Thank you for convening this hearing on such an important issue. I'm Vishal Reddy, and I'm the Executive Director of WorkFour, which helps lead the national effort for a four-day workweek with no loss in pay. We do this by connecting executives, policymakers, and workers to each other. We are excited to be writing in support of Maryland Bill HB 559.

The evidence shows that the four-day workweek is the rare, triple-dividend "win-win" policy: it is a win for employers, it is a win for workers, and it is a win for society.

Benefits for Employers: Though the path to implement the four-day workweek varies from industry to industry (as evidenced by Maryland employers <u>Lower Shore Clinic</u> and <u>Tricerat</u>), it has been proven to work in all kinds of industries. In a <u>recent trial study by 4 Day Week Global</u>, 100% of the employers that pilot or implement a four-day workweek intend on keeping it. Why? The evidence from extensive workplace trials shows that they've experienced (1) no loss in revenue, (2) increased productivity, (3) increased employee retention and satisfaction, and (4) reduced turnover.

For public sector employment, increased employee retention and reduced turnover is especially important. Since COVID-19, state and local governments have struggled to return workforce levels to where they were before the pandemic, a threshold that was already too low given the state's many needs. Not only does the improved recruitment and retention improve the quality of the state's workforce, it also helps greatly reduce the many costs associated with turnover, finding potential employees, and training new employees. Given the limited size of state budgets, it is increasingly hard to compete with comparable private sector jobs. While states are limited in what they can offer workers in terms of wages and pay, the four-day workweek is a benefit that they can afford that greatly improves the state's ability to attract and retain workers that doesn't also diminish the state's ability to provide critical services for its residents.

Benefits for Workers: Why does the four-day workweek serve as such a powerful tool for recruitment and retention, such that 95% of employees who have tried a four-day workweek want to keep it? This is because the four-day workweek has a profound, sizable, and measurable effect on well-being. In the trials done by 4 Day Week Global, employees on a four-day workweek reported a 69% decrease in burnout, 74% more work-life balance satisfaction, and increased time to care for their loved ones and engage with their community. Evidence for the employee benefits continues to build. In a report published in February 2024 by the Work Time Reduction Center of Excellence, 42% of employees at a traditional five-day, 40-hour workweek organization experienced burnout, compared to only 9% of employees at organizations implementing a 4-day, 32-hour workweek.

Benefits for Society: The four-day workweek is an important advancement for society because of the impacts it has on our collective well-being:

- *Environmental Impact:* Up to a 20% decrease in emissions due to less commuting. Also, 42% of workers trialing a four-day workweek reported increased time for environmentally-friendly activities.
- Mental Health: <u>Increased levels of happiness</u> and well-being for the population.
- *Gender Equity:* In the trials, for heterosexual couples, men with a four-day week reported spending 22% more time on childcare and 23% more time on housework, while women's time on these responsibilities decreased.
- Leverage AI/Automation: The productivity gains from automation can be directed towards workers in the form of time.
- *Democracy:* People have increased time to engage with civic institutions in their communities.

Public Sector Increasingly Shifting to a Four-Day Workweek: While Maryland would be the first state to formally shift its workforce to a four-day workweek, localities across the country have already taken these steps and offer a roadmap for how Maryland can proceed with its four-day workweek. This boost in recruitment and retention is <a href="https://www.work.org/why.o

Thank you,

Vishal Reddy Executive Director of WorkFour