

Outcome Goal 1.3 – Improve the Effectiveness of Information and Analysis On The U.S. Economy

Maintaining competitiveness in the 21st Century requires Americans to be knowledgeable about trends in the global, national, and local economies. Private citizens, business owners, and public officials need to have access to up-to-date, high-quality information and statistics to assist them in making better informed decisions. The Department’s Bureau of Labor Statistics (BLS), which produces some of the Nation’s most sensitive and important economic indicators, looks for opportunities for innovation to improve the usefulness of its products and services to our customers. For example, in FY 2005, the Quarterly Census of Employment and Wages (QCEW) program released a new on-line tool for labor market analysis. The Location Quotient Calculator is designed to aid economic development professionals in accurately identifying industries that attract jobs and income, and sell goods and services outside their community. This innovative use of the QCEW data allows the customer to conduct a focused, detailed industry study at the desired geographic level.

Goal (Agency) and Statement	Performance Summary	FY 2005 Costs (millions)
<p style="text-align: center;">05-1.3A (BLS)</p> <p>Improve information available to decision-makers on labor market conditions, and price and productivity changes.</p>	<p>Goal substantially achieved. Six of eight targets were reached, one was substantially reached and one was not reached.</p>	<p>\$536</p>

Results Summary

DOL reports performance for this goal using such indicators as timeliness, accuracy, relevancy, efficiency, and customer satisfaction with statistical products and services because these represent critical aspects of a statistical program's performance. The results presented here reflect continuous efforts to improve statistical products and services available to decision makers. Some FY 2005 achievements include:

- BLS improved the Diary – a collection instrument used to obtain information for the Consumer Expenditure Survey – to make it more user-friendly. For example, the respondent now uses check boxes instead of writing out responses when providing information on meals away from home.
- BLS improved the timeliness of the Census of Fatal Occupational Injuries (CFOI) annual data release. Data were made available in August – one month earlier than in recent years.
- The Current Employment Statistics (CES) program began in March publishing Metropolitan Statistical Areas (MSAs) using the new OMB definitions. Concurrent with this release, CES also expanded its coverage to include all MSAs for the first time ever; previously, about three-quarters of the MSAs had been published.



Photo: Rick McMullin, Ofc of the City Representative, City of Philadelphia

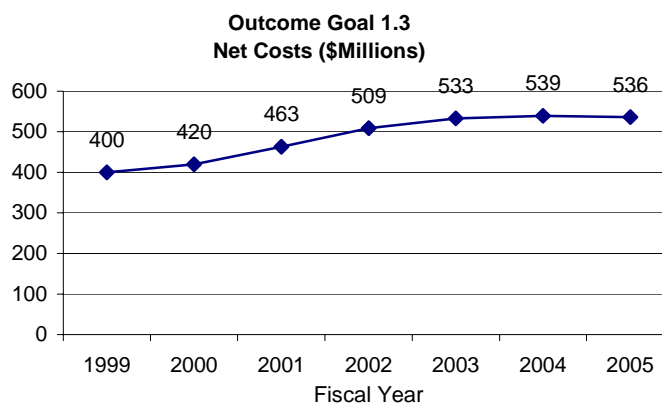
Following several decades of population decline and job losses, Philadelphia has worked relentlessly to bolster economic growth and improve its competitiveness nationally, with notable success in recent years. Mr. Stephen Camp-Landis, City of Philadelphia Budget Office analyst, cites BLS employment and wage data as useful to formulating public policy decisions and addressing citizen needs. According to Mr. Camp-Landis, the City uses CES and QCEW data to help project tax revenues. The resulting improvements in the quality of those projections have allowed Philadelphia to effectively manage an annual wage and business tax reduction program for eleven years. CES and QCEW data can be

found at <http://www.bls.gov/sae/home.htm> and <http://www.bls.gov/cew/home.htm>, respectively.

Photo credit: Rick McMullin

Net Cost of Programs

FY 2005 program costs of \$536 million support BLS programs to produce and disseminate timely, accurate, and relevant information on the economy. The Bureau's budget and costs trended upward from 1999 to 2005. This trend is attributed primarily to mandatory cost increases; the creation of new programs, such as the American Time Use Survey; and important improvements to survey programs, such as the Consumer Price Index, Producer Price Index, and Employment Cost Index.



Future Challenges

To respond to the changing economy, maintaining sufficient response levels, and evolving technology, DOL will use various strategies, including the following:

To respond to the changing economy:

In FY 2006, BLS will begin publishing a new data series that will allow workers and employers to compare wages and salaries among metropolitan areas. In an increasingly mobile society, workers need data to help them evaluate job offers from firms located in a variety of locations, and employers need data to compare labor costs when deciding where to establish or expand operations. Produced by the National Compensation Survey, the inter-area pay relatives will present this information in an easy-to-use format free from the effect of differences in survey timing, occupational staffing patterns, and industry mix.

