



Economics and Statistics Administration

Mission Statement

Help maintain a sound federal statistical system that monitors and measures the United States rapidly changing economic and social arrangements; improve understanding of the key forces at work in the economy and the opportunities they create for improving the well-being of Americans; develop new ways to disseminate information using the most advanced technologies; support the information and analytic needs of the Commerce Department, the Executive branch, and the Congress.

The United States is the world's economic information leader, due in large part to the timely, accurate data and analyses produced by the agencies of the Economics and Statistics Administration (ESA). These agencies, the Census Bureau and the Bureau of Economic Analysis (BEA), collect vital demographic and economic data through the decennial census and other surveys, and produce key economic measures such as the gross domestic product (GDP) and the balance of payments. The data produced by BEA and the Census Bureau and the analyses produced by ESA headquarters affect the lives of all Americans by providing the President, Congress, local communities, and businesses with the information they need to make sound decisions.

ESA Headquarters

ESA headquarters (comprised of the Office of the Under Secretary, the Chief Economist, and STAT-USA) has four main roles: (1) to provide executive direction, management, financial analysis, and administrative support to all ESA agencies; (2) to evaluate current economic conditions; (3) to provide economic policy analysis; and (4) to provide data dissemination services.

The Office of the Under Secretary provides leadership and executive oversight of all activities of ESA. The Chief Economist is assisted by the Office of Economic Conditions and the Office of Policy Development. The Office of Economic Conditions monitors and interprets major new economic statistics with the goal of anticipating the future directions of the economy. The Office of Policy Development conducts research on the factors contributing to U.S. industrial strength and the relationship between industry performance and economic growth, including recent major studies on the scope and economic impacts of electronic commerce. Data dissemination services are provided by STAT-USA, an easy-to-use "one-stop shop" that provides a focal point for business, economic, and trade statistics.

All resource requirements of ESA headquarters, including STAT-USA, are shown on the Resource Requirement Summary table that follows in the BEA chapter. STAT-USA is a revolving fund account that requires no government funding. These resources contribute directly to ESA's performance goal, "To develop relevant, accurate, and timely GDP and economic accounts statistics."

STAT-USA

STAT-USA provides the public with access to key business, economic, and international trade information. STAT-USA's mission is to produce, distribute, and assist other government agencies in producing world-class business, economic, and government information products that U.S. businesses and the public can use to make intelligent, informed decisions. It accomplishes this goal through three primary products and services: (1) STAT-USA/Internet, (2) USA Trade Online, and (3) EuroTrade Online.

With over 18 years of sustained performance in producing and delivering business information, STAT-USA has acquired the reputation as a model for federal agencies. STAT-USA builds effective yet inexpensive government data dissemination systems that effectively and efficiently provide business, economic, and international trade information to U.S. businesses and the public.

STAT-USA operates on a revolving fund, obtaining all financial support for its activities through the fee sales of information products and services, and receives no congressional funding.

The most important issue facing STAT-USA is the need to attract and retain customers for its products. In light of the rapid growth of the Internet and increased availability of economic and trade data, STAT-USA works constantly to identify ways to improve information delivery and enhance product content as a means to enhance its value to consumers.

The Bureau of Economic Analysis

BEA is the nation's economic accountant, developing measures and systems for collecting and interpreting vast amounts of diverse data from both government and private sources. BEA combines and transforms the data into a consistent and comprehensive picture of economic activity, which is summarized by estimates of GDP. BEA's national, regional, industry, and international economic accounts form much of the core of the federal statistical system and are critical for informed decision-making by businesses; individuals; and federal, state, and local governments. These data, which provide the yardstick by which the health and potential of the economy are measured, are vital ingredients in major decisions affecting such areas as interest rates, tax and spending policies, and social security projections. Thus, they affect every American who runs a business, saves for retirement, or borrows to buy a house.

The Bureau of the Census

The Bureau of the Census chronicles societal and demographic change. The Bureau fulfills the constitutionally mandated requirement to conduct a decennial census, and the Bureau collects a wide range of economic and demographic data. The data provided by the Census Bureau shape important policy decisions that help improve the nation's social and economic conditions.

Summary

ESA's staff and programs provide vital information, analysis, and advice to Department of Commerce officials and other executive branch departments, agencies, and officials. Many of the nation's decisions are based upon the economic and demographic information the agency produces.

U.S. Department of Commerce



Bureau of Economic Analysis

Bureau of Economic Analysis

Mission Statement

The Bureau of Economic Analysis (BEA) promotes a better understanding of the U.S. economy by providing the most timely, relevant, and accurate economic data in an objective and cost-effective manner.

BEA is one of the world's leading statistical agencies. Although it is a relatively small agency, BEA produces some of the most closely watched economic statistics that influence the decisions made by government officials, business people, households, and individuals. BEA's economic statistics, which provide a comprehensive, up-to-date picture of the U.S. economy, are key ingredients in critical decisions affecting monetary policy, tax and budget projections, and business investment plans. The cornerstone of BEA's statistics is the National Income and Product Accounts (NIPA), which feature estimates of gross domestic product (GDP) and related measures. The Department of Commerce recognized GDP and the NIPA as its greatest achievements in the twentieth century, and GDP has been ranked as one of the three most influential measures that affect U.S. financial markets.

Since the NIPA was first published, BEA has developed and extended its estimates to cover a wide range of economic activities. Today, BEA prepares national, regional, industry, and international accounts that present essential information on such key issues as economic growth, regional economic development, inter-industry relationships, and the nation's position in the world economy.

