

# ACSI

American  
Customer  
Satisfaction  
Index®

## ABOUT ACSI

The American Customer Satisfaction Index (ACSI) is a national economic indicator of customer evaluations of the quality of products and services available to household consumers in the United States.

The ACSI uses data from interviews with roughly 70,000 customers annually as inputs to an econometric model for analyzing customer satisfaction with more than 300 companies in 43 industries and 10 economic sectors, including various services of federal and local government agencies.

ACSI results are released throughout the year, with all measures reported on a scale of 0 to 100. ACSI data have proven to be strongly related to a number of essential indicators of micro and macroeconomic performance. For example, firms with higher levels of customer satisfaction tend to have higher earnings and stock returns relative to competitors. Stock portfolios based on companies that show strong performance in ACSI deliver excess returns in up markets as well as down markets. At the macro level, customer satisfaction has been shown to be predictive of both consumer spending and GDP growth.

Federal Government  
68.0 ▲ +6.4%

Local Government  
72.5 ▲ +13.3%

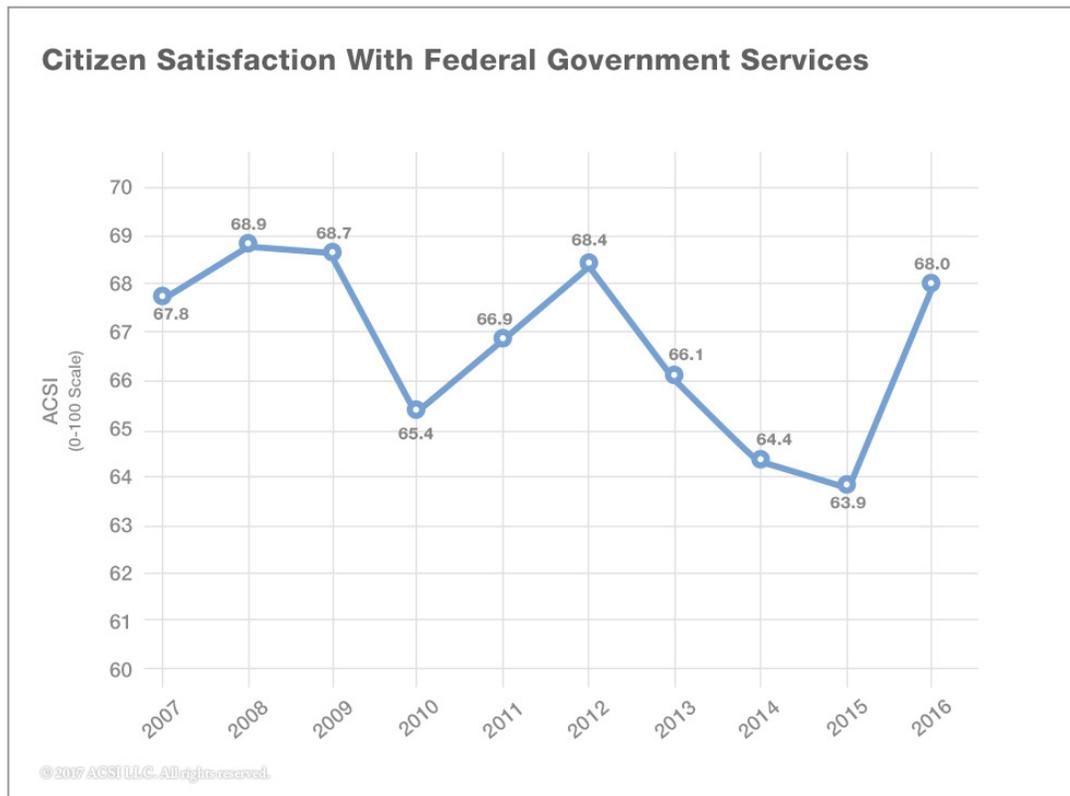


