

**Affordability Survey 2010**

**Volume 1**

*Statewide Telephone Survey of California Households*

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## Statewide Telephone Survey of California Households

### Specific Research Objectives

The study asked these questions:

1. What is the current market for landline telephone service among California demographic groups?
2. What is the prevalence of landline, landline+wireless, wireless only, and VoIP users in California?
3. What is the awareness of the LifeLine program and eligibility requirements?
4. What guides buying behavior for voice communications (VC) services?
5. What is the perception of cost value for landline, wireless, and other VC services? Does this differ among demographic groups?

### Executive Summary of Findings

. In December 2008, the Commission issued decision (D.)08-09-042, ordering a statewide affordability survey to be completed by June 30, 2010, to gather information on which to base its future telephone regulation policies, including that of affordability. Volume 1 of this survey addresses those issues.

California faces a rapidly shifting telecommunications landscape. Wireless service has spread broadly; nearly 90% of this sample's households have wireless phone service. Conversely, landline service subscription is diminishing while services like LifeLine are decreasing in number of subscribers. However, it is important to recognize that both the increase in wireless subscriptions and the decrease of LifeLine subscribers is not evenly distributed across society. This volume reveals significant variation that should be considered to avoid changes that might be generally acceptable but may hurt particularly vulnerable populations.

We estimate that 23% of California households with VC service have only wireless VC. We can say with 95% confidence that the actual percentage of California households with only wireless service falls between + or – 3.1%, or between 20% and 26%. 18% of households have only landline service, + or – 2.5%. Among households with landline service, nearly one-quarter (23%) have only landline, + or – 3.1% (1.4a and 1.4b)

The percentage of landline only service households decreases rapidly with increasing household income. Fewer than 5% of households with incomes over \$39,800 have landline service only. Having both wireless and landline service, but not subscribing to LifeLine, is strongly related to income: only 17% of households with \$24,000 or less in income have both services, compared to 82% of households with over \$75,000 gross annual income. Having both wireless and landline service and subscribing to LifeLine is inversely related to income: 21% of households with income of \$24,000 or less vs. 2% of households with income over \$75,000 (1.8).

Wireless only service was much more likely to be reported by respondents. 18 to 29 years old: 61% compared to only 2% of respondents 60 years of age or older. Conversely, respondents 60 or older are much more likely than other groups to report being in a landline-only household, among both LifeLine and LifeLine non-subscribers (1.9).

Across all households, a little over half (54%) have heard of LifeLine, with 39% not in the program and 16% in the program.

The highest proportion of LifeLine qualified households is among Latinos at 56 percent and the lowest proportion of LifeLine qualified households among non-Latino whites at 22 percent (2.2).

LifeLine is effective in lowering monthly phone service costs (2.7). LifeLine-qualified households paid an average of \$46 per month (median \$32), current subscribers paid an average of \$38 per month (median \$29), and qualified non-subscribers paid \$58 per month (median \$40), compared to an overall average of \$69 per month (median \$50). LifeLine subscribers are much less likely to have wireless service in the household (49%) than customers overall (82%) and qualified non-subscribers (79%).

LifeLine subscribers are much less likely to have many additional service features. Even so, LifeLine customers are likely to have at least one additional feature (1.10). The most common additional feature is long distance (1.10b).

Approximately 30% of all customers, 27% of LifeLine subscribers and 36% of qualified non-subscribers feel their landline service is not affordable. Many more 40 to 59 year olds find their landline service to be not affordable (34%) than 18 to 29 year olds (16%), and customers over 29 years of age are more likely than younger customers to say their landline service is not affordable. Over one third (36%) of the respondents in households with incomes between \$50,001 and \$75,000 say their landline phone service is not affordable compared to only 23% of those with incomes between \$34,001 and \$39,800 and only 24% of those with incomes more than \$75,000 (4.4a).

Among those who say their wireless service is affordable, the mean cost is \$97 per month (median \$80) in contrast to those who say the service is not affordable, who pay an average of \$113 per month (median \$100). Among the affordable group, 46% also have landline service, which is virtually the same among the not affordable group (47%). Monthly landline bills among the affordable group average \$83 (median \$75), while those in the not affordable group pay \$86 per month (median \$70).

Tolerance for LifeLine service increases is understandably low. LifeLine is desirable because it facilitates a lower monthly cost. Customers report tolerable increases of around \$10 to \$15 dollars. LifeLine customers generally report tolerable increases for all service features anywhere from half to 60% of what non-LifeLine customers report (5.1b, 5.1d, 5.1f, and 5.1h). African Americans are an exception to this general rule; African American LifeLine customers report tolerable increases as high as their non-LifeLine counterparts (5.1b).

Customers' alternative VC options vary by race/ethnicity with Asians more likely than others to use wireless, Latinos more likely than others to use a public pay phone, African Americans more likely than whites or Asians to use a pre-paid phone card, and Latinos more likely than others to say they wouldn't use a phone (5.4a). Those age 60 or more were less likely than younger respondents to say they would use a cell or work phone, and more likely than younger respondents to say they wouldn't use a phone (5.4b). Wireless, internet or VoIP use as an alternative to landline service increases with income. About 93% of those earning over \$75,000 say they would use a cell phone in contrast to 42% of those earning \$24,000 or less. In contrast, using a friend or relative's phone, using a public pay phone, and choosing not to use a phone at all decrease as income increases. About one fifth of those who earn \$24,000 or less say they would borrow a phone from a friend or relative, while only 8% of those who earn over \$75,000 say they would do this. (5.4c)

## **Methodology**

To reach a representative sample of California VC service customers, PRI conducted an 11 to 12-minute telephone survey of 1,377 customers using a combined wireless, landline, and LifeLine sample. To increase representation and reduce sampling error for important subgroups, PRI augmented a randomly selected sample of residential telephone numbers with additional samples to augment the numbers of African Americans, LifeLine program subscribers, and low-income but non-LifeLine households. PRI contacted households from February 26 to April 30, 2010, completing interviews with 384 wireless, 636 landline, and 357 landline-with-LifeLine customers. The overall response rate was 27.9 percent.

To offset wireless telephone charges incurred while taking the survey and to improve the survey response rate, wireless customers answering the survey received a \$20 Visa check card incentive.

## **Data Source Notes**

Source notes on each page of tables provide the sources of the data in the table(s). Usually these are question numbers in the survey instrument (questionnaire – see Appendix A, p. 43), indicated as Q1 for question 1, Q2 for question 2, and so on. Sometimes variable

names are listed for variables that are computed in the survey data, such as Ptype (telephone type) or Lang (language of interview). A few tables list Census or other data sources.



## Chapter One

### Characteristics of Residential VC Customers

This chapter describes the demographic characteristics of our sample of respondents and estimates the VC characteristics of the population of California households.

#### Demographic Characteristics of Survey Respondents, and Weighted Data

- Ethnic/racial makeup and interview language preference (1.1), respondents' age and employment status (1.2), and household income and size (1.3)

#### VC Services of California Households

- VC services overall (1.4) and by race/ethnicity (1.5), language preference (1.6), household size (1.7) and income (1.8), and respondent age (1.9) and employment status (1.10).
- VC services—wireless, landline, LifeLine and combinations of these services.
- Number of added service features, specific added service features, and household wireless use by race/ethnicity, language of interview, age, employment status, household income, and household size.

#### Wireless Service and Its Cost

- Wireless service and cost by race/ethnicity (1.15), household income (1.16) and size (1.17), age (1.18), and employment status (1.19)

## Demographic Characteristics of Survey Respondents and Weighted Data

This section describes the survey respondents—the people PRI interviewed. Note that we interview an individual in a household who answers the telephone and meets the eligibility criteria—18 or older, knowledgeable about household telephone service, and willing to participate in the survey. But we sampled households, and we are using the individuals as informants about characteristics of their respective households. In this section we describe the demographic characteristics of the interviewees to get a sense of their diversity, and then in later sections we use their responses to questions to estimate statistically the VC and other characteristics of the population of California households.

Weighted data. Percentages based on “weighted data” are provided in these tables. Because we deliberately oversampled smaller subgroups in order to increase statistical precision, we weight the data to reverse that oversampling statistically when we wish to estimate characteristics of the population from the sample data. Population estimates are based on the appropriately weighted data.

Tables and graphs in all three volumes do not report the unweighted percentages because in part they simply reflect the oversampling—only the weighted data provide accurate estimates of household VC and other characteristics.

Note that we do not estimate demographic characteristics of the population of adult Californians; rather, we estimate characteristics of California households. Because of unknown factors that influence which adult in a household answers the telephone and completes an interview, these estimates of the population of households might not accurately estimate characteristics of the population of California adults. In other words, the data—whether weighted or not—are not necessarily accurate estimates of the population of adults. Where we provide weighted data about the individual respondents, we refer to it as “the weighted sample”.

This chapter is presented largely as a descriptive backdrop to later chapters. Familiarity with these demographics helps make sense of latter substantive relationships we describe. However, they are of little interest on their own.

More noteworthy here are our findings regarding phone service. We estimate that 23% of California households with VC service have only wireless VC. We can say with 95% confidence that the actual percentage of California households with only wireless service falls between + or – 3.1%, or between 20% and 26%. 18% of households have only landline service, + or – 2.5%. Among households with landline service, nearly one-quarter (23%) have only landline, + or – 3.1% (1.14a and 1.14b).

Whites are most likely to have landline service at 82%, compared to Latinos at 68% and Asians/Pacific Islanders and American Indians at only 66%. Nearly one-third of Latinos and American Indians subscribe to the LifeLine program (31%), but only one-fifth of African Americans, 15% of whites, and 13% of Asians/Pacific Islanders (1.5). 41% of Spanish-language respondents are LifeLine subscribers vs. only 16% of English-language respondents (1.6.)

The percentage of households subscribing to landline only service decreases rapidly with increasing household income. Less than 5% of households with incomes over \$39,800 have landline service only. Having both wireless and landline service, but not subscribing to LifeLine, is strongly related to income: only 17% of households with \$24,000 or less income have both services, compared to 82% of households with over \$75,000 gross annual income. Having both wireless and landline service and subscribing to LifeLine is inversely related to income: 21% of households with income of \$24,000 or less vs. 2% of households with income over \$75,000 (1.8).

Wireless only service was much more likely to be reported by respondents 18 to 29 years old: 61% compared to only 2% of respondents 60 years of age or older. Conversely, respondents 60 or older are much more likely than other groups to report being in a landline-only household, among both LifeLine and LifeLine non-subscribers (1.9).

LifeLine subscribers are much less likely to have many additional service features. They are more likely than all landline customers to have no additional or only one additional feature. Even so, LifeLine customers are likely to have at least one additional feature (1.10). The most common additional feature is long distance (1.10b).

Overall, 82% of households have at least one wireless line; of this group, 39% have two or more. Having one or more wireless lines rises from 64% among households with \$24,000 or less annual income to 97% among households with more than \$75,000 (1.16).

## 1.1 Ethnic/Racial Makeup

### Findings

- One-half of the weighted sample (see previous page) identify themselves as “white” (Table 1.1a).
- Latinos constitute about one-third of the weighted sample. African Americans and Asians/Pacific Islanders each comprise a little less than 10% of the sample (Table 1.1a).
- 79% of interviews were conducted in English, very few in Chinese (15) and Vietnamese (7) (Table 1.1b).
- 266—about 20%—of interviews were conducted in Spanish. Most ( $266/415 = 64\%$ ) of the 415 respondents who gave their ethnic or racial identity as Latino preferred to be interviewed in Spanish (Table 1.1b).
- Of the Asian/Pacific Islander respondents,  $7/108 = 6.5\%$  were interviewed in Vietnamese and  $15/108 = 13.9\%$  in Chinese (Table 1.1b).

**Table I.1a Race/Ethnicity and Language Preference of Survey Respondents**

<b>Race/Ethnicity of Respondent</b>	<i>Sample</i>	<i>Weighted</i>
	Count	%
White	637	50
African American	85	7
Latino	415	31
Asian/Pacific Islander	108	9
American Indian	20	2
Other	13	1
Total	1278	100

**Table I.1b Language of Interview**

<b>Language of Interview</b>	<i>Sample</i>	<i>Weighted</i>
	Count	%
English	1089	81
Spanish	266	18
Chinese	15	1
Vietnamese	7	1
Total	1377	100

Note: table totals may be less than the sample size (1377) because respondents decline to answer questions.

Source: Q36, Lang

## 1.2 Age and Employment Status

### Findings

- The sample represents all age groups in substantial numbers (Table 1.2a).
- Over one-third of the sample is less than 40 years old (Table 1.2a).
- A little over one-half of the sample is employed. About one-quarter is unemployed; another quarter is not in the workforce (Table 1.2b).

**Table 1.2a Age**

<b>Age of Respondent</b>	<i>Sample</i>	<i>Weighted</i>
	Count	%
18 to 29 years of age	179	19
30 to 39 years	239	18
40 to 59 years	503	34
60 years and older	398	29
Total	1319	100

**Table 1.2b Employment Status**

<b>Employment Status of Respondent</b>	<i>Sample</i>	<i>Weighted</i>
	Count	%
Employed	689	53
Unemployed	313	23
Not in workforce	327	24
Total	1329	100

Note: "not in workforce" may include students, retirees, people who have given up looking for work, and people with disabilities.

Source: Q35, Q37

### 1.3 Household Income and Household Size

#### Findings

- Here we estimate characteristics of households; the weighted data yield estimates of these characteristics for the population of households.
- An estimated one-third of California households report gross annual household income of \$24,000 or less (Table 1.3a).
- An estimated 28% of California households report household incomes greater than \$75,000 (Table 1.3a).
- The full range of household sizes from 1 to 5 or more is well represented in the sample (Table 1.3b).



**Table 1.3a Household Income**

<b>Household Income</b>	<i>Sample</i>	<i>Weighted</i>
	Count	%
\$24,000 or less	376	33
\$24,001 – \$34,000	163	14
\$34,001 – \$39,800	62	6
\$39,801 – \$50,000	95	9
\$50,001 – \$75,000	114	10
Over \$75,000	303	28
Total	1113	100

**Table 1.3b Household Size**

<b>Household Size</b>	<i>Sample</i>	<i>Weighted</i>
	Count	%
1	271	23
2	394	30
3	192	14
4	245	17
5 or more	229	16
Total	1331	100

Source: Q34, Q33

## VC Services of California Households

VC Overall (1.4) and by Race/Ethnicity (1.5), Language Preference (1.6), Household Size (1.7) and Income (1.8), and Respondent Age (1.9) and Employment Status (1.10)

### 1.4 VC Services in California Households

#### Findings

Note: estimates of VC services of California households are based on data appropriately weighted to better represent the population of households.

- Wireless service is more widespread than landline service among households: 83% of households with VC service have wireless service (margin of error + or – 2.5%), while 77% have landline service, + or – 3.1%.
- An estimated 77% of households with VC service have landline service, + or – 3.1%.
- 16% of California households with VC service participate in the LifeLine program, + or – 1.9%.  
Among households with landline service, 21% participate in the LifeLine program, + or – 2.3% (16% LifeLine divided by 77% landline).

**Table I.4a VC Service in California Households (Totals)**

<b>VC Service</b>		<i>Margin of error</i>	<i>Households</i>
	<b>%</b>	<b>% + or -</b>	<b>(mill.)</b>
Wireless	83	2.5	9.7
Landline	77	3.1	9.1
LifeLine	16	1.9	1.9
Base	(1377)		(1377)

Note: the “Base” is the number of observations on which percentages and other estimates are based. The base varies from table to table because respondents decline to answer questions. No total % is provided as a sum for Table I.4.b because the two services and LifeLine are not mutually exclusive: many households have more than one of them.

Source: hhtype

## 1.4b VC Services in Households with VC Service

### Table 1.4b

- Wireless only. We estimate that 23% of California households with VC service have only wireless VC. We can say with 95% confidence that the actual percentage of California households with only wireless service falls between + or – 3.1%, or between 20% and 26%.
- 18% of households have only landline service, + or – 2.5%.
- Among households with landline service, nearly one-quarter (23%) have only landline, + or – 3.1% (the 18% landline only in Table 1.4b divided by the 77% total landline in Table 1.4a).
- Wireless and landline. An estimated 59% of households with VC service have both landline and wireless service (Table 1.4b).
- Wireless, landline, and LifeLine. It is noteworthy that 14% of households with both landline and wireless service are also subscribers to the LifeLine program (Table 1.4b, 8% divided by 59%).

**Table I.4b VC Services of California Households (Detail)**

<b>VC Service</b>		<i>Margin of error</i>	<i>Households</i>
	<b>%</b>	<b>% + or -</b>	<b>(mill.)</b>
<b>Wireless only</b>	<b>23</b>	<b>3.1</b>	<b>2.73</b>
<b>Both wireless and landline</b>	<b>59</b>	<b>3.2</b>	<b>6.97</b>
Non-LifeLine	51	3.1	6.04
LifeLine	8	1.1	0.93
<b>Landline only</b>	<b>18</b>	<b>2.5</b>	<b>2.16</b>
Non-LifeLine	10	2.2	1.20
LifeLine	8	1.5	0.96
<b>Total</b>	<b>100</b>		<b>11.86</b>
	Base (1377)		(1377)

Source: Ptype, Newptype, Q1, Q2, Q7

## 1.5 Household VC Services by Race/Ethnicity

Tables 1.5a and 1.5b describe the household VC services of racial and ethnic groups.

### **Table 15.1a**

- Racial and ethnic groups differ substantially in the kind of VC service households have.
- In every racial/ethnic group and overall, more households have wireless service than have landline service.
- In every group, at least three-quarters of households have wireless service.
- Asians/Pacific Islanders (94%) are most likely to have wireless service followed by white and African Americans (83%) and Latinos and American Indians (78%).
- In every group, at least two-thirds of households have landline service.
- Whites are most likely to have landline service at 82%, compared to Latinos at 68% and Asians/Pacific Islanders and American Indians at only 66%.
- Nearly one-third of Latinos and American Indians subscribe to the LifeLine program (31%), but only one-fifth of African Americans, 15% of whites, and 13% of Asians/Pacific Islanders.

**Table I.5a Household VC Service by Race/Ethnicity of Respondent (Totals)**

<b>Household VC Service</b>	<b>Race/Ethnicity of Respondent</b>					
	<i>White</i>	<i>African American</i>	<i>Latino</i>	<i>Asian or Pacific Islander</i>	<i>American Indian</i>	<i>Total</i>
	%	%	%	%	%	%
Wireless	83	83	78	94	78	82
Landline	82	72	68	66	66	75
LifeLine	15	20	31	13	31	21
Base	(637)	(85)	(415)	(108)	(20)	(1278)

Note: 13 “Other” race/ethnicity omitted. No “Total %” because wireless, landline, and LifeLine are not mutually exclusive.

Source: Q1, Q2, Q7, Q36

## 1.5 Household VC Services by Race/Ethnicity (continued)

### Figure 1.5b

- Whites are least likely to have wireless only service (18%), while about one-third of other groups have wireless only service except African Americans (28%).
- Whites are most likely to have both wireless and landline service; Latinos and American Indians, least likely.
- Among households with both wireless and landline telephone service and among households with landline only service in their homes, whites and Asians are less likely than other groups to be LifeLine subscribers.
- Latinos and American Indians are more likely than other groups to be LifeLine subscribers in households with or without wireless telephone service.



**Table I.5b Household VC Service by Race/Ethnicity of Respondent (Detail)**

Household VC Service	Race/Ethnicity of Respondent					
	White	African American	Latino	Asian or Pacific Islander	American Indian	Total
	%	%	%	%	%	%
<b>Wireless Only</b>	<b>18</b>	<b>28</b>	<b>32</b>	<b>34</b>	<b>34</b>	<b>25</b>
<b>Both Wireless + Landline</b>	<b>65</b>	<b>56</b>	<b>46</b>	<b>60</b>	<b>43</b>	<b>57</b>
Non-LifeLine	57	45	30	53	30	46
LifeLine	8	11	16	7	13	11
<b>Landline Only</b>	<b>17</b>	<b>16</b>	<b>22</b>	<b>6</b>	<b>23</b>	<b>18</b>
Non-LifeLine	10	7	7	0	5	8
LifeLine	6	9	16	6	18	10
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
	Base (637)	(85)	(415)	(108)	(20)	(1265)

Note: 13 “Other” race/ethnicity omitted. Subgroup percentages might not sum to subtotals because of rounding error. Total percentages for services differ slightly from the percentages in Table I.4b because Table I.4b is based on all respondents while Table I.5b can be based only on respondents who answered the race/ethnicity question (Q36).

Source for Table I.5a through Table I.5b: Q1, Q2, Q7, Q36

## 1.6 VC Service by Interview Language Preference

This section describes respondents' household service type in terms of their interview language preference. Because the instrument was translated into Spanish, Chinese and Vietnamese, respondents who required or preferred these languages were able to complete the interview in their language of choice. However, the relatively small number of interviews conducted in Chinese or Vietnamese (1%, n=9 and 8 respectively) precludes analysis of the data for those groups. We are effectively limited to comparing English-language and Spanish-language respondents. Respondents who preferred to be interviewed in Spanish are in lower-income household than respondents who identify themselves as Latino but preferred to be interviewed in English and more likely to be recent immigrants. Of the Spanish-language respondents, 68% report household income \$24,000 or less, compared to 52% of all Latinos (no table).

- Household VC services differ for respondents interviewed in English and in Spanish (Table 1.6).
- 31% of Spanish-language interviewees have wireless service only vs. 23% of English-language interviewees.
- 41% of Spanish-language respondents are LifeLine subscribers vs. only 16% of English-language respondents. (Add LifeLine percentages in Table 1.6.)
- Spanish-language interviewees are much less likely to have both landline and wireless service than English-language interviewees, 41% vs. 62%.
- Compared to all Latino-identifying respondents in Table 1.5b, Spanish-language interviewees are somewhat less likely to have both wireless and landline service (41% to 46%) and more likely to have landline service only (28% vs. 22%).

**Table 1.6 Household VC Service by Interview Language Preference**

<b>Household VC Service</b>	<b>Language of Interview</b>				
	<i>English</i>	<i>Spanish</i>	<i>Chinese</i>	<i>Vietnamese</i>	<i>Total</i>
	%	%	%	%	%
<i>Wireless Only</i>	23	31	0	50	24
<i>Both Wireless + Landline</i>	62	41	66	50	58
Non-LifeLine	54	20	26	38	47
LifeLine	9	21	41	13	11
<i>Landline Only</i>	15	28	34	0	18
Non-LifeLine	8	8	0	0	8
LifeLine	7	20	34	0	10
<i>Total</i>	100	100	100	100	100

Base (1089) (266) (15) (7) (1377)

Source: Q1, Q2, Q7, Q36

## 1.7 VC Service by Household Size

This section describes household service type by household size.

- Service type varies by household size.
- The larger the household, the more likely it is to have only wireless service: 33% of households with five or more members vs. only 14% of one-person households. (Note: from a separate calculation, nearly 60% of Latino respondents are in households with four or more members, compared to 38% of Asians/Pacific Islanders, 27% of African Americans and 20% of American Indians.)
- One-person households are much more likely to have only landline service. They are also more likely to be LifeLine subscribers.
- Households with 5 or more household members are more likely to have both wireless and landline service along with LifeLine participation.
- Wireless only households were also more likely to have 5 or more household members.
- Households with 2, 3 or 4 household members are more likely than both 1-person and large households to have both wireless and landline service but not participate in the LifeLine program.

**Table I.7 Household VC Service by Household Size**

Household VC Service	Household Size					
	1	2	3	4	5+	Total
	%	%	%	%	%	%
Wireless Only	14	23	25	31	33	24
Wireless + Landline	44	65	63	61	58	58
Non-LifeLine	33	58	54	49	41	47
LifeLine	11	8	9	12	17	11
Landline Only	38	10	12	8	9	18
Non-LifeLine	20	6	6	2	2	8
LifeLine	18	4	6	7	7	10
Total	100	100	100	100	100	100

Base (308) (393) (183) (229) (217) (1330)

Source: Q1, Q2, Q7, Q33

## 1.8 VC Service by Household Income

This section describes household service type in relation to gross annual household income.

- VC service varies by household income.
- Subscription to LifeLine decreases very rapidly with increasing income both in households with wireless and landline service and in households with landline service only.
- Having both wireless and landline service, but not subscribing to LifeLine, is strongly related to income: only 17% of households with \$24,000 or less income have both services, compared to 80% of households with over \$75,000 gross annual income.
- Having both wireless and landline service and subscribing to LifeLine is inversely related to income: 21% of households with income of \$24,000 or less vs. 2% of households with income over \$75,000.
- Landline only service decreases rapidly with increasing household income. Less than 5% of households with incomes over \$39,800 have landline service only.
- Wireless only service does not vary systematically with income, but middle-income households (\$34,001 - \$50,000) are most likely to have only wireless service (34%, 38%), while high-income households are least likely to have only wireless (15%).
- How can households with incomes over \$75,000 qualify for LifeLine? It is not clear that these households at that income level where the respondent reported LifeLine actually qualify for LifeLine. Perhaps these few cases are instances of respondent error, or perhaps changing household circumstances are involved.

