

**Disconnecting from Communications: A Survey of Floridians Who Qualify for  
Lifeline and Dropped Their Telephone Service<sup>\*</sup>**

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](mailto:jbrown@jou.ufl.edu)

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## Introduction

Current statistics show that as few as 14 percent of qualified Floridians are taking part in Lifeline, a universal service program that provides eligible low-income households with up to a \$13.50 monthly discount toward local wireline telephone service.<sup>1</sup> To help boost Lifeline participation rates, policymakers together with local phone companies, have modified the eligibility criteria,<sup>2</sup> simplified enrollment procedures<sup>3</sup> and launched community outreach efforts in Florida.<sup>4</sup> Beyond encouraging more participation, one of the ongoing concerns with the Lifeline program is the retention of current enrollees. Statistics unfortunately show that in Florida people who choose to no longer participate in the program unfortunately offset considerable amount of new Lifeline subscribers that are added each month.<sup>5</sup>

Previous universal studies in the 1990s suggest households discontinue phone service because they are unable to afford long distance charges<sup>6</sup> and in some cases (40 percent) subscription to cable television superseded a desire to be interconnected as a phone subscriber.<sup>7</sup> Although these studies are definitely useful to understand why some households do not have telephone service, they do not specifically ask former low-income telephone subscribers how they qualify for and learned about Lifeline, why they dropped wireline telephone service, their perceptions on why other qualified households do not enroll in Lifeline and their support for extending the Lifeline mission to other types of communication services.

To help better understand Lifeline churn and improve retention and participation, a mail survey based upon a convenience sample of roughly 2200 former telephone subscribers

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<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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>

<sup>4</sup> See Florida Public Service Commission (Dec. 2004), Number of Customers Subscribing to Lifeline Service and the Effectiveness of Any Procedures to Promote Participation.

<sup>5</sup> See the Florida Senate, Assessment of Lifeline Assistance Program, Interim Project Summary, 2005-116, November 2004. For instance, during the month of April '04, BellSouth added 2,252 new Lifeline subscribers but lost 2,421 customers from the program.

<sup>6</sup> See 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).

<sup>7</sup> 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.apto.org/policy/lbjbrief.html>

was conducted in the fall of 2005.<sup>8</sup> The subscribers surveyed voluntarily contacted BellSouth Florida to discontinue telephone service during the months of May and June. Participants were provided surveys in both English and Spanish, along with a \$2.00 upfront incentive and a business reply envelope to return their survey. Prior to the survey, postcards were sent out to help preview the survey's arrival. Because of privacy concerns, the postcard and surveys were labeled and mailed by BellSouth while the surveys were returned directly in business reply envelopes to Dr. Justin Brown at the University of Florida.

Questions contained on the survey were derived from discussions with telephone company representatives, policymakers and low-income households and were pre-tested at Lifeline outreach events for their effectiveness. Specifically questions asked former subscribers why they discontinued phone service, how they first learned about Lifeline and whether the Lifeline program should be extended to other communication services. In addition, respondents were also asked how they use communication services. In addition, demographic questions were included to measure gender, race and ethnicity, employment, income and any 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 within the data.

## **Results**

From the sample of approximately 2200 former telephone subscribers, 346 valid surveys were returned for nearly a 15 percent overall participation rate. More than three-quarters of those surveyed qualify for Lifeline because their income levels are at or below 135 % of the Federal Poverty Guidelines (FPG), with 57.7 percent falling at or below annual income of \$12,920. More than seven out of every ten respondents (71.3 percent) also participate in at least one of the Lifeline-eligible government programs. Collectively, between the 135% of the FPG or participation in one of the above government programs, 295 out of 346 (85.3 percent) former subscribers that completed surveys qualified for Lifeline. Because of this trend, the results below describe findings among the 295 former telephone subscribers who qualify for Lifeline.

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<sup>8</sup>A total of 2,819 total wireline subscribers had voluntarily disconnected phone service with BellSouth during the months of May and June in 2005. From this list of subscribers, 2000 surveys were originally mailed out, of which 200 were returned back in the mail. These surveys were repackaged and mailed out to 200 additional subscribers on the list who had voluntarily disconnected phone service.

