Understanding ACP Enrollment at the Local Level

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Prepared for Digital Inclusion Research Forum
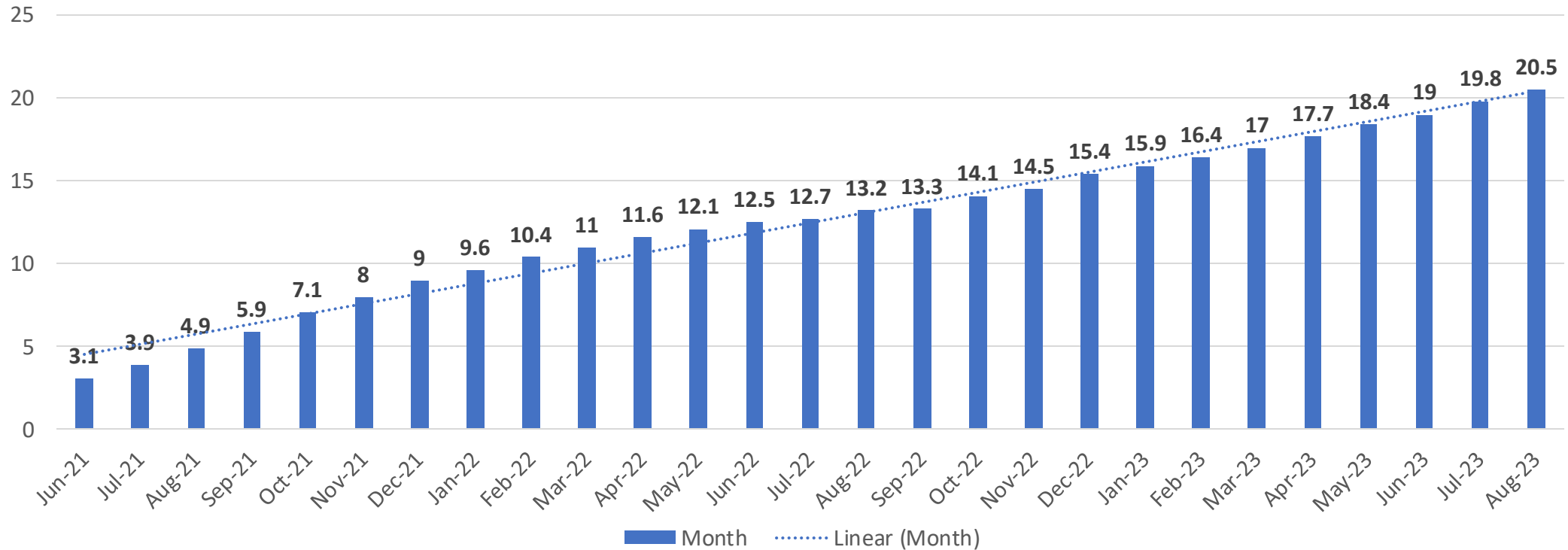Federal Reserve
October 2023

The ACP & the Digital Divide

- Broadband adoption has increased since the pandemic
  - Growth in broadband has been in high poverty cities
  - Enrollment in ACP has been strongest in high poverty cities

