

# THE LARES INSTITUTE

Are Consumers Getting the Message?

The Impact of Privacy Education and Awareness--A Study of Consumer Behavior.

August, 2014.

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## Introduction

Identity theft is a critical issue for consumers, and there are many organizations dedicated to making consumers aware of how they can help protect themselves from identity theft. There have been a variety of articles written by the Federal Trade Commission on this topic, the most recent of which is "[How to Keep Your Personal Information Secure](#)."<sup>1</sup> According to the FTC, there are four key steps that an individual can take to protect themselves:

- know who you share information with;
- store and dispose of your personal information securely, especially your Social Security number;
- ask questions before deciding to share your personal information; and
- maintain appropriate security on your computers and other electronic devices.

Other organizations have made similar recommendations, and these organizations, as well as the FTC have engaged in a variety of education and awareness activities to help consumers understand what they can do to protect themselves, and why these issues are so critical.

This study by the Lares Institute builds upon these recommendations and examines what consumers are actually doing to help protect themselves, how demographics impact these answers, and how consumers' behavior is changing. This research is based upon multi-year surveys, and portions of this research were originally published in "[The Demographics of Privacy—A Blueprint for Understanding Consumer Perceptions and Behavior](#)", as part of the analysis of consumers' privacy protective behavior.<sup>2</sup>

In summary, there are three key conclusions to draw from the research:

- individuals are changing their behavior, but more work remains to be done to educate consumers;
- continuing education and awareness efforts should focus on getting consumers to focus on shredding of PII, secure storage of PII, and secure mailing of PII; and
- as with other privacy issues, demographics matter, and there should be a focus on getting younger people to not carry their Social Security cards with them, as this research shows that there has been an increase in the number of younger people that are carrying their Social Security card in their wallet.

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<sup>1</sup> How to Keep Your Personal Information Secure, <http://www.consumer.ftc.gov/articles/0272-how-keep-your-personal-information-secure>, last visited April 5, 2014.

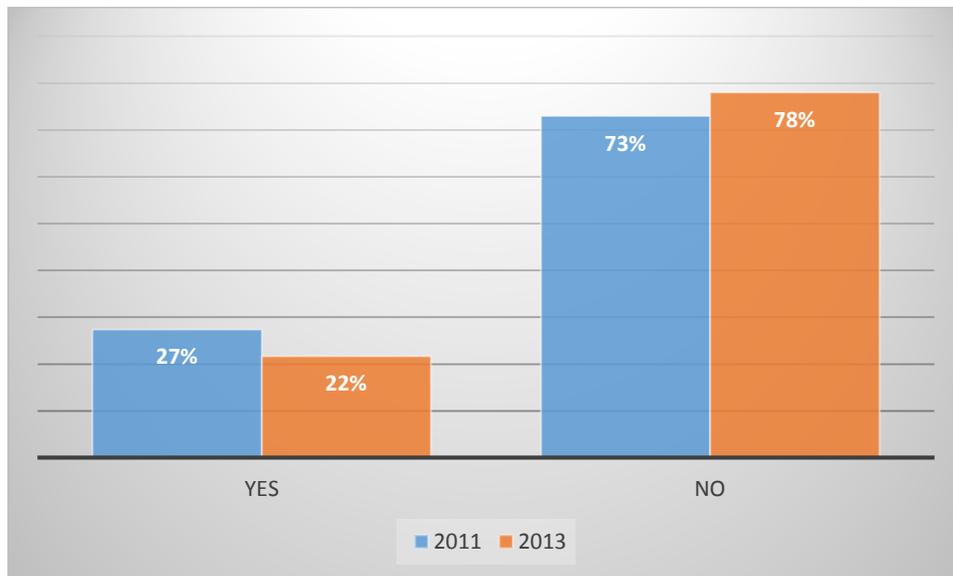
<sup>2</sup> [The Demographics of Privacy—A Blueprint for Understanding Consumer Perceptions and Behavior](#), pages 9-13, the Lares Institute, (2011).

