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**CIOs TREAT 2003 AS TRANSITION YEAR TO TECH RECOVERY**  
**Thirty-Six Percent Do Not Expect Spending Pickup Until 2004**

**FRAMINGHAM, MA** <sup>3/4</sup> **May 1, 2003** <sup>3/4</sup> According to April's CIO Magazine Tech Poll™, CIOs, on average, plan to increase tech spending +4.2% over the next twelve months (down from 6.1% last month). "Chief information officers increasingly depict 2003 as a transition year between the no-growth days of 2002 and more robust spending in 2004 when they hope to address a building application backlog," says Gary Beach, *Group Publisher* of CIO magazine.

"In this month's poll we see continued crosscurrents. Although the overall spending plans for the next 12 months declined month-to-month, we are encouraged that larger companies <sup>3/4</sup> those with more than 5,000 employees <sup>3/4</sup> have become more optimistic over this same time frame [+4% vs. flat last month]," says George Elling, *Managing Director, Enterprise and PC Hardware Research* for Deutsche Bank Securities.

"The war in Iraq undoubtedly played a role in CIOs' subdued outlook on tech spending. Now that the regime has been removed from most of Iraq and plans to rebuild the country are underway, we anticipate CIOs will show levels of increased confidence in the months ahead," says Dr. Ed Yardeni, *Chief Investment Strategist* for Prudential Securities Inc.

The CIO Magazine Tech Poll provides technology and business executives, economists, and policymakers with a tool to gauge technology growth trends and to assess their impact on the overall economy. The poll panelists are asked to answer questions on overall current and projected IT budgets on a monthly basis. Also covered are future spending plans for IT hardware, software, services, and Internet initiatives. The results of April's poll, conducted from April 10-17, are detailed below.

**CIO MAGAZINE TECHNOLOGY GROWTH INDICATORS**

The CIO Magazine Tech Poll results are used to construct the CIO Magazine Tech Future Growth Index (TFGI) which projects IT activity over the next 12-months.<sup>1</sup> In April, the TFGI was 1.4, compared to 2.3 in March. (Attached below are Tables 1 and 3 providing historical data and selected charts).

**OVERALL IT BUDGET AND COSTS**

During April 2003, the CIO Magazine Tech Poll panel projected IT budgets to grow by 4.2% over the *next* 12 months, down notably from the 6.1% level in March. In addition, the panel reports IT budgets increased by an average of 0.6% over the *previous* 12 months, down from the 2.4% increase reported in the March poll.<sup>2</sup>

## IT SECTORS

When asked about spending in eight specific IT categories, the average number of panelists planning to increase spending decreased to 37% in April (from 38.6% in March). Those planning to decrease spending increased to 20.4% (from 19.9% in March)<sup>3</sup>. Security software continues to be the strongest sector in the poll with roughly 55.1% of respondents planning to increase spending (an increase from 50.6% in March) while only 6.9% plan to decrease spending (versus 4% in March).

**Computer Hardware.** The outlook for Computer Hardware spending improved relative to March. Among the panelists, 43.7% plan to spend more, up from 42.9% in March, while 23.5% plan to cut spending, essentially flat with March (23.4%).

**Infrastructure Software.** The percentage of CIOs planning to increase spending on infrastructure software was 35.1% in April, up from 34.3% in March. Those planning to decrease spending fell to 15.9% in April from 21.1% in March.

**Compensation Costs and Labor Market Conditions.** IT compensation costs (including salaries, benefits, and bonuses excluding stock options) reportedly rose by an average of 2.2% in the 12 months ending in April, a modest increase from 1.9% in March and from 2.1% a year ago. Five-point one percent (5.1%) of respondents report IT professionals were hard to find and retain, down from 8.8% last month and from 7.4% a year ago.

## INTERNET BUDGETS AND BUSINESS

**Internet Budget Plans.** CIO Magazine Tech Poll panelists report they expect to spend 14% of their IT budgets on developing business over the Internet (B2B2C) during the *next* 12 months. This is slightly above the 12.1% reported spent over the *previous* 12 months.

