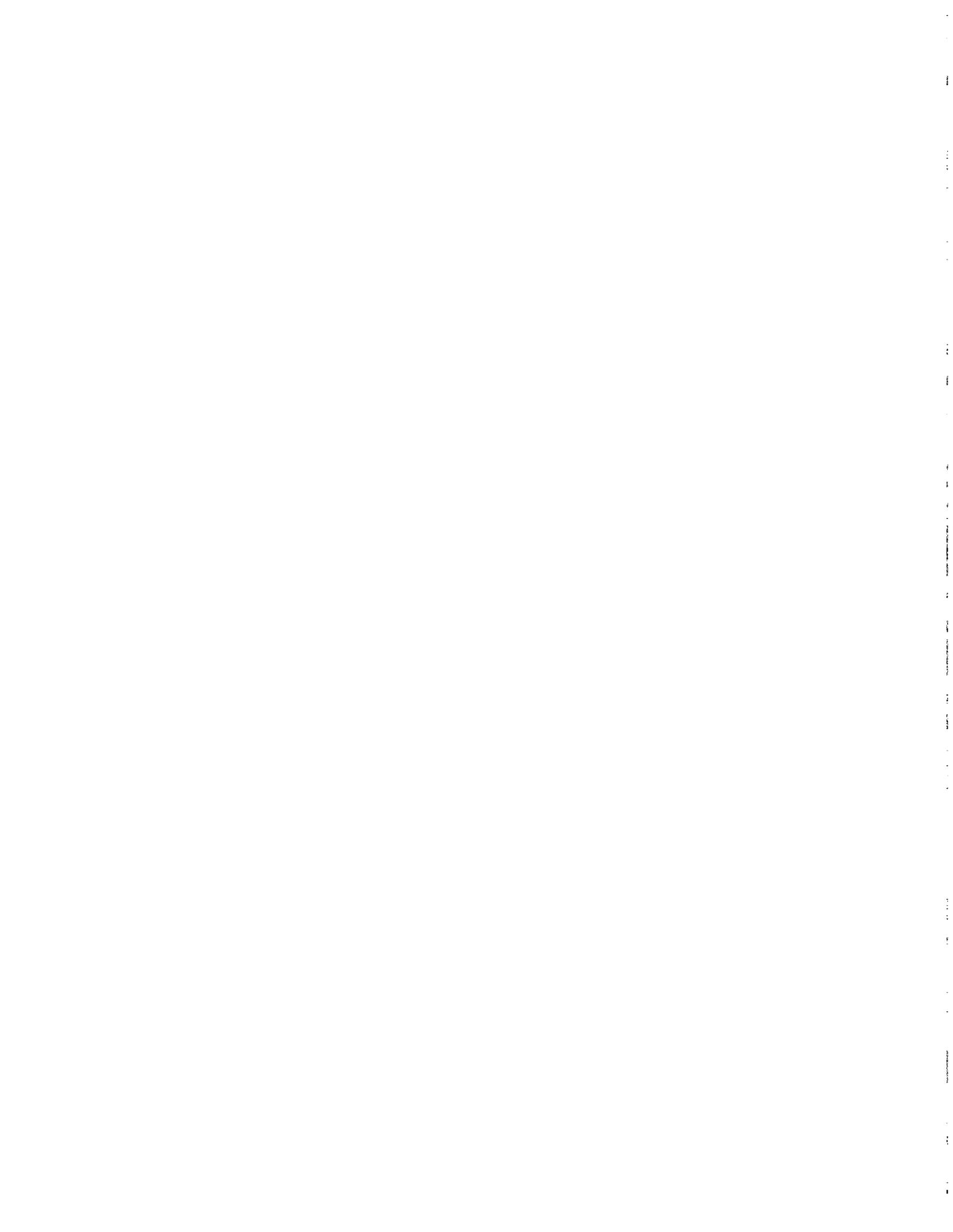


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Guide for Writing Executive Summaries

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PREFACE

This guide provides supplementary guidance to support GAO's current policy (contained in Chapter 11 of the Report Manual) that all chapter format reports will contain executive summaries. It contains instructions for writing executive summaries and includes examples of executive summaries from issued reports, an executive summary checklist, and a "Background" worksheet, as further help in drafting executive summaries. It should be useful in training new supervisors and report reviewers and writer-editors, and as a convenient reference tool for more experienced staff. While the structure of an executive summary is much more formal, much of the guidance for preparing executive summaries can be applied in preparing letter reports and briefing documents when it is important to concisely summarize our work.

Beginning with page 6, the guide is set up so that opposite each instruction page are sample sections of executive summaries. Three of the executive summaries used as examples in the guide are reproduced in their entirety in the appendices to this document.

As new policy evolves or existing policy is modified, this guide, in addition to Chapter 11 of the Report Manual, will be updated.



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GUIDE FOR WRITING EXECUTIVE SUMMARIES

INTRODUCTION

What is an Executive Summary?

Designed specifically for the people GAO most wants to influence, the executive summary tells the reader the essential information he or she should know about a report--the main message. The reader should be able to discern precisely the main message and major implications of the report simply by reading its executive summary.

The executive summary only contains information germane to the report's main message. Further, it does not try to prove our points by presenting all the relevant data; rather, it gives the key points and the key analyses to support these points.

The standard captions also speed the writing process--writers do not have to devise their own side captions. And the executive summary's short, modular sections are easy to write because each module has a predefined purpose. It contains no long stretches where writers have to invent the structure for what they are saying.

Why is it Ideal for Busy Readers?

The concise modular format allows audiences with different backgrounds and interests to understand issues quickly without having to read information they already know. For example, a reader who has more specific knowledge, e.g., the requestor, will be able to skip the "Background" module and turn immediately to the "Results in Brief" or "Principal Findings" module. Others in our audience who cannot be assumed to have a background in the program under review can rely on the "Background" module for the information they need to understand the rest of the executive summary. The standard marginal captions make it easy for the reader to focus on the sections he/she considers to be important.

Sections/
modules

The executive summary is divided into six (and sometimes seven) standard titled sections or modules to permit busy readers to identify easily the information they want to read. The sections are

- Purpose
- Background
- Results in Brief
- GAO's Analysis, OR
Principal Findings (whichever is appropriate)
- Recommendations
- Agency Comments

In addition, the executive summary can contain a "Matters for Congressional Consideration" module when appropriate.

Modules never merely repeat facts contained in, or summarize the contents of, other modules. Repetition may divert readers' attention from the message. Each major point, or the main message, of the report should be presented just once in the executive summary.

Specific guidance on what information to include in each section is provided in detail beginning on page 6.