## Social Security Cards

One of the critical steps individuals can take to protect themselves from identity theft is not carrying their Social Security card in their wallet.

Respondents were asked if they carry their Social Security Card in their wallet, and on an overall basis, the number of people carrying their card dropped from 27% to 22%.

*Do you carry your SSN in your wallet—multi-year chart.*

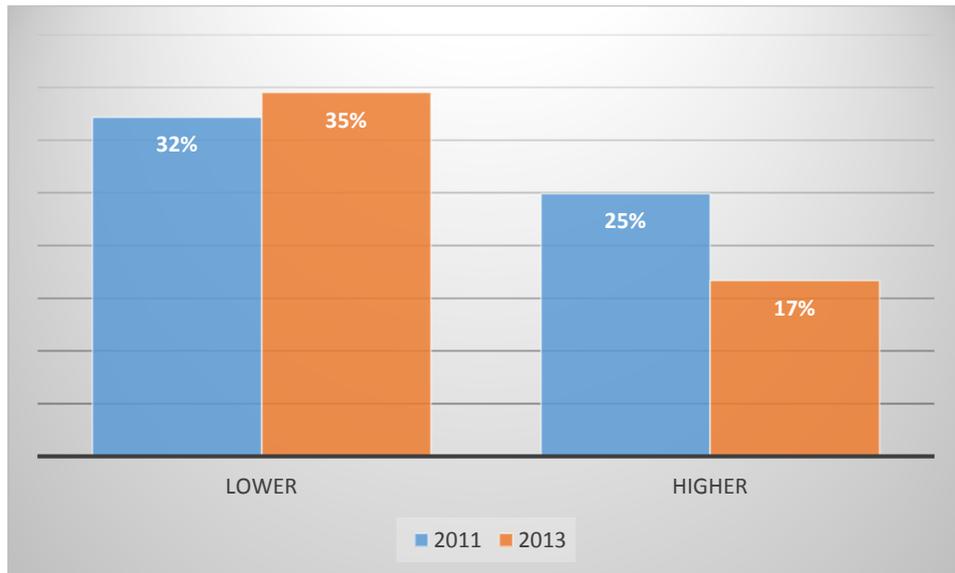


Demographic factors impacted these results, and income and education were factors in predicting whether individuals carried their Social Security card in their wallet. Higher income and education levels were associated with a lower incidence of individuals carrying their Social Security cards.