**Internet Revenues.** Overall, panelists expect to generate 10.3% of their revenues from Internet activity (B2B2C) over the *next* 12 months, compared to 7.4% during the *previous* 12 months. This is slightly below last month's levels of 10.8% and 8.4%, respectively.

**Internet Purchases.** On average, during the *next* 12 months, panelists expect to purchase 22.3% of their materials, supplies and parts over the Internet, up from an estimated 18.6% over the *past* 12 months.

## SPECIAL QUESTIONS

**Prior and Current Quarter Comparison.** When asked to compare expected IT spending during the second quarter of 2003 to the first quarter of 2003, 29% say spending in the current quarter would be higher or significantly higher (modestly lower than March's 32.2% expectation), while 20.4% say it would be lower or significantly lower (notably better than March's 24.2% expectation). The remaining 50.5% have not changed spending plans (an increase from 43.7% in March). (Table 2 presents the results of the special questions).

**Pickup in IT Spending.** Among panelists, 27.6% report IT spending either never slowed or has already picked up, with 12.5% claiming to have already seen a spending pickup (vs. 13.9% in March). In addition, 4.3% expect to see a pickup in 2Q03 (versus 11.2% in March), while 13.3% expect to see a pickup in 3Q03 (down from 14.7% in March) and 11.1% expect to see a pickup in 4Q03 (versus 6.4% in March). Further, an additional 35.8% expect to see a pickup beyond 2003 (versus 26.3% in March).

**Spending Factors.** Weak profits continue to have an adverse impact on tech spending. This was cited by 38.4% of the panelists as the primary factor affecting IT spending plans in 2003. Another 31.9% see "tight financial conditions" as the primary factor adversely affecting IT spending plans, and 22.2% said that spending might be weak because there is sufficient IT capacity.

**State of Current Application Backlog.** When asked how they would characterize their application backlog, 87.4% of the panelists reported having an application backlog, up from 86.6% in December, when the question was last asked. Nearly fifty-two percent (51.8%) said the backlog was significant (up from 45.7% in December), representing a potentially positive indicator of future demand. However, only 10.4% said they would increase spending in response (up from 6.9% in December).

## CIO MAGAZINE TECH POLL

The CIO Magazine Tech Poll was created by CIO Magazine in August 2000 in association with Deutsche Bank Securities and Dr. Ed Yardeni, *Chief Investment Strategist*, Prudential Securities, Inc. The poll is proving to be an accurate indicator of technology spending trends. The latest poll was opened on Thursday, April 10, and closed on

Thursday, April 17. An invitation to respond to the poll was distributed via e-mail to a panel of more than 2,000 chief information officers and 3,000 randomly selected *CIO* readers who match the job function criteria “CIO.”

**Demographics.** In the April poll, there were 279 responses with 93% from North America. CIOs comprise 89% of the total, with CEOs, COOs and presidents accounting for 6% and “other” titles accounting for 5%. Very large firms with over 5,000 employees represent 18% of the results. A broad cross-section of industries is represented, including technology services (12%), non-computer/communications related manufacturing (10%), finance (12%), state or local government (8%), health care (10%) and wholesale and retail distribution (8%).

\* \* \*

The complete April CIO Magazine Tech Poll can be found at [http://www.cio.com/info/releases/0403techpoll\\_results.html](http://www.cio.com/info/releases/0403techpoll_results.html). Previous poll results can be found at <http://www.cio.com/info/releases>.

<sup>1</sup> The TFGI is calculated by multiplying the projected growth rate of future IT budgets by the average percentage of respondents saying they plan to increase spending on eight unique categories: computer hardware, data networking equipment, telecom equipment, storage systems, outsourced IT services, infrastructure software, and eBusiness software.

<sup>2</sup> Averages exclude responses over 100%.

<sup>3</sup> Starting in January 2002, Security Software has been added to the group of IT sectors surveyed in the Poll.

