

MEMORANDUM

TO: Allstate
FROM: FTI Consulting
DATE: 09/18/2015
RE: Allstate/National Journal Heartland Monitor XXIV Key Findings

This memorandum outlines key findings from a national survey of American adults conducted September 10-15, 2015. This 24th installment of the Allstate/National Journal Heartland Monitor Poll explores ideas around “Community in the Digital Age.” How are Americans experiencing the rapid growth in consumer and communications technology? What impact are these advancements having on the economy and Americans’ own quality of life? What does this new age of online shopping and social media mean for local businesses and community organizations?

The survey was conducted among a national sample of 1,000 adults age 18+, with 500 reach via cell phone and 500 reached via landline. The margin of error for a sample of 1,000 is +/- 3.1 in 95 out of 100 cases.

SUMMARY OF SURVEY FINDINGS

Over the past decade, the United States has experienced a “Digital Revolution” that has seen technologies like social media and smartphones transition from the domain of tech enthusiasts to the living rooms, cars, and pockets of nearly every household in America. Americans are enthusiastic tech users and consumers – 69% think it’s necessary to have the latest devices – and most believe their quality of life has improved because of this technology. Most believe that the benefits of these advances have been shared equitably across the country, and Americans think that positive effects have been felt by small businesses and community organizations.

Yet, many have mixed feelings about the overall impact of the Digital Revolution. Some question whether new innovations and inventions create more jobs or make them redundant. Americans are divided about whether the benefits are realized here in the U.S.A. or in countries like China where much of the manufacturing takes place. Many others are concerned about the impact of these technologies on their privacy, and on America’s young people.

As consumer and communications technologies advance, Americans are doing more online shopping, they’re spending increased time engaging with their neighbors and community groups online, and they’re using social media to share information about local events. Still, with all this connectivity, Americans are craving a local, personal presence from businesses and community organizations. Personal references and a demonstration of local community support are still highly important. And, getting out and volunteering time for a cause is seen as more impactful than simply sharing information through social media.

KEY FINDINGS

1. **America is highly connected, highly wireless, and looking to keep up with the latest and greatest communications technology.**
 - Eight-in-ten Americans (79%) surveyed say they use the Internet to go online at least once per day, with another 13% saying they go online a few times per week or less. Less than one-in-ten (9%) say they never go online.
 - Usage is predictably highest among the youngest Americans, but even 52% of seniors (age 65+) say they go online at least once per day.
 - Two-in-three Americans (66%) go online multiple times per day.
 - Among the under-40 set, daily Internet use is comparable regardless of education level – 94% of those in this age group with a college degree are online every day along with 87% of those without a degree.
 - There's a more prominent digital divide among older Americans. While 90% of those age 40-64 with a degree are online every day, just 69% of their counterparts without a degree do the same.
 - Among seniors, about three-in-four (73%) with a degree are online daily compared to fewer than four-in-ten (37%) of those without a degree.
 - Daily Internet usage is nearly identical among Whites (78%), African-Americans (79%), and Hispanics (81%).
 - Internet users are more likely to use mobile devices as their primary form of access rather than traditional computers. More than half say they primarily use a smartphone (44%) or tablet (9%) to access the Internet. Less than half say their primary access point is through their own home PC (30%), their work computer (11%), or a public computer (2%). Two percent of Americans say they primarily access the Internet through a Smart TV, game console, or similar device.
 - Fully 60% of Millennial Internet users choose a smartphone as their primary way to connect. Among seniors, 60% use their PC.
 - African-American (50%) and Hispanic (64%) Internet users are considerably more likely than Whites (40%) to use a smartphone as their primary access point.
 - Eight-in-ten (81%) Internet users are active on social media which equates to nearly three-quarters (73%) of all Americans.
 - Eighty-eight percent (88%) of Millennials are active on social media and they're joined by 79% of Gen X'ers and 65% of Baby Boomers. Nearly half (46%) of those age 65 and older are active on social media to some extent.
 - Among Internet users, social media use is consistent across education levels.



- A large majority of Americans (69%), believe it's necessary for them, personally, to have modern and up-to-date devices that let them use the latest communications devices.
- A similar percentage (66%) also say that it's realistic for them, financially, to keep up-to-date with these devices.
 - Solid majorities of all age and racial/ethnic groups believe that keeping up is financially realistic.
 - Only those in the lowest income bracket (less than \$30k household income per year) are more likely to say that keeping up with these devices is not very or not at all realistic (50%).

2. Overwhelmingly, Americans are encouraged by the continuing advances in computer and communications technology that have come about during the Digital Revolution.

- Nearly four-in-five Americans (78%) say they're optimistic about the effects that continuing advances in computer and communications technology are having on the country.
- The Digital Revolution is seen as having had a positive effect on:
 - Community and volunteer organizations (65%);
 - Small business owners (59%);
 - American consumers (54%); and
 - Poll respondents' own personal quality of life (55%)
- Eight-in-ten (79%) say the Digital Revolution has had a positive effect on their ability to stay in touch with people important to them, and three-in-four (75%) say it has positively affected their ability to obtain information about important issues.
- Thinking broadly about the impacts of the Digital Revolution on Americans' quality of life:
 - Most (53%) think it is improving life by making it easier to keep in touch with people and making it easier to buy products from anywhere.
 - A smaller but substantial 39% believe that it is diminishing life by isolating people and weakening a sense of community in neighborhoods.



