

**THE POTENTIAL OF  
JEDx TO REDUCE  
EMPLOYER BURDEN  
BY CONSOLIDATING  
REPORTING TO  
GOVERNMENT:  
INITIAL OBSERVATIONS**

# INTRODUCTION AND EXECUTIVE SUMMARY

The U.S. Chamber of Commerce Foundation launched the public-private Jobs and Employment Data Exchange (JEDx) initiative to promote the consistent sharing and use of data on jobs and employment. One JEDx priority is to improve how employers report jobs and employment data to federal and state government agencies and enhance access and use of this data while protecting privacy. JEDx is exploring how to streamline government reporting in ways that improve data quality and timeliness and reduce costs through data standardization, modernization of the data collection systems through public-private application programming interfaces (APIs), and the consolidation of federal and state data collection systems.

Many states are exploring how to enhance state unemployment insurance (UI) data collection and minimize additional data collection costs for employers and government agencies. JEDx proposes to accomplish this by consolidating state UI data collection with related federal collection systems in multiple stages.

This report estimates the range of possible reduction of employer reporting burden that could be achieved through the first two stages of this approach and suggests next steps in further determining the potential benefits of consolidating federal and state reporting systems. It describes the approach and methodology, provides the findings, and concludes with proposed next steps.





## Summary of Findings

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Forty-three federal information collections ask employers to provide workforce counts and characteristics. Together, on an annual basis, these information collections require 504.5 million completed forms, 69.7 million respondents, 784.5 million work hours, a government-estimated \$30.1 billion in employer payroll costs to complete forms and maintain records, plus \$1.1 billion in federal government appropriations to support collection.

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Based on government estimates, a first stage JEDx effort that consolidated three Bureau of Labor Statistics (BLS) surveys could reduce up to \$13.1 million in annual employer reporting costs and a portion of the \$93.4 million in federal costs.

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Based on government estimates, a second stage JEDx effort that consolidated six data collections could reduce up to \$135.4 million in annual employer reporting costs and a portion of the \$101.9 million in federal costs.

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Savings achieved by these efforts could provide the evidence needed to generate greater employer and government savings through additional report consolidation.

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Support for JEDx implementation—and its potential for achieving significant private and public cost savings—goes up to the extent that government estimates of time and cost burden are trusted. Full documentation of the basis for government estimates would facilitate that trust.



# APPROACH AND METHODOLOGY

Under the Paperwork Reduction Act (PRA), any federal agency desiring to carry out an information collection from more than nine respondents must go through a structured process of requesting the approval of the Office of Management and Budget (OMB) and inviting the public to submit comments on all aspects of its request.<sup>1</sup> Each information collection request (ICR) contains a supporting statement that must include estimates of annual respondent burden in terms of hours; payroll costs; and any startup, maintenance, or capital costs (annualized). In addition, the supporting statement should provide an estimate of the annual cost to the federal government.<sup>2</sup>

Previous research by the JEDx Initiative identified 43 federal data collections of data from employers' earnings and employment records. For this report, JEDx researchers downloaded the supporting statement for each of these 43 data collections and entered the estimated respondent burden and federal government cost onto a spreadsheet. That spreadsheet serves as the basis for this report's analysis.

To estimate annual burden hours, each supporting statement typically includes the number of respondents per year, frequency of response (e.g., annual, quarterly), hourly burden per response (or annual burden per respondent), and total annual hourly burden. The supporting statement then typically identifies the occupation(s) of the people completing the data collection, the average hourly pay of persons in that occupation according to the most recent Bureau of Labor Statistics (BLS) Occupational Employment and Wages Statistics (OEWS) or National Compensation Survey (NCS), and the annual payroll cost (annual hourly burden x average hourly wage). The estimated cost to the federal government typically is given as a single number, without any preceding calculation.

Regarding the characteristics of the estimates provided by the federal agencies:

- In each supporting statement, time burden per respondent, the occupation of the respondent, and the estimated federal cost typically are provided as assertions.
- Average hourly wages based on the OEWS do not include fringe benefits, while wages rates based on the NCS do. As a third variation, some organizations (e.g., Health and Human Services [HHS]) use OEWS data and then double the figure for fringe and overhead.
- In no instance among the 43 data collections did the sponsoring federal agency indicate that employer respondents would incur any startup, maintenance, or capital costs.<sup>3</sup>
- In a few instances, the calculations provided by the sponsoring federal agency were incomplete or seemed unclear and so researcher judgment was required before entering figures onto the spreadsheet used for this analysis.<sup>4</sup>

Documentation of the basis for the government's conclusions about respondent burden hours, payroll costs, and startup, maintenance, and capital costs is not required by OMB or given by the sponsoring federal agency.

