

**Understanding Participation in Telecommunications Lifeline Programs:
A Survey of Low-Income Households in Florida***

Justin Brown
Assistant Professor
Department of Telecommunication
University of Florida
PO Box 118400, 3051 Weimer
Gainesville, FL 32611-8400
Ph. (352) 846-1428 Fax (352) 846-2899
E-mail: jbrown@jou.ufl.edu

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Introduction

The FCC estimates that only one-third of low-income households in the U.S that qualify participate in Lifeline, a universal service program that provides monthly financial assistance toward local wireline telephone service.¹ Take-up rates in individual states like Florida are even lower, were as few as 14 percent of qualified Floridians are taking part in Lifeline and thus unable to receive up to a \$13.50 discount toward local phone service.² To help boost Lifeline participation rates in Florida, policymakers together with local phone companies, have recently modified the eligibility criteria,³ simplified enrollment procedures⁴ and launched community outreach efforts⁵ though concerns remain as to what are the most effective mechanisms to increase participation.

Previous universal studies in the 1990s suggest high long distance and toll call charges⁶ and preferences to receive cable television⁷ are reasons why low-income households don't subscribe to wireline. Although these studies are definitely useful to understand why some households do not have telephone service, they do not specifically ask low-income households their overall awareness concerning the Lifeline program and their perceptions on why other qualified households do not enroll to receive discounted telephone service. In addition, previous research does not address low-income households' beliefs concerning efforts to improve Lifeline awareness and whether the current Lifeline mission should be expanded to include other types of communication services.

¹Report and Order and Further Notice of Proposed Rulemaking, WC Docket 03-109, In the Matter of Lifeline and Link-Up, Release No. FCC 04-87, (Re. April 29, 2004.) at ¶ 1.

² The FPSC estimated in 2004 that approximately 154,000 of the 1.1 million Floridians that were eligible for the Lifeline and Link-Up programs were participating. Florida Public Service Commission, Notice of Proposed Agency Action: Order Expanding Lifeline Eligibility, Docket No. 040604-TL, Order No. PSC-04-078 1-PAA-TL, August 10, 2004.

³ Currently Floridians who receive public assistance in one of the following Lifeline-eligible programs may enroll in Lifeline: Medicaid, Food Stamps, Supplemental Security Income (SSI), Federal Public Housing Assistance (Section 8) (FPHA), or the Low Income Home Energy Assistance Program (LIHEAP). Participation in the National School Lunch free lunch program also qualifies you for participation if you are a BellSouth subscriber. Floridians may also qualify based solely upon income, specifically whether they reside at or below the 135% of the Federal Poverty Guidelines.

⁴ Those who qualify for Lifeline may fill out one of two forms. First is a self-certification form through eligible telecommunication carriers that simply requests you to verify that you are participating in one of the Lifeline eligible programs (e.g. Food Stamps), available online at:

<http://www.floridapsc.com/industry/telecomm/Lifeline/index.cfm>. The other, provided by the Florida Office of Public Counsel, asks you to verify your income, available online at:
<http://www.floridaopc.gov/Lifeline.cfm>

⁵ See Florida Public Service Commission (Dec. 2004), Number of Customers Subscribing to Lifeline Service and the Effectiveness of Any Procedures to Promote Participation.

⁶See Mueller, M & Schement, J. R. (1995). Universal service from the bottom up: A profile of telecommunications access in Camden, New Jersey. *The Information Society*, 12:273-291, (1995).

⁷ Horrigan, J. B. & Rhodes, L. (1995). *The evolution of universal service in Texas*. Austin, TX: Lyndon B. Johnson School of Public Affairs, available at <http://www.apf.org/policy/lbjbrief.html>

To help better understand Lifeline awareness and participation, a random sample of 2500 low-income households throughout the state of Florida was surveyed during the fall of 2005. The low-income threshold for the survey was the maximum income level for a two-person household at 135% of the current Federal Poverty Guidelines (at or below \$17,321). This level was chosen in part to make sure to reach a large number of households that would appear to benefit from Lifeline, as the average household size in Florida is roughly 2.5 persons. Residing at or below 135% of FPG is one of the ways in which a household may qualify for the Lifeline discount in Florida. The sample consisted of 2120 English-speaking households and 380 Spanish-speaking households, the latter of which received materials in both English and Spanish. Participants were provided with a \$2.00 upfront incentive and a business reply envelope to return their survey. Prior to the survey, postcards were mailed out to inform households to be anticipating the survey's arrival.

