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Fifth Study of the Internet by the Digital Future Project Finds Major New Trends in Online Use for Political Campaigns

Annenberg project also finds that overall Internet use continues to increase; e-mail reigns as most popular online activity; broadband reaches highest level for online access

LOS ANGELES, December 7, 2005 – Internet users say that going online creates political clout.

The comprehensive study of the impact of online technology conducted by the USC Annenberg School Center for the Digital Future found that for the first time, the number of users who say that the Internet can be used to gain political power has increased.

In 2005, 39.8 percent of Internet users agree that going online can give people more political power -- up from 27.3 percent in the previous study. And, 61.7 percent of respondents - Internet users and non-users alike -- now agree that going online has become important to political campaigns.

"We are now seeing tangible evidence of the increasing role of the Internet in political decision-making," said Jeffrey I. Cole, director of the USC Annenberg School Center for the Digital Future. "The Internet's growing role in political decision-making cannot be underestimated.

"More than three-quarters of users who went online for political campaign information sought insight regarding issues and candidates about which they were undecided," Cole said. "Clearly, the Internet's role in the American political process will continue to grow, and it could have a significant impact during the Congressional elections of 2006."

The Digital Future Project provides a broad year-to-year exploration of the influence of the Internet on Americans. Now in its fifth year, the project examines the behavior and views of a national sample of Internet users and non-users, as well as comparisons between new users (one year or less of experience) and very experienced users (more than eight years of experience).

In responses to other questions about political campaigns and Internet use, year five of the Digital Future Project found:

* **The Internet and political knowledge** -- In 2005, belief that the Internet can be a tool for learning about the political process continues to increase, with 60.4 percent of users and 34.6 percent of non-users agreeing that by using the Internet, people can better understand politics.

In year five of the study, 41.1 percent of Internet users went online to gather information about the presidential campaign.

"Notably, the largest percentage of these users sought campaign information on traditional media Web sites," said Cole. "A much smaller group used information placed online by the candidates." (39.5 percent to traditional media sites; 27.1 percent to candidates' sites)

Of users who went online to seek campaign information, 91.1 percent sought information about issues or candidates they supported; 77.4 percent also sought information about issues and candidates about which they were undecided.

-- Of users who gathered campaign information online, 87.2 percent were satisfied with the information about the presidential election they found online.

"The Internet is providing a direct conduit through which office seekers can reach voters, without media gatekeepers sifting and interpreting politicians' messages," Cole said. "This issue raises many questions. While the Internet creates an open forum for delivery of information, it can be used just as easily for responsible campaigning or as a platform for political mischief and miscommunication. How will the growing role of the Internet shape the political campaigns of elections to come?"

Overall Internet use grows

Among other key findings, the Digital Future Project found increases in the total number of Internet users in the United States, as well as growth in online access at home, at school, and at work; and total number of hours online each week.

In 2005, Internet access rose to its highest level in the five Digital Future Project studies. In 2005, 78.6 percent of Americans go online. The number of hours online continues to increase – rising to an average of 13.3 hours per week – the highest level in the study thus far. And almost two-thirds of Americans (66.2 percent) use the Internet at home in 2005, a substantial increase from the 46.9 percent of users who reported home Internet access in 2000, the first year of the Digital Future Project.

"The Internet has truly matured across all segments of American society," said Cole. "Our study reflects five years of exploring the digital domain that is yielding extraordinary findings about how the Internet continues to change America."

Top ten Internet activities

E-mail again tops the list of the most popular online activities. The top 10 for 2005 are: e-mail, general Web surfing, reading news, shopping, entertainment news (searching and reading), seeking information about hobbies, online banking, medical information (searching and reading), instant messaging, and seeking travel arrangements and travel information.

Users: More Loyal to the Internet than to Television or Cell Phones

Internet users are more loyal to going online than to watching television or using their cell phones.

The Digital Future Project found that if forced to give up technology, Internet users would hang on to the Web -- and would drop their television and cell phones first.

When asked which technology they would be most willing to give up, 39.4 percent of Internet users choose their cell phone, followed by 32.7 percent who would first give up television. Only 27.8 percent of users say they would be most willing to give up the Internet.

Broadband growth increases

The Digital Future Project also found that the telephone modem is no longer the most common type of Internet connection.

