. A four-day workweek for everyone would ensure that taking a longer weekend would not disadvantage moms. And a report from the New Economic Foundation posits that a shorter workweek could help solve gender imbalances at home, too. Currently, women tend to spend more time than men doing housework and raising children, even when they work as much as their male spouses. More time off for both spouses might lead to more parity in the division of labor at home.

Experiments are proliferating around the world:

- Between 1979 and 2000, France and Germany reduced annual work time by 240 hours (the equivalent of cutting six forty-hour workweeks from the year).
- In Spain, Prime Minister Pedro Sanchez’s administration is investing 50 million euros (\$59 million) into a nationwide program to trial a four-day workweek. Under the program, employees will get the same salaries from companies despite working fewer hours—and the government funding will compensate businesses by temporarily covering the cost of hiring additional workers or installing new technologies so as to ease the transition.
- During the financial crisis, Germany kept employment stable through the *Kurzarbeit* program, in which employers reduced employees’ working hours instead of laying them off — and the government provided a subsidy up to 60 percent of employees pay for hours not worked.
- In Iceland, the Reykjavik City Council and the Iceland national government conducted four-day workweek trials (without reduction in pay) between 2015-2019. 2,500 individuals (1% of Iceland’s population) participated. Productivity remained the same or improved in the majority of workplaces, researchers found. The trials led unions to renegotiate working patterns, and now 86% of Iceland's workforce have either moved to shorter hours for the same pay, or will gain the right to, as reported by the UK think tank Autonomy’s report, “Going Public: Iceland’s Journey to a Shorter Working Week.”
- New Zealand Prime Minister Jacinda Ardern has suggested that a four-day workweek could boost the country’s economy. The idea was tested and successfully implemented by New Zealand company [Perpetual Guardian](#), reporting a rise in employee productivity of 20%, as well as a 45% increase in employee work-life balance. Recently, Unilever New

Zealand is [following suit](#), beginning a one-year experiment for its 81 employees to move to a four-day workweek.

- In light of the pandemic, Japan’s 2021 annual economic policy guidelines unveiled plans to push companies to adopt a four-day workweek. After introducing a four-day workweek, branded ‘[work-life choice](#)’, Microsoft Japan reported a productivity boost of 40%, electricity costs reduced by 23%.
- In February 2022, Belgian lawmakers [passed a bill](#) winning Belgian employees the right to complete their workweek in four days instead of five without a loss of salary.
- The Scottish Government’s 2021-22 Programme for Government included a commitment to fund a series of [four-day working week pilots](#). According to [Euronews](#), a government trial is due to start in 2023, in which £10 million will be allocated to support companies reducing hours by 20 percent without a loss in compensation.
- Throughout 2022, The [4 Day Week Global Foundation](#) ran a [major pilot study](#) with 33 companies and 903 employees throughout the US, Ireland, and a few other countries. Each company agreed to, for six months,: (1) reduce their workweek to a four day, 32 hour schedule; and (2) not lower pay. 18 of the 33 companies are definitely going to keep a four-day workweek, 7 more are planning to but have not made a final decision, and 1 is leaning towards continuing. None report definitely not continuing with a four-day workweek.

(It should be noted: There is a distinction in workweek reduction between salaried and hourly wage workers. For salaried workers, a four-day workweek is often primarily about changing the culture around the workweek’s schedule. For wage workers, the primary fight is about increasing wages to keep pay steady with decreased hours—and secondarily about the culture of the workweek’s schedule (though, for example, Fair Scheduling laws). Any effort to shorten the workweek for all Americans needs to ensure reduction in work does not lead to a reduction in pay.)

IV. Maryland’s opportunity

It’s rare to have a cause that unites so many different types of interests:

- A shorter workweek means more time with family
- A shorter workweek means more time with faith communities
- A shorter workweek means more time with civic and community engagement
- A shorter workweek means more time for entrepreneurship
- A shorter workweek means more time for educational development
- A shorter workweek means more productivity for business
- A shorter workweek means more power to labor



- A shorter workweek means more sustainable resource use
- A shorter workweek means more Free Time for, as the original fighters for the weekend put it a century ago, “what we will.”