To maintain a high level of response for its voluntary surveys:

In FY 2005, BLS started a multi-year effort to improve informational materials included in data collection efforts. BLS systematically collected information on how respondents view BLS and its programs from interviewers who regularly interact with respondents. Based on the information learned, in FY 2006, BLS plans to conduct a test of the impact of including an informational brochure in the survey packages of the Occupational Employment Statistics program.

To meet the challenges of evolving technology:

In FY 2006, BLS will improve users' ability to find information through the release of a new search engine for the Web site. This technology will improve the search engine results to coincide with user expectations, identify common misspellings and provide alternative choices, and display links to related materials.

Timely, Accurate, and Relevant Economic Information

Performance Goal 05-1.3A (BLS) – FY 2005

Improve information available to decision-makers on labor market conditions, and price and productivity changes.

Indicators, Targets and Results	FY 2004 Result	FY 2005 Target	FY 2005 Result	Target Reached*
Number of series (e.g., Current Employment Statistics, Employment Cost Index, etc.) converted to the North American Industry Classification System (12 series in total)	8	9	9	Y
Percent of domestic output of in-scope services included in the Producer Price Index (PPI)	59.2%	75.7%	76.3%	Y
Percent of in-scope industries in the labor productivity measures	58.0%	58.3%	59.2%	Y
Percent of the components of the new repricing system completed	17%	40%	37%	N
Cost per transaction of the Internet Data Collection Facility	\$6.13	\$3.32	\$2.44	Y
Customer satisfaction with BLS products and services (e.g. the American Customer Satisfaction Index)	82%	75%	74%	S**
Percent of scheduled releases issued on time (108 scheduled releases)	96%	100%	100%	Y
Percent of accuracy measures met (e.g., revision, coverage, etc. - 17 accuracy measures in total)	83%	100%	100%	Y
FY 2005 Costs				\$536 Million

*Indicator target reached (Y), substantially reached (S) or not reached (N)

**ForeSee Results has stated that one percentage point is not statistically significant for this indicator.

Goal Substantially Achieved

Program Perspective

BLS reports performance for this goal by producing timely and accurate data that meet customer needs. Improvements to the data are measured through increases in the relevancy, coverage, and response rates. The indicators presented here represent the various dimensions of BLS products and services that are important to our customers. The targets chosen balance respondent burden and data user needs, while supporting continuous improvement of our programs and products.

To continue improving its products and services, BLS analyzes and evaluates new economic and statistical methodologies, new technologies, and new survey design, collection, and dissemination approaches. Keeping abreast of improvements and using these improvements to deliver data in a more timely and useful manner, while still maintaining cost effectiveness, are essential ingredients to meeting our goals and providing the quality of service our customers expect. For example, after a multi-year improvement project, the Local Area Unemployment Statistics program began using in FY 2005 redesigned estimating models for States. Focusing resources on improving these estimates, which are a key component of labor market analysis, will lead to an improvement in local area information available to decision-makers, a reduction in the annual revision in monthly State estimates by approximately 20 percent, and the achievement of the BLS data accuracy target.

Analysis and Future Plans

The goal was substantially achieved. Targets were exceeded, reached, or substantially reached for seven of the eight performance indicators.

BLS reached its target for converting one data series from the Standard Industrial Classification (SIC) system to the North American Industry Classification System (NAICS) in FY 2005. The Survey of Occupational Injuries and Illnesses data were converted to NAICS in December 2004 as planned.

Targets were exceeded for improving data coverage in the PPI and in labor productivity measures as BLS continued to improve the accuracy of its data. While the PPI measures average changes in selling prices received by domestic producers for their output, labor productivity is the ratio of the output of goods and services to the labor hours devoted to the production of that output. BLS improved data coverage for calculating the PPI by increasing the percent of service industries from 38.8 percent (1997 baseline) to 76.3 percent in FY 2005. BLS increased data coverage in labor productivity measures to 59.2 percent, up from 58 percent in FY 2004 (baseline).

BLS did not reach its target, 40 percent, for completing components of the new PPI repricing system as only 37 percent of the components were completed. As part of the continuing effort to modernize the computing system for monthly processing of the PPI, this new system will be based on a more secure, stable, and expandable computing platform.

