



FOR MORE INFORMATION

Chaat Butsunturn, 415-391-7900 x114

cbutsunturn@kearnswest.com

OR Amanda Piasecki, 202-535-7800 x114

apiasecki@kearnswest.com

Federal Government Gains in Citizen Satisfaction and Narrows Gap to Private Sector

ANN ARBOR, Mich., (January 19, 2012)—Americans are more satisfied with services provided by the U.S. federal government than they were a year ago, according to a report released today by the American Customer Satisfaction Index (ACSI). ACSI results show that citizen satisfaction with federal government is up 2.3% to 66.9 (on a 0-100 scale) for 2011. The improvement, however, comes on the heels of a large decline for federal services, when citizen satisfaction tumbled nearly 5% to 65.4 between 2009 and 2010.

At present, the federal government is 5 points below the lowest-scoring private sector economic segment, Information at 72.3—an improvement over a 7-point gap in 2010. At the department level, the range in ACSI scores is wide, with Defense (76) and Interior (74) at the high end and Homeland Security (59) and Treasury (57) at the opposite end of the scale.

In general, departments and agencies that deliver benefits have higher scores than those whose mission is regulatory. Yet, even with unpopular tasks—such as tax collection—citizen satisfaction can vary. For example, the IRS’s electronic tax return filing is far superior to paper filing. Tax payers who file electronically have an ACSI score of 78 compared to 57 for those filing on paper.

“While the federal government still trails the lowest-scoring private sector segment in the ACSI, some agencies, such as the National Weather Service and the Small Business Administration, prove that government can equal or even exceed the private sector,” says Claes Fornell, ACSI founder and author of *The Satisfied Customer: Winners and Losers in the Battle for Buyer Preference*.

Individual Agencies Garner More Trust Than Government Overall

While strong customer loyalty and retention are favorable outcomes of high customer satisfaction in the private sector, enhanced trust is a desired outcome of improving citizen satisfaction. Similar to the difference in approval ratings for Congress overall (which are very low) as compared with individual members (which are higher), trust varies for government overall versus individual agencies. Trust in government overall is down 12% from an already low 41 in 2010 to 36 in 2011. But, when the same citizens are asked about an agency whose services they actually have experienced, trust is dramatically higher at 69 (up from 68 in 2010).

“While people generally distrust federal government as a whole, they are much more positive towards the job that individual agencies are performing,” notes Fornell. “Paradoxically perhaps, these findings suggest that the more people come into contact with government service, the more they actually like it. The lack of trust has much more to do with politicians than it does with federal workers and the services of the federal government.”

Political Ideology and Communication Channels Impact Citizen Satisfaction

Political ideology and the method of communication used to access services have an effect on both citizen satisfaction and trust. Respondents who identified themselves as conservative are less satisfied (65) than liberals (70). Not surprisingly, conservatives report lower trust (66) than do liberals (71).

Among the variety of communication channels available to citizens, e-government does better than more traditional modes. Specifically, citizens interacting with government using websites (68) or electronic mail (70) are more satisfied than those using telephone (66) or printed materials (60).

“Concurrent with other studies, e-government beats traditional methods when it comes to enhancing citizen’s views about the functioning of government,” says Fornell. “ACSI results confirm that the promotion of e-government initiatives is not only a worthwhile pursuit, but is one that will likely continue to alter the landscape of government.”

About ACSI

The American Customer Satisfaction Index is a national economic indicator of customer evaluations of the quality of products and services available to household consumers in the United States. Data from interviews with approximately 70,000 customers annually are used as inputs into an econometric model to measure satisfaction with more than 225 companies in 47 industries and 10 economic sectors, along with over 200 services, programs, and websites of approximately 130 federal government agencies.

ACSI results are released on a monthly basis, with all measures reported using 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. And, at the macro level, customer satisfaction has been shown to be predictive of both consumer spending and gross domestic product growth.

The Index was founded at the University of Michigan’s Ross School of Business and is produced by ACSI LLC. ACSI can be found on the Web at www.theacsi.org.

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