



Bureau of Economic Analysis Strategic Plan Report Card 2010

Report Card

BEA met all of its goals for FY 2010, fulfilling its mission to provide its customers with timely, relevant, and accurate economic statistics. This report card provides the details of our success.

Recapping the FY 2010 Strategic Plan: Strategic Objectives and Goals

The Strategic Plan for FY 2010–FY 2014 laid out the steps for BEA to fulfill its mission to promote a better understanding of the U.S. economy by providing timely, relevant, and accurate economic accounts data.

Strategic Objective 1: Customers

Our statistics are only as useful as our customers' ability to access, use, and understand them. We continually strive to make BEA's economic accounts and services more responsive to the needs of its customers and partners now, and to instill in BEA staff an awareness of potential future innovations for customer outreach and communication.

FY 2010 Strategic Goals: The following strategic goals were designed to continue and improve BEA's relationship with its customers through the use of technology and other methods to emphasize communication.

- Expand External Communications and Outreach Efforts
- Emphasize Two-Way Communication
- Exploit Technology for the Best Possible Data Collection and Dissemination Methods and to Ensure Security

Strategic Objective 3: Management

BEA's leaders guide and support all of BEA's efforts: They provide advance research for improving the accounts and they must keep pace with technological or other advances to improve efficiency.

FY 2010 Strategic Goals: BEA maximized the effectiveness of its resources by addressing the following strategic goals.

- Ensure the Continuation of BEA's Mission and Essential Functions in an Emergency
- Sustain and Enhance the Management of BEA's Resources
- Enhance and Integrate Internal and External Statistical Review and Planning
- Efficiently Manage IT Investments in Support of BEA's Mission, Vision, and Strategic Objectives
- Maintain Infrastructure to Ensure Reliability and Security

Strategic Objective 2: Employees

We will continue to rank as the world's leading statistical agency only if our staff is prepared to lead BEA into the future. BEA must attract, develop, and retain a highly qualified, diverse workforce—one that is able to innovate and improve BEA's statistics.

FY 2010 Strategic Goals: The following strategic goals focus on maintaining and deepening our employees' expertise.

- Manage BEA's Workforce Toward Effective Accomplishment of the Mission
- Sustain and Enhance BEA's Internal Communications
- Assess and Improve BEA's Organizational Climate
- Sustain and Enhance Workforce Safety

Strategic Objective 4: Statistics

Our statistics will reflect changes in the economy only if we work continuously to make them do so. Our activities are designed to upgrade BEA's economic statistics by providing alternative or expanded accounts, by improving statistical methodologies and source data, and by using new technologies.

FY 2010 Strategic Goals: BEA focused on improving its economic statistics by designing goals to research and implement new statistical methodologies, source data, and technologies.

- Continue to Update Priority Statistics
- Address Data Gaps, Accelerate Releases, and Implement Other Improvements
- Improve Consistency and Integration Across BEA Accounts and with Other Accounts
- Improve Consistency with International Standards
- Implement Budget and Research Initiatives to Develop New Statistics
- Redesign Core Systems and Applications to Improve Timeliness, Accuracy, and Comprehensiveness of Bureau Outputs
- Standardize Data Structures and Databases to Use Web Technologies to Improve the Collection, Access, and Dissemination of Data

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BEA's Performance in FY 2010: Measures of Success

BEA's performance is evaluated through the use of three long-term performance measures and through its progress in meeting the milestones associated with its budget initiatives. For more detail on BEA's performance measures, see Appendix A.

- **Strategic Goals:** BEA successfully achieved all of its strategic objectives and goals in its FY 2010 Strategic Plan. Our activities resulted in improvements in customer service, employee development, resource management, and in the timeliness, accuracy, and relevance of BEA's statistical programs.
- **Timeliness:** BEA has a well-established reputation for timely releases, and in FY 2010 BEA produced all of its 62 releases on time.
- **Relevance:** BEA scored a 4.3 out of a maximum score of 5 on its Customer Satisfaction Survey, indicating a high degree of customer satisfaction.
- **Accuracy:** For FY 2010, BEA's target was to achieve accuracy in greater than 85% of its GDP estimates. BEA exceeded this target with an accuracy percentage of 88%.
- **Critical Service Sector Improvements:** BEA completed all of the activities planned for FY 2010 to improve its service sector statistics by implementing new estimation models and utilizing new and improved source data. For instance, BEA more than doubled its coverage of consumer spending—from 10% to 25%—using new Census Bureau quarterly services data. BEA also released quarterly statistics from the integrated macroeconomic accounts, continued to research a potential expansion of the integrated national production account, conducted research to improve measurement of real insurance services, and began research into the measurement of intermediation services produced by nondepository institutions.
- **Restoring and Enhancing County-Level Statistics:** BEA met all of the FY 2010 milestones associated with its restoration of industry detail for county-level statistics and the improvement of the reliability and accuracy of local-area economic statistics. Specifically, it restored the 3-digit NAICS level of subsector detail to its statistics of local area personal income and began research into methods to improve its substate GDP statistics, to accelerate the release of county income statistics, and to prepare prototype price-adjusted measures of personal income.