*Do you carry your SSN in your wallet—multi-year chart by income.*

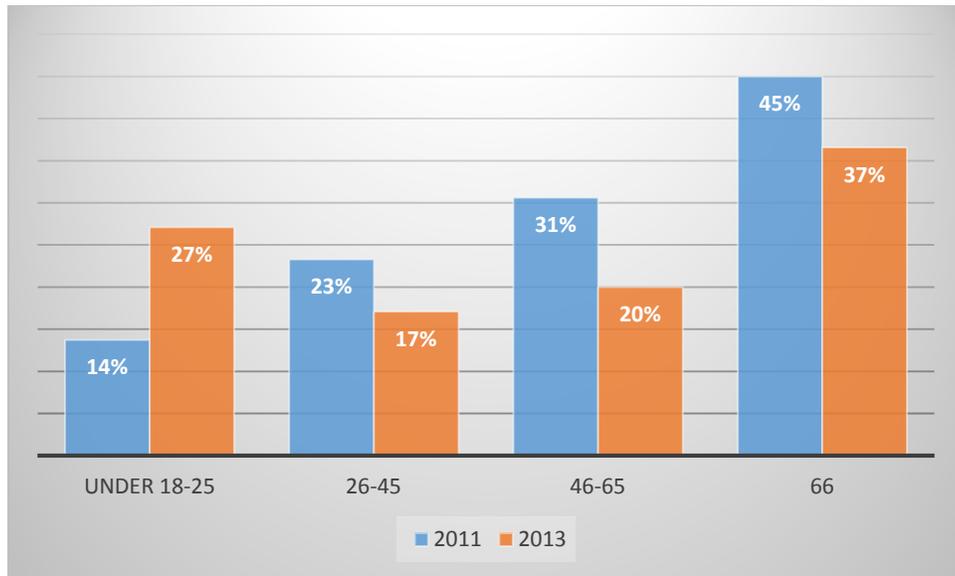


*Do you carry your SSN in your wallet—multi-year chart by education.*



Age was one of the most predictive demographic issues when examining whether individuals would carry their Social Security card. While most of the age cohorts improved on this issue, the under 18-25 age range actually regressed significantly, with an almost 100% increase (from 14% to 27%) in the number of respondents who reported they carried their Social Security card in their wallet.

*Do you carry your SSN in your wallet—multi-year chart by age.*

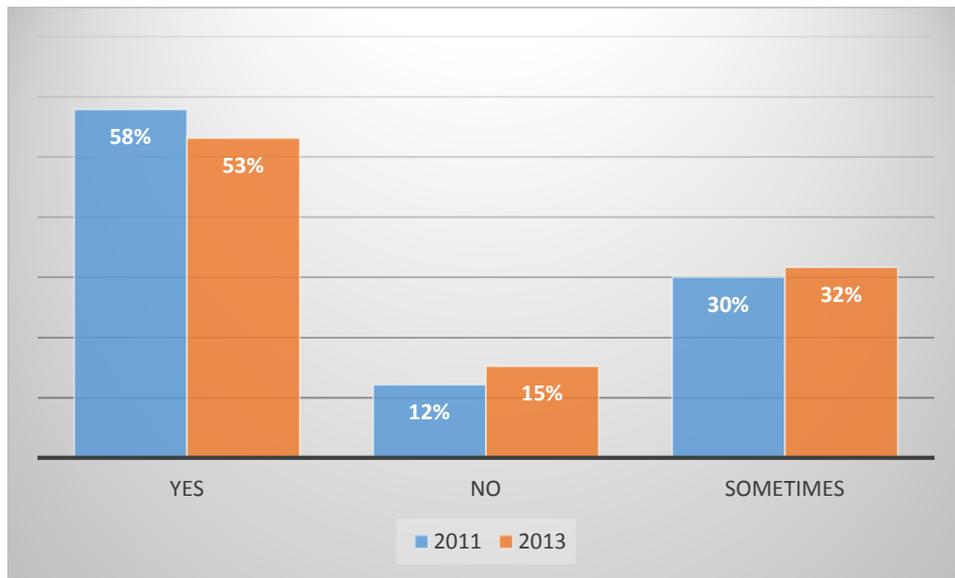


## Shredding Personally Identifiable Information

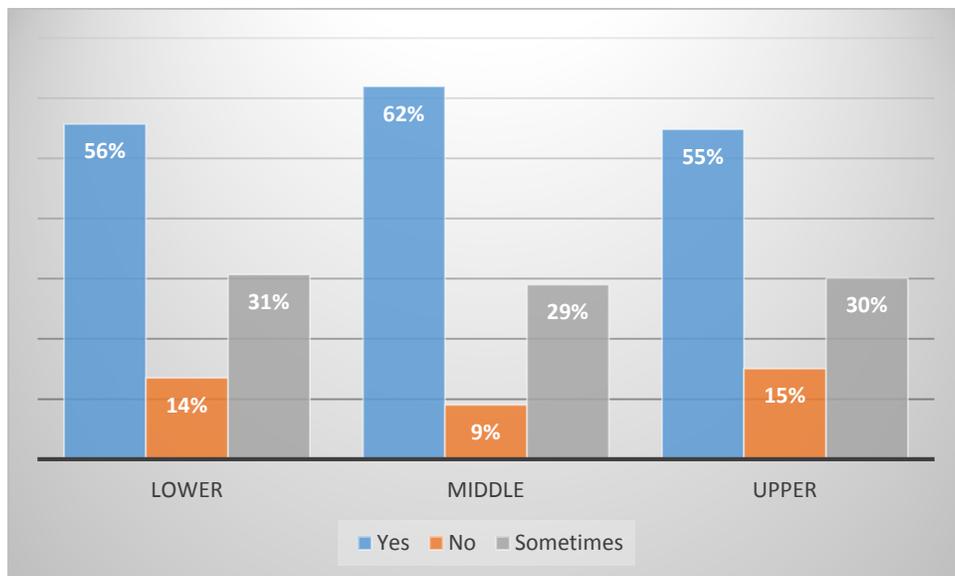
Shredding PII is another common recommendation for consumers, and respondents were asked if they shred this type of information.

