



Bureau of Economic Analysis

Director Steve Landefeld

Third Quarter
Balanced Scorecard Performance Review

August 2012

Accomplishments

- Continued to seek additional resource efficiencies, by, for example, exploring with Census the potential of shared services for electronic reporting, remote computing, and data center housing.
- Continued to make good progress on all strategic goals, including regular updating and on-time delivery of Gross Domestic Product (GDP), Balance of Payments, international trade in services, manufacturing and other key statistics, including addressing lessons learned from 2007-2009 recession.
- Achieved major milestone in support of President's export initiative by creating new linked data set that combines data on cross-border trade in services with data on operations of multinational companies, thereby providing more detailed information on industry classification and firm size with no additional respondent burden. Data can be used to answer questions about such things as characteristics of firms that trade in services and patterns of international trade in R&D.

Accomplishments, cont.

- Reached major milestone in continuing work to develop a satellite account—i.e., outside of the core, conventional GDP accounts—for health care spending and its effects. An alternate approach to detailing household expenditures on health care shows how expenditures would appear if they were classified by disease , which facilitates assessments of costs and benefits of treatment and allows better understanding of factors driving growth in health care spending.

“Household Consumption Expenditures for Medical Care: An Alternate Presentation”
by Ana Aizcorbe, Eli B. Liebman, David M. Cutler, and Allison B. Rosen,
Survey of Current Business, June 2012

- Maintained focus on improving customer service by launching new BEA Blog, providing another way to educate, inform, and explain economic accounts.

Challenges

- Lease at 1441 L Street expires next year, and absent any congressional funding for build-out and increased lease costs, BEA will confront significant cuts to statistical programs.
 - Prospectus still pending at OMB
 - Potential move/reconfiguration subject to lease competition
 - Data Center move tied to physical location
- Rapid pace of change in the economy has called for increased focus on measurement of income and financial transactions. BEA is answering this call with better measures of international financial transactions and of incomes earned in the United States.
- To support the need for continuous updating of its accounts, BEA must be successful in its efforts to:
 - reengineer IT and Administrative systems;
 - redesign and prioritize statistical work through redesigned surveys, new methodologies, and source data; and
 - implement human resource policies, such as mentoring and award programs, that enable BEA to remain one of the leading federal agencies in workforce satisfaction.

Economic Growth

OBJECTIVE: Prepare and improve statistics to support economic recovery by providing essential data for public and private decision-making

PERFORMANCE MEASURES: Percent of quarterly progress toward annual milestones for improving national, international, regional, and industry economic statistics

STATUS & SIGNIFICANT DEVELOPMENTS

- Developed new statistics that better detail consumer spending by distinguishing domestic consumer spending from foreign tourist spending in US
- Presented new estimates to OECD on distribution of household income and consumption
 - Advanced efforts to use existing economic accounts to better capture differential impact of current recession across households, industries, and regions
- Released prototype of quarterly GDP-by-industry statistics
- Improved GDP-by-state statistics that advanced efforts to improve accounts

RISK

- Impact of budget cuts to BEA, Census, BLS, other statistical agencies on accuracy of economic statistics

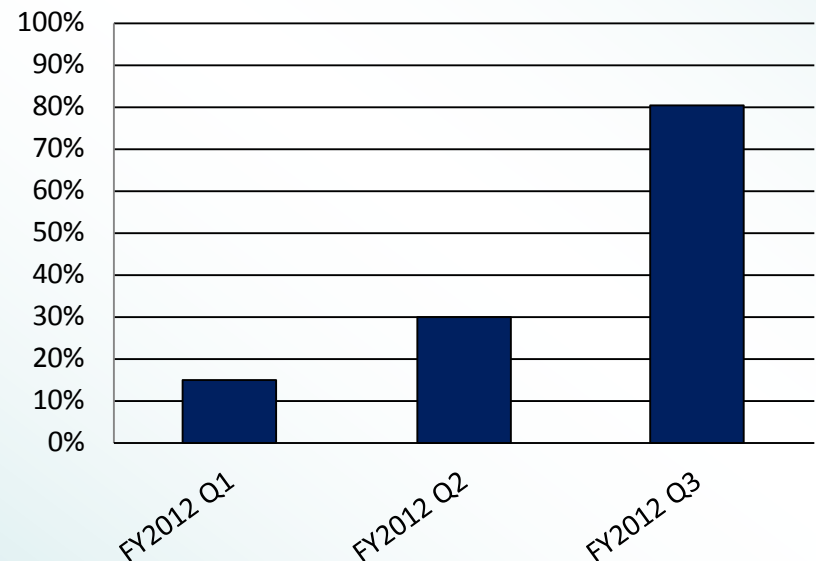
MITIGATING RISK

- Collaborate with ESA, Census, other statistical agencies to focus scarce resources on highest priority core statistics