Format/length

Maximum length is 4 pages in a 3/4-column format with boldfaced captions in the margins. Subcaptions can be used only in the "Principal Findings" or "GAO's Analysis" module and should not be boldface. Neither captions nor subcaptions should exceed 3 lines.

Suggestions
and Reminders

Remember that many readers will read only the executive summary. It is therefore essential that it present the main message clearly, as well as accurately and fairly. One measure of an executive summary's clarity is whether it is understandable to those who have no knowledge of the program or subject on which we are reporting. These readers must be able to comprehend our executive summaries in one reading without referring to the report's text. In particular, a reader should not need to reread a sentence or paragraph in order to understand it.

Much of the following guidance has a general reference source in existing GAO policy. We present them here to provide operational help in producing effective executive summaries.

Tone and
balance

- Present the results of our work in a balanced, fair manner. Focusing only on the negative aspects of agency performance and ignoring relevant positive performance identified in the report can be unfair to the subject of our review. It also can leave an inaccurate perception among our readers about GAO's objectivity. Where the report identifies relevant and valid positive steps the agency has taken, or a perspective alternative to GAO's, these should be recognized fairly in the executive summary.
- Maintain a dispassionate, analytic, professional tone, one which neither overstates nor understates the report's message. Emotional or angry language detracts from the professionalism of our reports.

Clarity

- Use only well-known, commonly-used abbreviations and acronyms, such as FBI and NASA, but spell them out the first time they are used. For uncommon abbreviations, consider other references after the initial identification, such as "the Bank" for the Federal Home Loan Bank, or "Commerce" for the Department of Commerce.
- Avoid using jargon--technical language not generally understood outside a specific profession. Instead, consider using a generally recognized term which, although less precise, conveys the meaning to a necessary extent. If jargon is unavoidable, define the term in a simple manner when it is first used (perhaps in the "Background" section, if the definition runs longer than a sentence).
- Although using simple, nontechnical words, and summarizing or paraphrasing are encouraged in an executive summary, in some instances it is not appropriate. Key language in the body of the report should not be paraphrased if doing so will change or distort the main message.
- Use graphs and charts to present complex or difficult-to-understand data and to focus readers' attention on key messages, particularly if they replace lengthy narrative. If they require long explanation, however, charts and graphs should not be used in an executive summary.

Conciseness

--When a report is complex and/or contains a number of issues, executive summaries can be kept short by discussing complex points in a general way, or by presenting only the key issues. That is, acknowledge an issue's complexity and summarize our principal message without extensively discussing the details. Similarly, when the report addresses many issues, discussing only the main issues and perhaps only referring briefly to those of lesser importance, will help keep executive summaries short.

--Use page references to the body of the report to refer readers to the details of our findings, conclusions, and recommendations, and to the agency's comments and/or actions taken or planned. Providing page references to the report cannot, however, substitute for the presentation of clear summary statements a reader needs in order to understand the major message of the report.

--Use short sentences and paragraphs.

--Avoid repetition of facts among the modules. Each major point should be presented just once in the executive summary.

--Do not introduce facts or opinions that are not in the body of the report.

--Use bullets to avoid wordiness.

Relationships among modules

--Establish a clear linkage among the modules. For example, "Results in Brief" must address, in a conclusionary way, the objectives or questions presented in the "Purpose" module; "Principal Findings" should provide specific support for the "Results in Brief" statements; and recommendations should be directly associated with the conclusions and findings they address.

--Make it easy for readers to follow the linkage or logical relationship between the "Purpose," "Results in Brief," "Principal Findings" (or "GAO's Analysis"), and "Recommendations" modules. The sequence of information in each of these sections should parallel the sequence in the others.

--Although the sequence of information within each executive summary module is parallel to the sequence in all other modules, it does not necessarily reflect the arrangement of information presented in the report. For example, the arrangement of the report's principal conclusions which are provided in the "Results in Brief" section should be parallel to the report's objectives shown in the "Purpose" module but need not reflect the arrangement of the body of the report.

--Whatever elements of a finding you determine are needed in an executive summary (based upon the objectives of the work) should be included. Their placement will vary. Very often, criteria fit well in the "Background" module. Sometimes, however, you may wish to include criteria in the "Principal Findings" or "Purpose" sections. Further, cause and effect fit well in the "Results in Brief" module of many executive summaries. In others, however, they are equally well-placed in the "Principal Findings" section. The elements' placement in the executive summary depends a great deal on the nature of the issues being addressed and the manner in which you address them.

Style

--Use qualifying phrases, such as "GAO believes" and "in GAO's opinion," when necessary, to avoid misleading the reader. But don't overdo it.

--Do not use footnotes in an executive summary. They take up space often better used in presenting the report's main message.

--Use third person construction ("GAO recommends," rather than "we recommend").

MODULE CONTENTS

The following pages (6-20) describe the contents of each executive summary module/section on the left-hand pages and provide one or two examples on the right-hand pages. The list in Appendix I, pp. 21 to 24, also can be used to check the contents of draft executive summaries. All are intended to provide maximum help to staff who are drafting executive summaries, and not to suggest exact language to be used. However, no guidelines can replace good judgment. Perhaps the most important thing to keep in mind is, "How can I best serve my readers?"

PURPOSE

This one-or two-paragraph module should accomplish three things:

- catch the reader's attention,
- explain why GAO undertook the review, and
- tell the reader our objectives for the report.

First, the opening idea should convince our readers that the report's topics are important and worth the busy reader's time. Topics that may serve as a hook to catch a reader's attention include:

- importance of the program,
- significance of the issues,
- impact on the public,
- possible serious consequences if we had not examined it,
- need for immediate attention to something,
- congressional interest.

Caution: The opening idea should not overdramatize or overstate the nature of the report's topics, nor should it contain findings of the review on which we are writing the report.

Next, this module should also explain the reason(s) for doing the review. When work is not self-initiated, the congressional request or statutory requirement to which the report responds should be identified. However, a citation to GAO's broad legal authority for conducting audits should not appear in this module. Only when GAO is directed by a specific law to do a review, do we cite the law as the reason for doing the work. When work is self-initiated, state why it was important and any underlying questions.

The third goal of this module is to tell the reader the objectives of the report--what questions or issues the report actually addresses. When a report has a number of objectives, select only those which are relevant to the main message of the report and indicate their relative importance by the prominence of their position. Let the reader know when there are objectives in the report that were not selected for inclusion in the executive summary. (For example, "Issues involving internal controls are addressed in the report. (See p. __.)")

Examples of executive summary "PURPOSE" sections:

(Note: This section would appear at the top of the left-hand page in a report.)

