

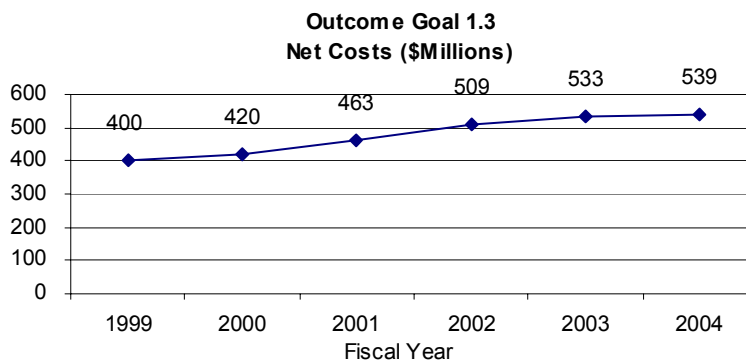
Outcome Goal 1.3 – Improve the Effectiveness of Information and Analysis On The U.S. Economy

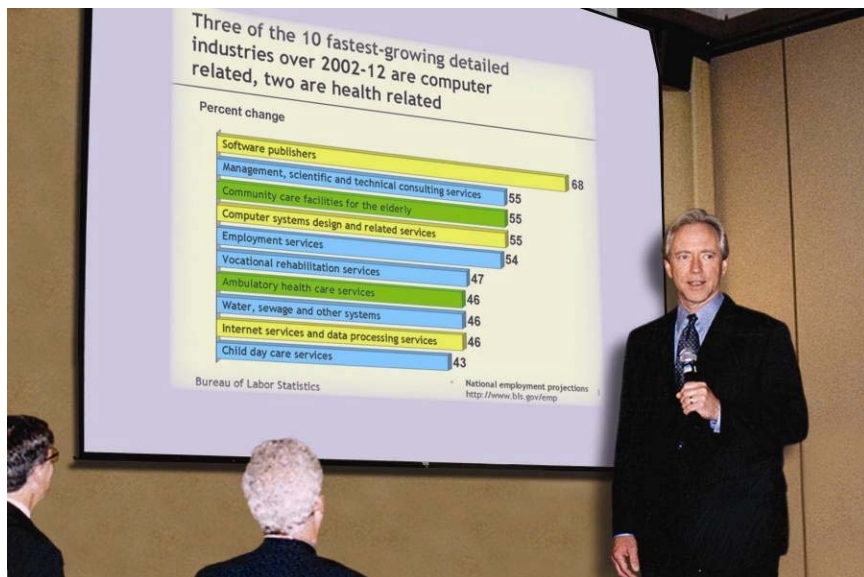
America’s changing 21st Century workforce needs to know what employment opportunities are emerging to make better informed decisions for their future. This critical information, as well as other information pertaining to the broad field of labor economics and statistics, is available from the Department of Labor’s Bureau of Labor Statistics (BLS). BLS provides private citizens, business owners, and public officials with timely and accurate information that assists in making decisions on careers, staffing, and public policy. For example, in FY 2004, BLS released projections to 2012 on future job growth by industry and occupation and on the likely composition of the workforce pursuing those jobs. BLS produces some of the Nation’s most sensitive and important economic indicators to serve the needs of the 21st Century workforce.

Goal Number (Agency) – Period Goal Statement [Achievement]	Performance Summary
<p style="text-align: center;">1.3A (BLS) – FY 2004</p> <p>Improve information available to decision-makers on labor market conditions, and price and productivity changes. [Not Achieved]</p>	<p>BLS reached targets for customer satisfaction measurement, PPI and productivity coverage increases, ECI response rate, and the conversion of four data series to NAICS. Due to the delayed conversion of the PPI to NAICS, BLS missed several targets for PPI data release dates and for a PPI system modernization project. BLS also missed several ambitious survey response rate targets.</p>

Net Cost of Programs

FY 2004 program costs of \$539 million support BLS programs to produce and disseminate timely, accurate, and relevant information on the economy. The Bureau’s budget and costs grew incrementally from 1999 to 2004. 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 the Consumer Price Index (CPI), Producer Price Index (PPI), and Employment Cost Index (ECI).