### *Characteristics of Lifeline-Eligible Households*

With regard to the demographic characteristics of former telephone subscribers that qualify for Lifeline, nearly three-quarters the respondents are female (72%) and less than thirty percent (28) are married. In terms of race and ethnicity, 45.1 percent are Caucasian, 22.4 percent Hispanic or Latino, 22.7 are black or African American, two percent American Indian or Alaskan Native, 6.1 percent bi-or multi-racial, .3 percent Asian, .3 percent Native Hawaiian or Pacific Islander and 1.7 percent refused to disclose their race or ethnicity. When asked what their primary language is spoken at home, 77.3 percent indicated English, 19.7 percent Spanish, one percent listed “other” and two percent declined to answer. Just fewer than 20 percent (19.3) indicated they speak another language besides English. Nearly 9 out every 10 surveys (89%) were returned in English compared to only 11 percent in Spanish. The median age of respondents is 53 and average household size is 2.5. More than three-fourths of respondents (78.3%) indicated they have children, with the average number of children at 2.75. In terms of young families, more than half (57.6%) of respondents indicate having children under the ages of 24, comprised of the following age ranges: under the age of 5 (11.9%), 5 to 13 years old (18.8%), 14-17 years old (11.2%) and 18 to 24 years old (14.2% percent).

In terms of Lifeline eligibility, 89 percent indicated they qualified because their income levels were at or below 135 percent of the FPG. As Table 1 demonstrates, more than 80 percent also participated in one of the Lifeline-eligible government programs. This participation was higher among households enrolled in Lifeline compared to households that qualify but are not participating in Lifeline (Non-Lifeline enrolled households). Furthermore, among those eligible for Lifeline (including those enrolled) nearly 3 out of every 4 respondents (72.5%) qualify for Lifeline under both the income and government program eligibility criteria.

**Table 1 Participation in Lifeline-Eligible Programs by Households that Disconnected from BellSouth Service in Florida, 2005**

<b>Government Program</b>	<b>All Eligible Lifeline Households*</b>	<b>Lifeline-Enrolled Households**</b>	<b>Eligible but not part of Lifeline***</b>
Temporary Assistance to Needy Families (TANF)	5.1	0	6.0
Supplemental Security Income (SSI)	41	46.7	39.8
Food stamps	55.3	64.4	43.8
Medicaid	66.8	68.9	66.7
Federal Public Housing Assistance (Section 8)	17.3	24.4	16.1
Low-Income Home Energy Assistance Plan (LIHEAP)	7.8	2.2	8.8
Bureau of Indian Affairs Programs	0	0	0
<i>Participation in at least one of the above</i>	<i>82.3</i>	<i>95.6</i>	<i>80.3</i>

\*=295 \*\*N=45 \*\*\*N=250

### *Use of Communication Services Among those Eligible for Lifeline*

Among those surveyed that qualify for Lifeline, 44.7 percent currently subscribe to wireline service, but only 15.3 indicated participation in Lifeline. For those who have wireline telephone service, 41.7 percent are still with BellSouth, 11.4 percent with Sprint, 6.8 percent with Verizon, 4.4 percent with Bright House Networks, 3.7 percent with SBC, 3.7 percent with Supra Telecom, 3.7 percent with Knology and 2.3 percent with Alltel. The remaining telephone subscribers either indicated another carrier (14.3%) or refused to answer (5.6%).

Those who disconnected phone service but currently qualify for Lifeline were also asked to mark whether they use specific communication services they in different settings, namely at home, work and outside of the home and work environment. As Table 2 depicts, local wireline telephone service is indicated most frequently for the type of communication service used at home (59.4%) and work (10.8%). Less than half use a cell phone either at home (33.9% cell phone, 9.3% prepaid) and outside home or work (36.6% cell phone, 11.5% prepaid). In comparison, 18.3 percent of respondents indicate they use the Internet at home and 11.5 percent indicated they use the Internet outside the home or work. Nearly one-third of respondents subscribe to either cable television (22.3%) or direct broadcast satellite (DBS) service (10.1%). Table 3 specifically shows use of communication services among those currently enrolled in Lifeline. In contrast, Table 4 shows how those eligible but not participating in Lifeline use various communication services.

