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UNISYS Security Index: United States

25 September 2009 (2H'09)

Lieberman Research Group

A large, abstract graphic consisting of several overlapping, thin red circles of varying sizes and positions, creating a sense of motion and depth. The circles are centered on the page and frame the word "Security".

Security

Introduction

The Unisys Security Index presents a social indicator of how safe consumers feel on key areas of risk:

- National safety regarding security and epidemics
- Financial safety regarding bankcard fraud and ability to meet personal financial obligations
- Internet safety regarding spam, viruses and online financial transactions
- Personal safety in terms of physical risk and identity theft

Unisys plays a prominent role in efforts to combat risk through the technology products and services it provides to the government and major industries in the U.S. Unisys' commitments to public and financial safety and security are the reasons for the creation of this index to monitor progress in these areas.

Overall Findings

The Unisys Security Index for the U.S. is 147, representing a moderate concern about safety. This index measures how secure Americans feel regarding national security, financial security, Internet security and personal security.

Adults in the US are most likely to worry about fraudulent use of their credit and debit cards, national security and identity theft. Americans are least concerned about their personal safety.

Survey Methodology

The U.S. Security Index is based on a telephone survey of 1,005 persons aged 18 and over, September 11-13, 2009. This 2H'09 survey follows the baseline Security Index survey of August 2007 and three follow-up surveys in 2008 and 2009. The U.S. survey has been conducted as follows:

- 1,005 completed interviews among nationally representative adults, 18+;
- Random digit dialing (RDD) sample of telephone households in the continental U.S.;
- Random selection of household respondent to ensure greater representation;
- The survey is conducted in English and representative of English-speaking households; and,
- The data from this study are weighted according to the most recent estimates published by the U.S. Census Bureau to ensure projectability of the data to U.S. adults.

Percentages are based on the full sample of 1,005.

Statistical Significance

All findings discussed in this report are statistically significant at a 95% level of confidence except where noted. Significant shifts in percentages since the March 2009 (1H'09) survey are asterisked in charts. Percentages are based on the full sample of 1,005 respondents except where noted (in which case, the number of respondents is shown in parentheses).

The Questions

In the core questions for the Security Index are eight items addressing four topics:

- National security
- Financial security
- Internet security
- Personal security

Consumers are asked whether they are concerned or not about the eight items listed below. If they are concerned, they are then asked to describe their level of concern (extremely concerned, very concerned or somewhat concerned).

National security

- The U.S.'s national security in relation to war or terrorism
- A serious health epidemic occurring in the U.S.

Financial security

- Other people obtaining and using your credit or debit card details
- Your ability to meet your essential financial obligations, such as your mortgage, other loan, credit card or bill payments

Internet security

- Computer security in relation to viruses or unsolicited emails
- The security of shopping or banking online

Personal security

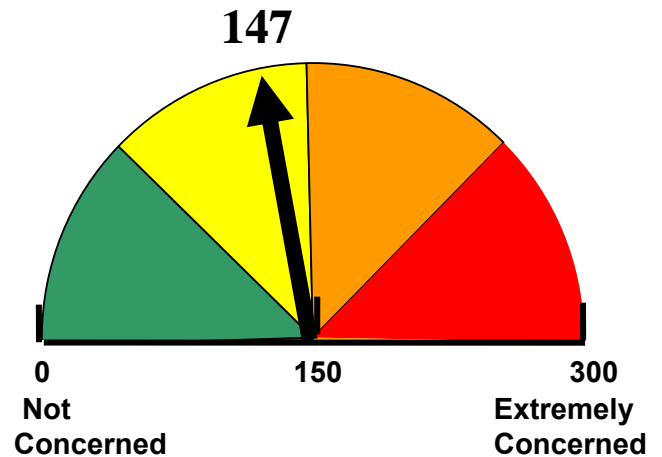
- Unauthorized access to or misuse of your personal information
- Your overall personal safety over the next 6 months

Americans are also asked whether they trust governments and financial institutions to keep their personal information private, and how they feel about the use of biometric data for identity verification.

The Security Index

U.S. adults are moderately concerned about security. The overall Security Index of 147 is unchanged since the 1H'09 survey in March.

