

# **Bureau of Economic Analysis**

## **Director Steve Landefeld**

Fourth Quarter  
Balanced Scorecard Performance Review

November 2012

# Action Items from Prior Review

- Can BEA provide a short report on information related to trends in in-bound investment?
  - Information was provided on foreign direct investment in the U.S. (FDIUS) through 2011, with additional information for first quarter 2012
- What will BEA learn from new data sets resulting from linking of data on cross-border trade in services with data on operations of multinational companies on international services?
  - Will use information from linked dataset to fill gaps and eliminate overlaps in statistics. Specifically, dataset can be used to develop checks on reported data, e.g., sales of foreign affiliates (as reported by respondents on survey of operations of multinational companies) can be used to check data on trade in services (reported on our services surveys) and vice versa
  - Linked data set has also been used in research on offshoring, e.g., to derive a more consistent picture of trade by reattributing imports to different geographic locations based on factors that reflect economic activity at a foreign affiliate, such as employment
- How much is new BEA Blog being used?
  - 23,654 views since launched in April 2012: doubled monthly views (2,158 views to 4,531 views April to September)
  - 49 posts published. Most popular: “GDP and the National Accounts: one of the Greatest Inventions of the 20<sup>th</sup> Century.”
  - Other posts provide important information for users, e.g., April blog on why BEA estimates of defense spending were less than forecasters had expected based on defense outlays data in the Treasury Department’s *Monthly Treasury Statement*

# Action Items from Prior Review

- What is cost of delay in settling the space problem?
  - Potentially significant increase in cost due to minimum 16-month lease extension
  - Delay of data center move (physically tied to location)
  - Risk of significantly higher utility costs (negotiated favorably under current lease)
- How will BEA share information about new detail from health satellite account?
  - Bi-annual conference call with health experts team
  - Notification of experts and other interested users about forthcoming and newly released papers
  - Presentations at conferences throughout the year
  - Forthcoming BEABlog post highlighting results from June *Survey of Current Business* article
- Benchmark or international comparison available for accuracy index?
  - No comparable accuracy measures
  - International organizations have tried conducting revision studies (e.g., OECD and European Central Bank) but they suffer from issues with comparability
  - Even in those studies, U.S. measures of growth are among most accurate and timely in the world

# Accomplishments

- Successfully released annual revision of NIPAs
  - Improved estimates for transportation, education, and utilities
  - New tables that facilitate tracking of GDP with GDI and other major aggregates of output and related incomes
- The Center for Digital Government—a national research and advisory institute on information technology policies and best practices in state and local government—presented BEA with 2012 Driving Digital Government Award
  - Award recognizes outstanding government agency Web sites and applications based on innovation, functionality, and efficiency
  - BEA honored for interactive data tables
    - Provide uniform way to tap into BEA data
    - Make it easy to create, customize, and modify tables; create custom charts; share tables and charts via social media; download data to files; and save queries
    - Added mapping function for regional data

# Accomplishments, cont.

- Organized joint conferences of International Association of Research in Income and Wealth (IARIW) and NBER's Conference on Research in Income and Wealth (CRIW)
  - Unique forum for statistical officials and experts from around the world to present new research findings on topics related to national accounting, well-being, income distribution, & financial stability
  - BEA staff presented a dozen papers, ranging from accounting for multinational companies to depreciating R&D business capital
- Continued to collaborate to improve economic accounts
  - Work with National Endowment for the Arts to produce satellite account for arts and cultural production
  - Successfully released territorial GDP estimates in collaboration with Department of Interior
- Expanded customer outreach
  - Nearly doubled media attendance at July briefing that detailed annual revisions to GDP estimates
  - Including BEA data in mobile app rolled out by Census Bureau in August
- Successfully achieved all strategic plan goals for FY2012
  - Regular updating and on-time delivery of Gross Domestic Product (GDP), Balance of Payments, international trade in services, manufacturing and other key statistics
  - Addressing lessons learned from 2007-2009 recession