Table 1: CIO Magazine Tech Poll™ - Summary Results 2003

Summary Results - 2003	Apr	Mar	Feb	Jan
<b>1. CIO Magazine Technology Growth Indicators</b>				
Tech Future Growth Index*	1.4	2.3	1.8	1.8
<b>2. IT budget (% increase)**</b>				
Past 12 months	0.6	2.4	1.6	4.4
Next 12 months	4.2	6.1	5.2	5.2
<b>IT Future Spending</b>				
<b>3. Computer Hardware</b>				
Increase	43.7	42.9	40.7	40.7
Decrease	23.5	23.4	26.8	23.3
Unchanged	31.8	31.7	31.1	33.9
<b>4. Data Networking Equipment</b>				
Increase	33.9	38.1	36.2	34.2
Decrease	22.7	22.6	27.2	23.6
Unchanged	41.5	38.5	35.2	40.2
<b>5. Telecom Equipment</b>				
Increase	26.7	30.3	31.5	26.6
Decrease	27.1	27.5	24.5	22.3
Unchanged	43.0	39.0	40.4	48.1
<b>6. Storage Systems</b>				
Increase	42.8	46.2	42.1	43.6
Decrease	18.5	19.1	17.2	15.7
Unchanged	35.9	31.1	37.4	38.2
<b>7. Outsourced IT Services</b>				
Increase	27.9	31.0	29.3	27.2
Decrease	28.6	27.0	31.0	26.9
Unchanged	40.2	38.9	38.3	42.1
<b>8. Infrastructure Software</b>				
Increase	35.1	34.3	29.8	33.8
Decrease	15.9	21.1	21.9	16.6
Unchanged	47.8	43.0	46.4	48.5
<b>9. eBusiness Applications Software</b>				
Increase	30.7	35.5	32.2	34.8
Decrease	19.9	14.7	19.6	16.6
Unchanged	44.8	47.8	44.5	45.9
<b>10. Security Software</b>				
Increase	55.1	50.6	53.8	52.4
Decrease	6.9	4.0	5.6	5.4
Unchanged	35.9	44.6	39.2	41.8
<b>11. IT future spending on 3 - 10 (average)</b>				
Increase	37.0	38.6	37.0	36.7
Decrease	20.4	19.9	21.7	18.8
Unchanged	40.1	39.3	39.1	42.3
<b>12. B2B2C % of IT budget</b>				
Past 12 months	12.1	12.2	14.8	11.8
Next 12 months	14.0	13.6	15.9	13.4
<b>13. B2B2C % of revenues</b>				
Past 12 months	7.4	8.4	9.8	9.2
Next 12 months	10.3	10.8	12.8	12.2
<b>14. Purchases over the Internet (% of total)</b>				
Past 12 months	18.6	18.1	18.4	17.9
Next 12 months	22.3	21.9	22.2	21.9
<b>15. Compensation (% increase)</b>				
Past 12 months	2.2	1.9	2.8	3.4
<b>16. IT labor supply</b>				
Plentiful	36.8	37.8	34.9	35.8
Available	57.8	51.8	57.8	58.0
Hard to find	5.1	8.8	5.0	4.9
<b>Number of Voters</b>	<b>279</b>	<b>252</b>	<b>303</b>	<b>369</b>

\* Projected growth rates of IT budgets over the next 12 months multiplied by average percentage of respondents saying they plan to increase their spending on eight unique categories.

\*\* Excludes all responses greater than 100%.

