



Bureau of Economic Analysis

Director Steve Landefeld

Second Quarter
Balanced Scorecard Performance Review

May 2012

BEA Accomplishments and Challenges

Accomplishments

- BEA continued to make good progress on all of its strategic goals, including the 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 the lessons learned from the 2007-2009 recession.
- BEA made significant progress on several collaborative projects, including:
 - Work with Census on eliminating the pattern of downward revisions to retail sales and GDP, improved data on services, and developing new seasonal adjustment techniques to address problems associated with the recession.
 - Work with NSF and Census on developing new measures of the effect of R&D and innovation on GDP.
 - Work with NIH on more accurate and more detailed measures of medical spending and inflation.
 - Work with the Federal Reserve Board, Treasury, the IMF, and the G-20 to fill gaps in the financial data revealed by the recession.
 - Work with the Federal Reserve Board to update the integrated BEA-FRB macroeconomic accounts.
- BEA maintained its focus on improving customer service by continuing its successful work on re-engineering its IT data collection, production, analysis, and dissemination systems, including those for its foreign direct investment statistics.

BEA Accomplishments and Challenges

Challenges

- BEA's lease at 1441 L Street will expire next year, and absent any congressional funding for the build-out and increased lease costs, BEA will confront significant cuts to statistical programs.
- The rapid pace of change in the economy requires constant updating and innovation in the measurement of GDP and BEA's complete set of national, international, regional, and industry statistics.
- To support this updating, BEA must be successful in its efforts to: 1) reengineer its IT and Administrative systems; 2) redesign and prioritize its statistical work through redesigned surveys, new methodologies, and source data; and 3) implement human resource policies that enable BEA to remain one of the leading federal agencies in workforce satisfaction.

Budget Execution



Variation from the current spending plan was \$1.6 million (-3% variation).

- BEA continues to maintain a freeze on hiring and has implemented a 10% cut to non-personnel spending in FY2012.
- Taking advantage of IT re-engineering and other efficiencies, BEA is moving forward with:
 - New statistics on distribution of income, quarterly statistics on GDP for manufacturing and other industries, regional price indexes, and expanded statistics on energy.
 - More timely county and other regional data.
 - More detailed foreign direct investment statistics.

Economic Growth

BEA OBJECTIVE: Prepare and continuously improve BEA's 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

- In the second quarter, BEA made significant progress on understanding how capital gains and losses and the misreporting of income to the IRS are distorting BEA's Gross Domestic Income (GDI) measure relative to its featured measure of Gross Domestic Product (GDP).
- BEA received OMB clearance for a survey on credit card use related to travel that will replace an ITA survey and will ultimately reduce costs, reduce respondent burden, and improve accuracy.
- BEA greatly expanded the information on operations of U.S. affiliates of foreign multinational companies that is available through the interactive tables on BEA.gov.

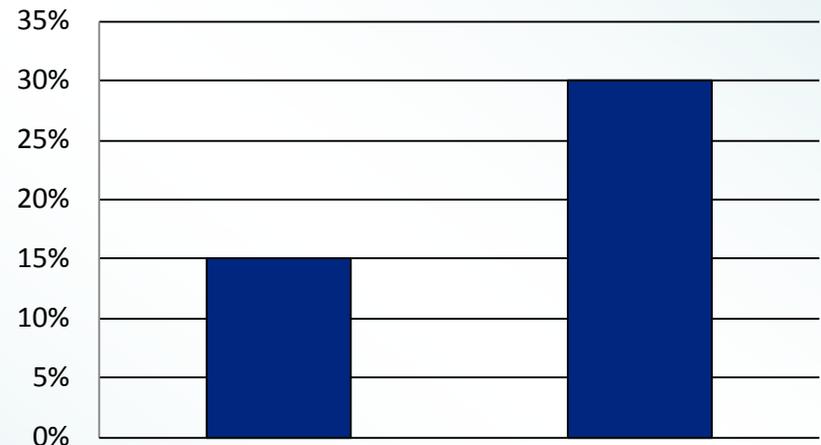
RISK

- Budget cuts to BEA, Census, BLS, or other statistical agencies impact the production of BEA's economic statistics.