Users who report that they go online through a telephone modem dropped to 45.6 percent, down from 61.5 percent in the previous study. At the same time, access to the Internet via a broadband connection (in this chart defined as cable or DSL) continues to rise, and is now used by 48.3 percent of users.

“In last year’s report, we emphasized that just as the emergence of the Internet transformed American culture, the growth of broadband use will inspire change of its own,” said Cole. “The spread of broadband technology will create its own shifts in how we experience the Internet at home -- and by extension, how home life will change as a result. In year five, we are seeing how those changes are evolving.”

The Digital Future Project reports strong growth in Internet use among low-income Americans. For the first four years of the project, Internet use hovered around 50 percent of respondents with incomes of less than \$30,000. In 2005, Internet use in this group jumped to 61 percent of respondents.

“The fastest growing use of the Internet is among Americans with the lowest income,” said Cole.

The study also found expanding Internet use among older Americans as well. For instance, among users 56 to 65, Internet user has increased from slightly more than half (55 percent) in 2000 to nearly three-quarters (74.9 percent) in 2005.

“We found some of the most consistent growth in Internet use is among older users,” Cole said.

Five Years of Exploring the Digital Domain

Year five of the Digital Future Report compares findings from all five years of the study, looking at five major areas: who is online and who is not, media use and trust, consumer behavior, communication patterns, and social and psychological effects.

Among the highlights from year five of the Digital Future Project:

* **Internet experience** -- More than half of Internet users have been online for more than five years. The average years of Internet experience has risen in each year of the Digital Future Project. In 2005, Internet experience has reached an average of 5.3 years.

* **Internet non-users** -- The 21.6 percent of Americans who do not use the Internet express a range of reasons for not being online, but two of the principal reasons are declining in prevalence. In year five of the Digital Future Project, the primary reason for not using the Internet continues to be “no computer” -- the reason cited most often in each year of the survey. However, the percentage mentioning this reason is down from 2003.

Lack of interest or “don’t know how to use” are tied this year as the second most cited reason. However, lack of interest has declined to 17 percent of respondents, down from 24 percent in 2003. And, those who say that their reason for not being online is the expense of using the Internet dropped by almost half, to 5 percent in 2005.

Almost 30 percent (29.3 percent) of Internet non-users have previously gone online. Those “electronic dropouts” continue to report many reasons why they no longer use the Internet – however, the primary reason is dropping in prevalence.

In year five, a much lower percentage of electronic dropouts reports their reason for not being online as “no computer available” – the lowest level in the five years of the Digital Future Project.

The other major reasons for dropping out: no interest (up in year five), and too expensive (down slightly). The number of respondents who say their computer is “not good enough” has increased in the current study.

* **The Internet’s importance as an information source** -- After five years of studying American online behavior and attitudes, the Digital Future Report continues to find that the Internet has a solid position as the most important source of information for the vast majority of users. In 2005, among users age 17 and older, 56.3 percent consider the Internet to be a very important or extremely important source of information for them -- up slightly from 2003 (55.2 percent). The importance of newspapers as information sources for Internet users increased marginally in year five.

* **Information On The Internet: Is It Reliable And Accurate?** -- In year five, the number of users who believe that most or all of the information on the Internet is reliable and accurate continues to decline for the third year in a row.

In 2005, 48.8 percent of users say that most or all of the information online is reliable and accurate – a decline from the peak of 58 percent in 2001. The number of users who believe that only about half of the information on the Internet is reliable and accurate continues to grow for the fourth year in a row.

*** Accuracy Of Online Information: Frequently-Visited Web Sites** -- Internet users attribute high degrees of reliability and accuracy to their favorite Web sites. More than 80 percent of users in 2005 (81.3 percent) say that most or all of the information on Web sites they visit regularly is reliable and accurate.

*** Which Web Sites Are Reliable And Which Are Not?** -- In year five, large numbers of Internet users say that most of the information posted by established media and government Web sites is reliable and accurate, but report much lower levels of credibility for information posted by individuals. In 2005, Web sites mounted by established media (such as nytimes.com and cnn.com) ranked highest, with 78.5 percent of users saying that most or all information on those sites is reliable and accurate. Government Web sites fare almost as well; 78.2 percent of users say that most or all information on established media Web sites is reliable and accurate.