Priorities/Management Challenges

The past decade has witnessed rapid, widespread changes in the size and complexity of the U.S. economy. These changes reflect the increasing role of services relative to goods, technological advances, new modes of communication, and the introduction of new goods, services, and types of financial transactions. These and other new factors have made it far more difficult for BEA to produce accurate and comprehensive economic statistics.

BEA must adapt and change in order to continue accurately capturing information about the U.S. economy. To help facilitate this change, BEA recently updated its Five-year Strategic Plan. While the plan outlines specific requirements to improve the work of BEA, it is also a fluid document that allows BEA to adjust to the changing economy. The four primary objectives identified in the BEA Strategic Plan are outlined on the following page.

- **Objective 1. Make BEA's economic accounts and services more responsive to the needs of its customers and partners.** BEA is concentrating on improving its relationships with its customers and partners. Specific actions are identified in the plan that address such objectives as: establishing and improving two-way communication with customers through regular customer surveys and other sources of feedback; expanding outreach efforts to data users, the Congress, trade associations, the business community, and the news media through the more effective use of technology, partnerships, and informational materials; upgrading the technology used to collect and disseminate information; and redesigning the BEA Web site, *www.bea.gov*, to provide more explanations, background information, searchable links to metadata, and other interactive features.
- **Objective 2. Attract, develop, and retain a highly qualified, diverse workforce prepared to innovate and improve BEA's statistics.** BEA faces a variety of workplace challenges. The plan provides for specific actions that address such workplace objectives as improving employee retention and recruitment by: assessing and improving BEA's organizational climate, more effectively using the flexibilities of the Personnel Demonstration Project, supporting continuous career development for all employees to meet future workforce needs, and improving the system for recognizing and rewarding employees for their work.
- **Objective 3. Upgrade resource management to support BEA's strategic objectives.** Support for the initiatives outlined in the strategic plan will come from the more effective use of existing resources (through productivity-enhancing IT investments and changes in work processes and products) and from incremental resources. To manage its resources effectively, BEA will have to better account for the costs and benefits of existing and proposed work. By using new financial accounting support and by stepping up its interaction with customers, the Department, and statistical agency partners, BEA will more effectively conduct its programs, allocate resources, and plan for the provision of resources to achieve the Bureau's objectives.
- **Objective 4. Upgrade BEA's economic statistics by improving statistical methodologies and source data, and by using new technologies.** The strategic plan identifies statistical program priorities for FY 2004 through FY 2008. These priorities are summarized in detail in the strategic plan by economic account area and are accompanied by an across-the-board review of source data improvements.

Three major budget initiatives for BEA were requested by the President for BEA in FY 2003. They included funds to continue the work begun in FY 2002 to accelerate the release of numerous economic measures. The FY 2003 budget also included funds to allow BEA to continue to meet international obligations committed to by the U.S. Government. Finally, the President requested funds for BEA to upgrade its failing statistical processing systems.

FY 2003 Performance

In FY 2003, BEA had one overarching performance goal and seven measures to track its performance. BEA has met or exceeded all the targets established for each performance measure for FY 2003. BEA performance measures focused on the areas of: reliability of delivery of BEA data releases, customer satisfaction, percent of GDP estimate correct, quality of GDP and BEA's economic accounts, acceleration of economic estimates, compliance with international obligations, and upgrades to BEA's information technology systems.

Fiscal year 2003 was a year of significant improvements in the work of BEA. Guided by its Five-year Strategic Plan, BEA achieved all of its major milestones required to fulfill the targets of the seven performance measures in its annual performance plan. BEA continued to lead the world in the timeliness of its major macro-economic releases, and for a fourth year in a row, BEA released all its data on schedule at the appointed date and time. BEA's customers again gave the agency high marks on their overall satisfaction with the quality of BEA products and services. Many of these successes were due to BEA's commitment to provide the best possible estimates as quickly as possible. During FY 2003, BEA made important strides in improving its GDP and economic accounts by incorporating new measures and estimates into its accounts and improving data collection and sources. It also succeeded in accelerating two of the five measures to which it committed an accelerated release and is on schedule to complete the acceleration of remaining measures given sufficient funds. Work committed to in FY 2003 to incorporate the North American Industry Classification System (NAICS) into BEA measures to meeting U.S. international obligations was completed. Funding provided in FY 2003 allowed BEA to continue to upgrade its statistical processing systems, which allowed for a more efficient and reliable method of developing estimates.

BEA continues to strive to produce the most comprehensive, relevant, and accurate economic measures in a reliable and timely manner to policymakers, business, and the American public in order to insure that they have the tools available to make the most informed decisions possible.

Targets and Performance Summary

See individual Performance Goal section for further description of each measure.

Performance Goal 1: Develop Relevant, Accurate, and Timely Gross Domestic Product (GDP) and Economic Accounts Statistics							
Measure	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY2003 Target	FY2003 Actual	FY2003 Met	FY2003 Not Met
Reliability of delivery of economic data (number of scheduled releases issued on time) ¹	100%	100%	50 of 50	48 of 48	48 of 48	X	
Customer satisfaction with quality of products and services (mean rating on a five-point scale)	4.3	N/A (survey postponed)	4.3	Greater than 4.0	4.4	X	
Percent of gross domestic product (GDP) estimates correct	New	New	83%	Greater than 84%	88%	X	
Improving gross domestic product (GDP) and the economic accounts	New	New	Developed new measures to address gaps and updated BEA's accounts; designed prototype of new quarterly survey of international services; developed new pilot estimates that provide better integration with other accounts.	Successful completion of related strategic plan milestones, including benchmark and update of industry accounts, incorporate North American Industry Classification System (NAICS) into regional accounts, and update international accounts.	BEA completed all major strategic plan milestones related to improving the economic accounts (completed 164 milestones out of 171 overall).	X	
Accelerating economic estimates	New	New	New	Successful completion of related strategic plan milestones, including accelerate the release of international trade estimates (with Census Bureau), GDP by industry, annual input-output tables, gross state product (GSP), and metropolitan area personal income.	BEA completed all major strategic plan milestones related to accelerating economic estimates (completed 98 milestones out of 103 overall).	X	

(continued)

Performance Goal 1: Develop Relevant, Accurate, and Timely Gross Domestic Product (GDP) and Economics Accounts Statistics (cont.)