**Table I.8 Household VC Service by Household Income**

Household VC Service	Annual Gross Household Income						
	\$24,000 or less	\$24,001 - \$34,000	\$34,001 - \$39,800	\$39,801 - \$50,000	\$50,001 - \$75,000	Over \$75,000	Total
	%	%	%	%	%	%	%
<b>Wireless Only</b>	<b>28</b>	<b>18</b>	<b>34</b>	<b>38</b>	<b>20</b>	<b>15</b>	<b>24</b>
<b>Wireless + Landline</b>	<b>38</b>	<b>58</b>	<b>57</b>	<b>58</b>	<b>76</b>	<b>82</b>	<b>59</b>
Non-LifeLine	17	42	45	50	72	80	47
LifeLine	21	16	12	8	3	2	12
<b>Landline Only</b>	<b>34</b>	<b>24</b>	<b>9</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>17</b>
Non-LifeLine	13	13	6	2	4	2	8
LifeLine	21	11	3	2	0	1	10
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Base (376) (163) (62) (95) (114) (303) (1113)

Source: Q1, Q2, Q7, Q34

## 1.9 VC Service by Respondent's Age

This section describes household service type in terms of the age of the respondent.

- Household VC service varies by respondent age.
- Wireless only service was much more likely to be reported by respondents 18 to 29 years old: 61% compared to only 2% of respondents 60 years of age or older.
- Conversely, respondents 60 or older are much more likely than other groups to report being in a landline-only household, among both LifeLine and LifeLine non-subscribers.
- The pattern of wireless + landline service and LifeLine subscription is highest among the 30-39 and 40-59 year age groups, then decreases among the 60 and older population. Wireless + landline service generally increases to age 40 – 59, then declines among the 60-or-older group.
- Even so, wireless + landline is the predominant service type among the 60 or older respondents (63%).



**Table I.9 VC Service by Age of Respondent**

	Respondent's Age				
	<i>18 – 29</i>	<i>30 – 39</i>	<i>40 – 59</i>	<i>60 or older</i>	<i>Total</i>
<b>Household VC Service</b>	%	%	%	%	%
<b>Wireless Only</b>	<b>61</b>	<b>39</b>	<b>16</b>	<b>2</b>	<b>25</b>
<b>Wireless + Landline</b>	<b>32</b>	<b>50</b>	<b>73</b>	<b>63</b>	<b>58</b>
Non-LifeLine	28	35	60	53	47
LifeLine	4	15	14	11	11
<b>Landline Only</b>	<b>7</b>	<b>11</b>	<b>11</b>	<b>35</b>	<b>17</b>
Non-LifeLine	0	5	5	18	8
LifeLine	7	7	6	17	10
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Base

(179)

(239)

(503)

(398)

(1319)

Source: Q1, Q2, Q7, Q35

## 1.10 VC Service by Employment Status

This section describes household service type in terms of the respondent's current employment status.

- Household VC service varies by the respondent's current employment status.
- About equal percentages of employed and unemployed respondents live in wireless-only households (31%, 28%). Very few not-in-workforce respondents are in households with wireless service only (4%). (71% of respondents not in the workforce are 60 or older [separate calculation]; only 10% are less than 40 years old. In other words, not-in-workforce status is largely a result of age in these data.)
- A majority of employed respondents (54%) reported that their households had both wireless and landline service and did not subscribe to the LifeLine program.
- Very few employed respondents said their households had only landline service (7%). Landline-only households are a sizable group only among the unemployed (24%) and the not-in-workforce (36%).
- Almost all respondents not currently in the workforce live in households with landline service (60% + 36% = 96%). Their wireless-only rate is very low (4%).
- Landline-only households are rare among employed respondents, but increase rapidly with unemployed and not-in-workforce status.

**Table I.10 VC Service by Employment Status**

<b>Household VC Service</b>	<b>Employment Status</b>			
	<i>Employed</i>	<i>Unemployed</i>	<i>Not in workforce</i>	<i>Total</i>
	%	%	%	%
<b>Wireless Only</b>	<b>31</b>	<b>28</b>	<b>4</b>	<b>24</b>
<b>Wireless + Landline</b>	<b>62</b>	<b>48</b>	<b>60</b>	<b>58</b>
Non-LifeLine	54	32	47	47
LifeLine	8	16	13	11
<b>Landline Only</b>	<b>7</b>	<b>24</b>	<b>36</b>	<b>18</b>
Non-LifeLine	3	9	19	8
LifeLine	4	16	17	10
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Base (689) (313) (327) (1329)

Source: Q1, Q2, Q7, Q37

## Additional Telephone Features

Additional Telephone Features, Equipment and Services, Overall (1.11) and by Race/Ethnicity (1.12), Household Income (1.13), and Age (1.14)

### 1.11 Additional Telephone Service Features—Landline and LifeLine Customers

- All landline customers. Less than one-quarter (23%) of landline customers have only basic service. More than three-quarters customers ( $100 - 23 = 77\%$ ) purchase one or more additional telephone services.
- About half of landline customers have two or more additional services.
- LifeLine subscribers are much less likely to have many additional features. They are more likely ( $37 + 34 = 71\%$ ) than all landline customers (49%) to have no additional or only one additional feature. Even so, LifeLine customers are likely to have at least one additional feature ( $100 - 37 = 63\%$ ).
- It might be surprising that 34% of LifeLine subscribers have one additional feature, while 19% have two and 8% have three. When a household's basic landline service is being subsidized and presumably an income factor is involved, how is it that LifeLine subscribers are willing and able to pay for additional services? This question is partially answered in Table 1.11b, which shows the particular added features that LifeLine subscribers have purchased.

**Table 1.11a Number of Added Features—Landline Customers and LifeLine Subscribers**

Number of Added Landline Features	All Landline Customers		LifeLine Subscribers	
		<i>Margin of error + or -</i>		<i>Confidence interval*</i>
	%	%	%	
None: Basic Service Only	23	20.7 to 26.0	37	31.4 to 4.9
1	26	23.2 to 28.6	34	28.3 to 39.3
2	21	18.6 to 23.6	19	14.2 to 23.2
3	15	13.2 to 17.5	8	4.7 to 10.7
4	11	9.1 to 12.9	1.6	0.09 to 3.2
5	3.3	2.2 to 4.3	1.0	-0.3 to 2.2
<b>Total</b>	<b>100</b>		<b>100</b>	
Base	(1214)		(357)	

\* Margins of error for many of the estimates in this table are not symmetrical because of smaller sample size and/or the closeness of some of the estimates to zero; therefore, they are presented in terms of the lower and upper bounds of 95% confidence intervals around each estimated percentage.

Source: All landline customers: Q2A/ver/att, Q3, Q17, Q20, and Q36. LifeLine subscribers: same for Q7=Yes.

### 1.11 Specific Additional Telephone Features or Equipment—Landline Customers and LifeLine Subscribers (continued)

- LifeLine subscribers. LifeLine subscribers are much less likely than all landline customers to have each of the additional landline features displayed in Table 1.11b. Nevertheless, substantial percentages of LifeLine subscribers have long distance, DSL or broadband internet, and telephone features such as voice mail, call forwarding, etc.
- Wireless and landline customers. Almost three-fourths (71.1%) of California households that are landline and/or wireless customers, (“Any Broadband in Household”), including LifeLine subscribers—have broadband service. Compare this to the 50% of landline customers who say that their DSL or broadband internet service is included in their phone bill. The difference—21.1%—is an estimate of the percentage of California households that have a data plan on their wireless service.
- LifeLine subscribers are less likely to have broadband, but still a substantial percentage—43.6%—have it, either on their landline bill or on a wireless data plan. Under Landline Customers—Included in Bill, we find that 38.2% of LifeLine subscribers have DSL or broadband service with their landline service.
- About half of landline customers pay for long distance service, and about half have DSL or broadband internet service with their landline service.
- More than one-third (35%) of landline customers have additional telephone features such as voice mail and call forwarding.
- About one-fourth of landline customers (24.5%) pay for television service over telephone lines.
- About one in seven landline customers (14.3%) have additional lines or a cell plan with their landline service.

**Table 1.11b Specific Additional Telephone Features or Equipment—  
Landline Customers and LifeLine Subscribers**

<b>Added Features</b>	<b>All Landline Customers</b>		<b>LifeLine Subscribers</b>	
		<i>Margin of error + or -</i>		<i>Confidence interval*</i>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Any Broadband in Household (cell and landline customers)	71.1	68.1 to 73.9	43.6	38.0 to 49.4
Base		(1214)	(357)	
<i>Landline Customers—Included in Bill</i>	<b>%</b>		<b>%</b>	
Long distance	51.7	48.7 to 54.8	38.2	32.6 to 44.0
DSL or broadband internet	50.0	47.0 to 53.1	32.9	27.8 to 38.4
Telephone features (voice mail, etc.)	34.1	31.3 to 37.0	22.8	18.3 to 27.9
Television	24.5	22.0 to 27.2	6.0	3.7 to 9.7
No additional features	22.6	20.1 to 25.3	37.0	31.5 to 42.9
Additional lines or cell plan	14.3	12.3 to 16.5	5.9	3.8 to 9.0
Base		(1214)	(357)	
<i>Wireless Customers**</i>	<b>%</b>	<b>Confidence interval*</b>	<b>%</b>	<b>Confidence interval*</b>
Service Includes Data Plan	50.8	44.1 to 57.4	31.5	16.1 to 52.4
Base		(226)	(23)	

\* See note for previous table.

\*\* In the LifeLine column, 23 respondents who said they were landline customers and LifeLine subscribers were interviewed while they were talking on their wireless lines.

Source: All landline customers: Q2A/ver/att, Q3, Q17, Q20, And Q36. LifeLine subscribers: same for Q7=Yes.

### 1.12 Additional Telephone Features and Equipment by Race/Ethnicity

- The presence of additional telephone features and/or equipment varies by respondent's race/ethnicity.
- Latinos (33%) and American Indians (28%) are more likely than other groups (15-18%) to have only basic service.
- Whites and African Americans are more likely than other groups to have three or more added features.



**Table I.12a Number of Added Landline Features by Race/Ethnicity—Landline Customers**

<b>Added Features on Landline Bill</b>	<b>Race/Ethnicity of Respondent</b>					
	<i>White</i>	<i>African American</i>	<i>Latino</i>	<i>Asian or Pacific Islander</i>	<i>American Indian</i>	<i>Total</i>
	%	%	%	%	%	%
None: Basic Service Only	18	15	33	16	28	23
1	25	19	29	28	33	26
2	22	25	18	28	23	21
3	19	22	11	11	6	15
4	12	17	12	12	6	11
5	4	2	5	5	2	3
Base	(582)	(73)	(349)	(90)	(17)	(1111)

Note: 13 respondents who selected “Other” race/ethnicity omitted.

Source: Q3, Q36

### 1.12 Additional Telephone Features and Equipment by Race/Ethnicity—Landline Customers (continued)

- Whites and Asians/Pacific Islanders (77%, 88%) are more likely than other groups (51-63%) to have broadband service (Table 1.12b).
- Whites and African Americans (62%, 69%) are more likely than other groups (17-40%) to have long distance service.
- With respect to TV service, although Latinos (20%) are less likely than other groups (28-33%) to have it, differences over all the groups fall short of conventional statistical significance ( $p = .12$ ).
- African Americans are more likely than other groups to have telephone features such as call waiting, call forwarding, and voicemail.
- Latinos and American Indians are most likely to have no extra features or equipment.
- Wireless service is most likely to include a data plan among whites and African Americans (61%, 59%) than among Latinos (47%) or Asians/Pacific Islanders (43%).

**Table I.12b Added Features and Services by Race/Ethnicity**

	<b>Race/Ethnicity of Respondent</b>				
	<i>White</i>	<i>African American</i>	<i>Latino</i>	<i>Asian or Pacific Islander</i>	<i>American Indian</i>
	%	%	%	%	%
<b>Added Features</b>					
Any Broadband in Household (cell and landline customers)	77	60	51	88	63
Base	(635)	(84)	(413)	(107)	(20)
<b>Landline Customers—Included in Bill</b>					
TV Service	29	33	20	30	28
Long Distance	62	69	40	40	17
Additional Line/Cell Plan	16	18	10	18	21
Other Features	35	54	28	41	27
No Extra Features/Equipment	17	14	32	12	25
Base	(582)	(73)	(349)	(90)	(17)
<b>Wireless Customers</b>					
Service Includes Data Plan	61	59	47	43	-
Base	(170)	(22)	(114)	(48)	(4)

Note: 13 respondents who selected “Other” race/ethnicity omitted.

Source: Q2A/ver/att, Q3, Q17, Q20, Q36

### 1.13 Additional Telephone Features and Equipment by Income

Tables 1.13a and b describe the additional telephone features, equipment and services of California households that are landline customers in terms of their annual gross household income.

- Overall (Total column), about half of landline households (51%) have two or more features or services on their landline service in addition to basic service.
- The number of additional telephone features and/or equipment in California households is strongly related to household income over the whole table.
- Households with a gross annual income of \$24,000 or less are much more likely than higher-income households to have only basic service.
- Overall, the higher the household income, the more added features the household has.

**Table I.13a Number of Added Landline Features by Income—Landline Customers**

Additional Landline Feature on Landline Bill	Annual Gross Household Income						
	\$24,000 or less	\$24,001 - \$34,000	\$34,001 - \$39,800	\$39,801 - \$50,000	\$50,001 - \$75,000	Over \$75,000	Total
	%	%	%	%	%	%	%
None: Basic Service Only	38	14	24	16	10	16	23
1	31	39	29	19	18	15	26
2	18	24	15	29	31	19	21
3	8	14	23	18	23	22	16
4	6	5	9	14	16	21	11
5	0.4	5	0	4	2	6	3
Base	(328)	(149)	(51)	(76)	(103)	(278)	(985)

Source: Q3, Q34

### 1.13 Additional Telephone Features and Equipment by Income (continued)

- Households with a gross annual income of \$24,000 or less are less likely than higher-income households to have any broadband service—but nearly half of those households have it nevertheless.
- Any broadband and broadband “on this landline” (i.e., of landline customers) both increase strongly with rising income.
- All of the services added to landline service increase substantially with higher household income.
- Including data plans with wireless service also increases with household income, but the increase is not regular or consistent over increasing income.

**Table I.13b Added Features and Services by Income**

<b>Added Features</b>	<b>Annual Gross Household Income</b>						
	<i>\$24,000 or less</i>	<i>\$24,001 - \$34,000</i>	<i>\$34,001 - \$39,800</i>	<i>\$39,801 - \$50,000</i>	<i>\$50,001 - \$75,000</i>	<i>Over \$75,000</i>	<i>Total</i>
	%	%	%	%	%	%	%
<b>Any Broadband in Household (cell and landline customers)</b>	48	65	52	82	84	94	70
Base	(373)	(163)	(62)	(95)	(113)	(302)	(1097)
<i>Landline Customers</i>							
Broadband on this landline	31	50	48	65	72	67	52
TV Service	13	19	23	30	42	39	25
Long Distance	39	57	51	55	57	64	52
Additional Line/Cell Plan	6	13	13	21	16	20	14
Telephone Features	24	32	28	36	38	47	34
No Extra Features/Equipment	37	12	24	16	7	16	22
Base	(328)	(149)	(51)	(76)	(103)	(278)	(985)
<i>Wireless Customers</i>							
Service Includes Data Plan	45	61	64	38	48	70	55
Base	(73)	(37)	(18)	(34)	(39)	(121)	(322)

Source: Q2A/ver/att, Q3, Q17, Q20, Q34

## 1.14 Additional Telephone Features or Equipment by Age

### Findings

- The number of additional telephone features or equipment in households is not clearly or systematically related to age of respondent.



**Table I.14a Number of Added Landline Features by Respondent's Age**

<b>Additional Features on Landline Bill</b>	<b>Age of Respondent</b>				
	<i>18 – 29</i>	<i>30 – 39</i>	<i>40 – 59</i>	<i>60 or older</i>	<i>Total</i>
	%	%	%	%	%
None: Basic Service Only	25	17	20	23	22
1	28	28	20	30	26
2	17	24	21	21	21
3	15	16	19	14	16
4	12	10	15	9	12
5	3	5	4	2	4
Base	(111)	(192)	(467)	(392)	(1162)

Source: Q3, Q34

#### 1.14 Additional Telephone Features and Equipment by Age (continued)

- Broadband. Altogether, 70% of California households have broadband service. Among landline customers, households of middle-aged respondents (30-59) are more likely to have broadband on their landline service than other age groups. This may be a reflection of income as opposed to age.
- Long distance service on landline. The households of older respondents are somewhat more likely to have long distance service than the households of younger respondents.
- Additional line or wireless on landline service. The youngest respondents (18-29) are most likely (22%) to be in households with an additional line or wireless service on their landline service; the oldest respondents (60 or older), least likely (12%).
- Data plan for wireless customers. Inclusion of a data plan with wireless services is most likely for respondents age 30-39, then declines with increasing age. Still, almost half of respondents 60 or older have a data plan with their wireless service.
- Age, income, race/ethnicity, LifeLine, and telephone features and equipment. A multivariate analysis shows that income and size of household are associated with more features and equipment, while participating in the LifeLine program is associated with having fewer features even with income accounted for.<sup>1</sup> In addition, after accounting for all of these factors, African Americans tend to have on average more features (+ 0.55) and Latinos fewer features (- 0.27) than other households. Age is not related to number of features in this analysis.

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<sup>1</sup> Multiple linear regression: n of features as a function of household income, number of people in household, and African American—all positively related to n of features—and subscribing to LifeLine service and Latino, both negatively related to n of features.

**Table I.14b Added Features and Services by Respondent's Age**

<b>Additional Landline Features on Landline Bill</b>	<b>Age of Respondent</b>				
	<i>18 – 29</i>	<i>30 – 39</i>	<i>40 – 59</i>	<i>60 or older</i>	<i>Total</i>
	%	%	%	%	%
Any Broadband in Household (cell and landline customers)	65	71	78	64	70
Base	(176)	(237)	(502)	(398)	(1313)
<i>Landline Customers</i>	%	%	%	%	%
Broadband on this landline	50	60	60	40	52
TV Service	26	33	28	21	26
Long Distance	36	50	56	58	54
Additional Line/Cell Plan	22	14	16	12	15
Other Features	36	30	41	31	35
No Extra Features/Equipment	22	17	20	22	21
Base	(111)	(192)	(467)	(392)	(1162)
<i>Wireless Customers</i>	%	%	%	%	%
Service Includes Data Plan	54	64	54	46	55
Base	(101)	(77)	(145)	(46)	(369)

Source: Q2A/ver/att, Q3, Q17, Q26, Q35

## Wireless Service and Typical Monthly Bill (Total Monthly Bill)

Wireless Service and Typical Monthly Bill by Race/Ethnicity (1.15), Household Income (1.16), Age (1.17), Employment Status (1.18), and Household Size (1.19)

### 1.15 Number of Wireless Lines and Typical Monthly Bill by Race/Ethnicity

- Use of wireless. All groups have rates of wireless use (single or multiple phones) 78% or greater, 82% overall. Of the households with wireless, 37% have two more.
- Asians/Pacific Islanders have the highest rate of wireless use (94%); other groups (except “Other”) are not much different in rates of wireless use.
- Asians/Pacific Islanders are also most likely to have multiple lines in households (46%), followed by whites (39%), Latinos (34%), American Indians (26%), and African Americans (24%).
- Monthly cost. The median monthly cost of wireless service across all groups is \$85.00. For single-cell households, the median is \$56.00. For multiple-cell households, it is \$120.00
- Mean and median monthly costs of wireless lines vary considerably by race/ethnicity. Whites tend to have the highest mean monthly costs overall by a substantial margin: \$111.44 vs. other groups in the \$92-98 range and American Indians at \$73.19.
- Mean monthly cost for a single wireless line is highest for Asians/Pacific Islanders (\$69.17) and Latinos (\$67.72), but monthly cost for multiple wireless lines in a household is highest for whites (\$142.19).
- Median costs—the monthly cost of the middle household if all households were ranked from lowest to highest costs—tend to be lower than mean costs. This is because wireless costs comprise a skewed distribution, with a small group of higher-cost households pulling the mean above the median. The median is a better guide to costs of the average household.

**Table I.15 Summary of Wireless Use and Typical Monthly Bill by Race/Ethnicity**

	Race/Ethnicity of Respondent					
	White	African American	Latino	Asian or Pacific Islander	American Indian	Total
	%	%	%	%	%	%
<b>Use of Wireless</b>						
<i>Any Wireless</i>	<b>83</b>	<b>83</b>	<b>78</b>	<b>94</b>	<b>78</b>	<b>82</b>
Single	61	76	66	53	75	63
Multiple	39	24	34	46	26	37
Base	(637)	(85)	(415)	(108)	(20)	(1278)
<i>Overall Monthly Cost</i>	\$	\$	\$	\$	\$	\$
Mean	111.44	92.05	97.64	96.44	73.19	101.62
Median	98.00	77.00	75.00	86.17	55.00	85.00
Base	(232)	(36)	(193)	(71)	(8)	(571)
<i>Monthly Cost (Single Cell)</i>	\$	\$	\$	\$	\$	\$
Mean	66.43	64.81	67.72	69.17	52.50	66.51
Median	65.66	58.00	56.00	60.00	52.50	56.00
Base	(94)	(23)	(107)	(35)	(6)	(280)
<i>Monthly Cost (Multiple Cells)</i>	\$	\$	\$	\$	\$	\$
Mean	142.19	136.64	134.45	122.77	120.03	135.40
Median	121.47	139.00	111.61	105.41	124.47	120.00
Base	(138)	(14)	(87)	(36)	(2)	(291)

Source: Q16, Q21, Q25typ, Q36

## 1.16 Number of Wireless Lines and Typical Monthly Bill by Household Income

This summarizes how many wireless lines households have (single or multiple) and average monthly costs for these phones in terms of the gross annual household income.

- Overall, 82% of households have at least one wireless line; of this group, 39% have two or more.
- Having one or more wireless lines rises from 64% among households with \$24,000 or less annual income to 97% among households with more than \$75,000.
- Having multiple wireless lines rises from 19% among households with \$24,000 or less annual income to 59% among households with more than \$75,000.
- Cost. Cost in all categories (overall, single cell, multiple wireless lines) tends to rise with rising household income. For example, the median household with \$24,000 or less income and one or more wireless lines spends \$55 per month for the use of those phones, while the median household with more than \$75,000 income spends \$116.89 per month.
- Even within single-cell and multiple-cell households, spending is substantially greater in the higher income ranges. Thus for the median low-income household, the cost of a single wireless line is \$50, while the median high-income household spends \$79.63 per month, about 60% more.
- Although lower-income households tend to spend less on wireless service than higher-income households, it is also significant that lower-income households spend a substantial part of their gross income on wireless lines. We can estimate the fraction of household income that household in different income classes spend on wireless service. Suppose a household has annual gross income of \$20,000 and spends the median \$100 per month for that income class (\$24,000 or less) to use multiple wireless lines. That is \$1,200 per year or 6% of the household's gross annual income. In contrast, suppose a household has annual gross income of \$80,000 and spends the median \$130.00 in that income class to use multiple wireless lines. This is \$1,560 per year or only 1.95% of household income. The percentage of income spent by lower-income households on wireless service is substantially greater than the percentage spent by higher-income households.

**Table I.16 Summary of Wireless Use and Typical Monthly by Household Income**

Use of Wireless	Gross Annual Household Income						
	\$24,000 or less	\$24,001 - \$34,000	\$34,001 - \$39,800	\$39,801 - \$50,000	\$50,001 - \$75,000	Over \$75,000	Total
	%	%	%	%	%	%	%
<b>Any Wireless</b>	64	74	89	96	95	97	82
Single	81	67	63	56	50	41	61
Multiple	19	34	37	44	50	59	39
<b>Overall Monthly Cost</b>	\$	\$	\$	\$	\$	\$	\$
Mean	73.71	120.05	83.06	97.89	107.00	129.68	101.62
Median	55.00	94.92	73.97	80.00	100.00	116.89	85.00
Base	(128)	(55)	(33)	(53)	(51)	(150)	(571)
<b>Monthly Cost (Single Cell)</b>	\$	\$	\$	\$	\$	\$	\$
Mean	51.44	80.80	62.31	62.26	82.93	84.79	66.51
Median	50.00	62.00	65.16	60.00	76.00	79.63	56.00
Base	(81)	(24)	(18)	(26)	(20)	(45)	(280)
<b>Monthly Cost (Multiple Cells)</b>	\$	\$	\$	\$	\$	\$	\$
Mean	111.87	150.76	107.18	132.65	122.25	148.83	135.40
Median	100.00	125.00	93.31	113.55	126.30	130.00	120.00
Base	(47)	(31)	(15)	(27)	(31)	(105)	(256)

Source: Q16, Q21, Q25typ, Q34

### 1.17 Number of Wireless Lines and Typical Monthly Bill by Age of Respondent

This summarizes how many wireless lines households have (single or multiple) and average monthly costs for these phones in terms of respondent age.