Example 1

Purpose

On September 14, 1983, six workers (four contractor and two Air Force civilians) at Clear Air Force Station, Alaska, were exposed to radiofrequency radiation in excess of established safety standards. Much controversy exists concerning the exact nature and extent of injury that may result from any overexposure. (See pp. 8 to 10.)

Representative Don Young requested that GAO investigate the conduct of the Air Force and the contractor—FELEC Services, Inc.—as it relates to the accident. Specifically, Congressman Young asked GAO three questions about what happened before and after the accident:

- Has the contractor totally fulfilled all contractual obligations?
- Were Air Force actions in administering the FELEC contract beyond reproach?
- Have the affected employees been afforded the best medical evaluation, treatment, and follow-up entitled to them by law?

Example 2

PURPOSE

The U.S. Department of Agriculture's (USDA's) purchases of surplus dairy products increased from about \$247 million in fiscal year 1979 to about \$2.7 billion in fiscal year 1983. To help reduce the dairy surplus and government costs, the Congress in November 1983 authorized a temporary Milk Diversion Program that was funded primarily from an assessment on milk sales. Participating dairy farmers (producers) received about \$955 million to reduce their milk sales.

Because of its potential importance in reducing government costs, GAO

- surveyed producers about their decisions on program participation,
- estimated the program's effect on milk production and USDA's dairy purchases, and
- reviewed program administration.

BACKGROUND

This section gives the reader information necessary to understand the rest of the executive summary. It provides the perspective to put our message in context. Some background information may be integrated with the findings--as criteria, for example--or be included in the "Purpose" module. A highly technical topic may require a longer background section.

Program-specific information is more important to include than general subject-area background. Some readers will have a general knowledge but may know little about the specific program we are reporting on. For example, a reader may know some general information about weapon systems but may know few specifics about surface-to-air missiles. You may need to highlight for readers information even about a subject they are generally familiar with. You may also need to point out specific connections between this job and readers' general knowledge in order to put our results in perspective, e.g., how surface-to-air missiles aid military readiness.

Focus on the reader's need to understand the report's main message. Do not include lengthy history, descriptions of the process of our review, or other information that will not help readers. In the background section, avoid anything that has to be proven to the reader before it can be useful. The worksheet in Appendix II, page 25, can be used to make notes on what background information you should include.

It is frequently unnecessary to describe methodology in an executive summary. But when special characteristics of the job or methodology are sensitive, especially noteworthy, or present significant limitations on the review's scope, findings, or conclusions, include a brief description of the methodology in the "Background" module, if appropriate. (Sometimes this information is more appropriate for the "Principal Findings" module.)

Unless told otherwise, the reader will assume the executive summary is conveying information which reflects the current situation. If this is a valid assumption, the period during which we did our review need not be explicitly noted. But when the information on which the results are based is known or suspected to be no longer applicable due to changes in the program, activity reviewed, or in the current state of affairs, the period of review should be specified.

Examples of executive summary "BACKGROUND" sections:

Example 1

Background

Clear Air Force Station is one of three sites which together comprise the nation's Ballistic Missile Early Warning System. The mission of this system is to provide the national military command centers early warning of an intercontinental ballistic missile attack directed toward North America and accurate satellite detection and tracking data. FELEC Services, Inc., is the contractor responsible for the operation and maintenance of the system at Clear. (See pp. 10 and 11.)

According to Air Force and contractor investigation reports, a FELEC technician accidentally energized a radar which exposed the workers to its radiation. These reports attributed the accident to the inadvertent actions of a contractor technician. (See pp. 15 to 18.)

The radars at Clear radiate energy in the radio band of the electromagnetic spectrum. Such energy can cause injury by heating body fluids. The effect is analogous to microwave cooking.

Example 2

BACKGROUND

Under 1949 dairy price-support legislation, USDA purchases all quantities of cheese, butter, and nonfat dry milk that are offered it at designated support prices. These purchases support milk prices by removing surplus dairy products from the commercial market. (See pp. 1 to 3.)

Established to help stabilize the supply and demand for milk, the Milk Diversion Program ran from January 1984 through March 1985. About 38,000 of the nation's 200,000 commercial milk producers agreed to reduce their milk sales by 5 to 30 percent of their sales during a congressionally established base period (1982 or an average of 1981-82). Participants received \$10 for each 100-pound sales reduction, funded primarily from a 50-cent-per-hundred-pound assessment on all milk sales. (See pp. 3 and 4.) In administering the program, USDA required participants to (1) document their reduced sales and (2) certify that any cows removed from their dairy herds were either slaughtered, exported, or transferred to other program participants. (See pp. 22 to 33.)

**RESULTS IN
BRIEF**

This section--the core of the executive summary--briefly and clearly provides our principal bottom-line conclusions. It answers the questions contained in the "Purpose" module. As the nucleus of the executive summary, the module summarizes the assignment's most significant results and the report's principal conclusions and prepares the reader to anticipate the major recommendations. For example, "the XYZ program is not effective because it is not properly administered" prepares the reader to expect a recommendation that addresses the administration of the XYZ program.

Caution: Do not use phrases in this module such as "The agency needs to...", "The Secretary of XYZ should...", "The agency must...", because such language usually constitutes a recommendation, and you will therefore repeat facts when you draft the "Recommendations" module. Further, the phrase "GAO found that..." should also not be used, since this module represents conclusions and not findings.

The "Results in Brief" module must appear in full by the end of the second page of the executive summary to enable a busy reader to quickly determine the report's bottom-line conclusions.

Examples of executive summary "RESULTS IN BRIEF" sections:

Example 1

Results in Brief

The technician's action resulted in the workers' exposure because the equipment at Clear was not laid out and operated as required by the contract. Contractor noncompliance with contract specifications and systemic problems in Air Force contract management practices allowed the accident to happen and to go undetected for 8 minutes.

There was some delay in providing medical evaluations to the victims immediately following the accident. However, the victims have received extensive medical evaluations by Air Force and private physicians since the day after the accident. GAO is not in a position to evaluate the differences in medical judgments regarding the extent of injury sustained by or treatment provided to the individual victims of the accident.

Example 2

**RESULTS IN
BRIEF**

Of all eight federal wage indexes available, the Social Security Administration index and another, the Employment Cost Index, would best help to provide the most timely and accurate alignment. However, neither one is superior to the other.

Using the Social Security Administration index in the stabilizer provision would be compatible because it is already used to adjust other Social Security program amounts. However, the Employment Cost Index also would be compatible.

**PRINCIPAL
FINDINGS OR
GAO'S ANALYSIS**

The "Principal Findings" or "GAO's Analysis" module provides the highlights of what GAO found to support our conclusions and develop our recommendations, or provides the analysis to support the information provided. It presents our findings and the reasoning or logic that led to the conclusions discussed in the "Results in Brief" module.

