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# What Citizens Want to Know about their Government's Finances: Closing the Information Gap

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## Abstract

There is an information gap between citizens and their governments when it comes to government finances. The inherent complexity of fiscal policy makes it exceedingly difficult for effective public participation. Effective public participation in fiscal decision making must address informing or educating the citizenry with accurate and meaningful government financial data. Better understanding citizen wants and perceptions is critical to closing the information gap between users and providers of financial information. This study uses information gathered from focus groups with residents of Norfolk, Virginia that asks what government financial information they want and how to make that information useful. Results suggest that citizens are interested in some types of information over others and that such information must be timely, made relevant and contextualized.

**KEYWORDS:** Public Participation; Citizen Engagement; Financial Reporting; Information Gap.

## INTRODUCTION

As early as 2004, Osborne and Hutchinson point to local, state and federal governments facing their worst fiscal crises since World War II. The fiscal crises have worsened following the burst of the housing bubble and the subsequent economic recession. In the face of, and likely precipitated by, recent fiscal crises, citizens are demanding greater public accountability, particularly regarding stewardship of public resources. Results of the American National Elections Studies show declining values of trust in government. In 2008, the trust in government index was 26, the lowest value since 1958 (American National Election Studies, 2010b). For the same year, 72% of survey respondents agreed that people in the government waste a lot of money paid in taxes (American National Election Studies, 2010a). In contrast, in 2002, the value of the trust in government index was 42, and only 48% of those surveyed thought that people in the government waste a lot of money paid in taxes.

An important question, then, is: How can governments increase citizen trust, enhance accountability, and improve citizen perceptions of government performance? One possible answer would be to better engage the public in the process of government decision making, especially with regard to fiscal policy. After all, decision and policy solutions with the greatest correspondence with public values will be the most publicly attractive and acceptable, thus being easier to implement and administer (Walters, Aydelotte, & Miller, 2000). Engaging citizens and incorporating public participation into the decision making process for determining solutions to the fiscal crises could potentially increase citizen support for different solutions and alleviate public concerns about government waste. But, citizens need to be educated and informed before they can effectively engage in decision making and governance. Yet, for many policy issues, such as fiscal policy, citizens often lack access to the necessary information to be thus educated and informed.

The premise of this study is three-pronged. First, by better understanding the information desires of citizens as it relates to government fiscal policy, administrators will be better equipped to address the information gap between users and providers of government financial information. Second, by providing citizens with information they want and can access, public participation is more likely to be effective. Finally, encouraging citizen engagement and incorporating public participation into the fiscal policy process could potentially increase citizen support while at the same time alleviating public concerns about government waste.

In order to examine the information gap between citizens and administrators, the study asks the following research question: What government finance information do citizens want? This study answers these questions by conducting in-depth qualitative research utilizing citizen focus groups. The findings highlight the types of information that citizens want, the need for relevance and context, and information timeliness that depends on information source and purpose.

The next section discusses the literature that supports the research premise that citizens are lacking information necessary for them to effectively participate in fiscal decision making. It describes the research gap and highlights the relevance of the research question. A discussion of the qualitative research methodology follows, then a discussion of the results in terms of citizens' perception of the necessary information to be informed. Finally, the conclusion summarizes the findings, introduces the possible role of popular financial reporting, raises implications for policy and practice, and issues a call for further research.

## **BACKGROUND**

### **The Role of Public Participation**

With the increasing shift from government to governance, the role of public participation, especially at the local level has evolved significantly from traditional hierarchical decision making structures (Bingham, Nabatchi, & O’Leary, 2005). From an organizational perspective, this shift presents a number of unique opportunities and challenges. The extant literature on public participation suggests that public involvement may facilitate policy and decision making through educating the public, assessing and measuring public acceptance of certain policy alternatives, and legitimizing final outcomes or decisions. By encouraging participation and designing mechanisms to promote engagement, administrators can both better educate citizens and be more responsive to their needs and concerns (Denhardt & Denhardt, 2003). Empowering and including citizens in the policy decision process can facilitate cooperation between government and citizenry in a manner that can provide a more efficient use of resources and a more representative expression of the public will (Bovaird, 2007). Public participation may serve as a way to persuade citizens to support a particular policy, legitimize policy decisions, build public trust, and create alliances with citizens and interest groups that can help to solve public problems (Irvin & Stansbury, 2004). Through public participation, awareness can be increased, fostering a more transparent, engaged, and collaborative partnership between citizens and administrators (Mergel, 2015).