Table 2: CIO Magazine Tech Poll™ - Special Questions 2003

Special Questions - 2003		Apr	Mar	Feb	Jan
<b>1. Expected change in IT spending (current/previous quarter)</b>					
Significantly higher		3.6	4.0	5.0	5.1
Higher		25.4	28.2	28.7	29.5
Unchanged		50.5	43.7	36.6	44.4
Lower		17.2	19.4	23.4	15.4
Significantly lower		3.2	4.8	5.9	5.1
<b>2. Expected pickup in IT spending</b>					
Never slowed		15.1	13.1	18.8	20.4
Already picked up		12.5	13.9	8.9	11.7
First quarter 2003		--	2.0	5.9	8.4
Second quarter 2003		4.3	11.2	13.9	13.9
Third quarter 2003		13.3	14.7	14.5	16.3
Fourth quarter 2003		11.1	6.4	5.3	5.2
Beyond 2003		35.8	26.3	25.1	16.6
<b>3. State of current application backlog</b>					
No backlog		10.8	--	--	--
Backlog, but not critical to our planning		35.6	--	--	--
Significant backlog, but budget constraints are more important		41.4	--	--	--
Significant backlog, and will increase spending in response		10.4	--	--	--
<b>4. Number one negative for IT spending</b>					
Weak profits		38.4	46.4	41.8	42.6
Tight financial conditions		31.9	27.4	28.8	24.6
Less competition		3.2	1.6	2.3	2.7
Sufficient capacity		22.2	18.7	20.1	23.5
<b>5. Expect to replace significant number of PCs</b>					
Did so recently		--	--	--	12.5
Currently doing		--	--	--	31.5
Will start within next six months		--	--	--	9.5
Will start within next six to twelve months		--	--	--	13.3
No plans to do so at this time		--	--	--	26.1
Have deferred plans		--	--	--	6.3
Not sure		--	--	--	0.8
<b>6. Expected leading web services platform among CIOs and ISVs</b>					
IBM's WebSphere		--	--	--	19.0
Microsoft's .NET		--	--	--	46.5
Sun's Open Network Environment		--	--	--	8.2
None at this time		--	--	--	26.4
<b>7. Expected PC purchases related to Y2K replacements</b>					
Yes		--	--	14.2	--
No		--	--	82.1	--
Not sure		--	--	3.6	--
<b>8. IT future spending on consulting</b>					
Increase		--	36.9	--	--
Decrease		--	26.6	--	--
Unchanged		--	34.9	--	--
Not sure		--	1.6	--	--
<b>9. IT future spending on business process outsourcing</b>					
Increase		--	19.4	--	--
Decrease		--	17.5	--	--
Unchanged		--	53.2	--	--
Not sure		--	9.9	--	--
<b>Number of Voters</b>		279	252	303	369