- Overall, 82% of households have wireless lines. Of this group, 63% of households have one wireless line; 37% have more than one.
- Having a single wireless line is most common among older respondents: 74% of households of wireless users 60 or older have only a single phone.
- The households of older respondents (60 or older) tend to pay somewhat less than households of younger respondents for single wireless lines (median = \$48 vs. \$54-59 for other age groups). However, the households of older respondents with multiple wireless lines tend to pay more per month than households of younger respondents: \$135 vs. \$102-\$120.
- The somewhat irregular and shifting relationship between wireless costs by age is probably the result of different household income, household size, and employment status as well as age. See the household size analysis in 1.19.



**Table I.17 Summary of Wireless Use and Typical Monthly Bill by Age**

	18 – 29	30 – 39	40 – 59	60 or older	Total
	%	%	%	%	%
Wireless	94	88	88	64	82
Single	64	60	53	74	63
Multiple	36	40	47	26	37
Overall Monthly Cost	\$	\$	\$	\$	\$
Mean	94.09	88.12	114.15	119.85	101.62
Median	75.00	75.00	100.00	93.13	85.00
Base	(188)	(124)	(184)	(59)	(571)
Monthly Cost (Single Cell)	\$	\$	\$	\$	\$
Mean	64.55	62.76	73.17	62.83	66.51
Median	58.00	54.00	58.98	48.00	56.00
Base	(119)	(59)	(69)	(23)	(280)
Monthly Cost (Multiple Cells)	\$	\$	\$	\$	\$
Mean	144.89	111.49	138.51	156.40	135.40
Median	120.00	102.15	122.25	135.53	120.00
Base	(69)	(64)	(115)	(36)	(284)

Source: Q16, Q21, Q25typ, Q35

### 1.18 Number of Wireless Lines and Typical Monthly Bill by Employment Status

This summarizes how many wireless lines households have (single or multiple) and average monthly costs for these phones in terms of the respondent's employment status.

#### Findings

- Use of wireless is almost universal among employed people in California (94%). It is lower but still substantial for the unemployed (75%) and still lower (62%) among people not in the workforce (students, retirees, disabled and not in workforce).
- Among respondents who do have wireless, median monthly costs overall are highest among the households of employed respondents and those not in the workforce, \$89.00 and \$88.04 respectively, lower for households of the unemployed (\$69.93).

**Table I.18 Summary of Wireless Use and Typical Monthly Bill by Employment Status**

	<b>Employment Status of Respondent</b>			
	<i>Employed</i>	<i>Unemployed</i>	<i>Not in workforce</i>	<i>Total</i>
	%	%	%	%
<b>Use of Wireless</b>				
<i>Wireless Lines</i>	94	75	62	82
Single	55	67	76	63
Multiple	45	33	24	37
<i>Overall Monthly Cost</i>	\$	\$	\$	\$
Mean	106.68	89.62	99.53	101.62
Median	89.00	69.93	88.04	85.00
Base	(382)	(117)	(52)	(571)
<i>Monthly Cost (Single Cell)</i>	\$	\$	\$	\$
Mean	71.11	52.36	62.67	66.51
Median	60.00	50.00	49.16	56.00
Base	(190)	(61)	(17)	(280)
<i>Monthly Cost (Multiple Cells)</i>	\$	\$	\$	\$
Mean	141.99	130.07	117.82	135.40
Median	120.00	122.78	100.00	120.00
Base	(192)	(56)	(34)	(282)

Source: Q16, Q21, Q25typ, Q37

### 1.19 Number of Wireless Lines and Typical Monthly Bill by Household Size

This describes how many wireless lines households have (single or multiple) and average monthly costs for these lines in terms of household size.

- Wireless use is relatively low but still more than half (57%) among single-person households, vs. 87-92% among larger households.
- Median monthly cost for wireless use overall increases with household size from \$75.00 in 1-person households to \$93.95 in 4-person households, then decreases to \$75.94 in households with five or more members.
- Similarly, the median monthly cost of a single wireless line is less for 5+-person households (\$50.00) than it is for 1-person households (\$70.00).
- However, the median monthly cost of multiple wireless lines is greater for 5+-person households (\$139.41) than it is for 1-person households (\$95.31).
- These shifting and not easily explainable relationships suggest that they are confounded with the effects of other variables such as age, income, and employment status.

#### Multivariate Analysis of Demographic and Economic Factors for Typical Monthly Cost of Wireless Lines

Typical monthly cost for wireless lines was analyzed in relation to household income and size, respondent's age and employment status, and respondent's race/ethnicity with multiple linear regression with  $n=319$ ,  $R^2 = 0.092$ . The results revealed that typical monthly cost is related to all of these factors.

Each additional interval on the income scale used here adds on average about \$7.00 to mean overall monthly cost ( $p<.0005$ ); each additional person in a household also adds about \$7.00 ( $p=.016$ ). Each additional interval on the age scale used adds almost \$9.00 ( $p=.047$ ), while the steps from employed to unemployed to not in workforce each reduce mean overall monthly cost by \$10.40 ( $p=.057$ ). Whites might also spend about \$10.30 more in overall monthly cost than other groups, but this estimate is less certain ( $p=.207$ ).

**Table I.19 Summary of Wireless Use and Typical Monthly Bill by Household Size**

	Household Size					
	1	2	3	4	5+	Total
	%	%	%	%	%	%
<b>Use of Wireless</b>						
<i>Wireless Lines</i>	57	89	87	92	91	82
Single	92	57	49	48	58	63
Multiple	8	43	51	52	42	37
<b>Overall Monthly Cost</b>						
Mean	\$ 93.58	\$ 96.28	\$ 110.30	\$ 103.67	\$ 108.14	\$ 101.62
Median	75.00	80.00	90.00	93.95	75.94	85.00
	Base (61)	(167)	(79)	(120)	(126)	(571)
<b>Monthly Cost (Single Cell)</b>						
Mean	\$ 79.93	\$ 63.79	\$ 66.95	\$ 59.90	\$ 65.90	\$ 66.51
Median	70.00	52.85	60.00	54.00	50.00	56.00
	Base (41)	(86)	(34)	(40)	(68)	(280)
<b>Monthly Cost (Multiple Cells)</b>						
Mean	\$ 120.58	\$ 130.75	\$ 142.94	\$ 125.43	\$ 156.90	\$ 135.40
Median	95.31	120.00	130.00	117.33	139.41	120.00
	Base (21)	(81)	(45)	(80)	(59)	(286)

Source: Q16, Q21, Q25typ, Q33

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## Chapter Two

### LifeLine Eligibility, Penetration, Awareness and Interest

This chapter describes California households in terms of the percentage that are eligible for the California LifeLine Telephone Program (LifeLine) based on reported household income and household size, the percentage that currently participate in the program (penetration), the percentage aware of the program, and the percentage who express some interest in becoming LifeLine participants. The chapter reports on LifeLine status by demographic and other characteristics, including race/ethnicity, annual income, age, employment status, household size, landline service provider, and VC service type.

Also presented in this chapter are the typical total monthly bills for landline service as estimated by respondents. The mean and median billing amounts are examined by demographic and household characteristics, including LifeLine status, landline provider, race/ethnicity, age, income, employment status, household size and number of additional service features and/or equipment.

LifeLine qualification status and penetration varies by race/ethnicity, with the highest proportion of LifeLine qualified households among Latinos at 56 percent and the lowest proportion of LifeLine qualified households among non-Latino whites at 22 percent (2.2). Latino customers are much more likely than the overall telephone customer base to qualify for LifeLine (56 percent versus 33 percent), and those who speak Spanish exclusively or preferentially are nearly twice as likely to qualify for LifeLine as those who completed the interview in English (71 percent versus 37 percent) (2.6).

Among all eligible households, just over half (51 percent) are current LifeLine subscribers (2.3). Households with incomes or less than \$24,001 report slightly higher enrollment rates (53 percent) than households with incomes between \$24,001 and \$34,000 (42 percent). This subscription rate varies by age (2.5). Among all qualified households, the lowest proportion of subscribers (28 percent) was represented by 18 to 29 year old respondents, while the highest proportion (55-59 percent) was represented by respondents 40 years of age or older.

In terms of efficacy in lowering phone costs, LifeLine is effective in lowering monthly phone service costs (2.7). LifeLine-qualified households paid an average of \$46 per month (median \$32), current subscribers paid an average of \$38 per month (median \$29), and qualified non-subscribers paid \$58 per month (median \$40), compared to an overall average of \$69 per month (median \$50). It is important to note that this total typical monthly bill for residential landline phone service varies by provider, with features and services provided by Comcast and Time-Warner Cable costing more on average than other providers (2.8). Monthly costs for landline features and services

provided by AT&T, other ILEC providers and other non-ILEC providers were, on average, lower than all other service providers and lower than overall averages.

Overall awareness of LifeLine was not particularly high among customers across all groups, as only about half (54 percent) of all customers said they are enrolled or have heard of the program, while two thirds (65 percent) of qualified households and only 41 percent of qualified non-subscribers have heard of the program (2.11). Interest in LifeLine among non-traditional phone service customers varies by race/ethnicity. Excluding small sample size sub-groups, interest is highest among African Americans (59 percent) and lowest among Asians or Pacific Islanders (36 percent). (2.18a)

### **Method for determining LifeLine participation and eligibility**

PRI determined LifeLine subscribership using a simple one-item self report measure. All respondents with any landline or other non-cellular telephone service in their home were asked if they are currently enrolled in the LifeLine Program.

Because not all LifeLine program-eligibility criteria were asked for each household in the sample, eligibility was determined using a combination of methods. PRI asked all respondents to state the number of people who currently live in their household and to estimate the gross annual household income. These data were then used in combination to determine qualification categories per program guidelines. Because other LifeLine qualification categories are not included, this is a conservative estimate of the number of LifeLine customers.



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## 2.1 Percentage who are eligible for LifeLine by Household VC Service type

The following table provides an overview of LifeLine eligibility by the type of VC services available in the household.

### Findings

- Because self-reported LifeLine participation was used both to determine a household's LifeLine eligibility status and its VC service type (LifeLine versus non-LifeLine), the LifeLine eligibility rates reported below, as expected, vary by VC service type. Percentages are thus reported here for reference and for descriptive purposes. LifeLine subscribers do not *all* report as LifeLine income eligible. In part, this is due to the existence of other categories of LifeLine eligibility; in part, it is due to misreporting.
- Overall, one third of households with VC services are eligible for LifeLine, including just over one third of households that do not currently subscribe to any landline or non-cellular telephone service.
- An estimated 51 percent of non-participating landline-only households and 16 percent of non-participating households with both landline and wireless service are eligible for LifeLine.

**Table 2.1 Eligibility for LifeLine by Household Communication Voice Service Type**

<b>Eligible for LifeLine?</b>	<b>Household Communication Voice Service</b>					
	Wireless Only (Not a LifeLine Subscriber)	Wireless + Landline		Landline Only		Overall
		Not a LifeLine Subscriber	LifeLine Subscriber	Not a LifeLine Subscriber	LifeLine Subscriber	
	%	%	%	%	%	%
Yes	35	16	63	51	68	33
Base	(161)	(784)	(248)	(75)	(109)	(1377)

Source: Life and HHTYPE

## 2.2 Percentage who qualify for LifeLine and LifeLine penetration by Race/Ethnicity

The following table presents estimates of the percentage of LifeLine-qualified households, current subscribers among all qualified households, and non-subscribers among all income-qualified households by respondent race and/or ethnicity.

### Findings

- LifeLine qualification status and penetration varies by race/ethnicity, with the highest proportion of LifeLine qualified households among Latinos at 56 percent and the lowest proportion of LifeLine qualified households among non-Latino whites at 22 percent. Latino households were also more likely to qualify for LifeLine than African American households. These rates vary in contrast to the overall 31 percent of LifeLine eligible households.
- A little over half of all qualified households with sufficient sample size (Latinos and non-Latino Whites) participate in the LifeLine program.
- Among all who are eligible, just over half (52 percent) report they are subscribers.

**Table 2.2 LifeLine Eligibility and Penetration by Race/Ethnicity**

	<i>White</i>	<i>African American</i>	<i>Latino</i>	<i>Asian or Pacific Islander</i>	<i>American Indian</i>	<i>Other</i>	<i>Overall</i>
<b>Eligible for LifeLine</b>	%	%	%	%	%	%	%
	22	36	56	22	40	33	31
Base	(637)	(85)	(415)	(108)	(20)	(13)	(1278)
<b>Eligible and Subscribe</b>	50	39	54	53	71	50	52
<b>Eligible but Do Not Subscribe</b>	50	61	46	47	29	50	48
Base	(133)	(33)	(226)	(32)	(7)	(4)	(435)

Source: Iqual and Q36

### 2.3 Percentage who are eligible for LifeLine and LifeLine penetration by Income

The following table presents estimates of the percentage of LifeLine-qualified households, the percentage of current subscribers among all qualified households, and the percentage of non-subscribers among all qualified households by estimated gross annual household income.

#### Findings

- As would be expected, LifeLine qualification varies by household income, with 100 percent of households with incomes of \$24,000 or less per year eligible for LifeLine as opposed to less than 1 percent of households with incomes over \$34,000+ per year. Based on respondent estimates of annual household income, an overall 39 percent of households with VC service qualify for LifeLine.
- Among all eligible households, just over half (51 percent) are current LifeLine subscribers. Households with incomes or less than \$24,001 report slightly higher enrollment rates (53 percent) than households with incomes between \$24,001 and \$34,000 (42 percent)

**Table 2.3 LifeLine Eligibility and Penetration by Income**

	\$24,000 OR LESS	\$24,001 - \$34,000	\$34,001 - \$39,800	\$39,801 - \$50,000	\$50,001 - \$75,000	Over \$75,000	Overall
	%	%	%	%	%	%	%
<b>Eligible for LifeLine</b>	100	45	0	0	0	0	39
Base	(376)	(163)	(62)	(95)	(114)	(303)	(1108)
<b>Eligible and Subscribe</b>	53	42	0	0	0	0	51
<b>Eligible but Do Not Subscribe</b>	47	58	0	0	0	0	49
Base	(376)	(74)	(0)	(0)	(0)	(0)	(450)

Source: Iqual and Q34

## 2.4 Percentage who are eligible for LifeLine and LifeLine penetration by Household Size

The following table presents estimates of the percentage of LifeLine-eligible households, the percentage of current subscribers among all eligible households, and the percentage of non-subscribers among all eligible households by household size.

### Findings

- Proportions of eligible households, eligible and subscribing households and eligible and non-subscribing households all vary significantly by household size.
- Among all eligible households, the largest (five or more people) and the smallest (one person) had higher estimated proportions of eligible households than the 33 percent overall average. About 52 percent of households with five or more people and 45 percent of one-person households are eligible for LifeLine. A much lower proportion of three-person households (19 percent) are eligible for LifeLine.
- Subscriber rates were highest among eligible 1-person households with a little less than two thirds (62 percent) enrolled in LifeLine. In contrast, other household sizes had subscription rates of around 50 percent.



**Table 2.4 LifeLine Eligibility and Penetration by Household Size**

	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5 Or more</i>	<i>Overall</i>
<b>Eligible for LifeLine</b>	%	%	%	%	%	%
	45	21	19	36	52	33
	Base (271)	(394)	(192)	(245)	(229)	(1377)
<b>Eligible and Subscribe</b>	62	47	50	49	47	51
<b>Eligible but Do Not Subscribe</b>	39	53	50	51	53	49
Base	(122)	(83)	(36)	(88)	(120)	(449)

Source: Iqual and Q18

## 2.5 Percentage Who Qualify for LifeLine and LifeLine Penetration by Age

The following table presents estimates of the percentage of LifeLine-qualified households, the percentage of current subscribers among all qualified households, and the percentage of non-subscribers among all qualified households by respondent age group.

### Findings

- Proportions of qualified households, qualified and subscribing households and qualified and non-subscribing households all vary significantly by respondent age group.
- LifeLine income-qualified households were more likely to be represented by a respondent less than 40 years of age than a respondent age 40 or older.
- Among all qualified households, the lowest proportion of subscribers (28 percent) was represented by 18 to 29 year old respondents, while the highest proportion (55-59 percent) was represented by respondents 40 years of age or older.

**Table 2.5 LifeLine Qualification and Penetration by Age**

	<i>18 to 29 years old</i>	<i>30 to 39 years old</i>	<i>40 to 59 years old</i>	<i>60 years or older</i>	<i>Overall</i>
<b>Qualify for LifeLine</b>	%	%	%	%	%
	44	46	25	33	34
Base	(179)	(239)	(503)	(398)	(1319)
<b>Qualify and Subscribe</b>	28	54	59	55	51
<b>Qualify and Do Not Subscribe</b>	72	46	41	45	49
Base	(79)	(109)	(128)	(131)	(447)

Source: Iqual and Q35

## 2.6 LifeLine Penetration among All Who Qualify for It and Among Latinos Who Qualify for It

The following table presents estimates of the percentage of LifeLine-qualified households versus Latino households, the percentage of current subscribers among all qualified households versus all qualified Latino households, and the percentage of non-subscribers among all qualified households versus all qualified Latino households. The table further examines each Latino LifeLine sub-group in terms of interview language preference. PRI did not perform analysis based on interview language preference for other non-English speaking sub-groups due to insufficient sample sizes.

### Findings

- Latino customers are much more likely than the overall telephone customer base to qualify for LifeLine (56 percent versus 33 percent), and those who speak Spanish exclusively or preferentially are nearly twice as likely to qualify for LifeLine as those who completed the interview in English (71 percent versus 37 percent).
- Similar proportions of all LifeLine qualified customers (48 percent) and of all LifeLine qualified Latinos who speak Spanish exclusively or preferentially (50 percent) are enrolled in the program; however, only about one third of qualified Latinos who speak English exclusively or preferentially are currently enrolled (33 percent).
- Consequently, a relatively high proportion of those qualified Latinos who speak English exclusively or preferentially (69 percent) are non-subscribers. In contrast, only about half (51 percent) of all qualified Spanish-speaking Latinos are non-subscribers.

**Table 2.6 LifeLine Penetration among All Who Qualify for It and Among Latinos Who Qualify for It**

	<i>All Customers</i>	<i>All Latino Customers</i>	<i>English-speaking Latinos</i>	<i>Spanish-speaking Latinos</i>
	%	%	%	%
<b>Qualify for LifeLine</b>	33	56	37	71
Base	(1377)	(402)	(180)	(222)
<b>Qualify and Subscribe</b>	48	45	33	50
<b>Qualify and Do Not Subscribe</b>	60	56	69	51
Base	(448)	(224)	(67)	(157)

Source: Iline and Q36

## 2.7 Typical Monthly Bill Including Fees, Taxes, and Surcharges for Landline Phone Service by LifeLine Status

The following table presents respondent testimony for typical total monthly telephone bills for residential landlines based on their estimate of the typical bill amount for that service. Estimates include basic phone service and may include all additional services and features, including but not limited to multiple lines, long distance service, cellular plans, internet service, television service, and any taxes, surcharges or fees. Typical monthly costs are presented categorically in five amount levels, as numeric means, and as medians by all households, by all LifeLine-qualified households, by all LifeLine subscribers, and by all LifeLine-qualified non-subscribers.

### Findings

- Residential customers report paying, on average, \$69 per month (median \$50) for all features included on their landline phone service. Among all households with landline service, about one quarter (24 percent) report a typical total monthly bill of between \$1 and \$25, while another fifth (21 percent) report a typical total monthly bill of more than \$100.
- LifeLine is effective in lowering monthly phone service costs. LifeLine-qualified households paid an average of \$46 per month (median \$32), current subscribers paid an average of \$38 per month (median \$29), and qualified non-subscribers paid \$58 per month (median \$40), compared to an overall average of \$69 per month (median \$50).

**Table 2.7 Typical Monthly Bill Including Fees, Taxes, Surcharges for Landline Service, by LifeLine Status**

	<b>LifeLine Status</b>			
	<i>All Households</i>	<i>Qualify for LifeLine</i>	<i>Qualify and Subscribe</i>	<i>Qualify and Do Not Subscribe</i>
<b>Monthly Cost for Landline</b>	%	%	%	%
\$1-25	24	43	48	34
\$26-50	28	27	29	26
\$51-75	17	13	14	12
\$76-100	11	8	4	12
\$101+	21	9	6	16
	Base (997)	(327)	(211)	(149)
<b>Average Cost</b>	\$	\$	\$	\$
Mean	68.53	45.57	38.25	58.44
Median	50.00	31.85	29.10	40.00
	Base (997)	(327)	(211)	(149)

Source: Q4, Q5, and HHTYPE

## 2.8 Typical Monthly Bill Including Fees, Taxes, and Surcharges for Landline Phone Service by Provider

The following table presents typical total monthly bills for residential landline service based on respondent estimates, by landline service provider. Typical monthly costs are presented categorically in five amount levels, as numeric means, and as medians, by provider. For convenience, providers are arranged in order from highest reported mean and median costs to lowest. Note that, as above, these data do not control for the number or type of additional phone services or features. See Table 2.10e for an analysis of typical monthly bill by number of additional service features.

### Findings

- Total typical monthly bill for residential landline phone service varies by provider, with features and services provided by Comcast and Time-Warner Cable costing more on average than other providers. Monthly costs for landline features and services provided by AT&T California (AT&T), other ILEC providers and other non-ILEC providers were, on average, lower than all other service providers and lower than overall averages.
- About 2 percent of households with Comcast or Time-Warner Cable service paid between \$1 and \$25 per month, as opposed to 22 percent of households served by other ILEC providers, 28 percent of households served by AT&T, and just over one third (37 percent) of those served by other non-ILEC providers. About 69 percent of households served by Comcast and 62 percent of those served by Time-Warner Cable reported paying more than \$100 per month.
- On average, Verizon California Inc. (Verizon) customers also paid more per month for their landline service, including extra features and services, than AT&T customers, other ILEC-served customers, and other non-ILEC-served customers. However, approximately equal proportions of households served by Verizon (29 percent), AT&T (29 percent) or other non-ILEC providers (28 percent) report monthly bills between \$26 and \$50.



**Table 2.8 Typical Monthly Bill Including Fees, Taxes, and Surcharges for Landline Phone Service by Service Provider**

	Comcast	Time-Warner Cable	Cox Communications	Verizon	ATT	Other ILEC Provider	Other Non-ILEC Provider	Overall
<b>Monthly Cost</b>	%	%	%	%	%	%	%	%
\$1-25	2	2	16	19	28	22	37	24
\$26-50	18	13	23	29	29	39	28	28
\$51-75	6	7	0	17	20	19	13	17
\$76-100	6	16	23	14	11	6	6	11
\$101+	69	62	39	22	12	14	17	21
Base	(55)	(45)	(44)	(143)	(571)	(36)	(79)	(973)
<b>Average Cost</b>	\$	\$	\$	\$	\$	\$	\$	\$
Mean	119.80	114.59	98.26	75.46	59.11	57.16	51.04	68.53
Median	130.00	121.93	99.61	58.02	47.00	40.00	33.92	50.00
Base	(55)	(45)	(44)	(143)	(571)	(36)	(79)	(973)

Source: Q4, Q5, and HHTYPE

## 2.9 Typical Monthly Bill Including Fees, Taxes, and Surcharges for Landline Phone Service by Race/Ethnicity

The following table presents typical self-reported total monthly bills for residential landline service by respondent race/ethnicity.

### Findings

- Typical total monthly costs for residential landline service varied by race/ethnicity. Across all four groups with sufficient sample size for reliable estimates, non-Latino whites appear to pay more for residential landline phone service, including all additional features or services, than other groups. Non-Latino white respondents report paying \$78 per month (median \$57) while African Americans pay \$70 per month (median \$63), and Asians pay \$68 per month (median \$45). Latino respondents report paying the least of all groups at \$53 per month (median \$40).
- One quarter of non-Latino whites report a monthly bill of more than \$100 compared to 20 percent of Asians and only 12 percent of Latinos. Nearly two thirds of Latinos (62 percent) report paying less than \$51 per month, while 41 percent of African Americans pay less than that amount.