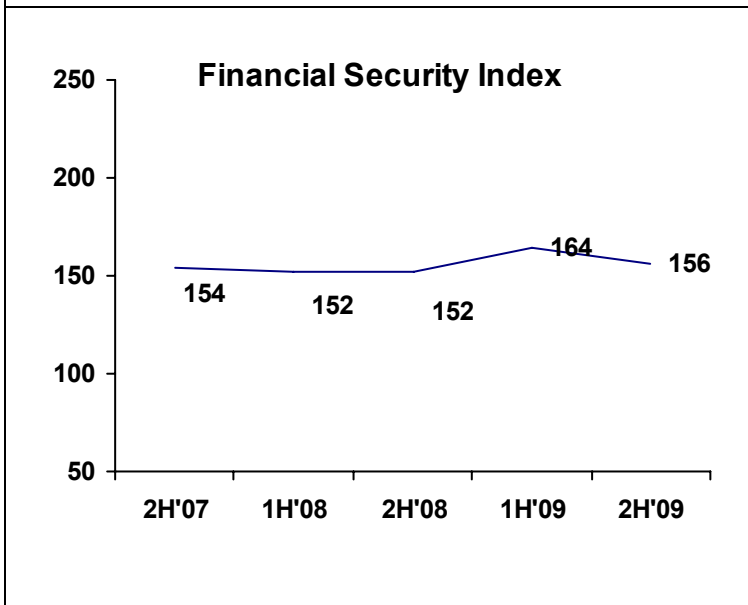
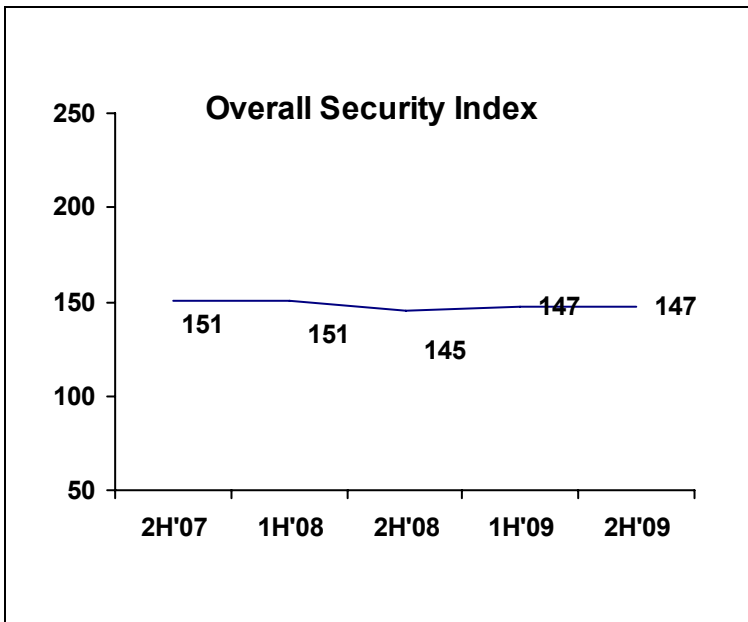
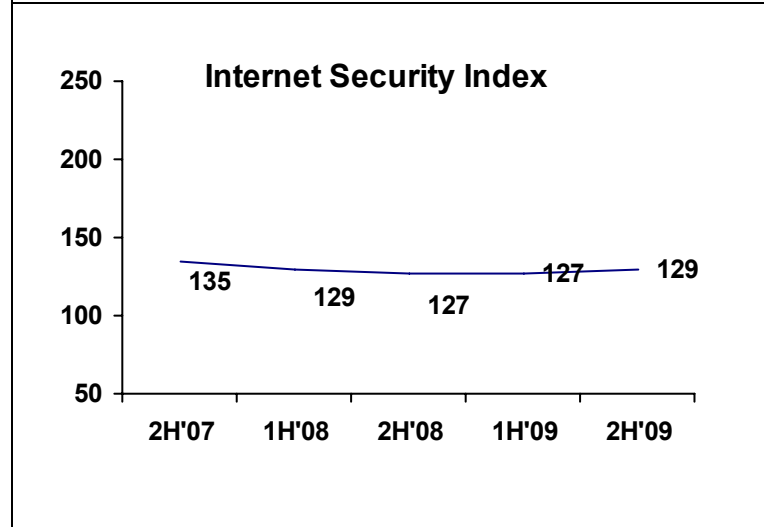
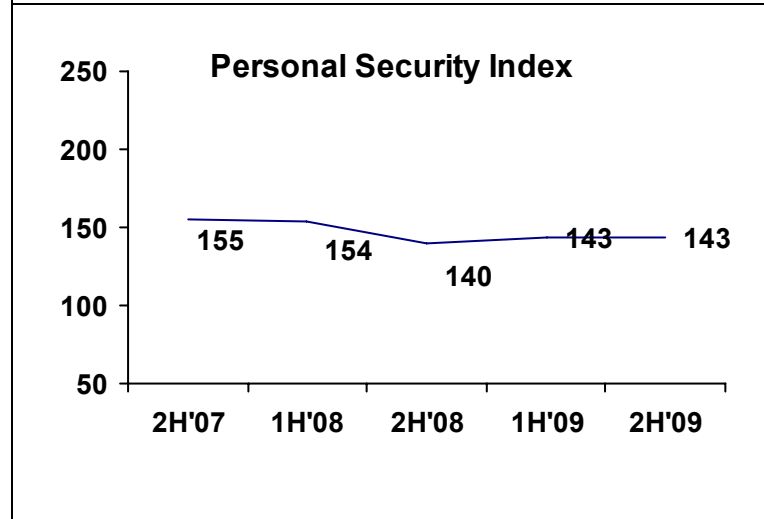
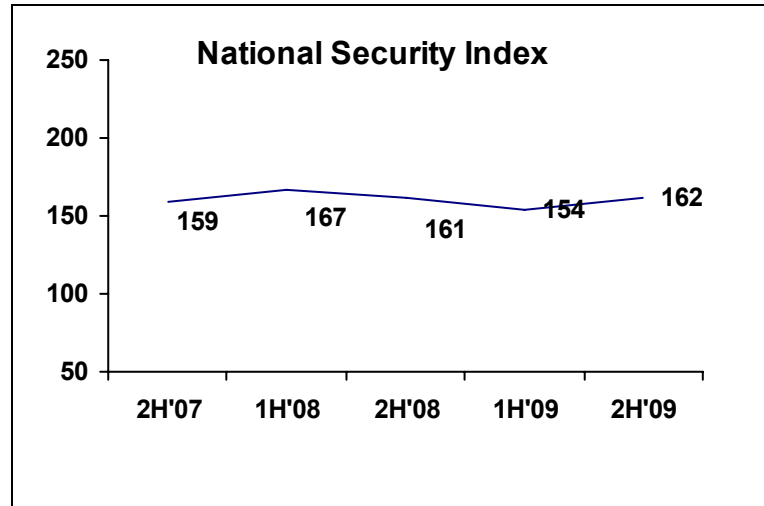
The indices for each of the four major sub areas appear below. The National Security and Financial Security indices are significantly higher than the indices for Internet Security and Personal Security.



NATIONAL SECURITY INDEX 162	FINANCIAL SECURITY INDEX 156
INTERNET SECURITY INDEX 129	PERSONAL SECURITY INDEX 143

Trends

The overall index for the US has shifted very little since the first wave of this study was conducted in August 2007. However, that apparent stability masks changes in the underlying components of the index. Financial Security, which was the most important concern in the March 2009 1H'09 survey, dropped behind National Security in 2H'09. Personal security was on a par with financial security as a concern in the first two waves, and has slipped to a slightly lower level of concern.



THE UNISYS SECURITY INDEX QUESTIONS

Issue: America's national security in relation to war or terrorism

National security is a relatively pervasive worry, and along with identity theft is Americans' #2 source of concern. Almost two thirds (64%) of Americans are either extremely or very concerned about U.S. national security. Only 11% say they are not concerned about this issue (Chart 1). Since 1H'09 the proportion of Americans who are seriously concerned ("Extremely" or "Very" concerned) about national security has risen significantly.

