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ACSI: Citizen Satisfaction with Federal Government Falls Again

ANN ARBOR, Mich., (January 27, 2015) – Americans continue to be less satisfied with the services provided by the U.S. federal government, according to a report released today by the [American Customer Satisfaction Index \(ACSI\)](#). ACSI results show that citizen satisfaction drops 2.6 percent to 64.4 (on a scale of 0 to 100) as compared with a year ago.

The *ACSI Federal Government Report 2014* is available on the ACSI website at <http://www.theacsi.org/news-and-resources/customer-satisfaction-reports/reports-2014/acsi-federal-government-report-2014>.

The decline occurs amid cutbacks in agency budgets and fewer federal workers. In many cases, good customer service is also labor intensive, which might explain the erosion in satisfaction. While overall user satisfaction is down by 2.6 percent, user assessment of the courtesy and helpfulness of agency staff drops 6 percent. Going back two years, customer service by the federal government was a strong point and had a score of 80.

“Much like the private sector, one of the first casualties of cost-cutting is customer service,” says Claes Fornell, ACSI Chairman and founder. “Due to the very nature of their business, regulatory agencies like the IRS always face user satisfaction challenges and it becomes even more difficult to maintain quality service to a growing number of users with fewer, or even the same number of people, providing those services.”

Along with customer service, other aspects of agency performance have declined or stalled at ACSI scores in the high 60s to low 70s. Americans find the ease and timeliness of services less than satisfactory (68) and that information provided by agencies lacks clarity and accessibility (69). Satisfaction with government websites shows no further erosion after declining a year ago, but has not improved either (ACSI score 72).

Federal Agencies Lag Private Sector in Customer Satisfaction

Compared with the private sector, the federal government now lags nearly all of the 43 industries tracked by the ACSI. Only Internet service providers have a lower customer satisfaction score (63). However, there are agencies that still provide excellent service, according to their users. With a score that exceeds even the best private sector company—Amazon.com at 88—the Pension Benefit Guaranty Corporation receives the top mark of 90 from retirees. Other highly rated services include call center operations of the National Recreation Reservation Service, which receives scores of 90 from field staff users and 82 from contact center users.

“While there are exceptions to the general trend of lower customer satisfaction with government services, the challenge of maintaining high-quality service with fewer resources may affect even more services soon,” says David VanAmburg, ACSI Director. “For example, the wait time for callers to the IRS is projected to balloon even more than it did a year ago—possibly exceeding 30 minutes.”

Among agencies, the Department of Defense receives the highest mark for citizen satisfaction at an ACSI score of 73, but even so it is lower than the national, private and public sector, ACSI aggregate of 75.6. The Department of Health and Human Services shows a two-year downward trend, falling to 62. Veterans Affairs and Treasury also register well below the government average for citizen satisfaction at 59 and 57, respectively. The VA has faced an array of challenges related to high demand for its services, and while the IRS continues to provide a much better experience for those who file taxes electronically (76 compared with 57 for paper filers), the tax-collecting mission of the IRS undoubtedly plays a role in low satisfaction levels for Treasury. By contrast, Homeland Security, another department with a regulatory mission, outperforms the average for federal government at 66.

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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 70,000 customers annually as inputs to an econometric model for analyzing customer satisfaction with more than 230 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 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 GDP growth.

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