**Table 2 Use of Communication Services Among Households Eligible for Lifeline\***

Type of Service	Percent at Home	Percent Outside Home or Work	Percent at Work**
Local wire line	58.6	31.2	10.8
Long distance (via wire)	23.1	5.4	3.7
Cell phone	33.9	36.6	5.4
Prepaid cellular	10.5	11.5	1
Internet	18.3	11.5	5.4
Cable TV	21	3.7	0
DBS	8.5	1.7	.3

\*N=295. \*\*Only 17.3 percent of all respondents indicated they were employed

**Table 3 Use of Communication Services Among Households Enrolled in Lifeline\***

Type of Service	Percent at Home	Percent Outside Home or Work	Percent at Work**
Local wire line	100	42.2	44.4
Long distance (via wire)	37.8	6.7	4.4
Cell phone	31.1	40	33.3
Prepaid cellular	4.4	6.7	0
Internet	35.6	13.3	33.3
Cable TV	33.3	4.4	0
DBS	4.4	0	0

\*N=45 \*\*Note: only 17.8 percent employed

**Table 4 Use of Communication Services Among Households Eligible but not enrolled in Lifeline\***

Type of Service	Percent at Home	Percent Outside Home or Work	Percent at Work**
Local wire line	51.4	29.3	49.1
Long distance (via wire)	20.1	5.2	3.6
Cell phone	34.1	35.7	22.8
Prepaid cellular	11.6	12.4	5.3
Internet	15.3	11.2	22.8
Cable TV	18.9	3.6	0
DBS	9.2	2	1.8

\*N=250 \*\*Note: only 17.3 percent of respondents employed

### *How Do those that Qualify for Lifeline Learn About the Program*

Respondents that qualify for Lifeline were asked how they first learned about the program. In most cases, respondents chose only one answer, but in some cases multiple responses were chosen. As indicated below in Table 5, social worker (32.2 %) and social service agency (20.3%) were among the top five responses, along with the telephone company (25.1%), friend (21.4%) and family member (13.6%). Few people indicated that they learned about the program through a senior residence facility (4.1%) or their apartment landlord (2%). Within those who chose the social service agency category, nearly forty percent of respondents specified receiving information from either their food stamps or Department of Children & Families offices. Among the “other” category, responses included learning about Lifeline from word of mouth, advertising, phonebooks, senior centers and work source programs.

**Table 5 First Learn About Lifeline**

<b>Lifeline Source</b>	<b>Percent of Lifeline-Eligible Households*</b>	<b>Percent of Lifeline-Enrolled Households**</b>	<b>Percent of Eligible Households, but not part of Lifeline***</b>
Social worker	32.2	42.2	30.1
Telephone company	25.1	28.9	24.5
Friend	21.4	13.3	22.9
Social service agency	20.3	20	20.5
Family member	13.6	11.1	14.1
Senior residence facility	4.1	4.4	4.0
Apartment landlord	2.0	4.4	1.6
Other	10.2	0	12

\*N=295 \*\*N=45 \*\*\*N=250

#### *Reasons for Not Participating in Lifeline*

Respondents eligible for Lifeline but not enrolled in the program were asked why they do not participate. In most cases, respondents choose only one answer, but in some cases multiple responses were selected. As indicated below in Table 6, more than forty percent (43.8) of all respondents indicated that moving was a reason they do not participate in Lifeline. More than thirty percent indicated not being able to afford local phone service was a factor in why they do not participate in Lifeline. Other reasons included using money for other needs (12%), preference to use cell phones (11.2%), finding something less expensive (6.8%), hard to understand phone bill (6.4%), death of wireline subscriber (5%), needing to use telephone service that's supplied by their landlord (4.8%) and no longer meeting eligibility criteria (3.2%). A few respondents (3%) indicated that they recently reapplied in Lifeline while five percent listed additional reasons why they do not participate in Lifeline.

**Table 6 Reasons Not Participating in Lifeline\***

<b>Reason</b>	<b>Percent</b>
Recently moved	43.8
Couldn't afford local phone service	30.5
Use money for other needs	12
Prefer cell phones	11.2
Found something less expensive	6.8
Hard to understand phone bill	6.4
Death of wireline subscriber	5
Need to use service provided by landlord	4.8
No longer meet eligibility criteria	3.2
Recently reapplied for Lifeline	3.0
Other	5

\*N=250

Those who disconnected phone service but qualify for Lifeline were also asked to choose the most important reason why they do not participate in Lifeline. As Table 7 indicates, close to thirty percent indicated that they stopped participating in Lifeline because they recently moved. Nearly one-quarter (23.3%) indicated they disconnected because they couldn't afford local phone service. The rest of the reasons are fairly fragmented in terms of importance. Nearly ten percent (9.8) checked off "Other" as being the most important and more than ten percent (13.3) percent refused to list a most important reason for no longer participating in Lifeline.