Overall, the number of people shredding PII dropped from 2011 to 2013, and income was the demographic factor that had some impact on whether individuals shredded their information. Interestingly, where this impact was seen was at the middle income level, and there was a significant decrease in the percentage of respondents in this income range who shredded their PII.

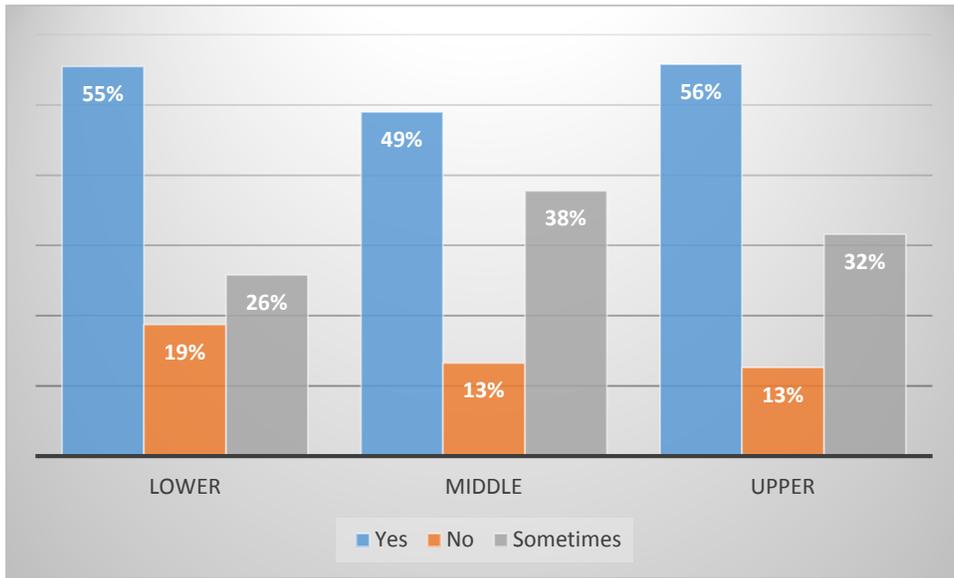
*Do you Shred PII—multi-year chart.*



*Do you shred PII—2011 by income.*



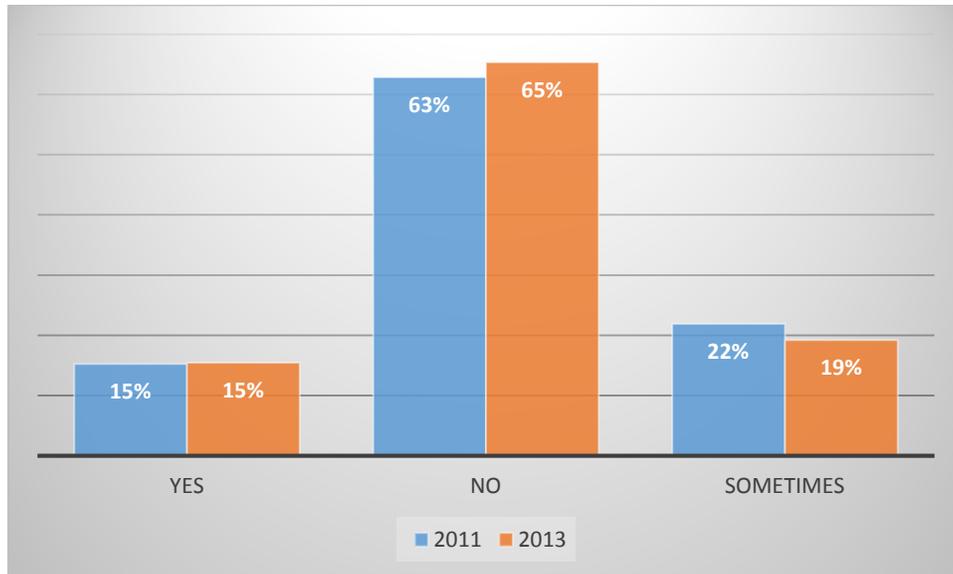
*Do you shred PII—2013 by income.*



## Securely Mailing Personally Identifiable Information

Another recommendation made to consumers is that they use secure mailing methods for PII. Respondents were asked if they used non-secure methods of mailing PII, and there no