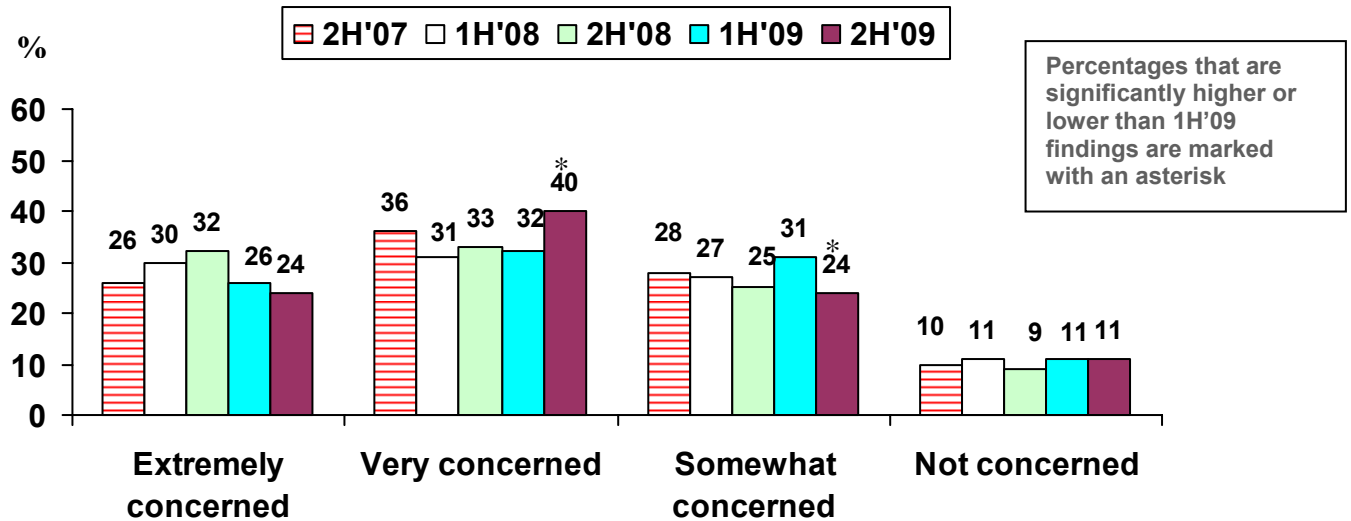


Chart 1: Concern about national security in relation to war or terrorism

Issue: A serious health epidemic occurring in America

Americans are becoming increasingly concerned about the risk of an epidemic such as H1N1 flu (Chart 2). Nearly half (47%) are seriously concerned about this threat, which is a significantly larger proportion than in 1H'09.

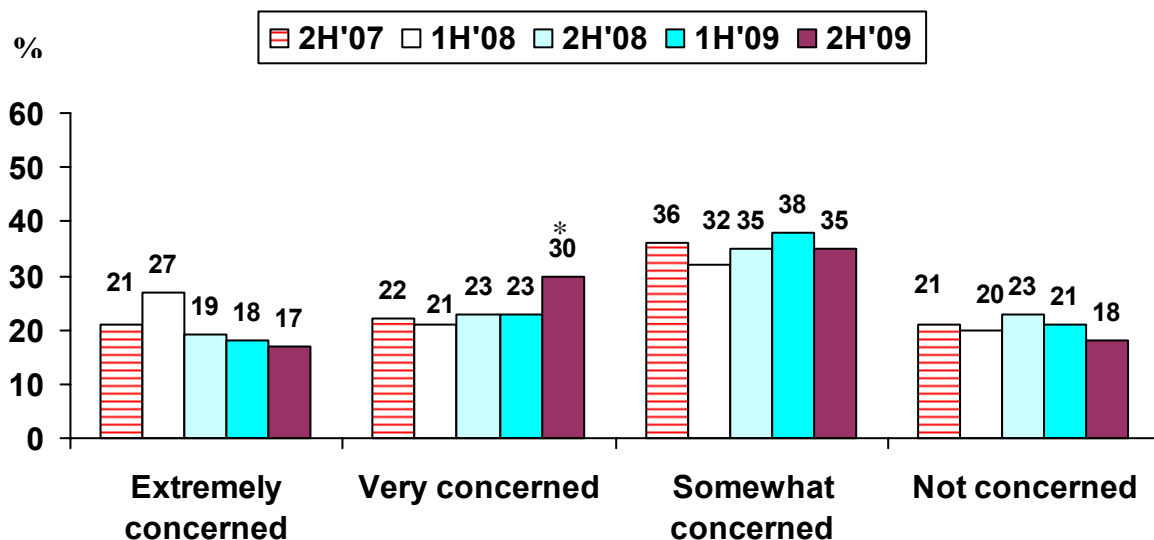


Chart 2: Concern about a serious health epidemic in America

Issue: Other people obtaining and using credit or debit card details

Most Americans are concerned about credit and debit card fraud (Chart 3) and this is the #1 area of worry. Two-thirds (64%) are seriously concerned about bankcard fraud, a level that has not changed significantly since 1H'09.

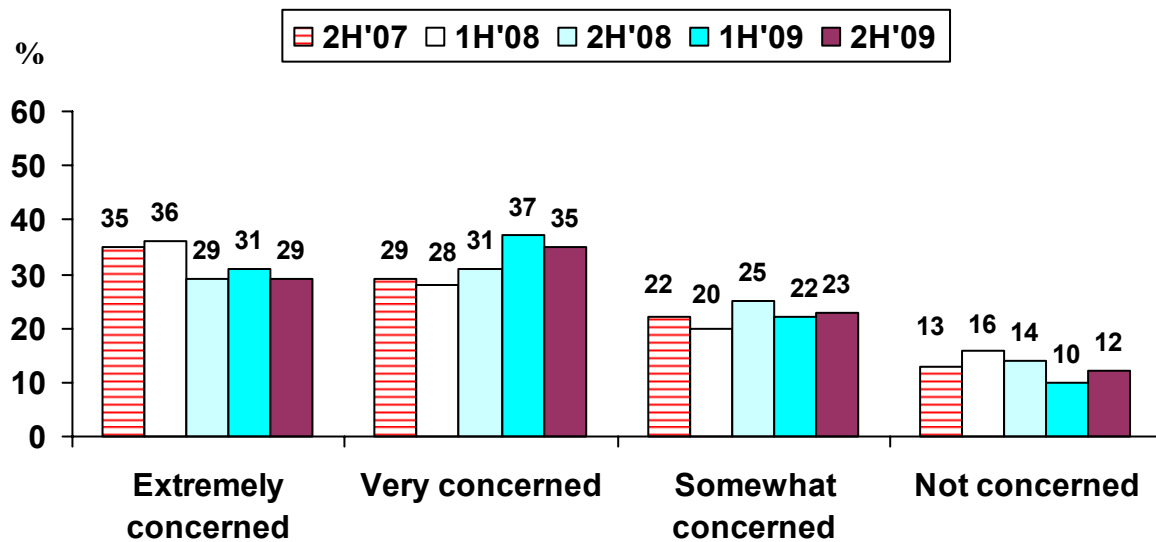


Chart 3: Concern about other people obtaining and using credit or debit card information

Issue: Ability to meet essential financial obligations

Given climbing foreclosure and credit card default rates, it is not surprising that the proportion that is seriously concerned about meeting financial obligations represents 43% of the population (Chart 4). Since the 1H'09 study the proportion that is not concerned at all has risen to 31% (this proportion reflects the fact that 44% of adults over age 65 say they are not concerned).