MITIGATING RISK

- BEA continues to work with ESA, Census, and other statistical agencies to focus scarce resources on the highest priority core statistics.

Cumulative Progress Toward Annual Goal



Annual Target: 100% **Cumulative Quarterly Progress: 30%**

Economic Growth

BEA OBJECTIVE: Expand BEA’s economic accounts to better measure health care, innovation, and intangibles.

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

STATUS & SIGNIFICANT DEVELOPMENTS

- In the second quarter, BEA presented and vetted its recent health-related research at several professional meetings and to government agencies, including the Congressional Budget Office.
- Completed internal review of proposals for the incorporation of R&D and entertainment originals during the next comprehensive revision of the GDP accounts.

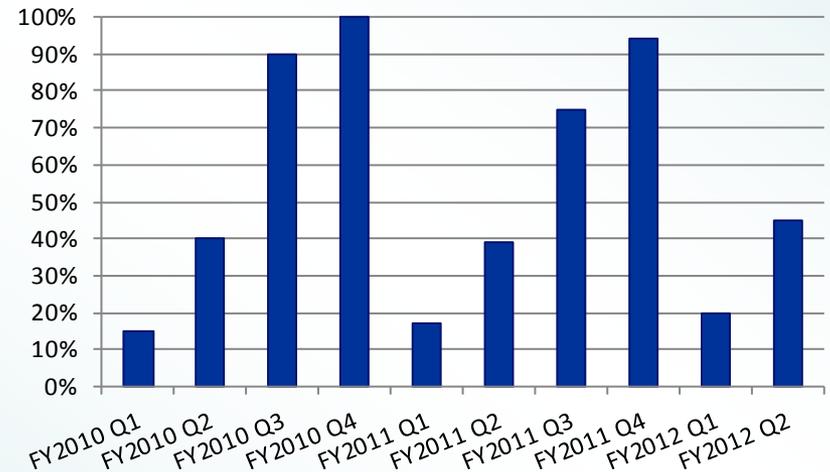
RISK

- 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, and NSF.

MITIGATING RISK

- BEA has worked with ESA and the Secretary’s Office to address budget constraints in a manner that allows for the reallocation of resources to support health and innovation implementation and other statistical priorities, as well as IT modernization.
- BEA will continue to regularly engage with other agencies on plans and progress in support of the innovation statistics.

Cumulative Progress toward Annual Goal



Annual Target: 100% **Cumulative Quarterly Progress: 45%**

Economic Growth

BEA OBJECTIVE: Prepare and continuously improve timely and accurate international statistics to foster U.S. trade.