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Highlights FY 2010:

Research, Technology, and Effective Communication

BEA has a long history of continually improving its economic accounts to maintain relevance, to improve accuracy and timeliness of its statistics, and to maximize usefulness of its data products for its customers.

BEA made several improvements to its economic accounts in FY 2010, including:

- Incorporation of newly available Census data to improve consumer spending statistics on services, expanding its coverage of services data from 10% to 25%
- Incorporation of expanded business expense data from the Census Bureau into the annual industry accounts
- Improved interpolation methods for time-series annual I-O accounts
- Improved estimates of services supplied through affiliates that include services provided by bank affiliates for the first time, closing a significant gap in the statistics on international services.
- Incorporation of new source data and statistical improvements in the measurement of wages and salaries, of the industry distribution of employer contributions for social security, of imputed rent, and of farm proprietors' income
- Reconciliation of GDP and National Health Expenditure Accounts statistics
- The first release of BEA's new statistics on GDP for U.S. territories, which are critical for federal and territorial government policy and economic development
- Implemented several improvements to the international accounts related to recently updated international standards and provided an overview in the *Survey of Current Business* of BEA's plans for implementing additional changes

These improvements are made possible by research and employee expertise. In FY 2010, BEA's research and training included:

- Advances towards better measures of innovation and intangibles, including testing the measurement and incorporation of R&D and other literary, artistic, and entertainment assets in an I-O framework
- Expanded R&D satellite account to include more service-sector industry detail and to include the nonprofit and government sectors
- Development of experimental quarterly GDP by industry statistics
- Development of experimental estimates for state level government revenue and expenditures accounts
- Research papers on alternative measures of real output for education and health
- Advance research to support the development of a health care satellite account including research into the relative strengths of various sets of health care data, summarized in the *Survey of Current Business* and in research papers available on BEA's new Research Web page

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- Advance research to support other potential future improvements, such as the possible measurement of:
 - Services provided by nondepository credit intermediation and by securities
 - State-level statistics on consumer spending
 - Prototype price-adjusted statistics of personal income by state and metropolitan area
 - County income statistics on an accelerated schedule
- The use of different media to provide a number of explanations of how the Troubled Assets Relief Program, the CARS program, and other special programs affect BEA's estimates.

Technology allows BEA to modernize statistical production processes and maximize the results of research. In FY 2010, BEA:

- Developed a new computation engine for processing National Income data by income type and industry
- Designed a new system for processing international surveys to replace over 200 disparate legacy systems
- Deployed new analytic tools that increase production efficiency and enhance data quality.
- Approved a five-year plan to modernize statistical production processes, including targets to:
 - Significantly widen the critical window available for analysis by increasing the efficiency of our processing
 - Improve data quality by providing cutting-edge, analytical tools
 - Ensure the flexibility required to adapt methodologies in response to a rapidly changing economy
 - Leverage efficiencies by consolidating systems and utilizing common technical approaches

BEA combines technology with more traditional methods to effectively communicate with its customers. Examples from this year include:

- A new Web page that provides the latest information on consumer spending
- A new Web page that presents information on the impacts of transactions related to the American Recovery and Relief Act (ARRA) on the Federal NIPA estimates and gathers other ARRA information into a single location
- A new Web page to summarize BEA research in a single location
- Several FAQs on timely topics such as the effects of the BP oil spill on GDP, the effects of the earthquake in Haiti and U.S. relief efforts on the international accounts, different NIPA measures of government spending, COBRA health insurance premium assistance, and how the “Cash for Appliances” program is reflected in the NIPAs
- Participation in a conference on “Measuring Innovation and Change During Turbulent Economic Times,” and publication of summaries of the event in the Survey of Current Business
- Two additional chapters, on private fixed investment and change in private inventories, for the handbook Concepts and Methods of the U.S. National Income and Product Accounts
- A new guide to the international transactions accounts and the international investment position accounts

Links to more information on these and other accomplishments are provided in the Report Card.