Software publishers top the list of the ten fastest growing detailed-level *industries* in the U.S., all of which are in the service-providing sector. Health and computer *occupations* account for nine of the ten fastest growing occupations, according to the 2002-12 Employment Projections data produced by DOL's Bureau of Labor Statistics. Private citizens, businesses, and public policy officials require information on high-growth industries and high-demand occupations to make career and staffing decisions and to plan programs on education and training. Michael Horrigan, BLS Assistant Commissioner for the Office of Occupational Statistics and Employment Projections, presented projections information at the 20th annual BLS Labor

Market Information Conference in Omaha, Nebraska. The conference provided the opportunity for BLS, its State partners, and its customer community to share views on data usage and future information needs. Employment projections information can be found on the BLS website at <http://www.bls.gov/emp>.

Photo credit: Scott Hunzeker, Nebraska Workforce Development – Department of Labor

Future Challenges

Substantial challenges face BLS, including the changing economy, maintaining sufficient response levels, and evolving technology. BLS uses various strategies to address these challenges, which include the following:

To respond to the changing economy:

- BLS continued to provide information that informs the public of our changing economy. BLS published the first annual estimates from the American Time Use Survey, providing a wealth of information on the way Americans spend their time, such as paid work, childcare, volunteering, commuting, and socializing.
- BLS released official estimates of the Job Openings and Labor Turnover Survey (JOLTS) which includes the number and rate of job openings, hires, and separations, which yields better information on the nature and function of the job market. Previously, JOLTS data were released as a developmental series.
- As the last phase of a comprehensive overhaul of its compensation surveys, BLS published new data on the incidence and characteristics of employee benefit plans. The new publications initiate a regular program of reports that will be issued much more quickly than in the past. They will include new data breakouts by employee and establishment characteristics, and allow for the simultaneous analysis of wages, employee benefit plan costs, and employee benefit plan details together for the first time.

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

- BLS continued to develop strategies that address the causes of nonresponse. During FY 2004, BLS distributed to respondents 14 program-related brochures that provide visual step-by-step guidance on developing customized data tables from the BLS website. Respondents use the tool to extract information that meets their unique needs. Thus, respondents better understand the importance of the data that they provide to BLS and the importance of their continued voluntary response.

To meet the challenges of evolving technology:

- BLS continued to expand the use of Internet data collection in order to provide respondents with quick and easy-to-use data reporting options. In FY 2004, over 29,000 respondents to the Survey of Occupational Injuries and Illnesses selected the BLS Internet data collection option to report their information, accounting for approximately 14.5 percent of the total respondents pool. Additionally, the U.S. Import and Export Price Indexes initiated Internet data collection for their respondents; other BLS programs are analyzing opportunities to provide the option.

Timely, Accurate, and Relevant Economic Information

Performance Goal 1.3A (BLS) – FY 2004

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

Indicators

Improve relevancy

Improve data relevance by reflecting changes in the economy, as measured by the number of series (e.g., Current Employment Statistics, Employment Cost Index, etc.) converted to the North American Industry Classification System (12 series in total);

Improve accuracy (Coverage)

Improve coverage by increasing the percent of domestic output of in-scope services included in the Producer Price Index;

Improve coverage by increasing the percent of in-scope industries in the labor productivity measures;

Improve accuracy (Response)

Improve the response to the Employment Cost Index;

Enhance information technology

Lessen the likelihood of major systems failures that could affect the PPI's ability to release data on time, as measured by the percent of the components of the new repricing system completed;

Other measures

Raise customer satisfaction with BLS products and services (e.g. the American Customer Satisfaction Index);

Deliver economic data on time (Percent of scheduled releases issued on time); and

Percent of accuracy measures met (e.g., revision, response rates, etc.).

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 of the statistics. BLS revised its FY 2004 performance goal to focus more on outcomes and be more transparent to the general user. This new framework and 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. BLS continuously improves its statistical processes and products to ensure that decision-makers have available information that is useful and relevant.

Results, Analysis and Future Plans

The goal was not achieved. However, targets were exceeded, reached, or substantially reached for seven of the eight performance indicators.

BLS reached its target for converting four data series from the SIC system to the North American Industry Classification System (NAICS) in FY 2004; however, the release of the PPI using the NAICS was delayed. The release of January data, planned for February, took place in March. The Occupational Employment Statistics Survey, Industry Productivity statistics, and the Census of Fatal Occupational Injuries data were converted to NAICS.

