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ACSI Federal Government Report 2013

American
Customer
Satisfaction
Index®

Decline in Citizen Satisfaction and Diminished Trust for Federal Government Amid Problems With Websites

Citizen satisfaction with the services provided by the U.S. federal government falls 3.4% to an ACSI benchmark of 66.1, reversing two years of strong gains. The decline is due in large part to deterioration in satisfaction with government agency websites—in particular, users find the sites more difficult to navigate, less reliable, and the information provided less useful. The problems associated with the rollout of Healthcare.gov in the fall of 2013 may have been the most talked about, but the decline in government website satisfaction from a year ago is quite broad, falling from a benchmark of 74 to 72.

Since the E-Government Act of 2002, a growing proportion of citizens come into contact with government services online. As of 2013, more than one-third (35%) of all users of federal services indicate that they most often interact with government agencies via websites. This is more than the next two communication channels combined—telephone at 19% and visits to an agency office at 11%. In this sense, the federal government has managed to create a less costly and more efficient delivery of public services. However, this also means it is becoming more challenging to keep up with the growing demand of users, while maintaining satisfactory service throughout e-government.

The services provided by government workers at the various agencies continue to be viewed as both courteous and professional (both at an ACSI benchmark of 80). On the other hand, information provided by agencies could be made more understandable (72) and easier to find (71) as well as delivered in a more timely manner (70).

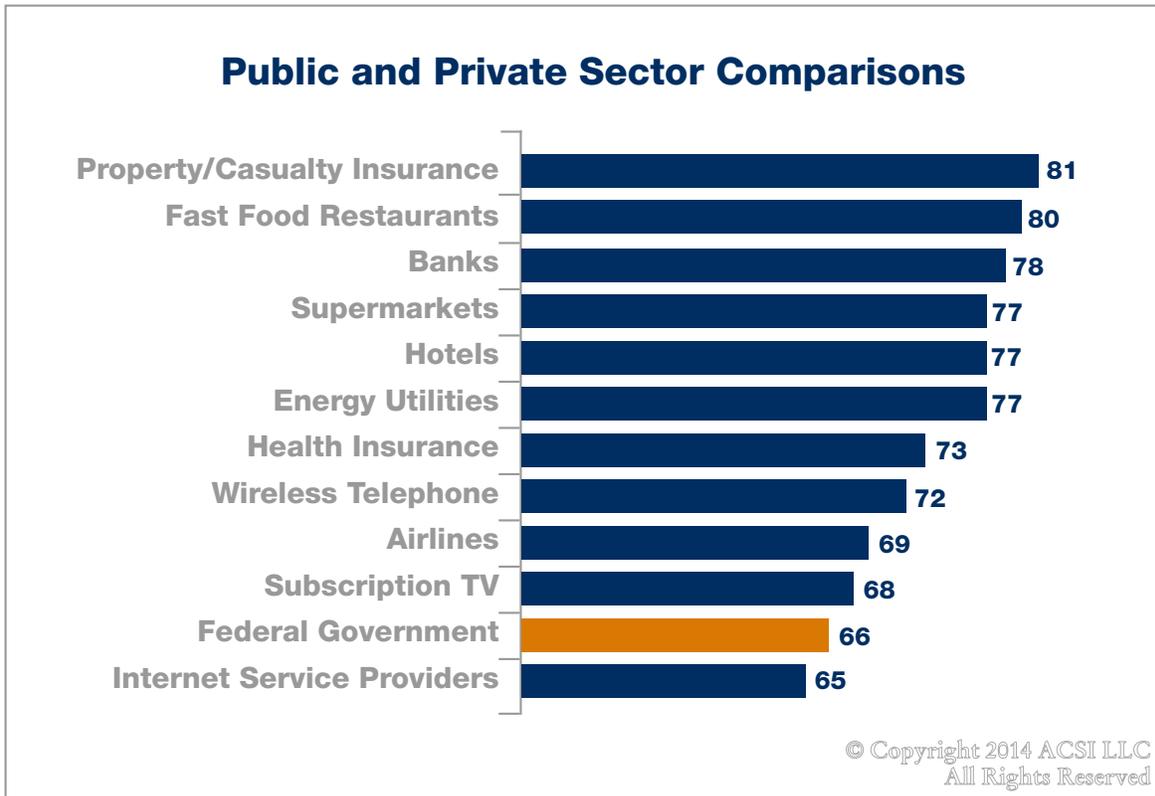
About ACSI

The American Customer Satisfaction Index (ACSI) is an independent national benchmark of customer satisfaction with the quality of products and services available to household consumers in the United States.

Each year, 70,000 customers are surveyed about the products and services they use the most. The data serve as inputs to an econometric model that benchmarks customer satisfaction with more than 230 companies, 43 industries and 10 economic sectors, as well as over 100 services, programs, and websites of federal government agencies.