January 31, 2017

## ACSI FEDERAL GOVERNMENT REPORT 2016

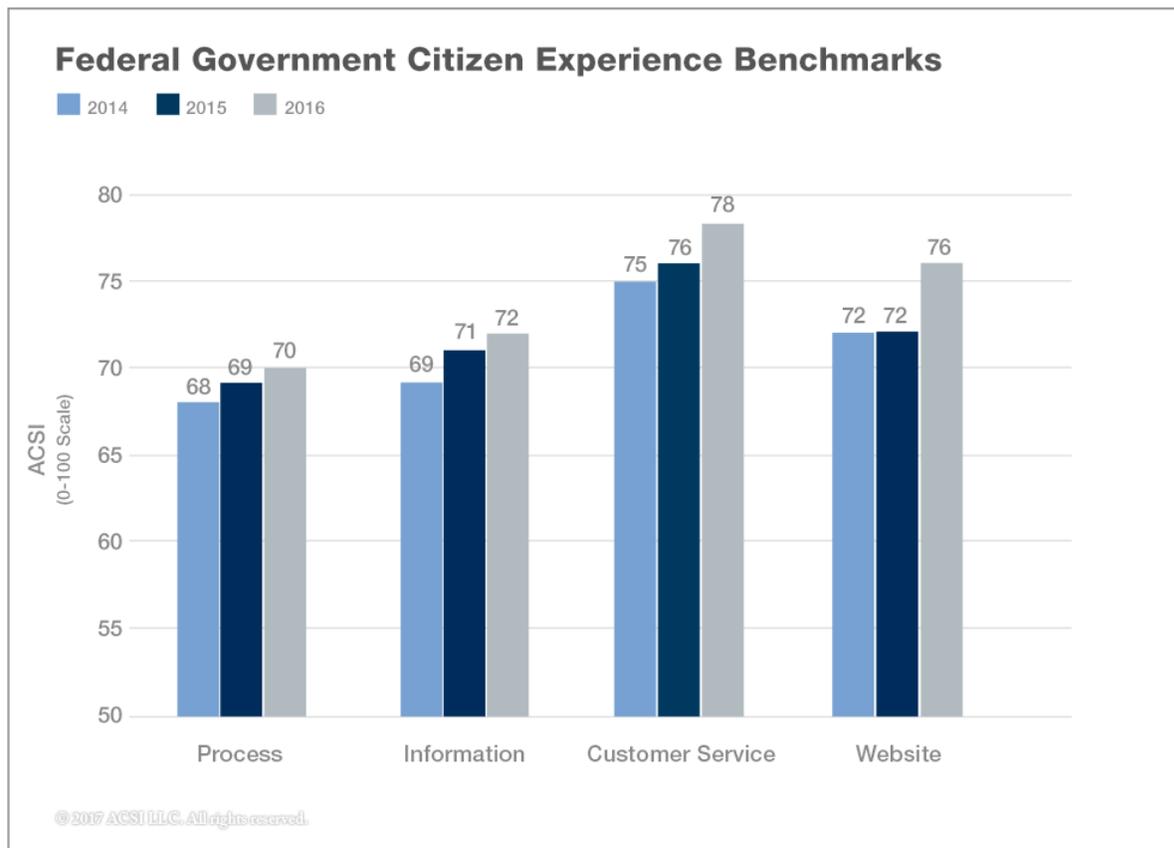
## Citizen Satisfaction Rebounds to Four-Year High

Following three years of steady erosion ending in an all-time low score, citizen satisfaction with the U.S. federal government rebounds in 2016, increasing 6.4% to 68.0 on a 0 to 100 scale. This is the highest ACSI government satisfaction score since 2012. While several factors combine to explain the rise in satisfaction over the last 12 months, the improvement for government websites stands out. Moreover, a substantial gain in both the proportion of respondents experiencing the Department of Health and Human Services and their level of satisfaction helps explain citizens' more positive attitudes toward the federal government overall.



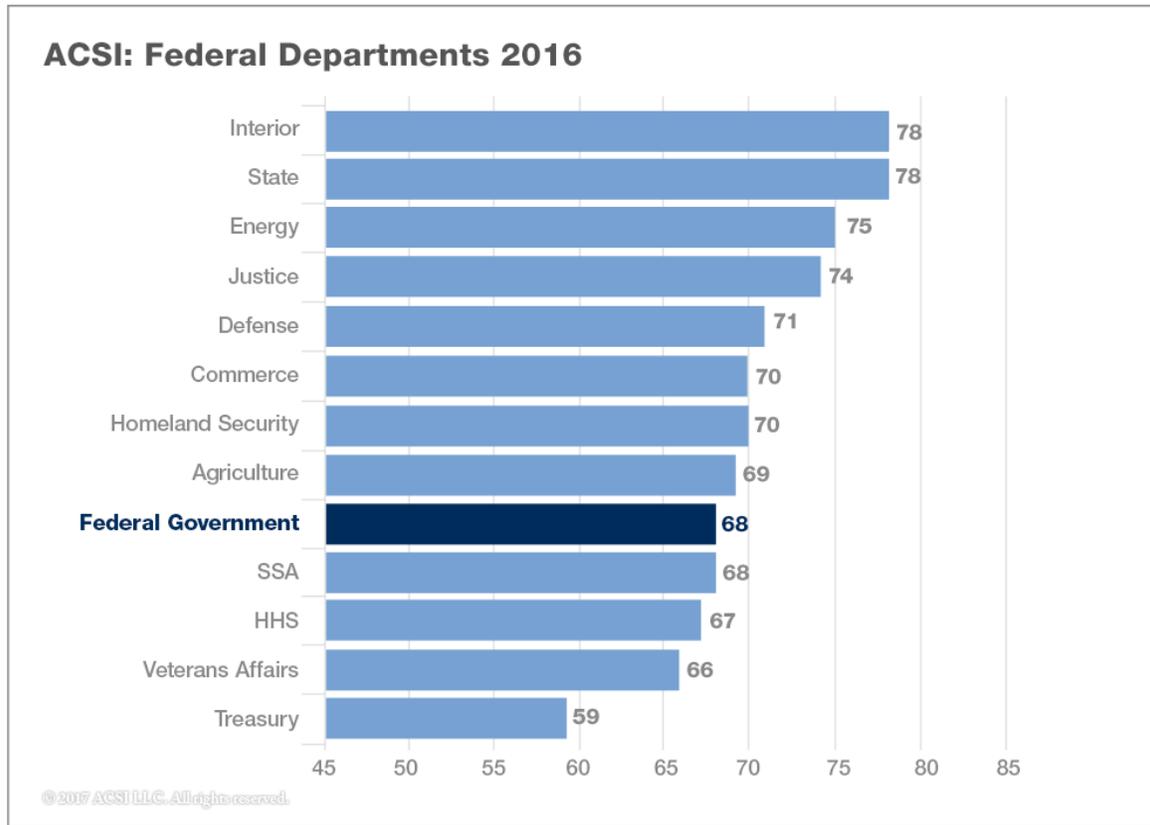
The ACSI predictive model includes four primary drivers (or predictors) of citizen satisfaction with the federal government. Among these four attributes, all trend upward to reach three-year highs for 2016. The timeliness and efficiency of processes improves slightly, as does the clarity and accessibility of the information received from agencies (both up 1% year-over-year). Citizen evaluations of customer

