

IDENTITY THEFT: WHO'S AT RISK?

G. Oscar Anderson
Senior Research Advisor, ganderson@aarp.org
September 2014

Methodology

- AARP Fraud Watch Network and *AARP The Magazine* commissioned an online survey using an e-Rewards online panel.
- Total sample size was n=2250 broken down by the following age groups:
 - n=750, 18-49 year-olds
 - n=1500, 50 and older
- Data were weighted to represent the US population of adults 18+ by age, gender, ethnicity, and region using the Census' Current Population Survey.
- Data were collected August 6-August 12, 2014.
- Significance testing was performed at the 95% confidence interval with a +/- 2.1% margin of error for the total sample.
- Survey questionnaire can be found in the Appendix.

Executive Summary

This AARP Fraud Watch Network study aimed to assess Americans' habits around protecting their personal and financial information. Overall, the study finds that many Americans are not taking precautions necessary to reduce their risk of identity theft.

Many Americans Struggle With Low-Tech Personal Information Protection

- Almost six in ten (59%) Americans **do not regularly lock their mailbox**.
- Over half (54%) of Americans 18-49 have **left at least one valuable personal item in their car** (e.g., a purse/wallet, paystub, laptop) that could be used to steal their identity just in the last week. One in four (24%) Americans 50 and older have done so.
- More than one in five (21%) Americans say they **never shred any of the personal documents** that could be used to steal their identity.

Many Have Also Failed to Adopt Online Theft Prevention Habits

- Over one in three (35%) Americans **have not set up online access to all of their bank/credit card accounts**. Over four in ten (42%) Americans 50+ have not set up online access to all of their bank/credit accounts.
- More than four in ten (45%) Americans **admit to using the same password** on two or more of their accounts.
- Almost half (49%) of Americans have **not changed the password on their online bank account in the past six months**.

Executive Summary

Few Adults Take Advantage Of Identity Protection Services

- Over half (52%) of Americans **do not check their free credit report** annually.
- Just 14% of Americans say they **subscribe to identity theft protection services** such as Lifelock, Identity Guard, or LegalShield.
- Just 17% of Americans **check their credit regularly** with one of the credit bureaus.
- Just 7% use **password services** such as LastPass or KeePass.

Twelve Percent Of Americans Age 18 Or Older Have Been Subject To Identity Theft In Just The Past 12 Months

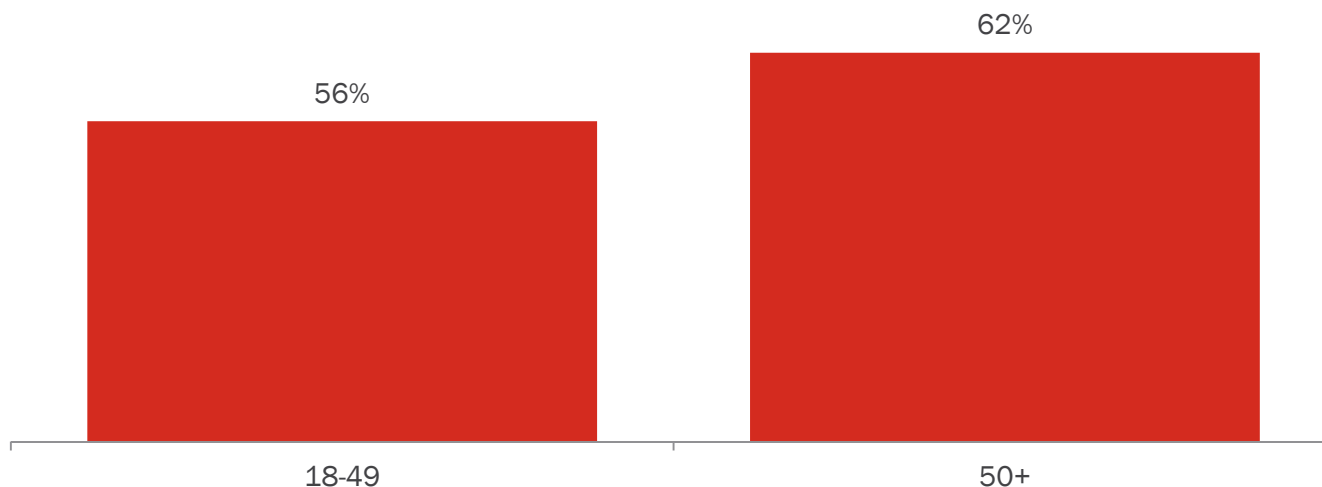
- Four in 10 Americans age 18 or older (41%) have been **notified by a company they have done business with in the past year that their information has been subject to a security breach.**

LOW TECH RISKS

Almost six in ten (59%) Americans do not regularly lock their mailbox

- Fifty-nine percent of Americans age 18+ do not have a locking mailbox at home.
- By age, adults age 18-49 (47%) are more likely than those 50+ (62%) to lack a locking box.
- Those in the west are more likely to have a locking mailbox (57% have one) than those in any other region (Northeast: 35%, South: 36%, Midwest: 38%).

Percentage Without a Locking Mailbox by Age

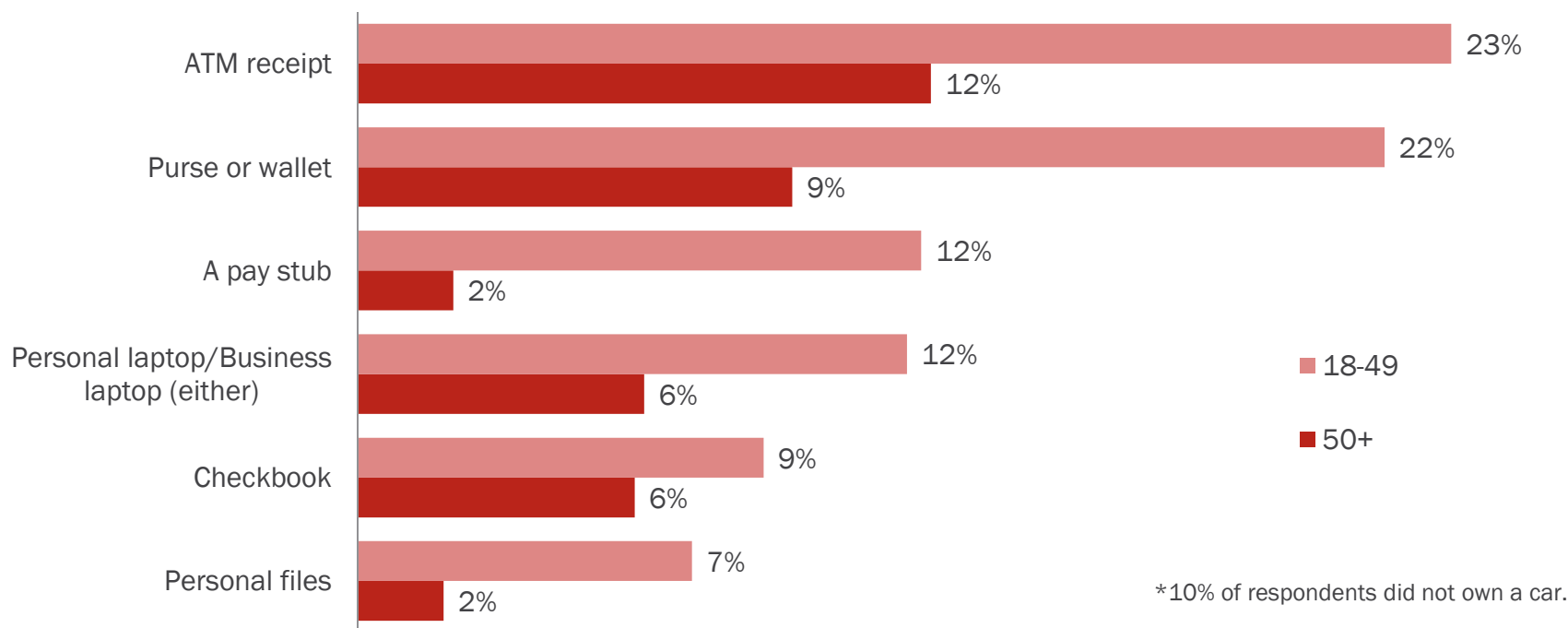


Q7. Do you regularly lock your home mailbox? (n=2250)

