

State Recovery Now



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a project of America Achieves

WHY DOES THIS MATTER?

An estimated 29 million households in the US do not have high-speed broadband. Many of those unconnected are eligible for federal subsidy programs already in place, and 25% of these households without broadband live in low-income apartment buildings. An outreach campaign to get people to sign up for the subsidies, coupled with an effort to install infrastructure for free Wi-Fi in low-income apartment buildings will have a significant impact on closing the digital divide.

WHY USE ARP FUNDS?

Both setting the outreach program to get people to sign up for federal subsidies and providing infrastructure in hallways and common areas of apartment buildings have a considerably high one-time cost. Once the initial investment is made, the policy can be sustained with a much lower monthly expense. Investing in setting up these programs now will reduce the long-term digital divide, and the remaining costs can partially be offset by an increase in productivity.

WHY DO THIS NOW?

Though the digital divide has been at the forefront of policy discussions for a few years, the COVID-19 pandemic has exposed how it limits access to education, job opportunities and government services for those unconnected.

Connecting Low-Income Americans to Broadband



What are we trying to accomplish? Securing access to high-speed broadband for low income Americans by reaching out to them and promoting federal broadband subsidy programs and by building infrastructure in low-income apartment buildings to provide free access to Wi-Fi for these households, particularly in the most unconnected communities in America.



Problem we're addressing: Over 20% of households in America remain unconnected to high-speed broadband. A main reason is lack of affordability, even though many of them qualify for federal subsidy programs. Many others that live in low-income apartment buildings could benefit from access if their buildings were connected to a Wi-Fi network.



Why does this matter? There are known benefits from increasing access to broadband for both individuals and communities, from making it easier to search for jobs, access to education and government services, to boosting income by increasing access to remote work. This has taken special importance during the COVID-19 pandemic, as digital services increased considerably.



What is the policy intervention? There are two policies intended to work hand in hand:

1. Install Wi-Fi infrastructure in low-income apartment buildings and provide free access to residents.
2. Implement an outreach campaign to households that qualify for federal broadband subsidies and walk them through the signup process.



Cost: The costs for both initiatives are accessible for local governments: Wi-Fi infrastructure installation in a building typically costs \$300 per apartment to wire hallways and common areas (compared to \$1,500 per apartment to pull wires into each unit), while the direct outreach and signup support campaign is estimated to cost US\$85 per household in a typical city.

ROI: Increasing access to broadband has well known benefits for both individuals and communities. Research shows that higher broadband adoption at the community level increases income, boosts growth, and lowers unemployment, and there is evidence that reducing the digital education gap increases schooling and learning, which translates into additional lifelong income.



Why now? Though the digital divide has been at the forefront of policy discussions for years, the COVID-19 pandemic exposed how it limits access to education, job opportunities and government services for those unconnected. However, millions of low-income Americans lack access due to affordability. This investment can serve as a lever to a faster and more equitable economic recovery.



What are the outcomes we're prioritizing?

- Increasing access to high-speed broadband for low-income households; emphasis on communities with the lowest levels of connection
- Cost-effective outreach campaign that tackles the affordability gap
- Efficient and cost-effective Wi-Fi infrastructure connections into common areas of low-income apartment buildings
- Generate long-term benefits, increase access to jobs, government services and education



Why ARP funds? Installing Wi-Fi infrastructure to apartment buildings is a meaningful one-time cost, while getting people to sign up for federal broadband subsidy programs has a fixed cost of running an outreach campaign. Both programs have much lower monthly costs to be kept running once they are in place.

About the Authors



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TAKEAWAYS

Size of the Challenge	Cost-Efficient Approach	Promoting a faster and more equitable recovery
Approximately 29 million of the 123 million households in the United States do not have high-speed broadband, and 20 million of these households are offline because they cannot afford to pay for an otherwise available Internet connection.	The Wi-Fi infrastructure installation costs typically \$300 per apartment to wire hallways and common areas, 1/5th of the cost to install wires into each unit, while the direct outreach and signup support is estimated to cost US\$85 per household in a typical city.	Higher broadband adoption at the community level drives economic growth through increased employment, higher incomes, higher community education levels and improved access to the digital economy resulting in increased lifelong income for individuals, families, and the community at large.