Burby (2003) suggests several reasons for involving the public in decision making. These include: (1) generating information, understanding, and agreement on problems and their solutions; (2) educating public stakeholders about poorly understood problems and policy issues; (3) empowering these stakeholders with a sense of ownership; and (4) generating political

support that reduces controversy and creates support for implementation of the decision or solution. All four reasons underscore the role of public participation in overcoming the current public distrust of government, enhancing accountability, and improving citizen perceptions of government. Franklin and Ebdon (2007) suggest that such public participation helps citizens understand how public resources are spent, provides a venue for citizens to offer input, and increases their ability to evaluate the performance of government officials.

### **Effective Public Participation**

Designing and incorporating public participation has long been a challenge for local government administrators (Bryson, Quick, Slotterback, & Crosby, 2013). In examining the tension between public participation and organizational stability MacNair, Caldwell, and Pollane (1983) call local government participation “an exchange that follows the principles of power and reciprocity” (p. 521). When local government is strong it is more likely to “avoid citizens...to maintain organizational stability” yet when an agency has little power it is more likely to turn to citizens to build up organizational strength (p. 521). A key challenge in either case is how “to bring about mutual understanding, minimize or resolve potential disputes, and achieve consensus on a course of action” (Franklin & Ebdon, 2007, p. 34).

Effective public participation “implies more than simply finding the right tools and techniques for increasing public involvement in public decisions... it requires rethinking the underlying roles of, and relationships between, administrators and citizens” (King, Feltey, & Susel, p. 317). Administrators must design structures that both encourage and take advantage of civic engagement in a way that appeals to and makes the process meaningful for citizens (Denhardt & Denhardt, 2003). Ebdon and Franklin (2004) identifies timely input as a necessary

criteria for effective public participation. Officials must create processes so that citizens receive information in a timely manner for meaningful interaction and participation in decision making. Recent technological advances and web-based participation mechanisms have effectively lowered the barrier to public participation (Robbins, Simonsen, & Feldman, 2008). For their part, citizens are expected to be informed participants (Weeks, 2000), but even then, broad representation is imperative in order to balance out the potential concern of the process being co-opted by a few particularly charismatic or partisan individuals (Irvin & Stansbury, 2004). Whereas participation has been found to positively impact citizen perceptions and trust in government (Cook, Jacobs, and Kim, 2010), some questions remain over whether more participation is actually better participation (Farina, Epstein, Heidt, & Newhart 2014).

While the ideals of public participation point to its importance in the policy process, effective implementation of public participation programs has been fraught with challenges. One of the primary reasons for the ineffectiveness and lack of citizen participation is the “ignorance” argument where the average citizen is claimed to be incapable of making informed decisions about complex policy issues (Crosby, Kelly, & Schaefer, 1986). Thomas (1990) cites the level of group involvement as contingent on “the relative needs for quality and acceptability in an eventual decision” (p. 435). Despite the concerns over capacity and involvement, citizens frequently participate in complex decision-making matters such as budgeting and public finance despite often lacking the necessary information to make informed decisions (Beckett & King, 2002). This further highlights the need for more effective engagement strategies to provide citizens with the information needed to make informed decisions.

According to Connor (1988), “the foundation of any program to prevent and resolve public controversy must be an informed public” (p. 250). Yet, understanding citizen preferences

and the information needs required can be exceedingly difficult (McIver & Ostrom, 1976). Informing and engaging the public is often a strategic decision, one that balances inclusiveness and engagement at the risk of impacting process efficiency (Hong, 2015). When the stakes are low or there is a general agreement upon an issue, administrators are less likely to solicit citizen input; the problem is that many government decisions, especially related to resource allocation, are complicated, costly, and often provoke significant disagreement (Robbins & Simonsen, 2002). As Robbins and Simonsen (2002) note, “These are the times when knowledge of the ‘true’ preference structure of an informed citizenry seems most valuable” (p. 446).