Over a third (37%) of car-owning Americans have left at least one valuable in their car in the past week

- Over a third (37%) of car-owning Americans have left at least 1 of 7 “valuables,” such as purses/wallets, pay stubs, or laptops, in their car in the past week.
- Over half (54%) of Americans 18-49 have left at least one valuable item in their car that could be used to steal their identity, versus just one in four (24%) Americans 50 and older who have done so.

Items Left in Parked Car in the Past Week (among car owners)

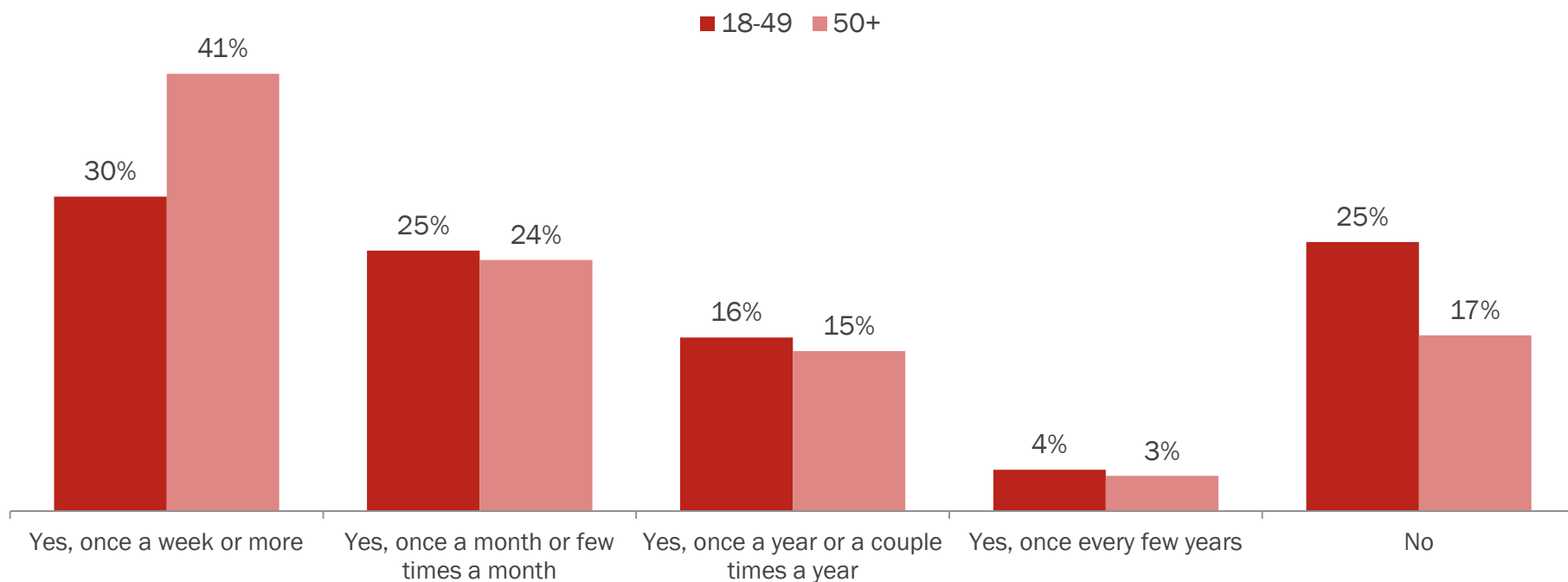


Q19. In the last week, how many of the following items did you leave in your locked car when you parked? (n=2032)

More than one in five (21%) Americans say they never shred any of their personal documents

- Over a third (35%) of adults shred documents containing personal information on at least a weekly basis. Adults age 18-49 are more likely than those age 50+ say they never shred documents (25% vs. 17%).
- Moreover, women are significantly more likely than men to say they never shred documents (24% vs. 20%) as are those with household incomes under \$30,000 (29% never shred vs. just 13% of those earning \$100,000+).

Do You Regularly Shred Documents That May Contain Personal Information?



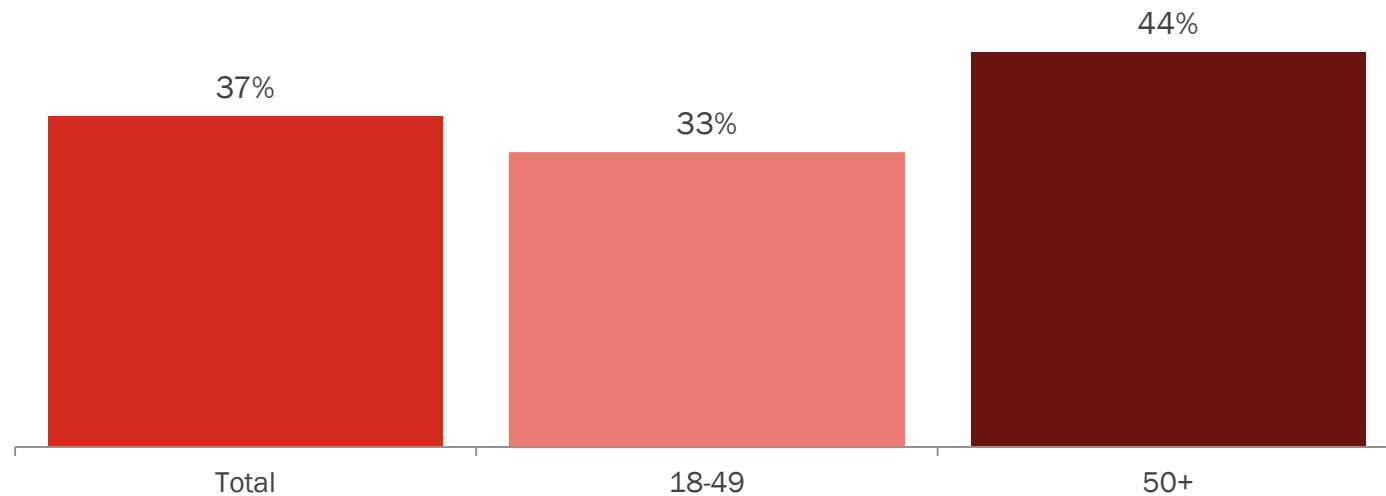
Q6. Do you regularly shred documents that may contain personal information? (n=2250)

HIGH TECH RISKS

Over 1 in 3 (37%) smartphone owners do not use a passcode on their phones

- Thirty-seven percent of smartphone owners do not use a passcode on their mobile phones.
- Additionally, usage of a passcode to unlock the phone decreases with age, with 44% of smart phone owners age 50+ saying they do not use a passcode on their phone.