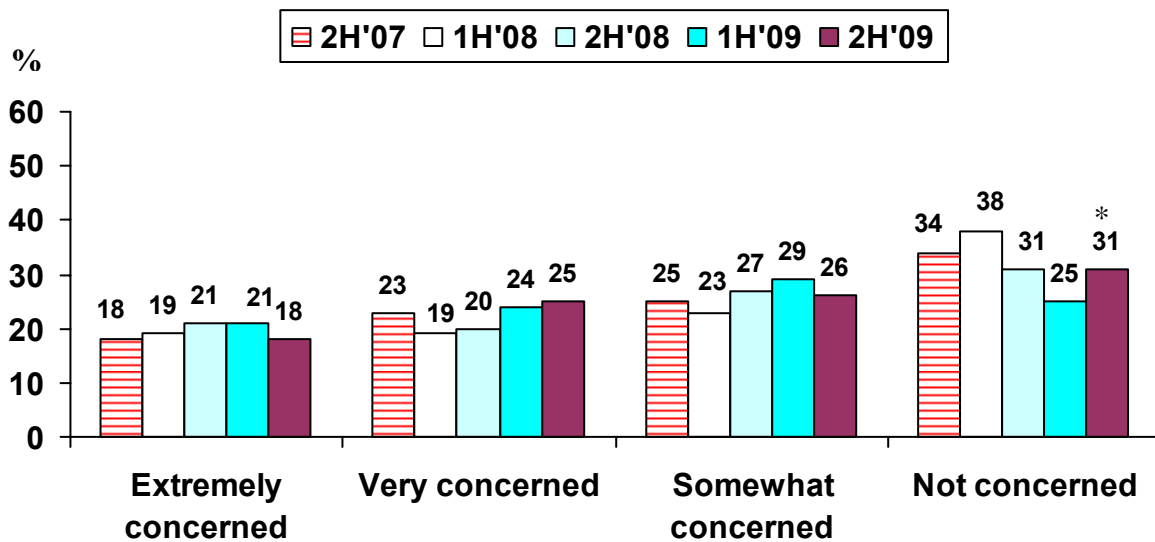


Chart 4: Concern about meeting essential financial obligations such as your mortgage, other loan, credit card or bill payments

Issue: Computer security in relation to viruses or unsolicited e-mails

Americans are divided with regard to concern about computer security. Just over 40% of Americans are seriously concerned about this issue, while 25% are not concerned at all (Chart 5). These percentages are basically unchanged since 1H'09. *The proportion not concerned is roughly the same as the proportion of Americans who do not use the Internet, suggesting that most Internet users are concerned about this issue.*

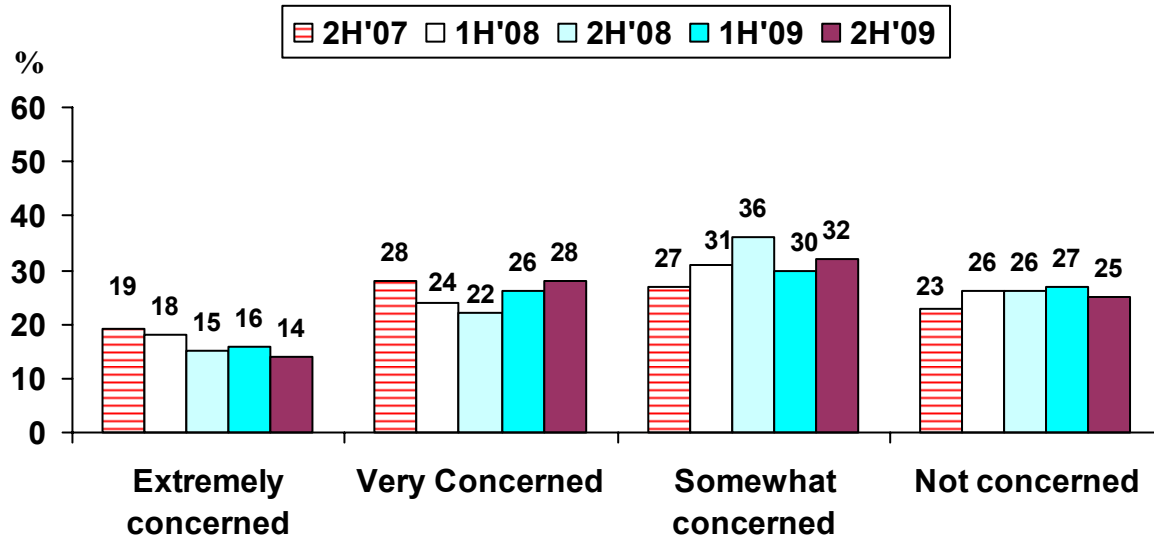


Chart 5: Concern about computer security in relation to viruses or unsolicited e-mails

Issue: The security of shopping or banking online

Again, while nearly one half (42%) of Americans are seriously concerned about the security of online transactions, 30% are not concerned at all (Chart 6). These proportions have been stable since the Baseline survey. *Again, those who are unconcerned may also be consumers who do not shop or bank online.*

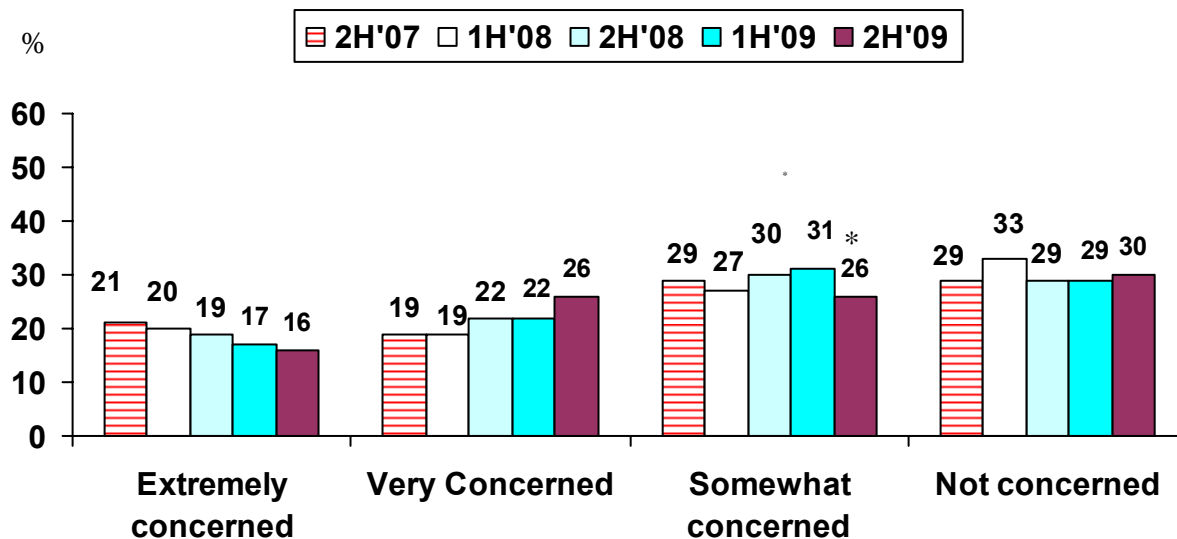


Chart 6: Concern about the security of shopping or banking online

Issue: Unauthorized access to or misuse of personal information

This question is intended to address the issue of identity theft, and this along with national security is Americans' #2 area of concern. Almost two-thirds (65%) are seriously concerned about this issue (Chart 7). While there has been a "down-shift" from "Extremely" to "Very" concerned, overall, the level of concern on this issue has remained relatively high and consistent since 2007.

