



PPIC

PUBLIC POLICY
INSTITUTE OF CALIFORNIA

PRESS RELEASE

Wireless Internet Access Won't Close Digital Divide On Its Own

Broadband Availability Explains Only Half of California's Digital Divide

SAN FRANCISCO, California, July 10, 2007 — More and more California cities are exploring policies and programs to close the broadband Internet access gap. But one major strategy they are using only solves part of the problem, according to a study released today by the Public Policy Institute of California (PPIC). Many municipalities are focusing on making high-speed Internet, or broadband, available in all neighborhoods and areas within their jurisdiction — however, the analysis reveals that availability explains only half the gap in Internet access.

Using an innovative method to measure California availability, the study finds that half the disparity between those who have and use broadband and those who don't is related to demographic characteristics such as wealth, education, and race and ethnicity. The other half is due to availability—but not within cities. The gap resulting from availability exists primarily between highly populated urban locations and sparsely populated rural ones.

According to the study, *Broadband for All? Gaps in California's Broadband Adoption and Availability*, the share of California households with high-speed Internet ranges from under 30 percent in the rural Sierras (21%) and northern part of the state (29%) to just over 50 percent in the San Francisco Bay Area (51%) and the greater Los Angeles area (52%). After controlling for individual characteristics such as income and education, the analysis finds that more than half the regional differences remain, indicating that availability — or the lack of it — is the cause.

In contrast, within urban areas, availability varies less across neighborhoods. Low-income households are much less likely to adopt broadband, not because it isn't available but because of the cost of broadband and computers and because of low computer literacy. Sixty-eight percent of households with incomes over \$100,000 have broadband, compared to 24 percent of those with incomes under \$25,000.

"If closing gaps in availability is the goal, the priority should be making broadband accessible in rural areas," says the report's author, PPIC research fellow Jed Kolko. "If closing the gap between those who have and use broadband and those who don't is the goal, it's also critical to focus on technology literacy and increasing disadvantaged residents' access to computers."

The Public Policy Institute of California is a private, nonprofit organization dedicated to improving public policy in California through independent, objective, nonpartisan research on major economic, social, and political issues. The institute was established in 1994 with an endowment from William R. Hewlett.