Does Not Use A Passcode on Smartphone
(among those who have a smartphone)



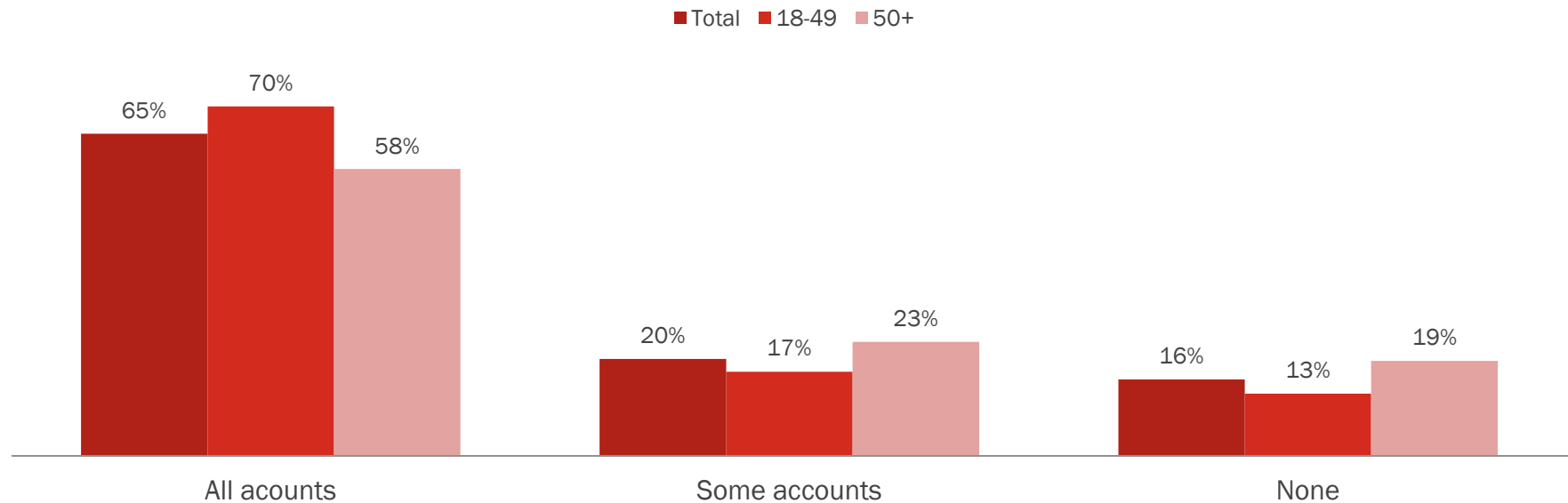
*22% of respondents did not own a smart phone.

Q8. Do you use a passcode on your smart phone (that is, you must enter a number to unlock or access the phone)? (n=1755)

Over one in three (35%) Americans have not set up online access to all of their bank/credit card accounts

- Over a third (35%) of Americans have not set up online access to all of their banking and credit accounts.
 - Just 20% have set up access to some accounts and 16% have no access at all.
- Older adults are significantly less likely to say they have set up online access to all of their accounts (42% vs. 30%).

Online Account Set Up by Age

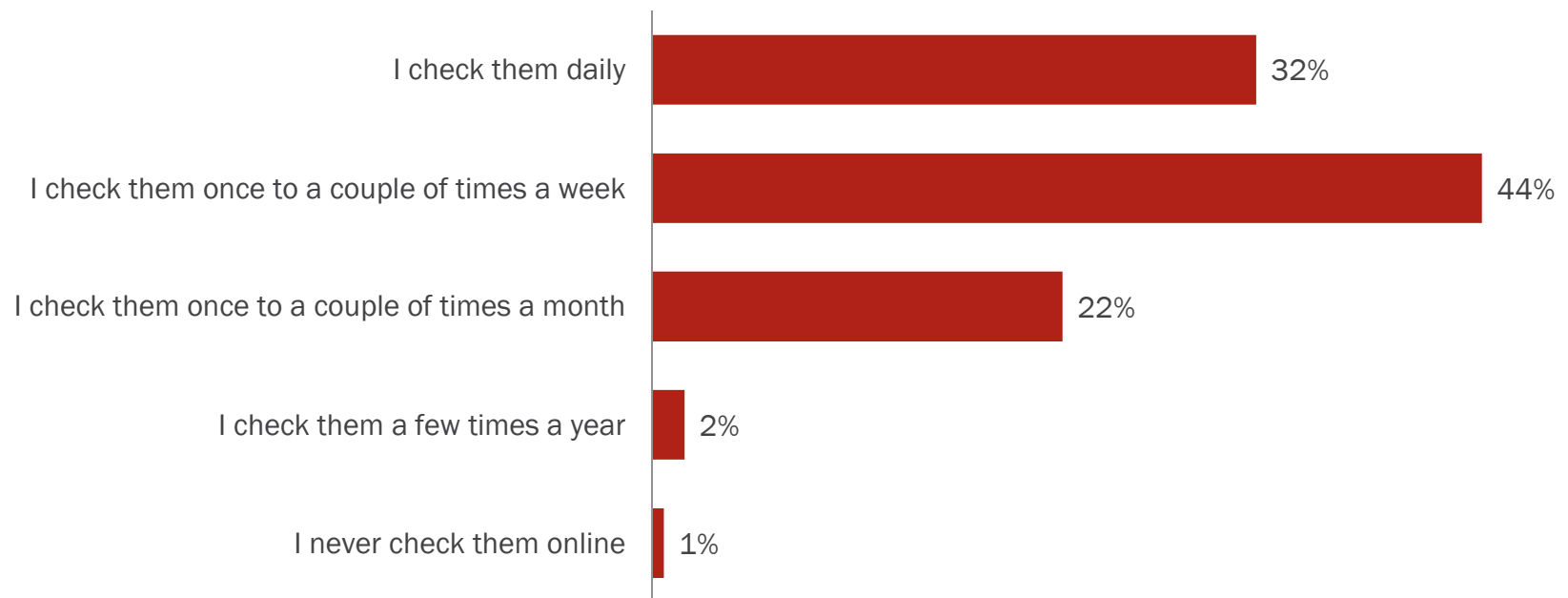


Q10. Have you set up online access to your bank and credit card accounts? (n=2250)

Among those who have online account access, 32% say they check their accounts daily

- Over 3 in 10 adults (32%) who have set up online access to their credit and bank accounts say they check those accounts daily. Another 44% say they check them a couple of times a week. Almost no one checks them less frequently than monthly (2% say a few times a year or never).

