



Reprinted from *Future of Work Agenda*  
April 2005

## **In Our Humble Opinion: What Will a World of \$5 Gas Be Like?**

*Commentary by Charlie Grantham and Jim Ware*

“In the year 2525, if man is still alive.....”

This month we're inspired by a simple question: What does it take to change people's work behavior? In particular, we've been thinking about commuting patterns. How far are people willing to commute on a daily basis? How much time are they willing to spend driving, riding, and waiting for buses and trains?

We don't have the definitive data to answer those questions, but we do know that these days people are driving farther and farther, and putting more and more time into this ridiculous ritual every day.

So just where is this masochistic behavior coming from?

Driving through Northern California recently ourselves (no bubba, we weren't actually commuting, we were on our way to a client meeting), we noticed how sky-high the gasoline prices had gotten. Then we got stuck in traffic at 3:30 in the afternoon as all those cube-bound Dilberts were headed back to their home cubbies in the burbs. And, believe it or not, we passed one gas station where the price had risen over six cents in the two hours since we'd driven by earlier going the other way.

We still find it hard to believe that literally 1,000's (make that millions) of people now drive two or more hours each way, everyday, to and from work. Well, we think that's absolutely nuts, and we started wondering why so many people engage in such non-rational behavior just for the sake of a paycheck.

OK, OK, we know everybody needs a job (or at least some way to pay the bills). But when will we get to the point where folks say, “Wait a second, this ain't worth the hassle any more”?

What if gasoline gets to \$5 a gallon? Now you're probably out there saying, “These guys are the nutty ones. I'm old enough to remember the late 70's oil crisis.”

Well, *do* you remember that weird time? Once upon a time most of us thought gas would never hit a buck a gallon; the government would never let that happen, no sirree. Well, looky here, it's 25 years later and now anything under \$2 a gallon is a real deal.

And do you know how much people pay for gas in Europe? We checked it out (virtually of course; we couldn't afford to go way over there just to do real empirical research). It's something like three times what we in the good ol' US-of-A pay these days. So if we are paying \$2 a gallon now, they're coughing something over \$6 a gallon. Now, when we hit \$3, they'll be somewhere around \$9.00 (of course a lot of that is taxes, but that's still a real cost of turning on the engine).

And our hypothetical projection of \$5.00 a gallon may even be a tad bit conservative.

Do the math. If you drive 100 miles to work (yes, Virginia people do that!), that's 200 miles a day, five days a week, or over 4000 miles a month. Following us so far? Now if you drive one of those big butt SUV's – which, in our observation, a lot of folks do, you get let's say 15 miles to a gallon of go juice. So you burn close to 266 gallons a month.

At \$2.00 a gallon your bill is over \$500 bucks a month. Double that and you are forking over \$1000 a month! There goes your 401K retirement plan!. Will doubling or even tripling your price of commuting change your attitude about your job? We're betting it just might.

Now, that SUV getting 15 miles a gallon and going 200 miles a day might seem a bit extreme, but it's all relative folks – the same multiplier applies to everyone.

A rational person can do a few things. Take public transportation. Right! That dog won't hunt for most of us. Most of those who can take the train or bus are already doing it.

Ok, how about getting your employer to pay for your commute? Hello, can you just see Dilbert asking Catbert for a few extra grand a year because gas has gone up? Don't think so.

In the United States, at least, getting to work is the responsibility of the worker. And with the price of housing in major metro areas, you have to go 100 miles or more away to find a decent house you can afford. But in this "you're on your own" society that's your problem, bubba.

So what's next on the option list? Well, how about bringing the work to you? Yep, you heard it here first. When the cost of commuting goes up by a factor of three, we think people will start saying "It just ain't worth it." Voila! Another major driver towards distributed work. Just ask yourself this: If it cost me three times as much to get to work, would I start looking for other employment options?

While we are on a roll here let's trace this logic out a notch or two further. As long as the direct cost of work transportation is relatively low most of us put up with it. Pop in another CD, get on the cell phone, whatever.

But what about all those hours you spend in the SUV crawling along the freeway? What's four hours a day worth to you? If you put just half that time back into work you'd get a 25% increase in billable time (that's consultant speak for making the big bucks). So let's see here. I could maybe make 25% more and cut my costs by a couple hundred bucks a month? Please help me understand why I'm sitting in this car.

Every once in a while an issue comes along that just breaks the back of the camel (no energy pun intended here). We think a tripling of energy prices in the United States over the next 3-5 years could just be the kind of event that flips people over the edge and drives them towards a whole new view of work: "Bring the work to me 'cause I ain't going to go that far from home just to get it."

If you are an employer, now's the time to start thinking about remote and satellite offices, or going gung-ho after setting up distributed work programs. Alvin Toffler commented over 30 years ago that the single most unproductive aspect of our economy is putting millions of people into big, heavy automobiles every morning, moving them to workplaces, and then moving them back home every evening. Maybe the combination of

technology and energy costs is finally waking up the rest of us. Bring the work to me; it's one whole heck of a lot cheaper and far less time-consuming. And I can live in a really nice place of my own choosing to boot.

Please direct your comments to [comments@thefutureofwork.net](mailto:comments@thefutureofwork.net). We'd love to publish your reactions and suggestions. And thanks for listening.

### **About the Work Design Collaborative and *Future of Work Agenda***

*Future of Work* is a global network of resources – practitioners, thought leaders, researchers, and senior consultants – who are committed to building and implementing physical, social, and technology-based work environments that are cost-effective, socially and environmentally responsible, and personally satisfying.

We are focused on defining the future of work and helping our members and clients achieve new levels of workforce and workplace productivity. *Future of Work* produces and distributes management tools, surveys, benchmark databases, white papers and technical reports, conferences and workshops, newsletters, books and articles, and public presentations on the changing nature of work. The Work Design Collaborative, LLC, provides leadership and infrastructure services for the *Future of Work* community.

*Future of Work Agenda* is a free monthly electronic newsletter produced by the *Work Design Collaborative*.

Direct inquiries to either Charles Grantham at +1 928 771 9138, or [charlie@thefutureofwork.net](mailto:charlie@thefutureofwork.net), or James Ware at +1 510 558 1434, or [jim@thefutureofwork.net](mailto:jim@thefutureofwork.net)