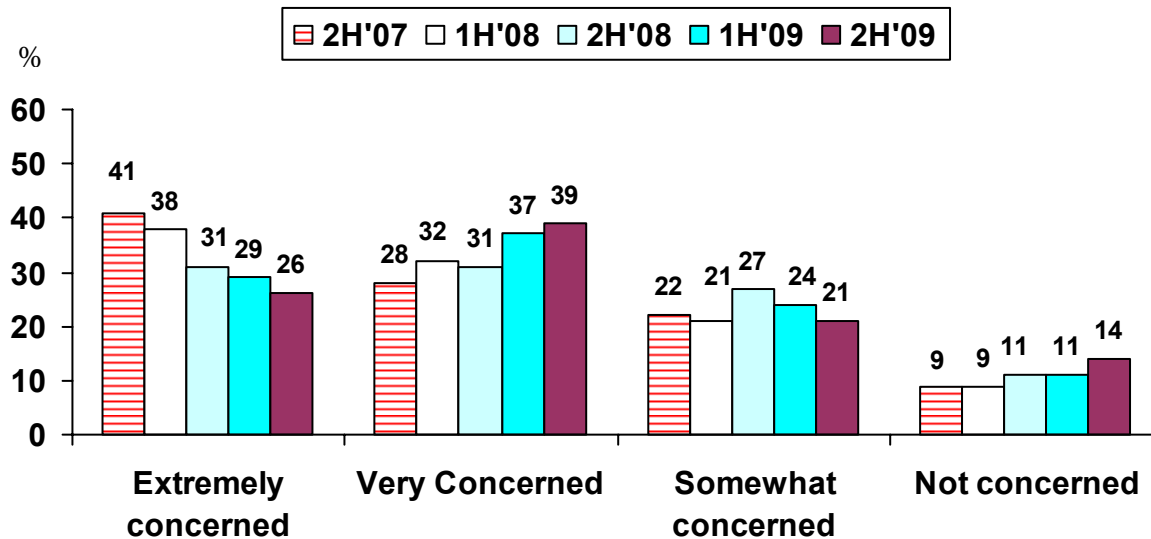


Chart 7: Concern about unauthorized access to or misuse of personal information

Issue: Your overall personal safety over the next six months

Most Americans feel comfortable about their personal safety. One-third (32%) are seriously concerned about this threat (Chart 8) and this proportion has increased significantly since 1H'09.

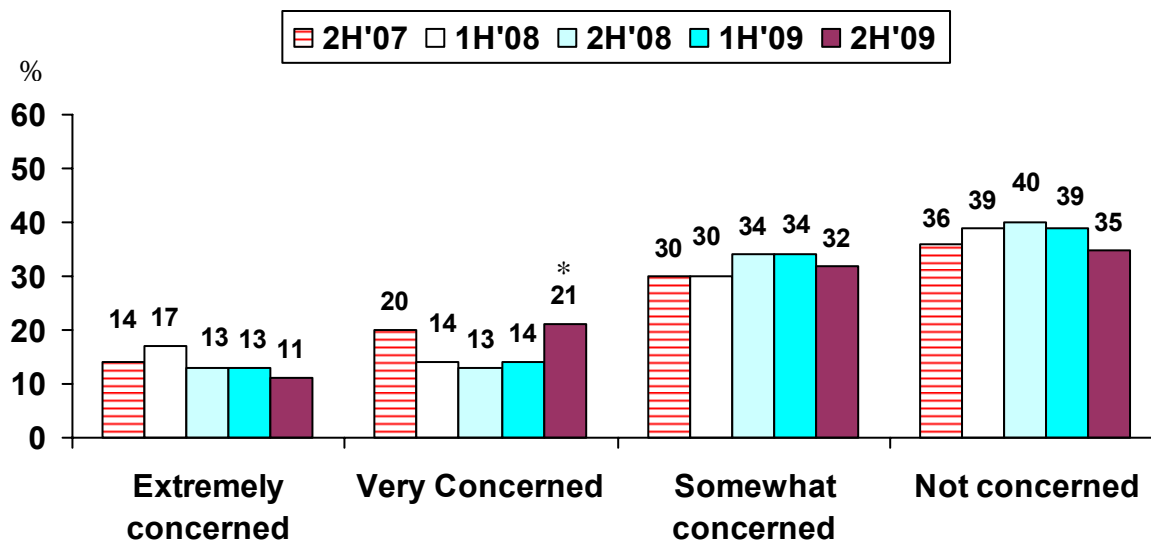


Chart 8: Concern about your overall personal safety over the next six months

How Demographic Differences Influence Security Concerns

Age

There are notable differences in how different age groups perceive security issues (Chart 9).

Younger American adults (18-34 years of age) are less concerned about national security than are older adults, while seniors aged 65 and older are less concerned about meeting their financial obligations, bankcard fraud, viruses and spam than are younger Americans.

Middle-aged adults aged 35-65 tend to worry the most. One issue that should be of concern for bankers and retailers is that these middle-aged Americans have the greatest concern about the safety of online banking and shopping – and *these are the people who tend to have the highest earnings and greatest disposable income.*

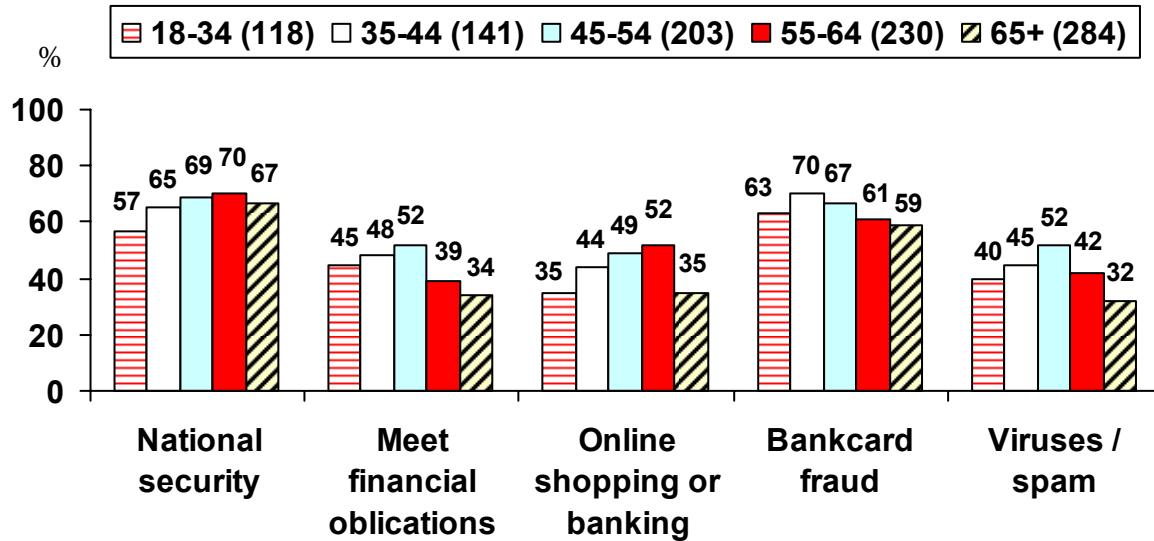


Chart 9: Percent “Extremely / Very” concerned (security threats with significant differences between age groups)

Household income

Relatively affluent households (more than \$75,000 in annual income) tend to be less concerned than other Americans about meeting their financial obligations and the threat of epidemics (Chart 10).