Questions contained on the survey were derived from discussions with telephone company representatives, policymakers and low-income households and were pre-tested at a Lifeline outreach focus group for its effectiveness. Specifically questions asked whether households have previous knowledge about Lifeline, why households do not participate, whether the program should be extended to other communication services and what might be done to improve awareness and outreach. In addition, demographic questions were included to measure use of communication services, gender, age, race and ethnicity, employment and current involvement in Lifeline eligible government programs.

Upon data collection, results were coded, entered and tabulated in the SPSS statistical database program. To test for any correlations, chi-square, ANOVA and Pearson's tests were employed depending on the nature of the variables. Specifically, all demographic, communication services and Lifeline variables were cross-tabulated and tested for statistical significance. The first part of the results section provides a general description of the findings while the second half describes any statistically significant correlations that are present.

Results

From the sample of 2500 of low-income households, 364 valid surveys were returned for nearly a 15 percent overall participation rate.⁸ Overall, 97 percent of the surveys were returned in English and only 3 percent of the surveys in Spanish.

With regard to demographic characteristics, 73 percent of the respondents are female and 27 percent are male. Only 40.9 percent of the respondents are married, with 59.2 percent indicating they are unmarried. In terms of race and ethnicity, more than two-thirds of respondents (67.5%) are Caucasian, 9.9 percent Hispanic or Latino, 11.3 percent are African American, 3.6 percent American Indian or Alaskan Native, 2.4 percent bi-or

⁸ Of the 2500 surveys that were mailed, 296 surveys were "returned to sender" by the post office and thus never received by intended recipients to be filled out.

multi-racial, 1.4 Asian percent, .6 percent Native Hawaiian or Pacific Islander and 6.6 percent refused to disclose their race or ethnicity. When asked what their primary language is spoken at home, 88.7 percent listed English, 6.9 percent Spanish, 3.8 percent listed “other” and 5.2 percent declined to answer. More than 20 percent (21.7) indicated they speak another language besides English. The average age of respondents is 63 with size of household size just under two persons (1.94). More than three-fourths of respondents (77.5%) indicated they have children, but only 21.5 percent indicated that they have children living at home, with the average number of children at 1.6, comprised of the following age ranges: under the age of 5 (5.2%), 5 to 12 years old (9.6%), 14-17 years old (3%) and 18 to 24 years old (3.6%). With regard to economic well-being, only slightly more than thirty percent (30.8) of those surveyed are currently employed. Less than forty percent (37.6) of those surveyed qualify for Lifeline because their income levels are at or below 135 % of the Federal Poverty Guidelines. Less than twenty percent (18.4) participate in at least one of the Lifeline-eligible government programs, as shown in Table 1.

Table 1 Participation in Lifeline-Eligible Programs

Government Program	Percentage
Temporary Assistance to Needy Families (TANF)	.5
Supplemental Security Income (SSI)	8.5
Food stamps	9.1
Medicaid	12.4
Federal Public Housing Assistance (Section 8)	4.7
Low-Income Home Energy Assistance Plan (LIHEAP)	1.6
Bureau of Indian Affairs Programs	0
National School Lunch Program	2.5
<i>Participation in at least one of the above</i>	<i>18.4</i>

N=364

Use of Communication Services

Among those surveyed, 75 percent currently subscribe to wireline service. For those who have wireline telephone service, 47.9 percent are with Bell South, 20.8 percent with Sprint, 20 percent with Verizon and 11.4 percent with other carriers. Survey participants were also asked to check off which communication services that they currently use in different settings, namely at home, work and outside of the home and work environments. As Table 2 indicates, local wireline telephone service was indicated most frequently for the type of service used at home (90.4%) and work (72%). More than half of respondents use a cell phone either at home (40.9% cell phone, 11.3% prepaid) and outside home or work (45.1%, 10.4% prepaid). In addition, 44.8 percent of respondents indicated they had Internet access at home, 17.3 percent at work and 9.6 percent indicated they use the Internet outside the home or work setting. Nearly sixty percent of respondents indicated they either subscribe to cable (45.6%) or direct broadcast satellite (DBS) service (13.5%).