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

STATUS & SIGNIFICANT DEVELOPMENTS

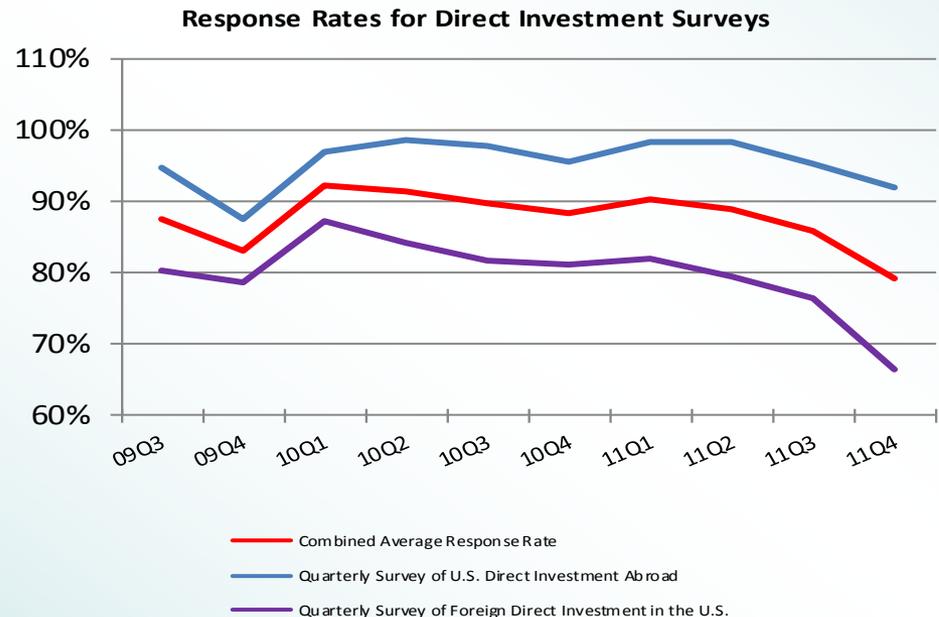
- Maintaining high response rates during economic downturns is critical for providing timely and accurate data.
- OMB recommends overall response rate of 80%; BEA ultimately achieves nearly 100% response rate in terms of value of direct investment.
- As of the second quarter of FY12, the initial response rate for the most recent survey period (4th quarter 2011) was 79%; more complete coverage is attained by the time revised estimates are published.

RISK

- During economic downturns, firms – especially smaller and less successful firms – are less likely to respond to surveys.

MITIGATING RISK

- BEA continues to be in regular contact with its survey respondents to boost compliance.



Target: 80% **Actual: 79%**

Economic Growth

BEA OBJECTIVE: Prepare and continuously improve timely and accurate international statistics in support of the President's export initiative.

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

STATUS & SIGNIFICANT DEVELOPMENTS

- e-filing program is key to improving accuracy, reducing response burden, and improving the timeliness of data.
- e-filing remained strong in the second quarter of FY12, exceeding the target with a rate of 84%.

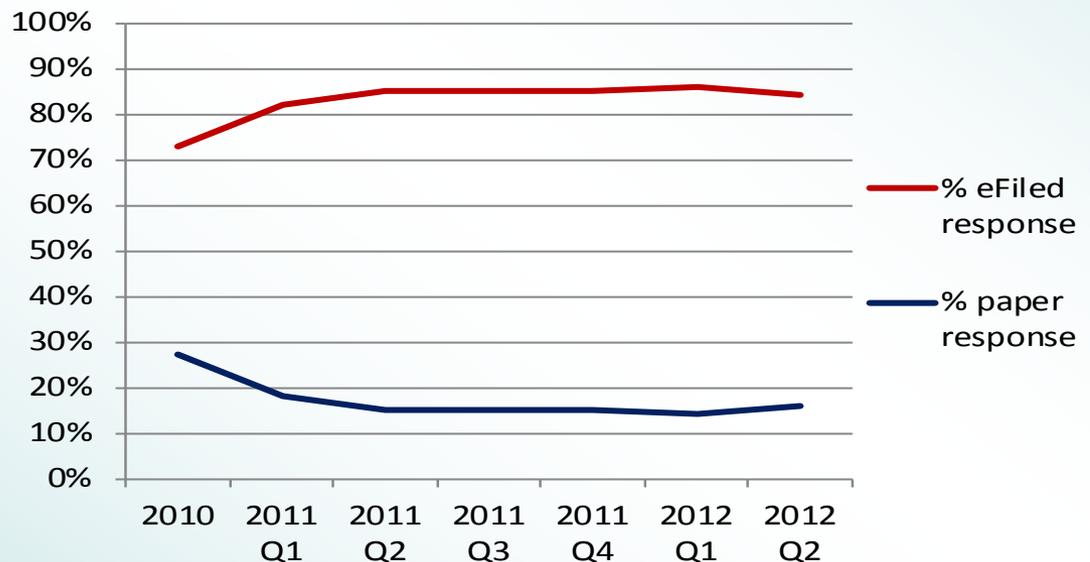
RISK

- Achieving higher e-file rates is difficult as many of the remaining respondents are small firms, where the relative costs of converting from paper to e-filing is higher and the benefits lower.

