



NEWS RELEASE

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Americans' Confidence in Public and Private Institutions' Disaster Recovery and Business Continuity Capabilities Remains Low

Americans' overall confidence in the ability of their country's public and private institutions to recover from disasters and continue operations after catastrophes, such as those brought by Hurricane Katrina and the earthquake in Haiti, remains broadly low and has declined in the last half of the previous decade.

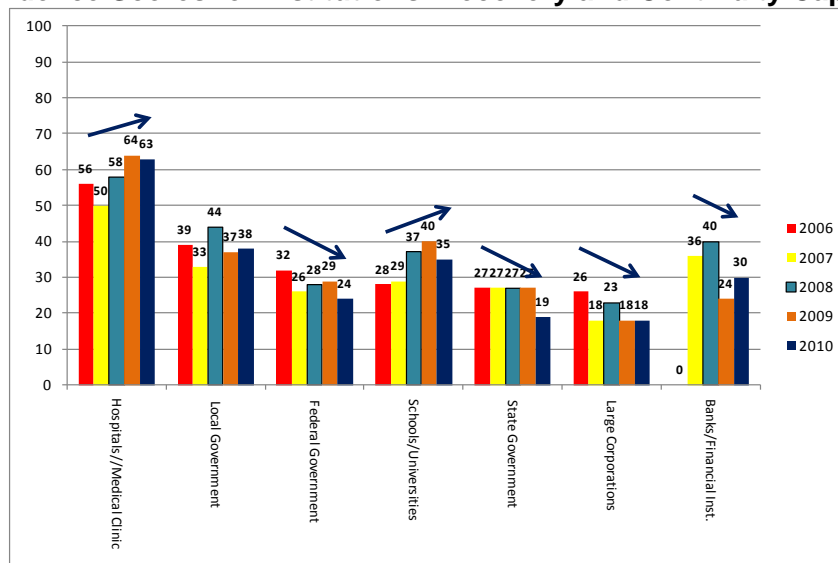
M. Glenn Newkirk, President of InfoSENTRY Services, Inc., stated, "The results of our survey indicate that, immediately prior to the devastating earthquake in Haiti, Americans' confidence in major institutions' capabilities to recover from disasters and continue operations after disasters remains low. Their confidence in the resilience of the Federal government, state governments, and large corporations when faced with disasters has continued to fall in the five years since Hurricane Katrina. Only health care and educational institutions saw measurable increases in public confidence of their ability to recover from disasters and continue in operation."

InfoSENTRY Services, Inc. contracted Opinion Research Corporation (ORC), a leading national opinion research company, to ask a random sample of respondents in the continental United States who are 18 years old and over the following question in ORC's January CARAVAN® surveys yearly from 2006 through 2010:

"Now I am going to read you some types of organizations that have to deal with emergencies and disasters. As I read each one, using a scale of 1 to 5, where 1 means very low confidence and 5 means very high confidence, please tell me how confident you are that each organization can keep itself in operation during major emergencies or can recover from serious disasters. [READ AND ROTATE ITEMS]."

Figure 1 graphically presents the "Net Confidence" scores obtained by subtracting the negative responses ("1" or "2") from the positive responses ("4" or "5") over the five years of InfoSENTRY's national survey.

Figure 1
Net Confidence Scores for Institutions' Recovery and Continuity Capabilities



*The 2006 survey did not include banks/financial institutions as a response category.

Newkirk commented that, “The surveys revealed continuing low confidence ratings of the abilities of the U.S Federal government, state governments, local governments, large corporations, educational institutions, and financial institutions to develop effective business continuity plans and to respond to disasters.”

Only hospitals/medical institutions started with a net positive confidence rating (that is, over 50) and actually saw an increase in those ratings over the second half of the decade. Newkirk said, “In the post-Katrina period, Americans’ level of confidence in hospitals/medical institutions was significantly higher than the levels of confidence expressed in the other American institutions in the study. It is likely that Americans understand that responding to emergencies is at the core of what many hospitals and medical clinics do. They have seen that, in the midst of tornadoes, hurricanes, earthquakes, and shootings, medical institutions have remained in operation and reached out to help others in times of disaster.”

The survey also revealed that net confidence in educational institutions’ disaster recovery (DR) and business continuity (BC) capabilities has increased by a significant amount from the 2006 survey to the most recent survey in 2010. “While the public’s net confidence levels are still relatively low for these institutions, they have increased by a margin of seven (7) points from 28 to 35. It is likely that the public has witnessed the emergencies faced by these institutions in New Orleans and during the various outbreaks of campus shootings and evaluated somewhat positively the responses of schools, colleges, and universities,” Newkirk stated.

InfoSENTRY’s survey also asked respondents to rate the capabilities of banks and financial institutions to recover from disasters and continue in operation. Newkirk pointed out that, “We are looking at a variety of emergencies and disasters that have hit banks and financial institutions in the past few years, ranging from the physical ravages of weather in the southeastern U.S. to the economic and political ravages of financial institution failures. Scores of banks failed and others leaned even more heavily on a massive public welfare program to survive. The American public’s confidence in the capabilities of banks and financial institutions to recover from all types of disasters declined from an already low net rating of 36 in 2007 to 30 in 2010.”

“The Federal government, state governments, and large corporations suffered the most consistent decline of confidence in their recovery and continuity abilities.” Newkirk continued. “Their net disaster recovery and operational continuity confidence ratings each declined from 2006 to 2010 by a significant eight (8) points. At a time when financially strapped state governments and profit-squeezed corporations are laying off employees and when they are cutting core budget operations, it is unlikely that they will increase spending in what are often viewed as ‘nonessential’ or ‘secondary’ areas such as recovery and continuity.”

Newkirk concluded that, “These scores might be surprisingly low to some IT professionals who have worked diligently to prepare, test, and audit their response, recovery, and continuity plans. However, given that industry statistics indicate a majority of institutions in the study do not have DR/BC plans, tests, or quality audits, these survey results might actually have another interpretation: the generally low American confidence in many institutions’ DR/BC capabilities is an accurate—if not optimistic—reflection of the condition of those institutions’ actual recovery and operational continuity abilities.”

This report presents the findings of telephone surveys conducted among national probability samples of 1004 adults in 2006, 1017 adults in 2007, 1018 adults in 2008, 1002 adults in 2009, and 1024 adults in 2010. All respondents were 18 years of age and older, living in private households in the continental United States. The margin of error is plus or minus three percentage ($\pm 3\%$) points.

Interviewing for this Opinion Research Center CARAVAN® Survey occurred in mid-January of each year. Opinion Research Center is one of the best known and most established opinion research organizations in the United States.

InfoSENTRY Services, Inc. is an independent information technology services firm based in Raleigh, NC. The firm manages project assessments, quality assurance audits, information systems security and business continuity projects, and system analyses for public and private sector clients throughout the United States and Europe. InfoSENTRY® has no financial relationships or business partnerships with hardware, software, business continuity, or information security firms.

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