Measure	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY2003 Target	FY2003 Actual	FY2003 Met	FY2003 Not Met
Meeting U.S. international obligations	New	New	New	Successful completion of related strategic plan milestones, including assist Treasury in designing a survey of derivatives; incorporate estimates of short-term claims and long-term assets in accounts; and provide data for Special Data Dissemination Standards (SDDS) compliance; and publish annual supplemental ownership-based accounts.	BEA completed all major strategic plan milestones related to meeting U.S. international obligations (completed 99 milestones out of 103 overall).		X
Upgrading information technology systems	New	New	Developed new systems, including implementation of prototype phase of new National Income and Product Accounts (NIPA) core processing system; developed improved interactive features on the BEA Web site; extended electronic reporting for international surveys.	Successful completion of related strategic plan milestones, including implement a new system for industry accounts benchmark processing and balance of payments processing; extend BEA's electronic reporting option for six international investment surveys.	BEA completed all major strategic plan milestones related to upgrading IT systems (completed 95 milestones out of 98 overall).		X

¹ Prior to FY 2002, the measure reported the percent of releases that were delivered on time and on schedule.

Resource Requirements Summary

(Dollars in Millions. Funding amounts reflect total obligations.)

Information Technology (IT)

Full-Time Equivalent (FTE)

Performance Goal 1: Develop Relevant, Accurate, and Timely Gross Domestic Product (GDP) and Economic Accounts Statistics

	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual
STAT-USA - Reimb				
Total Funding	2.0	3.4	2.5	1.9
FTE	19	27	12	10
Salaries and Expenses				
Policy Support				
Total Funding	6.5	5.9	7.1	7.4
FTE	40	44	58	53
BEA:				
Total Funding	46.0	48.6	57.1	65.0
IT Funding ¹	6.1	6.3	10.2	11.9
FTE	409	403	418	431

Grand Total	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual
Salaries and Expenses	52.5	54.5	64.2	72.4	
Total Funding ²	54.5	57.9	66.7	74.3	
Direct	52.8	56.5	62.5	70.6	
Reimbursable ²	1.7	1.4	4.2	3.7	
IT Funding ¹	6.1	6.3	10.2	11.9	
FTE ³	468	474	488	494	

¹ IT funding included in total funding.

² Reimbursable funding included in total funding (includes STAT-USA and ESA/BEA reimbursables).

³ Total FTE includes ESA/BEA reimbursable FTE.

Skill Summary:

Economists, accountants, statisticians, and information technology specialists.

FY 2003 Performance Goals

Performance Goal 1: Develop Relevant, Accurate, and Timely Gross Domestic Product (GDP) and Economic Accounts Statistics

Corresponding Strategic Goal

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably.

Rationale for Performance Goal

The economic statistics produced by BEA enable government and business decisionmakers, researchers, and the public to follow and understand the performance of the U.S. economy; making the statistics critical to sound economic decision-making at all levels, from the highest-level policymakers to the individual American household. BEA prepares national, industry, regional, and international economic accounts that present essential information on such key issues as economic growth, inter-industry relationships, regional economic development, and the nation's position in the world economy.

- The national economic accounts include NIPA, which provide a quantitative view of the production, distribution, and use of the nation's output, and feature GDP, one of the most closely followed of all economic measures. The national accounts also include estimates of the U.S. stock of fixed assets and consumer durable goods.
- The industry economic accounts include the input-output tables, which show how industries interact to provide input to and take output from each other, and the gross domestic product by industry data, which measure the contributions of private industry and government to GDP.
- The regional economic accounts provide estimates and analyses of personal income and earnings by industry for regions, states, metropolitan areas, and counties. They also include estimates of gross state product (GSP) by industry.
- The international economic accounts include the international transactions accounts (balance of payments) and the estimates of U.S. direct investment abroad and foreign direct investment in the United States.

BEA's current estimates often appear first in news stories, and they are available on the BEA Web site and in the BEA monthly journal of record, the *Survey of Current Business*.

To be most useful to data users, BEA's statistics must be as timely, relevant, and accurate as possible in order to provide a clear and comprehensive picture of current economic activity. In addition, they must be readily accessible in easy-to-use formats. The first two measures reported below are aggregate indicators of BEA's success in producing data that are consistently released on schedule (reliability of delivery), and useful and readily available to the public (customer satisfaction). The third measure is an indicator of BEA's success at providing the GDP with the highest possible accuracy (percent of GDP estimate correct).

Because the U.S. economy is continually undergoing rapid changes and becoming more and more complex, it is essential that BEA improve its accounts to keep pace with the economy and meet the needs of its data users. BEA annually updates its Five-year Strategic Plan with aggressive milestones to provide a guide to improving the quality and accuracy of its measures. The BEA Strategic Plan can be accessed via the BEA Web site at www.bea.gov. For each of the economic accounts, the plan lists specific milestones for achieving these improvements in the coming years. BEA routinely reviews these milestones and updates the plan to make adjustments for changing conditions and priorities. The milestones also are incorporated into the performance plans of all BEA employees.

