CCPA Readiness: Second Wave
Firms continue to prep for the CCPA, but much work remains

Only 2% of firms consider themselves fully compliant today

The California Consumer Privacy Act has gripped privacy pros’ attention in 2019. The impending law — which takes effect January 2020 — has triggered various discussions on how to interpret it, how to comply and what challenges privacy pros face in convincing their organizations to make the CCPA a compliance priority.

Debates even continue on whether the CCPA and other new state laws like it will be preempted by a U.S. federal privacy law.

Methodology

As with the first wave of the survey conducted in April, privacy professionals working at organizations that are subject to the CCPA were the target of the survey. We sent out our short survey link to our 48,600 U.S Daily Dashboard subscribers July 23, 2019. In addition, we also informed our members about our survey research via the IAPP’s website and social media. After this initial launch, we sent a reminder email about our survey in early August. In total, we received 290 responses. The average time to complete the survey was about three minutes.

In early 2019, the IAPP fielded a survey with support from OneTrust to seek insight into some of these questions and recently fielded a follow-on study. We published the results of the first survey in April. To monitor how levels of CCPA preparedness are changing over time, we fielded the second survey in July to August 2019. This short report summarizes the major takeaways from the second study relative to the first.

What’s new?

Respondents’ CCPA preparedness has markedly improved since the first quarter of 2019. When we asked respondents to rate their preparedness level with the CCPA on a scale of 0 to 10 (with 0 being “have not started to prepare” and 10 being “fully prepared”), the average preparedness score was 5.27 (up from 4.75 when the last survey was conducted in March and April). Thus, some notable progress has been made over the past several months, and most organizations are now more than halfway through their journey to full CCPA compliance.

Significant work remains, however, as only 2% of organizations report that they are currently in full compliance with the law, whose enforcement deadline is just months away.

Strikingly, the biggest obstacles organizations face on their road to CCPA compliance — as well as the factors motivating them — remain virtually unchanged since the first wave of the survey. At the
The biggest motivators driving organizations to become CCPA compliant also remain the same as in the Q1 study: Concerns about the reputations of their organizations are the primary factor driving compliance, followed by concerns about consumer privacy and enforcement actions.

Something that has changed visibly over the past several months is the belief among privacy pros that Congress will be able to pass a U.S. federal privacy law that preempts the CCPA. Earlier this year, 47% of privacy pros were doubtful that Congress would pass such a law within the next year or two. By this summer, that number had grown to 65%. This difference suggests that privacy pros are growing increasingly skeptical that a preemptive federal privacy law will make its way onto the books during this session of Congress.

As was found in the last wave of the survey, firms that are highly compliant with the GDPR are more likely to be prepared for the impending CCPA deadlines and have set earlier compliance target dates than their peers. About one in three organizations report being able to significantly leverage their GDPR compliance efforts to achieve CCPA compliance. Thus, GDPR-like obligations are imposed on organizations that collect and sell personal data by the new U.S. state laws that are cropping up, all that work of preparing for the GDPR seems to be paying off for many organizations that will be subject to both laws.

**Conclusion**

This study demonstrates that privacy pros have been working steadily over the past few months to get more prepared for the CCPA, which is scheduled to enter into force Jan. 1, 2020. It is important to continue to monitor CCPA compliance efforts, given the potential for companies to face fines for failing to protect consumer privacy and safeguard consumers’ rights under the new law — not to mention the fallout such enforcement actions would have for brands and reputations. Moreover, growing doubts about a federal law being passed that would preempt the CCPA signal that California’s new law will be here to stay.
Respondents primarily worked for organizations headquartered in the United States

Question: What is the primary location of your organization’s headquarters?

- United States, 86%
- United Kingdom, 5%
- Canada, 2%
- European Union (excluding U.K.), 5%
- Other, 1%
More than half of respondents worked for organizations with 1,000 employees or more

Question: How many people are employed globally by your organization?

- 25,001 or more: 21%
- 5,001-25,000: 20%
- 1,001-5,000: 21%
- 251-1,000: 20%
- 1-250: 19%
Software and services was the most represented industry, followed by banking and insurance.

Question: Which of the sectors below best fits your organization?
Uncertainty swells? 16% of respondents were unsure if the CCPA will apply to them – up from 11% several months ago.

Question: As the law is currently written, do you believe your organization will be subject to the California Consumer Privacy Act when it goes into effect Jan. 1, 2020?

- Yes: 79% (August 2019), 79% (April 2019)
- No: 10% (August 2019), 10% (April 2019)
- Unsure: 16% (August 2019), 11% (April 2019)
More ready than not: Over the course of this year, organizations have become more prepared for the CCPA

**Question:** On a scale of 0 to 10 (with 0 being “have not started to prepare” and 10 being “fully prepared”), how would you rate your organization’s current level of preparedness for the CCPA?

