



A Study by the Lares Institute.

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## **THE LARES INSTITUTE**

### **Study Finds Higher Income Individuals Less Likely to Read Privacy Policies.**

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Whether it is understanding the potential brand impact of a privacy incident, or implementing best practices regarding privacy, such as *Privacy by Design*, companies at times find themselves without significant guidance regarding what consumers think about privacy. The Lares Institute has just concluded a study regarding consumer perceptions regarding data sensitivity and consumer behavior regarding privacy and the results of this study can help companies assess how they handle the PR and brand issues related to a breach, and help inform decisions by companies when they determine what practices to adopt to protect data, including PbD.

#### **Do Demographics Predict Privacy Sensitivity?**

There were clear demographic differences regarding privacy sensitivity. The key findings were:

- Age was the most predictive factor, though the relationship was not a linear one;
- The most privacy sensitive and protective group was people aged 46-65;
- Education level was generally inversely related to privacy sensitivity, and privacy protective behavior; and
- Higher income respondents were less likely to read privacy policies than lower income respondents.

#### **Do Individuals Read Privacy Policies?**

While conventional wisdom is that individuals do not read privacy policies, that statement is a generalization that does not hold true. According to Executive Director Andrew Serwin, "While not every person reads privacy policies, and some policies had low percentages of review, it appears that consumers are making knowing choices about whether to review the policies, particularly because education level had an inverse relationship to whether respondents engaged in privacy protective behaviors, and income level was also similarly inversely related to the review of privacy policies."

## **What is “*Privacy by Design*?”**

Developed in the early 1990s by Dr. Ann Cavoukian, Information and Privacy Commissioner, Ontario, Canada, *Privacy by Design* (“*PbD*”) is an approach that proactively embeds privacy directly into technologies, accountable business practices, and networked infrastructure, as the default condition. *PbD* is now recognized as an international privacy standard. Find out more at [www.privacybydesign.ca](http://www.privacybydesign.ca)

## **Background on the Study.**

This study was based upon 3 random samples of 954, 474, and 482 individuals in the United States who received an online survey. The Lares Institute received 818, 420, and 399 responses at an 85.7 percent, 88.6 percent, and 83.6 percent response rate. The margin of error of this survey is 5%. The error for subgroups is higher.

## **About The Lares Institute.**

The Lares Institute is a think tank that researches issues related to emerging technology and information governance issues, including: cyber-terrorism and national security; health care; consumer protection; Internet-based issues, including online retail and children’s online concerns; cloud computing and social media; ERISA; and privacy litigation. Executive Director Andrew Serwin has been named to Security Magazine’s Top 25 Most Influential People in the Security Industry, and recently ranked second by one leading IT publication on their Best Individual Privacy Advisors list. He is also the author of “Information Security and Privacy: A Guide to Federal and State Law and Compliance”, published by Thomson-Reuters. You can learn more about The Lares Institute at [www.laresinstitute.com](http://www.laresinstitute.com).

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