Annual Target: 100%

Cumulative Quarterly Progress: 80%

Cumulative Progress Toward Annual Goal



Economic Growth

OBJECTIVE: Expand economic accounts to better measure health care, innovation, and intangibles

PERFORMANCE MEASURES: Percent of annual strategic plan milestones completed in current quarter

STATUS & SIGNIFICANT DEVELOPMENTS

- Published prototype health care spending account that illustrates new detail that will be provided by the account—including expenditures by type of illness and by type of commodity (e.g., inpatient care, prescription drugs, etc.)—and that considers the best methods and data sources for estimating such detail

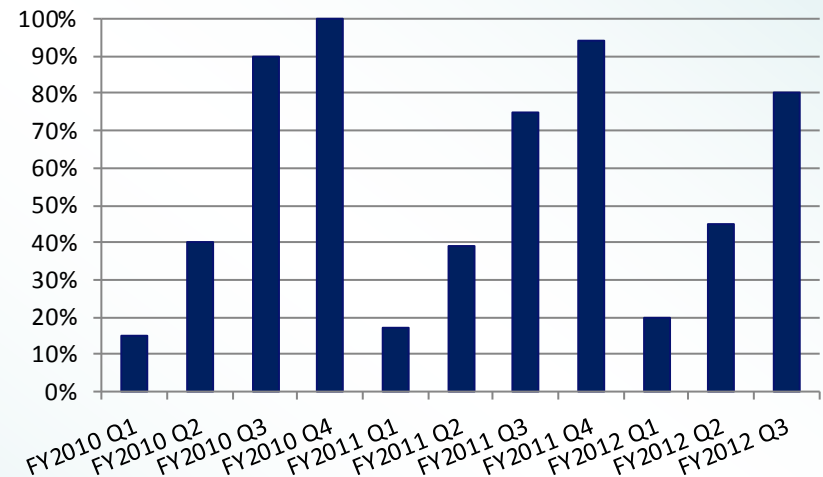
RISK

- As BEA approaches implementation of its work on innovation, resources currently devoted to IT modernization will need to be reallocated back to these projects
- Progress on this initiative is dependent in part on continued successful collaboration with BLS, Census, NSF

MITIGATING RISK

- Worked with ESA and Secretary's Office to address budget constraints in a manner that allows for reallocation of resources to support health and innovation implementation and other statistical priorities, as well as IT modernization
- Engage with other agencies on plans and progress in support of innovation statistics

Cumulative Progress toward Annual Goal



Annual Target: 100% **Cumulative Quarterly Progress: 80%**

Economic Growth

OBJECTIVE: Prepare international statistics that are timely, accurate, and continually improved to foster US trade

PERFORMANCE MEASURE: Combined response rate for two quarterly direct investment surveys