**Table 2.9 Typical Monthly Bill Including Fees, Taxes, and Surcharges for Landline Phone Service by Race/Ethnicity**

<b>Monthly Cost for Landline</b>	<i>White</i>	<i>African American</i>	<i>Latino</i>	<i>Asian or Pacific Islander</i>	<i>American Indian</i>	<i>Overall</i>
	%	%	%	%	%	%
\$1-25	17	19	37	24	33	24
\$26-50	29	22	25	30	17	28
\$51-75	17	20	16	17	25	17
\$76-100	11	17	10	9	8	11
\$101+	25	22	12	20	17	20
Base	(507)	(64)	(261)	(76)	(12)	(936)
<b>Average Cost</b>	\$	\$	\$	\$	\$	\$
Mean	77.89	70.21	52.88	67.84	55.47	68.53
Median	57.00	63.00	40.00	45.00	54.86	50.00
Base	(507)	(64)	(261)	(76)	(12)	(920)

Source: Q4, Q5, and Q36

## 2. 10a Typical Monthly Bill Including Fees, Taxes, and Surcharges for Landline Service by Age, Income, Employment Status, Household Size and Number of Service Features

The following tables present typical total monthly bills for residential landline service by available household characteristics and by service characteristics. As above, typical monthly bill is based on respondent estimates alone, and has been presented in each table categorically in five amount levels, as numeric means, and as medians. The following findings summarize the data presented in Table 2.10a.

### Age

- Monthly costs for landline phone service varies only modestly by age of the respondent representing the household. Respondents 40 to 59 years old report paying the most on average at \$74 per month (median \$55), and 18 to 29 year olds appear to pay the least at \$64 per month (median \$44).
- About one third (34 percent) of 18 to 29 year olds report paying between \$1 and \$25 per month compared to only 19 percent of 40 to 59 year olds.
- About one quarter (23 percent) in both the 30-39 and 40 to 59 year old age groups report paying more than \$100 per month for all features included in their landline phone service, whereas only 16 percent of younger and 19 percent of older respondents say they pay that much.

**Table 2.10a Typical Monthly Bill Including Fees, Taxes, and Surcharges for Landline Phone Service by Age**

	<i>18 - 29 yrs old</i>	<i>30 - 39 yrs old</i>	<i>40 - 59 yrs old</i>	<i>60 yrs or older</i>	<i>Overall</i>
<b>Monthly Cost</b>	%	%	%	%	%
\$1-25	34	24	19	26	24
\$26-50	22	28	30	27	28
\$51-75	12	18	15	19	17
\$76-100	16	7	13	10	11
\$101+	16	23	23	19	21
Base	(92)	(138)	(377)	(354)	(961)
<b>Average cost</b>	\$	\$	\$	\$	\$
Mean	63.72	68.15	74.02	65.24	68.53
Median	44.27	50.00	55.00	50.00	50.00
Base	(92)	(138)	(377)	(354)	(961)

Source: Q4, Q5, and Q35

## 2. 10b Typical Monthly Bill Including Fees, Taxes, and Surcharges for Landline Service by Age, Income, Employment Status, Household Size and Number of Service Features (continued)

The following findings summarize the data presented in Table 2.10b.

### Income

- Monthly costs for landline phone service varies directly by annual household income. Perhaps not surprisingly, households in the lowest income categories pay the least for service, while those in the highest income categories pay the most. Households with incomes of \$24,000 or less pay the least at \$42 per month (median \$30), while those with incomes above \$50,000 pay the most at \$92 per month (median \$75).
- Nearly half (47 percent) of households with incomes less than \$24,001 report paying between \$1 and \$25 per month, whereas only 9 percent of households with incomes between \$50,001 and \$75,000 report paying that.
- About one third (34 percent) of those with annual incomes over \$75,000 report paying more than \$100 per month for their service.

**Table 2.10b Typical Monthly Bill Including Fees, Taxes, and Surcharges for Landline Phone Service by Income**

<b>Monthly Cost</b>	<b>\$24,000 OR LESS</b>	<b>\$24,001 - \$34,000</b>	<b>\$34,001 - \$39,800</b>	<b>\$39,801 - \$50,000</b>	<b>\$50,001 - \$75,000</b>	<b>Over \$75,000</b>	<b>Overall</b>
	%	%	%	%	%	%	%
\$1-25	47	17	13	19	9	11	23
\$26-50	27	35	35	24	25	27	28
\$51-75	13	19	28	21	20	15	17
\$76-100	6	11	5	16	17	14	11
\$101+	8	19	20	19	29	34	21
Base	(252)	(129)	(40)	(62)	(89)	(251)	(823)
<b>Average Cost</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Mean	41.85	67.00	66.66	68.61	92.35	91.88	68.53
Median	30.00	50.00	53.80	56.10	75.00	75.00	50.00
Base	(252)	(129)	(40)	(62)	(89)	(251)	(823)

Source: Q4, Q5, and Q34

## 2. 10c Typical Monthly Bill Including Fees, Taxes, and Surcharges for Landline Service by Age, Income, Employment Status, Household Size and Number of Service Features (continued)

The following findings summarize the data presented in Table 2.10c.

### Employment Status

- Monthly costs for landline phone service varies by employment status, with the currently employed paying the most (mean \$76) and the unemployed paying the least (mean \$58). Among the employed, only about 17 percent reports paying between \$1 and \$25 per month, while 31 percent of the unemployed and 29 percent of those not in the workforce say they pay that amount. Only 12 percent of the unemployed pay more than \$100 per month, while 20 percent of those not in the workforce and 25 percent of the employed report paying that.



**Table 2.10c Typical Monthly Bill Including Fees, Taxes, and Surcharges for Landline Phone Service by Employment Status**

Monthly Cost for Landline	Employment Status			
	<i>Employed</i>	<i>Unemployed</i>	<i>Not in workforce</i>	<i>Overall</i>
	%	%	%	%
\$1-25	17	31	29	24
\$26-50	28	28	28	28
\$51-75	18	19	14	17
\$76-100	12	10	10	11
\$101 or more	25	12	20	21
	\$	\$	\$	\$
Mean	76.21	57.89	64.97	68.53
Median	60.00	45.00	45.00	50.00
Base	(474)	(212)	(281)	(967)

Source: Q4, Q5, and Q37

## 2. 10d Typical Monthly Bill Including Fees, Taxes, and Surcharges for Landline Service by Age, Income, Employment Status, Household Size and Number of Service Features (continued)

The following findings summarize the data presented in Table 2.10d.

### Household Size

- Monthly costs for landline phone service varies by household size, with single person households paying the least (mean \$56, median \$40) and 2-person households paying the most (mean \$77, median \$60).
- Almost two thirds of 1-person households (64 percent) pay less than \$51 per month in contrast to only 41 percent of 2-person households, 49 percent of 3-person households, and 51 percent of those with 4 or more members.
- Two and three person households are also more likely than other household sizes to pay more than \$100 per month, and only 20 percent of 1-person households pay more than \$75 per month compared to 32 percent overall.

**Table 2.10d Typical Monthly Bill Including Fees, Taxes, and Surcharges for Landline Phone Service by Household Size**

Monthly Cost for Landline	Household Size						
	1	2	3	4	5 Or more	Overall	
	%	%	%	%	%	%	
\$1-25	31	18	19	23	27	23	
\$26-50	33	23	30	28	24	28	
\$51-75	15	19	18	16	18	17	
\$76-100	7	15	9	13	12	11	
\$101 or more	13	26	25	21	21	21	
	\$	\$	\$	\$	\$	\$	
Mean	55.51	76.63	76.00	71.73	68.11	68.53	
Median	40.00	60.00	52.04	50.00	52.55	50.00	
	Base	(249)	(297)	(137)	(150)	(136)	(969)

Source: Q4, Q5, Q18

## 2. 10e Typical Monthly Bill Including Fees, Taxes, and Surcharges for Landline Service by Age, Income, Employment Status, Household Size and Number of Service Features (continued)

PRI asked Customers to indicate whether their landline phone bill included other services and features such as DSL or broadband, television, long distance, additional lines or a cellular plan, and features such as voice mail or call forwarding. As would be expected, monthly costs for landline phone service varies directly by the number of service features included on the bill.

The following findings summarize the data presented in Table 2.10e.

### Number of Services and Features

- Basic service costs customers on average \$26 per month (median \$21), basic + 2 other services or features costs \$69 per month (median \$60), and basic + 5 features costs \$169 per month (median \$156).
- Nearly 92 percent of those with only basic phone service pay less than \$51 per month for the service, whereas less than 10 percent of those with 4 or more additional features pay that amount.
- About two thirds (68 percent) of those with 4 added features and three quarters (76 percent) of those with 5 added features pay more than \$100 per month for their landline service.
- Mean costs are consistently higher than median costs, indicating that in every size household category, there are some households with significantly higher monthly costs than the norm. The overall mean is \$18.53 higher than the overall median because it is the cumulative effect of those differences found in every category.

**Table 2.10e Typical Monthly Bill Including Fees, Taxes, and Surcharges for Landline Phone Service by Number of Service Features**

Monthly Cost for Landline	Number of Service Features							
	<i>Basic Only</i>	<i>Basic + 1 feature</i>	<i>Basic + 2 features</i>	<i>Basic + 3 features</i>	<i>Basic + 4 features</i>	<i>Basic + 5 features</i>	<i>Overall</i>	
	%	%	%	%	%	%	%	
\$1-25	64	26	6	8	1	0	24	
\$26-50	28	48	29	13	8	3	28	
\$51-75	4	19	35	14	9	9	17	
\$76-100	2	6	15	28	14	12	11	
\$101 or more	1	2	15	38	68	76	20	
	\$	\$	\$	\$	\$	\$	\$	
Mean	26.17	41.58	68.73	101.29	134.87	168.59	68.53	
Median	21.16	40.00	60.00	96.00	130.00	155.79	50.00	
	Base	(222)	(256)	(207)	(160)	(117)	(33)	(995)

Source: Q4, Q5, Q26, and FEATURES

## 2.11 LifeLine Awareness among All Customers and among non-Participating Qualified Households by Race/Ethnicity

The survey measured LifeLine awareness among all customers by first asking all landline customers if they are currently enrolled in the California LifeLine Telephone Program (LifeLine). Those who said they are enrolled were considered AWARE, and were asked no further questions. Residential landline customers who did not say they are currently enrolled were asked whether they have ever heard of the LifeLine program. Those who said they have were considered AWARE, while all others were considered NOT AWARE. PRI asked no further questions of this group regarding LifeLine awareness.

For non-traditional phone service customers (i.e. households with digital and/or wireless only phone service), the survey asked respondents whether they have “heard of the California LifeLine Telephone Program, which provides discounted basic landline telephone services to eligible households.” Those who said they have heard of it were considered AWARE, while all others were considered NOT AWARE. PRI asked no further questions of this group regarding LifeLine awareness.

The following table presents the percentage of those aware of LifeLine among all customers, among all LifeLine-qualified households, and among all qualified non-subscribers by respondent race/ethnicity.

### Findings

- LifeLine awareness varies by race/ethnicity among all customers and among all qualified non-subscribing households, but does not vary among all qualified households by race/ethnicity. Overall awareness was not particularly high among customers across all groups, as only about half (54 percent) of all customers said they are enrolled or have heard of the program, while two thirds (65 percent) of qualified households and only 41 percent of qualified non-subscribers have heard of the program.
- Among all households but excluding American Indians and “other” ethnicities with small sample sizes, LifeLine awareness is highest among non-Latino whites at 60 percent, followed closely by African Americans at 57 percent. Asians report the lowest awareness at 35 percent.
- Considering only qualified non-subscribing households, Asian awareness is just half that of overall awareness (20 percent versus 41 percent), while a relatively high proportion of non-Latino whites (49 percent) are aware of the program even among this customer group.

**Table 2.11 LifeLine Awareness among All Customers and among non-Participating Qualified Households by Race/Ethnicity**

	Race/Ethnicity					
	<i>White</i>	<i>African American</i>	<i>Latino</i>	<i>Asian or Pacific Islander</i>	<i>American Indian</i>	<i>Overall</i>
	%	%	%	%	%	%
<b>All Customers</b>	<b>60</b>	<b>57</b>	<b>49</b>	<b>35</b>	<b>70</b>	<b>54</b>
Base	(645)	(91)	(402)	(116)	(20)	(1289)
<b>Qualified for LifeLine</b>	<b>68</b>	<b>59</b>	<b>64</b>	<b>54</b>	<b>67</b>	<b>65</b>
Base	(139)	(32)	(223)	(26)	(9)	(434)
<b>Qualified Non-Subscribers</b>	<b>49</b>	<b>41</b>	<b>37</b>	<b>20</b>	<b>50</b>	<b>41</b>
Base	(89)	(22)	(126)	(15)	(6)	(258)

Source: llaware and Q36

## 2.12 LifeLine Awareness among All Customers and among non-Participating Qualified Households by Income

The following table presents the percentage of those aware of LifeLine among all customers, among all LifeLine-qualified households, and among all qualified non-subscribers by gross annual household income.

### Findings

- Although among all households LifeLine awareness varies by income, awareness among all qualified households and all qualified non-subscribers does not vary significantly, likely due to insufficient sample sizes in higher income groups. Among all households awareness ranges from a low 48 percent in households with incomes in excess of \$75,000 and 49 percent in households with incomes between \$34,001 and \$39,800 to a high 62 percent in households with incomes of \$24,000 or less. The awareness gap among middle income households which earn between \$34,001 and \$39,800 appears to remain even among LifeLine-qualified households, although small sample sizes may limit analysis on this sub-group.



**Table 2.12 LifeLine Awareness among All Customers and among non-Participating Qualified Households by Income**

	Household Income						
	\$24,000 OR LESS	\$24,001 - \$34,000	\$34,001 - \$39,800	\$39,801 - \$50,000	\$50,001 - \$75,000	Over \$75,000	Overall
	%	%	%	%	%	%	%
<b>All Customers</b>	<b>62</b>	<b>57</b>	<b>49</b>	<b>53</b>	<b>51</b>	<b>48</b>	<b>55</b>
Base	(364)	(158)	(65)	(101)	(116)	(303)	(1107)
<b>Qualified for LifeLine</b>	<b>64</b>	<b>56</b>	<b>53</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>63</b>
Base	(324)	(68)	(19)	(2)	(1)	(0)	(432)
<b>Qualified Non-Subscribers</b>	<b>43</b>	<b>27</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>41</b>
Base	(217)	(41)	(15)	(0)	(0)	(0)	(273)

Source: llaware and Q34

### 2.13 LifeLine Awareness among All Customers and among non-Participating Qualified Households by Age

The following table presents percentages of those aware of LifeLine among all customers, among all LifeLine-qualified households, and among all qualified non-subscribers by age of the respondent representing the household during the interview.

#### Findings

- Among all three sub-groups (all households, all qualified households, and all qualified non-subscribers) LifeLine awareness varies by age. Among all households, awareness is highest in respondents 60 years or older (63 percent) and 30 to 39 years old (61 percent), but sharply lower in 18 to 29 year olds (25 percent).
- Considering only qualified households, awareness is higher among 30 to 39 year olds (72 percent) and all those over age 39 (75 percent) than among the youngest customers (29 percent), and these same awareness gaps show up among all qualified non-subscribers, where only 12 percent of the youngest customers have heard of the LifeLine program, versus 50 percent to 58 percent of older customers.

**Table 2.13 LifeLine Awareness among All Customers and among non-Participating Qualified Households by Age**

	<b>Age</b>				
	<i>18 to 29 years old</i>	<i>30 to 39 years old</i>	<i>40 to 59 years old</i>	<i>60 years or older</i>	<i>Overall</i>
	%	%	%	%	%
<b>All Customers</b>	<b>25</b>	<b>61</b>	<b>59</b>	<b>63</b>	<b>54</b>
Base	(244)	(235)	(456)	(384)	(1319)
<b>Qualified for LifeLine</b>	<b>29</b>	<b>72</b>	<b>75</b>	<b>75</b>	<b>64</b>
Base	(102)	(109)	(109)	(130)	(450)
<b>Qualified Non-Subscribers</b>	<b>12</b>	<b>58</b>	<b>50</b>	<b>50</b>	<b>41</b>
Base	(82)	(73)	(54)	(64)	(273)

Source: llaware and Q35

## 2.14 LifeLine Awareness among All Customers and among non-Participating Qualified Households by Employment Status

The following table presents the percentages of those aware of LifeLine among all customers, among all LifeLine-qualified households, and among all qualified non-subscribers by the current employment status of the household's spokesperson.

### Findings

- Among all households and all qualified households, awareness varies by the current employment status of the household's spokesperson, with the highest awareness among respondents not in the workforce (64 percent of all and 73 percent of qualified) and the lowest awareness among those who are employed (51 percent of all and 59 percent of qualified).
- Although apparent differences in the proportions of households aware of LifeLine among all qualified non-subscribers were not significantly different, awareness gaps among the unemployed may deepen among this important sub-group, as their awareness level relative to those employed or not in the workforce appears to decrease. Among all unemployed households (53 percent) and all unemployed-qualified households (65 percent), awareness levels of the unemployed are similar to overall averages (55 percent and 65 percent, respectively), whereas among qualified non-subscribers, only 35 percent of unemployed respondents are aware of LifeLine compared to 42 percent overall in this sub-group.

**Table 2.14 LifeLine Awareness among All Customers and among non-Participating Qualified Households by Employment Status**

	<b>Employment Status</b>			
	<i>Employed</i>	<i>Unemployed</i>	<i>Not in workforce</i>	<i>Overall</i>
	%	%	%	%
<b>All Customers</b>	<b>51</b>	<b>53</b>	<b>64</b>	<b>55</b>
Base	(710)	(301)	(314)	(1325)
<b>Qualified for LifeLine</b>	<b>59</b>	<b>65</b>	<b>73</b>	<b>65</b>
Base	(165)	(145)	(135)	(445)
<b>Qualified Non-Subscribers</b>	<b>40</b>	<b>35</b>	<b>51</b>	<b>42</b>
Base	(114)	(78)	(75)	(267)

Source: llaware and Q37

## 2.15 LifeLine Awareness among All Customers and among non-Participating Qualified Households by Household Size

The following table presents the percentages of those aware of LifeLine among all customers, among all LifeLine-qualified households, and among all qualified non-subscribers by the number of people who currently live in the household.

### Findings

- Among all three sub-groups, LifeLine awareness varies by household size, with 1-person households reporting the highest awareness, when sub-groups of insufficient sample sizes are excluded. A majority of single person households in each sub-group have heard of LifeLine, with 64 percent of all households, 78 percent of all qualified households and 56 percent of all qualified non-subscribers. These percentages vary from overall percentages, meaning people in single person households are more aware of LifeLine than others.
- On the lower spectrum of awareness, 4-person households are least aware among all households (46 percent) and 2-person households are least aware among all qualified (50 percent) and among all qualified non-subscribers (26 percent).

**Table 2.15 LifeLine Awareness among All Customers and among non-Participating Qualified Households by Household Size**

	Household Size					
	1	2	3	4	5 or more	Overall
	%	%	%	%	%	%
<b>All Customers</b>	<b>64</b>	<b>53</b>	<b>50</b>	<b>46</b>	<b>55</b>	<b>54</b>
Base	(307)	(394)	(183)	(228)	(218)	(1330)
<b>Qualified for LifeLine</b>	<b>78</b>	<b>50</b>	<b>100</b>	<b>55</b>	<b>62</b>	<b>64</b>
Base	(125)	(95)	(20)	(87)	(124)	(451)
<b>Qualified Non-Subscribers</b>	<b>56</b>	<b>26</b>	<b>0</b>	<b>34</b>	<b>45</b>	<b>41</b>
Base	(63)	(65)	(0)	(59)	(86)	(273)

Source: Ilaware and Q18

## 2.16 LifeLine Awareness among All Customers and among non-Participating Qualified Households by Landline Provider

The following table presents the percentage of those aware of LifeLine among all customers, among all LifeLine-qualified households, and among all qualified non-subscribers by landline telephone service provider. The table presents responses from the five most common landline service providers mentioned in the sample and groups responses from households served by all other providers into “other ILEC” and “other non-ILEC” telephone service providers.

### Findings

- Awareness varies by landline provider among all three sub-groups of residential phone customers. Among all customers, households served by other ILEC (71 percent) or AT&T (70 percent) report the highest LifeLine awareness, while those served by Comcast (41 percent), Cox Communications (46 percent) and Time-Warner Cable (48 percent) report below the 63 percent overall average awareness. Among all qualified households, however, customers of Cox Communications (90 percent), Comcast (88 percent), and other ILEC providers (90 percent) report higher than average awareness (80 percent).
- Qualified non-subscribers served by AT&T or Verizon, two of the largest wireless service providers, report fairly low awareness (54 percent and 56 percent, respectively), while among all three sub-groups, households served by other non-ILEC providers claim very low LifeLine awareness (17 – 37 percent).



**Table 2.16 LifeLine Awareness among All Customers and among non-Participating Qualified Households by Landline Service Provider**

	Service Provider							
	ATT	Verizon	Comcast	Cox	Time-Warner	Other ILEC	Other Non-ILEC	Overall
	%	%	%	%	%	%	%	%
All Customers	70	67	41	46	48	71	37	63
Base	(597)	(156)	(59)	(48)	(48)	(38)	(79)	(1025)
Qualified for LifeLine	84	83	88	90	67	90	30	80
Base	(223)	(46)	(8)	(10)	(6)	(10)	(27)	(330)
Qualified Non-Subscribers	54	56	88	90	67	83	17	54
Base	(76)	(18)	(8)	(10)	(6)	(6)	(23)	(147)

Source: llaware and PROVIDER

## 2.17 LifeLine Awareness among All Customers and among non-Participating Qualified Households by VC Service Type

The following table presents the percentage of those aware of LifeLine among all customers, among all LifeLine-qualified households, and among all qualified non-subscribers by a household's VC service type. Note that the measure of VC service type is in part determined by a household's LifeLine participation status, which is also used to develop measures of awareness. For this reason, the findings below are presented and should be used only as reference in interpreting other telephone customer behaviors.

### Findings

- Within all three sub-groups, LifeLine awareness varies by the type of VC services in the household. Excluding LifeLine participants, who are by definition aware of LifeLine, awareness still varies considerably, with 57 percent of landline only households versus 50 percent of dual service households aware of LifeLine among all customers. Differences among all qualified households are even more pronounced, with 62 percent of landline only households aware, compared to 43 percent of dual service homes. When considering wireless-only households, LifeLine awareness is relatively low and constant (28 – 31 percent), regardless of qualification status.

**Table 2.17 LifeLine Awareness among All Customers and among non-Participating Qualified Households by VC Service Type**

	VC Service Type					
	Wireless Only (Not a LifeLine Subscriber)	Wireless + Landline		Landline Only		Overall
		Not a LifeLine Subscriber	LifeLine Subscriber	Not a LifeLine Subscriber	LifeLine Subscriber	
	%	%	%	%	%	%
<b>All Customers</b>	<b>31</b>	<b>50</b>	<b>100</b>	<b>57</b>	<b>100</b>	<b>54</b>
Base	(317)	(702)	(107)	(139)	(111)	(1376)
<b>Qualified for LifeLine</b>	<b>28</b>	<b>43</b>	<b>100</b>	<b>62</b>	<b>100</b>	<b>65</b>
Base	(113)	(102)	(86)	(58)	(98)	(457)
<b>Qualified Non-Subscribers</b>	<b>28</b>	<b>43</b>	<b>0</b>	<b>62</b>	<b>0</b>	<b>41</b>
Base	(113)	(102)	(0)	(58)	(0)	(273)

Source: llaware and hhtype

## 2.18 Interest in LifeLine among Customers of non-Traditional Telephone Services by Demographics and Other Characteristics

The following tables present the percentage of those who express interest in LifeLine among all customers of non-traditional residential telephone services (i.e. households with digital and/or wireless only phone service) by available household and service characteristics of those households. A measure of customer interest in LifeLine was based on response to a single item, asked only of respondents in households with digital and/or wireless-only phone service. The question, which was asked immediately after the LifeLine awareness questions described in section 2.11 above, asked “If you knew you could qualify for this program, would it motivate you to have traditional landline phone service in your household? The California LifeLine program provides discounted basic landline phone service to eligible households.” Those who responded “yes” were considered interested and all others were considered not interested. PRI asked no further questions about customer interest. The following findings summarize data presented in Tables 2.18a – 2.18f.