MITIGATING RISK

- BEA regularly reaches out to survey respondents to maintain and raise e-file rates.
- BEA is partnering with ITA and the Census Bureau to promote e-filing at trade shows and other events.

Electronic Filing of International Surveys



Target: 80% Actual: 84%

Economic Growth

BEA OBJECTIVE: 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.

PERFORMANCE MEASURES: Percent of on-time delivery of statistics.

STATUS & SIGNIFICANT DEVELOPMENTS

- BEA issued all 13 data releases on time in the second quarter of FY2012.

RISK

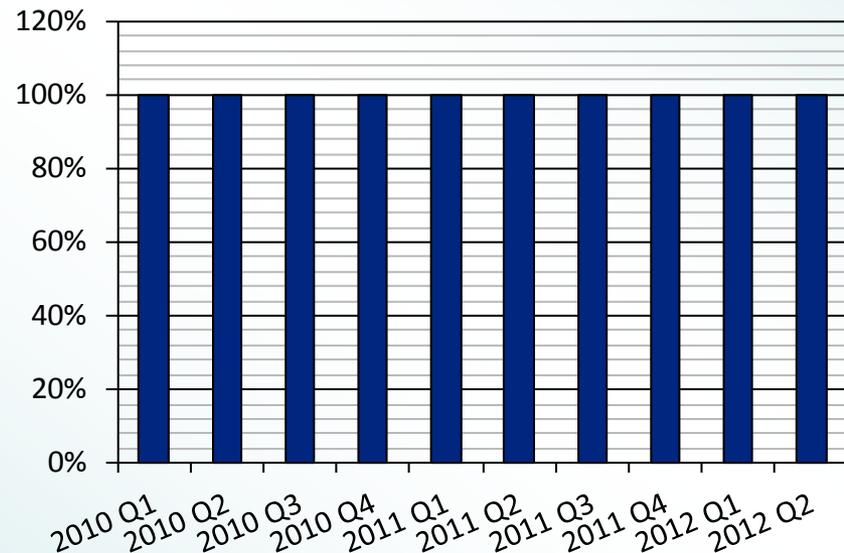
- Continued progress on IT modernization is essential to maintaining BEA's on-time delivery of statistics.
- Future budget cuts to the Census Bureau and other federal data providers could impact the timely receipt of source data that are vital inputs to many key BEA statistics.

MITIGATING RISK

- BEA has reallocated base funding to update its IT systems.

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

Percent of On-time Delivery of Statistics



Economic Growth

BEA OBJECTIVE: Guarantee the accuracy of BEA's GDP statistics.

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

STATUS & SIGNIFICANT DEVELOPMENTS

- BEA's GDP data are regarded as among the most timely and accurate in the world and BEA regularly reports on revisions and accuracy.
- In the second quarter, a joint BEA/Census team presented the results from their study and made recommendations for addressing the pattern of downward revisions to monthly retail sales data (a major component in estimating consumer expenditures for goods and GDP).
- Also in the second quarter, as part of its broader efforts to better understand the differences in measuring GDI and GDP, BEA published the *Survey of Current Business* article "The Role of Profits and Income in the Statistical Discrepancy".