STATUS & SIGNIFICANT DEVELOPMENTS

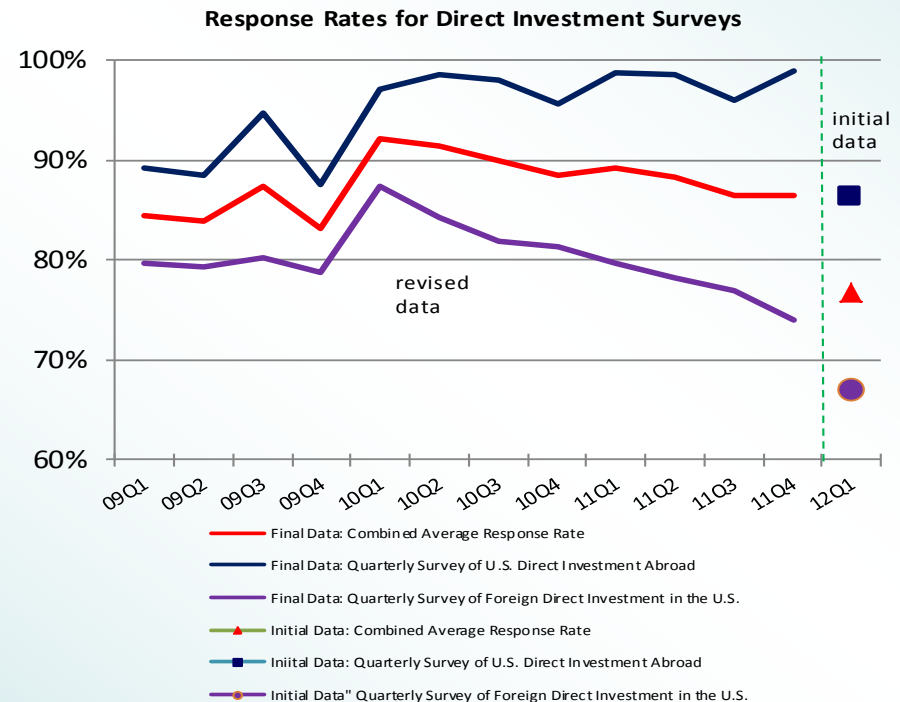
- Maintained high response rates during economic downturns
- Reached nearly 100% response rate in terms of value of direct investment (OMB recommends 80%)
- Achieved 77% initial response rate for most recent survey period (1st quarter 2012)
- Will attain more complete coverage by time revised estimates are published

RISK

- Low response rates during economic downturns, especially smaller and less successful firms

MITIGATING RISK

- Maintain regular contact with survey respondents to boost compliance



Target: 80% Actual: 77%

Economic Growth

OBJECTIVE: Prepare international statistics that are timely, accurate, and ever-improving to support President's export initiative

PERFORMANCE MEASURES: Percent of electronic filing of international investment and services surveys

STATUS & SIGNIFICANT DEVELOPMENTS

- Expanded e-filing (key to improving accuracy, reducing response burden, and improving timeliness of data)
- Exceeded target with rate of 88%
- Achieved 90% e-file rate for quarterly surveys of US direct investment abroad (representing half of all surveys)
- Added early filing option requiring e-filing to redesigned benchmark survey of foreign direct investment in US (companies with earlier fiscal years prefer early filing)
- Explored potential benefits of Census Bureau's electronic survey filing system

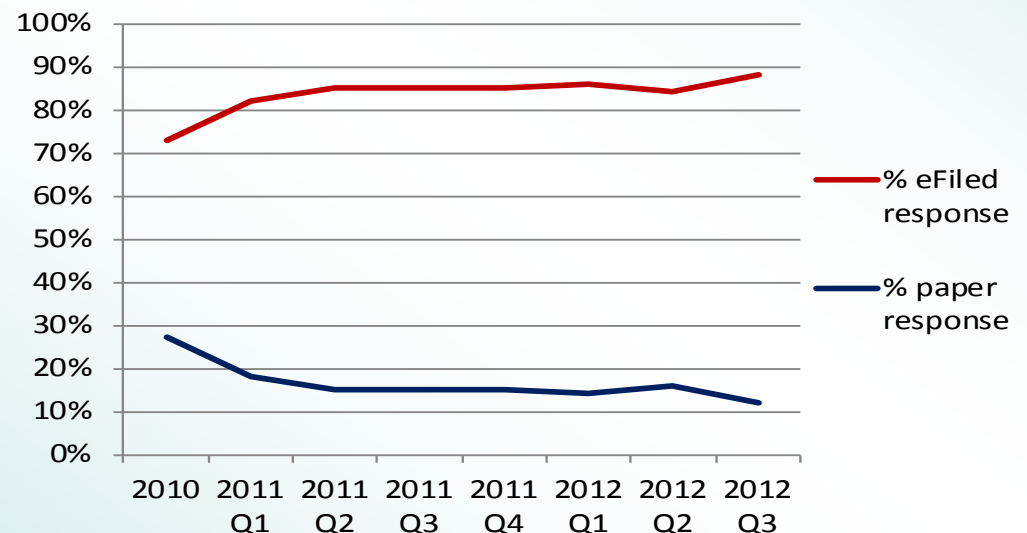
RISK

- Achieving higher e-filing rates among small firms, where costs of converting from paper are higher and benefits lower