Online Account Monitoring Frequency
(among those who have online account access)

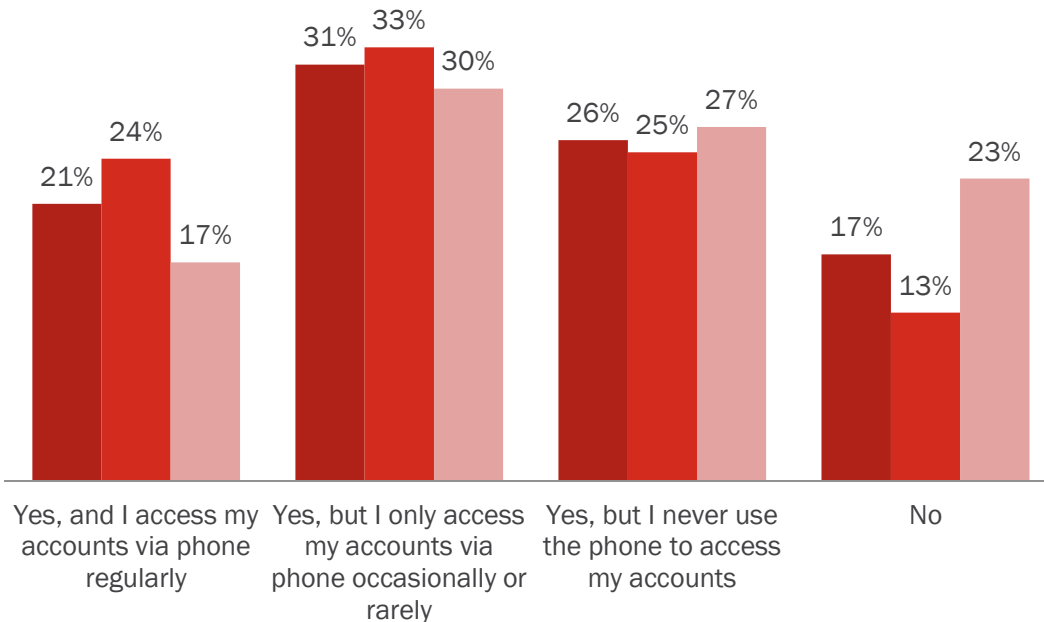


Q11. How often do you monitor your bank and credit card accounts online? (n=1882)

Two in 10 adults say they have telephone access to their financial accounts and they check them regularly

Telephone Access to Bank and Credit Accounts by Age

■ Total ■ 18-49 ■ 50+

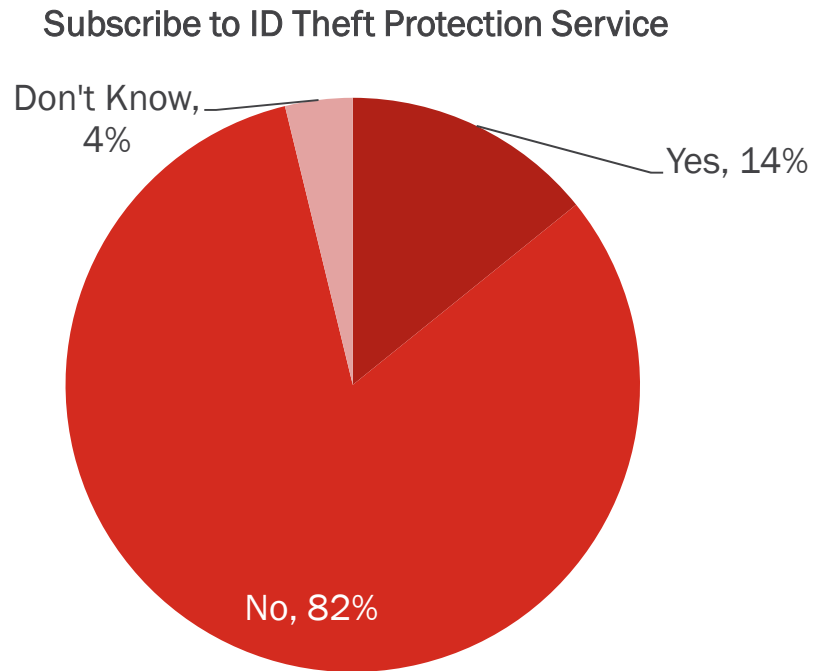


- Twenty-one percent of adults have access to their financial accounts via telephone and check those accounts regularly. Another 31% check their accounts via phone occasionally or rarely, and 43% say they either never check by phone (26%) or don't have access (17%).
- Younger adults are more likely than older adults to say they check their financial information via telephone regularly.

Q12. Do you have telephone access to your bank and credit card accounts? (n=2250)

Few adults subscribe to ID theft protection services

- Just 14% of Americans say they subscribe to identity theft protection services such as LifeLock, Identity Guard, or LegalShield.
- There were no differences by age; however, those with higher education were more likely to subscribe.



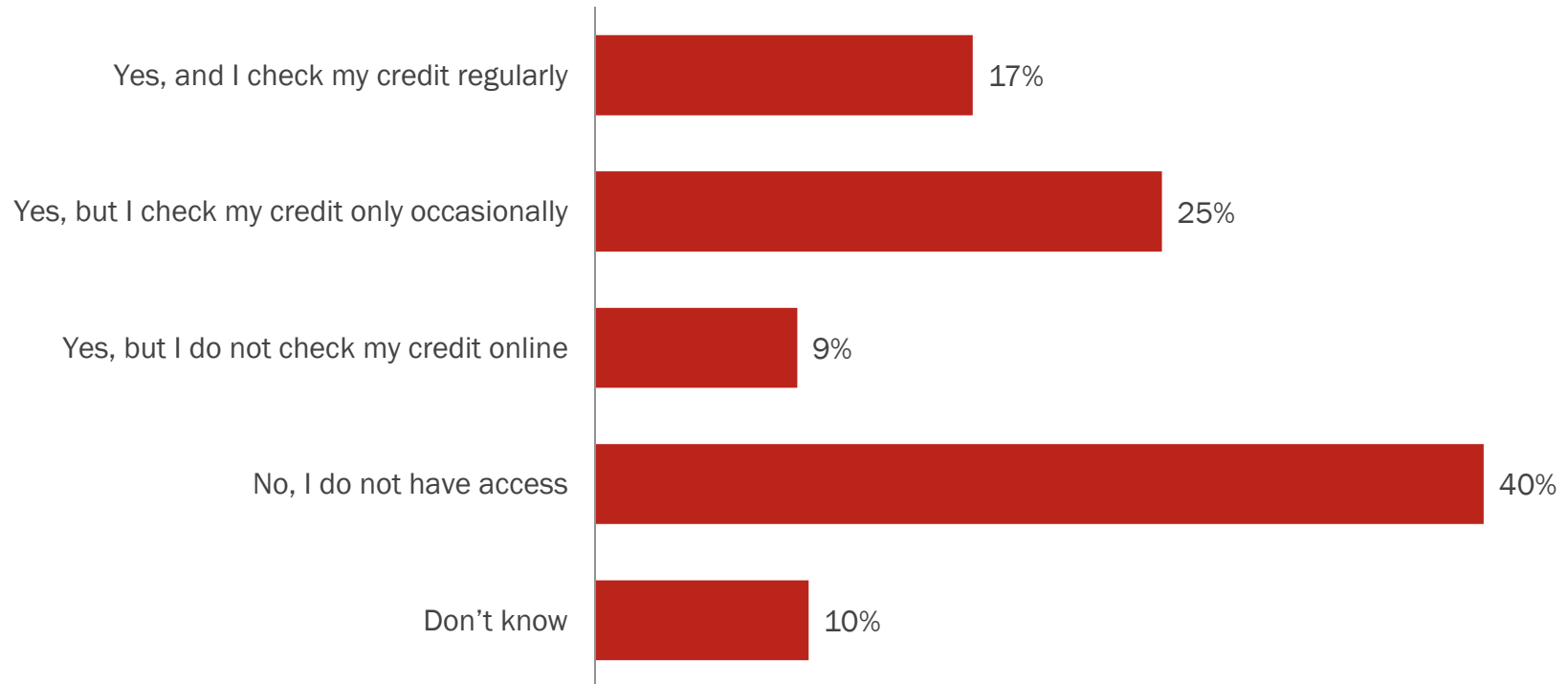
15% of adults 50+
subscribe to such a
service

Q13. Do you subscribe to an identity theft protection service such as LifeLock, Identity Guard, or LegalShield? (n=2250)

Just 17% of Americans check their credit regularly with one of the credit bureaus

- Few adults have access to and check their credit regularly with any of the credit bureaus (17%). Another quarter (25%) have access but only check their credit occasionally and 40% do not have access to their credit with any of the bureaus online.