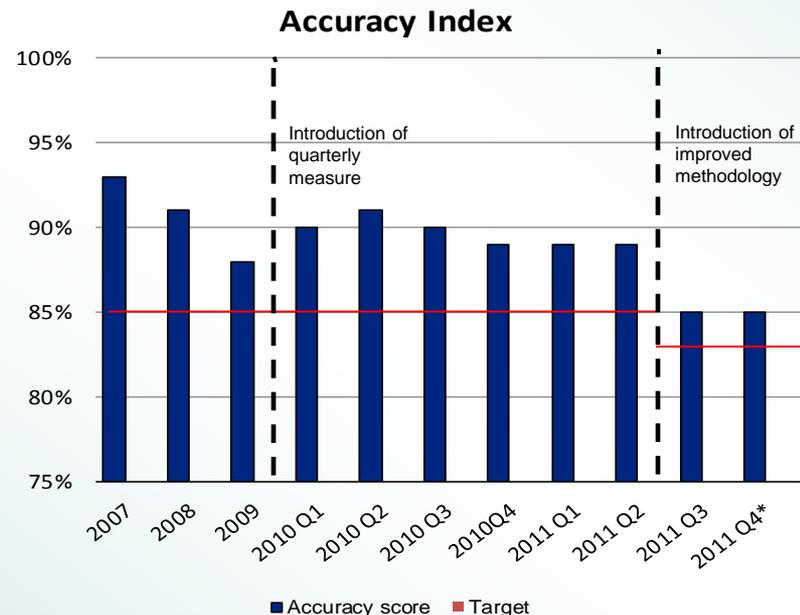
RISK

- The accuracy of advance GDP estimates is lower during recessions and the early stages of recovery.

MITIGATING RISK

- BEA is working to address potential biases in its statistics and is collaborating with Census, the Federal Reserve Board, BLS, IRS, and other data suppliers to address gaps revealed by the recession.

Target: >83% **Actual: 85%**



*Latest quarter for which revised data are available.

Science and Information

BEA OBJECTIVE: Fully utilize the news media as a partner in disseminating BEA's data to customers and providing information on the measurement and use of BEA's 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

- GDP and other BEA data appear on a daily basis in print and electronic media worldwide.
- The media is a key partner in making BEA's data more accessible to the public, and senior managers regularly meet with journalists to help them better understand the U.S. economy and what these measures mean.
- BEA is continuing its stepped-up media outreach to better explain revisions to the economic accounts.

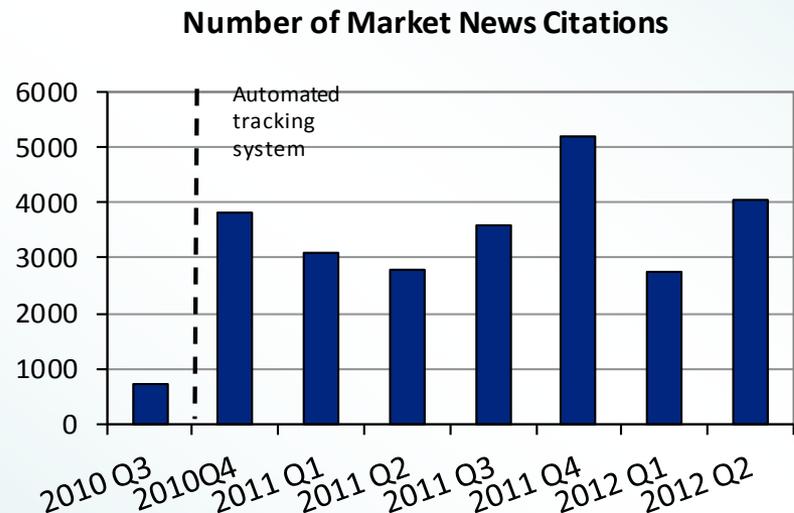
RISK

- Without continued outreach to media on the wealth of detail in BEA's statistics and how to understand these statistics, over time media reporting on the economy becomes less accurate.

MITIGATING RISK

- BEA works closely with the media to help them understand the uses for and meaning behind BEA's economic statistics.

Target: 2,500 citations Actual: 4,031 citations



Customer Service

BEA OBJECTIVE: Deliver BEA's economic statistics to the public in a timely, efficient, and transparent manner using cutting-edge access and visualization tools.