With SB0197, Maryland has the opportunity to serve these important interests and help start the process of spreading this cutting edge work practice in the United States.

Testimony in Favor of HB0181 Four-Day Workweek Pil

Uploaded by: Rita Fontinha

Position: FAV

Subject: Testimony in favor of the Four-Day
Workweek Pilot Program and Income Tax Credit
Established Four-Day Workweek Act of 2023

8 February 2023

To the Maryland General Assembly

Dear Sir, Madam,

I am currently Director of Flexible Working research at the World of Work Institute – Henley Business School, University of Reading, United Kingdom and Associate Professor in the International Business and Strategy department at this business school.

I have co-authored, together with Professor J. T. Walker, the Henley report on the 4-Day Work Week, and I am currently co-coordinating the 4 Day Workweek Pilot in Portugal, sponsored by the Portuguese government.

A reduction in working hours has been linked to favorable outcomes for both individuals and organisations, as depicted in the [main findings](#) of our Henley report on the 4-Day Work Week. This report uses data from 2000 employees and 500 business leaders in 2019 and 2021, some of which have already implemented a 4-Day Week on their own initiative.

There are significant improvements in terms of mental health and work-life balance for individuals, but more importantly I would emphasize the main costs and savings for organisations.

While there may be implementation costs in sectors where there is a need to recruit more employees (like healthcare or manufacturing), businesses report significantly higher savings, compared to the initial costs.

But if employees are working less, where can businesses save?

Businesses mentioned that they had an increase in productivity, that their levels of absenteeism dropped (people taking sick leave), allowing businesses to reduce costs on hiring contingent workers to replace those on sick leave, and their corporate image improved. Another significant saving was related to staff attraction and retention – people do not wish to leave organisations implementing a four-day week, except when paid almost double their current salary.

These findings are supported by the most recent Four Day Week Global reports.

For the above-mentioned reasons, I would highly support the Four-Day Workweek Pilot Program and Income Tax Credit – Established Four-Day Workweek Act of 2023.

Yours truly,
Dr Rita Fontinha

A handwritten signature in black ink that reads "Rita Fontinha". The signature is written in a cursive style with a large initial "R".

Director of Flexible Working – World of Work Institute – Henley Business School
Associate Professor in Strategic Human Resource Management
Co-coordinator of the 4 Day Workweek Pilot in Portugal

SB0197-573621-01.pdf

Uploaded by: Shelly Hettleman

Position: FAV

BY: Senator Hettleman
(To be offered in the Finance Committee)

AMENDMENT TO SENATE BILL 197
(First Reading File Bill)

On page 2, in line 15, after “(C)” insert “5-DAY WORKWEEK” MEANS A WORKWEEK:

(1) CONSISTING OF 5 DAYS; AND

(2) FOR HOURLY EMPLOYEES, IN WHICH ANY HOURS WORKED OVER 40 HOURS ARE PAID AT AN OVERTIME WAGE REQUIRED UNDER § 3-415 OF THIS ARTICLE.

(D) “4-DAY WORKWEEK” MEANS A WORKWEEK:

(1) CONSISTING OF 4 DAYS; AND

(2) FOR HOURLY EMPLOYEES, IN WHICH ANY HOURS WORKED OVER 32 HOURS ARE PAID AT AN OVERTIME WAGE THAT IS AT LEAST 1.5 TIMES THE USUAL HOURLY WAGE.

(E)”;

and in line 16, strike “(D)”, and substitute “(F)”.