MITIGATING RISK

- Reach out to survey respondents to maintain and raise e-file rates
- Partner with ITA and Census Bureau to promote e-filing at trade shows and other events

Electronic Filing of International Surveys



Target: 80% **Actual: 88%**

Economic Growth

OBJECTIVE: Prepare and improve timely and accurate national, international, regional, and industry statistics to track performance of US economy and support effective decision-making

PERFORMANCE MEASURES: Percent of on-time delivery of statistics

STATUS & SIGNIFICANT DEVELOPMENTS

- Issued all 17 data releases on time

RISK

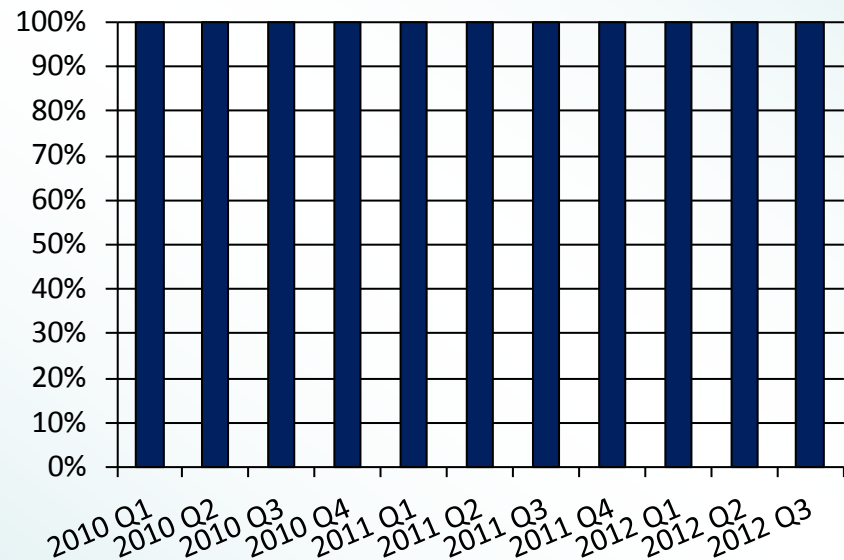
- Continued progress on IT modernization is essential to maintaining on-time delivery of statistics
- Future budget cuts to Census Bureau and other federal data providers could impact timely receipt of source data that are vital inputs to many key BEA statistics

MITIGATING RISK

- Reallocate base funding to update IT systems

Target: 100% **Actual: 100%**

Percent of On-time Delivery of Statistics



Economic Growth

OBJECTIVE: Guarantee accuracy of GDP statistics

PERFORMANCE MEASURES: Quarterly accuracy index (based on revision studies of accuracy of early GDP statistics)

STATUS & SIGNIFICANT DEVELOPMENTS

- Maintained reputation for most timely and accurate GDP data in the world
- As part of BEA's continuing efforts to reconcile large differences between consumer spending in GDP and consumer spending as reported in household surveys, a joint BEA-BLS paper on "Understanding the Relationship: CE Survey and PCE" will be included in the forthcoming NBER/CRIW book, *Improving the Measurement of Consumer Expenditures*
- BEA, in collaboration with BLS and Census and with support from ESA, reached out to its customers through Advisory Committee meetings to explore the possible implications of seasonal adjustment methods on overall revisions to BEA's and other economic statistics

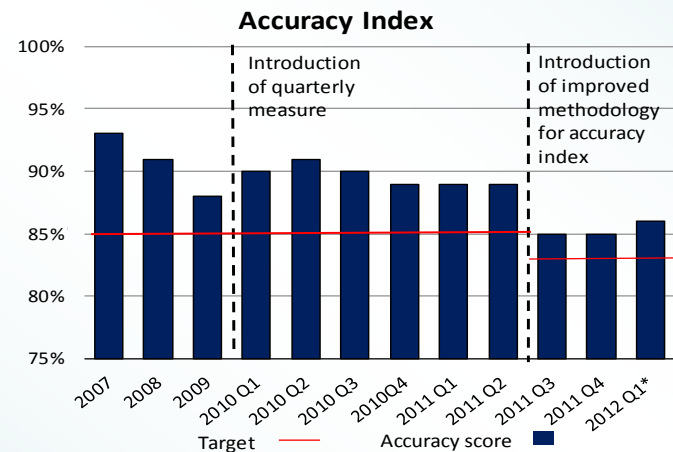
RISK

- Lowered accuracy of advance GDP estimates during recessions and early stages of recovery

MITIGATING RISK

- Address potential biases and noise in statistics
- Collaborate with Census, Federal Reserve Board, BLS, IRS, and other data suppliers to address gaps revealed by recession

Target: >83% **Actual: 86%**



*Latest quarter for which revised data are available.