# Challenges

- Lease at 1441 L Street expires 6/13
  - Lease extension (6/13-10/14) at current footprint at higher lease rate
  - Absent congressional funding for build-out and increased lease costs, will confront significant cuts to statistical programs
  - Prospectus approved by OMB, pending at GSA (no lease actions until submitted to Hill)
  - Potential move/reconfiguration subject to lease competition by GSA
  - Planning for data center move
- Rapid pace of change in economy has called for increased focus on measurement of income and financial transactions
  - Answering this call with better measures of international financial transactions and of incomes earned in United States
- To support need for continuous updating of accounts, must be successful in:
  - Reengineering IT and Administrative systems
  - Redesigning and prioritizing statistical work through redesigned surveys, new methodologies, and source data
  - Implementing human resource policies, such as mentoring and award programs, that enable BEA to remain one of 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**

- As part of 2012 annual revision, used expanded data from Census Bureau's quarterly services survey (QSS) to improve estimates for transportation, education and utilities industries.
  - QSS data are now used to estimate approximately 72% of the quarterly PCE services that are in scope
- Introduced new tables that show percent changes, current-dollar measures, and chained-dollar measures of GDP, GDI, and related aggregates side by side to facilitate comparisons in their movements
- Researched new estimating methods for measuring gaps in International Transactions Accounts, such as penalties imposed on corporations
- Developed plans to use new linked dataset on international trade in services to fill gaps & eliminate overlap in coverage
  - Sales of foreign affiliates (as reported by respondents on the survey of operations of multinational companies) can be used to check data on trade in services (reported on services surveys) and vice versa

## **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: **100%**



# 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**

- Released additional research on quantifying growth in health care costs, including research not scheduled for completion until next quarter
- Progress continues on schedule to publish prototype industry account in FY13, incorporating R&D and investments in movies and entertainment in GDP

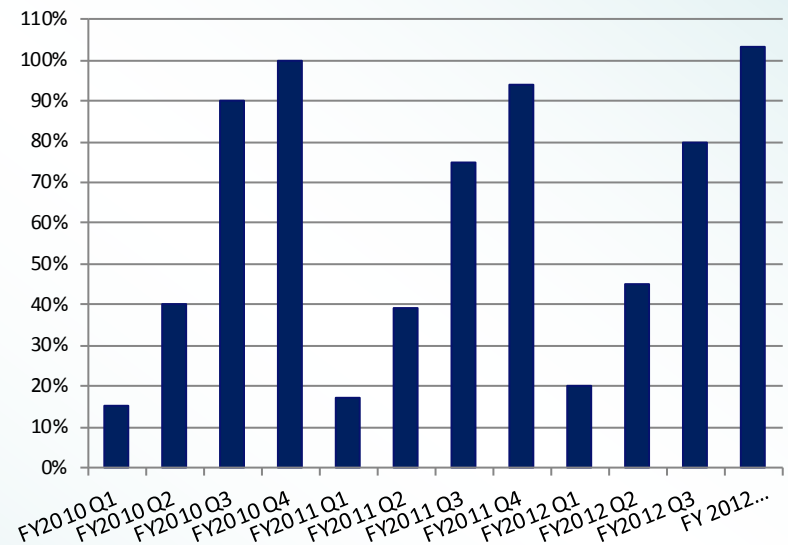
## **RISK**

- As BEA approaches implementation of work on innovation, resources currently devoted to IT modernization will need to be reallocated back to these projects
- Progress 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: 103%**



# 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 79% initial response rate for most recent survey period (2<sup>nd</sup> quarter 2012)
- Will attain more complete coverage by time revised estimates are published