Table 3: CIO Magazine Tech Poll™ - Summary Results 2002

Summary Results - 2002		Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan
<b>1. CIO Magazine Technology Growth Indicators</b>													
Tech Future Growth Index*		1.6	1.8	1.5	2.1	1.9	2.2	2.4	2.9	2.4	2.8	1.2	1.4
<b>2. IT budget (% increase)**</b>													
Past 12 months		-0.1	-0.5	-1.5	-0.6	-0.2	0.5	0.2	3.2	-1.4	0.8	1.0	3.8
Next 12 months		4.6	5.1	4.4	5.7	4.9	5.5	5.9	7.3	6.0	7.7	3.2	3.8
<b>IT Future Spending</b>													
<b>3. Computer Hardware</b>													
Increase		45.6	39.3	38.3	41.3	41.7	50.5	46.4	46.5	47.7	40.2	39.7	38.0
Decrease		20.4	27.7	23.4	20.5	20.0	18.6	20.9	20.6	21.4	21.1	30.0	29.4
Unchanged		33.6	31.7	36.7	36.7	37.0	30.1	31.7	32.1	30.5	38.7	29.3	31.3
<b>4. Data Networking Equipment</b>													
Increase		35.4	38.9	38.0	42.8	40.3	38.7	42.6	42.1	43.8	37.6	37.2	38.7
Decrease		21.0	22.9	22.8	21.6	21.7	20.1	23.6	21.9	19.4	21.1	22.1	25.5
Unchanged		43.2	36.5	38.3	34.3	37.0	39.1	32.1	34.7	36.8	41.0	38.9	34.7
<b>5. Telecom Equipment</b>													
Increase		30.1	29.4	28.8	32.3	34.0	31.0	34.1	28.2	34.7	31.3	35.0	35.5
Decrease		23.5	28.1	27.8	20.2	23.7	21.7	25.6	19.9	20.7	23.8	22.9	24.1
Unchanged		45.5	40.1	42.7	45.7	40.3	45.8	38.0	49.4	42.6	43.0	39.7	38.0
<b>6. Storage Systems</b>													
Increase		40.8	40.2	47.3	41.7	45.8	49.3	47.7	50.8	47.3	46.2	44.6	48.3
Decrease		18.1	20.9	17.8	12.4	16.4	13.7	11.8	12.4	12.4	13.2	15.2	20.7
Unchanged		38.4	36.2	33.0	44.2	36.1	35.3	38.6	34.7	38.6	39.1	38.2	27.9
<b>7. Outsourced IT Services</b>													
Increase		25.4	32.3	27.6	28.0	31.4	32.4	34.0	34.4	25.3	28.7	28.3	24.2
Decrease		31.7	31.3	29.2	29.1	25.8	19.8	24.8	23.7	31.1	28.3	31.0	37.1
Unchanged		39.3	32.7	41.9	40.4	41.8	44.2	37.3	38.6	39.8	40.8	37.7	35.6
<b>8. Infrastructure Software</b>													
Increase		33.7	32.6	33.1	32.9	32.4	35.5	44.6	41.3	40.2	38.5	32.4	35.6
Decrease		18.1	21.6	17.8	19.1	18.4	14.7	14.4	12.4	15.8	12.8	20.9	19.9
Unchanged		47.3	44.9	48.7	46.6	47.2	47.0	39.7	44.6	43.2	47.5	45.3	42.3
<b>9. eBusiness Applications Software</b>													
Increase		39.6	36.9	27.9	36.3	38.7	38.6	36.0	37.9	36.0	36.5	35.7	35.3
Decrease		14.1	16.9	17.5	15.7	13.3	11.9	12.9	10.8	15.7	15.4	21.2	19.6
Unchanged		42.6	41.5	49.5	43.8	42.3	43.7	44.6	45.0	43.0	43.6	39.1	38.7
<b>10. Security Software</b>													
Increase		53.3	55.9	52.2	54.6	53.2	55.6	59.8	55.8	58.1	54.7	58.2	59.6
Decrease		5.1	6.4	6.6	7.1	5.4	6.1	4.2	5.0	5.4	3.8	6.1	4.9
Unchanged		39.8	37.1	40.2	36.2	39.1	35.1	34.0	38.3	35.7	38.5	34.7	33.3
<b>11. IT future spending on 3 - 10 (average)</b>													
Increase		38.0	38.2	36.7	38.7	39.7	41.5	43.2	42.1	41.6	39.2	38.9	39.4
Decrease		19.0	22.0	20.4	18.2	18.1	15.8	17.3	15.8	17.7	17.4	21.2	22.7
Unchanged		41.2	37.6	41.4	41.0	40.1	40.0	37.0	39.7	38.8	41.5	37.9	35.2
<b>12. B2B2C % of IT budget</b>													
Past 12 months		12.0	11.8	11.3	13.3	11.8	12.2	13.2	13.8	13.9	14.3	15.0	13.3
Next 12 months		13.4	13.4	12.6	15.2	13.1	14.6	15.3	15.6	16.3	15.6	16.3	14.3
<b>13. B2B2C % of revenues</b>													
Past 12 months		7.6	8.5	7.2	9.9	8.9	7.9	9.7	8.6	9.7	8.5	9.1	8.0
Next 12 months		10.5	11.0	10.0	12.9	11.3	10.2	11.8	11.6	12.4	11.4	12.1	10.9
<b>14. Purchases over the Internet (% of total)</b>													
Past 12 months		15.6	15.7	16.3	17.2	16.0	16.0	17.0	15.6	16.7	14.8	14.0	15.8
Next 12 months		19.0	19.3	20.4	20.6	20.2	19.9	20.8	20.0	21.5	18.7	18.3	21.0
<b>15. Compensation (% increase)</b>													
Past 12 months		2.1	2.4	2.3	2.2	2.3	1.8	2.8	3.6	2.1	2.9	2.4	2.9
<b>16. IT labor supply</b>													
Plentiful		34.9	36.3	31.6	35.9	32.3	35.2	28.3	26.7	29.2	22.9	28.3	22.5
Available		57.8	58.3	59.2	57.4	58.3	55.9	62.2	61.7	62.1	66.2	63.0	66.5
Hard to find		6.6	5.0	7.3	4.2	8.3	7.8	7.8	8.2	7.4	9.0	8.0	9.2
<b>Number of Voters</b>		<b>335</b>	<b>301</b>	<b>316</b>	<b>284</b>	<b>300</b>	<b>282</b>	<b>307</b>	<b>244</b>	<b>245</b>	<b>268</b>	<b>300</b>	<b>326</b>