Science and Information

OBJECTIVE: Fully utilize news media as partner in disseminating data to customers and providing information on measurement and use of economic statistics

PERFORMANCE MEASURES: Major market news citations (235 print publications across the U.S., including all national and regional daily and weekly publications, and trade journals)

STATUS & SIGNIFICANT DEVELOPMENTS

- BEA and Census statistics – along with National Weather Service information – are among Department’s most visible products
- Partnered with media to make data more accessible to public
- Facilitated regular meetings with journalists to help them understand US economy and significance of measures
- Increased outreach to media to explain revisions to economic accounts

RISK

- Less accurate reporting on economy without continued outreach to media

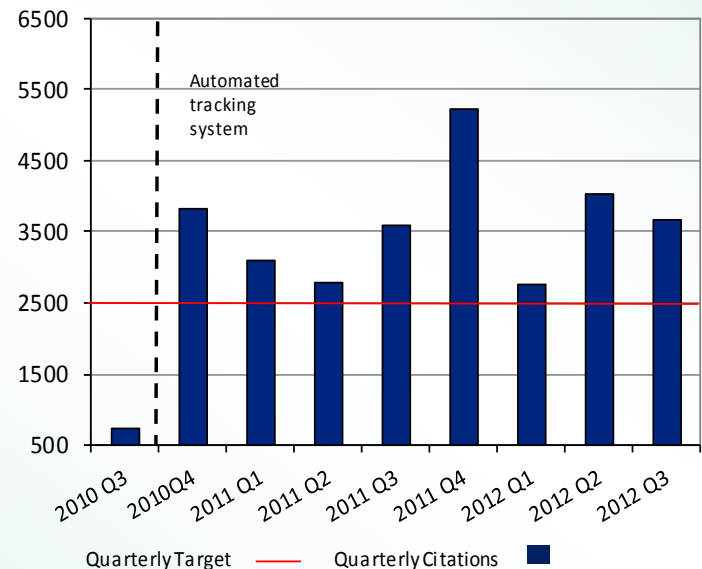
MITIGATING RISK

- Work closely with media to help them understand wealth of detail, uses for, and meaning behind economic statistics

Target: 2,500 citations per quarter

Actual: 3,670 citations

Number of Market News Citations



Customer Service

OBJECTIVE: Deliver economic statistics to public in timely, efficient, and transparent manner using cutting-edge access and visualization tools

PERFORMANCE MEASURES: Number of above-average responses on Web Site Customer Satisfaction Survey (survey question: How satisfied are you with BEA's products and services?)

STATUS & SIGNIFICANT DEVELOPMENTS

- Launched new Blog to educate, inform, and explain complex economic concepts
- Improved customer satisfaction through new search engine using USA.gov search application (monitoring satisfaction scores overall as well as accuracy of new search results)

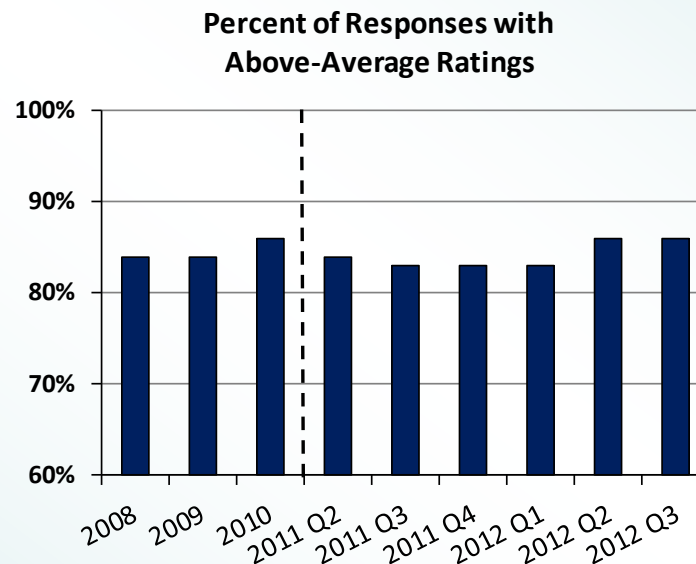
RISK

- Eroding Web site usability and customer satisfaction if not updated in response to changing technologies and user needs