It is not surprising, therefore, that one of the most obvious requirements for effective citizen participation in decision making is that citizens be provided with meaningful and accurate information that matches their desires. In addition to accuracy, the information presented should be relevant, organized, and presented in a meaningful manner. In the absence of information, the contributions from public participation may be limited, as citizens may come to the decision making table with relatively little information on the topics or issues to be addressed. Citizens may need to be informed and educated before they can participate effectively (Thomas, 1995). Simonsen and Robbins (2000) illustrate that fiscal information could impact citizen decision making and even more so for those with more education.

As it applies to the area of budgeting and fiscal policy, information is important and necessary “for facilitating communication pathways between government and citizens” (Yusuf, Jordan, Neill, & Hackbart, 2013, p. 96). It is also a mechanism through which to educate the public about the budget and resource allocation, in addition to encouraging engagement in the budget deliberation process (Franklin & Ebdon, 2007).

### **The Information Gap**



In the U.S., the federal, state and local governments typically provide financial information via budget documents and financial reports that are available for public consumption. For example, states and localities produce the Comprehensive Annual Financial Report (CAFR) that is often made available in public repositories or on government websites. Yet, as Lewis and Hildreth (2011) point out, the availability of such information does not mean that the information is accessible to the public or that the public can understand what it means. A survey conducted by the Association of Government Accountants (AGA, 2010) found that while the majority of citizens believe government is responsible for providing financial information to the public, they also believe that government has failed to be transparent regarding spending practices and has not been responsible in its use of public funds. The AGA also found strong dissatisfaction among citizens regarding the financial information they receive from the government. Nearly three-fourths of citizens regard financial information as important; yet only five percent reported satisfaction with information provided by their governments.

Particularly for complex and controversial issues such as budgeting and fiscal policy, citizens cannot effectively participate without being informed. However, developing informed citizens as it pertains to budgeting and financial issues can be challenging. Part of this is a systemic issue wherein financial reporting is often conceptualized as an outreach or accountability tool by chief financial officers as opposed to a mechanism for greater engagement (Kloby, 2009). Ambiguous goals and political and environmental constraints further compound the problem (Ebdon & Franklin, 2004); yet by empowering citizens, reeducating administrators, and designing and implementing the necessary structures, administrators can encourage effective and informed participation (King et al., 1998).

To ensure that citizens are informed, governments must address the information needs of citizens in a manner that is as accessible as the information is digestible (Farina et al., 2014). But what do citizens, as users of government financial information, want? Specifically, what do citizens believe are their information needs in order to understand their governments' finances? This question is answered by obtaining citizens' perceptions regarding the availability and reporting of their government's financial information. The literature indicates that information given to citizens must be relevant (Justice, Melitski, & Smith, 2006; Rubin, 2009), useful and understandable (Anderson & Piotrowski, 1994), and sufficiently timely to allow for citizen participation in the budgetary process (Ebdon & Franklin, 2004). But what does relevance and timeliness mean to citizens? What types of information do citizens consider relevant and what makes them relevant? How does timeliness of information translate to citizens in terms of the budget cycle or fiscal calendar? To answer these questions, this study uses in-depth qualitative research to understand citizen demands for government financial information.

## **METHODOLOGY**

To understand the citizen user perspective regarding the need for reporting of financial information by governments, especially in the context of citizen engagement in budgeting and fiscal policy making, focus groups were held with residents of Norfolk, Virginia. These residents were selected based on their involvement in their local Civic Leagues<sup>1</sup>; no additional incentive for participation was offered. Focus groups lasted 60 to 75 minutes with the majority of the discussion revolving around questions that addressed the types of information citizens expect or want as users of government financial information. Citizen perceptions regarding government financial information were broken down into four specific topics for discussion, including: the extent of user knowledge regarding sources of government financial information;

the importance of government financial information; the government financial information to be included in reports to citizens; and access and distribution of financial reports targeted at citizens. The remaining time was used to poll participants on the importance of the individual elements that resulted from the initial discussion.

