



# Bureau of Economic Analysis Strategic Plan Report Card 2009

# Report Card

*BEA is pleased to report that it reached all of its goals for 2009, thus completing its mission to provide our customers with timely, relevant, and accurate economic statistics. With this report card, we invite you to review the details of our success.*

## Recapping the 2009 Strategic Plan: Strategic Objectives and Goals

The Strategic Plan for 2009–2013 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.

**2009 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 must provide the advance research for improving the accounts and they must keep pace with technological or other advances to improve efficiency.

**2009 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.

**2009 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.

**2009 Strategic Goals:** BEA focused on upgrading BEA's economic statistics by designing goals to improve statistical methodologies and source data and to use new technologies.

- Continue to Update and Improve 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: Results for 2009

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

- **Strategic Goals:** BEA successfully achieved all of its strategic objectives and goals in its 2009 Strategic Plan. Our activities produced significant gains 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 2009 BEA produced 56 of 57 releases on time. In 2009, for the first time in decades, BEA delayed a release because of concerns that the statistics did not meet BEA accuracy and best practices standards. However, as the delayed release—the September release of the comprehensive revision to State Personal Income—would have reflected an acceleration of previous releases, BEA's performance with respect to this measure is considered successful. BEA is reviewing the statistics and source data, and is currently taking steps to address the underlying statistical issues.
- **Relevance:** BEA scored a 4.2 out of a maximum score of 5 on its Customer Satisfaction Survey, indicating a high degree of customer satisfaction.
- **Accuracy:** For 2009, 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%.
- **Development of More Accurate and Comprehensive Measures of the Health Sector in GDP (Health Sector).** This initiative promotes BEA's development of a more accurate measure of the health care sector in GDP and its creation of a supplemental satellite account to provide detailed and specific information on the expenditures of the health care industry and the costs of treating specific diseases. In 2009, BEA completed all of the milestones associated with this initiative (see milestones 1.18 and 5.12 in BEA's Strategic Plan).
- **Preparation of R&D and Innovation Accounts:** The detailed milestones associated with this initiative allow BEA to fully research, identify, and quantify R&D as an investment with the goal of incorporating it into GDP and the other economic accounts. In 2009, BEA completed all of the activities associated with this initiative (see milestones 1.3, 1.11, 2.5, 2.11, 2.17, 4.33, and 5.11 in BEA's Strategic Plan).

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## BEA's Success: Highlights from 2009 Statistical Improvements, Research, and Outreach

- **BEA implemented a number of improvements in its economic accounts in 2009. Included among these are:**

- The successful completion of the 2009 comprehensive revision of the National Income and Product Accounts, which updated the accounts for 1929-2009 using the most comprehensive data available and incorporated noteworthy improvements such as
  - An updated classification system for personal consumption expenditures that is more useful for analysis of household spending, and
  - A change in the treatment of disasters to better reflect the distinctions between current transactions, capital transactions, and events that directly affect balance sheets.
- The development of experimental quarterly GDP by Industry statistics that are estimated in a new balanced framework and of experimental time series Input-Output accounts that address changes in classification and estimation systems and concepts over time.
- The acceleration by 12 months of statistics of metropolitan-area gross domestic product.
- The launch of two new surveys that use credit card information to significantly improve the accuracy and efficiency of the balance of payments and trade in services statistics.
- BEA made important advances with respect to its research initiatives, including important progress on the reconciliation of GDP and the National Health Expenditures Accounts, which will be published in FY2010 and which will bring BEA a step closer to more accurate and useful measures of the health sector.

- **BEA made full use of technology to reach out to customers, improve its statistics, and facilitate its work processes, with a number of improvements such as:**

- The development and implementation of benchmark and current estimate versions of the new high-performance STATS calculation engine to greatly reduce the time needed to prepare GDP expenditure side estimates.
- Upgrades of its website, including a new customer-focused Congressional page and a redesign of its Newsroom page based on feedback received from journalists across the country.
- 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.

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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.
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.

**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 remodeled 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 2009, BEA's budget initiatives were:

1. **Preparation of R&D and Innovation Accounts (Innovation Accounts):** This initiative was formerly introduced in 2004 as “Measurement of the Knowledge Economy.” The number of successfully-completed milestones reflects BEA's commitment to better measuring the 21st century knowledge economy to accurately report a comprehensive picture of the U.S. economy.
2. **Development of More Accurate and Comprehensive Measures of the Health Sector in GDP (Health Sector):** This initiative seeks to develop a more accurate measure of the health care sector in GDP and to create a supplemental, satellite account that provides detailed and specific information on the expenditures of the health care industry and the costs of treating specific diseases. The number of successfully-completed milestones reflects BEA's efforts to provide data relevant for 21st-century decision making.

