

2009 Security Budget Research Report

Impact of the Economic Downturn

Executive Summary

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Overview

Between January 5 and February 5, 2009, a survey was sent to qualified security practitioners (over 85% at the director level or above) to gather information on the state of their security budgets and to assess any impact the economic downturn has had on their programs. A total of 259 participants submitted completed surveys. Questions centered on whether budgets increased or decreased from fiscal year 2007 to 2008 and then again from 2008 to 2009. Participants were also asked to what degree (percentage of change) their budgets were impacted. The average percentages of decrease for fiscal year 2008 to 2009 broken down by major industry categories were also calculated. A qualitative analysis was done regarding verbatim comments participants gave to their creative ideas deployed to maintain or enhance security programs in an environment of increased risk and decreasing funding.

Results Summary

More than 50% of respondent's budgets have been negatively impacted by the economic downturn (comparing from 2008 to 2009). But it's not all bad news; 25% of respondents reported no change and 23% of respondents reported an increase to their budget for the same time span. While more reported a decrease from 2008 to 2009, the average percent or decrease or increase amounts were similar for 2008 and 2009; 17% for those that experienced a decrease and 18% experienced an increase (see Tables 1 and 2).

In fiscal year 2008-2009 respondents reported over 40% increases in theft, fraud and requests for support to HR relative to layoffs (see Figure 1). A comparison between major industry categories was conducted to look at both percentages reporting change and average change (not included in this summary).

When asked how they enhanced their programs during the economic downturn, the three dominant themes were awareness and training, technology solutions and giving priority to the greatest risks to the organization. The results of this research leads to the need for a better understanding the cost of security and creating a baseline metric and indicator that can be used across all industries. To participate in this research please see the end of this report.

Reported Budget Decrease (Across all Industries): Percentages of respondents who reported a decrease in their budget

	Budget Change from Fiscal 2007 to 2008		Budget Change from Fiscal 2008 to 2009	
	Budgets Reported as Decreased	Average % Decrease in Budget	Budgets Reported as Decreased	Average % Decrease in Budget
Business Travel	15.44%	23.42%	50.97%	25.44%
Training / Conferences	13.51%	30.16%	52.12%	33.44%
Staff	17.76%	14.76%	34.36%	16.60%
Capital Projects / Equipment	13.51%	31.90%	47.88%	36.89%
Contract Services / Consultants	12.74%	21.67%	46.33%	27.08%
Overall	19.31%	15.36%	52.51%	16.84%

Reported Budget Increase (Across all Industries): Percentages of respondents who reported an increase in their budget

	Budget Change from Fiscal 2007 to 2008		Budget Change from Fiscal 2008 to 2009	
	Budgets Reported as Increased	Average % Increase in Budget	Budgets Reported as Increased	Average % Increase in Budget
Business Travel	41.70%	19.19%	14.67%	24.26%
Training / Conferences	23.55%	24.68%	11.20%	21.88%
Staff	34.75%	15.41%	17.76%	15.71%
Capital Projects / Equipment	36.29%	23.92%	19.31%	32.60%
Contract Services / Consultants	28.57%	19.38%	13.51%	17.61%
Overall	47.88%	15.62%	22.78%	18.26%

Tables 1 and 2

Reported Increased Incidents (Across all Industries):



Figure 1

Creative Programs or Efforts Participants Deployed to Maintain or Enhance Security Programs in an Environment of Increased Risk and Decreasing Funding:

The two most often stated tactics reported were:

- Enhancing awareness programs/communication/training
- Moving toward technology solutions (e.g., CCTV or IP monitoring, web-based programs, automated monitoring and centralization of technologies)

Giving priority to the greatest risks was also cited fairly often.

Next Steps

One of the most important security budgetary questions to tackle is what is the cost of security? While this is a question many want data to answer, issues that prevent this include the lack of systematically collecting this data from practitioners and there are many different ways to calculate the cost of security. The Council will look to define 1.) What the elements of security cost are and 2.) Develop a calculation that works as a baseline whereby more specific components can be added or subtracted to fit most environments.

How to Become Involved

The Council's research arm, the Security Leadership Research Institute (SLRI), is researching the best calculation in order to create an industry-wide indicator. If you are interested in participating in the next phase of this research or to become a member of SLRI, please send your request to Kathleen at k2kotwica@secleader.com. Your privacy is always maintained. (Note: Security Executive Council members are automatically a member of the SLRI as a part of their membership).

Note, the complete report was sent to Council members and colleagues who participated only.

About the Council

The Security Executive Council is a member organization for senior security and risk executives from corporations and government agencies in charge of corporate and/or IT security programs. The Council capitalizes on member input, professional staff, and a distinguished faculty of former security executives and security content experts to develop member tools and solutions. The mission of the Council is to develop resources that help lower the cost of members' programs, make program development more efficient and establish security as a recognized value center. Tools and solutions are developed so that they can be applied immediately or with minimal modification. In partnership with its research arm, the Security Leadership Research Institute, the Council is building the International Security Research Database (ISRdb) to be the centralized source of research and analysis related to the security industry.

Contact

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For questions about this report or for information on how to become a member of the Security Leadership Research Institute contact: Kathleen Kotwica, PhD +1 202.730.9972, k2kotwica@secleader.com.