**Table 7 Most Important Reason for Not Participating in Lifeline\***

<b>Reason</b>	<b>Percent</b>
Recently moved	27.7
Couldn't afford local phone service	23.3
Prefer to use cell phones	5.2
Death of wireline subscriber	4.0
Use money for other needs	3.6
Need to use service provided by landlord	3.2
Found something less expensive	3.2
No longer meet Lifeline eligibility criteria	2.4
Recently reapplied for Lifeline	2
Hard to understand phone bill	1.6
Other	9.8
Refused	13.9

\*N=250

Beyond their own personal experience, former wireline subscribers who qualify for Lifeline were also asked why they believe other qualified households do not participate in the Lifeline program. This question included a number of different answer choices, allowing respondents to check multiple responses. Based upon the list of choices indicated in Table 8, overwhelmingly respondents indicated lack of awareness (77.6%) followed by concerns over understanding qualification criteria (42.7%), paying for local telephone (23.7%) as well as long distance, toll services (20.3%) and preferring to use cell phones (12.9%). As indicated below, each of the remaining reasons fall under ten percent.



**Table 8 Reasons other people don't participate in Lifeline\***

<b>Reason</b>	<b>Percent</b>
Lack of Awareness	77.6
Do not understand if they qualify	42.7
Unable to pay for local phone service	23.7
Unable to pay for long distance/toll service	20.3
Prefer to use cell phones	12.9
Use money for other needs	9.5
Find something less expensive	8.8
Distrust of the phone company	8.1
Hard to understand phone bill	7.5
Hard to fill-out Lifeline paperwork	6.8
Distrust of the government	5.8
Must use service landlord provides	3.4
Other	7.1

\*N=295

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 9 indicates, a majority of those surveyed believe lack of awareness (52.4 %) is a significant factor on why other households do not enroll in Lifeline, followed by concerns regarding whether they qualify (8.8 %). Each of the remaining reasons, as shown below, fall under five percent.

**Table 9 Most Important Reason Why Others Do Not Participate in Lifeline\***

<b>Reason</b>	<b>Percent</b>
Lack of Awareness	52.4
Do not understand if they qualify	8.8
Unable to pay for local phone service	4.4
Distrust of the phone company	3.4
Prefer to use cell phones	2.4
Find something less expensive	2.4
Unable to pay for long distance	1.4
Use money for other needs	1.4
Hard to understand phone bill	.7
Must use service landlord provides	.7
Hard to fill-out Lifeline paperwork	.3
Distrust of the government	.3
Other	2.4
Refused	18.7

\*N= 295

### *Extending Lifeline to Other Communication Services*

At the end 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 10 demonstrates, among those respondents who disconnected phone service but qualify for Lifeline, cell phones received the most support for being included in Lifeline (3.87), followed by cable television (3.74) and Internet access (3.52). In fact, more than half of those surveyed (54.5) indicated the strongest measure for cell phones (“Yes, very much”) while less than half believed cable television (49.3 percent) and Internet access (40.1 percent) was worthy of such designation.

**Table 10 Extending Lifeline to Other Communication Services\***

Service	Mean Ranking (1 to 5 scale)
Cell phones	3.87
Cable Television	3.74
Internet Access	3.52

\*N= 295

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

There are a number of statistically significant correlations concerning the use of communications services and preferences for extending Lifeline that are related to the demographic characteristics of age, household size, marriage status and race and ethnicity.

The role of age was statistically significant in relation to support for Internet access and cell phones. Pearson’s correlation revealed a correlation between respondent’s age and their support for extending the Lifeline discount to Internet access ( $p < .01$ ). In general, cross-tabulations revealed that the younger the respondent, the more likely their support for Internet access. One-way ANOVA tests also found that those with children ages 18 to 24 were more likely to support extending Lifeline to cell phones than those households without children in this age group ( $p < .03$ ).

Based upon chi-square tests, age was also statistically significant with the use of local wireline telephone service, disconnecting phone service because of concerns over costs and initial learning about Lifeline. Specifically households with children were more likely to subscribe to local wireline telephone service than those households without children ( $p < .01$ ). Households with children 5 to 13 years of age ( $p < .01$ ) or 18 to 24 years of age ( $p < .01$ ) are more likely to indicate unable to pay for local phone service as

the most important reason they do participate in Lifeline than those households without children in these age groups. Additionally, respondents under the median age of 53 were more likely to first learn about Lifeline from a social worker than those 53 years of age and over ( $p < .01$ ).