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Appendix A: BEA's Performance Measures

BEA's progress is determined through the use of a number of performance measures; the relation between the performance measures and BEA's strategic objectives and goals is reflected in the attached Report Card.

Long-Term Performance Measures: BEA's progress with respect to the preparation, release, and improvement of its economic accounts and the human and technological resources that support them—that is, its strategic objectives and goals—is monitored by three long-term performance measures.

1. **Timeliness: Reliability of Delivery of Economic Data (Number of Scheduled Releases Issued on Time).**

The importance of BEA data as an ingredient for sound economic decision making requires BEA to deliver data into the hands of decision makers and other data users not only quickly but also reliably—that is, on schedule. The measure is derived as the number of scheduled releases released on time.

2. **Relevance: Customer Satisfaction with Quality of Products and Services (Mean Rating on a 5-Point Scale)**

Timeliness and accuracy are meaningless if the data are not relevant to the needs of BEA's customers. To measure customer satisfaction, BEA conducts an annual mail and Internet survey of users that uses a 5-point scale to gauge their use of, and satisfaction with, BEA products. The measure is derived as the ranking received, on a 5.0 scale, on BEA's annual survey of customer satisfaction. For more information on this performance measure, see the FY 2010 Report on Customer Satisfaction, forthcoming.

3. **Accuracy: Percent of GDP Estimates Correct**

BEA's most important statistic is gross domestic product (GDP). This measure uses a composite index to track BEA's success in estimating GDP with respect to six indicators of accuracy: (1) whether the economy is expanding or contracting; (2) whether the economy is growing faster or slower, (3) whether the economy is strong or weak, (4) the trend GDP growth rate, (5) the average quarterly GDP growth rate, and (6) the level of current-dollar GDP. For more information on this performance measure, see <http://www.bea.gov/papers/pdf/RevRationality-abs.pdf>.

Budget Initiative Performance Measures: "Budget initiatives"—new activities which require additional and specifically-designated funding—are also important for BEA's future success, as they allow BEA to engage in advance exploration of alternative or updated accounts necessary to reflect the changing economy. These initiatives have been designed to meet the needs of data users for new or alternative measures of the economy as it changes, and detailed activities, or milestones, related to each initiative have been included in BEA's strategic plan. BEA's performance with respect to these initiatives is monitored by an evaluation of its success in performing those detailed activities. For 2010, BEA's budget initiatives were:

1. **Critical Service Sector Improvements:** The economy, in particular the service sector (which includes finance, insurance, and real estate), is in a significant state of flux, and this is not likely to end in the immediate future. The once-tolerable gaps in data and stability are no longer tolerable without significant risk to the nation's economic indicators. Thus, BEA proposed to develop new estimation models and to incorporate those models and new source data into current computations. These improvements to BEA's estimation and source data will provide an enhanced ability to quickly and consistently respond and adapt to the current and future changes in the economy.
2. **Restoring and Enhancing County-Level Statistics:** As a result of years of prioritization of GDP and statutorily-mandated statistics, programs producing regional data had been diminished. Further compounding this problem, BEA's FY 2008 funding level was insufficient to make investments necessary to keep some of these statistics accurate and reliable. The impact to the county-level income program was the elimination of North American Industry Classification System (NAICS) subsector industry detail in published statistics beginning in 2008. However, this detail—used by policy makers, government officials, businesses and researchers to make informed policy decisions and conduct regional economic analysis—has become critical during the current economic crisis. Through this initiative, BEA will restore industry detail to the county-level statistics as part of a comprehensive program to improve the reliability and accuracy of local-area economic statistics. But simply restoring the eliminated industry-level detail is insufficient to meet the current demands. Instead, a comprehensive county-level program is required. Specifically, BEA **proposed to** restore the NAICS subsector detail in county-level statistics; accelerate the release of county-level personal income statistics; expand the GDP by metropolitan area statistics to produce GDP by county statistics; and develop inflation-adjusted state and county estimates.