Table 2 Use of Communication Services

Type of Service	Percent at Home	Percent Outside Home or Work	Percent at Work*
Local wire line	90.4	72	23.9
Long distance (via wire)	55.2	13.2	14.6
Cell phone	40.9	45.1	11
Prepaid cellular	11.3	10.4	1.1
Internet	44.8	9.6	17.3
Cable TV	45.6	6.3	3.3
DBS	13.5	.8	1.4
Public Payphone	n/a	23.9	n/a

N=364 *Note: Only 30.8 percent of all respondents indicated they were employed

Lifeline Awareness & Participation

Overall, an overwhelming amount of respondents do not have knowledge of Lifeline, nor do they currently participate in the program. Less than 10 percent of respondents are current (6.8%) or former (2.3%) Lifeline subscribers. Only 1 out of every 5 respondents (19.8%) had previously heard about Lifeline, while less than five percent (4.5) had ever heard about the Link-up program.⁹ Respondents who previously knew about Lifeline were also asked how they first learned about the Lifeline program. In most cases, respondents chose only one answer, but in some cases multiple responses were chosen. As indicated below in Table 3, social worker (14.2%) and social service agency (11.5%) were among the top five responses, along with telephone company (25.7%), friend (30%) and family member (14.2%). Some of those familiar with Lifeline also indicated that they learned about the program through a senior residence facility (8.6%). Within the social service agency category, a majority of respondents indicated they received information from either their food stamps or Department of Children & Families offices. Among the other category (14.2%), written responses included learning about Lifeline from word of mouth, community outreach and senior centers.

Table 3 First Learn About Lifeline (among those previously aware)

Lifeline Source	Percent
Social worker	14.2
Telephone company	25.7
Friend	30
Social service agency	11.5
Family member	14.2
Senior residence facility	8.6
Other	14.2

N=70

⁹ Link-up is a program that provides financial assistance to qualified low-income households toward establishing wireline service.

All survey respondents were also asked why they believe other qualified households do not participate in the Lifeline program. This question provided a number of different responses and allowed participants to check multiple responses. Based upon the list of choices indicated in Table 4, overwhelmingly respondents indicated lack of awareness (86.7%) followed by concerns over understanding qualification criteria (47.1%) and paying for local telephone (23.2%) and long distance, toll services (22.4%).

Table 4 Reasons other people don't participate in Lifeline

Reason	Percent
Lack of Awareness	86.7
Do not understand if they qualify	47.1
Unable to pay for local phone service	23.2
Unable to pay for long distance/toll service	22.4
Use money for other needs	17.2
Hard to understand phone bill	12.5
Prefer to use cell phones	11.4
Hard to fill-out Lifeline paperwork	10.5
Distrust of the government	7.8
Distrust of the phone company	7.2
Find something less expensive	5
Must use service landlord provides	4.2
Other	2.5

N=364

Based upon the choices listed above, survey participants were also asked to mark the most important reason why they believe other qualified households do not participate in Lifeline. As Table 5 indicates, an overwhelming majority of those surveyed believe lack of awareness (84.4%) is a significant factor on why other households do not enroll in Lifeline, followed by concerns regarding whether they qualify (8.2%).