Invitations to participate in the citizen focus groups were sent to presidents of a selected representative sample of Civic Leagues from the City of Norfolk, Virginia, in December 2011, with follow-up invitations sent in January 2012. Four focus groups were held between February and April 2012. The Civic League focus groups were comprised of 41 participants representing four Civic Leagues in three (out of five) Norfolk wards. However, only 36 participants completed the participant information questionnaire. Of the 36 focus group participants, 58% were male and 42% were female. The largest group of participants (47%) were in the 35 – 54 age category with 25% younger than 35 and 27% older than 54. Whites were the predominant group (56%) represented by focus group participants, but minority groups, including Blacks (28%), Hispanics/Latinos (8%) and Asian (5%) were also represented. Only 8% of participants had less than a college degree, 50% had at most college undergraduate degrees; and 42% had graduate degrees. In terms of their level of civic engagement, 38% of participants indicated their level of community involvement as “above average.” In terms of understanding of policy issues, 42% indicated having an “above average” level of understanding of local government’s management and general policy issues, and 42% indicated having an “above average” level of understanding of local government’s finances or fiscal policy.

As just described, this study’s data collection relies on a sample of residents of Norfolk, Virginia who are civically active and highly-educated. While this may raise questions about representativeness and generalizability, there are several reasons why the use of this sample is

valid. First, as shown in Table 1, the population of Norfolk and its surrounding MSA (the Virginia Beach-Norfolk-Newport News, VA-NC MSA) is not substantially different than the national average. Based on the demographics, there is no reason to believe that those in this sample would respond differently than those residing in other parts of the country. In addition, this sample is appropriate given that these individuals, being more educated and better engaged in their communities, are the most likely target audience for and prospective users of government financial information.

[Table 1 here]

## **RESULTS AND FINDINGS**

To understand how well-prepared citizens are for engaging in the budgeting and fiscal policy process, focus group participants were asked to discuss their awareness and knowledge of government financial information. Less than a quarter of participants reported being well-informed about their government's finances; this was further underscored by the general inability of respondents to differentiate between the material they obtained from federal, state and local governments and also their difficulty in articulating the types of information they sought out in the first place. Despite this, most agreed that it was important for citizens to have access to government financial information (40.0% and 42.5% agreed that it was important and very important, respectively). When asked why it is important for citizens to be informed of their government's finances, the responses were overwhelmingly related to concepts of accountability to taxpayers and voters, transparency, and knowing where and how government resources are used, as well as the contributions of information and knowledge to being better engaged. Combined, these responses emphasize not only the need for well-informed citizens but also the challenges of citizen engagement.

## **Relevance and Context**

In terms of the types of information citizens want, focus group participants emphasized the need for the information to be made relevant and contextualized so that citizens can understand how it relates to or impacts them. The most frequently desired sources of information were typically big picture items, such as local revenues, taxes, the economy, and expenditures. For example, one focus group participant wanted the government to provide information that “tells me where my tax money is going.” Another participant wanted to know “how much taxes is the average citizen paying?” One focus group participant noted that “citizens want to know what the pay-off is for them. They ask: ‘What’s in it for me? How do I benefit from all the stuff the city is doing?’” Another similar comment points to concerns about the relationship between citizens and their government: “The information needs to convey how I will be affected by the government’s tax or spend decisions, by the government’s solvency, by the government’s debt.” All these responses point to the need to make the information relatable to citizens. One participant summarized the key criterion for the information to be of use to citizens as: “How does this information show me that my city leaders are doing a good job?” This question appears to be the fundamental criterion for deciding the relevance and importance of the information that citizens want from the government.

For the information to be relevant to citizens, focus group participants emphasized the need to contextualize the information. When asked to define or characterize information relevance, several focus group participants honed in on the issue of government performance. One noted that “citizens want to know whether their government is being efficient.” Another asked, “What are the outcomes of government services? Who is benefiting and how?” Both comments illustrate the use of government performance measures – either in terms of efficiency,

outcomes, benefits and costs – as key elements of relevance. Repeatedly cited as a critical component necessary for citizens to better understand the relevance of the information; performance measures can be imperative to citizen understanding of desired and often complex information. As one citizen notes the use of performance measures can provide significant context, especially when reviewed with a benchmark or comparison group. Other participants discussed how context could also be achieved through trend analysis or comparison to neighboring or peer cities. In each case, respondents cite the use of performance measures as a way to provide context while lowering the intellectual entry barrier for individuals seeking to make sense of complicated fiscal data.

