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 180,000 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 several 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.
Citizen satisfaction with U.S. federal government services improves for a second year, increasing 2.5% to 69.7 on a 0 to 100 scale. This uptick follows a huge gain in 2016, which was the biggest one-year improvement for government in nearly 20 years of ACSI measurement. This year, the ACSI federal government satisfaction score reaches its best level since 2006, representing an 11-year high. Unlike last year, when improvements in federal e-government website services stood out as the driving force behind higher satisfaction, a more diverse array of attributes are prompting the current ACSI increase.

The ACSI predictive model includes four primary drivers (or predictors) of citizen satisfaction with the federal government. These drivers are core generic aspects of most federal government services that influence citizen satisfaction. Among the four attributes, three improve to reach three-year highs in 2017. Only one driver—the courtesy and professionalism of customer service personnel—declines slightly (down 1% to 77). The timeliness and efficiency of government processes (such as completing required
forms, applying for benefits, or receiving a response to an application) shows the largest gain (+3% to 72), but stays the lowest-scoring of the four attributes.

The remaining two attributes—the clarity and accessibility of the information received from agencies and the quality of federal websites (measured by their ease and usefulness)—rise 1% each to 73 and 77, respectively. Taken together, the better performance for process, information, and website outweighs the slight drop in customer service and explains the growth in aggregate federal citizen satisfaction.

Among individual federal departments, citizen satisfaction ranges widely, as in previous ACSI federal government studies. The Departments of Justice (81) and the Interior (78) lead the way, achieving satisfaction scores greater than the economy-wide ACSI national average (currently 76.7). The Departments of Defense (76), Commerce (75), and State (74) come in just slightly below that average, but all provide citizen satisfaction roughly commensurate with the average private sector firm.

At the other end of the spectrum, the Departments of the Treasury and Housing and Urban Development (HUD) score at the bottom (61 and 60, respectively). Both departments are well below the federal government average (69.7) and the ACSI national average. Given that most citizens make use of Treasury
services via the Internal Revenue Service (IRS) tax-filing process, this low score is not unusual, but it will be interesting to watch in the future. The recent tax overhaul passed by Congress and signed by the President not only lowers the tax rates of many filers, but also has been touted as making the filing process easier. If this proves correct, the effect should manifest itself in higher citizen satisfaction with the IRS and Treasury, both next year and in the years ahead.

LEADERS AMONG FEDERAL AGENCIES

Citizen satisfaction performance across diverse federal agencies tends to vary significantly, just as customer satisfaction does among private sector organizations. In fact, some federal agency segments perform as well as or better than comparable private sector firms. For 2017, the Pension Benefit Guaranty Corporation (PBGC) remains a consistent government satisfaction leader as retirees give PBGC a high score of 91. This satisfaction level currently exceeds all private sector companies reported by the ACSI. The Veterans Administration (VA) scores high via its health care cost-sharing program CHAMPVA (Civilian Health and Medical Program of the Department of Veterans Affairs), which participants rate at 89. Likewise, medical center inpatients rate the services of the Veterans Health Administration (VHA) at 86. In addition, the Small Business Administration’s Office of Disaster Assistance receives excellent ratings of 85 from both home owners and economic injury loan recipients.
CITIZEN SATISFACTION ACROSS POLITICAL PARTIES

While the ACSI federal government citizen satisfaction study does not measure political satisfaction or preference *per se*—but instead focuses exclusively on experiences with the services delivered by federal departments and agencies—the politically charged environment within which these findings emerge deserves some attention. One assumption could be that current results are predominantly politically driven, and that higher aggregate satisfaction with the government reflects Republican respondents who are happy with controlling the White House (alongside Congress) again. Yet this is not the case. While citizen satisfaction among self-identified Democratic respondents is unchanged from 2016 to 2017, satisfaction among Republicans *declines* slightly year-on-year, down 1% to 69. Instead, it is a 3% gain in citizen satisfaction among self-identified Independents (along with a 1% uptick for the much smaller “Other Party” contingent) that drives aggregate federal government satisfaction higher in 2017. To the extent that a “political bias” enters these results and propels citizen satisfaction upward, it is the politically unaligned respondents that are leading the way.
ABOUT THIS REPORT

The ACSI Federal Government Report 2017 is based on interviews with 2,881 users, chosen at random and contacted via email in November and December 2017. 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.

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