SB197_FAV_Hettleman.pdf

Uploaded by: Shelly Hettleman

Position: FAV

SHELLY HETTLEMAN
Legislative District 11
Baltimore County

Judicial Proceedings Committee

Joint Committee on Children, Youth,
and Families

Joint Committee on the Chesapeake
and Atlantic Coastal Bays Critical Area



James Senate Office Building
11 Bladen Street, Room 203
Annapolis, Maryland 21401
410-841-3131 • 301-858-3131
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Shelly.Hettleman@senate.state.md.us

The Senate of Maryland
ANNAPOLIS, MARYLAND 21401

TESTIMONY OF SENATOR SHELLY HETTLEMAN
SB197 FOUR DAY WORK WEEK

SB197 Is an innovative proposal to address the myriad workplace issues facing our state. We all regularly hear from employers who are challenged finding employees. The Great Resignation has had a dramatic impact on the workplace, and the nature of work is undergoing a fundamental shift. We also hear from employees who are struggling to balance the demands of work and home life. We hear about the mental health challenges facing our constituents - that certainly existed before COVID, but have been exacerbated by the pandemic.

Justice Brandeis is recognized for saying that the states are the laboratories of democracy and this bill is an attempt to bring to life that adage. This is a pilot program. It provides a carrot to business and incentivizes them to experiment with their workplace culture by making a change in hours – from a traditional 5 day 40 hour work week to a 32 hour 4 day work week.

The nonprofit 4 Day Week Global Foundation conducted a major study of 33 companies around the world, including some in the U.S. They studied a 6-month long pilot program for the 4-day work week with employees working no more than 32 hours during the week. The pilot study reported on the outcomes for the participating companies. Reduced hours were followed by reduced burnout, increased productivity, increased job satisfaction, improved physical and mental health, better sleep at night, and even reduced conflict in personal relationships.² All of these benefits on reduced work hours were incurred without reducing pay. 97% of the participating employees wanted to continue with the 4-day work week after the pilot was over.² A majority of the participating employers were committed to continuing the program as well. There were also savings in energy costs, a positive impact on the environment.

A survey of 2,001 employees across the nation, working in a variety of industries, found that about half of all working Americans are experiencing burnout to some extent.¹ When asked to rank ways to ease their burnout, based on helpfulness, respondents shared that paid time off and flexible scheduling were the most helpful ways employers could address employee burnout.² Researchers concluded that what American workers need is more time. Time to de-stress, care for their families, and maintain a healthy work-life balance.

SB197 establishes a Four-Day Workweek Pilot Program in the Maryland Department of Labor (DOL) and allows them some flexibility about how, exactly, to craft the program. It would require companies to collect information and share data with DOL.

We believe this is a win-win for employers and employees and provide an incentive for companies to experiment with the proposal, study it and see if it works. If it does, there's not really a need to continue it because the marketplace will respond accordingly. And if it doesn't, then that's important to learn too.

Thank you for your consideration and I ask for your support of SB 197.

¹https://www.aflac.com/docs/awr/pdf/2021-overview/2021_aflac_workforces_report_executivesummary.pdf

²<https://static1.squarespace.com/static/60b956cbe7bf6f2efd86b04e/t/6387a0e53881be1284cb046e/1669832945858/The+Four+Day+Week-+Assessing+Global+Trials+of+Reduced+Work+Time+with+No+Reduction+in+Pay+%E2%80%93+A+%E2%80%93+30112022.pdf>

<https://www.vice.com/en/article/dy7mdw/4-day-work-week-maryland>

<https://www.theatlantic.com/business/archive/2015/02/the-alarming-long-term-consequences-of-workplace-stress/385397/>

SB0197 Four-Day Workweek.pdf

Uploaded by: Virginia Smith

Position: FAV

Testimony Supporting SB0197

Senate Finance Committee

February 9, 2023

Position: SUPPORT

As an employee working in the state of Maryland, I am writing to express my support for the Four-Day Workweek Act of 2023, SB0197, sponsored by Senator Hettleman, which will establish a Four-Day Workweek Pilot Program in the Maryland Department of Labor.