### Race/Ethnicity

- Interest in LifeLine among non-traditional phone service customers varies by race/ethnicity. Excluding small sample size sub-groups, interest is highest among African Americans (59 percent) and lowest among Asians or Pacific Islanders (36 percent). (2.18a)

### Age

- Interest in LifeLine among non-traditional phone service customers varies by age of household spokesperson. Those 18 to 29 years of age report less interest (34 percent) than those 30 to 39 years of age (50 percent). Older customers report interest levels no different from overall average interest (42 – 43 percent). (2.18b)

### Employment Status

- Interest in LifeLine among non-traditional phone service customers does not appear to vary significantly by current employment status, although only 39 percent employed respondents said they would be motivated to have traditional service if they knew they could qualify, as opposed to 47 percent of those who are currently unemployed. (2.18c)

**Table 2.18a Interest in LifeLine Among Customers of non-Traditional Telephone Services by Race/Ethnicity**

	Race/Ethnicity					
	<i>White</i>	<i>African American</i>	<i>Latino</i>	<i>Asian or Pacific Islander</i>	<i>American Indian</i>	<i>Overall</i>
%	38	59	48	36	17	43
Base	(277)	(49)	(203)	(70)	(12)	(611)

**Table 2.18b Interest in LifeLine Among Customers of non-Traditional Telephone Services by Age**

	Age				
	<i>18 to 29 years old</i>	<i>30 to 39 years old</i>	<i>40 to 59 years old</i>	<i>60 years or older</i>	<i>Overall</i>
%	34	50	43	42	42
Base	(176)	(147)	(200)	(112)	(635)

**Table 2.18c Interest in LifeLine Among Customers of non-Traditional Telephone Services by Employment Status**

	Employment Status			
	<i>Employed</i>	<i>Unemployed</i>	<i>Not in workforce</i>	<i>Overall</i>
%	39	47	43	42
Base	(382)	(147)	(104)	(633)

Source for Tables 2.1a through 2.1c: Q15, Q28, Q36, Q35, and Q37

## 2.18 Interest in LifeLine Among Customers of non-Traditional Telephone Services by Demographics and Other Characteristics (continued)

The following table presents the percentage of those who express interest in LifeLine among all customers of non-traditional residential telephone services (i.e. households with digital and/or wireless only phone service) by available household and service characteristics of those households. A measure of customer interest in LifeLine was based on response to a single item, asked only of respondents in households with digital and/or wireless-only phone service. The question, which was asked immediately after the LifeLine awareness questions described in section 2.11, asked “If you knew you could qualify for this program, would it motivate you to have traditional landline phone service in your household? The California LifeLine program provides discounted basic landline phone service to eligible households.” Those who responded “yes” were considered interested and all others were considered not interested. No further questions were asked about customer interest. The following findings summarize data presented in Tables 2.18a – 2.18f.

### Income

- Interest in LifeLine does not vary significantly by household income. Only 36 percent of households with incomes between \$50,001 and \$75,000 and 42 percent of those with incomes over \$75,000 expressed interest. What may be surprising is that even among the lowest income group, only 43 percent expressed any interest in LifeLine, which may indicate considerations other than financial ones drive customer’s VC acquisition decisions. (2.18d)

### Household Size

- Interest in LifeLine among non-traditional phone service customers varies directly by household size with the lowest interest among 1-person households (32 percent) and the highest interest among households with 5 or more persons (58 percent). (2.18e)

### VC Service Type

- Interest in LifeLine among non-traditional phone service customers varies by the type of VC services present in the household with the lowest interest among wireless-only households (34 percent) and the highest among dual service households (49 percent). (2.18f)

**Table 2.18d Interest in LifeLine Among Customers of non-Traditional Telephone Services by Gross Annual Household Income**

	Household Income						
	\$24,000 OR LESS	\$24,001 - \$34,000	\$34,001 - \$39,800	\$39,801 - \$50,000	\$50,001 - \$75,000	Over \$75,000	Overall
%	43	54	48	49	36	42	44
Base	(173)	(65)	(29)	(57)	(59)	(156)	(539)

**Table 2.18e Interest in LifeLine Among Customers of non-Traditional Telephone Services by Household Size**

	Household Size					
	1	2	3	4	5 or more	Overall
%	32	35	38	50	58	42
Base	(107)	(195)	(95)	(119)	(121)	(637)

**Table 2.18f Interest in LifeLine Among Customers of non-Traditional Telephone Services by VC Service Type**

	VC Type			
	Wireless Only	Wireless + Landline	Landline Only	Overall
%	34	49	47	41
Base	(317)	(278)	(51)	(646)

Source for Tables 2.1d through 2.1f: Q15, Q28, Q34, Q18, and hhtype

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## Chapter Three

### Characteristics of LifeLine Subscribers and Qualified Non-Subscribers

This chapter examines customer characteristics and selected customer behaviors in terms of their LifeLine awareness, qualification, and participation. Characteristics including racial and/or ethnic make-up, household size, age, employment status, and presence of broadband, additional landline service features, a cellular data plan, or multiple wireless lines are all compared by the percentage of households aware of LifeLine, the percentage currently subscribing to LifeLine, the percentage of qualified non-subscribers, and rates of LifeLine awareness among non-subscribers. This chapter also summarizes household wireless use by LifeLine subscribers and qualified non-subscribers, presenting mean and median costs for both landline and wireless service, percentage of all households likely to cancel landline service in the next twelve months, and percentage likely to cancel among households with wireless service.

Across all households, a little over half (54%) have heard of LifeLine with 39% not in the program and 16% in the program. Based on self-reports of income and household size alone, about one fifth of households overall qualify for LifeLine but do not subscribe. LifeLine awareness and subscriber rates vary by race and/or ethnicity. Among all customers, 60% of non-Latino whites have heard of the program, compared to about half (49%) of Latinos, and about one third (35%) of Asians. These differences become even more striking when considered against the percentage of qualified households. Among non-Latino whites, almost three times as many have heard of LifeLine than are qualified (60% versus 22%), whereas 57% of African Americans have heard of LifeLine while 36% qualify, 35% of Asians have heard of LifeLine while 22% qualify and fewer Latinos have heard of LifeLine than are qualified (49% versus 56%).

LifeLine awareness and subscriber rates vary considerably by age of household spokesperson. Among all customers, almost two thirds (63%) of those in the oldest age group have heard of the program, compared to only one quarter of those in the youngest age group. Although those who are employed and those who are unemployed have approximately equal LifeLine awareness rates (51% versus 53%), those who are unemployed are about twice as likely to qualify for LifeLine as those who are employed.

Among all customers, LifeLine awareness does not vary by whether or not a customer has broadband service in their home, and about half (54%) of all those with broadband service have heard of the LifeLine program. LifeLine awareness varies somewhat by whether or not a household has more than basic landline telephone service. Among all customers, those with more than basic service are moderately more likely to have heard of LifeLine than customers with only basic service, and 60% of those with at least one additional service feature have heard of the LifeLine program.

LifeLine subscribers are much less likely to have wireless service in the household (49%) than customers overall (82%) and than qualified non-subscribers (79%). But it does not appear that the presence of wireless impact the likelihood of canceling LifeLine service. Among all households and among wireless-served households, fewer LifeLine subscribers have considered canceling their landline service than those in qualified non-subscribing households. Among all households, only 4% of LifeLine subscribers say they may cancel in the next 12 months, compared to 11% of qualified non-subscribers. Among wireless-served households, only 6% of LifeLine subscribers say they may cancel landline service, compared to 14% of qualified non-subscribers.

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### 3.1 Race/Ethnicity of Residential Customers by LifeLine Status

This section describes customer distribution by racial or ethnic identification in terms of LifeLine awareness, qualification, and participation rates using all households as a base. Then using only those households which qualify but do not subscribe to LifeLine as a base, the table below presents the proportion aware versus unaware of the LifeLine program.

#### Findings

- Across all households, a little over half (54%) are aware of LifeLine with 39% not in the program and 16% in the program. Based on self-reports of income and household size alone, about one fifth of households overall qualify for LifeLine but do not subscribe.
- LifeLine awareness and subscriber rates vary by race and/or ethnicity. Among all customers, 60% of non-Latino whites have heard of the program, compared to about half (49%) of Latinos, and about one third (35%) of Asians.
- These differences become even more striking when considered against the percentage of qualified households. Among non-Latino whites, almost three times as many have heard of LifeLine than are qualified (60% versus 22%), whereas 57% of African Americans have heard of LifeLine while 36% qualify, 35% of Asians have heard of LifeLine while 22% qualify and fewer Latinos have heard of LifeLine than are qualified (49% versus 56%).
- Among all customers, Latinos are more likely than those of other races/ethnicities to be in qualified non-subscribing households. Nearly one third of all Latinos (31%) have this LifeLine status compared to only 24% of African Americans, 14% of non-Latino whites, and 13% of Asians or Pacific Islanders.
- When considering only qualified non-subscribers, awareness rates between non-Latino whites and Latinos still vary, with 49% of non-subscribing whites LifeLine-aware and 37% of non-subscribing Latinos LifeLine-aware.

**Table 3.1 Race/Ethnicity of Residential customers by LifeLine Status**

<b>Race/Ethnicity</b>						
	<i>White</i>	<i>African American</i>	<i>Latino</i>	<i>Asian or Pacific Islander</i>	<i>American Indian</i>	<i>Total</i>
	%	%	%	%	%	%
<b>Aware of LifeLine</b>	60	57	49	35	70	54
Have LifeLine	11	15	25	9	25	16
Don't Have LifeLine	49	42	23	26	45	39
<b>Eligible for LifeLine</b>	22	36	56	22	40	34
Have LifeLine	8	12	25	9	11	14
Don't Have LifeLine	14	24	31	13	29	20
Base	(645)	(91)	(402)	(116)	(20)	(1274)
<b>Among Eligible but Don't Have</b>						
Aware	49	41	37	20	50	43
Unaware	51	59	63	80	50	57
Base	(89)	(22)	(126)	(15)	(6)	(258)

Source: llaware, llqual, llne, and Q36

### 3.2 Household Size by LifeLine Status

This section describes the distribution of customers by household size in terms of LifeLine awareness, qualification, and participation rates using all households as a base. Then using only those households which qualify but do not subscribe to LifeLine as a base, the table below presents the proportion aware versus unaware of the LifeLine program by household size.

#### Findings

- LifeLine awareness and subscriber rates vary by household size. Among all customers, almost two thirds (64%) of 1-person households have heard of the program, compared to less than half (46%) of 4-person households, and just half of 3-person households.
- When considered against the percentage of qualified households, among 2-person households, about twice as many have heard of LifeLine than are qualified (53% versus 24%), whereas 55% of households with 5 or more members have heard of LifeLine while 57% qualify.
- Among all customers, those in households with 5 or more members are nearly twice as likely as others to be in qualified non-subscribing households. About 40% of the largest households have this LifeLine status compared to only 21% overall.
- When considering only qualified non-subscribers, awareness rates between households of different sizes still vary, with 56% of those in 1-person households LifeLine-aware, 45% of those in 5+ households LifeLine-aware, and only 26% of those in 2-person households LifeLine-aware.

**Table 3.2 Household Size by LifeLine Status**

Household Size						
	1	2	3	4	5 or more	Overall
	%	%	%	%	%	%
<b>Aware of LifeLine</b>	64	53	50	46	55	57
Have LifeLine	25	10	11	14	19	17
Don't Have LifeLine	39	44	39	32	36	40
<b>Qualify for LifeLine</b>	40	24	11	38	57	35
Have LifeLine	20	8	11	12	17	14
Don't Have LifeLine	20	16	0	26	40	21
Base	(308)	(393)	(182)	(228)	(218)	(1329)
<b>Among Qualified but Don't Have</b>						
Aware	56	26	0	34	45	41
Unaware	44	74	0	66	55	59
Base	(63)	(65)	(0)	(59)	(86)	(273)

Source: Iaware, Iqual, Iline, and Q18

### 3.3 Respondent Age by LifeLine Status

This section describes the distribution of customers by age of household spokesperson in terms of LifeLine awareness, qualification, and participation rates using all households as a base. Then using only those households which qualify but do not subscribe to LifeLine as a base, the table below presents the proportion aware versus unaware of the LifeLine program by age group.

#### Findings

- LifeLine awareness and subscriber rates vary considerably by age of household spokesperson. Among all customers, almost two thirds (63%) of those in the oldest age group have heard of the program, compared to only one quarter of those in the youngest age group. Compared to 18 to 29 year olds, all customers 30 years of age or older were more than twice as likely to have heard of the program.
- Again, these LifeLine awareness gaps become even more striking when considered against the percentage of qualified households. Among 18 to 29 year olds, only 25% have heard of LifeLine while 42% live in qualified households. In contrast, 61% of 30 to 39 year olds have heard of LifeLine while 47% live in qualified households, 59% of 40 to 59 year olds have heard of LifeLine while 24% live in qualified households, and 63% of those 60 and older have heard of LifeLine while 34% live in qualified households.
- Among all customers, 18 to 39 year olds are more likely than those 40 years of age or older to live in a qualified non-subscribing household. About 34% of those in the youngest age group and 31% of those 30 to 39 years of age are qualified nonsubscribers compared to only 12 – 17% of those 40 or older.
- Among qualified non-subscribers, awareness rates still vary considerably by age of household spokesperson, with 88% of 18 to 29 year olds in this sub-group saying they are unaware of the LifeLine program. In contrast, across all other respondent age groups, about 42 – 50% say they are unaware of the program.



**Table 3.3 Age of Residential Customers by LifeLine Status**

<b>Age</b>					
	<i>18 – 29 years old</i>	<i>30 - 39 years old</i>	<i>40 - 59 years old</i>	<i>60 years or older</i>	<i>Overall</i>
	%	%	%	%	%
<b>Aware of LifeLine</b>	25	61	59	63	54
Have LifeLine	9	16	14	21	15
Don't Have LifeLine	16	45	45	42	39
<b>Qualify for LifeLine</b>					
Have LifeLine	8	16	12	17	13
Don't Have LifeLine	34	31	12	17	21
Base	(244)	(235)	(456)	(384)	(1319)
<b>Among Qualified but Don't Have</b>					
Aware	12	58	50	50	41
Unaware	88	42	50	50	59
Base	(82)	(73)	(54)	(64)	(273)

Source: Iaware, Iqual, Iline, and Q35

### 3.4 Employment status by LifeLine Status

The following table presents the distribution of customers by current employment status in terms of LifeLine awareness, qualification, and participation rates using all households as a base. Then using only those households which qualify but do not subscribe to LifeLine as a base, the table also presents the proportion aware versus unaware of the LifeLine program by employment status.

#### Findings

- LifeLine awareness and subscriber rates vary by employment status. Among all customers, almost two thirds (64%) of those who are not in the workforce have heard of the program, compared to only about half (51%) of those who are currently employed.
- Although those who are employed and those who are unemployed have approximately equal LifeLine awareness rates (51% versus 53%), those who are unemployed are about twice as likely to qualify for LifeLine as those who are employed. Among those who are unemployed, 48% live in qualified households in contrast to only about one quarter (23%) of those who are employed. Those who are not in the workforce are also nearly twice as likely to live in qualified households as those who are employed; however, they also report a relatively high rate of LifeLine awareness (64%).
- Among all customers, 26% of those who are unemployed and 24% of those who are not in the workforce live in a qualified non-subscribing household, which is measurably higher than the 16% of qualified non-subscribers among those who are currently employed.
- When considering only qualified non-subscribers, awareness of the LifeLine program does not vary by employment status. Awareness ranges from 35% among unemployed non-subscribers to 51% among those non-subscribers who are not in the workforce.

**Table 3.4 Employment Status of Residential Customers by LifeLine Status**

<b>Employment Status</b>				
	<i>Employed</i>	<i>Unemployed</i>	<i>Not in workforce</i>	<i>Overall</i>
	%	%	%	%
<b>Aware of LifeLine</b>	<b>51</b>	<b>53</b>	<b>64</b>	<b>55</b>
Have LifeLine	9	25	23	16
Don't Have LifeLine	43	28	41	39
<b>Qualify for LifeLine</b>	<b>23</b>	<b>48</b>	<b>43</b>	<b>33</b>
Have LifeLine	7	22	19	13
Don't Have LifeLine	16	26	24	30
Base	(710)	(301)	(315)	(1326)
<b>Among Qualified but Don't Have</b>				
Aware	40	35	51	42
Unaware	60	65	49	58
Base	(114)	(78)	(75)	(267)

Source: Iaware, Iqual, Iline, and Q37

### 3.5 Presence of Selected Telephone Features/Equip. by LifeLine Status

The following table presents an overview of households by the presence of selected communication services, features and equipment in terms of LifeLine awareness, qualification, and participation rates using all households as a base. The communications services and features examined include a) DSL or broadband in the household (through any service), b) landline phone service that includes one or more add-on features beyond basic service (broadband, television, long distance, other lines or a cellular plan, or added features such as voice mail or call forwarding), c) cellular service with a data plan, d) wireless service with more than one wireless line. Then using only those households which qualify but do not subscribe to LifeLine as a base, the table presents the proportion aware versus unaware of the LifeLine program by each communication service feature.

#### Findings

- Among all customers, LifeLine awareness does not vary by whether or not a customer has broadband service in their home, and about half (54%) of all those with broadband service have heard of the LifeLine program. However, among all qualified non-subscribing households with broadband, customers were more likely to be aware of LifeLine (52%) than unaware (48%). Also, although those who have broadband service in their home are less likely to be LifeLine subscribers than those who do not have broadband, about 23% of all customers who have broadband qualify for LifeLine, and 15% are qualified non-subscribers.
- LifeLine awareness varies somewhat by whether or not a household has more than basic landline telephone service. Among all customers, those with more than basic service are moderately more likely to have heard of LifeLine than customers with only basic service, and 60% of those with at least one additional service feature have heard of the LifeLine program. Although customers who have landline service with more than the basic service features are less likely to be LifeLine subscribers than those who carry only basic service, about 27% of customers who have added services and features qualify for LifeLine, and 14% are qualified non-subscribers. Among all qualified non-subscribing households with more than basic service, customers were more likely to be aware of LifeLine (56%) than unaware (44%).
- Awareness gaps become more evident when examining customers with cellular data plans and/or multiple wireless lines. Less than half of both customer groups have heard of LifeLine (42% and 47%, respectively), although a sizeable proportion of those with a cellular data plan (25%) and those with multiple wireless lines in the home (21%) qualify for the program. Finally, among qualified non-subscribers, over 70% of these sub-sets of wireless customers say they have never heard of LifeLine.

**Table 3.5 Presence of Selected Telephone Features/Equip. by LifeLine Status**

<b>Communications Service Features/Types</b>					
	<i>Has DSL / Broadband</i>	<i>Has Added Service Features</i>	<i>Has Cellular Data Plan</i>	<i>Has Multiple Wireless Lines</i>	<i>Overall</i>
	%	%	%	%	%
<b>Aware of LifeLine</b>	<b>54</b>	<b>60</b>	<b>42</b>	<b>47</b>	<b>53</b>
Have LifeLine	10	17	2	6	10
Don't Have LifeLine	45	44	40	41	43

<b>Qualify for LifeLine</b>	<b>23</b>	<b>27</b>	<b>25</b>	<b>21</b>	<b>24</b>
Have LifeLine	8	13	1	5	8
Don't Have LifeLine	15	14	24	16	16
16Base	(941)	(819)	(307)	(511)	(2578)

<b>Among Qualified but Don't Have</b>					
Aware	52	56	30	28	28
Unaware	48	44	70	72	72
Base	(143)	(113)	(73)	(81)	(81)

Source: llaware, llqual, llline, Q26 and features

### 3.6 Summary of Wireless Use by LifeLine Status

The following table summarizes households by the presence of wireless phones (single and multiple) and percentage likely to cancel landline during the next twelve months among all households, among LifeLine subscriber households, and among qualified non-subscriber households. Then considering only households with wireless service, the table compares mean and median self-reports of the cost of landline service and wireless service and presents the percentage of customers likely to cancel landline service in the next twelve months by LifeLine status.

#### Findings

- LifeLine subscribers are much less likely to have wireless service in the household (49%) than customers overall (82%) and than qualified non-subscribers (79%).
- For all customers and for qualified non-subscribers, patterns of cellular service vary from LifeLine subscribers in that the proportion of all households (45%) and non-subscribing households (49%) with one wireless line (versus multiple wireless lines) is higher than the proportion of LifeLine subscribers with a single wireless line (15%). LifeLine subscriber households with wireless service are about twice as likely to have multiple rather than one wireless line on their plan.
- Among all households and among wireless-served households, fewer LifeLine subscribers have considered canceling their landline service than those in qualified non-subscribing households. Among all households, only 4% of LifeLine subscribers say they may cancel during the next 12 months, compared to 11% of qualified non-subscribers. Among wireless-served households, only 6% of LifeLine subscribers say they may cancel landline service, compared to 14% of qualified non-subscribers. Likelihood to cancel landline service does not appear to vary by LifeLine status as a function of the presence of wireless service as examined below.
- Across all sub-groups considered below, reported mean and median costs for landline phone service are less than reported mean and median costs for wireless service. For qualified non-subscribers the landline service cost mean is about 82% of wireless service, among all customers the landline service cost mean is about 77% of wireless service, and for LifeLine subscribers, the landline service cost mean is just 64% of wireless service.

**Table 3.6 Summary of Wireless Use by LifeLine Status**

	<i>All Customers</i>	<i>LifeLine Subscribers</i>	<i>LifeLine-Qualified Non-Subscribers</i>
	%	%	%
<b>Among All Households</b>			
Have wireless line in household	<b>82</b>	<b>49</b>	<b>79</b>
Single wireless line	45	15	49
Multiple wireless lines	37	34	30

<b>Likely to Cancel Landline</b>	<b>7</b>	<b>4</b>	<b>11</b>
Base	(1377)	(219)	(273)

<b>Among Wireless Households</b>			
Mean cost for landline	\$77.77	\$46.39	\$69.76
Median cost for landline	\$60.00	\$36.38	\$54.00

<b>Mean cost for wireless line(s)</b>	\$101.62	\$72.24	\$84.93
<b>Median cost for wireless line(s)</b>	\$85.00	\$65.50	\$62.00

<b>Likely to Cancel Landline</b>	<b>8</b>	<b>6</b>	<b>14</b>
Base	(1127)	(108)	(215)

Source: wireless by hhtype

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## Chapter Four

### Perceived Affordability of Phone Service

This chapter examines customers' LifeLine status and their perceived affordability of both wireless and landline residential telephone service in terms of available demographic, household, and service characteristics, such as race/ethnicity, age, income, and presence and type of additional VC services and features. Reported total typical monthly charges for landline service and for wireless service are then examined by perceived affordability. Finally, this chapter examines the factors that households claim make their landline phone service difficult to afford in terms of the household spokesperson's race/ethnicity, age, and employment status as well as by the gross annual household income, and by how many household members rely on the service.

Approximately 30% of all customers, 27% of LifeLine subscribers and 36% of qualified non-subscribers feel their landline service is not affordable. Many more 40 to 59 year olds find their landline service to be not affordable (34%) than 18 to 29 year olds (16%), and customers over 29 years of age are more likely than younger customers to say their landline service is not affordable (28 – 34% versus 16%). About one third (36%) of the respondents in households with incomes between \$50,001 and \$75,000 say their landline phone service is not affordable compared to only 23% of those with incomes between \$34,001 and \$39,800 and only 24% of those with incomes more than \$75,000. Among all households combined, about 39% of those with basic service + 5 additional service features and 38% of those with basic + 3 additional service features feel their landline bill is not affordable, as opposed to only 19% of those with only basic service. (4.4a)

Among those who say their wireless service is affordable, the mean cost is \$97 per month (median \$80) in contrast to those who say the service is not affordable, who pay an average of \$113 per month (median \$100). Among the affordable group, 46% also have landline service, which is virtually the same among the not affordable group (47%). Monthly landline bills among the affordable group average \$83 (median \$75), while those in the not affordable group pay \$86 per month (median \$70). (4.7)

Latinos are more likely than other racial or ethnic groups to say long distance or international calling makes residential landline service hard to afford (4.8). Younger customers (those less than 40 years old) are more likely than older customers to say talking too long or making too many calls makes service hard to afford (22 – 26% versus 9 – 17%, respectively) (4.9). Those who earn \$24,000 or less were almost four times as likely as those who earn more than \$75,000 to say long distance or international calling makes their phone service hard to afford (4.10).

#### 4.1 Perceived Affordability of Landline Telephone Service by Race/Ethnicity and LifeLine Status

Table 4.1 reports the percentage of households that say their monthly landline phone bill is not affordable among all households, among all LifeLine subscribers, and among all qualified non-subscribers by the race/ethnicity of the household spokesperson. Perceived affordability of landline phone service was measured by a single item which asked customers whether they found the amount of their total typical monthly landline phone bill affordable.

##### Findings

- Approximately 30% of all customers, 27% of LifeLine subscribers and 36% of qualified non-subscribers feel their landline service is not affordable. Among all households, among all LifeLine subscribers, and among all qualified non-subscribers perceived affordability of landline telephone service does not vary by race/ethnicity. Apparent differences presented are not large enough to reach statistical significance.
- However, fewer non-Latino white LifeLine subscribers feel their landline service is not affordable (22%) compared to non-Latino whites in qualified non-subscribing households (38%). The same holds true for African American LifeLine subscribers (25%) versus qualified non-subscribers (58%). Among these sub-groups, LifeLine subscribers find their landline service more affordable than qualified non-subscribers.