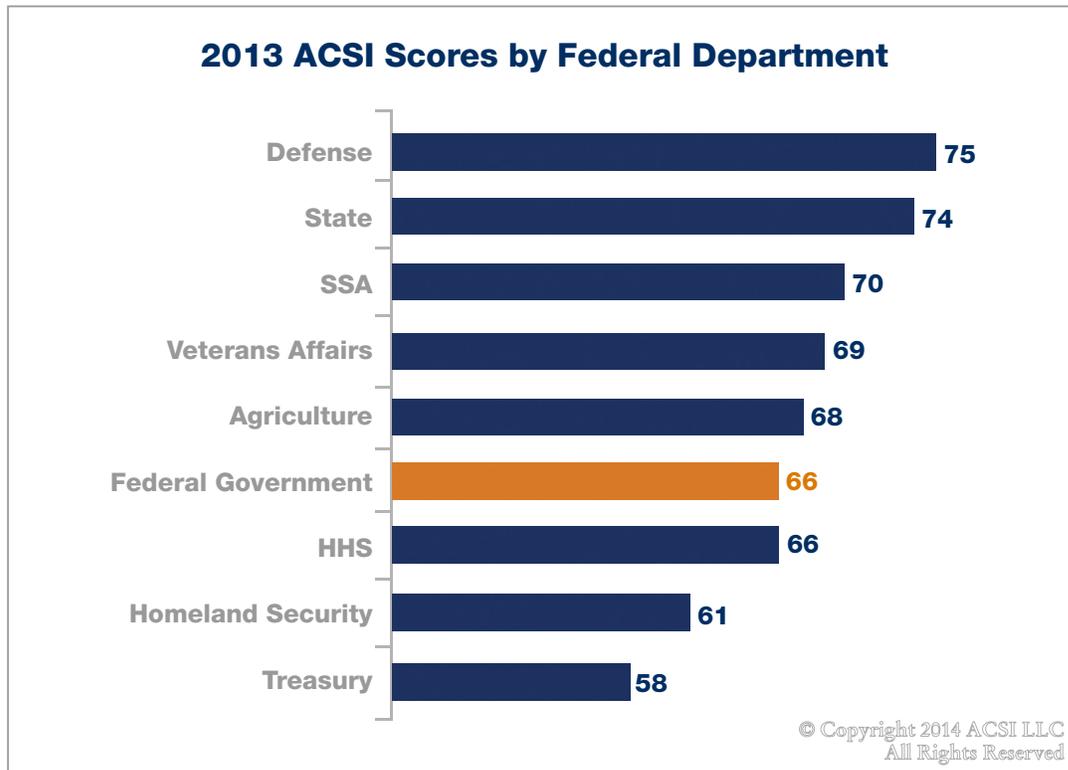
The ACSI's time-tested, scientific model provides key insights across the entire customer experience. ACSI results are strongly related to a number of essential indicators of micro and macroeconomic performance. At the micro level, companies with high levels of customer satisfaction tend to have higher earnings and stock returns relative to competitors. At the macro level, customer satisfaction has been shown to be predictive of both consumer spending and GDP growth.

Overall, the federal government performs below private sector service industries in user satisfaction and this downturn widens the gap. Only Internet Service Providers (ACSI of 65) lag government in customer satisfaction, but airlines (69) and subscription TV service (68) are fairly close.



Despite the low overall citizen satisfaction with federal government services, there are individual agencies that attain an ACSI similar to or higher than the best private sector companies. The U.S. Mint, the Department of Education’s online Free Application for Federal Student Aid (FAFSA), the National Recreation Reservation Service, the Pension Benefit Guaranty Corporation’s retirees program, and the Department of Veterans Affairs’ National Cemetery Administration are among those agencies.

For the largest departments, user satisfaction varies broadly, but none of these departments is able to match the ACSI national customer satisfaction aggregate of 76.7. Defense (75) and State (74) are the closest, but most other departments hover just above the average. Health and Human Services drops from 69 a year ago to equal the government average. The decline occurs amid a spike in users of HHS as it began the rollout of Healthcare.gov.



Homeland Security (ACSI benchmark of 61) and Treasury (58) fall short of the federal government average score. Most citizens come into contact with Homeland Security in the form of the Transportation Services Administration or through various customs and immigration services. For Treasury, the Internal Revenue Service is the dominant public-facing entity. Obviously, regulatory functions face greater challenges in citizen satisfaction. Unlike agencies that provide information and benefits, regulators are in the business of enforcing rules that serve the larger public good, but may not always be appreciated at the individual level.