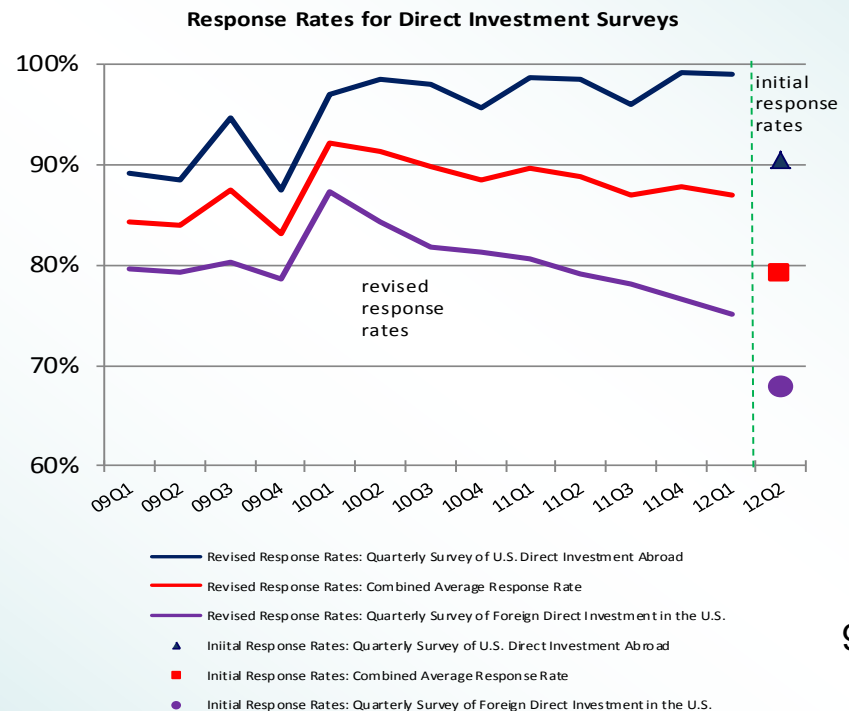
## RISK

- 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: 79%**



# 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 83%
- Achieved 96% 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 U.S. (companies with earlier fiscal years prefer early filing)

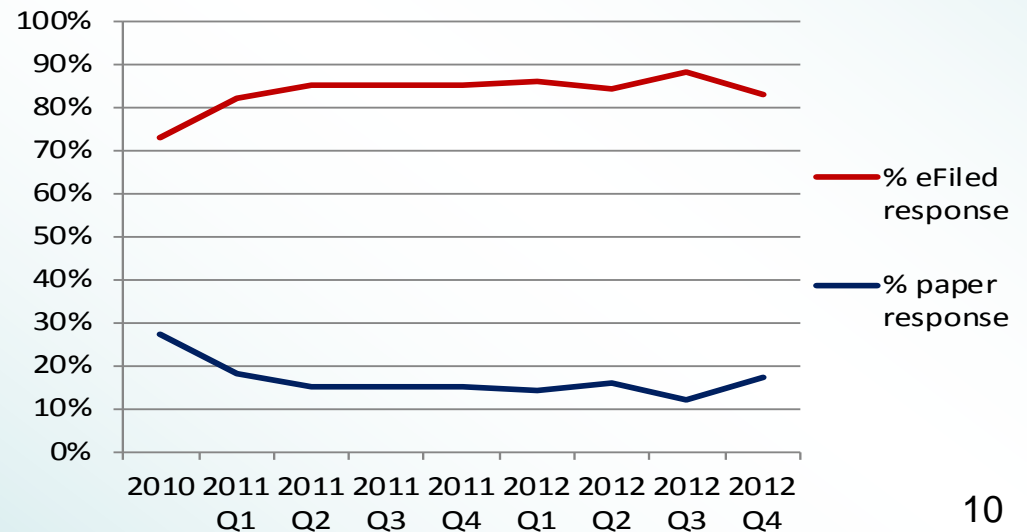
## **RISK**

- 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: 83%**

# 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
- Analyses of integrated micro and macro data on consumer income and expenditures, actuarial estimates of defined benefit pension plans, better measurement of factoryless manufacturing and expanded definitions of financial intermediation services in the United States presented at joint conferences of IARIW and CRIW
- Released results of 2012 annual revision of NIPAs
  - Newly available, expanded data from Services Annual Survey (SAS) to improve measures of several categories of personal consumption expenditures
  - Introduction of improved methodology for state and local corporate profits taxes
- Updated estimates to reflect changes in economy during critical juncture in recovery