Table 5 Primary Reason Why Others Do Not Participate in Lifeline

Reason	Percent
Lack of Awareness	84.4
Do not understand if they qualify	8.2
Unable to pay for local phone service	1.1
Distrust of the phone company	2.9
Prefer to use cell phones	1.5
Find something less expensive	1.4
Unable to pay for long distance	1.2
Use money for other needs	1.1
Hard to understand phone bill	.4
Must use service landlord provides	.4
Hard to fill-out Lifeline paperwork	.3
Distrust of the government	.3
Other	2.6

N=364

Extending Lifeline to Other Communication Services

During the second half of the survey, respondents were asked to rate their preference for extending the Lifeline program separately to cell phones, Internet access and cable television on a five-point Likert scale, ranging from 1 being “not at all” to 5 being “Yes, Very Much.” One-Sample T-Tests were run on the three-scaled items and the means were found to be statistically significant ($p < .01$). As Table 6 demonstrates, cell phones received the most support for being included in Lifeline (3.14), followed by cable television (3.09) and Internet access (3.01). In fact, more than one-quarter of those surveyed (28.4%) indicated the strongest measure for cell phones (“Yes, very much”) while only 22.5 percent and 20.6 percent thought cable television and Internet access was worthy of such designation.

Table 6 Extending Lifeline to Different Services

Service	Mean Ranking (1 to 5 scale)
Cell phones	3.14
Internet Access	3.01
Cable Television	3.09

N=364

Improving Lifeline Awareness & Participation

The last items on the survey reflected upon how strongly specific methods may be in improving Lifeline awareness. Respondents were asked to rate their preferences separately on nine different improvement mechanisms on a five-point Likert scale, ranging from 1 being “not at all” to 5 being “Yes, Very Much.” One-Sample T-Tests were run on each of the items and the means were found to be statistically significant ($p < .01$). As shown in Table 7, respondents believe strongly that more people will participate if Lifeline was a better known social program like Food Stamps (4.36). Additionally, respondents also strongly believe awareness and participation may be improved through the following methods: telephone company mailings (4.27), community outreach (4.21), television advertising (4.20) and learning about the program from a family member/friend (4.12) or social worker (4.04).

Table 7 Beliefs Concerning Methods to Improve Lifeline

More people would participate in Lifeline if ...	Mean Ranking (1 to 5 scale)
Known program like Food Stamps	4.36
Telephone company mailed information	4.27
More community outreach	4.21
Advertised on TV	4.20
Learn from family member or friend	4.12
Learn from social worker	4.04
Advertised in newspaper	3.81
Made information available at Wal-Mart	3.68
Advertised on radio	3.67

N=364

Correlations among Demographics, Use of Communication Services, & Lifeline Participation, Awareness & Support

There are a number of statistically significant correlations between demographic characteristics, use of communication services and beliefs regarding Lifeline awareness and extending the program to different communication services. In particular, the correlations involving the independent variables of employment, race, gender age and household characteristics are summarized below.

While the survey sample was comprised of low-income households, employment is statistically significant with how individuals use communication services and believe Lifeline participation may be enhanced. Based upon chi-square tests, those who are employed are more likely to use the cell phone ($p < .01$), Internet ($p < .01$), and subscribe to DBS ($p < .01$) than those unemployed. In contrast, those unemployed are more likely to be eligible for Lifeline based upon participation in government programs ($p < .01$) and by residing at or under 135% of the FPG ($p < .01$). As a result, unemployed respondents are more likely to be Lifeline subscribers ($p < .01$). In addition, one-way ANOVA tests revealed unemployed respondents are more likely to favor extending the Lifeline discount beyond wireline to cell phones ($p < .03$) and Internet access ($p < .01$). This group is also more likely to believe that radio advertising will help boost Lifeline participation ($p < .05$). Based upon one-way ANOVA tests, those eligible for Lifeline based on government program participation are more likely to support extending the Lifeline discount to cell phones ($p < .01$), Internet access ($p < .05$) and cable television ($p < .01$). Those eligible for Lifeline based upon their income either at or below 135% FPG are more likely to support applying the Lifeline discount to cell phones ($p < .02$) and cable television ($p < .01$) and believe telephone company mailings ($p < .03$) and television ($p < .02$) and radio advertising ($p < .01$) would help increase participation.