Focus group participants indicated interest in information that provided a macro-level “big picture” and/or longer-term perspective. For example, focus group participants perceived information as important and relevant if it answered the question: “What does the current economy/economic condition look like and how does it impact the city and its citizens?” These focus group participants mentioned that forward-looking information about the future, including economic forecasts and future economic or fiscal challenges, would be of interest to citizens. The focus on the longer term was also reflected in the discussion on government’s savings and emergency funds. Discussion in the focus groups suggested that citizens care about and want to know how much savings are available for future financial emergencies. Focus group participants were also interested in “big picture” government information. They believed that most citizens lacked basic information about their city, such as how it is structured, the size of its budget, and the services it provides. These participants also mentioned the importance of providing information about city characteristics, such as demographic and community information.

### **Types of Information**

In terms of specific types of information, focus group participants were more interested in the government's revenues than expenditures, with the primary focus on the major sources of revenues and the property tax specifically. The discussion also revealed that citizens care more about taxes than they do fees, unless those fees are highly visible and publicized. While focus group participants did not appear to be as concerned with expenditures as they were revenues, there was interest in information about some expenditures and the cost of core services. They felt that information was needed to answer the overarching question: "What is government spending our money on and at what cost?" Focus group participants also wanted to know the amount, costs, and affordability of the government's debt.

While capital expenditures as a standalone category did not gain much traction as information of interest to citizens, the discussion of government expenditures did touch upon capital projects and capital expenditures, particularly because these projects tend to be highly visible and tangible. With respect to capital projects/expenditures, focus group participants posed several questions regarding the provision of information: (1) What are the large, "big ticket" capital projects? (2) How much do they cost? (3) How will they affect citizens? The difficulty herein lies in meeting the demand for this information, especially when reporting practices may be highly complex, inconsistent, and even legally restricted (GASB, 2006).

### **Timeliness of Information**

The focus group discussion also addressed concerns regarding the timeliness of information. For example, participants expressed an on-going concern that their government has been lax in providing information at times when such information would be useful. On its surface this is an interesting critique because as Robbins, Simonsen, and Feldman (2008) note, the vast technological advances over the past two decades have significantly lowered the barrier

to public participation and information access. Therefore, governments have the ability to provide information quickly.

However, the increased speed of releasing information due to technology advancement does not completely resolve the issue of timeliness. The focus group discussion further brought to light that the timeliness of the information should be based on the sources and intended use of the information. For instance, information and reporting on the government's finances at the conclusion of a specific fiscal year, in contrast, should come closely on the heels of the end of the fiscal year. If the purpose is to educate and inform about resource decisions that have been adopted for the upcoming fiscal year, the information should be made available soon after the budget has been approved. On the other hand, if the purpose is to inform citizens of proposed resource decisions and to seek citizen feedback, the information should be provided at the point in the process when the budget is being developed or deliberated. Poor timing of information leads to poor timing of opportunities to provide citizen input regarding that information. This lack of timeliness, according to Ebdon and Franklin (2004), is the most significant barrier to effective participation.

Cook et al. (2010) raise a number of relevant points regarding the public perceptions of information, such as content and timing. Highlighting motivation, cognitive capacity, and social location as primary factors influencing information processing, they make the case that these traits may be just as influential or limiting in the processing of information as the governments' dissemination of it. In this analysis, individuals are assumed to be highly motivated and involved members of their communities due simply to their standing and involvement with their civic league chapters.

### **Information Accessibility and Design**



Perhaps most critical to providing citizens with the information they desire is the effective dissemination and distribution. Technical information needs to be condensed and synthesized into a more approachable summary. In addition, focus group participants highlighted the need for multiple electronic format options. The most commonly cited was to include electronic reports on various city websites. A number of participants also provided that it would be helpful if the reports could be emailed to residents. In order to reach a broader segment of the population, participants suggested that physical copies of reports be housed in a number of local institutions, such as public libraries and government offices in addition to being available via mail on request. In order to be most effective, participants indicated that reports should be concise, summarizing key points in common language. The reports should also be visually appealing containing a number of charts and diagrams to further simplify the complex material.

## **CONCLUSIONS AND IMPLICATIONS**

This research addresses a key pre-cursor to effective public participation – having an informed citizenry. The research findings detail what citizens want to know as it relates to government financial data, highlighting the information gap between what government provides and what highly motivated citizens indicate they want, know how to find, and use while offering potential solutions on how to begin to close this gap. The findings offer improved understanding of citizen perceptions of government financial information, which can be of use to governments interested in engaging their citizens in the budgeting and fiscal policy process. However, citizen views of necessary information are not limited to budget and fiscal information. For instance, citizens expressed interest in performance, city government structure, demographic, and other non-financial information. Citizens also do not want “stand alone” information. To be of value

to citizens, the information provided must be in context and relevant to issues that citizens care about. Information also needs to be provided that allows a basis for understanding the impacts on citizens.