Studies have shown that when a company introduces a four-day workweek, employees report less burn out, less fatigue and better physical health. On the other side, companies saw an increase in revenue and productivity. The combined benefits for both employer and employee, demonstrates why companies should start testing out a four-day workweek. This bill will incentivize companies to do just that by offering tax credits. The other important aspect of this bill is that it will require data be collected and submitted by participants, which will ensure that we see the benefits from a program like this, but also see where there are holes. Finding where the plan may be failing will allow the issues to be fixed and eventually draw in more employers.

The pandemic showed us all that a better work/life balance is a necessity and transitioning over time to a four-day workweek will significantly help with that balance.

For all these reasons and many more, please support the Four-Day Workweek Act. Thank you.

Sincerely,

Virginia Smith
10209 Rutland Round Rd
Columbia, MD 21044

SB 197_AFSCME3_FWA.pdf

Uploaded by: Denise Gilmore

Position: FWA



190 West Ostend St., #201
Baltimore, MD 21230
Phone: 410.547.1515
Fax: 410.837.5436

Patrick Moran - President

SB 197 - Four-Day Workweek Pilot Program and Income Tax Credit - Established (Four-Day Workweek Act of 2023)

POSITION: FAVORABLE WITH AMENDMENTS

AFSCME Council 3 represents employees who work in State Government and for our Public Higher Education Institutions. We support SB 197 with a few amendments. This legislation establishes a four-day workweek pilot program for eligible public and private employers administered by the Maryland Department of Labor (MDL). Under the pilot program, MDL administers the tax credit to businesses and encourages governmental units to participate in four-day workweeks. MDL must also conduct research and publish data reports required under the bill regarding the use of four-day workweeks in Maryland under the pilot and internationally.

AFSCME Council 3 generally supports the expansion of more family friendly work schedules for our members. We do feel that clarifying amendments are required in SB 197 to ensure that the exclusive bargaining representative has an opportunity to negotiate the parameters of any four-day workweek pilot that our members would be subject to under this bill. We think the following amendment would address this concern:

On 3-1803(B)(2):

Pg. 4, line 4 – Insert

(2) INCLUDE INFORMATION INDICATING THAT THE APPLICANT DID NOT HAVE ANY PRIOR INTENTION OF TRANSITIONING ITS WORKFORCE OR A DIVISION OF ITS WORKFORCE FROM A 5-DAY WORKWEEK TO A 4-DAY WORKWEEK; AND WHERE AN EXCLUSIVE BARGAINING REPRESENTATIVE EXISTS, A SIGNED AGREEMENT WITH THE EXCLUSIVE BARGAINING REPRESENTATIVE TO ESTABLISH THE PARAMETERS OF A 4-DAY WORKWEEK FOR REPRESENTED EMPLOYEES.

Addressing the Fiscal and Policy note, AFSCME Council 3 also feels that state employees, not contractual employees, should administer this program in the MDL. The work performed for this program is similar to the skills needed to administer other programs within the agency. MDL should invest in more permanent employees it can cross-train, rather than temporary employees.

SB 197 is good legislation, and we urge the committee to provide a favorable report with these amendments. Thank you.

Every AFSCME Maryland State and University contract guarantees a right to union representation.
An employee has the right to a union representative if requested by the employee.
800.492.1996

Find us: afscmemd.org
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Follow/Tweet us: [@afscmemaryland](https://twitter.com/afscmemaryland)

Page 2 - Ch. 6 of 2022.pdf

Uploaded by: Henry Bogdan

Position: FWA

Revenue Code, not exceeding the credit allowed for targeted jobs under § 51 of the Internal Revenue Code.

(2) THE SUBTRACTION ALLOWED UNDER THIS SUBSECTION SHALL BE REDUCED BY THE AMOUNT OF THE CREDIT CLAIMED BY THE TAXPAYER UNDER § 10-754 OF THIS TITLE.

10-754.