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*Graph showing the percentage of respondents who have started preparing for the CCPA.*

- **April 2019**
  - 0%: 2%
  - 1%: 7%
  - 2%: 11%
  - 3%: 14%
  - 4%: 11%
  - 5%: 9%
  - 6%: 17%
  - 7%: 23%
  - 8%: 18%
  - 9%: 13%
  - 10%: 12%

- **August 2019**
  - 0%: 2%
  - 1%: 4%
  - 2%: 7%
  - 3%: 11%
  - 4%: 9%
  - 5%: 17%
  - 6%: 18%
  - 7%: 13%
  - 8%: 12%
  - 9%: 8%
  - 10%: 4%
Some organizations have set or moved their compliance target date to July 1, 2020

Question: Approximately when do you expect your organization to be in full compliance with the CCPA?

- Before July 1, 2019/We currently are in full compliance: 50%
- Before January 1, 2020: 47%
- Before July 1, 2020: 33%
- After July 1, 2020: 4%
- Don't know: 3%
- We do not have a timeline for compliance: 11%
- We do not have a timeline for compliance: 9%
- August 2019: 4%
More than 8 in 10 firms that are highly prepared for the CCPA now say they will be compliant by January 2020

<table>
<thead>
<tr>
<th>Current CCPA preparedness level</th>
<th>We are currently in full compliance</th>
<th>Before January 2020</th>
<th>Before July 2020</th>
<th>After July 2020</th>
<th>No timeline</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-3 (low)</td>
<td>0%</td>
<td>27%</td>
<td>42%</td>
<td>8%</td>
<td>15%</td>
<td>6%</td>
</tr>
<tr>
<td>4-6 (medium)</td>
<td>0%</td>
<td>41%</td>
<td>39%</td>
<td>4%</td>
<td>11%</td>
<td>4%</td>
</tr>
<tr>
<td>7-10 (high)</td>
<td>7%</td>
<td>75%</td>
<td>15%</td>
<td>2%</td>
<td>2%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Limited resources and legal complexity remain the top-ranking impediments to CCPA compliance

Question: Please rate the following factors in terms of how much of an impediment they are to your efforts to comply with the CCPA.
Reputational risk also continues to top the list of factors motivating compliance with the CCPA

<table>
<thead>
<tr>
<th>Factor</th>
<th>August 2019</th>
<th>April 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leveraging GDPR compliance efforts</td>
<td>3.11</td>
<td>3.11</td>
</tr>
<tr>
<td>Being seen as more compliant than our competitors</td>
<td>3.42</td>
<td>3.42</td>
</tr>
<tr>
<td>Concern about sanctions and enforcement actions</td>
<td>3.62</td>
<td>3.62</td>
</tr>
<tr>
<td>Protection of consumer privacy</td>
<td>3.85</td>
<td>3.85</td>
</tr>
<tr>
<td>Reputation</td>
<td>4.29</td>
<td>4.32</td>
</tr>
</tbody>
</table>

Question: Please rate the following factors in terms of how much of a motivator they are to your efforts to comply with the CCPA.
About a third of privacy pros continue to heavily leverage their GDPR compliance efforts to achieve CCPA compliance

Question: On a scale of 0 to 10 (with 0 being “not at all” and 10 being “fully”), how much are you leveraging your GDPR compliance efforts to comply with the CCPA?
Firms that are more compliant with GDPR have been able to set earlier timelines for CCPA compliance

When Do You Expect to be in Compliance with the CCPA?

<table>
<thead>
<tr>
<th>Current level of GDPR compliance*</th>
<th>We are in full compliance</th>
<th>Before January 1, 2020</th>
<th>Before July 1, 2020</th>
<th>After July 1, 2020</th>
<th>No timeline</th>
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</tr>
</thead>
<tbody>
<tr>
<td>0-3 (low)</td>
<td>0%</td>
<td>27%</td>
<td>14%</td>
<td>0%</td>
<td>43%</td>
<td>14%</td>
</tr>
<tr>
<td>4-6 (medium)</td>
<td>0%</td>
<td>27%</td>
<td>33%</td>
<td>13%</td>
<td>20%</td>
<td>0%</td>
</tr>
<tr>
<td>7-10 (high)</td>
<td>2%</td>
<td>50%</td>
<td>34%</td>
<td>3%</td>
<td>6%</td>
<td>3%</td>
</tr>
</tbody>
</table>

* Only includes respondents who are subject to the GDPR.
Doubting it: Privacy pros are growing more skeptical that Congress will pass a federal privacy law preempting the CCPA

Question: In your opinion, how likely is it that a federal privacy law that preempts the CCPA will be passed by Congress over the next year or two?

- Definitely will happen: 1% (August), 2% (April)
- Very likely: 9% (August), 12% (April)
- There's a 50-50 chance: 22% (August), 36% (April)
- Only a little bit likely: 33% (August), 41% (April)
- No way: 33% (August), 41% (April)