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California Emerging Technology Fund Calls on the Legislature to Take Action on Affordable Broadband for California's Neediest

Poll Shows Big Disparities Exist in Broadband Connectivity in Nation's Largest State; Cost of Internet Service Cited as Major Reason

Los Angeles and San Francisco, CA – August 1, 2016 – The California Emerging Technology Fund (CETF) in partnership with The Field Poll (<http://www.field.com/digitaldivide2016/RIs2545.pdf>) released results today of the statewide 2016 Annual Survey on Broadband Adoption in California examining who does and does not have broadband service at home in California. The Annual Survey found 84% percent of California households have a broadband connection at home. Among the 84% with a home high-speed Internet connection (referred to generically as “broadband”), 14% have a smart phone only, while 70% report having broadband Internet access through a computing device. The Annual Survey confirms that the most disadvantaged residents remain offline and “under-connected.”

Cost is by far the single biggest factor preventing those without Internet connectivity at home from going online. Of those without Internet access at home, three in four (74%) cite its expense or not have a computer or smart phone as a reason for not being connected, and 39% say this is their main reason. Only 2% of all residents are not interested in broadband service, confirming that the vast majority of Californians do want to participate in the digital world.

According to the Annual Survey, several California demographic groups have home broadband adoption rates that fall more than 10 percentage points below the overall adoption* rate of 84%. They include:

- Household income of less than \$22,000 (68%)
- Adults 65 or older (56%)
- Spanish-speaking Latinos (69%)
- Not a high school graduate (63%)
- Adults who identify having a disability (71%)

Furthermore, most of the increase in broadband Internet connectivity is due to the growing popularity of mobile, smart phone devices. There has been a near doubling since 2015—from 8% to 14%—in the proportion of Californians who access the Internet at home only through a smart phone. While this is enabling more to get online, these smart phone users have more limited functionality than those connecting from a desktop, laptop or tablet computer for doing homework, applying for jobs and college, banking online or taking online classes.

*This percentage includes adults accessing the Internet at home with a smart phone or through DSL, cable, satellite or fiber optic connections to a home desktop, laptop or tablet computer.

In addition, some smart phone users face limitations in data access based on their monthly cell phone plans.

These differences are fostering what some are calling an "under-connected" class of Internet users. And, these users largely come from the same population subgroups as those with historically lower levels of residential Internet access. For example, not only are low-income Californians less likely than high-income earners to have Internet access at home (68% vs. 97%), the disparities grow wider when comparing how residents with access are connecting to the Internet. Just 43% of Californians with incomes of less than \$22,000 can access the Internet at home through a computing device, compared to 94% among those with incomes of \$100,000 or more.

Similarly, a smaller proportion of the state's Spanish-speaking Latinos (69%) than others have access to broadband Internet at home, and just 39% connect to the Internet through a home computing device. Other groups most likely to have broadband connectivity only through a smart phone are: adults who have not graduated from high school (29%); households whose total annual income is less than \$22,000 (25%); and Californians who are not married/live with a partner (23%).

In California towns and cities with populations of less than 10,000, the Field Poll finds that 79% have access to broadband Internet at home, with only 63% through a computing device. This finding, substantiated by recent surveys from the California Public Utilities Commission, is particularly relevant to the fate of the state's broadband infrastructure fund—the California Advanced Services Fund—which has more broadband infrastructure applications than it can support.

The new findings are particularly relevant as the California Legislature nears the close of the 2016 session, without taking action about how to finish the job of closing the Digital Divide, and looks ahead to the beginning of the next session in December to take up the challenge once again.

“The Annual Survey details how the lowest-income, least-educated and most-rural Californians are living without an essential tool to access the educational, employment, healthcare and civic engagement opportunities that lead to greater economic opportunities and a better quality of life,” said Sunne Wright McPeak, President and CEO of the California Emerging Technology Fund. “We call on the California Legislature to refund the California Advanced Services Fund and to pass the Internet for All Now Act to ensure digital access and digital literacy for all. High-speed Internet access is a 21st Century Civil Right.”

Economic Development and Broadband Adoption

While progress has been made since the baseline Annual Survey data showed California at 55% home broadband adoption in 2008, the stakes have grown much higher. It is nearly impossible, without having at least basic digital skills, to find employment or have a pathway out of poverty to economic self-sufficiency. Majorities surveyed in the Annual Survey say they are accessing the Internet to manage their money or bank online (70%), get health or medical information or communicate with a health care provider (66%), search for job opportunities (60%), learn about or access government services (57%) and gain new career skills or take classes online (53%).

Broadband Adoption in Rural California

Compared to their urban counterparts, rural Californians remain under-connected, according to the Annual Survey, which raises critical issues for this group. Not only are there few affordable home broadband Internet options in rural California, there are considerable broadband Internet access problems. In many parts of the state, broadband is simply not available or available at speeds too slow to download or upload documents or properly navigate the Internet—making the 2017 statewide goal of 98% broadband infrastructure access hard to reach without additional policy and funding action by the Legislature.

Seniors and Broadband Adoption

Older Californians are among the least connected, with just 56% having access to broadband Internet at home, according to the survey. This raises critical quality-of-life issues for this group. With the advance in telemedicine and government services delivery moving online, it is essential that older adults have access to affordable broadband, digital literacy training and computing devices. Telemedicine will be a major strategy to keep seniors with chronic conditions or disabilities in their homes, and saves costs for the medical care system.

Smart Phones and Computing Devices

California's Digital Divide is closing largely due to the rapid adoption of smart phones. Among all California adults, 14% use a smart phone only to connect to the Internet. Recent surveys and other studies have found "smart phone only users" were much less likely to visit government or community websites, bank online or transfer funds to family members, get health or medical information or communicate with their doctor, or take a class online. All these activities are linked to moving out of poverty. Subgroups most likely to have connectivity only through a smart phone are: Spanish-speaking Latinos (30%); adults who have not graduated from high school (29%); and households whose total annual income is less than \$22,000 (25%).

Education and Broadband Adoption

Among households where children under age 18 reside, 84% said they used the Internet to assist their children with homework. "While smart phones are marvelous devices with lots of useful capabilities, they alone are not enough to help close the education Achievement Gap," McPeak said. "In addition to the prevalence of online homework, California public school students are now required to take assessment tests on a computing device, and those without daily experience at home using a desktop, laptop or tablet are at a disadvantage."

About the California Emerging Technology Fund

The mission of CETF is to close the Digital Divide. The overall goal is to reach 98% of all California residences with broadband infrastructure and to achieve 80% home broadband adoption by 2017 (with no region or demographic group less than 70% adoption). CETF is technology neutral: "broadband" is a generic term for high-speed Internet access—wireline and wireless Internet service is faster than a dial-up connection. CETF drives to achieve these goals through public awareness and education, grantmaking to community organizations and advancing public policy. For more information, please visit www.cetfund.org.