In the absence of such documentation and on review of government estimates of employer burden in comparison with report form, the research team became concerned that many employers could believe that their actual burden experience was much greater than the government's estimates. To the extent that the government underestimates the actual burden, this report underestimates the potential time and cost savings of report consolidation. Further, employer perceptions that the government has underestimated burden, whether or not those perceptions are correct, could reduce employer trust in government and so add a challenge to gaining employers' support for JEDx.

<sup>1</sup> See "A Guide to the Paperwork Reduction Act" at <https://pra.digital.gov/>. Approved data collections receive a clearance from OMB for up to three years, at the end of which the agency must return to OMB with a request for a renewed approval.

<sup>2</sup> OMB directs that the supporting statement should "indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated"; "provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories"; provide "a total capital and startup cost component (annualized over its expected useful life) and a total operation and maintenance and purchase of services component"; and "provide estimates of annualized costs to the Federal government."

<sup>3</sup> In two instances, the sponsoring agency said that state governments would bear such costs.

<sup>4</sup> As the most consequential instance, the Internal Revenue Service did not provide hourly payroll cost estimates for its five data collections on the JEDx list. Reviewing those provided by other agencies, the author chose to assume the IRS respondent is an accountant earning \$39.26/hour.

# FINDINGS

As noted, the JEDx Initiative identifies 43 distinct annual, quarterly, monthly, and sub-monthly federal information collections from employers on workforce counts and characteristics. According to the 17 federal agency sponsors, on an annual basis these information collections collectively require:

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**504.5 million** completed forms

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**69.7 million** respondents<sup>5</sup>

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**784.5 million** hours to complete forms and maintain records

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**\$30.1 billion** in employer payroll costs to complete forms and maintain records

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**\$1.1 billion** in federal government appropriations<sup>6</sup>

These federal data collections have inconsistent reporting requirements and systems for collecting data from employers. Diverse state requirements for workforce data further increases employer burden. Ad hoc state efforts now underway to enhance UI records (e.g., adding occupation, worksite location, and/or work hours) will increase employer reporting burden even more, as will proposed expansions of federal data collections, e.g., BLS plans for OEWS.<sup>7</sup>

**JEDx is actively exploring how government can reduce employer and government costs of current and enhanced data collections through data standardization; the consolidation of federal and state government reporting systems; and the modernization of collection systems using APIs that can better integrate with employer HR systems.**

JEDx is working with a few states and other partners to plan pilot tests of these improvements.



<sup>5</sup> This figure is the sum of the number of respondents for each of the 43 data collections. For the purposes of this calculation, one employer responding to 20 data collection requests = 20 respondents. As many firms respond to multiple data collections, the number of unique respondents cannot be known.

<sup>6</sup> These estimates are provided by the sponsoring federal agencies in information collection requests (ICRs) submitted for review and approval by the Office of Management and Budget, as required by the Paper Reduction Act. As each ongoing information collection (IC) is renewed every three years, the federal cost estimate for any one IC could be as of any fiscal year between FY2020 and FY2023.

<sup>7</sup> In the OEWS supporting statement filed with OMB, BLS indicates it is exploring the feasibility of collecting additional data elements from employers, such as part-time or full-time status, hours, whether employees are exempt from the Fair Labor Standards Act, gender, age, EEO category, union status, specific job title, and department. BLS further indicates that it is considering asking multiunit companies to report occupational wage data for all establishments rather than only for sampled establishments. (Supporting Statement Part B: Report on Occupational Employment and Wages, November 2021 at <https://www.reginfo.gov/public/do/DownloadDocument?objectID=129767901>.)



# FINDINGS (CONTINUED)

As shown in Table 1, JEDx proposes to start with a first stage that could consolidate state UI data collection with three BLS data collections currently administered in cooperation with state workforce agencies that also manage UI data collection systems—the Annual Refiling Survey (ARS), the Multiple Worksite Report (MWR), and the Occupational Employment and Wage Statistics (OEWS). This stage also could build on current BLS and state UI data sharing agreements. BLS tells OMB that the annual time and fiscal burden of these three programs is as follows:

**Table 1: JEDx First Stage Federal Information Collections**

This table suggests that a JEDx-enabled consolidation could reduce up to \$13.1 million in annual employer reporting costs and a portion of the \$93.4 million in federal costs.