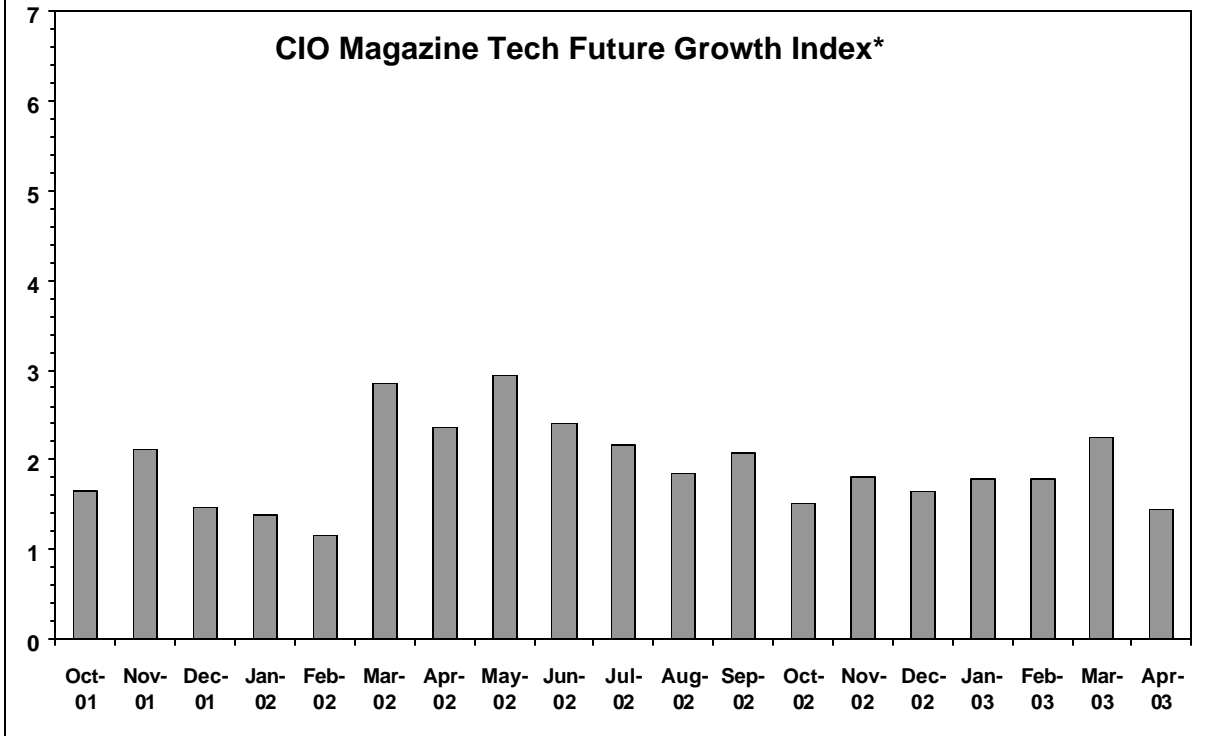
\* Projected growth rates of IT budgets over the next 12 months multiplied by average percentage of respondents saying they plan to increase their spending on eight unique categories.

\*\* Excludes all responses greater than 100%.

