

California Communities' Broadband Needs and the Role of Financial Institutions: Findings from California Reinvestment Coalition Surveys

For this report, the California Reinvestment Coalition (CRC) analyzed findings from multiple surveys of our varied constituents.

First, we conducted a survey of 13 large national banks about their investments in broadband access and adoption initiatives.

Second, in partnership with The Greenlining Institute, we conducted an annual survey of our members, who are local organizations engaged in fair housing, affordable housing development and economic empowerment and development. This annual survey examines local bank performance from the perspective of local community members and includes questions about local broadband initiatives from banks.

Third, as part of CRC's [Economic Equity Promotoras program](#) – an economic wellness initiative providing outreach and education specifically for historically disenfranchised communities – we conducted a survey of program participants that included questions about broadband access, particularly in light of the pandemic.

Findings from the three surveys are all included here.

Current findings and future work is informing CRC's partnership with the California Emerging Technology Fund (CETF) and collaborative efforts to advance digital equity and inclusion.

KEY TAKEAWAYS

Among Banks

- Large banks are funding an array of broadband initiatives, and there is some appetite to increase support.
- Many banks stated that they needed additional information about the issue and the role banks can play in increasing broadband access, such as:
 - Examples of successful broadband initiatives from other financial institutions.
 - Input from community members about internet access needs and how they can support.
 - How banks can fit into the ecosystem of broadband access in relation to other industries and local governments.
- There is a willingness to increase investment into broadband that will garner CRA credit being received and opportunities in their CRA assessment areas.

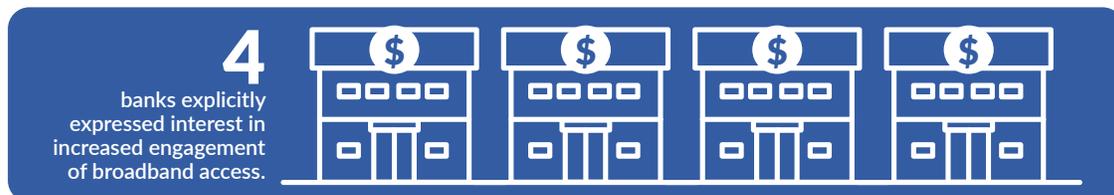
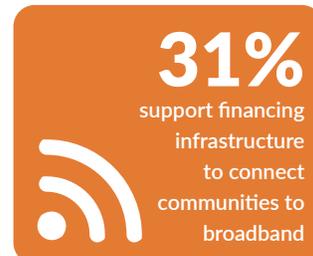
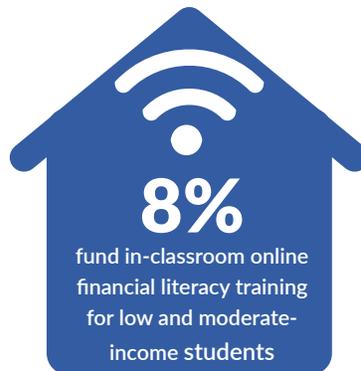
Among Community Members

- Thirteen of 22 member survey respondents identified that expanding broadband access was a need in their communities.
- Many were unaware whether financial institutions were engaged in any broadband initiatives in their communities.
- 40% of Economic Equity Promotoras workshop participants reported they did not have internet access before the pandemic.
- Within the last two years, 22% gained access to broadband. Assistance from local schools or social service organizations was pivotal in providing internet and technology access for Promotoras program participants.

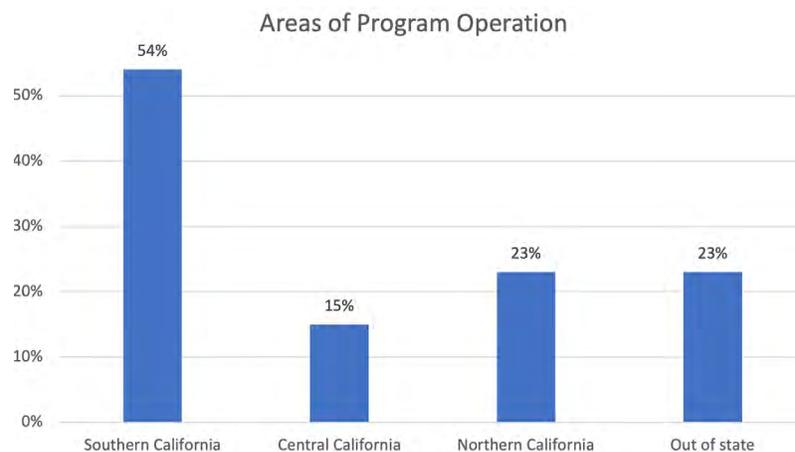
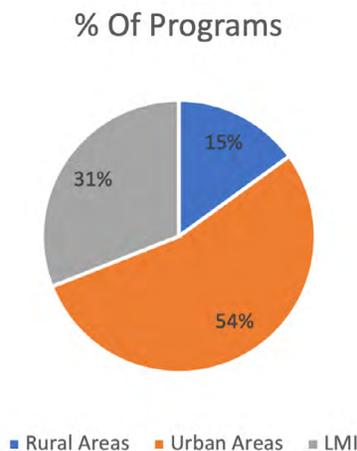
SURVEY FINDINGS

In December 2021, CRC conducted a survey of broadband access and adoption initiatives to 13 banks, with 100-percent response. The 13 banks' total asset size amounts to over \$8.3 trillion and are operating in 49 of 50 US states.

