## The New York Times

## Corporate Security Costs Up Slightly Since 9/11

By BOB TEDESCHI Published: July 10, 2003

Contrary to some analysts' expectations, American corporations have increased their security spending only slightly in response to the 9/11 terrorist attacks, according to a survey of security personnel released yesterday.

A minority of those surveyed said they were given enough money to protect their systems, buildings and employees adequately.

The survey of more than 300 large companies, conducted by the Conference Board, a nonprofit research group, found a 4 percent median increase in corporate security budgets since the terrorist attacks.

"In the current environment, large-scale capital improvements that cannot demonstrate an immediate return on investment are a particularly tough sell to management," the report's chief author, Thomas E. Cavanagh, wrote.

Still, Mr. Cavanagh said at a news conference yesterday announcing the findings, "There's a lot of appreciation in the corporate world for the importance of this issue."

Indeed, there were pockets of sharp spending increases, particularly for risk management and insurance. In those areas, median spending since September 2001 increased by 33 percent as insurers increased premiums to cover losses from the attacks. In addition, companies in the Northeast and large multinational corporations invested more in security than smaller companies in other regions.

Security executives at the news conference said that although companies did not increase their security spending significantly, they redirected their security budgets to the most critical areas.

Those areas include access control systems, background investigations, information technology and business continuity plans in the event of an attack, said Don W. Walker, chairman of Securitas Security Services USA Inc.