Online Access to Credit Accounts with Credit Bureaus

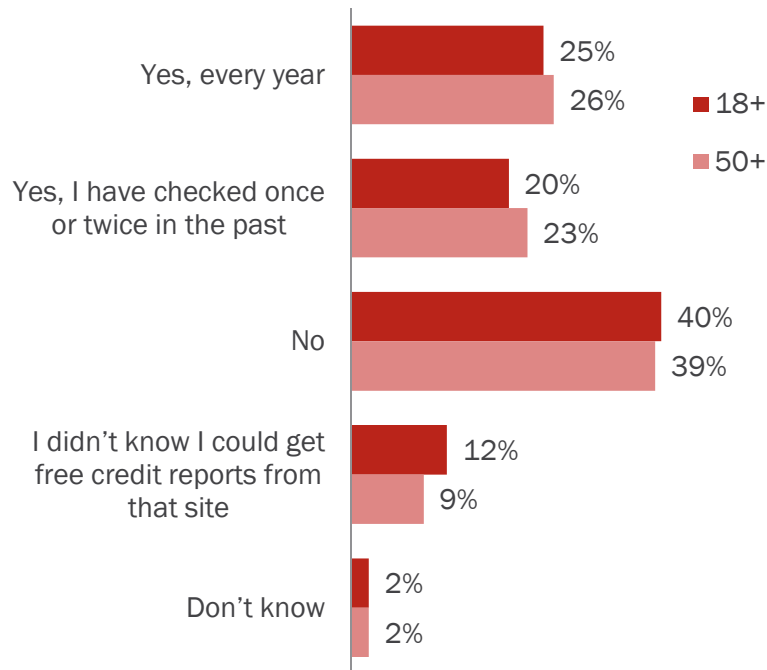


Q14. Do you have online access to your credit accounts with the credit bureaus (e.g., Equifax, Transunion, or Experian)? (n=2250)

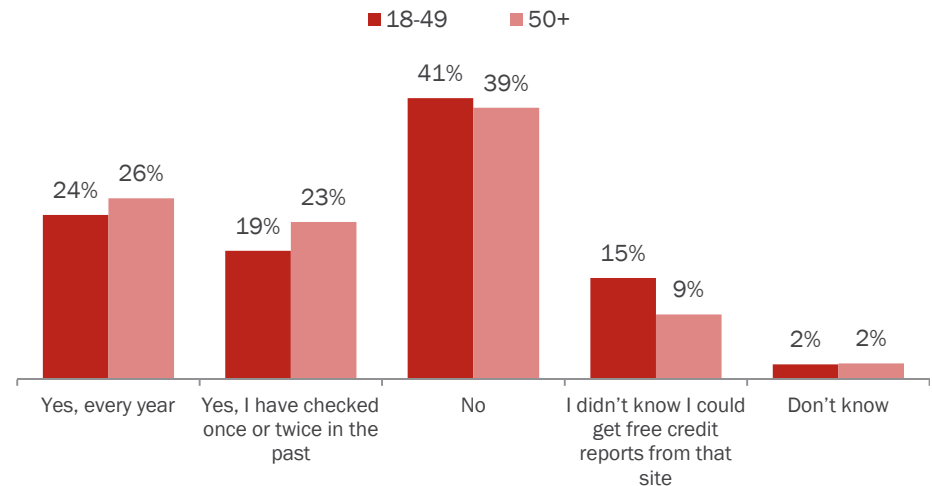
Only a quarter of Americans check their free credit report annually and another 20% check every few years

- Less than half of Americans say they take advantage of the free credit reports at annualcreditreport.com either annually or every few years (45%). Four in ten say they do not, and another 12% admit to not knowing it was available.
- Younger adults are more likely than those age 50+ to say they didn't know the credit report was available.

Online Access to Free Credit Report



Online Access to Free Credit Report by Age

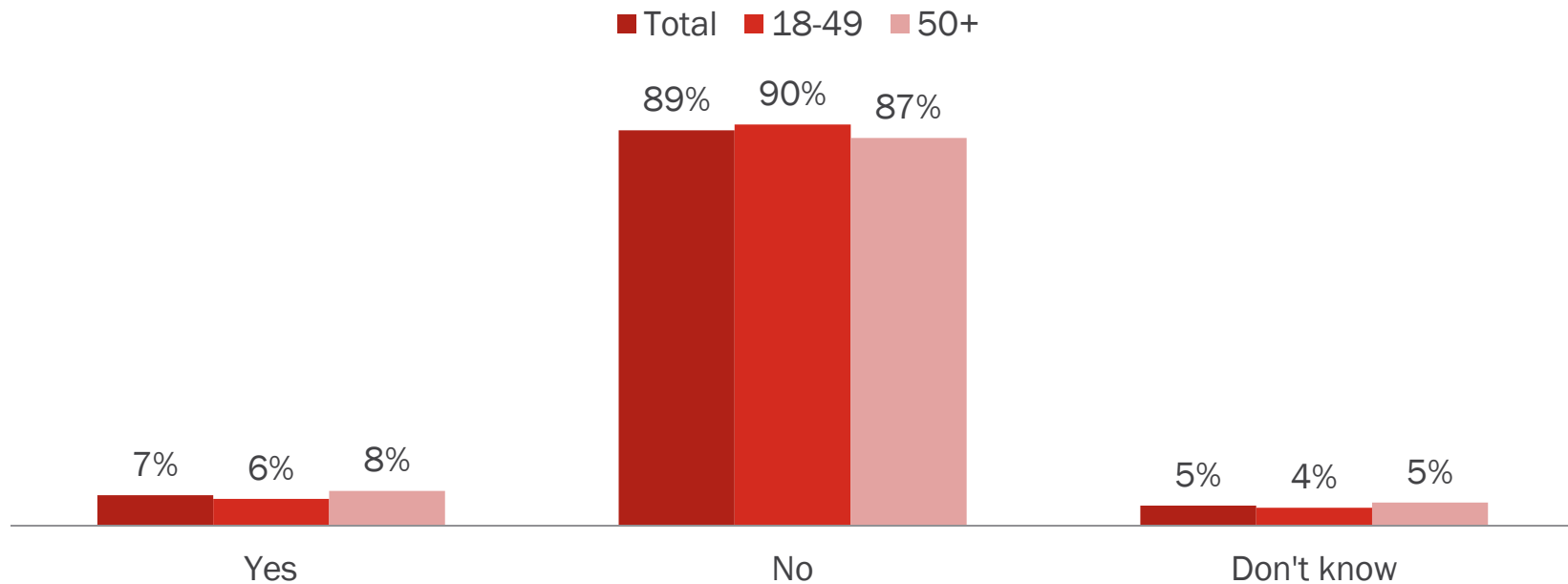


Q15. Do you check your free credit reports at annualcreditreport.com? (n=2250)

Just 7% of Americans use password services

- Password keeping services such as LastPass, KeePass, personal or 1 Password are not yet popular, with just 7% of Americans saying they use such a service.
- There were few differences by age, gender, or race/ethnicity in password service usage. However, those with a household income of over \$100,000 are significantly more likely than those making under \$50,000 to use such a service (10% vs. 5%).