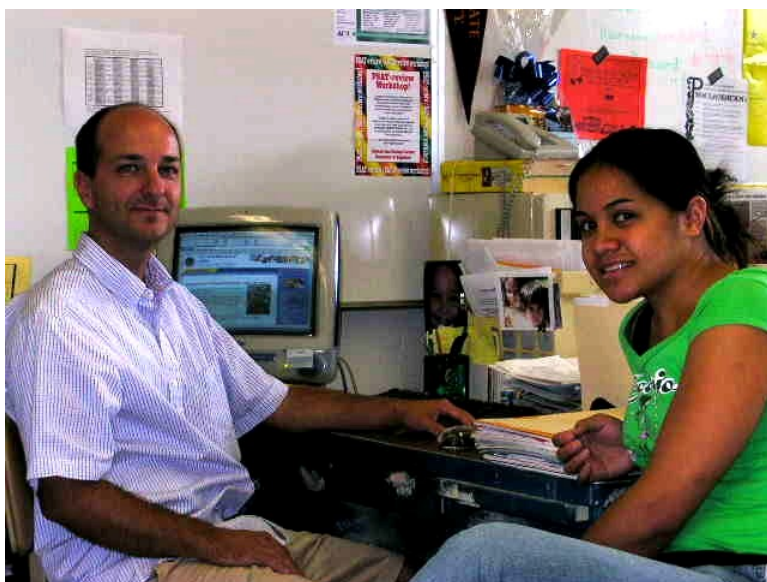
The BLS Occupational Outlook Handbook (OOH) Web site is the Bureau's nationally recognized source of career information. Using the American Customer Satisfaction Index survey, the OOH Web site substantially reached its target, a score of 75, in the third quarter of 2005. The BLS score was 74; the aggregated Federal government score for this time period was 73.5.

BLS exceeded its target for decreasing the cost per transaction of its Internet Data Collection Facility, which is used by survey respondents to report data. Providing a single, manageable, and secure architecture for Bureau surveys to use in collecting information over the Internet, the cost per transaction in FY 2005 was \$2.44. The cost per transaction decreased significantly from \$6.13 in FY 2004, and surpassed the stretch target of \$3.32. The 2005 result will be lower than outyear targets because, due to periodic replacement cycles, fewer costs were incurred.

BLS met the timeliness indicator for all of its 108 scheduled releases. Additionally, BLS met the established accuracy target for all 17 of its statistical program measures.

To further integrate budget and performance, one of the President Management Agenda priorities, BLS will revise its FY 2006 performance goal framework to more closely link costs and results at the performance indicator level.

Teuila, a high school senior, has always liked animals and thought about becoming a veterinarian. Her guidance counselor at Kahuku High and Intermediate School, Mr. Matthew Mumma, suggested that she look up veterinarian in the *Occupational Outlook Handbook* (OOH) on the BLS Web site. The OOH describes the nature of the work, working conditions, training and education needed, earnings, and expected job prospects for seven out of every eight jobs found in the U.S. Upon learning about the number of advanced science courses involved, Teuila realized that her academic strengths laid elsewhere. She reviewed the requirements for a veterinary technician, but found that occupation may not provide the salary she desired. After further research, Teuila has decided to pursue a career in elementary education. Teuila cites the information found on the OOH Web site as being instrumental in helping her to make a good career choice. The OOH can be found on the BLS Web site at <http://www.bls.gov/oco/home.htm>.



Management Issues

BLS is confident that the performance data collected and reported are complete, accurate, and reliable. BLS programs are evaluated both internally and externally to ensure that they provide taxpayer value. As required by OMB Statistical Policy Directive #3, the seven statistical series designated as Principal Federal Economic Indicators

are evaluated on a three-year schedule. In FY 2005, BLS completed performance evaluations for the Producer Price Indexes, Current Employment Statistics Survey, Real Earnings, Employment Cost Index, and Productivity and Costs.

During FY 2005, BLS responded to the Office of Inspector General (OIG) Federal Information Security Management Act Audit of the Consumer Price Index (CPI) System. Of the 18 security control areas evaluated, 17 areas were adequately established, implemented, and operating effectively in compliance with FISMA. The one area needing improvement was related to the CPI contingency planning control area, where BLS has since made progress by purchasing and placing the necessary equipment to support the plan in the recovery facility. Also, the CPI Continuity of Operation Plan testing under their current technical testing plan has been completed. The review is described in an OIG's report, *Federal Information Security Management Act Audit of the Consumer Price Index System* (Study 14 in Appendix 2). Additionally, the OIG is conducting a review of the Employment Cost Index, which will be completed in FY 2006. The OIG also plans to start a review of the Producer Price Indexes in FY 2006.

Using the Program Assessment Rating Tool in FY 2005, OMB rated BLS as Effective, the highest rating category. In its findings, OMB recommended that BLS maintain program-monitoring and operational successes; complete efforts to show aspects of program performance more clearly to the general user; and complete efficiency measures to cover more of the Bureau's programs. In response, BLS has improved the precision of some of our performance targets and revised measures to focus more on outcome. In FY 2006, BLS will continue to work collaboratively with the Department to explore ways to increase transparency of its performance goals and indicators.