- ACP uptake has been rapid

- Risks → If ACP ends, the "subscription vulnerable" will feel it first

- Benton's ACP Performance Tool can help understand ACP at the local level

Understanding ACP enrollment in your community

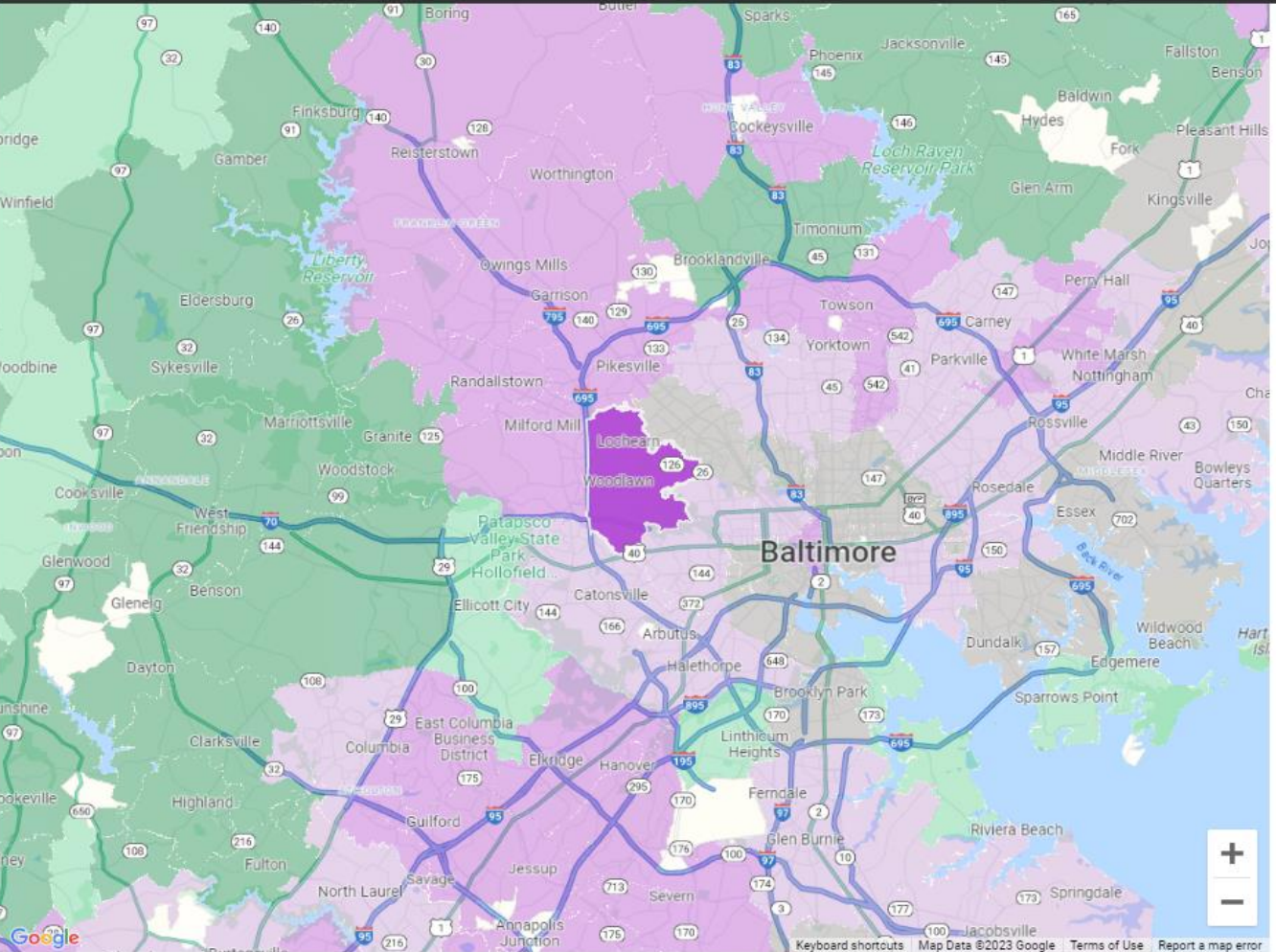- ACP enrollment has been strong since program's inception

Steep climb, hard fall

❖ About 40% of eligible households have enrolled in ACP
- 53.6% mobile broadband
- 45.6% fixed (wireline) broadband

❖ Data suggests ACP is helping with both ***net additions*** in subscribers <u>and</u> ***sustaining service*** for low-income households
- Why does this distinction matter?

❖ If program ends, the "net addition" households likely to feel it first
  ❖ The "subscription vulnerable" – nearly half of low-income household fall into this category, meaning they have difficulty paying for service and lost service during pandemic.

Data is here to help: The ACP Performance Tool

- Addresses the question: "How is it going with ACP enrollment?"
  - At the 5-digit zip code level
- Uses a statistical model to <u>predict</u> what the level of ACP enrollment should be in a 5-digit zip code area
- Compares <u>predicted</u> enrollment to <u>actual</u> enrollment
- Difference between the two is a measure of performance
  - **NOTE**: This is _different_ than focusing on the % of eligible households enrolled in an area.
- <u>Visualization</u>: The ACP Tool and Baltimore
- Find it online [here](#)!

MLB.com   DuckDuckGo — Pri...   The Atlantic   The Washington Po...   The Athletic   The Baltimore Bann...   The New York Time...   Moving Toward Dig...   ESPN: The Worldwi...   Geocorr Applicatio...   Explore Census Data   »   Other bookmarks

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The Affordable Connectivity Program Enrollment Performance Tool