service (measured as the courtesy and professionalism of customer service staff) shows a slightly larger uptick (+3% to 78). In contrast, the quality of federal websites (measured by their ease and usefulness) surges 6% to 76. This sizeable jump in website quality, combined with the increased importance of e-government to the delivery of services across the federal government, helps explain citizens' greater satisfaction with government in 2016.



Among individual federal departments, the Department of the Interior (up 4% to 78) and the Department of State (up 10% to 78) lead the way in providing satisfying experiences to users. Citizens who respond about the Interior Department have typically visited one of the popular parks or monuments maintained by the National Park Service. For State, the primary citizen interaction is passport issuance and renewal, which also tends to be satisfying for users.

At the other end of the spectrum, the Department of the Treasury anchors the bottom again with a score of 59. Treasury's consistently poor performance is not surprising given that its primary citizen-facing agency is the Internal Revenue Service (IRS). The IRS's tax-collecting mission—combined with nearly constant political pressures and budget cuts that disrupt customer service—makes Treasury a frequent contender for lowest citizen satisfaction among departments.



The department most responsible for the current federal government-wide satisfaction gain is the Department of Health and Human Services (HHS). This department was once relatively obscure, with few ACSI survey respondents reporting interactions with HHS. With the enactment of the Affordable Care Act (ACA), that landscape has changed. Citizens using HHS now constitute the largest share of the ACSI respondent sample, a shift explained by ACA enrollment reaching almost 10 million in early 2016. Moreover, users of HHS are significantly more satisfied in 2016 compared with the prior year. The department's satisfaction jumps 8% to 67, driven by the improved quality of the HealthCare.gov website.

In sum, more citizens than ever are interacting with the federal government to receive services from the Affordable Care Act delivered via the HealthCare.gov website. Because both the service and its website are viewed more positively, government satisfaction overall is lifted. As the impending fight to scrap and/or replace the ACA legislation advances in 2017, it will be important to track potential effects on citizen satisfaction.

## LEADERS AMONG FEDERAL AGENCIES

Much like the private sector, citizen satisfaction performance across diverse federal agencies tends to vary significantly. In fact, some perform as well as or better than comparable private sector firms. For example, among the highest performers are the Pension Benefit Guaranty Corporation (PBGC) and the Recreation.gov website. Retirees give the PBGC a score of 90 for 2016, making it a consistent satisfaction leader in the federal government. PBGC scores higher than most private sector companies reported by the ACSI. Recreation.gov is a one-stop shop for trip planning, information sharing, and reservations for a range of different federal agency partners, including the National Park Service and the Forest Service. With a score of 84, the service provided by the Recreation.gov call center is comparable to top-performing call centers in both the private and public sectors.

## ABOUT THIS REPORT

The *ACSI Federal Government Report 2016* is based on interviews with 2,380 users, chosen at random and contacted via email in November and December of 2016. Respondents are asked to evaluate their recent experiences with federal government services. ACSI scores for individual agencies are derived from independent research conducted by CFI Group, which is the exclusive licensee of the ACSI methodology in the federal government.

The survey data are used as inputs to ACSI's cause-and-effect econometric model, which estimates citizen satisfaction as the result of the survey-measured inputs of expectations, and perceptions of the quality of government services. The ACSI model, in turn, links citizen satisfaction with the survey-measured outcomes of complaints and citizen trust in government. ACSI government subscribers receive confidential agency and best-in-class data on all modeled variables.

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