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FOR IMMEDIATE RELEASE

Study Finds Protecting Credit Card and Patient Data Drives IT Spending Yet Most Organizations Still at Risk

Less than half encrypt backup tapes, full disks and databases while nearly 20 percent said they would wait for a data breach before they encrypt tapes

Sausalito, CA., October 20, 2009 – Trust Catalyst, a research firm helping companies build data protection strategies that strengthen customers’ trust — today announced the findings of its second annual *2009 Encryption and Key Management Benchmark Report* which surveyed more than 600 IT security professionals and was sponsored by Thales.

The study found 41 percent surveyed encrypt backup tapes, 43 percent encrypt databases and 49% encrypt full disks, despite the growing number of new industry, state and national data protection regulations. While participants indicated the protection of health care and credit card data was driving future IT spending, 19 percent said they would wait for a data breach before they would encrypt tapes. This data left unprotected in databases and backup tapes causes these organizations to be at higher risk for a data breach.

The study revealed the primary obstacles preventing organizations from encrypting these applications were due to concerns about cost and data availability. Once data is encrypted, participants fear they could lose this data or it would not be available when it was needed causing a business disruption even though twice as many surveyed admitted to a data breach than an losing data because of a lost encryption key.

“Given the nature of new data breach regulations, organizations no longer have the luxury of time to wait and encrypt credit card and healthcare data because of data availability concerns,” said Kimberly Getgen, Principal of Trust Catalyst, “With less than 50 percent of participants encrypting backup tapes and nearly 20 percent of respondents saying it would take the pain of a data breach to get their organization to reverse their decision, too many organizations, customers and patients are needlessly at risk.”

Here are some of the study’s key findings:

- **Patient and Credit Card Data Protection Drives IT Budgets.** 53.9 percent indicated they were allocating budget for PCI DSS, 28.9% for HIPAA and 22.4% for the EU Data Privacy Directive. HIPAA was the number one allocator of new budgets for US participants.
- **Cost of encryption remains top concern.** Participants express that cost remains the single most important factor preventing data that “should” be encrypted from being encrypted. Over half cited the cost of the encryption solution (26%) or the cost of managing the encryption solution (25%) as their

primary obstacles for being able to bring encryption into their organizations where it is needed most.

- **Operational concerns delaying encryption projects.** The decision to postpone encryption is often because operational efficiencies like availability of data and performance are seen as more important than data protection. For example, when asked specifically about what was preventing them from encrypting databases, it was the complexity of managing keys that was identified as the primary obstacle preventing participants from encrypting backup tapes (24%). Here, participants said availability was far more important than confidentiality.
- **Cloud computing not ready for prime time.** 52.1 percent of participants cite data security concerns as being the number one barrier preventing their organization from adopting cloud computing. 42.6 percent of survey participants said they were not currently planning on moving to the cloud while another 46.5% said they would wait until data is encrypted before moving. 58.8 percent said they would want to manage their own encryption keys if encrypted data was moved to the cloud.

The full 2009 Encryption and Key Management Benchmark report can be downloaded from <http://www.trustcatalyst.com/2009EncryptionSurvey.php>

About Trust Catalyst

Trust Catalyst helps global organizations make critical decisions about how to protect their most valuable resource – their customer’s trust. We understand that the adoption of a successful data protection or security program is about selling a strategy to a larger audience. We speak the language business executives understand and quantify the need for security by helping establish the costs of lost customer trust and the disruption to business when that trust is broken. As more insidious attacks from cybercriminals specifically targeting organizations with customer’s sensitive data grows, we help businesses understand the threats, the costs of the threats and how to maintain trusted relationships with their customers. You can learn more and download our research at www.trustcatalyst.com

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