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Strategic Objective	Strategic Goal	Performance Measure(s)	Success in 2010	Related Milestones from 2010 Strategic Plan Matrix	Highlights: Links to Additional Information	Relationship to DOC's Strategic Plan and DOC/BEA's Balanced Scorecard	
						DOC Theme	BEA Objective(s)
Customers	Expand External Communications and Outreach Efforts	Relevance	✓	1.1-1.4; 2.1-2.3; 3.1-3.6; 4.1-4.2; 5.9-5.10; 6.1-6.9	New FAQ's about each of BEA's economic accounts, including topical issues such as the BP oil spill and U.S. relief efforts in Haiti: search by program area (by category) or by keyword NIPA Handbook: Fixed Investment NIPA Handbook: Change in Private Inventories Survey Article on Territorial GDP GDP for the U.S. territories Article on Corporate Rates of Return New Consumer Spending Web Page A Primer on BEA's Industry Accounts Paper on R&D and Other Intangible Assets in an Input-Output Framework Guide to the International Accounts International Accounts Articles Preliminary Results of the Benchmark Survey of Foreign Direct Investment in the United States Collection of Data on Income and Other Taxes in Surveys of U.S. Multinational Enterprises Special Sworn Researchers' Papers The ASA/NSF/BEA Fellowship Program	Customer Service	Promote an environment that is responsive to external customers by addressing their demands for more complex and more detailed information in a timely, efficient, and transparent manner, using cutting-edge access and visualization tools, easier access, and new data products that deliver value to the user communities.
	Emphasize Two-Way Communication	Relevance	✓	2.4-2.6; 3.7; 4.3-4.4	Regional Input-Output Modeling System		
	Exploit Technology for the Best Possible Data Collection and Dissemination Methods and to Ensure Security	Timeliness Relevance Accuracy	✓	2.7; 3.8; 4.5-4.6; 7.1-7.5	Expanded web-based access to state and local area statistics BEARFACTS		

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Employees	Manage BEA's Workforce Toward Effective Accomplishment of the Mission	Timeliness Relevance Accuracy Service Sector Improvements County-Level Statistics	✓	1.5; 2.8-2.10; 3.9-3.12; 4.7; 6.14-6.15; 7.6-7.7	Internal Goal	Workforce Excellence	Recruit and retain a high-performing, diverse workforce with the critical skills necessary for mission success.
	Sustain and Enhance Internal Communications	Timeliness Relevance Accuracy	✓	3.13; 5.11; 6.10-6.12; 7.8-7.9	Internal Goal		
	Assess and Improve BEA's Organizational Climate	Timeliness Relevance Accuracy	✓	6.13; 7.10-7.13	Internal Goal		
	Sustain and Enhance Workforce Safety	Timeliness Relevance Accuracy	✓	6.16-6.17	Internal Goal		
Management	Ensure the Continuation of BEA's Mission and Essential Functions in an Emergency	Timeliness Relevance Accuracy	✓	6.18; 7.14-7.17	Internal Goal	Organizational Excellence	Modernize BEA's IT systems for greater efficiency, integration, Web accessibility and ease of use, and cyber security
	Sustain and Enhance the Management of BEA's Resources	Timeliness Relevance Accuracy	✓	6.20-6.21	Internal Goal		
	Enhance and Integrate Internal and External Statistical Review and Planning	Timeliness Relevance Accuracy	✓	1.7; 2.13; 3.14; 6.19	Survey article on the 2010 Flexible Annual Revision		
					BEA Advisory Committee		
	Efficiently Manage IT Investments in Support of BEA's Mission, Vision, and Strategic Objectives	Timeliness Relevance Accuracy	✓	1.6; 2.11-2.12 4.8; 7.18-7.22	Regional Input-Output Modeling System		
Maintain Infrastructure to Ensure Reliability and Security	Timeliness Relevance Accuracy	✓	7.23-7.30	Internal Goal			