Chi-squares also demonstrated statistically significant correlations between gender and the use of communication services and Lifeline awareness and participation. Compared to females, males are more likely to subscribe to wireline ($p < .01$), use wireline ($p < .01$) and have Internet access at home ($p < .02$). In contrast to males, females are more likely to be aware of Lifeline ($p < .03$) and be enrolled in Lifeline ($p < .05$). Females are also more likely to be eligible for Lifeline based upon their participation in government assistance programs ($p < .01$) or residing at or below 135% FPG ($p < .01$). One-way ANOVA tests found females are more likely to believe that community outreach ($p < .05$), social work ($p < .05$) and family member or friends ($p < .03$) would help improve participation in Lifeline.

Race and ethnicity, in terms of being Caucasian versus non-Caucasian are also correlated variables that are statistically significant. Compared to non-Caucasians, Caucasians are more likely to subscribe to wireline ($p < .01$), use wireline ($p < .01$) and long distance at home ($p < .01$) and wireline outside home or work ($p < .01$). In comparison, Non-Caucasians are more likely to use Internet access outside home or work ($p < .01$) and more likely to be aware of Lifeline ($p < .05$). In addition, Non-Caucasians are more likely to be eligible for Lifeline based upon government assistance programs ($p < .01$) and residing at

or below 135% FPG ($p < .05$). One-way ANOVA tests demonstrated that Non Caucasian are more likely to support extending Lifeline to cell phones ($p < .01$), Internet access ($p < .01$) and cable television ($p < .01$). Furthermore, Non-Caucasians are more likely to believe Lifeline participation may be increased through the following methods: community outreach ($p < .02$), social worker ($p < .01$), television advertising ($p < .05$), newspaper advertising ($p < .02$), radio advertising ($p < .03$), telephone company mailings ($p < .04$), and distributing materials at Wal-Mart ($p < .01$).

There are other important correlations within the area of race and ethnicity. African Americans are less likely to subscribe to wireline ($p < .01$), use wireline ($p < .01$), long distance ($p < .02$) and Internet access at home ($p < .02$). African Americans are more likely to be previously aware of Lifeline ($p < .01$), eligible for Lifeline based upon participation in government assistance programs ($p < .01$) and currently enrolled in Lifeline ($p < .01$). Based upon one-way ANOVA tests, African Americans are more likely to believe the Lifeline discount should be extended to cell phones ($p < .05$). In contrast, Hispanics or Latinos are more likely to use cell phones ($p < .01$) and the Internet at home ($p < .05$) as well as cell phones ($p < .05$) and the Internet outside the home ($p < .05$). One-way ANOVA tests show Hispanic or Latinos are more likely to believe the Lifeline discount should be applied to cell phones ($p < .03$), Internet access ($p < .01$) and cable television ($p < .02$). Hispanics or Latinos also believe Lifeline participation may be enhanced through different approaches, including community outreach ($p < .05$), social worker ($p < .01$), television advertising ($p < .04$), newspaper advertising ($p < .03$), radio advertising ($p < .01$), and distributing materials at Wal-Mart ($p < .05$).

Marriage, size of household and language were also found to be involved in statistically significant correlations. Chi-square cross-tabulations revealed that married respondents are more likely to subscribe to wireline ($p < .01$), use Internet access ($p < .02$) and a cell phone at home ($p < .01$) as well as a cell phone outside home or work ($p < .01$). Those who are not married are more likely to be enrolled in Lifeline ($p < .03$) and reside at or below 135% FPG ($p < .02$). Single-person households are more likely subscribe to Lifeline ($p < .02$), but less likely to have cell phone ($p < .01$) or Internet access at home ($p < .01$) and cell phone outside home or work ($p < .01$). Chi-square and one-way ANOVA tests show one to two person households are less likely to be supportive of applying the Lifeline discount to Internet access ($p < .01$).

Through chi-square analysis, those absent children at home are more likely to subscribe to wireline ($p < .02$) while those households with children at home are more likely to use the cell phone at home ($p < .02$) and outside home or work ($p < .05$). In addition, those households with children at home are more likely to be eligible for Lifeline based upon their participation in government assistance programs ($p < .01$) or by residing at or below 135% FPG ($p < .03$). Based upon one-way ANOVA tests, households with children at home are more likely to favor extending Lifeline to cell phones ($p < .02$) and Internet access ($p < .01$) and also believe more people would participate in Lifeline through radio advertising ($p < .05$) and distributing materials at Wal-Mart ($p < .05$).