Table 4: CIO Magazine Tech Poll™ - Special Questions 2002

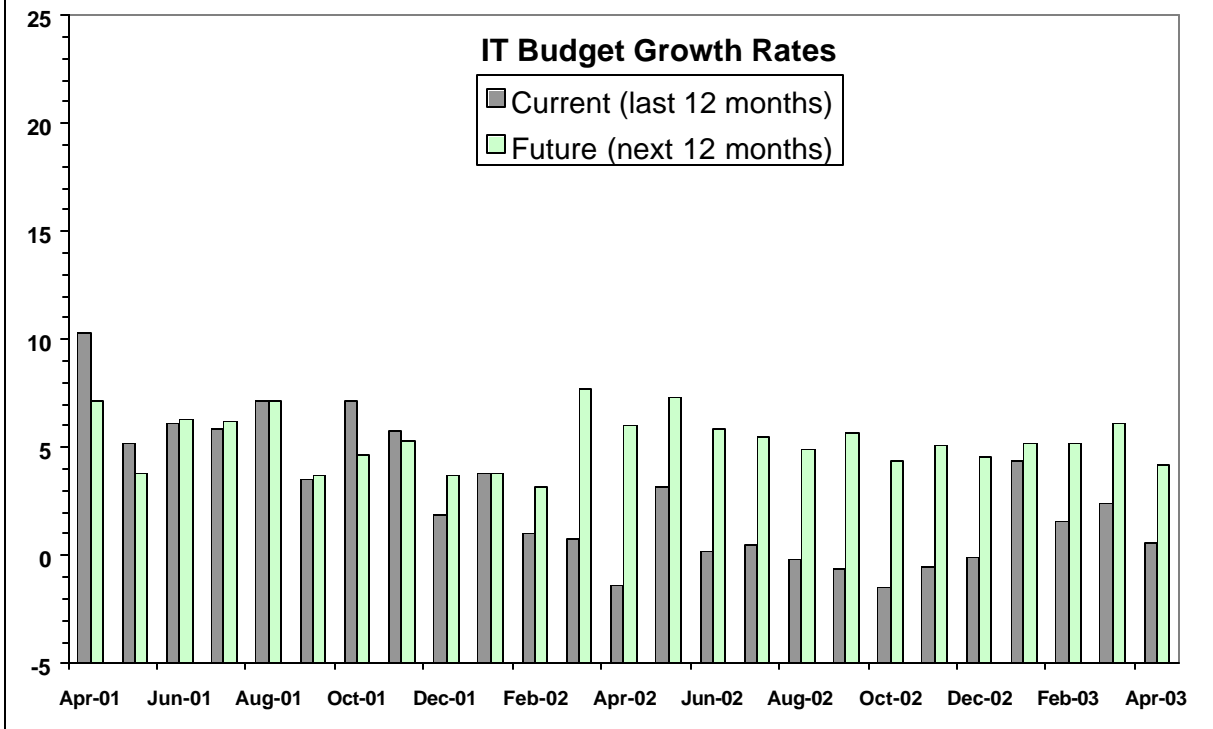
Special Questions - 2002	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan
<b>1. Expected change in IT spending (current/previous quarter)</b>												
Significantly higher	2.1	4.7	4.4	4.2	4.0	5.7	6.2	6.1	6.5	5.2	3.7	3.7
Higher	24.2	19.9	19.0	19.4	28.5	23.0	30.0	31.0	33.5	28.7	25.2	29.4
Unchanged	47.2	44.9	47.2	52.8	47.7	48.9	47.6	48.2	47.3	38.8	41.2	38.2
Lower	20.9	23.6	24.7	20.1	14.8	16.7	12.4	9.4	10.2	22.4	21.9	22.0
Significantly lower	5.4	6.0	4.7	3.5	4.7	5.3	3.6	5.3	2.0	4.5	7.6	6.4
<b>2. Expected pickup in IT spending</b>												
Never slowed	17.1	15.9	17.8	15.9	17.7	22.3	22.1	21.6	16.8	21.7	21.6	23.3
Already picked up	10.5	11.3	8.6	10.6	18.3	16.3	16.9	20.4	18.9	15.7	10.6	12.3
Second half 2002	--	--	--	9.9	11.0	11.3	20.5	23.7	26.6	--	--	--
Fourth quarter 2002	1.8	3.3	5.4	--	--	--	--	--	--	--	--	--
Beyond 2002	--	--	--	53.7	44.0	41.5	32.6	26.5	28.3	--	--	--
First quarter 2003	--	--	--	--	--	--	--	--	--	--	--	--
Second quarter 2003	--	--	--	--	--	--	--	--	--	--	--	--
Third quarter 2003	--	--	--	--	--	--	--	--	--	--	--	--
Fourth quarter 2003	--	--	--	--	--	--	--	--	--	--	--	--
First half 2003	24.3	26.2	26.0	--	--	--	--	--	--	--	--	--
Second half 2003	25.4	20.9	21.0	--	--	--	--	--	--	--	--	--
Beyond 2003	15.3	15.0	14.9	--	--	--	--	--	--	--	--	--
<b>3. State of current application backlog</b>												
No backlog	12.5	--	--	12.7	--	--	11.8	--	--	9.0	--	--
Backlog, but not critical to our planning	40.9	--	--	36.4	--	--	33.0	--	--	32.8	--	--
Significant backlog, but budget constraints are more important	38.8	--	--	38.9	--	--	42.2	--	--	44.4	--	--
Significant backlog, and will increase spending in response	6.9	--	--	11.0	--	--	12.4	--	--	13.4	--	--
<b>4. Number one negative for IT spending</b>												
Weak profits	41.6	41.2	35.6	35.9	40.8	34.5	--	--	--	35.7	38.7	40.6
Tight financial conditions	27.5	27.9	34.0	31.7	26.8	34.5	--	--	--	34.2	31.0	32.6
Less competition	2.1	1.3	4.4	2.8	3.3	3.6	--	--	--	3.8	3.0	5.2
Sufficient capacity	23.4	24.6	19.4	24.3	22.1	19.8	--	--	--	20.3	20.7	16.3
<b>5. Operating system that will dominate high end corporate in 5 years</b>												