Performance Goals for FY 2003

BEA has established seven performance goals to monitor its progress toward meeting its budget objectives and operating goals. The first three performance goals measure overall agency performance with respect to the agency mission to provide timely, relevant, and accurate economic data. These measures include reliability of delivery of economic data, customer satisfaction with quality of products and service, and accuracy of the GDP estimate. The final four measures are directly related to BEA budget initiatives and track BEA's ability to meet its commitments to the President, Congress, and American public when initiative funds are provided.

Measure 1a: Reliability of Delivery of Economic Data (Number of Scheduled Releases Issued on Time)				
	FY 2000	FY 2001	FY 2002	FY 2003
Target	100%	100%	50 of 50	48 of 48
Actual	100%	100%	50 of 50	48 of 48
Met/Not Met	Met	Met	Met	Met

Explanation of Measure

This measure is at the heart of BEA's mission to provide relevant and timely economic data. The importance of BEA data as an ingredient of sound economic decision-making requires BEA to deliver data into the hands of decisionmakers and other data users not only quickly but also reliably, that is, on schedule. Since instituting this performance measure, BEA has consistently met its target of releasing economic data on schedule and on time.

FY 2003 Performance

BEA has met this target in all four years since it was developed including in FY 2003. In fact, BEA has made significant improvements in its information processing systems that have enabled it not only to release indicators such as GDP to the press on time and on schedule, but also to post the GDP on the BEA Web site (www.bea.gov) at the 8:30 a.m. release time, giving all users immediate access to it. Given adequate investment in these systems, BEA will continue its perfect record of issuing its data releases on schedule and on time in FY 2004.

Measure 1b: Customer Satisfaction with Quality of Products and Services (Mean Rating on a Five-point Scale)

	FY 2000	FY 2001	FY 2002	FY 2003
Target	Greater than 4.0	Greater than 4.0	Greater than 4.0	Greater than 4.0
Actual	4.3	N/A (survey postponed)	4.3	4.4
Met/Not Met	Met	Not Met	Met	Met

Explanation of Measure

Customer satisfaction is a critical element of BEA's mission that cuts across all three of the core elements: timely, relevant, and accurate. BEA must achieve all three of these elements in its data releases to maintain user or customer satisfaction with its products. To measure levels of satisfaction, BEA conducts an annual mail and Internet survey of users.

FY 2003 Performance

In the FY 2003 survey of customer satisfaction, BEA scored a 4.4 out of maximum 5.0 indicating that users are very satisfied with the quality of BEA's products and services. The survey is conducted via mail and the Internet and asks respondents a series of questions about their use of and satisfaction with BEA products and services. In general, respondents expressed increased satisfaction with the timeliness of BEA statistics, a top priority of BEA for FY 2003 and FY 2004. The survey also found that respondents were slightly less satisfied with the accuracy of BEA data, a finding that is not surprising given the large revisions in the quarterly GDP made in early FY 2003. BEA has made a number of important improvements to its methodologies in FY 2003 that, with the comprehensive revisions due in December 2003, will address these accuracy issues. An FY 2004 budget initiative to acquire and incorporate real-time data into the estimates also will have an important effect on the accuracy of the estimates. The customer satisfaction survey is conducted annually. The *Customer Satisfaction Survey Report, 2003* is available on the BEA Web site.

Measure 1c: Percent of Gross Domestic Product (GDP) Estimate Correct

	FY 2000	FY 2001	FY 2002	FY 2003
Target	New	New	Greater than 82%	Greater than 84%
Actual			83%	88%
Met/Not Met			Met	N/A

Explanation of Measure

This broad measure of BEA performance, introduced in FY 2002, seeks to track the ability of BEA to accurately estimate its most important estimate, the GDP. The measure is a composite index of six indicators of accuracy that are readily available to the public. These six indicators measure the accuracy of the GDP estimate with respect to: (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) trend GDP growth rate, (5) average quarterly GDP growth rate, and (6) level of current-dollar GDP. These measures are

applied using three-year rolling averages to develop a single measure of the correctness of the GDP estimate. Three-year rolling averages were chosen because: a) at least 12 quarters of estimates are needed for statistical reliability, b) BEA’s annual revisions cover three years, c) the impact of statistical improvements occur over time, and d) reasonable balance must be struck between statistical reliability and a measure of current performance.

FY 2003 Performance

In both FY 2002 and FY 2003, BEA exceeded its targets of accurately measuring GDP. In FY 2003, BEA reported that it accurately measured GDP 88 percent of the time which exceeds its target of “greater than 84%.” The ability of BEA to exceed this target is due to the recent investments by the Congress and Administration to improve the accuracy of BEA statistics. Funds received in FY 2002 and FY 2003 allowed BEA to research and incorporate numerous updates and improvements to the GDP that have resulted in smaller more accurate estimates and smaller annual revisions. With investments requested in FY 2004 to acquire and incorporate real-time data into its accounts, BEA expects to continue to meet or exceed its targets on this performance measure.