Data Collection	Number of Respondents	Number of Responses	Average Annual Time Burden (Hours)	Total Time Burden (Hours)	Average Hourly Wage (*NCS)	Total Respondent Cost Burden	US Government Cost
ARS	1,098,000	1,098,000	0.11	116,750	\$20.51*	\$2,394,543	\$59,000,000
MWR	148,442	593,768	1.48	219,694	\$30.48*	\$6,696,273	
OEWS	255,362	255,362	0.50	131,688	\$30.48*	\$4,013,851	\$34,400,000
<b>Total Phase 1</b>	<b>1,512,931</b>	<b>1,958,257</b>	<b>0.31</b>	<b>469,689</b>	<b>\$28.15</b>	<b>\$13,104,667</b>	<b>\$93,400,000</b>

## JEDx First Stage Data Collection Systems

### ARS

Each year, states and BLS ask one-third of all private sector employers to confirm their North American Industry Classification System (NAICS) codes and geographic codes.

### MWR

The states and BLS ask employers with multiple worksites to provide employment and earnings information for each site on a quarterly basis.

### OWES

The states and BLS ask employers to provide information on the number and wages of workers by occupation or job title.

If this starting point is successful, JEDx proposes an expanded effort to include three additional federal collections—the HHS National Directory of New Hires (NDNH), the Hospital Wage Index (HWI) Occupational Mix Survey, and the Census Bureau’s Annual Survey of Public Employment & Payroll (ASPEP). Table 2 provides burden data for these three additional collections and then sums the data for both phases.

**Table 2: JEDx Second Stage Federal Information Collections**

This table suggests that a JEDx-enabled consolidation of six data collections could reduce up to \$135.4 million in annual employer reporting costs and a portion of the \$101.9 million in federal costs.

Data Collection	Number of Respondents	Number of Responses	Average Annual Time Burden (Hours)	Total Time Burden (Hours)	Average Hourly Wage (*NCS)	Total Respondent Cost Burden	US Government Cost
NDNH	6,077,162	69,980,561	0.05	311,207	\$42.99^+	\$13,378,827	\$5,600,000
HWI	3,200	3,200	480.00	1,536,000	\$70.72^+	\$108,625,920	\$1,131,520
ASPEP	16,589	16,589	0.85	14,146	\$22.79^	\$322,390	\$1,800,000
<b>Total Phase 2</b>	<b>6,096,951</b>	<b>70,000,350</b>	<b>0.31</b>	<b>1,861,353</b>	<b>\$65.72</b>	<b>\$122,327,137</b>	<b>\$8,531,520</b>
<b>Total Phases 1 &amp; 2</b>	<b>7,598,755</b>	<b>71,947,480</b>	<b>0.307</b>	<b>2,329,485</b>	<b>\$58.14</b>	<b>\$135,431,804</b>	<b>\$101,931,520</b>

**JEDx First Stage Data Collection Systems**

**NDNH, HHS**

A federally mandated national repository of employment, unemployment insurance, and quarterly wage information submitted by state directories of new hires (SDNH), state workforce agencies (SWA), and federal employers to fulfill the federal child support enforcement requirements.

**HWI Occupational Mix Survey, HHS**

Collects data on the occupational mix of employees for each short-term, acute care hospital participating in the Medicare program in order to construct an occupational mix adjustment to the wage index that controls for the effect of hospitals' employment choices.

**ASPEP, Census Bureau**

Collects state and local government data on full-time and part-time employment and payroll statistics by governmental function.

Once the potential value of the JEDx two-stage approach is demonstrated, JEDx will explore greater cost savings by looking at larger federal data collections, such as the Equal Employment Opportunity Commission's Employer Information Reports EEO-1 (Private employers) and the Census Bureau's new Annual Integrated Economic Survey. Broader efforts also would allow exploration of improvements in data quality, e.g., consistency in the data reported by each employer across multiple agencies, and in that employer's industry (NAICS) classification.



# SUMMARY AND NEXT STEPS







## Summary and Next Steps

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These findings, which take PRA reports on employer reporting burden at face value, are indicative of large potential savings that could be achieved through the JEDx two-stage approach.