(A) IN THIS SECTION, “FEDERAL WORK OPPORTUNITY CREDIT” MEANS THE WORK OPPORTUNITY TAX CREDIT ALLOWED UNDER § 51 OF THE INTERNAL REVENUE CODE FOR WAGES PAID OR INCURRED BY AN EMPLOYER TO AN INDIVIDUAL WITH BARRIERS TO EMPLOYMENT.

(B) AN EMPLOYER MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR WAGES PAID OR INCURRED BY THE EMPLOYER DURING THE TAXABLE YEAR TO AN INDIVIDUAL WITH BARRIERS TO EMPLOYMENT WHO IS EMPLOYED IN THE STATE IN AN AMOUNT EQUAL TO THE LESSER OF:

(1) ~~100%~~ 50% OF THE FEDERAL WORK OPPORTUNITY CREDIT PROPERLY CLAIMED FOR THE TAXABLE YEAR BY AN EMPLOYER ON THE EMPLOYER’S FEDERAL INCOME TAX RETURN WITH RESPECT TO THOSE WAGES, EXCLUDING ANY AMOUNT CARRIED BACK OR FORWARD FROM ANOTHER TAXABLE YEAR IN ACCORDANCE WITH § 39 OF THE INTERNAL REVENUE CODE; OR

(2) EXCEPT IN THE CASE OF AN EMPLOYER THAT IS AN ORGANIZATION EXEMPT FROM TAXATION UNDER § 501(C) OF THE INTERNAL REVENUE CODE, THE STATE INCOME TAX IMPOSED FOR THAT TAXABLE YEAR.

(C) AN EMPLOYER THAT IS AN ORGANIZATION EXEMPT FROM TAXATION UNDER § 501(C) OF THE INTERNAL REVENUE CODE MAY APPLY THE CREDIT UNDER THIS SECTION AS A CREDIT FOR THE PAYMENT TO THE COMPTROLLER OF TAXES THAT THE ORGANIZATION:

(1) IS REQUIRED TO WITHHOLD FROM THE WAGES OF EMPLOYEES UNDER § 10-908 OF THIS TITLE; AND

(2) IS REQUIRED TO PAY TO THE COMPTROLLER UNDER § 10-906(A) OF THIS TITLE.

~~(D)~~ (D) THE UNUSED AMOUNT OF THE CREDIT UNDER THIS SECTION MAY NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.

SB197 - Support -Finance -Four-Day Workweek Act of

Uploaded by: Henry Bogdan

Position: FWA



marylandnonprofits.org

1500 Union Avenue | Suite 2500 | Baltimore, MD 21211
410.727.6367 | 800.273.6367 | Fax 410.235.2190

February 9, 2023

Testimony on Senate Bill 197
Four-Day Workweek Act of 2023
Senate Finance Committee

Position: Favorable with Amendments

Maryland Nonprofits is a statewide association of more than 1500 nonprofit organizations and institutions. We urge you to support Senate Bill 197 with an amendment that would allow tax exempt nonprofit organization who otherwise qualify, to participate and receive an equivalent incentive as for profit employers.

Experience with the COVID pandemic and the changing nature of much employment through the application of technology, has demonstrated the impressive impact that flexibility in time and place has on worker productivity and satisfaction, and for employers the benefit to worker recruitment and retention.

As with other sectors of the workforce, this also true among nonprofit employees and employers, who represent 13% of Maryland's total private employment – more than any other private business sector. Nonprofits' employment nationally is still recovering to pre-pandemic levels, and they face the same competitive factors as other, and particularly small employers – the ability to provide benefits and other desirable working conditions.

The access to a financial subsidy for transitioning all or a segment of their workforce could help some nonprofits to compete on closer to an equal footing with other employers for retention and recruitment.

To make this possible, we urge you to adopt amendments similar to those already in place in some of the state's other employer incentives, most recently last year's Work Opportunity Tax Credit with respect to nonprofits – by allowing them to use the credit, if they otherwise qualify, against their employee withholding tax accounts with the State Comptroller. I have attached a sample of that language with this testimony.