Information pages posted by individuals have much lower credibility; only 11.5 percent of users say the information on Web sites posted by individuals is reliable and accurate -- up only slightly from 8.6 percent in the previous study.

*** Internet Purchasing: How Often Do You Buy Online? How Much Do You Spend?** -- Buying online -- both the frequency of purchases and dollars spent -- continues to increase. In the fifth year of the Digital Future Project, the number of annual purchases by online buyers has tripled since the second year of the study.

Average monthly spending is growing as well. In 2005, online buyers spend an average of \$43 a month more than in 2001.

*** Why Do Internet Users Delay Their Online Purchasing?** -- When users who waited more than three months to buy on the Internet are asked why they delayed their online purchasing, the largest number say they waited because they were concerned about using a credit card number online -- a finding consistent through several surveys of the Digital Future Project. However, in year five of the study, the number of users who delayed their online purchasing because of credit card concerns has declined substantially.

The only reason cited more often this year than previous years by users for delaying their online purchasing is the lack of a credit card.

*** Buying Online: How Does It Affect Purchasing In Stores?** -- Online purchasing is having a growing effect on purchasing in traditional retail stores. Three-quarters of Internet users who buy online say that the online buying is reducing their purchasing from local retail stores. The percentage of online purchasers who say that their retail buying has been “reduced a lot” has reached its highest level in the five years of the Digital Future Project.

*** Browsing For Products: Online And In Stores** -- Although Internet users say that their online purchasing cuts into retail buying (see page 68), a growing percentage of respondents report using both the Internet and retail stores for browsing and purchasing.

*** Concerns About Privacy When Buying Online** -- The findings of the Digital Future Project consistently show that most respondents report some level of concern about the privacy of their personal information -- such as name and address, phone number, and purchasing habits -- when or if they buy on the Internet. The intensity of that concern had been declining in previous years; however, in 2005, concern about the security of personal information rose.

Overall, the total percentage of respondents age 16 and over who report some concern about online personal information is very high, and generally consistent during the years this question was asked: between 88 and 94 percent of respondents report some concern.

In 2005, almost 90 percent of respondents age 16 and over (89.5 percent) express some level of concern about the privacy of their personal information when or if they buy online -- up slightly over the 88.2 percent in the previous year.

In particular, the percentage who report the highest level of concern (very or extremely concerned) rose in year five to more than half of respondents -- the first increase in four years.

*** Concerns About Credit Card Information: No End In Sight?** -- As worries about personal privacy online continue, concerns about credit card security on the Internet are also at high levels among all respondents. However, those concerns about credit card security appear to be stabilizing.

Comparing four years of findings, the overall percentage of respondents age 18 or over who express some level of concern about the security of their credit card information when or if they buy online have been approximately the same: 94.4 percent in 2000, 92.4 percent in 2001, 92.8 percent in 2002, and 92.8 in 2004.

*** Concerns About Credit Card Information: Why?** -- Although very large numbers of respondents say they are concerned about the online security of their credit card information, the primary reasons for concern cited previously are given less frequently.

In 2005, only 12.7 percent of respondents say they are concerned about credit card security because of hackers. In the previous studies by the Digital Future Project, concern about hackers was by far the largest concern. Yet in the current study, the percentage of people expressing this concern has declined by almost two-thirds.

*** What Would Reduce Your Concerns About Using A Credit Card Online?** -- Declining percentages of respondents are citing the most commonly mentioned solutions to reduce their concerns about online credit card security.

In 2005, 23 percent of adult Internet users who express concerns about using their credit cards online (somewhat concerned, very concerned, or extremely concerned) say nothing will reduce their concerns -- down from 31 percent in the previous study. Almost half of users (48.7

percent) in 2005 report a wide variety of other solutions, categorized here as "other" -- up considerably from 2002 and 2003.

*** Do You Use E-mail?** -- In year five of the Digital Future Project, e-mail use continues to be the most popular online activity. The percentage of e-mail users appears to have stabilized. In 2005, about 90 percent of Internet users use e-mail.

Given that 78.6 percent of all Americans go online, and 89.9 percent of those users have e-mail, this means that 70.7 percent of Americans now use e-mail.