Chi-square tests also revealed that race and ethnicity play a contributing factor in use of wireline telephone service at home and first-knowledge, participation, eligibility and support regarding Lifeline. Caucasians were more likely to be using local wireline telephone service at home than non-Caucasians ( $p < .01$ ). In addition, African Americans were less likely to be using local wireline telephone service at home ( $p < .04$ ). Those who identified themselves at Hispanic or Latino origin were more likely to have learned about Lifeline from a friend ( $p < .04$ ). Non-Caucasians were more likely to cite unable to pay for local phone service as the most important reason they do not participate in Lifeline ( $p < .01$ ). In addition, Caucasians are less likely to participate in government programs like supplemental security income ( $p < .01$ ), food stamps ( $p < .02$ ), Medicaid ( $p < .05$ ) and federal public housing assistance (Section 8) ( $p < .01$ ) than non-Caucasians. As a result, non-Caucasians were more likely to qualify for Lifeline based upon participation in Lifeline-eligible programs than Caucasians ( $p < .01$ ). Upon running ANOVA tests, non-Caucasians expressed greater support for extending the Lifeline discount to cover cell phones ( $p < .01$ ) and cable television ( $p < .03$ ) than Caucasians.

Household size and marital status was also found to be statistically significant in relation to Lifeline eligibility. Those households with only one person were more likely to participate in Lifeline-eligible government programs like supplemental security income ( $p < .01$ ), food stamps ( $p < .01$ ), Medicaid ( $p < .01$ ) federal public housing assistance (Section 8) ( $p < .03$ ) than households with two or more persons. As a result, these households were more likely to qualify for Lifeline based upon their participation in government assistance programs ( $p < .01$ ). In addition, those respondents who are married were less likely to participate in supplemental security income ( $p < .03$ ), food stamps ( $p < .01$ ) and Medicaid ( $p < .01$ ) and therefore less likely to qualify for Lifeline based upon program participation than those who are not married ( $p < .01$ ). Those who are married were also less likely to qualify for Lifeline based upon meeting the 135% of FPG than those who are not married ( $p < .01$ ). In contrast, household size and race and ethnicity were not to be found statistically significant with regard to whether an individual would qualify for Lifeline by residing either at or below 135% of FPG.

Beyond the above findings only two other statistically significant correlations were found. Females were more likely to be enrolled in Lifeline than males ( $p < .03$ ). One-way ANOVA test also found those who use cell phones outside the home and work were more likely to support extending Lifeline for Internet access than those that do not use a cell phone outside the home or work ( $p < .03$ ).

## **Analysis & Conclusion**

The findings of this survey provide a better understanding of the reasons why people do not participate in the Lifeline program in Florida and why low-income households in Florida discontinue their wireline service. Moving was listed by half of all respondents as a contributing factor and cited by one-third of respondents as the most important reason low-income households voluntarily disconnect their wireline service. Collectively, not being able to pay for local service, using money for other needs and finding something less expensive were significant economic concerns raised by low-income households. Nevertheless, there are a whole host of varied reasons like death and cell phone preferences that also play a role in why low-income households chose not to continue wireline phone service.

When asked why other qualified households do not participate, overwhelmingly Lifeline-eligible subscribers listed lack of awareness as the dominant reason followed by “don’t understand qualification criteria” as a distant second. Both of these reasons suggest many low-income Floridians lack sufficient knowledge of the Lifeline mission, discount and what it takes to become eligible for the program.

Luckily low-income households that qualify for Lifeline provide a great vehicle to learn about successful outreach techniques that may effectively help remedy concerns over awareness. None of the sources of how people first learned about the program were necessarily dominant. This not only suggests that a variety of techniques are currently being employed but there may be potential opportunities to further increase outreach that is already working. Collectively just over half of respondents listed social worker and social service agency as sources of how they first learned about Lifeline.

Greater outreach among these sources would more than likely increase awareness of Lifeline. After all, more than seventy percent of Lifeline-eligible respondents reported they are participating in a Lifeline-eligible government program that often requires the facilitation of a social service agency and/or social worker. Friends and family members are also considerable sources of knowledge for Lifeline. Providing some type of incentive like an additional discount on a given month’s phone bill for each referral may help increase awareness and participation among new enrollees and help establish greater retention for existing customers. Additionally further outreach efforts should be made to various racial and ethnic minorities to help increase their participation in Lifeline. Even though these diverse populations are more likely to be eligible to participate in Lifeline than Caucasians, Caucasians in this survey were more likely to subscribe to wireline.