Chi-square tests demonstrate that those who speak another language other than English more likely to use a cell phone at home ($p < .01$) and outside home or work ($p < .05$). One-way ANOVA tests also uncovered that those who speak another language besides English are more likely to extend the Lifeline discount to cell phones ($p < .01$), Internet access ($p < .01$) and cable television ($p < .01$). This group is also more likely to believe that more people would participate in Lifeline through community outreach ($p < .03$), social workers ($p < .01$), newspaper advertising ($p < .04$) and telephone company mailings ($p < .01$).

Another set statistically significant correlations present is between cell phone usage and Lifeline support and participation. One-way ANOVA tests found those who use the cell phone at home are more likely to support applying the Lifeline discount to cell phones ($p < .01$) and Internet access ($p < .01$). Those who also use the cell phone at home are more likely to believe that Lifeline participation would be improved if the program was a known social program like food stamps ($p < .01$). Likewise, those who use the cell phone outside home or work are more likely to support extending the Lifeline discount to cell phones ($p < .02$) and Internet access ($p < .01$). This same group is also more likely to believe that more people would participate in Lifeline if it was a known social program like food stamps ($p < .01$).

Last but not least, Pearson correlation tests found age to be an important variable. Specifically compared to their older counterparts, younger persons are more likely to favor applying the Lifeline discount to cell phones ($p < .01$) and Internet access ($p < .01$). This group also believes participation would rise if Lifeline was a known social program like food stamps ($p < .01$) and through increased efforts in the following areas: coordination with social workers ($p < .02$), radio advertising ($p < .05$), telephone company mailings ($p < .05$) and distributing materials at Wal-Mart ($p < .01$).

Analysis & Conclusion

The above research findings provide greater insight into the degree of awareness that low-income households possess concerning Lifeline in a state that has a low participation rate among qualified households. While these results apply specifically to the state of Florida, it is not hard to imagine that awareness is also the major obstacle to getting more households to participate in Lifeline nationally.¹⁰ In this particular study, less than 20 percent of low-income households were aware of Lifeline and less than ten percent were former or current Lifeline subscribers. Respondents also gave strong preference for improving Lifeline participation, especially making Lifeline akin to a known program like food stamps and through other marketing efforts, including word of mouth through family member or friends, through social workers, community outreach advertising and telephone company mailings. A majority of the above trends regarding improving Lifeline participation are particularly true among cell phone users, those who speak another language besides English, non-Caucasians, African Americans, Hispanics and Latinos and younger individuals.

Another important finding of this study is how low-income households are using various communication services. Nearly three-quarter of respondents in this study have existing wireline telephone service and more than half use cell phones both at home and outside home or work. Although a number of socio-economic factors like employment, marital status and race and ethnicity play a role in wireline and wireless usage, the overall percentages are nevertheless high considering the annual target income level of the sample was \$17,321 (the cut-off figure for a two-person household at 135% of the FPG). These findings appear to call into question whether low-income households need the Lifeline discount since they are already finding a way to afford either wireline and/or wireless telephone services. On the other hand, these findings also suggest that a number of existing wireline phone subscribers would benefit if they had simply been aware of the Lifeline program prior to signing up for local telephone service.

The findings of this research also suggest the low-income households possess some measurable interest in extending the Lifeline discount to wireless and Internet access, but less support for cable television service. This is an important finding considering many states like Florida are allowing wireless carriers to qualify as an eligible telecommunications carrier and provide a Lifeline discount to qualified customers. In the not so distant future, one may envision providers that offer local phone service through voice-over-Internet protocol (VoIP) wanting to also offer Lifeline discounts, even as a bundle with high-speed Internet access. If this were possible, low-income households would be able to choose from an array of different Lifeline offerings that best suit their own personal preferences and social circumstances.

¹⁰ FCC (July 26, 2005), FCC and NARUC Launch “Lifeline Across America” To Raise Awareness of Lifeline and Link-Up Programs, available at http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-260129A1.pdf . The FCC established a new working group to boost Lifeline awareness and participation, see also <http://www.Lifeline.gov> .