Furthermore, citizen perceptions of ideal timeliness of government financial information depend on the content being produced, the potential use of information and the reason for providing information. Like Ebdon and Franklin (2004), focus group participants viewed timeliness as it relates to their opportunity to provide meaningful input in decision making. Timeliness can generally be understood as (1) while decisions are still under development and deliberation or when feedback is specifically desired (such as proposed budgetary decisions), or (2) shortly after decision-making or information-gathering when the purpose is meant primarily to inform (such as a fiscal year report or approved budget).

Focus group discussion responses indicate that even among citizens with a higher-than-average understanding of and engagement with local government (i.e., Civic League members), improved provision of financial information can help fill the knowledge or information gaps among citizens that prevent them from effectively engaging in budget deliberation or fiscal policy making.

There are limitations to these findings given the size and demographics of the focus group. The small number of participants, coupled with the geographic limitation of relying on residents of one city, prevents broad generalizations to the national population. In addition, the focus group participants are members of area civic leagues, indicating that they are engaged and interested citizens. While they may be more interested in government financial information than the average resident, this very interest makes them likely to be an excellent early target for building a better-informed citizenry. But, as shown in the focus groups, even these groups feel

that there is an information gap. Therefore, their opinions provide important insight for practitioners.

In developing criteria for making information disclosure effective, Fung et al. (2007) suggest that being “easily embedded in the routines of information users” (p. 173) is a key quality. Citizens want better information. Because of the technological revolutions of the last couple decades, they have access to much more information, but often are not given the tools to understand its relevance and/or put it in context. The focus groups asked citizens what kinds of information and when they wanted access to the information. This research inquiry offers an avenue for improving the tools available to governments for developing informed, invested public participation.

One such tool is the popular financial report, a financial report that is developed for citizens and intended to be more understandable for the general public (Yusuf et al., 2013, Yusuf & Jordan, 2012; 2015). Because the objective of issuing popular financial reports is to help the public understand the government’s financial activities (Clay, 2008), these reports can play a key role in ensuring accessibility of financial information by the public. It is a reporting innovation that can facilitate provision of information that serves as the foundation for developing a cadre of informed citizens who can then more effectively participate in the budgeting/fiscal policy process.

In surveys of state and local governments in the U.S., researchers found that popular financial reporting is fairly extensive, taking various shapes and forms such as popular annual financial reports, citizen-centric financial reports, state-of-the-government reports, reports of efforts and accomplishments, and budget summaries (Yusuf et al., 2013). This previous research also identified reasons for local governments issuing popular financial reports, including

informing citizens of their government's finances, addressing citizens' needs for financial information, and increasing citizen engagement and public participation. Our study provides greater understanding of the types of information that are of interest and relevant to citizens, and that could be incorporated into popular financial reports, thereby allowing governments to provide popular reports that are useful to citizens. The findings are consistent with the recommendations of Yusuf and Jordan (2012) who point to effective popular reports as being "short, visually appealing and timely, providing financial information relevant to citizen interests and concerns including broad community issues and are widely distributed and made accessible to citizens" (p. 48).

Government efforts to improve quality and transparency of the financial information provided to citizens can begin with the various recommendations and guidelines for popular reporting already available from professional organizations such as the Governmental Accounting Standards Board (GASB), Government Financial Officers Association (GFOA), and Association of Government Accountants (AGA). The AGA, for example, provides guidelines and best practices for citizen-centric reports, while the GFOA offers recommendations for popular annual financial reports. Governments can also leverage existing information technology, such as through online open data tools, portals and performance dashboards, to make information available in a more timely manner. Software and applications developed by companies such as Socrata, OpenGov, and Munetrix provide tools for governments to make up-to-date financial information available electronically. However, government should remain cognizant that information availability does not equate to accessibility, and should therefore focus on providing information that is comprehensible and relevant to the citizen audience.