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Strategic Objective	Strategic Goal	Performance Measures	Success in 2009	Related Milestones from 2009 Strategic Plan Matrix	Highlights: Links to Additional Information
Customers	Expand External Communications and Outreach Efforts	Relevance	✓	1.1-1.3; 2.1; 3.1-3.4; 4.1-4.2; 6.1-6.9	New FAQ's on topical issues, such as CARS
					New NIPA Handbook chapter on PCE
					New "Industry Account Primer"
	Expanded Newsroom page				
	New Congressional Webpage				
	New Special Sworn Researchers Webpage				
	Emphasize Two-Way Communication	Relevance	✓	4.3	Internal Goal
	Exploit Technology for the Best Possible Data Collection and Dissemination Methods and to Ensure Security	Timeliness Relevance Accuracy	✓	3.5; 4.4-4.5; 7.1-7.6	BEARFACTS
Employees	Manage BEA's Workforce Toward Effective Accomplishment of the Mission	Timeliness Relevance Accuracy Innovation Accounts Health Sector	✓	1.4; 2.2; 3.6-3.7; 4.6-4.7; 6.14-6.15; 7.7-7.8	Internal Goal
	Sustain and Enhance Internal Communications	Timeliness Relevance Accuracy	✓	4.8; 6.10-6.12; 7.9-7.10	Internal Goal
	Assess and Improve BEA's Organizational Climate	Timeliness Relevance Accuracy	✓	6.13; 7.11-7.14	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 Accuracy	✓	6.18; 7.15-7.18	Internal Goal
	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	✓	1.6; 2.4; 3.8-3.9; 6.19	BEA Advisory Committee
	Efficiently Manage IT Investments in Support of BEA's Mission, Vision, and Strategic Objectives	Timeliness Relevance Accuracy	✓	1.5; 2.3; 4.9-4.12; 7.19-7.23	Internal Goal
	Maintain Infrastructure to Ensure Reliability and Security	Timeliness Relevance Accuracy	✓	7.24-7.31	Internal Goal

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Strategic Objective	Strategic Goal	Performance Measures	Success in 2009	Related Milestones from 2009 Strategic Plan Matrix	Highlights: Links to Additional Information
Statistics	Continue to Update and Improve Priority Statistics	Timeliness Relevance Accuracy	✓	1.7–1.10; 2.5–2.8; 3.10–3.13; 4.13–4.20	NIPA Comprehensive Revision including new PCE classification system and use of scanner data
					Travel and Tourism Satellite Accounts
					Benchmark and Annual Industry Accounts
					Balance of Payments, International Investment Position, International Services
					Multinational Companies Financial and Operating Data
					Regional Statistics including GDP by Metropolitan Area
	Address Data Gaps, Accelerate Releases, and Implement Other Improvements	Timeliness Relevance Accuracy Innovation Accounts Health Sector	✓	1.11–1.17; 2.9–2.14; 3.14–3.25; 4.21–4.27; 5.1–5.8	NIPA Comprehensive Revision including new PCE classification system and use of scanner data
					New Output-Type Measures Of Insurance, Wholesale Trade, and Retail Trade Services Supplied Through Affiliates
Annual Revision of the U.S. International Accounts including new treatment of disaster-related insurance losses					
New Data on U.S. Bank Multinational Companies					
Improve Consistency and Integration Across BEA Accounts and with Other Accounts	Timeliness Relevance Accuracy	✓	1.18–1.21; 2.15–2.16	Integrated National Production Account	
				Article on Results of Research on Pensions	
Improve Consistency with International Standards	Relevance	✓	1.22–1.26	Comprehensive Revision including new PCE classification system, new treatment of disasters, and NAICS fixed asset estimates	
Implement Budget and Research Initiatives to Develop New Statistics	Innovation Accounts Health Sector	✓	1.11; 1.18; 2.11; 2.17; 4.28–4.36; 5.9–5.13	Research and Development Satellite Account	
				Health Care Satellite Account	
				Integrated National Production Account	
Redesign Core Systems and Applications to Improve Timeliness, Accuracy, and Comprehensiveness of Bureau Outputs	Timeliness Relevance Accuracy	✓	7.32–7.40	Internal Goal	
Standardize Data Structures and Databases to Use Web Technologies to Improve the Collection, Access, and Dissemination of Data	Timeliness Relevance Accuracy	✓	7.41	Internal Goal	