**Savings achieved by these two stages in turn could provide the evidence needed to generate far more significant employer and government savings through additional government reporting consolidation.<sup>8</sup>**

As proposed by JEDx, the next step is conducting the first stage with federal and state partners. This next step would include two components:

- Refinement of current baseline reporting costs for both employers and federal and state agency partners using current collection systems.
- An evaluation of the impact of the consolidation of these reporting systems using a public-private API on both data quality as well as costs for employer and government agencies.

This information will inform continued testing of JEDx and help shape discussions with federal and state agencies as well as employers and their HR technology partners about future efforts to reduce data collection costs through data standardization and reporting system modernization and consolidation.

<sup>8</sup> We note that these dollar estimates are necessarily imprecise, in part reflecting their reliance on PRA submissions, which are inconsistent across programs and do not account for factors such as start-up costs and state variations in program requirements. Thus, any of these components may have upward or downward biases. Nevertheless, these estimates are the only ones available and form the basis of OMB and other government reports and decisions.



# APPENDIX

## Federal Information Collections Reliant on Employee Administrative Records

### **Department of Agriculture** **—National Agricultural Statistics Service**

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- Farm Labor Survey

### **Department of Commerce—Census Bureau**

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- Annual Business Survey (ABS)
- Annual Survey of Manufactures (ASM)
- Annual Survey of Public Employment & Payroll (ASPEP)
- Payroll, Timekeeping Clerks & Financial Clerks
- Business Enterprise Research & Development Survey (conducted jointly with NSF)
- 2022 Economic Census
- Quarterly Survey of Plant Capacity Utilization (SPCU)
- Report of Organization (ROO)
- Service Annual Survey (SAS)

### **Department of Education** **—National Center for Education Statistics**

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- National Principal and Teacher Survey—Preliminary and Final

### **Department of Health and Human Services** **—Administration for Children and Families**

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- National Directory of New Hires (NDNH)
- Department of Health and Human Services—Center for Medicare and Medicaid Services
- Hospital Wage Index Occupational Mix Survey

### **Department of Labor** **—Bureau of Labor Statistics**

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- Annual Refiling Survey (ARS)
- Current Employment Statistics (CES) Survey
- Job Openings and Labor Turnover Survey (JOLTS)
- Multiple Worksite Report (MWR)
- National Compensation Survey (NCS)
- Occupational Employment and Wage Statistics (OEWS)
- Occupational Requirements Survey (ORS)
- Department of Labor—Employment and Training Administration
- O\*NET Questionnaires
- DOL-only Performance Accountability, Information, and Reporting System
- Workforce Innovation and Opportunity Act (WIOA) Common Performance Reporting

### **Department of Labor—Wage and Hour Division**

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- Davis-Bacon Wage Surveys—Form WD-10
- Fair Labor Standards Act (FLSA) Requirements

### **Department of Transportation** **—Federal Highway Administration**

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- Federal-Aid Highway Construction Contractors Annual EEO Report

### **Department of the Treasury—Internal Revenue Service**

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- Wage and Tax Statements W-2/W-3 Series
- Employer's Quarterly Federal Tax Return—Form 941
- Employer's Annual Federal Tax Return for Ag Employees—Form 943
- Employer's Annual Federal Tax Return—Form 944
- Annual Return of Withheld Federal Income Tax—Form 945

### **Equal Employment Opportunity Commission**

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- Age Discrimination in Employment Act (ADEA) Requirements
- Equal Pay Act Requirements
- Employer Information Reports EEO-1 (Private employers)
- Employer Information Reports EEO-3 (Local Union)
- Employer Information Reports EEO-4 (State & Local Government)
- Employer Information Reports EEO-5 (Elementary -Secondary Schools)

### **Federal Communications Commission**

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- Broadcast Station Annual Employment Report

### **Federal Deposit Insurance Corporation—Office of Minority and Women Inclusion**

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- Contractor’s Diversity Profile
- Federal Housing Finance Agency—Office of Minority and Women Inclusion
- FHFA Contractor Workforce Inclusion Good Faith Efforts

### **Federal Reserve System**

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- Compensation and Salary Surveys—Forms FR 29a and FR 29b
- Securities and Exchange Commission—Office of Minority and Women Inclusion
- SEC Contractor Workforce Inclusion Good Faith Efforts

### **Social Security Administration**

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- Letter to Employer Requesting Wage Information
- Sheltered Workshop Wage Reporting



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