**Table 4.1 Perceived Affordability of Landline Telephone Service by Race/Ethnicity and LifeLine Status**

	<i>White</i>	<i>African American</i>	<i>Latino</i>	<i>Asian or Pacific Islander</i>	<b>Overall</b>
	%	%	%	%	%
<b>All Customers</b>					
Not Affordable	<b>29</b>	<b>41</b>	<b>31</b>	<b>21</b>	<b>30</b>
Base	(511)	(59)	(268)	(76)	(941)
<b>LifeLine Subscribers</b>					
Not Affordable	<b>22</b>	<b>25</b>	<b>29</b>	<b>25</b>	<b>27</b>
Base	(67)	(12)	(100)	(12)	(139)
<b>LifeLine-Qualified Non-Subscribers</b>					
Not Affordable	<b>38</b>	<b>58</b>	<b>32</b>	<b>38</b>	<b>36</b>
Base	(56)	(12)	(63)	(8)	(139)

Source: Q6, Q36

## 4.2 Perceived Affordability of Landline Telephone Service by Age and LifeLine Status

The following table presents the percentage of households that say their monthly landline phone bill is not affordable among all households, among all LifeLine subscribers, and among all qualified non-subscribers by respondent age.

### Findings

- Perceived affordability varies by age among all households combined, but not within the LifeLine subscriber or non-subscriber groups. Many more 40 to 59 year olds find their landline service to be not affordable (34%) than 18 to 29 year olds (16%), and customers over 29 years of age are more likely than younger customers to say their landline service is not affordable (28 – 34% versus 16%).
- The highest percentage of customers who feel their landline service is not affordable appears to be among qualified non-subscribers age 40 to 59 (45%), followed by qualified non-subscribers age 18 to 29 (40%), although small sample sizes in these sub-groups limit analysis.

**Table 4.2 Perceived Affordability of Landline Telephone Service by Age and LifeLine Status**

	<i>18 – 29</i>	<i>30 – 39</i>	<i>40 - 59</i>	<i>60+</i>	<i>Overall</i>
<b>All Customers</b>					
Not Affordable	16	30	34	28	29
Base	(95)	(139)	(379)	(352)	(965)
<b>LifeLine Subscribers</b>					
Not Affordable	10	27	35	27	28
Base	(21)	(37)	(65)	(78)	(201)
<b>LifeLine Qualified Non-Subscribers</b>					
Not Affordable	40	25	45	33	36
Base	(25)	(32)	(38)	(54)	(149)

Source: Q6, Q35

### 4.3 Perceived Affordability of Landline Telephone Service by Annual Gross Income and LifeLine Status

The following table presents the percentage of households that say their monthly landline phone bill is not affordable among all households, among all LifeLine subscribers, and among all qualified non-subscribers by gross annual household income.

#### Findings

- Perceived affordability varies by household income among all households combined, but not within the LifeLine subscriber or non-subscriber groups. About one third (36%) of the respondents in households with incomes between \$50,001 and \$75,000 say their landline phone service is not affordable compared to only 23% of those with incomes between \$34,001 and \$39,800 and only 24% of those with incomes more than \$75,000.
- Within the lowest income levels reported, perceived affordability did not appear to vary much as 31% to 37% of all customers, regardless of their LifeLine status, found their landline bill not affordable.

**Table 4.3 Perceived Affordability of Landline Telephone Service by Annual Gross Income and LifeLine Status**

	\$24,000 OR LESS	\$24,001 - \$34,000	\$34,001 - \$39,800	\$39,801 - \$50,000	\$50,001 - \$75,000	Over \$75,000	Overall
	%	%	%	%	%	%	%
<b>All Customers</b>							
Not Affordable	33	32	23	30	36	24	30
Base	(252)	(127)	(40)	(64)	(90)	(257)	(830)
<b>LifeLine Subscribers</b>							
Not Affordable	31	23	38	17	0	33	29
Base	(123)	(31)	(8)	(6)	(3)	(6)	(177)
<b>LifeLine- Qualified Non-Subscribers</b>							
Not Affordable	37	33	17	0	0	0	35
Base	(115)	(27)	(6)	(0)	(0)	(0)	(148)

Source: Q6, Q34

#### 4.4 Perceived Affordability of Landline Telephone Service by Presence of additional Service Features and/or Equipment and LifeLine Status

The following tables present the percentage of households that say their monthly landline phone bill is not affordable among all households, among all LifeLine subscribers, and among all qualified non-subscribers by the number and type of additional service features and/or equipment on the landline phone bill. The findings below summarize data presented in Tables 4.4a and 4.4b.

##### Findings

- Among all three sub-groups, perceived affordability varies by number of additional service features. Among all households combined, about 39% of those with basic service + 5 additional service features and 38% of those with basic + 3 additional service features feel their landline bill is not affordable, as opposed to only 19% of those with only basic service. (4.4a)
- At least among customers with basic + 1 or 2 additional service features, qualified non-subscribers appear more likely than LifeLine subscribers to feel their service is not affordable. (4.4a)
- Among all households combined perceived affordability is generally higher among those with fewer additional service features. However, among LifeLine subscribers and qualified non-subscribers, the relationship between affordability and number of service features may be difficult to determine due to small sample sizes in some sub-groups. (4.4b)
- Perceived affordability also varies by the type of features added to the landline service. Among all customers and among qualified non-subscribers, those with broadband service are more likely to say their service is not affordable than those without broadband. Among all customers and among qualified non-subscribers, those with long distance service are also more likely to say their service is not affordable than those without long distance. (4.4a)
- A relatively high proportion of qualified non-subscribers who have broadband say service is not affordable (45%) compared to those LifeLine subscribers with broadband who say it is not affordable (35%). Similarly, a higher proportion of qualified non-subscribers with long distance service say service is not affordable (48%) compared to subscribers with long distance service (32%). (4.4b)



**Table 4.4a Perceived Affordability of Landline Service  
by Number of Additional Service Features and LifeLine Status**

	Basic Only	Basic + 1 feature	Basic + 2 features	Basic + 3 features	Basic + 4 features	Basic + 5 features
	%	%	%	%	%	%
<b>All Customers</b>						
Not Affordable	19	31	31	38	34	39
Base	(226)	(259)	(206)	(161)	(118)	(36)
<b>LifeLine Subscribers</b>						
Not Affordable	26	22	31	59	33	50
Base	(78)	(73)	(39)	(17)	(3)	(2)
<b>LifeLine- Qualified Non-Subscribers</b>						
Not Affordable	16	44	41	38	56	0
Base	(44)	(41)	(29)	(16)	(16)	(2)

Source: Q6, Q3

**Table 4.4b Perceived Affordability of Landline Service  
by Type of Additional Service Features and LifeLine Status**

	<i>DSL / Broadband</i>	<i>TV Service</i>	<i>Long Distance</i>	<i>Extra Line(s) / Cell Plan</i>	<i>Other Features</i>
	%	%	%	%	%
<b>All Customers</b>					
Not Affordable	34	35	34	33	35
Base	(512)	(263)	(532)	(153)	(349)
<b>LifeLine Subscribers</b>					
Not Affordable	35	43	32	25	42
Base	(69)	(14)	(82)	(12)	(48)
<b>LifeLine- Qualified Non-Subscribers</b>					
Not Affordable	45	33	48	29	53
Base	(60)	(33)	(66)	(17)	(43)

Source: Q6, Q3

#### 4.5 Reported Typical Monthly Landline Bill by Perceived Affordability of Landline Service and LifeLine Status

The following table presents the percentage of households who say their landline bill is affordable versus not affordable, and within each sub-group, the mean and median landline bill, the percentage with wireless service, and the mean and median bill for that wireless service. These data are further presented by all customers combined, by all LifeLine subscribers, and by all qualified non-subscribers, for comparison purposes.

PRI measured perceived affordability of residential landline phone service by a single item which asked customers whether they found the amount of their total typical monthly landline phone bill affordable. Total typical monthly landline bill is based on respondent testimony only. PRI asked all respondents in households with landline service what the total typical bill was for the line, with estimates to include basic phone service and all additional services and features, including but not limited to multiple lines, long distance service, cellular plans, internet service, television service, and any taxes, surcharges or fees.

##### Findings

- Among all customers, 70% say their bill is affordable and 30% say it is not affordable. Among those who find it affordable, monthly bills average \$60 (median \$42) compared to \$88 (median \$70) among those who do not find it affordable. About 75% of those who say their bill is affordable have wireless service, as opposed to 81% of those who say their bill is not affordable. Among the affordable group, wireless service averages \$114 per month (median \$100). Among the not affordable group, wireless service costs virtually the same at \$113 per month (median \$100).
- Among all LifeLine subscribers, 72% say their bill is affordable and 28% say it is not affordable. Among LifeLine subscribers who find it affordable, monthly bills average \$32 (median \$23) compared to \$53 (median \$45) among LifeLine subscribers who do not find it affordable. About 46% of LifeLine subscribers who say their bill is affordable have wireless service, as opposed to 58% of LifeLine subscribers who say their bill is not affordable. Within the affordable group, wireless service averages \$82 per month (median \$88). Among the not affordable group, wireless service costs considerably less at \$44 per month (median \$43).
- Among qualified non-subscribers, 64% say their bill is affordable and 36% say it is not. Among those who find it affordable, bills average \$42 (median \$25) compared to \$87 (median \$70) among those who do not find it affordable. About 60% of non-subscribers who say their bill is affordable have wireless service, as opposed to 72% among the not affordable group. Within the

affordable group, wireless service averages \$99 per month (median \$93). Among the not affordable group, wireless service averages \$126 per month (median \$68)

#### 4.5 Reported Typical Monthly Landline Bill by Perceived Affordability of Landline Service and LifeLine Status

	<i>All Customers</i>	<i>LifeLine Subscribers</i>	<i>Qualified Non-Subscribers</i>
	%	%	%
<b>Landline Affordable</b>	70	72	64
Monthly Landline Costs			
Mean	\$59.81	\$32.37	\$42.34
Median	\$41.67	\$23.10	\$25.00
<b>% with Wireless</b>	75	46	60
Monthly Wireless Costs			
Mean	\$113.90	\$82.21	\$99.29
Median	\$100.00	\$87.93	\$93.46
<b>Landline Not Affordable</b>	30	28	36
Monthly Landline Costs			
Mean	\$88.28	\$53.28	\$87.00
Median	\$70.00	\$44.93	\$69.60
<b>% with Wireless</b>	81	58	72
Monthly Wireless Costs			
Mean	\$112.80	\$44.40	\$125.93
Median	\$100.00	\$43.00	\$67.68
Base	(1008)	(219)	(273)

Source: Q4, Q5A, Q6, Q22, Q24

#### 4.6 Perceived Affordability of Wireless Service by Household and Service Characteristics

Perceived affordability of wireless phone service was measured by a single item which asked customers whether they found the amount of their total typical monthly wireless phone bill affordable. The following tables report the percentage of households with wireless service that respondents say is not affordable. The findings below summarize data presented in Tables 4.6a – 4.6d.

##### Findings

- Perceived affordability of the monthly cost for wireless telephone service varies little by race/ethnicity, respondent age, nor by household income. Overall 28 – 29% of respondents in households with wireless phone service say their monthly bill is not affordable. In general, older respondents appear more likely than younger respondents to say their wireless service is affordable, but these apparent variations among respondents in different age groups do not reach statistical significance. (4.6b)
- Those with a single wireless line on their wireless plan were more likely than those with multiple wireless lines to say their service is affordable, but those whose service includes a data plan did not find their bill less affordable than the overall average. (4.6b)

**Table 4.6a Perceived Affordability of Wireless Service by Race/Ethnicity**

	<i>White</i>	<i>African American</i>	<i>Latino</i>	<i>Asian or Pacific Islander</i>	<i>Overall</i>
Not Affordable	28	25	30	32	29
Base	(232)	(36)	(197)	(73)	(551)

Source: Q25, Q36

**Table 4.6b Perceived Affordability of Wireless Service by Age**

	<i>18 - 29 years old</i>	<i>30 - 39 years old</i>	<i>40 - 59 years old</i>	<i>60 years or older</i>	<i>Overall</i>
Not Affordable	31	29	26	24	28
Base	(190)	(123)	(190)	(59)	(562)

Source: Q25, Q35

**Table 4.6c Perceived Affordability of Wireless Service by Household Income**

	<i>\$24,000 OR LESS</i>	<i>\$24,001 - \$34,000</i>	<i>\$34,001 - \$39,800</i>	<i>\$39,801 - \$50,000</i>	<i>\$50,001 - \$75,000</i>	<i>Over \$75,000</i>	<i>Overall</i>
Not Affordable	32	40	12	23	25	27	28
Base	(127)	(57)	(33)	(52)	(51)	(157)	(477)

Source: Q25, Q34

**Table 4.6d Perceived Affordability of Wireless Service by Presence of Additional Service Features**

	<i>Single Wireless</i>	<i>Multiple Wireless Lines</i>	<i>Includes Data Plan</i>
Not Affordable	23	33	25
Base	(281)	(296)	(302)

Source: Q25, Q21, Q26

#### 4.7 Reported Monthly Wireless Bill by Perceived Affordability of Wireless Service

Table 4.7 presents the mean and median costs for wireless bills by respondents' affordable versus not affordable rating. Within these sub-groups, the percentage of households with landline service and the mean and median costs for landline service are also given.

Total typical monthly wireless bill is based on respondent testimony only. PRI asked respondents in households with wireless service what the total typical bill was for the service, and these estimates include the basic plan plus all additional services and features, including but not limited to multiple phones or numbers, voice mail, text and data plans, and any taxes, surcharges or fees.

##### Findings

- Among those who say their wireless service is affordable, the mean cost is \$97 per month (median \$80) in contrast to those who say the service is not affordable, who pay an average of \$113 per month (median \$100). Among the affordable group, 46% also have landline service, which is virtually the same among the not affordable group (47%). Monthly landline bills among the affordable group average \$83 (median \$75), while those in the not affordable group pay \$86 per month (median \$70).



**Table 4.7 Reported Monthly Wireless Bill by Perceived Affordability of Wireless Service**

	<i>Wireless Costs Are Affordable</i>	<i>Wireless Costs Are Not Affordable</i>
<b>Monthly Cell Costs</b>		
Mean	\$96.58	\$113.23
Median	\$80.00	\$100.00
<b>% with Landline</b>	46	47
<b>Monthly Landline Costs</b>		
Mean	\$82.52	\$85.64
Median	\$75.00	\$70.00
Base	(415)	(163)

Source: Q4, Q5A, Q22, Q24, Q25

#### 4.8 Reasons Landline Phone Service is Hard to Afford by Race/Ethnicity

PRI asked respondents in households with landline service what things make residential landline phone service hard to afford, and the Table 4.8 presents these results by respondent race/ethnicity.

##### Findings

- Latinos are more likely than other racial or ethnic groups to say long distance or international calling makes residential landline service hard to afford. A little over half (53%) of Latinos say the cost of long distance or international calling makes service hard to afford in contrast to only 23% of non-Latino whites, 24% of Asians, and 31% of African Americans.
- Latinos are also about twice as likely as all other groups combined to say talking too long or making too many calls makes residential landline service hard to afford. About one third (32%) of Latinos say the cost of talking too long or making too many calls makes service hard to afford in contrast to only 8% of non-Latino whites, 12% of Asians, and 14% of African Americans.
- Latinos are also about twice as likely as all other groups combined to say not being able to control how others use their phone makes service hard to afford. About one quarter (25%) of Latinos say lack of control over how others use the phone makes service hard to afford in contrast to only 7% of non-Latino whites, 12% of Asians, and 12% of African Americans.
- Latinos and African Americans are more likely than other groups to say costs for extra services like call waiting make service hard to afford. About one third (36%) of Latinos and one third (32%) of African Americans say the costs of these extra services make landline service hard to afford in contrast to only 18% of non-Latino whites and 23% of Asians or Pacific Islanders.
- Across all groups and compared to all other factors that make service hard to afford, a greater proportion of respondents feel fees, taxes, or surcharges make residential phone service hard to afford. Between 49% and 58% of respondents say fees, taxes, or surcharges make service hard to afford, while on average only 13% to 32% of respondents say the overall factors make their landline bill hard to afford.

**Table 4.8 Reasons Landline Phone Service is Hard to Afford by Race/Ethnicity**

	<i>White</i>	<i>African American</i>	<i>Latino</i>	<i>Asian or Pacific Islander</i>	<i>American Indian</i>	<i>Overall</i>
	%	%	%	%	%	%
Long distance / international calls	23	31	53	24	14	32
Talk too long / make too many calls	8	14	32	12	--	16
Can't control how others use phone	7	12	25	12	14	13
Extra services like call waiting	18	32	36	23	33	24
Charges for local calls	25	42	31	33	25	28
Fees, taxes or surcharges	49	53	58	57	43	53
Base	(341)	(35)	(171)	(41)	(7)	(604)

Source: Q13, Q36

#### 4.9 Reasons Landline Phone Service is Hard to Afford by Age

The table below presents the percentages of respondents within each age group that say each factor (aided) makes residential landline phone service hard to afford.

##### Findings

- The cost of long distance or international calling makes service hard to afford for 53% of those 18 to 29 years old, compared to only 26 – 27% of those 40 years of age or older.
- Younger customers (those less than 40 years old) are more likely than older customers to say talking too long or making too many calls makes service hard to afford (22 – 26% versus 9 – 17%, respectively).
- About a quarter (25%) of customers less than 30 years old say not being able to control how others use their phone makes service hard to afford, compared to only 8 – 16% of customers 30 years of age or older.
- The cost of extra services like call waiting makes service hard to afford for 30 – 32% of customers less than 60 years of age, while only 12% of customers 60 years of age or older say this factor makes their phone bill hard to afford.
- Over one third of those 30 to 39 years old (36%) say charges for local calls make their phone bill hard to afford, which was higher than respondents in all other age groups.
- Over half of all respondents across all age groups feel fees, taxes, or surcharges make their phone bill hard to afford.

**Table 4.9 Reasons Landline Phone Service is Hard to Afford by Age**

	<i>18 - 29 years old</i>	<i>30 - 39 years old</i>	<i>40 - 59 years old</i>	<i>60 years or older</i>	Overall
Long distance / international calls	53	40	27	26	31
Talk too long / make too many calls	22	26	17	9	15
Can't control how others use phone	25	16	13	8	13
Extra services like call waiting	31	32	30	12	23
Charges for local calls	28	36	29	22	27
Fees, taxes or surcharges	54	51	50	53	52
Base	(58)	(80)	(233)	(246)	(617)

Source: Q13, Q35

#### 4.10 Reasons Landline Phone Service is Hard to Afford by Annual Gross Income

The table below presents the percentages of respondents within each age group that say each factor (aided) makes residential landline phone service hard to afford.

##### Findings

- In general, the cost of long distance or international calling is more likely to make phone service hard to afford for those in lower income brackets. Those who earn \$24,000 or less were almost four times as likely as those who earn more than \$75,000 to say long distance or international calling makes their phone service hard to afford.
- About 22% of customers in the lowest income bracket and 26% of those who earn between \$34,001 and \$39,800 say talking too long or making too many calls makes service hard to afford. Those in other income groups are less likely to feel this factor affects the affordability of their phone service.
- About 19% of those who make between \$34,001 and \$39,800 and about 17% of those who make \$24,000 or less say not being able to control how others use their phone makes service hard to afford, whereas only 7% of those who make between \$39,801 and \$50,000 and only 8% of those who make more than \$75,000 say this factor affects the affordability of their phone service.
- The cost of extra services like call waiting makes service hard to afford for 23 – 29% of customers across all income categories except among those who make more than \$75,000 per year. Among this highest income bracket, only 14% feel the cost of extra services like call waiting makes their phone bill hard to afford.
- Perceptions about the affordability of charges for local calls did not vary substantially across income categories.
- Except for those in the highest income bracket, more than half of customers across all other income categories feel fees, taxes, or surcharges make their phone bill hard to afford.

**Table 4.10 Reasons Landline Phone Service is Hard to Afford by Annual Gross Income**

	\$24,000 OR LESS	\$24,001 - \$34,000	\$34,001 - \$39,800	\$39,801 - \$50,000	\$50,001 - \$75,000	Over \$75,000	Overall
	%	%	%	%	%	%	%
Long distance / international calls*	47	33	37	37	28	12	32
Talk too long / make too many calls	22	18	26	16	9	6	15
Can't control how others use phone	17	12	19	7	13	8	13
Extra services like call waiting	29	26	27	23	29	14	24
Charges for local calls	30	29	38	22	31	24	28
Fees, taxes or surcharges	54	53	70	59	59	41	52
Base	(167)	(83)	(26)	(41)	(54)	(140)	(511)

Source: Q13, Q34

#### 4.11 Reasons Landline Phone Service is Hard to Afford by Employment Status

Table 4.11 presents the percentages of respondents who are employed, unemployed and not in the workforce who say each factor makes residential landline phone service hard to afford.

##### Findings

- Perceptions about the affordability of charges for long distance or international calling did not vary by substantially employment status, nor did perceptions about how talking too long or making too many calls affects the affordability of landline phone service. Perceptions about how the cost of extra services like call waiting impacts the affordability of service also does not vary by employment status.
- Unemployed respondents are about twice as likely as those in other employment groups to feel not being able to control how people use their phone makes service hard to afford.
- Perceptions about the affordability of charges for local calls did vary by employment status with about one third of unemployed respondents (36%) saying this factor makes their phone bill hard to afford.
- Across all employment status groups, perceptions about the affordability of fees, taxes, or surcharges are equally high, with 51% of those currently employed and 55% of those unemployed saying these charges make their phone bill hard to afford.



**Table 4.1 | Reasons Landline Phone Service is Hard to Afford by Employment Status**

	<i>Employed</i>	<i>Unemployed</i>	<i>Not in workforce</i>	<i>Overall</i>
	%	%	%	%
Long distance / international calls	29	35	33	32
Talk too long / make too many calls	14	21	14	16
Can't control how others use phone	11	21	8	12
Extra services like call waiting	23	30	19	24
Charges for local calls	24	36	27	28
Fees, taxes or surcharges	51	55	52	52
	Base (306)	(136)	(186)	(628)

Source: Q13, Q37

#### 4.12 Reasons Landline Phone Service is Hard to Afford by How Many Household Members Rely on It

The following table presents the percentages of respondents that say each factor (aided) makes residential landline phone service hard to afford by the number of household members who rely on the phone service.

##### Findings

- Overall, concerns about the affordability of each service factor mentioned are highest among those in households where more than 4 household members rely on the residential landline phone service.
- The cost of long distance or international calling makes service hard to afford for 48% of those with 5 or more household members who rely on the service, compared to only 27% of those with 2 household members who rely on the service and only 31% overall who find this factor hard to afford.
- The cost of talking too long or making too many calls makes service hard to afford for 33% of those with 5 or more household members who rely on the service, compared to only 11 – 17% of those with fewer household members who depend on the service.
- About one third (30%) of customers with 5 or more people who rely on the phone service say not being able to control how others use their phone makes the service hard to afford, compared to only 12% overall.
- The cost of extra services like call waiting makes phone service hard to afford for 36% of those with 5 or more people dependent on the service, while only 17% of those who alone rely on the phone service say this factor makes their bill hard to afford.
- Perceptions about the affordability of charges for local calls and the affordability of fees, taxes, or surcharges do not vary substantially by the number of household members who rely on the phone service.

**Table 4.12 Reasons Landline Phone Service is Hard to Afford  
by How Many Household Members Rely on It**

	<i>Self Only</i>	<i>2 people</i>	<i>3 – 4 people</i>	<i>5 or more people</i>	<i>Overall</i>
	%	%	%	%	%
Long distance / international calls	31	27	28	48	31
Talk too long / make too many calls	16	11	17	33	16
Can't control how others use phone	9	12	11	30	12
Extra services like call waiting	17	21	23	36	21
Charges for local calls	26	24	28	28	26
Fees, taxes or surcharges	56	47	53	43	51
Base	(234)	(200)	(61)	(47)	(542)

Source: Q13, Q18

#### 4.13 Characteristics of Customers Disconnected for non-Payment

Because there were only 21 respondents (unweighted) who said their service had been disconnected for non-payment in the past year, PRI cannot perform this analysis. The small sample size prohibits evaluation of these respondents by any other relevant variables, such as by race/ethnicity, employment status, or household income.