Here are the initiatives the 13 surveyed banks reported supporting:



Of the 13 surveyed banks, these are the locations they identified their programs serving:



The majority of programs were operating in urban or metropolitan areas and in Southern California.

Banks acknowledged specific information requests, the answers to which would make their increased involvement in broadband access more likely:

- Examples of other banks' successful broadband delivery programs
- Connection to key players/stakeholders for partnership or collaboration
- Clarity around the various channels of infrastructure funding, whether from the Federal Infrastructure bill, the CA Broadband Budget Bill or from local government funding. Banks expressed that if these channels of infrastructure funding were being leveraged by local governments and communities, their institutions would consider their own increased investment and engagement around broadband access.
- General information about the role banks can play in increasing broadband access

Opportunities to leverage and to educate banks about their role in expanding broadband access:

- A majority of surveyed banks (61%) expressed some sentiment that local need for increased investment would need to be identified, and the right opportunity for the banks in these localities (**such as communities in need being within their CRA assessment areas**) would be required for the bank to increase investment in broadband access.
- Three banks were unclear on the role their institution, as compared to others, could and should play in the broadband access space.
 - One reason for uncertainty of the role of financial institutions was a belief that there were other subject matter experts in other industries who would be better positioned to work on broadband access.
 - One bank expressed uncertainty around who or what entities would act as a necessary regulatory body or provide oversight in the space of broadband access. They were not opposed to oversight, just unclear on who would be acting in that necessary role and how banks' broadband initiatives would hypothetically be positioned in relation to that oversight.

From our survey of CRC and Greenlining nonprofit members about bank performance in their communities:

- Out of 22 members who responded to the survey, a majority (59%) identified that lack of broadband access was an issue in their communities.
- Out of 16 responses¹ to the question of if respondents were familiar with any banks' broadband access initiatives in their communities, 87% said they were unsure/not aware of any banks' local broadband access initiatives.

87%

were unsure/not aware of any banks' local broadband access initiatives

¹ This follow-up question was not mandatory; not all of the previous 22 respondents answered the subsequent questions.

- When subsequently asked for suggestions as to what banks should be doing to address broadband access, here were some examples:
 - Provide local communities with access to software, hardware and buildings in their footprint that offer free WiFi.
 - Partner with local organizations that are working to address the digital divide. This could include local organizations working on increasing broadband access themselves, such as the [Upstate California Connect Consortia](#), or to an advocacy group working on policy and corporate level to make utility costs less expensive and more accessible, such as [The Utility Reform Network](#). Respondents also called out local government public-private partnership initiatives, such as [LA County's "Delete the Divide" Initiative](#).

Among CRC's Economic Equity Promotoras² Participants³:

- 40% of participants did not have access to broadband prior to the pandemic.
- Within the last two years, 22% gained access to broadband at home: Schools or social service organizations helped families navigate the process and helped them enroll in cost reduction programs.
- 18% still do not have home broadband.

22%
gained access to broadband at home within the last two years

Significant funding is coming, and communities will need assistance with adoption and implementation.

In addition to the federal Infrastructure Bill, which has [allocated nearly \\$48 billion to broadband investment across the country](#), the [California's "Broadband for All" program will provide \\$6 billion](#) to expand broadband infrastructure and enhance digital equity and inclusion. Although public agencies may be responsible for the buildout of middle-mile fiber lines, **local companies and organizations will need assistance in expanding broadband accessibility and getting their communities subscribed.**

For financial institutions, being involved could mean:

- Providing starting and working capital to Internet Service Providers (ISPs) looking to expand their footprint in underserved markets.
- Providing volunteers to assist businesses involved in digital equity and seeking to expand broadband access with financial planning and marketing.

² CRC's Economic Equity Promotoras program is an economic equity and wellness program providing direct outreach, education, and training to historically disenfranchised communities. Workshops and trainings about financial security, budgeting and saving, and resources for micro-entrepreneurs are just some examples of services provided by the Promotoras. The training and outreach is particularly and intentionally focused on Black, Latino, immigrant, low-income communities and women. For more information, see here: <https://calreinvest.org/economic-equity-promotoras-program/>

³ 874 individuals participated in the program. Participants were given both a pre- and post-workshop survey, with 66% completing both surveys. 48% of the participants were youth (11-18) and young adults (18-24).

- Extending grant funding to businesses to get connected to middle-mile fiber lines.
- Extending grant funding to local organizations seeking to expand digital equity and inclusion via computer/device supply, digital literacy training, etc.
- Providing in-house digital literacy training coupled with financial literacy training for bank customers, particularly those who may be impacted by mergers and potential bank branch closures.

Such broadband/digital equity and inclusion initiatives which banks should target towards low-to-moderate income (LMI) communities, who are most impacted by lack of broadband, are efforts that receive CRA credit.

CRC recommends further collaboration between banks, community groups and federal/state agencies tasked with building out broadband infrastructure and increasing broadband adoption. By engaging more closely and educating one another, public, private and nonprofit actors can make significant progress in closing the digital divide in California. Collaboration between various sectors is necessary to understand existing gaps in service and how the different institutions can effectively fill in the gaps in service using their resources and expertise.