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

STATUS & SIGNIFICANT DEVELOPMENTS

- BEA is using the results of its Web site usability study to further improve on-line data products.
- In order to facilitate the transition for BEA's customers, previous-generation Web site applications have been running in tandem with BEA's new interactive data tables. These previous-generation applications are being phased out as BEA customers have acclimated to the enhanced capabilities of the new and improved Web site data display and retrieval.

RISK

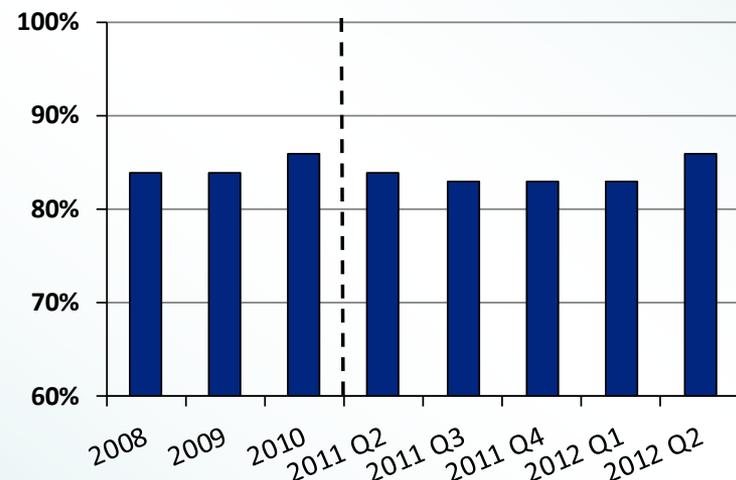
- Failure to continuously update the Web site in response to changing technologies and user needs would rapidly erode Web site usability and customer satisfaction.

MITIGATING RISK

- BEA is participating in the ESA Data Dissemination Group to identify risks and improve service to our customers.

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

Percent of Responses with Above-Average Ratings



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

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

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

STATUS & SIGNIFICANT DEVELOPMENTS

- BEA is consistently one of the highest rated bureaus in the federal government for employee satisfaction. For the 2010 OAS, BEA had the highest scores of all participating agencies on 7 of the 12 dimensions and was tied for highest on 3 dimensions.
- In the second quarter, the BEA OAS “Change Committee” provided recommendations to management on how to improve BEA’s Awards Program.
- In the second quarter, BEA implemented an expanded telework policy to encourage employees to participate in BEA’s telework program—both regularly scheduled telework and episodic telework. As a result of this effort, participation in the telework program increased nearly 20% percent.

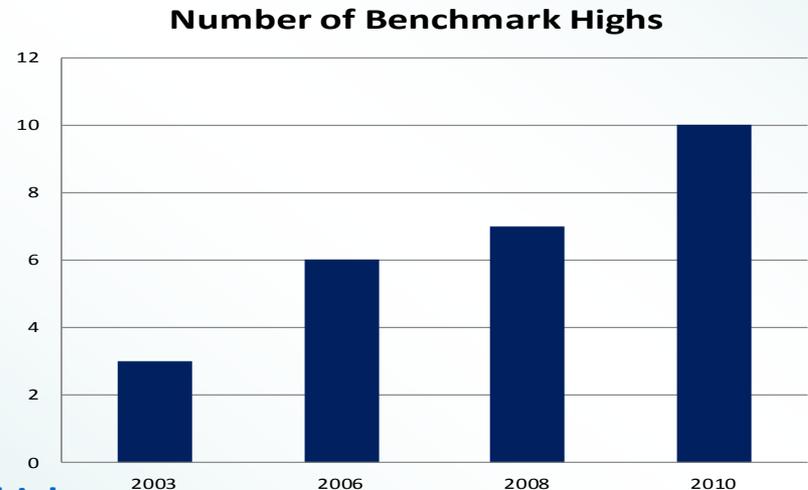
RISK

- Decline in BEA employee morale, resulting from threatened budget reductions, reorganization, employment and wage freezes, shrinking bonuses, and public attitudes toward federal employees.

