

# Cobalt Community Research

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**CFI** Group

Claes Fornell International

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## **Citizen Satisfaction with Local Communities Trails Private and Federal Government Sectors; But Upside Is Significant for Local Governments**

*New Study from CFI Group, Cobalt Reveals High Impact Improvement Areas*

**ANN ARBOR, Mich.** (April 23, 2009) – A new study released today from CFI Group and Cobalt Community Research shows that citizen satisfaction with local communities lags well behind satisfaction in the private sector and federal government. The 2009 National Baseline Study of the Cobalt Citizen Satisfaction Index (CCSS) debuts at 58 on a 100-point scale. The index employs the scientific methodology of the University of Michigan’s American Customer Satisfaction Index (ACSI).

The national private sector ACSI measured 75.7 at last measure for the fourth quarter of 2008. The federal government ACSI registered 68.9 in December 2008.

“The slumping national economy gets all the headlines, but local economies are feeling it harder and it shows,” said Xavier Quenaudon, vice president with CFI Group and head of research for the study. “In many communities, rising unemployment, depreciating home values, and a shrinking tax base make it tough for communities to fully support important local initiatives. It’s a real challenge for leadership.”

The CCSS survey measures citizen satisfaction with 15 components of community characteristics and local government services. According to the survey, citizens are most satisfied with Fire Department (78), Library (77), and Utility Services (76). Among the components to the local community experience that citizens say require the most improvement include Economic Health (48), Local Government (56), and Public Schools (61).

CCSS is designed to help individual communities optimize the effectiveness of limited resources by measuring the independent effect each community component has on citizen satisfaction. Satisfaction then drives “behaviors” that have practical benefits for the communities, and targeted improvements can have a significant positive effect. For example, a comparison of citizens with high satisfaction (those above 85) and those with relatively low satisfaction (scoring 60 or below) shows that highly satisfied citizens rate quality of life 44% higher, are 49% more likely to remain in the community, and 70% more likely to support the current local government administration. Other desirable behavior intentions include likelihood to recommend the community as a place to live (59% higher for highly satisfied group), likelihood to volunteer (+33%), and likelihood to encourage business start-up (+53%).

“Not all priorities are created equal, so it is important to identify where communities will get their biggest bang for the taxpayer buck,” said Quenaudon. “Citizens are essentially telling us that community leadership is falling short in economic health, public schools, transportation, and diversity. Easier said than done, but knowing where to put your resources is a start.”

Among the areas citizens rated about their local government, citizens were most dissatisfied with how they believe their tax dollars are being spent (47). The lowest scoring attribute for the economic health component was the quality of jobs (45).

“The Cobalt Citizen Satisfaction Survey provides public officials with credible, fact-driven direction for action that supports quality decision-making,” said William SaintAmour, Executive Director of Cobalt Community Research. “Such citizen-focused performance measurement also supports local governments’ efforts to engage citizens in the strategic planning and budgeting process and promotes accountability citizens are calling for. While this baseline study serves as a national benchmark, progress can only be measured if individual communities participate in this process.”

According to the survey, citizen satisfaction levels vary significantly depending on gross income, race, and education level. Non-white citizens and those with lower income and education report lower levels of satisfaction; they are less likely to remain in their communities and less willing to recommend the area as a good place to live. Average scores across all measures for citizens reporting annual household incomes of less than \$25,000 are about 10 points lower than for those earning \$100,000 or more.

The full report, including industry analyses, is available for download at no charge at [www.cobaltcommunityresearch.org/CCSS](http://www.cobaltcommunityresearch.org/CCSS) or at [www.cfigroup.com](http://www.cfigroup.com).

### **About CFI Group**

CFI Group ([www.cfigroup.com](http://www.cfigroup.com)) turns “voice of the customer” survey data into customer satisfaction improvement strategies. Inventors of the University of Michigan’s American Customer Satisfaction Index (ACSI), CFI Group is able to apply this technology to

identify product and service improvements that will maximize ROI. For over twenty years, CFI Group has applied ACSI best practices worldwide to help clients drive customer loyalty, recommendations, and firm value. CFI Group's clients include the American Cancer Society, Arrow Electronics, AT&T South, Best Buy, British Telecom, Barclay's Bank, DIRECTV, Home Shopping Network, Toys 'R Us, UPS, NASA, and Yahoo!

**About Cobalt Community Research**

Cobalt Community Research is a 501c3 non-profit organization with a mission to provide research and educational tools that help local governments thrive as changes emerge in the economic, demographic and social landscape. Cobalt is located in Lansing, MI.

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