change in the number of people—15%—that used *non-secure* methods of mailing PII. The number of individuals that used secure methods slightly increased, with a largely corresponding drop in the number of individuals that sometimes used insecure methods. However, the number of individuals still using, or sometimes using, insecure methods remains high.

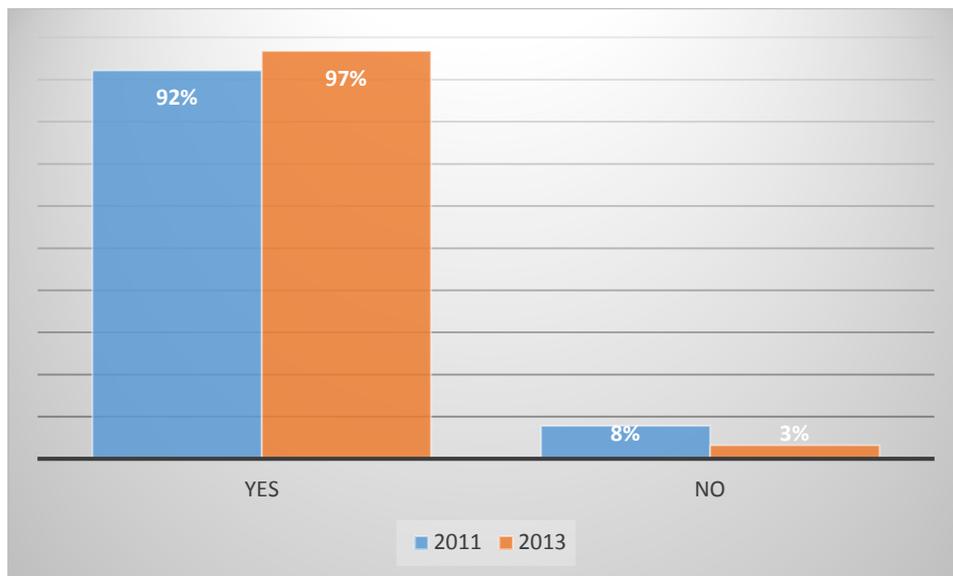
*Do you place PII in an insecure mailbox—multi-year chart.*



## Antivirus

Having an anti-virus program is a critical step that individuals can take to protect themselves online. Examining the multi-year research, it is clear that individuals understand the importance of anti-virus programs, and the number of individuals using these programs increased 5 percentage points, to 97%, from 2011 to 2013.