Online Password Manager Service Usage



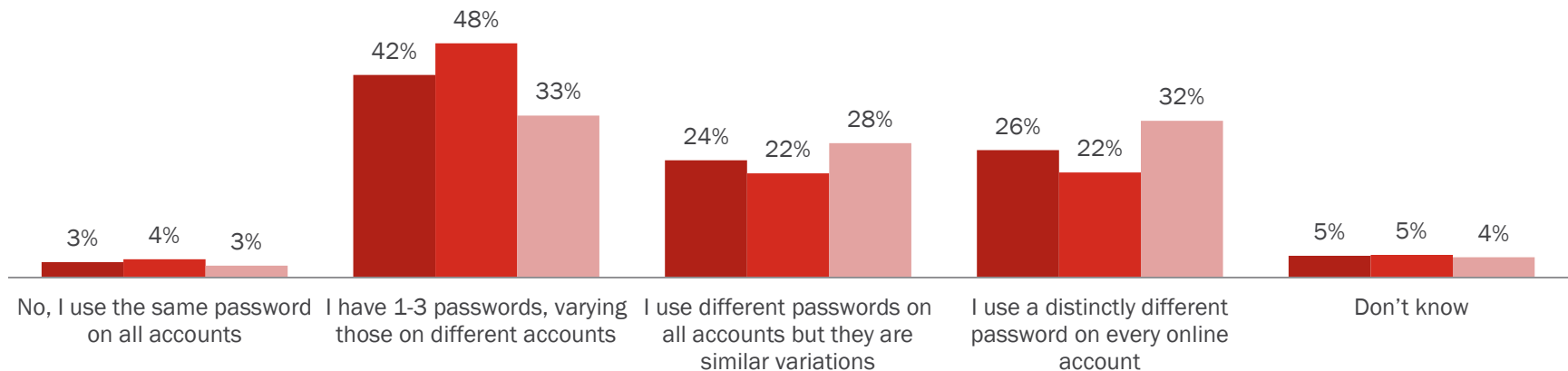
Q16. Do you have a password account manager online such as LastPass, KeePass, Personal or 1 Password? (n=2250)

Nearly half (45%) of Americans use just a few passwords for all of their online accounts

- Forty-five percent of Americans admit to using the same (3%) or 1-3 passwords (42%) on all of their online accounts. Another quarter (24%) have different passwords but use similar variations and only 26% have distinctly different passwords.
- Younger adults are much more likely to say they use 1-3 passwords than adults 50+.
- Those with a college education (27%) are more likely to say they use different passwords with variations than those with a high school education (19%) or those with some college (22%).

Online Password Type by Age

■ Total ■ 18-49 ■ 50+

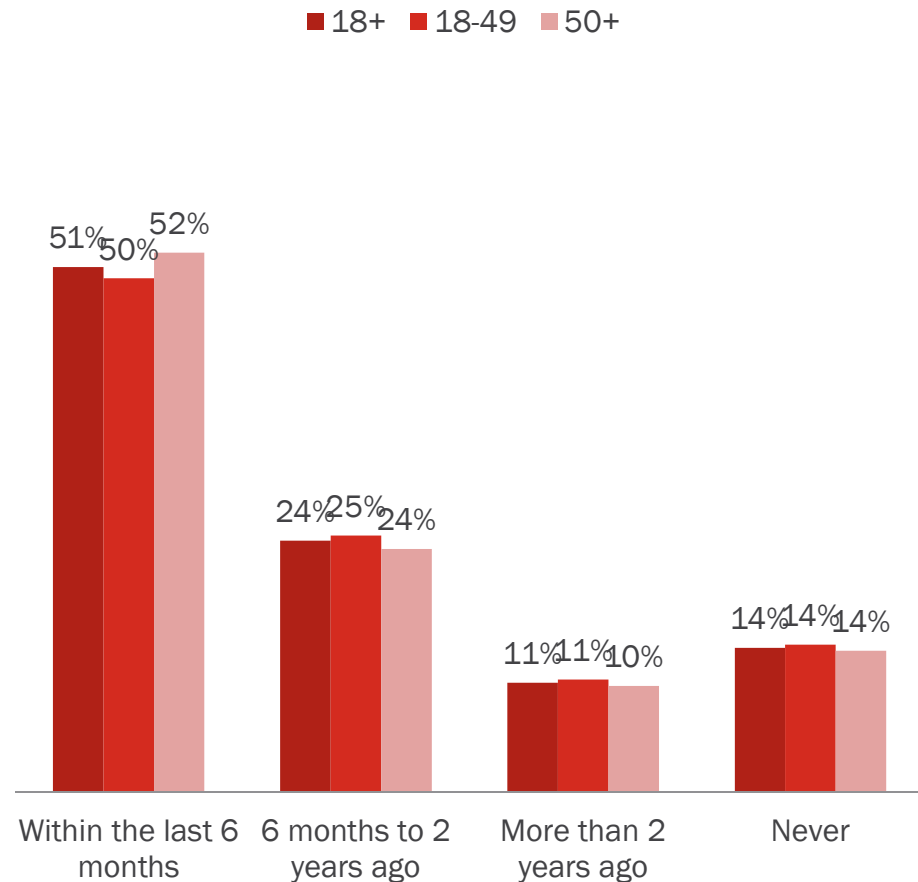


Q17. Do you use different passwords for different online accounts? (n=2250)

Almost half (49%) of Americans have not changed their online banking password in the past 6 months

- Although half (51%) of respondents say they have changed their online banking password in the past six months, 24% say they have changed it in the past 6 months to 2 years. Another 11% say they have not changed their password in the past 2 years and 14% have *never* changed their online banking password.
- There were few differences in password changing frequency by demographics.

Last Time Changed Online Banking Password

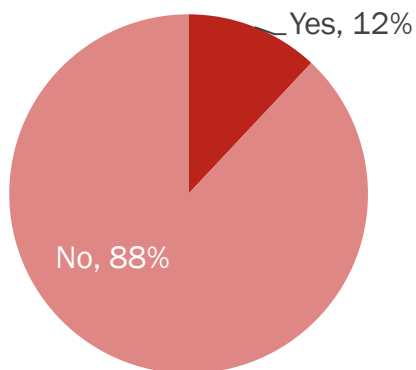


Q18. When was the last time you changed the password on your online banking account? (n=2250)

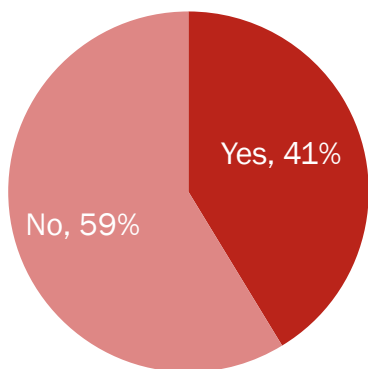
AMERICANS AT RISK

Over 28.6 million American adults have experienced identity theft in the past year

Victims of Identity Theft in the Past 12 Months



Notified by Organization of a Security Breach of Personal Information in the Past 12 Months



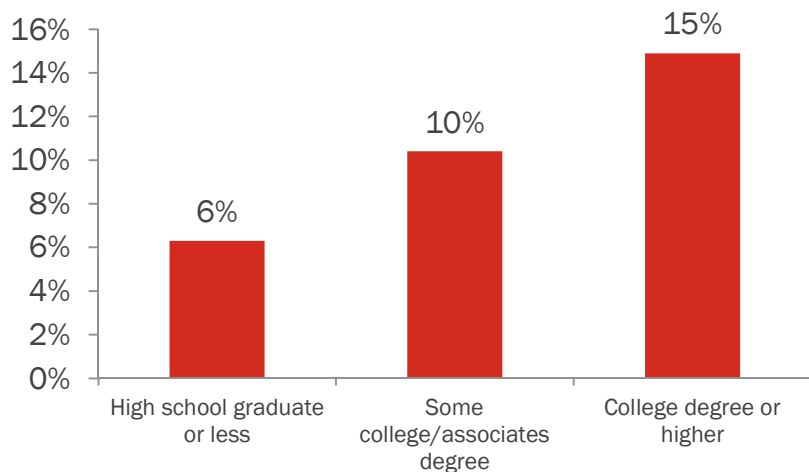
- Respondents were asked both if they had been subject to a security breach that resulted in identity theft as well as anyone had used their identity or credit without their permission in the past 12 months.
- Twelve percent of adults 18 and older have been victims of identity theft in the past 12 months, which translates into 28.6 million Americans.
 - 5% were victims as a result of an organization's security breach.
 - An additional 7% say they were victims in the past year as well.
- In the past year, 41% of Americans have been notified by an organization about a security breach that compromised their personal information.