Our principal findings should be presented in a framework that conveys their relative significance. For example, a finding that is subsidiary to a main finding should not be presented as though it were another main finding. The principal evidence that supports our positions should be discussed at least in a summary fashion or through use of specific examples.

Brevity is crucial. Don't include so much information that readability is impaired. Simply list the major findings, possibly using bullets or brief statements. Then succinctly set forth the essential evidence and the reasoning supporting the findings, using one or two examples or a summary of evidence for each.

Select either the "Principal Findings" or the "GAO's Analysis" caption, depending on the type of information we are presenting. When presenting findings, use the "Principal Findings" caption. For informational reports, use the "GAO's Analysis" caption to convey what GAO learned. The "GAO's Analysis" caption is also appropriate for reports based on economic, legislative, or policy analysis. When a report's message includes a combination of audit findings and informational elements, use the caption "Principal Findings."

For readability, the "Principal Findings" or "GAO's Analysis" module can be divided into major segments with subcaptions. Each major segment of the module should tie back to the information provided in the "Purpose" or "Results in Brief" sections. Although subcaptions are not required, specially designed subcaptions--phrases, topics, or questions--may be helpful to the reader. However, care should be taken because subcaptions that try to summarize a finding may oversimplify or overstate and mislead the reader.

Remember that subcaptions should be no longer than 3 marginal lines.

Example of an executive summary "PRINCIPAL FINDINGS" section:

Principal Findings

Before the accident the contractor did not change existing key interlock safety systems, designed to protect employees from accidental exposures, to conform to the contract specifications. Those interlocks that were installed were not used in an effective manner. (See pp. 18 and 24.)

Also prior to the accident neither the Air Force nor the contractor made necessary changes to the waveguide layout and transmitter switching equipment which would have properly aligned the tracker radar with its primary transmitters. (See pp. 22, 24, and 37.)

On the day of the accident, the contractor had reduced staffing in key control rooms below the minimum manning required. Maintenance technicians on duty were not fully qualified to perform in their assigned positions. (See p. 25.)

Air Force quality assurance evaluators monitoring the FELEC contract were neither technically trained in radar operation and maintenance nor did they have prior training or experience in procurement procedures or contract administration. GAO believes the evaluators lack of adequate training permitted the contractor's noncompliance to go undetected. (See pp. 32 to 36.)

Example of an executive summary "GAO'S ANALYSIS" section:

GAO'S ANALYSIS

GAO looked at eight wage measures, matching them against characteristics for use as wage measures in a stabilizer provision. Overall, the Social Security Administration index and the Employment Cost Index had the most desirable characteristics. Even though the Social Security Administration index does not reflect the most current wage data and the Employment Cost Index only reflects unemployment indirectly (to the extent it affects wage-rate changes), they do have significant advantages. Notably, both offer the broadest coverage of the work force and both measures are published in final form, rather than preliminary figures that are later revised. (See pp. 7 to 10.)

(The remainder of this "GAO'S Analysis" section is on page 42.)

RECOMMENDATIONS

The "Recommendations" module presents the principal recommendations based on our findings and conclusions mentioned in previous modules or explains why no recommendations are being made. Any recommendation for congressional action is considered a principal recommendation and must be included in an executive summary. When there are more than a few recommendations to the Congress, consider summarizing them.

Our major recommendations to agency officials on the actions needed to correct or alleviate unsatisfactory situations, or to bring about improvements, must also be presented. As with recommendations to the Congress, recommendations to an agency may be summarized. Further, let the reader know the report contains other recommendations to the agency that are related to subsidiary findings which are not being discussed in the executive summary. This information can be conveyed by adding a statement such as "Recommendations for improving the fund's operations are also contained in the report. (See p. ___.)"

We should not assume that readers will understand why a particular set of recommendations necessarily follows from a particular series of findings. Thus, when drafting an executive summary, attention should be paid to directly associating recommendations with the conclusions and findings they address. And, when appropriate, GAO's rationale for making a particular recommendation, rather than other obvious alternatives, should be briefly identified.

When we do not make recommendations, the "Recommendations" module will still be included and contain a brief explanation of why no recommendations are being made.

Examples of executive summary "RECOMMENDATIONS" sections:

Example 1

Recommendations

In order to reduce the likelihood of another radiation accident at Clear Air Force Station, GAO recommends that the Secretary of the Air Force direct the Commander of Space Command to

- conform the key interlock safety system with design specifications and ensure all safety procedures are properly used,
- make necessary configuration changes to properly align prime transmitters with corresponding radars,
- require the contractor to comply with minimum staffing requirements and ensure that technicians are fully trained and qualified, and
- assign only adequately trained and experienced personnel as quality assurance evaluators.

GAO also recommends that the Secretary determine if similar problems exist at other radar installations. (See p. 48.)

Example 2

RECOMMENDATIONS

This report provides GAO's analyses of wage measures for the stabilizer provision; it contains no recommendations.

**MATTERS FOR
CONGRESSIONAL
CONSIDERATION**
(when appropriate)

Any matters for congressional consideration must be presented in this module. These may also be summarized and should be linked to our conclusions and findings.

When an executive summary contains this module, placement of the "Recommendations" and "Matters for Congressional Consideration" module may vary, as follows, depending upon the content of the "Recommendations" section:

- When an executive summary contains recommendations to the Congress only, or to both the Congress and an agency, the "Matters for Congressional Consideration" module follows the "Recommendations" section.
- When an executive summary contains only recommendations to an agency, the "Matters for Congressional Consideration" module will appear first. However, if the matter for consideration flows from the recommendations, the "Recommendations" section will precede the "Matters for Congressional Consideration" module.
- When an executive summary contains no recommendations, but does contain a "Matters for Congressional Consideration" module, the latter will appear before the "Recommendations" module.

Examples of executive summary "MATTERS FOR CONGRESSIONAL CONSIDERATION" sections:

Example 1

**MATTERS FOR
CONGRESSIONAL
CONSIDERATION**

If the Congress reestablishes this program, the base period should be selected to avoid paying participants for sales reductions made prior to the program. Using an average of several years' milk sales prior to the program could help reduce such payments. However, producers who reduced their sales through participation in the 1984/85 program and resumed preprogram milk sales levels could be less inclined to participate if the base period includes 1984. (See p. 45.)

Example 2

**MATTERS FOR
CONGRESSIONAL
CONSIDERATION**

Several legislative proposals before the 99th Congress are aimed at changing federal dairy policy. In deliberating such legislation, the Congress may wish to consider either the supply-demand adjuster or moving-average price option as the pricing mechanism for establishing the support price. (See p. 54.)