*** How Often Do You Check Your E-mail?** -- Checking e-mail multiple times each day is increasingly becoming a habit. In year five of the Digital Future Project, an increasing number of e-mail users are checking their inboxes several times a day -- or more.

Among e-mail users in 2005, 37.9 percent say they check e-mail several times a day, or every hour or more.

*** Instant Messaging With More Than One Person** -- Instant messaging is one of the most popular online activities in year five (see page 23), and instant messaging with more than one person is increasing as well. In 2005, of those Internet users who send and receive instant messages, 61 percent IM to more than one person at a time -- an increase from 53 percent in 2003.

The highest percentage of those who send and receive instant messages from more than one person at a time is among users under 18. However, large percentages of users in all ages send and receive instant messages from more than one person at a time.

*** Does the Internet Affect Contact With Family And Friends?** -- In 2005, the majority of Internet users say that the Internet has no influence on the amount of time they spend with their family and friends.

However, more than 40 percent say that use of the Internet has increased or greatly increased contact with family and friends. Only a small number (5.1 percent) say the Internet has decreased this contact.

*** The Internet, Children, And Time With Friends** -- In general, most adults say that the children in their households spend about the same amount of time with friends since gaining home access to the Internet. A small but generally stable number (7-8 percent) say the children in their households spend less time with friends since home Internet access arrived.

*** Internet Use: The Right Amount Of Time For Children?** -- When adults are asked about the amount of time the children in their households spend going online or watching television, a small but growing number of respondents say the children are using the Internet too much.

In 2005, 19 percent of adults say the children in their households spend too much time on the Internet. Most adults (71.8 percent) say that children in their households spend just the right amount of time online -- a slight decline over the previous year. Less than half of adults say the

children in their households watch just the right amount of television -- a number that is also declining.

* **Schoolwork And The Internet** -- Children and adults express conflicting views about the importance of the Internet in schoolwork. Internet users 18 and under believe that the Internet plays a major role in their schoolwork. In 2005, more than 80 percent (83.3 percent) say that going online is very important or extremely important -- a large jump over the 61.6 percent who reported the same response in the previous study.

However, while students continue to say that going online is a vital part of their schoolwork (see the previous page), the Internet is still not perceived by large numbers of adults as having any effect -- positive or negative -- on school grades. In 2005, almost three-quarters of adults in the current study (74.7 percent) say that since their household acquired the Internet, the grades of children in their households have stayed the same.

* **The Internet At Work: Personal Use** -- Of users who have Internet access at work, 10.7 percent say they cannot visit non-work Web sites from their business computer.

Of the other 89.3 percent of users who can visit non-work Web sites from their business computer, the vast majority go online for 3.5 hours per week or less for non-work purposes -- a level that remained generally consistent for three years, but dropped slightly in 2005.

The current study found small increases in Internet users who go online at work for personal reasons for more than 3.5 to 7 hours a week and more than 7 to 14 hours a week.

* **Does The Internet Make Workers More Productive?** -- The percentage of users who say the Internet at work makes them more productive has continued to increase for all five years of this study. In year five, almost two-thirds of users who have access to the Internet at work (66.3 percent) say that going online at work makes them somewhat more productive or much more productive, up from 65.8 percent in 2003, 64.5 percent in 2002, 60.9 percent in 2001, and 56.7 percent in 2000.

Those who say the Internet has made them much more productive increased to 37 percent, up from 31.7 percent. Even though large numbers of respondents say they use the Internet for personal reasons at work (see page 109), less than five percent of those who go online at their jobs (4.7 percent) say the Internet makes them less productive.

* **The Internet And Military Life** -- The Internet is playing an increasingly important role in the social lives of military personnel. As electronic technology in all its forms shrinks the world, the role of the Internet among military personnel, and their family and friends, is becoming a key issue -- especially with thousands of Americans deployed in a war halfway around the world.

-- 31.8 percent of respondents say that they themselves, or a member of the family, or a close friend, are in the military.

-- Almost one-fourth of respondents say that the member of the military in question is deployed overseas in a battle area.

-- A majority of people in the military communicate with their family or friends back home by e-mail or cell phone.

For the complete report on Year Four of the Digital Future Project, visit www.digitalcenter.org.