Q3/Q4. To the best of your knowledge, did that breach result in someone using your identity to purchase products or services that you did not authorize? AND During the past 12 months, has someone used your identity or credit profile to purchase products or services that you did not authorize? (n=2250)
Q1. In the past 12 months, have you received notification from any organization with whom you do business about a security breach that put your personal information at risk? (n=2250)

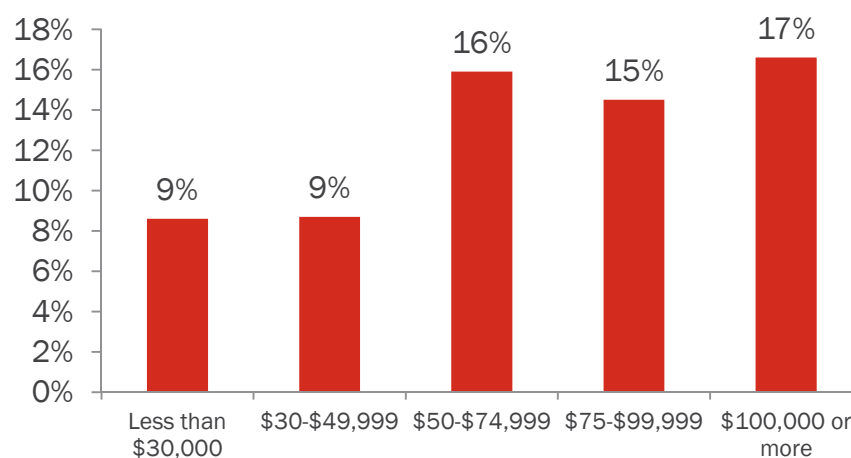
Identity theft victims are more likely to be highly educated and making higher incomes

- There are no significant differences in ID theft victims vs. non-victims based on age, gender, work status, race, ethnicity, marital status or region.
- There are significant differences by income such that those with a household income of \$50,000 or more are more likely to be victims of identity theft than those with an income under \$50,000.
 - Similarly, respondents with higher incomes (\$50K or more) are more likely to report having a security breach in the past year than those with lower incomes (51% vs. 31% of those making under \$50K a year).
- Americans with a college degree or post graduate work are significantly more likely to be theft victims than those with some college or less.

Percentage of Identity Theft Victims by Education



Percentage of Identity Theft Victims by Income

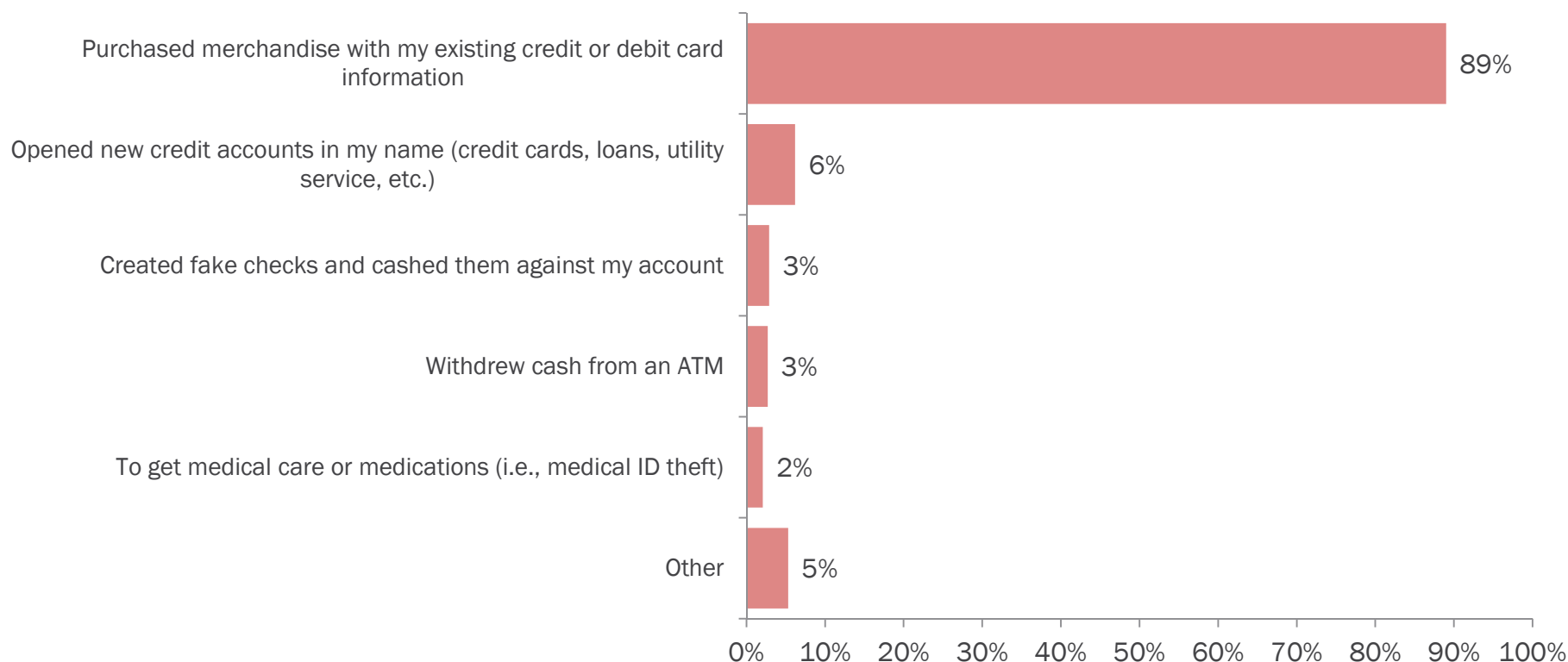


Q3/Q4. To the best of your knowledge, did that breach result in someone using your identity to purchase products or services that you did not authorize? AND During the past 12 months, has someone used your identity or credit profile to purchase products or services that you did not authorize? (n=2250)

Purchasing merchandise is the top way in which victims' identities are used by thieves

- Nearly 9 in 10 identity theft victims (89%) say that their information was used to purchase merchandise with their existing credit or debit cards. Another 6% say thieves used their information to open new credit accounts in their name.