We urge a favorable report with this type of amending language.



SB 197_BOMA_UNF.pdf

Uploaded by: Bryson Popham

Position: UNF

February 9, 2023

The Honorable Melony Griffith
Chair, Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

RE: Senate Bill 197 - Four-Day Workweek Act of 2023 - UNF

Dear Chair Griffith and Members of the Committee,

On behalf of the Building Owners and Managers Association of Baltimore (BOMA), we respectfully oppose Senate Bill 197.

BOMA, through its nearly 300 members, represents owners and managers of all types of commercial property, comprising 143 million square feet of office space in Baltimore and Central Maryland. Our members' facilities support over 19,000 jobs and contribute \$2.5 billion to the Maryland economy each year. We note that the challenges involved in hiring and maintaining a highly-qualified, professional workforce were exacerbated during the recent pandemic. These hiring challenges continue today.

We respectfully submit that such employment conditions as a four-day work week are, and should remain, within the sole authority of the employer to determine. While we agree that the Program proposed in this bill is voluntary, its adoption in the Maryland workplace could prove disruptive to certain industries or businesses by providing a new employee benefit that is entirely paid for with taxpayer dollars. We note that some businesses have already adjusted the length of time that employees are required to work as a response to the significant disruption caused by the pandemic. The Committee will also acknowledge a substantial shift in recent years to remote employment – a phenomenon that continues to evolve.

If the General Assembly decides that a four-day work week is an appropriate subject to address using a pilot program, it should, at a minimum, be limited to government units only and be followed by a thorough examination of its effects before widespread application in the employer community. Notwithstanding the view stated above, that the referenced legislation, if enacted, should be limited to government agencies only, BOMA respectfully requests an unfavorable report on Senate Bill 197.

Sincerely,



Kevin J. Bauer

cc: Bryson Popham

sb 197_MAMIC_UNF.pdf

Uploaded by: Bryson Popham

Position: UNF



191 Main Street, Suite 310 – Annapolis MD 21401 – 410-268-6871

February 9, 2023

The Honorable Melony Griffith
Chair, Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

RE: Senate Bill 197 – Four-Day Workweek Act of 2023

On behalf of the Maryland Association of Maryland Insurance Companies (MAMIC), we respectfully oppose Senate Bill 197 - Four-Day Workweek Act of 2023.

MAMIC is comprised of 12 mutual insurance companies that are headquartered in Maryland and neighboring states. Approximately one-half of our members are domiciled in Maryland, and are key contributors and employers in our local communities. Together, MAMIC members offer a wide variety of insurance products and services and provide coverage for thousands of Maryland citizens.

As our client association is comprised of a number of small businesses, we note that the challenges involved in hiring and maintaining a highly-qualified, professional workforce were exacerbated during the recent pandemic. These hiring challenges continue today.

We respectfully submit that such employment conditions as a four-day work week are, and should remain, within the sole authority of the employer to determine. While we agree that the Program proposed in this bill is voluntary, its adoption in the Maryland workplace could prove disruptive to certain industries or businesses by providing a new employee benefit that is entirely paid for with taxpayer dollars. We note that some businesses have already adjusted the length of time that employees are required to work as a response to the significant disruption caused by the pandemic. The Committee will also acknowledge a substantial shift in recent years to remote employment – a phenomenon that continues to evolve.

If the General Assembly decides that a four-day work week is an appropriate subject to address using a pilot program, it should, at a minimum, be limited to government units only and be followed by a thorough examination of its effects before widespread application in the employer community. Notwithstanding the view stated above, that the referenced legislation, if enacted, should be limited to government agencies only, MAMIC respectfully requests an unfavorable report on Senate Bill 197.

Thank you for your consideration of our views on this important legislation.

Sincerely,

Jeane A. Peters, President

cc: Bryson Popham