MITIGATING RISK

- BEA is using a variety of means to provide a positive message that employee satisfaction and engagement are critical to BEA.

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



Workforce Excellence

Average time to fill federal career positions

FY12 Q2 Target: 80 days

FY12 Q2 Actual: 54 (Target met)

Average Number of Days												
Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	*Step 9	*Step 10	*Step 11	Total FY12 Q2	
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	-0.25	1.42	1.67	10.0	7.5	1.58	18.75	0.08	0.5	3.33	13.3	54.08
Census Standard for Average # of Calendar Days	5	1	1	10	14	1	30	1	2	1	14	80

YTD Hiring Actions			FY12 Q2		FY12 Q1		FY11 Q4		FY11 Q3	
Total # of Complete Hiring Actions	Within 80 Days		Av Days FY12 Q2	+/- previous quarter	Av Days FY11Q3	+/- previous quarter	Av Days FY11Q3	+/- previous quarter	Av Days FY11Q2	+/- previous quarter
	#	%								
14	11	79%	54.08	-31.42	85.5	-4.83	90.33	1.83	88.5	-34.2

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. In some cases, step 1 occurs after EOD.

Organizational Excellence

“Top 5”

BEA OBJECTIVE: The security of BEA’s IT systems is critical to the timeliness and integrity of BEA’s economic estimates.

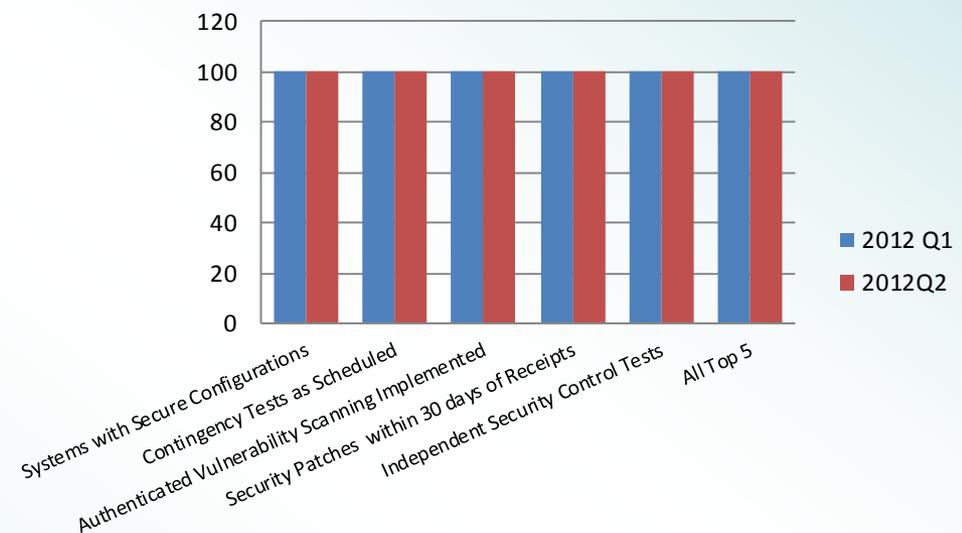
PERFORMANCE MEASURES: Percent of moderate/high impact systems with “top 5” controls fully implemented.

STATUS & SIGNIFICANT DEVELOPMENTS

Of the technical security controls that comprise the “Top 5”:

- In the second quarter, BEA maintained standard secure configurations for 100% of major components of the BEA-EITS.
- In the second quarter, BEA completed authenticated vulnerability scanning on all components.
- In the second quarter, BEA assessed security patches and implemented 100% of the appropriate patches within 30 days.
- In the second quarter, BEA completed independent testing of 19 of 19 scheduled IT security controls.
- In the second quarter, no contingency tests were scheduled. BEA prepared for the contingency test scheduled in June.

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



Target: 100% Actual: 100%