



SACRAMENTO REGIONAL RESEARCH INSTITUTE
*A Joint Venture of the Sacramento Area Commerce and Trade
Organization and California State University, Sacramento*

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**Study: California Stands to Gain Hundreds of Thousands of Jobs and
Tens of Billions in Payroll with Increased Broadband Use**

*Broadband Use Could Add 1.8 Million New Jobs and \$132 Billion in Payroll Statewide
Over Next 10 Years*

Sacramento, Calif. (November 13, 2007) – An increase in California’s broadband Internet usage could lead to significantly higher levels of employment and payroll in the state, according to a new study by the Sacramento Regional Research Institute (SRRI). *The Economic Effects of Increased Broadband Use in California* shows that with a 3.8 annual percentage point increase in the proportion of the adult population using broadband, California could see a net cumulative gain of 1.8 million jobs and \$132 billion of payroll over the next 10 years.

“There is a clear connection between investing in broadband technology and job growth,” said Dr. Kristin Van Gaasbeck, Assistant Professor of Economics at California State University, Sacramento and one of the authors of the report.

SRRI used statistical models, as well as economic and broadband usage data from 2001 through 2005 to analyze 24 major regions of California and project future growth. Other findings from the study include:

- The percentage of Californians using a broadband connection has tripled since 2001; and
- Between 2002 and 2005 broadband use generated approximately 198,000 jobs and approximately \$11.6 billion of payroll in California.

According to the study, a boost in broadband use would affect all regions of the state, from major metropolitan areas to more rural communities.

“Broadband access allows someone working from home to have the same access to technology as the most advanced office setting,” said Gary Toeppen, president and CEO of the Los Angeles Area Chamber of Commerce. “This is particularly important for places like the Los Angeles area where travel time between places can be lengthy.” The

study estimates that, in the Los Angeles region, this 3.8 percent annual growth in broadband usage could add about 456,000 jobs and \$33 billion in payroll to the region's economy over the next 10 years.

“Every industry is increasingly technology-dependent, if not technology-driven,” said Julie Meier Wright, president and CEO of the San Diego Regional Economic Development Corporation. Over the next 10 years, San Diego could gain 152,000 jobs and \$11 billion in payroll with the growth in broadband usage. According to Wright, local defense, life sciences and telecommunications companies are reliant on broadband infrastructure and would be positively impacted by increased broadband use.

“Broadband is a critical asset to entrepreneurial regions like the Silicon Valley,” said Pat Dando, president and CEO of San Jose Silicon Valley Chamber of Commerce. “It allows entrepreneurs to reach beyond their kitchen table or garage and carry on business around the world.”

According to Dando, as a technology hub, Silicon Valley is a driver of broadband use and wider adoption. Broadband infrastructure is at the core of technology innovation and entrepreneurship. Silicon Valley could gain approximately 93,000 new jobs and \$7.9 billion in payroll over the next 10 years.

SRRI's research was conducted using proprietary data from Scarborough Research, based on surveys conducted in 39 California counties twice each year from 2001 to 2007. Broadband is defined as cable or digital subscriber line (DSL).

The economic growth model developed by SRRI estimates the historical effects of broadband use at the statewide level and forecasts three scenarios measuring moderate (0.2 percent per year), strong (3.8 percent per year) and dramatic (7.6 percent per year) increases in broadband adoption for the state and its 24 regions. The results cited in this release are based on the strong growth scenario.

The study was commissioned by AT&T. Detailed charts by region of economic impacts of broadband growth can be found in the summary report at www.srri.net.

About SRRI: The Sacramento Regional Research Institute is a joint venture of the Sacramento Area Commerce and Trade Organization (SACTO) and California State University, Sacramento (Sacramento State).

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California's Broadband Future – Delivering 1.8 Million New Jobs and \$132 Billion in Payroll

Looking Forward:

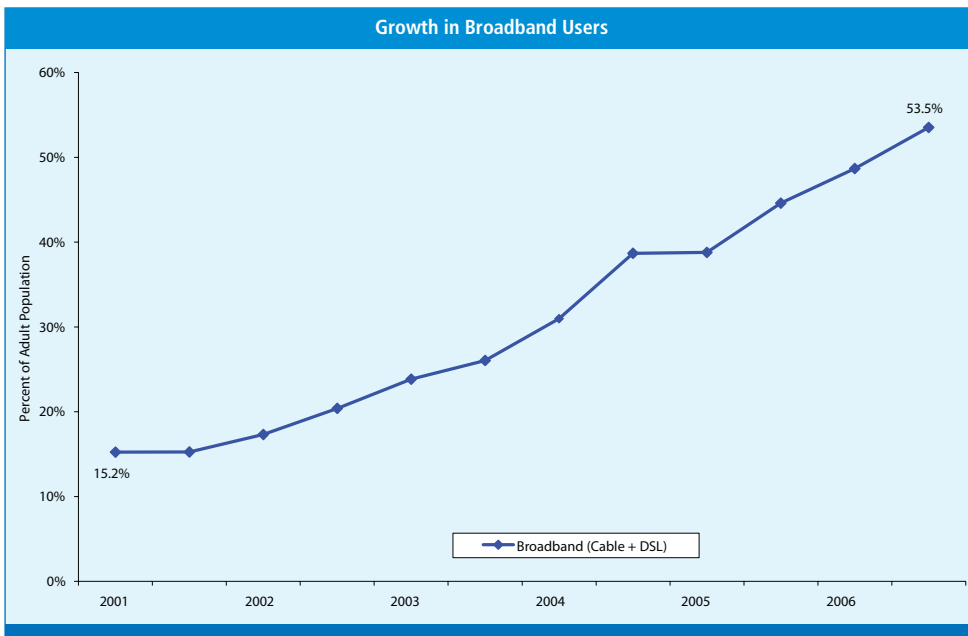
- ▶ California stands to gain **1.8 million** new jobs and **\$132 billion** in payroll with increased broadband use and investment.

