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WORK ARRANGEMENTS

Improved Collaboration Could Enhance Labor Force Data

Why GAO Did This Study

Millions of U.S. workers are in nonstandard work arrangements. Studies also indicate that increasing numbers of workers participate in contract arrangements, as employers outsource business functions once managed internally. Several federal agencies collect and use data on these work arrangements, with the Department of Labor having a prominent role. The Office of Management and Budget (OMB) supports, coordinates, and oversees federal statistical agencies' efforts.

GAO was asked to review what data are available on these arrangements. This report examines the (1) prevalence of these work arrangements and worker outcomes, such as access to benefits; (2) data federal agencies collect and any limitations of the data; and (3) extent to which agencies have addressed limitations in available data.

GAO reviewed studies on work arrangements and interviewed agency officials and a nongeneralizable sample of seven subject matter experts (selected in part for authoring widely cited studies). GAO also compared agency collaboration efforts against federal guidance and leading collaboration practices identified in its prior work.

What GAO Recommends

GAO recommends that Labor lead efforts to develop or adapt an interagency collaborative mechanism to improve the measurement of nonstandard and contract work, and that OMB support this effort. Labor and OMB generally agreed with the recommendations.

What GAO Found

Federal agency estimates vary widely with respect to the share of workers in nonstandard and contract work arrangements—that is, work that is not permanent, year-round employment with predictable full-time hours. Estimates range from less than 5 percent to over 30 percent of the total workforce, depending on the type of arrangement measured, how it is defined, and methodology used. In addition, limited data are available on worker outcomes, such as those relating to workplace safety, wages, and access to benefits. However, available data indicate that nonstandard and contract workers generally have fewer benefits and workplace protections than permanent, full-time employees.

Data collection on nonstandard work arrangements is fragmented across at least seven federal agencies, which measure different populations and use varied terms and methodologies to meet specific purposes. This fragmentation contributes to limitations in data quality and results in varying estimates of nonstandard and contract work arrangements that are not directly comparable. As shown below, multiple terms may be used by one or more agencies to describe a single job—such as a dog walker—depending on specific circumstances.

Selected Terms That May Be Applied to the Same Work (Dog Walker), by Federal Entity

Terms that might be used to apply to a dog walker:	Census Bureau	Department of Labor	Internal Revenue Service
Contingent worker		■	
Contractor	■		
Freelance work(er)		■	
Independent contractor	■	■	■
Leased employee from a leasing service	■		
Nonemployee			■
Part-time work(er)	■	■	
Self-employ(ed)		■	■
Sole proprietor			■
Subcontractor	■		

■ Term was used on the data source's survey questionnaire or administrative form
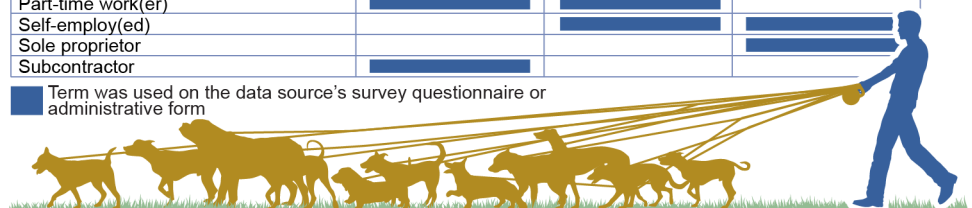
Sources: GAO analysis of agency documentation; Adrian Hillman/stock.adobe.com (image). | GAO-24-105651

Federal agencies have taken some steps to address data limitations relating to nonstandard and contract workers, such as commissioning a panel to review a key survey of these workers. However, interagency efforts do not include an ongoing collaborative mechanism, such as a committee or working group, and have not been effective in addressing data quality issues or fragmentation. Agencies reported prioritizing the needs of their individual programs in their data collection efforts. Without an ongoing interagency collaborative mechanism in place—and agencies providing coordination and leadership for such an effort—agencies can risk working at cross purposes and lack incentives to prioritize crosscutting concerns. Data improvements from such an effort could help policymakers and others better understand this labor market segment and worker outcomes in it.

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United States Government Accountability Office