Americans from households earning \$25,000-\$49,000 are the most concerned about the safety of online transactions.

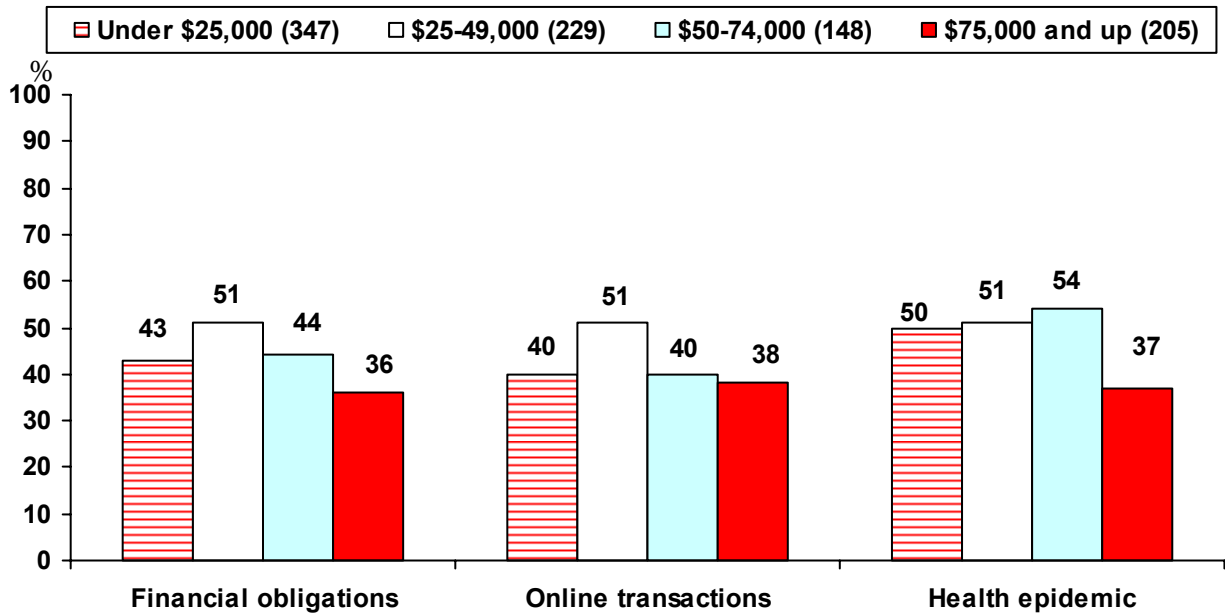


Chart 10: Percent “Extremely / Very” concerned (security threats with significant differences between income groups)

Education

College graduates tend to be less concerned than other Americans about a variety of security issues, including national security, the risk of a health epidemic, identity theft, meeting financial obligations and personal safety (Chart 11).

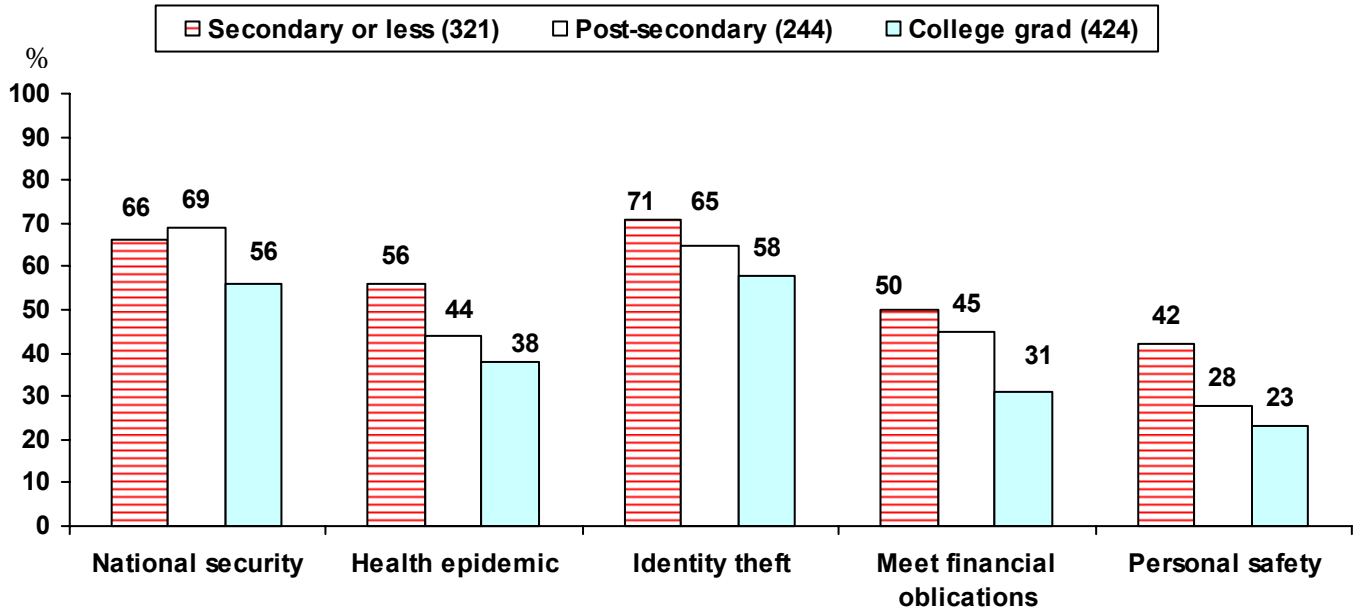


Chart 11: Percent “Extremely / Very” concerned (security threats with significant differences between education groups)

Race

Blacks worry more about security threats than do Whites and Hispanics (Chart 12). They are virtually twice as likely as Whites to be seriously concerned about meeting financial obligations and personal safety.