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USC Annenberg School Center for the Digital Future

Highlights: Digital Future Project 2005 (Year Five)

In 2000, the first report of the Digital Future Project created a base profile of behavior and attitudes about Internet use and non-use in five major subjects: who is online and who is not, media use and trust, consumer behavior, communication patterns, and social effects.

The next four years of this study (2001, 2002, 2003, and 2005) have continued the appraisal of more than 100 major issues, focusing on Internet users vs. non-users, as well as new users (one year of less of experience) compared to very experienced users (in year five, more than eight years of experience).

The project compares findings from all five years of the study, looking at five major areas: who is online and who is not, media use and trust, consumer behavior, communication patterns, and social and psychological effects.

To download the full text of the Digital Future Project , visit www.digitalcenter.org.

Here are highlights for the five major areas in year five of the Digital Future Project:

Internet Users and Non-Users: Who Is Online? Who Is Not? What Are Users Doing Online?

Note: “new users” have less than one year on the Internet
“very experienced users” have more than eight years on the Internet

Internet Access And Use Continues To Increase

* Year five of the Digital Future Project found increases in the total number of Internet users in the United States, as well as growth in online access at home, at school, and at work; and total number of hours online each week. (Pages 22 , 27, 28 and 29)

* Overall, Internet access rose to its highest level in the five years of the Digital Future Project. In 2005, 78.6 percent of Americans go online. (Page 22)

* The number of hours online continues to increase – rising to an average of 13.3 hours per week – the highest level in the study thus far. (Pages 22 and 29)

* Almost two-thirds of Americans (66.2 percent) use the Internet at home in 2005, a substantial increase from the 46.9 percent of users who reported home Internet access in 2000, the first year of the Digital Future Project. (Pages 22 and 28)

* More than half of Internet users have been online for more than five years. (Pages 22 and 27)

The Top Ten Most Popular Internet Activities -- Year Five

* The top ten most popular Internet activities in 2005 are: e-mail, general Web surfing, reading news, shopping, entertainment news (searching and reading), seeking information about hobbies, online banking, medical information (searching and reading), instant messaging, and seeking travel arrangements and travel information. (Page 23)

New Internet Users Vs. Very Experienced Users: Differences In Online Activities

* Year five of the Digital Future Project found measurable differences between new users and very experienced users in almost every type of Internet activity. (Page 24)

Internet Users: Consistent Growth Among Americans Over 55

Some of the most consistent growth in Internet use is among respondents age 56 and older. (Page 26)

The Internet At Home: How Many Hours Per Week?

* Users who go online at home continue to report an increasing number of hours on the Internet. After stabilizing for two years, in 2005 the average weekly hours spent online jumped by almost an hour. (Page 28)

Internet Users And Income

* The fastest growing use of the Internet is among Americans with the lowest income. (Page 26)

Internet Connections At Home

* In 2005, the telephone modem is no longer the most common type of Internet connection. (Page 31)

* Users who report that they go online through a telephone modem dropped to 45.6 percent, down from 61.5 percent in the previous study. (Page 31)

* Access to the Internet via a broadband connection (defined as cable, DSL, ISDN or T1/T3) is now used by 48.3 percent of users. (Page 31)

Broadband And Modem: New Users Vs. Very Experienced Users

* Broadband use at home is much more common among very experienced users, compared to new users. (Page 32)

Broadband Vs. Modem Users: What Do They Do Online?

* Compared to modem users, broadband users spend more hours online working on their jobs at home, reading news, playing games, tracking their checking accounts and credit cards, and instant messaging. (Page 34)

Posting Information Online: Blogs, Photos, And Personal Web Sites

* The distribution of original content -- whether through a blog, display of photos, or maintaining a personal Web page -- is on the increase in 2005. (Page 40)

* In Year five, the highest percentage of users who host a Web site say they post material online in order to sell something. (Page 41)

Internet Non-Users: Why Are They Not Online?

* The 21.4 percent of Americans who do not use the Internet express a range of reasons for not being online, but two of the principal reasons are declining in prevalence. (Page 42)

* In Year five of the Digital Future Project, the primary reason for not using the Internet continues to be “no computer” -- the reason cited most often in each year of the survey. However, the percentage mentioning this reason is down from 2003. (Page 42)

* Those who say that their reason for not being online is the expense of using the Internet dropped by almost half in 2005. (Page 42)

Electronic Dropouts: Why Do Users Stop Going Online?