## Chapter Five

### Buying Behavior of Residential VC Customers

Chapter Five describes the buying behaviors and motivations of customers of residential VC services across a broad spectrum of customer options, decisions, and primary reasons for those decisions. The tables below examine customer behaviors and motivations by household characteristics in terms of the maximum rate increase LifeLine subscribers versus non-subscribers would tolerate before discontinuing or switching their landline service, the services customers would most likely discontinue in response to such increases, the alternative phones they would use if their landline service was disconnected, intentions to add or discontinue landline service in the next twelve months, and the primary reasons customers would make these hypothetical service changes. The chapter also includes an examination of customers' primary reasons for having or not having landline telephone service in their home. Results are presented by customer characteristics such as race/ethnicity, age, income, household size, and employment status.

Tolerance for LifeLine service increases is understandably low. The service is desirable because it is inexpensive. Customers generally report tolerable increases ranging from \$10 to \$15 dollars. LifeLine customers generally report tolerable increases for all service features anywhere from half to 60% of what non-LifeLine customers report (5.1b, 5.1d, 5.1f, and 5.1h). African Americans are an exception to this general rule; African American LifeLine customers report tolerable increases as high as their non-LifeLine counterparts (5.1b).

Likelihood of discontinuing services did not vary to any great extent by race/ethnicity, age, income, employment status, or household size. Customers seem uniformly consistent in reporting decisions about discontinuing features (5.2).

LifeLine customers are more likely to say they could discontinue basic service in the face of an increase because they cannot afford the cost (5.3f). Among non-LifeLine households, Latinos (26%) also appear to be much more likely than whites (8%) to say that, if rates exceed their maximum tolerable increase, they would discontinue basic service because they cannot afford it. Whites (81%) were more likely than Latinos (63%) and African Americans (38%) to say they would discontinue the service because it would not be worth the cost. (5.3a)

Customers' alternative VC options vary by race/ethnicity with Asians more likely than others to use wireless, Latinos more likely than others to use a public pay phone, African Americans more likely than whites or Asians to use a pre-paid phone card, and Latinos more

likely than others to say they wouldn't use a phone (5.4a). Those age 60 or more were less likely than younger respondents to say they would use a cell or work phone, and more likely than younger respondents to say they wouldn't use a phone (5.4b). Wireless, internet or VoIP use as an alternative to landline service increases with income. About 93% of those earning over \$75,000 say they would use a cell phone in contrast to 42% of those earning \$24,000 or less. In contrast, using a friend or relative's phone, using a public pay phone, and choosing not to use a phone at all decrease as income increases. About one fifth of those who earn \$24,000 or less say they would borrow a phone from a friend or relative, while only 8% of those who earn over \$75,000 say they would do this. (5.4c)

## 5.1 Monthly Rate Increase Customer Would Tolerate by LifeLine Status and Customer Characteristics

Section 5.1 presents the maximum rate increase customers say they would tolerate before they would opt to discontinue or change their current service by race/ethnicity, age, annual income, household size, and household VC service type. Findings below summarize the data presented in Tables 5.1a – 5.1j. In general, sub-group differences which do not reach statistical significance are not discussed, with some noted exceptions.

To determine the mean and median maximum tolerable rate increases presented in the following tables, PRI asked customers to first consider the typical monthly cost they had provided and then to estimate a) the Monthly rate they would pay for their LifeLine service before they would discontinue this service (asked of LifeLine subscribers only), and b) the Monthly amount they would pay for their overall bill, including fees, taxes, and charges for extra services before they would change their current service (asked of all traditional landline customers).

For presentation consistency, Tables 5.1a – 5.1j report mean and median maximum rate increases for each sub-group, regardless of sub-group sample size. However it should be noted that small sample sizes among some sub-groups may prohibit determining reliable estimates and should therefore be considered with due caution. All groups are included to ensure consistency with tables elsewhere in the three volumes of this report, and in the interests of completeness. Readers interested in whether sub-group populations are sufficient to support claims beyond those made in this report should reference the methodological appendix's discussion of confidence intervals and significance levels.

### Findings

- LifeLine customers generally report tolerable increases anywhere from half to 60% of what non-LifeLine customers report (5.1b, 5.1d, 5.1f, and 5.1h). African Americans are an exception to this general rule; African American LifeLine customers report tolerable increases as high as their non-LifeLine counterparts (5.1b).
- Tolerance for LifeLine service increases is understandably low. The service is desirable because it is inexpensive. Customers report tolerable increases of around \$10 to \$15 dollars. It is noteworthy that customers with wireless service have a slightly higher tolerance for increases; odd, given that this sub-group obviously subscribes to alternative phone service (5.1i).

- As we find throughout the three volumes, customers under 30 and 60 or over are the least tolerant of increases (5.1c and 5.1d)
- Tolerance for increases is oddly not strongly related to income. There is a slightly lower tolerance among those earning \$34,000 or less (5.1e and 5.1f).
- Household size has little connection to tolerance for increases (5.1g and 5.1h).
- Households with wireless, as noted above, are willing to tolerate a significantly higher increase (5.1i and 5.1j)



**Table 5.1a Monthly LifeLine Rate Increase Customer Would Tolerate Before Discontinuing Service by Race/Ethnicity**

<b>Maximum LifeLine Increase</b>	<b>Race/Ethnicity</b>			
	<i>White</i>	<i>African American</i>	<i>Latino</i>	<i>Asian or Pacific Islander</i>
	\$	\$	\$	\$
Mean	14.85	25.53	15.52	11.39
Median	10.00	20.00	10.00	7.96
Base	(30)	(10)	(44)	(4)

**Table 5.1b Monthly Overall Rate Increase Customer Would Tolerate Before Changing Service by Race/Ethnicity**

<b>Non-LifeLine Customer</b>	<b>Race/Ethnicity</b>			
	<i>White</i>	<i>African American</i>	<i>Latino</i>	<i>Asian or Pacific Islander</i>
	\$	\$	\$	\$
Mean	87.29	77.70	75.49	61.76
Median	70.00	62.03	67.33	50.00
Base	(180)	(17)	(54)	(30)

  

<b>LifeLine Customer</b>	<b>Race/Ethnicity</b>			
	<i>White</i>	<i>African American</i>	<i>Latino</i>	<i>Asian or Pacific Islander</i>
	\$	\$	\$	\$
Mean	43.03	76.93	39.40	47.75
Median	35.05	75.00	30.00	44.89
Base	(47)	(12)	(68)	(5)

**Table 5.1c Monthly LifeLine Rate Increase Customer Would Tolerate Before Discontinuing Service by Age**

Maximum LifeLine Increase	Age			
	<i>18 - 29 yrs old</i>	<i>30 - 39 yrs old</i>	<i>40 - 59 yrs old</i>	<i>60 yrs or older</i>
	\$	\$	\$	\$
Mean	14.39	17.37	17.86	14.70
Median	10.00	10.93	10.82	10.00
Base	(10)	(19)	(31)	(30)

**Table 5.1d Monthly Overall Rate Increase Customer Would Tolerate Before Changing Service by Age**

Non-LifeLine Customer	Age			
	<i>18 - 29 yrs old</i>	<i>30 - 39 yrs old</i>	<i>40 - 59 yrs old</i>	<i>60 yrs or older</i>
	\$	\$	\$	\$
Mean	68.61	92.12	86.20	77.38
Median	60.28	62.39	70.00	57.45
Base	(28)	(38)	(117)	(107)

LifeLine Customer	\$	\$	\$	\$
Mean	36.08	46.08	50.17	40.24
Median	25.00	40.00	43.79	30.00
Base	(16)	(26)	(48)	(45)

**Table 5.1e Monthly LifeLine Rate Increase Customer Would Tolerate Before Discontinuing Service by Income**

Maximum LifeLine Increase	Income					
	\$24,000 OR LESS	\$24,001 - \$34,000	\$34,001 - \$39,800	\$39,801 - \$50,000	\$50,001 - \$75,000	Over \$75,000
	\$	\$	\$	\$	\$	\$
Mean	16.35	12.47	24.24	16.24	9.10	10.90
Median	10.00	10.00	18.83	16.13	9.50	10.95
	(59)	(13)	(2)	(5)	(2)	(2)

**Table 5.1f Monthly Overall Rate Increase Customer Would Tolerate Before Changing Service by Income**

Non-LifeLine Customer	Income					
	\$24,000 OR LESS	\$24,001 - \$34,000	\$34,001 - \$39,800	\$39,801 - \$50,000	\$50,001 - \$75,000	Over \$75,000
	\$	\$	\$	\$	\$	\$
Mean	67.46	79.84	86.34	76.91	97.27	88.12
Median	48.89	63.91	70.12	70.00	71.73	70.00
Base	(27)	(40)	(13)	(30)	(30)	(106)

  

LifeLine Customer	\$	\$	\$	\$	\$	\$
Mean	38.65	57.90	52.29	77.28	57.59	48.21
Median	30.00	42.95	50.82	55.00	67.44	49.32
Base	(90)	(22)	(2)	(5)	(2)	(2)

**Table 5.1g Monthly LifeLine Rate Increase Customer Would Tolerate Before Discontinuing Service by Household Size**

Maximum LifeLine Rate Increase	Household Size				
	1	2	3	4	5 or more
	\$	\$	\$	\$	\$
Mean	14.10	17.24	18.99	13.33	18.94
Median	10.00	12.03	10.00	10.00	10.00
Base	(29)	(21)	(8)	(16)	(19)

**Table 5.1h Monthly Overall Rate Increase Customer Would Tolerate Before Changing Service by Household Size**

Non-LifeLine Customer	Household Size				
	1	2	3	4	5 or more
	\$	\$	\$	\$	\$
Mean	78.74	79.54	72.88	83.27	97.29
Median	55.34	67.52	61.28	70.00	80.00
Base	(59)	(106)	(41)	(55)	(31)

LifeLine Customer	\$	\$	\$	\$	\$
Mean	39.15	49.61	47.40	42.28	48.03
Median	31.10	40.60	39.81	34.02	35.00
Base	(49)	(27)	(13)	(22)	(28)

**Table 5.1i Maximum LifeLine Rate Increase Customer Would Tolerate Before Discontinuing Service by VC Service Type**

Maximum LifeLine Increase	VC Service Type – LifeLine Subscribers	
	Wireless + Landline	Landline Only
	\$	\$
Mean	16.98	15.05
Median	10.00	10.00
Base	(54)	(43)

**Table 5.1j Maximum Overall Rate Increase Customer Would Tolerate Before Changing Service by VC Service Type**

Maximum Overall Increase	VC Service Type			
	Wireless + Landline, Non-LifeLine	Wireless + Landline, LifeLine	Landline Only, Non-LifeLine	Landline Only, LifeLine
	\$	\$	\$	\$
Mean	\$85.07	\$50.88	\$52.57	\$37.02
Median	\$70.00	\$43.47	\$50.00	\$30.00
Base	(267)	(80)	(36)	(61)

Source for Tables 5.1a through 5.1j: maxlife5, maxrate6, Q34, Q35, Q36, hhsiz, Q37, hhtype

## 5.2 Services Most Likely to Discontinue if Rates Exceed Maximum Tolerable Increase by Customer Characteristics

Section 5.2 examines customers' hypothetical decisions to discontinue or eliminate various phone service features should rates exceed the maximum tolerable increase customers provided in terms of race/ethnicity, age, household income, household size, current employment status, and household VC service type. Percentages given in Tables 5.2a – 5.2f represent the proportion of all households with each service feature that would opt to discontinue or eliminate the feature from their landline phone service if their monthly bill exceeded their maximum tolerable increase. The findings below summarize data included in these tables. In general, sub-group differences which do not reach statistical significance are not discussed, with some noted exceptions.

### Findings

- **Age:** Likelihood to discontinue phone service features did not vary by age except when considering customers' basic service. Over three quarters (78%) of respondents age 18 to 29 years of age say they would be likely to discontinue their basic service if rates exceeded the maximum tolerable increase given, while only 58 – 66% of those in other age groups say they would discontinue their basic service. (5.2b)
- **Income:** Likelihood to discontinue services if rates exceed maximum tolerable increase given did not vary by income. It seems that those earning more than \$39,800 are less willing to discontinue television service, but the number of customers with such service is too low to make this judgment with any certainty. (5.2c)
- **Household Size:** Likelihood of discontinuing services if rates exceed maximum tolerable increase given did not vary by household size. (5.2d)
- **Employment Status:** Customers who are unemployed are less likely to retain television service but more likely to retain extra features, perhaps because of voicemail services often important to job seekers. Those who are not in the workforce are much more willing to discontinue the DSL feature. (5.2e)

- **VC Service Type:** Likelihood to discontinue basic service and extra features such as voice mail or call forwarding if rates exceed the maximum tolerable increase varied by VC service type. Landline customers are much more interested in retaining these extra features. (5.2f)

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**Table 5.2a Services Most Likely to Discontinue if Rates Exceed Maximum Tolerable Increase by Race/Ethnicity**

<b>Service Most Likely to Discontinue</b>	<b>Race/Ethnicity</b>			
	<i>White</i>	<i>African American</i>	<i>Latino</i>	<i>Asian or Pacific Islander</i>
	%	%	%	%
Basic Service	<b>58</b> (209)	<b>48</b> (27)	<b>78</b> (111)	<b>71</b> (34)
DSL/Broadband	<b>52</b> (108)	<b>57</b> (7)	<b>57</b> (47)	<b>55</b> (22)
TV Service	<b>50</b> (24)	<b>75</b> (4)	<b>88</b> (8)	<b>67</b> (3)
Long Distance	<b>63</b> (117)	<b>53</b> (17)	<b>73</b> (45)	<b>63</b> (8)
Added Lines/Cell Plan	<b>53</b> (30)	<b>40</b> (5)	<b>67</b> (12)	<b>33</b> (6)
Extra Features	<b>64</b> (58)	<b>64</b> (14)	<b>74</b> (35)	<b>67</b> (9)

**Table 5.2b Services Most Likely to Discontinue if Rates Exceed Maximum Tolerable Increase by Age**

Service Most Likely to Discontinue	Age			
	18 - 29 yrs old	30 - 39 yrs old	40 - 59 yrs old	60 yrs or older
	%	%	%	%
Basic Service Base	78 (40)	65 (63)	66 (157)	58 (134)
DSL/Broadband Base	67 (18)	43 (35)	54 (82)	55 (55)
TV Service Base	100 (2)	64 (11)	60 (15)	55 (11)
Long Distance Base	82 (11)	67 (30)	65 (79)	62 (77)
Added Lines/Cell Plan Base	44 (9)	75 (8)	50 (24)	58 (12)
Extra Features Base	60 (15)	86 (21)	65 (52)	62 (37)

**Table 5.2c Services Most Likely to Discontinue if Rates Exceed Maximum Tolerable Increase by Annual Gross Income**

Service Most Likely to Discontinue	Income					
	\$24,000 OR LESS	\$24,001 - \$34,000	\$34,001 - \$39,800	\$39,801 - \$50,000	\$50,001 - \$75,000	Over \$75,000
	%	%	%	%	%	%
Basic Service	66 (109)	57 (58)	60 (15)	77 (26)	68 (31)	66 (104)
DSL/Broadband	52 (29)	53 (32)	71 (7)	65 (20)	56 (18)	42 (55)
TV Service	75 (4)	83 (6)	100 (2)	40 (5)	67 (6)	36 (11)
Long Distance	71 (44)	65 (34)	63 (8)	71 (17)	60 (15)	63 (54)
Added Lines/Cell Plan	60 (10)	43 (7)	33 (3)	67 (3)	40 (5)	44 (18)
Extra Features	66 (29)	53 (17)	100 (6)	55 (11)	80 (15)	68 (31)

**Table 5.2d Services Most Likely to Discontinue if Rates Exceed Maximum Tolerable Increase by Household Size**

Service Most Likely to Discontinue	Household Size				
	1	2	3	4	5 or more
	%	%	%	%	%
Basic Service Base	65 (96)	65 (120)	62 (52)	60 (75)	72 (57)
DSL/Broadband Base	65 (37)	48 (62)	44 (25)	58 (33)	50 (34)
TV Service Base	43 (7)	69 (13)	25 (4)	80 (10)	71 (7)
Long Distance Base	58 (50)	68 (63)	71 (24)	69 (32)	63 (30)
Added Lines/Cell Plan Base	33 (9)	69 (16)	33 (6)	50 (12)	55 (11)
Extra Features Base	71 (24)	64 (44)	64 (11)	60 (20)	80 (25)

**Table 5.2e Services Most Likely to Discontinue if Rates Exceed Maximum Tolerable Increase by Employment status**

Service Most Likely to Discontinue	Employment Status		
	<i>Employed</i>	<i>Unemployed</i>	<i>Not in workforce</i>
	%	%	%
Basic Service Base	<b>65</b> (212)	<b>65</b> (86)	<b>64</b> (104)
DSL/Broadband Base	<b>46</b> (112)	<b>55</b> (40)	<b>73</b> (40)
TV Service Base	<b>62</b> (21)	<b>80</b> (5)	<b>57</b> (14)
Long Distance Base	<b>66</b> (100)	<b>68</b> (40)	<b>61</b> (59)
Added Lines/Cell Plan Base	<b>54</b> (37)	<b>44</b> (9)	<b>56</b> (9)
Extra Features Base	<b>70</b> (71)	<b>52</b> (25)	<b>73</b> (30)

**Table 5.2f Services Most Likely to Discontinue if Rates Exceed Maximum Tolerable Increase by Voice Communications (VC) Service Type**

Service Most Likely to Discontinue	VC Type			
	Wireless + Landline, Non-LifeLine	Wireless + Landline, LifeLine	Landline Only, Non-LifeLine	Landline Only, LifeLine
	%	%	%	%
Basic Service	67 (247)	67 (75)	38 (29)	66 (61)
DSL/Broadband	53 (137)	59 (34)	46 (13)	55 (11)
TV Service	62 (34)	67 (3)	-- (0)	75 (4)
Long Distance	64 (135)	68 (25)	47 (15)	77 (26)
Added Lines/Cell Plan	48 (44)	67 (6)	100 (2)	100 (2)
Extra Features	66 (86)	78 (23)	100 (5)	46 (13)

Source for Tables 5.2a through 5.2f: Q10, Q35, Q36, Q34, hhsiz, Q37, hhtype

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### 5.3 Decision to Discontinue Service by LifeLine Status and Customer Characteristics

The following section examines motives given for the hypothetical decision to discontinue basic phone service should rates exceed the maximum tolerable increase customers provided in terms of race/ethnicity, age, household income, household size, current employment status, and household VC service type. PRI asked all respondents who said they would discontinue basic service if their monthly bill exceeded their maximum tolerable increase to provide a reason (aided), and responses were coded to categories as appropriate. Tables 5.3a – 5.3f present the percentage of LifeLine and non-LifeLine households within each sub-group for each reason given, and the findings below summarize these data. In general, sub-group differences which do not reach statistical significance are not discussed, with some noted exceptions.

#### Findings

- **Race/Ethnicity:** Among non-LifeLine households, Latinos (26%) appear to be much more likely than whites (8%) to say that, if rates exceed their maximum tolerable increase, they would discontinue basic service because they cannot afford it. Whites (81%) were more likely than Latinos (63%) and African Americans (38%) to say they would discontinue the service because it would not be worth the cost. (5.3a)
- **Age:** Likelihood to discontinue services if rates exceed the maximum tolerable increase given did not vary by age. (5.3b)
- **Household Size:** Likelihood to discontinue services if rates exceed the maximum tolerable increase given did not vary by household size. (5.3e)
- **Employment Status:** Among non-LifeLine households, customers' motives for discontinuing basic service vary by employment status. (5.3c)
- **VC Service Type:** LifeLine customers were much more likely than non-LifeLine customers to say they would discontinue because they cannot afford the service. (5.3f)



**Table 5.3a Decision to Discontinue Service by LifeLine Status and Race/Ethnicity**

<b>Non-LifeLine Customer</b>	<b>Race/Ethnicity</b>			
	<i>White</i>	<i>African American</i>	<i>Latino</i>	<i>Asian or Pacific Islander</i>
	%	%	%	%
Cannot afford	8	13	26	0
Not worth cost	81	38	63	79
Both	9	38	11	21
Base	(100)	(8)	(35)	(19)
<b>LifeLine Customer</b>	%	%	%	%
Cannot afford	33	22	59	60
Not worth cost	46	67	25	20
Both	21	11	13	0
Base	(33)	(9)	(63)	(5)

**Table 5.3b Decision to Discontinue Service by LifeLine Status and Age**

	<b>Age</b>			
	<i>18 – 29 yrs old</i>	<i>30 - 39 yrs old</i>	<i>40 - 59 yrs old</i>	<i>60 yrs or older</i>
<b>Non-LifeLine Customer</b>	%	%	%	%
Cannot afford	20	18	8	11
Not worth cost	60	73	74	79
Both	20	9	13	9
Base	(20)	(22)	(72)	(53)
<b>LifeLine Customer</b>	%	%	%	%
Cannot afford	36	54	49	46
Not worth cost	29	31	37	40
Both	36	12	12	11
Base	(14)	(26)	(41)	(35)

**Table 5.3c Decision to Discontinue Service by LifeLine Status and Employment Status**

	<b>Employment Status</b>		
	<i>Employed</i>	<i>Unemployed</i>	<i>Not in workforce</i>
<b>Non-LifeLine Customer</b>	%	%	%
Cannot afford	9	19	15
Not worth cost	78	43	75
Both	9	38	10
Base	(110)	(21)	(40)
<b>LifeLine Customer</b>	%	%	%
Cannot afford	38	51	55
Not worth cost	45	29	30
Both	13	18	15
Base	(40)	(45)	(33)

**Table 5.3d Decision to Discontinue Service by LifeLine Status and Income**

	Income					
	\$24,000 OR LESS	\$24,001 - \$34,000	\$34,001 - \$39,800	\$39,801 - \$50,000	\$50,001 - \$75,000	Over \$75,000
<b>Non-LifeLine Customer</b>	%	%	%	%	%	%
Cannot afford	46	32	25	6	11	2
Not worth cost	31	53	63	69	79	87
Both	23	16	13	25	11	7
Base	(13)	(19)	(8)	(16)	(19)	(68)
<b>LifeLine Customer</b>	%	%	%	%	%	%
Cannot afford	56	32	33	--	--	--
Not worth cost	29	37	67	80	67	100
Both	14	26	--	20	33	--
Base	(77)	(19)	(3)	(5)	(3)	(2)

**Table 5.3e Decision to Discontinue Service by LifeLine Status and Household Size**

	Household Size				
	1	2	3	4	5 or more
<b>Non-LifeLine Customer</b>	%	%	%	%	%
Cannot afford	18	7	4	20	20
Not worth cost	65	74	82	73	70
Both	18	13	11	7	10
Base	(34)	(61)	(27)	(30)	(20)
<b>LifeLine Customer</b>	%	%	%	%	%
Cannot afford	46	58	33	32	58
Not worth cost	38	33	44	37	27
Both	16	8	22	21	12
Base	(37)	(24)	(9)	(19)	(26)

**Table 5.3f Decision to Discontinue Service by LifeLine Status and Household VC Service Type**

Reason To Discontinue	VC Service Type			
	Wireless + Landline, Non-LifeLine	Wireless + Landline, LifeLine	Landline Only, Non-LifeLine	Landline Only, LifeLine
	%	%	%	%
Cannot afford	13	41	10	53
Not worth cost	73	40	70	29
Both	12	16	20	15
Base	(164)	(68)	(10)	(55)

Source for Tables 5.3a through 5.3f: Q9, Q11, whydrop, Q36, Q35, Q34, hsize, Q37, htype

## 5.4 Type of Phone Service the Customer Would Use if Landline Phone Service is Discontinued by Customer Characteristics

Section 5.4 examines the alternative telephone service option(s) customers say they would use should their home telephone service become discontinued in terms of race/ethnicity, age, household income, household size, current employment status, and household VC service type. Respondents with landline phone service provided unaided responses as to how they would make calls, and their responses were captured verbatim and/or coded to categories as appropriate. Tables 5.4a – 5.4f present the percentage of households within each sub-group for each alternative given, and the findings below summarize these data. Percentages may not sum to 100 if more than one reason was provided. In general, sub-group differences which do not reach statistical significance are not discussed, with some noted exceptions.