Targets were reached 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 covered in the PPI from 38.8 percent (1997 baseline) to 59.2 percent in FY 2004. BLS reached the target, 58 percent, for improving data coverage in labor productivity measures.

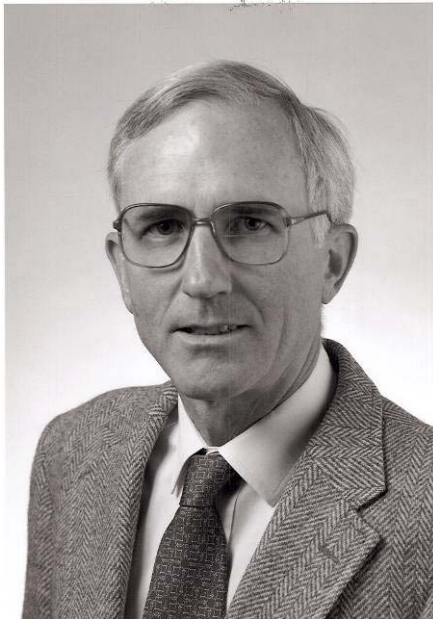
Additionally, BLS reached the target, 78 percent, for improving response of the ECI initiation indicator. The ECI represents employers' costs for employee compensation, including wages, fringe benefits, and bonuses for U.S. employees in all industries.

The NAICS conversion effort of the PPI required a temporary diversion of resources from a systems modernization project, causing BLS to miss its target for completing components of the new repricing system. Seventeen percent of the components were completed as compared to a target of 33 percent. A replanning effort is currently under way to identify and implement strategies to minimize the disruptions.

The BLS website receives an average of about 2.5 million user sessions each month, with over half of those sessions directed to the BLS Occupational Outlook Handbook (OOH) website. The OOH is the Bureau's nationally recognized source of career information. Using the American Customer Satisfaction Index (ACSI) survey, the OOH website received a score of 82 in the third quarter of 2004, placing the website in the top 10 percent of government agencies. The aggregated Federal government score for this time period was 71.2.

BLS met the timeliness indicator for 104 out of 108 (96 percent) scheduled releases. The four untimely releases were in the PPI program and were caused by above mentioned difficulties with the NAICS conversion.

Additionally, BLS met the established accuracy target for 35 out of 42 (83 percent) measures. Targeted response rates were missed for the American Time Use Survey, Current Population Survey, Job Openings and Labor Turnover Survey, U.S. Import and Export Price Indexes (two separate rates), ECI (repricing), and the Employee Benefits Survey. BLS uses various strategies to maintain a high level of cooperation for its voluntary surveys and continues to conduct research studies to better understand the causes of nonresponse.



How can a business maximize its competitive advantage with manufacturing productivity gains averaging 9.2 percent in the U.S. (2002) versus 2.7 percent in France and Japan (2002)? What is the impact of an hourly employer labor cost per manufacturing worker of \$21.33 in the U.S. (2002) versus \$2.38 in Mexico (2002)? At Stanford Graduate School of Business, Professor Robert Flanagan cites these and other BLS statistics on comparative manufacturing productivity and labor costs, as well as employment and unemployment statistics, challenging his students to consider how their own work would change in different economic environments. Professor Flanagan, the Konosuke Matsushita Professor of International Labor Economics and Policy Analysis at Stanford, teaches economics in the Executive Education and MBA programs. His classes use BLS data to examine recent economic trends and to discuss broad differences in economic outcomes among countries. International comparison data can be found at <http://www.bls.gov/fls/home.htm>.

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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 2004, BLS completed the performance evaluation for the Current Population Survey.

In response to the Program Assessment Rating Tool (PART) findings, BLS developed an efficiency measure and revised its performance goals to focus more clearly on outcomes and increase transparency. The BLS PART score improved to 88, receiving an effective rating, the highest rating category.

During FY 2004, BLS responded to the Office of the Inspector General (OIG) Government Information Security Reform Act (GISRA) Review of the Current Population Survey (CPS). Findings were related to the CPS Continuity of Operations Plan, CPS System Security Plan, security controls of the CPS, and a Bureau-wide Uninterruptible Power Supply system. The review is described in Appendix 2 of this report (Study 1).