Broadband Growth:

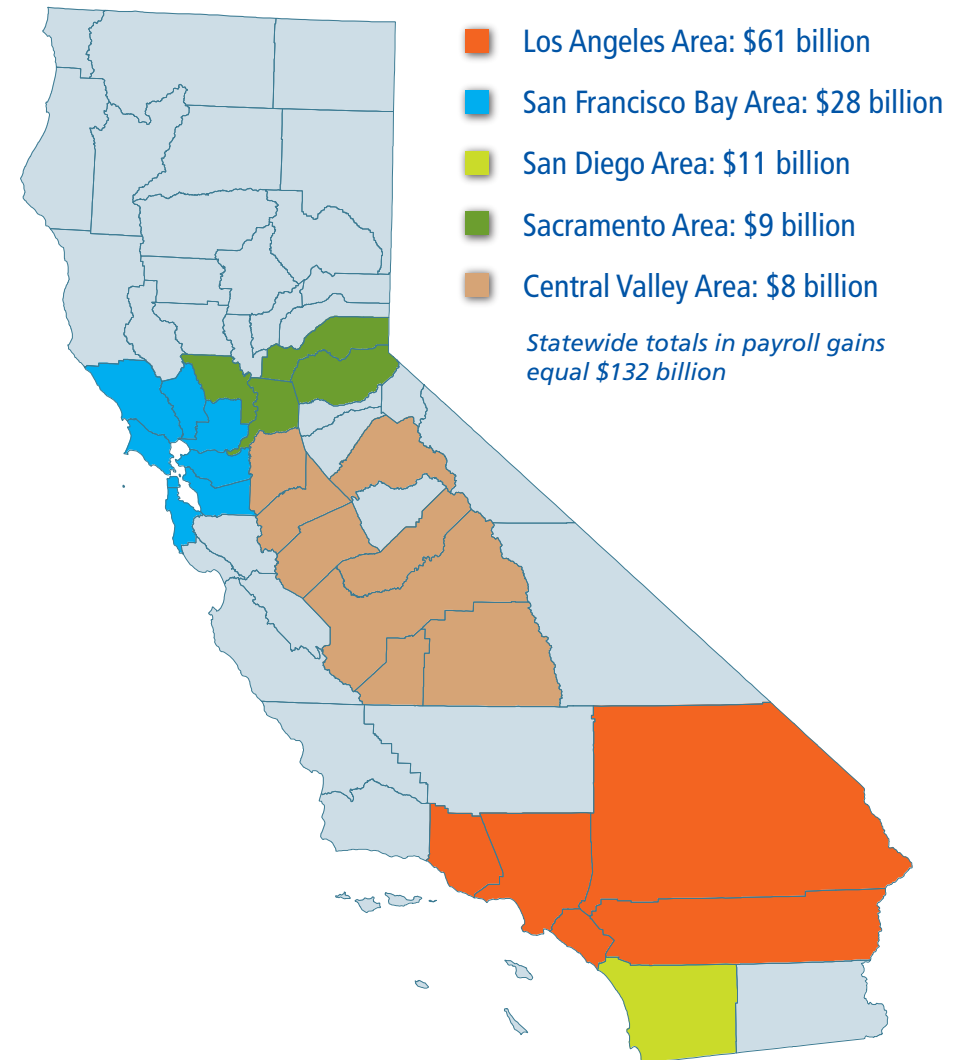
- ▶ Percentage of Californians accessing the Internet through a broadband connection has more than tripled since 2001.

Looking Back:

- ▶ Between 2002 and 2005 increased broadband use generated approximately 198,000 jobs and approximately \$11.6 billion of payroll in California, according to a report by the Sacramento Regional Research Institute (SRRRI).



Regional forecasts of 10-year cumulative payroll gains



Increased Broadband Use Over 10-Years Fuels Economy in California Regions*

Region	Forecast of 10-Year Cumulative Employment Gains	Forecast of 10-Year Cumulative Payroll Gains (millions of dollars)
Los Angeles-Long Beach-Glendale	455,753	\$33,079
Riverside-San Bernardino-Ontario	196,613	\$11,022
Santa Ana-Anaheim-Irvine	186,478	\$14,512
San Diego-Carlsbad-San Marcos	152,075	\$11,211
Sacramento-Arden Arcade-Roseville	113,790	\$7,928
Oakland-Fremont-Hayward	109,041	\$9,282
San Francisco-San Mateo-Redwood City	101,297	\$9,080
San Jose-Sunnyvale-Santa Clara	93,250	\$8,878
Fresno	41,163	\$2,229
Oxnard-Thousand Oaks-Ventura	38,131	\$2,971
Stockton	25,717	\$1,523
Modesto	21,233	\$1,214
Santa Rosa-Petaluma	20,618	\$1,211
Visalia-Porterville	16,779	\$809
Vallejo-Fairfield	14,853	\$1,001
Merced	8,213	\$448
Napa	7,275	\$506
Madera	6,315	\$299
Yuba City	4,998	\$270
Hanford-Corcoran	4,970	\$245
Truckee-Grass Valley	3,555	\$200
Ukiah	3,435	\$153
Phoenix Lake-Cedar Ridge	2,188	\$140
Clearlake	1,705	\$96

*Broadband use is defined as the use of a cable or digital subscriber (DSL) line.

*The numbers included are based upon an annual 3.8 percentage point increase among the adult population currently using broadband.