- More than half of Americans (54%) say that technological advances will improve their own quality of life and they're eager to see new products and services. Others (41%) worry that advances are moving too fast and disrupting too many aspects of the economy and society.
- Most Americans (55%) think that the Digital Revolution has provided access and opportunity to all Americans, even those in low-income and rural areas. A minority (38%) think that the benefits have been mostly to Americans with higher incomes who can pay for access to information and new technology.
 - Belief in this equitable distribution is remarkably consistent across socioeconomic groups, though seniors and those in low-income households are skeptical.
 - Just as we've seen throughout the Heartland Monitor polling series when asked about economic issues, the most positive groups regarding the Digital Revolution are Millennials (58%), and non-Whites (62%).

3. Yet, Americans acknowledge that the Digital Revolution may have uncertain effects on American life.

- When asked to assess the impact of the Digital Revolution on the overall quality of life in America, more say it's been positive (28%) than negative (10%), but a large majority (62%) say that it has had a mixed effect.
- More specifically, the Digital Revolution is seen as having a more positive than negative, but quite mixed effects on:
 - Respondents' local economy (41% positive – 38% mixed – 13% negative);
 - The country's economy (39%-38%-18%); and
 - The American Middle Class (38%-41%-16%).
- Americans are also less than certain about the Digital Revolution's impact on jobs. Less than half (46%) think it has created jobs in the U.S. while a substantial minority (38%) think it has mostly eliminated jobs.
 - By generation, more than half of Millennials (54%) and Gen X'ers (52%) think the Digital Revolution has created more jobs than it has eliminated. A plurality (43%) of Baby Boomers think it has eliminated more than it created.
 - Those with high incomes and higher levels of education are more likely to see the Digital Revolution as a source of job creation in the U.S..



- Americans are evenly split on whether the emergence of consumer technology has been more beneficial for the U.S., where much of the technology is designed and developed (41%) or places like China, where most of the technology is manufactured (40%).
 - Opinions on this issue differ significantly by party affiliation. Republicans think this is more beneficial to places like China rather than the U.S. (47%-34%). Democrats think it's more beneficial to the U.S. (48%-31%). Independents are split with a slight sense that places like China get more benefit (43%-39%).
- There is some uncertainty about the future impact of the latest technological advancements.
 - GPS-connected cars, phones, and other devices that track location are viewed positively by 50% of those surveyed and negatively by 15%. However...
 - Americans are less positive about online connectivity of things in the home like appliances, lights, locks, and thermostats. Just 43% view them positively.
 - Internet-capable watches and glasses are viewed skeptically, positively by 24% and negatively by 28%.
 - Driverless cars are viewed positively by just one-in-four (24%) and negatively by 38%.

4. Many express concerns about the impact that the Digital Revolution has had on America's young people and on their own privacy.

- Just 28% of Americans think the Digital Revolution has had a mostly positive effect on America's young people. Slightly more (31%) think it has had a negative effect, and 38% think the effect has been mixed.
 - Only one-in-five mothers (20%) and about the same percentage of women overall (22%) think the effects have been positive.
 - Men (35% positive) and specifically, Dads (39%) are more positive than negative about the effects of the Digital Revolution.
- A plurality (44%) of Americans think the Digital Revolution has had a mostly negative effect on their privacy. Just 17% think it has improved privacy and 34% think the effects have been mixed.
 - These concerns are prevalent across all demographic groups. Those most likely to see negative effects on privacy include Baby Boomers (49%), Whites (47%), Independents (49%), and those in \$75k-\$100k households (55%).



5. Many Americans are connecting with their community online and shifting their purchases to online businesses. There is room for additional local engagement through social media; yet, Americans are still looking for a local, personal touch in their interactions.

- Nearly nine-in-ten (87%) Internet users say they keep up with local community news online. Yet, only 38% of social media users say they follow community, charitable, or non-profit groups through those channels. And, just 21% of social media users actively engage with those groups.
- Sixty percent (60%) of social media users say they use the platform to share information about community issues or local events, with more than half of those (54%) sharing info about charities or fundraisers.
- However, just under 40% of social media users say they're frequently or occasionally using the Internet to donate money to community or charitable organizations.
- More than half (53%) of social media users who also have donated money or volunteered their time say that an active social media presence is an important motivator for them when deciding on the type of organization to support. Seventy percent (70%) of social media users say a professional website is important to them in that decision.
- Most Americans who shop online are choosing that method to buy travel arrangements (77%) and to buy media like books, movies, and music (57%) rather than going to a local or chain store.
- For food and groceries, American online shoppers still prefer local businesses (58%) over large chains (34%) or online (4%).
- For financial services like banking or insurance, online shoppers are evenly split between going to local businesses (39%) and going online (40%).
- When choosing to shop at a local business instead of at chain stores or online retailers, 92% of Americans say that exceptional and personalized customer service is important.
- Also highly important is the local business's record of employing people in the community (82% say it's important) and the business's active support of community programs and events (80%).



- Among those who have volunteered their time or money to a local organization, personal interactions, evidence of community impacts, personal recommendations, and the presence of a local office are all more important considerations for support than digital features like an social media presence or a professional website.
- When those who volunteer or donate money on behalf of a non-profit or community organization are asked to name the action that has the most impact, most (40%) say volunteering, 34% say donating money, 14% say personal encouragement to others, and just 9% say sharing information through social media.