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 250,000 customers annually as inputs to an econometric model for analyzing customer satisfaction with more than 380 companies in 46 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.

Federal Government

68.9 ▼ -1.1%

January 29, 2019

ACSI FEDERAL GOVERNMENT REPORT 2018

©2019 ACSI LLC. ALL RIGHTS RESERVED.
Following two consecutive years of improvement, citizen satisfaction with U.S. federal government services retreats slightly in 2018, down 1.1% to 68.9 on the American Customer Satisfaction Index’s (ACSI®) 100-point scale. The drop is relatively small, however, and satisfaction remains at its second-highest level since 2008. The 2018 study is based on interviews collected prior to the government shutdown that began in late December. As such, the decline in citizen satisfaction is not being driven by a perceived lack of services resulting from the shutdown, and any impact will not appear until the 2019 results.

The ACSI federal government model includes four key drivers of citizen satisfaction, which are generalized attributes that define the performance of most government services and permit comparisons across departments and between government and the private sector. Among these drivers, two decline to their lowest levels since 2015: the quality of information (71) and the customer service (76) delivered by
the federal government. The remaining drivers—timeliness and ease of government processes (70) and usefulness of government websites (76)—fall back to 2016 levels. Therefore, no one aspect of federal government services is responsible for deteriorating citizen satisfaction in 2018. Instead, lower satisfaction is being driven by broadly flagging perceptions across all these experiences.

Distinct departments within the federal government offer very different services to citizens. Some provide benefits or low-cost/free services that are sought out by citizens and nearly as satisfying as products/services of the average private sector firm. Other departments, however, are regulatory, offering services that citizens would prefer not to experience. As such, citizen satisfaction varies widely across departments. The Departments of Defense (78) and the Interior (78) lead the way for citizen satisfaction, achieving scores that exceed the economy-wide national ACSI average (77.0 as of Q3 2018). The Departments of Commerce (74), Justice (73), and State (73) come in just slightly lower than that average, but still offer satisfaction well above the federal government-wide score of 68.9 and comparable to many private sector firms.
At the other end of the spectrum, the Department of Housing and Urban Development (HUD) scores at the bottom among federal departments at 57. If not for a handful of very dissatisfying subscription TV and internet service companies that score in the mid-to-low 50s, HUD would perform worse than all 380+ companies measured in the ACSI. The Departments of Treasury and Veterans Affairs (both 63) score significantly higher than HUD but are well below both the economy-wide national ACSI average and the federal government average.

LEADERS AND LAGGARDS AMONG FEDERAL AGENCIES

Much like federal departments, citizen satisfaction varies substantially across diverse federal agencies within departments as these agencies are often tasked with unique and challenging missions. A perennial leader among agencies is the Pension Benefit Guaranty Corporation (PBGC), which retirees give a top-level rating of 89 for 2018. The Bureau of Consular Affairs (BCA) is a satisfaction leader as well, scoring 89 for its call center. With these high satisfaction scores, both PBGC and BCA surpass all private sector companies measured by the ACSI.
The Small Business Administration’s Office of Disaster Assistance also receives an excellent rating of 87 from economic injury loan recipients. Likewise, the Veterans Health Administration (VHA) receives strong scores from both inpatients (85) and outpatients (83). On the other hand, and much like the Treasury Department as a whole, most Internal Revenue Service (IRS) programs score in the low-to-mid 60s. Large business and international filers give the lowest rating to the IRS (60), with individual paper filers slightly higher at 61. In contrast, individual e-filers are much happier (76).

**CITIZEN SATISFACTION ACROSS POLITICAL PARTIES**

While the ACSI federal government study does not attempt to measure citizen satisfaction with specific individuals or political parties holding power, these factors unavoidably influence citizens’ perceptions of the government services they have received. This type of “motivated reasoning” by survey respondents explains a significant portion of the changes in federal government satisfaction in 2018.
Both Democrats and Republicans showed about the same level of satisfaction in 2016 and 2017, as the federal government transitioned from the Obama to the Trump Administration. For 2018, however, self-identified Democrats are far less satisfied with the federal government (-5.5% to 69), whereas Republicans and Independents are more satisfied (+2.9% to 71 and +1.5% to 68, respectively). The biggest change comes from respondents who identify as “Other Party,” where satisfaction falls 9.2% to a score of 59. All told, the declines in citizen satisfaction among Democrats and Other Party affiliates are larger than the gains among Republicans and Independents, even when adjusting for different numbers of respondents within these groups, and this results in the aggregate drop.

ABOUT THIS REPORT

The ACSI Federal Government Report 2018 is based on interviews with 2,779 users, chosen at random and contacted via email throughout the year. 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.

ACSI and its logo are Registered Marks of the University of Michigan, licensed worldwide exclusively to American Customer Satisfaction Index LLC with the right to sublicense.

No advertising or other promotional use can be made of the data and information in this report without the express prior written consent of ACSI LLC.