* In 2005, a lower percentage of electronic dropouts reports their reason for not being online as “no computer available” – the lowest level in the five Digital Future Projects. (Page 43)

What Do You Miss By Not Using The Internet?

* In 2005, the major reasons cited by electronic dropouts in previous years for missing the Internet are being mentioned less often. (Page 44)

Will Non-Users Go Online?

* The number of non-users who say they are somewhat likely or very likely to go online within the next year has increased in Year five of the study. (Page 45)

* More than one-quarter of electronic dropouts say they will not go back online. (Page 45)

Which Communication Technology Would You Give Up?

* Internet users are more loyal to the Internet than they are to their cell phones or television. (Page 47)

* When asked which technology they would be most willing to give up, in 2005 39.4 percent of Internet users choose their cell phone, and 32.7 percent who would first give up television. Only 27.8 percent of users say they would be most willing to give up the Internet. (Page 47)

Media Use And Trust

The Internet: How Important As An Information Source?

* After five years of studying American online behavior and attitudes, the Digital Future Report continues to find that the Internet has a solid position as the most important source of information for the vast majority of users. (Page 49)

* The Internet grows in importance as use increases. Among very experienced users in 2005, the Internet ranks above all other media as a very important or extremely important source of information. (Page 50)

The Internet As An Information Source:

Importance To Broadband Users Vs. Telephone Modem Users

* Much higher numbers of broadband users than modem users say that the Internet is the top source of information for them. (Page 51)

Information On The Internet: Is It Reliable And Accurate?

* In 2005, the number of users who believe that most or all of the information on the Internet is reliable and accurate continues to decline, now for the third year in a row. (Page 52)

Which Web Sites Are Reliable And Which Are Not?

* In 2005, large numbers of Internet users say that most of the information posted by established media and government Web sites is reliable and accurate, but report much lower levels of credibility for information posted by individuals. (Page 54)

Search Engines: Are They Reliable And Accurate?

* In response to a new question for the Year five project, large numbers of Internet users say they consider search engines (such as Google, Ask Jeeves, and Yahoo) to be reliable and accurate; 64.4 percent of users say that most or all of the information produced by search engines is reliable and accurate. (Page 55)

Internet Users: Media Use While Offline

* In 2005, the biggest gap in the study of offline activities by Internet users and non-users is time spent watching television. Non-users watch an average of 6.2 hours more television per week than Internet users -- yet another piece of evidence that has been consistent in all five years of the study. The only principal social activity that seems to “suffer” from Internet use is TV viewing. (Page 57)

Using Media Online

* The Digital Future Project studies have found a general trend upward in the levels of use of many online media. (Page 58)

* Users spend the largest amount of online time playing computer games, followed by listening to recorded music, reading e-newspapers, listening to Internet radio, reading e-magazines, talking on the telephone, and reading e-books. (Page 58)

General Web Surfing

* A new question for Year five asked Internet users how often they go online without a specific destination. (Page 59)

* In 2005, Internet users in large numbers (71.3 percent) will sometimes or often go online without a specific destination in mind. Almost one-quarter (24.6 percent) go online often without a specific destination. (Page 59)

Search Engines: Are They Providing The Information That Users Seek?

* Another new question for Year five asked Internet users if online search engines provide the results they need. A large majority of users (72.3 percent) say that their search engine often provides the results they want. (Page 61)

Consumer Behavior

Internet Purchasing: Who is Buying Online?

* In 2005, the percentage of adults who buy online has remained generally consistent -- between 39 and 51 percent -- across the five years of the Digital Future Project, with the exception of a modest dip in 2002. (Page 63)

Internet Purchasing: How Often Do You Buy Online? How Much Do You Spend?

* The number of annual purchases by online buyers has tripled from the second year to the fifth year of the Digital Future Project. (Page 63)

* In 2005, online buyers spend an average of \$43 a month more than in 2001. (Page 64)

Monthly Spending: Internet Purchases, Mail Order And Phone Orders

* Buying habits -- as measured by the dollar amount of monthly spending -- are changing for Internet purchasers, but are stable among those who use mail order and phone order. (Page 65)

Why Do Internet Users Delay Their Online Purchasing?