MITIGATING RISK

- Participate in ESA Data Dissemination Group to identify risks and improve service to customers

Target: 80% **Actual: 86%**



Note: On a 1-10 scale survey, with 1 = very dissatisfied and 10 = very satisfied, the percentage reflects a rating of 6 and above.

Workforce Excellence

OBJECTIVE: Recruit and retain high-performing, diverse workforce with critical skills necessary for mission success

PERFORMANCE MEASURES: Number of benchmark highs on OPM Organizational Assessment Survey (OAS), which measures wide array of dimensions of employee satisfaction (at least 5 benchmark highs out of 12 dimensions)

STATUS & SIGNIFICANT DEVELOPMENTS

- Consistently remained one of the highest rated bureaus in federal government for employee satisfaction
- Received highest scores in 2010 of all participating agencies on 10 of 12 dimensions (tied for highest on 3)
- Piloted enhanced remote access portal to improve telework experience
- Implemented new telework policy (begun in 2nd quarter) that increased participation by **15%** percent

RISK

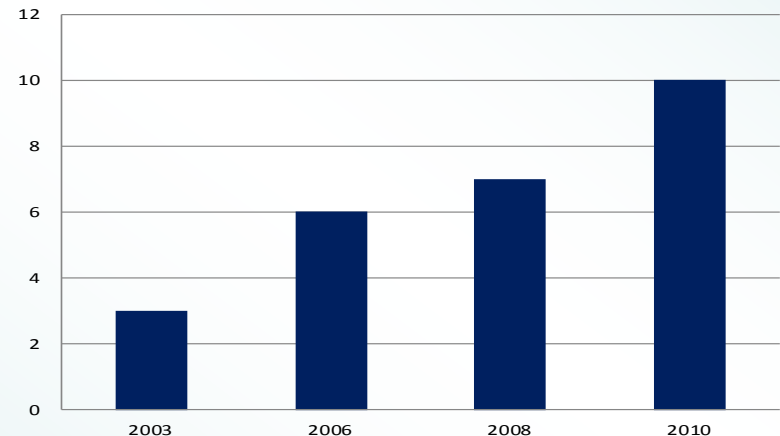
- Reduced morale resulting from budget reductions, reorganization, hiring and wage freezes, shrinking bonuses, and public attitudes toward federal employees

MITIGATING RISK

- Employ variety of means to send positive message that employee satisfaction and engagement are critical to success

Target: 5 benchmark highs **Actual: 10 benchmark highs**

Number of Benchmark Highs



Workforce Excellence

Average time to fill federal career positions

FY12 Q3 Target: 80 days

FY12 Q3 Actual: **66 days (Target met)**

| Average Number of Days | | | | | | | | | | | | Av Total FY12 Q3 |
|--|----------------------------|----------------|-----------------------|---------------------------------|----------------------|-------------------------|--|---------------------------------|--------------------------------------|-----------|-------|---------------------|
| Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 6 | Step 7 | Step 8 | *Step 9 | *Step 10 | *Step 11 | | |
| SF-52 to HR; Draft JOA | Hiring Manager Approve JOA | JOA on USAJobs | Receive Apps & Notify | Eval Apps, Rate, Rank, & Notify | Issue Certs & Notify | Review Apps & Interview | Tentative Job Offer, Accept, Security Info | Docs to OSY, Finger-print, eQIP | Official Job Offer, Accept, & Notify | EOD | | |
| BOCHRD | BEA | BOCHRD | BOCHRD | BOCHRD | BOCHRD | BEA | BOCHRD | OSY | BOCHRD | Applicant | | |
| Average # of Calendar Days | 5.14 | 1.29 | 4.29 | 9.86 | 10.14 | 0.71 | 20.00 | 2.43 | 1.43 | 2.00 | 12.43 | 66.29 |
| Census Standard for Average # of Calendar Days | 5 | 1 | 1 | 10 | 14 | 1 | 30 | 1 | 2 | 1 | 14 | 80 |