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Statistics	Continue to Update Priority Statistics	Timeliness Relevance Accuracy	✓	1.8-1.11; 2.14-2.17; 3.15-3.19; 4.9-4.16	National Income and Product Accounts Fixed Assets Tables SNA Tables Prepared for OECD Travel and Tourism Satellite Accounts Annual Industry Accounts BEA : News Release: Advance Gross Domestic Product by Industry, 2009 Comprehensive Revision of Annual Industry Accounts Advance GDP Statistics Travel and Tourism Release International Transactions Accounts, International Investment Position Accounts, International Services statistics Multinational Companies Financial and Operating Data Monthly Trade in Goods and Services State Annual Personal Income State Personal Income: First Quarter 2010 Local Area Personal Income, 2008 Personal Income for Metropolitan Areas, 2009 Regional Input-Output Modeling System	Two Themes: Economic Growth and Science and Information	<p>Expand BEA's economic accounts to better measure innovation and intangibles, including R&D and health-care-related innovation and their impact on economic growth.</p> <p>Prepare and continuously improve timely and accurate regional and metropolitan area economic statistics to inform business investment decisions and to provide communities with tools to make policy decisions that foster economic growth.</p>
	Address Data Gaps, Accelerate Releases, and Implement Other Improvements	Timeliness Relevance Accuracy Service Sector Improvements County-Level Statistics	✓	1.12-1.19; 2.18-2.25; 3.20-3.28; 4.17-4.21; 5.1-5.8	Regional Statistics including GDP by Metropolitan Area Integrated Macroeconomic Accounts for the United States Work on Integrated Production Accounts Consumer Spending Statistics BEA: Innovation Account including R&D Federal Recovery Programs and BEA Statistics NIPA Table 5.1 Updates Include Quarterly Depreciation and Investment Statistics to Develop Quarterly Fixed Assets GDP for U.S. Territories U.S. International Services: Cross Border Trade in 2008 and Services Supplied Through Affiliates in 2007 Annual Revision of the U.S. International Transactions Accounts		<p>Prepare and continuously improve timely and accurate international statistics to foster U.S. trade.</p> <p>Prepare and continuously improve timely and accurate national, international, regional, and industry statistics to track the performance of the U.S. economy and to support effective decision making.</p> <p>Improve service sector measures in BEA's economic accounts, including the finance, insurance, and real estate sectors.</p>

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						DOC Theme	BEA Objective(s)	
Statistics	Improve Consistency and Integration Across BEA Accounts and with Other Accounts	Timeliness Relevance Accuracy	✓	1.20-1.22; 2.26-2.28; 3.29	Integrated National Production Account Work on Integrated Production Accounts BEA Health Care Satellite Account Survey Article on Health Care Reconciliation Updated PCE/CPI Reconciliation Improved Measures of Command-Basis GNP	Two Themes: Economic Growth and Science and Information	Expand BEA's economic accounts to better measure innovation and intangibles, including R&D and health-care-related innovation and their impact on economic growth.	
	Improve Consistency with International Standards	Relevance Accuracy	✓	1.23-1.26; 2.29; 3.30-3.31	Fixed Assets Accounts, including Consumer Durable Goods Consumer Spending Statistics R&D and Other Intangible Assets Modernizing and Enhancing BEA's International Economic Accounts Annual Revision of the U.S. International Transactions Accounts Annual Revision of the U.S. International Investment Position		Prepare and continuously improve timely and accurate regional and metropolitan area economic statistics to inform business investment decisions and to provide communities with tools to make policy decisions that foster economic growth.	
	Implement Budget and Research Initiatives to Develop New Statistics	Timeliness Accuracy Relevance Service Sector Improvements County-Level Statistics	✓	1.12; 2.30-2.32; 3.32; 4.22-4.29; 5.12-5.13	BEA Working Papers Consumer Spending Statistics Research and Development Satellite Account Experimental Quarterly U.S. Gross Domestic Product by Industry Statistics Health Care Satellite Account Survey Article on Health Care Reconciliation Measuring Health Care Costs of Individuals Integrated National Production Account Paper on Comparing the Consistency of Price Parities for Regions of the United States		Prepare and continuously improve timely and accurate international statistics to foster U.S. trade.	
	Redesign Core Systems and Applications to Improve Timeliness, Accuracy, and Comprehensiveness of Bureau Outputs	Timeliness Relevance Accuracy	✓	3.33; 7.31-7.39	Internal Goal		Prepare and continuously improve timely and accurate national, international, regional, and industry statistics to track the performance of the U.S. economy and to support effective decision making.	
	Standardize Data Structures and Databases to Use Web Technologies to Improve the Collection, Access, and Dissemination of Data	Timeliness Relevance Accuracy	✓	7.40	Internal Goal		Improve service sector measures in BEA's economic accounts, including the finance, insurance, and real estate sectors.	