Measure 1d: Improving Gross Domestic Product (GDP) and the Economic Accounts

	FY 2000	FY 2001	FY 2002	FY 2003
Target	New	New	Develop new measures to address gaps in and update BEA’s accounts; design new quarterly survey of international services; develop new pilot estimates that provide better integration with other accounts.	Successful completion of related strategic plan milestones, including benchmark and update of industry accounts, incorporate North American Industry Classification System (NAICS) into regional accounts, and update international accounts.
Actual			Developed new measures to address gaps and updated BEA’s accounts; designed prototype of new quarterly survey of international services; developed new pilot estimates that provide better integration with other accounts.	BEA completed all major strategic plan milestones related to improving the economic accounts (completed 164 milestones out of 171 overall).
Met/Not Met			Met	Met

Explanation of Measure

BEA must continually update its economic accounts to keep pace with the increasingly complex and rapidly changing U.S. economy. GDP, balance of payments, state personal income, and other data must be as timely, relevant, and accurate as possible to inform the decisions made by public and private leaders. The BEA Five-year Strategic Plan lays out steps that BEA will take to achieve quality improvements to all of its accounts. Based on the strategic plan milestones, specific budget initiatives have been proposed for each year since FY 2002 to improve the accounts. This performance measure was introduced in FY 2002 to track BEA’s progress in achieving the milestones related to these initiatives and provide agency accountability.

FY 2003 Performance

BEA made important improvements to its estimates during FY 2003 and met all of its major milestones. Of the 171 milestones in the BEA Strategic plan related to improving GDP and the economic accounts, BEA completed 164 of them (or 96 percent). All the major milestones were met while some were delayed to address other priorities. The initial FY 2003 targets were set based on the President's Budget for FY 2003. The FY 2003 appropriation was less and targets were adjusted. A list of specific accomplishments to meet this FY 2003 performance measure is presented below. In FY 2004, BEA plans to acquire and incorporate real-time data into its accounts to significantly improve the quality and timeliness of GDP and the national accounts. It also plans an effort to better integrate the national accounts with industry, international, and regional measures.

Below is a partial list of specific accomplishments made during FY 2003 to improve GDP and the economic accounts:

- Developed new price indexes that measure important quality improvements in non-residential structures and photocopy equipment that have been missed in existing measures of GDP and productivity growth.
- Completed research and development on new measures of insurance services that present a much more complete and up-to-date measure of insurance that better captures the economic effects on GDP and the balance of payments of national disasters such as Hurricane Andrew and the terrorist attacks of September 11, 2001.
- Developed more accurate estimates of financial services, which generates more accurate cyclical data for monetary and fiscal policy.
- Developed independent monthly estimates for prescription drugs.
- Improved BEA's current-period estimates of corporate profits to better capture the effect of employee stock options so as to avoid the distortions that affected corporate profit reports in the late 1990s.
- Filled gaps in coverage of U.S. international assets and liabilities, which provides a more accurate picture of U.S. exposure to overseas financial disruptions.
- Developed first sets of state and local area personal income estimates on NAICS basis, which presents a more up-to-date picture of the structure of the U.S. and regional economies.
- Further integrated BEA's economic accounts by using state-level estimates of sales tax by industry to derive national industry distributions of indirect business taxes and reconciling those with sales taxes in BEA's benchmark input-output accounts. For the first time, the same industry distributions will be used in BEA's input-output accounts, GDP by industry, GSP by industry, and Personal Consumption Expenditures accounts.
- Conducted research to measure pension disbursements by state.

Measure 1e: Accelerating Economic Estimates

	FY 2000	FY 2001	FY 2002	FY 2003
Target	New	New	New	Successful completion of related strategic plan milestones, including accelerate the release of international trade estimates (with Census Bureau), gross domestic product (GDP) by industry, annual input-output tables, gross state product (GSP), and metropolitan area personal income.
Actual				BEA completed all major strategic plan milestones related to accelerating economic estimates (completed 98 milestones out of 103 overall).
Met/Not Met				Met

Explanation of Measure

In FY 2003, BEA was challenged by the Secretary of Commerce to accelerate the release of its major economic estimates to meet the demands of public and private sector users. To meet this challenge, the Agency proposed a multi-year initiative to accelerate the release of eight of its most important indicators. The BEA Five-year Strategic Plan was reviewed and amended to account for this acceleration work. This performance measure seeks to hold BEA accountable for its progress.

FY 2003 Performance

During FY 2003, BEA achieved the acceleration of two of the five measures slated for acceleration. International trade in goods and services was accelerated by one week with its March 12, 2003 release, and GDP by industry was accelerated by seven months with its release in April 2003. The timetable for the acceleration of the remaining estimates in this plan is on schedule and expected to be released as planned in the BEA Strategic Plan. A complete list of the accelerations that occurred during FY 2003 is below. The second phase of the acceleration planned in FY 2004 President's Budget targets three additional indicators: GDP, personal income and outlays, and county personal income.

Acceleration accomplishments during FY 2003:

- Accelerated release of monthly international trade in goods and services by one week with the March 12, 2003 release. Further acceleration has been delayed due to lack of funds at the Census Bureau. BEA continues to develop processes to accomplish the entire 30-day acceleration.
- Released accelerated GDP by industry on April 17, 2003, achieving the seven-month acceleration goal announced.
- Initiated research to develop methodology and identify data sources to accelerate annual input-output accounts. On schedule to release 2002 accounts in spring of 2004 and 2003 accounts in fall of 2004, thus reducing the lag to one year.
- Accelerated release of GSP by one month in FY 2003 and conducted preliminary research to accelerate GSP by 13 months. Produced experimental accelerated estimates. On schedule to release accelerated GSP estimates for 2003 in fall of 2004.