Windows	--	38.2	--	--	--	--	--	--	--	--	--	--
Linux	--	20.6	--	--	--	--	--	--	--	--	--	--
Unix	--	22.3	--	--	--	--	--	--	--	--	--	--
Other	--	3.0	--	--	--	--	--	--	--	--	--	--
Not sure	--	15.9	--	--	--	--	--	--	--	--	--	--
<b>6. Expect yearend spend-the-budget surge</b>												
Yes, and higher than usual since budget underspent to date	--	--	4.5	--	--	--	--	--	--	--	--	--
Yes, but lower due to budget constrains/reduced funds	--	--	14.0	--	--	--	--	--	--	--	--	--
No, due to budget constraints	--	--	51.0	--	--	--	--	--	--	--	--	--
No, incentivized not to spend	--	--	17.8	--	--	--	--	--	--	--	--	--
Both of the two above	--	--	6.4	--	--	--	--	--	--	--	--	--
Not sure	--	--	6.4	--	--	--	--	--	--	--	--	--
<b>7. Expect to replace significant number of PCs</b>												
Did so recently	--	--	--	--	9.8	--	--	--	--	--	--	--
Currently doing	--	--	--	--	30.1	--	--	--	--	--	--	--
Will start within next six months	--	--	--	--	9.5	--	--	--	--	--	--	--
Will start within next six to twelve months	--	--	--	--	16.2	--	--	--	--	--	--	--
No plans to do so at this time	--	--	--	--	24.3	--	--	--	--	--	--	--
Have deferred plans	--	--	--	--	9.5	--	--	--	--	--	--	--
Not sure	--	--	--	--	0.7	--	--	--	--	--	--	--
<b>8. Key spending initiative for 2003</b>												
New hardware	7.5	--	--	--	--	--	--	--	--	--	--	--
New software	16.2	--	--	--	--	--	--	--	--	--	--	--
Combo of new hardware and new software	46.7	--	--	--	--	--	--	--	--	--	--	--
Maintaining existing hardware	1.5	--	--	--	--	--	--	--	--	--	--	--
Maintaining existing software	2.7	--	--	--	--	--	--	--	--	--	--	--
Maintaining both existing hardware and software	22.5	--	--	--	--	--	--	--	--	--	--	--
Other	3.0	--	--	--	--	--	--	--	--	--	--	--
<b>Number of Voters</b>	<b>335</b>	<b>301</b>	<b>316</b>	<b>284</b>	<b>300</b>	<b>282</b>	<b>307</b>	<b>244</b>	<b>245</b>	<b>268</b>	<b>300</b>	<b>326</b>

**CIO Magazine Tech Poll™**



\*Projected growth rate of IT budgets over the next 12 months multiplied by average percentage of respondents saying they plan to increase their spending in seven unique categories.

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Source: CIO Magazine Tech Poll™