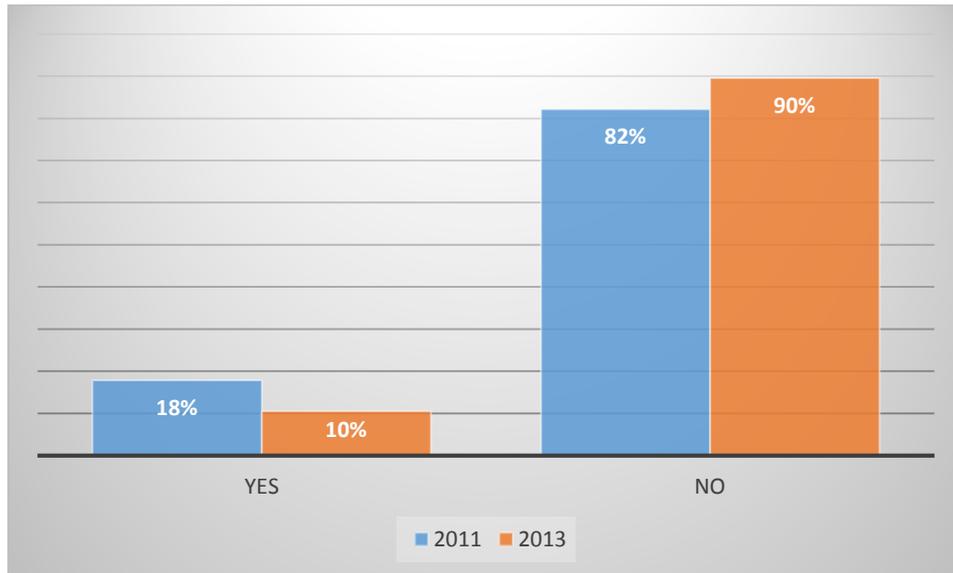
*Do you have an antivirus program—multi-year chart.*



## Use of Insecure Passwords

Using secure passwords is important for individuals, and the research showed a significant improvement from 2011 to 2013. Overall, the number of individuals who reported using insecure passwords dropped from 18% to 10%.

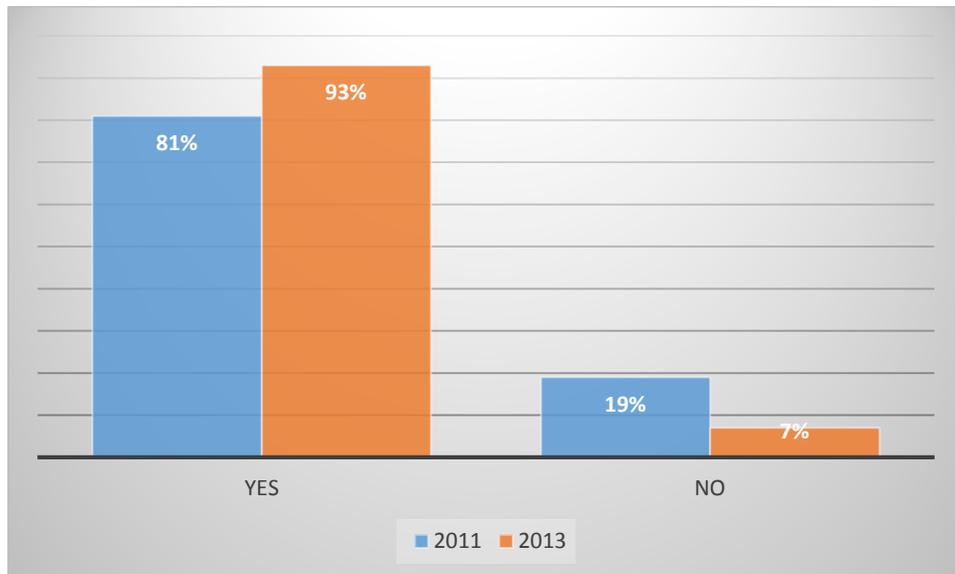
*Do you use insecure passwords—multi-year chart.*



## Verifying Business Legitimacy

Cybercriminals are becoming more sophisticated in their efforts to get PII from individuals, and individuals need to make sure that the businesses that ask for their PII are legitimate. While significant work still needs to be done, individuals are getting that message. From 2011 to 2013 the number of individuals who reported that they checked the legitimacy of a business before providing PII increased almost 15%, from 81% to 93%.