| YTD Hiring Actions | | | FY12 Q3 | | | FY12 Q2 | | | FY12 Q1 | | | FY11 Q4 | | |
|------------------------------------|----------------|-----|---------|----------------------|---------|---------|----------------------|---------|---------|----------------------|---------|---------|----------------------|---------|
| Total # of Complete Hiring Actions | Within 80 Days | | Av Days | +/- previous quarter | # Hires | Av Days | +/- previous quarter | # Hires | Av Days | +/- previous quarter | # Hires | Av Days | +/- previous quarter | # Hires |
| | # | % | | | | | | | | | | | | |
| 21 | 18 | 86% | 66.29 | 12.21 | 7 | 54.08 | -31.42 | 12 | 85.5 | -4.83 | 2 | 90.33 | 1.83 | |

Note: Steps 9 through 11 are performed concurrently; thus, the average number of days from offer to EOD is less than the sum of the steps. In some cases, step 1 occurs after EOD.

Organizational Excellence

“Top 5”

OBJECTIVE: Security of IT systems is critical to timeliness and integrity of economic estimates

PERFORMANCE MEASURES: Percent of moderate/high impact systems with “top 5” controls fully implemented

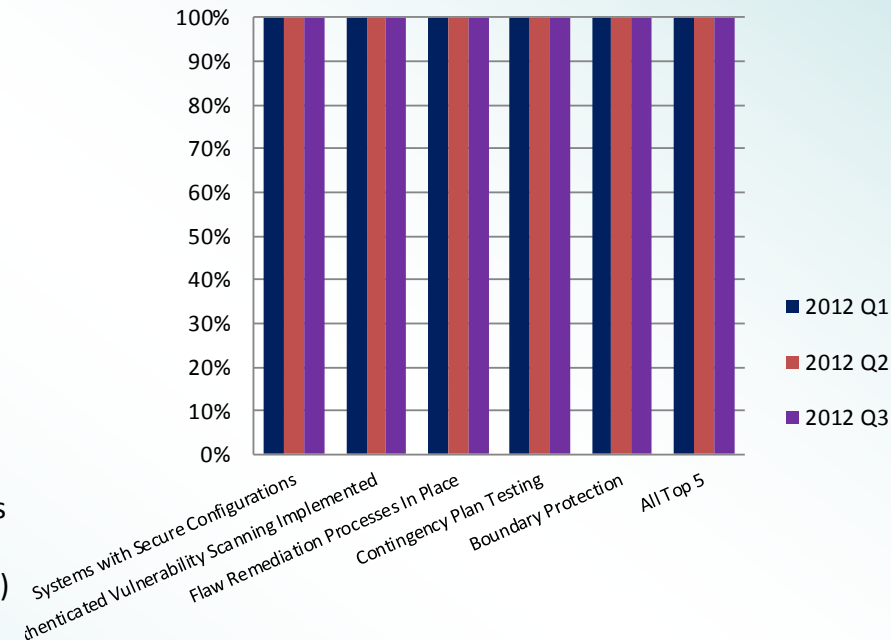
Targets: 100% of moderate/high impact systems with “top 5” fully implemented

STATUS & SIGNIFICANT DEVELOPMENTS

Technical security controls that comprise “Top 5”:

- Secure configurations fully implemented. Independent assessment found effective processes in place to ensure system assets are configured in accordance with secure configuration baselines. (CM-6)
- Credentialed vulnerability scanning fully implemented. Independent assessment found controls designed correctly, operating effectively, and producing intended results. (RA-5)
- Flaw remediation fully implemented. Independent assessment found effective processes in place to address vendor patches, updates and other application/software flaws in a timely manner. (SI-2)
- Contingency plan testing fully implemented. Independent assessment found effective processes in place to test contingency plan for BEA-EITS to determine effectiveness and readiness to execute plan. (CP-4)
- Boundary protection fully implemented. Independent assessment found effective processes in place to connect to external networks and systems only through managed interfaces consisting of boundary protection devices arranged in accordance with Bureau security architecture. (SC-7)

Percentage of Moderate/High Impact Systems with “Top 5” Fully Implemented



Target: 100% Actual: 100%