- Began research on the eight-month acceleration of metropolitan area personal income. Although release of accelerated estimates has been delayed due to reduced appropriations from President’s request, BEA has met its timing as defined in the BEA Strategic Plan.
- Worked with the Bureau of Labor Statistics (BLS) to improve the timeliness of the BLS ES-202 program for use in accelerating the timeliness of the state and county personal income estimates. On schedule to release quarterly state personal income on month earlier in June 2004.

Measure 1f: Meeting U.S. International Obligations

	FY 2000	FY 2001	FY 2002	FY 2003
Target	New	New	New	Successful completion of related strategic plan milestones, including assist Treasury in designing a survey of derivatives; incorporate estimates of short-term claims and long-term assets in accounts; and provide data for Special Data Dissemination System (SDDS) compliance; and publish annual supplemental ownership-based accounts.
Actual				BEA completed all major strategic plan milestones related to meeting U.S. international obligations (completed 99 milestones out of 103 overall).
Met/Not Met			Met	

Explanation of Measure

The U.S. Government has made a number of commitments with international organizations and other countries in which BEA has been tasked with responsibilities. NAICS was developed jointly by the United States, Canada, and Mexico to provide a uniform basis for identifying, compiling, and presenting industry data. The Department of the Treasury serves as the official U.S. liaison with the International Monetary Fund to ensure U.S. compliance with the Special Data Dissemination System (SDDS). Meeting these commitments is important to maintaining the United States leadership role. Equally important, the statistical information required by these international commitments is important to U.S. policymakers.

FY 2003 Performance

This performance measure was introduced in FY 2003 to monitor BEA’s progress in meeting milestones related to international commitments as well as provide accountability for an FY 2003 and FY 2004 multi-year initiative to meet these commitments. For FY 2003, BEA has met all the major milestones related to meeting international obligations and completed over 96 percent of all related milestones. Some of BEA’s specific accomplishments toward meeting this performance measure for FY 2003 include:

- Prepared first estimates of direct investment for the international transaction accounts and international investment position in accordance with NAICS for release in June 2003.
- Updated statistical methods in light of international statistical standards. These updates include introduction of a new measure of insurance services that provide a more appropriate treatment of insured catastrophic losses, and the collection of improved measures of activities of foreign-owned U.S. firms in finance and insurance.

- Worked with the Federal Reserve Board, Federal Reserve Bank of New York, and the U.S. Department of the Treasury to design report forms that collect more comprehensive data on short-term financial instruments. This information, which is required to conform with the international SDDS, closes important data gaps in the international economic accounts for these volatile instruments.
- Met various international commitments by completing the transition to NAICS in all international data products and conducting a study of the measure of derivatives.
- Published benchmark input-output accounts on a NAICS basis for the first time in December 2002. These accounts serve as the benchmark to the NIPA, which includes GDP.

Measure 1g: Upgrading Information Technology Systems

	FY 2000	FY 2001	FY 2002	FY 2003
Target	New	New	Develop new systems, including design and prototype phase of new National Income and Product Accounts (NIPA) core processing system; develop improved interactive features on the BEA Web site; extend electronic reporting for international surveys.	Successful completion of related strategic plan milestones, including implement a new system for industry accounts benchmark processing and balance of payments processing; extend BEA's electronic reporting option for six international investment surveys.
Actual			Developed new systems, including implementation of prototype phase of new NIPA core processing system; developed improved interactive features on the BEA Web site; extended electronic reporting for international surveys.	BEA completed all major strategic plan milestones related to upgrading IT systems (completed 95 out of 98 overall).
Met/Not Met			Met	Met

Explanation of Measure

An essential ongoing investment in BEA is in the upgrading and integration of BEA information technology systems. BEA's statistical processing systems are essential elements in the production of the economic accounts. Rapid and far-reaching changes in the economy and the ongoing need to update concepts and estimation methods made it critical that IT systems be continuously evaluated and upgraded utilizing current technologies. This will improve the speed, reliability, and accuracy of the statistical production process. BEA's latest customer survey showed that user-friendly electronic access is important to customers. Current improvements to the BEA Web site already have dramatically increased the usability of BEA data. Increased customer satisfaction from these changes has been reflected in customer satisfaction ratings. Information technology improvements also are being incorporated into electronic reporting options for respondents to BEA's international surveys. These surveys of foreign direct investment and international trade in services require the submission of more than 100,000 report forms each year. By providing the ability to report electronically, BEA will reduce respondent burden and reduce its own processing costs.

FY 2003 Performance

This performance measure was introduced in FY 2002 to provide accountability for an urgent FY 2002 budget initiative to repair failing components of the system. For out years, this measure monitors BEA's efforts to continually maintain and upgrade its statistical processing systems. In FY 2003, BEA met all its major milestones related to this measure and completed 95 of the 98 total milestones. Due to budget constraints, the installation and training for the phone system was delayed. The initial FY 2003 targets were set based on the President's Budget for FY 2003. The FY 2003 appropriation was less and targets were adjusted. Also, budget constraints slowed the implementation of the NIPA redesign although the new system is currently in testing phase running parallel with old. The conversion is scheduled to occur during the first quarter of 2004.

Other accomplishments toward meeting this performance measure for FY 2003 include:

- Completed requirements, design, and prototype for the new National Economic Accounts centralized processing system, which will provide a foundation for modernization of the accounts and provide for more integration between the accounts.
- Provided enhancements to GDP by industry systems to support advanced estimates, publication of tables and System of National Accounts translation, as well as completed work to enhance the benchmark input-output processing systems.
- Completed implementation of electronic reporting through the Automated Survey Transmission and Retrieval System for all 14 international surveys. The implementation presents an opportunity for reducing paperwork burden on multinational companies each year and for improving accuracy of estimates.
- Introduced dynamic data tables on www.bea.gov, which improve access and usability of BEA data to customers and increases accuracy.