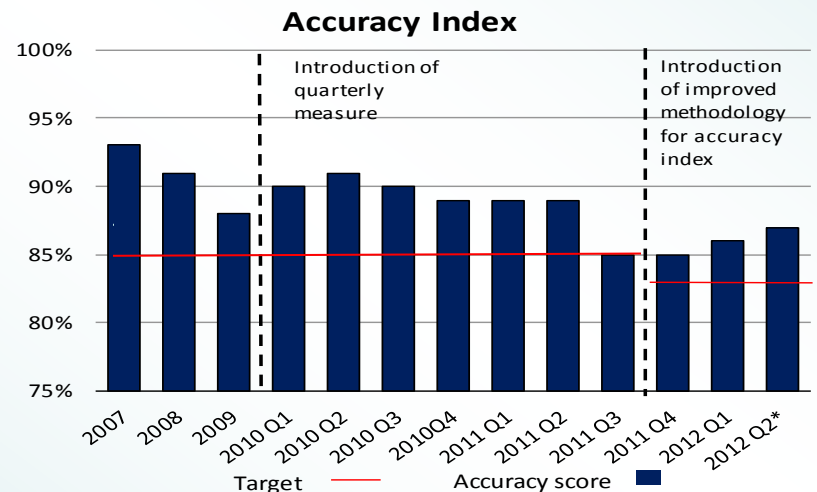
## **RISK**

- 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: 87%**



\*Latest quarter for which revised data are available.

# 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 15 data releases on time

## **RISK**

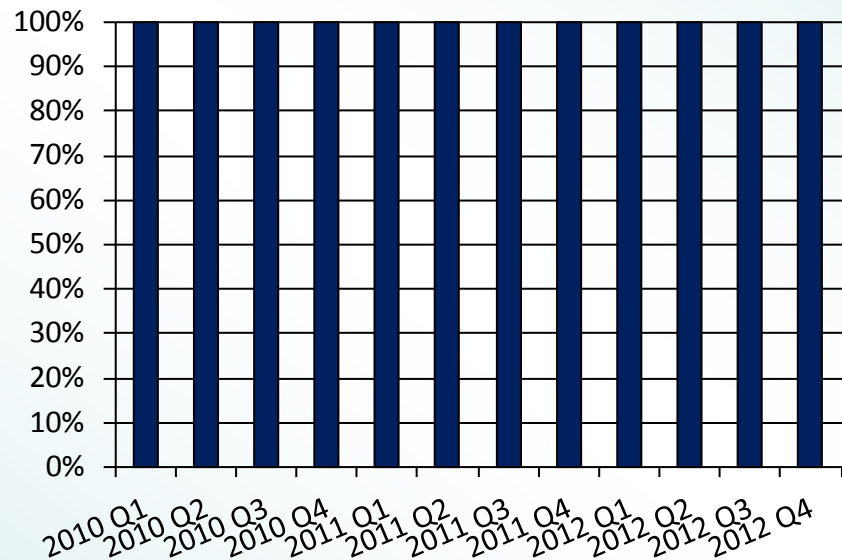
- Continued progress on IT modernization is essential to maintaining on-time delivery of statistics
- Future budget cuts to Census Bureau and other federal data providers could impact timely receipt of source data that are vital inputs to many key BEA statistics

## **MITIGATING RISK**

- Reallocate base funding to update IT systems

**Target: 100%**    **Actual: 100%**

**Percent of On-time Delivery of Statistics**



# 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
- Nearly doubled media attendance at July briefing that detailed annual revisions to GDP estimates
  - Both before and after revision, time was devoted to educating reporters on process of revisions and why they occur, laying groundwork for public release of materials
- Dissemination of data, including expansion of BEABlog, FAQs on important topics affecting estimates, and inclusion of BEA data in mobile app rolled out by Census Bureau in August

## **RISK**

- Less accurate reporting on economy without continued outreach to media

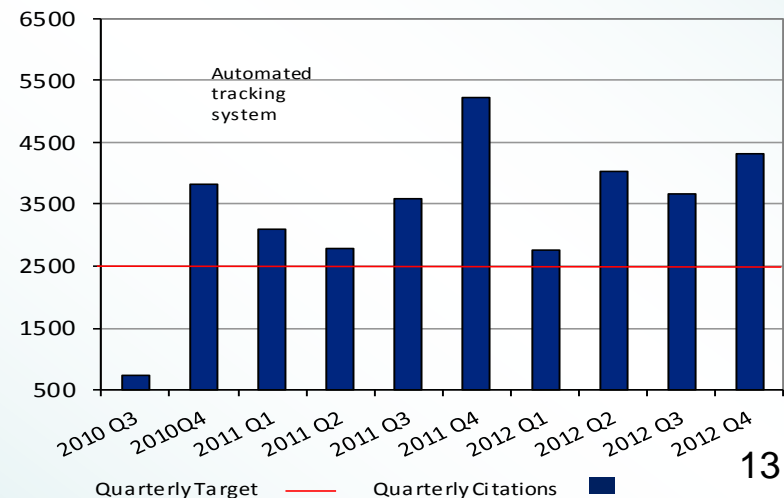
## **MITIGATING RISK**

- 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: 4,321 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**