* When users who postponed buying on the Internet are asked why they delayed their online purchasing, the largest number say they waited because they were concerned about using a credit card number online -- a finding consistent through several surveys of the Digital Future Project. (Page 67)

* The number of users in 2005 who delayed their online purchasing because of credit card concerns has declined substantially. (Page 67)

Buying Online: How Does It Affect Purchasing In Stores?

* Online purchasing is having a growing effect on purchasing in traditional retail stores. (Page 68)

* Three-quarters of Internet users who buy online say that the online buying is reducing their purchasing from local retail stores. (Page 68)

* The percentage of online purchasers who say that their retail buying has been "reduced a lot" has reached its highest level in the five years of the Digital Future Project. (Page 68)

Browsing For Products: Online And In Stores

* A higher percentage of Internet users (28.2 percent) say they often shop online and then buy in stores, compared to 11.6 percent who shop in stores and then buy online. (Page 69)

Concerns About Privacy When Buying Online

* The intensity of concern for the privacy of online personal information had been declining in previous years. However, in 2005, concern about the security of personal information rose. (Page 73)

* The percentage who report the highest level of concern (very or extremely concerned) rose in 2005 to more than half of respondents -- the first increase in four years. (Page 73)

Concerns About Credit Card Information: No End In Sight?

* As worries about personal privacy online continue, concerns about credit card security on the Internet are also at high levels among all respondents. However, those concerns about credit card security appear to be stabilizing. (Page 77)

* Among Internet users, concerns about the security of credit card information begin to decline somewhat once they begin to buy online. (Page 78)

Concerns About Credit Card Information: Why?

* Although very large numbers of respondents say they are concerned about the online security of their credit card information, the primary reasons for concern cited previously are given less frequently. (Page 80)

* In 2005, the percentage of people concerned about “hackers” has declined by almost two-thirds. (Page 80)

What Would Reduce Your Concerns About Using A Credit Card Online?

* In 2005, 23 percent of adult Internet users who express concerns about using their credit cards online say nothing will reduce their concerns – down from 31 percent in 2003. (Page 81)

Communication Patterns

Do You Use E-mail?

* E-mail use continues to be the most popular online activity. The percentage of e-mail users appears to have stabilized. In 2005, about 90 percent of Internet users use e-mail. (Page 84)

* 70.7 percent of Americans now use e-mail. (Page 84)

How Often Do You Check Your E-mail?

* In 2005, an increasing number of e-mail users are checking their inboxes several times a day or more. (Page 85)

How Often Should Users Check E-mail?

* When asked how quickly one should reply to personal e-mail, the largest change in Year five was the increase in users who say that replies should be sent “as soon as possible.” (Page 86)

Instant Messaging With More Than One Person

* Instant messaging with more than one person is increasing. (Page 88)

* In 2005, of those Internet users who send and receive instant messages, 61 percent IM to more than one person at a time -- an increase from 53 percent in 2003. (Page 88)

Online Communities

* In a new question for the Year five Report, the Digital Future Project asked respondents about their involvement in online communities. (Page 89)

* The largest number of respondents who participate in online communities say their participation involves a hobby-oriented community. The next largest group reports involvement in an online community focused on social issues, followed by those who participate in a community for professional reasons. (Page 89)

* More than 70 percent (71.9) say that their online community is very important or extremely important for them. Only a very small number (3.6 percent) say their online community is not important at all. (Page 90)

Social Effects

The Internet, Family And Friends

Does the Internet Affect Contact With Family And Friends?

* In 2005, the majority of Internet users say that the Internet has no influence on the amount of time they spend with their family and friends. (Page 92)

* More than 40 percent say that use of the Internet has increased or greatly increased contact with family and friends. (Page 92)

Does The Internet Increase Contact Between People Who Share Interests?

* Only small numbers of Internet users say that going online increases their contact with people who share their interests in hobbies, politics, or religion -- findings that are generally consistent with those from previous years. (Page 93)

* A modestly growing number of users say that the Internet has increased their contact with people who share their political interests. (Page 93)

Do Internet Users Spend Too Much Time Online?