AGENCY COMMENTS¹

The "Agency Comments" module presents the substance of the official comments of agencies, organizations, or persons concerned with our major findings, conclusions, and recommendations. Also, any actions taken or planned on the principal recommendations must be stated clearly. This section is included even when comments are not obtained. (Same as the "Recommendations" section. See p. 14.)

All agencies and other entities asked to comment should be identified. Where large numbers of nonfederal entities are asked to comment, these may be referred to in summary groupings. For example, "Ten labor unions commented upon the report. (See pp. ___ to ___.)"

The agency's (or agencies') overall agreement or disagreement with the principal findings, conclusions, or recommendations should be stated. Significant disagreements should be explained briefly so that readers will know the reason(s) why agencies disagreed. GAO's response to those views, and any changes made as a result, should be summarized. The summary of the response should allow readers to understand why GAO is concurring or disagreeing with the comments.

Tone is particularly important here. Responses should avoid the temptation to reply to defensive agency comments, where they occur, with similarly defensive replies. A dispassionate, explanatory tone is most convincing and should be maintained.

When an agency disagrees with GAO, we should avoid simply repeating our position. Although sometimes no new information can be provided in response to agency comments, in most cases we can say explicitly what we believe is wrong or nonpersuasive about their nonconcurring position.

If an agency disagrees with a subsidiary finding and related recommendation contained in the body of the report but not in the executive summary, the phrase "the agency generally agreed with GAO's findings and recommendations" cannot be used. The disagreement must be acknowledged and the reader referred to the discussion in the report. (Agency Comments instructions continue on p. 20.)

¹This caption can be changed to fit the circumstances, i.e., "CONTRACTOR COMMENTS," "INDUSTRY COMMENTS," "AGENCY AND GRANTEE COMMENTS," or any other accurate descriptor.

Examples of executive summary "AGENCY COMMENTS" sections:

Example 1

Comments

GAO solicited comments on a draft of this report from the State of Alaska, the Department of Defense (DOD), the Department of Labor and the contractor. The State of Alaska and DOD concurred with GAO's report. (See app. II and III.) The Department of Labor had no comments. The Air Force has proposed actions which should be fully responsive to all but one of GAO's recommendations. The actions proposed in response to the recommendation concerning the waveguide layout and transmitter switching would not correct the underlying problem. The Air Force now recognizes this and is restudying the matter. (See p. 48.)

Example 2

AGENCY COMMENTS

The Department of Health and Human Services generally agreed with this report's overall findings and conclusions. That Department, the Bureau of Labor Statistics, and the Internal Revenue Service expressed concerns relating primarily to technical matters such as our description of certain wage measures. Changes to the report have been made, where appropriate, to address their concerns. (See pp. 21 to 30.)

Example 3

AGENCY COMMENTS

GAO did not request official agency comments on a draft of this report. However, the views of directly responsible officials were sought during the course of the work and are incorporated in the report where appropriate.

If comments received after the allowed comment period are not included in the report, the executive summary must state that the agency was asked but did not provide comments within the allowed comment period. (See Chapter 6 of the Report Manual for criteria for deciding to exclude late comments.)

When advance review and comments have not been obtained, the executive summary must disclose that fact. The reason for not obtaining them is described in the objectives, scope and methodology section of the report. Suggested language to use in executive summaries under some frequently encountered situations follows.

1. When a congressional requester directs that we not obtain official comments (either oral or written) on a draft report, but we have obtained and reflected in our report responsible officials' views on our findings, conclusions, and recommendations, the agency comments section of the executive summary should say something along these lines:

"The views of directly responsible officials were sought during the course of GAO's work and are incorporated in the report where appropriate. GAO did not request the Department of _____ to review and comment officially on a draft of this report."

2. When a congressional requester directs that we neither discuss our tentative conclusions and recommendations with directly responsible officials nor obtain the agency head's comments on our draft report, the agency comments section of the executive summary should say something like:

"GAO discussed its findings (or whatever was in fact discussed) with agency program officials and has included their comments where appropriate. However, GAO did not obtain the views of responsible officials on its conclusions and recommendations, nor did GAO request official agency comments on a draft of this report."

The executive summary should reflect the essence of the quotes above, when appropriate.

EXECUTIVE SUMMARY CHECKLIST**PURPOSE** module should:

- _____ Catch readers' attention (that is, what is important about the report's main message).
- _____ Explain why GAO undertook the review.
 - _____ Congressional request.
 - _____ Statutory requirement (Legislatively mandated).
 - _____ Basic Legislative Responsibility (Self-initiated).
 - _____ Other.
- _____ State report's objectives.
 - _____ Ask, directly or indirectly, the question(s) that "RESULTS IN BRIEF" will answer.
 - _____ Enumerate the main issues the report addresses (those upon which conclusions are drawn in "RESULTS IN BRIEF").

BACKGROUND module should:

- _____ Provide only enough information to enable readers to understand the rest of the executive summary.
- _____ Contain program-specific information.
- _____ Establish connections between the report's principal message and readers' general knowledge in order to put job results in perspective (that is, how surface-to-air missiles aid military readiness).
- _____ Focus on readers' need to understand the report's main message.
- _____ Avoid information that could be challenged or which in some other way has to be proven.

RESULTS IN BRIEF module should:

- _____ State succinctly the report's basic message by providing "bottom-line" conclusions about the objectives or answers to the questions stated in "PURPOSE."
- _____ Include principal conclusion(s) and/or
- _____ summarize most significant results.
- _____ Set stage for "PRINCIPAL FINDINGS/GAO'S ANALYSIS" module by drawing conclusions which tie findings together.
- _____ Prepare reader for recommendation(s).
- _____ Provide total perspective to GAO's analyses or findings.
- _____ Appear in full by the end of page 2.

PRINCIPAL FINDINGS/GAO'S ANALYSIS module should:

- _____ Summarize only principal findings or major analyses.
- _____ Provide brief example or summary of essential evidence supporting each principal finding.
- _____ Present findings in a framework that conveys their relative significance.
- _____ Provide logic or reasons why we reached conclusions in "RESULTS IN BRIEF."
- _____ Contain subcaptions (in margin) for each major segment, when appropriate.

RECOMMENDATIONS module should:

- _____ Present principal recommendations based on findings/conclusions discussed in the executive summary.
- _____ Summarize recommendations, if appropriate.
- _____ Inform reader when report contains recommendations not included in the executive summary.
- _____ Note GAO is making no recommendations, if appropriate.

AGENCY COMMENTS module should:

- _____ Present the substance of official comments received on draft report's principal findings, conclusions, or recommendations.
- _____ State agency's (agencies') overall agreement or disagreement.
- _____ Identify briefly major disagreements and GAO's rebuttal.
- _____ State agency comments were excluded if they were not received in time.
- _____ Note GAO did not obtain comments, if appropriate.