### Findings

- **Race/Ethnicity:** Customers' alternative VC options vary by race/ethnicity with Asians more likely than others to use wireless, Latinos more likely than others to use a public pay phone, African Americans more likely than whites or Asians to use a pre-paid phone card, and Latinos more likely than others to say they wouldn't use a phone. (5.4a)
- **Age:** Alternative phone service options vary by age as those age 60 or more were less likely than younger respondents to say they would use a cell or work phone, and more likely than younger respondents to say they wouldn't use a phone. (5.4b)
- **Income:** Alternative phone service options vary by income group. Wireless, internet or VoIP use as an alternative to landline service increases with income. About 93% of those earning over \$75,000 say they would use a cell phone in contrast to 42% of those earning \$24,000 or less. In contrast, using a friend or relative's phone, using a public pay phone, and choosing not to use a phone at all decrease as income increases. About one fifth of those who earn \$24,000 or less say they would borrow a phone from a friend or relative, while only 8% of those who earn over \$75,000 say they would do this. (5.4c)
- **Household Size:** Single person households stand out from all other in the remarkably high number that wouldn't use a phone, and the low percent figure for using wireless (5.4d). Single person households seem truly at greater risk of losing telecommunications service entirely.
- **Employment Status:** Cell phone is the alternative phone of choice for 85% of employed people in contrast to only 57% of those not in the workforce and 63% of those who are unemployed. Those who are employed are about half as likely as others to borrow

a friend or relative's phone. Compared to other groups, a greater proportion of those who are unemployed would opt to use a pre-paid phone card, and a greater proportion of those not in the workforce say they wouldn't use a phone. (5.4e)



**Table 5.4a Type of Phone Service the Customer Would Use if Landline Phone Service is Discontinued by Race/Ethnicity**

Alternate Service	Race/Ethnicity			
	White	African American	Latino	Asian or Pacific Islander
	%	%	%	%
Wireless	75	78	59	89
Internet, Digital, VoIP	4	--	2	6
Friend, Neighbor, Relative	13	5	13	11
Public Pay Phone	6	8	14	6
Work Phone	4	5	4	3
Pre-paid Phone Card	1	5	3	1
Other	2	--	1	--
Wouldn't Use A Phone	6	6	10	1
Base	(540)	(63)	(273)	(79)

**Table 5.4b Type of Phone Service the Customer Would Use if Landline Phone Service is Discontinued by Age**

Alternate Service	Age			
	<i>18 - 29 yrs old</i>	<i>30 - 39 yrs old</i>	<i>40 - 59 yrs old</i>	<i>60 yrs or older</i>
	%	%	%	%
Wireless	76	75	81	61
Internet, Digital, VoIP	2	4	5	2
Friend, Neighbor Relative's	12	12	12	14
Public Pay Phone	12	9	8	6
Work Phone	4	3	6	1
Pre-paid Phone Card	2	3	1	1
Other	--	--	1	3
Wouldn't Use A Phone*	3	2	4	11
Base	(100)	(145)	(388)	(374)

**Table 5.4c Type of Phone Service the Customer Would Use if Landline Phone Service is Discontinued by Gross Annual Income**

Alternate Service	Income					
	\$24,000 OR LESS	\$24,001 - \$34,000	\$34,001 - \$39,800	\$39,801 - \$50,000	\$50,001 - \$75,000	Over \$75,000
	%	%	%	%	%	%
Wireless	42	67	85	88	90	93
Internet, Digital, VoIP	1	2	--	2	2	8
Friend, Neighbor, Relative's Phone*	20	14	12	6	7	8
Public Pay Phone	15	10	17	3	4	3
Work Phone	2	5	--	2	5	5
Pre-paid Phone Card	2	2	5	--	--	1
Other	1	3	--	--	--	2
Wouldn't Use A Phone	13	10	--	3	1	1
Base	(262)	(132)	(41)	(65)	(95)	(261)

### 5.4d Type of Phone Service the Customer Would Use if Landline Phone Service is Discontinued by Household Size

Alternate Service	Household Size				
	1	2	3	4	5 or more
	%	%	%	%	%
Wireless*	52	79	80	80	77
Internet, Digital, VoIP	1	4	6	4	1
Friend, Neighbor, Relative's Phone	18	10	14	8	13
Public Pay Phone	13	5	5	9	7
Work Phone	2	3	8	5	3
Pre-paid Phone Card	1	--	1	1	6
Other	2	1	1	1	1
Wouldn't Use A Phone	13	6	4	2	3
Base	(266)	(310)	(140)	(160)	(144)

**Table 5.4e Type of Phone Service the Customer Would Use if Landline Phone Service is Discontinued by Employment Status**

	<b>Employment Status</b>		
	<i>Employed</i>	<i>Unemployed</i>	<i>Not in workforce</i>
	%	%	%
<b>Alternate Service</b>			
Wireless	85	63	57
Internet, Digital, VoIP	4	3	2
Friend, Neighbor, Relative's	8	17	18
Public Pay Phone	6	11	8
Work Phone	6	2	1
Pre-paid Phone Card	1	4	1
Other	1	1	1
Wouldn't Use A Phone	2	8	12

Base

(503)

(217)

(299)

**Table 5.4f Type of Phone Service the Customer Would Use if Landline Phone Service is Discontinued by Household VC Service Type**

Alternate Service	VC Service Type			
	Wireless + Landline, Non-LifeLine	Wireless + Landline, LifeLine	Landline Only, Non-LifeLine	Landline Only, LifeLine
	%	%	%	%
Wireless	91	76	13	14
Internet, Digital, VoIP	4	3	0	1
Friend, Neighbor, Relative's Phone	8	11	29	24
Public Pay Phone	3	6	23	21
Work Phone	4	2	4	1
Pre-paid Phone Card	1	3	3	3
Other	1	1	4	2
Wouldn't Use A Phone	1	3	20	23
	Base (697)	(107)	(139)	(111)

Source for Tables 5.4a through 5.4f: Q19, Q36, Q35, Q34, hhsz, Q37, hhtype

## 5.5 Main Reasons for Going Without Landline Phone Service by Customer Characteristics

Section 5.5 presents the main reasons those customers who currently have only wireless phone service in their homes give for going without traditional landline service by race/ethnicity, age, income, household size and current employment status. PRI asked respondents in wireless-only households to provide unaided responses as to why they choose not to have traditional landline service. Responses were captured verbatim and/or coded to categories as appropriate. Tables 5.5a – 5.5e present the percentage of households within each sub-group for each reason given, and the findings below summarize these data. Percentages may not sum to 100 if more than one reason was provided. In general, sub-group differences which do not reach statistical significance are not discussed, with some noted exceptions.

### Findings

- **Race/Ethnicity:** Customers' reasons for not having landline service in their homes vary by race/ethnicity. Proportionately more Asians than other groups feel wireless is more convenient, African Americans were much more likely than others to say they can't afford both wireless and landline service, whites were more likely than other groups to claim wireless costs them less than landline service, and proportionately more whites and Asians claim they don't need landline service. (5.5a)
- **Age:** Reasons for going without a landline vary by age group as less than 5% of the youngest respondents say wireless costs them less, compared to 14 – 16% of others, and over half (53%) of all 30 to 39 year olds say they don't need a landline compared to only 29% of 40 to 59 year olds. (5.5b)
- **Income:** Customers in different income brackets provided different reasons for choosing wireless-only service in their homes. Among the highest income bracket, nearly half (48) prefer the convenience of wireless service, which is more than double the proportion of those in households whose earnings fall within the \$34,001 to \$75,000 categories. (5.5c)
- **Household Size:** Reasons for going without landline service in the home did not appear to vary substantially by the number of people who live in the household. (5.5d)

- **Employment Status:** Those who are currently employed are more likely than others to cite the convenience of wireless as a reason to go without landline service. Those who are unemployed are more likely than other to say they can't afford to have both wireless and landline service. (5.5e)



**Table 5.5a Main Reasons for Going Without Landline Phone Service by Race/Ethnicity**

	<b>White</b>	<b>African American</b>	<b>Latino</b>	<b>Asian or Pacific Islander</b>
	%	%	%	%
Wireless More Convenient	27	26	31	47
Can't Afford Both	11	41	16	0
Wireless Costs Less	15	0	10	0
Don't Need Landline	44	30	34	47
Other	40	22	37	37
Base	(105)	(27)	(128)	(38)

**Table 5.5b Main Reasons for Going Without Landline Phone Service by Age**

	<b>18 - 29 yrs old</b>	<b>30 - 39 yrs old</b>	<b>40 - 59 yrs old</b>	<b>60 yrs or older</b>
	%	%	%	%
Wireless More Convenient	34	28	22	40
Can't Afford Both	13	19	16	10
Wireless Costs Less	5	14	16	0
Don't Need Landline	39	53	29	0
Other	40	28	40	30
Base	(143)	(89)	(67)	(10)

**Table 5.5c Main Reasons for Going Without Landline Phone Service by Income**

	<b>\$24,000 or LESS</b>	<b>\$24,001 - \$34,000</b>	<b>\$34,001 - \$39,800</b>	<b>\$39,801 - \$50,000</b>	<b>\$50,001 - \$75,000</b>	<b>Over \$75,000</b>
	%	%	%	%	%	%
Wireless More Convenient	25	37	17	22	19	48
Can't Afford Both	22	22	13	19	5	10
Wireless Costs Less	13	4	13	11	--	14
Don't Need Landline	33	15	33	46	48	41
Other	35	58	29	46	48	20
Base	(101)	(26)	(24)	(36)	(21)	(42)

**Table 5.5d Main Reasons for Going Without Landline Phone Service by Household Size**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5 or more</b>
	%	%	%	%	%
Wireless More Convenient	37	33	36	29	23
Can't Afford Both	14	13	17	19	14
Wireless Costs Less	5	17	7	12	4
Don't Need Landline	48	45	43	29	34
Other	24	38	31	35	43
Base	(41)	(84)	(42)	(67)	(73)

**Table 5.5e Main Reasons for Going Without Landline Phone Service by Employment Status**

	<i>Employed</i>	<i>Unemployed</i>	<i>Not in workforce</i>
	%	%	%
Wireless More Convenient	35	29	0
Can't Afford Both	13	24	7
Wireless Costs Less	10	12	7
Don't Need Landline	41	33	38
Other	36	36	27
Base	(207)	(84)	(15)

Source for Tables 5.5a through 5.5e: Q29, Q36, Q35, Q34, hhsiz, Q37, hhtype

## 5.6 Likelihood of Adding Landline Service During the Next Year by Customer Characteristics

Section 5.6 presents the percentage of household respondents, among those who currently have only wireless service in their home, who are likely to consider having residential landline phone service within the next twelve months by race/ethnicity, age, household income, household size, and current employment status. The findings below summarize data presented in Tables 5.6a – 5.6e. Generally, sub-group differences which do not reach statistical significance are not discussed, with some noted exceptions.

### Findings

- **Race/Ethnicity:** Likelihood of adding landline service varies by race/ethnicity. Proportionately more African Americans in wireless-only households say they would be likely to add landline service within the next year. (5.6a)
- **Age:** Likelihood of adding landline service does not vary substantially by age. (5.6b)
- **Income:** Those who earn \$24,000 or less annually are more likely than those in other income brackets to consider adding landline service in the next twelve months. Only 12% of households with incomes over \$75,000 say they will consider adding landline service. (5.6c)
- **Household Size:** Those in 3-person households (46%) and 5 or more person households (53%) were more likely than others to consider having landline service. Only 16% of 1-person households say they will consider having landline service in the next year. (5.6d)
- **Employment Status:** About half of all those in wireless-only households who are currently out of work say they are likely to have landline service in the next year. Only about one quarter (26%) of employed respondents with no landline service say they are likely to add it. (5.6e)

**Table 5.6a Likelihood of Adding Landline Service During the Next Year by Race/Ethnicity**

	<b>White</b>	<b>African American</b>	<b>Latino</b>	<b>Asian or Pacific Islander</b>
Percent Likely to Consider Having Landline	16	78	38	31
Base	(95)	(18)	(118)	(32)

**Table 5.6b Likelihood of Adding Landline Service During the Next Year by Age**

	<b>18 - 29 yrs old</b>	<b>30 - 39 yrs old</b>	<b>40 - 59 yrs old</b>	<b>60 yrs or older</b>
Percent Likely to Consider Having Landline	38	25	31	20
Base	(124)	(84)	(61)	(5)

**Table 5.6c Likelihood of Adding Landline Service During the Next Year by Income**

	<b>\$24,000 or LESS</b>	<b>\$24,001 - \$34,000</b>	<b>\$34,001 - \$39,800</b>	<b>\$39,801 - \$50,000</b>	<b>\$50,001 - \$75,000</b>	<b>Over \$75,000</b>
Percent Likely to Consider Having Landline	44	26	39	38	19	12
Base	(87)	(23)	(18)	(34)	(21)	(41)

**Table 5.6d Likelihood of Adding Landline Service During the Next Year by Household Size**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5 or more</b>
Percent Likely to Consider Having Landline	16	19	46	33	53
Base	(38)	(75)	(37)	(60)	(61)

**Table 5.6e Likelihood of Adding Landline Service During the Next Year by Employment Status**

	<b>Employed</b>	<b>Unemployed</b>	<b>Not in workforce</b>
Percent Likely to Consider Having Landline	26	52	40
Base	(192)	(68)	(10)

Source for Tables 5.6a through 5.6e: Q30, Q36, Q35, Q34, hhsz, Q37, hhtype

## 5.7 Main Reasons for Having Landline Service by Customer Characteristics

Section 5.7 presents the reasons customers choose to keep their landline service by race/ethnicity, age, income, household size and employment status. PRI asked those who currently have landline service to provide unaided responses as to why they choose to keep this service. Responses were captured verbatim and coded to categories as appropriate. Tables 5.7a – 5.7e present the percentage of households within each sub-group for each reason given, and findings below summarize these data. Percentages may not sum to 100 if more than one reason was provided. In general, sub-group differences which do not reach statistical significance are not discussed, with some noted exceptions. (5.7a)

### Findings

- **Race/Ethnicity:** The primary reasons customers give for keeping their landline service vary by race/ethnicity. Among the four major racial/ethnic groups considered, non-Latino whites (12%), Asians (10%), and Latinos (9%) were more likely than African Americans (2%) to say they need their landline for DSL or broadband service. Non-Latino whites (17%) and African Americans (16%) more often mentioned the reliability of their landline service than either Asians (10%) or Latinos (7%). (5.7a)
- **Age:** Reasons given for keeping landline service also varies by age group with those 60 years of age or older more likely than younger customers to say they keep it because it is their primary line. Among the eldest customers, 36% use their landline as their primary line in contrast to only 11% of those less than 30 years of age. Customers 60 years or older are also about half as likely as younger respondents to say they need their landline for DSL or broadband service. (5.7b)
- **Income:** Customers' reasons for keeping landline service vary by income. Among those earning \$34,001 - \$39,800, 39% of households claim it is their primary line, which is higher than all other income groups. Those in the lowest and highest income groups were also more likely than others to say they need the line for 911 access or for emergencies. However, households earning more than \$75,000 per year were more than twice as likely as those earning \$24,000 or less to say they prefer the reliability of their landline service. (5.7c)
- **Household Size:** Reasons given for keeping landline service varies by household size with single person households more likely to claim it as their primary line, 2 – 4 person households more likely to say they need it for convenience. (5.7d)

- **Employment Status:** Employed respondents (20%) were less likely than others (27 – 38%) to say they keep their landline service because it is their primary line. (5.7e)



**Table 5.7a Main Reasons for Having Landline Service by Race/Ethnicity**

	<b>White</b>	<b>African American</b>	<b>Latino</b>	<b>Asian or Pacific Islander</b>
	%	%	%	%
Primary Line	26	28	28	23
Convenience	28	25	29	28
Need it for DSL/Broadband	12	2	9	10
911 Access/Emergencies	21	22	22	27
Reliable	17	16	7	10
Reception Better than Wireless	9	5	6	8
Base	(540)	(64)	(273)	(79)

**Table 5.7b Main Reasons for Having Landline Service by Age**

	<b>18 to 29 yrs old</b>	<b>30 to 39 yrs old</b>	<b>40 to 59 yrs old</b>	<b>60 yrs or older</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Primary Line	11	24	22	36
Convenience	25	26	25	31
Need it for DSL/Broadband	11	12	12	6
911 Access/Emergencies	25	21	23	18
Reliable	8	11	16	13
Reception Better than Wireless	2	10	9	8
	Base (100)	(145)	(388)	(374)

**Table 5.7c Main Reasons for Having Landline Service by Income**

	<b>\$24,000 OR LESS</b>	<b>\$24,001 - \$34,000</b>	<b>\$34,001 - \$39,800</b>	<b>\$39,801 - \$50,000</b>	<b>\$50,001 - \$75,000</b>	<b>Over \$75,000</b>
	%	%	%	%	%	%
Primary Line	31	24	39	15	30	19
Convenience	29	30	15	31	26	25
Need it for DSL/Broadband	7	14	10	17	16	9
911 Access/Emergencies	24	21	15	15	11	24
Reliable	8	14	12	11	15	18
Reception Better than Wireless	5	6	12	6	7	13
Base	(262)	(131)	(41)	(65)	(95)	(261)

**Table 5.7d Main Reasons for Having Landline Service by Household Size**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5 or more</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Primary Line	33	27	21	24	20
Convenience	27	29	26	25	27
Need it for DSL/Broadband	7	11	14	13	6
911 Access/Emergencies	23	17	24	21	27
Reliable	14	12	11	14	15
Reception Better than Wireless	10	7	4	9	8
Base	(267)	(309)	(140)	(160)	(144)

**Table 5.7e Main Reasons for Having Landline Service by Employment Status**

	<b>Employment Status</b>		
	<b><i>Employed</i></b>	<b><i>Unemployed</i></b>	<b><i>Not in workforce</i></b>
	<b>%</b>	<b>%</b>	<b>%</b>
Primary Line	20	27	38
Convenience	24	29	31
Need it for DSL/Broadband	12	9	8
911 Access/Emergencies	21	24	21
Reliable	15	12	11
Reception Better than Wireless*	10	7	5
Base	(503)	(217)	(299)

Source for Tables 5.7a through 5.7e: Q31, Q36, Q35, Q34, hhsize, Q37, hhstype

## 5.8 Likelihood of Discontinuing Landline Service During the Next Year by Customer Characteristics

Section 5.8 presents the percentage of household respondents who say they are unlikely to still have their residential landline phone service in twelve months by race/ethnicity, age, household income, household size, and current employment status. The findings below summarize data presented in Tables 5.8a – 5.8e. In general, sub-group differences which do not reach statistical significance are not discussed, with some noted exceptions.

### Findings

- **Race/Ethnicity:** The proportion of households unlikely to still have residential landline phone service in twelve months does not vary substantially by race/ethnicity. Across the four primary racial/ethnic groups considered, likelihood of discontinuing landline service ranges from 5% among African Americans to 7% among Asians. (5.8a)
- **Age:** The proportion of households unlikely to still have their landline phone service in twelve months varies by age, with 40 – 59 year olds (10%) nearly twice as likely as 30 – 39 year olds (6%) or those over age 59 (4%) to consider discontinuing their landline service. (5.8b)
- **Income:** The proportion of households unlikely to still have residential landline phone service in twelve months does not vary substantially by household income with a range of 5 – 13% across all income groups considered. (5.8c)
- **Household Size:** The proportion of households unlikely to still have their landline phone service in twelve months does not vary substantially by household size with a range of 5 – 8% across all households. (5.8d)
- **Employment Status:** The proportion unlikely to still have landline phone service in twelve months varies by employment status. Those currently employed (9%) are about twice as likely as those who are unemployed (5%) or not in the workforce (4%) to consider discontinuing their landline service in the next twelve months. (5.8e)

**Table 5.8a Likelihood of Discontinuing Landline Service During the Next Year by Race/Ethnicity**

	<b>White</b>	<b>African American</b>	<b>Latino</b>	<b>Asian</b>	<b>Other</b>
	%	%	%	%	%
Likely to Consider Discontinuing	6	5	6	7	12
Base	(528)	(61)	(252)	(77)	(25)

**Table 5.8b Likelihood of Discontinuing Landline Service During the Next Year by Age**

	<b>18 to 29</b>	<b>30 to 39</b>	<b>40 to 59</b>	<b>60+</b>
	%	%	%	%
Likely to Consider Discontinuing	7	6	10	4
Base	(97)	(138)	(380)	(349)

**Table 5.8c Likelihood of Discontinuing Landline Service During the Next Year by Income**

	<b>\$24,000 OR LESS</b>	<b>\$24,001 - \$34,000</b>	<b>\$34,001 - \$39,800</b>	<b>\$39,801 - \$50,000</b>	<b>\$50,001 - \$75,000</b>	<b>Over \$75,000</b>
	%	%	%	%	%	%
Likely to Consider Discontinuing	7	5	5	6	13	8
Base	(239)	(129)	(41)	(64)	(94)	(259)

**Table 5.8d Likelihood of Discontinuing Landline Service During the Next Year by Household Size**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5 or more</b>
	%	%	%	%	%
Likely to Consider Discontinuing	5	8	6	7	6
Base	(250)	(296)	(136)	(154)	(138)

**Table 5.8e Likelihood of Discontinuing Landline Service During the Next Year by Employment Status**

	<b>Employed</b>	<b>Unemployed</b>	<b>Not in workforce</b>
	%	%	%
Likely to Consider Dropping	9	5	4
Base	(495)	(199)	(280)

Source for Tables 5.8a through 5.8e: Q32, Q36, Q35, Q34, hhsize, Q37, hhtype



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## 5.9 Main Reasons for Discontinuing Landline Phone Services by Customer Characteristics

Section 5.9 presents the main reason customers say they may consider discontinuing their current residential landline phone service during the next twelve months by race/ethnicity, age, income, household size and current employment status. All customers who said it was unlikely they would still have this service in twelve months provided unaided responses as to why, which were captured verbatim and coded to categories as appropriate.

The findings below summarize data presented in Tables 5.9a – 5.9e. Overall, financial reasons (couldn't afford or too expensive) only account for a minority of explanations. However, in general, sub-group differences did not reach statistical significance, due most likely to insufficient sample sizes.

### Findings

- **Race/Ethnicity:** Reasons customers may consider dropping their landline service appears to vary by ethnicity, although small sample sizes in these sub-groups may limit the reliability of the findings. Overall, Latinos appear to be more likely than non-Latino whites to say they would drop service because they can't afford it or don't use or need it (5.9a).
- **Age:** Those over 40 are more likely to cite financial reasons such as “couldn't afford” or “too expensive” (5.9b).
- **Income:** Households earning less than \$34,000 are much more likely to offer financial reasons (5.9c).
- **Household Size:** Reasons customers may consider discontinuing landline service does not vary by household size. (5.9d)
- **Employment Status:** Customers who are unemployed, somewhat strangely, do not cite financial reasons for dropping their landline service. However, the numbers of unemployed in this particular analysis are quite small (5.9e).

**Table 5.9a Main Reasons for Discontinuing Landline Phone Services by Race/Ethnicity**

	<i>White</i>	<i>African American</i>	<i>Latino</i>	<i>Asian or Pacific Islander</i>
	%	%	%	%
Can't Afford	7	0	33	25
Think It's Too Expensive	16	0	7	0
Don't Use or Need It	19	33	47	50
Other Reason	58	67	13	25
Base	(31)	(3)	(15)	(4)

**Table 5.9b Main Reasons for Discontinuing Landline Phone Services by Age**

	<i>18 - 29 yrs old</i>	<i>30 - 39 yrs old</i>	<i>40 - 59 yrs old</i>	<i>60 yrs or older</i>
	%	%	%	%
Can't Afford	25	0	12	29
Think It's Too Expensive	0	0	24	7
Don't Use or Need It	38	14	36	21
Other Reason	38	86	27	43
Base	(8)	(7)	(33)	(14)

**Table 5.9c Main Reasons for Discontinuing Landline Phone Services by Income**

	<b>\$24,000 OR LESS</b>	<b>\$24,001 - \$34,000</b>	<b>\$34,001 - \$39,800</b>	<b>\$39,801 - \$50,000</b>	<b>\$50,001 - \$75,000</b>	<b>Over \$75,000</b>
	%	%	%	%	%	%
Can't Afford	27	33	0	0	18	11
Think It's Too Expensive	13	17	0	0	0	28
Don't Use or Need It	27	17	--	50	27	28
Other Reason	33	33	100	50	55	33
Base	(15)	(6)	(1)	(4)	(11)	(18)

**Table 5.9d Main Reasons for Discontinuing Landline Phone Services by Household Size**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5 or more</b>
	%	%	%	%	%
Can't Afford	33	8	0	9	43
Think It's Too Expensive	0	20	14	18	14
Don't Use or Need It	33	16	43	55	14
Other Reason	33	56	43	18	29
Base	(12)	(25)	(7)	(11)	(7)

**Table 5.9e Main Reasons for Discontinuing Landline Phone Services by Employment Status**

	<i>Employed</i>	<i>Unemployed</i>	<i>Not in workforce</i>
	%	%	%
<b>Can't Afford</b>	23	0	8
<b>Think It's Too Expensive</b>	18	11	0
<b>Don't Use or Need It</b>	26	44	33
<b>Other Reason</b>	33	44	58
Base	(39)	(9)	(12)

Source for Tables 5.9a through 5.9e: Q32A, Q36, Q35, Q34, hhsize, Q37, hhtype