TOPICAL SPOTLIGHT

DIGITAL PRIVACY

Privacy Concerns Remain a Barrier

An AARP Tech Study reports on the skepticism the 50-plus have toward digital privacy

In 2020, technology ownership and use increased significantly over the previous year among the 50-plus, mainly driven by the isolation and dependency created by the pandemic. That said, while this audience now reaps the benefits of the convenience and speed at which they can get things done, they continue to have concerns about their online privacy.

And it is not just an unspoken concern, the 50-plus rank privacy concerns (34%) in the top three barriers to future tech adoption, right behind cost (38%) and lack of knowledge (37%). Clarity, honesty, and transparency are needed to boost this audience's confidence regarding the collection and sharing of their personal data and/or online activities. Until then, the 50-plus are likely to remain concerned and unsure how to protect their privacy, with limited opportunities to persuade them to share their personal information for an equitable value-exchange.

Top Barriers to Tech Adoption:

38%

Cost

37%

Lack of Knowledge

34%

Privacy Concerns

Limited trust in what remains private creates hesitation

Though ownership and use of various technology (e.g. smartphones, Smart TVs, tablets) has increased significantly year over year, the majority of the 50-plus are not confident what they do online remains private. This sentiment is the same regardless of age but does differ slightly by gender. Women are slightly less confident about their online privacy while on a wireless device than are men, 88% vs. 85% not confident, respectively.

50-plus Confidence in Online Privacy

■ Not confident ■ Somewhat confident ■ Very confident ■ Extremely confident

83% of the 50-plus are NOT CONFIDENT what they do while on a wireless device remains private

There has been growing interest in home assistants, as 29% of the 50-plus currently own one. Yet, among those who do, they are also not confident about their privacy when it involves information given to the home assistant/smart home devices. Just 9% are confident that what is said inside the home will not be picked up by the home assistant and used by a third party. Though this confidence does not vary by age or gender, it does by ethnicity. African Americans/Blacks (18%) and Hispanics (15%) are twice as likely to trust the privacy aspect of home assistants than are Whites/Caucasians (7%).

50-plus Confidence in Home Tech/Assistant Privacy

■ Not confident ■ Somewhat confident ■ Very confident ■ Extremely confident

The lack of privacy confidence leads to hesitation in tech adoption for many older adults. Confidence could be increased if understanding was increased, but that will take explicit education and transparency rather than just time.

Limited understanding of privacy policies adds to 50-plus consumer skepticism and frustration

Let's admit it, few of us read the fine print every time we are presented with a company's privacy policy, whether it be to use an app, purchase something from an online retailer, or request assistance from a charitable organization. In fact, a 2019 Pew Research studyⁱ found that just 9% of adults say they always read a company's privacy policy before agreeing to the terms and conditions. In general, organizational privacy policies are typically lengthy and complicated to understand. It is no wonder then, when queried, less than half of the 50-plus understand the fine print in a typical privacy policy. More specially, fewer than half (43%) understand that a privacy policy does not stop a website from sharing personal information and just under half (47%) are unaware ad agencies are the 'third party' for whom the data is shared. Therefore, it is not surprising, when it comes to technology, security and privacy concerns are the second most cited frustration. Lack of knowledge is cited as the greatest frustration among the 50-plus.

Frustrations With Technology Among the 50-plus (n=1,123)

It would take a concerted effort on the part of the individual companies to simplify their privacy policy before these statistics are likely to change and even then, it may result in a “transparency paradox.” Meaning, though the policy is easier to read, by way of simplifying it, it may be omitting the most important aspects of the policy that allow a consumer to fully understand how their data will be used. But it appears it would be worth the effort, as 91% of older adults say businesses should be transparent about what data is collected and why, and they should allow customers the ability to control what data is collected and how it is used.ⁱⁱ

Getting a fair value for the exchange of personal data may be the way forward

When asked “In exchange for which of the following benefits are you willing to share your personal information,” 40% of those 50-plus said they would do so for cash, while one in four say discounts, loyalty points, or free products might be a fair value-exchange. Other value exchanges did not fare as well, but they did attract some attention. Few see the value in personalized recommendations. Those 50-69 are more open to the possible exchange of data for something of value than are those 70-plus, regardless of the value-exchange being offered.

Benefits That Motivate Personal Information Sharing — Ranked 1/2/3

	50	50-59	60-69	70
BASE:	2,256	808	798	650
Cash Rewards	40%	44%	42%	33%
Discounts or coupons	26%	27%	27%	22%
Loyalty points	26%	27%	26%	24%
Free products or services	25%	31%	26%	16%
Donations to charity of my choice	18%	15%	18%	22%
Personalized products or services	16%	19%	16%	12%
Special offers tailored just to me	14%	13%	16%	14%
Exclusive access to events, etc.	9%	9%	10%	10%
Personalized recommendations	9%	10%	8%	10%

It appears that the more relevant the use of the data is to the consumer's benefit, the more willing they are to share it. For example, in AARP's 2020 study 'Privacy, Storage, and Usage: A Look at How Older Adults View Big Data in Health Care' while older adults are cautious about personal health data usage eroding privacy, the majority (52%) see the greater good in health data being used to develop products and services that could help them better manage their health.

The issues surrounding digital privacy are far from resolved for the 50-plus. However, the more transparency provided, they can see the value in sharing the data, and the more the consumer can control the use of the collected data, the more trust can be built.

Sources:

ⁱ PEW Research Center. Americans' Attitudes and Experiences with Privacy Policies and Laws. retrieved July 7, 2021. <https://www.pewresearch.org/internet/2019/11/15/americans-attitudes-and-experiences-with-privacy-policies-and-laws/>

ⁱⁱ Lampkin, Cheryl. Privacy, Storage, and Usage: A Look at How Older Adults View Big Data in Health Care. Washington, DC: AARP Research, April 2021. <https://doi.org/10.26419/res.00457.001>

For more information on the survey and methodology please contact:

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2021 Tech Trends and the 50-Plus: Top 10 Biggest Trends. Washington, DC: AARP Research, April 2021. DOI: <https://doi.org/10.26419/res.00420.001>