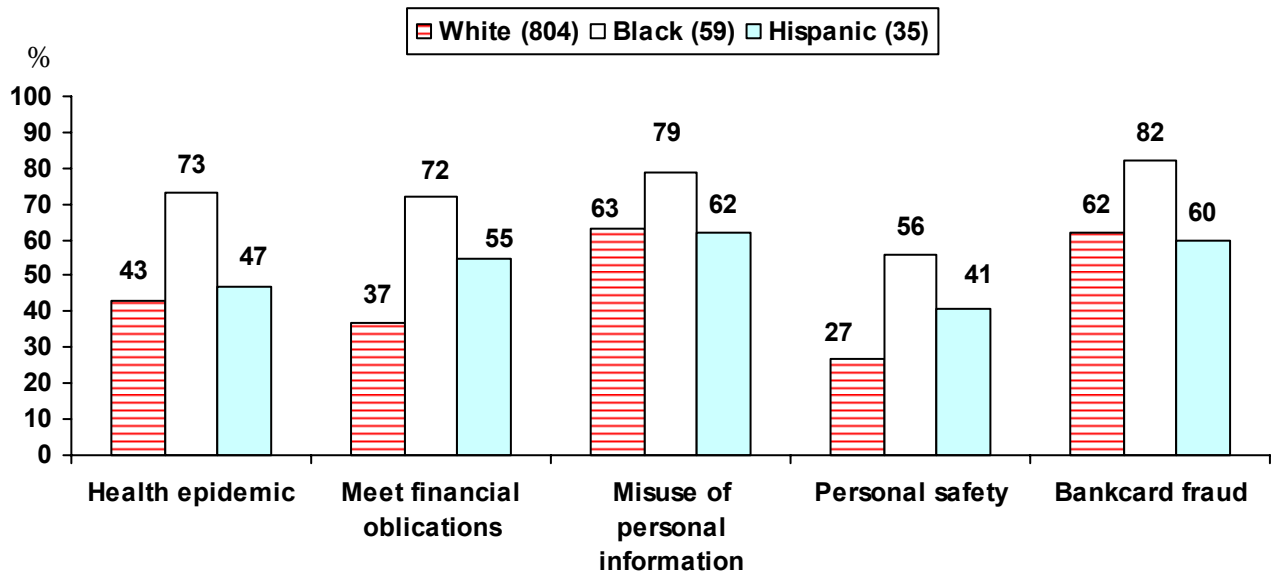


Chart 12: Percent "Extremely / Very" concerned (security threats with significant differences between racial groups)

Region

Westerners are less worried about online transactions and personal safety than are Southerners (Chart 13).

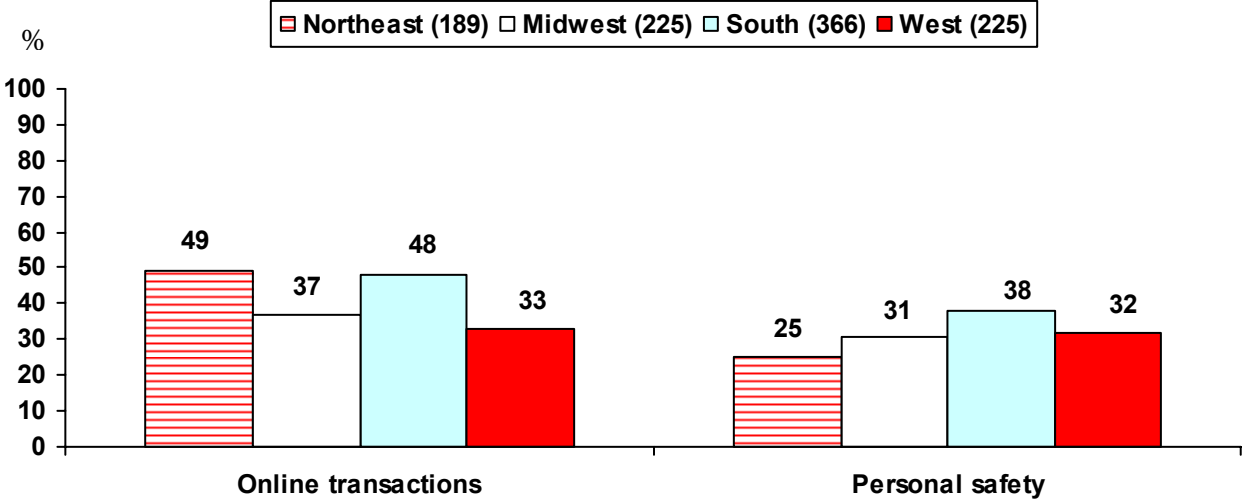


Chart 13: Percent “Extremely” or “Very” concerned (security threats with significant differences between regions)

SUPPLEMENTAL QUESTIONS

ISSUE: PLEASE TELL ME IF YOU ARE CONCERNED OR NOT CONCERNED ABOUT THE ABILITY OF NATIONAL / LOCAL GOVERNMENTS AND YOUR FINANCIAL SERVICE PROVIDERS TO KEEP YOUR PERSONAL INFORMATION SECURE AND PRIVATE

Just under half of Americans indicate that they are seriously concerned about the ability of governments and financial service providers to keep their person information secure. Only 29% fully trust financial institutions and this proportion is even smaller for government (22% not concerned).

Blacks are more concerned than Whites about this issue.

Concern about Ability to Keep Personal Information Secure

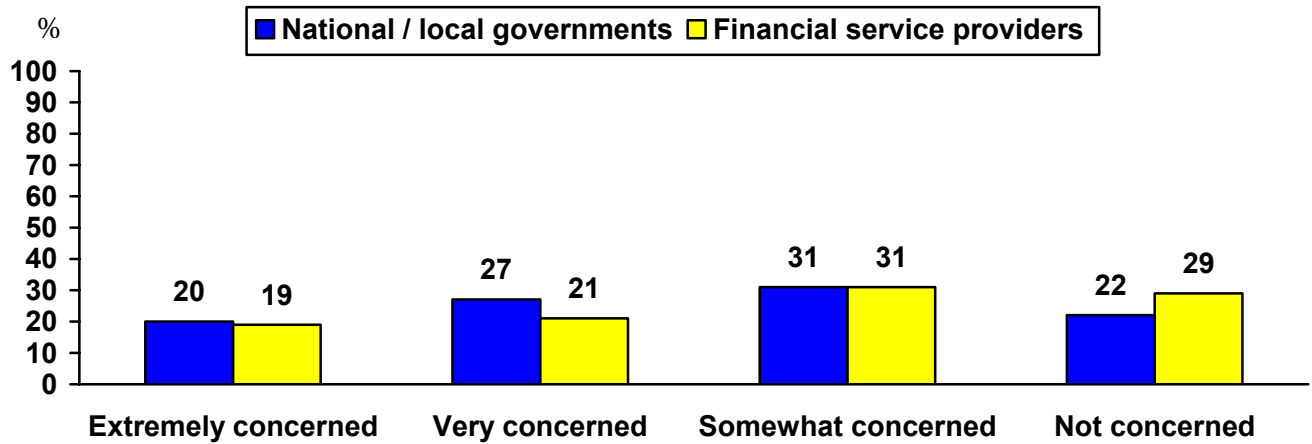


Chart 14: Concern about ability to keep personal information secure

ISSUE: BIOMETRIC TECHNOLOGY PRESENTS A WAY FOR MERCHANTS AND FINANCIAL INSTITUTIONS TO CONFIRM A CUSTOMER'S IDENTITY. BIOMETRICS USES THINGS SUCH AS FINGERPRINTS, VOICE, EYE SCANNING OR HAND SCANS TO AUTHENTICATE A CUSTOMER. THE CUSTOMER WOULD NO LONGER NEED TO REMEMBER A PIN NUMBER OR PASSWORD AND THE PROCESS WOULD BE AS FAST AS OR FASTER THAN WHAT YOU MAY USE TODAY. THE CUSTOMER WOULD HAVE TO PROVIDE A FINGERPRINT OR SCAN WHICH WOULD BE STORED IN A DATABASE. IF YOU WERE GUARANTEED THAT THE BIOMETRIC YOU PROVIDED WOULD BE SECURE, WOULD YOU BE WILLING OR NOT WILLING TO USE THIS FORM OF IDENTIFICATION?