General hints for writing executive summaries:

- _____ Limit to 4 pages.
- _____ Avoid repeating information. (Sections never merely repeat or summarize the contents of other sections.)
- _____ Ensure that clear linkages have been established among the modules.
- _____ Sequence of information in the "PURPOSE," "RESULTS IN BRIEF," "PRINCIPAL FINDINGS/ GAO'S ANALYSIS," and "RECOMMENDATIONS" modules should be parallel.
- _____ Present main message clearly, as well as accurately and fairly.
- _____ Maintain a dispassionate, analytical, professional tone.
- _____ Avoid overly technical language.
 - _____ Use generally recognized terms instead of jargon.
 - _____ Define in simple terms (perhaps in "BACKGROUND") unavoidable jargon.

- _____ Avoid abbreviations not commonly used.
- _____ Spell out acronyms when used for the first time.
- _____ Consider alternatives to abbreviations, such as "the committee" or "the agency."
- _____ Focus readers' attention on key messages by using graphs/charts to present complex or difficult-to-understand data succinctly rather than lengthy narrative.
- _____ Convey GAO's criteria or reasons. (Include this information in the most appropriate module-- "PRINCIPAL FINDINGS," "PURPOSE," "BACKGROUND," etc.)
- _____ Maintain a sense of balance.
 - _____ Identify relevant and positive steps an agency has taken.
- _____ Use bullets to avoid wordiness.
- _____ Use third person construction ("GAO recommends" rather than "we recommend").

WORKSHEET FOR PREPARING
THE "BACKGROUND" MODULE OF
EXECUTIVE SUMMARIES

<u>Possible Topics</u>	What do readers need to be told to understand the conclusions and findings?
legislative criteria,	<hr/>
program goals,	<hr/>
program costs,	<hr/>
program management,	<hr/>
key terminology,	<hr/>
analytic concepts used, e.g., life-cycle budgeting,	<hr/>
track record, e.g. not correcting a problem readers have known about or previously identified by GAO,	<hr/>
methodology, if sensitive worthy, or presents significant limitations on the review's scope, conclusions, and/or findings,	<hr/>
time period of the review (preferably not a whole sentence).	<hr/>

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EXAMPLE 1: Executive Summary for a Capping Report

Report Title:
Overview of the Dairy Surplus Issue--Policy
Options for Congressional Consideration
(GAO/RCED-85-132)

EXECUTIVE SUMMARY

PURPOSE In recent years, the supply of dairy products has significantly exceeded commercial demand, and government expenditures for purchasing and storing surplus products have increased dramatically--government costs totaled about \$9.9 billion in fiscal years 1979 through 1984. Because this problem is expected to continue, the Congress is considering various legislative proposals to revise dairy policies.

This report summarizes GAO's work on dairy-related issues over the last 6 years and discusses the magnitude and nature of the dairy surplus problem. The report also provides, for congressional consideration, an analysis of several policy options for dealing with the problem.

BACKGROUND The main objective of federal dairy policies and programs is to assure an adequate supply of milk. One of the principal programs--the price-support program--requires the government to purchase, at designated prices, any quantity of butter, cheese, and nonfat dry milk offered by milk processors that meets specifications. Such purchases reduce commercial supplies to quantities that can be sold at prices exceeding or equivalent to the government's purchase price. (See pp. 1 to 5.)

RESULTS IN BRIEF Government dairy product purchases and inventories increased sharply from 1979 through 1983. Even though purchases and inventories dropped in 1984 due primarily to a temporary milk diversion program, the temporary lowering of price supports, and other actions, they remain at high levels, and the Department of Agriculture (USDA) expects this condition to continue.

The nation's milk consumption has not kept pace with its ability to produce milk, and the potential for significant increases in on-farm productivity is great due to technological advances underway.

Unless the government adopts policies that will reduce economic incentives attracting resources into dairy farming, burdensome surpluses of federally purchased dairy products and high

EXECUTIVE SUMMARY

government costs will likely continue. GAO's analysis shows that some policy options better meet the specific goals that GAO developed from the broad objectives of federal dairy policies.

PRINCIPAL FINDINGS

Support Prices

The milk support price rose from \$9 to \$13.10 per 100 pounds between 1977 and 1980--a 46-percent increase. Excess milk supplies developed, because dairy farmers were provided a strong financial incentive to produce more milk.

Costs and Inventories

The government's net purchase costs in fiscal year 1979 were \$244 million. In 1980, costs increased to almost \$1.3 billion and continued to rise each year, reaching \$2.6 billion in 1983. The temporary (January 1984 through March 1985) milk diversion program and other efforts reduced surpluses in 1984, and costs dropped to \$1.6 billion. USDA, however, expects costs to increase to about \$2 billion in 1985. (See pp. 10 to 12.)

Reflecting the increased purchases was a rise in USDA dairy product inventories, as follows:

	USDA dairy product stocks at calendar year end					
	1979	1980	1981	1982	1983	1984
	------(million pounds)-----					
Butter	152.6	268.2	381.9	438.7	463.5	259.5
American cheese	2.8	168.6	515.4	646.8	793.3	620.8
Nonfat dry milk	392.7	501.7	803.0	1,188.7	1,320.3	1,170.6
Milk equivalent	3,180.0	7,207.0	12,980.0	15,451.0	17,412.0	11,492.0

Efforts to Reduce Costs and Inventories

To try to reduce costs and inventories, the Congress passed temporary legislation to freeze the support price at \$13.10 per 100 pounds in 1981, and to reduce it to \$12.60 in 1983, \$12.10 in April 1985, and \$11.60 in July 1985. (See pp. 13 and 14.) The temporary legislation is due to expire September 30, 1985, at which time the support price will rise to \$16.22 unless other action is taken. (See p. 29.)

Government efforts to reduce costs and inventories have also included temporary programs to donate dairy products to the needy and to reduce the quantity of milk produced and marketed, and actions to expand domestic and

EXECUTIVE SUMMARY

foreign markets and uses of dairy products. (See pp. 15 to 23.)

**Milk Production
and Consumption
Trend**

According to recent Office of Technology Assessment testimony, the combined effects from technological advances could increase milk production per cow 14 percent by 1990 and 43 percent by the year 2000. According to USDA, per capita consumption of dairy products will likely remain steady, translating to about a 1-percent annual market growth. In this situation, surpluses will continue to be a problem. (See pp. 24 to 28.)