21217

Result:
21207

Performance Category: LOWEST

Total Households: **19,360**

Eligible Households: **10,868**

Predicted vs. Actual ACP Enrollment:
4,759 / 2,804

% Households with Wireline Broadband:
61%

% Households with Cellular Data Only:
11%

% Households without a computer: **7%**

% Households with annual income under
$15,000: **10%**
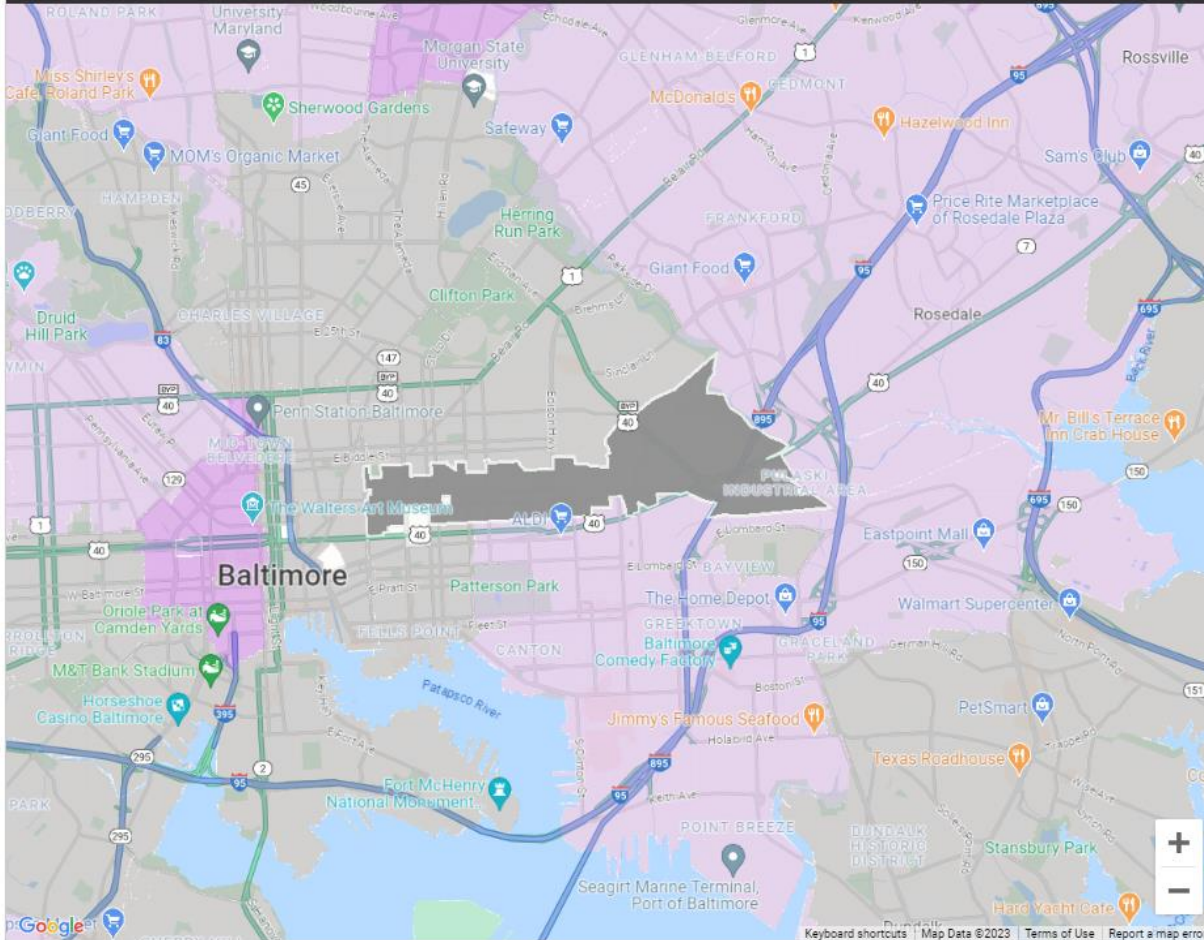
% Rent Burdened: **61%**

% Population 65+: **16%**

% Foreign Born: **13%**

ACP enrollment data is current through January 2023

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The Affordable Connectivity Program Enrollment Performance Tool

21205

Result:
21205

Performance Category: **MEDIUM**

Total Households: **5,265**

Eligible Households: **5,254**

Predicted vs. Actual ACP Enrollment:
2,112 / 2,045

% Households with Wireline Broadband:
50%

% Households with Cellular Data Only:
16%

% Households without a computer: **16%**

% Households with annual income under
$15,000: **29%**

% Rent Burdened: **60%**

% Population 65+: **12%**

% Foreign Born: **14%**

ACP enrollment data is current through January 2023

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What the Tool's Statistical Model Tells Us

❑ Places with a high share of eligible households have strong <u>positive</u> correlation with enrollment

❑ Economic distress (% unemployed, % with income < $15K) is associated with higher ACP enrollment

❑ Places with high shares of minority groups have higher ACP enrollment, but areas with high % of foreign born and older adults do not.

❑ Several community indicators correlated with lower ACP enrollment.
  ❑ % rent-burdened
  ❑ % having moved in past year

❑ Rural areas show slight negative association with ACP enrollment, but high share of eligible households in rural areas put aggregate ACP enrollment on par with urban/metro places.

❑ Presence of libraries – statistically significant & moderate positive impact on enrollment

Policy Implications & Key Takeaways

❑ Social dimension matters:

➢ Positive correlation (independent from % of eligible households) with % of households in severe poverty is striking finding

❑ Housing costs may inhibit ACP enrollment

❑ Leveraging trusted institutions (e.g., libraries via digital navigators) is key to boosting enrollment

❑ Rural uptake is special challenge, but ACP's success in rural areas has big impact on BEAD investments