Program Evaluation

Program Effectiveness: In FY 2002, BEA ranked among the top one percent of the 234 programs assessed for effectiveness by the OMB using its new assessment tool, called the Program Assessment Rating Tool (PART). The PART was applied to selected federal programs, including BEA. Each program was scored in four areas: Program Purpose and Design, Strategic Planning, Program Management, and Program Results/Accountability. Formal recommendations resulting from the PART process will be reflected in BEA's APP.

BEA Advisory Committee: Twice a year, the 13-member BEA Advisory Committee meets to review and evaluate BEA programs and services. The committee advises the Director of BEA on matters related to the development and improvement of BEA's national, regional, industry, and international economic accounts, especially in areas of new and rapidly growing economic activities arising from innovative and advancing technologies. The committee also provides recommendations from the perspectives of the economics profession, business, and government. The meetings are open to the public. In 2003, the General Services Administration contracted with the Gallup Organization to conduct a stakeholder engagement survey of all federal advisory committees. The BEA Advisory Committee members reported an 83 percent overall satisfaction rate with the work of the committee (the government-wide satisfaction rate for advisory committee members was 38 percent). One hundred percent of the BEA Advisory Committee members indicated they would work with the committee again as compared to 66 percent for members of all federal advisory committees.

Customer Satisfaction Survey: BEA conducts an annual survey of its users to understand their satisfaction with BEA products and services. This survey is critical to BEA's success as users are the final arbitrators of the timeliness, relevance, and accuracy of BEA data. Recent improvements in the accounts have been noticed in the survey with increased satisfaction by users. The customer satisfaction survey serves as one of the seven measures used to hold BEA accountable for its performance. The past two surveys have found that users rated BEA with a 4.3 out of 5 on the level of satisfaction with BEA products and services; the FY 2003 survey found a slight increase in satisfaction at 4.4. BEA strives to increase this level of satisfaction with continual improvements to the accounts and investments in the information technology systems used by most users to access BEA data.

In addition to the customer satisfaction survey, BEA monitors its contacts with users. The chart below lists a number of methods of communicating with users for FY 2002 and FY 2003 with estimated values for FY 2004 and FY 2005.

BEA USER MEASURES: FY 2002 — FY 2005				
Measures	FY 2002 Actual	FY 2003 Actual	FY 2004 Estimate	FY 2005 Estimate
Press Releases (both scheduled and unscheduled)	61	59	60	60
Survey of Current Business:				
Articles	46	43	46	46
Statistical pages	1,358	1,416	1,500	1,500
Number of paid subscriptions	3,708	2,463	2,000	1,500
Publications, other than the Survey	3	5	5	5
BEA Web site — <i>www.bea.gov</i>				
Page views (monthly average)	1,468,000	1,514,529	1,666,000	1,833,000
Unique visitors (monthly average)	102,000	116,677	128,000	141,000
Downloads (annual)	2,135,547	3,381,319	3,700,000	4,090,000

Strategic Program Evaluation: The BEA Five-year Strategic Plan is the most important evaluation of its programs and performance. The strategic plan is a detailed operating plan that guides BEA's planning with over 200 detailed milestones per year over a five-year time frame. As mentioned in the introduction to this section, the plan is developed from the Department of Commerce goals and objectives and the mission and objectives set by BEA. Managers are responsible for insuring that the milestones are met as they feed directly into the performance measures and budget requests of the agency.

The publicly available strategic plan is annually reviewed and a report of successes is made available to the BEA Advisory Committee, Department of Commerce, OMB, Congress and the public. It clearly indicates which milestones were met and which were not met with an explanation as to why specific milestones did not get accomplished. In FY 2003, BEA met all of its major milestones and over 95 percent of the total number of milestones. BEA seeks to continue to meet its major milestones and works to improve its record in achieving the rest of the milestones.

Human Capital Management: In FY 2003, BEA again contracted with the Office of Personnel Management (OPM) to conduct an employee assessment survey to better understand the strengths and weaknesses of the organization. The 2003 assessment was conducted in August and September of 2003 and the results made available soon after the close of the survey. It found that BEA employees continue to place BEA among the highest-rated organizations in government. BEA was ranked above the federal median in all 17 dimensions included on the survey. In fact, BEA set the benchmark high on 12 of the 17

dimensions including in the areas of diversity, strategic planning, quality of worklife, and performance measures. In addition, important improvements were reported in all 17 dimensions from the 2002 survey. Some of the largest increases in favorable responses came in the three areas addressed by the 2002 Change Committees for quality of worklife, training/career development, and communications. Finally, BEA fared well and often exceeded the results on a number of aspects when compared with the private sector. Similar to last year, BEA will put in place an employee-based process to examine the areas that received the lowest scores and make recommendations for improvements.

Information Technology: In the information technology area, several evaluations were completed in support of the modernization of critical BEA software systems and their underlying infrastructure components. In preparation for a major reengineering effort, Booz Allen Hamilton completed an end-to-end study of the National Accounts core processing systems. This study resulted in the development of streamlined system requirements for a new unified central processing system. An analysis of BEA's financial management data was completed. This analysis formed the basis for the development of a management information system, which provides timely budget and cost data to Bureau managers. An evaluation of BEA's Central Publishing System was performed to serve as a foundation for moving forward with proposed improvements to BEA's publication processes. Eagle Design Corporation performed a "usability" assessment of the BEA Web site. The results of this study were incorporated into a redesign of the BEA Web site, which will improve customer access to BEA data. Additional independent evaluations performed included: a requirements analysis of expanding the detail of information provided on the BEA Web site, an examination of the alternatives for expansion of BEA's electronic reporting capabilities, and a review of the current capabilities and future requirements of BEA's telecommunication system.