**Policy Goals
and Options**

In deciding dairy policies, the government faces a difficult task in balancing the interests of consumers, the dairy industry, distributors, and taxpayers. To assist the Congress in its deliberations on which course of action to take, GAO analyzed nine policy options and their potential consequences in terms of six specific goals that, if met, could help ensure that the overall goal of assuring an adequate supply of milk is met in an efficient manner.

The specific goals relate to automatic adjustment of price levels; accommodation of changes in per-unit production costs, such as those due to technological advances; maintenance of regional production patterns under which milk is produced and distributed at least cost to the consumer; avoidance of excessive government costs; visibility of program costs; and allowing the market to be the main price and income determinant while cushioning declines in the price farmers receive. Although GAO considered each goal as equally important, policymakers may consider one or more goals of greater importance than others. In such a case, different conclusions could be reached about which option would be best.

Of the nine policy options GAO analyzed, two fully meet five of the six specific goals and partially meet the other. Both options assume continuation of the present price-support purchase program. These two options are

EXECUTIVE SUMMARY

-
- a supply-demand adjuster, which would raise, lower, or maintain the support price depending on the anticipated level of government purchases and
 - a moving-average price, which would establish the support price based on a designated percentage of the average market price for milk over some preceding time period (for example, the preceding 3-year period).

A third option--deregulation of the dairy industry--meets most of the goals but, in the short run, would likely result in substantial industry instability and adverse financial impact on some dairy farmers and processors.

Of the other options, two--using a dairy parity index to set the support price and placing quotas on the amounts of milk farmers can market--do not meet three of the goals, and four--using the cost of production to set the support price, paying farmers to reduce milk marketings, paying farmers the difference when the market price is below a target price, and eliminating the price-support program while retaining other federal dairy programs--do not meet two of the goals. Also, except for the last option, these options only partially meet from one to four other goals. (See pp. 29 to 50.)

MATTERS FOR CONGRESSIONAL CONSIDERATION

Several legislative proposals before the 99th Congress are aimed at changing federal dairy policy. In deliberating such legislation, the Congress may wish to consider either the supply-demand adjuster or moving-average price option as the pricing mechanism for establishing the support price. (See p. 54.)

RECOMMENDATIONS

GAO is making no recommendations.

AGENCY COMMENTS

USDA generally agreed with the facts, conclusions, and matters for consideration raised in the report. USDA made several suggestions to improve the technical accuracy of the report, and GAO made changes where appropriate.

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EXAMPLE 2: Executive Summary Containing Technical
Information on Program Results

Report Title:
Effects and Administration of the 1984 Milk
Diversion Program
(GAO/RCED-85-126)

EXECUTIVE SUMMARY

PURPOSE

The U.S. Department of Agriculture's (USDA's) purchases of surplus dairy products increased from about \$247 million in fiscal year 1979 to about \$2.7 billion in fiscal year 1983. To help reduce the dairy surplus and government costs, the Congress in November 1983 authorized a temporary Milk Diversion Program that was funded primarily from an assessment on milk sales. Participating dairy farmers (producers) received about \$955 million to reduce their milk sales.

Because of its potential importance in reducing government costs, GAO

- surveyed producers about their decisions on program participation,
- estimated the program's effect on milk production and USDA's dairy purchases, and
- reviewed program administration.

BACKGROUND

Under 1949 dairy price-support legislation, USDA purchases all quantities of cheese, butter, and nonfat dry milk that are offered it at designated support prices. These purchases support milk prices by removing surplus dairy products from the commercial market. (See pp. 1 to 3.)

Established to help stabilize the supply and demand for milk, the Milk Diversion Program ran from January 1984 through March 1985. About 38,000 of the nation's 200,000 commercial milk producers agreed to reduce their milk sales by 5 to 30 percent of their sales during a congressionally established base period (1982 or an average of 1981-82). Participants received \$10 for each 100-pound sales reduction, funded primarily from a 50-cent-per-hundred-pound assessment on all milk sales. (See pp. 3 and 4.) In administering the program, USDA required participants to (1) document their reduced sales and (2) certify that any cows removed from their dairy herds were either slaughtered, exported, or transferred to other program participants. (See pp. 22 to 33.)

EXECUTIVE SUMMARY**RESULTS IN BRIEF**

GAO's producer survey indicates that decisions about whether to participate depended largely on how the producers' milk sales at the program's inception compared with their sales during the selected base period. Because of the way the program was designed, many producers were paid for reductions that occurred between the base period and the beginning of the program. (See pp. 35 to 39.)

Based on an analysis of various factors affecting milk production in 1984, GAO estimates that the program was responsible for reducing 1984 milk production by about 3.74 to 4.11 billion pounds below the level that could otherwise have been expected. In addition, about 705 million pounds of the milk produced was used on the farm and not marketed because of the program. Because this milk would have added to the surplus and would likely have been purchased by USDA, GAO estimates that 1984 purchase costs avoided by the program could be from \$614 million to \$664 million. However, evidence suggests that milk production, and therefore USDA's price-support purchases, will increase after the program's end. (See pp. 7 to 19.)

Administering the program was difficult because opportunities existed for circumventing program requirements with little risk of detection. (See pp. 22 to 33.)

PRINCIPAL FINDINGS**Participation**

By selecting the base period as 1982 or an average of 1981 and 1982, the program tended to attract producers who had decreased production in 1983 and not to attract producers who had increased production in 1983. Participants agreed to reduce their milk sales by a total of 9.4 billion pounds during 1984 and the first quarter of 1985, but 2.2 billion pounds of this reduction occurred in 1983, prior to the program. As a result, of the \$955 million paid to participants, \$220 million was attributable to these 1983 reductions. (See pp. 35 to 39.)

Program Effects

To estimate the program's effect on milk production, GAO's analysis considered factors outside of the program, such as the long-run milk

EXECUTIVE SUMMARY

production trend and the prices producers received for their milk. (See pp. 7 to 17.) Purchase savings were calculated by multiplying the reduced milk production and reduced milk sales attributable to the program by the 1984 milk support price (\$12.60 per hundred pounds) and a manufacturing allowance of \$1.22 per hundred pounds. GAO's survey and USDA's estimates of 1985 milk production, herd size, and number of replacement heifers suggest that milk sales could rebound to preprogram levels after the program's expiration. For example, in March 1985 USDA estimated that 1985 milk production would be from 1 to 3 percent higher than in 1984. (See pp. 17 to 19).

**Program
Administration**

Discussions with USDA and dairy industry officials in eight states revealed several difficulties with program administration. Participants could circumvent their agreed-to milk sales reductions by selling some of their milk outside normal marketing channels or crediting another individual with the sales. For example, one participant, found to be crediting another producer with milk sales, would have been paid about \$69,000 for sales reductions that had not occurred. (See pp. 23 to 29.) In addition, program cows certified for slaughter or export could be resold to nonparticipants because dairy cows usually bear no permanent means of identification and tracking them through marketing channels is impractical. (See pp. 29 to 32.)