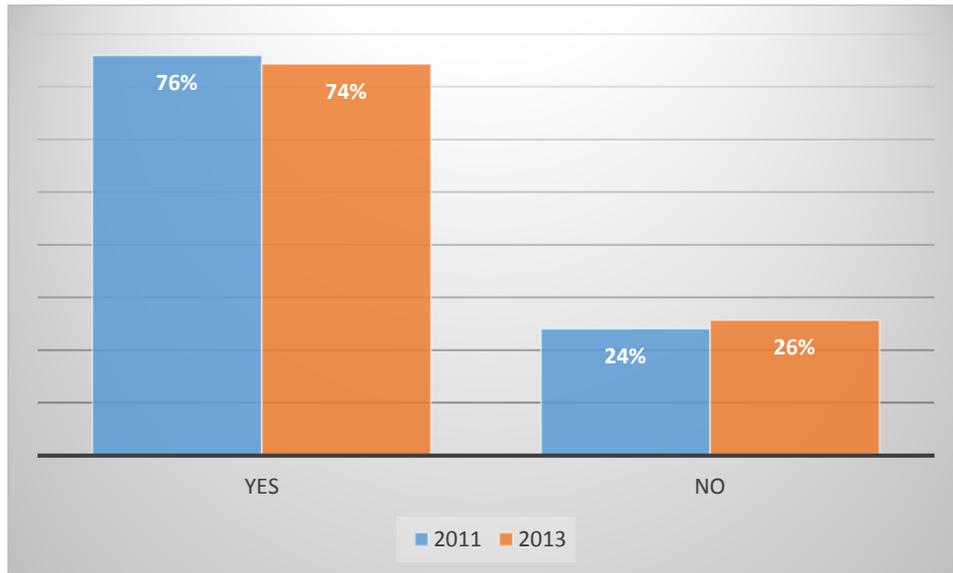
*Do you check the legitimacy of businesses before giving them PII—multi-year chart.*



## Secure Storage of PII

Another area where there was slight regression in individuals' protective behavior was around the issue of secure storage of PII. There was a decrease, though not a statistically significant decrease, in the number of respondents who stated that they securely stored their PII.

*Do you securely store PII—multi-year chart.*



## Conclusions

Overall, we see the impact that education and awareness are having—individuals are doing a better job of taking steps to protect themselves from identity theft and other misuse of their PII. However, there are areas where individuals are not getting the message, or not significantly changing their behavior, particularly regarding: shredding PII; secure storage of PII; and the use of secure mailing methods, and this research helps to provide a road map for the education and awareness efforts that still must be made.

## Survey Methods

Results from this survey are based upon an internet-based survey instrument that sent surveys to a representative sample of individuals, which resulted in a sufficiently large number of responses. In 2011, the survey was sent to 474 individuals in the United States, and 420 responses were received, for an 88.6 percent response rate. The margin of error of this survey is 5% at a 95% confidence level. In 2013, the survey was sent to 499 individuals in the United States, and 400 responses were received, for an 80.1 percent response rate. The margin of error of this survey is 5% at a 95% confidence level. The demographics of the survey sample generally track the U.S. Census, and are available upon request from the Lares Institute.

There are inherent limitations to survey research that need to be carefully considered before drawing inferences from findings, such as non-response bias, as it is possible with any survey that individuals who did not participate would respond differently than those that did. Moreover, question wording, other survey concerns, and sampling error can result in error or bias in the findings of surveys. Finally, survey research is based upon the quality and integrity of confidential responses that the Lares Institute received from survey participants.