In addition:

- BEA completed an annual self-assessment of management processes and procedures followed for IT capital planning, IT security and IT architecture. BEA's programs received above average rankings based on levels provided by DOC.
- Two tests and evaluations were made of BEA's disaster recovery capabilities. Each test focused on specific program areas. Testing successfully verified that BEA was capable of producing its critical data estimates at an off-site location in support of key mission activities.
- BEA completed an external IT security penetration test of its local area network in order to ensure that adequate defensive parameters protect BEA's critical data.
- BEA completed, with contractor assistance, a comprehensive National Information Assurance Certification and Accreditation Process for all IT security plans/systems. This accredited all BEA systems for continued full operation without exception.

BEA Data Validation and Verification

The Director of BEA conducts an annual review of the Bureau's performance data to ensure that it is complete and accurate. Significant deviations from the projected target, if any, are reviewed by the Director and action is planned to address deficiencies.

The validation process is conducted in a manner similar to audit principles including data collection and verification of data. Data are collected from independent sources and the BEA Five-year Strategic Plan and compared to actual outcomes to determine the success or failure of the agency to meet its specific goals. All data are maintained and publicly available for additional outside review.

The BEA Data Validation and Verification table can be found starting on the following page.

BEA Data Validation and Verification

Performance Measure	Data Source	Frequency	Data Storage	Verification	Data Limitations	Actions to be Taken
Measure 1a: Reliability of delivery of economic data (number of scheduled releases issued on time)	A schedule of release dates for the coming calendar year is published each fall in the Survey of Current Business and is posted on the BEA Web site. BEA maintains a record of subsequent actual release dates.	Annually	BEA maintains the schedule of future release dates and the record of actual release dates. Both sets of information are available on the BEA Web site.	Scheduled and actual release dates are a matter of public record and can be verified via the Internet.	A few releases may not be included in the published annual schedule because their release dates cannot be established that far in advance, and those releases are excluded from the performance measure.	FY 2004 target will be added.
Measure 1b: Customer satisfaction with quality of products and services (mean rating on a five-point scale)	BEA customer survey.	Annually	BEA conducts the survey, compiles the results, and retains records of raw data and computations that lead to final results.	BEA will provide a copy of the survey to the Economics and Statistics Administration.	Data are not available for years, such as FY 2001, in which survey is not conducted.	Survey was conducted in FY 2003.
Measure 1c: Percent of gross domestic product (GDP) estimates correct	Background research studies published in BEA's Survey of Current Business. Annual report will be submitted to Office of Management and Budget (OMB) and available to the public on the BEA Web site.	Annually	The Survey of Current Business is published monthly and available for free online and for a fee through subscription. Statistical report will be made available on the BEA Web site.	The Survey of Current Business is a matter of public record and can be verified via the Internet or hard copy. The statistical report also will be available to the public on the BEA Web site.	Measure is the best single point estimation of the accuracy of GDP. Economic conditions, rather than statistical practices, could dramatically change the measure.	Research to calculate new measure will be conducted.
Measure 1d: Improving gross domestic product (GDP) and the economic accounts	BEA's strategic plan provides a timetable with annual milestones for achieving significant improvements in the economic accounts. At the end of each fiscal year, beginning with FY 2002, BEA will evaluate and report its progress in achieving the scheduled milestones.	Annually	BEA compiles and maintains data.	BEA conducts internal review and analysis.	BEA's annual review and updating of its strategic plan could result in changes to milestones.	Milestones will be adjusted as necessary to match BEA's strategic plan.
Measure 1e: Accelerating economic estimates	BEA's strategic plan provides a timetable with annual milestones for accelerating the release of its economic accounts estimates. Beginning with FY 2003, BEA will annually evaluate and report its progress in achieving the scheduled milestones.	Annually	BEA compiles and maintains data.	BEA conducts internal review and analysis.	BEA's annual review and updating of its strategic plan could result in changes to milestones.	Milestones will be adjusted as necessary to match BEA's strategic plan.

BEA Data Validation and Verification (cont.)

Performance Measure	Data Source	Frequency	Data Storage	Verification	Data Limitations	Actions to be Taken
Measure 1f: Meeting U.S. international obligations	BEA's strategic plan provides a timetable with annual milestones for incorporating North American Industry Classification System (NAICS) in its economic accounts. At the end of each fiscal year, beginning with FY 2003, BEA will evaluate and report its progress in achieving the scheduled milestones.	Annually	BEA compiles and maintains data.	BEA conducts internal review and analysis.	BEA's annual review and updating of its strategic plan could result in changes to milestones.	Milestones will be adjusted as necessary to match BEA's strategic plan.
Measure 1g: Upgrading information technology systems	BEA's strategic plan provides a timetable with annual milestones for modernizing the information technology systems used to produce the economic accounts estimates, collect survey data, and disseminate data to users. At the end of each fiscal year, beginning with FY 2002, BEA will evaluate and report its progress in achieving the scheduled results.	Annually	BEA compiles and maintains data.	BEA conducts internal review and analysis.	BEA's annual review and updating of its strategic plan could result in changes to milestones.	Milestones will be adjusted as necessary to match BEA's strategic plan.