California Emerging Technology Fund Calls on Legislature To Pass AB 1665 to Ensure Access to Broadband Internet For Rural and Low-Income Californians

Poll Shows Disparities Exist in Broadband Connectivity in Nation’s Largest State; Cost of Internet Service Cited as Major Reason; Access to Broadband Also a Factor

Los Angeles and San Francisco, CA – June 27, 2017 – The California Emerging Technology Fund (CETF) in partnership with the UC Berkeley Institute of Governmental Studies (IGS) Poll released results today of the statewide 2017 Annual Survey on Broadband Adoption in California examining who does and does not have broadband service at home in California. The Annual Survey found 87% of California households have a broadband connection at home. Among the 87% with a home high-speed Internet connection (referred to generically as “broadband”), 18% have access through a smartphone only, while 69% report having broadband Internet access through a computing device. Between 2015 and 2017, the proportion of Californians connecting to the Internet only through a smartphone more than doubled from 8% to 18%. The Annual Survey, now in its 10th year, confirms that the most disadvantaged residents remain offline or are “underconnected.”

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, 69% cite broadband service expense or not owning a computer or smartphone as a reason for not being connected, and 34% say this is their main reason. Another 44% of these respondents cite home Internet as too difficult to set up and learn, confirming the need for adoption assistance and digital literacy training in California. Indicating broadband infrastructure problems, another 19% report that Internet service is not available where they live.

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 87%. They include:

- Household income of less than $20,000 (75%)
- Adults 65 or older (69%)
- Spanish-speaking Latinos (70%)
- Not a high school graduate (67%)
- Adults who identify having a disability (75%)
Most of the increase in broadband Internet connectivity is due to the growing use of smartphones. There has been a more than doubling since 2015 – from 8% to 18% – in the proportion of Californians who access broadband Internet at home only through a smartphone. While this is enabling more to get online, these “smartphone only” users are an emerging segment of the population referred to as the “underconnected” because of limited functionality of smartphones for students doing homework and adults applying for jobs or acquiring workforce skills. In addition, some smartphone subscriptions limit data access.

The underconnected users are largely 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 broadband Internet access at home (75% vs. 99%), the disparities grow wider when comparing how residents with access are connecting to the Internet. Just 48% of Californians with incomes of less than $20,000 can access the Internet at home through a computing device, compared to 90% among those with incomes of $100,000 or more.

Similarly, a smaller proportion of the state’s Spanish-speaking Latinos (70%) than others have access to broadband Internet at home, and just 32% connect to the Internet through a home computing device. Other groups most likely to have broadband connectivity through a smartphone only are: first generation immigrants (30%), adults who have not graduated from high school (28%); high school graduates (26%), households whose total annual income is less than $20,000 (27%); households whose total annual income is $20,000 - $39,999 (23%) and Californians who are not married or live with a partner (22%).

The Berkeley IGS Poll further finds that among the 13% of California households without access to broadband connectivity at home, 19% report that Internet service is not available or adequate where they live. This finding is corroborated by an April 2016 report of the California Public Utilities Commission, which found that 43% of rural California households can’t get reliable broadband Internet, for a total of 424,000 households.

These findings are particularly relevant as the California legislature nears the close of the 2017 session and decides whether to pass the Internet For All Now Act (AB 1665), a $330 million broadband infrastructure and adoption bill that extends for five years the California Advanced Services Fund established by the Legislature and California Public Utilities Commission in 2008 to support broadband availability in unserved and underserved areas of California.

“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 extend 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 of those with broadband connectivity at home now say they are accessing the Internet to manage their money or bank online (70%), get health or medical information (66%), find job opportunities (61%), learn about or access government services (57%) and gain new career skills or take classes online (51%).

Broadband Adoption in Rural California
Compared to their urban counterparts, rural Californians remain underconnected, 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 not available or available at speeds too slow to download or upload documents or navigate the Internet—making the statewide goal of 98% broadband infrastructure access impossible to reach without passage of AB 1665 by the Legislature.

Education and Broadband Adoption
Among broadband-connected households where children under age 18 reside, 83% said they used the Internet to assist their children with homework. This declines to 67% among those who connect to the Internet only through a smartphone. “While smartphones 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 computer with a keyboard and students without daily experience at home using a more functional computing device are at a disadvantage.”

Seniors and Broadband Adoption
Older Californians are among the least connected, with just 69% of those age 65 or older having access to broadband Internet at home, declining to 58% among those age 75 or older. 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 save costs for the medical care system.

Smartphones and Computing Devices
California’s Digital Divide is closing largely due to increases in the use of smartphones. Among all California adults, 18% use a smartphone only to connect to the Internet. Recent surveys and other studies have found “smartphone 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 broadband connectivity only through a smartphone are: Spanish-speaking Latinos (38%); adults who have not graduated from high school (28%); and households whose total annual income is less than $20,000 (27%).

The Institute of Governmental Studies at the University of California, Berkeley conducted the Annual Survey through telephone interviews with 1,628 California adults in six languages and dialects – English, Spanish, Cantonese, Mandarin, Vietnamese and Korean – between May 4 and May 29, 2017.

About the California Emerging Technology Fund
The mission of CETF is to close the Digital Divide in California. The overall goal is to reach 98% of all California residences in every region with broadband infrastructure and to achieve 90% home broadband adoption by 2023. 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 strives 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.

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.