* Internet users and non-users express moderate levels of agreement that people spend too much time online. However, those levels of agreement have declined in each of the four years this question has been asked by the Digital Future Project. (Page 94)

Children And The Internet

The Internet, Children, And Time With Friends

* In general, most adults say that the children in their households spend about the same amount of time with friends since gaining home access to the Internet -- a finding consistent throughout the studies of the Digital Future Project. (Page 96)

Internet Use And Television Viewing: The Right Amount Of Time For Children?

* A small but growing number of adults with children in their households say the children are using the Internet too much. (Page 97)

* Most adults (71.8 percent) say that children in their households spend just the right amount of time online -- a slight decline over the previous year. (Page 97)

* Almost half of adults (48.4 percent) say that children in their households spend too much time watching television -- a number that has increased steadily over the last four years of surveys. (Page 97)

Schoolwork And The Internet

* In 2005, children and adults express conflicting views about the importance of the Internet in schoolwork. Internet users age 18 and under believe that the Internet plays a major role in their schoolwork. However, the Internet is still not perceived by large numbers of adults as having any effect -- positive or negative -- on school grades. (Pages 98 and 99)

Political Power And Influence

The Internet's Importance In Political Campaigns

* In 2005, large numbers of respondents (61.7 percent) agree that the Internet has become important to political campaigns. (Page 103)

* More than half of non-users (52 percent) also agree that the Internet is important for political campaigns. (Page 103)

The Internet and Political Knowledge

* In 2005, belief that the Internet can be a tool for learning about the political process continues to increase, with 60.4 percent of users and 34.6 percent of non-users agreeing that by using the Internet, people can better understand politics. (Page 104)

Is The Internet A Tool To Help Gain Political Power?

* For the first time in the Digital Future Project, the number of Internet users who say that the Internet can be used as a tool to gain political power has begun to rise. (Page 105)

Online Information And The Presidential Elections

* Large percentages of Internet users went online for information about the candidates in the 2004 presidential election -- for information about issues or candidates they supported, as well as for information about issues and candidates about which they were undecided. (Page 106)

Where Online Do Users Find Campaign Information?

* Internet users use candidates' Web sites for information, but not as their primary source for campaign information. (Page 107)

* The largest percentage of adult users who went online for campaign information relied on traditional media Web sites; a smaller group of users used candidates' Web sites. (Page 107)

The Internet At Work

Using The Internet At Work: Hours Online

* Use of the Internet at work for professional reasons is increasing. (Page 108)

The Internet At Work: Personal Use

* Of users who have Internet access at work, 10.7 percent say they cannot visit non-work Web sites from their business computer. (Page 109)

* Of the other 89.3 percent of users who can visit non-work Web sites from their business computer, the vast majority go online for 3.5 hours per week or less for non-work purposes -- a level that remained generally consistent for three years, but dropped slightly in Year five. (Page 109)

Does The Internet Make Workers More Productive?

* The percentage of users who say the Internet at work makes them more productive has continued to increase for all five years of this study. (Page 110)

The Internet And Military Life

Armed Forces Personnel And Online Technology: Key Points

* The Internet is playing an increasingly important role in the social lives of military personnel. The role of the Internet among military personnel, and their family and friends, is becoming a key issue.

* 31.8 percent of respondents say that they themselves, or a member of the family, or a close friend, are in the military.

* Almost one-fourth of respondents say that the member of the military in question is deployed overseas in a battle area.

* A majority of people in the military communicate with their family or friends back home by e-mail or cell phone. (Page 111)

Trends: Five Years Of Exploring The Digital Domain

Top Issues

The conclusions of year five of the Digital Future Project focused on nine trends: the Internet, expense, and non-users; the growing impact of broadband; surfing the Web; the Internet and politics; Internet vs. retail; original online content; Internet credibility; the military and the Internet; and the speed of change. (Page 112)

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**The USC Annenberg School
Center for the Digital Future: Background**

The USC Annenberg School Center for the Digital Future created and organizes the World Internet Project, which includes the UCLA Internet Report and similar studies in Europe, the Middle East, South America, and Asia.

The Center for the Digital Future was formerly the Center for Communication Policy at UCLA. The center, its staff, and its research projects moved to USC in July.

The Digital Future Project supported by public foundations and private companies, including Accenture, Hewlett-Packard, Microsoft, the National Cancer Institute, SBC, Sony, Time Warner Companies, and Verizon.

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