Ways Victims' Identity Was Used
(among those who had been theft victims in the past 12 months)



Q5. How was your identity or credit profile used? (n=275)

DEMOGRAPHICS

Demographics

Age	
18-34	31%
35-44	18%
45-49	8%
50-59	20%
60-69	15%
70+	9%
Gender	
Male	49%
Female	51%
Hispanic/Latino Ethnicity	
Yes	16%

Race	
African American/Black	13%
Asian/Pacific Islander	5%
Native American	1%
White	72%
Other	9%
Education	
Less than high school/HS grad	14%
Some college/associates degree	33%
College degree	34%
Post graduate degree	20%
Employment	
Employed Full/Part-time	61%
Retired	19%
Disabled/Temporarily out of work/Homemaker/Other	20%

Demographics

Marital Status	
Single, never married	32%
Married/Civil Partnership	45%
Living with Partner	6%
Separated	2%
Divorced	12%
Widowed	4%
Region	
Northeast	18%
South	37%
Midwest	22%
West	23%

Annual HH Income	
Less than \$30,000	33%
\$30,000-\$49,999	17%
\$50,000-\$74,999	18%
\$75,000-\$99,999	12%
\$100,000 or more	20%
Mean HH Income	\$66,880

APPENDIX

Questionnaire

Let's start with a few demographic questions.

D1. What is your gender?

1. Male
2. Female

D2. What is your age?

1. 18-24
2. 25-34
3. 35-44
4. 45-49
5. 50-54
6. 55-59
7. 60-64
8. 65-69
9. 70+

D3. Are you of Hispanic or Latino origin?

1. Yes
2. No

D4. What is your race? Select all that apply.

1. White/Caucasian
2. Black/African American
3. Asian/Asian American
4. Native American
5. Other (Please Specify)

D4a. What state do you reside in?

[State]

D5. What is your current marital status?

1. Single, never married

2. Married/Civil Partnership

3. Living with Partner

4. Separated

5. Divorced

6. Widowed

D6. What is the highest level of education you have attained?

1. Some high school or less
2. High school graduate
3. Some college/associates degree
4. College degree
5. Postgraduate degree

D7. What is your current employment status?

1. Employed full time (35 hours or more per week)
2. Employed part time (less than 35 hours per week)
3. Retired
4. Disabled
5. Temporarily out of work
6. Homemaker
7. Other

D8. What is your current annual household income, before taxes?

1. Below \$24,999
2. \$25,000 - \$29,999
3. \$30,000 - \$49,999
4. \$50,000 - \$74,999
5. \$75,000 - \$99,999
6. \$100,000 - \$149,999
7. \$150,000 - \$200,000
8. Over \$200,000

Questionnaire

Q1. In the past 12 months, have you received notification from any organization with whom you do business about a security breach that put your personal information at risk?

1. Yes
2. No

Q2. Which of the following actions did you take as a result of the notification: Check all that apply. [RANDOMIZE]

1. I put a credit freeze on my credit file
2. I put a credit alert on my credit file
3. I increased the monitoring my bank and credit accounts
4. I changed my online password with this company
5. I did nothing
6. Other: [specify]

Q3. [If Q1 = yes] To the best of your knowledge, did that breach result in someone using your identity to purchase products or services that you did not authorize? Every day

1. Yes
2. No

Q4. [Ask for All except Q3=Yes] During the past 12 months, has someone used your identity or credit profile to purchase products or services that you did not authorize?

1. Yes
2. No

Q5. [Ask if Q3=Yes OR Q4=Yes] How was your identity or credit profile used? [RANDOMIZE]

1. Opened new credit accounts in my name (credit cards, loans, utility service, etc.)
2. Purchased merchandise with my existing credit or debit card information
3. Withdrew cash from an ATM
4. Created fake checks and cashed them against my account
5. To get medical care or medications (i.e., medical ID theft)
6. Other: [specify] - ANCHOR

Q6. Do you regularly shred documents that may contain personal information?

1. Yes, once a week or more
2. Yes, once a month or few times a month
3. Yes, once a year or a couple times a year
4. Yes, once every few years
5. No

Q7. Do you regularly lock your home mailbox?

1. Yes
2. No

Q8. Do you use a passcode on your smart phone (that is, you must enter a number to unlock or access the phone)?

1. Yes
2. No
3. I don't have a smart phone

Questionnaire

Q9. Do you use a password or passcode on your home computer or home laptop?

1. Yes
2. No
3. I don't have a smart phone

Q10. Have you set up online access to your bank and credit card accounts?

1. Yes, I have set up online access to all my accounts
2. Yes, I have set up online access to a couple of my accounts
3. No, I have not set up any online access

Q11. [Ask if Q10 = A or B] How often do you monitor your bank and credit card accounts online?

1. I check them daily
2. I check them once to a couple of times a week
3. I check them once to a couple of times a month
4. I check them a few times a year
5. I never check them online
6. Don't know

Q12. Do you have telephone access to your bank and credit card accounts?

1. Yes, and I access my accounts via phone regularly
2. Yes, but I only access my accounts via phone occasionally or rarely
3. Yes, but I never use the phone to access my accounts
4. No
5. Don't know

Q13. Do you subscribe to an identity theft protection service such as LifeLock, Identity Guard, or LegalShield?

1. Yes
2. No
3. Don't know

Q14. Do you have online access to your credit accounts with the credit bureaus (e.g., Equifax, Transunion, or Experian)?

1. Yes, and I check my credit regularly
2. Yes, but I check my credit only occasionally
3. Yes, but I do not check my credit online
4. No, I do not have access
5. Don't know

Q15. Do you check your free credit reports at annualcreditreport.com?

1. Yes, every year
2. Yes, I have checked once or twice in the past
3. No
4. I didn't know I could get free credit reports from that site
5. Don't know

Q16. Do you have a password account manager online such as LastPass, KeePass, Personal or 1Password?

1. Yes
2. No
3. Don't know

Questionnaire

Q17. Do you use different passwords for different online accounts?

1. No, I use the same password on all accounts
2. I have 1-3 passwords, varying those on different accounts
3. I use different passwords on all accounts but they are similar variations
4. I use a distinctly different password on every online account
5. Don't know

Q18. When was the last time you changed the password on your online banking account?

1. Within the last 6 months
2. 6 months to 2 years ago
3. More than 2 years ago
4. Never

Q11. [Ask if Q10 = A or B] How often do you monitor your bank and credit card accounts online?

1. I check them daily
2. I check them once to a couple of times a week
3. I check them once to a couple of times a month
4. I check them a few times a year
5. I never check them online
6. Don't know

Q19. In the last week, how many of the following items did you leave in your locked car when you parked?

[RANDOMIZE]

1. Coffee mug
2. Backpack
3. Checkbook
4. Car license and registration
5. A map
6. Personal laptop
7. Business laptop
8. ATM receipt
9. A pay stub
10. Purse or wallet
11. Personal files
12. House keys
13. I do not own a car [Anchor]

About AARP

AARP is a nonprofit, nonpartisan organization, with a membership of nearly 38 million, that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families such as healthcare, employment and income security, retirement planning, affordable utilities and protection from financial abuse. We advocate for individuals in the marketplace by selecting products and services of high quality and value to carry the AARP name as well as help our members obtain discounts on a wide range of products, travel, and services. A trusted source for lifestyle tips, news and educational information, AARP produces AARP The Magazine, the world's largest circulation magazine; AARP Bulletin; www.aarp.org; AARP TV & Radio; AARP Books; and AARP en Español, a Spanish-language website addressing the interests and needs of Hispanics. AARP does not endorse candidates for public office or make contributions to political campaigns or candidates. The AARP Foundation is an affiliated charity that provides security, protection, and empowerment to older persons in need with support from thousands of volunteers, donors, and sponsors. AARP has staffed offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Learn more at www.aarp.org.