

GAO Highlights

Highlights of [GAO-17-561](#), a report to the Ranking Member, Subcommittee on Taxation and IRS Oversight, Committee on Finance, U.S. Senate

Why GAO Did This Study

In 2015, GAO reported that millions of workers do not have standard work arrangements. Some barriers to self-employed gig work have been reduced by online platforms, and while the public workforce system is accessible to all job seekers, it is unclear how the system is helping gig workers obtain the necessary skills and training to be successful. GAO was asked to review the skill and training supports needed by gig workers.

GAO examined (1) what is known about the characteristics of gig workers and the work they perform, including its benefits and downsides, (2) the non-occupational skills and training that stakeholders indicate are needed by gig workers and how they are provided, and (3) the challenges that selected federal agencies and workforce development boards cite in providing supports for gig workers. GAO conducted a literature review and interviewed officials at federal agencies and a nongeneralizable sample of 8 state and 11 local workforce boards—locations selected based on the likelihood of a large number of gig workers, among other factors—and gig company officials, gig workers, researchers, and other stakeholders. GAO also reviewed relevant federal laws, regulations, and guidance.

What GAO Recommends

GAO recommends that DOL take steps to help workforce boards find and share information on promising practices related to serving gig workers. DOL agreed with GAO's recommendation.

View [GAO-17-561](#). For more information contact Cindy S. Barnes at (202) 512-7215 or brownbarnesc@gao.gov.

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WORKFORCE TRAINING

DOL Can Better Share Information on Services for On-Demand, or Gig, Workers

What GAO Found

Studies GAO reviewed suggest that workers who engage in on-demand, or “gig” work, differ in their characteristics and types of work performed, but each of these defined these workers differently. There is no universally accepted or official definition of gig workers; but, for its report, GAO has identified their characteristics as follows: self-employed individuals providing labor services and completing single projects or tasks on demand for pay. Gig work can be obtained or performed either offline or online. According to the three quantitative studies GAO reviewed, up to about 40 percent of workers earning money through online gig work (i.e., applications or websites that connect workers with customers) were 34 years old or younger. They worked in a variety of occupations ranging from providing legal services to moving furniture. According to stakeholders GAO interviewed, benefits of gig work included flexibility in scheduling and autonomy, while downsides included a lack of financial security and benefits, such as health and unemployment insurance.

According to stakeholders, gig workers need soft skills and business skills, many of which can be provided by the Department of Labor's (DOL) existing programs. Soft skills include customer service, time management, and self-motivation, and business skills include marketing and financial literacy and management. In addition, gig workers need an understanding of legal matters (e.g., contracts) associated with gig work. The nation's public workforce system, including workforce boards, which DOL oversees, and other partners can provide some of these self-employment skills based on local area needs. Officials at the local workforce boards GAO interviewed said they served gig workers either directly, for example, through recruitment events and by providing career services, or indirectly, such as through general self-employment services. For instance, the Chicago board recruited drivers for a ridesharing company and the San Francisco board helped gig workers in the media and visual arts develop their portfolios and build their networks.

Officials from selected state and local workforce boards cited two broad challenges in providing supports for gig workers: a lack of information on promising practices related to gig workers and difficulties in reporting their employment-related outcomes. Officials from all 19 state and local boards GAO interviewed expressed interest in other boards' efforts to serve gig workers. DOL shares promising practices through its searchable online portal, but has not fully linked “gig” and related terms to relevant information on self-employment. Helping boards easily find and share promising practices relevant to gig workers would allow boards that want to help gig workers to do so more fully and efficiently. State and local board officials also explained that it is challenging to verify employment and earnings outcomes for the self-employed as they are required to do under the Workforce Innovation and Opportunity Act (WIOA). Because these outcomes for gig workers may be difficult to verify, a board's performance under WIOA may be negatively affected and result in penalties. Consequently, DOL officials said workforce boards had asked for guidance on collecting outcome information. In June 2017, DOL issued clarifying guidance to boards on how to collect information that can be used to report outcomes required under WIOA.