The premise of this study is that the benefits of public participation are only realized when the public can participate in an informed way. By providing comprehensible and relevant financial information in a timely manner, governments have the opportunity to educate their citizens. This education can increase trust in government, build social capital, and raise the level of citizen participation in the fiscal process. The citizen becomes a participant with a legitimate, as opposed to ceremonial, role in the process. The informed citizen is more capable of considering financial options and understanding their impacts. They are also more capable of understanding and supporting the decisions of public officials. Therefore, providing information that citizens understand in terms relevant to their lives bridges the gap between the technocratic suppliers of financial data (and ultimately services) and the citizen consumers of that data. An informed citizenry is a necessary but not sufficient condition for effective public participation. This is consistent with the empirical findings that increasingly show the fallacy of the optimists' hope that transparency in and of itself will prove to be a panacea for a various governmental ills (Grimmelikhuijsen, Porumbescu, Hong, & Im, 2013). But this study goes beyond simply advocating transparency. We are advocating and recommending to governments that they pursue better quality or more effective transparency that satisfies the citizen's desire for relevancy, usefulness, and timeliness. An informed citizenry is one that is ready to be engaged in the policy process, but other challenges to participation exist, such as citizen apathy and ineffective participatory mechanisms.

Finally, we conclude with a call for research that widens our understanding of citizen information preferences and the effective reporting of such information, and that examines the subsequent impact of information and reporting on citizen engagement. Our study's findings and conclusions are based on information elicited from a sample of engaged residents of southeastern

Virginia. Their views represent those citizens who would be more likely to consume information provided by governments and to engage with their governments via formal and informal public participation methods. Based on demographics and economic characteristics of the region, there is no reason to believe that these findings are unique to the residents of this region. A larger study, one that involves a more representative sample of the general population, will broaden understanding of citizens' perspectives and their information desires. The citizens' perspective regarding desired information could provide insight and be useful to professional government finance associations in promoting additional citizen-focused transparency guidelines. Future research might also include testing of the efficacy of different kinds of reporting to make sure that citizens are getting the right government financial information and utilizing it to more effectively participate in governance.

#### **NOTES**

1. A convenience sample of civic league members was used. Admittedly, the use of such samples may be problematic from a generalizability perspective. However, there are several advantages of doing so, foremost being cost and response rate. Focus groups using convenience samples are less expensive to organize, and because the participants are drawn from those who are already civically engaged, they are more likely to be more responsive to the topics and issues being discussed in the focus groups.

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**Table 1. Focus Group Participant Demographics Compared with Norfolk and U.S. Populations**

|                                       | <b>Focus Group (%)</b> | <b>Norfolk (%)</b> | <b>MSA<sup>(a)</sup> (%)</b> | <b>U.S. (%)</b> |
|---------------------------------------|------------------------|--------------------|------------------------------|-----------------|
| <b>Gender</b>                         |                        |                    |                              |                 |
| Male                                  | 58                     | 52                 | 49                           | 49              |
| Female                                | 42                     | 48                 | 51                           | 51              |
| <b>Race</b>                           |                        |                    |                              |                 |
| White, non-Hispanic                   | 56                     | 44                 | 60                           | 63              |
| Black/African American                | 28                     | 41                 | 31                           | 12              |
| Hispanic                              | 8                      | 7                  | 5                            | 17              |
| Other                                 | 8                      | 7                  | 4                            | 8               |
| <b>Age</b>                            |                        |                    |                              |                 |
| 20-24                                 | 6                      | 20                 | 9                            | 10              |
| 25-34                                 | 19                     | 23                 | 14                           | 18              |
| 35-44                                 | 28                     | 15                 | 13                           | 18              |
| 45-54                                 | 19                     | 16                 | 15                           | 19              |
| 55-59                                 | 11                     | 7                  | 6                            | 9               |
| 60+                                   | 17                     | 18                 | 17                           | 26              |
| <b>Highest Educational Attainment</b> |                        |                    |                              |                 |
| Diploma/GED                           | 0                      | 28                 | 26                           | 29              |
| Some college                          | 8                      | 26                 | 26                           | 21              |
| College Degree                        | 50                     | 22                 | 27                           | 26              |
| Graduate Degree                       | 42                     | 10                 | 11                           | 11              |

(a) Virginia Beach-Norfolk-Newport News, VA-NC Metropolitan Statistical Area  
 SOURCE: U.S. American Community Survey (<http://www.census.gov/acs/www/>)