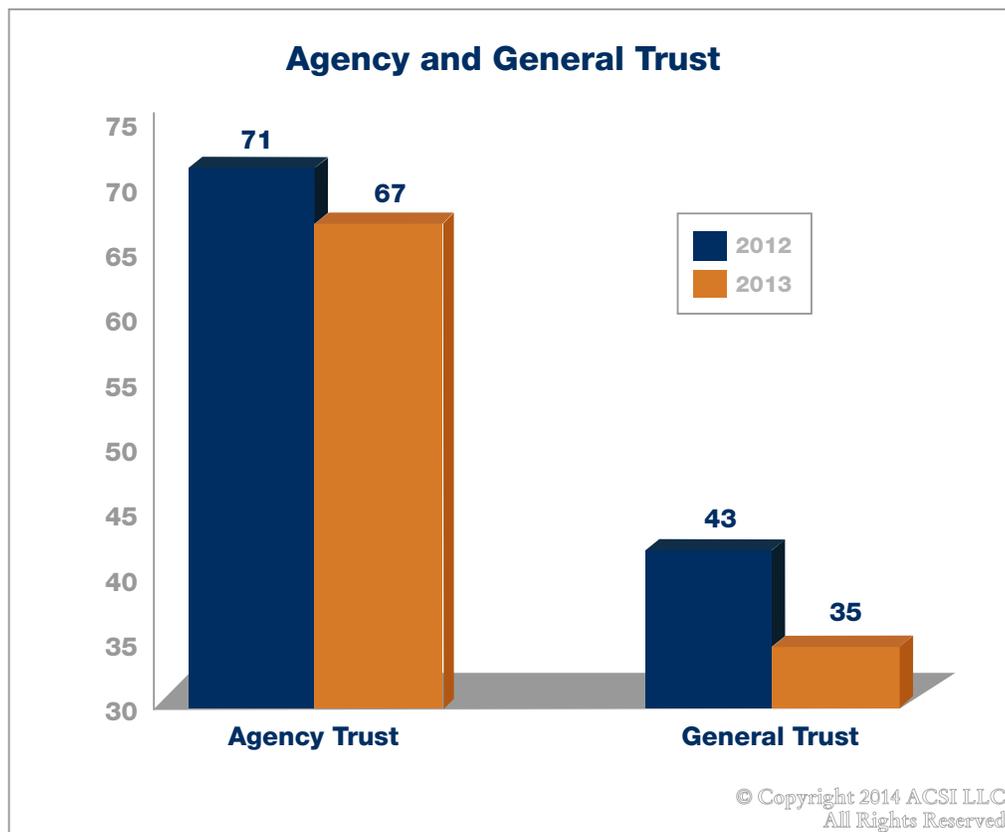
Even within low-scoring departments, there are bright spots. For quite a few years, the IRS has offered electronic tax filing that thoroughly trounces paper filing in terms of user satisfaction. This continues to be the case. For 2013, electronic filing scores 75 as compared with paper filers at 55, a gap that has remained consistently at 20 points or greater for more than a decade.

Trust in Government

The current decline in citizen satisfaction has a negative effect on trust in government. For the private sector, customer loyalty is a critical driver of business success—higher levels of customer satisfaction lead to more customer loyalty that, in turn, leads to revenue growth, market share, and

positive stock returns. For the public sector, loyalty is less relevant—dissatisfied users cannot defect from a government service provider in the same way. As a result, trust in government becomes an aggregate gauge of the impact of citizen satisfaction with federal government services.

Citizen trust—which when high is typically thought to ease the job of government in creating new rules and winning popular acceptance—has been in sharp decline over the past several decades. The ACSI measures citizen trust in two ways: trust in specific agencies experienced and trust in federal government overall. While the former focuses on recent interactions with specific government services, the latter includes not only government services but also Congress, the Presidency, and the Courts. Both types of trust deteriorate as a result of the drop in citizen satisfaction, but the erosion in trust with the federal government as a whole is more pronounced.



When asked about the federal government overall, Americans indicate very low trust. In 2013, lower citizen satisfaction diminishes trust even further—down 19% to a score of 35. Trust with specific agencies is much stronger, although it drops by 6% to 67. While citizens have minimal trust in the federal government in the aggregate, they still have reasonably high trust in the specific agencies with which they interact.



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About this Report

The 2013 ACSI report on U.S. federal government is based on interviews with 1,448 users, chosen at random and contacted via telephone and email between October 11 and December 8, 2013. 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 licenses the ACSI methodology.

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.

Coming in February 2014

The ACSI will release its annual results for retail and e-commerce in seven industries: department & discount stores, gasoline service stations, personal care (drug) stores, Internet brokerage, Internet retailers, specialty retailers, and supermarkets. The ACSI will publish customer satisfaction benchmarks for the largest firms in these categories.