- Released detailed methodologies for measures of corporate profits and compensation of employees
- Updated RIMS II and released new User Guide to provide users with updated, user-friendly content and detailed examples of uses of RIMS multipliers
- In response to user requests, enhanced content of interactive regional data tables on BEA.gov website by adding ability to display information on average annual growth rates
- Honored with the 2012 Driving Digital Government Award for interactive data tables

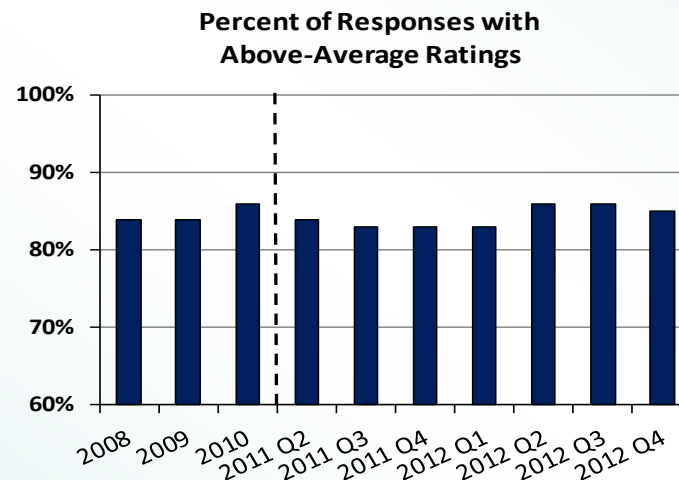
## **RISK**

- 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: 85%**



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 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)
- Change Committee on Employee Recognition and Rewards submitted recommendations to management
- Generally exceeded government-wide results of 2011 OPM Employee Viewpoint Survey (50% participation rate)
- Achieved 75% response rate on Employee Viewpoint Survey 2012
- Receiving positive feedback from pilot of enhanced remote access portal to improve telework experience

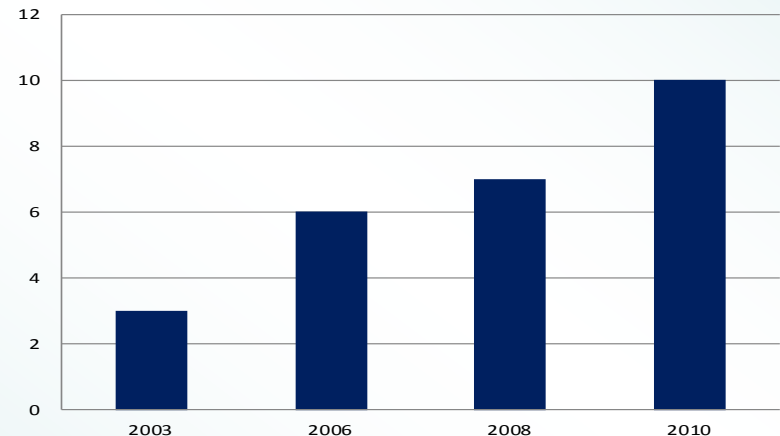
## **RISK**

- 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

**Number of Benchmark Highs**



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

# Workforce Excellence

Average time to fill federal career positions

FY12 Q4 Target: 80 days

FY12 Q4 Actual: **59 days (Target met)**

Average Number of Days												Av Total FY12 Q4
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	8.31	3.15	0.69	9.08	7.00	0.00	10.00	2.69	0.62	6.15	17.92	58.84
Census Standard for Average # of Calendar Days	5	1	1	10	14	1	30	1	2	1	14	80

YTD Hiring Actions			FY12 Q4			FY12 Q3			FY12 Q2			FY12 Q1		
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
	#	%												
34	30	88%	58.84%	-65.70	13	66.29	12.21	7	54.08	-31.42	12	85.5	-4.83	2

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. 16

In some cases, step 1 occurs after EOD.