**MATTERS FOR
CONGRESSIONAL
CONSIDERATION**

If the Congress reestablishes this program, the base period should be selected to avoid paying participants for sales reductions made prior to the program. Using an average of several years' milk sales prior to the program could help reduce such payments. However, producers who reduced their sales through participation in the 1984/85 program and resumed preprogram milk sales levels could be less inclined to participate if the base period includes 1984. (See p. 45.)

RECOMMENDATIONS

GAO is making no recommendations.

EXECUTIVE SUMMARY

AGENCY COMMENTS

USDA provided oral rather than written comments on the report. USDA agreed with the facts, conclusions, and matters for consideration raised in the report, and made several suggestions to improve the technical accuracy of the report. GAO made changes based on these suggestions where appropriate. (See pp. 45 and 46.)

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EXAMPLE 3: Executive Summary for an Information Report

Report Title:

Stabilizing Social Security--Which Wage Measure Would
Best Align Benefit Increases With Revenue Increases?
(GAO/IMTEC-85-13)

EXECUTIVE SUMMARY

PURPOSE

Since 1975 the annual cost-of-living adjustments --increases to Social Security beneficiaries to maintain their purchasing power--have been based on price increases alone, as measured by the Consumer Price Index. In December 1984 the lower of the increases in either the Consumer Price Index or the Social Security Administration average wage index became the basis for the cost-of-living adjustments if Social Security reserves fell below a specified level of estimated annual benefit payments. The Consumer Price Index continues for the cost-of-living adjustment as long as the reserves are at or above the specific level.

A request from the Chairman of the Senate Special Committee on Aging prompted a GAO analysis of federally available wage measures to determine the one that would

- provide the most timely and accurate alignment of Social Security benefit payment increases with revenue increases and
- be most compatible with the wage adjustments already existing in other parts of the Social Security program

BACKGROUND

In 1981, with the Social Security fund in financial trouble, the President and the Congress unable to agree on a solution, and public confidence eroding, the President established the National Commission on Social Security Reform. The commission recommended and the Congress enacted the Social Security Amendment of 1983 to ensure the solvency of the Social Security fund. One commission recommendation enacted was an automatic mechanism--a stabilizer provision--to help align annual increases in benefit payments to increases in revenues when Social Security reserves dropped below a certain level.

Social Security revenues tend to gain at the same rate as average wage levels. In periods when prices rise faster than wages, basing cost-of-living adjustment on price increases can cause benefit payments to advance faster than revenues, thereby depleting Social Security

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reserves. Basing cost-of-living adjustments on increases in wages rather than in prices during these periods should, therefore, help keep benefit payments better aligned with Social Security's ability to make those payments. The commission recommended the Social Security Administration's index for the stabilizer provision. It believed that of the federally available wage indexes, the Social Security Administration index would best indicate changes in revenue flow into the Social Security fund.

Starting with the December 1984 cost-of-living adjustment, the stabilizer provision was to be used if Social Security reserves fell below a specified level. In 1984, the level was 15 percent, as measured by the trust-fund ratio (the beginning-of-the-year reserves compared to the estimated annual outlays); after 1988 it goes up to 20 percent. Thus far, the stabilizer provision has not been activated; the ratio has been above 15 percent. According to the Social Security Administration's 1985 trustees' report, the reserves are likely to be above 15 percent through 1988 and above 20 percent for 1989.

RESULTS IN BRIEF

Of all eight federal wage indexes available, the Social Security Administration index and another, the Employment Cost Index, would best help to provide the most timely and accurate alignment. However, neither one is superior to the other.

Using the Social Security Administration index in the stabilizer provision would be compatible because it is already used to adjust other Social Security program amounts. However, the Employment Cost Index also would be compatible.

GAO'S ANALYSIS

GAO looked at eight wage measures, matching them against characteristics for use as wage measures in a stabilizer provision. Overall, the Social Security Administration index and the Employment Cost Index had the most desirable characteristics. Even though the Social Security Administration index does not reflect the most current wage data and the Employment

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Cost Index only reflects unemployment indirectly (to the extent it affects wage-rate changes), they do have significant advantages. Notably, both offer the broadest coverage of the work force and both measures are published in final form, rather than preliminary figures that are later revised. (See pp. 7 to 10.)

Neither Wage
Measure is
Superior

GAO compared the lower of the increases in the Social Security Administration index or the Consumer Price Index to Social Security revenues derived from tax contribution changes over a 5-year period to determine whether benefit increases would be more in line with the revenue increases than using only the Consumer Price Index. GAO made a similar comparison using the Employment Cost Index. GAO found that using either wage measure would meet the stabilizer's objective of helping to align benefit increases with revenue increases. (See p. 15.)

GAO found the Employment Cost Index as being a slightly better indicator than the Social Security Administration index of changes in both taxable earnings (generally, those earnings upon which people pay their Social Security taxes) and tax contributions (primarily, taxable earnings times tax rates). The Employment Cost Index was on average about a half percentage point closer to the tax contributions and taxable earnings. These GAO analyses are limited to data accrued from 1977 to 1984, the 8 years since the Employment Cost Index began its first full year in 1976. In GAO's opinion, the relatively small difference between the measures, coupled with the limited years of data, does not provide conclusive evidence that the Employment Cost Index would be the better wage measure to use. (See pp. 16 to 18.)

Neither the Social Security Administration index nor the Employment Cost Index provided a precise alignment. For the 8-year period, tax contributions and taxable earnings increases tended to be greater than the two wage measures. For example, tax contributions were approximately 6 percentage points greater and taxable earnings were a little over 2.5 percentage points greater

EXECUTIVE SUMMARY

than what was shown by the two measures. One reason for the difference is that the measurement periods of the Employment Cost Index and Social Security Administration index lag behind the cost-of-living adjustment payment period by 1-1/4 to 2 years, respectively.

Additionally, other factors, including changes in the number of contributing workers and the legislated tax rates, affect the year-to-year changes in benefit payments and revenues. (See pp. 17 and 18.)

RECOMMENDATIONS

This report provides GAO's analyses of wage measures for the stabilizer provision; it contains no recommendations.

AGENCY COMMENTS

The Department of Health and Human Services generally agreed with this report's overall findings and conclusions. That Department, the Bureau of Labor Statistics, and the Internal Revenue Service expressed concerns relating primarily to technical matters such as our description of certain wage measures. Changes to the report have been made, where appropriate, to address their concerns. (See pp. 21 to 30.)

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