The majority of Americans (58%) would be willing to provide biometric data in order to verify their identity.

Men are somewhat more willing than women to provide biometric data. Americans from households with incomes over \$75,000 are more willing than are adults with smaller household incomes .

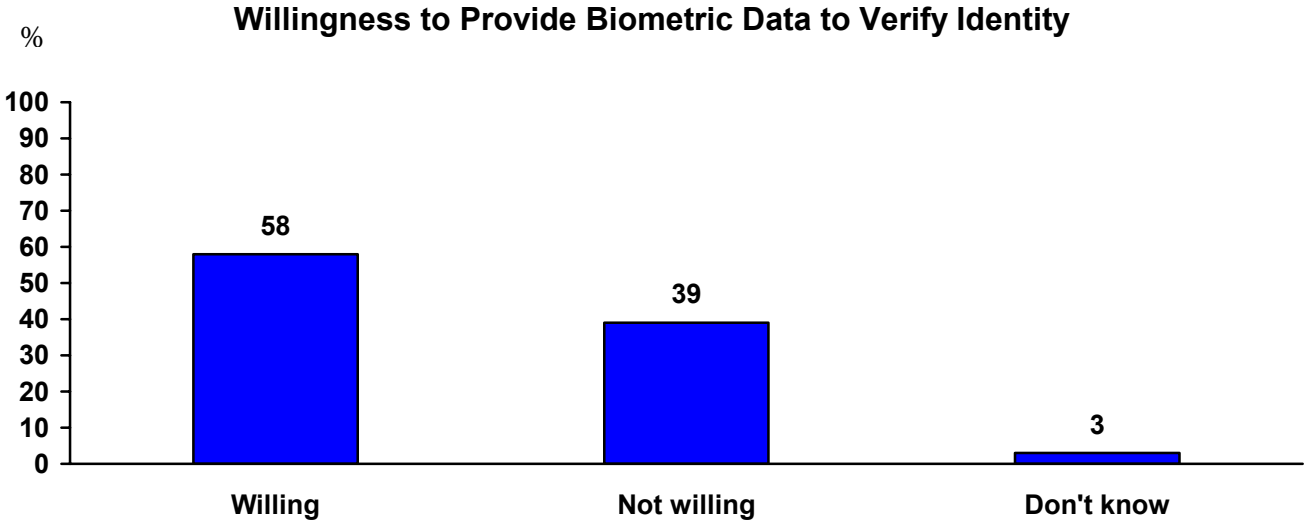


Chart 15: Willingness to provide biometric data to verify identity

ISSUE: WHICH OF THE FOLLOWING WOULD YOU BE WILLING TO USE TO VERIFY YOUR IDENTITY WITH BANKS, GOVERNMENT AGENCIES AND OTHER ORGANIZATIONS TO PREVENT FRADULENT MISUSE OF YOUR PERSONAL INFORMATION?

Americans tend not to object to particular biometric methods for identity verification. Nearly all would use fingerprint scans, while almost 40% are reluctant to endorse hand scans.

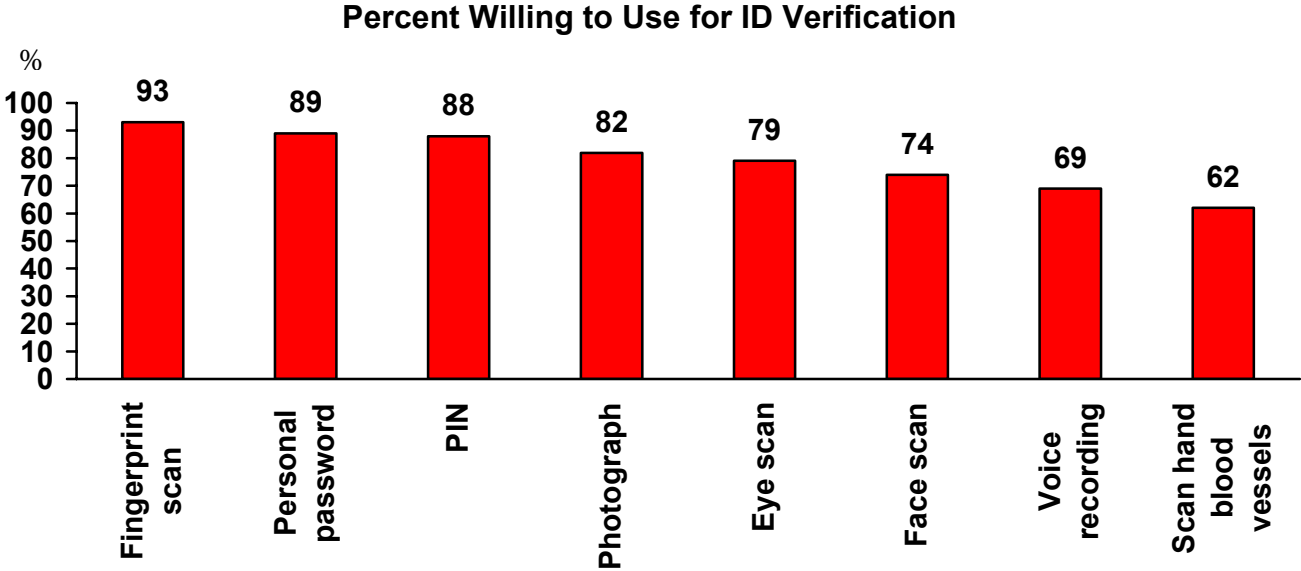


Chart 16: Percent saying they would allow different verification methods. Base: 583 respondents saying they were willing to use biometric technology to verify identity in the prior question.

About Lieberman Research Group

Lieberman Research Group is a top-ranked and nationally recognized market research organization serving the business-to-business and consumer markets. Founded in 1966, it is now a \$30 million custom research company. Interviewing facilities in Manhattan and Brooklyn have the capability to conduct interviews in 20+ languages.

Lieberman Research is the only U.S. member of The Global Research Alliance – an international consortium of independent market research firms in over 20 countries that provides access to interviewing facilities internationally as well as local knowledge and input critical to successful international studies.

Through its research in the U.S. and worldwide, Lieberman Research provides custom research and information analysis to its clients on a wide range of issues including customer and employee satisfaction, loyalty, multicultural and ethnic marketing, new product development, public policy, advertising, public relations and many others.

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