# Organizational Excellence

**OBJECTIVE:** Minimize cost increase resulting from expiration of lease by repurposing and reducing space to reach maximum efficient utilization

**PERFORMANCE MEASURES:** Targeted dollar amount of Real Property cost savings itemized by property, category of savings, and dollar amount for each property (DOC-defined criteria)

## **STATUS & SIGNIFICANT DEVELOPMENTS**

- Lease expires June 2013
  - New rate estimated at approximately \$50/sq. ft./yr. versus \$38/sq. ft./yr. in FY12
  - Market rate for commercial space estimated between \$50 and \$70/sq. ft.
- Extend lease, absent GSA competition, for required minimum of 16 months: 6/13 – 10/14
  - Increased rent above current amount will be approximately \$.6M in FY13 and \$2.9M in FY14
- Compete lease action with reduced square footage by 15,000 sq. ft., 12% reduction with same # of employees
  - Projected savings of \$750K/year in rent (based on GSA's estimate)

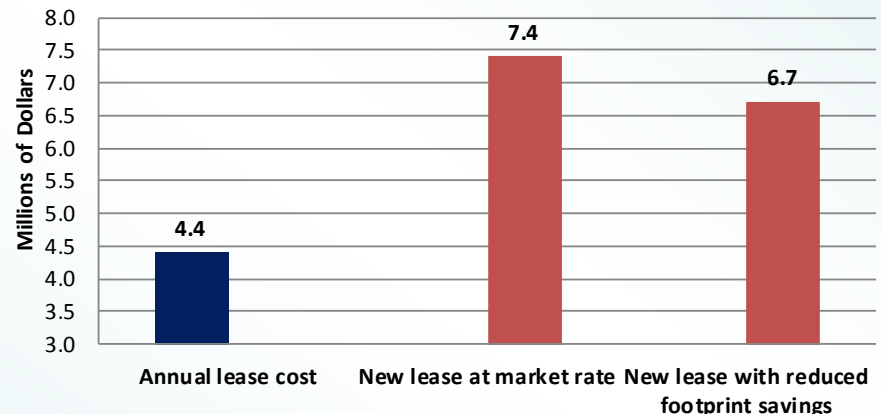
## **RISK**

- Current negotiated utility rates likely to escalate *significantly*
- Moving or reconfiguring requires substantial funding above tenant improvement allowance; minimum estimates range from \$8 - 9 million, out of total budget of \$90+ million

## **MITIGATING RISK**

- Work closely with ESA and GSA to develop housing plan that will require lowest up-front costs
- Pursue most cost-effective solution over life of lease

## **Real Property Cost Savings**



**Target Savings: \$565K**

**Projected Savings: \$750K**

# 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

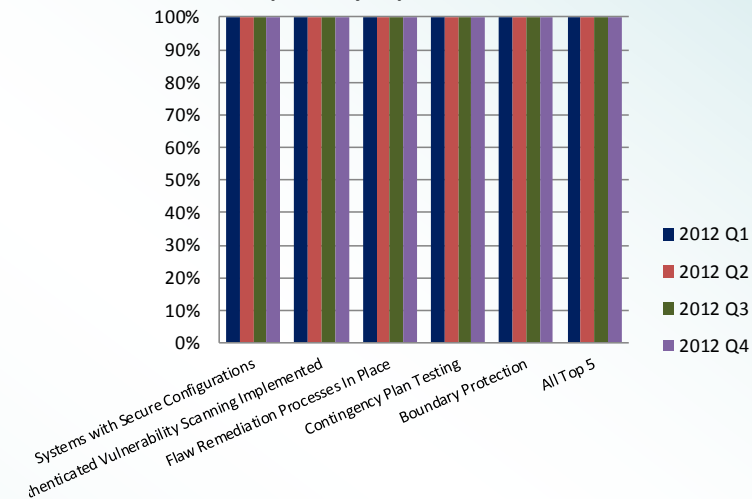
**Targets:** 100% of moderate/high impact systems with “top 5” fully implemented

### **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%**